

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

No. 5 March 1984

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 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

- Germany: Employment prospects
- European Community: Small enterprises

Aid to the unemployed

- France: UNEDIC revised
- Germany: Allowance changes

Training

- Ireland: CEDEFOP survey
- Italy: Training contracts
- Luxembourg: Apprenticeships
- United Kingdom: Infotech Centres
Management training

Job creation

- Belgium: Subordinated loans
- Denmark: Programme figures
- France: LEI evaluation
- Greece: Statistics
- Ireland: Enterprise allowance
- Luxembourg: Corporate creation
- Netherlands: Young entrepreneurs
- United Kingdom: Enterprise allowance
- European Community: LEIs

Special categories

- France: Alternating training
- Greece: Sexual equality
- Ireland: Youth unemployment
- Luxembourg: Revised youth measures
- United Kingdom: Race relations
- European Community: Youth resolution

Working time

- Belgium: Municipalities
Overtime
- Germany: Early retirement

Placement

- Italy: Nominative
Evaluation of services
- Netherlands: Changing emphasis

Miscellaneous

- Belgium: New technologies agreement
- Germany: LTU profile
- European Community: New technologies

CEE: V/96

Developments at a glance

- Belgium** Following suggestions from the government, the trade unions' and employers' associations reached an agreement which came into force in 1984 on concertation for the introduction of new technologies (p. 21). Details are now available (p. 8) on the previously announced scheme to encourage entrepreneurship by the unemployed by enabling them to capitalise future unemployment allowances up to some 11,000 ECUs via a new Participation Fund. With a view to stimulating municipalities to rehire unemployed workers whom they have encouraged to move into other schemes less onerous to them (CST and TCT), the government has dangled incentives for reaching working time agreements (p. 17). Finally, a decree seeks to discourage overtime working and its consequent costs to government for short-time working (p. 18).
- Denmark** Following the elections in January, a new government had not been formed by the end of the month. One of the key policy issues in the negotiations for any new government will be youth policy. In the meantime figures are now available for persons employed under the Job Creation Scheme which was brought in by the Act of June 1982 (p. 9).
- France** A protocol agreement was reached in January 1984 between the employers' association and three trade union confederations on splitting the UNEDIC unemployment system into two distinct "volets" (p. 4). An appraisal has been published of the quantitative impact of the 1981 scheme to encourage the creation of local employment initiatives (p. 10). An agreement was reached between the employers' associations and the trade union confederations (except the CGT) which should provide some 300,000 people aged less than 26 years with one of three types of "alternating" or "sandwich" training in 1984 (p. 13).
- Germany** Employment prospects for 1984 depend partly on the economic situation, partly on various labour market measures and partly on time actually worked (p. 3). Modifications in requirements for and amounts of allowances which came into force in January 1984 are given on p. 4. The Labour Minister has put forward a bill aimed at enabling early retirements to 1988 to be taken by 59 year olds so as to reduce pressure on the labour market (p. 19) - the next issue of inforMISEP will discuss the related "59 year regulation" and the government's proposed restrictions. A recent study of the Federal Employment Institute's research body, the IAB, by profiling the long-term unemployed, seeks to guide employment officers in how best to treat them (p. 22).
- Greece** Parliament has recently passed the law applying the principle of equality of the sexes in labour relations (p. 13). The latest available figures are provided on various job creation schemes (p. 10).
- Ireland** The Enterprise Allowance Scheme was brought in on an experimental basis in December 1983 to encourage unemployed persons to establish a business (p. 10). Among the programmes of the Youth Employment Agency (p. 14) not previously presented in inforMISEP is the Marketplace programme aimed at young marketing graduates. The results of the 1982 CEDEFOP survey to identify trends in innovation in continuing learning and training having particular reference to the employment market have recently been published by AnCO (p. 5).
- Italy** The latest figures for the number of young persons making use of time contracts are provided (p. 5) as are those for the one year opportunity to take up "nominative" requests for employees (p. 20). A general review is also provided of the experimental approach of placement offices in two regions (p. 20).
- Luxembourg** A recent Grand-Ducal ruling encourages the trades of handicrafts, hotels and restaurants to take on apprentices (p. 6). The 1984 budget law has reformed the special measures for integrating young people into working life (p. 15): the traineeship-initiation contract; in-company preparatory traineeships; and the creation of socio-economically useful jobs. Capitalising unemployment allowance rights is a new means also brought in by the 1984 budget law to encourage entrepreneurship (p. 11).
- The Netherlands** The employment services have, since September 1983, been emphasising the need to enhance working relationships with employers (p. 21). The support provided to the young entrepreneurs to start their own business is the focus of a working group since the nature of aid provided varies considerably from one part of the country to another (p. 11).
- United Kingdom** Encouraging young unemployed persons' access to information technology training centres has proved to be so successful that the scheme is being greatly extended (p. 6). In Northern Ireland, the Entry to Management Programme is aimed at the unemployed (p. 7). The Enterprise Allowance Scheme is again being extended so that some 60,000 people should be helped by it in the two years 8 months to March 1986 (p. 12). The Race Relations Employment Advisory Service helps employers and ethnic minorities to enhance race relations especially at the workplace (p. 16).
- European Community** The Commission has sent the Council a communication on "The social challenges of technological change", which covers education and training, working time and conditions, and technological agreements (p. 22). In January the Commission jointly organised with the OECD and the German Federal Employment Institute a seminar on local employment initiatives and employment services, the draft conclusions of which are provided (p. 12). The Council has produced a resolution on the promotion of employment for young people (p. 16), whereas the Commission has published an analysis of the trends in employment in smaller firms in several member countries (p. 3).

Overall developments

GERMANY: Labour market prospects 1984

1983 saw a deterioration in the labour market situation with a 1.6% (400,000) fall in the number of persons employed and a rise (440,000) in the number of registered unemployed to 2.27 million. Almost every tenth worker experienced unemployment during the year.

However, the underlying upward trend in unemployment since 1980, eased in the summer. This is explained not just by the cyclical upswing but also by **special factors**:

- Through increased deployment of resources during the year, the Federal Employment Institute (BA) has considerably raised the number of people employed in **job creation measures (ABM)**. (See information no. 1). In October 1983 33,000 more persons were participating in ABM than in October 1982. Additionally, there were indirect effects of ABM. Overall, through ABM 50,000 more persons were employed in the autumn and 40,000 fewer were unemployed than there would have been without these measures.
- A second exceptional factor stems from the increased number of **new training contracts** in the dual system. The intensified efforts to cope with the large influx of persons seeking training places caused by demographic trends were demonstrated in the increase of employment of some 30,000 persons (statistically, "trainees" are gainfully employed persons).
- A certain role was played by the increasing **return flow of foreign workers**, without which the numbers of unemployed foreigners would probably have risen slightly more. Through their return the increase of potential numbers on the labour market - some 150,000 Germans - was noticeably reduced.

Yet a good half of the change in the labour market situation can be attributed to the **economic recovery**, with the increase in demand and production since the beginning of the year. As is usual in phases of economic upswing, productivity is now increasing somewhat more rapidly. The delay in the labour market impact of the slight economic upswing is "normal" when the current increase in labour supply is considered.

The **forecasts for 1984** must be based on the available expectations of the research institutes - currently a real GDP increase of 2%. The expectations for the second half of the year are without exception more pessimistic than for the first half. In such economic growth, productivity, as a consequence of slightly rising capacity utilisation, will continue to increase (+3%) so that the volume of work of the economy overall - the sum of all hours worked - will sink by around 1%.

On the other hand, there is likely to be a further drop in the average **time worked** annually. For there will be a drop in the number of working days compared with 1983 and the slight changes in the various components (weekly working hours agreed to by collective bargains, annual holidays, part-time working, overtime, short-time working, etc.) add to the slight decline in the average.

Furthermore these estimates assume that the efforts and resources made available in the central areas of **active labour market policy** will again be increased in 1984. Thus it is assumed according to the BA's draft programme budget that ABM resources will be available for, on average, 70,000 workers which could hardly be considered an increase on the 65,000 ABM jobs at the end of 1983; it would merely maintain the current ABM employment numbers and prevent them from falling. It is furthermore assumed that particularly for dealing with future labour market problems, in the important area of vocational training and re-education there will be an increase of some 10,000 participants in full-time measures. But the major assumption is that in 1984 there will be a greater number of persons taking up short-time working than in 1983, so that 1984 would have an annual average of 750,000 short-time workers.

Overall, the use of such BA labour market instruments could keep the number of unemployed in 1984 at some 370,000 lower than could otherwise be achieved. Compared with 1983, this relief would constitute again an increase of about 50,000 persons.

In all these premises it is assumed that the annual average **working population** will not further decline. On the one side the potential labour supply in 1984 will increase by somewhat less than in 1983, since the demographic effect on the German population will be somewhat weaker in impact and the return home of foreigners will continue.

For the labour market overall this means that there is unlikely to be any major change in the number of **registered unemployed** compared with 1983: 2.3 million. Should the economy pick up better, as the Kiel Institute for the World Economy is forecasting, then, given a 3% GDP increase for instance, the number of unemployed will be lower (2.24 million), one part of the increased activity being absorbed through increased productivity growth. On the other hand, and the mirror image of 1983, there is likely to be an increase in the level of unemployment, should labour market policy efforts not be intensified but even cut. In this case unemployment would rise to 2.35 million or more.

The political decision on allocating resources for the active labour market policy has to be taken having cost considerations and savings in mind. It should be remembered in this respect that active labour market policy and unemployment behave like communicating vessels so that extra costs in one place will inevitably be counterbalanced in another part of the total government spending. Thus, taking an overall fiscal view, which on top of everything includes indirect primary and secondary effects into the calculations, when all is said and done an active labour market policy is not, or hardly any more expensive than financing unemployment.

EUROPEAN COMMUNITY: Employment and smaller firms

The Commission of the European Communities has recently published a study (1) dealing with the relationships between employment and the size of companies in a number of member countries. The study follows from the belief that an effective and selective

employment policy has not only to determine growth areas but also those groups which foster growth. It is also a response to the study of the United States by Birch ("Who creates jobs?", *The Public Interest*, no. 65, 1981). For the experiences of the USA in the 1970s clearly point out that small and medium-sized enterprises are the creators of jobs.

The Community study shows that **in the 1960s** in Belgium, France, Germany and the Netherlands there was a decline in the number of small companies and an increase in the number of large ones. In the United Kingdom the trend which had been developing over two decades in the decline of the number of small companies stopped and was even reversed.

Matters changed **in the 1970s**. Although there were obviously national characteristics, **three trends** can be discerned:

- The increase in the number of small companies by the creation of new firms in the industrial sector. Corporate closures contrast with increased creations. The risk of failure by creating new companies remains, however, very great.
- Greater employment maintenance in medium-sized companies during the recession. However, there were very considerable differences between sectors of the economy.
- The rapid spreading of small companies in the service sector, a development of less significance in Germany than in the other countries.

1. D. Baroin, P. Fracheboud: Développement de la politique de l'emploi : Petites et moyennes entreprises et création d'emplois dans la Communauté Européenne, Etude no. 81/28.

In as far as the small amount of data collected enables conclusions to be drawn, it would seem that these tendencies have been combined with an additional creation of jobs. However, it should not be overlooked that the employment provided is under comparatively worse conditions in the form of lower wages, less stable employment relationships or fewer social benefits than in larger companies. Smaller companies also adapt the numbers they employ or the number of hours worked more rapidly to demand conditions.

The study says little about the reasons and motives which have led to the creation of new companies. Certainly, whereas there is supposed to be a correlation between the number of persons unemployed and new firms' creation, it is rarely the unemployed who in fact found new companies. Although in the proper meaning of the word they are not new corporate creations, the study draws attention to examples in France, Great Britain and Italy where the employees, or a number of them, have bought out companies experiencing economic difficulties so that they could continue with them.

The last part of the survey deals with the specific problems of small companies and the possibilities of their promotion. The main problems are often the inadequate capital base, limited access to the capital market and the dependence on larger companies through being subcontractors. Proposals are made for financial help in the form of preferential credits, fiscal encouragements, preparatory courses for potential entrepreneurs, promotion of joint institutions or initiatives such as purchasing or marketing co-operatives, and making available information on technical developments, market research, export possibilities, etc.

(Information taken from an IAB, Nuremberg document.)

Aid to the unemployed

FRANCE: Reforming the unemployment allowance system

Negotiations which were started on October 21, 1983 to reform the unemployment allowance system (the UNEDIC (1) agreement repudiated by the employer side which was to expire on January 31, 1984) resulted in a draft agreement on January 11, 1984.

This agreement, which was signed by the employers' group and some of the trade union organisations, constitutes a simple protocol and not a final agreement. It brings in **important innovations** compared with the current UNEDIC agreement.

Whereas the system currently in force is based upon the sole competence of UNEDIC as regards allowances for unemployment, the new unemployment allowance system consists of **two separate sides**:

1. Union Nationale pour l'Emploi dans l'Industrie et le Commerce - National union for employment in industry and trade, a jointly managed body for the unemployment allowance system.

- a system of unemployment insurance administered jointly by the social partners. This system, which must be in financial balance, is solely for unemployed persons who have paid in contributions for a minimum period; and
- a solidarity system, financed by the state, which will take charge of non-contributory type payments.

The **provisional agreement** reached on January 11 1984 deals exclusively with the first side (unemployment insurance). It was signed by only three trade union organisations (FO, CFTC and CGC). The two other confederations (CFDT and CGT), considering that the two systems of insurance and solidarity constitute a whole, have reserved their stance until the second side of the arrangement has been set out. Negotiations must be started to this end between the trade union organisations and the government.

GERMANY: Modifications to the Employment Promotion Act as of January 1, 1984

With regard to benefits for the unemployed and those

participating in vocational training or re-training measures, the following changes came into force in January 1984:

Qualifying period

In the future, the qualifying period will be fulfilled by:

- periods of time for which contributions to the Federal Employment Institute had to be paid because of drawing sickness pay, sickness care benefit, injury money or a temporary allowance;
- periods of drawing special assistance according to the maternity protection act or periods of drawing a maternity allowance if, for pregnancy or maternity reasons, a contributory employment or the drawing of unemployment benefit, unemployment assistance or a subsistence allowance were interrupted.

Amount of unemployment benefit/unemployment assistance

Unemployed persons who, from the point of view of taxation, have no children will henceforth be paid a reduced rate of unemployment benefit/unemployment

assistance. Unemployment benefit will amount to 63% and unemployment assistance to 56% of the remuneration less the normal and compulsory deductions.

Notification requirement

If a child or children is/are registered on the income tax card of one of the parents and if the conditions for registration no longer apply (e.g. when the sole registered 16 year old child has completed his vocational training), the labour office must be notified immediately.

Amount of the subsistence allowance

The subsistence allowance will in future consist of the following percentages of the remuneration less the normal and compulsory deductions:

- 70% for a beneficiary having at least one child who fulfils the conditions of the requisite paragraphs of the income tax law, or whose spouse with whom he cohabits cannot take up employment because he/she needs care;
- 63% for all other beneficiaries.

Training

IRELAND: Survey to promote employment through innovations in training

AnCO, the Industrial Training Authority, has recently published the Irish findings of a European Community survey which sets out to identify trends in innovation in **continuing education and training** which have particular relevance to the employment market.

This survey, which was sponsored by CEDEFOP - The European Centre for the Development of Vocational Training - was carried out in 1981/82 as part of their programme to develop sources of information on significant and useful new training and education initiatives taking place within the Community and making these available for use by practitioners and policy-makers within the Member States.

CEDEFOP identified three specific areas which were to be given priority in the survey:

- (i) new training programmes to meet the challenges posed by changes in technologies;
- (ii) training initiatives to respond to the threat of unemployment;
- (iii) training initiatives to assist the unemployed, particularly the long-term unemployed.

A fourth area was included which reflected significant trends arising from the Irish survey.

Nineteen projects were selected as examples of significant trends in innovation in Ireland. Projects in the new technology area were selected to reflect the particularly high quality of innovation taking place to meet the challenge of change. They were also chosen to reflect the close involvement of the third level education sector in innovative projects designed to meet the needs of industry and the labour market.

In relation to innovation responding to the threat of

unemployment, the survey revealed that Ireland has made a significant contribution through the creative involvement of training in the expansion of new businesses.

Those initiatives submitted for the long-term unemployed were aimed at the younger age group particularly, with specific problems and training needs. A major trend which emerged from the survey was the special attention which is being focused on training and education initiatives to help young people leaving school to gain employment and improve their career opportunities.

ITALY: Time contracts for young people

The January 1983 national agreement on labour costs and employment, which was converted into law no. 79 of March 25, 1983, foresaw in particular new time contracts for young people. Enterprises are enabled to take on young people from 15 to 29 years of age by name call ('chiamata nominativa') with a time contract which does not exceed 12 months and is aimed at training them by working in the company (see information nos. 2 and 3).

The figures for persons employed through this scheme from July to December 1983 are as follows:

Of the total 83,797 young workers with such a time contract for training, 58,120 were male and 25,677 female. The **sectoral breakdown** was:

- agriculture	2,329
- industry	60,798
- services	20,670

with the **company breakdown** by numbers of persons employed being:

- up to 49 persons 61,992
- from 50 to 249 persons 16,222
- from 250 to 499 persons 2,969
- more than 500 persons 2,614

LUXEMBOURG: Promoting apprenticeships in the hotel and restaurants trade and the handicrafts (RGD of 21 September, 1983)

This Grand-Ducal ruling was taken by virtue of the laws of April 8 and December 24, 1982 aimed at ensuring and maintaining the overall competitiveness of the economy.

It enables an employer who in the course of the year 1983 takes on an apprentice or prolongs an apprenticeship in a handicraft trade and the hotel and restaurant trade to request the Unemployment Fund to pay a special apprenticeship promotion premium amounting to:

- 630 francs a month for an apprentice employed and compensated under a first year apprenticeship contract, concluded in 1983;
- 515 francs a month for an apprentice employed and compensated under a second year apprenticeship contract, starting in 1983;
- 420 francs a month for an apprentice employed and compensated under a third year apprenticeship contract, starting in 1983.

The right to premium payment commences after an apprenticeship period of at least six months and terminates at the end of the apprenticeship year for which it has been requested. The aforementioned premia cannot be drawn concurrently.

The cost of the measure for the Unemployment Fund has been estimated at some 15 million francs in 1983/84. This is based on the number of apprentices employed in the trades in question in 1983:

- 850 first year apprentices
- 830 second year apprentices
- 670 third year apprentices.

For 1983, the breakdown in the number of apprentices was as follows:

	Handicrafts	Restaurant trade	Hotel trade	Total
1st year	760	40	45	845
2nd year	740	40	45	825
3rd year	600	40	30	670
Total	2100	120	120	2340

UNITED KINGDOM: Information Technology Centres (ITeCs)

The **concept** of an ITeC programme came originally from Kenneth Baker (Minister for Information Technology) following a visit he made in early 1981 to an MSC (Manpower Services Commission) funded Training Workshop. Impressed by the micro-computing and electronic skills being taught to young people lacking any formal educational qualifications, the interest generated by these activities and the subsequent success of the trainees in getting jobs in the local economy, he floated the idea of establishing, with the help of major companies in the new technology field, a number of similar training centres throughout the country.

It was subsequently agreed that the MSC and the Department of Industry (now Department of Trade and Industry) would jointly fund an **initial programme** of 20 centres located mainly in inner city areas. This initiative was announced by the Prime Minister on 27 July, 1981. From the outset ITeCs attracted a great deal of interest and support from industry, commerce and local government. The overall target figure for the programme was increased to 30, then to 100 and in October 1982 to at least 150 centres. Currently 103 ITeCs are fully operational.

ITeCs although launched under the Youth Opportunities Programme are now an integral part of the Government's **Youth Training Scheme (YTS)** which commenced in April 1983. They **aim** to teach unemployed young people basic skills in the area of new technology. The young people eligible to join the ITeCs must be unemployed 16 or 17 year old school leavers although these rules are relaxed for disabled young people.

ITeCs normally have three distinct **areas of activity** namely micro-computing, electronics and the electronic office which enables trainees to learn a broad range of IT and computer related skills.

The courses last up to 12 months and within this period trainees will also have 13 weeks off-the-job training/further education. This may include life and social skills training, further education and residential training. There is also a limited amount of time spent on work placements. These occur usually towards the end of a trainee's course and are meant to assist them find permanent employment.

Most ITeCs start with 30 trainee places and 6 adult instructors. However, as the earlier ones have established themselves they have been able to expand the number of trainee places they offer. As the trainee adult ratio is 5:1, the number of adult supervisors rises as the trainee places expand. There are therefore ITeCs which now offer 70 trainee places and employ 14 adult instructors.

Most of the **central government finance** for the ITeC programme comes from the MSC with additional help from the Department of Trade and Industry, which provides £75,000 over the first 3 financial years of each centre. The MSC financial assistance falls into five broad areas:

- trainee allowance, currently £25 per week;
- a contribution towards adult instructors' salary costs;

- an operating grant of £600 per trainee/adult place. This grant is available per annum;
- a capital grant of £545 per trainee/adult place. This is a one-off grant;
- specific grants to fund further education, staff training and general transport facilities.

The responsibility for the day to day running of an ITeC falls upon the **sponsors**. These may be any responsible organisation with an interest in new technology training including local authorities, private companies and voluntary organisations. One of the most encouraging aspects of the programme is the way in which companies involved in the new technologies such as Plessey, ICL, Ferranti, IBM, Mullards and GEC Marconi, have become involved in the ITeC programme. Sponsors assist the running of an ITeC in a number of ways. They employ the adult staff and are responsible for the ITeC management. They may also donate money, equipment, staff or premises.

One aspect of ITeCs which is different from other YTS schemes is the concept of **open access**. This involves the ITeC allowing local individuals or groups to have access to the equipment during the day, in the evenings or at weekends, when the trainees are not using it. Local businesses may also use the ITeC facilities and a charge is normally made for this service. ITeCs also undertake other commercial work, including data and word processing, acting as agents for computer suppliers or helping small businesses computerise their workload.

All trainees in the YTS will have to be given some **training in computer literacy/information technology**. Some of this training will not be readily available and it is envisaged that ITeCs will help provide this for other YTS sponsors.

Results from a survey of ITeCs in 1983 indicated that 71% of trainees had found employment or had gone into further education.

When the 150 ITeCs are fully operational they will be offering at least 5,500 training places and be providing training for other YTS schemes. Their early success augurs well for the future.

UNITED KINGDOM: Management training in Northern Ireland

The Department of Economic Development for Northern Ireland administers two management training programmes. These are the Management Development Programme and the Entry to Management Programme.

(a) The **Management Development Programme (MDP)** encourages private sector firms to develop management structures and to train individual managers in a planned way to a high level of management competence. The MDP contains 3 schemes:

Consultant Grant Scheme encourages organisations to employ a professional consultant to survey their management training needs. The assistance available is a grant of up to 50%;

Training Grant Scheme encourages organisations to use external management courses and external management trainers. Within certain limits the assistance available is 50% grant of course or trainer fee as well as of appropriate expenses;

Trainee Manager Development Scheme encourages organisations to recruit and train young managers as part of a systematic approach to their management needs. The assistance available is 50% of the salary for one year of a newly recruited trainee manager (up to a maximum of £3,000 assistance).

Eligibility for assistance under the MDP has been confined to:

- manufacturing firms;
- service sector firms assisted by the Industrial Development Board or Local Enterprise Development Unit (LEDU);
- hotels registered with the NI Tourist Board.

The question of scope was under review at the end of 1983.

(b) The **Entry to Management Programme** encourages unemployed persons to undergo appropriate training to fit them for entry or re-entry to jobs in management.

Northern Ireland Management Centre

As well as the management training programmes mentioned above, The Department of Economic Development has encouraged industry to set up a Northern Ireland Management Centre (NIMC) as a focus for leadership in management and entrepreneurial development. The NIMC would be owned by and responsible to its industrial membership. Following a report early in 1983 by a Steering Committee set up by the Northern Ireland Economic Council (NIEC), a Founder Board composed of representatives of relevant interests and chaired by the NIEC Chairman was appointed by the Minister at the Department of Economic Development. The Founder Board has had several meetings since April 1983 and has met representatives of major providers of management training. It is hoped to recruit a suitable NIMC Director early in 1984.

Job creation

BELGIUM: Loans to the fully compensated unemployed wishing to create an enterprise or become self-employed

Purpose

Some unemployed persons would like to be able to draw on their educational background or professional qualifications to move into a profession or set up their own enterprise. Financial support is often a key factor in deciding on such a start-up.

To meet this need and to trigger off a movement to create a growing number of lasting jobs, the idea has been developed of enabling certain unemployed persons to capitalise their future unemployment benefits up to an amount not exceeding 500,000 frs.

This idea has been developed through significantly enlarging the legal tasks conferred on the "Fonds de Participation" (Participation Fund) set up within the C.N.C.P. - Caisse Nationale de Crédit Professionnel (National Bank for Vocational Credit) - by the economic orientation law of August 4, 1978. Through the law of July 13, 1983, the Fund has been authorised, provided certain conditions are respected, to give the unemployed persons concerned a subordinated loan not exceeding 500,000 frs (see inforMISEP no. 3, p. 9).

The Royal Decree of August 22, 1983 sets out the regulatory arrangements necessary for giving these subordinated loans.

The unemployed person who becomes self-employed or sets up his/her own enterprise keeps the right to unemployment benefits for six years following his establishment with the exception of the period constituted by the number of working days, which is obtained by dividing the amount of the money made available by the Fund by the amount of the last unemployment or waiting benefit given to the worker. This period, however, cannot be in excess of three months.

The Participation Fund draws on money made available for these subordinated loans covered by the budget of the Ministry of Employment and Labour.

Originality of the approach

The loan is subordinated in the sense that the lender (the Participation Fund) accepts, when competing with the borrower's other creditors, having their claims put before its claims, with the exception of those of the corporate managers, its associates and its directors and those of creditors whose bad faith would have been established. In other words, if the enterprise does not survive, the loan will be considered as equity by the other creditors; this can, if necessary, provide an incentive for banks to more easily give a supporting loan which is sometimes necessary.

This subordinated loan is provided in the form of a credit line. It covers in particular, entirely or partially, the material, non-material, financial investments as well as the needs for working capital, including in this the money required for starting up activities.

The subordinated loan in no way compromises, during the period which it covers, either the freedom or the entrepreneurial spirit of the beneficiary.

The provision of subordinated loans is the subject of an

agreement established in the name of the unemployed person solely and without any involvement whatsoever of the spouse in whatever capacity this might be.

The target group of unemployed

Only a fully unemployed person receiving compensation and meeting the following conditions can receive a subordinated loan:

- become a self-employed person or work alone;
- become a self-employed person and link up with other partners, whether or not they are unemployed, to set up or take over an enterprise of which he becomes an active associate;
- become self-employed or active associate of an existing company;
- participate in the creation or take-over of an enterprise.

It is essential to note that the Fund requires no guarantee whatsoever by the unemployed person except that his project is, economically, sufficiently viable. However, providing a subordinated loan is subject to the whole of the financing of the project being insured.

Duration of the loan - Write-offs

The minimum duration of the loan is 10 years and the maximum 15 years. As regards so-called "preferential" activities, the duration is, however, 15 years. A 5 year exemption is brought in for reimbursing the capital.

Annual write-offs are set according to ways and means to be decided on, the first reimbursement having, however, to be made at the end of the year following the period of exemption.

If the beneficiary meets any difficulties in honouring his engagements contracted with the Fund, the management committee can rearrange, in as far as the continuity of the activity depends on it, the ways and means set out in the loan agreement.

If the beneficiary fails in his enterprise, the Participation Fund only asks that the remainder of the subordinated loan be paid back if this cessation took place after six years from the beginning of the activities or in cases of being found guilty of certain offences (forgeries, fraudulent bankruptcies, etc.).

Rates of interest

The rate of interest is fixed for the entire duration of the subordinated loan.

The rate applied is that for advances for the same time period specified by the Caisse Nationale de Crédit Professionnel with a 10% reduction. It cannot be less than 5% except for so-called "preferential" activities, and can in no case be less than 4%.

Conditions for granting money

The contribution of the Ministry of Employment and Labour on which the Participation Fund can draw can only be provided if the unemployed person has obtained a subordinated loan from the Fund in order to

enable him to carry out as a main activity:

1) a so-called "preferential" activity, i.e., one which, according to the management committee of the Fund, meets one of the following conditions:

- is innovative in character;
- deals with manufacturing industry, art handicrafts, and exploiting or enhancing natural resources.

2) any other activity falling outside those sectors that the Regions of Belgium provide for drawing on an interest rebate foreseen by the economic reorientation law of August 4, 1978. Thus, a horticulturist who is excluded from having an interest rebate within the framework of the August 4, 1978 act can nevertheless draw on a subordinated loan since his activity is considered to be one of enhancing natural resources.

It should be noted that for trades which require professional and vocational standards to be met, the beneficiaries must meet the criteria set out by their regulations. In other activities, beneficiaries must show their professional skill and their managerial talent.

Possible supplementary financing for the project

If the credit needs of the unemployed person exceed the amount of the subordinated credit given under these specific conditions, it is always possible for him to draw upon the aid provided by the Participation Fund for establishing and strengthening the equity of small and medium-sized enterprises by asking for additional aid in the form of credit and/or of subordinated loan, on the usual conditions which could then, in cases of renunciation, be recouped according to the rules of common law.

Use can also be made of ordinary credit bodies. The subordinated loan given within the framework of aid for indemnified unemployed persons with a view to their setting up as self-employed or creating an enterprise is then also prevailed over by the loan given within the framework of aid on usual conditions.

Accompanying measures

Together with the measures indicated above, a set of changes has been brought in regarding unemployment regulations with the aim of opening up access for the unemployed to independent trades. Thus, every unemployed person receiving an allowance who interrupts his period of unemployment in order to become a self-employed person maintains, over a six year period, the right to be able to draw again on unemployment benefits and to re-register as a jobseeker in cases of failure of his enterprise. Similarly, every unemployed person who wishes to follow management training within an institute recognised by the Ministry of the Middle Classes does not need to sign on over a maximum period of one year. During this period, he will not be considered as a jobseeker. Furthermore, every indemnified unemployed person who wishes to prepare for becoming a self-employed worker is dispensed from signing on during the three months which precede the beginning of his self-employment.

Finally, the government has seen to establishing an infrastructure which enables persons thinking of becoming self-employed or the self-employed who have recently taken up training and technical assistance to start out on their career with the best chances of success. By virtue of this decree, certain bodies whose task is to assist and to advise existing small and

medium-sized enterprises as well as those being created can increase their staff by taking on qualified unemployed workers. Their pay and social contributions will be taken over by the state so that they can provide these enterprises with adequate assistance, training and advice.

DENMARK: Effects of the 1982 Job Creation Act

The new job creation scheme (see inforMISEP no. 1, p. 9) came into operation on March 1, 1983. The **objective of Act** no. 286 which was passed on June 9, 1982 is to create new jobs by granting support to new local and especially private work initiatives.

In order to be considered as job creation **two conditions** must be satisfied: first, the work must lead to activities which will increase employment and which would not otherwise be performed, and, secondly, the work must benefit the community as such.

Job creation activities should, as far as possible, be performed by or in co-operation with private undertakings, but anybody can apply for public support for them. Those involving production for sale on the open market must be submitted for the approval of the labour market board whether or not they receive public support. These boards decide whether support should be granted to particular activities. The amount of the support is 80% of the maximum amount of daily cash benefits as per 1 October of the preceding year; in 1983 the support was about 40 D.kr. per hour or about 84,000 D.kr. per year. The support is granted for one year, but may be renewed for a maximum period of three years. The labour market board may attach certain conditions to the granting of support such as recruitment of special groups of unemployed persons for the activities.

Any person recruited to job creation activities must be in the 18-24 age group at the time of recruitment. Where it is necessary for the performance of the work, persons over the age of 25 may be employed in connection with such activities. Persons recruited must at the time of the placement have been unemployed for a period of at least three months preceding such placement. However, under certain conditions exemption may be granted from this requirement.

The Act also enables persons employed in job creation activities to participate in courses during normal working hours with pay.

The following **statistical data** is available for the 19 months from the time the scheme came into operation until September 30, 1983:

- a total of 1,143 job creation projects were implemented, 212 in private undertakings, 169 in co-operation between private undertakings and public institutions, 756 in public institutions and 6 in other types of undertakings.
- 10,030 jobs were created under the scheme, the majority of which were in the public sector.
- about one third of the jobs created were in projects involving actual production to be sold on the market.
- 80% of the jobs created were subsidised by the state.
- 1,259 jobs were created in private undertakings,

some two thirds in the following four sectors: food, beverages and tobacco; iron and steel; building and construction; and sports and recreational activities.

- some 53% of those employed through job creation projects are men.

FRANCE: Preliminary outcome of local employment initiatives

Aid to job creation through local initiatives was brought in in October 1981. The annual grant - 40,000F for each job created - is aimed at fostering the development of new activities and at helping original approaches to job creation.

By October 15, 1983 some 16,000 jobs had been created through the "local employment initiatives" programme. From a preliminary statistical analysis the following picture emerges.

General data

Most of the jobs have been created in the private sector, usually in already operating "associative" structures. Half of these jobs are in the social or cultural field. A majority of the persons taken on are unemployed, being significantly more qualified, younger and with more diplomas than the average.

The "Mission Promotion de l'Emploi" (the Employment Promotion Group) entrusted with implementing this policy notes, however, that "too often such local initiative jobs are confined to the margin". Hence for 1984 it has proposed that its action develop towards "real" small enterprises, backward regions and young entrepreneurs. "The dislike of profit making economic activities must be overcome" is what the LEI promoters say. But this must be done without watering down the aid which must be earmarked for "social and economic innovation".

Profile of the bodies

- As regards their **legal form** associations represent more than half of the creating bodies and 47% of the jobs provided. The municipalities ("communes") make up one quarter of the bodies but nearly one third of the jobs created. The average number of jobs created is 1.9 per body.
- As to their **size**, more than 18% of the private bodies had no wage-earner before hiring someone by drawing on help for creating local initiative jobs. At the other end, 18.3% of the bodies had more than 10 wage-earners.

Thus the vast majority of bodies which have been able to develop through this programme have been small in size.

- As regards the **type of activity**, it is social activities which most often receive grants (32.5% of the jobs created).

Types of jobs created

- As regards the **nature of working contracts**, nearly 94% signed by employers are of unlimited duration.
- As regards the **length of the working week**, a significant proportion of jobs are part-time (22% of the jobs created).

- As to their **nature**, administrative as well as maintenance and security jobs represent nearly one third of the local initiative jobs created. 18.6% of the jobs created are "socio-cultural", with "productive jobs" only representing 9%. Most of the **wages paid** were in the SMIC+20% to SMIC+50% bracket.

Profile of the persons taken on

More than 52% of the persons were not registered at ANPE (previous registration at ANPE, which was not compulsory in 1981 and 1982, was made compulsory in 1983).

The persons taken on were younger than the national average. Compared with the working population of wage-earners, women were "over-represented".

Persons holding a school-leaving certificate or a degree represented 43.6% and those with no such qualification 56.4%.

N.B.: It should be remembered that this statistical survey deals to a large extent with jobs created within the framework of the scheme introduced in October 1981. This **scheme was modified in March 1983** (decree no. 83.149 of March 2, 1983):

- public bodies are no longer able to claim aid for local initiative jobs;
- previous registration at ANPE is henceforth compulsory for taking on a person for a local initiative job.

GREECE: Recent figures on employment measures

Following the measures on youth unemployment since November 1982, 8,793 people were hired and 1,197 enterprises were financed.

Under measures on job creation by financing local authorities, 9,224 unemployed people (especially building workers) were hired.

According to the job creation programme for people of 30 to 60 years of age, 700 unemployed were hired by local authorities (the programme started in September 1983 (see inforMISEP no. 4).

According to the job creation programme for young people aged 18 to 25, 604 young people were hired (inforMISEP no. 4).

IRELAND: Enterprise Allowance Scheme

The Enterprise Allowance Scheme was established in December, 1983 on a pilot basis. It is administered by the National Manpower Service. Its **purpose** is to encourage unemployed persons in receipt of unemployment payments to establish a business. Projects in most sectors of economic activity will be considered. The business must be new and independent and not linked in any way with an existing enterprise.

To satisfy the **conditions** for entry to the Scheme applicants must be:

- Persons on the Live Register who have been in receipt of Unemployment Benefit/Assistance for at least 13 weeks immediately preceding entry to the Scheme; or
- Persons who immediately preceding entry to the

Scheme are attending an approved training course following a period on the Live Register during which they were in receipt of Unemployment Benefit/Assistance provided that the two periods together make up at least 13 consecutive weeks; or

- Persons in receipt of the Disabled Persons Rehabilitation Allowance while attending a training course approved by the National Rehabilitation Board for 13 weeks immediately preceding entry to the Scheme.

Applicants must show that they can invest IR£500 from their own resources in the business if this is necessary and that they have access to sufficient working capital for the operation of the business.

The **enterprise allowance** is IR£50 per week for a married person and IR£30 per week for a single person and is payable in lieu of Unemployment Benefit/Assistance. The allowance will be paid for a maximum of 52 weeks provided the business continues for that period. In a limited number of cases the enterprise allowance or part thereof may be paid in the form of a lump sum to facilitate the purchase of capital assets.

It is hoped that the Scheme will encourage the establishment of a number of successful enterprises and result in the creation of a number of jobs through the recruitment of employees by those participating in the Scheme.

LUXEMBOURG: Aid to create enterprises by the indemnified unemployed

The budgetary law of December 19, 1983 brings in an aid mechanism of the Unemployment Fund for unemployed persons who create their own enterprises.

According to the text of this law, this aid is reserved for unemployed persons receiving full compensation who are particularly difficult to place. They must either create/take over an enterprise (which they must really control) or take up a non wage-earning job in a sector or branch which is made eligible by means of regulatory decision.

The aid is given in the form of capitalising the unemployment allowances which would have been paid to the job creator if he had not created or taken over an enterprise or if he had not opted for a non wage-earning self-employed activity.

The **capitalisation** of the allowance rights is doubly limited:

- on the one hand, the periods of capitalised indemnisation cannot exceed the 12 month maximum period of indemnisation written into the law of June 30, 1976;
- on the other, the capitalisation of the rights will be limited to the indemnisation periods of the first six months which follow the taking up of the activity by the unemployed person.

The maximum **cost** of the capitalisation measure for the indemnified unemployed person can amount, taking account of the allowance ceilings fixed for the first and second half year period of indemnisation, to between 294,000 and 367,000 francs.

NETHERLANDS: Support for young entrepreneurs starting their own business

An independent working group has been set up by the Ministry of Social Affairs to prepare policy on support for new business, an area in which there has been growing interest of late. One of the reasons for this interest is the present economic situation and employment trends.

At the moment unemployed people may, under certain conditions, be eligible for additional benefit for a number of months, usually three, if they start their own business. This procedure is not based on a statutory entitlement but has developed over a period of time. The bodies making payments, the industrial associations in the case of the Unemployment Benefit Act (WW) and the local social services in the case of the Unemployment Provisions Act (WWV) and the RWW, conduct their own policy. They apply social and economic criteria when making decisions. Unemployed persons who have little or no chance of finding a suitable new post in an enterprise and who wish to start a business are eligible. The authorities in question are very willing to provide financial help provided the business is a viable proposition. The best scheme for this to be brought under is the Government Self-employed Scheme (RZ).

It is proposed to provide a financial supplement to those starting out on their own whose income in the first six months is lower than the flat rate national assistance payment, on condition that there is a positive report on the viability of the business idea. Once a further positive report has been made, a six months extension can be obtained. In special cases, when the market obviously needs to be gauged for a longer period, a second extension of six months is possible, again provided a favourable report on the business viability has been received.

For those receiving maximum benefit under the WW and the WWV there are plans to allow the payment to continue for a maximum of three months, provided the viability of the business is verified in the same way as under the Government Self-employed Scheme (RZ). After the first three months the RZ scheme can be used on the understanding that the first period is for three months instead of six.

Endeavours are being made to ensure that people are **treated uniformly** by the independent organisations making payments. This is the reason why a new scheme for the self-employed is being examined, the old one relating only to existing entrepreneurs and not new businesses. The result is that at the moment assistance in the form of income for new businesses is provided on a decentralised basis.

During the first six months of unemployment those receiving a WW benefit who wish to start up on their own may obtain an income up to the national assistance level from the industrial association. The period over which this may be received depends on the industrial association. Local authorities can subsidise those who wish to set up in business and who are receiving a WWV, a RWW or a national assistance payment. To a certain extent the local authorities can decide themselves over what period of time they wish to contribute to a person's income. The disadvantage of such a decentralised approach is that new entrepreneurs are not treated uniformly. The new government scheme for the self-employed is designed to solve this problem by regulating contributions to the income of new businesses on a central basis.

Approximately 11,000 new businesses are set up a year. No data is available on the numbers who resort to government income grants; nor is there any data on the results.

UNITED KINGDOM: Enterprise Allowance Scheme

The Enterprise Allowance Scheme (see inforMISEP nos. 00 and 2) provides a taxable allowance of £40 a week for a year to unemployed people wishing to set up a business but who may be deterred by the fact that they would lose their entitlement to unemployment or supplementary benefit. By so doing the scheme aims to encourage the setting up of businesses which would otherwise not exist.

In the first few months as a national scheme (extended on August 1, 1983 from five small pilot exercises) the scheme had helped some 17,000 people. To this number should be added around 3,300 helped by the pilot exercises.

In November 1983 the UK Government announced that provision would be made for a further 35,000 people to be paid the allowance. Between August 1, 1983 and March 31, 1986 some 60,000 people are, therefore, expected to be helped at a cost of around £125m.

The scheme will be administered by the Manpower Services Commission through its Jobcentres with the help of the Department of Trade and Industry's Small Firms Service whose counsellors provide business advice and guidance to those entering and on the scheme.

EUROPEAN COMMUNITY: Employment services and the development of local employment initiatives

A joint EC-OECD seminar was held at the Federal Employment Institute in Nuremberg on "Employment Services and the Development of Local Employment Initiatives". Some 55 participants attended from 17 countries. The seminar was chaired by M.G. Mignot, Employment Delegate of the French Ministry of Employment and opened by the President of the Federal Employment Institute, Prof. Dr. h.c. J. Stingl. The participants agreed on the following draft conclusions:

"1. The wide exchange of experiences which took place during the seminar showed the breadth and diversity of involvement of employment services in the promotion of local initiatives. This involvement is only one of the aspects of the fight against unemployment. However, the participants recognised the value of and need to extend the field of intervention of employment services in local initiatives, so as to contribute more effectively towards the development of local economies. The following points emerged from the discussion:

2. The persistence of high levels of structural unemployment requires the use of selective policies to encourage economic flexibility and investment, while actively supporting the creation of new employment opportunities. For this reason the participants noted with interest the development at the local level of a wide range of initiatives which reveal an increasing degree of activity among local populations in the creation of new activities and jobs.

3. Although situations vary between and within countries, these initiatives are characterised in particular by:

- (i) their concern to promote, using resources available locally, global responses to problems of economic, social, educational and cultural development; in this respect the growth of LEIs is both an economic and a social phenomenon;
- (ii) their capacity to promote greater flexibility and adaptability in the functioning of the labour market and in the economy in general, through diversified and localised forms of production; this allows the diffusion of innovation, whether of a technical, economic or social nature;
- (iii) the existence, where LEIs are developing, of structures or networks of support.

4. From the point of view of employment services this situation leads to the following observations:

- (i) the global nature of local economic development makes necessary the strengthening of co-operation and co-ordination between the various public services active in the field of creation of activities; by virtue of their strong presence at the local level, employment services can act as a catalyst in the development of this co-operation;
- (ii) it is necessary to bring all the instruments at the disposal of employment services to bear on the creation of permanent employment; in particular temporary job creation programmes, training programmes and aid measures for the unemployed could be re-oriented, in most countries, to encourage the creation of permanent jobs in new activities and meet the concern to replace traditional practices of assistance with active measures;
- (iii) it is necessary to open the action of employment services towards the promotion of new forms of employment: jobs for the self-employed, as well as for those with employee status, and in enterprises of all kinds - sole traders, associations, co-operatives, etc.

5. The participants recognised that the action of public employment services is based on the promotion of human capital, which is itself the basis of all major employment initiatives. This specific orientation is a major advantage in comparison with other administrations which are responsible for more sectoral policies and justifies an increased role for employment services in the development of local initiatives.

6. The participants did not fail to note the obstacles and difficulties of such an approach; they stressed the need to try out new forms of intervention and to have opportunities to compare and exchange these experiences between countries. As a result they asked the international organisations (OECD and the Commission of the European Communities) to promote co-operation between employment services, particularly in the framework of exchange networks and international demonstration projects."

Special categories of workers

FRANCE: Agreement on alternating ("sandwich") training for young people

At the conclusion of negotiations which had been under way since September 1983 the employers' and trade unions' organisations (with the exception of the CGT) signed an agreement on vocational training for young people on October 26, 1983. This agreement is an annex to the national agreement of June 9, 1970 on vocational training and development.

As from 1984 it should encompass some 300,000 young persons under 26 years of age who will have the **choice of three types of sandwich training:**

Training aimed at "adapting to a job or to a type of job"

Such training is carried out within the framework of a particular type of training contract between a young person and an enterprise for an unlimited time period (adapting to a specific job) or for a limited time period (adapting to a type of job where the length is between 6 and 12 months).

This contract, which is coupled with training (200 hours minimum and 12 months maximum), opens up the right to **remuneration:** 80% of the remuneration specified in the collective bargain for the wage-earners of the job category corresponding to the job in question.

This formula is similar to the "employment-adaptation" contract already in existence (see inforMISEP no. 3).

Training aimed at "acquiring a vocational skill"

This training is carried out within the framework of a particular type of work contract lasting between 6 months and 2 years, coupled with training lasting at least 25% of the length of the contract.

Remuneration varies according to age:

- from 17% to 45% of the SMIC ("salaire minimum interprofessionnel de croissance" - national minimum growth wage) for young people aged from 16 to 18 years
- from 60% to 75% of the SMIC for young people over 18 years of age.

This formula is similar to that of "employment training contract" (see inforMISEP no. 3).

Training aimed at "initiating into working life"

The purpose is to familiarise young people with the corporate environment, to help them make their choice and to guide them in their vocation.

The legal framework is that of a specific contract (which is not a work contract) lasting from 3 to 6 months concluded with one or several enterprises or with an industry or an inter-industry body.

The young people are trained (a minimum of 25 hours per month) and receive **remuneration** equal to 17% or 27% of the SMIC (according to whether they are under or over 18 years of age).

*

* *

The arrangements for this agreement will be set out in a law reforming vocational training which is currently (January 1984) being discussed by Parliament.

This law should at the same time set out the conditions for financing this new training, the social partners having expressed the wish that they can cover their costs by drawing upon the "0.2%" training levy (compulsory participation in financing training which employers pay each year to the Treasury).

GREECE: Application of the principle of equality of sexes in "labour relations"

The Greek Parliament has recently passed the law applying the principle of equality of the sexes in labour relations. This brings in a goal which the Government has constantly had in view: the creation of conditions such that there be real equality between the two sexes. The **main objective** of this law is the abolition of all discrimination as far as professional guidance and training are concerned as well in hiring, remuneration and in all other forms and conditions of work.

This law furthermore gives meaning to the constitutional provision of article 22 on equality of the two sexes and also meets the obligation for harmonising Greek law with EEC directives 75/117 and 76/207. At the same time a primary objective of the Government, the improvement of the position of the Greek working woman, is fostered.

The law applies to any employment in the private sector and also for people who exercise free occupations. Its provisions are:

1. Any discrimination on the grounds of sex regarding vocational guidance, vocational training, re-training, further education etc., is forbidden.
2. Any discrimination on the grounds of sex in announcements regarding the selection of persons for hiring, vocational training etc., is forbidden.
3. Free access to any kind of rank of employment and profession, for any person regardless of sex and family status is established.
4. The payment of salaries and wages as well as of any kind of allowance is regulated on an equal basis.
5. Any discrimination on the grounds of sex regarding the forms and conditions of work and professional advance is forbidden.
6. Dismissals on the grounds of sex are forbidden.
7. Notification and information of employees about the measures that have been taken to achieve equality of the sexes is provided for.

8. Special equality services are to be established in the Ministry of Labour and its local offices, for the collection of information and statistical data and the supervision of the special measures for the advancement of equality of opportunities for the two sexes and the eradication of inequality in labour relations as well as for the information of employers and employees about the measures taken on this subject.

These services will collaborate with the Council of Equality (an advisory organ to the Prime Minister) in common subjects and will elaborate relative drafts of laws and of administrative acts.

9. A special tripartite body is to be set up in the Supreme Labour Council (advisory organ to the Minister of Labour). This organ will consist of the Secretary General of the Ministry of Labour as chairman, a member of the previously mentioned Council of Equality, one director of the Ministry of Labour, one representative of the employees and one representative of the employers. It will be responsible for advising on drafts of laws and administration acts as well as on subjects relating to equality in labour relations.
10. All discriminatory provisions of labour legislation are to be abolished except those protecting maternity and pregnancy.
11. A violation of the law is subject to a fine.
12. The beneficiaries of marriage and family allowances are defined.
13. All provisions of laws, decrees, collective agreements, arbitration and ministerial decisions, internal regulations of organisation and enterprises etc., that are contrary to the provisions of this law are abolished.

IRELAND: Activities of the Youth Employment Agency (YEA)

During 1983, approximately 57,000 young people participated in education, training, work experience and temporary employment programmes, funded by the Youth Employment Levy. This figure includes 10,000 young people on the Department of Education's secretarial and pre-employment courses which were not Levy-funded in previous years. However, when this figure is set aside, the total programme participation of 47,000 is considerably greater than the 1982 figure of 33,000 and more than twice that of 1981, the last pre-levy year: 22,500.

Programme participation in 1983 is in line with the targets set by the Government. By any standards (e.g. as a proportion of total unemployment or of school leavers) provision of manpower services in Ireland for young people is now one of the highest in the OECD countries.

Two areas of potential growth in job creation - community enterprise and self-employment - were addressed with the launching by the YEA of the Community and Youth Enterprise Programme in July 1983 and the Youth Self-Employment Programme in September 1983.

The Community and Youth Enterprise Programme

The Community and Youth Enterprise Programme (see

inforMISEP no. 4) was introduced by the YEA to encourage communities to become directly involved in the job creation process. A **range of assistance** is offered by the Programme, including advice, planning grants and grants for the employment of Enterprise Workers. The Enterprise Worker grant is probably the most novel aspect of the Programme. To qualify, promoters must ensure that enough research has been done to allow the Enterprise Worker devote all his/her time to getting projects to start-up stage.

The YEA is examining ways of **broadening the range of products** that community groups could produce, and it has had discussions with various Research and Development bodies on how their services can be made more accessible to community groups. The Agency is also investigating how to become involved in communities which do not have any basic infrastructure or social organisation to represent their needs. Funding for 13 Enterprise Workers and planning grants for fifteen other communities have been approved to date by the YEA under the Programme.

The Youth Self-Employment Programme

The Youth Self-Employment Programme (see inforMISEP no. 4) is aimed at making bank finance more accessible to young unemployed people by the provision of loan guarantees from the YEA. These loans on normal commercial terms up to a maximum of IR£ 3,000, are being provided to promoters of projects, in the 15-25 age group, who have been unemployed for three months or more. The YEA has agreed to guarantee 60% of each loan provided. This is to ensure that no personal guarantees will be sought from the young promoters or their relatives, thus overcoming one of the principal obstacles to the development of self-employment enterprises by young people: the difficulty of obtaining start-up capital. To date some 40 projects have been approved for loan finance under the Programme.

The Young Scientists and Technologists Employment Scheme

In conjunction with the Institute of Industrial Research and Standards and the National Board for Science and Technology, the YEA is funding the Young Scientists and Technologists Employment Scheme (see inforMISEP no. 3), designed to promote the employment of young people with science and engineering qualifications and to assist firms in increasing their technological capabilities.

Seventy-three engineering graduates and diploma holders participated in the first year of the programme. Suitably qualified people are placed in private firms, which have limited technological resources and could potentially benefit from employing such qualified personnel.

Marketplace Programme

Marketplace, which was launched in September 1983 is a job creation programme for young marketing graduates, funded by the YEA and operated by the Irish Goods Council. The **objective** of the programme is to encourage companies to employ marketing graduates by providing them with grants of up to 60% of the salary in the first year.

Any manufacturing company supplying the domestic market, which does not already employ marketing personnel, may apply to the Irish Goods Council for the service of a grant-aided marketing executive. The only condition for interested companies is that they

give an assurance of their intention to retain the executive at the end of the one year period. The Irish Goods Council provides each participating company with a short list of suitable candidates drawn from a panel selected by the National Manpower Service. To be eligible for this panel the marketing graduates must be under 25 years and unplaced in marketing positions.

LUXEMBOURG: Special measures for integrating young people into working life

An important set of arrangements for encouraging the employment of young people has been operating since 1978 and has subsequently undergone various reforms and additions:

- the "traineeship-initiation contract" approach and that of the "division d'auxiliaires temporaires" (division of temporary helpers - DAT), both of them revised by the law of March 5, 1980;
- the aid to taking on apprentices brought in by the law of March 5, 1980;
- the guidance premium, reformed in 1980;
- CIOP, the vocational initiation and guidance courses, operating under the law of December 24, 1977 and enlarged by the government;
- the special premium for promoting apprenticeships in the hotel and restaurant trades and the handicrafts brought in for 1983.

The budget law of December 19, 1983 concerning the income and expenditure of the state for fiscal year 1984 has kept the following measures with a view to stressing the impact of schemes for promoting the employment of young people which are currently in operation:

1. Reform of the traineeship-initiation and the DAT approaches

The **traineeship-initiation contract** was set up by the law of July 27, 1978 dealing with various measures encouraging the employment of young people. It aims at providing the young jobseeker, during his working hours, with practical initiation facilitating the transition between school and working life. These young jobseekers enrolled at the Employment Administration must not be older than 25 years of age and must furthermore meet the legal conditions to be able to claim a full unemployment allowance. The Unemployment Fund takes over the employer's contributions to the social charges and reimburses the employer a proportional amount corresponding to 15% of the training allowance paid to the young people. This traineeship allowance is equal to 85% of the social minimum wage of unskilled workers.

The purpose of **DAT**, also brought in under the law of July 27, 1978, is to stimulate the creation of new jobs within the framework of general interest activities and services while at the same time meeting real collective needs. These temporary auxiliaries can thus be temporarily assigned to tasks of public utility, social utility or cultural interest which are proposed and carried out by the State, municipalities, public utility organisations or any other non-profit body, institution or grouping of persons. These auxiliaries are recruited from among jobseekers enrolled at the Employment Administration who are not yet over 25 years of age and meet the legal conditions for claim-

ing a full unemployment allowance. The promoter of a programme for temporarily putting people to work is required to pay the young auxiliary an allowance equal to the social minimum wage which he would receive were he to have a job as an unskilled worker. As financial incentives to the employer, the Unemployment Fund reimburses 15% of the allowance paid to the young person and takes over the employer's contribution to social charges.

The budget law on the State's income and expenditure for fiscal year 1984 **reforms this law of 1978** by making entry conditions for the traineeship-initiation and DAT approaches more flexible as well as by raising the rate of aid granted by the Unemployment Fund to employers choosing to make use of these two approaches. Thus, during 1984, the Employment Administration will be able to suggest these two approaches to all jobseekers enrolled at their local placement office who are not yet more than 25 years of age. The financial incentive rises to 25% for private sector employers hiring young people for traineeship-initiation contracts, as well as for other employers, excluding the State, who are eligible for DAT aids.

2. In-company preparatory traineeships

The budgetary law for fiscal year 1984 foresees in-company preparatory traineeships which consist of alternating periods of practical training and theoretical training ("sandwich training"). The Employment Administration can propose such traineeships to unemployed jobseekers who are registered at the Employment Administration and who are not older than 25 years.

The jobseeker who is receiving, or who has asked for, a full unemployment allowance cannot, without valid motive, refuse being placed in a preparatory traineeship proposed by the Employment Administration on pain of being excluded from receiving the allowance in question. Once he has been placed in a preparatory traineeship, he continues to draw the full unemployment allowance.

The jobseeker who accepts being placed in a preparatory traineeship before the expiration of the period of enrolment as a jobseeker giving right to full unemployment allowance, must be remunerated by the employer to a level at least equal to 50% of the full unemployment allowance which he could claim by virtue of the law without prejudice to the supplementary allowance foreseen, when necessary, by the framework agreement mentioned below. The Unemployment Fund tops up the allowance paid to him by the employer to the level of the full unemployment allowance, not including the supplementary allowance foreseen, when necessary, by the framework agreement.

Placement in a preparatory traineeship is limited to employers covered by a framework agreement concluded with the Employment Administration who accept raising the net number of young workers they employ in 1984. The purpose here is to limit the approach to employers who agree to make an additional recruitment effort in 1984.

This framework agreement sets out in particular the conditions for taking on jobseekers (in particular the numbers of young people concerned by preparatory traineeships, the purpose of the sandwich training, the jobs they prepare for, the ways and means for organising learning), the employer's rate of participation in the full unemployment allowance which cannot be

below 50% and, when necessary, the supplementary allowance paid to them by the employer.

It should be noted that placement in a preparatory traineeship ceases in cases of placement in suitable work and at the latest at the end of the right to full unemployment allowance.

3. Aid to creating socio-economically useful jobs

The budgetary law of December 19, 1983 brings in an **experimental** scheme for the year 1984 for the Unemployment Fund to provide aid for the creation of socio-economically useful jobs.

The **purpose** of the aid is to facilitate starting, operating and developing lasting projects for services and activities which are not currently undertaken by public services or by for-profit enterprises.

The aid of the Unemployment Fund is given for the creation of jobs meeting the following **conditions**:

- granting aid must not compromise the profitability of existing enterprises which are not drawing on these arrangements;
- the jobs must be reserved for persons threatened by unemployment or for jobseekers registered at the Employment Administration who are not yet older than 25 years of age;
- the jobs must be permanent and lasting;
- the beneficiary of the aid must guarantee the financing of the job created at the end of a period of one year from granting the aid;
- the beneficiary must observe the legal, regulatory, administrative and collectively bargained rules dealing with the protection of the wage-earners in the exercise of their job.

The level and modus operandi of the aid will be fixed by Grand Ducal Ruling. It is guaranteed for a maximum of one year. In principle, it cannot be renewed, except in properly justified exceptional cases.

UNITED KINGDOM: Race Relations Employment Advisory Service

The Race Relations Employment Advisory Service is a specialist service of the Department of Employment which offers confidential help and guidance on the requirements of the Race Relations Act 1976 and on the problems which can arise within a multi-racial workforce. Its **aim** is to assist understanding within industry of the ways in which equality of opportunity can be developed and practical difficulties resolved so as to make more effective use of manpower. The Advisory Service is available throughout Great Britain and is free of charge.

Advisers **visit** employers, regardless of the firm's size, to introduce the service and provide advice and guidance on the sort of general issues which may arise in the management of a multi-racial workforce. This guidance includes advice on the implications of the employment provisions of the Race Relations Act 1976, the implementation of racial equality in the workplace particularly in relation to personnel procedures and questions related to different social cultural and religious background which may affect policies and practices at work.

The work of the advisers is concentrated on the provision of **training** in race relations matters for managers, supervisors and workers' representatives. This may be arranged on an employer's premises, in off site seminars or as input to college based courses. Programmes of varying length and content can be provided according to need.

Advisers maintain **liaison** with ethnic minority groups either directly or through Community Relations Councils. They also develop links with religious groups through the temples and mosques. These links are essential in order to judge developments and attitudes with the communities.

EUROPEAN COMMUNITY: Promotion of employment for young people

The Council adopted the following resolution on January 23, 1984 on the promotion of employment for young people:

I. Objectives

The Council notes that youth unemployment is a worrying aspect of the general employment situation and can only be resolved within the framework of a general policy designed to achieve economic recovery and employment growth.

In these circumstances it is essential that, in addition to the efforts to be made in the area of vocational training, there should be increased efforts over the next five years to create additional job opportunities in order to reduce gradually and significantly the rate of unemployment among young people.

II. General guidelines

1. The specific measures to be introduced must take account of the different situation in each country and of the role and responsibilities of both sides of industry.
2. The measure should:
 - form part of general measures designed to stimulate the creation of jobs and to increase the flexibility of the labour market;
 - supplement and be adequately co-ordinated with programmes of vocational training, which are an instrument of an active employment policy and a means of preparing young people for working life;
 - devote special attention to the most disadvantaged young people and to young people affected by unemployment of long duration or recurrent unemployment;
 - include special measures allowing young women effective access to a wider variety of occupations or jobs in order to combat the very high level of unemployment amongst young women;
 - avoid the risk of developing insecure jobs and accordingly concentrate as far as possible on activities offering longer-term prospects, bearing in mind the possibilities offered by new technology and those deriving from local economic and social needs.

III. Measures by the member states

Within the context of their own policies and practices,

Member States should take the following measures into consideration:

- where possible encourage both sides of industry, in those agreements which have repercussions on employment, including those related to the re-organisation and reduction of working time, to further the recruitment of young people taking account of their specific needs;
- facilitate the access of young people to employment, in particular by using the possibilities offered by employment aids and work incentive schemes for young people for contributing to the creation of additional jobs and by strengthening by all appropriate means the links with training, particularly linked work and training;
- examine, with a view to eliminating it, any inflexibility which might constitute an unjustifiable obstacle to the recruitment of young workers without, however, undermining the protection of the health and development of young people;
- help young people to establish new enterprises, including co-operatives, or to be involved in establishing new enterprises, notably by providing them with adequate training opportunities and project evaluation and guidance services, and supplying administrative, technical and financial support for launching new businesses;
- seek job and training opportunities in the public sector or in community work schemes, while paying particular attention to the recruitment of young people;
- help young people to develop their occupational skills and interests within the framework of existing services; also bear in mind their motivation and interests, particularly social and cultural, outside the field of work to the extent that they may help to develop their abilities in working life.

IV. Community measures

1. The Council would refer to the role which the European Social Fund plays in creating job opportunities.
2. The Commission is requested to support the implementation of innovatory job creation projects for young people, taking into account the poten-

tial of such projects for helping to improve the youth employment situation in the Community, especially where the problem of youth unemployment is particularly acute.

To this end, it is requested to encourage and co-ordinate a group of demonstration projects on the following themes:

- (a) the creation of new small enterprises, including co-operatives, by young people or with their assistance;
 - (b) the exploration of possible means of increasing the recruitment of young people in the framework of measures including, inter alia, the reorganisation and reduction of working time;
 - (c) the creation and development of special guidance and counselling centres for young people to promote co-operation at local level between all the various agencies and voluntary organisations concerned with the problems of young people, particularly the most disadvantaged young people, including young migrants.
3. The Commission is also requested to organise an annual exchange of information between the Member States on action taken pursuant to this Resolution to provide increased employment opportunities for young people, together with the means for monitoring, research and assessment.

V. Final provisions

1. Community financing for the measures referred to in Chapter IV will be decided on within the framework of the budgetary procedure and in accordance with the legal commitments entered into by the Council.

The projects referred to in Chapter IV(2) will be financed by the Community according to the means and financing rules of the European Social Fund.

2. The Council will examine the progress and the results achieved in implementing this Resolution on the basis of an interim report and a final report to be submitted by the Commission before June 30, 1989."

Working time

BELGIUM: Managing working time in the municipalities: Ministerial decree of December 29, 1983

Putting the unemployed to work is a classical employment policy measure which enables primarily public authorities (state, provincial, and communal administrations as well as public agencies and teaching establishments) but also certain non-profit associations (social, humanitarian or cultural in purpose) to carry out works of public utility by employing the unemployed.

These unemployed persons are not bound by a work contract when they are taken on.

During the length of their employment, these unemployed persons receive an allowance to which the National Employment Office (ONEm) contributes. The amount of this allowance varies according to whether the level of the job held belongs or is related to level 1, 2, 3 or 4 of civil servants' hierarchical grading.

The statistics on putting the unemployed to work show that their number has dropped regularly in 1983 over 1982 and in 1982 over 1981. This development is to a large extent a result of what, over time, have become the very modest amounts of the current rate of contributions by ONEm.

The significant decline in the attractiveness of the measure, coupled with the present well-known financial problems of the municipalities and of the public social aid centres (CPAS) which has led the latter to cut down on their staffing either by avoiding replacing staff who retire or by doing away with the services of the unemployed who have been put to work (only a part of whose income is taken over by the state), together explain the significant drop registered in less than a year in the number of unemployed persons working for these municipalities and CPAS.

At the same time these bodies seek to make use of the programmes of special temporary jobs (CST-cadre spécial temporaire) or the third circuit of work (TCT-troisième circuit de travail) where the whole of the individual's income is covered by the state.

This thus provokes at the same time an increase in unemployment by the loss of CMT jobs (chômeurs mis au travail - unemployed persons put to work) and additional costs for the state by the increase in the numbers of persons in CST and TCT programmes.

Furthermore, by this excessive reduction in staffing, the municipalities are likely to lose the benefit of programmes mopping up unemployment whilst at the same time compromising the smooth operation of municipal services.

Yet it can be seen from the overall figures of the number of the unemployed working for the public authorities that the greatest numbers are put to work in these very municipalities and CPAS.

With the aim of maintaining at a relatively favourable level the number of the unemployed working for public authorities and of encouraging the municipalities to operate a personnel policy which takes into consideration both the needs of the inhabitants and the requirements of the staff, the government took the initiative by bringing in a royal decree (2.9.83). This gives the municipalities and CPAS the considerable advantage of receiving an increased ONEm contribution. This is, however, reserved exclusively for those municipalities and CPAS which agree either to maintain (or to bring back by December 31, 1984) an overall level of employment (non-teaching municipal, statutory and temporary officials, the unemployed put to work by public authorities but excluding the CST and the TCT) which is equivalent to that which they had on June 30, 1982 or to reach a special agreement on working time with the Ministry of Employment and Labour.

The state will in fact take on 70% of the remuneration of the unemployed who are put to work, irrespective of the level of hierarchical ranking of the income grade of the civil servants whose function they are equivalent to (instead of, as now, 53% for levels 4 and 3, 50% for level 2 and 34% for level 1).

On the other hand it is quite obvious that the municipalities and the CPAS which do not fulfil the conditions they agree to or respect the agreement reached, are open to sanctions. The first is the immediate suspension of the advantages given, without this prejudicing other measures such as the refusal of CST or TCT projects.

The various ways and means for reaching such an agreement (acceptances and their registration, time limits and a progressive character to be respected as regards bringing back the overall volume of employment) or for the special agreement on working time, were laid down in the ministerial decree of December 29, 1983.

Public authorities other than the municipalities and the CPAS as well as the municipalities and the CPAS which have not opted for the new system resulting from the royal decree of 2.9.1983 continue to be governed by the normal regulations as regards putting the unemployed to work by the public authorities.

BELGIUM: Measures aimed at limiting overtime: Royal Decree no. 225 of December 7, 1983 (M.B. 15.12.1983)

Workers' protection is an essential basis of the law on work of March 16, 1971, modified by the law of July 20, 1978 reducing the legal length of the working week to 40 hours. Since then the reduction of working time has considerably changed both the character of overtime and the need for such overtime for ensuring that work is rationally organised. This problem has been further accentuated by the recession.

Thus was borne the idea of reforming regulations dealing with working time and overtime.

For the sake of completeness and balance, this reform tried to respond to **two sets of concerns**.

The **first** was to bring about the greatest re-distribution possible of the work available. As employment has stagnated and unemployment risen, working overtime, i.e. working more than the normal hours of work, appeared to be socially unjustified while so many other workers were reduced to involuntary inactivity and to looking for a job which could, even temporarily, take them out of unemployment.

Similarly, the fact that workers who are required to work overtime at certain points of time are subsequently laid off for lack of work due to cyclical downturns was not such as to bring the allowance system into balance. This approach was thus harmful, or at least took place at the expense of the whole community and to the detriment of those having no other income than their unemployment allowance.

Combatting systematic overtime is particularly important when it is remembered that for 1982 alone overtime warranted by accidents and above all by urgent repairs to machines and by unforeseen needs which were notified to the inspectorate of social legislation amounted to 1,804,219 hours for 289,829 workers. To these declared hours must be added those which did not have to be declared as well as those justified on other grounds (for instance, abnormal increases in work).

Although it would be simplistic to consider that doing away with overtime would bring about a proportional reduction in unemployment (full or partial), it does constitute a not unimportant source of job creation.

The **second set of concerns** resulted from the growing rigidity of the law following successive reductions in working time. However, shortening the working day and above all the working week could, in certain specific cases, raise problems of work organisation which would be difficult to resolve.

Decree no. 225 reconciles these two viewpoints: to respect reductions in working time and, when it is indispensable for the proper functioning of the enterprise, to enable the employer and the workers to organise work flexibly and in ways adapted to production requirements.

The **prime objective** - spreading the available work -

could easily be achieved by generalising the granting of compensatory rest periods for the overtime. Thus new workers could be put to work to replace those who were resting.

To this end the decree authorises the normal length of working time (daily and weekly) to be exceeded provided that in such cases (which cover most of the exceptions to exceeding the normal length of work allowed under the law on work) the average weekly length of work is respected over a given period, in this case one quarter.

In all these cases of exceeding the normal length of work compensation must be taken by rest periods so that during the period of one quarter work should not on average exceed more hours than those foreseen by the law or by the collective working agreement. Where this would seem to be necessary, a longer period can be fixed by royal decree following the advice of the competent joint commission ("commission paritaire").

Respecting the normal length of work over a specific period does not raise too many problems when the work to be carried out is known well in advance, i.e., when the normal operating of the enterprise requires irregular, but foreseeable, work (e.g. continuous shift-work). The same is not, however, true if the overtime is imposed by unforeseeable events.

In two cases which are, by definition, unforeseeable (extraordinary increase in work and the involvement of an outside enterprise in cases of accidents or urgent repairs to machines or plant), the average can, at the end of each quarter, be exceeded by a maximum of 65 hours. These 65 hours must, however, be compensated for during the following quarter.

Another exception - in the opposite way - to the requirement for compensation for all overtime by rest periods is constituted by exceeding working time which is justified by an accident or urgent repairs to be carried out on machines and on plant by workers of the enterprise. Such cases need not be compensated for by rest periods so as not to penalise an enterprise which has already been hit by technical difficulties impeding the normal running of its activities.

The length of work cannot exceed 11 hours a day or 50 hours a week even in cases of the accumulated application of various arrangements.

To avoid having the worker deprived of his income when making up for the overtime, it is foreseen that normal remuneration (i.e., not taking overtime payment into consideration) relating to overtime will not be paid when these hours are worked but when the rest period is taken. In this way, even if his overtime is irregular, the worker who is required to work overtime and to recoup these hours afterwards, will receive his pay more regularly.

With the aim of straightening out the unemployment allowance system, any interruption in carrying out a work contract due to lack of work for economic reasons, because of the weather or following a technical accident is forbidden before the worker is given the compensatory rest periods to which he has a right. This measure should lead to delaying putting certain workers on short-time working and to making savings in unemployment allowances which should have been paid during compulsory compensatory rest periods.

Finally it should be noted that the introduction of new systems of working within companies should be carried

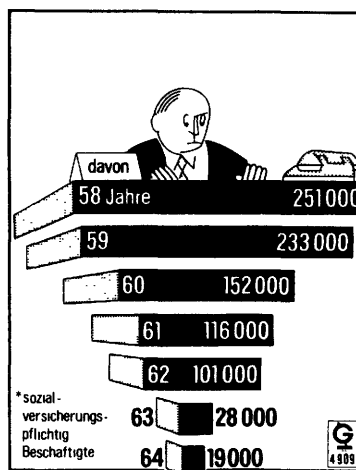
out with the participation of the workers and their representatives.

GERMANY: Early retirement proposals

In December the federal government approved a bill put forward by its Minister of Labour dealing with promoting early retirements. This bill fits into the federal government's policy of increasing the flexibility of the length of working life and mopping up unemployment.

The bill would enable workers over the coming five years to take an early retirement at 59 years and thus to make their job available to young unemployed persons. The idea is that in addition to the State the whole of the working population would contribute to financing this programme through partially foregoing profits and wage increases.

The bill does not aim at a permanent reduction in the length of working life, but rather opens up the possibility of a working agreement which could be reached between the State and the social partners over a difficult transitional period given demographic trends.



Older people at the workplace

In the FRG there are 900.000 socially insured employees aged from 58 to 64 years.

The bill is based on the following principles:

- The worker and the employer reach an agreement for the worker to leave his job before time against the payment of a retirement allowance which he could claim until he reaches the legal retirement age, which is 65 years.
- The Federal Employment Institute gives the employer a 40% grant towards his expenses for making the early retirement allowance and the employer's contribution to social charges provided that he replaces the worker who is leaving by an unemployed person or by a young jobseeker who has finished his vocational training.
- The early retirement allowance must amount to at least 65% of the worker's gross salary. Higher allowances can be negotiated by a collective agreement or an individual contract. These allowances would be subsidised to a ceiling of 65%.
- Beneficiaries of an early retirement allowance are also subjected to old age insurance and sick-

ness insurance. The early retirement allowance is liable to contributions and to income tax.

- An early retirement allowance amounting to 65% of the gross wage gives the worker, after having made deductions for social charges and income tax, a net allowance of 70% of his previous income. The early retirement allowance is thus higher than the unemployment allowance and also higher than the pension from the compulsory old age insurance which the worker with an average wage can claim after contributing to the insurance for 40 years.
- The conditions for entry to flexible retirement pensions and to early retirement remain the same. Handicapped persons, workers who are not suitable for employment, unemployed persons and women will be able to draw on their retirement pension at 60 years of age on the same conditions as previously.

The success of the early retirement law will depend on what use the social partners make of it. The State is

ready to pay early retirement allowances by making considerable **financial resources** available to the programme. The 100,000 beneficiaries of the early retirement law would require the Federal Employment Institute (which would be entrusted with implementing the law) to make available some DM 560 million net of deductions of savings made in unemployment allowances and assistance. The number of workers aged 59 years and more who would be covered by the early retirement law would rise from some 770,000 in 1984 to some 840,000 in 1988 because of the age pyramid. If it is estimated that about half the workers aged 59 and two thirds aged 60 and more years would make use of the early retirement, then after the introductory phase it is likely that some 475,000 workers would take an early retirement in 1985. This figure would rise to 515,000 in 1988. Supposing that half of the jobs thus made vacant would be filled again, then some 250,000 more jobs would be created for the unemployed and young people.

The federal government expects the bill to become law in the spring of 1984.

Placement

ITALY: 'Nominative and numerical' employment

Law no. 79 of March 25, 1983 enabled employers to submit, for one year, a nominative request ('richiesta nominativa') for a quota which is equal to half of the number of workers for whom the numerical request ('richiesta numerica') is compulsory (see inforMISEP no. 3).

Between July and December 1983 this brought about the placement of 51,021 workers, of whom 34,975 were men and 16,046 women. The **sectoral breakdown** was as follows:

- agriculture	4,373
- industry	23,814
- services	12,834

with the **company breakdown** by numbers of persons employed being:

- up to 49 persons	42,934
- from 50 to 249 persons	6,725
- from 250 to 499 persons	769
- more than 500 persons	593

ITALY: Assessment of the experiment conducted on labour market policies and restructuring of placement services in Campania and Basilicata (law no. 140 of 1981)

By assigning new tasks to the collegiate bodies of the regional employment commission and the district commission in Campania and Basilicata, law no. 140 (see inforMISEP no. 0) has modified the structure of the employment services and the management of the labour market. As regards the **regional employment commission** stress has been put on the following four aspects of its activities:

- making the unemployment registers and the criteria for placement transparent;
- establishing training programmes creating jobs for 2,000 people and setting up training programmes for researchers;
- monitoring those enrolled in the placement register to determine those unemployed people who are entitled to be enrolled as jobseekers;
- regulating the migration flows and monitoring seasonal work in the agricultural sector.

Territorial restructuring of the local employment services on the basis of districts

24 districts have been defined in Campania and 13 in Basilicata. A consequence has been the creation of the same number of district placement offices to replace the existing local offices with a view to attempt to manage the local labour market on an enlarged and homogeneous basis. Dysfunctions have occurred in the operation of the district collegiate bodies at the beginning of their activities as well as some shifting as regards the activities of the regional employment commission.

Agencies

Given the short period of the experiment and the time necessary to set up the new organisations, the agencies foreseen have not been able to carry out the study and promotional activities but have had to limit themselves to the tasks of a technical administrative secretariat on behalf of the regional employment commission and of observers of the local labour market.

NETHERLANDS: Emphasising employers' needs in placement services

A new policy orientation has been introduced into the work of the Directorate General for Employment since the last term of 1983 following the appointment of a new Director General, Mr. F.H.A.M. Kruse.

Emphasis is now being placed on providing services for the regular market. This means putting priority on increasing the share of the activities of the Service aimed at bringing about labour contracts, even those contracts which differ from the standard 40 hour week.

The Director General has stressed that the whole of the Employment organisation (Arbvo organisation) should understand that the way in which the client employer is approached is of prime importance since, in the current position of the labour market, it is he who plays a key role in determining how much work there is.

It is clear that this new approach of giving much more attention to the position and requirements of the employer, differs considerably from what has been traditional.

Miscellaneous

BELGIUM: Convention no. 39 on new technologies

Collective working convention no. 39 on new technologies was concluded within the National Council of Labour (CNT - Conseil National du Travail) on December 13, 1983. It is the outcome of long discussions carried out on the tripartite level, on the one hand, and within the CNT, on the other.

In May 1983, the government proposed to the trade unions' and the employers' associations that a convention be concluded on the social consequences of introducing new technologies. However, it notified them that, were no agreement to be reached before the end of the year, it could intervene in this matter through a royal decree taken on the basis of its special powers.

Being aware of the need for enterprises to stay competitive and to bring in the new technologies as quickly as possible, the trade unions' and employers' associations agreed on December 13 within the CNT on the conclusions of a collective working convention dealing with information and "concertation" as regards the social consequences of bringing in new technologies.

It was preferable to have a convention dealing with this matter rather than having government use its authority, since a national agreement is a much more flexible instrument than a law: it can be changed and corrected much quicker and more easily.

There was no question of setting up co-determination as regards new technologies; rather the purpose was to make arrangements for the conditions for bringing in these new technologies and to face up to the consequences on the safety and health of the workers as well as vocational retraining and employment within the company.

The convention concerns private sector Belgian enterprises employing at least 50 workers. Should the employer decide to make an investment in a new technology and if this investment has significant collective consequences as regards employment, work organisation and working conditions, it requires written information to be provided by the employer three months before starting to install the new technology. This information will deal with the nature of the new technology, the factors which justify its being introduced and the nature of its social consequences.

"Significant collective consequences" are understood

within the convention as being those where 50% and at least 10 workers of a given job category are concerned by the introduction of the new technology. The problem will be globalised when at least 100 workers are concerned.

This information must be given to the works council or, where no such council exists, the "délégation syndicale" (shop-stewards committee).

Furthermore, there must be "concertation" with the representatives of the workers on the social consequences. This concertation should take place within the works council, the safety and health committee, or the "délégation syndicale", according to the tasks which each is assigned. It will deal with the prospects and structure of employment, measures social in character which are foreseen as regards employment, the organisation of work and working conditions, the safety and health of workers, skills and possible measures as regards worker training and re-training.

Concertation between the groups should, however, be limited in time so as not to impede installing the new technology. Without paralysing the procedure, the information received must be used with discretion.

In cases where the information disclosure and concertation procedure is not respected, the employer cannot do anything aimed at unilaterally putting an end to a work contract except for reasons not concerned with the introduction of new technologies. Should the employer nevertheless act in this way, he will be required to pay the worker a lump sum indemnity equal to his gross remuneration for three months, without putting at risk allowances due to the worker in case of breaking the work contract.

It was also agreed that an appraisal will be made of the impact of the convention within a period of 24 months.

This convention certainly does not settle all problems (the workers' representatives reserve their right to claim their contribution to productivity gains, etc.); but it does bring the whole question of new technologies into the field of social concertation.

The convention came into force on February 1, 1984.

GERMANY: The long-term unemployed

The IAB - the Institute for Labour Market and Vocational Research of the Federal Employment Institute - has examined a sample of the unemployed after one year's unemployment: 40% were working again and had not been unemployed in the meantime; one third remained unemployed; and 25%, although no longer registered as unemployed, have not been able to move into employment.

Whoever is still - or again - unemployed one year later is highly likely to be caught up in a never-ending whirl of unemployment, short terms of employment or changing jobs, down-graded employment, and vocational deskilling. Whether this happens, depends not only on age, sex and health but also on the quality of the training and other risk factors. Once such factors pile up the problem of re-integration on the labour market becomes particularly problematic. The persons with the worst chances are older workers whose ability to work is reduced by ill health, who gave notice or were dismissed for personal (not economic redundancy) reasons and who the employment officer sees as having poor chances of finding a job.

More details are provided in the IAB publication MatAB 5/1983 by Christian Brinkmann: "Verbleib und Vermittlungsprobleme von Arbeitslosen".

EUROPEAN COMMUNITY: The social challenges of technological change

On 26 January 1984, the Commission sent to the Council a communication entitled "Technological Change and Social Adjustment". The communication departs from the premise that the European Community must lay the foundations for new economic growth by using the potential offered by innovation. The survival of European industry and the strengthening of its competitiveness depend on the ability to adjust to new forms of demand and new technologies. The introduction of new technologies also has social consequences: the objective of this communication is therefore to propose a Community strategy to meet these challenges, by the development of existing activities and new measures.

One of the main areas affected is obviously that of employment. The employment impact depends on the kind of technological innovation: if it alters the production processes (e.g. via automation, robots) the problem is one of displacement and redeployment of manpower; if innovation means new products, the potential is for new markets and new jobs (e.g. micro-computers and software), in which additional skill requirements are important. The shift of employment

from industrial activities to the tertiary sector is an indication of the types of skill changes required.

The Communication presents the Commission's proposals under **three priority headings** for meeting the technology-related social challenges of today and tomorrow:

I. Education and training

The Commission plans to build on existing action programmes to support the use of information technology in education and teacher training, developing educational hardware and software, the exchange of experimental data, demonstration projects and the improved matching of qualifications. In order to maximise the Community's technological potential, strong links between industry and centres of brain power are essential. The Commission has therefore committed itself to help finance "partnership programmes" between industry and higher education, training and research institutions to expand high level training, make it adaptable to industry's needs and redress the balance in this field of high level specialists.

II. Managing working time and organising living and working conditions

These themes are especially important given the inter-relationship between technological innovation in firms, the resulting reorganisation of work and its impact on working time. The accent is placed on the use of new technologies to improve employment and working conditions, being able to forecast labour market developments and monitoring the impact of technological change on employment, working time, etc., as well as the more specific safety and health issues related to new technologies.

III. Participation in technological change in the firm

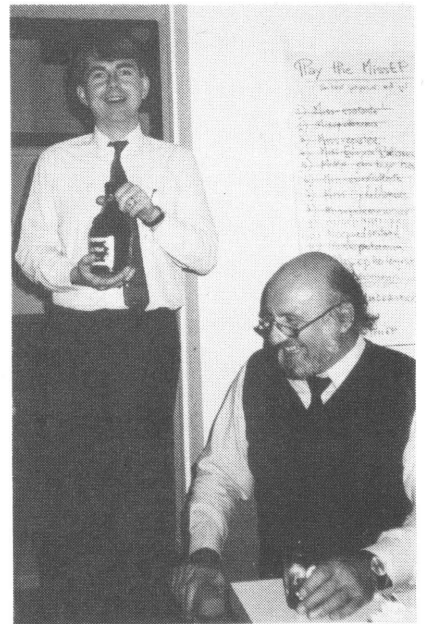
The gap between the theory of employee participation in the introduction of new technologies and the reality on the shop floor or the office is sometimes wide. The Commission believes that a set of common principles should be drawn up at European level with the two sides of industry - guidelines on the information and consultation of workforces to accompany the process of technological change. More research needs to be undertaken on the most promising experiments and practices already underway or planned, as well as increased resources to help improve the expertise of employers and trade unionists in this field, especially those involved in negotiating technology agreements.

In this way, the Commission is confident that the Community can play its part to the full in fostering the emergence of a social consensus on new technology and contributing to greater innovation and industrial competitiveness.

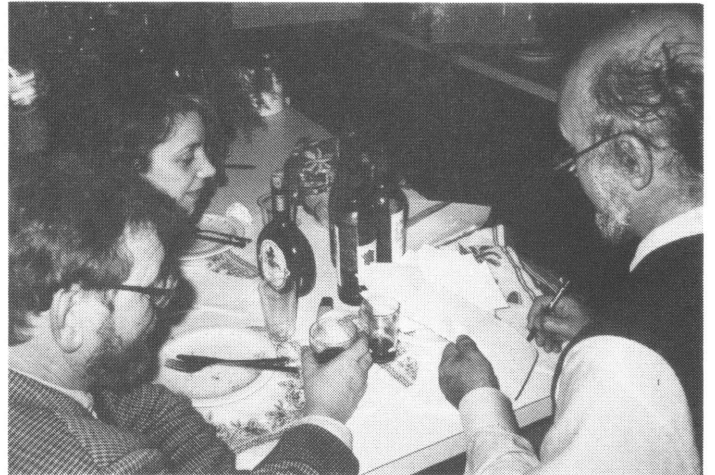
Rough currency conversion rates

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in February 1984:

● Belgium	46 Bfrs
● Denmark	8 DAKs
● France	6.9 FF
● Germany	2.3 DM
● Greece	83 Drx
● Ireland	0.72 IR£
● Italy	1370 Lit
● Luxembourg	46 Lfrs
● Netherlands	2.5 Hfl
● United Kingdom	0.57 UK£



MISAPRIL FOOL



MISEP correspondents:

Belgium	Alfons Verlinden, Ministère de l'Emploi et du Travail
Denmark	Soren Hess, Arbejdsministeriet
Germany	Magda Kugler Dabrowski, Bundesministerium für Arbeit und Sozialordnung Lutz Vogt, Bundesanstalt für Arbeit
Greece	Evangelia Hadziantoniou, Ypourgion Ergasias Angelos Zisimopoulos, O.A.E.D.
France	Denise Annandale, Agence Nationale pour l'Emploi Claire Aubin, Ministère de l'Emploi
Ireland	Peter Finlay, Department of Labour
Italy	Teodosio Zeuli, Ministero del Lavoro e della Previdenza Sociale
Luxembourg	Jean Hoffmann, Administration de l'Emploi
The Netherlands	Chris Smolders, Ministerie van Sociale Zaken en Werkgelegenheid
United Kingdom	Ron Sirett, Department of Employment
European Commission	Andrew Chapman, DG V/A/1
Technical secretariat:	European Centre for Work and Society (Tony Hubert)

