

This working document is a quarterly presentation of the changing policies and actions, particularly those sponsored by national ministries and agencies, aimed at promoting and improving employment within the European Community. Information is essentially provided by nationally appointed correspondents, listed inside. The present issue covers the following areas :

**Overall measures**

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- Netherlands : employment policy
- European Community : joint Council

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- Germany : international comparisons
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smaller firms' development
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private services



# Developments at a glance

<b>Belgium</b>	The Belgian government drew up a range of employment measures at the end of 1982. Two have been selected for presentation in this issue : the one concerns incentives for the one-man outfit to take on the first employee whereas the other is aimed at enterprises already employing between 3 and 100 persons, encouraging them to hire unemployed workers for productive fields.
<b>Denmark</b>	Danish contributions in this issue concern more the underpinning of policies and measures than the measures themselves, with the exception of the job creation law. Reflections are presented about the government's thinking on training young people for the labour market as well as a survey of the use and distribution of working time.
<b>France</b>	The French government introduced measures at the end of 1982 aimed at bringing about a lasting financial equilibrium of the unemployment assistance system and the vocational and social integration of young people in working life.
<b>Germany</b>	The German government has virtually doubled the amount of money made available for job creation. Studies have recently emanated from the IAB evaluating the work of employment counsellors, comparing unemployment assistance in several European countries and looking into job prospects for specific groups.
<b>Greece</b>	The government's new job creation measures for young unemployed and unemployed building workers were started in late 1982 and the first figures are now available.
<b>Ireland</b>	The new government sees as its main challenge the dual task of halting and reversing the rise in unemployment while phasing out the current budget deficit. Specific employment measures proposed by the Government include the setting up of an Employment Task Force, a National Planning Board and a National Development Corporation and further development of small industries. A radical review of industrial development policy will also be undertaken.
<b>Italy</b>	An "historic agreement" was reached between the government, the employers and the trade unions in January relating to wage indexation and other aspects of work and employment.
<b>The Netherlands</b>	The Minister has sent a note on employment policy to the employers and trade unions asking their reactions. He has also been expressing views about the way in which exceptions to dismissal procedures are becoming the rule and becoming very costly to the state. To facilitate the school-work transition, experimental education-employment contact centres have been established in all provinces.
<b>United Kingdom</b>	The government recently started to register and to count the unemployed differently. In January it launched a job splitting scheme, aimed at making two part-time jobs out of one full-time in the private and public sectors. The "Rayner review" of the general employment service, particularly of Jobcentres, is now being implemented. Finally, a rapid overview is given of the work of private placement agencies.
<b>European Community</b>	The November 1982 Joint Council meeting of Ministers of Economic and Financial Affairs and of Employment and Social Affairs urged a series of economic policy measures, reaffirmed its commitment to provide all young people with vocational training and stressed the beneficial effects of flexibly reducing working time.

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**This Working Document has been compiled on the basis of information provided by MISEP ("Mutual Information System on Employment Policies") correspondents :**

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# Overall measures to enhance employment

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## Italy : National agreement on employment issues

A 14-point agreement was signed between the government, the employers and the trade unions on January 24 1983 which the minister of state industries described as "the most important document on industrial relations and policies for years".

The agreement significantly revised the "scala mobile" which has ruled wage indexation since 1975. The scala mobile is based on an index of prices of basic commodities. It began at 100 in 1975 and each point on the index was worth L2 389. At the time, this represented one per cent of the average worker's basic monthly wage. Every three months the index was recalculated — it stood at 335 in January 1983. So for every one per cent by which prices rose, each employee obtained 3.35 times L2 389 (ie. L8 000) in his monthly pay. Under the new system, the index is being brought back to 100 and the value of each point on the index set at L6 800.

Basic **wage rates** can rise in contract agreements by a maximum of Lit 100 000 a month by mid-1985.

The aim is to bring **inflation** down from the current level of 16% to 13% in 1983 and 10% in 1984.

**Working hours** will be reduced by 40 hours a year by mid-1985. This means somewhat less than one hour per week on the basis of the 47-week year normally worked in Italy.

The government will adjust **tax rates** to protect workers from the effect of fiscal drag, take over some of the cost of social security contributions from employers and raise some social security benefits. Nor will it raise charges for state services (eg. public transport and electricity) by more than the 13% which was its original intention.

## Ireland : The new Government's employment programme.

The new Government took office on 14th December, 1982. It sees as its main challenge the dual task of halting and reversing the rise in unemployment while phasing out the current budget deficit. It regards **unemployment as the most urgent problem**. It considers, however, that the problem will only be tackled successfully by maintaining Ireland's credit rating at home and abroad so that the necessary funds will be available to the Government to finance both a reducing budget deficit and the necessary job creation investment.

The attainment of such a goal requires the adoption of policies that will rapidly enhance the competitiveness of goods and services and the pursuit of domestic budgetary policies that will phase out the current budget deficit between now and 1987. The Government considers that the **improvement of competitiveness** will require radical improvement in standards of plant and office management, a joint effort by management and workers to raise productivity sharply, more imaginative design and marketing techniques, and an incomes policy. The phasing of the elimination of the current Budget deficit between now and 1987 will be undertaken with due regard to prevailing economic conditions, and in particular to the importance of achieving economic growth and dealing with unemployment.

**Specific employment measures** proposed by the Government include the setting up of an Employment Task Force, National Planning Board and a National Development Corporation and further development of small industries. A radical review of industrial development policy will also be undertaken.

The **Employment Task Force** will be comprised of key

economic Ministers led by the Taoiseach (Prime Minister) through which the two parties in Government will share responsibility for initiating the immediate employment generating process. The Task Force will work with a new **National Planning Board** composed of a small number of experts in the economic and social fields. The Task Force and National Planning Board will work through sectoral committees in each area of economic activity. These committees will bring together Government, management, workers and farming interests in a joint employment planning exercise to maximise output and employment. The primary short-term aim of the Task Force and the National Planning Board will be to bring about planned economic recovery based on the best advice from all sides of industry and agriculture so that when an upturn in world trade occurs Irish industries and services will be in a strong position to take immediate advantage of more favourable market conditions. The results of these activities will constitute a plan for national development over a medium-term period, to be kept under continuous review.

The Government recognises, however, that in the interim, **emergency measures** will be required to halt the continuing rise in unemployment. Such measures will be linked to the urgent need to remove bottlenecks in the infrastructure which if not tackled would impede further growth. The Task Force, the National Planning Board and the relevant sectoral committees will, therefore, identify at once areas of defective infrastructure which have the highest priority, the tackling of which will provide productive employment. Normal procedures for initiating such work will be drastically modified with a view to securing rapid action.

The Government will be establishing a **National Development Corporation** at an early date to act as a major vehicle for job creation in Ireland through direct state investment in profitable commercial projects geared to import substitution and to export markets. The main functions of the Corporation will be to :

- initiate new job creating projects itself and stimulate projects involving productive employment within the existing public sector.
- invest in wholly owned commercial state enterprises, or in existing private sector enterprises or in joint ventures with the private or co-operative sectors.
- act as a holding company for the commercial state manufacturing companies, and
- act as the commercial vehicle, where appropriate, for projects involving productive employment originating within the public sector.

Recognising that small firms have a better record than large firms, both in Ireland and abroad, at weathering the recession without job losses, the Government will pursue an **active policy of promoting small firm development**. This it intends to do through :

- the establishment of a small Committee of Parliament to assist in the development of the small business sector of the economy and to make any necessary recommendations to Government;
- encouraging the Industrial Development Authority in its efforts to establish venture capital agencies, which will channel institutional funds into small firms, thus reducing their excessive dependence on bank credit;
- encouraging existing agencies to develop special programmes for young entrepreneurs;
- possibly introducing State loan guarantee schemes for

carefully selected growth sectors with major market potential;  
and

- devising a simplified tax regime for the family business or farm in order to reduce the paperwork at present involved.

The Government will also introduce a **pilot job-sharing scheme**. No further details are available at present.

The Government will undertake a **review of existing industrial development policy** in the light of recent studies by the National Economic and Social Council (NESC) of industrial development strategy in Ireland. This review is likely to result in the early implementation of a number of recommendations in the NESC studies including :

- placing increased emphasis on wholly owned home based export firms and on the development of the food processing sector and

- relating the scale of grants to foreign firms to the need to give preference to companies which will yield the maximum advantage to the Irish economy in terms of (a) the provision of skilled employment, (b) supply linkages with Irish firms and (c) the setting up of a full range of operations especially marketing and research and development.

Closer liaison will be established between the Industrial Development Authority and the Department of Foreign Affairs, which is actively involved at present in promoting economic links with foreign countries in the fields of industrial exports and tourist promotion.

### **Netherlands : Employment policy thinking**

On taking office, in November 1982, the government announced that it was adopting a three-pronged approach to tackle current economic problems. To clarify its policy guidelines, the **government has submitted a note** dealing with the following points **to the social partners** for discussion in the "Labour Foundation" (Stichting van de Arbeid) :

- reducing the shortfall between its financial resources and its spending in the public ("collective") sector
- strengthening the market enterprise sector
- reconsidering the distribution of work
- expanding the opportunities for unpaid activities while being able to draw on social benefits and creating further temporary jobs.

The discussion will no doubt result in a paper being published on employment policy and a new Youth Work Programme. The various points are somewhat elaborated on below :

As regards **strengthening the market sector**, the government note mentions the following elements :

- lowering the burden of financing the public services' ("collective") sector. Measures included here are social security premiums and fiscal measures
- holding costs in check
- eliminating all bureaucratic formalities which are not strictly essential
- reinvigorating the factors of production
- maintaining salaries is considered to be of prime concern to the social partners.

On the **redistribution of work**, the government has set two tasks :

- eliminating factors which may unfavourably influence the

reduction of working hours. One of the main factors in this respect would seem to be the existing law on minimum wages, which sets a minimum wage per week and not per hour

- defining a policy for the government's own employees

Partial employment and especially the reduction of working time could well be subsidised by the government, probably on the basis of additional experiments.

As regards the **labour market**, particular mention should be made of :

- the recommendation to hire staff on temporary contracts to cover transitory needs for additional manpower

- the introduction of placement for the unemployed for an extra trial (probationary) period during which costs would be covered by the normal social security allowance

- new rules should be established for taking over all or parts of bankrupt firms. Under present regulations, the purchaser of a bankrupt firm has no alternative to re-employing the employees in question

- apprenticeship training should be made less dependent on the economic prospects and decisions on individual employers

- thinking is moving in the direction of employing the long term unemployed for training periods in enterprises, with the costs being covered by social benefits

- an extra DFL 600 million has been added to the 1983 budget for labour market policy.

Alternatives for **stable employment** have also been examined :

- the government has drawn attention to what existing regulations allow as regards unpaid activities for persons receiving social benefits and where opportunities exist for easing the rules. One of the main concerns here is not to change conditions in such a way as to bring about competition between paid and unpaid employment.

- apart from unpaid employment, the government is also considering the possibility of establishing experimental employment projects within the market sector, mainly for the long-term unemployed.

### **European Community : Joint Council Meeting**

A Joint Council meeting of Ministers of Economic and Financial Affairs and of Employment and Social Affairs was held in Brussels on 16 November 1982. A preparatory paper from the Commission pinpointing **three spheres of action**, namely the improvement of the economic climate, the reorganisation of working time and expanding job opportunities for young people, formed the basis of the Ministers' discussions.

The Council restated certain facets of its approach to alleviating unemployment. It felt that a **Community strategy** should include measures to promote economic and financial stability, higher investment, an improvement in the competitiveness of firms, the realization of the internal market and adjustments to the labour market aimed at appreciably improving the employment situation, which is the most urgent task of the Community in present circumstances.

The **conclusions** that emerged from the meeting urged a series of measures concerning

- international economic and financial stability

- convergence and economic stability within the Community
- investment
- internal market
- industrial policy

As regards **young people** and the labour market, the Council expressed its deep concern about the employment prospects for young people and recalled that in March the European Council emphasized the key role of youth employment in the Community's overall strategy to alleviate unemployment.

Furthermore, it reaffirmed its commitment to ensure that all young people entering the labour market over the next five years will have access to vocational training or preliminary work experience.

The council agreed that the **reorganization and reduction of working time** is bound to have a beneficial effect on the employment level provided that competitiveness is not impaired and there is sufficient flexibility in the labour market to prevent bottlenecks; at the same time proper account must be taken of specific and sectoral characteristics, notably the size of firms.

## Aid to the unemployed

### France : Measures aimed at ensuring the financial equilibrium of the unemployment insurance system

Following the break-down of negotiations between the trade unions and the employers' associations, the government decided to take a certain number of measures to ensure the financial equilibrium of the unemployment insurance system.

The first decree of November 4, 1982 raised from November 1, 1982 the wage contributions to the unemployment insurance system from 3.60% to 4.8% (3.48 being the employer's contribution and 1.32 that of the wage-earner).

The second decree of November 24, 1982 modified the regulations of the unemployment insurance system. These regulations will remain in force until the social partners reach an agreement which ensures the financial equilibrium of the system. The key changes are as follows :

- **a new way of calculating the length to the rights for unemployment allowances, taking account of the previous length of work.**

Under the former regulations anybody who had been affiliated to the UNEDIC unemployment insurance for at least three months could draw on unemployment benefits (special benefits, basic benefits and end-of-rights benefits) for a maximum period of three years (for the under-50s) or five years (for the over-50s).

The new regulations bring in a link between the length of affiliation and the length of payment of the benefits.

The maximum length is brought down to three months for three months of affiliation, 21 months for 6 months of affiliation and 30 or 45 months (depending on whether the wage-earner is more or less than 50 years of age) for 12 months of membership.

The length of giving a special benefit to workers made redundant for economic reasons is brought down from one year to six months.

- **the institution of delays in payments**

Benefits have until now been paid from the date of enrolment at the local employment agency and at the earliest the day following the breaking of the work contract. From now on the time limits for payments have been established to take account of the sums received by the dismissed worker in the form of redundancy compensation or compensation for paid holidays which have not been taken.

These time limits for payments in no way change the length of the rights but delay the start of the payment of benefits by ASSEDIC.

- **modification of the rates for certain benefits**

The rate of the "special benefit" for those made redundant for

economic reasons has been reduced. The same is the case for the "means guarantee" made to wage-earners of more than 60 years of age who are dismissed or give in their notice. Details are provided in the tables below.

In compensation for these savings measures, the so-called "end-of-rights" benefit paid to the long-term unemployed who have exceeded the maximum length for the payment of usual benefits can, after the situation of the individual submitting the request has been examined, be doubled when the person is over 55 years of age. For those receiving benefits who are 57 years and six months or more, this benefit is from now on being paid until such time as they retire.

- **abolition of benefits paid to persons aged 60 years** who can prove having spent 150 terms of activity counting for old age insurance and can thus have the right to a full pension (a logical consequence to the measures taken concerning the retirement age).

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Modification in the rates for special benefits and for means guarantee benefits

Special benefit	Fixed part	Proportional part			
		1st term	2nd term	3rd term	4th term
former regulation	34,05 F per day	75%	70%	65%	60%
new regulation	34,05 F per day	65%	60%	change-over to basic benefit	

	Means guarantee benefit	
former regulation	70% of the wage	
new regulation	part of the wage less than 7080F per month	part of wage >7080 F per month
	65%	50%

### Germany : Europe's unemployment benefits compared

The Labour Market and Occupational Research Institute of the Federal Employment Institute has published a comparative analysis by Heinz Werner of unemployment benefits in selected European countries as at the end of 1982. The countries were Belgium, Denmark, France, Italy, Netherlands, Sweden and the United Kingdom. It brings out the following aspects :

In general, the following **conditions** have to be fulfilled for **entitlement** :

- having had an employment requiring unemployment insurance with contribution payments for a specific period of time within a period preceding unemployment
- to be able and willing to work. Thus, for instance, the refusal of an appropriate or suitable job can lead to the stopping of unemployment payment
- to be enrolled at the labour office. There has been an exception to this in Great Britain since October 1982 which strictly separates insurance and placement activities which are carried out in different organisations. Further details of the new system are provided in the following article
- unemployment cannot be self-induced; otherwise, waiting periods can be imposed.

It is in the **amounts of unemployment payments** that the greatest differences are to be found. Problems of exchange rates and varying costs of living make comparisons of contributions difficult. But in order to have grounds for comparison, daily allowances were converted into DMs. The lowest payments in the countries considered were made in Italy and the highest in The Netherlands. The calculation of unemployment benefits also varies considerably : gross or net income linked with the length of time of the contributions paid or the inclusion of an additional social component taking into consideration the household, age, etc (Belgium).

**Taxation** is a further point. In most countries (Denmark, France, Great Britain, Italy, The Netherlands and Sweden) unemployment support is liable to income tax. In the Netherlands social security contributions must also be paid out of them.

The **duration of drawing on payments** is also very different from country to country. In Belgium, for instance, there is, in principle, no limit on the length; elsewhere (France and Sweden) it is graded according to age. Very often, once the payments from unemployment insurance have expired, unemployment assistance and social assistance come into play, albeit at lower levels.

**Unemployment support** is usually **adapted** twice or at least once a year to the movements in the cost of living or to the wage index.

#### **United Kingdom : Voluntary registration**

Voluntary registration was recommended by Sir Derek Rayner in his report "Payment of Benefits to Unemployed People" published on 20 March 1981. The Report found that registration for work was not an effective test as to whether a claimant was available and looking for work nor did it help Jobcentres to place people in employment. The Report considered that **removing the requirement to register** would make Jobcentres more efficient by cutting out wasted effort, and bring advantages to the Employment Service and unemployed people through the elimination of unnecessary procedures.

Voluntary registration was **introduced on 18 October 1982** for claimants over the age of 18; claimants under 18 are still required to register. Unemployed people are, however, encouraged to use Jobcentres in their search for work. Posters drawing attention to the services offered by Jobcentres are displayed in all Benefit Offices and all new claimants aged over 18 are issued with a leaflet explaining the services of the Jobcentre and Careers Office.

Unemployed people claiming benefit are still required to be **available for work**, and the unemployment benefit office carries out a test of availability when a claim is first made. A new question has been included in the initial claim form asking whether the claimant is prepared to take any full-time

work he or she can do. If the answer is "no" then the Benefit Office asks more detailed questions about availability. Although this is a new procedure, the law on availability has not been changed and the questions are similar to questions which have always been asked when the unemployment benefit office felt there was doubt about a claimant's availability for work. A doubt about a person's availability continues, as before, to be referred to the independent adjudicating authorities who decide all questions of entitlement to benefit.

**Unemployment Review Officers** (UROs) have for many years reviewed the circumstances of people receiving supplementary benefit, who have been unemployed for some months in order to find out whether they have any special difficulties or if there is any other reason, apart from lack of job opportunity, for continued unemployment. Following the introduction of voluntary registration their work has been extended to cover claimants in receipt of unemployment benefit only.

This new system has affected the unemployment count :

The **unemployment figures** from October 1982 are derived from records for unemployed people who **claim** unemployment benefit, supplementary benefit and national insurance credits at Unemployment Benefit Offices. The differences between the new claimant count and the old count of registrations for work at Jobcentres and Careers Office arise from three factors :

- The exclusion of unemployed people not claiming benefit, who can no longer be counted.
- The inclusion of severely disabled unemployed people, previously excluded from the count, who cannot be separately identified.
- The changed method of counting : the use of Benefit Office records means that there is generally less delay between a person finding a job and this being reflected in the figures; and the use of computers enables the figures to be kept more up to date by taking into account later information about the position of individuals on the days of the count.

In the year up to October 1982, the **new count** would generally have been lower than the old by between 170,000 and 190,000. The reduction of 246,000 in the October 1982 figure was exceptional. Over the 12 months up to October 1982, the average level of total registered unemployment (ie on the old basis) was 3,097,000 and this is reduced by 2.5% (78,000) to 3,019,000 by the changed and more accurate method of counting alone. The reduction due to the changes in coverage (exclusion of 135,000 claimants and inclusion of 23,000 severely disabled) is a further 3.7% to 2,907,000.

There have been some changes in the availability of detailed **data on the unemployed**, which are summarised below :

- age and duration analyses — no change;
- occupational analyses — not available for claimants, but will be made for voluntary registrants at Jobcentres;
- industrial analyses — discontinued;
- flows analyses (ie. people becoming or ceasing to be unemployed in a given period) — new and more detailed analyses of the flows figures distinguishing for example the figures by age and duration of completed spells of unemployment;
- disabled persons analyses — not available for claimants, but will be made for voluntary registrants at Jobcentres;
- ethnic minority group analyses — new arrangements for compiling the data are under consideration.

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# Training

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## Denmark : Deliberations of the Government concerning education and training opportunities for young people.

Currently a large number of young persons neither have a job nor are undergoing training or education — in 1982 the figure was about 70-80,000 young persons. This serious situation has led the Danish Government to consider measures which will ensure that those young people who are motivated for and capable of completing training or education will be given a chance of a new start. At the same time it should be respected that there are young persons who do not wish or who are not able to complete training or education. Efforts will be made to provide employment for this group of young persons in other ways.

In connection with training the Government has put forward the following **proposals for possible solutions** :

The objective of the Government's deliberations is to go along with the former Government's "**summer pledge**" in the coming years. The "summer pledge" involved the establishment of training places and education opportunities for all young school-leavers. The attempt will be made to continue to live up to this pledge so that those leaving the basic compulsory school system each year will receive a genuine offer of continued education or training.

In the longer term, the intention is, by gradually liberalising entry conditions, to work towards having, in principle, **free admission** to most types of education, including higher education, with special emphasis on fields with good employment opportunities. The Government finds that the right of the individual to freely choose an education should not be hampered by rules and regulations laid down by public authorities. It could be said that young people should be given freedom with responsibility as regards their choice of education.

As a result of the preliminary deliberations concerning the practical possibilities of **giving young people an offer of education or training**, the Government points out the following possible solutions :

- Free admission to all types of education.
- Guidance concerning education/training and employment.
- Removal of distortions in the various schemes of financial support.
- Gradual abolition of the age limits for admission.
- Temporary increase in the number of students and trainees enrolled or admitted.
- Establishment of more training places and apprenticeships.

Implementing these measures will ensure that young people are given a genuine offer of education or training. Furthermore, they will lead to the more rational use of the capacity of the educational system by reducing the extent of double education. And they will lead — an essential factor — to a considerable reduction in youth unemployment.

The objective of the educational policy and the employment policy pursued by the Danish Government is to facilitate the entry of young persons into the labour market especially by **concentrating** its initiatives on those **fields** which will in the future offer **the best employment opportunities**. This means, among other things, that the main objective will be to ensure that young persons find a proper place in economic life.

## Netherlands : Education/Employment Contact Centres

Thirteen Education/Employment Contact Centres (Contactcentra onderwijs-Arbeid) are soon to start work in the Netherlands.

The establishment of these Centres is an attempt **to bridge the gap** which has opened up between the worlds of education and of work. The Dutch education system operates autonomously : this means that where a group of potential students exists for a particular training course such a course can be established and the necessary funds applied for from the government. Labour market considerations have thus far played little, if any, part in this "planning procedure". The world of work also has its own dynamics, with innovations being introduced and new working methods applied.

In the past we have sought to familiarize students and school- and college-leavers with the practices and procedures of commerce and industry by giving them periods of practical training in firms and by providing company training courses for those completing their studies. However, such courses have increasingly been unable to deal with the consequences of the fact that the education system and the world of work have been growing steadily further apart. This trend led the government, trade unions and employers' organizations to consider possible solutions to the problem. It is not possible, both for practical reasons and on grounds of principle, to gear education fully to the requirements of trade and industry; nor would it be possible, of course, to adapt the world of work to such an extent as to fully fit the qualifications of those completing the various courses of training.

An important consideration in this context is that we **cannot forecast** exactly what industry will be like in a few years' time and therefore what **qualifications** young people entering employment will need; at the same time it must be remembered that employees whose qualifications appear not to be directly relevant to a firm's requirements may be able to bring about innovation within that firm precisely because of their "irrelevant" qualifications. Closer contacts between industry and education were nonetheless considered essential, in the form of better communication, more help and support for school-leavers in the transition to employment, and a more systematic approach to the organization of periods of practical work experience for students.

Although the Netherlands is a relatively small country there are **differences between the provinces** in both the types of education provided and the nature of industrial and commercial activity; it was thought sensible to allow these differences to be reflected in the approach to the problems of the school/work interface. It was therefore decided to establish one Contact centre in each province, with a second Centre in a few provinces where this was justified by special circumstances.

The trade unions, employers' organizations and the government — the Ministry of Social Affairs and Employment, the Ministry of Education and Science and the provincial authorities — jointly took **responsibility for the project**. Broadly this means that the two Ministries each pay half the basic sum of f 250,000 for each Centre, while the two sides of industry give their support in the form of certain services, including advice. Certain provincial authorities are to make an additional contribution, over and above the basic f 250,000, to the work of the Centre in their area.



**Administrative arrangements** can vary from one Centre to another. Although the provinces will have a coordinating role to play, this does not mean that the Centre will come under the provincial authorities; in certain provinces it is planned to establish an autonomous body to run the Centre while in others it is to come under the Regional Apprenticeship Council, a long established forum for cooperation between

the Ministry of Education and Science and certain branches of the employers' and trade union organizations.

The Contact Centres experiment is planned to run until January 1 1985 (or possibly to January 1 1986). On the basis of the last year of this **trial period** it will be decided whether the experiment is to be continued, in its existing form or in a modified form, or whether it should be discontinued altogether.

**Rough currency conversion rates**

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in February 1983 :

● Belgium :	45 Bfrs
● Denmark :	8.05 DAKs
● Germany :	2.30 DM
● Greece	78 Drx
● France :	6.5 FF
● Italy :	1320 Lit
● Ireland :	0.70 IR£
● Netherlands :	2.50 Hfl
● United Kingdom :	0.61 U.K£

# Job creation

## Belgium : Incentive to take on a first worker

It is generally accepted that taking on the first full or part-time worker is the most troublesome barrier for a potential employer. There are two main reasons for this : the relative size of the **wage costs** which must be covered by a substantial increase in the volume of business and the fact that the new employer finds that he is now involved in **complex administrative approaches** which are completely unknown to him.

In order to limit these disadvantages, the government brought out royal decree N° 111 on December 15, 1982. This concerns the **temporary reduction of social security contributions** made by the employer for certain physical and moral persons who take on a first worker. The decree foresees two types of advantages for an employer taking on his first wage-earner :

- for eight quarters he is exonerated from social security contributions paid by the employer for sickness and disablement insurance, pension, family allowances and unemployment insurance (23.04 per cent of gross income). All that remain for the employer to pay are contributions for annual vacation which are considered as deferred income and the minimal amounts for work accidents, occupational illness and, where appropriate, the sectorial fund for security of existence.
- during the same period, the national social security office takes over the costs of the services of an approved social secretariat for the administrative handling of this first worker.

**Private sector employers**, physical and moral persons, can use this measure if they have never before employed a worker other than a household help or who, having employed someone, have ceased to do so for at least one year from the time of the appointment.

So that the employer can make use of these arrangements, **the person taken on must fit into one of the following four situations :**

- to be unemployed and receiving compensation for more than one year
- to be registered for at least one year as a job-seeker without employment at the national employment office (ONEm) and to have received no unemployment allowance during that time. This aims at persons who have for a long time demonstrated their willingness to work but have not found any and do not fulfil the conditions required to draw either unemployment allowance or waiting allowances in particular because of the insufficiency of their previous payments as wage-earners.
- to be a job-seeker enrolled at the national employment office who, having fallen under the category of independent workers for at least one year of the two years previous to his being taken on, has ceased, for one or other reason, to fall under this category. This category thus does not include those who, whether or not they were considered as independent workers, have helped an independent worker in his activity as an "aid". Concern here is with previously independent workers who having been forced to cease their activities, are not thereby entitled to unemployment allowances and who, because of their professional and vocational experience, are likely to be particularly useful to their new employer.
- to be enrolled at the national employment office as a job-seeker after completing an apprenticeship. It should be noted that the former apprentice can be taken on as the first worker without there being any break between the two forms of activity.

The first worker must be **hired after December 31, 1982**

under the terms of an unlimited, full-time or part-time, working contract. Should the employer decide to hire several part-time workers at the same time, he will only be able to draw on the arrangements of the decree for whichever one person he chooses.

The advantages can be obtained by the employer from the time of hiring until the expiration of the eighth quarter which follows it. This period continues to run in the case of the contract being suspended, for no matter what reason, even if, during this suspension, no remuneration is paid by the employer. When the hiring of the first worker ends before the expiration of these eight quarters the advantages are maintained for the person hired to replace him in as far as he fits into one of the four situations defined above. When the worker is dismissed during the period giving the right to the reduction in the employer's social security contributions, the reduction is only given if the worker gives his notice. The employer's contributions are, on the other hand, due on the allowance paid by the employer in the case of dismissal.

## Belgium : Using the unemployed in smaller firms

The government has recently taken a new measure aimed at both fighting unemployment and fostering the expansion of small and medium sized firms. By royal decree N° 123 of December 30, 1982, these firms can draw upon financial help from the state when they **recruit indemnified unemployed persons for specific development projects**. These projects can be spread over a maximum period of two years and must be concerned with one of the following **fields :**

- research and development of new products and processes
- export promotion
- saving raw materials and energy

## Enterprises employing between 3 and 100 employees

can make use of this measure if they take on for such a project at least one half-time worker and at most three full-time workers. These persons must be engaged under an employment contract of specified or unlimited duration, with or without a trial period. They have complete freedom of choice of the employee(s) provided they are indemnified unemployed persons or workers engaged within the framework of different measures taken previously to foster the employment of the unemployed in the non-market tertiary sector.

**Payment of the workers** must be at least equal to that of a state official who would carry out an equivalent function, but without prejudicing any requirement of employers to conform with more favourable pay scales which might be in force in their sector.

The **involvement of the state**, which would be made directly to the employers by the national employment office (ONEm), would be equal to 50 per cent of the pay of the equivalent state official and of the employers' related social charges for the duration of the project when this is carried out by the enterprise without the assistance of a third party. On the other hand, it will be 100 per cent for the same persons during the first year and 75 per cent during the second when the enterprise draws on the help and advice of a public or private research, corporate assistance or economic development body.

Furthermore, these same bodies, as well as national representative organisations of employers, can also obtain a state intervention of 100 per cent and then of 75 per cent of the payments and social charges if they take the initiative of carrying out a project in one of the fields of economic expansion indicated above.

In order to use best the **credit** made available for this measure, enterprises will have to demonstrate that they are able to carry the project through but only with state aid. This aid will obviously only be given after an enquiry by the competent services on the validity of the project presented; furthermore, during the period in question, checks will be made that the subsidies are being properly used. In cases where abuse is found, state aids will have to be reimbursed by those improperly receiving them.

The Minister of Employment and Labour **decides** on the granting state aid on the basis of proposals from the regional executives. But he has previously to consult the "small industries minister" ("Ministre des Classes moyennes") who will check that the projects respect the conditions of healthy competition.

Whereas it is foreseen that, during the first period, this measure will most often only concern the unemployed having a relatively high skill level, the whole of the active population is likely to benefit in the medium term through spin-off of the projects. Finally, job-seekers thus employed will, in many cases, have the opportunity of creating at the end a permanent job within the firm.

### **Denmark : The act on job creation**

Job creation means the creation of **new work places** where the work performed is such that it benefits the community as such. It is a question of work which would not otherwise have been performed and work which has **no major distortive effects on competition**. Everybody may apply for Government support for the creation of new jobs, but, wherever possible, the work must be performed by or in cooperation with private enterprises. Possible **initiators** of job activities can for instance be private enterprises, industrial and trade organisations, municipalities, counties, central Government institutions and local associations.

It is the labour market board that **decides** whether Government support should be granted in each individual case. Work activities initiated by municipalities and counties which involve production and sales must be approved by the labour market board. If the work involves production and sales of the products and the labour market board finds that there is a not negligible risk of distortion of competition, the trade organisations concerned are asked to submit their opinions, normally within a period of one month. If the labour market board finds — on the basis of the opinions submitted — that the work activities have important distortive effects on competition, the board must either dismiss the application or refer it to the National Labour Board which will then, within a period of two months, make the final administrative decision.

To be **eligible for Government support** the person employed must be aged between 18 and 25, have been unemployed for a certain period and be registered as unemployed with the public employment service. Unemployed persons over the age of 25 may be employed if this is necessary for the performance of the work in question.

Offers of **education or training** may form part of the work if desired by the person or organisation initiating the job creation activities. Normally, such education or training activities should not constitute more than 20 per cent of the annualised working time. The persons employed in the jobs created under this scheme may receive compensation during the period of education or training corresponding to the amount of the Government subsidy.

The **responsibility** for the administration of the provisions laid down in the Job Creation Act are, as a rule, vested in the local labour market boards.

The Act will come into operation in the near future.

### **Germany : Increases in job creation measures ("ABM")**

With the background of the continuing unfavourable situation of the labour market in the Federal Republic, the Federal Employment Institute will in 1983 be putting to work an average of some 50.000 employees on so-called "job creation schemes". This compares with an average of 29.000 employees in 1982.

By job creation measures, general interest private institutions and public bodies in particular can be supported to carry through work of public interest of such work would not otherwise be undertaken or undertaken only later and if their promotion is worthwhile according to the situation and development of the labour market. Such measures embrace in particular work in the area of environmental protection, including nature protection, improving the residential environment and social services.

Such promotion is usually carried through for one year; under certain specified conditions — particularly if stable jobs are going to be created as a consequence — the period can be extended up to the three years.

The Federal Employment Institute has earmarked more than DM 1.3 billion to carry through such job creation measures. This sum will make it possible for a number of persons who would otherwise be unemployed to have a job at least temporarily. In this way employing someone is no more expensive for the state than financing unemployment.

To achieve employment, social and labour market policy goals, the Federal Employment Institute will considerably expand the implementation of job creation measures in all appropriate areas.

## Greece : Development of the job creation programme

The new job creation programmes (law 1262/82) were described in InforMISEP September 1982. Although little time has passed since actually launching them, the **preliminary results** appear to be quite satisfactory :

- as far as the programme for young people (under 29 years of age) is concerned, 4 760 unemployed persons were hired and 452 enterprises received finance in the period to the end of the year.
- the special programme for unemployed building workers and their occupation in various activities in communities and municipalities was somewhat disrupted by the elections for local authorities which took place in October 1982. Nevertheless, 2 910 workers were employed in 37 communities and 198 millions drachmas were spent.

## United Kingdom : Job-splitting scheme

The Job-Splitting Scheme was **launched** on 3 January 1983. An important new experiment, it will be monitored carefully with the intention of reviewing it in the summer of 1983. It is designed to encourage employers both in the private and public sectors to **split existing full-time jobs** into two part-time jobs and so open up more part-time jobs to unemployed people. The scheme will be **broadly self-financing**, paying out no more in grants than is saved on benefits overall. A flat rate grant of £750 will be payable in 4 instalments, to offset the cost of splitting an existing full-time job into two part-time jobs. A split job will be supported only once and for a period not exceeding 12 months. The scheme is at present due to close for applications on 31 March 1984, but is subject to review.

**To qualify for the grant** there must be an existing job which has been filled by a full-time employee for the 3 months immediately preceding this split; the total hours of the two part-time jobs must be broadly comparable with those of the full-time job and the total duties must be broadly comparable

to those of the full-time job; each part-time job must contain at least 30 hours in every two consecutive weeks; the pattern of part-time work should be such that the split job could be done by a single full-time worker, and the employer must undertake to keep the job split and to keep the part-time jobs filled with eligible recruits for a full year from the day the grant is approved.

The scheme allows various **combinations of recruits**. If a vacant full-time job is split, both part-time jobs may be filled by either unemployed people drawing benefit or those in the same firm who would otherwise be redundant. Both jobs may be filled by other employees in the firm on condition that they are replaced by unemployed people drawing benefit or by redundant employees in the same firm. Finally, one of the part-time jobs may be filled by the existing jobholder moving from full-time to part-time work.

There will be **advantages** in part-time work both for employers and for potential recruits. Possible benefits to employers who participate in the scheme include higher productivity, particularly — though not exclusively — in areas of routine work; more flexible use of working time; improved job satisfaction; lower staff turnover and absences, and cover for holiday, sickness and off-the-job training. There is also scope for building up a pool of trained labour.

The scheme offers various **benefits to potential recruits**. For full-time employees there is scope for them to reach agreement on hours more suitable to their own social and other commitments. Many people wish to spend more time with their families whilst older workers may welcome a gentler approach to retirement. For the unemployed, the most obvious advantage is that some work, albeit part-time, is intrinsically better than no work at all. For many, particularly the young unemployed, part-time pay could compare favourably with their unemployment or supplementary benefit entitlement. In addition, it offers an opportunity to acquire valuable work experience and training which could prove of lasting benefit.

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## Special categories of workers

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### France : Vocational and social integration plan for young people aged between 16 and 25

"No young people without vocational training" was the watchword of the head of state during his speech of December 31, 1982, for bringing together all public and private initiatives. As a consequence, the government drew up on January 26, 1983 the **guidelines for a plan** to bring about the vocational and social integration of young people up to the age of 25.

This plan will have three thrusts :

- **to extend the educative action of the school and the university** through
  - enhancing the capacity of public instruction, in particular in vocational and technical teaching
  - developing around the public educational service sandwich ("alternating") training with openings to working life with the continuation of the "16 to 18 youth programme" and the development of alternating programmes centred on vocational training "lycées" (colleges).
- **to facilitate the integration of young people in employment**. The aim of the measures drawn up is to bring about a period at work combining apprenticeship to working life with training. They are :
  - the continuation of the "employment-training contracts"\* which are aimed at young people whose training has been

non-existent or inadequate. For those young people who have already had some training there is a similar but somewhat lighter system : the "employment-adaptation contract" will be set up to ease their adaptation to a working environment

- connected with this arrangement, the government will draw up agreements with large enterprises, trade associations or employers in the sector of social welfare to develop alternating work and training within sectors and enterprises where there are no apprenticeships.
- vocational training which makes considerable use of alternating periods should enable young people leaving school without any skills to acquire a skill; short-term training periods will also be brought in for those who only need additional training or short-term vocational instruction.
- **To improve youth guidance and to encourage their initiatives** by
  - having the "long-term unemployed" programme, which consisted in ANPE — the national employment agency — examining the personal situation of those who had been looking for a job for more than one year so as to facilitate their guidance, relieved by an equivalent action for young people aged 18 to 25
  - developing the role of the national guidance and training service for young people

\* Cf InforMISEP, December 1982

- continuing the "youth volunteers" programme of the Ministry of Youth and Sports on the basis of 10.000 places a year.

The vocational and social integration plan for young people aged between 16 and 25 takes over a number of already existing measures which the government has recently launched. It also foresees new arrangements which will be implemented at the start of the 1983 academic year.

The measures outlined should reach in all 600 000 young people at the end of 1983. This figure will rise to 700 000 in 1984.

### **Germany : Job prospects for specific groups in western industrial countries**

Whereas at the beginning of the 1970s the level of unemployment was, with the exception of Great Britain and Italy, relatively low, the numbers of unemployed jumped rapidly in 1974-5 to be followed by a levelling off. Then from 1980 there was another steep increase, particularly in the Federal Republic of Germany and the Netherlands with rises in unemployment of 38.6% (Netherlands) and 40.6% between October 1981 and October 1982. Subsequently, the Federal Republic has overtaken France whose unemployment figures have, of late, almost always been above the German.

A glance at the other side, the development of gainful employment, shows an equally preoccupying picture: only in the Federal Republic and Great Britain has there been a decline in the numbers of employed since 1970.

When there is an overall shortage of jobs the unemployed are subjected to a continuing **process of selection** in which those with skills which can be made use of directly in enterprises find employment quicker. International comparisons show that it is particularly women, youths, older workers and foreigners who are hit by unemployment. In many countries it is above all the high level of **youth unemployment** which is a cause of concern. In France, Italy and the Netherlands youth often constitutes half the unemployed — and young females are harder hit than males. Longitudinal studies in a number of countries show that the transition from school to work increasingly takes place through short-term insecure jobs until stable employment is found after a number of years. The Federal Republic of Germany has so far had a comparatively low level of youth unemployment notably because the dual vocational training system, through which roughly half the young people pass, eases the transition from school to work.

A continuing and increasing **overall shortage of jobs** is likely to bring about still more acute problems of employment for those groups who are already hard hit by unemployment.

This is because of the selection process. For several of these groups there is either a rising unemployment trend or the figures are levelling off at a high level. This holds for youths, foreigners and **women**, increasing numbers of whom want to find jobs. From this selection process (structuralisation) it can be concluded that the greater the length of unemployment, the more difficult it becomes for the person concerned to find a job. The rise of the long-term unemployed is an index of this and they are turning into an increasingly pressing problem. Attention has to be paid here to the unemployed who, when their payments have expired, tend not to re-register as unemployed or, discouraged by not finding a job, withdraw from looking for work ("quiet reserves"). This holds true above all for women.

The difficulties of international comparisons can be discussed till the cows come home. What is paramount here is not **comparisons** of levels but **of trends**. Nor would taking account of the very different forms that employment takes between countries — part-time working, interim working, short term work contracts which are more common outside Germany than within — or of the hidden economy much alter the overall trends.

More attention needs, however, to be paid to conclusions drawn from **unemployment statistics**. There are obviously different implications to be drawn from figures collected by survey, as in the USA, or by registrations at labour offices. There are contrasting claims that giving payment raises the number of unemployed in the shape of "the voluntary unemployed". In a series of studies the OECD has proved that, although there is a statistically significant connection between the amount and duration of unemployment payments and unemployment, the influence is very limited. Nor should it be forgotten that in the last few years either the payments have fallen or the opportunities for abuse have been narrowed so that the rising level of unemployed over the past years cannot be attributed to improved unemployment payments.

The boundaries between the groups to be included in "the unemployed" vary from one country to another. This also makes international comparisons difficult. Thus French figures do not include, for instance, those looking for part-time jobs; this not only brings down the overall figures but also influences the structure of unemployment, for instance the break-down between the sexes. Furthermore, the nature and length of payment influences the structure. Thus at least part of the high proportion of **women** in the numbers of unemployed in Belgium can at least partly be explained by the (in principle) unlimited duration of unemployment payments. On the other hand, the relatively low proportion of females in the unemployment figures in Great Britain and Ireland can be explained by married women being able to claim significantly smaller payments in case of becoming unemployed.

# Working time

## Denmark : Working time and employment negotiations

The Ministry of Labour has recently completed a study of all aspects of working time in Denmark. The results constitute part of the background material in the tripartite discussions between the Government and the social partners in the negotiations to renew the current collective agreements.

In 1981, of the **4.359.000.000 hours actually worked**, some 93 per cent were performed by persons in employment in their main occupation, these totalling 1.948.000 persons; employees alone account for about 75 per cent of these hours. However, on average self-employed persons work more hours per week than employees : about 50 hours in their main occupation against 37 hours for employees.

Only a small number of persons in the labour force have a second job and the number of hours worked in a **secondary occupation** accounts for only 2 per cent of the total number of hours worked. Among self-employed persons, the average weekly working hours in the second job are slightly more than 17 compared with 9 hours for employees. A little under 20 per cent of those outside the labour force state that they hold a secondary job with weekly working hours of about 10 hours.

**Overtime** work has been calculated to account for about 2.5 per cent of the total number of hours worked. From an employment point of view, overtime which is not compensated by time off is of interest, amounting to about 60 million hours.

**Unregistered work**, though difficult to estimate, seems only to take place to a limited extent — a little more than 0.5 per cent of the total number of hours worked. Half of the unregistered work is performed by persons outside the labour force.

Advanced **training** activities among employees, including advanced training taking place within the normal working hours, are estimated at about 50 million hours on an annual basis. Total advanced training activities are estimated at about 70 million working hours distributed over about 1/2 million employees.

As regards **holidays**, only half of the self-employed persons took a holiday in 1981 compared with about 95 per cent of the employees; the average duration of the holiday of self-employed persons has been about half of that of the employees.

## Netherlands : Dismissal policy at 57 1/2 years

The Minister of Social Affairs and Employment has recently expressed some opinions on current practices regarding dismissals of persons aged 57 1/2 years.

The Minister considers that too frequent use is made of the regulation enabling collective dismissals to be made under specific circumstances exclusively or mainly of persons aged 57 1/2 years and more. This ruling, which was intended to be exceptional, seems to the Minister to be in this way gradually becoming standard practice.

Persons aged 57 1/2 years and more who become unemployed have, after half a year of the WWV-allowance (80% of their last wages) and two years of the WWV-allowance (75% of their last wages), the right to an extended WWV-allowance until their sixty-fifth year. This creates considerable costs for the government. To dampen this development the Minister intends to make supplements to the legal allowance during the extended WWV period impossible.

This development, which grew out of practice, is opposite to the usual rule according to which when collective dismissals take place, directors of labour offices use the "mirroring principle". This means that the dismissals must be spread evenly among workers of various age categories. Under specific circumstances, this principle can be deviated from for persons aged 57 1/2 years and older. For this, the situation in the regional labour market must be such that the chance of finding work is equally unlikely for all age categories. Furthermore, it must be a question of collective dismissal resulting from a necessary reduction in the labour force (the purpose cannot be the substitution of older persons by younger ones) and those concerned must themselves have no objection to the dismissal notified.

## European Community : Memorandum on Working Time

In December 1982, the Commission approved a "**Memorandum on the reduction and reorganisation of working time**". Given the persistent economic problems, the memorandum underlines that the Community should explicitly support and promote the combined reduction and reorganisation of working time as an instrument of economic and social policy. The Commission's initiative responds to the request made of it by the Social Council in May and the "Jumbo" Council in November 1982. The Commission, after holding consultations with the social partners, intends to make specific proposals for developing a Community policy framework along these lines.

The Commission will pursue contacts with the social partners on the issue of working time in the coming quarter. These aim to provide a basis for the eventual achievement at Community level of an agreement among the Member States to undertake action to accelerate the trend in the reduction and reorganisation of working time, accompanied by measures to improve competitiveness and to safeguard basic social rights. In the Commission's view, the **eventual aim** should be to set a broad target for a substantial reduction in individual working time, possibly expressed as a percentage range.

Moreover, in order to ensure that the reduction and reorganisation of working time contribute to the creation of durable employment and to the recovery of industrial competitiveness, the Commission will recommend **accompanying measures**, in particular :

- more flexible forms of work organisation should be planned at enterprise level; they should aim to achieve a more efficient utilisation of equipment through longer production times which would improve the productivity of capital;
- strictly limited wage compensation is the logical corollary of a policy on the reduction of working time, the main aim of which is to create jobs;
- action to promote geographical and occupational mobility should be reinforced so that labour market rigidities do not impede the job creation effects of reduction in working time;
- short-term financial assistance should be considered at national and Community level which would help the process to get started and to overcome the initial problems encountered by workers and companies;
- existing provisions which may effectively deter employers from recruiting new workers should be reexamined and, where appropriate, adapted to remove obstacles to the expansion of workforces following the reduction and reorganisation of working time.

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# Placement

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## Germany : Guidance for the unemployed evaluated

The Institute for Labour Market and Vocational Research — IAB — of the Federal Employment Institute (Christian Brinkmann and Karen Schober) evaluated the satisfaction of job-seekers with the services of employment counsellors. It indicated that some 70 per cent of the unemployed are either satisfied or very satisfied with the employment advice they receive. Almost half of those asked a few weeks after the onset of unemployment would have liked to have more advice and information than they had already received.

Experts' estimates are that the chances of more than half the job-seekers finding a job are bad, in part solely because of the labour market situation, in part at least also because of the placement problems of the individual (health, skills, etc.). In three out of every four cases in which counsellors pointed out such personal risk factors, the labour market situation was also named as a reason for the poor chances of placement. Such hindrances can hence not generally be considered separately from the labour market situation.

Despite their having for many years had an above average rate of unemployment, the situation of the 20-24 year-olds is clearly less problematic than of those who are younger, here in particular the under-18 jobless.

When work is rapidly accepted, significant "quality differences" are seen compared with previous employment : only some 40 per cent of those concerned saw no down-grading. Overall, there was a significantly high mobility of the unemployed, as has also been shown in earlier surveys of the unemployed.

## United Kingdom : Private employment services

In the United Kingdom private employment agencies (placement offices) and employment businesses (staff contractors/labour leasers) are allowed to operate under licence from the Secretary of State for Employment. Both activities are frequently undertaken by the same operator from the same premises.

The **main objective of licensing** is to ensure that employment agencies and employment businesses are properly conducted in order to protect the people (both employers and workers) who use such services. Regulations made by the Secretary of State set the standards of service to be provided, and inspections are undertaken by the Department of Employment's Licensing Officers to see that these standards are being observed. Serious offences can lead to prosecution in the courts.

There is no restriction on the geographical and occupational scope of employment agencies and employment businesses, and no restriction on the hiring out of workers on a temporary basis. Although the fees payable by employers are not controlled, the **charging of fees to workers is, in general, prohibited**. The exceptions are in respect of the entertainment and photographic and fashion modelling industries where there has been a long established and accepted system of the fee charging. In certain prescribed circumstances "au pairs" may also be charged a fee.

Following the implementation of national legislation on private employment services in 1976, the total **number of licence holders** rose steadily until 31 December 1980 when the figure reached 6990. At the end of 1981 and 1982 the number of licence holders was 6645 and 6614 respectively. A breakdown of the figure for 1982 shows that 2026 licences had been issued for employment agencies,

346 for employment businesses, and 4242 for employment agencies and employment businesses operated together.

It was thought that in the present economic climate the number of licences would fall substantially but this has not been so. Some agencies with several branches are known to have reduced the number of their branches, and a few have closed down. However, there still appears to be a **steady stream of licence applicants** seeking to replace them.

## United Kingdom : Review of the employment service

A comprehensive review of the general Employment Service in Great Britain was completed during the first six months of 1982. The review, carried out by a team of officials and people with experience of large retail organisations under the general supervision of Sir Derek Rayner (the Prime Minister's Adviser on Civil Service efficiency), focused on the operation of Jobcentres and their administration.

A **report was published** in June 1982 and the majority of its **recommendations** have been accepted by the Manpower Services Commission (MSC) and implementation will be completed by April 1984. In particular :

- the staffing basis scheme for Jobcentres is being brought up to date, and the staff grading of Jobcentre work reviewed;
- the network of Jobcentres is being reviewed to ensure that MSC services are delivered cost effectively;
- the programme of Jobcentre premises' modernisation is to continue with emphasis on criteria to ensure that accommodation costs are not excessive;
- the number of administrative Area Offices will be reduced from 14 to 9 and the number of District Offices from 100 to 69;
- a number of detailed procedural changes to Jobcentre operations are being implemented designed to improve the delivery of services.

The overall result of these measures will be to **improve the efficiency** of Jobcentres and to **reduce cost** by about **£ 8m per year**.