

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

On the basis of an agreement of the directors general for employment, the Commission of the European Communities has created a Mutual Information System on Employment Policies (MISEP). inforMISEP (iM) is the quarterly outcome of this system. It presents the changing policies and actions, particularly those sponsored by national ministries and agencies, aimed at promoting and improving employment within the European Community. It is compiled on the basis of information provided by national correspondents (listed on the back page). No statistical information is provided, readers being referred to the various Eurostat publications. The present issue covers the following areas:

Overall developments

Belgium: Employment Fund; Restructuring ONEm; **Germany:** Government declaration; **France:** Minimum integration income; **Ireland:** National Development Plan; **Italy:** Restructuring steel; **Netherlands:** Income-related employment issues; Flexible contracts; 1982 Act on Cascading Liability; **Portugal:** Employment contract; **United Kingdom:** Fraud investigation.

Employment maintenance

Italy: Fiscalisation of social security contributions.

Aid to the unemployed

Belgium: Unemployment benefit; **Spain:** Broadening the unemployment benefit system; **Italy:** Unemployment compensation; **Portugal:** New legislation; **United Kingdom:** Claimant advisers.

Training

Spain: Changes in "Plan FIP"; **United Kingdom:** Local Employer Networks.

Job creation

France: Advice cheque-book; **Ireland:** Employment Incentive Scheme evaluated.

Special categories of workers

Germany: Integration of foreign workers; **Spain:** Programmes for emigrants; **France:** SIVP traineeships; **Italy:** Unemployed young people - proposal; **Netherlands:** Work experience for LTU; **Portugal:** Encouraging job creation for LTU.

Working time

Belgium: Career break allowance; **Netherlands:** Potential for part-time jobs.

Placement

Italy: Vocational guidance; **Netherlands:** Tripartite employment body.

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Developments at a glance

- Belgium** The implementing modalities for using the new 0.18% contribution to the Employment Fund for “groups at risk” have now been laid down (p. 3). ONEm, the national employment service has been restructured with three new devolved bodies being set up to take over part of its previous functions (p. 4). Provisional payment of unemployment benefit can now be made in cases where employers fail to respect their obligations as regards severance pay or compensation (p. 12). To make the scheme of career breaks more attractive, the monthly allowance has been raised by almost 20% if the break is taken for the birth or adoption of children other than the first (p. 22).
- Germany** In April the government made a declaration on its employment policy earmarking in particular ECU 0.7bn for wage-cost subsidies for the long-term unemployed (p. 6). The government devoted ECU 22m in 1988 to a variety of measures aimed at integrating foreigners into working life (p. 18).
- Spain** Additional social provisions have been brought in significantly enlarging the system of unemployment benefits (p. 12). The main aims of the national vocational training plan in 1989 are to raise the quality of the training provision, to improve the management of the plan, to strengthen the participation of the social partners and to broaden the Plan’s target groups (p. 15). Five of the programmes for migrants in 1989 are related to employment, particularly integration into working life through training (p. 19).
- France** The government introduced in December 1988 a “minimum integration income” as an anti-poverty measure; it combines financial aid for the most deprived with measures for their vocational and social integration; it should cover some 1.5m persons (p. 6). An “advice cheque-book” has been brought in with a view to reducing the mortality rate of corporate start-ups (p. 17). Various changes have been made to tighten up the system of SIVP (initiation into working life) traineeships (p. 20).
- Ireland** The Government’s National Development Plan envisages spending ECU 13bn to 1993 (one third from European structural funds), almost 25% of which is earmarked for education, training and employment programmes (p. 7). An evaluation of the Employment Incentive Scheme (subsidizing employers to hire unemployed persons) concludes that, given its lack of job creation, it should in future focus on two target groups, one being the long-term unemployed (p. 17).
- Italy** Various measures have been brought in to foster the smooth restructuring of the steel industry through a special ECU 450m reindustrialisation fund (p. 8). New extensions have been brought in as regards fiscalisation of social security contributions and relief in contributions (p. 11). The level of unemployment benefit has been doubled to 15% of the previous pay, extraordinary wage compensation extended and certain early retirements facilitated (p. 13). The government has proposed a subsidy scheme fostering the training and possibly the recruitment of 1 million young people in the Mezzogiorno (p. 21). An agreement has been signed between the Minister of Labour and the devolved authorities on vocational guidance and employment (p. 22).
- Netherlands** The government’s “Emancipation policy” document argues that income-related regulations provide no deterrent for partners to seek gainful employment (p. 9). Legislation is being brought in to improve the lot of those working under flexible employment contracts (p. 9). Cascading liability for sub-contractors was brought in in 1982 and has proved successful in combating social security contributions’ irregularities (p. 10). 5000 long-term unemployed persons will obtain work experience in the State-aided sector in 1989 (p. 21). The “Diagnostic instrument for part-time work” is being propagated by the government towards large, private sector companies (p. 22). The State’s 1989 contribution to the tripartite CBA is ECU 0,82bn (p. 23).
- Portugal** Within the current process of bringing Portuguese labour legislation into line with that of other members of the Community, modified regulations have been brought in on the termination of individual employment contracts (p. 10), on enhancing the social effectiveness of the unemployment benefit system (p. 14) and on encouraging the creation of permanent jobs for the long-term unemployed (p. 21).
- United Kingdom** The fraud investigators of the Employment Service have doubled in number to 800 since 1984 and taken a more pro-active stance (p. 11). Claimant advisers who replaced unemployment review officers from 1986, provide help to move clients out of unemployment; their numbers virtually doubled between 1987 and 1989 to 1200 (p. 14). Local employer networks are being set up to make Britain’s vocational education and training system more effective in meeting employers’ skill requirements (p. 16).

Overall developments

BELGIUM

Employment Fund - new contribution

The central agreement of 18.11.88 (cfr iM 25) lays down that "all employers liable to contribute to ONSS (national social security) will share in the financing of employment promotion initiatives by paying a contribution of 0.18% of gross wages in 1989 and 1990 to the Employment Fund (cfr. iM 2). According to the opinions given by the social partners, the Fund will support employment and training activities, with priority being given to the groups at risk among the unemployed".

The programme-law of 30.12.88 (MB of 5.01.89) introduced this new contribution from 1.01.89. Two royal decrees of 2.02.89 (MB of 8.02.89 and 10.02.89) lay down the implementing modalities; the one defines just who these groups at risk are whereas the other sets out the modalities according to which exemptions from paying the contribution can be obtained.

Defining groups at risk

The following are considered as groups at risk (Art. 138 of the programme-law of 30.12.88):

- young people subject to part-time compulsory education (cfr iM 3)
- the unemployed with low qualifications
- the long-term unemployed.

A royal decree can define these categories exactly and extend them to other groups at risk. In accordance with this authority, the following categories of persons have been recognised as belonging to groups at risk:

a. The long-term unemployed

These are understood to be:

- the jobseeker aged 18-25 years who, during the 12 months prior to his being employed, has uninterruptedly drawn unemployment benefit or retaining pay ("allocation d'attente") for every day of the week;
- the jobseeker who, at the time of being hired, has drawn without interruption for the 18 months preceding the hiring, unemployment benefit or retaining pay for every day of the week;
- the jobseeker aged at least 40 years who, during the 12 months preceding his/her being hired, has uninterruptedly drawn unemployment benefit for every day of the week;
- the jobseeker who, at the time of being hired, has benefited uninterruptedly for at least 6 months from the minimum means of existence;
- the jobseeker who following a period of voluntary part-time employment, has drawn unemployment benefit uninterruptedly for a period of 18 months preceding the hiring or for 12 months preceding the hiring if he is at least 40 years of age.

b. The unemployed with low qualifications

An unemployed person with low qualifications is understood as meaning someone aged more than 18 years who does not have

- a university degree
- a diploma or certificate of higher education (long or short term)
- a higher secondary education leaving certificate.

c. Young people subject to part-time compulsory education, i.e. jobseekers aged less than 18 years who are still subject to compulsory education but are not attending full-time secondary education.

d. Jobseekers after a career break

These are jobseekers who want to return to working life after having stopped working to devote their time to

- bringing up their children, the children of their spouse or those of the person with whom they cohabit, or
- looking after their father or mother, those of their spouse or of the person with whom they cohabit.

To belong to this category, the jobseeker must furthermore meet the following conditions:

- not draw unemployment benefit or a career break allowance
- have been in contributory employment equivalent to at least a full-time activity during two of the five years preceding his/her registration as a jobseeker (when the career break has been devoted to bringing up children, the 5-year reference period is increased by five years per child).

The employers concerned

The new contribution concerns in principle all employers employing workers with an employment contract. However, certain groups of employers are exempt from the area of application of the measure on the basis of a royal decree and others on the basis of collectively agreed initiatives.

a. Exemption on the basis of collectively agreed initiatives

In accordance with the central agreement, the programme-law exempts employers from paying the contribution who, following a collective work agreement (new or extended CCT), have taken equivalent initiatives for promoting employment for groups at risk. This CCT must be filed at the latest on 1 April of the year to which it refers; it must provide for employment promotion initiatives for groups at risk which are judged by the Ministry of Labour and Employment to be equivalent to an effort corresponding to 0.18% of the payroll for the years for which the contribution should be paid (ie. 1989 and 1990). The following are examples of CCTs which could be considered as equivalent

- those which foresee new efforts of at least 0.18% of the paybill;
- those which reserve 0.18% exclusively for training workers who without such upgrading would have to leave because of their lack of knowledge;
- those which foresee the continuation of efforts laid down by CCTs concerning the “5-3-3” scheme and the 2 x 1.5% scheme (cfr. iM 2, 4, 7) and which at the same time have implemented the recommendation concerning earmarking 0.5% for training laid down by the 1987-88 central agreement;
- those which foresee the direct hiring of workers belonging to groups at risk.

Every exemption from paying the contribution must be the subject of a request sent to the Ministry of Labour and Employment for which a procedure has been drawn up.

b. Exemption in accordance with a royal decree
 Certain employers are excluded from the area of application of the measure by royal decree. The purpose is to exempt from payment of the contribution those employers whose personnel is paid directly or indirectly from the State budget as well as local government for the personnel they employ.

Earmarking the income from the contribution

There are various forms in which the money generated by the contribution can be used according, on the one hand, to who the employer is and, on the other, who the target group consists of. There are, for instance, the promotion of traineeship contracts for the long-term unemployed, the promotion of career breaks with replacement by long-term unemployed persons, the promotion of industrial apprenticeship contracts, etc.

How exactly the money will be used can be spelt out in a royal decree discussed in the cabinet.

BELGIUM

Restructuring ONEm

Traditionally, the statutory competence of ONEm, the national employment service, covered three areas: the implementation of unemployment regulations, job placement and vocational training. Because competence over certain employment and training matters has been transferred to the Regions and the Communities (cfr. iM 24), ONEm needed to be restructured.

The special institutional reform law of 8.08.80 had already devolved to the Communities competence over vocational training and to the Regions limited competence as regards implementing national measures for placing the unemployed. Regulations concerning unemployment remained a national domain.

Already in 1984 (law of 28.12.84 dealing with abolishing or restructuring some public interest bodies) ONEm had to some extent been split up.

But because the 8.08.88 institutional reform law had considerably enlarged the regional competences, in

particular as regards employment, a more operational restructuring was inevitable to establish separate bodies.

Thus, from now on the various functions are broken down as follows:

- a. The regulations concerning unemployment have remained a national domain which ONEm obviously keeps within its ambit.
- b. Vocational training has been devolved to the community level so that ONEm's function has been taken over by
 - VDAB for the Flemish Community
 - FOREM for the French and German Communities
- c. Workers' placement falls within the ambit of the Regions and has been taken over by
 - VDAB for the Flemish Region
 - FOREM for the Walloon Region
 - ORBEM for the Brussels-Capital Region.

This article briefly reviews the organisation and functions of ONEm as well as the bodies established to take over a part of its previous activities.

ONEm

Since the regulations concerning unemployment remain a national subject matter, ONEm as a national agency remains the body responsible for their implementation. But the special law of 8.08.88 on institutional reforms transferred to the Regions a large part of the competence for programmes for getting the unemployed back to work. The existing norms remain, however, in force as long as the Regions, each in its turn, do not promulgate new relevant decrees.

For financing these measures, the Regions receive financial help from the national authorities provided that the placement concerns a fully unemployed person in receipt of benefit (or someone in a similar situation) within the framework of an employment contract. Within these limits, the Regions can include the unemployment benefits in their budgets for programmes designed to reduce unemployment.

VDAB (Vlaamse dienst voor Arbeidsbemiddeling en Beroepsopleiding)

The Flemish employment and vocational training service was set up by the decree of 20.03.84, completed by another decree of the same date extending attributions of the Flemish employment service and modified by the decree of 30.05.85.

The decree of the Flemish Executive of 21.12.88 dealing with the organisation of the VDAB (M.B. of 14.01.89) regulates the competences and operations of the VDAB, the sub-regional employment services, the psychological services and the vocational training centres.

a. The VDAB structure

The VDAB consists of a headquarters' administration and sub-regional employment services. It is administered by a joint management committee which is fully empowered to manage the service.

As regards vocational training organised in the Dutch language in Brussels, the management committee has

established a Brussels-Capital regional vocational training service.

Moreover, in each sub-regional employment service, a sub-regional employment committee (SEC) is being set up whose geographical competence coincides with the area covered by the sub-regional employment service in question. The SECs each have, within the limits of their jurisdiction, autonomy for studies, opinions and recommendations as regards employment and vocational training.

b. Placement

Anyone can register as a jobseeker at a public placement service organised within a sub-regional employment service. VDAB takes any initiatives needed to help jobseekers improve their recruitment opportunities. For workers whose degree of competitiveness on the labour market is limited, special approaches can be developed aimed at promoting their integration into the formal economy.

Employers employing on average a minimum of 20 workers notify VDAB of any job vacancy in their enterprise which is advertised in the press. The work of VDAB in dealing with job vacancies is free of charge. After approval by the VDAB management committee, free-of-charge placement offices can be set up by professional bodies and philanthropic associations.

c. Psychological services

The VDAB management committee can establish psychological services to

- advise jobseekers
- give opinions to placement and vocational training services
- collaborate, on employers' requests, in selection procedures.

d. Financial help

The existing regulations as regards financial help have been adapted for the Flemish Region. Financial help can take the form of:

- for the employer, a contribution towards the pay of the difficult-to-place unemployed
- a contribution towards vocational training costs and reinstallation expenditure for persons recruited by the employer to set up, extend or convert his/her enterprise
- a contribution towards paying workers affected by corporate conversion.

e. Vocational training

Vocational training is understood as any measure aimed at giving someone the vocational ability to be gainfully employed. In this respect, VDAB is continuing existing initiatives:

- vocational training centres established by ONEM
- centres established in collaboration with companies
- centres approved by the Community ministry in charge of vocational training
- individual vocational training within a company or a teaching establishment.

f. Temporary work

The service makes temporary workers whom it has recruited available to users for performing temporary work. The management committee can, to this effect, equip the sub-regional employment services with special administrative units.

FOREM (the community and regional vocational training and employment service)

In Wallonia the attempt has also been made to leave the organisation of job placement and of vocational training to a single body: FOREM. The decree of 16.12.88 dealing with the creation of the regional employment office (MB of 1.02.89) entrusts FOREM with tasks previously carried out by ONEM as regards placement in the Walloon Region.

Art. 27 of the same decree provides the possibility for the French- and German-language Communities to entrust FOREM with tasks falling within their competence as this is defined under Art. 3, 16° of the special institutional reform law of 8.08.80 (ie. vocational training). The decrees giving these tasks to FOREM were published in the *Moniteur Belge* (Decree of the French Community Executive of 27.12.88 - M.B. of 22.02.89; Decree of the German-language Community Executive of 19.12.88 - M.B. of 4.05.89).

a. FOREM's structure

FOREM is administered by a joint management committee with all the requisite powers for its administration. A managing director carries out (with the help of his/her administration) the decision of the management committee and is responsible for day-to-day administration.

The Walloon Regional Executive lays down the tasks and functioning of the sub-regional employment committees. For as long as the Executive does not use this right, the existing committees will continue to exercise their prerogatives.

At the local level FOREM has a sub-regional services structure.

b. Placement

The decree of 16.12.88 entrusted FOREM with all the tasks which had previously been carried out by ONEM as regards jobseekers: promotion of job placement, financial help towards the difficult-to-place unemployed, corporate restructuring, etc.

ORBEM (the Brussels regional employment service)

The Royal decree of 16.11.88 laying down the organisation and functioning of ORBEM, the Brussels regional employment service (MB of 17.12.88) entrusts ORBEM for the Brussels Region with placement previously carried out by ONEM.

This decree does not foresee the possibility of extending its tasks to vocational training: in the Brussels Region, vocational training will be organised by VDAB (for training activities in Dutch) and by FOREM (for training activities in French).

a. ORBEM's structure

ORBEM is administered by a management committee

consisting of two linguistic groups: two thirds of its members belong to the larger linguistic group and one third to the smaller. There is joint membership of the management committee by employers and trade unions.

The management committee has all the requisite powers for administering ORBEM. Day-to-day management is carried out by a director general with the help of his/her administration.

b. ORBEM's tasks

According to the terms of the Royal decree of 16.11.88, ORBEM has the task of organising the Brussels Region labour market and deciding upon its management.

In addition to placing workers and promoting recruitment, these tasks include wage cost subsidies for the difficult-to-place unemployed, contributions towards expenditure for personnel selection for corporate start-ups, extension or restructuring, contribution towards reinstallation expenditure of the unemployed, making temporary workers available to users, etc.

GERMANY

Government declaration, April 1989

The Federal Chancellor declared in April that the core of the unemployment problem is that of long-term unemployment (one year or more). Solidarity and economic sense demand that efforts be concentrated on the long-term unemployed. It is the aim of the government's labour market policy to help people to find work rather than just to ensure their subsistence. Specifically this means:

1. Through additional resources of DM 1.5bn, the Federal Employment Institute (BA) will be enabled to provide employers with wage-cost subsidies up to and including 1991, to help them hire long-term unemployed persons. Industry, employers and the trade unions are being urged to do everything to ensure that this opportunity is seized.
2. In the same period the government is making an additional DM 250m available to enable the long-term unemployed who are in a particularly difficult situation to receive targeted attention and support.
3. Together with the 'Länder' (provinces) and local authorities (municipalities), churches and various groups in society, the government will shortly be developing a further-reaching concept of additional measures for combating long-term unemployment.
4. The 1984 Employment Promotion Act has created additional permanent jobs. Through responsible implementation it will continue to contribute to easing unemployment. It will thus be extended. (Editor's note: The provisions of the Act were brought in for a transitional 5-year period ending December 1989 - cfr. iM 6,8).

5. Germany's international lag as regards the provision of part-time jobs must be rapidly reduced. Working women in particular must be given more opportunities than so far to choose part-time work if they so desire.

FRANCE

RMI - Minimum "integration" income

Voted in almost unanimously by law on 1 December 1988, RMI aims to provide everybody with the minimum means to meet his/her essential needs and to foster the social or vocational integration of the most deprived. The RMI takes the place of urgent, short-term measures. It is designed as a right and not as a social aid. It is one of the elements of an overall scheme in the fight against poverty, striving to eliminate all forms of exclusion, particularly as regards education, employment, training, health and housing.

Finance for the RMI is provided by the State, the expenditure involved having to be paid for by the solidarity tax on wealth, brought in at the same time. Local authorities are also being called on to finance a part of the integration expenditure.

Since the principle of the RMI has been set out by the law, the modalities of the scheme have been laid down for three years. At the end of that time the government will submit an evaluation to parliament in order to decide on suitable improvements.

RMI beneficiaries

Beneficiaries are required to

- be over 25 years of age or to have one or more dependent children;
- reside in France;
- hold a residence permit of national of a Member State of the European Community;
- for nationals of other countries: to be the bearer either of a residence permit for ten years or of a temporary residence permit allowing gainful employment or self-employment in France and to be able to prove regular and uninterrupted residence in France for at least three years.

The RMI can be claimed by wage-earners as well as self-employed people (farmers, craftsmen, ...) but not by students or trainees, unless the training they undergo constitutes an "integration activity" foreseen in the "integration contract".

The amount of the RMI allowance

RMI is a variable allowance aimed at covering the difference between the minimum income and the income of the persons taken into consideration for assessing this minimum income.

The amount of the RMI varies according to the make-up of the household and the number of dependants. It is set at:

- FFR 2000 for a single person

- FFR 1000 for the second person belonging to the claimant's household, and
- FFR 600 for each of the following persons.

The family is considered to consist of the claimant, his/her spouse or cohabitant and dependent children under 25 years of age.

The total means of the members of the household are taken into consideration: earned income, training allowances, income from movable and immovable property, family benefits, daily sickness benefit, unemployment benefit, pensions, retirement pensions, children's allowances and alimony.

But the following are excluded from means-testing:

- (completely) social allowances for a specific purpose such as the special educational allowance, the allowance for the start of a new school-year, removal allowances, benefits in kind from health insurance and the child-minder allowance;
- (partly) housing allowances
- (partly) pay linked to integration. Thus, for a maximum period of six months, only FFR 900 is taken into consideration in means-testing of a single beneficiary who has found part-time employment paid at FFR 2000.

As regards **derived rights**, RMI gives access to health insurance and council housing allowance.

Linking allowance and integration

The link between the allowance and integration is as follows:

- When the initial claim is made, the claimant commits himself/herself to participating in integration activities.
- During the first three month period of payment, an integration contract will be drawn up by the relevant services with the beneficiary. The decision to renew payment of the minimum integration income will be taken by the Prefect based on the contract signed with the "local integration committee".
- At each renewal the local integration committee will give its advice on the implementation of the integration contract.
- If the need arises, the revision of the contract can be envisaged on the request of the person concerned, of the local integration committee or of the representative of the State.
- "Départements" are required to devote to new integration activities at least 20% of the sums which the State pays them for RMI.
- Payment of the allowance can be suspended if the beneficiary clearly does not fulfil his/her commitments.

The integration scheme

The scheme is based on:

- at the local level, the local integration committees;
- at the "départemental" level, an integration council, which is a forum for exchanges, joint consultation and for detecting the needs and means for integration;
- a "départemental" integration programme which the "département" draws up decided on jointly by the Prefect and the Chairman of the General Council;

- agreements aimed at implementing the programme, these being concluded between the State, local authorities and the bodies concerned.

Local integration activities

There are three types of measures:

1. Activities aimed at helping beneficiaries to regain or develop their self-assurance and independence. This encompasses any action of social work or social rehabilitation aimed at helping the persons concerned to better take charge of their personal and family life or even to make themselves useful within their own environment.
2. Training activities in the form of traineeships to acquire or improve vocational skills.
3. Activities either of general interest within local administration and associations, or integration into a working environment - - activities defined in an agreement ("convention").

It is estimated that some 570.000 households can be covered by the scheme, which means a total of some 1.5 million persons. As early as the beginning of March 1989, 310.000 claims had been registered and 240.000 taken into consideration of which 150.000 had been paid.

IRELAND

National Development Plan 1989-93

The Government published at the end of March its National Development Plan for the period 1989-93. The Development Plan sets out the structural measures which Ireland proposes to implement over the next five years, in conjunction with the European Community structural funds, with a view to achieving the national and Community aim of greater economic and social cohesion. The Plan has now been submitted to the Commission for its consideration.

Priority areas earmarked for increased investment under the Plan include industry, tourism, road development, transport, telecommunications, energy, human resources and agriculture. The specific development measures outlined in each of these areas are aimed at remedying structural deficiencies associated with peripheral location and late development, at strengthening the competitiveness of the economy and at furthering the development of key sectors. In this way, it is intended to prepare the Irish economy to deal with both the challenges and the opportunities arising from the completion of the internal market in 1992.

The Plan envisages total expenditure over the period of approximately IR£9.1 billion, with IR£3.35 billion of this coming from the enlarged structural funds. Expenditure on education, training and employment programmes will account for IR£1.9 billion of this total, with an additional IR£105 million being spent on updating the vocational training infrastructure to take account of changing occupational requirements.

The Government estimates that the overall effect of increased spending under the Plan should be to help boost economic growth, with GNP expected to rise by around 3.5 per cent per annum over the period compared to an EC average of 3 per cent, and also to increase the level of job creation, from the present 29,000 per annum to at least 35,000 in 1993.

In accordance with the reformed Structural Fund regulations, the Plan deals with the development and structural adjustment of Ireland as a region (Objective 1), including conversion of areas of industrial decline (Objective 2) and rural development (Objective 5b), as

well as speeding up the adjustment of agricultural structures (Objective 5a). Action to combat long-term unemployment (Objective 3) and to facilitate the occupational integration of young people (Objective 4) will be the subject of a separate Plan, which will be submitted to the EC Commission in accordance with a separate time schedule provided for in the structural fund regulations.

The expenditure provided for in the Plan and in the separate plan for Objectives 3 and 4 is summarised in the following table:

Table 1
Total Plan Expenditure
(Constant 1989 prices for 1989 to 1993)

	1988	1989	1990	1991	1992	1993	Total 1989-93
	£m	£m	£m	£m	£m	£m	£m
Objectives 1, 2, 5 (a) and 5 (b)							
State*	713	715	727	711	723	740	3,616
EC Structural Funds	306	423	643	715	768	801	3,350
Private Sector	359	392	406	420	437	489	2,144
Total	1,378	1,530	1,776	1,846	1,928	2,030	9,110
Objectives 3 and 4							
State*	32	41	33	37	39	41	191
EC Structural Funds	34	47	70	79	83	87	366
Total	66	88	103	116	122	128	557
Grant Total	1,444	1,618	1,879	1,962	2,050	2,158	9,667

* Includes expenditure by public and local bodies and similar expenditure

ITALY

Support and reindustrialisation measures

Decree-law n°120 of 1 April 1989 enables the following categories of workers to have access to **early retirement**: workers employed by companies with State participation, steel companies with State participation which are being wound up and workers employed by companies which, before 14 June 1988, were carrying out service or maintenance activities in the iron and steel works of such companies.

To be eligible, the workers must have attained seniority within the company prior to 1 January 1988, be at least 50 years of age and have paid 180 monthly or 780 weekly contributions to the statutory invalidity and old-age insurance.

The possibility to claim early retirement is limited to **31 December 1991**.

Managerial staff who satisfy the same age and contribution requirements are also eligible for early retirement.

The total number of workers, excluding managerial staff, who can take early retirement each year cannot exceed 3,100 persons in 1989, 2800 in 1990 and 2600 persons in 1991.

Furthermore, the decree-law foresees the possibility for certain workers of the above mentioned companies to claim, instead of the CIG benefit and provided they terminate their employment contract, the payment of a lump sum equivalent to 36 times the maximum monthly rate of wage compensation under the CIG. The workers in question must have attained seniority prior to 1 January 1988, be compensated under the CIG and intend to undertake work as a self-employed. In the Mezzogiorno the amount which these workers can

claim is raised to 42 times the monthly wage compensation rate.

The cost which the application of this regulation will give rise to is estimated at LIT 200 billion for 1989, 220 billion for 1990 and 245 billion for 1991.

The above mentioned workers who benefit from the CIG can register on a placement list prepared for that purpose at the regional level.

In case of hirings on an open-ended employment contract, the contribution to be paid by the employer is reduced for 36 months to that due for apprentices. If the recruitment takes place in the Mezzogiorno area, the employer benefits, in addition to the relief in contributions, from a subsidy which is paid for 18 months and is equivalent to 15% of the remuneration.

These provisions will apply until 31 December 1990.

As regards initiatives aimed at promoting the re-employment of steel workers by 31 December 1990, the companies referred to above and the bodies and the firms involved in the reindustrialisation programme of the areas hit by steel crisis can submit vocational training and retraining schemes to the Ministry of Labour. These schemes can be financed by the revolving fund ("fondo di rotazione"), finance being limited to 20% maximum of the Fund's annual resources.

In order to speed up economic recovery and the growth of employment in the areas concerned by the restructuring process of the steel sector, a **special reindustrialisation programme** of the steel crisis areas has been proposed. The proposal, by the Ministry of State Participation, sets out the initiatives to be carried out, the areas to be singled out and the **programme of industrial promotion**.

To meet the costs, a special Reindustrialisation Fund will be set up with a total endowment of LIT 660 billion over the two-year period 1989-1990.

Finally, Art. 10 of the decree-law of 1 April 1989 provides for a 3-year extension of the two funds set up under law n°49/85 with regard to cooperatives (cfr. iM 10). A sum of LIT 70 billion is allocated to the revolving fund to promote the development of cooperatives for the triennium 1989-1991, whereas a sum of LIT 100 billion is attributed to the special fund for interventions to safeguard employment levels for the same three-year period.

NETHERLANDS

The influence of income regulations on taking up paid work

Income-related regulations, such as health insurance and rent subsidy as well as wage and income tax, do not hinder the progress of partners deciding to become gainfully employed. This is stated in the "Emancipation Policy" document.

The objective of this emancipation plan in the field of income and work is the self-sufficiency of every adult. Every partner must be able to provide for his/her own

living. Achieving economic independence by carrying out paid work is of prime importance.

In the context of the issue of people acquiring financial independence, it is important to examine if the regulations which take the partner's income into consideration, have an influence on the furtherance of financial independence. The main question is whether and to what extent income regulations can influence the decision of a non-working partner to take up gainful employment. A government statement ("notitie") examines this question as regards wage and income tax, health insurance, national social insurance, rent subsidy and study grant.

As regards wage and income tax it would seem that after the implementation of the recommendations of the "Oort Commission", the transfer of the individual basic deduction together with the new scale of taxation does not constitute any unnecessary impediment for the process of persons becoming self-sufficient.

As regards health insurance and national social insurance, which also insure partners/spouses who do not have their own income, the liability to pay contributions should be the same for anybody earning an income. Thus the contribution does not cause any additional marginal pressure on breadwinners' partners who want to take up employment.

As regards the individual rent subsidy, the subsidy falls as the joint income of the partners rises. In order to be able to afford a decent flat, households with the lowest incomes have to raise less additional money if only one partner goes out to work. This is a general problem which is true for anyone who gets a rent subsidy. This is also true for the study grant in as far as this depends on the parents' income.

As the process of becoming self-sufficient progresses, particularly if this goes hand in hand with employment growth and increased family incomes, revenues from contributions and taxes rise and some public expenditure falls. These effects remain largely absent if the process of becoming independent takes place through redistribution of work with family income remaining the same.

Bringing about self-sufficiency must in the first place happen by fostering participation in gainful employment; this is what employment and labour market policy is focused on. Since it is undesirable to increase tax pressure on the collectivity, the effects figured out offer no or hardly any budgetary margin for taking initiatives to stimulate financially the process of bringing about self-sufficiency.

NETHERLANDS

Flexible working

The government intends to bring in a statutory lower limit as regards the remuneration of people working on some form of flexible contract. The aim is to discourage those flexible working arrangements against which

there are strong social objections.

Some 250.000 persons have a flexible employment contract with an employer. This figure does not take into account temporary workers and persons having a fixed-term contract with some prospect of permanent employment. Many flexible contracts offer the worker little or no work or pay security. This is the case of contracts specifying no minimum number of hours to be worked or to be paid. It is also the case of contracts specifying a minimum and maximum number of hours, but where there is a considerable difference between the lower and the upper limit.

For "zero hours" contracts and "on-call" contracts the government wants the law to stipulate that the worker is entitled to 70% of the prevailing hourly rate for the job for 20 hours a month. Hours actually worked will be deducted from this amount. The lower limit for the hourly wage is 70% of the minimum wage applicable in the industry in question.

For "min-max" contracts the government intends to lay down that in specific cases the worker is entitled to the same kind of remuneration as for "zero hours" contracts. The cases in point are those where the difference between the guaranteed number of hours of work and the number of hours for which the worker must be available is unreasonably large. Just what difference between minimum and maximum constitutes "unreasonable" is an issue to be considered with the Labour Foundation.

In June 1988 the Labour Foundation came out with a divided Opinion on the "Flexible Use of Labour" report drafted by an official working group and its suggested adjustments of laws and regulations. Through its new proposal, the government is trying to reach agreement with the social partners on discouraging those flexible working arrangements against which there are the strongest social objections. The government believes that the proposed measures will not impede the desired labour market flexibility.

NETHERLANDS

Introducing cascading liability

The introduction of the 1982 Act on Cascading or Chain Liability is seen as an important step forward not only in the fight against fraud but also for the bonafide entrepreneur. Its main goal to counter malafide enterprises in a number of industries seems to have been achieved to a substantial extent according to an evaluation by the Social Security Council (SVr) as regards the first years in which the law has been in operation.

The Act renders the main contractor liable for taxes and contributions not paid by sub-contractors for a specific contract. Every sub-contractor is in turn also liable when he brings in new sub-contractors. The main contractor can limit his risk by having contributions and wage taxes for contracted out work paid to a frozen account of the sub-contractor. The sub-contractor uses

this so-called "g-account" exclusively for paying the tax office and the "bedrijfsverenigingen" (the bodies dealing with social security payments in the Netherlands). If proper use is made of the account, the main contractor is safeguarded against liability for the non-payment of taxes and contributions.

The SVr evaluation shows that in the building industry alone the Act was responsible for bringing in an estimated Hfl. 150m in contributions for workers' insurance in 1982. Moreover, taxes and contributions were paid in more rapidly. Following enactment of the law, 40% fewer firms went bankrupt. Almost three quarters of the main contractors considered that industrial peace was enhanced by the law. Employers, too, have advantages from the law despite the slightly increased administrative workload for firms. Because of the law, both competitive practices of firms and the reliability of sub-contractors have improved in a number of sectors. This has also positively influenced the contribution burden in these sectors.

The SVr also concludes (and the government is of the same opinion) that the positive result of the law seems to have been achieved by many contractors being afraid of the liability for the non-payment of contributions rather than through actually being held liable. In the early years, the number of contractors being held liable was limited. It transpired that the law was more difficult to apply than had been thought at the outset.

For the last few years, holding contractors responsible has very much become a part of the policy of the tax office and the "bedrijfsverenigingen". This should strengthen the preventive effect of the law.

As regards the use of "g-accounts", the law has fully come up to expectations. Contractors make widespread use of this possibility which has had a positive impact on the payment of taxes and contributions. In most cases the accounts operate well so that there is no need for any changes.

As regards the problem of the indirect unfreezing of "g-accounts" by amounts being transferred from one "g-account" to another without there being any basic agreement between contractors, the government will wait for more SVr research. This should enable a picture to be drawn of how the misuse of the "g-accounts" can be combated.

PORTUGAL

New legislation on employment contracts

Within the current process of reforming labour law, the government is striving to bring Portuguese legislation nearer to and harmonise with that of other Community countries. Given the need to give priority to reforming matters which are interrelated by their economic and social causes as well as effects, the following regulations were approved:

* termination of the individual employment contract, including the conditions for concluding and terminating a fixed-term employment contract, D.L. n° 64-A/89 of 27/02/89;

- * modification of the procedural rules for lay-offs and reductions in time worked, D.L. n° 64-B/89 of 27/02/89;
- * unemployment benefits, D.L. n° 79-A/89 of 13/03/89;
- * incentives for job creation for the long-term unemployed, D.L. n° 64-C/89 of 27/02/89.

This article only outlines the new legislation on the employment contract, which came into operation in June 1989. It modified the regulations on the **termination of the individual employment contract** and on the conclusion and termination of fixed-term contracts. The new legislation on unemployment benefits and on job creation incentives is outlined in the appropriate chapters of this issue.

As regards dismissal, new forms of termination of the employment relationship have been introduced in cases determined by objective facts which are company-related.

As regards the **fixed-term employment contract** (whether specified or not), the most significant changes are motivated by the need to limit this type of contractual relationship. The only cases in which this type of contract can be concluded are as follows:

- * temporary replacement of workers
- * temporary or exceptional increase in work
- * seasonal activities
- * casual work
- * new activities of uncertain duration or start-up activities
- * civil engineering, public works, factory building or repairs
- * implementing projects outside the usual activities of the enterprise
- * hiring workers looking for their first job, the long-term unemployed or persons in other positions provided for under special employment legislation.

UNITED KINGDOM

Fraud investigation

The vast majority of social security claimants are honest and correctly claiming benefit. Yet there exists a sizeable minority who are defrauding the system. To protect the integrity of the social security system the Employment Service, acting as agents for the Department of Social Security in the payment of benefits to the unemployed seeking work, give a high priority to combating fraud.

Since 1984 the number of fraud investigators has increased from less than 400 to over 800 currently. In 1988 there were some 450,000 investigations and 4000 prosecutions, mainly for the more blatant and serious cases. The operation is cost effective: some £4.5 saved for every £1 of costs.

The fraud organisation has a distinct system of line management. Its resources are independent of those for the rest of the Employment Service. Its investigators are both regionally and locally based. Of late a more pro-active stance has been taken, although referrals of cases of suspected fraud by local office staff still account for a large number of investigations.

The government has committed itself to greater investigation of the hidden (black) economy especially in the thriving areas of the South East. This has meant in-depth investigative work in industries and occupations which lend themselves to fraudulent activity; thus, in land work, cleaning services, mini-cab and taxi driving the irregular nature of the work often allows individuals to claim unemployment benefits at a local office.

Such investigations have inevitably led to collusive employers who actively encourage claimants to defraud the social security system to avoid paying the proper rate for the work done. This type of fraud has stimulated greater co-operation with other government departments who stand to lose substantial revenue from such illegal activity. If the Employment Service can prove that an employer has colluded in aiding and abetting fraud, prosecution will follow.

An integral part of the drive against social security fraud is the increasing high profile taken to advertise the existence of the investigators and their work. As a consequence the Employment Service has reacted quickly and positively to approaches from the media to cover the work of its fraud staff. This had led to articles in the national press and regional and locally based newspapers. Radio and television have also been involved.

Employment maintenance

ITALY

Fiscalisation of social security contributions

Decree-law n°110 (Art. 4) of 28 March 1989 lays down that for the pay period between 1 December 1988 and 30 November 1989 employers will be granted a monthly

reduction of the employers' contribution to the national health service of:

- a) LIT 55.000 for all persons employed by industrial and craft firms operating in the manufacturing and mining industries, by engineering companies and by shipping companies;
- b) a further LIT 77.000 for all persons employed by

companies as described under a) which are operating in the Mezzogiorno;

- c) LIT 21.000 for all persons employed by the hotel trade and the health spas trade; by public commercial concerns, travel agents, open air holiday clubs for tourists and commercial firms;
- d) a further LIT 18.500 is granted if such companies operate in the Mezzogiorno.

For the pay period between 1 December 1989 and 30 November 1991 the following reductions will be granted:

- LIT 102.000 for all persons employed by companies referred to under a) above
- a further LIT 30.000 for companies referred to under b) above
- LIT 39.500 for all persons employed by companies referred to under c) above.

Companies in the Mezzogiorno which took on women after 30 November 1988 on an open-ended employ-

ment contract in addition to the workers already employed, are allowed a monthly reduction of LIT 56.000 on the employers' contribution to the national health service until 30 November 1991.

The same reduction and period applies if young persons up to the age of 29 are taken on by such companies.

From 1 December 1988 to 30 November 1989 employers of the agricultural sector are given a monthly reduction of LIT 85.000 for all workers employed. From 1 December 1989 to 30 November 1991 the reduction has been set at LIT 125.000.

The time limit for relief in contributions in the Mezzogiorno which had been fixed by decree-law n°86 of 21 March 1988 and changed to 30 November 1988 by law n°160 of 20 May 1988 has been extended to 31 May 1989 (cfr. iM 25).

Aid to the unemployed

BELGIUM

Provisional payment of unemployment benefit

As a rule a worker is not entitled to claim unemployment benefit for the period covered by severance pay or compensation to which he is entitled following the termination of his employment contract. However, over the years, ONEm (the national employment service) has developed the practice of provisionally paying unemployment benefit to workers who, for reasons beyond their control, have not received the compensation payment due to them. This practice has been legalised by the law of 30.12.89 (MB of 5.01.89).

Should an employer fail to respect his financial obligations, the worker can henceforth provisionally draw unemployment benefit if, in addition to the usual conditions for obtaining these benefits, he satisfies the following conditions:

1. agrees to demand from the employer, if need be by legal procedure, the payment of the severance pay or the compensation which are due to him;
2. agrees to reimburse the unemployment benefits provisionally received as soon as he receives the severance payment or compensation;
3. agrees to inform ONEm of any recognition of debt by the employer or of any court ruling as regards the severance payment or compensation;
4. transfers to ONEm the claim for severance pay or compensation which he is awarded, to the amount of the unemployment benefit provisionally paid to him.

Moreover, the worker must provide ONEm with proof within the year following the termination of the employment contract that legal action has been instituted to obtain severance pay or compensation.

In case of corporate bankruptcy or liquidation, the persons holding a power of attorney, the trustees in bankruptcy, and the administrators in bankruptcy proceedings have the same obligations as the employers with respect to the transfer of claim referred to under 4° above.

SPAIN

Extending the unemployment protection system: new measures for LTUs

The royal decree-law 3/1989 of 31.03.89 on additional social provisions, significantly enlarges the system of unemployment benefits.

These new provisions are part of a three-pronged process of reforming the system of unemployment protection: raising the level of coverage by extending its action towards groups who have been unemployed for a long time (particularly those who are older and have dependents); improving the management of benefits; and ensuring that the system is better applied. This third objective means correcting possible shortcomings which have emerged in applying the system and improving the inspection and control procedures in such a way that, at the same time as extending protection and thereby providing better coverage for groups who are really needy, persons whose objective situation does not justify their protection, are prevented from taking advantage of the system.

Royal decree-law 3/1989 thus modifies some of the articles of law 31/1964 (2.08.84) on unemployment protection. It enlarges current protection of the long-

term unemployed, particularly those over 45 years of age who in some cases have exhausted their entitlement to benefit obtained through previous contributions paid to the unemployment insurance. These measures can be summarized as follows:

- a) Lowering the age limit (from 55 to 52 years) to qualify for an indefinite extension of unemployment assistance in the case of the unemployed who meet all the conditions (except that of age) entitling them to accede to any type of retirement within the social security system. Unlike the previous system, the new regulations in addition to lowering the age limit, establish the obligation for the worker to have paid contributions to the unemployment insurance for a minimum of six years of his/her working life. The objective is twofold: on the one hand, to extend and facilitate the payment of unemployment assistance to the unemployed who, having contributed for a large part of their life to the unemployment protection system, are unemployed at the age of 52 and have little likelihood of finding another job. On the other hand, it limits access to this type of protection for those workers who have been in contributory employment for only very short periods of their working life whereas until now they have been able to draw on this assistance.
- b) The payment for six months of a new unemployment assistance benefit for the long-term unemployed over the age of 45 who have contributed for at least four years and have been registered as unemployed for more than two years. The new element in this special benefit lies in the possibility of varying the amount (between 75% and 125% of the national minimum wage) according to the unemployed persons having, or not, dependents and the number of the dependents.
- c) Six months prolongation of the current maximum duration of unemployment assistance (18 months) for the long-term unemployed (unemployed for at least 21 months) over 45 years of age and with dependents.
- d) Introduction of a new unemployment assistance benefit paid for six months to the long-term unemployed (those unemployed for more than 12 months) aged more than 45 years without dependents and who have contributed for at least two years to the unemployment insurance.
- e) Six months prolongation (from 18 to 24 months) of the current maximum duration of unemployment assistance for the unemployed of all ages who have been unemployed for more than two years.

Unemployed persons can draw on these measures one after another provided they satisfy the conditions laid down for each of them. On the other hand, all these measures apply temporarily to those unemployed persons who fulfil the conditions laid down and who have remained registered as unemployed without in-

terruption from the date on which they ceased to be eligible for benefit and the enactment of the law.

The decree-law also extends the protection system to gainfully employed workers ("trabajadores per cuenta agena") paid piece rates, working on fishing boats of between 10 and 20 gross tonnes. It strengthens the unemployment assistance protection for ex-prisoners by extending the system to all those who have been in prison for more than six months, whereas the previous regulation limited its application to those who were freed after completing their sentence, those released on parole or those pardoned.

All in all, some 344.000 persons should benefit from these measures, the annual cost of which should amount to PTAS 80bn.

This set of measures contributes to significantly improving the coverage of those groups of unemployed who are in greatest need. This means mainly the older unemployed and those who have been unemployed for a long time. They are guaranteed, on the one hand, the same level of protection as that of workers who can prove a minimum of contributory employment and, on the other, the assistance side of the unemployment assistance benefit has been strengthened in such a way that it is adapted to a large extent to the cases of real necessity. At the same time, these measures enlarging unemployment protection are a part of a whole set of actions covering the improvement of procedures for management, inspection and monitoring, a more targeted intervention of the employment services for an active placement policy and the strengthening of employment promotion programmes - in particular those encouraging the vocational integration and permanent hiring of young people.

ITALY

Regulations on unemployment benefits, wage compensation and early retirement

In anticipation of the reform of the regulation governing the Wage Compensation Fund (CIG), unemployment benefit and labour mobility, decree-law n°119 of 1 April 1989 raised the daily rate of **unemployment benefit** from 7.5% (cfr. iM 22) to 15% of the pay as from 1 January 1989. The previous provisions fixed by decree-law n°86/88, which was converted by law n°160 of 20 May 1988, were thus amended and extended until 31 May 1989. The workers concerned have to introduce their claims for such unemployment benefit by 30 April 1989.

The expenditure earmarked for the implementation of this regulation is LIT 574,3 billion.

Furthermore, the decree-law n°119 of 1 April 1989 extends the **extraordinary wage compensation** for persons employed by companies set up by GEPI S.p.A. until the reform of the Wage Compensation Fund (CIG) comes into force, but not beyond 31 May 1989.

The expenditure earmarked for such purpose is LIT 219,8 billion.

As regards **early retirement** (Art. 16, 17 and 18 of law n°155/81) the decree-law fixes the same extension, i.e. not beyond 31 May 1989.

As from 1 March 1989 new applications for early retirement can be introduced provided that, on the request of the company, a decision of the CIPI (Inter-ministerial Committee for the Coordination of Industrial Policy) confirms the existence of structural manpower surplus and its size. For each worker admitted to early retirement, the company has to pay a contribution to the workers' pension fund equivalent to 50% of the resulting charges. In the Mezzogiorno this contribution is reduced to 25%.

The cost foreseen for the early retirement claims put in before 1 March 1989 is estimated at LIT 49 billion for 1989, LIT 45 billion for 1990 and LIT 45 billion for 1991, whilst the cost foreseen for the claims introduced after 1 March 1989 amounts to a total of LIT 117,3 billion.

PORTUGAL

Unemployment protection: new legislation

A new system came into operation in June 1989 following decree-law D.L. n° 79-A/89 of 13 March 1989. The goal is to improve and ensure a greater social effectiveness in the unemployment benefit system in the light of the need to better adapt the system to the present labour market situation.

The new system of unemployment protection contains the following modifications:

- * broadening the concept of involuntary unemployment to cover workers who are victims of sectoral restructuring and to those who are on a disability pension but who will subsequently be considered to be able to work;
- * changing criteria as regards the duration of benefit (both unemployment benefit, SD, and unemployment assistance, SSD) which is directly linked to the age of the unemployed person. Persons experiencing the greatest difficulties in finding a new job will be fostered in line with the following classification:

Age	Duration
under 25 years	10 months
25 - 29	12 months
30 - 34	15 months
35 - 39	18 months
40 - 44	21 months
45 - 49	24 months
50 - 54	27 months
55 and above	30 months

- * reducing the period of employment necessary to qualify for unemployment benefit (SD) to 540 days of gainful contributory employment during the last two years immediately preceding unemployment;
- * doing away with the provision requiring there to be an intermediary period between the end of the payment

- of the unemployment benefit (SD) and the beginning of the payment of unemployment assistance (SSD);
- * reducing the differences in the amounts of unemployment assistance for the benefit of family groups with a high number of dependents; and
- * lowering to 60 years the age at which a person can draw an old age pension once the period of receiving unemployment benefit and unemployment assistance has expired.

UNITED KINGDOM

Claimant advisers

In July 1986 responsibility for unemployment review work was transferred from the Department of Health and Social Security (DHSS) to the Department of Employment (DE). Under a phased programme, claimant advisers replaced unemployment review officers, who had previously operated in DHSS local offices for some 20 years. The transfer was completed by the beginning of April 1987 when 650 advisers were in post in unemployment benefit offices. There were two main reasons for this transfer:

- * **Counselling the unemployed.** The DE group, through the Manpower Services Commission (MSC), was responsible for the Restart Programme and the range of services to help the unemployed. Bringing unemployment review work into DE would enable them to work more closely with their colleagues in the MSC and to have direct links with the benefit offices which were responsible for administering the "availability for work" test.
- * **Availability for work** has always been a condition for the receipt of benefit. The introduction of a revised test and procedures required the support of trained, specialist staff to advise claimants on the conditions and explore the extent of the availability of claimants for work.

The success of claimant advisers has led to a steady increase in the numbers deployed. The Employment Service aimed to have around 1200 advisers in post at the start of the April 1989 - March 1990 planning year.

Purpose

The role of claimant advisers is to provide advice and guidance to help clients move out of unemployment. There are five elements of their work:

- to encourage and support clients who are looking for work and advise them of the services available from Employment Service jobcentres or through the various Employment Department training and employment programmes.
- to support their clients' move back into employment by giving individual assessments of their net income in employment, taking account of the various "in work" benefits available.
- to be responsible for ensuring that benefit claimants are available for and actively seeking work.

- to give information about alternative social security benefits that may be appropriate for those either not available for work or, because of incapacity, unable to work.
- to submit cases where a benefit claimant is not available for work and is unreceptive to the positive help offered to the independent adjudicating authorities for a decision on entitlement to benefit.

How they work

Claimant advisers are specialist staff trained in interviewing skills, with an extensive knowledge of their local labour market and of the help available to unemployed people. They interview clients who come to them in a variety of ways:

- Restart interviews, including the follow-up of clients who decline offers of assistance or, having initially accepted an offer, do not take it up.
- Referrals from Employment Service local offices (i.e. jobcentres and unemployment benefit offices).
- Referrals from the Department of Social Security.
- Self selection from the priority groups who would most benefit by claimant adviser action.

Claimant advisers operate on a casework basis, conducting more than one interview where necessary, to develop an individual strategy to assist in moving a client out of unemployment.

Results

The success of claimant advisers is measured in terms of positive outcomes. This is defined as a client who takes up the course of action determined during the course of casework which, in most cases, leads to the person ceasing to claim unemployment benefit.

During the planning year April 1988 - March 1989 claimant advisers

- conducted 872,757 interviews
- achieved 331,385 positive outcomes, of which 153,000 found a job or entered one of the Government's programmes, and 68,000 were found to be claiming the wrong benefit.

Developments

Changes in the organisation of employment services and the introduction of new programmes has inevitably impacted on the work of claimant advisers.

The creation of the Employment Service in October 1987, which merged the unemployment benefit service with the MSC's general employment service, brought closer links with Restart and allowed advisers to work from jobcentres as well as unemployment benefit offices.

The launch of the Government's Employment Training Programme involves the active participation of advisers in identifying suitable candidates and following their progress into training.

Training

SPAIN

1989 changes in "Plan FIP"

The National Vocational Training and Integration Programme (Plan FIP) was launched in 1985. Since then significant changes have been made in the regulations governing it (cfr. iM 14, 18 and 21). The prime purpose of these changes has been to adapt the plan to the external needs of the labour market, to new orientations of the ESF and to demands of the internal dynamics for developing the Plan itself. Four of these internal demands are the need to raise the quality of the training provision, to improve the management of the Plan, to strengthen the participation of the social partners and to broaden the groups which can make use of the training and integration activities provided under the Plan.

This is the background to a decree of the Ministry of Labour and Social Security, approved on 4.04.89, governing the development of the Plan for 1989. However, it should be pointed out that 1989 is in some ways a transitional year for the Plan FIP because of the changes and the reforms which various areas linked to the Plan are undergoing. One of these is the reform of the ESF, which will fully come into operation in 1990; another is the reform of the technical-vocational teach-

ing system which comes under the Ministry of Education and Science and that of INEM, the National Employment Institute, which is the main body managing the Plan FIP within the Ministry of Labour and Social Security. The result will be that in 1990 there will be substantial changes in the legal provisions which govern Plan FIP.

Over and above these considerations, the new decree of the Ministry of Labour and Social Security governing the Plan FIP for 1989 brings in some changes aimed at broadening the groups of beneficiaries of the training activities, enhancing the quality of the provision of training (particularly as regards the centres collaborating with INEM), strengthening the participation of the social partners and increasing the financial support which trainees receive when participating in vocational training courses. Within this framework, the most important changes in Plan FIP are as follows:

1. As regards the fundamental purpose of the Plan FIP to give priority to special categories of persons (essentially young people and the long-term unemployed), measures for the vocational integration of young people will be strengthened, with the programme of practical non-work traineeships within companies for young persons under 18 years of age being extended to cover persons under 25 years of age.

A new programme has been set up for badly-off women with a low skill level. INEM and the Women's Institute will collaborate in implementing this programme which should train some 1000 women in 1989.

The target groups of the programme of practical vocational training (the socially marginalised and ethnic minorities) are being extended to cover prisoners. Similarly, the practical vocational training programme for emigrants and workers returning to their country can also be used by foreigners who, legally residing in Spain, are entitled, according to the current legislation, to have access to employment.

2. As regards the objective of improving the management of Plan FIP and raising the quality of the provision of training, INEM is strengthening its procedures for monitoring the centres which collaborate with it. New obligations will be imposed on them, the non-respect of which will entail the loss of the subsidy and their exclusion from the group of collaborating centres.
3. As regards the participation of the social partners in managing the Plan FIP, the most representative trade union and employer organisations will have the possibility of presenting, for recognition by INEM, jointly run training projects. These projects will have priority when courses are being planned.
4. As regards financial help granted to course participants, the amounts of the grants and the allowances for travelling and maintenance will be increased. Similarly, new aids will be given for transport, accommodation and maintenance for participants who have to move within the country and live away from their normal home or, again, for those who have to go abroad to other EEC Member States as a part of programmes managed jointly by vocational training bodies or establishments of another Member State which are co-financed by the ESF.

A budget estimated at some PTAS 110 billion is foreseen for financing the development of these practical vocational training and integration programmes which together make up the Plan FIP. This amount should enable some 433.000 participants to be trained. Of these, 240.000 will participate (for an amount of PTAS 91bn) in programmes which are likely to be co-financed by the ESF, the training of the remainder being fully financed by the Ministry of Labour and Social Security.

UNITED KINGDOM

Local Employer Networks (LENS)

Aims

The Local Employer Network project aims to modernise Britain's vocational education and training system

to make it more effective in meeting employers' skill requirements.

Local Employer Networks aim to achieve a close collaboration between employers and training providers in three ways:

- giving employers a more effective voice in the planning and delivery of training by, for example, the Training Agency and education authorities;
- improving direct links between colleges and employers;
- improving the quantity and quality of employer-based training.

The project is a collaborative venture between the Confederation of British Industry (CBI), the Association of British Chambers of Commerce (ABCC) and the Training Agency (TA). It is designed to be employer-led and controlled, with support from the TA.

Networks operate by building on existing activity to:

- a) collect and analyse labour market information and feed this information to those involved in the planning of local Vocational Education and Training (VET) provision; they also feed the information back to employers to assist their own manpower and training planning;
- b) represent employers in the local VET planning process;
- c) provide a local source of advice and consultancy to employers about local VET provision.

Networks can modify their role according to the demands in their own areas. This could involve them in activities such as:

- supporting local assessment under the National Council for Vocational Qualifications;
- acting as managing agents for training or YTS staff;
- training teachers, tutors, trainers or YTS staff;
- working with teachers in schools via the Technical and Vocational Education Initiative ;
- marketing careers in industry and commerce to schools and colleges.

Funding of the project

Through the Training Agency, total funds of £5 million have been committed to this project since it began in 1986. The average pump-priming cost of each local network was about £20,000. The CBI and ABCC nationally also contributed to resourcing the project, and organisations at local level were expected to contribute in cash or kind to individual networks.

To qualify for support after their first year networks now need to raise an equivalent amount from other sources. They also have to provide plans showing how they intend to be financially independent of the Training Agency by the end of their second year.

Progress

Progress in setting-up networks was slow initially. By Easter 1987, however, the initial phase of 13 networks was in place and the first National Conference held during September 1987.

By October 1988, 110 networks were in operation and the number is expected to grow to about 130.

The base organisation or "host" of the networks includes a wide variety of bodies, such as chambers of

commerce, employers' associations, enterprise agencies, group training associations and individual employers.

A Central Resource Unit, resourced primarily by the ABCC and CBI, has now been established to consider, broadly, how best to assist the development of networks, and to provide a link between LENs and the ABCC and CBI.

Benefit for employers

By joining a network employers can:

- Tap into an information system provided by employers for employers.
- Have better access to grants, expertise and training services and to co-operation with industrial training organisations.
- Reduce training costs and improve productivity.
- Make their involvement in vocational education and training more effective and more widely recognised.

- Make the development of national initiatives such as the National Vocational Qualifications scheme or, in Scotland, the 16-plus programme relevant to what employers want locally.

- Suggest desirable initiatives by training agencies, such as the Training Agency.

Through their collective strength employers can exert an influence over a wide range of training and education issues.

* The TVEI, run by the Training Agency, aims to stimulate the provision of technical and vocational education for 14-18 year olds by emphasising enterprise, encouraging collaboration between education and industry and enhancing the school curriculum.

Job creation

FRANCE

The advice cheque-book

The new scheme for an "advice cheque-book" is an outcome of the government's employment plan of 14 September 1988. Its aim is to reduce the mortality rate of new firms (almost 50% close down within three years of their start-up) by making it easier for the starter (generally on his/her own) to draw on external advice. For starters do not always have the various competences needed to consolidate and develop their firm.

Modalities

The scheme can be summarized as follows:

- * The **amount** available is FFR 6000, FFR 4500 of which is provided by the State in the form of 15 cheques for advice each of FFR 300. This corresponds to 15 hours of advice invoiced at FFR 400 to include all taxes (FFR 100 per hour being borne by the beneficiary).
- * **Beneficiaries** are persons coming under either the "ACCRE" scheme (unemployed persons starting a firm or taking over a firm) or the "FIDJ" scheme (the "départemental" Fund initiative for young persons). They can draw on the scheme for one year from the notification of help having been granted.
- * The **procedure** is that the advice cheque-book is simply asked for at the DDTE (the "départemental" directorate of labour and employment) backed up by an estimate by an accredited consultant.
- * Accredited consultants can be private consultants, networks for helping starters, chambers of com-

merce services, auditors and legal advisers who accept the conditions of the contract and are ready to invoice their assignments at FFR 400 per hour, all taxes included.

FFR 100 million has been earmarked in 1989 for this scheme. If experience proves positive, it could be generalised later. The budget line in question is Art. 50, chapter 44.74 for employment promotion activities.

IRELAND

Evaluation of the Employment Incentive Scheme

The Economic and Social Research Institute (ESRI) have published the results of a major survey, commissioned by the Department of Labour, into the Employment Incentive Scheme (EIS).

The EIS is an employment subsidy programme, first established in 1977. Its objective is to effect an increase in net employment levels by providing a subsidy for a period of 24 weeks to employers who recruit additional eligible employees for jobs of a permanent nature. Only employees who had previously been on the Live Register for 13 weeks or more qualify for payment of the subsidy. The level of subsidy is IR£30 per week, except in the case of an adult employee who has previously been unemployed for a year or more, where the premium is IR£60. Since its inception in 1977, a total of almost 70,000 people have been recruited to jobs under the scheme.

The ESRI survey set out to examine the effectiveness and cost of EIS, paying particular attention to the following three issues:

1. How effective is EIS in achieving its central economic goal of increasing total employment?
2. How effective is EIS in securing its social or equity goal of redirecting hiring towards targeted categories of jobseeker?
3. What is the cost of the scheme to the Exchequer?

Job creation

The report found that at the end of the 24 week subsidy period about 85 per cent of employees hired under EIS were still with their employer. A further eight months later this had declined to 54 per cent although in a further 11 per cent of cases the actual job which the EIS employee was hired to fill still existed as a separate job within the firm.

The report also looked at the level of deadweight in the scheme (i.e. jobs subsidised under EIS which would have been created anyway even if the subsidy had not been available). It discovered a high level of deadweight which consequently diminished the job creation effect of EIS. Thus, 68 per cent of hirings under EIS would have taken place at the time they did even without the existence of the scheme. In a further 23 per cent of hirings EIS acted to bring forward the recruitment date from the time that the firm would otherwise have hired someone. Only in 9 per cent of EIS hirings would the job not have existed without the programme.

Social goal

The survey found that EIS was somewhat more successful in its social objective of redirecting hiring towards targeted categories of jobseeker, although the existence of the higher premium in respect of the long-term unemployed has done little to encourage employers to increase their hiring of jobseekers from this particular group. In all about 30 per cent of hirings under EIS result in the employment of an EIS eligible

person who would not otherwise have been hired. Taking both the economic (job creation) and social (substitution) goals of EIS, 44 per cent of hirings made using the scheme achieve one or both of these goals; conversely 56 per cent achieve neither.

Exchequer costs

The average subsidy payment and administrative costs of EIS are more than offset by savings on social welfare and the income tax and social insurance contributions paid by employees hired under the scheme. In addition EIS receives a subvention from the European Social Fund in respect of those under 25 and the older long-term unemployed recruited under the scheme.

Overall, the report estimates that by the end of the subsidy period, the scheme yields a profit of around IR£900 per hiring over the expenditure that would have been incurred and revenue which would have been lost had the person hired under EIS remained unemployed for that period. When account, however, is taken of deadweight effects, the EIS just breaks even over the 24 weeks subsidy period and, by virtue of the persistence of jobs which would not have existed without the scheme, yields a profit of the order of IR£80 per hiring after a further eight months.

Conclusions

The authors of the report concluded that as the high deadweight element in EIS precludes the scheme from having a significant job creation effect, the most practical way of improving its effectiveness is through helping the long-term unemployed. They therefore recommend that only two types of jobseekers should henceforth be eligible for the subsidy: the long-term unemployed (for whom the IR£60 subsidy would be payable) and disabled persons, travellers and discharged prisoners (for whom the IR£30 subsidy would be paid). They further recommend that the subsidy period for the long-term unemployed be extended to a minimum of 39 weeks.

Special categories of workers

GERMANY

Fostering foreign workers' integration

The Federal Ministry of Labour and Social Affairs (BMA) has for years been fostering the integration of foreign workers and their families through specific measures, above all as regards knowledge of the German language and vocational skills' training. In the last few years these schemes, together with social

counselling and welfare financed by the federal and provincial governments, have assumed a continuously growing importance. In 1988 some DM 45m was devoted to the actions outlined below, which are being continued into 1989 with the same goals and appropriate budgets.

Language courses

The SDaA foundation in Mainz, established by BMA for training foreigners in German, ran courses for 67.000 participants in 1988 (with participants from EC States

as well as Turkey, Yugoslavia, Morocco, Tunisia and Korea). The total cost was some DM 28m. Courses offered are general (mostly evenings, accompanying employment or training), intensive (mostly all day for the unemployed and young persons preparing for vocational or basic training) and for women (with child-minding facilities). Since 1986 there have also been language courses in basic literacy, which are primarily attended by foreign women.

School to working life transition

The BMA advisory committee on foreign workers put forward proposals in 1986 for integrating young foreigners. It has highlighted that the most important issue is that of resolving the problems of the transition from school to working life. For this reason the instruments for promoting action in this area have been further developed. The Federal Employment Institute (BA) has considerably strengthened the schemes preparatory to vocational training and fostering vocational training for young foreigners (particularly through aids accompanying training). BMA is completing these supportive actions with the following schemes:

- * Residential vocational preparation schemes for young foreigners no longer subject to compulsory education who do not meet the conditions of the Labour Promotion Act (AFG). Some 350 persons participated in 1987-88. These schemes also provide opportunities for catching up on end-of-school exams (particularly for the 'Hauptschule', ie. lower secondary school).
- * German/Greek pilot project for the vocational training of young Greeks in trades which have a future both in Germany and Greece. Some 60 young Greeks are trained according to German law in commercial, electrical and metal-related trades. Training includes an accompanying course in workplace Greek and a 5-week practical traineeship in Greece. The project is receiving ESF support.
- * A pilot project for training young Turks as foreign language correspondents. Some 20 young Turks, male and female, who have completed their school studies or their vocational training are receiving such training which ends with a certified exam.

Integration courses for foreign women

In 1988, some 3000 foreign women, both working and not working, received integration help. This took the form of sewing courses, cookery courses, information on family matters, house-keeping, health, nutrition and home care for the sick. This includes introductions to the German language (some 10 programmes each of 3 hours, mainly in the evenings).

Seminars, information and public relations work

* Seminars on individual countries
Since 1983, information seminars, commissioned by BMA, have been run on Turkey, Yugoslavia, Spain and Portugal (65 seminars in 1988). This series is being continued in 1989 and completed with 2-4 pilot seminars on Greece. In 1988 the seminars were attended by some 1300 persons involved in work with foreigners, mainly Germans (language teachers, placement

officers, careers officers of employment services, staff of alien offices etc.).

*** Multiplier seminars**

Also commissioned by BMA, seminars for some 2000 "multipliers" were carried out in 1988. Since 1987-88 the emphasis has, in cooperation with the embassies of the countries of origin, been placed on seminars for multipliers of foreign workers in Germany (chairpersons of associations of foreigners, of parents' advisory services, pupils' spokespersons, teachers, social workers, etc.).

*** Information evenings**

Between 1986 and June 1988 34 information evenings were run for foreign workers, especially for Turks and Yugoslavs. In these, BMA representatives explained the policy towards foreigners of the federal government, provided information on integration and re-integration aids, indicated sources of advice of various institutions and made possible contacts and discussions with representatives of the local bodies participating in the evenings.

*** "AD" information service**

"Arbeitsplatz Deutschland" (working in Germany) is a quarterly publication with a 650.000 print-run. It provides information for foreign workers and their families in seven languages, including German, on social security, labour law, health issues, rent law and general help as regards living (dealing with public authorities, road safety training, accident prevention, etc.).

*** "AiD" bulletin**

"Ausländer in Deutschland" (foreigners in Germany) is a quarterly with a 15.000 print-run providing support on integration policy. It is targeted at organisations and individuals who are interested or active in integration policy. The bulletin collects and disseminates good examples of activities for foreigners in the whole of the Federal Republic as well as, sometimes, failures which should act as warnings. It includes up-to-date facts and figures on foreigners' employment and integration.

*** "Korkmazlar" film**

On the initiative of the 'Land' Bavaria, the federal government, the other provinces and the BA have financed a 8-part video serial of the life of a Turkish family in Germany. It was shown on the third German TV channel in the spring of 1989.

SPAIN

Programmes for emigrants

The 1989 programmes for Spanish emigrants as well as for immigrants legally residing in Spain were brought together in a decree of the Ministry of Labour and Social Security of 10.01.89. New targeted programmes are added to actions carried out in the past in the light of the free circulation of workers within the European Community. Five of these programmes are related to employment:

1. Support programme for the vocational integration of repatriated workers, designed to facilitate the vocational integration of returning Spanish emigrants. Through financial support, the programme encourages them to become self-employed or members of cooperatives or of workers' companies limited by shares. Persons wishing to claim these aids must meet various basic requirements. These include being registered as an unemployed person at an INEM office or having been unemployed for the six months immediately preceding the claim for support, within two years of their returning. The maximum amount of financial support is PTAS 500.000.
2. Support programme for vocational guidance and training activities for Spanish emigrants. This is aimed at easing their integration into the Spanish labour market or their vocational furtherance. The type of support given is a grant, the amount of which varies according to the interest of the project. Priority is being given to projects aimed at emigrant women. This support can be requested by bodies, Spanish and foreign, public and private, which provide vocational guidance and training for emigrants. As regards vocational guidance programmes and actions, projects submitted by associations of young emigrants are given preference.
3. Support programme for encouraging the participation of Spanish emigrants in practical vocational training programmes. The aim is to encourage the participation of Spanish emigrants in practical vocational training courses designed to facilitate their integration into the labour market or their vocational furtherance.

The end purpose of the supports for facilitating the free movement of workers is to bring in activities aimed at improving vocational and linguistic knowledge as well as to acquire occupational experience abroad. In this respect, two programmes should be mentioned:

4. The support programme to facilitate the exchanges of young persons provided for within the framework of the European Community programmes, or carried out on the basis of agreements with other countries or in collaboration with either companies or a variety of bodies, public and private, Spanish and foreign which act as intermediaries. The type of aid provided is a grant, the amount of which depends on the cost, the duration and the interest of the project. The beneficiaries can be young Spaniards or foreigners aged 18 to 30 years who have received a basic vocational training and/or occupational experience in the sector in which the exchange is taking place.
5. Support programme for managing employment abroad for activities both of the European Communities and other countries. This concerns mainly activities aimed at disseminating information on labour supply and demand. The type of aid given is a

grant, the amount of which depends on the cost, the duration and the interest of the project. Beneficiaries are Spaniards looking for a job abroad.

FRANCE

SIVP traineeships changes

SIVP, "initiation into working life traineeships" aim at providing work experience for jobseekers who are experiencing difficulty in finding a job. Articles 47 and 51 of the law of 13 January 1989 and the decrees of 26 and 30 January 1989 have brought in modifications to the scheme. The purpose is to ensure that the approach is used in accordance with its initial aims as set out in the employers-trade union agreement of October 1983, amended in October 1988. The changes are as follows:

* Beneficiaries

SIVP is for persons aged between 16 up to and including 25 years, looking for their first job with no previous working experience (previous holiday work and a "TUC" traineeship are admitted, however). Priority will be given to young persons not holding a technological diploma and not having a secondary school leaving certificate ("baccalauréat" or equivalent), with other young persons only being eligible if their registration as a jobseeker goes back, depending on the case, 6 or 12 months. As a rule it is excluded for any young person to take part in two SIVPs.

* The contract

The contract involves four parties: the young person, the enterprise, ANPE and the monitoring body. It is a training, not an employment contract which must specify:

- the length (between 3 and 6 years)
- the various activities which the young person will be initiated in in the enterprise
- the name and vocational qualifications of the tutor
- the characteristics of the monitoring process

The contract must be signed before the young person actually starts in the enterprise.

* Organising the traineeship

Over and above the various vocational activities in which the young person will take part in the enterprise under the responsibility of a tutor, he/she will be taken care of by the monitoring body for 25 hours per month to be deducted from the time the trainee spends in the enterprise (39 hours/week, there being no possibility for overtime). The monitoring body can be ANPE or a public or private body with which ANPE has concluded special agreements (full-time Reception, Information and Guidance Centres, Local Missions, AFPA centres, training bodies and any other qualified training institution).

* The training allowance

The allowance consists of:

- a lump sum allowance paid by the State depending on the age and situation of the young person concerned (at the rate of FFR 183 for those under 18 years, FFR 870 for those between 18 and 20 years, FFR 1293 for those aged over 21 and FFR 3405 for single mothers and the handicapped);
- an allowance paid by the employer (26% to 36% of the minimum wage).

* End of the traineeship

At the end of the traineeship ANPE, together with the monitoring body, draws up "a vocational balance sheet", or assessment, makes the young person a proposal for his/her future career and gives him/her a certificate. Once this assessment has been made, the young person should be able to

- find a job
- move into training with one or other type of contract: "qualification contract", "adaptation contract" or apprenticeship contract.

ITALY

Proposal to intervene in favour of the young unemployed in the South

The Ministry of Labour has recently launched a new proposal in favour of young unemployed people in the South of Italy. The idea is to give a monthly gross support of LIT 500.000 which would commit the persons concerned to participate in special educational or vocational training courses. In other words, it is a kind of study grant which can become a "wage subsidy" in the case of recruitment. The wages would thus be topped by the State for a certain number of years with a consequent incentive for companies to hire the persons registered in special lists. The hirings would have to be made on a fixed-term contract of at least five years' duration.

The companies will also benefit by the relief in contributions granted to companies in the South.

The programme would concern 1 million young people (up to the age of 29) and the expenditure foreseen is LIT 6.000 billion per year.

NETHERLANDS

Work experience

Some 5000 long-term unemployed people (LTUs) are being given the opportunity of working in the State-aided or subsidized sector to gain work experience. Plans drawn up to that effect by the employers have been submitted to the ministers of social affairs and employment and welfare, health and culture.

Employers' and trade unions' organisations have concluded agreements in principle and arrangements on work experience places in the following domains:

- 1500 places in old-people's homes
- 500 places in organisations providing home helps
- 500 places in the broad welfare sector.

Employers and trade unions of the hospital health service are considering a proposal for

- 700 places in care for the mentally handicapped
- 900 places in nursing homes
- a few hundred places in other institutions of the hospital health service.

Estimates are that some 200 places will be available in local transport.

The plans are the result of agreements on work experience places which were made during the autumn consultations of the social partners. In implementing these plans the public-supported sector is making a major contribution to improving the position of LTUs on the labour market. At the same time, the staff shortages in institutions in this sector can be alleviated.

Both ministers are happy with the employers' initiatives. When these plans are fully carried out, the work experience scheme will fulfil the goal it has been assigned for 1989.

Implementation of the plans can begin as soon as the work experience scheme is approved by parliament. Parliament will pronounce on the measure during discussion of the proposal to amend the Vermeend/Moor Act of which the scheme is a part.

The proposed work experience scheme for the public-supported sector subsidizes wage costs of persons who have been unemployed for more than three years. The subsidy amounts to 100%, maximum, of the costs on the basis of the gross minimum wage for a maximum 32 hour working week (Hfl. 22.000). The subsidy is given for work experience places about which the central employers' and trade union organisations concluded agreements. Failing such agreements, only surplus posts can be subsidized.

PORTUGAL

Encouraging job creation

With a view to encouraging the creation of permanent jobs for the long-term unemployed, a new scheme (D.L. n° 64-C/89 of 27/02/89) came into operation in June 1989 for a one-year's duration. This decree gives temporary exemption from employers' social security contributions on the following conditions:

- * in cases of net job creation, the exemption can last 12 or 24 months according to whether the workers to be hired are under 40 years or at least 40 years of age. In addition to this exemption, employers can draw on non-reimbursable financial aids from IEFP equivalent to 12 times the minimum national wage (as described in the Basic Information Report on Portugal). In cases where employers do not qualify

for financial help from IEF, the exemption from social security contributions for these age brackets lasts respectively 24 and 36 months;

* in cases where the level of employment is to be

maintained, the employers can be exempted from social security contributions for 18 or 30 months, according to whether the workers to be hired permanently are under 40 years or at least 40 years of age.

Working time

BELGIUM

Career break allowance increased

The system of a career break enables a worker, provided he/she obtains the agreement of his/her employer, to suspend totally or partly his/her employment contract for a specific period and subsequently to return to his/her former job in the company (cfr. iM 15).

Provided he/she is replaced by an unemployed person, the person taking the career break receives throughout the period of the career break an allowance, amounting to BEF 10.504 per month for a full break. In order to make the system more attractive, the royal decree of 6.10.88 (MB 17.10.88) provides for an increased allowance.

Since 1.01.89, the amount of the career break allowance has been fixed at BEF 12.504 per month in case of a full break when the interruption of the full-time working scheme starts within a period of 12 months from the birth or adoption of children other than the first for whom the worker or his spouse living under the same roof receives family allowances. This amount is maintained should the initial period of the career break be extended.

Workers taking a part-time career break are paid a part of the amount of BEF 12.504 in proportion to their working hours within this part-time working arrangement.

The ministerial decree of 1.02.89 (MB 14.02.89) laid down the formalities to be completed to be able to draw this increased allowance.

NETHERLANDS

Potential for part-time jobs

"There is still considerable growth potential for part-time work". Thus spoke the employment minister in presenting a "Diagnostic instrument for part-time work". This instrument has been developed for large private sector companies. Its purpose is to act as an aid to obtain information on whether it is sensible to introduce part-time work in a firm, what consequences it has on organisational productivity, quality and flexibility and what its costs and benefits are.

A central statistical office study indicates that some 500,000 workers in full-time employment would like to work part-time. On the other hand 200,000 part-time workers would like to work full-time. Thus, workers are keen on part-time work; the minister considers that this is also true of the registered unemployed and of women who want to re-enter the labour market. There are also signs that demand by employers could increase. Research by the COB-SER (the enterprise development commission of the socio-economic Council) shows that putative bottlenecks can be overcome in many cases. At the same time it is clear that once someone has worked part-time, the experience is generally positive.

Placement

ITALY

Improving careers guidance and vocational integration

On 4 April 1989 an important draft agreement was signed between the Minister of Labour and the representatives of the Regions and of the associations of the Provinces, the Communes and the mountain commu-

nities. The agreement is designed to enhance collaboration between the central administration and the "territorial" bodies as regards vocational guidance and employment.

The background to the agreement is to be found in three aspects of the development of the labour market:

- * the difficulties in the transition from school to working life;
- * the difficulties of job mobility;
- * the seriousness of unemployment which particularly

hits the weakest groups (young people, women and persons with a low level of education).

Under these circumstances, the signatories to the draft agreement consider that it is necessary to develop homogeneous policies at the national and local levels, paying particular attention to the specific needs of the southern regions, and to establish information services, vocational advice services and services of technical assistance and promotion for integration and reintegration into working life.

To these ends, opportunities will be provided for coordination and consultation for improved planning of integrated services as foreseen by the draft agreement and to fix common modalities for study, implementation and control.

Each of the signatories undertakes to put into operation all actions which will help to attain the objectives fixed in the draft agreement.

NETHERLANDS

State contribution to tripartite employment body ("Arbeidsvoorzieningsorganisatie")

The Ministry of Social Affairs and Employment is making some Hfl. 1.9 billion available in 1990 for the tripartite body to be set up for the administration of the labour market (cfr. iM 23).

The new body will be run jointly by government and employers' and trade-union organisations. Its purpose is to design and implement the country's employment policy.

The State's contribution is "structural" in kind on the understanding that the amounts to the end of 1993 will decline somewhat as the intended Youth Employment Guarantee Scheme (JWG) is introduced. JWG will be financed from social security funds.

The amounts will be reviewed annually in the light of wage and price developments.

Rough currency conversion rates

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in May 1989:

* Belgium	43.6 BFR
* Denmark	8.1 DKR
* Germany	2.08 DM
* Greece	173 DRA
* Spain	131 PTA
* France	7.0 FF
* Ireland	78 IR£
* Italy	1,517 LIT
* Luxembourg	43.6 LFR
* Netherlands	2.35 HFL
* Portugal	173 ESC
* United Kingdom	0.64 UK£

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