

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 strategy; **Germany:** Collective agreements; **France:** Dismissals procedures; Labour courts; **Italy:** Fiscalisation; **CNEL;** **Portugal:** Incomes policy.

Aid to the unemployed

Belgium: *CST*; **Germany:** Extending unemployment benefits; **Spain:** Extending unemployment assistance; **France:** Conversion agreements; **Netherlands:** Social security reform; **United Kingdom:** New helps.

Training

Ireland: School leavers' surveys; **Italy:** In the navy; **Netherlands:** New scheme; Women.

Job Creation

Belgium: *Contractuels*; *TCT* temporary workers; **Greece:** Self employment scheme; **Portugal:** Azores scheme; **United Kingdom:** Tourism projects; Loan Guarantee Scheme.

Special categories of workers

Denmark: Youth measures; **Germany:** Women's employment growth; **France:** Youth scheme extension; **Italy:** Migrants' employment; **Netherlands:** *JWG*.

Working time

Belgium: Part-time unemployment; **Spain:** Overtime regulations; **United Kingdom:** Women's working hours.

Placement

France: *ANPE* regulation; **Netherlands:** Temporary work agencies; **Portugal:** Agency's computerisation.

Miscellaneous

France: Computer occupations; Labour market statistics; **Ireland:** Legislation's impact; **Netherlands:** Employment flexibility.

Centrefold: Measures in favour of the long term unemployed.

Developments at a glance

- Belgium** The CST temporary workers scheme has been simplified and employers required to pay 10% of the wage costs (p. 5). A new grant-aided contract worker scheme has been brought in for public sector jobs (p. 11), whereas the TCT community jobs scheme has been limited in application, modified in sponsors' contributions and beneficiaries' remuneration and simplified in procedure (p. 12). Conditions of the unemployment system of part-time workers have been enhanced (p. 20).
- Denmark** The aim of the government's offensive labour market policy is to overcome bottlenecks before they become acute (p. 3). To help combat the long term unemployment of young persons, the age limit has been raised to 30 and local government obligations prolonged into 1987 (p. 18).
- Germany** 1986 collective agreements brought in in particular a 3.6% average increase in real incomes and reductions in working time (p. 3). Unemployment benefit payments are being extended, particularly to the over 42s (p. 6). 85% of all additional new jobs in 1985 and 1986 were taken by women (p. 19).
- Greece** The national employment service has completed an experimental support programme encouraging young people to set up on their own or in cooperatives (p. 17).
- Spain** Unemployment assistance is being extended to help in particular the long term unemployed (p. 6). Regulations on overtime have been altered (p. 22).
- France** The law pertaining to redundancies and individual dismissals was modified on 30 December (p. 3), one part concerning alterations to FNE conversion agreements (p. 7). A law of the same date concerns the consequent role of the labour courts in contested cases of dismissal (p. 4). The renovated youth plan provides for 100% and 50% exemptions to social security contributions of employers hiring 16-25 year olds before 30 June 1987 (p. 19). Placement procedures have been revised, aiming in particular at increasing the number of placement locations (p. 23). The labour market for computer personnel is changing rapidly in the light of the technology (p. 24). The collection of monthly labour market statistics has been revised (p. 24).
- Ireland** The latest school leavers' survey confirms the close connection between low qualifications and unemployment (p. 10). Over the past half decade the percentage of school leavers in employment after 1 year fell from 68% to 41% (p. 10). A survey of employers indicates that their employment practices are little affected by labour legislation (p. 25).
- Italy** The government estimates at between Lit 7,000 and 8,000 billion the relief to firms through social security reductions in 1987 (p. 4). CNEL, the national economic and labour council, established to advise employment policy-makers, has been changed in membership (p. 4). Merchant ships can take on cadet officers under training-cum-work contracts (p. 10). Immigrant workers from outside the European Community receive enhanced protection under new legislation (p. 19).
- Netherlands** The reformed social security system came into operation in January (p. 7). A new training scheme takes over from the SOB and SKR schemes, extending training to the unemployed (p. 10). Women's vocational training is ESF funded (p. 11). The Youth Employment Guarantee Scheme has been further developed (p. 20). Temporary work agencies placed 35% more persons in 1986 than in 1985 (p. 23). Flexible forms of work are increasing (p. 25).
- Portugal** Incomes policy for 1987 should be based on considerations of the rate of inflation, productivity and corporate competitiveness (p. 5). An integrated system of employment incentives has been established for the Azores (p. 17). Placement is being computerised (p. 24).
- United Kingdom** The government has extended 4 schemes to help the unemployed (p. 9). It continues to provide finance to tourism projects (p. 17) and to guarantee loans for small businesses (p. 18) as means for creating jobs. A new act lifts restrictions on women's hours of work (p. 22).

Overall developments

DENMARK: Offensive labour market policy strategy

In a statement to the Danish Parliament in November 1986, the Minister of Labour introduced an offensive labour market policy which aims at solving both the short-term and the long-term adaptation problems on the labour market.

An effective labour market policy needs to be effective both in the short and in the longer perspective. The adaptation problems currently being experienced show up in the form of bottlenecks on the labour market. Initiatives have already been taken to tackle these bottlenecks. Efforts concentrate on both improved surveillance of the labour market and intensified placement and guidance efforts by the public employment service. Furthermore, greater resources have been devoted to vocational training in occupational fields facing bottlenecks.

The function of labour market policy is both to help provide proper conditions of employment for employees and the type of labour required by enterprises and to ensure — as an element of the general economic policy — a balanced economy, internal and external, and continued economic growth.

The offensive labour market policy will in future focus on the following main themes:

- * a significant improvement of the surveillance of the labour market. This is the prerequisite of prompt and specifically targeted initiatives to tackle problems existing on the labour market.
- * effective placement activities. These ensure matching labour supply and demand rapidly and effectively.
- * coherent and specifically targeted guidance activities. These will enhance the foundations for choosing education and employment.
- * education/training measures. These will ensure that the skills of the labour force are attuned to the needs of enterprises.
- * reform of specific measures to satisfy the needs of particularly disadvantaged groups and those of enterprises. This applies in particular to the eldest of the youth generation who have not yet gained a foothold on the labour market and to the long-term unemployed women who are shouldering an increasing share of the unemployment burden.

GERMANY: Evaluation of 1986 collective agreements

In 1986 employers and trade unions in the Federal Republic concluded some 6,200 new collective agreements. An evaluation of these agreements confirms that for the first time in five years the real net income of workers increased in 1986.

This evaluation covers collective agreements from over 400 collective bargaining areas from all sectors of industry and services employing some 17.3 million workers. It showed that in 1986 incomes collectively agreed to rose on average by 3.6%. This was the highest increase since 1982.

Wage and salary increases were the main feature of 1986 negotiations. But there were also further improvements in working conditions. Thus, the weekly working time for a further 2 million workers was again reduced. This means that for some 8.7 million workers agreement has been reached on weekly working hours below 40. Additional increases in vacations were agreed to, resulting in 65% of persons covered by the collective agreements being entitled to 6 or more weeks of vacation.

FRANCE: New procedures for dismissals

The law of 30 December 1986 concerning dismissals' procedures completes the law of 3 July 1986 (cfr iM 15) which only partially abolished the procedure for prior official authorisation when declaring redundancies.

The new law was preceded by an agreement between the social partners. It takes up, in the main, the arrangements laid down in this agreement for redundancy procedures. But it also modifies the procedure for individual dismissals.

1. Procedure for individual dismissal

This procedure has been modified on two points:

- * From now on, **before any dismissal** (individual or collective or for economic reasons - redundancy) can take place, the **person** in question has to be **called to an interview** by registered mail or by personally handing over the letter, with the exception of redundancies of more than 10 people in a period of 30 days
- * the employer is required to **state** in writing the **reasons for the dismissal**. This must be either in the letter giving notice of dismissal (for redundancies and disciplinary dismissals) or at the written request of the employee in other cases (one-sided modification of the contract refused by the employee, etc).

2. Redundancy procedures

The new law distinguishes three cases:

2.1 Individual redundancy. In these cases, other than the matters outlined above, the procedure has to include **informing** the competent public authorities of the dismissal made. This is thus a matter of providing **information subsequent to the event**, in an as yet unspecified period.

2.2 Dismissal of 2 to 9 employees in a period of 30 days. In these cases, in addition to the matters set out under 1, the law lays down that the enterprise must **inform** and **consult** the *comité d'entreprise* (works council) or the staff representatives on the proposed reduction in numbers and the implementing provisions. The nature of the information which the enterprise must disclose is described in the law. The enterprise must also inform the competent public authorities of the declared dismissals.

2.3 Dismissal of 10 or more employees in a period of 30 days. The employer must :

- * **inform and consult the *comité d'entreprise*** or, in its absence, the staff representatives on proposed redundancies and measures envisaged to avoid dis-

dismissals or limit their number and to facilitate the redeployment of employees made redundant.

The employer must furthermore study and, within the time span spelt out below, give a substantiated response to the suggestions put forward by the *comité d'entreprise*.

Should the dismissal be within an enterprise employing at least 50 persons, the *comité d'entreprise* must hold two meetings separated by an interval of at most 7 days if the dismissal concerns less than 100 employees, 14 days if it concerns between 100 and 250, and 21 days if it concerns more than 250. Collective agreements can extend these intervals.

* **notify the competent public authorities of the proposed dismissal** at the earliest the day after the date foreseen for the first meeting of the staff representatives.

The authorities check that the staff representatives have been informed, brought together and consulted, that the regulations for drafting the social measures envisaged to reduce the number of dismissals and facilitate the redeployment of the persons dismissed have been respected and that the measures will be implemented.

The public authorities have to make these checks within 14 days when the number of dismissals is less than 100, 21 days when it is between 100 and 250, and 30 days when it is equal to or more than 250.

When the public authorities uncover something irregular in the procedure, they send written notice to the employer setting out the nature of the irregularity, a copy of which is sent to the staff representatives. The employer is bound to reply and to send copy of his reply to the staff representatives.

Should the employer be late in replying, the time period foreseen for notifying the persons concerned of their dismissal (see below) is extended until the date of sending this reply.

* **notify the employees concerned of their dismissal within a time period starting from the moment of notifying the public authorities** which cannot be less than 30 days when the number of dismissals is less than 100, 45 days when the number is between 100 and 250, and 60 days when it is at least equal to 250. These periods can be extended by collective agreement.

When a collective agreement is concluded on dismissal conditions within the enterprise, the public authorities can reduce the period of notifying the employees.

* From now on the **labour courts** (*conseils de Prud'hommes*) settle **matters in dispute** on redundancies, as well as individual and collective dismissals.

FRANCE: Reforming the labour courts

On 30 December 1986, the day the law was brought in modifying dismissal procedures (cfr article), another law was passed modifying the organisation of the labour courts. This takes account of the more important role which they will be called upon to play after the abolition of the requirement to seek official authorisation when making redundancies.

Under the previous system, authorisation (or its rejection) for redundancies (*economic dismissals*) being an administrative act, was subject to appeal

before the higher public authority and, in contentious matters, to administrative jurisdictions.

From now on possible contentious matters both as regards redundancies and other dismissals, will belong to the jurisdiction of the labour courts.

The organisation has been altered by the new law as follows:

Every section consisting of several chambers must comprise a chamber competent for litigations concerning redundancies. The chamber will decide as a matter of urgency. To this end, the employer has to provide the judge with all the requisite information already given to the representatives of the employees as is required by the procedure preceding dismissals.

Other changes have been made by this law. They seek in particular to smoothen out possible operational difficulties by temporarily assigning counsellors to overloaded sections.

ITALY: Relief in social security contributions

The decree-law n° 882 of 22 December 1986 concerns the fiscalisation of social security contributions, the extension of reliefs in social security contributions in the *Mezzogiorno* and interventions in industries experiencing crises. It provides for a further extension of reductions in social security contributions to 31 December. The previous extension had been granted by decree-law n° 328 of 3 July 1986 (cfr. iM 15).

Furthermore, as of 1 January 1987 the industrial sector will be granted a reduction on the monthly contributions to the national health service of:

- * Lit. 26.000 for every person employed
- * a further Lit. 83.000 for persons employed by firms in manufacturing, mining, installation, road transport and shipping
- * a further Lit. 28.000 for persons employed by firms operating in the *Mezzogiorno*.

The agricultural sector is granted a reduction on the monthly contributions to the health service of Lit. 74.000 for every worker and a further Lit. 39.000 if the worker has an open-ended employment contract.

Commercial firms are granted a reduction on the monthly payments of Lit. 43.000 for every person employed.

The expenditure foreseen for such reductions amounts to Lit. 7.110 billion in 1987, Lit. 7.400 billion in 1988 and Lit. 7.700 billion in 1989. Reductions in contributions to be paid to *INPS* (the National Social Insurance Institute) which are granted to firms operating in the *Mezzogiorno*, will be operative until 30 November 1987.

Finally, the deadline for applying the regulation (law n° 155 of 23 April 1981) on early retirement for blue- and white-collar workers employed by industrial firms experiencing crises, has been extended to 31 December 1987.

ITALY: The National Economic and Labour Council - Law n° 936 of 30 December 1986

According to the new law, the National Economic and Labour Council (*Consiglio Nazionale dell'Economia e del Lavoro - CNEL*) will be composed of 111 experts and representatives made up as follows:

- * 12 economic, social and legal experts, 8 of whom are

appointed by the President of the Republic and 4 are proposed by the President of the Council of Ministers. * 99 representatives of the goods and services producing sectors, public and private, 44 of whom representing persons in dependent employment, 18 representing the self-employed and 37 representing enterprises.

Members' term of office is 5 years, renewable.

The *CNEL* has the following **functions**:

- * to appraise and make proposals on economic and social policy documents and actions as well as planning, including that of Community policies;

- * to examine the report on budgetary estimates and forecasts presented to parliament by the Ministry of the Budget and the Treasury;

- * to approve reports prepared by the special committee and the commission on labour market trends, on the normative and pay bases contained in collective bargains;

- * to appraise economic trends;

- * to examine Community policies and their implementation;

- * to contribute to drafting legislation on economic and social policies, expressing opinions and carrying out studies and surveys;

- * to formulate observations and proposals on matters which fall within its field of competence;

- * to carry out studies and surveys which fall within its field of competence.

Within *CNEL* a special commission composed of 15 members at most will be established, entrusted with collecting, organising and elaborating information in the Council's ambit.

The Council will have attached to it the national record office of collective labour contracts and agree-

ments as well as a data base on the labour market, on labour costs and on working conditions.

Lit. 300 million has been foreseen as expenditure for implementing the new law for each of the following three years 1986, 1987 and 1988.

PORTUGAL: Incomes policy 1987

A recommendation concerning incomes policy for 1987 and its employment repercussions has been adopted within the setting of the policy of social dialogue. This field is covered by the Standing Council on Social Concertation, the tri-partite advisory body to the Council of Ministers (cfr. iM 14).

The recommendation lays down guidelines aimed at ensuring both the modernisation of the economy and employment growth. It mentions three factors which have to be considered as regards wage increases: the forecast rate of inflation, productivity and corporate competitiveness.

Taking account of the forecast rate of inflation, the government has set the following limits:

- * 8-9% annual average for 1987

- * 4-6% annual average for 1988.

The Standing Council on Social Concertation has set the rate of inflation to be used as a reference in collective bargaining on 1987 wages and salaries: 9% for the first quarter and 8% for the second. It is waiting for the real rate of inflation in 1986 to be confirmed.

With this as the background, recommendations are also made for the overall guidelines for incomes policy, the need to ensure real improvements in the living conditions of the Portuguese, the need to enhance growth of investments and employment, not forgetting to raise the level of the lowest incomes both for workers and pensioners.

Aid to the unemployed

BELGIUM: CST reform

Regulations concerning the *CST*, special temporary scheme (*Cadre spécial temporaire*) have been significantly **modified** by the coming into force on 1 January 1987 of the Royal decree n° 472 of 28 October 1986 and the Royal decree of 29 October 1986 (M.B. of 20 November 1986).

1. A first change concerns the **area covered** by the scheme. The previous regulations stipulated that the State, the two linguistic communities, the regions and their dependent public interest bodies could not take on *CST* workers. Following the system of grant-aided *contractuels* (public contract workers cfr article), this exclusion has been extended so that now virtually the whole of the public sector is excluded from the *CST* system. As previously, there are still exemptions: some projects of the Ministries of Education and of the National Employment Office (*ONEm*) as well as those of the parish councils or the polders and drainage systems are still accepted as *CST* projects. As regards the private sector, the *CST* system remains applicable for non-profit-making persons' associations, both those having legal and those not having legal capacity.

2. Previously *CST* projects were accepted for a year at most with the possibility of prolonging them for a maximum of 12 months. Henceforth it will be possible to accept from the very beginning *CST* projects for a **maximum two year duration**.

However, should the worker taken on for carrying out a project be employed by a fixed term contract, the term cannot be longer than one year. This time limit is to enable the competent authority to intervene in cases where it would appear that the duration of the project originally foreseen would be too long.

3. To enable a **greater number of jobseekers** to find a job via the *CST*, workers who had already been working on a project for two years on 1 January 1987 will no longer be able to be taken on as a *CST* worker. Exceptions are made for *CSTs* working in teaching, scientific research and vocational training of *ONEm*.

4. The most significant alteration concerns **State intervention in the wage costs** of the unemployed taken on in a *CST* project.

Previously, this intervention amounted to 100% of the pay and relevant social contributions for the first 12 months. Yet the sponsors of new projects have, from 1 July 1986, had to cover 10% of the wages.

For the period exceeding 12 months, the sponsor remains required to intervene for 25%, as was the case under the previous ruling.

There can, however, be partial or total exemption from payment for the first year. To obtain this, the sponsor must be able to prove that he does not have the means enabling him to pay his share and his project must be of social utility or be targeted at a particularly hard-hit group. A ministerial decree of 31 December 1986 (M.B. of 21 January 1987) defines what is understood by such activities.

5. Finally, some **alterations** in the **procedure** have been brought about. Such provisions aim either at doing away with some formalities which, over time, had lost their significance or to simplify and accelerate approval and implementation of projects. The duration of the CST system which is still considered a temporary scheme, has been extended until 30 June 1990.

GERMANY: Extending unemployment benefit

The Federal Government has adopted a bill to extend the duration of insurance based compensation for unemployment and short-time working.

The bill foresees that the social security function of unemployment insurance should be strengthened by two improvements which should become operational from 1 July 1987:

1. The ratio of the period of contributory employment during the last 7 years to the **duration of entitlement** to unemployment benefit is being reduced from 3 : 1 to 2 : 1. This means for instance

* After satisfying the qualifying period (i.e. the minimum time of employment) of 12 months, the *basic claim* to unemployment benefit will henceforth be raised, from the previous 4, to 6 months.

* An unemployed person is entitled to claim unemployment benefit for the duration of 12 months after contributory employment of 24 months, instead of 36 months, as previously.

This will particularly benefit younger employees if they become unemployed after shorter periods of employment.

2. For the unemployed who have completed their 42nd year, the **maximum period of entitlement** will progressively be extended according to the age of the claimant and the length of contributory employment during the preceding 7 years:

* for those 42 years old: from 12 to a maximum of 18 months

* for those 44 years old: from 16 to a maximum of 22 months

* for those 49 years old: from 20 to a maximum of 26 months

* for those 54 years old: from 24 to a maximum of 32 months.

Extending the duration of entitlement should also benefit those who are unemployed when the law comes into force and whose entitlement does not run out the last days before the new regulation becomes operational. For these persons the duration of entitlement will be extended at a flat rate according to their age at the moment the law comes into force and to the previously acquired duration of entitlement.

Furthermore, the period for which short-time allowances can be claimed by steel companies will be extended to 36 months maximum for the years 1987 to 1989. These companies have production reductions imposed on them by decision of the European Coal and Steel Community.

The **extension** of insurance protection against unemployment is based essentially on the **following considerations**:

Due to the increase in the average duration of unemployment since the beginning of the 1980s, there has been a significant drop in the percentage of those drawing unemployment benefit in the overall number of those receiving allowances to meet the loss of income due to unemployment. More unemployed persons have exhausted their entitlement to unemployment benefit and then have to depend on unemployment assistance, which is lower and means-tested.

The extensions from 12 to 24 months of the maximum duration of entitlement to unemployment benefit for older unemployed persons, operated in 1984 and 1985, have stabilised, but not again increased, the percentage of those drawing unemployment benefit in the total number of those receiving allowances to meet the loss of income due to unemployment. In 1986 43% of those in receipt of allowances depended on unemployment assistance, whereas the figure in 1981 was only 20%.

The bill seeks to use the financial scope resulting from the favourable unemployment insurance situation to permanently strengthen the social security function of unemployment insurance.

SPAIN: Extension of unemployment assistance

Royal decree 2394/86 of 14 November 1986 provides for allowances under the unemployment assistance scheme to be temporarily and by way of exception extended to certain groups of the long-term unemployed.

In Spain there are two systems of protection against unemployment: the **contributory scheme** and the **assistance scheme**. Under the contributory scheme, the duration of benefit depends on the periods of contributory employment preceding unemployment, and the rate of benefit depends on the contribution basis (i.e. the average contributory wage during the last 6 months of employment). Under the **assistance scheme** the rate of unemployment assistance is fixed at 75% of the national minimum wage (*SMI*). It is paid per 6-month periods for a maximum of 18 months. The assistance scheme provides for persons who have exhausted their entitlement to unemployment benefit under the contributory scheme and those who are not entitled to unemployment benefit because of insufficient periods of contributory employment, provided that they have insufficient income or are in other situations of need.

The persistence of unemployment and the difficult financial situation of various groups of unemployed led the government to **extend**, exceptionally, the **duration** of payment of **unemployment assistance** to the **following groups**:

* workers who had exhausted their entitlement to unemployment assistance before 30 September

1986 while they were still unemployed

* workers who, at the time the new Unemployment Benefits Act came into force (August 1984), had not exercised the right to an extension of unemployment assistance and were still registered as unemployed

* first-time jobseekers with family responsibilities whose income is insufficient and who had been registered as unemployed for at least one year on 30 September 1986.

Workers in the second group receive benefits for as long as they would have been allowed had they asked for a prolongation at the time in question. The other two groups receive benefits for a period of 6 months.

It is estimated that more than 215,000 unemployed persons will be able to benefit from this temporary extension.

The decree has **three main thrusts**:

- * it focuses on the serious problem of long-term unemployment
- * it extends the scope of unemployment protection for the first time to the unemployed who have never had a job
- * it gives right of access to the benefit system and to positive actions in the fight against unemployment through vocational training and redeployment programmes.

This last point is borne out by the fact that those workers who have unjustifiably refused to take part in a vocational training programme of the National Plan for Vocational Training and Integration, or refused a reasonable job offer or an opportunity to take part in some sort of community work in the context of agreements between *INEM* and the public authorities will be excluded from the extended periods of payment of unemployment assistance.

FRANCE: Conversion agreements

The law of 30 December 1986 modifying dismissal procedures includes one part bringing in a new scheme for the conversion agreements of the National Employment Fund (*FNE*) which also corresponds to taking up on the legal level an agreement between the social partners.

The scheme is **applicable** for redundancies:

- * of less than 10 employees in a period of 30 days, irrespective of the size of the enterprise;
- * of 10 or more employees in enterprises employing less than 50 persons or in those employing at least 50 persons but where there is no *comité d'entreprise* (works council).

It is **optional** for dismissals of 10 employees and more in a period of 30 days in enterprises employing at least 50 persons where there is a *comité d'entreprise*. In this case, conversion agreements are one of a range of possible measures which can feature in the social plan accompanying dismissals which has to be submitted to the *comité d'entreprise* for examination.

The employment contract of an employee who takes up a conversion agreement is broken as a result of a joint agreement between the parties. This rupture opens the **right to being paid**:

- * an allowance, the amount and fiscal and social system of which are those of the statutory or collectively agreed upon dismissal allowance (severance pay) which is exempt from social and fiscal charges. It is

calculated on the basis of the length of service the employee would have had, had he completed his period of notice;

- * the balance of what the compensation in lieu of notice would have been were the notice to have been more than 2 months.

The person under a conversion contract can draw on conversion activities for a period of 5 months which are **jointly financed** by the employers, the *ASSEDICs* (the jointly run unemployment insurance funds) and the State as follows :

- * by enterprises having more than 10 employees: participation in financing **operational expenses** relating to these actions, to be deducted from the compulsory expenses for vocational training. Participation in these expenses which would have been due for enterprises with less than 11 employees is taken over by the State.

- * by all enterprises through contributing to the financing of **conversion allowances** paid to the employees, corresponding to 2 months of the notice which the employee would have received.

- * for the remaining part, by the unemployment insurance system (*ASSEDIC*).

Social protection of employees having a conversion contract is provided under the same conditions as for other employees.

NETHERLANDS: Reform of the social security system

Far-reaching revisions have been made to the social security system (cf. iM 11) which have come into effect on 1 January 1987. The major changes are in the insurance of employees against loss of income in the event of unemployment and disability.

Unemployment

A **New Unemployment Insurance Act (NWW)** has superseded the previous Unemployment Insurance Act (*WW*) and the Unemployment Provisions Act (*WWV*). It covers all *employed persons*, except civil servants whose previous scheme remains in force for the time being.

The main difference between the two former acts and the NWW lies in the **duration of benefit** payments. Under the NWW, benefit at **70% of the last wage** (up to a ceiling) is given for between **six months and five years** according to the claimant's length of service/employment before unemployment and his/her age (see Table 1).

When this entitlement is exhausted, a claimant will receive **subsequent benefit** (still under the NWW) at **70% of the statutory minimum wage** (see Table 2) for **a further year**, irrespective of the income of the unemployed person's partner.

In the event of continuing unemployment, a claim under the National Assistance Act can be made to **subsistence benefit** or **RWW benefit** both of which are at the level of the **minimum social income** (see Table 3). The difference between subsistence benefit and RWW is that the former is granted to everyone who has no, or insufficient, income, whereas RWW recipients must necessarily be registered jobseekers - even first time jobseekers over the age of 18. Both benefits take account of the claimant's and his partner's income and/or property.

The system outlined above does not apply to **persons who are at least 50 years of age** at the moment of becoming unemployed. On expiry of the NWW period (including the one year subsequent benefit), these people qualify for benefit under the new **Act on Income Provision for Older Unemployed People and Partially Disabled Unemployed People (IOAW)**. IOAW benefit amounts to the **minimum social income**, i.e. 70% of the net statutory minimum wage for single persons over the age of 23, 90% for one-parent families and 100% for cohabiting partners. One difference between IOAW benefit and subsistence benefit under the National Assistance Act is that IOAW benefits are fixed regardless of the claimant's personal property; however, the partner's income is taken into account.

Disability

Persons who are or become fully **incapacitated for work** retain the same benefits for the same period as under the previous system. When a worker is at least 80% incapacitated for work (and there is no change in his or her condition or income), the benefit remains 70% of the previous wage (up to a ceiling). Benefit is

paid until the age of 65.

There is one exception to this rule, namely for persons under 35 who had been receiving invalidity benefits before 1 January 1987. They will undergo a new medical examination within two years, which may result in the fixing of a different disability rating.

Under the previous system persons who were **partially incapacitated** for work and partially unemployed could get full invalidity benefits. This is no longer possible. Under the new system, such persons receive NWW benefit for the part for which they are not incapacitated yet unemployed, the duration of such benefits depending on their previous length of employment.

When the NWW entitlement (including the one year subsequent benefit) is exhausted, they can claim benefits under the new IOAW Act.

Supplements Act (*Toeslagenwet*)

This Act has been created to prevent recipients of NWW, invalidity or sickness benefits dropping below the minimum social income (see above). The Act provides for inadequate incomes to be topped up accordingly.

Table 1: NWW benefit

Length of service/ employment	26 weeks employment during the 12 months preceding unemployment	3 years employment during the 5 years preceding unemployment	entitle to a total duration of benefit payments of:
3- 5 yrs	½ year	0 year	½ year
5-10 yrs	½ year	¼ year	¾ year
10-15 yrs	½ year	½ year	1 year
15-20 yrs	½ year	1 year	1 ½ years
20-25 yrs	½ year	1 ½ years	2 years
25-30 yrs	½ year	2 years	2 ½ years
30-35 yrs	½ year	2 ½ years	3 years
35-40 yrs	½ year	3 ½ years	4 years
40 yrs and above	½ year	4 ½ years	5 years

**Table 2: Statutory minimum wage
1987, per month**

	gross	net (approx.)
23 years and above	f 1987.60	f 1400.—
22 years	f 1689.50	f 1226.—
21 years	f 1441.10	f 1063.—
20 years	f 1222.40	f 919.—
19 years	f 1043.50	f 801.—
18 years	f 954.50	f 708.—
17 years	f 785.10	f 629.—
16 years	f 685.80	f 550.—
15 years	f 596.30	f 478.—

Table 3: Examples of National Assistance (subsistence) Benefits

	net per month	holiday benefit per month
Couples maximum extra earnings	f 1495.80 f 224.35	f 81.31
One-parent families maximum extra earnings	f 1346.25 f 224.35	f 73.18
Jobless child living in: aged 20 maximum extra earnings	f 432.40 f 64.85	f 44.55
Single householders: 23 and over maximum extra earnings	f 1047.05 f 157.05	f 56.92
Single householders sharing one home: aged 23 and over maximum extra earnings	f 889.35 f 157.05	f 56.92

UNITED KINGDOM: New help for unemployed people

A major new package of measures to reskill and remotivate Britain's unemployed people to help them compete effectively for jobs as the economy grows has recently been announced by the Employment Secretary.

The four **major developments** are:

- * nationwide extension of the new Job Training Scheme, aimed particularly at those under 25
- * nationwide extension of the Restart Programme for people unemployed over six months, and further Restart interviews at six monthly intervals
- * extension to unemployed 17 year old school leavers of the guarantee of high quality training under Youth Training Scheme (YTS), and
- * further expansion of the Enterprise Allowance Scheme to help more unemployed people set up their own business.

People who have spent over **six months unemployed** will be helped in two ways:

- * the new **Job Training Scheme** is to be extended nationwide from the end of March with the aim of giving nearly a quarter of a million unemployed people a year a better chance to compete for the increasing number of job vacancies, through quality training lasting an average of six months.

Priority will be given to those under 25, many of whom find that they have made the wrong career choice or have the wrong skills for the job. They will get six months of training leading to a recognised vocational qualification. The Government has agreed to a proposal from the Manpower Services Commission to extend the Scheme after an encouraging res-

ponse from pilot tests held in the nine areas of the country where the Restart Programme was tested. The Employment Secretary has emphasised that the expansion of the scheme must be achieved without any reduction in the quality of the training provided.

* The success of the **Restart Programme** is to be built on in two ways. From the end of March anyone who becomes unemployed for more than six months will be offered a wide range of ways back into work including the new Job Training Scheme.

The counselling programme will also be extended to provide interviews at regular six monthly intervals. In the future there will be regular contact between Manpower Services Commission staff and unemployed people to help them, at different times and in different ways, back to work.

There will also be more help for **new entrants to the labour market**, whether working for someone else or for themselves:

* the guarantee of high quality training under **YTS** is to be extended to every unemployed 17 year old school leaver. With the existing guarantee for unemployed 16 year olds, made possible by the successful introduction of Two Year YTS, every unemployed young person under 18 will have the chance of high quality training leading to a recognised qualification. No-one under 18 now need be unemployed.

* There is to be further expansion of 10 per cent in the highly successful **Enterprise Allowance Scheme**. Another 10,000 unemployed people will be able to enter the Scheme over the next financial year to get help in setting up their own business. These new businesses will add to the rapid growth in self employment seen in all parts of the country.

Further details on the Job Training Scheme will follow in the next issue of inforMISEP.

Training

IRELAND: School Leavers' Survey 1986

The Department of Labour's annual School Leavers' Survey was published in December 1986. The survey which was carried out in May and June 1986 examines the career developments of second-level school leavers from 1984-85 academic year. In line with the practice in previous years, almost a full year was allowed to elapse before conducting the survey. This time lapse allows a more realistic result to emerge. The results are based on a national sample of 2,058 school leavers from an estimated total of 64,200 students who left second-level education.

The main findings are that an estimated 28,400 school leavers (44,2%) were in employment, while 17,900 (27,9%) were engaged in further education. A further 12,100 (18,8%) were still seeking their first job while 2,300 (3,6%) were unemployed after having got employment and been made redundant.

Compared to the previous survey, these findings show overall an improvement in the labour market position of school leavers with a 3,6% increase in employment and 5,8% decrease in unemployment. There was an increase (0,9%) among school leavers pursuing further education. Also, there was a small increase of 1,1% in school leavers who emigrated between 1985 and 1986; about 1,5% were unavailable for work.

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School Leavers' Survey 1980-1985.

A supplementary report to the Annual School Leavers' Report was also published in December 1986. The report used data derived from the six Annual School Leavers' Surveys to construct an image of how the circumstances of young people leaving post-primary education have changed over the period 1980-1985.

The number of young people leaving second level education declined by 2,000 between 1979 and 1984 from 64,000 to 62,000. This decline reflects young people's tendency to postpone their exit from second level education. Over the same period there was a decline in the under-age (ie. less than 15 years of age) school leaving from 4,000 in 1979 to around 2,000 in 1984. However, the number and percentage of young people leaving school not having sat for any examination has remained much the same, at approximately 5,000 annually. But there has been a reduction in numbers leaving school after sitting the Intermediate second level examination. It is presumed these students are postponing leaving school in order to achieve higher levels of qualifications from secondary education.

Over the six year period the number and percentages of school leavers who were employed fell from 43,000 (67,6%) in 1980 to 24,950 (41%) in 1985. At the same time the overall unemployment rate among school leavers rose from 10% to 40%. Also there appears to be a decline in the percentages of those in regular full-time work and a growing trend towards

part-time and temporary employment. There have been changes also in the distribution of school leavers in full-time jobs over the various occupations among males, the percentage found in managerial/professional and clerical occupations fell from 25% (or over 5,000) among the 1978-1979 cohort, to 9% (about 700) in the 1983-1984 cohort. Among females the decline has been most pronounced in clerical occupations, from 56% (12,000) to 30% (3,000) over the same period.

The major conclusions of the report are that the unqualified school leavers are at a considerable disadvantage when it comes to finding employment. There is also a strong relationship between the level of educational qualifications and young people's position in the labour market. The lower the level of qualification, the greater the percentages of unemployed, and, particularly, the greater percentage still seeking a first job at the time of the survey.

ITALY: Training-cum-work contracts in the merchant navy

Art. 6 of the law n° 856 of 5 December 1986 deals with regulations for restructuring the merchant fleet (Finmare Group) and measures for private manning. It provides for the possibility, as from 1 January 1987, of obtaining the maritime qualifications of first officer and chief engineer (*aspirante capitano di lungo corso e aspirante capitano di macchina*) by taking on board merchant ships flying the Italian flag two graduates from the technical nautical schools with a fixed term training-cum-work contract of at least 18 months' duration.

For each of the cadet officers taken on board, the shipping company receives a grant-in-aid of Lit. 1.000.000 per month. The total authorised expenditure for the 1987-88 biennium amounts to Lit. 14 billion.

The training-cum-work contracts will be drawn up according to the procedure laid down in law 863/84 (cfr. IM 10).

NETHERLANDS: New scheme for supporting training activities

A new scheme was launched on 1 January 1987 for supporting training for people in enterprises and establishments. It takes over from the current Joint government-industry training scheme (SOB) and the Study Allowance Scheme (SKR). The aim is, among other things, to remove bottlenecks which can arise when applying SOB and SKR.

The new training scheme is designed to create a framework for supporting and stimulating the unemployed as well as those in work to go in for training with the assistance of the labour office.

The scheme provides openings for careful adaptations to the regional problems of the labour market. Thus when implementing the scheme, the director of the labour office can take into account the most recent

developments and, if necessary, make adjustments in both criteria and target groups.

Furthermore, certain categories of the unemployed who have dropped behind, can likewise qualify for the new training scheme. Women who have left working life to look after their homes or bring up small children, experience special impediments when returning to the labour market. The disabled and minorities seem to experience special problems when looking for a suitable job. Additional training can put those groups of the unemployed into a better position to compete.

Contrary to the *SOB* and *SKR* schemes, the new training scheme is also applicable in grant-aided establishments. Moreover, the training of persons who have had a work contract for more than six months will only be supported if there have been drastic modifications in the work contents or if the training will bring about a demonstrable external labour market effect. In such cases wage costs do not qualify for compensation.

Contrary to the former schemes, the allowance under the new scheme is not based on fixed amounts but is a percentage contribution to the training costs. In cases of in-company training, specifications are drawn up between the company and the labour office, setting out the agreements on compensation, conditions, etc.

NETHERLANDS: Vocational schools for women

The first training project for women was launched by *Alida de Jongschool* in Utrecht in September 1984 in the form of a vocational school for women. The initiative was followed by other such schools in another five municipalities. The project is financed by the Ministry of Social Affairs and Employment and by the European Social Fund.

Their **aims** are first, to act as a stimulus for training women in traditionally male occupations and to foster processes which overcome stereotypes. Secondly, they should enable women to qualify for a new occupation and to help them find jobs, especially in infor-

matics. And thirdly, they should create the conditions enabling women to set up their own businesses.

The **target group** is composed of women over 25 years of age having few qualifications who either have not yet started to work or who want to return to work after a long absence.

The **programme** has two streams: first, two sorts of vocational training in informatics

- * user training for women with low qualifications
- * training to become systems analysts for women with *HAVO/VWO* or equivalent secondary level education and training to set up on their own.

The programme lasts 2,5 days per week for 9 months.

Various contents' and organisational changes have been brought in to do justice to the knowledge and experience gained by women in their daily life and to comply with the specific demands which a job on the labour market makes on women.

With respect to **form and contents**, courses are based upon the already existing knowledge and experience of the participants. In addition to vocational knowledge and experience, time is also devoted to theories, the position of women on the labour market, assessing one's own skills, and increasing self-confidence.

As regards **organisation**:

Training will be accessible only for women.

Access is not linked to maximum age and/or formal previous training requirements.

Training takes place part-time.

School holidays are maintained.

There is a day-nursery in the school.

Policy advisory councils have been set up to accompany the training, representative of various disciplines and bodies.

Vocational schools for women can be seen as experiments examining what organisational and content adjustments are needed in order to make vocational training more accessible for the specific target group: women entering or returning to the labour market.

Job creation

BELGIUM: Grant-aided contract workers in local authorities

In November the government brought in a new scheme (Royal decree n° 474 of 28 October, 1986; M.B. of 20 November 1986) aimed at harmonising into a single whole all the existing programmes for reducing unemployment at the level of local authorities (ie. *communes* and *CPASs* — public welfare centres).

The existing legal systems have been replaced by a system of public contract employees (*contractuels*) having full social and financial status. For this, local authorities receive a grant from the State.

The previous system

Communes and *CPASs* could use mainly three types of programmes for reducing unemployment:

* the "put-to-work" unemployed, whose pay was subsidised by the State (to between 50% and 70%);

* *CST* workers (on temporary work assignments) whose pay and social contributions were fully paid by the State for the first year and up to 75% for the second;

* *TCT* workers (on community jobs) whose pay and social contributions were fully paid by the State. Although having an indefinite contract, these workers received no periodic increases on the grounds of seniority.

The new system : grant-aided contractuels

As from 1 January 1987, these various categories of workers have been replaced by one single category : grant-aided *contractuels*. Local (*communal*) authorities, *CPASs* and non-profit *communal* associations which want to call on such *contractuels* must con-

clude an agreement with the Minister of Employment and Labour.

The other conditions which have to be met to be able to make use of this system are as follows:

Contractuels can only be recruited from certain categories of workers. The **main categories** which can have such employment are:

- * the fully unemployed who have been in receipt of benefit for at least 6 months;
- * the "put-to-work" unemployed and *CST* and *TCT* beneficiaries
- * beneficiaries of the "minimum means of existence".

The workers in question are taken on by means of an open-ended or fixed term employment contract. At the very least they receive pay equal to the salary paid to an employee of the State for the same or similar function, as well as the connected increases in scales.

Wages have to be paid by the local authority which employs the *contractuel*. But the employer is exempt from the employer's social security contributions.

Furthermore, the local authorities receive a grant from the State. The executive order of 29 October 1986 (M.B. of 20 November 1986) lays down the criteria and the conditions for granting this premium. The amount is fixed on an annual basis. It amounts to 230,000 Bfrs per year and per worker, provided the **following conditions** are fulfilled:

- * the grant-aided *contractuels* work in the non-market sector
- * the local authority concerned applies to the members of its staff the advantages of career breaks (cfr iM 9, 15).

The grant amounts to 400,000 Bfrs per year and per worker if the following **additional conditions** are fulfilled :

- * respecting the requirements imposed by Royal decree n° 230 of 21 December 1983 concerning traineeships and the vocational integration of young people;
- * maintaining the overall volume of employment at least at the level of the average number of people employed by the local authority during the period from 1 April 1985 to 31 March 1986. "Number of people employed" means those having indefinite and temporary contracts, *contractuels*, the unemployed employed by public authorities and *TCT* workers, with the exception of trainees employed in execution of Royal decree n 230 mentioned above, *CST* workers and teaching staff;
- * maintaining at least the numbers with indefinite and temporary contracts and *contractuels* employed on 30 June 1985.
- * maintaining at least the proportion of 50% of the staff, the financial burden of which is completely borne by the local authority;
- * employing as grant-aided *contractuels* a number of long-term unemployed at least equivalent to the numbers employed by the local authority on 30 June 1985. An unemployed person is considered to be long term unemployed if, at the time of being hired, he/she has been in receipt of a full unemployment benefit for at least two years.

In specific cases and under specific conditions, the Minister of Employment and Labour can (temporarily) give dispensation from some of the criteria mentioned above.

The advantages of the new system are clear. For the local authorities it is a considerable simplification since there remain only two categories of employees:

- * statutory employees
- * grant-aided *contractuels*.

Furthermore, the *communes* and the *CPASs* regain control of the management of the whole of their personnel. For the persons concerned, it constitutes a considerable improvement in their social status by getting rid of the discriminations which hit the "put-to-work" unemployed and *TCT* workers.

BELGIUM: *TCT* reform

Royal decree n° 473 of 28 October 1986 (M.B. of 20 November 1986) brought in modifications to the regulations concerning the *TCT* — the "third work circuit" (*Troisième circuit de travail*).

The **major changes** set out in decree n° 473, which came into force on 1 January 1987, concern the area covered by the *TCT*, the employers' financial contribution to the projects and workers' pay.

1. Taking into consideration the **area covered** by the system of grant-aided *contractuels* (public contract workers), only the following bodies can still employ *TCT* workers from 1 January 1987: parish councils, other institutions entrusted with managing the property connected with the services of recognised religions, the polders and the drainage systems, and non-profit persons' associations having legal capacity in whose creation and management the local public authority is not dominant.

However, a transitional scheme is in operation until 30 June 1987: provided the workers in question serve their notice period, the State can still give *TCT* status to those workers who were taken on before 1 January by employers who are no longer included in the area covered by the *TCT* from that date on.

2. From 1 July 1986, for *TCT* projects approved from that date, and from 1 January 1987, for projects approved before 1 July 1986, the **sponsors must contribute to the pay of the workers**. The State previously covered 100% of the wage and salary costs for the entire duration of the employment of these workers.

A distinction needs to be drawn between the **two *TCT* systems**:

* **The general *TCT* system**

The employer has to pay a 5% contribution towards the wage and salary costs of the workers made available to him to carry out a project. However, employers who can prove that they are unable to pay this contribution and whose activities are socially useful or concern a particularly hard-hit target group can be partially or totally exempt from paying this amount. The same is true for sponsors who take on unemployed persons whose length of unemployment exceeds the average length of unemployment in the regional unemployment office they depend on, provided that this length is in excess of 36 months. A ministerial decree of 31 December 1986 (M.B. of 21 January 1987) sets out the conditions by virtue of which this exemption can be obtained.

Measures in favour of the long-term unemployed

The following table presents measures in operation in member countries of the European Community in February 1987.

When making comparisons, the following should be borne in mind:

- * Some of the measures are specifically aimed at the long-term unemployed, their age groups being indicated (eg. 16-25, +45)

- * In others, LTUs are one of the special target groups

- * And in yet others, LTUs are *de facto* given priority.

Further information on all the measures can be obtained from various issues of inforMISEP and the Basic Information Reports on Employment Policies in European Community member countries.

	BELGIUM	DENMARK	GERMANY	SPAIN	FRANCE	GREECE	IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	PORTUGAL	UNITED KINGDOM	
PERSONALISED COUNSELLING			Personalised counselling after every 3 months of unemployment (AFG, '69 Labour Promotion Act)		Personal interviews, assessment and programme after 13 months unemployment ('82)		Direct Action (pilots) Prog. Grouping manpower measures into integrated package - counselling + job or place on m/p prog ('86)					Restart offering all LTUs practical advice and help : to jobs, Jobclubs Restart training ('85)	
FOSTERING SELF-HELP			FAG financial aids for travel etc to enable ia. LTUs to find and take up jobs				Job Search Scheme : coaching in job-search techniques ('86)					Jobclubs providing LTUs with meeting place, coaching and material facilities ('85/'86)	
FOSTERING SELF-EMPLOYMENT		Enterprise allowance scheme to help start up own firm instead of receiving a second job offer ('85)	Reduction of interest on loan + technical assistance grant (TAG) + ECU 1800 grant (G) ('86)	Helping the unemployed set up own business Departemental youth initiative fund: +25 yr LTUs ('84)	Modular traineeships 300-1200 hours of integration itinerary for 25+ yr olds ('85) Training and Reinsertion Aid Programme ('86): 550 hours training + 2 mths in enterprise (young); 300-700 hours (adults)		Enterprise Scheme: LTUs constitute 40% of participants ECU 40-66 per wk ('83)			Start-up assistance scheme : income supplement + loan (ECU 10,000)	Self employment aid programme ('86) Capitalised unemployment insurance schemes for enterprise creation ('86)	Enterprise Allowance Scheme : ECU 55 per wk for 1 yr to set up own business - not just LTUs ('82/'83/'85)	
FINANCING SPECIALISED TRAINING			Training to improve placement prospects Grant for training period within an employment contract (Einarbeitungszuschuß)	Basic + vocational retraining (VT) 25+ yr olds (75% stat min wage)			Building on Experience (25-44): 6 mths alternating formal training and on-the-job training ('84) Management Development Prog - LTU mgers		Voc train, voc reeduc, general educ courses Introduc courses in companies -25yrs contracts -25 yrs temp manpower prog contracts -25 yrs initiation traineeship contracts -25 yrs			Restart training course for updating basic skills and job search techniques of 1 wk + 1 day for 13 wks ('85)	
INSERTION INTO EXISTING TRAINING		Training allowance for up to 2 years for -25 year olds ('81) Training allowance instead of second job offer ('85)	LTUs are encouraged to participate in existing courses only once they have come to grips with their personal and vocational situation so as to reduce the number of drop-outs	Vocational training (VT) in rural areas : 25+ yr LTUs receive Free VI for 45+ LTU after being given indefinite employment contracts	18-25 traineeships ('85) Employment-training contracts ('85) AME upgrading ('85) FME traineeships ('85)	Priority on courses to LTUs	Special Employable Skills programme Enterprise training programmes Educational Opportunities Scheme +25 yrs ('86)				Priority access to reconversion and upgrading courses of state training centres	Vider Opportunities Training Programme Job Training Scheme: 6 mths training + work experience Training for Enterprise (entrepreneurship)	
WORK CONTRACTS			Fixed term trial employment (befristete Probebeschäftigung)	Indef contracts for 45+ yr olds : ECU 2860 grant + -50% Soc Sec ('83) Indef contracts for employing women +45 in underrep. occupa. - ECU 1800 G ('86)			Part-Time Job Allowance Scheme for LTUs having found regular part-time (-24 hrs/wk) work - ECU 33-55 ('86)	Training-work contracts for 18-29 yr olds with 15-30% wage subsidies ('83/'86)		Temporaty work contracts (20-32 hrs/wk) for young LTUs through national agency (START) enables employers to receive subsidy of 33% youth min wage.	Grants (12x min wage) to firms giving 25+ yr old LTUs open-ended employment contracts ('86)		
SPECIAL WORK PROGRAMMES	TCI-Third work circuit: new permanent, non-market community jobs. State pays 95% of wage + social security ('82/'86) Inter-departmental Budgetary Fund for Promoting Employment in the non-market sector ('82)		ABN - public interest job creation (AFG '69) LZJ - wage subsidies for 50+ yr old LTUs hired for additional jobs Loans or subsidies for organising, extending and equipping firms and departments aimed at providing work for older workers (AFG 898) Settling-in allowance (Eingliederungsbilfen) Occupational trial periods (Arbeits-erprobungen)	Priority in collaboration contracts of public sector bodies with IREM : max. 100% G ('85) In cooperatives : loan interest reductions (CR) + TAG + ECU 1800 G ('86) for LTU Encouraging local employment initiatives: CR + TAG + ECU 1800 G ('86) for LTU Work experience contracts -25 yr old with dependants : Soc Sec reduc. + grant 30% (25%) for 6 (+6) mth ('86)	70C : part-time collective utility jobs for 16-21 year olds ('84) 21-25 ('85) PIL (25+) p-t work for 6 mths ('86) Aids (ECU 450-900 to employer + topping up job to p-t employment ('85) Financial compensation for LTUs at wages below UB		Enhancing cultural assets: finance for projects hiring additional -29 yr old LTUs on fixed term contracts for max 36 mths ('86) Jobs in state administrations, autonomous bodies, local authorities: priority to +6 months LTUs Employment incentives Scheme: subsidy to employers hiring additional workers. Weighted (double premium) in favour of LTUs ECU 79 per week ('77)				ATD programme (25+ yrs) of temporary employment (6 mths) in community activities ('86) Local employment initiatives' finance ('86) Jobsstart Allowance : ECU 28 per week to LTU who finds a full-time job paying less than ECU 111 per week ('85)		
SUBSIDISED NORMAL WORK		Job Offers for jobs lasting at least 7 mths in public (9 in private) sector after 2 yrs ('81)		+55 yr olds on unemployment assistance qualifying for retirement pension can receive 75% minimum statutory wage.									
FOSTERING EARLY RETIREMENTS		Voluntary Early Retirement Scheme : replacements by LTUs are encouraged ('79)	Early retirement scheme enables LTUs to be hired in replacement (84)										
EXTENDING UNEMPLOYMENT ALLOWANCE	Early retirement by collective agreement (revised Aug '86) for workers aged 57+ (replacement required by an unemployed person)		Extension of max. duration of receipt of UB for 42+ yr olds ('86)										
OTHER ACTIONS			Working group on LTU measures ('80)									Job Release Scheme : early retirees replaced by unemployed (not just LTUs) ('77 - '83 part-time JRS) Extended unemployment assistance payments for 50+ yr olds	

Measures in favour of the long-term unemployed

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*** The paid service TCT** (cfr iM 3)

The *TCT* system was modified outside Royal decree n° 473 by the executive order of 29 October 1986 (M.B. of 20 November 1986). This sets out in particular the conditions under which the State takes over the pay and relevant social contributions of workers who, in the context of a *TCT* project, are made available to specific categories of third party users against payment. The work concerned covers petty jobs, household helps, persons looking after children and the sick, etc. The amount of the payment is fixed according to the capacity of the third party users to contribute.

For these projects the sponsor is exempt from the requirement to pay the amount specified under the general *TCT* system. However, each quarter *ONEm* claims from the sponsors concerned the repayments of all or a part of the payment made by the third party users.

3. A third significant change concerns the pay of workers taken on under a *TCT* project.

As previously, the worker is paid according to the pay scales for the grade of person employed by the State carrying out the same or similar function. This pay continues to be reduced by 20% if the person concerned has a level 1 function (reserved for university graduates).

As from 1 January 1987, workers will also receive scale increases acquired according to length of service. For it seemed appropriate not to limit to the initial pay of persons employed by the State the pay of workers taken on for an indefinite period, the vast majority of whom are low-skilled workers who have few opportunities of finding another job.

4. Finally, a few regulations, hardly ever applied, have been abolished and the procedure for approving and carrying out projects has been **simplified**.

sibility of financing more than one of them, with a limit of seven persons.

The **prerequisites for registration** on the programme are as follows:

* The new economic activity must be the main occupation of the persons enrolling in the programme.

* To be eligible for the programme, the enterprise must be new, employ less than ten persons and be a permanent establishment. It must not be seasonal in character nor have any connection with import trade, gambling or politics.

The programme excludes the possibility of financing the professions, such as doctors, pharmacists, lawyers, notaries and engineers.

PORTUGAL: Enhancing employment in the Azores

On 6 January 1987 regional statutory order n° 1/87/A set up an integrated system of employment incentives covering the Autonomous Region of the Azores. Its purpose is to encourage the creation of permanent jobs, the safeguarding of those existing, as well as redeployment and job recovery projects by providing financial and technical assistance to the private and cooperative sectors of the Autonomous Region of the Azores.

Financial support is given in the form of loans or grants. These can amount to 14 times the national minimum wage for every job created. This amount can be increased by 20% or 50% for jobs created in sectors suffering from a lack of investment or in regions having a very low level of employment.

Decisions on granting these aids are made jointly by the Regional Labour Secretariat and the regional secretariats of the bodies sponsoring the sector in question. The Regional Secretariat of Finance is also involved when the size of the investments is large.

GREECE: Self-employment initiatives

Continuing its efforts to fight unemployment, *OAED* (the employment service) has started funding those unemployed who wish either to become self-employed or to create their own small enterprise or cooperative.

In this way, *OAED* is strengthening its financial and technical support of initiatives taken by unemployed youths. The programme, launched on an experimental basis, provided funding for a total of 1400 persons aged between 18 and 35 years until the end of December. The evaluation of the programme will help its more effective application and expansion in the future.

The programme provides the following **financial support**:

* Each unemployed person who wants to start up on his own is funded up to the total sum of 200.000 drachmas.

* Of this sum, 75.000 drachmas are paid in advance on enrolment in the programme, while the remainder is paid in 5 bi-monthly instalments of 25.000 drachmas each.

* Where the unemployed young people cooperate to create cooperatives or companies, there is the pos-

UNITED KINGDOM: Tourism and job creation

Tourism is considered to be a substantial and growing source of employment in the United Kingdom; it has been estimated that between 1.1 and 1.4 million people are currently employed directly or indirectly in the industry; and it is one of the largest growing sectors of the economy with exceptional potential for job creation. It can be an important source of employment in areas which have suffered a decline in their traditional industries, including derelict urban and inner city areas. Examples include the restoration of redundant dockland areas and the development of attractions based on the United Kingdom's industrial heritage.

The value of tourism as a force for job creation was acknowledged when responsibility for tourism policy for Great Britain as a whole, and for England, was transferred, in September 1985, to the Department of Employment. The Department sponsors the British Tourist Authority (which is responsible for the promotion overseas of Britain as a tourist destination) and the English Tourist Board (which is responsible for the promotion and development of tourism within England). Promotion of tourism specifically in Scotland and Wales lies with the Scottish and Wales Tourist Boards, sponsored by the Scottish and Wales

Office respectively. These bodies were set up under the Development of Tourism Act 1969.

The main direct source of financial assistance for tourism projects in England, Scotland and Wales is provided under Section 4 of the Act, whereby the national boards can consider the award of grants or loans towards the capital cost of projects designed to develop or improve tourist amenities. The type of project can range from a scheme to upgrade a small guest house to the creation of an innovative tourist attraction such as theme or leisure park. The Section 4 scheme is available in all parts of the country; it is selective and assistance is given only where the project would not otherwise be started, or would go ahead in a much reduced form.

In the three years to March 1986 the English Tourist Board alone approved assistance totalling some £34 million to over 1,500 projects. This assistance has resulted in the creation of nearly 6,000 direct full-time and part-time jobs in the industry. Recent studies of the scheme by economists have indicated that the scheme is a very cost-effective way of creating jobs at both regional and local level. Assistance for larger-scale projects has been found to be particularly effective. "Honey pot projects" (which attract considerable numbers of people), such as a theme park, large leisure and entertainment, or holiday village not only create direct employment during construction and when in operation, but also help to support and generate employment in the surrounding area through visitor spending on local services and industries.

UNITED KINGDOM: The Loan Guarantee Scheme

The Loan Guarantee Scheme, which was launched in 1981, offers a means of obtaining finance for small businesses that cannot otherwise do so. It is aimed at situations where a small businessman has a viable business proposition but is unable to meet conventional bank criteria such as an established track record and adequate security. By guaranteeing 70 per cent of the loan the Government encourages banks and

financial institutions to lend money in support of viable business propositions. A premium of 2.5 per cent on the guaranteed proportion of the loan is payable by the borrower. Loans made under the Scheme can cover amounts up to £75,000, although many are made for smaller amounts. They are repayable over 2 to 7 years.

Borrowers can be sole traders, partnerships or limited companies and may be trading already or just starting in business. Most types of business are eligible. Guaranteed loans are only available for business purposes, but can form part of a larger package of finance in which non-eligible purposes are included.

It is the responsibility of the banks participating in the Scheme to undertake an appraisal of each application received, not only to ensure that the proposal is commercially viable, but also to be satisfied that it cannot be funded by conventional lending. Borrowers are expected to produce a written business plan covering all aspects of the business including the management structure, product/service details, an assessment of the market and marketing plans, the purpose of the business and financial figures. In this area of preparation the Department of Employment's Small Firms Service or local enterprise agencies can provide valuable advice and guidance.

The operation of the Scheme was controlled by the Department of Trade and Industry until September 1985 when it was transferred to the Department of Employment. Jobs are being created at a net cost to the taxpayer of only £700 per job, which compares favourably with other employment measures. It continues to play a useful role in the range of lending available to the small businessmen, and in the Budget in March 1986 was extended for a further 3 years on more favourable terms to the borrower. Applications have more than doubled compared with the same period in the previous year.

During the last 5 years the UK banks participating in the Scheme have made available over 17,000 loans totalling in excess of £555 million. Lending has been evenly divided between new and existing firms and has notably benefited young high technology firms. It is estimated that over 125,000 jobs have been created with the assistance of LGS loans.

Special categories of workers

DENMARK: Changes in the measures to assist young persons

Late in 1986 the Danish Parliament adopted a number of changes in the initiatives to combat youth unemployment. On the basis of proposals put forward by the Social-Democratic Party, a compromise was supported by nearly all parties represented in Parliament. This compromise involves the following changes.

First, the **age limit was raised** so that persons under 30 years of age (previously 25) can now participate in youth measures. These changes also enable particularly disadvantaged groups, such as immigrants, unskilled women or other specific groups with a specially high level of unemployment, to participate

in these measures.

From the preparatory work it can be seen that the primary objective of the legislation is for youth measures to benefit young persons under the age of 30. Local authorities are given the possibility of initiating such activities for specific groups of persons who are over 29 years of age and are particularly affected by unemployment in the locality.

This change should be seen in the light of the fact that unemployment problems are now also seriously affecting young persons in the 25-29 years age group. This, together with the 20-24 years age group has the highest rate of unemployment in Denmark today.

Secondly, the legislation prolonged the **statutory obligation** on local authorities to combat youth unemployment. Since 1978 the municipalities and

counties have had a statutory obligation to earmark a specified amount per inhabitant for measures to combat youth unemployment. This obligation should have expired by the end of 1986, but has now been prolonged into 1987.

This means that each municipality and county in Denmark will be spending 130 Dkr. and 10 Dkr. per inhabitant respectively on measures to combat unemployment among young persons under the age of 30.

GERMANY: Employment growth benefits women in particular

The Federal Government is striving to improve the opportunities for lasting employment of women in the labour market. In the 18 months since the Employment Promotion Act came into force, there has been a clear increase in the numbers employed, and in this women have been more than proportionally represented:

The increase in 1985 was over 179,000 and in 1986 some 300,000. 85% of all **additional** jobs subject to social security contributions were held by women. Women's employment has reached a peak. Furthermore, the Federal Government has concretely improved women's career chances. Thus at the beginning of the year 1986, the government extended its measures to foster the participation of women in vocational training programmes to facilitate their re-entry to working life after bringing up children.

The training opportunities of girls have also improved. Virtually 60% of the growth in training places since 1982 benefited women.

The still higher rate of unemployment of women compared with men is caused above all by the growing drive of women to become employed. Over and above this, the career wishes of girls are still concentrated on too small a number of occupations and industries. Moreover, there are still prejudices against employing women in so-called *untypical (for women) jobs*. And then there is a shortfall in the supply of part-time jobs, particularly in demand by women.

Improving women's chances in working life remains a main focus of the government's labour market and social policy. This requires the practical collaboration of all forces in society — employers and trade unions, management, works councils and staff councils for civil servants.

FRANCE: Modified renewal of Youth Employment Plan

To consolidate the results of the employment plan for **young people aged 16 to 25 years** set out by the Order of 16 July 1986 (cfr iM 15), the government brought in a new Order of 20 December 1986. This continues, albeit with a number of modifications, the previous scheme.

I. The initial plan provided for three rates of exemption:

1. 100% of employers' contributions for all hirings for alternance training and apprenticeships
2. 50% for all hirings within the 3 months following the

end of an alternance traineeship, an initiation to working life traineeship, a *TUC* (community job), a traineeship for a long-term unemployed or for extended military service all of which had to be completed by 30 June 1987 at the latest

3. 25% for all hirings for standard employment contracts made between 1 May 1986 and 31 January 1987.

II. The modified plan consists of three schemes:

1. Maintaining until 30 June 1987 100% exemptions on employers' contributions to social security for all hirings under

- * apprenticeship contracts
- * skills contracts

* introduction into working life traineeships

The final date for hiring set out in the initial measure was 31 January 1987. This has thus been extended by 5 months.

2. 50% exemptions on employers' contributions to social security are

* maintained (under the original conditions) where hirings are made in the three months following alternance training which must be completed before 30 June 1987

* granted until 30 June 1987 for adaptation contracts concluded from 1 February 1987 until 30 June 1987 (instead of a 100% exemption laid down in the initial plan for hirings under this type of contract made before 1 February 1987)

The adjustment of the rates of exemption under the new plan (100% for apprenticeship and skills' contracts and only 50% for adaptation contracts) indicates the desire to encourage training which provides the best skills.

3. The 25% exemption (the rate which corresponds to the employers' contribution to family allowances) given by the initial plan for the normal hiring of young people is not being continued after the original date of 1 February 1987.

ITALY: Regulations on placement and treatment of workers immigrating from non-European Community Member States and against clandestine immigration

Law n° 943 of 30 December 1986 guarantees all workers from non-European Community Member States and their families residing lawfully in Italy equality of treatment and complete equality of rights under Italian labour legislation. This is in accordance with ILO Convention n° 143 of 24 June 1975, ratified by law n° 158 of 10 April 1981.

To this end, section I of the above mentioned law provides for the establishment of a council of the Ministry of Labour and Social Security to examine the problems of workers from non-European Community Member States and their families. Furthermore, the Ministry of Foreign Affairs will establish a commission entrusted with promoting and monitoring the application of the bilateral and multilateral agreements provided for under the above mentioned ILO Convention. Finally, a special service is being set up within the Directorate General for Manpower Placement of the Ministry of Labour and Social Security to deal with the problems of the groups of workers concerned and their families. This service will provide information and

assistance on the rights of such workers and undertake their protection. The expenditure for financing these bodies is estimated at Lit. 60 million per annum.

The Ministry of Labour is entrusted under section II with fixing, by decree, the general directives on employment and occupational mobility of dependent workers from non-European Community Member States in Italy with a view to ensuring their placement.

The regulations on the procedures for access to work are set out under section III whereas section IV lays down the rules for regularising existing situations from the side both of the workers and of the employers.

NETHERLANDS: Youth Employment Guarantee Scheme (JWG)

The Youth Employment Guarantee Scheme (*JWG*), outlined in iM 16, has been further developed.

The **purpose** of the *JWG* scheme is to guarantee a job and hence income to all under 21-year olds who have not yet found a job or started on further training. The target group includes persons who left school more than 6 months ago

- * who have been unemployed for more than six months
- * who having previously had a job, are now unemployed.

The scheme will be phased in progressively to become fully operational only after a few years. Ultimately some 35.000 jobs will be involved. *JWG*-jobs, temporary and additional, will be offered by the public sector, i.e. by the government, the provinces, the municipalities and grant-aided organisations. The intention is for young people to gradually work their way into normal jobs.

To avoid displacement effects and budget distortions, the following **conditions** are laid down for *JWG*-jobs:

- * participants are not supposed to be employed for more than 6 months (and possibly 1 year) in the same job; if, during this period he/she has not got a training place or a normal job, another *JWG*-job has to be offered;
- * a *JWG*-job cannot exist for more than 2 years within an organisational unit;
- * the number of *JWG*-jobs is not supposed to exceed

5 % of the numbers employed in the organisational unit in question.

Temporary jobs should not take the place of jobs lost through staff cuts.

The weekly working time of young people on *JWG*-jobs depends on where they live: for those living at home, 19 hours and for those living on their own 32 hours a week. As regards remuneration, the statutory hourly minimum wage will be paid; this means that the wage will tend to be slightly above the subsistence allowance (*bijstand*) level.

The *JWG* scheme will be implemented by the municipalities. The additional *JWG*-jobs have to be designed so that the employment is meaningful and productive, providing useful work experience. The municipalities should be able to offer a variety of jobs in government (including in the national and provincial services they run) and in grant-aided establishments. The jobs should thus be congruent with the training of the young people, taking the greatest possible account of the opportunities for becoming integrated into the local labour market. Because of the importance of training in vocational integration, training facilities, though not compulsory schooling as such, should be provided to complement *JWG*-jobs.

JWG-jobs should not be created in the market sector, since this would be likely to distort competition; on the other hand, the market sector must come up with appropriate opportunities for integrating young people. Furthermore, creating *JWG*-jobs in the market sector could have negative effects on existing schemes such as the *JOB*-scheme (*growth* jobs for long-term unemployed youths through temporary work agencies - cfr iM 11) and the Vermeend/Moor Scheme for the long-term unemployed.

There will be a "running in" period to enable municipalities to create enough *JWG*-jobs. Taking account of the seasonal pattern of unemployment, the stock of jobs must exceed the average number of the target group (for example 1.25 times).

For the time being the cost of implementing the scheme is estimated at a net sum of Hfl. 50 to 100 million per year. This takes into account savings on unemployment benefit payments. The government pays the wage costs of a *JWG*-job and the additional costs for implementing the scheme. Employers cover the costs for lodging and materials.

The *JWG* scheme is expected to become operational in mid 1987 once consultations with parliament have been concluded.

Working time

BELGIUM: Unemployment and part-time work

A new ruling (Royal decree of 26 May, 1986, M.B. 25 June, 1986) which came into force on 1 October 1986, has brought in significant changes in the unemployment system for part-time workers. Before going into details, it should be made quite clear that the system described in this article only concerns the right to unemployment benefits of workers who, voluntarily or involuntarily, have accepted part-time work. It is distinct from the system of *partial unemployment*, i.e.

short-time working for economic reasons, for reasons of "technical incidents" and bad weather.

1. Full-time and part-time work

Since the distinction between full-time and part-time work is determinant in measuring the extent of the right to unemployment benefits, it is important to know what these two systems are.

According to the new ruling, work is considered to be full-time if it meets two conditions:

- * the job must usually be on average of 35 hours per

week. "Hours of work" are understood as those hours taken into consideration for calculating social security contributions. This means not just the hours actually worked but also those which although not having been worked, have been subject to social security contributions. This is the case for a number of "Hansenne experiments" (cfr iM 6) where 2 x 12 hours are worked over the weekend for pay equivalent to 36 hours.

* the pay must correspond to the pay for a full week of work within the enterprise.

Should both these conditions not be met, then the work is considered to be part-time with, however, certain exceptions:

* part-time work which normally provides average monthly pay at least equal to the "monthly reference pay" (currently 33,349 Bfrs and 25,845 Bfrs for minors) is considered to be full-time work;

* for teachers working within a teaching establishment organised or grant-aided by the State, the system is considered one of full-time work when it usually consists on average of a number of weekly hours of work equal to that of a full timetable;

* the Minister of Employment and Labour can, following the opinion of the management committee of *ONEm*, the national employment office, make certain exceptions.

2. Workers employed part-time

To be able to draw unemployment benefit, a worker must prove having worked a certain number of days fixed according to his/her age and comprised within a limited period. These are full-time or part-time working days; but if the worker has been working according to the part-time work system, he/she will generally find his/her right to unemployment benefit limited in time. Yet the worker can have accepted part-time work for the sole reason of avoiding unemployment, rather than voluntarily. With the aim of promoting the redistribution of available work, the ruling governing unemployment provides for a different system depending on whether the part-time work has been involuntary or accepted to avoid unemployment.

3. Involuntary part-time work

Workers involuntarily working part-time are those who, working part-time, would prefer to have a full-time job and have thus introduced a claim for unemployment benefit for the time they are not working, while remaining registered as a full-time jobseeker. At the end of their involuntary part-time employment, they can claim unemployment benefit for all the days of the week.

To be in this position, there must be three prior conditions :

* to fulfil, on entry into the system, all eligibility requirements and conditions of entitlement to claim unemployment benefit under the system of full-time work or, in cases of young workers who have completed their education or training, to fulfil all the conditions except that of the waiting period imposed before receiving unemployment benefit or retaining pay (*allocation d'attente*);

* to have accepted this system of part-time work either through *ONEm* or on his/her own initiative provided that he/she informed *ONEm* within 8 days, to be counted from the day after starting work;

* to have enrolled as a full-time jobseeker within the

same period of 8 days. They must remain enrolled for the entire duration of the system of part-time work.

The unemployed who have not fulfilled the formalities indicated above when they start out on a system of part-time work can nevertheless regularise their situation. To do this, the part-time unemployed person must :

* obviously inform *ONEm* of it;

* register as being a full-time jobseeker and remain registered as such for the duration of the part-time work system;

* prove that at the time of entering this work system he/she met all eligibility requirements and conditions of entitlement to claim unemployment benefit as a full-time worker or as a young person having completed his/her education or training (without having to have completed the waiting period);

* to show that, at the time of the regularisation, he/she still meets all the conditions to be entitled to claim unemployment benefit.

Persons having thus regularised their situation are considered as involuntary part-time workers, with all the advantages that this implies; they will be entitled to complementary unemployment benefit and to full benefits once they cease holding this job.

Compensation

Persons working involuntarily part-time receive unemployment benefit for the hours of non-activity. To receive such benefit they must still fulfil the following conditions:

* the pay for the part-time activity must on average be less than the minimum reference pay (33,349 Bfrs and 25,845 Bfrs for minors);

* the average number of hours worked per week cannot exceed three quarters of the number of hours worked per week on average in a similar function within the same enterprise or, failing this, in the same industry;

* with his/her claim for unemployment benefit, the worker must provide the payment body with a declaration signed by his employer which shows that he/she has requested to obtain, by priority, a full time job which would become vacant in the enterprise and for which he/she meets the required skills;

* in the same document he/she must make a declaration by which he/she undertakes to request the employment contract to be revised should overtime be worked.

Calculating the benefits

For the usual hours of inactivity, a number of benefits and half-benefits are granted per calendar month. This is obtained through the following formula

$$26 - \frac{Y \times 26}{YFT}$$

where Y represents the gross monthly wage for the month in question and YFT the wage which the worker concerned would have earned were he/she to be working full-time in the same function for the calendar month concerned (with a 46,754 Bfrs ceiling, 36,324 Bfrs for minors).

Example: An unemployed person (plus 21) works part-time, earning 20,000 Bfrs per month. The full-time pay usually amounts to 40,000 Bfrs. The number of days to be compensated in this month is

$$26 - \frac{20,000 \times 26}{40,000} = 13 \text{ days}$$

Young people who have accepted a part-time job in order to avoid unemployment during the waiting period at the end of their education or training cannot claim the benefits mentioned above until this period has been ended.

Finally, involuntary part-time workers are exempt from signing on (at the unemployment office). But they must be in possession of a registration card and they are required to indicate on it their work in advance.

4. Voluntary part-time

Workers who have voluntarily accepted a system of part-time work cannot claim unemployment benefit for the usual hours of inactivity. At the end of their job, they will, however, be able to claim, under certain conditions, unemployment benefits which are not limited as regards their number and the days for which they are given.

Nothing is changed in the conditions : 3 hours minimum per day and, on average, 18 hours per week or, at least, half the number of hours worked normally per week full-time within the enterprise.

The claim to unemployment benefit remains limited to the number of half-days of work which the worker can justify during his/her working life. On the other hand, the maximum number of 1,500 half-benefits (5 years) is discontinued. However, two categories of workers are entitled to unlimited claim over time to unemployment benefit:

- * workers who can justify 600 days of full-time work during the 36-month period preceding their switch from the system of full-time to part-time work;
- * workers who become unemployed after having been employed under the voluntary part-time system for a minimum uninterrupted period of 12 months and whose normal average hours of service per week consist of at least 28 hours of work.

If entitled to benefit under these conditions, the person who has voluntarily undertaken to work part-time and becomes unemployed can claim benefit but only for those days or half-days for which he/she was usually employed.

When voluntary part-time workers go back to work under a new system of part-time work, they are not entitled to claim unemployment benefit for the duration of the new employment contract. This is also the case when the workers carry out work under the new part-time work system during the days or half-days for which they were not entitled to claim unemployment benefit.

If, after going back to such a job, they again become unemployed, unemployment benefits will be granted to them for the days or half-days for which they were given to them before resuming work. However, when the duration of resumption of work under a system of part-time work is at least of 12 months and when the number of half-days of work worked per week is higher than under the previous system of work, unemployment benefits are given for days or half-days during which the workers were employed during the last period of resumption of work.

Finally, limiting the number of unemployment allowances is not applicable to workers who were already exempted before resuming work on account of having worked 28 hours per week for a year and who had yet

gone back to part-time work of, on average, less than 28 hours weekly.

SPAIN: Regulating overtime

The regulations governing overtime laid down in the *Estatuto de los Trabajadores* (Workers' Statute) were significantly modified in 1986.

The **purpose** of the **modifications** was two-fold:

- * to limit overtime with the aim of encouraging job creation
- * to make overtime more flexible without, however, prejudicing the above limitation, so that agreements between the parties enable it to be adapted to the specific needs of each enterprise.

To these ends, the following **alterations** have been made:

- * The maximum amount of overtime per worker per year is brought down from 100 to 80 hours
- * The daily and monthly overtime limits have been done away with. They were previously fixed at 2 and 15 hours respectively. The annual overtime limit is maintained, so that it can be used flexibly by enterprises, concentrating it on those periods of high work loads.
- * A system of payment for overtime has been established. This lays down that overtime has either to be paid for by at least a 75% premium on normal hourly pay or compensated for by an increase in the same proportion of paid time-off. The second approach should lead to positive effects not just as regards the reduction of working time but also the increase in employment prospects.

UNITED KINGDOM: Restrictions lifted on women's hours of work

Following Orders published in February 1987 women are now able to work the same hours as men, except for nightwork, in industrial and commercial jobs.

The outdated and discriminatory restrictions which regulate the hours and time women can work in factories, mines and quarries has been lifted by repeals provided for in the Sex Discrimination Act 1986.

The current restriction on women working at night in those industrial sectors, as well as on construction sites, will remain at least until February 1988 because of the UK's obligations under the European Social Charter.

The first phase of the hours of work repeals has been brought into force by the Sex Discrimination Act (Commencement) Order 1986 and the Factories Act (Hours of Employment Orders and Regulations) Revocation and Amendment Order 1986.

The Commencement Order also brings into effect the repeal of the Baking Industry (Hours of Work) Act 1954. The Act, which regulates night baking by men, is largely redundant today. Collective agreements gaining exemption from the Act are now widespread.

The repeals mark another step towards equality of opportunity for women. Employers will also benefit from the removal of unnecessary, time-wasting bureaucracy that the current restrictions involve. With less red tape it is hoped that employers will become more flexible and adaptable to changing circumstances.

Placement

FRANCE: Changes in placement procedures

This article sets out the main provisions of the 20 December 1986 Order no. 86.1286 concerning the placement of jobseekers. Adopted by the Council of Ministers on 10 December, it was signed by the President of the Republic on 18 December and published in the *Journal Officiel* (official gazette) on 21 December 1986. It sets out the new legal framework in which the national employment agency, *ANPE*, operates.

Organisation of the public placement service

ANPE provides the public placement service. However, provided they are competent and willing to act in favour of employment, various bodies can cooperate in their capacity as *ANPE* correspondent in the public placement service. They have, however, first to make an agreement with *ANPE* or be authorised to this end by the State and then conclude an agreement with *ANPE*. The bodies concerned can be public institutions, bi-partite bodies managed jointly by trade unions, employers' and wage-earners' organisations and associations. These bodies have to abide by the fundamental rules of the public service: services must be offered free of charge with equal treatment for all users.

These provisions are in keeping with the texts concerning *ANPE* correspondents (APEC, the association for the employment of managers; APECITA, the association for the employment of agricultural managers, engineers and technicians; CNRJ, the national centre for the redeployment of redundant journalists; etc.) set out in Article L.312-4 of the Labour Code, which they replace.

Matching labour market supply and demand

The Order does not change Article L.311-2 of the Labour Code. This lays down that every jobseeker must be registered with *ANPE* and that every employer has to notify *ANPE* of every job vacancy within his/her enterprise.

Maintaining these provisions means that, provided that they have concluded an agreement with *ANPE*, the above mentioned bodies can participate in placements but will have no responsibility in managing the files of the jobseekers and job offers, which is entirely *ANPE*'s responsibility.

ANPE status and missions

The Order does not change the status of *ANPE*. It remains a national public body having legal status, being financially autonomous but accountable to the minister in charge of employment. However, its missions which have, until now, been defined by decree, will henceforth be defined by law. In this respect the Order extends *ANPE*'s missions by adding to its existing missions that of general intervention on the labour market (cfr. Art. L.311-7).

Links with *UNEDIC*

UNEDIC, the national union for employment in industry, is the body entrusted with managing unemployment insurance. The Order lays down that agree-

ments can be made between *ANPE* and *UNEDIC* to combine their resources, their respective interventions for helping jobseekers and fixing the conditions under which jobseekers can register either with *ANPE* or with *ASSEDIC*, the association for employment in industry and trade. *ANPE* remains, however, the body responsible for managing the list of jobseekers.

Similarly, agreements between *ANPE* and *UNEDIC* can set out the terms and conditions on which the social partners who manage the *ASSEDICs* can be involved in *ANPE*'s decision-taking or advisory procedures which will be set up over the country.

Role of the *communes*

Where there is no *ANPE* office, the local mayor is in charge of registration of applicants for employment and informing the competent local agency. Furthermore, should they be authorised to this effect by the State and by *ANPE*, *communes* can carry out placements for their citizens seeking employment.

Finally, under the terms to be specified by decree by the Council of State, mayors will have access to the list of jobseekers living in their *commune* for the purpose of placing them, provided they have an agreement to this effect, or for fixing the social advantages likely to be granted to them by the *commune*.

These new legal regulations aimed at ensuring a smooth increase in placement units will be the subject of executive orders to be issued in the course of the first quarter of 1987.

NETHERLANDS: Temporary work agencies

Last year the average daily number of persons finding temporary work through temporary work agencies rose by 43%, i.e. from an average of 59.400 to 85.000. Expressed in person years, the number of temporary workers rose by 35%, from 53.000 to 72.000. Of these 31% were under 21 years of age, 45% were between 21 and 29 years of age and the remaining 24% were over 29 years old.

Gainfully subcontracting temporary workers must be licensed. Modifications to the regulations on licences (cfr iM 9) have been brought in from 1 January 1985. Surveys carried out indicate that the licence-holders are generally in favour of these modifications, but are less satisfied with changes in the maximum length of time for which a temporary worker can be hired. Although abolishing the compulsory registration after 3 months constitutes a considerable easing of the administrative burden, agencies and employers consider that their operations are impeded by the 6 months' upper limit of temporary work contracts. In fact because of this there is a growing pressure on the temporary work agencies to cooperate in "making arrangements" to avoid the maximum term. As a result, there are a number of permanent jobs which are continuously filled by temporary workers, which is contrary to the objective of fixing the maximum length of time.

Controls and surveys in this respect will be intensified both as regards the licence-holder and the employer taking on a temporary worker.

PORTUGAL: Computerising placement

The pilot phase of SIGE (computerised system of employment management) was concluded in 1986. This brought data processing to the employment market.

The **three-fold goal** of the system is

- * to provide exact up-to-date employment market information
- * to enable the proper and rapid matching of labour supply and demand
- * to provide the information needed to promote the geographical mobility of jobseekers.

The system was designed as a data base using

SGBD TOTAL, which centralises data and processing in Lisbon.

The employment centres update the files in real time, using the TELEPAC national data transmission network. The data base has the following sub-systems:

in real time

- * jobseekers
- * vacancies
- * matchings
- * consultations
- * statistics

in batch

- * monitoring jobseekers
- * statistics

Now that the initial phase covering the Algarve region has been completed, it is intended to extend the system to the other regional delegations of IEFP by the end of 1987.

Miscellaneous

FRANCE: The labour market for computer personnel

ANPE's Occupational Information Division has carried out a study of the labour market for computer specialists. The study constitutes one element in a file on informatics which was published at the end of 1986. It was made jointly by ADI (the informatics agency), ANPE (the national employment agency), CEREQ (the study and research centre for qualifications), and ONISEP (the national jobs and careers information office) with the help of a journalist of *Monde Informatique*.

A certain **paradox** is the starting point: there is a strong demand on the employment market for computer specialists; yet there is a growing number of qualified computer personnel who are jobseekers (22,479 in September 1985).

Although 42% of these jobseekers are punch operators, the figures conceal other **issues** which the study strives to bring out:

- * Young graduates are unemployed at the end of their studies due to a lack of experience on a specific type of hardware or operating system.

- * Others who have had not inconsiderable job experience lack, on the other hand, flexibility: refusal to work the highly restricting hours practised within the sector; refusal to be geographically mobile made necessary by the polarisation of data processing activities within specific regions, particularly the Parisian; but also rigidities within the techniques such as specialisation in a programming language, an operating system or the hardware.

- * For still others (programmers, operators) the study speaks of the beginnings of structural unemployment: fewer and fewer persons are needed and they have a low level of training.

- * To this is added that career promotion for computer personnel has undergone drastic change: it is now completely impossible to move from one computer occupation to another and there is no on-the-job training. The jobs requiring little training are gradually disappearing and highly qualified specialists are

being taken on who are in charge of various functions.

The **demands of the market** can thus be summarised as follows:

- * irrespective of the job envisaged, a high level of basic training is required (minimum Bac + 2, but additionally Bac + 4 or 5);

- * considerable adaptability since employers, being unable to foresee how technology and jobs will change, are looking above all for persons capable of changing and for them higher training is a guarantee;

- * need for dual competence in both informatics and a field of application, since informatics is increasingly becoming a tool;

- * abilities to communicate, since the computer scientist is and will increasingly be working in the future within teams either of users or specialists of other disciplines.

The study ends with various hypotheses for re-training jobseekers whose jobs or skills are outdated. It also sets out a series of recommendations as regards those who want to make a career in computers.

FRANCE: Changes in statistical series of the labour market

Following a report by the Director General of *INSEE*, the national statistics office, to the minister of social affairs and employment, the government decided to change the processing of labour market statistics as from October 1986.

The aim of the changes to the processing is to enhance the reliability of labour market statistics by improved accounting procedures of flows into and out of unemployment. Three types of improvements contribute to counting more exactly than previously the real situation at the time observations are made :

- * the registrations and exits at the end of the month of which a part was only registered in the following month (10 to 20% of movements depending on the month concerned) are from now on being taken into

account, by and large, for the month considered, whereas previously they were only taken into account for the following month.

* the statistical processing is carried out once the updating operations for jobseekers have been fully completed, after having contacted again those jobseekers who do not respond to the main updating. Previously, processing was carried out before recontacting the jobseekers, which brought about each month the cancellation of several thousand jobs sought which were handed in some days later following the relaunch. These cancellations systematically reduced the level of jobs sought at the end of the month, and their fluctuations from one month to the next hampered the estimation of short term changes. Finally, in the monthly statistics they brought about a permanent imbalance between the level of the flows on to and off the register since they were excluded from the former but could not be for the latter.

* sending jobseekers updating cards is delayed by some 5 days (from the 20th to the 25th of the month on average) so that the job search certified on these documents coincides better than previously with the situation at the end of the month.

All in all, the changes made to compiling labour market statistics affect, more or less significantly, the different series. The new ways of processing bring about an increase in the level of jobs sought at the end of the month and a decrease in the flows off whereas the average level of registered jobs sought is little changed. The deviation varies according to the month, the geographic area or the target group considered.

To enable comparisons over time to be made of homogeneous data, the main series have been recalculated over the period October 1982 to September 1986 by simulating the theoretical effects of the new ways of management.

It is seen in particular that the number of jobseekers at the end of the month is higher under the new system of management. The average deviation from the beginning of the year 1986 is 70,000. For December the number in the new series, after seasonal adjustments, is 2,574,100.

IRELAND: Survey of employers' perception of the effects of labour legislation

The objective of the survey was to assess the extent to which employers believe that employment protection legislation deters them from increasing their workforce and to determine the relative importance of such legislation in the broader spectrum of problems encountered by Irish business.

The survey began with some very general questions about the problems facing business in Ireland. No firm raised any issue relating to labour legislation in response to the open ended question on the single greatest difficulty. When all the difficulties facing firms are considered in aggregate only 1% raised an issue relating to labour legislation.

Of the firms which had experienced growth in business activity, over half had not increased their workforce. The most common answer for not doing so was that existing staff could cope in the short-term. Only 6% quoted problems relating to labour legislation and of these half referred to difficulties in dismissing new workers if they proved unsatisfactory. When all the

firms in the survey were asked if they could think of any reason for not increasing the size of their workforce, approximately 40% said they could not. Of the remaining companies, 14% mentioned difficulties in dismissing staff and 10% raised some other feature of employment protection legislation.

In regard to more detailed questioning on employment legislation, 28% of firms felt that it had a detrimental effect on business in recent years. However, when asked to specify the legislation involved over 67% referred to taxation and social insurance (although asked specifically about labour legislation). The Unfair Dismissals Act was mentioned in this context by only 7.5%. When asked if they would like to see amendments to employment legislation, just over half said they would. The main areas of legislation which firms wished to see amended were the Unfair Dismissals Act (58%), Redundancy Payments (20%) and Maternity Leave (18%).

Smaller firms indicated that they were less affected by and concerned with employment legislation than were larger firms. There also seems to be a relationship between employers' perceptions of the effects of employment legislation and the presence of trade unions. Unionised firms tended to see labour legislation as a greater problem and to accord a higher priority to reform of the Unfair Dismissals Act than firms where unions were absent.

NETHERLANDS: Flexible work relationships

The number of flexible forms of employment has increased over the last years. They are now also to be found in sectors where previously hardly any use was made of *flexible workers*. Further increases are expected to take place over the next three years. On the other hand, the sharp rise in numbers of temporary workers between 1982 and 1985 will probably decline from now on.

Such are some of the findings presented in the report *Work to measure*. This report sets out the results of a survey of flexible working relationships.

Commissioned by the Ministry of Social Affairs and Employment and carried out by Berenschot Consultants, the study covered 72 companies and establishments spread over 14 industrial groups in industry, health care and social services with a total workforce of 112,000.

The number of flexible forms of work in the organisations studied increased by 17% between 1982 and 1985. The use of temporary workers rose in the same period by 27,5%. For the coming three years the majority of the organisations under review expect there to be a further increase of the number of flexible forms of work; at the same time they expect the number of temporary workers to stabilise or drop.

There is a variegated picture as regards both the occurrence and the legal and practical design of flexible forms of employment. Sectors such as the retail trade and the hotel and catering industry have practised flexible forms of work for many years. Others such as health care and social services have seen a sharp rise over the last years caused both by greater fluctuations in the demand for assistance and, more importantly, by cuts in expenditure which necessitate tighter personnel management than previously.

Flexible forms of employment seem to exist exclusively for more mundane work. And in half the industrial groups under review they concerned women in particular.

The researchers make a number of recommendations as regards possible regulations, the provision of information, personnel planning and safeguarding the interests of the growing number of flexible workers. In the short term *flexible employment* will be indispensable for many companies and establishments. Furthermore, there are several groups of workers in the labour market who want to have flexible work relationships. The report recommends that the govern-

ment should confine itself to clarifying labour law and guaranteeing employees minimum conditions as regards wages and social security. Possible rules on working conditions, the number of flexible work relationships authorised and the extent of the contract (e.g. hours per week) should be left to the discretion of the social partners. Furthermore, there should, among other things, be more information on flexible work contracts both for employees and for employers. Finally, it would be desirable to carry out a further investigation into the views of *flexible workers* on their work relationships and work situations.

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 February 1987:

● Belgium	43 BFR
● Denmark	7.8 DKR
● Germany	2.06 DM
● Greece	151 DRA
● Spain	145 PTA
● France	6.9 FF
● Ireland	0.78 IR£
● Italy	1,470 LIT
● Luxembourg	43 LFR
● Netherlands	2.33 HFL
● Portugal	154 ESC
● United Kingdom	0.73 UK£

MISEP correspondents

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