

# Commission of the European Communities DG V

## Working document on employment policies

No. 8 December 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

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# Developments at a glance

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- Belgium** Art. 64 of the law of July 13 enables companies which increase employment and the production of goods/services at the same time as reducing weekly working hours to 34 or less to write off Bfr 2m over six years from corporate profits per additional worker hired (p. 9). The government has brought in a ruling authorising "contractual" early pensioners to undertake certain unpaid work (p. 17).
- Denmark** An evaluation of the job offer scheme for the long-term unemployed indicates that the best results are achieved with the more skilled workers developing their qualifications in private sector jobs (p. 7). A tri-partite committee has recently reported on working time, including five conditions needing to be fulfilled if reducing working time should lead to increasing employment (p. 18). The modernisation of the public employment service, with higher priority being given to ordinary services, closer contacts with employers, self-service information and computerisation requires more intensive staff training (p. 20). Each Danish county now has an equality consultant to give training and advice both in schools and afterwards (p. 22).
- France** The Council of Ministers drew up in September a series of measures aimed at fighting youth unemployment. They are intended to achieve the government's aim of providing all persons under 21 years of age by the end of 1985 with an alternative to unemployment in the form of training, employment or work of collective utility (p. 13). ANPE's medium term (1984-88) development plan will enable it to adapt its approaches to changing environmental conditions and to strengthen its functioning; it also outlines 6 multi-year programmes (p. 21).
- Germany** The Employment Protection Act which will come into force in January 1985 provides for increased flexibility in 11 fields: limited term employment contracts; part-time work; social plan; payment of wages during sickness; placement through third parties; job creation measures; overtime; illegal employment of foreign workers; apprentices in trades; building workers; and ... health cures (p. 3). The evolving costs of unemployment in Germany are shown by expenditures of the Federal Institute of Employment (p. 8). Final numbers of persons, and their profile, concerned by the foreign workers' repatriation scheme are given as well as a description of the new advisory service (p. 14). A bill on the health aspects of working hours deals in particular with rest periods, Sundays and bank holidays and protecting the working woman (p. 18). An update is given on the implementation of the early retirement act (p. 19).
- Greece** A new law outlines and applies a policy of equality between the sexes, defining family obligations (p. 4). Changes have been brought in as regards granting family allowances (p. 15).
- Ireland** The government published in July a white paper setting out the aims and thrusts of industrial policy (p. 4) and in September a National Plan, the major priority of which is to increase employment (p. 5). Since April civil servants can take unpaid leave of between one and three years in particular to set up their own business (p. 9). Demand for the Enterprise Allowance Scheme to start one's own business has been so great that the ceiling on applications has been lifted (p. 9). To help young people, the Youth Employment Agency has been given responsibility for the Social Guarantee and has proposed that youth training and employment programmes be attuned to local needs through Community Training and Employment Consortia (COMTECs) (p. 15).
- Italy** Beneficiaries of the CIG (Earnings Supplement Fund) can be employed, for the time being, in public works or services and as vocational instructors (p. 8). Law no. 618 earmarks Lit 27bn for financing socially useful works in and around Naples (p. 10). Temporary exemptions from social security contributions and relief in contributions are now operating in the Mezzogiorno (p. 10). The Ministry of Labour has established a national committee for implementing the principles of equality of treatment of men and women at work (p. 23).
- Netherlands** The framework for voluntary work by the unemployed is being widened as the Labour Market Council is underlining the insurance character of the unemployment benefits (p. 8). As regards job creation, estimates have been made on the impact of speeding up urban renewal, atlases on local initiatives have been published and the government has started two new schemes: to help women establish their own businesses and to help backward areas (p. 10). Combatting youth unemployment is a recurring media theme where the Labour Foundation has set out recommendations and the social partners have concluded a foundation agreement and the government has introduced a new grant scheme (p. 16). A special programme has been launched for refugees (p. 16). As START, the temporary employment agency, is booming, the government is encouraging more young unemployed to take temporary jobs (p. 19). The 1975 extended short-term working scheme has been abrogated at a time when there are indications that reducing working hours generates jobs (p. 20). Equality concerning old age pensions, abolition of the ban on women's night work and asking employers to encourage trade union work bring up the rear (p. 23).
- United Kingdom** A detailed evaluation of the pilot scheme indicates that the Enterprise Allowance Scheme has "the potential to create additional employment (as well as) savings in public expenditure" within 3 years (p. 10). The Community Programme for the long-term unemployed is now being linked to short-term courses (p. 16). A short report is given of the first year's activities of the Employment Market Research Unit (p. 24).
- European Community** The Council adopted in June conclusions on a Community medium-term social action programme which suggests future initiatives in the areas of employment, training, social protection, and the European social dialogue (p. 5). In September the Commission adopted a Communication on action to combat long-term unemployment (p. 17).

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# Overall developments

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## GERMANY: Employment Protection Act

The following are the main features of the bill which has been accepted by the government and should pass its three readings in parliament to become law on January 1, 1985 (see inforMISEP no. 6).

### Limited term employment contracts

As companies' order books improve, employers are being encouraged to hire unemployed workers instead of making use of overtime or additional shifts. To this end the law authorises up to December 31, 1991 a one-off limitation of up to one year for employment contracts if this enables an unemployed person to be taken on or an apprentice, having finished his vocational training, to be kept in temporary employment because there is no permanent job. In the case of company start-ups with those employed not exceeding 20 persons, the maximum term for a limited employment contract is two years.

### Making part-time employment more attractive

The law provides for a series of regulations aiming notably at making part-time work attractive for those workers who, currently having a full-time job, are interested in a part-time job. This is done by means of improving labour law protection. Furthermore, the law improves the employment chances of unemployed people seeking part-time work and protects all part-time workers from unequal treatment in their relationships with their employer at work. All existing forms of part-time work, such as flexible working hours and job-sharing, will be integrated into social protection.

With the particular view to raising the willingness of small companies to hire, the law stipulates that part-time workers, employed for a maximum of 10 hours a week or 45 hours a month, shall in future no longer be counted in the threshold number of wage and salary earners above which companies are subject to the statutory protection against dismissal.

### Modification of the "social plan system" ("Sozialplanregelung")

Several items of the social plan regulation in the Works Constitution Act should be modified. The aim is to overcome the reluctance of a number of employers to hire additional workers because they want to avoid having to face high unpredictable social plan costs incurred in cases of dismissals caused by subsequent corporate restructuring.

The law currently in force stipulates that, when drawing up social plans, the settlement authority ("Einigungsstelle") has to observe the "social interests of the workers concerned" and the "economics for the company". These criteria will be clearly spelled out, as will the conditions which have been established solely by jurisprudence for the enforcement of social plans in cases of pure reductions in personnel. Furthermore, during their first four years, newly created companies will not be required to have a social plan enforced through the settlement authority.

The federal government's initiative to improve the currently unsatisfactory legal position as regards social plans of workers involved in cases of bankruptcy has to be seen in this context.

## Wage compensation scheme and smaller companies

The Continued Payment of Wages Act enables small companies with up to 20 employees to foresee the expenses they have to incur when continuing to pay wages to a sick worker, since this wage compensation scheme is financed jointly by all employers in this category through a cost splitting system. This statutory compensation scheme will be extended in scope.

To date, part-time and full-time workers were counted alike when determining the number of the workforce. This could lead to companies being excluded from the compensation scheme simply because they employ part-time workers. To overcome the negative effects on the employment of part-time workers, the Employment Promotion Act now foresees that part-time workers will be counted only according to the hours they work and handicapped persons will not be counted at all in the number of the workforce.

Until now, if a trainee falls ill, the employer has to continue to pay his/her training remuneration for six weeks. Since bearing such costs will have an adverse effect on small companies' readiness to train young people, the new law provides for the continued payment of a sick trainee's remuneration to be integrated in the existing statutory compensation scheme.

Under the Employment Promotion Act the sickness insurance institutes are entrusted with the implementation of the statutory compensation scheme. They will now be enabled to extend the group of employers participating in this scheme to all employers employing 30 workers (rather than 20 workers as at present). They will furthermore be statutorily enabled to include the employer's contribution to maternity allowances in the statutory compensation scheme, thereby improving the employment chances particularly of young women.

### Placement by third parties' services

In order to make use of every single training opportunity, the Federal Employment Institute will be authorised - as had been the case until 1969 - to commission third parties to place trainees in vocational training places, provided the placement is free of charge. This regulation is valid until 1991. Even now the Federal Employment Institute can commission third parties to place special groups of employees.

### Promoting job creation measures (ABM)

The funds available for job creation measures and consequently for relieving the labour market are to be used still more economically. The catalogue of priority projects is to be completed by projects aiming at maintaining and improving the environment. Wage cost subsidies for older unemployed persons (55 years and above) who have been hired additionally will in future also be paid to public employers.

### Temporary employment versus overtime

To enable companies to hire more temporary workers instead of using overtime, the maximum term of employment of a temporary worker will be extended from 3 to 6 months. This will allow absences for maternity leave to be compensated for by employing

temporary workers. This regulation is valid until the end of 1991.

### Illegal employment of foreign workers

Any person illegally employing foreign workers permanently or in considerable numbers will in future be liable to severe punishment: illegal employment of foreign workers will no longer be considered simply as going against the rules but will be punished and can be subject to a prison sentence.

### Single craftsmen training apprentices

The training of apprentices by single craftsmen will be stimulated by doing away with the regulation which required a craftsman to pay a higher contribution to his/her old-age insurance if he trained more than one apprentice. So far the special condition only applied when only one apprentice was being trained, but in future it will be maintained if two or more apprentices are trained.

### Flexibilising health cures

In accordance with the regulation in force under the old-age insurance scheme, the rigid rule specifying that health insurance institutions can only contribute to health cures every three years, is going to be made more flexible. This should strengthen the concept of medical prevention and rehabilitation and at the same time alleviate the difficult employment and economic situation in spas.

### Dismissal regulations in the building industry

An amendment to the Protection Against Dismissal Act is going to make clear that the regulations concerning "collective dismissals" also apply to companies in the building trade. This will facilitate placement of the workers concerned.

### GREECE: Family duties

With growing female participation rates, women now constitute a significant percentage of the total Greek labourforce and are contributing to all walks of life. The traditional role of the male in family life is also changing. So with two working parents, family obligations, especially those towards the children, are changing. Thus more effective assistance should be given to them for fulfilling their double role towards family and profession.

A **new law** (N. 1483/84) recognises that working people with family obligations face multiple problems of general importance. It shapes and applies policy aimed at real equality between the sexes as well as at establishing equality of opportunity and treatment between men and women having family obligations as well as between those without such obligations.

The term "family obligations" means duties towards dependent children or other members of the family (such as parents, brothers and sisters) who need the care and support of the working person. More specifically these **dependents** are:

- a) own or adopted children up to 16 years of age in as far as they are in their parents' custody;
- b) children over 16 needing care due to severe or chronic disease or disablement for as long as the parents have their custody;

- c) husbands or wives who cannot care for themselves due to severe or chronic disease or disablement or advanced age; and
- d) parents or unmarried brothers or sisters who, due to the above reasons, cannot care for themselves and whose annual income does not exceed a specific amount, for as long as they are under the care of the working man or woman.

Without prejudice to their other legal rights, working persons subject to these provisions can in case of illness of the above mentioned dependents be granted an **additional leave of absence** each year of up to six days for one dependent, eight days for two and ten days for more. If both husband and wife are entitled to this leave of absence it is granted to each separately. Furthermore, working persons are entitled to four additional days leave each year for reasons concerning the education of their children under 16 years of age. If the dependent is a mentally retarded child and the working person is employed by an enterprise employing more than 50 people, he/she is entitled to reduced working hours (up to one hour daily) with a proportional cut in salary.

If the enterprise employs more than 100 persons, workers are entitled to a **special leave** of up to three months each year for each child under 2½ years of age. The leave can be granted to each parent separately. It is not paid leave of absence, but it is considered as having been worked as regards computation of his/her salary, vacation or redundancy pay.

This law also made certain amendments to the law (N.D. 3868/58) regulating the payment of **family allowances**. OAED, the Manpower Employment Organisation, may pay children's allowances to:

- a) the non-working mother whose husband is performing military service or imprisoned;
- b) Greek migrant workers returning to Greece who are not entitled to family allowances for the first year after their return.

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**European Community reference:** New Community Action Programme on the Promotion of Equal Opportunities for Women - COM (81) final.

### IRELAND: White Paper on Industrial Policy

In July the government published a White Paper on Industrial Policy designed to give a new impetus to industrial development. It deals with the action being taken and planned to improve the business environment.

Industrial development in Ireland for the next decade will take place in a highly competitive international environment with relatively slow growth rates, rapid technological change, and intensifying competition for a declining pool of mobile investment. Industrial policy is being framed as part of a concerted response to the employment challenge, its **main objectives** being:

- (i) to double manufacturing output over the next ten years; and
- (ii) thereby to lead to a rate of growth in jobs in manufacturing of between 3,000 and 6,000 each year.

To achieve these objectives industrial policy will in future have the following **directions**:

- (i) incentives and advisory services will be applied selectively concentrating on internationally-traded manufacturing and service industries;
- (ii) there will be a shift in State resources from fixed asset investment to technology acquisition and marketing development;
- (iii) priority will be given to attracting overseas projects which will perform key business functions in Ireland; and
- (iv) the business environment will be improved to increase the competitiveness and profitability of industry.

One of the most important changes in industrial policy is the new **selective approach** to State aid. Grants will be directed at firms which can export, provide substitutes for imported goods or supply the needs of exporters. In addition more grants will be channelled to assist export marketing and the acquisition of technological know-how and less for fixed assets and machinery. The aim is to promote the establishment of new firms or the expansion of existing companies which have the capability to develop their operations to the standards needed to export competitively or to meet the sub-supply requirements of existing large industry.

A **Management Committee on Industrial Policy** has been set up to ensure the full implementation of the policy proposals and the co-ordination of the activities of the industrial agencies.

#### **IRELAND: National Plan**

The government's National Plan "Building on Reality, 1985-1987" charts the way in which economic and social policy will develop over the next three years. The **main issues and objectives** of the Plan are:

- to increase employment;
- to halt the rise in the burden of taxation;
- to ensure the continuous development of social policy in the areas of health, education, welfare and housing; and
- to halt the ever-increasing proportion of tax revenue spent on financing the public debt.

The **major priority** of the Plan is to increase employment. New government policies (see previous article) will stimulate a recovery in employment in manufacturing and internationally traded services. In addition the re-direction of the Public Capital Programme towards areas involving a higher construction element will stimulate many additional jobs in the construction industry. The recovery in output and employment in industry and construction will lead to further growth in the private services sector in which employment rose by 6,000 a year even during the recession. It is therefore expected that employment in industry and private services even without the help of special employment measures will increase by 35,000 over the next three years.

However, this will be insufficient in itself to absorb the increase in the labour force or to reduce unemployment. Therefore in order to reduce unemployment the government is taking additional **special action** designed to encourage unemployed people to set up their own businesses, and to get **long-term unemployed** people back into the workforce, while improving the efficiency of the youth employment services:

- the **Enterprise Allowance Scheme** (see "Job creation") together with other employment schemes introduced is expected to reduce unemployment by about a further 11,000 over the three years;
- a **new scheme for Social Employment** will provide part-time jobs for 10,000 long-term unemployed people within the next twelve months;
- a training and placement "**Alternance**" scheme will be introduced and will cater for 2,500 people per annum;
- the **youth employment services** are to be more effectively co-ordinated at national level, and in six areas COMTECs (see "Special categories") are to be established on a pilot basis to secure effective co-ordination at local level.

The **net effect** of all these measures is to absorb the increase in the labourforce to April 1987, and to reduce unemployment by an estimated 10,000 below the expected end-1984 level.

Details of the Social Employment and "Alternance" schemes are being finalised and will be included in the next issue of inforMISEP.

#### **EUROPEAN COMMUNITY: Community medium-term social action programme**

On June 22, 1984 the Council adopted the following conclusions concerning a Community medium-term social action programme:

"The Community will not be able to strengthen its economic cohesion in the face of international competition if it does not strengthen its social cohesion at the same time. Social policy must therefore be developed at Community level on the same basis as economic, monetary and industrial policy.

The institutional differences which result from the traditions peculiar to each country and to which the latter are attached are often referred to. These differences are major, but social institutions and the relationships woven between the social partners over recent decades also reveal many similarities. In all countries they have been an important factor in economic growth, raising the standard of living and achieving full employment.

These differences between institutions and social policies do not preclude the implementation of joint measures aimed at gradually promoting a European social area.

On the social front the Community must pursue the objectives it set itself at the outset: to seek full employment and better employment, and to improve living and working conditions, and to realize to the full the free circulation of workers. That means strengthening social solidarity and achieving a consensus between the social partners.

These objectives are inseparable from the search for stronger economic growth based on more competitive undertakings and development of the internal market and an economic policy aimed at maintaining as low a rate of inflation as possible.

The Community must help to strengthen the links between economic and social policies so as to boost its competitiveness and its solidarity vis-à-vis the outside world. The success of a proper economic policy is an essential requirement for the implementation of an adequate social policy. An effective social policy is a necessary support for economic policy. The changes necessitated by technological change should be backed up by a policy of education and vocational training, a labour-market policy and a social policy, with a view to allowing and encouraging rapid and successful adjustment.

In adapting measures to present circumstances, it is therefore necessary to continue and strengthen those already introduced, particularly in the fields of free movement of workers, employment, new technologies, guidance and vocational training, education, equal treatment of men and women, action to help less-favoured groups, health and safety at the place of work, but also to explore the possibilities of new initiatives in the areas of social protection, demographic change and family policy. Finally, the European social dialogue must be strengthened and its procedures adapted in order to involve the social partners more effectively in the economic and social decisions of the Community.

Within the framework of its powers and having regard to the limited financial means, the Community, without wishing to take the place of action by Member States and both sides of industry, wishes to assert its political determination to make progress in the construction of a European social area. In this context, it is necessary to give a boost to certain initiatives necessary in order to give a new dynamism, continue along the road towards growth and social progress and consolidate democracy in Europe.

With this in mind, the Council takes the view that, apart from continuing and stepping up the measures introduced over the last few years and which have been the subject of Council resolutions, a series of measures and initiatives could be considered in future years in the following areas:

#### 1. **Employment, the social aspects of new technologies and training**

Unemployment has proved to be the most intractable economic and social problem in the Community. Priority will be given in future years to the strengthening of measures to resolve the problem. These measures will have to be implemented in the constant knowledge that production machinery will have to be adapted to technological development in order to foster a high level of competitiveness in the face of international competition.

1.1. Young people of both sexes are experiencing in the Community a very considerably higher rate of unemployment than other age categories. This situation is very worrying for their social and professional future and the social balance of the Community countries. The situation, which reflects the insufficiency of offers of employment, is often associated with a low level of training or unsuitability of the qualifications obtained. Im-

proved employment possibilities for young people and first and foremost for young unemployed people are a priority objective. The measures taken by the Community will have to be strengthened for this purpose, in particular as regards training and reconversion to new technologies and the social integration, in particular, of young people and women. The Commission has been requested to draw up a regular report on the means used and the results obtained in the different Community countries.

1.2. The Commission is requested, in accordance with the Council's conclusions on technological developments and social change to promote initiatives likely to favour development of forward-looking labour-market management, initial and on-going training and the retraining of people whose jobs are affected by the new developments as well as information, consultation and negotiation at the appropriate level.

1.3. As technological change has consequences for employment, work organization and production, the economic aspects connected with the raising of competitiveness should not be examined in isolation from the social aspects concerning the conditions of use of the labour force. Both sides of industry should be encouraged to enter into a dialogue on the conditions of use of equipment, adjustment of the organization of work and working hours, employment problems and the length of working time.

1.4. Special attention must be given to working conditions and particularly to aspects concerning the health and safety of workers, the more so since important factors in labour productivity are involved here. Priority should go to intensification of the Community measures initiated in this area. Arrangements should, in particular, be sought for taking systematic account of the ergonomic implications of technological innovations as from the stage of the study and design of the equipment. The Commission is requested to submit proposals to the Council, in particular as part of the second action programme of the European Communities on health and safety at the place of work.

#### 2. **Social protection and population trends**

Social-protection systems are an important feature of the social cohesion of the Community countries. Furthermore, the security thus obtained is the counterpart of the necessary mobility of jobs in the face of technological change and competition.

Without this implying any harmonization objective, adjustments should, however, be envisaged in order to consolidate achievements and increase the efficiency of national systems. They would also contribute to strengthening the competitiveness of European economies in the face of international competition. The Commission will have to continue to ensure that these adjustments do not become a stake in the competition between European economies.

2.1. While taking institutional differences into account, the Commission is requested to endeavour to identify better the impact of social security payments on the competitiveness of undertakings,

employment and the standard of living of households in the economic context as a whole. At the end of this task, it will report back to the Council.

2.2. The ministers responsible are invited to examine the means employed to control trends in health expenditure on the basis of a periodical report from the Commission. The latter will examine with the Member States the possibilities for cooperation in the field of health.

2.3. The Council will hold a regular exchange of information on the developments of family policy and the effects of population trends as well as the consequences of ageing. The Commission is requested to conduct studies to this end.

2.4. In the present social and economic context, the importance of migration problems cannot be overlooked.

The Council takes note that the Commission will be submitting proposals to the Council for:

- intensifying Community policies encouraging the cultural and social integration of migrant workers,

- developing cooperation between Member States on the control of migratory flows from third countries,

- comparing retraining policies for migrant workers volunteering to return to their third countries of origin and examining the links between these policies and the Community policy on cooperation with those countries.

### 3. The European social dialogue

The Council considers, finally, that carrying out a Community social policy and Community industrial strategies implies the continuation and development of the dialogue between the two sides of industry at Community level.

The Commission is requested, firstly, to examine the conditions which would conduce within the framework of existing mechanisms to improving the dialogue with the two sides of industry in order to associate them better with the Community's economic and social decisions.

Secondly, it is requested to work out appropriate methods for encouraging, while scrupulously respecting the autonomy of, and responsibilities peculiar to, the two sides of industry, the development of relations of parity at Community level."

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## Aid to the unemployed

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### DENMARK: The job offer scheme

Job offers to long-term unemployed persons serve **two purposes**: the first is to retrain and maintain the working capacity of the unemployed, and the second is to increase total employment in society which should be taken to mean additional employment in relation to the number of persons normally employed by the undertaking. In line with the general rise in unemployment there has also been a strong increase in the number of long-term unemployed who are entitled to receive a job offer from about 15,000 persons in 1980 to about 64,000 persons in 1983.

Job offers are given to persons under the age of 60 who are members of an unemployment insurance fund. Jobs are offered to **long-term unemployed** persons above the age of 25 after 21 months unemployment within the last 27 months and to persons under the age of 25 after 12 months unemployment within the last 15 months. If possible, the job offered shall be within the unemployed person's normal occupational field and at normal pay and working conditions. Employers who recruit long-term unemployed persons receive a **subsidy** which corresponds to 80% of the maximum rate of daily cash benefits if they recruit a person under the age of 25 and 70% if the person recruited is more than 25 years old.

The long-term unemployed person is entitled to a **job of at least 9 months duration** if the job offered is in a private undertaking and 7 months duration if the job is offered in the public sector. The intention of the scheme - that the job offered should preferably be in the private sector - has by and large been attained as the share of private placements has increased from 10% of all jobs offered in 1980 to 27% in 1983.

In 1983/84 the Ministry of Labour carried out an **evaluation of the job offer scheme**. This has contributed to identifying those elements of the scheme which have had a positive and those which have had a negative effect on its objectives.

Long-term unemployed persons who are covered by the scheme have generally had a stable attachment to the labour market prior to becoming unemployed. Most job offer persons are unskilled workers and the jobs offered to this group are in the public sector, while skilled workers are to a higher degree offered jobs in the private sector.

The studies seem to show that the **best retraining effect** is obtained if the job offered is within the unemployed persons' previous occupational field. This seems mainly to be the case in connection with placements in the private sector. However, some job offer persons have themselves wanted job offers in new occupational fields. This has been the case especially with women who have previously been employed in the private sector, but want to be offered a job for example in the social and health sector. These persons very often want to continue work within the new occupational field when the job offer period comes to an end.

The result of **retraining the long-term unemployed** in the job offer period can to some extent be evaluated on the basis of their subsequent employment situation. Two thirds of those going through the job offer period obtain an improvement in their unemployment situation since about 1/3 obtain stable employment, and another 1/3 alternating periods of employment and unemployment. The remaining 1/3 have a high rate of unemployment on termination of the job offer period.

The majority of the persons who have gone through a job offer period consider themselves better equipped afterwards for managing a job, a view shared by most of the employers who have hired these persons.

As regards the **requirement of additional employment**, the evaluation shows that nearly half the private undertakings which recruit long-term unemployed persons with a subsidy would not have found it possible to recruit a person if they had had to pay the normal wage. The remaining undertakings would in any case have recruited new labour, but most of them would have recruited other subsidised labour, lower paid labour or they would have waited longer to recruit new labour.

The wage subsidy has made it possible for about half of the private undertakings to launch new activities.

In the public sector the evaluation has not shown examples of recruitment of job offer persons at the expense of ordinary labour, but it is difficult to say whether the scheme has led to failure to increase the number of permanent jobs.

In spite of the strong growth in the number of persons entitled to a job offer there have been **few administrative problems**. Private employers have, on the whole, been satisfied with the way in which the public employment service has administered the scheme and the increase in the number of private placements in recent years must be seen as a result of the reach-out activities of this service.

### GERMANY: The cost of unemployment

Income and expenditure of the Federal Institute of Employment in million of DM<sup>1)</sup>

Year	1970	1975	1980	1983	1984 <sup>2)</sup>
Total income	3,574	9,224	19,050	31,039	33,400
Total expenditure including:	3,907	17,836	21,674	32,644	29,900
Unemployment benefit	651	7,765	8,110	17,103	14,400
Bad weather allowance	1,222	396	983	597	1,400
Short-time allowance	12	2,207	471	3,075	1,700
Vocational training	764	2,304	2,878	3,468	3,800
Rehabilitation	67	434	1,650	1,884	1,900
Job creation	14	127	1,025	1,229	1,800
Carrying out professional duties	844	2,004	2,909	3,420	-
Bankruptcy compensation payment	-	262	206	465	-
Unemployment assistance	71	979	1,903	7,124	9,000

1) Source: Federal Institute of Employment

2) Estimation of the Hamburg HWWA institute

### ITALY: Work by CIG beneficiaries

By law no. 18 of February 27, 1984 and law no. 39 of July 24, 1981 beneficiaries of the Earnings Supplement Fund ("Cassa integrazione guadagni" - CIG) can for the time being be employed in public works or public utility services and as instructors for vocational training initiatives.

Law no. 18 extends to the whole of Italy the provisions of law no. 39 pertaining to the Mezzogiorno (South of Italy). It stipulates in particular that, if it is not possible or necessary to set up vocational skills or retraining courses for the workers who benefit from the special allowance paid by the CIG, the regional employment commissions can make arrangements for the workers in question to be temporarily taken on in an activity compatible with their occupation. This can be either in public works and public utility services or else as instructors for vocational training measures in agreement with the public authorities concerned. Such use does not, however, imply the establishment of any type of work contract and it must end as soon as the benefit period of the CIG allowance ends.

The earnings supplement allowance which is due to the workers employed in the public works and services referred to above, is increased to 90% with a ceiling which cannot exceed the monthly salary or wage which would have been paid in a permanent work contract with an individual worker.

Workers who refuse to be sent to courses, who do not attend courses regularly or who refuse to be employed in public works or public utility services referred to above, lose their right to the special CIG benefit, as well as to any social security or compensatory allocation to be borne by the company, with the exception of those rights which have already matured.

Workers employed in public works and public utility services have the right not to work in all cases where the requested work contravenes the legal regulations pertaining to work contracts for wage and salary earners.

### NETHERLANDS: Bill on voluntary work

The Minister of Social Affairs and Employment has consulted the Labour Market Council and the Emancipation Council on the first draft of a law concerning unpaid work carried out by persons who can claim unemployment benefit.

This draft sets out a legal framework for the conditions under which voluntary work is allowed. Under the existing social security laws it was only possible in a limited number of cases to do unpaid work while retaining one's claim to unemployment benefit. The Minister would like the draft bill to be dealt with speedily for he intends the statutory regulation to come into force on January 1, 1985.

### NETHERLANDS: Revision of the social insurance system

Employers, employees and Crown members made an unanimous recommendation in a Labour Market Council meeting that in the necessary revision of the social insurance system for unemployment and disability it is the insurance character that is of prime importance. They opt for a system which insures against loss of wages offering at the same time a safety net rather than for a double track system in which the element of need is of prime importance and that of the loss of wages plays a complementary role.

The existing unemployment regulations would be replaced by a single regulation, implying equal treatment of men and women, and one benefit identical for everyone.



The long-term unemployed must be provided with a better benefit settlement and should no longer depend on being given assistance. The Council believes that one should not opt for a sliding scale where the

percentage of benefit decreases as the income increases.

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**European Community reference:** Council Directive 79/7/EEC - Equal Treatment in Social Security.

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## Job creation

### BELGIUM: Fiscal aids for corporate job creation

Among the recovery measures foreseen by the **law of July 13, 1984**, Article 64 is an interesting fiscal innovation.

There have been several fiscal incentives introduced over the past few years to encourage corporate investments. But though new investments can encourage technological innovation - a matter which is of itself worthwhile - it so happens that many of these investments bring about rationalisation which does not create jobs. It is just this situation which is corrected by Article 64.

Contrary to the approach of employment zones which provide enterprises with tax relief for investing in leading areas, the **new approach seeks to foster labour rather than capital**. For it can be more advantageous for an enterprise which detects opportunities for expanding an (existing) product to make greater use of capital investment (i.e. the production system), for instance by bringing in new shifts and additional labour in the framework of a proportional reduction in working time, than to make new investment in machinery for instance.

This scheme, which comes in the wake of experiments successfully implemented by the government over the past years, seeks to bring about a reorganisation of production by **re-arranging working time** backed up by fiscal incentives. It foresees that corporate profits resulting from such re-arrangements will be exempt from tax up to Bfr 2m per worker hired. The amount is spread over six years according to the number of hirings made by companies to compensate for reducing working time.

More specifically, companies which reach a **collective working agreement** having the following provisions can make use of the fiscal concession:

- reducing the length of weekly working time by at least 8% in the whole company (and not, as is the case of working time experiments falling under A.R. 179, for one plant or sector - see inforMISEP no. 6) to 34 hours or less without there being any reduction in the average weekly wages (which means an increase in the individual's hourly wage);
- increasing the net number of persons employed, converted into full-time jobs to at least equal the reduction in working time (i.e. at least 8%);
- organising working time to ensure the maintaining or the increase of operating time of the system producing goods and services.

The new scheme could mean reducing shift work in companies working shifts since breaks of 2 x 6 hours or 2 x 4 hours could be envisaged.

Such agreements must come into force on January 1, 1985 at the earliest and on December 31, 1987 at the latest. They must be approved by the Minister of Employment and Labour.

The Bfr 2m **tax concession** per unit of personnel hired will be spread as follows:

- Bfr 500,000 for the first two years;
- Bfr 400,000 for the third year and thereafter in diminishing amounts to Bfr 100,000 in the last year.

Furthermore, should the net increase in the personnel foreseen in the collective working agreement be cut down during any fiscal period, the profits or losses of that period would, according to the case, be increased or decreased per diminished unit of personnel by a sum equal to the relief given for the three previous taxable periods.

This incentive cannot be cumulated with either the outcome of the new incomes policy (moderation of wage increases - see inforMISEP no. 7) aimed at encouraging employment (1984 - 1985 - 1986), or with specific incentives for experiments in re-arranging working time (A.R. no. 179).

As regards the impact on the state budget, the system could be in balance in the first year and even positive afterwards. The drop in fiscal revenues will be compensated for by the lack of expenditure (reduced expenditure) on unemployment benefits and the contribution of the worker hired to taxes and social security.

### IRELAND: Career breaks in the civil service

The Minister for the Public Service introduced this scheme on April 5, 1984. Its **objectives** are to provide new job opportunities in the civil service and to facilitate civil servants who wish to take career breaks.

The scheme allows the majority of civil servants to seek, with management agreement, special leave without pay (subject to a minimum of one year and a maximum of three years) for a wide range of purposes, e.g. to set up a business, to rear children, or to work in another job.

Vacancies arising under the scheme are filled which means that the number of jobs available for young people in the civil service will increase. Officers returning to the civil service after a career break will be assigned to suitable vacancies as and when they arise in their grade and Department.

The scheme will operate on a **trial basis** up to December 31, 1985, when it will be reviewed. Up to July 31, 1984 215 civil servants had availed themselves of the career break scheme.

### IRELAND: Enterprise Allowance Scheme

The initial ceiling of 500 participants on the pilot scheme (see inforMISEP no. 5) was lifted in March 1984 as a result of the heavy demand for places. By October 5 there were over 3,600 persons on the scheme and this figure is expected to reach 5,500 by the end of 1984.

Regulations introduced on August 13, 1984 allow for participants entering the scheme on or after this date to capitalise a certain element of pay-related benefit

(PRB - payable with unemployment benefit). This means that participants who have some residual entitlement to PRB can apply and will be eligible in the case of suitable projects to capitalise their PRB up to a maximum of 26 weeks or the actual number of weeks PRB to which there is entitlement, whichever is the least.

The purpose of this change is to cover the start up costs of the enterprise over and above the first IR£ 500 which participants are expected to cover from their own resources.

#### **ITALY: Temporary exemption from social charges in the Mezzogiorno**

A decree with the force of law no. 277 of June 29, 1984 converted into law no. 430 of August 4, 1984 extended the temporary exemption from social security charges and the relief in contributions in the Mezzogiorno.

The law provides for:

- the extension until 30.11.1984 of the exemption from social security charges (amounting to Lit 3,300 bn);
- the extension until 31.12.1984 of the relief in contributions in the Mezzogiorno (amounting to Lit 1,400bn);
- the possibility of applying the relief in contributions also to shipping companies for the sailors making up crews of the ships registered in the coastal sectors situated in the territories of the Mezzogiorno (from 1.1.1980 to 31.12.1984 - amounting to Lit 130bn).

#### **ITALY: Financing projects of socially useful services in the area of Naples. Law no. 618 of September 28, 1984**

The Ministry of Labour and Social Affairs has been authorised to make grants in 1984 to the province and the municipality of Naples, amounting to Lit 12bn and Lit 15bn respectively. This money is earmarked for financing socially useful works, developed and controlled by the aforementioned authorities prior to the date of the decree's coming into force and to be assigned to production and labour co-operatives operating in Naples and its province.

The total amount needed for implementing this programme, estimated at Lit 27bn, is being paid for by the management for supplementary finance for special projects provided for in art. 26 of law no. 845 of December, 21, 1978.

#### **NETHERLANDS: Urban renewal project**

The Labour Market Council of the Social Economic Council has recommended that employment be promoted in the construction industry by speeding up urban renewal. Raising the number of house improvements to 10,000 pre-war and 25,000 post-war council houses would produce 40,000 work-years from 1984 to 1988.

#### **NETHERLANDS: Green atlas on local initiatives**

The Ministry has published a 1984 (green) "Atlas of local initiatives in the Netherlands: Work projects and supporting bodies" following the (blue) atlas published

by the Institute of Economics in Tilburg. The two atlases have the same contents and form. Together they provide a broad overview of the spread and concentration of the various types of local initiatives.

750 municipalities participated in the stock-taking exercise. The blue atlas is intended for start-ups and small enterprises, with the green atlas providing information on projects and the supporting bodies so that it can be used as a handbook. The work projects are subdivided into social projects, training projects, service and assistance projects and workshops. The supporting bodies are not further subdivided since they are engaged in a variety of activities varying from advice and counselling to monitoring and placement. Information is provided for each municipality.

#### **NETHERLANDS: Employment measures in backward areas**

The Secretary of State has allotted Hfl 50m in 1985 for employment measures in backward areas to employment offices in 16 municipalities.

After consultation with the local authorities and the social partners, the municipal employment offices can make use of the money for education, work experience projects and subsidising labour costs.

#### **NETHERLANDS: Facilitating start-ups of businesses run by women - pilot scheme**

Women wishing to start a business of their own can, under specific conditions, obtain an interest-free loan from the government. The loans are granted through the pilot scheme for facilitating start-ups of businesses by women (E.R.S.V.).

The E.R.S.V. scheme is aimed at women who cannot raise the starting capital they need through the usual channels and who, after not having worked outside their home for several years, want to have an income again by starting up a business of their own. The scheme assumes that, through their day-to-day job practice and ensuing training, participants will gain sufficient knowledge and experience to be able to continue running the business after some time without needing any support.

The maximum loan for a business amounts to Hfl 50,000, reimbursable over seven years.

The scheme runs provisionally for three years (1984, 1985 and 1986). Hfl 700,000 has been earmarked for 1984.

#### **UNITED KINGDOM: Evaluation of the pilot Enterprise Allowance Scheme**

The Enterprise Allowance Scheme (EAS) (see information nos. 00, 2, 5, and 7) assists unemployed people who want to set up in business by paying a flat rate taxable allowance of £40 a week for 52 weeks. The scheme was introduced on a pilot basis in five areas from February 1982 and started as a national scheme on August 1, 1983. At the end of September 1984 39,000 people were in receipt of the allowance.

This article reports initial findings from an evaluation of the pilot scheme which was mounted in five areas. Evaluation of these schemes is continuing but sufficient material is already available to indicate the economic benefits associated with EAS.

Underlying the introduction of EAS was the **belief** that many unemployed people were deterred from setting up in business because they would immediately lose unemployment or supplementary benefit but would take time to generate a corresponding level of income. EAS, by payment of an allowance during the initial year, reduced this financial disincentive. To compensate for lack of business experience, likely in EAS participants, information and guidance on running a business is provided to all who join the scheme by the Department of Trade and Industry's Small Firms Service whose counselling services are subsequently available.

Applicants are only **eligible** for EAS if certain **conditions** are fulfilled. Those applying in the pilot scheme were that entrants must:

- be in receipt of unemployment or supplementary benefit at the time of application;
- have been out of work (or under notice of redundancy) for at least 13 weeks prior to application;
- have at least £1,000 available (including bank loan) to invest in their business while in receipt of the allowance; and
- undertake that the business is to be their sole employment and that they will work full time (at least 36 hours a week).

As regards **evaluation methodology** all participants in the pilot EAS have been surveyed at regular intervals:

- (i) a questionnaire on entry;
- (ii) a follow up after three months on EAS;
- (iii) a follow up after nine months on EAS;
- (iv) a follow up six months after leaving EAS.

### Broad findings

Between February 1982 and the end of July 1983 **3,331 people** set up in business in the pilot areas. Over 90% of entrants were men. Nearly 70% of entrants were married. Table 1 shows that EAS appeals to all age groups, but to a lesser extent to those aged over 55 years. Table 2 shows that over 50% of entrants had previously been unemployed for six months or longer.

**Table 1 Age of entrants to EAS pilot schemes**

Age	Percentage of entrants
Under 25	19.4
25-34	33.7
35-44	24.0
45-54	15.9
55-64	7.1

**Table 2 Previous length of unemployment of EAS entrants to pilot schemes**

Duration of unemployment	Percentage of entrants
Less than 3 months	13.7
3 to 6 months	35.5
6 to 12 months	25.4
Over 12 months	25.4

About 28% of entrants experience a fall in income on joining the scheme. Table 3 shows the main reason for joining EAS.

**Table 3 Main reasons given for joining EAS in pilot areas**

Main reason given	Percentage of entrants giving this reason
Could not find paid employment	32.3
Independence	27.0
Challenge	11.7
Financial rewards	12.5
Develop own ideas	8.1
Wish to supervise personally	5.7
Other	2.8

Table 4 shows the **breakdown of businesses established** by industry group according to the Standard Industrial Classification. The industrial distribution of the EAS businesses is broadly comparable to the industrial distribution of starts of firms estimated from records of the number of traders registering for VAT.

A finer breakdown of businesses in the three main industry orders is shown in Table 5. Over one in ten of all businesses was associated with motor car repairs/dealing and almost one in ten associated with general house repairs.

Comparing the industry in which businesses have been established with the industrial order of each individual's previous employment shows for example over 40% of those joining the pilot scheme were previously employed in manufacturing whereas only 13% of businesses were set up in this area. Only 10% of participants were previously employed in distribution but 25% of businesses were in this category. In the miscellaneous services area only 12% of entrants had that previous employment experience but 24% of businesses were in that group. Overall about 33% of EAS participants set up a business in the same industrial order as that of their last job. Those setting up in construction, mechanical and electrical engineering were most likely to start their business within the same industrial order as their last job.

**Table 4 Industry of business**

Industry	Percentage of businesses
Agriculture, forestry, fishing	2.2
Mining and quarrying	0.0
Food, drink & tobacco	0.2
Metal manufacture	0.1
Mechanical engineering	0.9
Instrument engineering	0.0
Electrical engineering	0.5
Shipbuilding and marine engineering	0.1
Vehicles	0.3
Metal goods n.e.s.	3.2
Textiles	0.2
Leather, leather goods, fur	0.2

Clothing & footwear	1.1
Bricks, pottery, glass, cement, etc.	0.5
Timber & furniture	3.1
Paper, printing & publishing	1.3
Other manufacturing	1.3
Construction	23.6
Gas, electricity & water	0.0
Transport & communication	5.8
Distributive trades	24.8
Insurance, banking, finance	2.9
Professional and scientific services	3.6
Miscellaneous	24.1

**Table 5 Detailed analysis of main types of business**

Type of business	Percentage of all businesses established
<b>Construction</b>	<b>23.6</b>
General repairs and improvements	9.1
Plumbing and central heating	3.9
Electrical contractors	3.1
Painting & decorating	3.3
<b>Distributive trades</b>	<b>24.8</b>
Retail clothing & footwear	2.6
Retail household goods	6.8
Retail other non-food goods	5.6
Retail grocery	2.9
Retail other food	3.2
<b>Miscellaneous services</b>	<b>24.1</b>
Motor repairers/dealers	11.7
Photography	1.5
Hairdressing	1.2
Dry cleaning, carpet beating, etc.	1.9
Snack bars, etc.	2.5
Window cleaning	1.4

When the industry of the new business and last occupation are compared a significantly higher proportion are shown to have entered a business for which they had gained relevant experience in their last job. This comparison therefore provides a better guide to the relevance of previous work experience.

The surveys of pilot EAS participants also collected information for the **economic evaluation** of EAS.

The objectives of EAS are not achieved if the allowance is paid to businesses which would have been established even if the allowance had not been available (so-called "**deadweight**"). Increased output and gains to the Exchequer resulting from an increase in employment are generated only by those businesses which are set up because the allowance is available. Evaluation of the EAS must therefore distinguish between the two categories.

Deadweight can be further subdivided in order to assess whether the payment of grant accelerated the establishment of a business or enabled the firm to continue trading, both of which would produce a partial benefit to the community. Therefore in the EAS context the acceptance of the simple definition of deadweight may lead to an overstatement and imply a lower level of effectiveness than is the case. For this reason the evaluation takes account of the partial benefits realised from a proportion of deadweight firms.

A 13 week qualifying period for EAS is imposed to reduce the level of deadweight. The answers to survey questions suggest that, after allowing for those who said they started earlier because of EAS, deadweight is around 50%.

If the output of EAS businesses simply **displaces** output and employment in the economy there is no gain to economic activity, although increased competition may raise economic efficiency. Evidence from other studies indicates that displacement may be around the 50% level.

To estimate the **economic benefits** from EAS firms it was necessary to collect information about the income of EAS businesses, the employment generated and the survival of firms.

After nine months trading and again six months after leaving EAS there was a wide distribution on the range of weekly income, with a large number earning low incomes, and, at the other end of the range, a small number with high incomes. Because of this, the median weekly income (net of all business expenses) of £83 (excluding the EAS allowance) is well below the average of £127. After nine months the average weekly income of people encouraged to set up a business because of EAS was lower than deadweight businesses: £114 compared with £150.

On **survival** 70% of non-deadweight firms would have ceased trading during the first 12 months if the allowance had not been available. The figure for deadweight firms is 30%. If the allowance enables deadweight businesses to survive a full twelve months whereas without the allowance they would have stopped trading sometime during the first 12 months, then some benefits result because employment is higher and benefit payments lower. Overall, it is clear that EAS made a significant contribution to the survival of firms during the first 12 months, a time when many firms cease trading.

Statistics show that about 12.5% of recipients dropped out before completing the full 12 months. For those dropping out the average length of stay was just over five months. The main reason given for dropping out was financial difficulties, followed by return to paid employment.

A crucial test of the success or failure of EAS is the proportion of businesses which cease trading when the period of the allowances finishes, or fairly soon afterwards. The preliminary evidence from the 18 months survey indicates that the Enterprise Allowance has succeeded in establishing permanent businesses: about 80% of those completing 12 months on EAS are still trading.

After nine months for every 100 businesses supported on average an additional 50 **jobs** had been **created**. However, most jobs have been generated by a relatively small number of businesses - 75% of businesses did

not have any employees. Businesses which survive into their second year are more likely to create jobs. The survey of businesses 18 months after start up shows that the average number of jobs generated per 100 businesses has risen to 65. Businesses which are induced to start by EAS have generated fewer jobs than deadweight businesses.

Taking all factors (deadweight, displacement, etc.) into consideration for every 100 entrants to EAS unemployment falls by 32.5.

As regards the **net cost per person off the unemployment count** for a year for every 100 entrants to EAS, the Exchequer only saves expenditure or receives additional receipts from the 32.5 people, because for the other recipients their economic activity is unaffected by the allowance. For the pilot EAS the net cost to the Exchequer per person off the unemployment count in the first year is £2,690.

With EAS there is no additional public expenditure cost after 12 months but if firms continue to trade beyond 12 months there are continuing savings to the

Exchequer from lower unemployment benefits and higher taxation receipts. This will reduce significantly the **longer term net cost of EAS**. If, for example, it is assumed that about 60% of firms surviving for 12 months continue to trade until the end of their second year (and the early evidence from the 18 months survey suggests that this may be a little pessimistic) then over two years the net cost of removing one person from the register falls to £650. Depending upon assumptions about future survival it is clear that over about three years EAS has the potential to create additional employment and at the same time lead to savings in public expenditure.

Recent evidence on the **national scheme** indicates that businesses may be more successful than those on the pilot scheme. On average after six months 55 jobs had been generated per 100 businesses supported, of these 34 are full-time and 21 part-time. EAS continues to be attractive to the longer term unemployed - on the national scheme 66% of the respondents had been unemployed for over six months and 25% had been unemployed for at least 12 months.

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## Special categories

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### FRANCE: Youth measures for the 1984-85 campaign

Meeting on September 26, the Council of Ministers drew up a series of measures aimed at fighting youth unemployment. They are intended to achieve the **government's aim** of providing all persons under 21 years of age by the end of 1985 with an alternative to unemployment in the form of training, employment or work of collective utility.

The scheme adopted is based in the main on:

- bringing in works of collective utility aimed at young people aged 16 to 21 years;
- undertaking to provide an additional 480,000 training places for young people aged 18 to 25 years (and, by special dispensation, to 16 to 18 year olds) made up of:
  - . 300,000 training places within companies;
  - . 100,000 introductory training periods for working life;
  - . 60,000 places in teaching establishments;
  - . 20,000 apprenticeship places.

This set of measures will be completed by an improvement in the system for helping unemployed workers to set up their own business, the development of "intermediary enterprises" able to take in jobseekers whose integration into working life is particularly difficult, and, finally, by the creation of a "youth initiative fund" endowed with FF 1m in each "département", to finance initiatives taken by young people themselves for their training and integration into working life (creating enterprises, study visits, computer clubs, etc.). In the same spirit, to speed up awareness of the complementarity of the worlds of teaching and of working, the government will enhance the systematic twinning of every school with at least one enterprise.

### Works of collective utility

This programme is open to young people aged 16 to 21 years who have no job and are undergoing no training or studies. Such youths can, for a maximum period of one year, perform part-time collective utility work in such areas as helping the elderly, environmental protection, family help and pre-school services. This work will be proposed, defined and managed by local level units, both public establishments and non-profit associations or foundations.

Participants will have the status of "vocational trainee" ("stagiaire de formation professionnelle") and in this capacity will benefit from social coverage, in particular as regards accidents at work. Basic remuneration is set at FF 1,200 financed by the state for 80 hours of work per month. To this sum can be added a complement of FF 500 paid by the host body.

Work must at the same time meet a real unsatisfied need and not compete with activities provided by the market sector or public employment. It must seek to ensure the integration of the young beneficiaries on both the social and occupational levels. Thus, projects must have a proper framework and be of sufficient interest in themselves for the young beneficiaries.

### Alternating training

The government is putting into operation the October 26, 1983 national agreement by completing the scheme of alternating training (sandwich courses) for young people aged 18 to 25 years and, by special dispensation, 16 to 18 year olds.

The **three types of training** newly brought in are:

- 1) the **initiation into working life training period**: three months within an enterprise for contact and work during which time the young person is followed by an outside body;

- 2) the **qualification contract**: six months to two years of work and training within the enterprise aimed at obtaining a diploma or a recognised skill;
- 3) the **adaptation to employment contract**: a one year minimum to confirm previous training.

The last two are both work contracts.

The three approaches provide a sort of complete course - without all the stages being compulsory - which should enable the young person to gradually become integrated into the enterprise.

An important innovation concerns the ways of **financing**, with a redistribution of responsibilities between the state and enterprises. Initiation into working life traineeships are paid for by the state, but enterprises finance the qualification and adaptation to employment contracts in compensation for their charges being reduced: until now they had to pay the Treasury for training purposes 0.1% of their payroll liable to apprenticeship tax and a payment of 0.2% of their payroll as a down-payment on the compulsory expenditure for recurrent education. From now on, enterprises are freed from these payments and can make the corresponding expenditure directly according to suitable methods: this expenditure totalling some FF 3bn can be incurred within the framework of collective agreements between employers' and employees' representatives or, should such an agreement not exist, by payment to a friendly society ("organisme de mutualisation des fonds") or, finally, by directly paying the expenditure.

Since the new approaches have been born of a national agreement, the state is striving to limit its action to simply supporting their implementation by the social partners within the framework of a broader agreement and ex post monitoring progress.

**European Community reference:** Council Resolution of January 23, 1984 on the Promotion of Employment for Young People.

### GERMANY: Repatriation Promotion Law

The basic tenets of the federal government's policy towards foreigners are:

- 1) the integration of foreign workers and their families who have been living in Germany for many years;
- 2) limiting further arrivals;
- 3) promoting willingness to be repatriated.

On point 3 parliament passed a law on November 28, 1983 (see inforMISEP nos. 4 and 7): the Act on Promoting the Readiness of Foreigners to Return Home. This came into force on December 1, 1983. According to this act, the Federal Institute of Employment (BA) was responsible for:

- granting the financial aid for repatriation according to Article 1: The Repatriation Aid Act (RückHG); and
- advising foreigners willing to return home, a function shared with other bodies (§ 7 RückHG).

The repatriation allowance was to be paid only to workers who would leave the Federal Republic/West

Berlin after October 30, 1983 and by September 30, 1984 and had applied by June 30, 1984. These time limits have now expired.

On the other hand, advising foreigners thinking of going home is a continuing task. Following the requisite preparatory work, these advisory services were opened in selected employment offices from June 1984.

### Financial aids to repatriation

The target group for this aid was deliberately closely circumscribed by the Act so as to find the best possible solution as regards costs and to cut out the deadweight (take-up) effects to a large extent. Thus the **target group** was limited by two sets of **criteria**:

- **country of origin:** only nationals of the following countries outside the European Community could apply: Korea, Morocco, Portugal, Spain, Tunisia, Turkey and Yugoslavia;
- **unemployment situation:** advent of unemployment through closure of the whole business, important parts of it or through bankruptcy; or entitlement to short-time working allowance for at least six months for hours lost on average of at least 20%.

This meant that from the very beginning the real problem cases on the labour market could not be covered by the financial repatriation aid often despite considerable interest to return home. Numerous applications for repatriation assistance were made by long-term unemployed foreign workers who did not have sufficient resources to return home; however, these could not be considered.

Foreign workers are more markedly affected than Germans by unemployment because of their comparatively lower vocational qualifications and their concentration in jobs in industries particularly prone to recession. (In 1983 an average of 292,100 foreigners were registered as being unemployed, this being an unemployment rate of 14.7%.)

During the period of validity of the Act a total of 16,871 foreign workers applied for repatriation assistance of which 13,711 applications were granted. The repatriation assistance was taken up in particular by Turkish workers.

	Appli- cations made	%	Appli- cations accepted*	%
Turks	14,488	85.9	12,012	82.9
Yugoslaves	885	5.2	561	63.4
Portuguese	740	4.4	556	75.1
Spaniards	284	1.7	235	82.8
Tunisians	266	1.6	167	62.8
Koreans	114	0.7	108	94.7
Moroccans	93	0.5	72	77.4
<b>Total</b>	<b>16,871</b>	<b>100.0</b>	<b>13,711</b>	<b>81.3</b>

\* Position at mid August 1984

The following data emerges from the **evaluation of 4,700 applications** for repatriation aid which have been settled:

Nearly two thirds (65%) of the applications were based on company closures. The repatriate has the following statistical characteristics: he is typically a Turkish national (84.4%) aged 35-45 years (52.4%) and has been in Germany for more than ten years (93.4%). He has a special work permit (92.6%) and received between DM 10,500 and DM 12,000 repatriation assistance (50.5%). Prior to this repatriation he had made no claims for other allowances from BA (47.1%), though 41.3% received unemployment benefits. Typically, (81.9%) he left Germany on time so that no deductions needed to be made for a delayed departure.

73.8% of the repatriates had been working as unskilled and 26.2% as skilled workers.

With the 4,700 foreigners whose repatriation assistance has been settled, a total of 12,132 persons permanently left Germany. Based on all approved applications, it is estimated that 35,400 foreigners would have returned home.

#### **Advisory service for returning migrants**

According to § 7 of the Law every foreigner wishing to return home can ask to be provided with information and advice on help available to return and on occupational/job opportunities including setting up his own business. This links up with decisions and recommendations of the Council of Europe (1969/1978), OECD (1979) and the Intergovernmental Committee for European Migration (ICEM).

Giving advice is not the role of the Federal Institute alone and other bodies working in this area have their contributions to make. The Federal Institute will be co-operating with these bodies in the future.

Fifty selected employment offices have been entrusted with advising returning migrants. In total 54 experienced labour advisers were specially trained. A request for advice can be made through any employment office.

German and foreign workers have equal rights to labour advice and the general advisory services of the Federal Institute. The Institute advises on the following: the general labour market situation; general occupational trends; the necessity of and opportunities for vocational training; training incentives; and incentives to enter employment. Advice includes drawing attention to the possible negative consequences for the future occupation/job which might be caused by linguistic or educational gaps.

Because of a lack of basic information on jobs and the labour market, foreign workers are often not in a position to judge properly their position on the German labour market and to take the right decisions for their own and their families' future life in time. They thus depend on advice for their occupational integration and questions of reintegration.

The foreigner requesting advice must thus be informed and advised so as to be able to make responsible and knowledgeable decisions. In this the adviser may not urge on him any particular solution.

#### **GREECE: Changes in family benefits**

By a new Presidential Decree - pending signature (October 1984) - the existing regulations dealing with family allowances are being amended, so as to attenuate social imbalances of workers and give to family benefits a social character.

The main point introduced by the new provisions is the calculation of family benefits according to the family's annual income and the number of children. This new instrument introduces radical innovations in the legal as well as in the operating procedure of granting family allowances. It has the following characteristics:

- relief to low income families and to families with temporary social and economic problems;
- income increase to those families without any increase in the contributions of employers or of employees;
- significant increase in the income of certain categories of people (the sick, the unemployed, the divorced, etc.) who were not covered by the existing legislation.

#### **IRELAND: Activities of the Youth Employment Agency**

The Youth Employment Agency (YEA) has proposed the setting up of local agencies to be known as **Community Training and Employment Consortia (COMTECs)**.

The function of a COMTEC will be to ensure that youth training and employment programmes directly address the local labour market conditions and the needs of young entrants to that market. COMTECs will be locally based and be representative of local community and state agencies - e.g. community bodies, schools, local authority, government training and employment services. In effect, they will have the power to attune youth training and employment programmes to local needs. Government approval for this proposal having been obtained, COMTECs will be established on a pilot basis in six areas, both rural and urban, over the next twelve months.

In March 1984 the YEA was allocated responsibility for developing the **Social Guarantee** (for details see inforMISEP no. 3). The Agency was instructed to bring forward proposals in respect of early school leavers and of other young people who are unemployed and in need of qualifications to secure employment.

Subsequently, the Agency announced details - currently being finalised - of its outline proposals on how the Social Guarantee could be implemented. The **main features of its draft proposals** are:

- all young people in the priority groups will be identified by the state employment agency (the National Manpower Service with the assistance of the schools);
- young people in the priority groups who are still unemployed six months after leaving school will be guaranteed an offer of a place on a full-time programme of training and/or work experience;
- the minimum age for access to programmes will be lowered from 16 to 15 years for those identified by schools as having left the education system;
- the National Manpower Service will have responsibility for monitoring the progress of those in the priority groups in the period after they leave school;
- at national level, YEA will provide for regular consultation with other manpower agencies and educational interests through the establishment of a technical advisory group for the programme.

**European Community reference:** Council Resolution of January 23, 1984 on the Promotion of Employment for Young People.

#### **NETHERLANDS: Long-term unemployed young people**

The Dutch press is constantly discussing governmental plans to help young unemployed people to find a (temporary) job. The idea of enlisting the services of the temporary work agency START for this is a recurring theme.

Although this idea is continually reported as being a fact, the policy discussions on the subject have not yet been concluded. Furthermore, it is very questionable whether the government plans will ever materialise.

The **Labour Foundation** has recently made a recommendation drawing attention to combatting youth unemployment. This is an area in which new initiatives have recently been launched by employers' associations and trade unions. Every year some 70,000 school leavers are unable to find a place on the labour market, due to both qualitative and quantitative factors.

The Foundation appeals to all parties involved in collective bargaining to make additional efforts in the fight against youth unemployment by making effective agreements. Both extending employment of young people and additional placement efforts can help reduce the number of long-term unemployed young people by some 20,000 through:

- strengthening and enlarging the apprenticeship system in such a way that overall numbers will be doubled compared with 1982; it is important for there to be optimal co-ordination with the short intermediate vocational education ("Kort Middelbaar Beroepsonderwijs");
- training through schools for branches of industry;
- creating work experience/training possibilities particularly for young people who have not (yet) been able to enter the apprenticeship system. In as far as the social partners consider that this involves productive work, the usual working conditions have to be applied;
- creating jobs which gradually develop from part-time to full-time. Movements in this direction would be incorporated into collective labour agreements, taking account of the usual working hours in force in companies or branches of industry concerned.

The **social partners** have concluded a so-called "**foundation agreement**" ("Stichtingsaccord") for jointly combatting unemployment amongst school leavers covering the following items:

- creating additional jobs for young people, including part-time jobs;
- doubling the number of apprenticeships;
- training young people through (branches of industry) schools;
- creating practice/training possibilities;
- creating jobs which gradually develop from part-time into full-time ones.

#### **NETHERLANDS: New plan for employment projects for young people**

A new grant scheme will be brought in for employment projects for young people: the Employment Projects Scheme for Unemployed Young People (W.J.W.). This supersedes the Experimental Job Creation Scheme for Unemployed Young People (E.A.J.).

The **aim of this new scheme** is to create permanent employment for unemployed young people up to 25 years of age by setting up subsidised work projects. There will no longer be any rules as regards training and length of unemployment.

The government aid will be concentrated on the start-up phase of the project. The contribution will run for a three year period from the actual start of the project. Subsidies will no longer be granted towards possible operating deficits. Income and contributions from third parties will no longer be deducted from the grant given.

The scheme will **focus** on projects from the **market sector** without excluding projects from other sectors. A bi-partite body, outside the government apparatus, might be entrusted with implementing the new scheme. The steering committee of the E.A.J. projects will probably be discontinued.

**Hfl 18m** have been earmarked for the W.J.W. projects for next year. As the current E.A.J. projects are completed, this amount will increase every year up to some Hfl 35m.

#### **NETHERLANDS: Report on the situation of refugees on the labour market**

The Secretary of State has announced a special programme for refugees who have been invited to the Netherlands. This will in particular consist of educating them in job search. The government will also give them the opportunity of gaining work experience on the Dutch labour market by subsidising temporary jobs in the public sector and by compensating the labour costs of those companies taking on those who have not been in the Netherlands for more than 5 years. Unemployment is particularly high among refugees (+ 50%), with the biggest group being the Vietnamese.

#### **UNITED KINGDOM: Community Programme**

At the end of July 1984 changes were announced to the Community Programme, the United Kingdom's principal scheme to **help long-term unemployed people**, (see also inforMISEP no. 0).

The programme, which was introduced in October 1982, provides temporary employment for unemployed adults on projects of benefit to the community such as environmental improvement and nature conservation work, with priority being given to those projects which do most to improve the long-term employment prospects of participants, while providing something of practical benefit to the community. Recruitment to the 130,000 job opportunities available under the programme is normally restricted to people aged 18 to 24 who have been unemployed for six of the last nine months, and those aged 25 and over who have been unemployed for at least 12 of the last 15 months. In addition, they need to have been unemployed for the last two months immediately before joining the programme.

In July it was announced that, as part of the United Kingdom's adult training strategy, participation in the



programme will be **linked with short courses** of work preparation and basic skills training. This will increase the effectiveness of the programme in improving the prospects of resettling the long-term unemployed into regular employment. Of the 200,000 who are expected to pass through the programme in a year, some 50,000 are likely to benefit from such training when the arrangements are fully in operation.

An **increase in the average wage payable** to the participants in the programme was also announced. Sponsors of projects under the programme are required to pay participants the local going rate for the job within an overall average. From October 1, 1984 this average was increased by 5% from £60 to £63 a week. This will help sponsors in the management of their projects.

Also from October 1, to ensure that the limited number of places available on the programme go to those most in need, eligibility will normally be confined to those long-term unemployed who are also in receipt of state benefits.

### **EUROPEAN COMMUNITY: Action to combat long-term unemployment**

On September 14 the Commission adopted a Communication to the Council and the Standing Employment Committee on Action to combat long-term unemployment.

This Communication is in response to the request made by the Joint Council of Finance and Employment Ministers of November 16, 1982 for the Commission to undertake a study of long-term unemployment and present possible proposals for remedial action.

The Communication begins with an analysis of the **scale and nature of the problem**. Although there is no commonly agreed definition of long-term unemployment throughout the Community, the number of people registered unemployed for more than a year is growing rapidly and constantly. Further, as the recess-

sion has worsened, the proportion of long-term unemployment in total unemployment has risen. After an analysis of the statistical difficulties encountered in measuring long-term unemployment accurately, it is noted that the characteristics of the long-term unemployed have changed over time, with an increasing proportion of workers now threatened with remaining unemployed by the fact of becoming unemployed. The social and economic costs are also considerable, both for individuals who encounter financial and personal problems and for the economy in terms of wasted real resources and budgetary losses.

It is noted that the **measures** which have been adopted so far to combat long-term unemployment, firstly by national governments and also by the Community have been piecemeal, lacking overall consistency.

The **conclusions for policy and further action** are based on the contention that an effective policy response requires both individual and co-operative actions by all parties concerned and sets out the proposed actions to be taken by national governments, social partners and the Community, each of which has a crucial role to play. Governments must give priority to improving information and providing the necessary framework for appropriate action to be taken, triggering off policy responses, particularly for those unemployed for more than one year; the social partners should take a positive attitude to the long-term unemployed and help those threatened by redundancy by means of appropriate action. The Community will vigorously pursue its efforts to ensure the implementation of existing policy commitments with a view to their effect on reducing long-term unemployment, as well as supplementary action to support, encourage and co-ordinate at Community level the actions of governments and the social partners.

Finally, the questions for **further policy discussion** examine the various economic and social policy objectives which need to be reconciled if the particular problem of long-term unemployment is to be tackled effectively and on a lasting basis.

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## **Working time**

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### **BELGIUM: Authorised work for early pensioners**

The regulations on what work early pensioners are allowed to do have recently been altered. This ends the difference that previously existed in the way they and pensioners were treated as regards cumulated activities for which they are not indemnified and social allowances.

The amount of a "pré-pension conventionnelle" (early retirement by collective agreement) is made up of two parts: the unemployment allowance paid by the national employment office, ONEm, and the complementary allowance paid for by the last employer. Regulations which had been drafted for the unemployed were also applied to the early pensioner.

As regards authorised work, these regulations had been established to fight against illicit work and thus left little scope for what early pensioners could do. As a result a big gap opened up between work which pensioners were allowed to do (as well as early retirement pensioners - "pré-pensionnés de retraite" - which were assimilated with pensioners) and that of recipients of an early retirement pension based on a collective

agreement who were suddenly barred from all activities.

Thus did certain early pensioners not even dare, for instance, to do little jobs around the house, help their relatives or children to do them, or work voluntarily for a cultural club or an association at the very time that sociologists and those in charge of centres preparing for retirement were unanimous in stating that activity by pensioners should be encouraged, not only for the sake of their own personal development but also for the contribution they could make to economic and social development.

Under the new regulations, early retirees are still not allowed to **work for third parties** if, in exchange, they receive any income whatsoever or payment in kind. But the following work can be done, provided it meets **certain conditions**:

1. unpaid work for the person's own account or for relatives or relations by marriage up to the second degree;

2. unpaid work for any non-profit de facto or legal body or association having as its purpose:

- the public good;
- cultural, social or humanitarian ends;
- to meet collective needs which would not otherwise have been met.

The body concerned must previously be examined by the regional ONEm unemployment inspector to see whether it meets these conditions.

From now on early pensioners can also carry out, for their own use and without making a profit, any kind of non-remunerated work concerning their own property, including in particular maintenance, alterations and enhancing the value of their property, even when this work can be a part of the flow of economic transactions in goods and services.

Finally, the regulations concerning legal early retirement ("prépension légale") will be altered in the near future so that recipients of a legal early retirement pension will in turn and under the same conditions benefit from the improved status of early pensioner by being able to undertake unpaid work.

### DENMARK: Report on working time

A committee composed of representatives of both sides of industry and government officials from three ministries, namely finance, economic affairs and labour analysed in the summer of 1984 the effects of changes in weekly working hours and increased flexibility in the pattern of working time. The report prepared by the committee was published in mid September by the Minister of Labour.

Chapter 2 of the report gives a brief survey of the **historical development** in working time in Denmark and describes the rules on working time at present in force in European countries.

Chapter 3 describes the results of **previous** Danish and foreign **studies** on the effects of reductions in working time. Both survey studies and calculations using models are introduced in this chapter.

In Chapter 4 the effects of a reduction in working time in the **public sector** are evaluated. It is argued that the impact on employment in this sector is mainly a political decision, but the following themes are dealt with under alternative assumptions: the employment effect, the need for more flexible working time arrangements, possible bottleneck problems, effects on the level of services, productivity, demand for public services and the economic consequences.

Chapter 5 analyses the **effects for the individual undertaking** of a reduction in the weekly working time based mainly on theoretical viewpoints.

Chapter 6 deals with the **reactions of the social partners** to a reduction in working time. The themes include: changes in the total offer of labour, both in terms of hours and persons, wage formation and possible bottlenecks on the labour market as a consequence of a shorter standard working week.

Chapter 7 deals with the **effects on the national economy** of shorter working hours on the basis of different assumptions concerning the reactions of the undertakings and the labour market. The analysis ends with **five key conditions** which must be satisfied if shorter

working hours are to lead to increased employment. These conditions are:

1. Wage costs must not be higher than in a situation with no reduction in working time.
2. Employees must accept real wage restraint which is necessary if wage costs are to remain unchanged and the economic basis for compensatory investment is to be created.
3. The working time reduction should be accompanied by more flexible working time arrangements so that the need for compensatory investment is reduced and the problems in connection with capacity, etc., can be solved without extra cost.
4. The undertakings must make the necessary compensatory investment and maintain the level of production. A sine qua non for this to take place is that undertakings have a competitive profit margin.
5. Active training measures must be taken so as to reduce the risk of bottlenecks on the labour market.

If these conditions are not satisfied, the employment effect will be smaller and there is a risk that the general economic problems will worsen.

The final chapter describes the **flexibility** of the working time pattern in Denmark and gives a survey of the views of the social partners on the needs for and possibilities of increased flexibility in the future. The report stresses that increased flexibility in the pattern of working time may offer a number of advantages in terms of employment effects, welfare and considerations of the national economy.

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**European Community reference:** Draft Council Recommendation on the Reduction and Re-organisation of Working Time COM (83) 543 final.

### GERMANY: Bill on working hours

The federal Cabinet has passed a bill on working hours pursuing essentially health policy objectives. The state is only concerned with establishing limits necessary for maintaining health in the areas of maximum working hours allowed per day, minimum breaks and minimum rest periods. The bill does not regulate weekly working hours nor overtime.

The bill sets out the following provisions:

#### Working hours

The protection of working hours applies in principle to all wage and salary earners and to all employment sectors. Its aim is to protect health. It lays down basic standards of working time which are the same for men and women:

- the principle of an 8-hour day;
- the possibility of prolonging the working day up to 10 hours if, within a compensatory period of 3 months, an average of 8 hours (or 9 hours in cases of preparatory and completion work) is not exceeded;
- minimum breaks according to the length of working hours:  
20 minutes for working hours of between 4½ and 6

hours;  
30 minutes for working hours of between 6 and 9 hours;  
45 minutes for working hours of more than 9 hours;

- minimum rest periods of 11 hours between stopping and starting time.

**Employers' associations and trade unions** can reach agreements which do not fall within these standards according to their requirements and within a certain legal framework. **Corporate management and employees' representatives** can make similar agreements under certain conditions, such as when the collective agreement allows it or does not settle questions pertaining to working hours. They can for instance lay down:

- a different compensatory period, as well as seasonal compensation;
- a maximum daily working time of 10 hours without any compensation obligation for 60 days per year;
- a reduction in the minimum breaks and minimum rest periods.

### **Rest on Sundays and bank holidays**

The regulations contained in the 1891 Industry and Trades Code ("Gewerbeordnung") concerning rest on Sundays and bank holidays will be brought up to date and incorporated in the Act.

In principle the ban on employing workers on Sundays and bank holidays will be maintained. Exceptions from the basic ban on employment will be maintained in as far as they exist today but they will be adapted to the development which has taken place in the last 90 years. Employment on Sundays and bank holidays for new technologies requiring continuous operation will be regulated. For authorised work on Sundays and bank holidays the same maximum limits apply as for work-days.

One Sunday per month must remain a day off. A person who works on Sundays must be given a compensatory rest day within the same month of employment. Employers' associations and trade unions can authorise, within a specific framework, variants to this regulation if they are necessary on company level.

### **Protection of the working woman**

The protection of women at work focuses on what remains essential. The times of breaks will be the same for men and women. There will continue to be a ban on employing women underground as well as in certain jobs in coking plants, blast furnaces and iron and steelworks.

Provided they have had a previous medical examination, women may in future be employed in the **main building and construction trades**. However, the employment office cannot assign them a job on a building site against their will.

The **ban on night work for women** will, in principle, be maintained. Between 22.00 and 06.00 hours, the actual night time, women must have at least seven successive hours off work. Existing exceptions will be modified according to developments. As regards the ban on night work for female industrial workers, the federal government is committed by an international agreement.

The **body issuing decrees** will be authorised to provide for further restrictions on women's employment in case of danger to their health.

In principle, all further bans and restrictions written into the previous working time regulation which are not needed for reasons of differences between the sexes will be lifted. These include the specific limits of maximum working hours for women, early stopping for women on the days preceding Sundays and bank holidays, the regulations dealing with one day per month paid holiday for female workers who are housewives as well as the regulation on the employment of women on vehicles, except for the clause on lifting and carrying loads.

### **GERMANY: Early Retirement Act**

The Early Retirement Act (see inforMISEP nos. 5 and 6) came into force on May 1, 1984. It stipulates that when, on the basis of a collective or individual agreement between the worker and the employer, a firm grants early retirement to a 58 year old (or older) worker, it receives a subsidy from the Federal Employment Institute, provided it replaces the retiree by an unemployed person. The subsidy is calculated on the basis of an early retirement allowance of 65% of the last gross salary/wage of the worker. It amounts to 35% of the early retirement allowance plus the employer's contribution to health and pension insurance. The Early Retirement Act is part of the federal government's policy aimed at increasing flexibility of the working time spread over working life and mopping up unemployment.

By the end of July collective agreements on early retirement benefits, based on the new Early Retirement Act, had been signed for some 5.8 million workers and employees, i.e., one third of the labourforce covered by collective agreements. The agreements are mainly concerned with the following sectors: food and catering, textiles and garments, construction, mining and energy as well as banking and insurance. An early retirement agreement is also foreseen in the metal industry. It is estimated that some 240,000 workers have thus been given the opportunity to withdraw from the labourforce before time. Since further collective agreements of this kind are to be expected, the number of beneficiaries is expected to rise still more.

### **NETHERLANDS: Suitable work through temporary employment agencies**

Until now, only unemployed persons who have been registered with the employment office and who have already done some temporary work could be referred to an employment agency. Through this policy young school leavers in particular have been excluded from being referred to job openings which an employment agency has to offer.

A temporary job, even one on a part-time basis, offers young jobseekers without any work experience a better starting position to being permanently involved in working life than being unemployed. This is equally true when such a temporary job is found through an employment agency.

Given the rapidly rising proportion of unemployed young people overall and the criteria developed by jurisprudence that no legal means must be spared in the search for a suitable job to shorten the length of

unemployment, it has been decided to abandon these policy guidelines. Henceforth, unemployed persons who have not previously worked as temporaries can also be referred to a temporary employment agency within the limits of what must be considered as suitable work.

**START**, the temporary employment agency foundation, reached a milestone in 1983 with the 100,000th person being offered temporary work.

START, which is governed by representatives of the Ministry of Social Affairs and Employment as well as employers' organisations and trade unions, receives no subsidy and works as a non-profit organisation. From 5 offices with a turnover of Hfl 13.5m in 1978 (the year of its launch), START had by December 1983 grown to 78 offices with a total turnover of some Hfl 266m, with further growth expected in 1984 and beyond.

#### **NETHERLANDS: Abrogation of the extended short-time working scheme**

The Minister of Social Affairs and Employment has decided to abrogate with immediate effect the extended short-time working scheme.

This scheme has been applied since 1975 to prevent forced dismissals resulting from the expectation of

temporary, but protracted, economic down-turns. It specifies that in addition to the allowance paid by the trade associations under the normal short-time working scheme (i.e., 80% of the regular daily wages for the hours not worked) the state grants an additional allowance amounting to 25% of the wages for hours not worked.

From 1975 to the end of 1978 there were 35 cases of this aid actually being granted involving some 12,000 workers. Since then the scheme has seldom been applied.

#### **NETHERLANDS: Reducing working hours leads to new jobs**

The Wage Systems Service of the Ministry of Social Affairs and Employment recently concluded an investigation of the employment effects of various forms of reducing working hours in a cross section of companies employing more than 10 persons. New jobs will be generated this year in 26% of companies in which a reduction of working hours had been introduced. In 16.6% of the enterprises new employment had been created by January 1, 1983. In more than half the companies which had reduced working hours, the reduction was in the form of rota-free days or hours.

**European Community Reference:** COM (83) 543 final.

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## **Placement**

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#### **DENMARK: Modernisation of the public employment service**

The tasks of the public employment service system - PES - are laid down in the Act on Public Employment Service and the Unemployment Insurance System, etc.

Developments on the labour market in recent years have meant that the activities of the PES to assist disadvantaged groups, such as young unemployed persons or long-term unemployed persons, have come to play a very important role and there has been a trend to use comparatively fewer resources for the ordinary PES services.

In the light of this precarious state of affairs, the National Labour Board which assists the Directorate of Labour in running the PES started discussions about the future of the PES system in May 1983.

The result of this debate - a March 1984 paper entitled "The Public Employment Service - Targets and Instruments" - fixes the objectives for the future activities of the PES and contains proposals for individual activities to achieve these objectives.

The National Labour Board states that the **main objectives** of the PES should be to give higher priority to the ordinary services, but this should not be done at the expense of the efforts to assist the groups for whom various forms of employment promoting measures have been initiated. The PES is to be made more efficient and modernised.

Servicing employers is a **central element** in the modernisation process. The PES is to assist the employers in the form of general placement activities. Contact with employers, the reach-out activities, is to be

improved. Activities must be selective, directly oriented and effective.

With a view to achieving these objectives **staff training** initiatives must be intensified. Also the services offered to jobseekers must be improved and made more effective.

Among other things, collective information meetings are to be held. This will ensure a broader effect and will require less resources. The job centres are to be improved, i.e., the notice boards with job offers must be extended and provide a clearer picture.

Furthermore, it is proposed to set up **information centres** in all major employment offices. An information centre functions as an open offer of information on jobs, occupational fields and labour market matters generally to all those who come to the public employment office. The centre should be open to all irrespective of whether they are registered as jobseekers at the public employment office or not. In this way the centre may play an important role not only in relation to the many direct users of the public employment service, but also in relation to the many persons who receive vocational guidance and information about training and employment matters from bodies other than the PES.

**Computerisation** must be used as a central and necessary instrument in connection with the placement activities. The number of jobseekers and the increasingly specialised skill requirements have made it difficult to find the persons best suited for a particular vacancy on the basis of the manual files. The so-called AF-MATCH-system which is being implemented in the metropolitan area is an important instrument in solving these problems. Future work with these mat-

ters is to be based on the experience obtained with this system. It is important for labour market policy to be instrumental in solving the problems of adaptation arising on the labour market. Forecasts concerning future developments on the labour market must therefore be an important instrument in labour market policy activities. It is therefore proposed to extend and further develop the activities in connection with preparation of analyses and forecasts.

The Directorate of Labour and the Ministry of Labour have to evaluate to what extent these proposals are to be implemented. In this connection the consequences in terms of resources must necessarily be taken into account. The first decisions are likely to be taken in 1984.

The implementation of the proposals has already started. Several information centres have been set up and more are on the way. The job centre notice boards are being modernised. The services to employers and the reach-out activities are being improved. Training courses have been held for the staff which is to be responsible for these reach-out activities.

### FRANCE: Planning ANPE's future

The board of directors\* of the national employment agency - ANPE - adopted ANPE's medium term (1984-88) strategic development orientations on July 12. This document fits into the overall vision of the IX Plan voted by parliament which defines the strategic thrusts of the country for the same period.

Prepared with the help of all regional heads of ANPE and with the agreement of its staff representatives, this document makes a detailed analysis of the changing context of ANPE's activities and the orientations which should guide its activities over the five coming years. On this basis, the main lines of development are set out, which will enable ANPE to adapt its approaches to the changing conditions of its environment and to imbue its operations with more dynamism. Six strategic orientations have been outlined which need fleshing out in physical and financial terms in multi-annual programmes in a first stage for 1985; they will be adopted by the Agency's board of directors in the near future.

### The changing context

As the labour market has experienced considerable disequilibrium between the supply of jobs and the available labour supply, increased selectivity has emerged on the labour market. ANPE is furthermore associated with implementing various employment policy measures which have been decided on by the public authorities to attenuate the effects of a deteriorating labour market. In this framework numerous institutions or bodies are involved in the areas complementary to those of ANPE: information for jobseekers, guidance and training, aids to integrating young people, etc. Set up to accompany natural movements of the labour market, ANPE needs, now that it is faced with this new situation, to redefine where its own activities fit in. To do this it will have to adapt its own approaches both towards users and its partners which work together with ANPE at the local level:

having a network of 650 outlets it has to have a **pivotal role** to maintain coherence among all employment-enhancing aids. This is expressed in particular by governmental action aimed at bringing closer the work of ANPE, AFPA (the vocational training agency) and the Ministry of Labour's services.

### Changing approaches

Over and above its traditional functions (help for vocationally integrating jobseekers, collecting information on job opportunities within enterprises, etc.) ANPE needs to **develop and diversify its activities:**

- **for jobseekers** by strengthening information on all elements which could contribute to re-integrating them, helping them through guidance, developing services for the placement of jobseekers (job search techniques, in-depth guidance sessions, assessing the level of vocational competence, etc.) and systematically making use of all data available to ANPE;
- **for enterprises** by improving procedures for dealing with job offers, developing specialist services for certain professional sectors, running information campaigns on aids for hiring and by participating in programmes for retraining and re-integrating individuals affected by the restructuring processes in enterprises.

ANPE will seek to improve its activities by drawing on **intermediaries** (vocational bodies, local groupings, etc.), by developing, wherever possible, personalised contacts and by working flexibly.

### Transforming its managerial style

The continuing computerisation of the Agency and the introduction of modern information technology will speed up the development of these new activities.

Widening the range of services offered and developing connections with all persons involved at the local level will very rapidly require change within ANPE's own internal structure: changing the internal organisation of the local agencies and new links between them, improving staff competence and establishing new professional networks, decentralising operational programmes and strengthening technical support from headquarters.

### Multi-year programmes

Programmes spread over a number of years must translate the overall strategic thrusts decided on into specific actions according to a clear timetable:

- developing information technologies and restructuring the network;
- methodology for learning about the environment;
- relationships with enterprises;
- involvement of ANPE in activities carried out during industrial restructuring;
- involvement of ANPE in promoting publicly financed employment schemes;
- acquiring and building up staff competence.

\* The board is composed of trade unions, professional organisations and representatives of five administrations.

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# Miscellaneous

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## DENMARK: Equality consultants

Equality between the sexes on the labour market is one of the responsibilities of the Public Employment Service - PES. With a view to promoting it, equality consultants have been employed within the PES system in Denmark since April 1981. There are now 14 such consultants - one attached to the PES in each of the 14 counties of Denmark.

Their **responsibilities** are:

- to instruct, guide and advise the staff of the public employment offices so that their work is carried out in accordance with the provisions laid down in the Act on Equal Treatment for Men and Women as regards Access to Training and Employment, etc.;
- to develop - in co-operation with educational and training institutions, the social partners and others - strategies which may contribute to dismantling the sex-segregated labour market; and
- to ensure that experience obtained from such experiments is disseminated and used so that the regional labour market and the educational system develop in accordance with the objective of equal treatment for men and women.

The equality consultants perform their work in close co-operation with the other members of the PES staff.

### "Women in men's jobs"

The choice of education/training is a very central question to focus on in practical work. Young women are extremely traditional in their choices; their knowledge about the subsequent employment opportunities is very limited. The assistance and support they have had so far have not assisted them very much in extending and increasing their knowledge in these fields.

The key words in connection with the efforts to be undertaken in these fields are:

**Introductory courses** where the training comprises, inter alia, practical work with tools, knowledge about crafts through work in workshops, knowledge about economic and educational/training conditions and discussion of the women's situation in traditional male occupations.

**Support groups for women in "men's jobs":** support groups have been set up to offer mutual support in personal and occupational matters, to carry out information activities in schools and other educational/training institutions, to give lectures and to offer other types of information to groups of supervisors, workers, etc.

**Apprenticeships and training places:** a framework must be set up to facilitate the transition of young women from education/training to continued education/training or working life. This could be done in various ways: through establishing contacts at the local level between the young women and local employers, through visits to educational/training institutions, special information campaigns aimed at the employers, etc.

It is essential that young women are offered thorough personal counselling so that the individual woman can discuss what occupational and personal problems an untraditional choice of education/training may give. It is important to strengthen her motivation.

Training teachers to make them realise the necessity of getting more women into traditionally men's jobs is a prerequisite for the positive outcome of the education/training situation.

### Guidance in schools

Activities to promote equality have concentrated on providing:

- knowledge for pupils in schools about the labour market by means of practical experience at work-places where they are confronted with views on equality and other attitudes;
- pupils with the opportunity of meeting people who have themselves chosen untraditional types of training/education.
- pupils with the opportunity of themselves working in untraditional jobs, for example through work at the workshops of technical schools, etc.;
- the possibility of obtaining experience which can be used by pupils and communicated to friends and others;
- a possibility of discussing in groups the problems which arise for women on the labour market and in combination with family responsibilities, adult roles, father roles, solidarity in adult life, etc.

Activities such as these will ensure that young women have a broader basis of knowledge when making their choice of education/training and are less reluctant to make untraditional choices.

### Perspectives in equality work

Technological development will introduce changes in many occupational fields and will thus have an important impact on men and women's future employment opportunities. Employment opportunities will, inter alia, depend on whether the labour force possesses the skills for which there will be a demand in the future.

Technical occupations and the new fields which are expected to derive their existence from technological development will have a growing need for labour with the requisite skills. On the basis of current knowledge there is likely to be a need for labour knowledgeable about computerisation, programming, word processing, etc. On the other hand, there will be a fall in the demand for labour in the social, health and associated sectors.

In order to create the broadest possible understanding for and acceptance of developments which are taking place at work in the education/training system and in people's daily life knowledge about data technologies must be increased.

This calls for training initiatives for adults and especially for developing training offers aimed at women who already have some work experience. Day high schools with their combination of practical and theoretical training offer a good preparation for changes on the labour market.

Data rooms and study circles in edp/computers especially designed for women and suited to women's needs are another possibility for preparing women for the future labour market. Initiatives aimed at arousing young women's interest in technical occupations at all levels must play an important role in future work to ensure that women obtain their fair share of the jobs created by new technology.

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**European Community reference:** New Community Action Programme on the Promotion of Equal Opportunities for Women - COM (81) final.

#### **ITALY: Equal opportunities committee**

A national committee for implementing the principles of equality of treatment and opportunity of men and women at work is being established by the decree of the Ministry of Labour of December 2, 1983, published in the Official Gazette no. 196 of July 18, 1984.

The committee is located within the Ministry of Labour. Its **objectives** are to guarantee the removal of discrimination and of any obstacle which de facto restricts real equality in work among citizens of different sexes and to foster women's access to work and to vocational advance. Chaired by the Ministry of Labour, the committee is composed of representatives of the social partners and experts. Its **main functions** will be:

- to examine and draft proposals on general issues concerning the implementation of the principles of equality in accordance with law no. 903 of December 9, 1977, indicating the ways and means for removing discrimination and any obstacles which impede the achievement of the objectives of equality;
- to monitor permanently and systematically the application of the equality law as well as the terms and conditions of employment of women with a view to fostering and co-ordinating suitable measures;
- to draft proposals for developing and improving laws in force and for their co-ordination with other current regulations;
- to draw up, subject to consultations with the social partners, codes of behaviour, aimed at specifying rules of conduct which are consistent with equality and at singling out the signs of discrimination, even those of an indirect nature;
- to express their views on initiatives for law reform pertaining, directly or indirectly, to the conditions of women at work;
- to work for the removal of all forms of discrimination, including individual cases, by means of:
  - suggesting solutions to controversies;
  - encouraging, at the competent places, conciliation attempts between the parties;
  - providing advice and technical consultation both to those having been discriminated against and to organisations; and

- disseminating knowledge on the actions aimed at overcoming discrimination;

- to express, at the request of competent ministries, views on questions concerning the application of the regulations in force pertaining to equality of men and women at work;
- to ensure and promote, possibly by nominating their own delegates, an adequate representation of women in the committees and in international, national and local public bodies concerned with questions of labour and vocational training which are important for the objectives pursued by the committee;
- to provide advice on guidelines, actions and measures - possibly agreed on by the interested parties and the governmental bodies concerned - and express positive views on and even encourage, within international or Community institutions, the accomplishment of the objectives of equal treatment and equality of opportunity;
- to collect and disseminate all information concerning the activity of the committee pertaining to the condition of women.

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**European Community reference:** Council Directive 76/207/EEC - "Equal Treatment Directive".

#### **NETHERLANDS: Bill under the General Old Age Act on equal treatment of men and women**

A bill has been put before the Second Chamber on the equal treatment of men and women under the General Old Age Act (A.O.W.). The government is thereby carrying out the third EC guideline with regard to A.O.W. which lays down that by January 1, 1985 men and women must be treated alike in the field of social insurance.

There will be no change for single older people. Under the existing law they are already being treated alike. On reaching the age of 65, they receive the current single person's old age pension amounting to 70% of the net minimum wage.

It is proposed to allow every married older person an old age pension of 50% of the net minimum wage. If the person who is entitled to a pension still has a younger spouse to support, the pension will be increased by an extra allowance. This extra allowance can amount to 50%, 35% or 20% depending on the income of the younger spouse. The maximum extra allowance of 50% and the proposed old age pension make up the same amount as the current married person's pension (which at the time being amounts to Hfl 1,554,05 gross per month). The extra allowance expires when the younger spouse, on reaching the age of 65 years, receives a pension of his/her own. The pensions of a married man and a married woman are together equal to the current married couple's pension.

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**European Community reference:** Council Directive 79/7/EEC - Equal Treatment in Social Security.

#### **NETHERLANDS: Abolition of women's night work ban**

By abolishing the ban on night work for women in factories and workshops, the Cabinet has sought to bring in a system based on authorisations as a protective measure. The bill, at present going through the Chamber, will have a limited life of three years.

## NETHERLANDS: Promoting trade union work

Following the publication of a report of the Office for Collective Working Conditions of his ministry, the Minister of Social Affairs and Employment has asked parties involved in collective bargaining to strongly promote trade union work in enterprises and to adopt positive stances towards "self-regulation" by the social partners.

## UNITED KINGDOM: Employment Market Research Unit

Set up a year ago, the Employment Market Research Unit in the Department of Employment (DE) (see inforMISEP no. 4) has begun its **task** of reviewing research on the UK labour market and disseminating research findings on key areas. As a result of visits to an extensive range of academics and research institutes carrying out work on aspects of labour markets EMRU has both identified labour market **research gaps** and generated a useful data bank of recently completed and current research. This will be updated regularly and provide an important source of information.

**Dissemination** of research knowledge takes place both formally through regular seminars, quarterly bulletins and occasional publications and informally through advice to senior officials and Ministers in DE and through Whitehall (i.e., the Administration). Over the past year **seminars** have been held on "The youth labour market", "Trainee wages and the supply of skills", "A comparison of the educational system of England and Germany", "Women and Employment" and "Recent trends in UK productivity".

The **bulletins** aim to keep readers up to date with labour market research by reviews of recent publications and summaries of findings on key topics. Recent issues have looked at some of the evidence as to how far different parts of the market behave as a market (Bulletin 2) and aspects of the productivity growth slowdown (Bulletin 3).

### Rough currency conversion rates

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

. Belgium	45 Bfr
. Denmark	8.1 DAK
. France	6.8 FF
. Germany	2.2 DM
. Greece	91 Drx
. Ireland	0.72 IR£
. Italy	1383 Lit
. Luxembourg	45 Lfr
. Netherlands	2.5 Hfl
. United Kingdom	0.60 UK£

Finally, another example of the Unit's role in disseminating its research results is the recent publication "**Graduates and Jobs**" - jointly produced with the Department of Education and Science. The guide, which is aimed at sixth formers, identifies the often marked differences in the early labour market experience of

graduates in different subjects and shows how these relate to the career prospects for future graduates. It has been well received in the press and by the educational world as being very useful background for higher education choices.

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