

Commission of the European Communities DG V
Working document on employment policies

On the basis of an agreement of the directors general for employment, the Commission of the European Communities has created a Mutual Information System on Employment Policies (MISEP). inforMISEP (iM) is the quarterly outcome of this system. It presents the changing policies and actions, particularly those sponsored by national ministries and agencies, aimed at promoting and improving employment within the European Community. It is compiled on the basis of information provided by national correspondents (listed on the back page). No statistical information is provided, readers being referred to the various Eurostat publications. The present issue covers the following areas:

Overall developments

Denmark : Labour market bottlenecks; *Germany* : New labour market policy approaches; *Spain* : Employment contracts; *Italy* : New employment policy division; *Portugal* : Restructuring IEFP; *United Kingdom* : 1986 Budget.

Aid to the unemployed

Denmark : Enterprise and training allowance; *Germany* : BA neutrality (para. 116 AFG); *United Kingdom* : TRES computerisation.

Training

Greece : 1986 Programme; *Spain* : 1986 Programme; General Council; *Ireland* : Skills Foundation Programme; School-leavers' survey; *Netherlands* : Vocational guidance; BVJ apprenticeship contracts.

Job creation

Greece : New measures; *Italy* : Reduced contributions; Training-work contracts; Cultural jobs; *Netherlands* : WPO employment project in education; *Portugal* : Reduced contributions; Public utility jobs; Grants for self-employment.

Special categories of workers

Netherlands : LTU (MOA) programme.

Working time

Belgium : National agreement; *Germany* : Collective bargains; *France* : Law on collective bargaining.

Studies

Denmark : Employment trends; *Germany* : Unemployed characteristics; *Ireland* : National manpower policy; *United Kingdom* : Temporary work.

Developments at a glance

Developments at a glance

- Belgium* Trade unions and employers reached a national agreement on flexible working time in April (p. 14).
- Denmark* The government has intensified its efforts to overcome bottlenecks on the labour market (p. 3). The first results of the training and enterprise allowance scheme for the long-term unemployed are presented (p. 6). Unemployment continued to fall and employment to rise in 1985 (p. 16).
- Germany* The government has allocated funds for 1986 for "encouraging experiments into new approaches in labour market policy" (p. 3). The amendment of para. 116 of the Labour Promotion Act clarifies entitlement to unemployment benefits in the case of strikes (p. 6). Working time continues to be reduced in collective agreements (p. 15). The autumn 1985 survey of unemployment brought out the importance of having sufficient training (p. 16).
- Greece* The breakdown of 374 educational and training programmes for working life is outlined on p. 8. New job creation measures for 1986 provide for 9,500 building workers and unemployed persons in general to be hired by 200 local authorities and 1,400 jobs for the disabled (p. 12).
- Spain* The 1984 reform of the Workers' Statute profoundly modified employment contracts (p. 3). The aims and main areas of the 1986 national programme for training are outlined on p. 8 and tasks of the new General Council for Vocational Training on p. 9.
- France* In February parliament passed a law on collective bargaining concerning the organisation of working time aimed at both reducing it and making working time more flexible (p. 15).
- Ireland* A new 27 week programme is intended to provide early school-leavers with basic work skills (p. 10). A survey of 1982 school-leavers shows that 2 years later 76% were in employment or further education (p. 10). A research report has been published on the coverage, institutional arrangements and specific instruments of national manpower policy (p. 17).
- Italy* The Ministry of Labour has established an employment policy division (p. 5). Reductions in social security contributions aim to encourage job creation (p. 12). Training-work contracts should create 40,000 jobs for young people in 1986 (p. 12) whereas a similar amount (LIT 600 billion) has been allocated for young persons' jobs aimed at enhancing cultural assets (p. 13).
- Netherlands* Vocational guidance is being made "performance-related" (p. 11). The government is providing Hfl. 243 million for some 35,000 agreements for basic apprenticeship training (p. 11). WPO is a "plough-back" approach to create an additional 8,400 temporary jobs in education (p. 13). For employing the long-term unemployed, employers can receive Hfl. 1,000 per month for 6 months under the MOA scheme (p. 14).
- Portugal* The National Employment and Training Institute, IEFP, has been restructured (p. 5). Exemption from social security contributions for 2 years should stimulate enterprises to hire young persons (p. 13). A temporary employment programme is providing collective utility jobs for 12,000 young people (p. 13). Young people and the long-term unemployed can receive grants for one year to set up their own business (p. 13).
- United Kingdom* The 1986 Budget includes proposals on job creation for the long-term and young unemployed (p. 5). A £ 58 million programme (TRES) is fully computerising the unemployment benefit offices (p. 7). Studies have recently been published on the extent and nature of temporary work (p. 18).

Overall developments

DENMARK: The Danish Government intensifies its efforts to overcome bottleneck problems

In a recent report, the Danish Government has announced its plans to intensify efforts to overcome bottleneck problems on the labour market. Its strategy will involve the ministries of labour, education and industry.

The main view expressed in the report is that the initiatives to overcome these problems should be decentralised. As regards the Ministry of Labour, this is leading to a revision of a number of targets concerning improvements and rearrangement of priorities in the functions of the public employment service and the adult vocational training system; it also implies measures to change the attitudes of both enterprises and the labour force.

In practice this will mean that the surveillance of the labour market will be intensified by means of, among other things, strengthening the analysis and forecasting activities of the labour market boards and better coordinating this work with planning the educational system.

Furthermore, the placement activities of the public employment service are to be made more efficient by means of the progressive computerisation in the placement activities, not just in the metropolitan area as now, but all over the country.

The educational system should be made more flexible. One instrument to achieve this is to emphasise more the market mechanism in the form of collecting fees from users of the system. The legislation recently introduced in the field of adult vocational training has created a modern and up-to-date legislative basis for this rationalisation process. Furthermore, there should be an increase in the number of courses in fields with bottleneck problems and the standard of the technical equipment of the technical schools, etc. should be improved.

The measures to influence attitudes range from intensifying guidance activities for jobseekers and persons wanting to go into education or training to information campaigns targeted at enterprises. The purpose of these campaigns is to stress that enterprises themselves have a great responsibility for trying to avoid bottlenecks. Thus they should be constantly aware of the need for readjustment and new ways of thinking as regards the skills required. This necessitates better staff planning and a more conscious recruitment policy.

Staff planning is also a condition if the enterprises are to improve the insight of the authorities into the future needs for labour. It is of key importance for planning education and training that enterprises present the public employment service as early as possible with realistic forecasts of their needs for labour and particular skills. Furthermore, enterprises should be more aware of the possibility of using labour with a non-traditional educational or training background. Again, it is also important that enterprises intensify in-company training activities in order to ensure that the skills of the employees are continuously updated.

Finally, such a campaign should draw attention to the possibility of enterprises contracting for training courses specifically tailored to their individual needs so that the strategy

towards decentralisation and a market regulation of training initiatives can be implemented.

Efforts to change attitudes should also be directed toward women's choice of occupation and education/training with the aim of ensuring better and more qualified guidance in this field. If female unemployment is to be reduced, it is indispensable to ensure an increase in women's share of jobs in growth sectors.

GERMANY: Encouraging new approaches in labour market policy

The Minister of Labour and Social Affairs has for the first time in the 1986 financial year earmarked funds for encouraging experiments into new approaches in labour market policy.

This finance will be used in particular for:

- testing labour market projects aimed at younger people who, for instance, on finishing their training cannot find a job, or at pilot experiments in which groups of those who are difficult to place set up forms of self-employed occupational activities;
- promoting institutions to provide advice covering several regions on local training and employment initiatives.

A limited amount of money is also available for pilot projects for creating additional training places through the establishment of training associations.

SPAIN: Employment contracts

The 1984 reform of the Workers' Statute, the basic law governing employment relationships, has profoundly modified the employment contract. Without prejudice to the principle that an employment contract is presumed to be concluded for an indefinite period, this reform covers a whole series of types of contracts which have in common the fact that they set out the duration for which work is to be performed for one of two reasons: for reasons really justifying a limited term contract or for employment promotion brought in for cyclical reasons, which are briefly outlined below.

I. Limited term employment contract

Royal decree 2104/84 of November 21 sets out the cases provided for under Article 15-1 of the Workers' Statute under which a time limit can be put on an employment contract for meeting transitional, short-term company requirements.

1. Employment contracts for carrying out a specific job or service

These contracts are for carrying out clearly defined work or services which differ from all the other activities of the enterprise and whose length of execution, although lasting only a limited time, cannot be laid down exactly. The contract ends when the work or service has been completed according to the specifications contractually agreed to by the parties.

2. Occasional contracts determined by production requirements

Such contracts are concluded in order to face up to particular market requirements, an increase in work or overload in orders even if they are part of the usual activities of the enterprise. The maximum length of these contracts cannot exceed 6 months over a 12 month period. They terminate at the end of the maximum length of time agreed to including, where necessary, any extension agreed to beforehand by the parties.

3. Temporary employment contracts

These contracts are concluded so as to replace workers who are entitled by law or an individual or collective agreement to keep their job (temporary incapacity to work, military service, etc.). The duration of this type of contract depends on the length of time for which the replaced worker keeps his entitlement to his job. The contract ends when the replaced worker returns to his job after expiration of the period of time provided for by law or regulations and previously agreed to by the parties; notice is not required, unless agreed otherwise.

4. Contracts for starting new activities

Fixed term contracts can be concluded by newly established enterprises or by existing enterprises which are expanding their business by launching a new range of products, a new product or service or opening a new plant. The launch period is considered to be of three years at the most. The duration of such contracts cannot be less than 6 months nor more than 3 years. They cannot be extended beyond the launching period taken as a reference. Any continuation of service after that date is held to be a contract of unlimited duration. Contracts expire at the end of the contractual period or of the extension agreed to beforehand.

II. Temporary employment contracts as a means of promoting employment

The government is fully aware of the current critical employment situation. So it has made use of the right under Article 15.2 of the Workers' Statute. This enables it to regulate the temporary employment contract as a means of promoting employment and developing this form of contract, drawing on DR 1989/84 of October 17, 1984.

In accordance with the provisions of this law, enterprises can conclude limited term employment contracts with unemployed workers registered at the employment office. The work can be of any kind. The term of the contracts must be of not less than 6 months and not more than 3 years. They can, however, be renewed for one or more periods of at least 6 months with the agreement of the parties until the maximum time allowed is fully used up. These contracts expire at the end of the contractual period agreed to by one or the other party and the worker can claim a compensation corresponding to 12 days of wages for each year of service.

In spite of the significance of the law, it also contains certain restrictions aimed at avoiding having workers with temporary work contracts replacing permanent workers.

III. Contracts for practical traineeships and training

These contracts are set out in Article 11 of the Workers' Statute and are expanded on by DR 1992/84 of October 31, 1984. They are limited in time not because of short-term needs of companies but rather because their specific purpose is essentially transitory.

1. Practical traineeship contracts

These are contracts between an employer and any person holding a general education or vocational training diploma which gives him the right to exercise a trade/profession. Their purpose is to provide paid activities enabling the worker to apply and to improve his knowledge and to help him practise a trade corresponding to what he has studied. The contract can be signed by workers who hold a diploma during the four years following the conclusion of their studies. The duration must be no less than 3 months and no more than 3 years. But the contract can be renewed provided the maximum authorised duration is not exceeded.

Under no circumstances can pay fixed by the contract be less than the basic minimum which is subjected to social security corresponding to the trade category in question. For the duration of the contract, enterprises are entitled to a 75% reduction in the employer's contribution to social security.

The contract expires at the end of the contractual period when the worker has the right to a certificate acknowledging he has completed the traineeship.

2. Training contract

This is a contract which lays down that the worker agrees both to work and to be trained and that the employer pays him for this work and enables him to be trained so that he can carry out a trade. These contracts can be concluded by workers who, at the time of signing, are more than 16 and less than 20 years of age. The minimum duration is three months and the maximum 3 years, including possible extensions.

There must be a balance between the working day and the amount of time devoted to training. In no cases can this be less than one quarter of the time fixed in the contract and no more than one half.

The wages can be no less than the minimum national (interprofessional) wage calculated as a proportion of the real working day. Wages are completely exempt from social security contributions for enterprises employing less than 25 workers, and 90% exempted for enterprises who employ more than 25.

IV. Part-time and "relief" contracts

These contracts are governed by articles 12 and 13.4 of the Workers' Statute and detailed by DR 1991/84 of October 31.

1. Part-time contract

By this contract, the worker agrees to provide his services for a specified number of hours per day or week or a specified number of days per week or per month, but in any case less than two thirds of the normal working time for the activity in question. These contracts can be concluded for an unlimited duration or be combined with one or other of the types of limited duration contracts described above, provided they entitle to social security benefits. The wages and the social security contributions are calculated proportionately to the time actually worked.

2. "Relief" contract

Such a contract is concluded with a worker enrolled as a jobseeker at the employment office in order to replace a

worker in an enterprise who, taking an early part-retirement, has a part-time contract. The duration of this type of contract corresponds to the time remaining to the normal retirement age (with a maximum of three years), at the conclusion of which the contract ends and is governed by the same rules as the part-time contract.

Finally, it is interesting to emphasise that this range of contracts can be completed by some other contracts. These include contracts concluded with permanent or seasonal workers who have discontinuous work; contracts for intermittent or cyclical activities, meaning that they are not performed every day or throughout the year; group contracts, contracts for working together or at home. All of these are characterised above all by the temporary character of the work, an aspect which this article has attempted to bring out.

ITALY: Establishment of an "employment policy" division of the Ministry

A ministerial decree of September 20, 1985 established within the Directorate-General of Employment an "employment policy" division. The following domains fall within the purview of this division:

- analysis of labour market problems and those of particularly disadvantaged workers;
- drafting of and proposals for measures to foster employment;
- coordination of activities and programmes for setting up and developing industrial activities;
- training and work projects and solidarity contracts;
- relations with national and international bodies involved in employment policy;
- relations with the central and regional employment commissions as well as with the employment agencies and the national and regional labour market "observatories".

PORTUGAL: Revision of the National Employment and Vocational Training Institute and of financing labour market policy

New legislation has been brought in on the operations of IEFP, the national Employment and Vocational Training Institute (DL no. 247/85 and 58/86 of respectively July 1985 and March 1986). This entrusts this public body with carrying out the public employment and vocational training policies defined and approved by the government. The social partners will participate in some of its organs.

Accountable to the Ministry of Labour and Social Security, IEFP is now structured as follows:

- At the *central level* there is a managing board, an executive committee and a supervisory committee. Membership of the managing board and supervisory committee is tripartite, consisting of representatives of public administration, the trade unions and employers' associations. Workers' and employers' representatives are designated by their respective bodies which sit on the Standing Council for Social Concertation. This is a tripartite advisory body to the Council of Ministers which has specified tasks in the field of economic policy, particularly as regards social affairs and work.
- At the *regional level* each region will have one "Regional delegation" and one "Advisory regional council". These councils will consist of representatives of the respective Regional Coordination Committee and members designated by trade unions and employers associations.

DL no. 40/86 of February 1986 brings in fundamental changes as regards financing employment policies. Thus, the body previously managing the autonomous Unemployment fund – the Gabinete de Gestão do Fundo de Desemprego – is being done away with. This body collected the tax levied on wages and salaries paid by employers and workers, using it to finance employment policy through the transfer of the amounts of the contributions. This tax is being replaced by a single "social contribution" which will combine the social security contributions and the tax mentioned above paid into the Unemployment Fund. These will be comprised within a single budget: that of social security.

Thus, by drawing on this social security budget, sums will be allocated for financially supporting employment and vocational training. The budget will include the national contributions for projects to be financed by the European Social Fund.

UNITED KINGDOM: Employment measures in the March 1986 Budget

The March 1986 Budget contained a number of proposals relating to the UK Government's job-creation strategy aimed primarily at the long-term and the young unemployed. These are:

- an extension of pilot schemes for the *long-term unemployed* (see iM 13) to provide a national Restart Programme consisting of counselling interviews for everyone who has been out of work for 12 months or more; short courses to improve their job finding techniques; £ 20 weekly Jobstart allowance for six months for people who take jobs with earnings of less than £ 80 per week.
- an expansion of the *Enterprise Allowance Scheme* to an annual rate of 100,000 entrants by April 1987 with some additional training (see iM 2, 5, 7, 8).
- a new upgraded *Small Firms Loan Guarantee Scheme*.
- an expansion of the *Community Programme* for long-term unemployed: target number of places to rise from 200,000 to 255,000 this year; average wage limit to go up to £ 67 per week (see iM 8).
- a New Workers Scheme aiming to facilitate the entry of *young people* into the labour market by providing a subsidy of £ 15 per week to employers who recruit those aged 18 or 19 at wages below £ 55 per week and aged 20 below £ 65 per week.
- proposed discussions between the Government, employers and others on ways of encouraging the introduction of *profit-sharing schemes* aiming both to improve worker motivation and increase flexibility for employers in patterns of remuneration.
- an indefinite extension of the *Business Expansion Scheme* (BES). The basic aim of BES is to help fill the so called "equity gap" that had been identified in the financing requirements of many small unquoted companies. By offering a very generous tax relief the scheme encourages outside individuals to provide new equity capital for such companies where typically, the level of finance required is unattractive to institutional investors. Though not specifically a job-creation measure, according to an independent report by the accountancy firm Peat Marwick, over 4,000 jobs were attributable to BES investment made in the first year of the scheme.

The wide range of job-creation schemes now available illustrates the two key objectives of the UK *Government's current employment strategy*: first, a sustained improvement in the performance of business, industry and the

economy as a whole; second, a level of pay which enables workers to be priced into rather than out of employment.

Aid to the unemployed

DENMARK: Results of enterprise and training allowance schemes

The Danish Job Offer Act was amended as from 1 July 1985. Thus, unemployed persons who have reached the age of 25 and who have already made use of the first job offer may instead of a second job offer choose between two options: participate in training while receiving a training allowance or set up their own business with an enterprise allowance.

The main purpose of the job offer scheme, introduced in 1978, is to retrain and maintain the working ability of the unemployed by offering them a job at a normal place of work. At the same time it should also increase total employment in society.

Since the introduction of the scheme the number of persons taking up job offers quadrupled: from some 13,000 placements in 1979 to 60,000 odd placements in 1984. In spite of targeted measures to provide as many job offers as possible in private enterprises some 3/4 of the persons entitled to a job offer are placed in the public sector in temporary job offers of 7 months' duration. This has led to very strong pressure on the scheme in the public sector.

After completion of the job offer only a minority of the unemployed obtain employment and almost half of them become entitled to a second job offer. The job offer scheme was amended in 1984 (see IM 9). Thus, as an alternative to repeated job offers, the unemployed are now offered some useful and constructive activities in the form of training or establishing their own business. This will give them far better chances than repeated job offers of returning to employment.

Unemployed persons who have already been through a job offer and who have reached the age of 25 will now be given the possibility of having up to 2 years' training with a training allowance in the course of the first 2 years unemployment benefit period. The training allowance corresponds to the amount of unemployment benefits that the unemployed would otherwise have been entitled to.

As an alternative to the training allowance it is possible to set up a business on a self-employed basis with an enterprise allowance corresponding to 50 per cent of the maximum rate of unemployment benefits, i.e. about 54,000 D.kr. per year. The enterprise allowance may be payable for up to 3 years after completion of the job offer.

At present some 1,300 persons are undergoing training with a training allowance and some 600 have started their own business with an enterprise allowance. The figure for the training allowance scheme is much lower than anticipated when the legislation was passed. One possible explanation is the significant increase in employment in the private sector which has also benefited the longterm unemployed. Another is the necessary run-in period which must be expected in connection with the scheme.

The schemes are being closely supervised. However, no reliable evaluation of the results from the scheme will be possible until the start of the new educational year in the summer of 1986. An evaluation will then be made with a view to revising the schemes in the sessional year 1986/87.

GERMANY: Ensuring the neutrality of the Federal Employment Institute in industrial disputes

After lengthy public debate, the federal parliament has passed a bill on the neutrality of the Federal Employment Institute (BA) in industrial disputes (revision of para. 116 of the Labour Promotion Act – AFG). According to the Constitution (basic law) BA is pledged to impartiality in industrial disputes. The revision of para. 116 of the AFG clarifies this requirement; it guarantees that there will be no interference with industrial disputes through the granting or not granting of unemployment benefit/unemployment assistance according to the AFG. This means that:

- In the geographical collective bargaining area* in which the industrial dispute takes place employees who are on strike or locked out and employees of the same branch who are indirectly affected by the industrial dispute have no entitlement to benefits from the Federal Employment Institute. This has so far been the case and will remain so.
- In the case of work stoppage in another branch, benefits will always be paid by the BA. This was not so far in the law and has now been explicitly set out in the bill.
- If the work stoppage occurs in another geographical collective bargaining area but in the same branch, employees are in principle entitled to benefit according to the Labour Promotion Act. Only when in their collective bargaining area a demand is made which is the same as a main claim in the industrial dispute, does this not apply. Furthermore, the result of the dispute must in all likelihood be taken over in its key points in that collective bargaining area. This makes it clear that benefits are only withheld from employees indirectly affected if the industrial dispute is also carried out on their behalf.

It is not up to the BA president but rather to a neutrality committee to decide whether in the collective bargaining areas of the employees indirectly affected, a claim has been made which is the same as a central claim of the industrial dispute and whether the result of the industrial dispute will in all likelihood be taken over for these employees. This neutrality committee is set up in the BA and composed of the president of the BA as well as 3 members each of the employers' and trade union organisations. This puts the decisions on broader shoulders and uses the expertise of the social partners. Appeals against the decision of the neutrality committee can be lodged by the top employers' and employees' associations directly at the Federal Social Court. This enables the employees to

know very rapidly exactly what the legal position is.

The new paragraph 116 of AFG reminds the employer of his duty. If he maintains that the indirect consequences of an industrial dispute caused a work stoppage, this has to be proved to the labour office by the employer, who submits at the same time a statement by the representatives of the plant. These representatives can ask the employer to provide them with the requisite information. Should the labour office establish that the work stoppage was not the result of an industrial dispute but could have been avoided, it makes an advance payment of the short-time allowance when wages are not paid. In this way the conflict will not be settled on the backs of the workers.

* Editor's note: "räumlich umkämpfter Tarifbezirk". In the Federal Republic of Germany collective agreements are made on a geographical basis, industry by industry.

UNITED KINGDOM: Terminal Replacement and Enquiry Service (TRES)

The Terminal Replacement and Enquiry Service represents a fundamental change in the method of processing claims for Unemployment Benefit (UB) in the UK. It involves the introduction of visual display units (VDUs) to the national network of over 800 Unemployment Benefit Offices (UBOs) currently dealing with over 3 million claims. It has been described as the largest single development in information technology seen to date in Western Europe.

Payment of UB by computer began with a pilot scheme in London and Wales between 1969 and 1972. Since then, all UBOs have been converted to automatic data processing (ADP). This system requires information on claims to be coded and prepared on punched paper tape, using teletypes in the UBOs, before being transmitted to one of the computer centres where processing is carried out and giro cheques are produced. Limited information on the state of the claim is sent to the office by post from the computer centre. This is all that is immediately available to answer queries from members of the public.

Development of TRES

The punched paper tape equipment is now approaching the end of its useful life, and the methods used are somewhat old fashioned. The older teletypes are in urgent need of replacement. To give a better service, staff needed direct access to claims information held at the computer centre and a speedier method of forwarding information for processing.

As a result, an operational requirement was devised to plan the overall needs for a new Terminal Replacement and Enquiry Service. Each UBO is linked to its computer centre by the British Telecom Packet Switchstream system (PSS), a communications network designed specifically for the transfer of data. The ICL mainframe computers at the Computer Centres in Reading and Livingston have been increased and enhanced to support the new system.

National conversion to TRES

Three pilot offices (Westminster, Reading and Staines) started using the TRES system in November 1985. The national conversion programme started in January 1986, and will take two years to complete. An average of nine offices will be converted each week.

The entire system has a capital cost in the region of £ 58 million and has a life expectancy of at least ten years. It is estimated that the improved efficiency that TRES provides will result in saving 1,920 staff. This helps make the system cost effective over a ten year period. The saving will be achieved through normal staff wastage.

Operation

VDUs are sited at workpoints. Information on claims required for processing and payment is entered onto the screen and sent to the computer centre. Information required by the staff or the public can be called up on the screen and a printout taken if necessary. A Bar Code label containing the National Insurance number is used to identify the claim required, and is read by a bar-code reader attached to the keyboard. The advantages are that the linking of paper information with claims documents is reduced, there should be less movement of claims documents around the office, and enquiries can be answered with greater speed and efficiency. Job satisfaction should also be improved because staff have greater variety of work and experience and greater direct control over the claims they are responsible for.

Each UBO will receive the following *equipment*, all of which complies with British Standard Institute standards:

- *VDUs* – comprising a monitor with keyboard and bar-code reader attached. These are sited throughout each office for use by all staff to update claim details and to answer enquiries. The number of VDUs deployed in each office depends roughly on the number of claimants "signing-on". The VDUs themselves are not micro-computers, and will therefore not work independently or in isolation from the rest of the TRES system.
- The *printer* produces messages from the computer centre, and certain claims information on request.
- The *terminal controller* controls the printer and VDUs, and communicates with the computer centre.

Each VDU is able to display, on demand, the latest claim details from the computer centre. Information sought is selected from a "menu" of options, and displayed within 10 seconds. A printed copy of the information displayed can be obtained if desired.

The VDUs can only be operated by authorised users who are issued with a special security card. Authorised users are also required to type in a secret password to enter the system. Similarly, the system is protected against unauthorised access via the PSS communications network.

Staff response

Staff have readily accepted and adapted to the new system. They are enthusiastic and gain greater job satisfaction from being able to provide their clients with a more efficient and immediate service than has hitherto been the case. As yet there has been little public reaction to the new system but the degree of interest is likely to increase as they become more aware of what it can deliver.

Current situation

One hundred offices have been converted to the system and a further 150+ are currently in training mode. There is a rolling weekly programme of take-on. By September 1987 all offices will have been equipped with TRES equipment and by December 1987 all will have been converted.

Training

GREECE: Education

Many new educational programmes are being introduced in 1986. These include on the one hand programmes which are already run in other Community countries and may be successfully adapted and applied in Greece and, on the other, experimental programmes. More specifically the programmes are as follows:

- 19 projects for the vocational training of 45,098 young persons under 18 years of age. They provide basic vocational training for young persons who have finished school but are without any work experience. Courses are given by the OAED schools as well as by the technical and professional schools which fall within the ambit of the Ministry of Education.
- 159 programmes providing vocational training for 80,218 young persons whose experience is insufficient or inappropriate for special jobs concerning the use of new technologies or the emergence of new professions. The programmes provide specialisation in crafts, handicrafts, mechanics, electronics, new methods in agriculture, computers and informatics.
- 27 programmes provide 32,688 returning Greek migrants with vocational training and languages courses for their reintegration into Greek society.
- 38 programmes concern 2,397 handicapped persons who are able to work. These programmes are run by OAED as well as by institutions reporting to the Minister of Health.
- 32 programmes are for the vocational training of 12,600 longterm unemployed persons, including guidance and encouragement for work.
- 92 programmes will provide training for 36,866 persons already working in enterprises. Included here are courses on the use of new technologies, the improvement of technical management and business expansion.
- 7 programmes will train 1,145 women in professions where very few women work.
- Finally, there is a special programme for 100 persons engaged in local employment initiatives. It consists of a new approach to teaching alternative ways in tourism (ecotourism, cooperatives of hiring rooms and traditional handicrafts).

SPAIN: National programme for training and vocational integration

A decree of the Ministry of Labour and Social Security of February 20, 1986 amends the National Training and Occupational Integration Programme approved on July 31, 1985 and sets out the action to be undertaken in 1986.

The *aim* of the amendment is:

- 1) to facilitate the purposeful and effective implementation of the Programme by broadening the number of be-

neficiaries of these actions and by establishing a guarantee arrangement and priorities for access which should enable the least favoured categories to be integrated into the labour market;

- 2) to adapt the Programme to the objectives of the European Social Fund for the 1986-1988 period;
- 3) to integrate into a single programme both new programmes of training and occupational integration and programmes implemented by the National Employment Institute, the Institute of Social Services, the directorates general for cooperatives and professional associations and the Spanish Emigration Institute which fall under the aegis of the Ministry of Labour and Social Security.

The *aims of the Programme* can be summarised as follows:

- a) to bring about the integration of employment policy and vocational training;
- b) to enhance and provide new orientations to the teaching systems so as to prepare manpower for the new needs of trade and industry brought about by introducing new technologies into enterprises and innovations in production and management methods;
- c) to facilitate and broaden retraining and reconversion systems;
- d) to deal as a priority with those categories of persons experiencing most difficulty in entering the labour market by giving them training and fostering the occupational integration of young people, of the long-term unemployed, of workers in enterprises undergoing restructuring, etc.

The Programme tackles the following five ideas:

1. Vocational training for young people and the long-term unemployed

The programmes foreseen in this area guarantee in the first place practical vocational training for young people having a training contract aged between 16 and 20 years. They will also ease access to training to enable those who have not finished their basic general education to catch up. Enterprises carrying out such training will receive a grant of 85 pts. per worker and per hour of daily training.

Two other types of programmes are also foreseen:

- practical vocational training for young unemployed persons (aged less than 25 years) whose qualifications are insufficient or inappropriate. Unemployed persons participating in these programmes will receive an allowance of 500 pts. per training day;
- practical vocational training for the long-term unemployed aged more than 25 years, aimed at providing them with basic skills and vocational upgrading.

Workers participating in such programmes can claim an allowance corresponding to 75% of the minimum monthly wage in operation.

2. Programme of occupational integration for young jobseekers

- a) Practical traineeship contracts: this programme guarantees those aged more than 25 and less than 30 years who are looking for their first job a practical traineeship contract lasting at least 6 months;
- b) Practical traineeship contracts of a minimum duration of 6 months for young persons aged less than 25 years looking for their first job who hold a second level vocational training diploma;
- c) Practical traineeship contracts for a minimum period of 6 months for young persons aged less than 25 years looking for their first job. They must be heads of family and have been registered as unemployed at an employment office for more than a year;
- d) Practical traineeship and training contracts for a minimum period of at least 18 months.

3. Programmes for catching up on schooling, alternative teaching and training young people who are doing their military service

These programmes are either of catching-up training for young people aged less than 16 who have not completed basic general education or training for young people who are doing their military service or social service in lieu of military service. A certificate is awarded on completion of the training by the armed forces bearing witness to the holder's being able to carry out a civilian life job.

Finally, there is also a programme enabling pupils having taken second degree vocational training to undertake practical non-vocational traineeships within enterprises. Young people are enabled to take up these traineeships by receiving an allowance of 800 pts. per day and enterprises are given an allowance of 500 pts. per trainee per day, including the cost of collective insurance against accidents.

4. Generalising vocational training at the workplace for vocational retraining in rural areas and in enterprises or industries undergoing industrial restructuring

Seasonal workers under 25 years of age in rural areas can draw allowances of 500 pts. per training day. Participants over 25 years of age who have been registered for more than one year at a labour office can receive support amounting to 75% of the minimum wage. Furthermore, a supplementary allowance of 800 pts. per day is paid to participants who need to travel in order to participate in courses.

Training as a help towards industrial restructuring is provided for workers supported by the Employment Promotion Fund and workers in enterprises undergoing restructuring who are affected by measures regulating employment (reduction in daily working time, temporary suspension or abrogation of employment contracts).

5. Ordinary programmes of the Ministry of Labour and Social Security

This last set of programmes comprises training pro-

grammes which existed before the National Programme for Training and Occupational Integration. These programmes are targeted at:

- a) jobseekers who are working, those drawing unemployment benefits, the unemployed over 25 years of age registered on the unemployment list at the employment office for less than one year.
- b) members of cooperatives and professional associations as well as self-employed persons or company workers, preferably small and medium-sized firms. The purpose of the programmes is, through vocational training, to help participants adapt to job changes taking place in the wake of introducing new technologies into production or bringing in new management techniques;
- c) the disabled, emigrant workers and all those who are in marginal positions in society or belong to ethnic minorities.

The ministerial decree also indicates the instruments to be used to ensure the effective management of the Programme:

- A group of vocational guidance and integration experts is being set up. Its purpose is to promote vocational training initiatives, to adapt them to the needs detected, to undertake continuous canvassing of enterprises, to become involved in the selection and monitoring of centres involved in this training, to collaborate in allocating resources with a view to increasing the pay-off for society, to evaluate the actions undertaken and to promote and implement vocational guidance and information activities.
- A programme for training the trainers is being carried out.
- Accreditation is being given after examining the institutions, bodies, centres and enterprises contributing to the training.

Thus does the decree establish the participation of employers' and trade union organisations in setting short-term priorities for actions to be carried out and programmes to be developed.

SPAIN: General Council for Vocational Training

The economic and social agreement (AES) in force in 1985 and 1986 (cfr iM 13) lays down under article 16 that to achieve the aims of vocational training, priority has to be given to establishing a close link between the supply of training and real manpower needs. To achieve these objectives and to fill the most important vocational training gaps, it is necessary:

- to integrate vocational training with employment policy. This applies both to training subject to the regulations of the Ministry of Education and Science ('formación reglada') and to training at the workplace ('formación ocupacional');
- to adapt vocational training to the aims of the production system;
- to coordinate vocational training actions and measures so as to avoid senseless distortions and overlaps;

- to give the social partners, who really have a stake in the productive sector, the tasks of setting the aims and measures for vocational training.

To reach these ends, AES foresaw the establishment of a General Council for Vocational Training. Tripartite in structure, its basic functions are the drafting, updating and monitoring of a national programme of vocational training. This has now been achieved by Law 1/1986 of January 7, 1986 establishing the Council. Representing institutions, it is an advisory body to the government as regards vocational training (both 'reglada' and 'ocupacional'). It is linked to the Ministry of Labour and Social Security.

The tasks of the Council can be summarised as follows:

- 1) to prepare the national vocational training programme;
- 2) to monitor the execution of the programme and of all vocational activities;
- 3) to make proposals as regards periodically updating the national vocational training programme as well as all activities aimed at improving vocational training and to make recommendations to all competent ministries;
- 4) to provide information on proposed study programmes and diplomas relating to different degrees and specialisations in vocational training, on certificates of vocational skills relating to vocational training at the workplace ('formación profesional ocupacional') and its academic accreditation as vocational training approved by the Ministry of Education and Science ('formación profesional reglada') and in general on all subjects which might be raised by ministries involved in these matters;
- 5) to evaluate and define the sequence of the different stages of vocational training.

The tripartite membership of the Council consists of:

- 13 representatives of the most representative trade union organisations appointed by the competent bodies of their respective trade unions;
- 13 representatives of the most representative employers' organisations appointed by their competent bodies;
- 13 representatives of public administration, the ministries most concerned with the problems of vocational training appointed by the ministers of Education and Science and Labour and Social Security.

Through the creation of the Council, the activities of drafting, making proposals, informing and monitoring which come under its competence are circumscribed and separated from the administrative and authorising functions. These latter functions are carried out by the Ministry of Education and Science as regards actions pertaining to vocational training subject to regulations ('formación reglada') and by the Ministry of Labour and Social Security as regards training at the workplace ('formación ocupacional').

IRELAND: Skills Foundation Programme

As a part of the implementation of the Social Guarantee (iM 8 10), AnCO (the Industrial Training Authority) has introduced a Skills Foundation Programme.

This programme is geared towards young unemployed persons, particularly early school-leavers, who have left school but have no employable skills. It is an integrated programme of broad based training and work experience designed to help the participants develop a general skills foundation.

The basic *goal* of the programme is to help the young people to decide on a realistic work goal. During the 27 week programme participants prepare work and training plans, and learn basic and specific skills relevant to their area of interest. To achieve this, a trainee-centred learning approach is used, with the responsibility for learning being placed on the trainee rather than the trainer. A four week period of practical training is incorporated into the programme.

IRELAND: Follow-up survey of 1981/82 school-leavers

The Youth Employment Agency (YEA) recently published the results of a follow-up survey of 1981/82 school-leavers which was carried out in November/December 1984 – two and a half years after leaving school. The young people involved had previously been interviewed one year after leaving school, as part of the Department of Labour's annual school-leavers survey (iM 13). This is the first time such a follow-up survey has been carried out.

The *major results* of the survey were that by late 1984, 58% of the 1981/82 school-leavers were in employment, 18% were unemployed (of whom just under half were seeking their first job), 18% were in full-time education, 2% were unavailable for work and almost 5% were living abroad. This means that of those in the Irish labour market at the time 76% were in employment or further education.

The *most significant finding* was that the gap between qualified and unqualified leavers widens over time. Between May/June 1983 (the time of original interview) and November/December 1984 the unemployment rate (based on sample) among young people with Leaving Certificates (final school examination) had fallen from 36% to 18%, while the rate among unqualified leavers had fallen only slightly, from 52% to 48%. Long-term unemployment was also most severe among unqualified school-leavers. While 36% of unemployed Leaving Certificate leavers had been unemployed for over a year the figure for unqualified leavers was 70% (and 63% were unemployed for two years or more).

The results of the survey indicate that employment opportunities after participation in a youth employment or training scheme are relatively good. Of those who had completed such schemes up to June 1984, 69% were in employment by late 1984.

The table below gives some findings from the survey.

**Economic Status of 1981/82 School-Leavers at
November/December, 1984 by Qualifications***

	No qualifications	Intermediate Certificate/ Group Certificate	Leaving/ Matriculation Certificate	In third Level	Attempted 3rd Level	Achieved 3rd Level	Total
Employed	46.7	68.1	74.9	12.4	66.5	58.6	58.0
Unemployed - after loss of job	14.5	16.3	8.6	0.4	8.4	2.3	9.2
Seeking first job	28.4	8.6	6.4	1.7	5.8	33.3	8.8
Student	2.5	1.0	2.7	82.7	3.4	0.5	17.6
Unavailable for work	4.6	1.6	1.5	0	5.9	0	1.5
Emigrated	3.3	4.3	5.9	2.9	10.1	5.2	4.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NUMBER	4,700	15,600	25,100	11,900	1,700	2,400	61,500

* At time of follow-up survey

NETHERLANDS: New subsidy regulation on vocational guidance

The 1986 draft regulation on State aid for vocational guidance will come into effect on January 1, 1987. It aims above all at enhancing the effectiveness and efficiency of vocational guidance. This will be achieved by making grants "performance-related" instead of block grants (the so-called "apparatus subsidy"). This is because block grants no longer fit in with present day views. The new approach means that it is possible to achieve greater control over State expenditure at the same time as decreasing State involvement in the activities of institutions engaged in vocational guidance. These institutions are being given more scope for developing their own policies. Performance-related grants encourage good financial management thereby stimulating mutual competition.

In future, private vocational guidance bureaus will only be able to receive grants for vocational guidance activities which are indicated in a national vocational guidance programme to be published annually and for vocational guidance activities based on agreements with educational institutions and/or employment offices.

Vocational guidance bureaus can also receive grants to support vocational guidance activities in a school or an employment office if these activities fit in with a State financed project for recurrent education or manpower development.

Priority is being given to young persons and adults. Activities giving vocational guidance to pupils in primary schools will no longer qualify for State aid.

The proposed regulation facilitates closer cooperation between grant-aided vocational guidance bureaus, schools for recurrent education and institutions for adult education.

NETHERLANDS: Hfl. 243 million for vocational training of young people

In the 1986/87 academic year, Hfl. 243 million are being made available for the Youth Vocational Training Subsidy Scheme (BVJ). The BVJ enables employers to be given a subsidy for new indentures to be concluded with young persons under the apprenticeship system. Through the scheme employers, employees and the State are jointly striving to increase the annual number of boys and girls starting training in the so-called "basic apprenticeship system". This scheme has already ensured that vocational training has regained both qualitatively and quantitatively its 1980 level. The main lines of the BVJ have not been changed for the current academic year when it is expected that some 32,000 to 35,000 training agreements will be signed. That will be about 20% more than the previous year.

Through the BVJ, training funds receive Hfl. 4,000 per new apprentice under the age of 23. Furthermore, an additional Hfl. 2,000 can be given for apprentices in joint training activities, called GOAs. Finally, there is another Hfl. 2,000 subsidy for the training of girls in sectors where they are under-represented.

The amounts are the same for apprentices doing parttime as for those studying and working the whole week.

Employers receive the subsidy not straight from the State but through the industry by industry training funds managed by the social partners.

The funds can put some of the subsidy money towards covering the costs they have to incur for, for instance, their own administration. In addition to the State subsidy, there are often contributions from the branches of industry themselves.

Job creation

GREECE: Job creation

In connection with ministerial decision 32857/2.12.85 for creating 22,000 new jobs for young people (see iM 13), new decisions have now been published reviewing previous job creation measures for building workers and for disabled persons.

Ministerial decision 30084/29.1.86 deals with job creation for building workers or unemployed persons in general. Such persons may be hired by local authorities, municipalities and public utility bodies for carrying out public works. Finance amounts to 1800 drachmas per day for foremen who are in receipt of unemployment benefit and 1600 drachmas per day for those who are not. For other persons the allowance amounts to 1300 drachmas for those receiving unemployment benefit and 900 drachmas for those who are not. This last amount may be raised to 1300 drachmas for municipalities in specified areas of the country.

For 1985, 1 billion drachmas were allocated for hiring 9,500 persons by some 200 local authorities. The sum is provided by the State Investments Fund through OAED, the National Manpower Employment Organisation.

Two other similar decisions (30019/20.1.86 and 30020/20.1.86) regulate the creation of new jobs for disabled persons. Decision no. 30019 enables private enterprises, public utility institutions, cooperatives, institutions of local authorities and employers to be financed for hiring disabled persons. This programme covers 600 persons under 25 and 400 persons over 25 years of age. A daily allowance of 1300 drachmas is provided for 12 months. During this period and the period of 3 months preceding the hiring employers are not allowed to dismiss any employee. The OAED is responsible for this programme.

Decision no. 30020 provides finance for redesigning the workplace for employers in general who hire disabled persons. The maximum grant given by the OAED amounts to 50,000 drachmas. The programme covers 250 persons under 25 years of age and 150 persons over that age.

ITALY: Social security contributions taken over by the State

The *December 30, 1985 decree no. 787* has been converted into *law no. 45 of February 28, 1986*. This law provided for reliefs in social security contributions granted for the pay period starting on December 1, 1985 and ending on December 31, 1985.

The rates of the relief were fixed at:

- 2.28 points for male personnel, and
- 6.30 points for female personnel.

Additional relief equalling 5.24 points was foreseen for industrial and craft firms in manufacturing and mining and for firms in the mechanical engineering sector, whereas there was an additional 2.54 points relief for companies operating in the Mezzogiorno.

However, the legislation pertaining to 1986 has radically modified the rate both of the social security contributions to

be paid by employers and employees and of the reliefs in social security contributions.

Thus *law no. 41 of February 28, 1986* (1986 Finance law) reduced and equalised the contributions, fixing the rates to be borne by the employers and employees at 9.60 and 1.35 respectively.

The reduction in the rate of the employers' social security contribution has brought about a reduction from January 1, 1986 in the previous rate of relief. *Decree no. 34 of February 20, 1986* – which will shortly be converted into law – provides for reliefs in social security contributions at the following rates:

- 1.60 points for male personnel, and
- 4.00 points for female personnel.

The additional reliefs have, however, been maintained at 5.24 points for industrial and craft firms in manufacturing and mining and for firms in the mechanical engineering sectors and at 2.54 points for companies operating in the Mezzogiorno.

In agriculture, the additional relief amounts to 17.5% of the total contributions.

These reductions in contributions are being applied for the pay period starting on January 1, 1986 and ending on June 30, 1986.

ITALY: Special youth employment programme

Law no. 113 was approved in April 1986. This establishes a special nationwide programme aimed at integrating 40,000 young persons (of whom at least 20,000 will be in the Mezzogiorno) into working life by means of training-work contracts during the 1986-87 biennium. To qualify, the persons must be between 18 and 29 years of age and have been registered at the employment office for more than 12 months.

The time and practical arrangements for the training and work activities are to be decided by the organisations concerned: private firms, public enterprises, research associations and foundations and bodies providing companies with technical assistance. Draft projects have, however, to be submitted to the Ministry of Labour and Social Insurance.

Priority is being given to projects:

- in areas having very high rates of youth unemployment;
- which provide for the recruitment of women in vocations where they are under-represented;
- which provide for the hiring of highly specialised workers;
- which provide for the recruitment of particularly difficult to place workers; and finally
- projects carried through jointly with the trade union organisations.

Employers drawing on the scheme receive a grant amounting to 15% of the remuneration of the worker taken

on under a training-work contract. The grant is raised to 20% for companies in information technology and computerised sectors. The same law provides that a grant of 100,000 LIT per month is given to an employer for twelve months (200,000 LIT in the Mezzogiorno area) for each worker employed under a training-work contract and *kept on for an indefinite period of time*.

570 billion LIT have been set aside for implementing this scheme in the 1986-87 biennium.

Art. 3 of the law refers particularly to the Mezzogiorno: special reliefs are provided for firms which up to December 31, take on young persons under a training-work contract, according to art. 3 of the law no. 863 of 1984. The grant amounts to 20% or 25% which is raised to 30% for crafts firms engaged in traditional production sectors.

Here too, employers receive a monthly grant of 200,000 LIT for one year for each worker *kept on for an indefinite period of time*.

662 billion LIT have been earmarked for this programme for the 1986-88 triennium.

ITALY: Additional employment opportunities for young persons and enhancing cultural assets

Art 15 of law no. 41 of February 28, 1986 (Finance law) provides finance for projects creating additional employment opportunities for young people, lasting up to 36 months maximum. Projects must be aimed at enhancing cultural assets by drawing on advanced technology.

The law lays down the following priority areas of intervention: the archeological, architectural and urbanistic heritage; book, literature and linguistic collections; valuable historical archives; and the arts (fine arts and minor arts).

Projects will be managed by appointed companies or groups of companies. They will be required to take on young persons by nominative request (name call) with a fixed term contract. The persons concerned must not be older than 29 years and have been unemployed for more than one year.

In the 1986-87 biennium, 600 billion LIT have been earmarked for implementing this scheme, 50% of which is set aside for the Mezzogiorno.

NETHERLANDS: Employment project in education

For 1984, as in 1983, the Cabinet decided not to compensate public employees for cost of living increases (estimated at 1%). But public employees were given an additional compensatory two days off. At the same time new hirings took place to compensate for the time-off.

For teachers, this form of reducing working time did not seem to be applicable as such. But because teachers have also foregone wage index increases, other measures needed to be adopted. Thus, the funds available for compensatory hirings in education were to be used for creating additional employment. Of the four measures finally chosen, one, the "Education Employment Project" (WPO), adds to the money made available from the salary increases foregone the allowances saved if teachers had remained unemployed. Thus, WPO can be seen as a "plough back" experiment (cfr iM 12), these schemes being aimed at using "saved" unemployment benefit money to finance employment projects. The end result is that the total resources made available will have created

by August 1, 1986 somewhat more than 8,400 temporary jobs of 32 hours per week (or of an equivalent length).

PORTUGAL: Incentives for creating the first job for young people

A legislative measure – DL no. 17-D/86 of February 1986 – has recently been introduced aimed at improving the permanent job openings for young people. It temporarily exempts enterprises from paying social security contributions when hiring young people aged between 18 and 25 years.

The measure covers enterprises which come under the general social security scheme (with a few specified exceptions). It only applies to open-ended employment contracts signed with young people of this age group who are looking for their first job. This category includes young people who have already completed in company vocational traineeships or who have had employment contracts for a trial period.

Companies will be exempted from paying social security contributions for these employment contracts for two years. Contributions are based on workers' pay and correspond to an overall rate of 25% (currently paid to the social security and the unemployment fund, cfr. article on DL 58/86).

PORTUGAL: Temporary employment programme for young people

A programme will be started in the second half of 1986 aimed at opening up temporary employment for young people in specified activities of collective utility. It is jointly organised by IEFP (the employment and vocational training institute), and the secretariat of State for youth and co-financed with the European Social Fund.

The programme will involve some 12,000 persons between 18 and 25 years of age, who are not working nor drawing unemployment benefits.

Priority will be given to young people with the following characteristics:

- looking for their first job;
- having a school background, experience and age fitting in best with projects to be undertaken within the fields of culture, social and community help, environmental protection, tourism and agricultural activities;
- being a member of a larger and/or economically deprived household.

The programme lasts 6 consecutive months for each young person, 40 hours a week. The monthly reference pay amounts to 16,875 Escudos.

PORTUGAL: Grants for self-employment

Increased opportunities are being opened up for creating self-employed activities both for young people and the long-term unemployed. This follows in the wake of alterations made to the criteria used by the European Social Fund for giving grants in particular to self-employed workers. These exclude the professions, i.e. occupations which require higher education.

The measure, DN 12/86, was published in the official gazette of February 14. It sets out the conditions whereby young (18-25 years of age) persons who are looking for their first job and all workers who have been unemployed for one year or more can apply. Workers who are already receiving a grant for setting up their own company under the unemployment protection programme are excluded from this measure.

Persons applying for a grant must carry out the grant-aided activity for at least 36 hours a week. This non-repayable grant lasts for a period of one year at most. Its amount is set taking into account the amounts decided on each year by the Commission of the European Communities for similar grants. In 1986, this amounts to 3,300 Escudos per person/week.

Special categories of workers

NETHERLANDS: Government support for integrating the long-term unemployed

The Minister of Social Affairs and Employment has launched a scheme to give the long-term unemployed more chances of finding suitable employment. The regulation in question encourages employers by means of a grant to hire such persons and to draw up an adaptation programme for them.

MOA, the "Measure to support integration into the labour market", replaces the Placement Promoting Measure (PBM) operated so far, which only provided for a wage cost subsidy for employing certain categories of unemployed persons. Through MOA, an employer who hires a long-term unemployed person registered with the employment office, can be given a maximum subsidy of Hfl. 1,000 per month for up to six months. This support is intended as an allowance towards the costs of training and accompanying the man or woman to be taken on in order to help him/her over the threshold of losing the habit of working and the lack of work experience.

MOA is aimed at unemployed persons who have been registered as jobseekers for an uninterrupted period of more than 12 months, volunteers who are doing voluntary work who have been registered for more than 12 months or

women who are registered as unemployed jobseekers and who have not been in employment for more than 12 months because they have been looking after their household.

A work contract has to be drawn up and signed between the employer and the employee. The contract can be of limited duration or open-ended. This contract must be agreed for a minimum period of 6 months in order to ensure that an adaptation programme is drawn up which the employee can actually complete. A further requirement is that no interference be caused to the labour market by the unemployed person taking up the job. This can happen as employees are being made redundant and unemployed persons are being taken on for the self-same jobs by means of MOA. This is called undesirable substitution.

Within the Labour Foundation talks are being held between the social partners about proposals to help the long-term unemployed in their search for work. The measure now taken by the Minister of Social Affairs and Employment will, if necessary, be adapted in the light of the results of the talks in the Foundation.

European Community reference: Council resolution of December 19, 1984 on action to combat long-term unemployment.

Working time

BELGIUM: Agreement on flexible working

On April 23, 1986 an agreement was reached between employers and trade unions within the National Labour Council (CNT). This deals with a set of measures to bring into companies new systems of working, similar to the experimental approaches to rearranging working time (cf iM 13). Their purpose is to adapt or extend the time during which plant and machinery are actually used.

This agreement of the CNT consists of proposals which should be incorporated into a bill and of the text of a collective agreement (CCT) which will be signed within the CNT just as soon as the legislation is brought in.

The CCT can only be signed once certain laws have been altered on the basis of CNT proposals. These laws cover the duration of work, Sunday rest and night work. The area covered by the law will be very broad, only excluding the distributive trades which will have to look for their own solutions.

Measures have also been taken to adapt existing legislation to these new arrangements. This legislation concerns payment for short absences from work ("petits chômages"), the waiting day ("jour de carence" = first day of illness) for guaranteed incomes, protection of incomes, paid educational leave and social security.

The CCT must subsequently be signed within the CNT. It will set out the conditions and ways and means for introducing the new system at the enterprise level.

Agreements on systems of the flexible organisation of working time will have to be reached industry by industry in order to avoid all illegal competition. It will only be possible to conclude such an agreement at the enterprise level after six months of negotiating at the industry level.

The agreement of all trade unions represented in the 'trade union delegation' will be compulsory for modifying working rules and regulations. Where there is no trade union delegation, flexibility can only be brought in once there has

been majority agreement by the paritary commission of the industry concerned.

The bill enabling the agreement to be applied in practice will be submitted to government in the coming weeks.

GERMANY: Strong demand for working time reductions

In 1985 the social partners reached some 6,800 new collective agreements – almost the same number as in the previous years. Since 1949 some 210,000 collective agreements have been concluded. Besides the usual increases in wages and salaries, agreements on reducing working time to a 38.5 hour working week were of particular interest notably in the retail trade, in the wood-working industry and in some engineering branches whereas early retirement agreements were reached amongst others in the chemical, the plastics-processing and glass industries. Collective agreements on wages and salaries did not come up for renewal in all branches in 1985. For the metal, printing and the iron and steel industries longer term agreements were made in 1984 in connection with reducing working time. In these industries increases in 2 per cent steps were, however, foreseen.

The average increases – taking the new agreements and these stepwise increases together – in wages and salaries amounted to 2.8 per cent in 1985. This was the lowest percentage for years. In 1984 the average increase was 3.3 per cent.

Reductions in weekly working time to under 40 hours – most of them to 38.5 hours – have so far been agreed to for 6.7 million workers. Most of these agreements had come into force by January 1, 1986. Further agreements already reached in this area will come into force in 1986 and 1987.

By the end of 1985 370 early retirement agreements had been concluded for various economic and service branches employing more than 7 million persons. The most important collective agreement reached in 1985 for the chemical industry provides in addition for the possibility of old-age part-time work for persons who have completed their 58th year.

For some 15 per cent of employees, 1985 saw a lengthening of collectively agreed vacation. There is a continuing trend - though at a somewhat slower rate than previously – for all employees towards a 6 weeks' vacation. Some 62 per cent of all employees covered by a collective agreement were entitled to a 6 weeks' vacation in 1985.

Almost all employees covered by a collective agreement are, in addition to wages or salaries, entitled to holiday money, to a thirteenth month's salary/wages or parts thereof and to assetforming benefits.*

* Editors' note: Under the "DM 624 law" workers with taxable incomes below certain limits receive a "savings grant" of at least 30% if they invest DM 624 a year in an "asset-forming manner". Asset-forming investment means that the money is tied down for a longer period. In very many cases the DM 624 law savings are not, or only partially, paid by the workers themselves. Most collective agreements contain provisions according to which "asset-forming payments" are wholly or partially made by the employer. That means that in addition to wages or salaries workers receive a certain sum monthly which is not paid out to them but credited to an investment account.

FRANCE: Law concerning collective bargaining on working-time organisation

On February 28, 1986 parliament passed a law on the above subject. The law lays down the conditions under which a collective agreement or an "extended" collective agreement (this being an agreement which applies to all companies which come under its scope) can deviate from the statutory provisions on working-time organisation and scheduling, and the ways for paying for hours of work lost.

The previous situation

Until this new law came into force, the main provisions concerning the organization of working-time were as follows:

- the statutory working week had been fixed at 39 hours from February 1, 1984 (the maximum daily working time not being allowed to exceed 10 hours);
- a maximum 46-hour working week over a period of 12 weeks and a 48-hour working week over 1 week;
- as regards overtime, that worked in excess of the statutory working week gave rise to the following overtime premium payments:
 - . 25% for the first eight hours overtime (from the 40th to the 47th working hour)
 - . 50% for the following overtime hours (from the 48th working hour onwards).

An annual quota of overtime could be worked by simply informing the inspector of labour and, where they existed, the works council or, failing this, the representatives of the workforce. The annual quota was fixed by decree at 130 hours.

By means of an agreement (collective agreement or extended collective agreement) a higher or lower quota could be fixed.

Overtime in excess of the quota fixed by law or by collective agreement but still within the limits of the maximum working week needed authorisation by the inspector of labour after having sounded out the works committee, or, in its absence, the representatives of the workforce.

The law furthermore provided for:

- compensatory time-off of 20% above a 42-hour working week for overtime allowed under the quota regulation;
- compensatory time-off of 50% for overtime worked in excess of the annual quota fixed by law or agreement.

Modulated annual working time

An agreement could provide for variations in the work week on the understanding that on the one hand, over a year, this period did not on average exceed the statutory 39-hour work week and, on the other, that the agreement also set out the ways and means of the modulated working time.

Thus, through an agreement, a company could have its workers work more than a 39-hour week for several weeks provided that at another time they worked less than a 39-hour week, thereby achieving an average 39-hour work week over a year. Under these circumstances, hours worked in excess of the 39-hour week:

- give entitlement to overtime premium payments;
- could give entitlement to compensatory time-off of 20% above a 42-hour work week;

- are not taken account of for the annual overtime quota.

The new law

Compared with these rules, the provisions brought in by the law of February 28, 1986 have two main effects:

- provide for the possibility of paying as normal working hours the hours which previously had to be paid as overtime;
- in return reduce the average work week over a year.

The law of February 28, 1986 seeks to reconcile two objectives:

- . to allow for greater flexibility enabling the enterprise to adapt to the market through modulated working time;
- . to compensate resulting income losses for the workers by bringing forward the movement of reducing working time.

According to the terms of the new law, a collective agreement can now in fact provide that overtime premium payments are not due for hours worked in excess of the statutory work week, within the limits of the 41-hour week, pro-

vided that the agreement:

- fixes working hours which (on an annual average) do not exceed 38-hours per work week;
- limits the annual overtime quota to 80 hours (instead of 130 hours).

If the average work week over a year is brought down to 37.5 hours by collective agreement, the agreement can provide that overtime premium payments are not due for hours worked in excess of the statutory work week within the limits of *44 hours*.

- . Hours worked in excess of the statutory work week but within the limits of this 41-hour or the 44-hour work week are not taken account of for the annual overtime quota.
- . Hours worked in excess of the average work week over a year (fixed by agreement) are paid for at the latest at the end of the annual period defined in the agreement.
- . They entitle the person to compensatory time-off equal to 50% of the number of hours in excess of the collectively agreed upon working time (unless the agreement foresees that a financial compensation can replace compensatory time off).

Studies

DENMARK: The development in unemployment and employment

The development on the Danish labour market is characterised by a marked increase in both labour force and employment at the same time as a fall in unemployment.

Since unemployment peaked in the autumn of 1983, the number of registered unemployed persons has fallen by about 62,000 persons to some 252,000 unemployed in 1985. It is expected that the number of unemployed will fall in 1986 to about 220,000.

Employment rose from 1984 to 1985 by about 50,000 persons. During the same period unemployment fell by about 24,000 persons. The result was a net growth in the labour force of about 26,000 persons.

The large net increase from 1984 to 1985 in the number of labour market entrants is particularly marked as it is the second year running that the labour force growth has been much greater than expected.

GERMANY: Profile of the unemployed

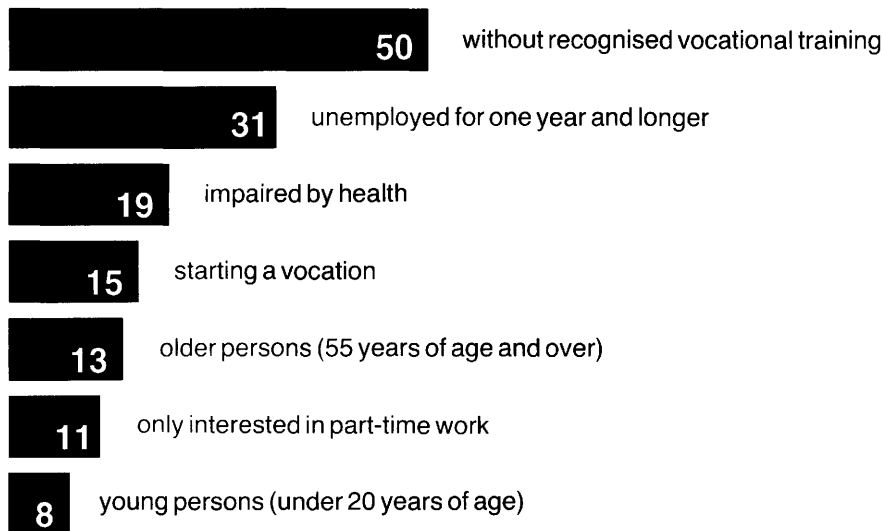
No matter how high the numbers of unemployed, it is always the group of the untrained which heads the list. In the autumn of 1985 of the 2.2 million unemployed roughly half were the untrained. This emerges from the latest analysis of the Federal Employment Institute (BA). This underlines once again that shortcomings in training raises the risk of being unemployed.

Furthermore, it is particularly difficult for the unemployed who have had no vocational training to find new permanent employment, as personnel managers favour when hiring those with the most qualifications.

In addition to those without training, problem groups on the labour market consist above all of men and women who, for health reasons, are not completely fit for work. They make up one fifth of all jobless persons. Nor is it easy for the older unemployed and for those looking for part-time employment to find employment. They still need special placement services through the labour offices.

On the other hand, the position of young people has improved. Despite the continuous strong stream of young people onto the labour market, the proportion of young unemployed (under 20 years of age) has dropped from 11 to 8 per cent since 1982.

Out of 100 unemployed in September 1985



Total above a hundred because of multiple categories

IRELAND: NESC Report on Manpower Policy in Ireland

The National Economic and Social Council (NESC) is composed of representatives of the Government, employer, trade union and youth interests. It provides a forum for discussion of the principles relating to the efficient development of the national economy and the achievement of social justice and advises the Government on their application.

Having completed a series of reports on policies for industrial development, NESC concluded that manpower policy has a key role to play in facilitating expansion not only in the industrial sector but also in the economy generally. Thus it commissioned a team of consultants to undertake a comprehensive study of manpower policy.

NESC recently published a report containing the results of this study as well as the views and conclusions of NESC on the various issues raised. The main conclusions and recommendations are set out below.

Concept/Coverage of Manpower Policy

One of the features of policy over the last two decades, highlighted in the report, has been the lack of progress in integrating general economic and social policy with manpower policy and the absence of any overall perspective on the labour market. As a result many decisions have been taken without sufficient regard to their labour market implications. The need to enhance the manpower contribution to policy discussions and decision-making in the general economic area and in other related fields, such as education and social welfare, is now much more urgent in view of the prospect of continuing high levels of unemployment.

NESC therefore recommend that the manpower policy function of the Department of Labour be extended to include "the assessment of the manpower implications of general economic and social policies."

Institutional arrangements

A second major question addressed in the report concerns the institutional arrangements in the manpower area. A

number of deficiencies in the existing arrangements are identified relating primarily to:

- (i) the fact that the Department of Labour has not evolved into a central force with the authority and drive to coordinate, develop and review manpower policies as economic and social conditions have changed;
- (ii) the intermingling of the functions of policy formulation and execution both within the Department of Labour itself and among its satellite agencies;
- (iii) a serious lack of coordination in the operational sphere.

NESC believe that the most immediate institutional priority must be to strengthen the policy role of the Department of Labour and that other institutional changes for the executive agencies would depend on the success achieved in this.

Specific Instruments of Manpower Policy

The report also examines the various instruments of manpower policy, i.e. training, placement and special labour market measures.

Training

With regard to *apprenticeship training* the report points to the need for a more flexible system and for a comprehensive examination of the overall intake of apprentices in the context of future requirements. In particular the report is concerned that a large proportion of first year apprentices are now under the direct sponsorship of AnCO (the Industrial Training Authority) rather than of employers. This development has greatly increased the cost of the system. Basically the recommendations suggest that the apprenticeship system should be run jointly by AnCO and the Educational Authorities and should form but one part of a coherent and coordinated system of higher cycle vocational education and youth training.

In relation to *resource allocation within training*, the report draws attention to the changing structure of the labour force and the present age distribution of training throughput: 80% of trainees are less than 25 years of age.

This situation has been induced to a large extent by the age limits on who can benefit from the funds from the Youth Employment Levy and the European Social Fund. NESF believes that priorities should be determined by the needs of the target groups rather than by the sources of funding. It recommends that the constraints imposed by sources of funding should be removed.

The reports also highlights the fact that many of the programmes undertaken by AnCO aim at imparting more social type skills. It suggests that the balance in the allocation of resources devoted to this kind of training, as distinct from those devoted to skill oriented training, should be kept under the review.

With regard to *in-firm training* the report recommends that the existing systems of grants should be incorporated into one programme to cover all sectors and allocated according to strategic criteria.

In relation to the *funding of training and other manpower activities* the report recommends that the domestic element should come entirely from general taxation.

Placement Service

The main recommendation is that the focus of the service should now be in aiding special groups who experience particular difficulties in the labour market, such as young people and the long-term unemployed. The report also recommends that the service should assume responsibility for, and become the coordinating focus for, all special manpower schemes while retaining a limited placement function.

Special Labour Market Measures

On the question of special labour market measures, the report recommends that within the total numbers unemployed, particular attention should be given to the long-term unemployed and the early school-leaver with little or no qualifications. In addition, special measures should, where possible, incorporate a strong training input and provide participants with experience and skills which would assist in their future developments. The report also examines and makes specific recommendations on individual schemes.

Other issues

In addition to the manpower issues, the report examines activities in other related areas which are of relevance to the labour market, e.g. education including the provisions of highly skilled manpower and new technology.

UNITED KINGDOM: Temporary Work

Information on the extent and nature of temporary work in the UK has been provided by the 1983 and 1984 Labour Force Surveys (LFS) and a 1985 study of temporary working by the Institute of Manpower Studies (IMS).

There is *no clear legal distinction* between temporary and permanent employment in the UK. The LFS defines temporary workers as those who describe their jobs as seasonal, temporary or casual; and those on a fixed-term contract. The IMS study defines a temporary worker as one whose employment is recognised by both the firm and the worker to be for a limited period.

Temporary work has *grown* in recent years. Since 1980, 39% of employers in the IMS study have increased their use of temporaries relative to permanent employment. These users are among the larger and faster-growing employers; three-quarters of employers in most industrial

sectors now make use of temporaries. According to the LFS, 1.5 million people are in temporary work, accounting for 6.5% of total employment; the comparable figures for 1983 were 1.3 million and 5.9%. There are slightly more women than men working as temporaries although the pattern differs markedly between full-time or part-time workers: over half of temporary jobs are part-time and three-quarters of these are taken by women.

Traditional occupations for temporary workers still predominate. Over half of temporary jobs are in catering, cleaning and distribution, with significant concentrations in clerical and secretarial work and in semi and unskilled manual occupations. There are also relatively high concentrations in the education professions and in literary, artistic and sports occupations. The proportion of temporaries in managerial jobs is still small (less than 5% in the IMS study) but growing.

The traditional *uses of temporary workers* still predominate. The main reasons why employers use them are (i) to cover for the absence of permanent workers due to sickness or holidays, (ii) to cope with seasonal peaks and fluctuations in workload (ii) to cover shortages of permanent staff, particularly where expertise is lacking, and (iv) to man special projects or ease reorganisational problems.

However, a significant minority of employers in the IMS study had increased their use of temporaries to achieve *greater flexibility* in the face of volatile markets, the pace of technological change and the consequent uncertainty about future labour needs. This trend emerged most strongly in the manufacturing sector.

As to the *reasons for taking a temporary job*, the most common, according to the LFS, for those in full-time work and employed on fixed-term contracts is inability to find a permanent job. On the other hand, 43% of those working part time were in temporary employment because they did not want a permanent job. Not wanting a permanent job was also the most common reason given by those employed in temporary work other than on a fixed-term contract.

Contractual arrangements for temporary work fall broadly into two categories: those where the worker is employed directly by the user firm, and those where the worker is loaned or hired to the firm (eg) by an employment business, or on a self-employed basis. The main arrangement is direct employment with the user firm, but the relationship is usually an open-ended or casual rather than a fixed-term contract. About 8% of temporaries are self-employed, with a greater proportion of women than men in this category. About 6% of temporary workers, predominantly men, come from employment businesses. Among professional and related occupations, employment businesses are a major source of temporary workers: 47% of managerial, professional and technical temporaries in the IMS study were from employment businesses. "There has been a recent growth in the number of employment businesses serving such occupations. Indeed, several case study employers argued that temporary placement as employees of an employment business may be particularly attractive to individuals in such occupations as it offers a certain amount of security and continuity of employment, together with the variety (and often higher salary) associated with temporary work."

The *number of employment agencies* (placement services) and employment businesses in the UK has risen steadily for some years: from 6,614 licensed agencies and businesses in 1982 (iM 1) it grew to 9,000 at 31 March 1986: 2,337 employment agencies, 352 employment businesses and 6,311 combined agencies and businesses.

Rough currency conversion rates

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in May 1986:

• Belgium	44 BFR
• Denmark	8.0 DKR
• Germany	2.15 DM
• Greece	136 DRA
• Spain	137 PTA
• France	6.8 FF
• Ireland	0.7 IR £
• Italy	1,475 LIT
• Luxembourg	44 LFR
• Netherlands	2.4 HFL
• Portugal	142 ESC
• United Kingdom	0.64 UK £

The MISEP Basic Information Reports are now available. For each of the Member States in 1985, they describe the structure and content of employment policy, setting out institutions, procedures and measures.

They can be ordered from the ECWS, P.O. Box 3073, NL-6202 NB Maastricht, price ECU 6 each or ECU 40 for the set of 10 reports.

MISEP correspondents

Belgium	Alfons Verlinden, Ministère de l'Emploi et du Travail
Denmark	Erik Lyngse, Arbejdsministeriet
Germany	Magda Kugler-Dabrowski, Bundesministerium für Arbeit und Sozialordnung Lutz Vogt, Bundesanstalt für Arbeit
Greece	Evangelia Hadziantoniou Ypourgion Ergasias Angelos Zisimopoulos, O.A.E.D.
Spain	Lorenzo Cachon, Ministerio de Trabajo Y Seguridad Social
France	Denise Annandale, Agence Nationale pour l'Emploi Gilles Bienvenu, Ministère de l'Emploi
Ireland	Padraig Cullinane, An Roinn Saothair
Italy	Teodosio Zeuli, Ministero del Lavoro e della Previdenza Sociale
Luxembourg	Jean Hoffmann, Administration de l'Emploi
Netherlands	Chris Smolders, Ministerie van Sociale Zaken en Werkgelegenheid
Portugal	Victor Viegas, Ministère du Travail et de la Sécurité Sociale
United Kingdom	Peter Irwin, Department of Employment
European Commission	Andrew Chapman, DG V/A/1
Technical secretariat	European Centre for Work and Society (H. Hubert)

P.O. Box 3073, NL-6202 NB Maastricht.
Tel. 043-216 724