

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:

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#### Overall developments

**Spain:** Collective bargaining 1986; **Ireland:** Manpower policy paper; **Italy:** Future employment programme; **Netherlands:** Policy developments; **Portugal:** Investment incentives; **United Kingdom:** Inner Cities.

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#### Aid to the unemployed

**Belgium:** employment insurance reform;  
**Luxembourg:** Basic income Training;  
**Germany:** Qualifications' offensive; Training places;  
**Netherlands:** Careers guidance.

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#### Job Creation

**Spain:** Employment promotion measures;  
**France:** Differentiated work;  
**Portugal:** Open-ended employment contracts;  
**United Kingdom:** Wages Act 1986.

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#### Long-term unemployed

**Belgium:** Recent developments; **France:** New training programme; **Ireland:** New pilot programmes;  
**Netherlands:** MLW scheme; **Portugal:** Temporary work programme.

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#### Youth

**Netherlands:** Youth guarantee;  
**United Kingdom:** New Workers Scheme

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#### Placement

**Germany:** Trans-border placement;  
**Spain:** INEM revision.

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## Developments at a glance

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<b>Belgium</b>	The government has recently revised the system of unemployment benefits following decisions in May to cut the Government's "employment and work" expenditure (p.6). Recent changes in actions targeted on the long-term unemployed include a revised early retirement scheme. (p.13)
<b>Germany</b>	A "qualifications' offensive" aims at encouraging workers and the unemployed to upgrade their skills through training (p.8). Efforts are continuing to create training places (p.9). Franco-German cross-border cooperation is developing with job offer exchanges (p.17).
<b>Spain</b>	Collective bargaining in 1986 falls within the framework of the 1985-86 "interconfederal" agreement (p.3). Employment promotion measures led to some 1.1 m contracts in the first 9 months of 1986 (p.10). INEM, the national employment institute has been revised, firmly locating policy within the Ministry (p.17).
<b>France</b>	The government has eased the conclusion of fixed term, temporary and part-time work contracts including a new "intermittent" contract and an extension of part-time retirements (p.11). A new training and help to reintegration programme has been introduced with plans for more than 100,000 long-term unemployed (p.14).
<b>Ireland</b>	A white paper on manpower policy has led in particular to the amalgamation of the four existing manpower agencies (p.3). Three new pilot programmes have been introduced for the long-term unemployed helping in job search, part-time work and full-time education (p.15).
<b>Italy</b>	The Government has published its work programme for the period 1987-89 (p.4).
<b>Luxembourg</b>	In the fight against poverty, the Government has brought in a basic wage for all permanent residents (p.8).
<b>Netherlands</b>	The new Government has published its employment policy aimed at reducing unemployment by 200,000 by 1990 (p.5), including a youth employment guarantee scheme (p.16). The new structure of state-aided careers guidance provides performance-related subsidies (p.9). The new scheme for the long-term unemployed exempts employers from paying social security contributions (p.15).
<b>Portugal</b>	A new system of investment incentives seeks to stimulate employment creation in the most disadvantaged regions (p.5). Open-ended employment contracts (p.15) and temporary work programmes (p.15) are aimed at particular categories of the unemployed, particularly the long-term unemployed.
<b>United Kingdom</b>	A range of actions has been developed to combat unemployment in the central areas of major cities (p.5). The New Workers Scheme subsidizes employers who take on young persons at "realistic wage" rates (p.16), a concept also fostered by the Wages Act 1986 (p.2), which also seeks to simplify wage-setting for workers over 21.

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# Overall developments

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## **SPAIN : Collective bargaining in 1986**

Collective bargaining in Spain is a part of the national ("interconfederal") agreement signed between the UGT trade union confederation, on the one hand, and the CEOE and CEPYME employers' organisations, on the other. This agreement makes up Chapter II of the AES (Social and Economic Agreement) which is in force in 1985 and 1986 (see iM 13).

By the end of September 1986, 2,659 collective agreements had been registered involving 667,701 enterprises and 4,534,464 workers. When it is remembered that at the same time in 1985 71.4% of the agreements had been signed, it can be estimated that in 1986 there will be a little more than 3,700 agreements involving nearly six million workers.

As regards the scope of bargaining, 67.1% of all agreements are at the level of the industrial enterprise, of the remainder 32.1% concern sectors or branches (at the local, provincial, interregional or national level) and 0.8% concern groups of enterprises. Agreements covering several enterprises concern 99.7% of the enterprises and 84.3% of the workers; the smaller proportion of workers than enterprises is due to the average number of workers employed by the enterprises covered by the agreement being 5.7 as against 400 by the enterprise agreements. Thus it is the large enterprise which negotiates an enterprise agreement while small firms are brought together by agreements covering many enterprises -- the average number in this case being 760 enterprises.

Although bargaining is, geographically, most frequent at the provincial level (89.2% of agreements), 10.2% of agreements are made at the interprovincial level (i.e. two or more provinces), covering 15.9% of the enterprises and 39.8% of the workers. Of these latter, 44 are national agreements covering 101,637 enterprises and 1,237,991 workers.

According to the "interconfederal agreement", wage and salary increases are calculated on the basis of the rate of inflation (as estimated by the government) within a wage band ranging from 90% to 107%. Since the government's estimate of inflation is 8%, this band for wage increases oscillates between 7.2% and 8.56%. The average wage increase set out by the agreements reached and registered by September was 8.19%. More than two thirds of the agreements (68.8%) gave wage increases within this band; of the remainder, 18.5% gave higher increases and 12.7% lower. This last percentage is made up of enterprises which are not required to respect the wage band: loss-makers or enterprises which made losses during the previous two fiscal years, or which were aided or restructured. In cases of restructuring, enterprises are held to what was set out in their reference plans.

Should the retail price index (RPI) be higher at the end of the year than the 8% estimate, the signatories of the "interconfederal" agreement have worked out a wage revision clause. This is aimed at safeguarding the link

agreed to at the beginning between wage increases and the rate of inflation. Wages will be revised just as soon as it is officially recognised that the PRI has been exceeded. The amount in question is paid in a single payment during the first quarter of the following year, coming into effect retroactively from January of the preceding year. This amount is thus included in the basis for calculating the wage increase for the year in which the revision is taking place.

The average annual number of hours of work has been set at 1,806, i.e. 8 hours less than the previous year for the same period. 51.6% of the workers covered by a collective agreement work 1,826 hours a year, which is the maximum number permitted by law; the remaining 48.4% work fewer hours.

The "interconfederal" agreement also tackles other issues such as productivity, absenteeism, overtime, holding more than one job and voluntary arbitration procedures to settle disputes. Yet only 23.1% of the agreements include clauses on productivity and only 15.1% on absenteeism.

The "interconfederal" agreement advocates the abolition of normal overtime. It recommends that each enterprise bring together the workers' representatives with management to study ways for new hirings drawing on the various types of existing employment contracts to make up for hours that would have been worked as overtime. Overtime worked in 1985 in enterprises covered by their own enterprise agreement represented 1.36% of the total number of working days stipulated for the previous year, i.e. an average annual amount of 24.4 hours overtime per worker.

In accordance with decree law 1-1986 of 14 March, collective agreements must specify whether overtime is compensated for by means of a premium which can under no circumstances be less than 75% of normal pay or by granting an equivalent number of paid days-off. On the other hand, the maximum hours of authorised overtime per year, which were previously fixed at 100, have been lowered to 80 hours and the previous daily and monthly ceilings for overtime have been abolished.

## **IRELAND: White Paper on Manpower Policy**

The previous White Paper on Manpower Policy was published in 1965. It was drawn up against a background of projected growth and expansion of the economy and its main objective was to ensure an adequate supply of skilled labour to meet the requirements of industry.

Since then the general economic situation has changed radically resulting in a steep rise in unemployment. As a result manpower policy, in addition to improving the overall skill level of the labour force, has had a bigger role to play in the battle against rising unemployment.

The purpose of the latest White Paper is to redefine the role of Manpower Policy in the changed circumstances,

to identify its contribution to overall employment policy and to set down guidelines for its developments for the next five years or so.

Government policy in relation to four key areas of activity is outlined in the White Paper, namely (a) transition to working life, (b) training, (c) special labour market measures, (d) placement and guidance service.

### **Transition to working life**

It is proposed that the education system will have primary responsibility for preparing all young people for working life and that the necessary curricula changes will be introduced to achieve this objective. The manpower agencies will continue to have a distinct role in assisting those who, having left the educational system, experience difficulties in getting a foothold in the labour market by providing and implementing programmes and services specifically designed to meet their particular needs. Measures will include the Social Guarantee for young people, already in operation, and the introduction of a Youth Trainee Initiative Scheme to help those in insecure jobs.

### **Training**

In future training grants to industry will be based on a more selective and strategic approach as envisaged in the Government White Paper on Industrial Policy (see iM 8). Consultative mechanisms between manpower, education and industrial authorities will be developed to assess the relevance of training to industrial strategy objectives.

Management training will be improved. The existing Technical Assistance Grants Scheme will be replaced by a more selective management and supervisory training scheme, and an Advisory Committee on Management Training will be established.

Other proposals provide for a comprehensive review of the craft apprenticeship system, as well as increased priority being given to the training needs of over-25 short-term unemployed workers.

### **Special labour market measures**

The Government have, in recent years, expanded the range of employment schemes and programmes available to provide employment opportunities for those groups in the labour force, such as early school leavers and the long-term unemployed, whose prospects have been most seriously damaged by the economic recession. The White Paper contains a number of initiatives designed to improve the effectiveness of such measures.

Firstly, in recognition of the changing age profile of the labour force and the unemployed, the upper age-limit for access to certain programmes which were originally confined to persons under 25 years, will be removed. Secondly, a Direct Action Programme specifically aimed at the long-term unemployed, will be introduced to

complement other programmes already in place for such persons. The intention is that all persons who are unemployed for more than one year will be contacted with a view to offering them a place on a Manpower Programme or to help them find a job.

### **Placement and guidance service**

While the traditional placement function will be maintained, priority attention will be given to the management of employment schemes including the Direct Action Programme for the Long-Term Unemployed and the Social Guarantee for Youth.

### **Institutional and funding arrangements**

In order to implement the programmes outlined above in the most efficient and cost effective manner, the Government have decided to amalgamate the four existing manpower agencies (AnCO - the National Training Authority; CERT - the Council for Education, Recruitment and Training for the Hotel, Catering and Tourism Industries; the National Manpower Service; and the Youth Employment Agency) into a single body. This will enable the manpower programmes and schemes to be developed on a more cohesive basis and provide a central point of contact for access to the various services. The policy role of the Department of Labour will be strengthened and the Department will be provided with the necessary resources to carry out this function.

In recognition of the changing age structure of the population and of the labour force, the Government have decided to change the existing Youth Employment Levy into a General Employment Levy, thus making the funds available to assist all age groups and not just the under 25's, as at present.

### **ITALY : Employment initiatives for the coming triennium**

The minister of labour presented to parliament as an attachment to the ministry's 1987 budgetary estimates (Protocol no 1403/1) a report on employment policy over the coming ten years and measures foreseen for the coming three years.

After examining the international economic scenario and the growth possibilities for the Italian economy in the 1987-89 period, the plan outlines the results of manpower policy in Italy over the past three years. Thus, it sets out the restructuring activities taken by the ministry as a result of the legislative measures aimed at reforming placement and of its agencies.

In conclusion it presents the policies to be adopted in the coming triennium striving for greater flexibility in placement reform, in the regional employment commissions, employment agencies, income support measures for the unemployed (CIG, unemployment benefit, etc) working time and part-time work.

## **NETHERLANDS: Measures to combat unemployment (1987-1990)**

Reducing unemployment by 200,000 in 1990 compared with 1986 is the key issue of the Cabinet's employment policy. This is stated in "Measures to combat unemployment in the years 1987 through 1990", a document submitted to the social partners for consideration, with a copy sent to the Second Chamber.

It outlines a range of measures which, together with the overall socio-economic policy, are aimed at reducing the unemployment of various groups. The minister states that combatting unemployment is the joint responsibility of the government and the social partners.

Enhancing output and employment can only be achieved through cutting down public expenditure, restraining costs, encouraging investment growth, more training, technological innovation and deregulation.

Continued income restraint is singled out as being of particular importance for employment policy. Furthermore, work needs to be redistributed. Moreover, the Cabinet will create additional part-time jobs particularly in public administration and in the State-supported sectors.

The introduction of the youth employment guarantee scheme will bring about a reduction of youth unemployment if in the end the complete target group will have been reached.

The government furthermore considers that it is necessary to enhance training. Together with the social partners the Cabinet will be examining the possibilities of intensifying industry's training efforts. Having unemployed people participate in training programmes in the enterprise will also be discussed. And it is intended to foster the reintegration of unemployed minorities in the labour market.

In view of the importance of combatting unemployment, the Cabinet has again earmarked additional funds for employment policy, amounting to Dfl. 250m in 1987 and gradually rising to Dfl. 500m in 1989 and 1990.

## **PORTUGAL : System of regional investment incentives — employment implications**

The decree-law no. 280-A/86 of 5 September 1986 brings in a system for stimulating investments aimed at fostering the development of the most disadvantaged regions, job creation and industrial innovation and modernisation.

The repercussions on the labour market are considered in the context of economic and social policies, and the incentives which take the form of direct financial participation in the investment are granted according to each of the criteria referred to above.

As regards the **employment promotion** criterion, each project must provide for the creation of at least 5 jobs and the amount of the subsidy for each job to be created is of Esc 200,000, 250,000 or 300,000 according to the development level of the region in question.

The programme is being implemented under the responsibility of the Ministry of Industry and Commerce with the participation of IEFP, the national employment and vocational training agency.

## **UNITED KINGDOM: Action in the inner cities**

The United Kingdom government has been developing a systematic approach to the problems of the inner cities. Very large amounts of government money have been spent in inner cities by a number of Departments, but until about two years ago lack of inter-departmental co-operation meant that these resources were often not used to best effect. To tackle this, **City Action Teams (CATs)** were set up in April 1985 in London, Birmingham, Liverpool, Manchester and Newcastle with the aim of coordinating and raising the profile of existing Government help and action in four main areas: encouraging enterprise and economic regeneration; increasing job opportunities and the employability of certain groups; reducing the number of derelict sites and vacant buildings; and reducing the number of people in very poor housing conditions.

The **Inner Cities Initiative** was launched in February 1986 as a development of CATs. The Initiative focuses on smaller areas with particularly serious employment problems and concentrates on the people in those areas. Eight relatively small areas in English inner cities (North Kensington and North Peckham (London), St Pauls (Bristol), Handsworth (Birmingham), Highfields (Leicester), Moss Side and Hulme (Manchester), Chapel-town and Harehills (Leeds), and North Central Middlesbrough) have been chosen as broadly representative of the pressing problems needing to be tackled, not because they are necessarily the worst areas. Each has a small **Task Force** consisting of civil servants supported by secondees from local authorities and the private sector. The Task Forces aim not only to ensure efficient targeting of the Government spending (around £75m in 1985/86) already available in the eight areas, but also to develop new approaches to job creation, training and enterprise for the benefit of residents. They also seek to ensure that existing national programmes really do meet the particular needs of people in the inner cities, and to involve actively the private sector and the communities themselves in their work. Task Forces have a small amount of new money, about £8m overall, to help achieve their aims and promote innovative approaches.

Since the launch of the Initiative, Task Forces have made considerable progress in formulating and implementing plans to achieve their objectives. Some 30 projects involving around £1.3m have already been approved for support. The projects focus on a wide range of economic objectives some of which are described below.

One of the main features of the Initiative is the **encouragement of enterprise**, particularly among the ethnic minorities who form a significant proportion of the

population in the eight Task Force areas. The Initiative has already contributed to a venture capital fund for Black Business in Birmingham, a new black enterprise agency set up and financed by a mixture of government money and support from local trusts and businesses. Task Forces are continuing to work on setting up Enterprise Agencies (see iM 13) in all the eight areas with a focus on ethnic minority business as well as skill training facilities and managed workshops. The Initiative is also keen to encourage enterprise among young people and is supporting a Youth Business Centre in Middlesbrough in the particularly depressed North East of England. Six of the Task Force areas are supporting the Industrial Society's programme "Headstart" which provides counselling, advice and training in enterprise for 18-25 year olds in inner cities areas. The scheme will include Conferences in schools and work with Youth Training Scheme and Community Programme participants, counselling services and one-day workshops, training spread over 8 weeks in marketing, financial and general information involving tutors and business-mates from companies, and post training support.

A major theme that has emerged in all eight areas is the need to ensure that future urban development projects in inner city areas produce **more work opportunities and skill training** for local people. It has often been the case in the past that the benefits from inner city building projects in terms of cash and jobs have tended to go to people who were not themselves touched by inner city problems - for example suburban employees of contractors who carried out the work. Plans for the first Inner Cities Initiative project using local labour are at an advanced stage and an agreement is expected to be reached shortly with a major contractor to employ and train local people on a building project in Handsworth, Birmingham. It is intended to develop this approach with other building and refurbishment work in other Task Force areas.

Tackling some of the **key problems faced by inner city businesses** is a key aim of the Initiative. Progress is

being made with the insurance industry to resolve inner city insurance problems on the spot, and quickly. Contacts have also been made with private firms and the banks to see what help they can give through sponsoring projects, providing secondments to the Task Forces, and making easier access to finance by inner city entrepreneurs. The aim is to underline the message that the inner city is the right place to do business in.

Much of the work of the Task Forces concerns the **better co-ordination and targeting of existing programmes and resources**. Particular attention has been given to the programmes of the Manpower Services Commission. One of the largest of these is the Community Programme (CP) which offers to the long-term unemployed jobs which benefit the community. Many of these people live in the inner cities and it is there that the need for more CP places is most acute. The Initiative has been successful in obtaining an additional 1,450 places for the eight areas. At the same time, as a way of building up provision, there is a need to attract more private sector sponsors for CP in the inner cities. In order to make it easier for firms to support the programme, the rules relating to private gain have recently been revised to allow a gain to be made so long as there is also a large community benefit. In addition, to give added encouragement to good CP profits in inner city areas, improved funding is being made available for a limited number of 20 pilot projects by private sector sponsors, at least ten of which will be in the Task Force areas.

Although it is too early to begin to **evaluate** the Inner Cities Initiative, significant progress is being made towards achieving its objectives. A firm of consultants, with world-wide experience in urban problems and their solutions, is advising the Initiative on operational matters and project development as well as on assessment. A structured system of monitoring and evaluation will shortly be introduced which will enable the Initiative both to assess its own performance and to draw the important lessons for UK urban policy.

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## Aid to the unemployed

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### **BELGIUM : Reform of unemployment insurance**

Through its Val Duchesse Plan of 25 May 1986 the government decided to stabilise its 1987 budget. Following from this decision, it has issued various decrees bringing about savings in, among others, the "employment and work" sector.

Within this sector savings will be achieved in part by new budgetary measures and in part by clarifying the already existing regulations.

As regards the regulations concerning unemployment insurance, there has been a change in fixing the amount of unemployment benefits (Royal Decree of 8 August 1986 modifying articles 124, 156, 160 and 160bis of the Royal Decree of 20 December 1963 dealing with employment and unemployment and the Ministerial Order of 11 August 1986 modifying chapter VIIIbis of the

Ministerial Order of 4 June 1964 on unemployment). These measures came into operation on 1 October 1986.

### **The previous system**

The previous system for determining unemployment benefits distinguished three categories of the unemployed: heads of household, those living on their own and others. Only the heads of household received benefit at the rate of 60% of the average daily remuneration (up to a ceiling) throughout the period of unemployment. Cohabiting persons and those living alone, on the other hand, only received 60% during the first year of unemployment, a percentage which was reduced to 40% for the following 12 months. As from the third year both these categories of the unemployed dropped to a flat rate for the rest of their period of unemployment (the

amount varied, depending on whether the person was living alone or cohabiting).

## The new system

A. From now on, the unemployment benefit is **composed of three elements** :

- \* a basic benefit equivalent to 35% of the average daily remuneration (up to a ceiling)
- \* a benefit for having dependants or for adaptation equivalent to 20% of the average daily remuneration (up to a ceiling)
- \* a benefit for loss of sole income equivalent to 5% of the average daily remuneration (up to a ceiling).

B. There are two cases of "an unemployed person having dependants" (*une famille à charge*) :

- \* the unemployed person living with a spouse who has neither earned income nor replacement incomes (cohabiting with other persons whether or not they have any earned income does not enter into the question)
- \* the unemployed person who cohabits with someone without this person being the spouse and solely with
  - a) one or more children provided that he/she can claim for at least one of these family allowances or that none of these children has earned income or replacement income
  - b) one or more children or other relatives or relations up to and including those of the third degree provided that he/she can claim family allowances for at least one of these children and that the other relatives or relations have neither earned income nor replacement income

c) one or more relatives or relations up to and including those of the third degree who have neither earned income nor replacement incomes.

## C. Periods of compensation

\* **First period** : the first 12 months of unemployment. All unemployed persons receive a basic allowance of 35% and a 20% supplement for dependants or for adaptation.

A 5% supplement is given to the unemployed with dependants as well as to unemployed persons living alone when it is a case of the sole income being lost.

\* **Second period** : 6 months extended by 3 months for every year worked.

All receive the basic allowance (35%). Only the unemployed with dependants receive a supplementary allowance of 20%. A 5% supplement is given to the unemployed with dependants as well as to unemployed persons living alone when it is the case of the sole income being lost.

\* **Third period** : unlimited duration.

The unemployed with dependants receive, as for the previous periods, a basic amount of 35%, an allowance for dependants of 20% and an allowance following the loss of a sole income of 5% (ie. 60% in total).

The unemployed without dependants but still having right to an allowance following the loss of a sole income receive a basic allowance of 35% and a 5% supplement (ie. 40% in total).

Unemployed persons who are not entitled to claim a family allowance and who have no right to an allowance for loss of a sole income fall to the level of a flat rate sum of 10,504 Belgian francs per month.

SUMMARY TABLE

Situation of the household	1st year		2nd period		3rd period (indefinite duration)	
	previous system	new system	previous system: 12 months + 3 months for every year worked	new system: 6 months	previous system	new system
"Charge de famille" (having dependants) + "revenu unique" (sole income)	60%	35% AB (1) 20% CF (1) 5% RU (1) 60% Total	see first year		see first year	
Sole income ("isolé") (persons living on their own)	60%	35% AB 20% AA (1) 5% RU 60% Total	40%	35% AB 5% RU 40% Total	Flat rate: 16.406 BF	see 2nd period
Others (workers who cannot prove having dependants or having lost a sole income)	60%	35% AB 20% AA 55% Total	40%	35% AB	Flat rates: - 10.504 BF (3) - 13.338 BF (4) - 12.558 BF (5)	Flat rate: 10.504 BF (+ 3.500 BF per month) (2)

(1) AB = "Allocation de Base" (Basic benefit) CF = "Charge de Famille" (Dependants) AA = "Allocation d'Adaptation (Benefit for Adaptation) RU = "Perte de Revenu Unique" (Loss of Sole Income)

(2) Supplement granted to each of the two cohabiting unemployed workers if, together, they do not earn at least the equivalent of the maximum allowance.

(3) Cohabiting worker with a spouse having a wage or salary or any other income that is not a replacement income, when the household's income is not below 30.678 BF.

(4) Cohabiting worker with a spouse who only has replacement incomes.

(5) Cohabiting worker with a spouse having a wage or salary or any other income that is not a replacement income, when the household's income does not exceed 30.678 BF.

## LUXEMBOURG: Combatting poverty

The law of 26 July 1986 deals with

- a) creating the right to a guaranteed minimum income
- b) creating a national social action service
- c) amending the law of 30 July 1960 on the creation of a national solidarity fund.

One of the government's aims is to combat poverty and, by means of bringing in a guaranteed minimum income, to ensure that all citizens have the minimum means of existence.

The law has been brought in following the Opinion expressed by the Economic and Social Council on 28 September 1983. This showed the general public that in the Grand Duchy of Luxembourg 8 % of all households lived under very precarious circumstances with 18 % on the poverty line.

The Opinion of the Council and the studies behind it show that social welfare plays an indispensable complementary role to social security. The guaranteed minimum income is intended to constitute a safety net for all situations which earned or replacement incomes cannot face up to.

The law adopts a universalist approach. This foresees a generalised guarantee for a minimum standard of living for everybody, irrespective of the reasons for the lack of resources. Thus, according to the law, everybody has the right to a guaranteed minimum income, the level of which is determined according to the make-up of the household of which that person is a part.

Given this universalist approach, it was necessary to write into the law certain restrictions on this right so as to avoid abuses. Hence, to be able to claim a guaranteed minimum income the person must

- a) be domiciled on Luxembourg territory and have resided there for at least 10 years;
- b) be aged at least 30 years
- c) be available for the labour market.

Should conditions b) and c) not be fulfilled, the following can nevertheless claim a guaranteed minimum income

- persons aged more than 60 years
- persons who because they are unfit for work due to illness or incapacity are unable to earn their living by means of a job in line with their strength and skills
- one of the parents who brings up one or more children or a handicapped child for whom he/she receives family allowances.

It should be pointed out that the legislator provides for the possibility of subordinating the right to a guaranteed minimum income to the beneficiary undertaking social or cultural community jobs (*travaux d'utilité collective, sociale ou culturelle*) or enrolling in retraining or reintegration into working life programmes.

As regards the problem of fixing the absolute level of the guaranteed minimum income, the Government has adopted the approach of determining this guaranteed minimum by relating it to all social benefits currently in force which have so far shaped the whole of social policy. Thus, account has been taken of the allowances of the national solidarity fund, the minimum social wage and of the unemployment allowance, minimum pensions as regards pension insurance, family allowances as well as fiscal scales as regards the minimum non taxable income. The level of the threshold decided upon determines the amount of the supplementary income to be granted as well as the group of beneficiaries concerned.

The amounts in question have been set as follows :

	Cost of living index number (100)	Situation on 1 July 1986 (index 426,54)
1st adult	4.900 Fr	20.900 Fr
2nd adult	1.800 Fr	7.677 Fr
3rd adult	1.500 Fr	6.398 Fr
per child	750 Fr	3.199 Fr
ascendants living in the household of the children	3.000 Fr	12.796 Fr
2nd assistant	1.500 Fr	6.398 Fr

The allowances are a supplement representing the difference between the guaranteed minimum income on the basis of the eligible persons making up the household community and the overall income of the persons of this community.

The law furthermore sets out a certain number of connected or subsidiary measures concerning health care which are given to beneficiaries who are not otherwise covered, or social assistance.

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## Training

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### GERMANY : "Qualifications' offensive"

The Federal government has, together with the social partners, launched a "qualifications' offensive". The purpose of the approach is to provide workers as well as the unemployed with allround vocational skills so that they can cope with continuously growing vocational demands. By means of further vocational training workers can assure and improve their occupational positions. The continuing technological upgrading of German industry and trade requires there to be a sufficient pool of qualified workers.

With the growth of automation jobs with low vocational qualifications are disappearing. A recent survey of

Prognos AG estimates that the proportion of jobs for persons without any formal training will drop by the year 2000 from the current 25% to 20%. Thus the employment opportunities for the unskilled will decline. The proportion of jobs producing new products with new production methods is growing.

The Federal parliament set up a committee to examine "New Information and Communication Technologies". The starting point of the committee's work is that by 1990 some 70% of all persons employed will have to have some knowledge of information technologies. In September 1985 59% of the unemployed, some 1.3m persons, had insufficient qualifications. This clearly indicates the extent of the need for efforts to raise qualifications in the near future.

The "qualifications' offensive" has **three main goals**:

\* Workers need constantly to adapt their vocational knowledge and skills to changes in working life and the latest technological developments. To these ends there must be an appropriate supply of further training.

\* More of the unemployed should take part in further vocational training, particularly special target groups including the long term unemployed and the older unemployed.

\* More use should be made of the opportunities for the provision of qualifications closely associated with work, ie. there should be a broadening of special measures for in-company learning.

### **Modifying AFG**

The legal bases for the "qualifications' offensive" are the instruments for enhancing vocational training according to AFG (Labour Promotion Act) which have been significantly improved through the 7th amendment (see IM 12).

### **First results**

These new regulations came into operation on 1 January 1986. The first results can now, after 6 months, be discerned. Thus entries in vocational training schemes in the 5 months to the end of May have increased by 17.6% over the previous year, in vocational retraining by 22.3%, and in the vocational adjustment schemes (Einarbeitungsmaßnahmen) by 50%. The overall entry figures in these five months was 199,761 and the proportion of the unemployed was 67.6% compared with 65.6% the previous year.

Research has looked into previously unemployed participants who, in the first quarter of the year, successfully completed vocational training programmes. 60% of them were back in employment at the end of the second quarter. This indicates the extent of the role of further vocational training in reintegrating the unemployed in working life.

### **GERMANY : Creating training places**

Making available training places in sufficient numbers is primarily a task of the enterprise. In the Federal Republic, the dual system of vocational training has proved its value in recent years when there was a strong increase in the demand for training places. In 1985 697,000 new training contracts were signed. This was some 66,000 more than in 1982. In the course of the 1985-86 training year some 95% of young people who were looking for a training place received one. In total well over 700,000 young people have entered vocational training, a figure

which includes those covered by the special schemes of the Länder for initial vocational training.

There is no reason for complacency on the training places market for 1986. Rather, there is a need to raise their supply. It will only be several years hence that there should be any significant decline in the demand for training places since then the backlog of the previous candidates will be overcome. Demographic trends will, with a short lag, become increasingly effective so that from 1987 there should be a drop in the demand for training places.

### **NETHERLANDS: State-aided careers guidance**

The 1986 Scheme for State-aided careers guidance supersedes that of 1962.

The new approach is a form of performance-related subsidy which makes it easier than in the past to control government expenditure in this field, raise effectiveness and to reduce government involvement in the activities of the institutions engaged in careers guidance. These institutions are thus being given more scope to develop their own policies as regards both finance and content.

By choosing this form of State aid, the institutions will be encouraged to develop their activities as cost-effectively as possible. Thus is the possibility of competition between the institutions and the presence of external incentives expressly authorised.

Careers guidance is currently characterised by considerable variations in the range and volume of activities; by anything but optimal geographical access for persons seeking advice; by an insufficient matching of the available capacity with the target group; and by great vulnerability as a consequence of the relatively small size of the existing institutions. The new scheme contributes to solving these problems by earmarking part of the money available to the national programme of careers guidance activities, which determines for each province the maximum number of activities that are eligible for a subsidy.

By means of this new scheme the government is covering a considerable part of the cost for careers guidance. However, the current practice of asking the person seeking advice to pay a fee, albeit small, will be maintained.

It is furthermore intended to bring about a significant shift in the areas covered so that the careers guidance services will focus more than at present on job seekers or those about to enter the labour market. Since there is hardly any question of career choice at the end of primary education, activities in this area will no longer be subsidized.

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# Job creation

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## SPAIN: 1986 results of employment promotion measures

For the first 9 months of 1986, there were 2,167,394 **placements** registered in the employment offices. This is an increase of 366,836 (20.4%) on the figures for the same period in 1985. During the same period, there were 1,000,969 contracts concluded with the help of employment promotion measures which is 302,809 (43.4%) up on the previous year. These contracts represented 46.2% of all placements registered in these 9 months as against 38.8% in 1985 and 21.5% in 1984. Employment promotion contracts have thus experienced considerable progress since 1984. That was the year when some clauses of the Workers' Statute were revised (Law 32/84 of 2 August) with the aim of bringing in a series of clear, lasting and flexible contractual arrangements fostering the creation of new jobs (see iM 14).

As shown in the table, 1985 experienced some very significant percentage changes in the number of contracts, which brings out still more the progress achieved in 1986. One aspect to be underlined is that, compared with other contracts, employment promotion contracts foster work for two groups which are often discriminated against on the employment market: young people and women. The proportion of young people and women hired by these sorts of contracts is significantly above their proportions in placements overall. Similarly, they are concentrated in the services (65.7%) compared with their percentage in all placements (40.7%).

Among the measures without financial incentives, **temporary contracts** (lasting between 6 months and 3 years) obtain the best results of all contracts: 316,616 during the first 7 months of the year (41.1% of all employment promotion contracts), which is 21.9% more than the previous year for the same period. The predominance which this type of contract has kept is explained by the flexibility it gives the enterprise for hiring any kind of workers registered as unemployed to meet its temporary manpower needs.

The number of **part-time and "replacement" employment contracts** also grew considerably during the first 7 months of the year. The growing importance of the part-time work contract on the labour market is in the process of reducing the gap between Spain and other countries where part-time work represents a not inconsiderable percentage of total employment. Over the past few years the percentage of part-time contracts in all placements registered has increased significantly: from 1.7% in 1982 it rose to 2.6% in 1984, 4.7% in 1985 and 5.7% in 1986 (to July). Of all employment promotion contracts these part-time contracts have the greatest proportion of women (57.2% for the period from January to July 1986).

Among the schemes having financial incentives are the employment promotion programmes for underprivileged workers on the labour market. Hiring such workers is encouraged by giving grants and/or reductions in social security contributions. Of these schemes, **temporary contracts for work experience and for training** for

young people have continued in 1986 their upward trend from their already high figures for 1985, with rates of respectively 76.4% and 46.9%. There is a high proportion of women (37.7%) in both types of contracts, which corroborates the doubly effective role of these approaches in hiring young people including women.

Another programme which has a great impact on youth employment is that started in 1985 aimed at promoting **employment contracts for an indefinite period of time for young persons under the age of 26**: 119,997 such contracts had been signed by July 1986.

As regards contracts for an indefinite period of time for the disabled and for long-term unemployed workers over the age of 45, mention should be made of the economic upswing in 1986, since more than twice as many people were hired in the first seven months compared with the same period of 1985.

Moreover, since bringing in the possibility of **paying unemployment benefits all at once** to enable unemployed workers in receipt of benefit to set up on their own or to become members of a cooperative or "work association", 62,334 workers have drawn upon this scheme between September 1985 and September 1986. During these 13 months of its existence, expenditure on it has amounted to 58,356,4 million Ptas, which represents an average capitalisation of 936,189 Ptas per worker, an amount which is growing over time.

The action of the public sector to create temporary jobs in the central, autonomous and local government services mainly concerns collective utility or community works and services. These are intended for unemployed workers hired with a temporary employment contract aimed at reducing difficulties on the labour market in regions affected by high rates of unemployment. Among the actions in question are "**community works of social value**" which, since they are not contractual, do not appear in placement figures. These actions are aimed at carrying out community works of social value by unemployed persons in receipt of benefit. Most of this community work is implemented in the context of INEM (the national employment institute) agreements. The figures in the table for 1985 and 1986 only cover actions implemented outside the INEM agreements.

These **contracts resulting from agreements** between INEM and the public administration are the most numerous of the financial support schemes. The 134,582 contracts registered during the period reviewed represent an annual increase of 105.5%. This provides some idea of the progress made by these public sector actions aimed at improving the employment situation in specific geographical areas. Contracts signed on the basis of INEM agreements with local corporations are the largest part of the programme (86.5%). The amounts allocated to these agreements have grown significantly compared with the previous year: from 14,900 million Ptas in 1984 and 29,774,5 million Ptas in 1985, the estimates for 1986 have reached 32,400 million Ptas.

EMPLOYMENT PROMOTION CONTRACTS

Types of contract	Registered contracts				Percentage changes	
	1984	1985	1985 January-July	1986 January-July	85/84	January-July 86/ January-July 85
<b>Without financial incentives:</b>						
Temporary contracts	235.368	432.175	259.727	316.616	83,6	21,9
Part-time and "replacement" contract	47.940	123.849	65.056	95.536	158,3	46,9
Special retirement at 64 years	94	978	648	788	940,4	21,6
<b>With financial incentives:</b>						
a) Private sector:						
Work experience contract	14.002	51.766	25.472	44.920	269,7	76,4
Training contract	27.410	112.736	63.550	93.328	311,3	46,9
Young persons under 26 years of age (1)	-	55.785	10.911	64.212	-	488,5
Other programmes (2)	6.885	8.579	4.324	8.259	24,6	91,0
b) Public sector:						
On the basis of agreements	100.559	270.171	65.492	134.582	168,7	105,5
"Community works" (3)	15.923	14.450	9.186	6.367	-9,3	-30,7
<b>T o t a l</b>	<b>448.181</b>	<b>1.070.489</b>	<b>504.366</b>	<b>764.608</b>	<b>138,9</b>	<b>51,6</b>

(1) This measure came into operation in June 1985.

(2) Include employment promotion measures for the disabled and for workers over the age of 45 who have been unemployed for more than a year.

(3) These are no work contracts and do not appear in the placement figures given the fact that these actions are aimed at carrying out community works of social value by unemployed persons in receipt of benefit.

SOURCE: MTSS, INEM, Employment Statistics.

## FRANCE : Differentiated work

On 11 August, 1986 the government issued an Ordinance aimed at making it easier, on the one hand, to use fixed term and temporary work contracts and, on the other, to promote part-time work.

### 1. Fixed term contracts

Current legislation is being relaxed and simplified in a number of ways to facilitate the use of fixed term employment contracts (CDD).

**Abolition of the list:** The Labour Code laid down eleven instances in which CCDs could be used. This restrictive list has now been abolished and replaced by a general definition: A CDD can be concluded for performing a specific task. Its purpose cannot be to permanently fill a job connected with the normal on-going activity of the enterprise.

**Term of the contract:** A CDD must comprise a term which is clearly specified at the time of its being signed. However, there are three instances in which no such precise term is required:

- \* for replacing an absent wage-earner or one whose employment contract has been suspended
- \* for seasonal jobs
- \* for jobs in specified sectors where it is standard practice not to make use of open-ended contracts because of the nature of the work and of the short-term nature of this job. These sectors have been listed and can be added to by collective agreement or extended collective agreement.

In each of these three situations a minimum length must nevertheless be set and the contract expires with the

return of the wage-earner or with the fulfilment of the aim for which the contract was concluded.

**Duration of the contracts and renewal:** The maximum duration of the contracts which, depending on the case, was of 6 or 12 months (and exceptionally 24 months) has been raised in all cases to 24 months (including possible renewal). The CDD can be renewed twice, each time for a duration at the most equal to that of the initial period (without exceeding two years altogether).

**Calculating numbers:** The wage-earners with a CDD will be taken into account in the total number of employees on a pro-rata basis of the time they have been at work over the last twelve months. If they replace an absent wage-earner, they are not taken into account for the numbers.

In addition to this increased flexibility, the Ordinance maintains a number of rules already established:

**Maintaining the waiting period:** To fill the job of a wage-earner whose contract has come to an end, use cannot be made of either a fixed term contract or a temporary work contract before a period equal to one third of the duration of this contract has elapsed, "including renewal".

**No recourse during strikes:** As previously, under no circumstances can a wage-earner with a CDD or a temporary work contract be called upon to replace a worker whose employment contract has been suspended because of an industrial dispute.

### 2. Temporary work

\* As for CDDs, the list of cases justifying temporary work contracts has been abolished and replaced by a general

rule: A user can call on the services of a wage-earner of a temporary work agency "to carry out a non-lasting task called an assignment". The "objective of the temporary work contract cannot be to permanently fill a job connected with the normal on going activity of the user enterprise".

\* The assignment must comprise a **term** clearly specified at the very moment of concluding the contract making the services available. The three cases of exemptions are the same as those for CDDs.

\* The temporary work contract can also be **renewed** —but only once— for a length of time at most equal to that of the initial period. The conditions for the renewal must be provided for from the very beginning of the contract or be the subject of a supplementary agreement to this contract which must be put to the wage-earner concerned before the expiry of the contract. The total **duration** of the contract, including renewal, cannot exceed 24 months. The rule of not being able to use such contracts during strikes is maintained.

\* When **calculating the number** of workers, wage-earners are taken into account on a prorata basis of their presence during the 12 preceding months. However, these wage-earners are excluded from the total headcount when they replace an absent wage-earner or one whose employment contract has been suspended.

### 3. Part-time work

The Ordinance covers three measures aimed at enhancing part-time work:

\* Taking into account on a prorata basis the working time of part-time wage-earners when calculating the numbers employed in the enterprise. For in France, these numbers determine the level and form of the compulsory representation of wage-earners.

\* The creation of a new form of part-time work, spread over the whole year and termed "**intermittent work**". This is an employment contract of unspecified duration which provides for regular or irregular periods of not working. Implementing these contracts is through agreement with the social partners at either the firm or industry level.

The intermittent work contract is an open-ended contract. It must be in written form, indicating in particular :

1. The qualification of the wage-earner
2. The elements of pay
3. The annual minimum duration of work of the wage-earner
4. The periods during which he/she works
5. The break-down of working hours within these periods.

The hours over and above the annual duration fixed in the contract cannot exceed one quarter of this time.

In cases where the nature of the activity does not enable the periods of work and the break-down of the working hours within these periods to be clearly specified, the collective agreement determines what adaptations are

necessary. This covers in particular the conditions under which the wage-earner can refuse the dates and the hours of work being proposed to him.

Wage-earners with an intermittent employment contract have the same rights as those working full time without prejudice, as regards collective agreement rights, to the specific restrictive clauses provided by the agreement or the extended agreement.

As regards determining rights connected with seniority, periods of non-work are taken fully into account.

\* **Extension of part-time early retirement:** In regions or for occupations facing or threatened by a serious imbalance in employment, special allowances can be given to certain categories of older workers. These require the signing of an agreement for these older workers when it is proven that they are unsuitable for requalifying measures or that the situation of the enterprise leads to changing their job, with their agreement, from full time to part-time.

This possibility of part-time early retirement has until now depended on the enterprise's commitment to maintain numbers employed. From now on, even in cases of reductions in numbers, wage-earners aged over 56 years have the opportunity of keeping part-time employment, the pay for which will be topped up by special allowances.

### PORTUGAL : Open-ended employment contracts

In October 1986 a programme has been started to encourage enterprises to create permanent jobs for young people aged less than 25 years and the long-term unemployed of more than 25 years. Co-financed by the European Social Fund, it is managed by IEFP, the employment and vocational training institute.

The programme provides grants to enterprises which present investment projects which are technically, economically and financially viable. Grants correspond to 12 times the national minimum wage for each job created.

The programme covers 2,000 workers in 1986, which should be extended to 4,200 in 1987.

### UNITED KINGDOM: Reform of the Wages Council System

The Wages Act 1986 received Royal Assent on 25 July 1986. In addition to repdaling legislation giving manual workers the right to insist on payment in cash, and modernising the law on deductions from wages, it is a major deregulatory and job-promoting measure through the reforms it makes to the wages council system.

Wages councils set minimum remuneration for over 2 million workers in 26 different trades, mostly in the service industries. Under **previous legislation** they were empowered to fix whatever minimum terms and conditions they wished. Although in practice they confined themselves to regulating pay, holidays and holiday pay, their Orders contained a great number of statutorily enforceable details leading to complex problems of

interpretation and application. Because of the concern it felt about the way in which the system imposed burdens on employers and inhibited employment, especially for young people, the Government suggested in a consultative exercise that the system had to be either drastically reformed or abolished. The consultative exercise (see iM 12) demonstrated that the majority of industries already within the system felt that it should be retained but reformed on the lines that the Government had proposed. These reforms are reflected in the new legislation.

Young **people under 21** are now no longer covered by wages council regulation. In future, employers will be able to offer them jobs at wages which reflect their level of training and experience and which young people are prepared to accept. This will do much to enable young people to get a foothold on the ladder of employment and so improve their long-term prospects. About 0.5m young workers are affected.

For workers of **21 and over**, the wages council Orders are to be greatly simplified. Wages councils are now limited to fixing the two central elements of pay - a basic minimum hourly rate and an overtime rate (and of course the point at which overtime should start), and a limit on charges an employer can make in certain circumstances for accommodation he provides.

Other matters such as holiday pay and entitlements will be for direct settlement between employers and workers, as happens in the rest of industry.

Another important change to the wages council system is that councils must now consider the **impact on jobs of the minimum rates** they set. In future they will have to take account - along with other factors they consider appropriate - of the effect of any rate they set on the level of employment of the workers concerned and particularly among the workers in areas of the country where pay is below the national average for such workers.

In addition to these changes, the Government will be able to **vary the boundaries and coverage** of the councils more freely; for example, individual employers or groups of workers covered by special employment schemes could be removed from scope, though the Secretary of State must have regard for the current levels of pay among workers affected and undertake consultations before seeking Parliamentary approval for such changes.

The provision to exclude young people from the system came into operation immediately on Royal Assent. The introduction of the new simpler Wages Orders for those aged 21 and over will be phased over a period ending in July 1987.

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## Special categories of workers : Long-term unemployed

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### **BELGIUM: Recent developments**

An examination of the structure of long-term unemployment in Belgium shows that specific groups experience particularly lengthy periods of inactivity. At the end of June 1986 more than 73% of unemployed females had been out of work for more than one year, a figure which rose to 85% for the partly or severely disabled.

The risks of experiencing long-term unemployment also vary according to the level of training. The proportion of young people who have not gone further than primary or lower secondary education increases as the periods of being out of work get longer: from being 52% of the young who have been out of work for less than one year, it rises to 73% of the young who have been unemployed for more than two years.

### **Early retirement**

The early retirement scheme by collective agreement enables older workers who are about to be made redundant to opt for early retirement.

This early retirement scheme was originally collective (work) agreement No. 17 of 19 December 1974 (official gazette — MB of 31 January 1975). It has been amended several times, the last being by Royal Decree No. 443 of 14 August 1986 (MB of 30 August 1986) and Royal Decree of 20 August 1986 (MB of 10 September 1986). It provides for applying to older redundant workers a more advantageous unemployment regulation and gran-

ting them a supplementary allowance which has to be paid by their last employer.

To be able to claim an early retirement, the older worker must be made redundant by an enterprise which is bound by a collective (work) agreement dealing with early retirement. These agreements can be at the national, industry or enterprise level. The age limit is specified in the agreement.

However, collective agreements filed at the record office of the collective relations service of the Ministry of Employment and Labour after 31 May 1986 cannot provide for early retirement for workers aged less than 57 years.

Beneficiaries of an early retirement by collective agreement must also fulfil specific conditions as regards length of service: 5 years in the same enterprise, or 10 years (over a period of 15) in the same industry or 20 years as a wage-earner.

Workers taking an early retirement have neither to sign on daily nor to be registered as a job-seeker. They continue to receive unemployment benefits calculated at the rate of 60% provided that their employer is committed to replacing the early retiree for a 36-month period by an unemployed person or a beneficiary of the "minimum means of existence" who has at least the same number of working hours as the early retiree.

Derogations are foreseen for workers made redundant by an enterprise which is in trouble or experiencing

## Evaluation of the LTU aid measures

Workers hired through these LTU aid measures presumably enable the overall level of employment to be increased since these jobs cannot displace other jobs created by the same employer or subsidized by the same authority.

The LTUs are put back into contact with the world of work and can thus preserve their working skills. It would also seem that some 20% of those employed by the TCT subsequently move back into a normal job.

Furthermore, these systems enable more positive use to be made of the money earmarked for unemployment compensation.

### Statistical data

#### Early retirement by collective agreement

Numbers of beneficiaries:	1984:	83.500
	1985:	97.500
	July 1986:	115.400

#### Third work circuit

Numbers of beneficiaries (annual average) :	1983:	.600
	1984:	19.500
	1985:	26.500
	August 1986:	34.859

exceptionally unfavourable circumstances. For workers belonging to an enterprise recognized as such by the Ministry of Employment and Labour, the minimum age is brought down to 50 years and there is no replacement requirement.

### Actions to reintegrate LTUs into working life

1) The **third work circuit, TCT** (Royal Decree no. 25 of 24 March 1982, MB 26 March 1982) consists of the State providing at its expense, while fully respecting the prerogatives of the traditional networks of public and private jobs, new and lasting jobs. These are to carry out tasks which must at the same time meet a need in the non-market sector and enable the recruitment of long-term unemployed persons.

To be able to benefit from this measure, a person must be fully unemployed and receiving benefit for at least two of the last four years. Since the coming into force of the law of 1 August 1985 (MB of 6 August 1985), the jobs created by the TCT can also be taken up by

\* a fully unemployed person in receipt of benefit of at least 40 years of age who is living alone or under the same roof with persons having no resources or whose sole resources are social security or social assistance allowances;

\* a recipient of the minimum means of existence, of at least 40 years of age who is living alone or under the same roof with persons having no resources or whose sole resources are social security or social assistance allowances.

The job performed must

- \* be permanent (hence contracts are not limited in time)
- \* be of public or social utility or cultural interest
- \* not be for profit
- \* meet collective needs which would not otherwise have been satisfied.

Workers are bound by an open-ended full-time or part-time employment contract as a worker or employee. The State covers the pay and the social security contributions for the entire period of employment.

2) The purpose of the **Interdepartmental Budgetary Fund for Promoting Employment** is to encourage job creation in the non-market sector by means of financial support.

The new jobs created in this way must be such as to improve both quantitatively and qualitatively, in Belgium or in a developing country, the services which the promoters are in charge of. These promoters can be the State, the (Belgian) Communities or the Regions with the exception of teaching.

To be able to be hired with the financial backing of this Fund, a person must, at the time of being recruited, have been wholly unemployed and in receipt of benefit for at least a year or have been unemployed one year of the last four.

### FRANCE: Training and help for reintegration

Supplementing the youth employment emergency plan which is based upon alternance training and easing corporate charges, the government decided to bring in a new programme for the long-term unemployed. It consists of training and helping the reintegration into working life of some 107,500 persons. This number consists of 60,000 training periods for young people aged between 18 and 25 years and 45,700 training periods for adults.

#### A. Actions for young people

The target groups of activities for young people are :

- \* young people aged from 16 to 18 years who left school at the lowest levels (35,000 traineeships)
- \* young people aged from 18 to 25 years who are looking for their first job having had a very low level of initial training (25,000 traineeships)
- \* long-term unemployed young people aged from 18 to 25 years who are looking for their first job.

The average duration of these traineeships must be 6 months, consisting of 550 hours of training and 2 months within the enterprise, the exact structure of which is decided upon according to the characteristics of the beneficiaries.

#### B. Activities for adults

The activities for the adults concerned are divided up between the following:

\* 10,000 National Employment Fund traineeships for the long-term unemployed. These traineeships are either short (300 hours) or "long" (600 hours).

\* Modular training : 29,500 trainees, each receiving on average 550 hours training.

\* Upgrading activities (actions de mise à niveau) : 4,000 trainees with the average traineeship lasting 700 hours.

\* Local programmes for integrating women living alone: 4,000 trainees.

The "départemental" authorities have been invited to ensure that for the whole of these activities, for young people and adults alike, at least 40 hours training is provided in the new technologies.

### **IRELAND: New initiatives**

Three new initiatives to help the long-term unemployed have recently been introduced. They are:

- (1) Job Search
- (2) Part-Time Allowance, and
- (3) Educational Opportunities Programme.

The programmes are at present operating on a pilot basis in a number of locations around the country.

The **Job Search Programme** is designed to improve the job-searching skills of the long-term unemployed. Participants are invited to join a job search group where, over a period of four weeks, they receive coaching in how to look for jobs more effectively. During this period, all necessary job-searching facilities (postage, telephones, typewriters etc.) are provided free of charge, while in certain cases expenses will be paid to cover the cost of travelling to job interviews. Participants will continue to receive their normal unemployment pay entitlements during the duration of the programme.

The **Part-time Job Allowance Scheme** allows persons who have been unemployed for more than 12 months to take up a part-time job while continuing to receive a special allowance. The allowance amounts to IR£25 per week for a single person and IR£40 per week for a married person, and is payable to any person who works part-time up to a maximum of 24 hours per week. Earnings derived from the part-time employment does not affect payment of the allowance, but the employment must be for less than 24 hours a week. Participants in the Scheme are still required to register once a week at their local Employment Exchange and produce a regular employer's statement of the weekly hours worked.

The **Educational Opportunities Scheme** allows long-term unemployed persons over the age of 25 to pursue a full-time education course for one year. The Scheme, which is operated in conjunction with the National Manpower Service and local Vocational Education Committees (VECs) is intended to give people a chance to study a range of Leaving Certificate subjects. Those persons who avail themselves of the Scheme are paid an allowance equivalent to their normal welfare entitlements.

An integral feature of the three pilot programmes will be a continuous evaluation by independent experts. In the

light of the evaluation the Government will decide whether the balance between costs and benefits is such that the schemes should be launched nationwide and legislated for as statutory entitlements for the long-term unemployed.

### **NETHERLANDS: MLW measure in force**

Under the MLW, the Scheme for the Long-Term Unemployed, employers are exempt for a specified period from paying social security contributions if, between 1 October 1986 and 31 December 1987, they contractually hire a LTU either for an indefinite period or for a fixed term of at least two years' duration. The contract must provide for an average work week of 15 hours and collectively agreed wages or, failing that, the statutory minimum wage. The unemployed person to be hired must have been registered as a job seeker at the employment office for a continuous period of more than three years and must be at least 21 years of age. The director of the regional employment office (GAB) can authorise a person who has not been registered as a job seeker to benefit from this measure provided that he/she can prove to have been unemployed for more than three years and to be actively looking for a job.

The exemption from employers' contributions lasts for the duration of the employment contract up to a maximum of four years. In order to be granted such an exemption, a declaration by the director of the GAB is required. A number of specific clauses have been included in the scheme to prevent regular workers from being displaced by the long-term unemployed. For instance, the director of the GAB would not issue the declaration if the employer had made other workers redundant (dismissed them for "business economic" reasons) in the six months preceding the recruitment.

The employer will be able to claim an allowance of Dfl. 4.000 for each person taken on under the scheme to cover the costs of training and accompanying support, provided he has drawn up a retraining programme which has been approved by the director of the GAB.

### **PORTUGAL : Temporary work programmes**

These programmes aim to improve temporarily the unemployment situation of special categories of workers, notably the long-term unemployed and the seasonally unemployed. Two types of programmes are currently in operation:

\* A special programme for the long term unemployed aged at least 25 years (ATD) seeks to provide them with temporary employment (6 months) in community activities (D.M. of 19.vi.86). The programme is co-financed by the European Social Fund. The amount of money earmarked for each worker corresponds to the amount of the minimum national wage during a 40-hour working week. This programme was started in 1986. Its enlargement to 14,000 workers is foreseen for 1987.

\* Programmes for seasonally unemployed persons (D.N. no. 86/85 of 2.ix.86 and D.N. no. 76/86 of 29.viii. 86), the duration of which corresponds to the low season periods determined by the respective regions. These program-

mes are developed by the local authorities, public services, "social solidarity" or public utility bodies and public, private and cooperative enterprises. Financial support from IEFP (the national employment and vocational training institute) varies, with the maximum corres-

ponding to the whole of the remuneration of workers in the regions facing the most problems. These programmes have so far been carried out in limited areas, reaching 5,000 persons in 1986. This number should be increased to 12,000 in 1987.

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## Special categories of workers : Youth

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### **NETHERLANDS: Youth Employment Guarantee Scheme**

A scheme enabling young people to be guaranteed a job is being prepared. Its purpose is to replace the income guarantee with a view to fostering the integration of school-leavers in the regular labour market.

By means of this scheme the Minister of Social Affairs and Employment wants to guarantee all under 21-year olds a job if they have been unable to find one within six months.

The original intention was to discontinue the entitlement of all under 21-year olds to social assistance under the State group regulations for unemployed workers (RWW) and replace it by a job and/or training guarantee. In the meantime, the plan of a training guarantee has been withdrawn.

For the time being the minister is taking the line that this scheme will enable a much narrower interpretation to be given to the concept of "suitable work". In principle, every place selected will be considered suitable. Since the target-group tends to consist of young persons who have little or no work experience, attention will have to be focused on whether the job content is in line with the candidate's level of training.

Since training plays an important part in integration prospects, the supply of training for this target group will be particularly fostered.

### **UNITED KINGDOM: The New Workers Scheme**

A number of schemes designed to alleviate the problem of youth unemployment are current. YTS provides the opportunity of 2 years training for school leavers, thus preparing young people for their first full time job. In order to encourage employers to provide junior posts to under 21 year olds, the New Workers Scheme offers a £15 a week payment in respect of each eligible employee in a suitable job. The payments, although not directly a contribution towards wage costs, will, in effect, offset the expense to an employer of hiring a young worker.

The purpose of the Scheme is not just to create job opportunities for young people in the short term. The Government's aim is to change employment patterns in the long term, so that under 21 year olds will once again form a significant proportion of the labour force. To

achieve this long term aim, wage limits have been incorporated into NWS, which will encourage employers to pay realistic wages to young people. The limits have been set according to the employee's age on the day the job starts; young people aged 19 and under can be paid £55 or less, and those aged 20 can be paid £65 or less.

The New Workers Scheme takes over from the Young Workers Scheme which covered jobs started on or before 31 March 1986. YWS was designed to help under 18 year olds find full time employment, but with the extension of YTS to a 2 year course, provision was already made for this group of young people. The Government wished to continue supplying aid for young people searching for their first jobs, but without interfering with their training opportunities. Using the experience gained from YWS, and the proposals for 2 year YTS a new Scheme was designed for under 21 year olds.

To ensure that there is as little conflict as possible between YTS and the New Workers Scheme, it is a condition of the Scheme that young people have no entitlement to YTS training remaining when they start the job to be supported. Another eligibility requirement for employees is that they have not worked for more than an aggregate period of 52 weeks in a job or series of jobs since leaving full time education or a government sponsored training scheme. Thus the Scheme is focused on young people who are struggling to find their niche in the labour market, having completed a period of training.

The Scheme will be operative throughout Great Britain for jobs started on or after 1 April 1986, and a similar scheme is to be introduced in Northern Ireland. All employment sectors are eligible for support except public services and domestic households. The only requirements regarding the job itself are that it should average 35 paid hours per week, and be expected to last a minimum of 52 weeks.

Support in respect of any one employee can be given for a maximum period of 52 weeks, providing that no payments have been made previously in respect of that young person under either NWS or YWS. If some payments have previously been made the residual periods may be claimed by a new employer providing that all the conditions of the Scheme are still satisfied.

NWS will be a worthwhile successor to YWS, and will complement 2 year YTS helping young people along their path from school, through training and into full time employment.

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# Placement

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## **GERMANY : Trans-border placement**

Job seekers living near the Franco-German border can now receive information on job offers across the border from their own labour office. This is the outcome of an agreement signed in Strasbourg between the director general of the French (ANPE) and the president of the German (BA) employment bodies.

There are currently some 17,000 cross-border commuters in both directions between France and Germany. The legal basis for this is the freedom of movement Order of the European Community. On this basis and following an EC Commission initiative, France and Germany had already in 1982 and 1983 declared their willingness to exchange job offers in the border areas of Alsace-Lorraine, Rhineland-Palatinate-Saarland and Baden-Württemberg.

The job offer exchange was agreed between the employment offices of Strasbourg (West) and Wissembourg, on the French side, and of Offenburg, Rastatt, Karlsruhe, Pirmasens and Landau, on the German. It was tested over a one year period during which no major problems arose. Cooperation between the French and German employment offices went off without any major hitches, difficulties only arising when interested job seekers did not have sufficient mastery of the foreign language in question.

Job offers are filmed in an anonymous form on microfiches. The job seekers can draw on the information by means of microfilm readers at the employment offices indicated above. Office staff in both countries have in addition all important information such as the names of the firms, contact persons and pay, on the screen. In this way jobs offered could be filled during the test period with job seekers from France and Germany. The range of occupation extended from highly skilled workers in the engineering industry, such as turners, lathe operators, welders and mechanics through to service occupations such as sales personnel and interpreters.

## **SPAIN : New structure for public employment services**

INEM is the national employment institute which is entrusted with administering employment policy : placement, vocational training and guidance, employment incentives and unemployment benefits. It is an autonomous body linked with the Ministry of Labour and Social Security by the General Secretariat for Employment and Industrial Relations. By Royal decree 1458/1986 (BOE of 16 July) it has been significantly restructured.

The main changes brought in at present by the reform concern the central structure depending on the Directorate General of INEM. Whereas previously there were 5 sub-directorates, there are now 7 : resources' management, economic and budgetary management, technical service, information and statistics, employment promotion, management of vocational training and indemnification. This change bears witness to the absolute priority given to INEM of carrying out administrative and executive functions which are clearly distinguished from other central managerial functions such as the Directorate General for Employment which is entrusted with designing, programming and setting out regulations, evaluations and the follow-up of employment policy.

In fact, the reform is the first step in the process for bringing about enhanced management by specially trained staff endowed with appropriate computerised tools. Staff are specially trained for their tasks of training, guidance, employment promotion, and management of manpower movements. All these tasks are carried out within the guidelines drafted by the Ministry of Labour according to the action and control criteria defined by INEM's governing bodies, ie. the General Council and the Executive Committee. These two are tri-partite bodies with trade union, employer and public administration representation, a structure which is also found in the executive committees within the regions.



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.

**Rough currency conversion rates**

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

● Belgium	43 BFR
● Denmark	7.8 DKR
● Germany	2.08 DM
● Greece	143 DRA
● Spain	140 PTA
● France	6.8 FF
● Ireland	0.76 IR£
● Italy	1,443 LIT
● Luxembourg	43 LFR
● Netherlands	2.35 HFL
● Portugal	154 ESC
● United Kingdom	0.72 UK£

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