

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(84) 484 final

Brussels, 14 september 1984

ACTION TO COMBAT LONG-TERM UNEMPLOYMENT

Commission Communication
to the Council
and the Standing Employment Committee

COM(84) 484 final

S U M M A R Y

ACTION TO COMBAT LONG-TERM UNEMPLOYMENT

Commission Communication to the Council and the Standing Employment Committee

This Communication is a response to the request made by the Joint Council of Finance and Employment Ministers of 16 November 1982 for the Commission to undertake a study of long-term unemployment and possible proposals for remedial actions.

The Communication begins with an analysis of the scale and nature of the problem: the rapidly rising numbers of people involved, statistical difficulties encountered in measuring it and the characteristics of the long-term unemployed. The social and economic costs are also considerable, both for individuals who encounter financial and personal problems and for the economy in terms of wasted real resources and budgetary losses.

It is noted that the measures which have been adopted so far to combat long-term unemployment, firstly by national governments and also by the Community have been somewhat piecemeal, lacking overall consistency.

The conclusions for policy and further action note that an effective policy response requires both individual and co-operative actions by all parties concerned and sets out the proposed actions to be taken by national governments, social partners and the Community.

Finally, the questions for further policy discussion examine the various economic and social policy objectives which need to be reconciled if the particular problem of long-term unemployment is to be tackled effectively and on a lasting basis.

CONTENTS

| | | |
|-----|--|----|
| I | <u>INTRODUCTION</u> | 1 |
| II | <u>THE SCALE AND NATURE OF THE PROBLEM</u> | 1 |
| | (i) Concepts and definitions | 2 |
| | (ii) Characteristics of the long-term unemployed | 3 |
| | (iii) The social and economic costs | 4 |
| III | <u>NATIONAL MEASURES</u> | 7 |
| IV | <u>COMMUNITY MEASURES</u> | 9 |
| | (i) Policy initiatives | 9 |
| | (ii) Financial instruments | 11 |
| V | <u>CONCLUSIONS FOR POLICY - ACTIONS BY THE DIFFERENT PARTIES</u> | 13 |
| | (i) Governments | 15 |
| | (ii) Social Partners | 16 |
| | (iii) Action at Community level | 17 |

DRAFT COUNCIL RESOLUTION

ANNEX I: Specific national measures for the long-term unemployed or workers difficult to place

ANNEX II: Statistical Annex

ANNEX III: Bibliography

I. INTRODUCTION

1. At the Joint Council of Ministers of Financial Affairs and of Employment on 16 November 1982, the Commission was asked to undertake a study of long-term unemployment and possible proposals for remedial actions (1).
2. Since that date, the Commission has made a number of proposals which affect, inter alia, the long-term unemployed within the framework of the Council Resolution on Action against Unemployment (2). At the same time, the Commission has undertaken certain actions and has been studying the problem of long-term unemployment as such. This Communication presents the result of that work in the form of an analysis of the problem, a resumé of actions undertaken and proposals for future policy principles and actions.
3. There is no clear or universally accepted definition of long-term unemployment for all Member States. This Communication nevertheless takes as a working definition a continuous period of recorded unemployment of a year or more (3).

II. THE SCALE AND NATURE OF THE PROBLEM

4. Long-term unemployment is a serious and growing problem in the Community. In 1983, over 4.3 million people have been continuously registered as unemployed for a year or more in the Community, of whom 2.1 million have been registered unemployed for two years or more.
5. Until about 1980, long-term unemployment tended to represent a reasonably constant proportion of total unemployment. Some Member States were already familiar with the problem as it affected rural areas, particularly in the Mediterranean region. As the recession has persisted and worsened, however, the number of long-term unemployed has grown as a proportion of total unemployment throughout the Community. Thus not only are more people becoming unemployed but the average periods they are likely to spend unemployed are lengthening. Indeed, the average duration of unemployment in some Member States is now approaching one year and the fastest growing group among the unemployed comprises, for some Member States, those who have been unemployed for more than two years.

(1) 806th Meeting of the Joint Council, Brussels, 16 November 1982.

(2) OJ No C 186 of 21.7. 1982, page 1.

(3) The conceptual and statistical problems concerning the definition of long-term unemployment are dealt with on page 2.

6. Worsening long-term unemployment is broadly speaking the result of the continuing decline in the demand for labour and of structural changes which have occurred as new technology develops and as the international pattern of production changes under the influence of relative costs. The phenomenon has undoubtedly been exacerbated by the fact that during the same period, certain features of the labour market have become factors of rigidity (1) (e.g. in relation to job security, the way social security systems are financed (2), etc). The combined effect has been to place the burden of adjustment on those in the weakest position, particularly low-skilled workers, young people and women.
7. On average, men and women account for about 60% and 40% respectively of the long-term unemployed and of the work force as a whole. While the overall registered unemployment rate for women is higher than that of men (12.5% against 10%) the reverse is true for percentage of the labour force who are registered as unemployed for more than one year - 3.7% women and 4.1% men. In terms of age breakdown, over half the number of recorded long-term unemployed are in the 25/55 age group, 13% are over 55 and 28% are young, under 25. The young and the old are, and have always tended to be, over-represented among the long-term unemployed, but the middle-aged group is growing in relative size.
8. Substantial changes have also taken place in the regional distribution of long-term unemployment. In certain Member States, for example France and the United Kingdom, the rate of increase in long-term unemployment has been considerably higher than the national rate of increase in those regions or areas dependent on a declining single industry, and in certain urban areas. Regions that are predominantly agricultural, notably Italy or Ireland, have equally experienced growing long-term unemployment as it emerges out of earlier, more disguised, under-employment.
 - (i) Concepts and definitions
9. Apparent differences between Member States are considerable as can be seen in Table 3 of the Statistical Annex. However, such differences and, of course, the size and composition of the overall Community statistics of unemployment, reflect varying national practices in unemployment recording methods and social security rules.
10. Differences can arise for the following reasons:

(1) As recently discussed in the Economic Policy Committee.

(2) Social Security problems - COM(82)716 final.

- national unemployment statistics generally present the lengths of time that a person has been continuously recorded as unemployed. When people move temporarily to other schemes e.g. sickness benefit schemes or training schemes, they may be removed from the register. If they return to the unemployment register, the 'meter' is, in some Member States, re-set to zero even though they have effectively remained unemployed throughout the period;
- the rules governing rights to social benefits, including unemployment benefits, can affect the extent to which people are encouraged to register and remain registered as unemployed or are discouraged from doing so. This is influenced, for instance, by the length of entitlement to unemployment benefit and the nature of the income support which may be available through other systems. In 1981, the duration of unemployment benefits varied between 6 months in Italy, 12 months in the F.R. of Germany, the United Kingdom and France, 30 months in the Netherlands and Denmark and unlimited in Belgium;
- in some Member States, the long-term unemployed can be transferred from the unemployment register to other systems, as is the case with the Invalidity scheme in Holland, or are not required to register - the case of those aged 57.5 years or more in Holland, and men between 60 and 65 in the United Kingdom. Other regimes, e.g. the Cassa d'Integrazione in Italy, ensure that many who lose their jobs and who remain unemployed for long periods do not even appear on the unemployment register (1).

(ii) Characteristics of the long-term unemployed

11. In periods of high growth and low overall levels of unemployment, such as the Community experienced until the mid-1970s, the only people who regularly experienced long periods of involuntary registered unemployment were those suffering from an accumulation of disadvantages (age, geographical location, level of qualifications, etc.) which were often combined with more personal difficulties (e.g. criminal record, mental health problems). Even then, most were able to obtain a job for some of the time and, in good times, many achieved a reasonably continuous employment history. As the employment crisis has worsened, such people have been increasingly cut off from the labour market and now tend to be almost wholly dependent on state support for survival (2).
12. An increasing proportion of workers now risk remaining unemployed for a long time by the fact of becoming unemployed at all. Although job placements in the Community are still estimated to exceed 10 million a year, this is far below the level of labour turnover that existed at times of high employment and which is needed in order to maintain a flexible labour market able to adapt to changing demands. Moreover, most of the vacancies which do exist are in particular areas (notably

./..

(1) Mutual Information System on Employment Policies (MISEP) Basic Information Reports - publication foreseen late 1984.

(2) Final report from the Commission to the Council on the first programme of pilot schemes and studies to combat poverty - Chapter V, COM(81) 769 final.

prosperous areas where housing costs are prohibitive to new entrants) or in types of jobs which require formal qualifications or specialised skills and which are not accessible to the long-term unemployed nor, indeed, to the majority of people currently in employment.

13. The competitive hierarchy of different groups in the labour market remains dominated by factors such as age, skills and experience. Disablement, sex and ethnic origin continue also to influence, perhaps more markedly than in the past, prospects of obtaining employment, while the lack of experience of those seeking to obtain employment for the first time, or return to employment after an absence plays a greater role at a time when labour turnover, and hence job opportunities, are low.
14. Those groups may also be disadvantaged by certain aspects of the way the labour market currently functions (1). In certain Member States it seems that the rules or conventions on minimum wages might have the effect of reducing (especially when the minimum wage is fairly close to the average wage) the employment prospects for those groups which the rules are designed to protect, in particular young people (2). If collective agreements are negotiated without sufficient differentiation by age, experience or productivity, they may have a similarly negative effect. It seems also that certain features of current employment legislation and practice, for example, provisions governing recruitment, training, working time and dismissal, may also work to the detriment of the long-term unemployed, in particular low-skilled workers, new entrants and those seeking flexible or shorter working hours.
15. In general, the impact of these traditional factors of disadvantage is becoming less obvious. The extent of long-term unemployment among the young has been particularly apparent and attracted much concern. However, 25 to 50 year-old males - many of whom are among the better qualified - are now much more strongly represented amongst the long-term unemployed than was the case in the past, presenting different policy problems.

(iii) The social and economic costs

16. For the individual and any dependents, long-term unemployment brings a series of financial and personal problems in its wake.
17. Not all are entitled to claim unemployment benefits - notably young school leavers and some workers whose spouses or other close relatives have incomes exceeding a certain level - but, even for those who are, the rate of benefit generally decreases as the period of unemployment lengthens. Within 1 to 2 years, most families (with or without savings to draw upon) can find themselves reduced to the minimum level of social assistance. Estimates in 1976 showed that in some Member States - Belgium, France and the United Kingdom - this was below the ILO defined poverty level (3). The Commission is currently preparing a report on the basis of more up to date information on the relationship between income in work and social benefit levels.

(1) As recently discussed in the Economic Policy Committee.

(2) Specific studies on these issues are now being finalised.

(3) W. Beckerman with W. van Grinneken, R. Szal and M. Gorzuel - "Income support programmes and their impact on poverty in four developed countries" (ILO Geneva 1979).

W. van Grinneken - "Unemployment: trends, causes and possibilities for action" (International Labour Review, ILO Geneva Vol. 120 No. 2 March/April 1981).

18. Income reductions appear to have their most immediate effects on daily consumption, especially of food, but, within a year or so, problems of replacing clothing and household capital goods emerge. Little systematic information is currently available but the limited surveys that exist show how most households experience a drastic cut-back in living standards, obliged to sell possessions etc. In many cases, this can also lead rapidly to housing debts or forced sales of homes.
19. The notion that the long-term unemployed commonly have recourse to unrecorded and untaxed work to supplement social security income does not seem to be supported by available research (1). Firstly, most of the long-term unemployed are located in highly depressed local economies, where there is little demand for any kind of work. Secondly, the long-term unemployed usually lack the financial means - for example, to buy tools and personal transport - necessary to undertake casual work on a self-employed basis, whether or not it is declared to the taxation authorities. Such work is therefore more likely to be undertaken by those already in work than by the unemployed. There is evidence that some unemployed young people, especially in urban areas, may obtain some such work but this is often combined with petty crime and a way of life unlikely to lead to the achievement of stable employment on a longer term basis.
20. Prolonged absence from regular work also has a negative effect on personal productivity as the pace of life slows in order that the day can be filled with the activities that remain. At the same time, skills deteriorate through lack of use - in the case of the young, acquired skills may be lost before they are ever put to use. What is more, being unemployed is such a demoralising experience for many that they find it difficult to compensate for lack of work by taking up other activities.
21. Work is still the principal means of social integration and provides a way of structuring an individual's time. Studies show (2) that for the individual, prolonged unemployment undermines confidence and self-worth leading to feelings of humiliation and loneliness. After the initial shock of losing a job, the newly unemployed tend to be relatively optimistic and make positive efforts to obtain new employment. If these efforts fail to produce results, however, and as the financial and other problems grow, the mood turns to pessimism and, eventually, a fatalistic acceptance of never finding a job again sometimes results. Much the same is true for those who seek to enter the labour market for the first time and fail to find a job. The full social costs of long-term unemployment among young people are difficult to quantify but they are clearly of major significance for the economic and social well-being of the Community in the future.

(1) See, for example, Professor R. Pahl's study of the unemployed in the Isle of Sheppey, reported in *Work & Society*, 1984.

(2) Parliament Resolution of 30 March 1984 on unemployment in the Community and some of its consequences.

22. The experience of being unemployed over a long period - a year or more - thus brings changes in attitude and motivation which further reduce the chances of finding a job and which turns long-term unemployment into a problem which is different in kind from the problem of unemployment in general. This is confirmed by evidence that the probability of unemployed people leaving the unemployment register decreases the longer they remain on it.
23. A relationship between long-term unemployment and personal health cannot be excluded a priori (1): poor personal health can make the difference between finding a job and remaining unemployed; at the same time, a prolonged period of unemployment may itself lead to a decline in personal health. Wider issues such as the links between unemployment and crime and political extremism are more problematical since they are difficult to assess in a 'scientific' empirical way and can probably only be judged in a much longer term perspective.
24. Apart from the social costs of long-term unemployment, there are considerable economic costs. In terms of loss of output, the long-term unemployed - who total over 4.5 million people - probably account for a loss of 3 - 4% of Community GDP below potential and this does not take into account the economic contribution that could be made by those unable to obtain work, and who do not even appear in the unemployment statistics.
25. Payments to unemployment benefit recipients now exceed 5% of public expenditure in the Community (2) without taking account of payments made under Invalidity or Early Retirement Schemes to those who have been removed from the unemployment register. These increased social transfers to the unemployed not only need to be financed through increased taxation, borrowing or cut-backs in other areas of public expenditure, but they in turn place serious restraints on the ability of the social security system to meet other priority needs.
26. Meanwhile there are less measurable, but nevertheless real, longer term losses to the Community as the results of past education and training investment, and of accumulated work experience, rest unused and deteriorate. In the last analysis, long-term unemployment represents the most costly form of paid inactivity, given the longer term economic costs arising from the debilitating social and health costs, and the increasing costs of re-training to reconstitute the stock of human capital.

(1) Parliament Resolution of 30 March 1984, op. cit.

(2) Statistics of Social Protection - Statistical Bulletin of 30.3.1984.

NATIONAL MEASURES

27. In addition to general measures to stimulate economic activity and employment growth, all Member States have shown some concern about the problems of particular groups among the unemployed. This has been expressed through the adoption of various measures, sometimes specifically directed at those who have been unemployed for more than a year. These include:
- specific measures to maintain employability and help re-entry to the labour market;
 - creation of temporary 'public utility' jobs, often under the responsibility of local authorities;
 - vocational training programmes, financed by public authorities but organised by a range of public, private and voluntary bodies;
 - financial premiums to encourage the recruitment of the long-term unemployed in the private sector;
 - early retirement schemes to encourage redundant workers to leave the job market altogether.
28. Details of the specific measures taken in the individual Member States are set out in Annex I. Studies undertaken by the Commission (1) show, however, that the scale of measures is often limited, and their success varied.
29. As the severity of the long-term unemployment problem has increased, the usefulness of traditional approaches to the training of the long-term unemployed has declined. As noted above, the unemployed rapidly lose their vocational skills and competences and - even more damagingly - lose the habits and discipline essential to learning. Most Member States have therefore made efforts to encourage and enable the long-term unemployed to regain their skills and self-confidence, for example by offering special preparatory courses leading on to further training, or by combining training with work experience.
30. Such approaches, while welcome in many respects, have experienced two major difficulties. Firstly, it has not been enough simply to make provision available to the long-term unemployed. Many, in the face of prolonged high unemployment, sink into passiveness and despair.

(1) "Effectiveness of measures to improve the job opportunities of the long-term unemployed". Study no. 83044 by Heijink, J. (Instituut voor Toegepaste Sociologie, Nijmegen) for the CEC. ./.

"Employment Policy Follow-up and evaluation of current employment measures on a comparative basis". Study by Wissenschaftszentrum Berlin (Internationales Institut für Management und Verwaltung) for the CEC.

Positive efforts are needed in order to motivate them to undertake education or training. This is reflected in the fact that successful programmes for the long-term unemployed have almost invariably been firmly based in specific local communities, involving close working partnerships between the long-term unemployed themselves and the various individuals and agencies which seek to meet their needs - the local press and radio, employers and trade unions, employment, education and training institutions, public welfare agencies, churches and community groups.

31. Secondly, the style and content of education and training programmes for the long-term unemployed have often been ill-suited to their needs and wants. This is not an argument for separate provision - on the contrary, programmes for the long-term unemployed need to be structurally linked with mainstream education and training provision if the status of the long-term unemployed as a marginal group is not to be worsened. It is, however, an argument for styles of teaching which are participatory, flexible, and sensitive to their needs and difficulties; for course design and management which is geared to the specific problems of individuals who will often be trapped in poverty, confused and lacking in discipline and self-confidence; and for curricula which are relevant to their realistic job prospects and which seek to equip them for an active life in the broadest sense, and not for fictional job vacancies.
32. Efforts to get the long-term unemployed into jobs through generalised recruitment incentives have proved relatively ineffective in the present economic climate. Once again, local involvement is a key factor, as seen in the F.R. of Germany, where successful general job creation measures (1) in the market sector usually supplement measures to support economic activities implemented by the 'Länder'. In Denmark, registered long-term unemployment has been reduced by applying the clause requiring regions and communes to offer employment to all unemployed persons within 16 or 22 months (depending on their age) following the date of registration with the placement office. The State, the regions and the communes are jointly responsible (especially financially) for these schemes.
33. Certain Member States have concentrated on the creation of temporary public service jobs. Early retirement schemes have also been widely used in the public sector, but efforts to provide incentives for the private sector to combine such schemes with compensatory recruitment have proved disappointing.
34. Overall, there does not appear to have been much systematic thinking about the scope and scale of the measures, about their coherence with respect to overall economic and social objectives, or about longer term strategies. Nor are the respective roles of the employment services and the social security services clearly defined. The lack of coherent policy is

./..

(1) Heijink and Wissenschaftszentrum, op. cit.

also seen in the way that the Member States have generally been cutting back on levels of social support as part of their efforts to balance public budgets without any apparent knowledge of the effect of such action on income distribution, and particularly on the most vulnerable categories of the population.

COMMUNITY MEASURES

(i) Policy initiatives

35. The particular needs of the long-term unemployed have already been considered to a certain extent in the context of some earlier Community initiatives, particularly those concerned with vocational training (1), youth unemployment (2) and local employment initiatives (3). In its various communications, the Commission has emphasized how important it is to take account of the problems faced by particularly disadvantaged groups of unemployed in the planning as well as in the implementation of labour market measures.
36. In the area of training, it can be noted that the Council has agreed "vocational training policies in the Community in the 1980s will be developed especially as an instrument for promoting equal opportunities for all workers as regards access to the labour market". Priority should be given to young people and the long-term unemployed and particular attention is to be given to the problem faced by workers of any age who lack the basic knowledge and skills usually required for participation in training programmes (4).
37. As regards youth unemployment, the Council agreed to "devote special attention to the most disadvantaged young people and to young people affected by unemployment of long duration" (5), although it set no specific targets for job creation as suggested by the Commission.

(1) COM(82)637 final.

(2) COM(83)211 final.

(3) COM(83)662 final.

(4) Council Resolution of 11.7.83 OJ No C 193 of 20.7.83.

(5) Council Resolution of 23.1.84 OJ No C 29 4.2.84.

38. Local employment initiatives are the subject of the most recently adopted action programme. Estimated to have provided more than a million new jobs in recent years, many of them created by, or for people who would otherwise have remained or become long-term unemployed, local employment initiatives have a particularly valuable role to play. In its Resolution (1) the Council endorsed the Commission's proposals for encouraging the growth of local employments, including cooperatives and community business.
39. Within the context of social security policy, the Commission has long been concerned to improve comparative information on levels of social protection (2). In its memorandum on social security problems (3), the Commission has initiated a debate at Community level on various themes of relevance to long-term unemployment and in particular on the need to reassess benefits in order to reconcile the requirements of social justice and the objectives of economic policy.
40. One of the conclusions, moreover, of the 'Report on the first programme of projects and pilot studies to combat poverty' (4), was the need for action at Community level to promote the introduction of a minimum income in all Member States. In the consultations held in preparation for a second poverty programme, proposals for which have recently been transmitted to the Council (5), particular priority has been attached to the needs of the long-term unemployed.
41. The various Community initiatives proposed by the Commission in the realm of reducing and reorganising working time (6) follow on from the framework set by the Council in 1979 on this subject and could, if developed further by the Council and Member States, be of increasing significance in the context of long-term unemployment.

(1) Council Resolution of 7.6.84 OJ No C 161 of 21.6.84.

(2) Communication to the Council on Medium-Term projection of social expenditure and its financing COM(81)661 final. Steps have been taken to provide better quantitative indicators, for example, in relation to the cost of introducing flexible and gradual retirement; to identify benefits received by the unemployed (after 1 month and after 1 year and 1 month) compared with earnings from their previous employment; to examine minimum social support levels in the Community and the extent to which these are above or below the level of standards agreed within the framework of the ILO.

(3) COM(82)716 final.

(4) COM(81)769 final.

(5) COM(84)379 final.

(6) See particularly COM(82)809 final and COM(83)543.

(ii) Community financial instruments

42. Many of the Community's financial instruments and lending institutions can give valuable indirect support to actions to combat long-term unemployment by stimulating economic and employment growth in areas most affected by industrial change and structural unemployment.

The ERDF in the first instance, as well as the interventions of the EIB, the new Community Instrument, and the ECSC are increasingly oriented towards the development of local employment initiatives (1). Specific actions however which directly concern those who are already or are in danger of becoming long-term unemployed come within the remit of the European Social Fund and the ECSC social support provisions.

European Social Fund

43. Before the Review of the Fund at the end of 1983, long-term unemployment was only mentioned in a general way in the legal texts governing the Fund. Over the years, however, the Commission made it possible, through the Fund Management Guidelines, to give some priority to certain specific measures to benefit the long-term unemployed. Much of the Fund's action in support of recruitment aids was, for instance, focussed on those unemployed for more than six months. The Social Fund has been able in a similar way to promote the development of specific kinds of preparatory or remedial training (more commonly known as "mise à niveau") designed particularly to enable the long-term unemployed to improve their basic skills, including literacy and numeracy. The response on the part of Member States has nevertheless been very uneven and the projects supported by the Fund have generally been small local initiatives and few in number.
44. The significance of long-term unemployment has been acknowledged more clearly in the new rules governing the Social Fund which came into operation this year. Apart from the various general references to disadvantaged workers, the implementing Regulation 2950/83 (1) lays down that assistance towards recruitment aids and 'public utility' job creation be limited to two target groups: job seekers under 25 and the long-term unemployed. In the Management Guidelines for 1984-86 (2), the latter are now defined as those who have been unemployed for more than twelve months.

(1) COM(83)662 final.

(2) OJ No L 289 of 22.10.1983

(3) OJ No C 5 of 10.1.1984

45. These Guidelines continue to give priority to actions involving recruitment aids and to preparatory training for the long-term unemployed, although, as in the past, this is limited to priority areas. There is no regional limitation however, attached to "operations forming part of local initiatives aimed at creating additional jobs or the socio-occupational integration of categories of persons disadvantaged in relation to employment" and this gives new scope for actions designed to associate those among the unemployed who are normally beyond the reach of traditional manpower measures.
46. Under Article 3(2) of the Decision 83/516/EEC (1), it is also possible for the Social Fund to support specific innovatory projects, irrespective of their geographical location, in so far as these fall within the framework of the various Community action programmes especially those mentioned above (pages 9-12).
47. Long-term unemployment is also referred to in Article 7(3) of the Council Decision 83/516/EEC as one of the criteria to be taken into account in the concentration of Fund resources. In producing its proposals for statistical machinery for defining priority regions (2), the Commission was nevertheless obliged to point out that in the absence of a common definition for the collection of data on long-term unemployment within Member States, there was regrettably no way in which the Fund could be operated in full conformity with the Council Decision in this respect.

European Coal and Steel Community

48. Actions affecting the long-term unemployed are being progressively developed within the context of ECSC social support for workers affected by closures or reductions in activity in the coal and steel industries.
49. Income support has been given in both industries to encourage the withdrawal from the labour market through early retirement schemes of those aged over 55 who are made redundant and would be unlikely to benefit from re-training support or re-enter employment unaided. This policy will continue and probably be expanded.
50. For younger workers, the Commission facilitates geographical and occupational mobility by training and re-training of redundant workers with a view to their employment in other sectors of activity although this is becoming increasingly difficult. The Commission has therefore proposed that aid should be granted to ex-steelworkers to promote their reintegration in stable jobs outside the steel sector.
51. The Commission has further proposed measures to keep up the level of skills and qualifications of the long-term unemployed, for example through temporary work experience in the public sector, by granting aid to ex-steelworkers to participate in such schemes.

./..

(1) OJ L 289 of 22.10.83.

(2) COM(84) 334 final.

CONCLUSIONS FOR POLICY - ACTIONS BY THE DIFFERENT PARTIES

52. The problem of long-term unemployment has now reached extremely serious proportions. The threat of long-term joblessness is increasingly affecting whole areas of the Community and whole groups in our societies as the process of technological and structural change, coupled with economic stagnation, removes major traditional sources of employment. The negative effects it has on individual attitudes and motivation and on the quality of the workforce justifies additional actions over and above those accorded to unemployment in general.
53. The biggest disadvantage for any unemployed person in seeking to get a job is the very fact of being unemployed and this disadvantage worsens rapidly as the period of unemployment lengthens. Employers generally prefer to recruit a person who is already in a job rather than choose an unemployed person. Periods of unemployment will inevitably occur for many people who lose their jobs until economic circumstances improve. The policy objective must nevertheless be to ensure, as far as possible, that temporary unemployment does not degenerate into long-term unemployment, that those seeking to enter the labour market have a reasonable opportunity of succeeding, and that those who do become long-term unemployed are given every possible opportunity to maintain their social, personal and vocational skills, and to put them to constructive use.
54. The prevailing expectation is that, on present trends, the level of unemployment in the Community will remain high throughout much of this decade and that the long-term component of that unemployment will remain at least as high as it is at present. Moreover, there is reason to fear that the long-term unemployed may be among the last to benefit from any upturn in employment since employers will tend to draw on those more recently unemployed when they begin to hire again. All efforts should clearly be made to ensure that this sombre forecast does not become reality, and policy actions to combat long-term unemployment need to be both strengthened and better targetted if some measure of success is to be achieved over the medium-term.

55. The lack of adequate information about the nature of long-term unemployment makes it difficult to develop appropriate policy responses. Three major weaknesses in existing employment and social policies can nevertheless be identified:
- the lack of positive approaches to improving the flexibility and adaptability of the labour market and to creating new job opportunities whether private, public or mixed;
 - a failure to take full account of the phenomenon of long-term unemployment, particularly at the level of policy coordination and its implementation by public employment and social security services, so as to help prevent people sinking into long-term unemployment - for example, by 'triggering' alternatives such as training or guidance courses, local community jobs, etc after a certain period of unemployment, especially after one year, so as to break up long periods of inactivity;
 - a trend towards a progressive reduction in the living standards of the long-term unemployed, who having exhausted their entitlement to unemployment insurance are forced to exist under the fall-back systems of public welfare.
56. An effective policy response requires a strengthening of efforts by Governments, at regional and local level as well as at national level, and by the Social Partners, in order to ensure a better forward looking management of the local labour market, to anticipate problems, prepare appropriate actions - including job creation and training - and to ensure the best use of national and Community support.
57. The following sections set out the Commission's additional proposals for action. These have been presented in terms of actions by Governments and the Social Partners. In all cases, however, they involve a collective responsibility and success will only come if there is agreement on the need to find solutions as well as genuine cooperation in the pursuit of policies. None of the measures taken individually will bring about a major transformation of the situation, but their cumulative effect could be considerable even in the short term, and could also provide the basis for longer term employment growth.
58. It must be stressed, however, that while more effective labour market and social policy measures are essential ingredients of a policy response, they need to be linked to wider policies to stimulate economic growth and employment creation, and to assist the process of economic re-adaptation and regeneration in the areas particularly affected.

Governments

59. Priority must be given to obtaining improved information on long-term unemployment in the Community, in order to enable the Member States and the Community to target and 'trigger' policy responses.
60. The Member States should undertake a co-ordinated series of analyses designed to provide comprehensive data on the characteristics of long-term unemployment, identifying, in particular, the circumstances of those who are, or become, long-term unemployed (1).
61. The Member States should, in cooperation with the Social Partners, ensure that where workers lose their jobs through redundancies, appropriate support is given before they enter the open labour market, in the form of:
 - preparation for job seeking, self employment or early retirement;
 - training, where necessary, in order to take advantage of available or future job prospects;
 - counselling on how to cope with long periods of unemployment (the family budget, voluntary work, leisure opportunities etc).
62. The Member States should ensure that the employment and other services concerned are structured, organised and staffed so that they can provide more personal contact and keep track of those who remain on the unemployment register and become long-term unemployed and to ensure that policy interventions are 'triggered' at the appropriate moment - particularly for those unemployed for one year. It may be appropriate to develop different reception arrangements for the young long-term unemployed since it is often difficult to separate their job or training needs from their wider problems of economic and social integration.
63. Member States should ensure that temporary work initiatives in areas of public value are prepared in collaboration between themselves, local and regional governments, the employment services and the Social Partners. The scale of such programmes should be determined by the scale of the long-term unemployment problem at the local and regional level. The structure and content of the programmes should be determined by local needs, but should, as a rule, be an element of education or training linked with mainstream education and training provision.
64. In Member States where it is not the case, the rules for the payment of social security/unemployment benefit should be reviewed with a view to permitting unemployed people to undertake temporary non-paid work in public or private bodies, without loss of benefit rights. The possibility of part-time work/part-time social security support should also be considered.

(1) Such analyses should provide:

- length of unemployment spells;
- information about the economic circumstances - the local and regional labour market;
- information about the individuals concerned:
 - . personal characteristics such as age, sex, skill and any previous work history;
 - . their dependents and sources of financial support;
 - . experiences whilst being long-term unemployed in terms of personal experience (health, etc), experience in seeking employment and in terms of support and help obtained from public and private bodies.

65. The employability of workers who fail to get into jobs and become long-term unemployed should be preserved by actions to maintain skills, work habits, morale and confidence.
66. This can be done in particular through the strengthening of public employment services and counselling and training services, the use of temporary work possibilities and less conventional work arrangements (community businesses, local employment initiatives) and the development of special facilities, e.g. unemployment centres. The recruitment of long-term unemployed should be assisted by helping them overcome handicaps.
67. The Member States should review the operation of the labour market, in particular regulations and practices which may put the long-term unemployed - in particular unskilled workers and young people - at a disadvantage.
68. The Member States should provide funding to enable the establishment of local centres for unemployed people with the emphasis on the provision of leisure, information, workshop and similar facilities, along the lines of successful examples in the Community. Priority should be given to the areas of highest unemployment.
69. More generally, the Member States should encourage greater awareness of the problem and solutions through various means including the use of the broadcasting media, and cooperate with the Social Partners and the Commission in the development of a more coherent policy response.

Social Partners

70. Employers clearly have the major responsibility on questions of employment, but the actions will be more effective and coherent if they are carried out with the full cooperation of the Trade Unions and making full use of the support available from public bodies. Larger employers can undertake many actions themselves but smaller employers may find it appropriate to cooperate through other bodies such as Chambers of Commerce, local round-tables or other employer organisations.
71. Employers should develop a positive attitude to the long-term unemployed and should in particular:
 - provide appropriate support and preparation in conjunction with the public employment services for employees who face redundancy;
 - develop youth training and employment policies so as to provide new job opportunities at entry grades and maintain a balanced age distribution of employees over the longer term;
 - cooperate with the public authorities when they offer schemes or financial inducements for employment of the long-term unemployed;
 - review the practice of setting restrictive age limits or other discriminatory criteria for certain jobs;

- contribute to voluntary and community employment creation. In the US 1.77% of corporate profits go to charity (with the encouragement of the tax laws). In the Community, such support barely exists except in the UK where it is estimated at 0.1%;
- assist local employment creation initiatives and development agencies through secondments of staff; the giving or loaning of unused buildings or plant; or the passing on of product or service ideas which the company itself does not intend to exploit;
- develop a policy of local community involvement, including the encouragement of own employees to play an active role.

72. The Trade Unions can provide additional support to the long-term unemployed by:

- making appropriate arrangements so as to allow their members who have become long-term unemployed to continue to participate in union activities so that their views can be represented along with the views of those still in employment;
- cooperating with employers and Governments in the negotiation of more flexible terms of recruitment which could encourage employers to offer employment possibilities to the long-term unemployed;
- encouraging and participating in the creation and management of centres for the unemployed along the lines of proven examples in some Member States.

Action at Community level

73. The Commission will vigorously pursue its efforts to ensure the implementation of existing policy commitments as referred to above in paragraphs 35-41 with a particular view to their impact in reducing long-term unemployment. In addition, the Commission will undertake the following supplementary action:

- work with the Member States by organising inter alia, a series of meetings of experts, to achieve a better understanding of the nature and extent of long-term unemployment. One outcome of this activity must be to improve the collection of adequate statistics on an agreed Community basis giving information on the total numbers of long-term unemployed by age group, sex, region and length of unemployment. This should enable the Commission to use long-term unemployment as a criterion for allocating financial support, notably from the European Social Fund and from integrated operations involving more than one source of Community finance. The scope for new forms of specific Community intervention should also be considered.
- encourage and support at Community level the Member States' policy efforts, with particular regard to the organisation of the employment and social security services and the use of employment and temporary work initiatives.

- cooperate with the Social Partners and relevant agencies in the development of their actions to tackle the problem, with particular emphasis on actions to assist the recruitment of the long-term unemployed and to provide centres for the long-term unemployed in areas of particularly high unemployment.
 - undertake further research with the assistance of MISEP (1) into those measures or practices, whether taken by Governments or Social Partners, which are successful in combatting the problem of long-term unemployment, with a view to extending their use in other areas of the Community.
74. Finally, the Commission considers it desirable for a broad policy reappraisal to be undertaken at Community level in order to develop a more coherent medium-term approach. A series of economic and social policy objectives need to be reconciled if the problem is to be tackled effectively and on a lasting basis.
75. In particular, there is a need to bear in mind two basic democratic principles:
- the equal right of men and women to work and, by the same token, to acquire a personal income on equal terms and conditions, regardless of the economic situation (2);
 - the need to provide an equitable level of income support for those unable to obtain income through employment.
76. The following specific issues need to be considered:

Job creation. The Community has failed to create sufficient jobs in the past decade to meet growing demand. Its performance compares unfavourably with some other OECD countries and is at the heart of the problem of unemployment. New approaches to enhance job creation need to be considered, including ways of increasing labour market flexibility in order in particular to eliminate barriers to entry.

Income support. The Commission has already drawn attention to the shortcomings of presents social security systems (3). The advantages of replacing them with one integrated and coherent system for income support should be considered. Such a system should for example avoid discouraging individual members of a family from seeking paid employment because others are in receipt of social security transfers. It could also provide for income support during periods of education, training or voluntary work undertaken by the unemployed.

(1) Mutual Information System on Employment Policies.

(2) Extract from Council Resolution on "actions to combat female unemployment" OJ No C 161/4 of 21.6.84.

(3) Social Security problems - COM(82)716 final.

Retirement age. Although a policy of encouraging early retirement is seen as one way of alleviating unemployment, it is necessary to consider whether this is consistent with the desire of many to work at least up to normal retirement age, and with other actions such as training which are, in general, designed to maintain the attachment of unemployed people to the world of work.

There is a need, more generally, to develop policies on all aspects of retirement, bearing in mind present demographic trends, the growing ratio of old people to the rest of the population, and the problem of greater dependence if the taxable employment base remains low.

Young people. It should be stressed that financial independence is a principal means by which young people from deprived backgrounds can build themselves a better life. The long periods of unemployment that many of them face and the inability of many to afford to undertake increasingly long periods of education or training in the hope of obtaining a job, is effectively trapping many of these young people in poverty. Further efforts must be made to improve the chance of such young people breaking out of their environment.

Training and Education. At a time of extremely high unemployment, public expenditure constraints and technological change, there has been an increasing tendency in Member States to emphasise the vocational aspects of education and training. While entirely understandable, this offers little hope to the long-term unemployed, who have little chance of competing successfully for the relatively few job vacancies which are available. However, given the prospect of continuing and massive long-term unemployment, there is a need to re-examine fundamental issues such as the nature and purpose of non-vocational training designed to equip people to cope with and (as far as possible) get some benefit from prolonged inactivity; the question of skill loss as a result of inactivity; the relationship between specific programmes for the long-term unemployed and mainstream education and training; and the possibility of developing some kind of social guarantee for the long-term unemployed, in parallel to that for young people proposed by the Commission in 1982 (1) and adopted in modified form by the Council in July 1983 (2).

Future pattern of life and work. The present difficult circumstances could be seen as an opportunity to break down the sharp distinction between employment and unemployment. This could for instance be achieved by increasing opportunities for leave from employment and flexible working hours and by ensuring that everyone who is unemployed has access to some other activity such as education, training or community projects.

(1) COM(82)637 final of 21 October 1982.

(2) Council Resolution of 11 July 1983 (OJ No C 193/2 of 20 July 1983).

DRAFT COUNCIL RESOLUTION ON LONG-TERM UNEMPLOYMENT

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the draft resolution submitted by the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas, at the Joint Meeting on 16 November 1982 of the Ministers for Economic and Financial Questions and the Ministers for Employment and Social Affairs, the Council invited the Commission to undertake a study of long-term unemployment and possible proposals for remedial action;

Whereas the Council at its meeting of 28 June 1982 of Ministers of Labour and Social Affairs, reiterated its profound concern at the continued high level of unemployment, recognised the need for additional action and the need for such measures to be compatible with special measures, particularly those to help the long-term unemployed;

Whereas the problem of long-term unemployment has reached extremely serious proportions and the continuation of high levels of total unemployment is leading to a further deterioration;

Whereas more effective labour market and social policy measures are essential ingredients of a policy response, and need to be linked to wider policies to promote economic growth and employment creation, which are major elements of a strategy to maintain and strengthen the Community economy;

Whereas the persistence of long-term unemployment on the present scale is an obstacle to the realisation of the Community's objective of improving the quality of its labour force;

Whereas worsening long-term unemployment is symptomatic of, among other things, a lack of flexibility in the Community labour market which there is an urgent need to remedy if employment growth is to be restored;

Whereas the burden of social transfers on public budgets should not be allowed to lead to a further reduction in the living standards of the long-term unemployed;

Whereas the long-term unemployed risk being among the last to benefit from any upturn in employment and policy action within an overall strategy to combat long-term unemployment therefore need to be strengthened and developed.

HAS ADOPTED THIS RESOLUTION:

I. GENERAL GUIDELINES

The Council considers that an effective Community policy to combat long-term unemployment requires both individual and cooperative actions by Governments and by the Social Partners, at local, regional and national level, encouraged and supported at Community level.

The specific measures to be adopted should seek to overcome weaknesses in existing employment and social policies by:

- making greater efforts to create new job opportunities and to improve the flexibility and adaptability of labour markets
- improving the availability of adequate information about long-term unemployment
- organising the public employment and social security services so as to facilitate the "triggering" of specific policy responses which would prevent the unemployed sinking into long-term unemployment
- providing adequate levels of social support for those who nevertheless remain unemployed for long periods.

II. NATIONAL MEASURES

1. Within the context of their own policies and practices, Member States are requested to make every effort to put into effect the following measures to aid the Community to target and "trigger" policy responses:
 - undertake a coordinated series of analyses designed to provide comprehensive data on the characteristics of long-term unemployment, identifying, in particular, the circumstances of the long-term unemployed;
 - in cooperation with the Social Partners, ensure that where workers lose their jobs through redundancies, appropriate preparatory support in the form of training and counselling is given before they enter the labour market or take early retirement.
2. Member States should also take the following measures to tackle the problem:
 - ensure that the employment and other services concerned are structured, organised and staffed so that they can provide the necessary personal contact to keep track of those who remain on the unemployment register and become long-term unemployed and that policy interventions are made at the appropriate moment.
 - systematically review the functioning of labour markets, in particular as regards regulations and practices which may disadvantage long-term unemployed and in particular unskilled workers, young people and those seeking flexible working hours.
 - ensure that programmes of temporary work for the Community are prepared in collaboration between Member States, local and regional authorities, the employment services and the social partners. The scale of such programmes should be determined by the scale of the long-term unemployment problem at the local and regional level. The structure and content of the programmes should be determined by local needs, but should, as a rule, incorporate an element of education or training linked with mainstream education and training provision.

- where it is not already the case, review the rules for payment of social security/unemployment benefit with a view to permitting unemployed people to undertake certain kinds of non-paid work in public or private bodies, without loss of benefit rights.
- provide funding to enable the establishment, in cooperation with the Social Partners, of local centres for unemployed people with the emphasis on the provision of information, workshop, leisure and similar facilities, along the lines of successful examples in the Community. Priority should be given to the areas of highest unemployment.
- more generally, encourage greater awareness of the problem and solutions through various means including the use of the broadcasting media.

III. ACTION AT COMMUNITY LEVEL

1. Taking into account the role played by Community financial instruments and existing Community action programmes in combatting long-term unemployment, the Commission is requested to undertake the following supplementary action:
 - work with the Member States by organising inter alia, a series of meetings of experts, to achieve a better understanding of the nature and extent of long-term unemployment, which will:
 - (a) improve the collection of adequate statistics on an agreed Community basis giving information on the total numbers of long-term unemployed by age group, sex, region and length of unemployment;
 - (b) enable the Commission to use long-term unemployment as a criterion for allocating financial support, notably from the European Social Fund and from integrated operations involving more than one source of Community finance. The scope for new forms of specific Community intervention should also be considered.
 - encourage and support at Community level the Member States' policy efforts, with particular regard to the organisation of the employment and social security services and the use of employment and temporary work initiatives.
 - cooperate with the Social Partners and relevant agencies in the development of their actions to tackle the problem, with particular emphasis on actions to assist the recruitment of the long-term unemployed and to provide centres for the long-term unemployed in areas of particularly high unemployment.

- undertake further research with the assistance of MISEP (1) into those measures or practices, whether taken by Governments or Social Partners, which are successful in combatting the problem of long-term unemployment, with a view to extending their use in other areas of the Community.

- 2. The Commission is moreover encouraged to initiate a broad policy re-appraisal at Community level in order to develop a more consistent medium-term employment and social policy to tackle the problem of long-term unemployment. Particular issues to be studied in this context will include job creation and labour market flexibility; social support schemes; retirement; education and training; and future patterns of life and work.

- 3. The Commission is requested to inform the Council every two years of progress made in the implementation of these actions.

- 4. Community financing for the actions set out in this section will be decided on in the framework of the budgetary procedures and in accordance with the legal commitments entered into by the Council.

(1) Mutual Information System on Employment Policies.

ANNEX I

SPECIFIC NATIONAL MEASURES FOR THE LONG-TERM

UNEMPLOYED OR WORKERS DIFFICULT TO PLACE

Note: The tables contain information available in the Member States collected by the Commission departments. It is not exhaustive.

They will be updated as and when the information becomes available.

No account is taken here of general measures from which the long-term unemployed may benefit but of which they are not the specific targets. For this reason, no information appears about Greece.

BELGIUM

| Measure | Date introduced | Target group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget | BFR |
|--|----------------------------------|--|---|--------------------------------|---------------------|-----------------|---------------------|----------------------------|--|------------------------|-----|
| Unemployed workers difficult to place | December 1963 | - unemployed more than 12 months - workers (over 55) & employees (over 40) - unemployed more than 9 months (handicapped) | Private firms | 1 year | No | Yes | Yes | Few | Subsidy: min. wage plus employer's contributions | - - - | |
| Alternative form of employment | December 1963 revised March 1982 | Structural unemployed more than 12 months | Non-market sector | Unlimited | Yes | Yes | Yes | 1983: 15 000 | Subsidy: normal wages | - - - | |
| Interdepartmental budgetary fund for promotion of employment | March 1982 to March | Structural unemployed | Public sector & bodies of public interest | Unlimited | No | Yes | Yes | 1983: 2 500 | Subsidy: normal wages | | |
| Incentives to recruit a first employee | December 1982 | Unemployed more than 1 yr, ex-apprentices under 26, unemployed formerly self-employed | Private firms physical or legal persons | Unlimited (full- or part-time) | No | Yes | Yes | | - Exemption from social security contributions (employer's share) during 8 months - Administrative costs in respect of 1st employee | | |

DENMARK

| Measure | Date introduced | Target group | Organizers | Duration | Vocational Training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget D KR |
|--|-----------------|--|---|----------------------|---------------------|-----------------|---------------------|----------------------------|--|--|
| Job guarantee programme (compulsory) | 1978 revised | - young people (under 25) unemployed more than 12 months - unemployed (over 25) more than 21 months | - Private & public undertakings - County & local authorities | 7 months (min.) | Yes | Yes | | 1983: 65 000 | Wage subsidy: young people over 25: 40 DKR/h - over 25: 30 DKR/h | 1983: 3.7 million including 1.2 million covered by local authorities |
| EIFL - Training course | 1977 | - Long-term unemployed | Education system | 1-3 weeks per module | Yes | No | No | 1982: 5 800 | | |
| Financial incentive for recruitment of young | | - young people (over 25) unemployed more than 3 months and more than 12 months | Firms | Unlimited | No | Yes | Yes | 1983: 10 000 | Subsidy (6-12 months) 70-80% depending on hourly rate | 1982/ 37 million |
| Jobs in the public interest | | Young unemployed more than 3 months | Local initiatives | Yes | Yes | Yes | Yes | 1983: 10 500 | Wage subsidy: 40 DKR/h (18-24 years) 26 DKR/h (over 18 years) | |

FEDERAL REPUBLIC OF GERMANY

| Measure | Date introduced | Target Group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget DM |
|--|-------------------|---|--|--|---------------------|-----------------|---------------------|---|---|---------------------------|
| Förderung von Maßnahmen zur Arbeitsbeschaffung (Promotion of job creation measures) | 1975 amended 1982 | Workers difficult to place: - long-term unemployed - elderly - handicapped | All, particularly public sector (jobs in the public interest) | 6 months for the project 1986: 1-3 months for the project | Yes (if necessary) | Yes | Yes | 1978: 15 000 | Loans plus subsidies: (50-80% of normal wages) | |
| Förderung der Jugendlichen - Berufsbildung (Promotion of vocational training for young people) | 1975 | Young people difficult to place | Education system: - basic training courses - sheltered workshops | 20 days to 2 years | Yes | No | No | 48 000/year | | |
| Arbeitsbeschaffungsmaßnahmen (ABM) (Job creation measures) | 1969 | Unemployed more than 6 months | Public sector and private firms | 1-3 years | No | Yes | Yes | 48 000/year of whom 13500 unemployed over 12 months | Loans plus subsidies (max. 90% of project cost) | |

FRANCE (1)

| Measure | Date introduced | Target group | Organizers | Duration | Vocational Training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget FF |
|--|-----------------------|---|---|-----------|-----------------------|-----------------|---------------------|------------------------------------|------------------------------------|----------------------------|
| Training courses for job-seekers | 2nd week 1982 | All - priority for long-term unemployed (more than 12 months) | FNE public & private training bodies | | Yes | No | No | | | |
| Work/training contracts | 1975 revised 1982 re- | 15-25 years, persons over 26 years with placement difficulties: unemployed over 12 months, handicapped persons, women | Firms | 1-2 years | Yes (200-12000 hours) | Yes | Yes | 1.7.81 - 30.6 82: + 2000 contracts | On 1 January 1983: 46 F/h training | 1870 million (1983 budget) |
| Experimental item for employment promotion | May 1979 | <ul style="list-style-type: none"> - Local development (micro-initiatives) - Long term unemployed (integration & reintegration measures) - Persons setting up in business for the first time | Local initiatives in particular: economic expansion committee, local employment committee, local development assoc. management advice centre. | | | | | 1 April 1983 172 projects | | 26 million |

FRANCE (2)

| Measure | Date introduced | Target group | Organizer | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget FF |
|---|--------------------------|--|-----------|---|---------------------|-----------------|---------------------|---|---|---------------------------|
| Vocational preparation courses | | 18-21 years priority for young long-term unemployed (more than 12 months) | | - Integrat courses: 3-10 months - Six-month qualifying courses - In depth guidance courses: 4-6 weeks | on Yes | No | No | 35 000 | Allowance - 30% of min. wage for 18-21 years - 40% for over 21 years - 90% for handicapped & certain categories of women | 1.1 million in 1983 |
| Solidarity agreement - early retirement | January 1982 to December | - Volunteer workers aged 55-60 years - Single women with 1 child - Workers on benefit or having exhausted entitlement to benefit | Firms | Unlimited (full-time or part-time) | No | No | Yes | 30 000 contracts signed in 1982 affecting 310 000 potential beneficiaries | Partial financing of early retirement by central government | 1.1 million in 1983 |

IRELAND

| Measure | Date introduced | Target group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Numbers of persons affected | Nature and amount of expenditure | Cost to central budget If |
|---|-----------------------------|--|--|-------------|---------------------|-----------------|---------------------|------------------------------|--|---------------------------------------|
| Employment incentive scheme | 1977 revised | Young unemployed more than 4 weeks unemployed (over 25) for more than 26 weeks | Firms | Unlimited | No | Yes | Yes | End 1977 - Nov. 1983: 41 378 | Wage subsidy limited since January 1983 to 24 weeks ranging from I£ 30-45 depending on age | February 1977 - Nov. 1983: 23 million |
| Work experience programme | 1976 | Over 25 years - difficult to place | - Private & public firms - Education system | 6 months | Yes | | | 1978 - Oct. 1983: 39 000 | Wage subsidy I£ 30/week. Exemption from taxes and social security contributions | |
| Grant scheme for youth unemployment | 1977 | Young people (15-25 years) unemployed more than 6 months | Projects in the building & public work sectors | 15-20 weeks | No | Yes | | 1983: 2 800 | Wage subsidy: I£ 20/week per young | 1983: 4 million |
| Youth self-employment programme | 1983 (pilot scheme 2 years) | under 25 unemployed more than 3 months | young people | Unlimited | No | | | 1983: 50 | Individual loan I£ 3 000 reimbursable in the 4th year) | |
| Training of disadvantaged youth by ANCO | 1978 | Disadvantaged youth | Workshop 1982-12 months | 2-3 months | Yes | No | No | 1982: 1 127 | | |

ITALY

| Measure | Date introduced | Target group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget LIT |
|--------------------------------------|-----------------|--|---------------|-----------|---------------------|-----------------|-----------------------|----------------------------|----------------------------------|----------------------------|
| Fixed term contract for young people | March 1983 | 15-29 years (recruited from a register by name: duration of unemployment being one of the criteria for classification) | Private firms | 12 months | Yes | Yes | Yes (up to 12 months) | 83 797 | | |

LUXEMBOURG

| Measure | Date introduced | Target group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget LFR |
|---------------------------------------|-----------------|--|--|----------|---------------------|-----------------|---------------------|----------------------------|---|----------------------------|
| Assistance for setting up in business | December 1983 | Unemployed workers, difficult to place | Unemployed workers, difficult to place | 6 months | | | | | Payment in a lump sum of unemployment benefit (up to 12 months) ranging from LFR 294 000 to 360 000 | |

NETHERLANDS

| Measure | Date introduced | Target group | Organizers | Duration | Vocational training | Additional Training | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget HFL |
|--|-----------------|--|---|-----------|---------------------|---------------------|---------------------|----------------------------|---|----------------------------|
| Cursussen voor jeugdige Werklozen (courses for young unemployed) | . | Persons under 23 years unemployed for more than 3 months | Education system | | Yes | No | No | 9 000:83-84 | Unemployment | 83: 25.9 million |
| Werkgelegenheidsverruimende Maatregel (Job creation Programme) | August 83 | Persons under 23 years unemployed for more than 9 months; persons over 23 unemployed for more than 12 months | Non-profit making organizations | | No | Yes | Yes | | Degressive subsidy according to age (e.g. 23 years and over receive FL 3 000 16 years receive FL 1 200 up to 12 months) | 83: 343 million |
| Stichting Uitzendbureau Arbeidsvoorziening START (Temporary employment agencies) | 1977 | Unemployer persons difficult to place (e.g. over 45; handicapped; unemployed over 3 months) | START firms | 6 months | No | Yes | Yes | 1982/ 23 709 | | |
| Gemeenschapstakenplan (Local authorities employment programme) | 1983 | Young long-term unemployed | Local authorities (work in the public interest) | | No | Yes | Voluntary work | | | |
| Plaatsingsbevorderende Maatregel (Measures for promotion of placement) | April 1981 | Unemployed workers difficult to place (long-term in particular) | Firms in industry and commerce | Unlimited | No | Yes | Yes | 1982: 8 511 | Wage subsidy linked to age & duration of unemployment of the individual recruited | 1982: 80 million |

| Measures | Date introduced | Target group | Organizers | Duration | Vocational training | Additional jobs | Employment contract | Number of persons affected | Nature and amount of expenditure | Cost to central budget UKL |
|---|-----------------|---|--|--------------------|---------------------|-----------------|---------------------|----------------------------|---|----------------------------|
| Community programme | 1983 | - 18-24 years unemployed more than 6 months - 25 years and over unemployed more than 12 months | Associations | Up to 52 weeks | No | Yes | No | 83-84: 13000 places avail. | local agreed wages subject to a maximum | 83-84: 328 million |
| Community industry | 1983 | Disadvantaged young people aged 16-18 | Associations, youth clubs | 1 year and or more | No | Yes | No | 1983: 7 000 | local agreed wages subject to a maximum | 83-84: 25 million |
| Enterprise allowance (pilot experiment) | 1983 | persons unemployed for more than 13 weeks | Persons unemployed for more than 13 weeks (plus own investment of £ 1 000) | Subsidy 1 year | No | Yes | | July 1983: 316 | weekly allowance £ 40 | |

ANNEXE STATISTIQUE / STATISICAL ANNEX / STATISTISCHER BEITRAG

1. Working Population and Employment
Population active et Emploi
Erwerbsbevölkerung und Beschäftigung

 2. Trends in Employment
Evolution de l'Emploi
Beschäftigungstendenzen

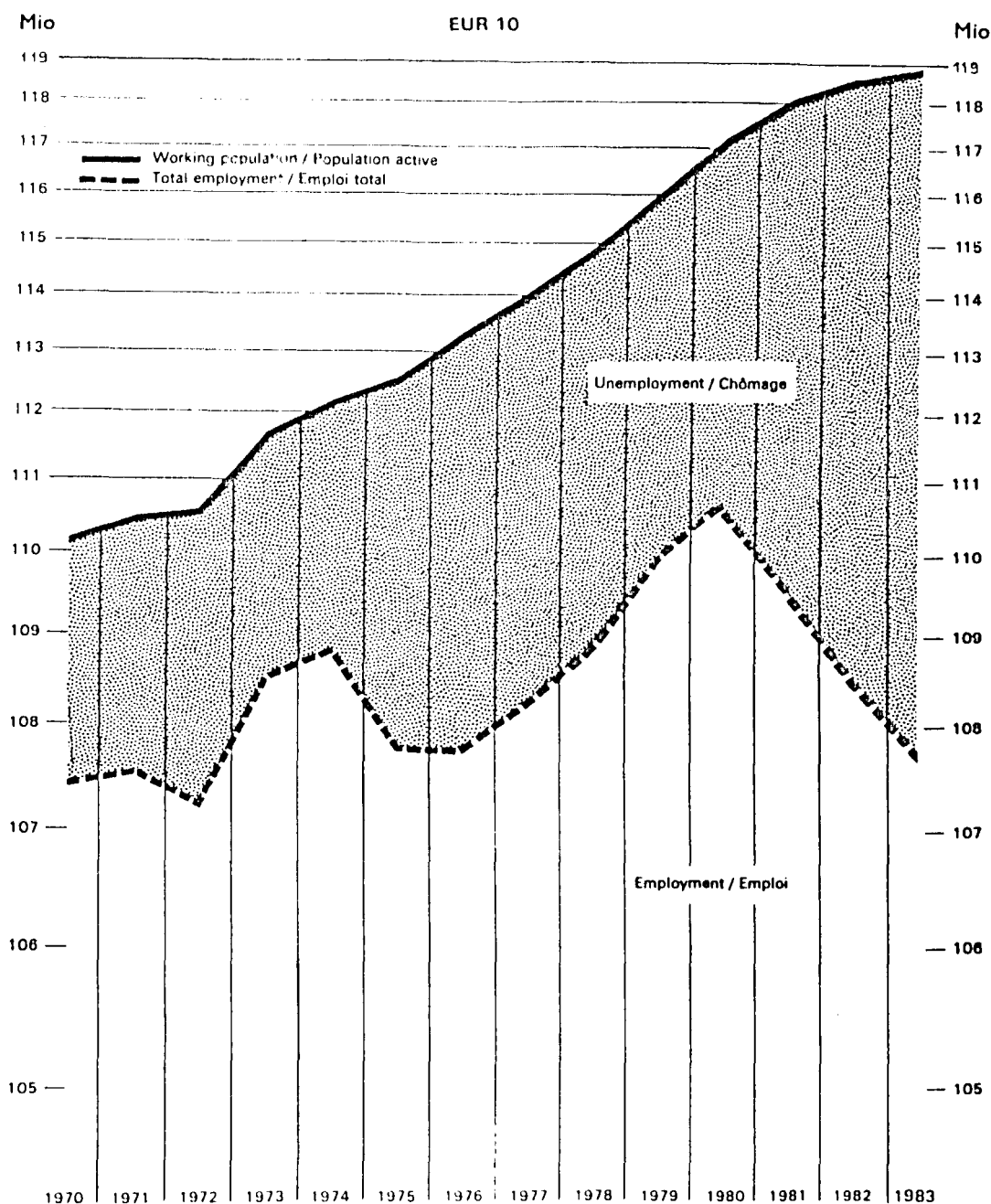
 3. Registered Unemployed by Duration
- Proportion of unemployed registered since more than 1 year
October
Chômeurs enregistrés - structure par durée
- Part des chômeurs inscrits depuis plus d'un an
Octobre
Arbeitslosmeldungen nach Dauer
- Anteil der seit mehr als 1 Jahr Arbeitslosen
Oktober

 4. Persons registered as Unemployed for more than 1 year
according to national method of measurement
Demandeurs d'emploi enregistrés au chômage depuis plus d'un an
suivant les méthodes de calcul nationales
Personen, die mehr als 1 Jahr als arbeitslos gemeldet sind
(nach nationaler Massmethode)

 5. Employment Duration - Methods and Measurement
- Summary of a study published by Eurostat in 1983
Durée du chômage - Méthodes et mesures
- Résumé extrait d'une étude publiée par Eurostat en 1983
Beschäftigungsdauer - Methoden / Massverfahren
- Zusammenfassung einer von Eurostat-Studie (1983)
-

Working population and employment

Population active et emploi



| DECREASE IN EMPLOYMENT | | 1980 - 1983 | | DECLIN DE L'EMPLOI | | |
|------------------------|----------------------|-------------|----------------------|--------------------|----------------------|-------|
| | TOTAL | | MALES / HOMMES | | FEMALES / FEMMES | |
| | Persons Personnes | % | Persons Personnes | % | Persons Personnes | % |
| EUR 10 | -3.046.000 | - 2,8 | -2.970.000 | - 4,2 | - 76.000 | - 0,2 |
| of which/dont: | | | | | | |
| B.R. DEUTSCHLAND | -1.115.000 | - 4,2 | - 838.000 | - 5,1 | -277.000 | - 2,8 |
| FRANCE | - 253.000 | - 1,2 | - 412.000 | - 3,0 | +158.000 | + 2,0 |
| ITALIA | + 21.000 | + 0,1 | - 106.000 | - 0,7 | +127.000 | + 1,9 |
| NEDERLAND | - 43.000 | - 0,9 | - 177.000 | - 5,0 | +135.000 | + 8,9 |
| BELGIQUE | - 176.000 | - 4,6 | - 170.000 | - 6,8 | - 6.000 | - 0,5 |
| UNITED KINGDOM | -1.586.000 | - 6,3 | -1.247.000 | - 8,2 | -339.000 | - 3,4 |
| DANMARK | - 13.000 | - 0,5 | - 48.000 | - 3,4 | + 35.000 | + 3,2 |

TRENDS IN EMPLOYMENT

EVOLUTION DE L'EMPLOI

| | BR DEUTSCH- LAND | FRANCE | ITALIA | NEDER- LAND | BELGIQUE BELGIÉ | LUXEM- BOURG | UNITED KINGDOM | IRELAND | DANMARK | EUR 9 | ELLAS | EUR 10 | |
|-------------|--|--------|--------|----------------|--------------------|-----------------|--|---------|---------|---------|-------|---------|-------------|
| | <u>ACTIVITY RATES BY SEX (%)</u> | | | | | | | | | | | | |
| | (Total working population as a % of the tot.pop.) | | | | | | <u>TAUX D'ACTIVITE PAR SEXE (%)</u> | | | | | | |
| | <u>M A L E S</u> | | | | | | <u>H O M M E S</u> | | | | | | |
| 1970 | 59,5 | 56,2 | 57,2 | 54,7 | 55,2 | 62,3* | 60,7 | 55,9 | 59,8 | 58,1* | : | : | 1970 |
| 1975 | 57,0 | 54,3 | 55,2 | 53,0 | 54,8 | 63,1* | 59,0 | 52,3 | 58,4 | 56,2* | : | : | 1975 |
| 1980 | 57,4 | 54,1 | 55,2 | 52,8 | 54,2 | 62,2* | 59,5 | 52,2 | 58,8 | 56,3* | 54,9 | 56,2* | 1980 |
| 1983 | 57,6* | 52,8* | 55,4 | 53,9 | 53,2* | 60,6* | 59,0* | 52,2* | 58,8 | 56,0* | 56,6* | 56,0* | 1983 |
| | <u>F E M A L E S</u> | | | | | | <u>F E M M E S</u> | | | | | | |
| 1970 | 30,3 | 28,8 | 21,9 | 18,9 | 24,9 | 21,0* | 31,3 | 19,7 | 36,9 | 27,7* | : | : | 1970 |
| 1975 | 31,1 | 30,4 | 22,5 | 20,2 | 27,5 | 24,6* | 33,6 | 19,6 | 40,0 | 29,0* | : | : | 1975 |
| 1980 | 32,0 | 32,5 | 26,0 | 23,6 | 30,7 | 26,2* | 36,3 | 20,5 | 45,3 | 31,4* | 21,1 | 31,1* | 1980 |
| 1983 | 32,9* | 33,3* | 27,3 | 27,3 | 32,0* | 28,1* | 36,5* | 21,3* | 48,0 | 32,4* | 23,4* | 32,1* | 1983 |
| | <u>TOTAL WORKING POPULATION (1 000)</u> | | | | | | <u>POPULATION ACTIVE TOTALE (1 000)</u> | | | | | | |
| | (Employment and unemployment) | | | | | | (Emploi et chômage) | | | | | | |
| | <u>MALES AND FEMALES</u> | | | | | | <u>HOMMES ET FEMMES</u> | | | | | | |
| 1980 | 27191 | 23147 | 22804 | 5389 | 4152 | 159,9 | 26819 | 1239 | 2662 | 113563 | 3636 | 117199 | 1980 |
| 1983 | 27445 | 23306 | 23406 | 5814 | 4182 | 161,0 | 26704 | 1283* | 2728 | 115029* | 3892* | 118921* | 1983 |
| | <u>PROPORTION OF FEMALES IN WORKING POPULATION (%)</u> | | | | | | <u>PART DES FEMMES DANS LA POPULATION ACTIVE (%)</u> | | | | | | |
| 1983 | 38,4 | 39,6 | 34,2 | 34,0 | 38,7 | 32,7* | 39,6 | 28,8* | 45,6 | 37,9* | 30,0* | 37,7* | 1983 |
| | <u>TOTAL EMPLOYMENT (1 000)</u> | | | | | | <u>EMPLOI TOTAL (1 000)</u> | | | | | | |
| | <u>MALES AND FEMALES</u> | | | | | | <u>HOMMES ET FEMMES</u> | | | | | | |
| 1980 | 26302 | 21695 | 21107 | 5081 | 3841 | 158,9 | 25306 | 1163 | 2489 | 107143 | 3541* | 110684* | 1980 |
| 1983 | 25187 | 21442 | 21128 | 5038 | 3665 | 159,5 | 23720 | 1146* | 2476 | 103962* | 3676* | 107638* | 1983 |
| | <u>PROPORTION OF FEMALES IN EMPLOYMENT (%)</u> | | | | | | <u>PART DES FEMMES DANS L'EMPLOI (%)</u> | | | | | | |
| 1983 | 38,0 | 38,2 | 31,9 | 32,9 | 36,6 | 33,3* | 41,0 | 29,6* | 45,6 | 37,3* | 29,2* | 37,0* | 1983 |
| 1983 | <u>DISTRIBUTION OF EMPLOYMENT BY SECTOR (%)</u> | | | | | | <u>PART DES SECTEURS DANS L'EMPLOI (%)</u> | | | | | | 1983 |
| Agriculture | 5,4 | 7,9 | 12,0 | 4,9 | 2,9 | 4,7 | 2,7 | 17,1* | 8,4 | 6,7* | 27,4* | 7,4* | Agriculture |
| Industry | 41,1 | 33,0 | 35,1 | 27,3 | 30,9 | 35,4 | 33,0 | 30,7* | 25,8 | 34,8* | 27,7* | 34,6* | Industrie |
| Services | 53,5 | 59,1 | 52,9 | 67,7 | 66,2 | 59,9 | 64,3 | 52,2* | 65,7 | 58,4* | 44,8* | 58,0* | Services |
| | <u>PROPORTION OF EMPLOYEES IN EMPLOYMENT (%)</u> | | | | | | <u>PART DES SALARIES DANS L'EMPLOI (%)</u> | | | | | | |
| 1983 | 87,2 | 83,9 | 71,4 | 88,0 | 83,0 | 87,4 | 90,2 | 75,4* | 84,8 | 83,7* | 51,7* | 82,6* | 1983 |

Registered unemployed by duration

Proportion of unemployed registered since more than 1 year
October

Chômeurs enregistrés – structuro par durée

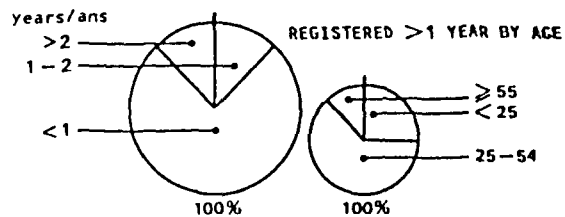
Part des chômeurs inscrits depuis plus d'un an
Octobre

%

| | BR Deutsch- land | France | Italia | Neder- land | Belgique/ België | Luxem- bourg | United Kingdom | Ireland | Danmark | EUR 9 | Ellas | EUR 10 |
|--|------------------------|--------|--------|----------------|---------------------|-----------------|-------------------|---------|---------|-------|-------|--------|
| Males and females □ Hommes et femmes | | | | | | | | | | | | |
| 1974 | : | 11.9 | : | : | 52.0 | : | : | : | : | : | : | : |
| 1975 | 9.6 | 11.1 | : | : | 35.9 | : | : | : | : | : | : | : |
| 1976 | 17.9 | 15.4 | : | 22.6 | 43.8 | : | 16.6 | : | : | : | : | : |
| 1977 | 18.6 | 17.1 | : | 24.2 | : | : | 20.0 | : | : | : | : | : |
| 1978 | 20.3 | 18.4 | 28.4 | 25.3 | 54.4 | : | 24.6 | : | : | : | : | : |
| 1979 | 19.9 | 21.8 | 32.9 | 25.7 | 49.0 | : | 26.1 | : | : | : | : | : |
| 1980 | 17.0 | 22.3 | 35.6 | 21.1 | 46.2 | : | 19.4 | 31.6 | 7.8 | : | : | : |
| 1981 | 16.2 | 22.2 | 34.4 | 24.3 | 48.0 | : | 26.3 | 30.7 | 4.1 | : | : | : |
| 1982 | 21.2 | 25.2 | 39.8 | 33.6 | 51.9 | : | 35.5 | 30.2 | 5.4 | : | : | : |
| 1983 | 28.5 | 26.6 | 43.0 | 47.6 | 55.1 | : | 36.5 | 36.5 | 5.6 | : | : | : |
| Males □ Hommes | | | | | | | | | | | | |
| 1974 | : | 12.6 | : | : | 58.8 | : | : | : | : | : | : | : |
| 1975 | 11.0 | 9.9 | : | : | 34.4 | : | : | : | : | : | : | : |
| 1976 | 21.3 | 14.4 | : | 25.3 | 40.1 | : | 19.9 | : | : | : | : | : |
| 1977 | 21.2 | 14.6 | : | 27.1 | : | : | 23.7 | : | : | : | : | : |
| 1978 | 22.5 | 15.9 | 30.3 | 27.5 | 41.7 | : | 28.4 | : | : | : | : | : |
| 1979 | 22.2 | 19.4 | 35.0 | 28.9 | 38.1 | : | 30.4 | : | : | : | : | : |
| 1980 | 18.3 | 20.2 | 36.8 | 21.2 | 32.4 | : | 22.2 | 34.6 | 6.8 | : | : | : |
| 1981 | 16.0 | 19.4 | 34.5 | 24.3 | 36.2 | : | 29.2 | 34.2 | 3.7 | : | : | : |
| 1982 | 20.9 | 23.1 | 39.8 | 34.5 | 45.1 | : | 39.6 | 34.4 | 5.4 | : | : | : |
| 1983 | 29.5 | 24.4 | 44.2 | 49.4 | 49.9 | : | 44.5 | 40.5 | 5.6 | : | : | : |
| Females □ Femmes | | | | | | | | | | | | |
| 1974 | : | 11.4 | : | : | 45.8 | : | : | : | : | : | : | : |
| 1975 | 7.9 | 12.3 | : | : | 37.2 | : | : | : | : | : | : | : |
| 1976 | 14.7 | 16.2 | : | 16.0 | 46.6 | : | 7.7 | : | : | : | : | : |
| 1977 | 16.2 | 19.1 | : | 18.3 | : | : | 11.4 | : | : | : | : | : |
| 1978 | 18.5 | 20.6 | 26.0 | 21.3 | 62.4 | : | 15.8 | : | : | : | : | : |
| 1979 | 18.1 | 23.7 | 30.7 | 21.2 | 55.3 | : | 17.1 | : | : | : | : | : |
| 1980 | 16.0 | 24.0 | 34.4 | 20.7 | 55.1 | : | 13.5 | 22.1 | 9.0 | : | : | : |
| 1981 | 16.3 | 24.7 | 34.2 | 24.2 | 56.9 | : | 19.2 | 19.4 | 4.4 | : | : | : |
| 1982 | 21.6 | 27.3 | 39.7 | 31.7 | 57.7 | : | 25.7 | 17.3 | 5.4 | : | : | : |
| 1983 | 27.0 | 28.8 | 45.3 | 44.1 | 59.6 | : | 26.4 | 23.4 | 5.5 | : | : | : |
| Proportion of females in total □ Part des femmes dans le total | | | | | | | | | | | | |
| 1974 | : | 52.5 | : | : | 46.3 | : | : | : | : | : | : | : |
| 1975 | 37.7 | 55.9 | : | : | 53.8 | : | : | : | : | : | : | : |
| 1976 | 42.1 | 57.8 | : | 20.4 | 60.9 | : | 12.4 | : | : | : | : | : |
| 1977 | 46.7 | 61.1 | : | 25.1 | : | : | 17.2 | : | : | : | : | : |
| 1978 | 50.1 | 60.2 | 41.1 | 30.7 | 70.4 | : | 19.8 | : | : | : | : | : |
| 1979 | 51.9 | 59.9 | 43.8 | 33.8 | 71.5 | : | 21.2 | : | : | : | : | : |
| 1980 | 51.8 | 59.4 | 47.7 | 36.0 | 72.7 | : | 21.8 | 16.5 | 51.6 | : | : | : |
| 1981 | 51.4 | 57.9 | 51.6 | 33.1 | 67.6 | : | 21.6 | 14.8 | 50.8 | : | : | : |
| 1982 | 46.9 | 54.9 | 49.1 | 29.9 | 60.6 | : | 21.5 | 14.0 | 48.6 | : | : | : |
| 1983 | 43.8 | 53.7 | 51.4 | 30.2 | 58.1 | : | 21.5 | 16.2 | 51.8 | : | : | : |

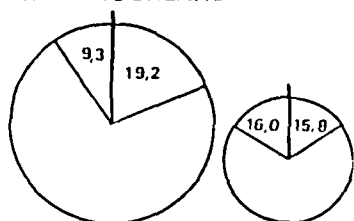
PERSONS REGISTERED AS UNEMPLOYED FOR MORE THAN 1 YEAR
according to national method of measurement

TOTAL REGISTERED BY DURATION



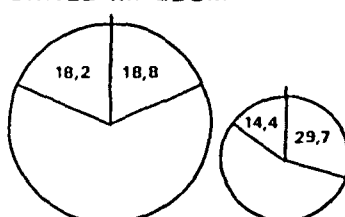
Oct. 1983

BR DEUTSCHLAND



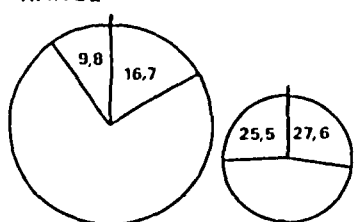
| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 17,0 | 28,5 |
| < 25 | 100 | 5,2 | 15,5 |
| 25-54 | 100 | 17,5 | 32,5 |
| ≥ 55 | 100 | 35,9 | 41,6 |

UNITED KINGDOM



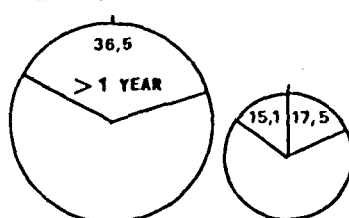
| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 19,4 | 37,0 |
| < 25 | 100 | 8,7 | 26,9 |
| 25-54 | 100 | 22,4 | 43,4 |
| ≥ 55 | 100 | 41,3 | 46,0 |

FRANCE



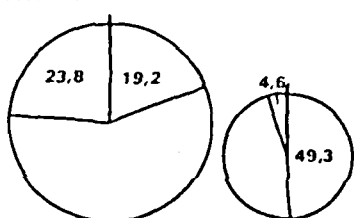
| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 22,3 | 26,5 |
| < 25 | 100 | 12,4 | 15,6 |
| 25-54 | 100 | 25,4 | 27,7 |
| ≥ 55 | 100 | 54,8 | 68,7 |

IRELAND



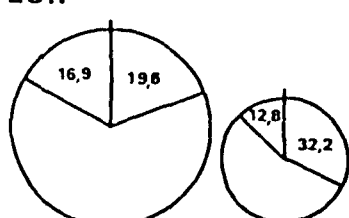
| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 31,6 | 36,4 |
| < 25 | 100 | 15,8 | 21,1 |
| 25-54 | 100 | 34,1 | 41,4 |
| ≥ 55 | 100 | 49,9 | 53,1 |

ITALIA



| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 35,6 | 43,0 |
| < 25 | 100 | 31,3 | 42,4 |
| 25-54 | 100 | 40,1 | 43,7 |
| ≥ 55 | 100 | 38,5 | 42,0 |

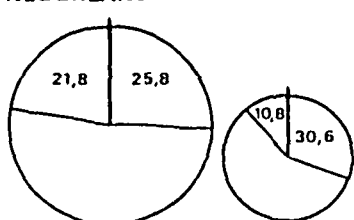
EUR*



| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 26 | 37 |
| < 25 | 100 | 17 | 28 |
| 25-54 | 100 | 30 | 40 |
| ≥ 55 | 100 | 48 | 50 |

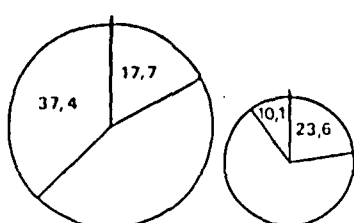
* Estimate calculated as average of non harmonized national data

NEDERLAND



| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 21,1 | 47,6 |
| < 25 | 100 | 11,9 | 35,6 |
| 25-54 | 100 | 25,6 | 54,3 |
| ≥ 55 | 100 | 62,8 | 67,2 |

BELGIQUE-BELGIË



| AGE (%) | | > 1 year/année | |
|---------|-----|----------------|------|
| | | 1980 | 1983 |
| TOT | 100 | 46,2 | 55,1 |
| < 25 | 100 | 25,1 | 33,4 |
| 25-54 | 100 | 59,4 | 67,3 |
| ≥ 55 | 100 | 74,7 | 82,6 |

| Oct. 1983 | REGISTERED UNEMPLOYED | | |
|----------------|-----------------------|-----------------------|-------------|
| | TOTAL (x 1 000) | > 1 YEAR (x 1 000) | (%) |
| BR DEUTSCHLAND | 2.133,9 | 608,7 | 28,5 |
| FRANCE | 2.165,1 | 575,1 | 26,5 |
| ITALY | 2.763,7 | 1.187,3 | 43,0 |
| NEDERLAND | 824,6 | 392,9 | 47,6 |
| BELGIQUE | 625,7 | 344,9 | 55,1 |
| UNITED KINGDOM | 3.094,0 | 1.142,9 | 37,0 |
| IRELAND | 196,0 | 71,5 | 36,5 |
| E U R | 11.803,0 | 4.323,3 | 37,0 |
| Oct. 1980 | TOTAL (x 1 000) | > 1 YEAR (x 1 000) | (%) |
| E U R | 7.135,8 | 1.846,3 | 26,0 |

EMPLOYMENT DURATION - METHODS AND MEASUREMENT

Summary of a study published by EUROSTAT in 1983

1. This report looks at the measurement of the duration of unemployment for those registered at the local employment offices (or their equivalents) in the EC member countries of Belgium, Denmark, France, the Federal Republic of Germany, Ireland, Italy, the Netherlands and the United Kingdom. It also uses the available statistics to show the range of published material available and to illustrate recent trends over the five-year period 1977-81.
2. All member countries examined in this study have experienced significant increases in the number of unemployed over the past five years. A component of this general increase in numbers has been a growing proportion of the total unemployed remaining without work for longer periods.
3. In all eight countries the main unemployment duration series is derived from the administrative data collected by the national public employment services starting at a local level. As such it suffers from the same problems inherent in the general unemployment series, the main one being in terms of coverage with inclusion or exclusion of certain groups.
4. Because the main source of information for the regular statistics is the record of those registered, the statistics actually measure the duration of current registration taken at one point in time, the date of the regular count. As such they will tend to be incomplete spells of unemployment.
5. The collection of statistics on duration has been the subject of discussion by the international agencies. In particular, the 1954 Eighth International Conference of Labour Statisticians laid down guidelines on what to collect and with what frequency.
6. In five of the eight countries, Belgium, France, the FR of Germany, Italy and the United Kingdom, the statistics are collected and published by the respective Ministries of Labour or a specific branch of it. In Denmark, Ireland and the Netherlands the national statistical offices have overall responsibility.

7. All countries use a regular monthly count date, as used for the main unemployment series, for the duration calculations. The special counts are carried out monthly in Belgium, Denmark and France, quarterly in the Netherlands and the United Kingdom, and twice-yearly in the FR of Germany, Ireland and Italy.
8. There is a particular problem with the statistics in Denmark due to the adoption of a new information base in 1978/79. The series was, in effect, restarted in 1979 and the unemployment duration records were interrupted. This makes data collected either side of the date incompatible.
9. The recording of unemployment duration and the payment of unemployment benefits are strongly linked in the sense that usually the conditions for receiving benefit require the person to be available for work. Therefore, such periods of unavailability due to sickness, for example, should not be counted.
10. The most serious problem affecting comparability is the treatment of breaks in the unemployment period. Most countries do not have a formal system for recording such breaks and as a result many individual cases are treated subjectively by local employment office staff. This discrepancy, however, will tend to affect comparisons of national trends less than inter-country comparisons.
11. All countries have comprehensive benefit schemes for the unemployed, with contributions to the appropriate fund compulsory in all countries except Denmark for most categories of worker. However, the proportion of the labour force covered by such a scheme varies due to the exclusion of certain groups, in the main the self-employed and family workers. However, despite the voluntary nature of the Danish scheme, the proportion of workers covered (about 65 per cent) compares favourably with proportions in other member countries.
12. The conditions surrounding the payment of unemployment benefits may have an affect on the timing of registration and hence the measurement of duration. This is due to the imposition of waiting periods before any benefit is paid and the length of time for which earnings-related benefits are paid. All countries except Belgium have a cut-off point

after which those still unemployed switch to a means-tested social assistance scheme. The length of time for which earnings-related benefits are paid varies from six months in Italy to 30 months in Denmark and the Netherlands. In Belgium the period is unlimited.

13. The ability to receive earnings-related benefits for an unlimited period in Belgium may be a contributory factor to that country's high proportion of registered unemployed in the over 12 months category, consistently over 50 per cent for the period 1977-81 compared to a norm of around 20 per cent for the other member countries.

14. All countries publish analyses of the unemployment duration statistics by sex and age group and all except France by region, though the level of regional disaggregation varies. In addition Denmark produces a range of statistics which reflect its own unique insurance scheme. A good deal of the information available in each country is not regularly published (for example for local area statistics), but is generally available to users on a request basis.

15. Analysis of the administrative statistics over the period 1977-81 shows that there has been a significant increase in the number of long-term unemployed. The largest increases have been in France and the United Kingdom and the smallest in the FR of Germany and Ireland.

16. Survey data on unemployment periods is available in some member countries but the only comparable data is that derived from the community-wide Eurostat Labour Force Survey. However, the survey effectively measures the length of active job search for those describing themselves as unemployed and is not, therefore, strictly comparable with the data derived from administrative sources.

17. It is not valid to compare the data from administrative and labour force survey sources since they measure different aspects of duration. Comparison of French data from the alternative sources reveals that the survey results tend to show much higher proportions of the total unemployed in the longer duration categories.

18. The accuracy and reliability of the administrative data across countries will tend to be dependent on the basic comparability of the general unemployment series. Furthermore, the duration data will be

strongly associated with the different conditions surrounding the payment of unemployment benefits which vary considerably from country to country. As such the data are better used as trend indicators rather than cross-sectional measures in international comparisons.

BIBLIOGRAPHIE / BIBLIOGRAPHY

- I. Mesure de la durée individuelle du chômage /
The measurement of the duration of unemployment /
Messung der individuellen Dauer der Arbeitslosigkeit
- . Walsh, Kenneth - "The measurement of the duration of unemployment in the EEC", Novembre 1982; a report prepared for the Statistical Office of the European Communities, Luxembourg, 1983.
- II. Nature du chômage de longue durée / The cause of long-term unemployment /
Die Ursache der Langzeitarbeitslosigkeit
- . Beardsworth, Alan; Myrman, Alan; Ford, Janet and Keil, Teresa - "Employers' strategies in relation to their demand for labour: a sociological contribution" - Industrial Relations journal, 1982, Summer.
 - . Bunchteman, Christoph F. - "Die Bewältigung von Arbeitslosigkeit im zeitlichen Verlauf" - Forschungsbericht 85, Sozialforschung 1984 des Bundesminister für Arbeit und Sozialordnung.
 - . Bundesanstalt für Arbeit - "Dauer der Arbeitslosigkeit; Mehrfach-arbeitslosigkeit" - Amtliche Nachrichten der Bundesanstalt für Arbeit Nr. 3/1984, vom März 1984, Nürnberg.
 - . Colin, Jean-François; Welcomme, Dominique - "L'employabilité des demandeurs d'emploi : une description à partir des statistiques de l'ANPE" - Travail et Emploi, juillet - septembre 1981, n° 9, Paris.
 - . Commission des Communautés Européennes - "Le chômage de longue durée dans la Communauté Européenne" - Rapport réalisé par l'Agence Nationale pour l'Emploi, France 1980; Etude n° 79/68, Bruxelles 1980.
 - . Direction des Etudes et des Statistiques de l'ANPE - "Les demandeurs d'emploi de longue durée : analyse d'une population", juin 1983, Paris.
 - . Feinberg, R.M. - "Risk aversion, risk and the duration of unemployment" - The Review of Economics and Statistics. Vol LIX n° 3, August 1977.
 - . Franz, Wolfgang - "Jugendarbeitslosigkeit: eine kurze Episode oder eine permanente Gefahr? - Wirtschaftsdienst 1983 III.
 - . Ginneken (van), W., "Le chômage : tendances, causes et possibilités d'action". Revue internationale du Travail, BIT Genève, Vol 120, N° 2, Mars/Avril 1981.
 - . Greedy, John and Disney, Richard - "Changes in Labour market .. in Great Britain" - Scottish journal of Political Economy, Vol 28 n° 1, February 1981.
 - . Irish Manpower Consultative Committee - "Report on the problems of the long-term unemployed", November 1982.

- . Humilton, Leslie and Just, Wolf-Dieter - "Poverty and Dependence in the European Community: an ethnical perspective", Rotterdam, 1983.
- . König, Heinz - "Zur Dauer der Arbeitslosigkeit" - Kylos Vol. 31, Fasc. 1.36.52.
- . Lévy, Martine - "Le chômage des femmes", Rapport élaboré à l'intention de la Commission des Communautés Européennes, Avril 1983, Bruxelles.
- . Lux, Bernard - "Les facteurs déterminant la durée individuelle du chômage", Cahiers Economiques de Bruxelles n° 94, 2e trimestre 1982.
- . Mac Gregor, A. - "Unemployment duration and re-employment probability", The Economic journal, 18 December 1978.
- . Manpower Services Commission - "Closure at Lintwood: a follow up survey of redundant workers", April 1984.
- . Manpower Services Commission - "A study on the long-term unemployment", February 1980.
- . Salais, Robert - "Le chômage, un phénomène de file d'attente", Economie et Statistique, INSEE, Paris N° 123, juillet 1981.
- . Short, J.F. - "Long-term unemployment in Ireland", Analysis Section, Department of Finance, October 1970.
- . Standing, Guy - "La notion de chômage structured", Revue Internationale du Travail, BIT Genève, Vol. 122 N° 2, mai/avril 1983.
- . Tyrell, Robert and Shanks, Michel - "long-term unemployment", September 1982, London.

III. Tendence de l'emploi / Employment Trend / Beschäftigungstendenz

- . EUROSTAT - "L'emploi et le chômage des jeunes de moins de 25 ans", Bulletin n° 1, 1983; OSCE, Luxembourg.
- . EUROSTAT - "Les femmes face à l'emploi et au chômage", Emploi et Chômage n° 1, 1984; OSCE, Luxembourg.
- . EUROSTAT - "Evolution de l'emploi en 1983", Bulletin statistique n° 3, 1984; OSCE, Luxembourg.

- IV. L'impact du chômage sur les individus et la société /
The impact of unemployment on individuals and society /
Die Auswirkung der Arbeitslosigkeit auf Einzelpersonen und die Gesellschaft
- . Brenner, M.H. - 'Mortality and economic instability: a model including intervening risk factors for predictions purposes'. Symposium de l'O.M.S. "Influence of Economic Instability on Health", München, 1981.
 - . Brinkman, Christian; Potthoff, Peter - "Gesundheitliche Probleme in der Eingangsphase der Arbeitslosigkeit", Mitteilung aus der Arbeitsmarkt- und Berufsforschung, IAB, Nürnberg, 16/J/1983-4.
 - . Frankfurter Rundschau - "Deutsche Gesellschaft für Verhaltenstherapie: Denkschrift über Gesundheit und Arbeitslosigkeit", 13 April 1983.
 - . Harrison, R. - "The demoralising experience of prolonged unemployment", Dept. of Employment Gazette, April 1976.
 - . Heyes, J. et Nutman, P. - " Comprendre les chômeurs", Bruxelles, 1983.
 - . O.M.S. (Organisation Mondiale de la Santé) :
 - Séminaire sur la politique de la santé dans le contexte du chômage dans la Communauté, Leeds, 1982;
 - Séminaire sur le chômage et la santé : approches nouvelles de la recherche et de l'action sociale", Stockholm, 1983
 - . Schnaffer, Dominique - "Chômage et Politique : une relation mal connue", Revue Française de Science Politique, Vol. 32, N° 4-5, août/octobre 1982.
- V. L'indemnisation du chômage / Unemployment benefits / Arbeitslosenvergütung
- . Centre d'Etude des Revenus et des Coûts - "L'indemnisation du chômage en France et à l'étranger", Document du CERC n° 62, Paris, 2e trimestre 1982.
 - . European Industrial Relations Review - "International unemployment benefits in 12 countries", 1983.
 - . Euvrard, Françoise - "L'indemnisation du chômage : autres systèmes, autres niveaux d'indemnisation", Droit Social n° 5, mai 1983, Paris.

VI. Centres d'accueil et d'aide aux chômeurs / Unemployed centres / Arbeitslosenzentren

- . Arbeitslosenzentrum Hannover - "Arbeitslos nicht wehrlos", Hannover, November 1982.
- . 1. Bundeskongreß der Arbeitslosen, Fachhochschule Frankfurt am Main, 1983, Arbeitsloseninitiativen der Bundesrepublik Deutschland und West Berlin.
- . National Council for Voluntary Organisations - "Voluntary and Community Organisations and long-term unemployment: an NVCO consultation paper", London, March 1983.

VII. Mesures de politique de l'emploi / Employment measures / Beschäftigungspolitische Maßnahmen

- . Direction des Etudes et des Statistiques de l'ANPE - "Le programme gouvernemental des chômeurs de longue durée" - Echange et Travail, juin 1983, Paris.
- . Freie Universität Berlin, Forschungsstelle Sozialökonomie der Arbeit - "Effizienz von Arbeitsmarkt- und Beschäftigungspolitischen Maßnahmen" - Etude réalisée pour la Commission des Communautés Européennes, Bruxelles, 1983.
- . Manpower Services Commission, Psychological Services - "The results of schemes to help the long-term unemployed (10% initiatives) at 34 local offices during winter 1981/2", July 1982.
- . MISEP - "Rapports nationaux d'information de base", Commission des Communautés Européennes et Work and Society, Maastricht, mars 1984.