

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: Safeguarding competitiveness; **Greece:** National Council for Employment and Vocational Training; **Spain:** Coordinating employment policy; **France:** 1989 Employment Plan; **Ireland:** Employment creation package; **Italy:** Programme of new government; **Luxembourg:** New government's programme; **Netherlands:** 1989 Labour market report; 1990 Measures' budget.

Employment maintenance

France: Modifying legislation on redundancy.

Aid to the unemployed

Denmark: 1989 Consolidation Act; **Germany:** Modifying § 137 AFG.

Training

Germany: Training places market 1989; **Spain:** Grants for training centres; Training needs; **Italy:** Bi-partite vocational training agreement; **Portugal:** Supporting vocational training; **United Kingdom:** Literacy and numeracy initiative.

Job creation

Italy: Reindustrialisation programme; **Netherlands:** Flexible work contracts.

Special categories of workers

Germany: Round-tables on social responsibility; Helping returning foreigners; **Netherlands:** Training women; **Portugal:** Vocational rehabilitation of the disabled.

Miscellaneous

Belgium: New social document; Illegal suppliers of manpower; **Denmark:** 1989 Equal Treatment Act; **Ireland:** National Authority for Occupational Safety and Health.

Centrefold: Part-time work

Developments at a glance

Belgium	The 6.01.89 framework-law specifies the ordinary and the exceptional procedures to be started (especially relating to incomes' policy) by the social partners and parliament should national competitiveness be threatened (p. 3). The programme-law of 6.07.89 comprises a set of measures designed to put an end to the activities of those who illegally supply manpower, particularly to the building industry (p. 19), as well as provisions relating to the keeping of "social documents" (p. 19).
Denmark	The 1989 Consolidation Act brings together the currently available financial support programmes to enhance the balance between the demand for and supply of labour (p. 13). An act has been brought in on the equal treatment of men and women as regards employment and maternity leave (p. 21).
Germany	AFG, the labour promotion act, has been modified to indicate that the provision of maintenance according to family law takes priority over unemployment assistance financed from federal funds (P. 14). At the beginning of the 1989-90 vocational training year (October) there was a surplus of training places over applicants (p. 14). Broadly-constituted "round tables on social responsibility" are being set up at all levels in the "BA" system to help re-integrate the long-term unemployed (p. 17). A first complete private sector workshop for training according to the dual system has, with government and industry support, been shipped to Turkey (p. 18).
Greece	A national council for employment and vocational training has been set up together with regional committees (p. 5).
Spain	Collaboration agreements have been signed between virtually all of the autonomous communities and the central government on coordinating employment policy (p. 5). Occupational training centres recognised by the State can receive subsidies from INEM for the purchase of capital goods and investment in buildings and facilities (p. 14). The Ministry of Labour and Social Security has carried out a survey based on a sample of 2000 enterprises employing at least 5 workers to identify companies' employment and training needs (p. 15).
France	The government has brought in a 5-pronged employment plan concerned with reducing indirect labour costs, reducing and re-arranging working time, encouraging corporate dynamism, improving the quality of the public employment service and focusing particularly on the most disadvantaged (p. 5). Legislation concerning redundancies has been amended under three headings: preventing dismissals, dismissal procedures and retraining agreements (p. 12).
Ireland	A wide range of measures to improve job creation and to give further assistance for disadvantaged jobseekers, especially in urban areas, has been brought in (p. 7). The National Authority for Occupational Safety and Health has been established (p. 21).
Italy	The new government's policy statement is related to employment of special groups, keeping costs and structures in line with Community competitors and enhancing training (p. 8). Vocational training should be boosted by the creation of bi-partite bodies whose activities will be cost-covering from 1992 (p. 15). Some 12,000 new jobs are being created under the reindustrialisation programme (p. 16).
Luxembourg	In its July policy statement, the government announced that it will review employment policy instruments, extend the early retirement law, pass legislation on disabled workers, consider working time legislation, pass various bills and attend to aspects of work and participation (p. 8).
Netherlands	Unemployment dropped and employment increased (but not for all categories of jobless) in 1989 (p. 9). The government has earmarked HFL 1.5bn for labour market measures in 1990, which will benefit 200,000 persons (p. 10). The Socio-Economic Council has been asked for its opinion on flexible work contracts (p. 17). Adult vocational training centres are being encouraged to train more women (p. 18).
Portugal	The government has set out the thrusts of its future vocational training policy (p. 16) and its grant scheme for sponsors of programmes for the vocational integration of disabled workers (p. 18).
United Kingdom	A new three year Basic Skills Accreditation Initiative has been launched aiming to help people with literacy and numeracy difficulties (p. 16)

Overall developments

BELGIUM

Safeguarding competitiveness

In a democracy, the competent authorities take all measures they consider necessary for achieving the general interest. But there is an unwritten, albeit applied, exception to this rule in a system of free collective bargaining: public authorities do not get involved in wage issues. Whatever might be its importance, in Belgium's industrial relations system, this matter is settled directly by bargaining between employers' and trade union organisations.

But over the years a certain change has taken place. A temporary programme-law of 30.03.76 laid down that employers who conceded wage increases in excess of certain limits were required to pay a contribution into a solidarity fund. The measures accompanying the devaluation of the Belgian franc in 1982 went much further: decrees under the "special powers" froze pay and laid down "jumps in the index", i.e. income did not move in line with movements in the retail price index.

These very exceptional measures were brought in provisionally. Once their time span ended wage issues were again to be tackled through free collective bargaining. This freedom entailed a danger: the scale of Belgium's economic problems at the beginning of the decade stemmed, to a large extent, from the losses in competitiveness accrued in the 1970s. The increase in the production costs of Belgian enterprises was in excess of that of its main competitors; this led to losses in market share which brought about a fall in investments for expansion and job losses. Even today, the performance of Belgian enterprises on the domestic market and abroad conditions the nation's capacity to achieve a sufficiently high level of growth to create jobs without bringing about balance of payments' problems.

Reaffirming its belief in free collective bargaining, the government recognises that the social partners have a particular responsibility in this respect. On various occasions, particularly on signing collective agreements, these partners have also expressed their joint concern as regards safeguarding competitiveness.

The framework-law of 6.01.89 on safeguarding national competitiveness (MB of 31.01.89) seeks to define a more active role to be played by public authorities in safeguarding competitiveness. To ensure that national competitiveness is safeguarded or restored, this law does not exclude that, in future, there could be some limitation on the taking into account of the factors which determine the nominal growth in all types of income. It thus lays the foundations of the possible return of provisions similar to those experienced previously, with the difference that they would not be brought in by virtue of a law on special powers but rather by applying a so-called "enabling" law. This would, except in exceptional circumstances, be

based on a permanent process of evaluating competitiveness with which the bi-partite central economic council (CCE) is entrusted.

The mechanism: the "ordinary procedure"

Two procedures are foreseen varying according to the urgency.

Under the "ordinary procedure", the CCE will draw up an annual report before 31 March and express an Opinion on the competitive position of the economy and on its various components compared with Belgium's seven main trading partners. The government will entrust those institutions having the necessary infrastructure with regularly collecting the data which is indispensable for assessing all gauges of the competitive position. The report and Opinion will have been preceded by an interim report to be submitted at the latest on 30 September. Both of these reports include in particular the most recent assessment of the evaluation criteria set out in the programme-law. However, these only constitute minimum indicators and they can be rounded off by any other information which the CCE considers appropriate.

These reports and the Opinion are submitted immediately to the government and Parliament.

Once it has received the annual report and relevant Opinion, or in their absence, after 31 March, the government, whether or not there is any danger, invites the social partners to consult with them. During this meeting, the development of competitiveness is discussed on the basis of the CCE report and Opinion, should these be available. If they indicate that competitiveness is threatened, the government also invites the social partners to:

- * draw up in the form of a collective agreement the corrective measures they deem necessary and which are within the scope of their responsibility;
- * suggest measures for the government to take which fall within its scope.

They have one month from being convened for doing this.

Competitiveness is considered to be threatened if both export performance and at least one of the other assessment criteria indicate that there has been some degradation. But the government has powers of appreciation in accordance with

- * on the one hand, possible measures taken by the social partners, and
- * on the other, the recent trends in the balance of trade and export performance, the degree to which the standards in question have been exceeded, the trends in other standards and in the determinants of competitiveness, including productivity, as they appear from the competitiveness gauges and the CEE's Opinion.

Once this time limit has expired, if nothing has happened at this level or if the government considers the measures suggested to be insufficient, it will make a substantiated statement in parliament. This will explain

why it believes that a threat remains and, where appropriate, why it considers that more radical measures than those put forward are needed. If, following the statement, parliament states after a vote that competitiveness is threatened, the King can, by an order-in-council take those of the measures provided for in the framework-law which, given the circumstances, he believes to be useful for safeguarding or restoring national competitiveness. He has two months for this.

The mechanism: the “exceptional procedure”

Parliament has provided for an emergency procedure which is triggered by exceptional circumstances. These are linked to external events which are most likely to have a rapid and significant negative impact on the nation's competitive position compared with its seven largest trading partners. Examples would be a sudden change in exchange rates, a new oil crisis or any sudden change in the quantity and prices of the supply of raw materials.

In such cases the government would convene the social partners and would request an urgent Opinion from the CCE. From the date on which they are convened, the social partners have one month to jointly come to an agreement on the safeguarding measures which come under the scope of their responsibility or to make suggestions to the government on measures which fall within its scope.

Within this exceptional procedure:

- * it is not necessary for exports and one of the other criteria agreed to be threatened for the government to intervene. The exceptional circumstances in themselves are enough to start up the procedure;
- * it is not necessary to wait for the CCE report; its Opinion can be requested as a matter of urgency and the social partners called for in the same way;
- * the time set for the social partners to give their Opinion can be reduced to less than one month, though remaining sufficient.

If, once this time is exceeded, the exceptional circumstances and the threat persist, then the approach laid down under the normal procedure comes into operation: a substantiated statement of the government, a parliamentary vote and enabling authorisation for justified measures to be taken within a two-month period.

Legal criteria for assessing competitiveness

There are five legal standards according to which the decline in competitiveness can be assessed:

- * export performance
- * labour costs
- * financial costs
- * energy costs
- * structural determinants.

Changes in **export performance** are calculated on the basis of gains and losses in UEBL (Belgium-Luxembourg) market share compared with Belgium's five main trading partners. These gains or losses are the difference between the growth in export markets and the development in the volume of the whole of the UEBL goods' exports. The growth in the export market is the growth in the volume of the imports of each country or zone of the rest of the world weighted according to the geographical structure of UEBL exports.

As regards **wage costs**, competitiveness is assessed

on the basis of wage costs per employed person in the private sector, expressed in a common accounting unit, compared with the weighted average of Belgium's seven main trading partners.

Changes in **financial costs** are calculated on the basis in particular of changes in short, medium and long-term rates of interest in Belgium, compared with those of Belgium's seven main trading partners.

Energy costs refer to an indicator of price changes established by energy product and by category of consumers, expressed in a common accounting unit compared with the change in the cost of each of these energy vectors in Belgium's five main European trading partners.

The change in the **structural determinants** of competitiveness is calculated on the basis in particular of the changes in gross fixed capital formation and R&D expenditures of enterprises, with distinctions being made between public and private financing, expressed in percentages of gross domestic product, compared with that of Belgium's five main European trading partners.

Instruments for safeguarding or restoring competitiveness

When competitiveness starts to decline the social partners have one month (as a maximum in the case of the exceptional procedure) to institute or to propose to the government measures for reviving competitiveness.

The government thus wants to be careful, leaving the social partners to play their role. They have to start by agreeing. If there is no agreement, or if their measures are considered to be insufficient, the government can use half a dozen instruments:

- * temporary wage restrictions, income moderation for the professions and the self-employed, restrictions on rents, on dividends and on premiums;
- * fixing a framework in which all agreements must be reached on income increases negotiated in the period which ends after the above mentioned two-month period expires, starting on the day parliament decided that measures were to be taken — during this period the government has to decide on its policy for safeguarding or restoring competitiveness. At the same time as setting the framework, measures are taken having equivalent effects for other socio-occupational categories (including those whose incomes are not affected by the agreements).

These two measures can provide for a differentiated system according to the level of income.

- * measures for reducing financial costs;
- * limited reduction in the employer's social security contributions in sectors exposed to international competition;
- * increased fiscal deductions for investments (which cannot, however, exceed twice the amounts in operation at the time of the above mentioned vote);
- * increased fiscal deductions for R&D investments (which cannot exceed by more than ten points the specific rate in force at that time).

All these measures except the second, can be differentiated according to the sectors concerned.

For as long as they are valid, all the measures take the place of the existing systems. Suspending the previous measures differs from case to case, from between 7 and

12 months from the month in which the above mentioned vote was taken by parliament:

- * seven months for all measures;
- * for the whole fiscal period laid down by the King for the fiscal measures.

This is the minimum period of validity. In fact, the decrees which translate them into reality only run out if, before the date on which they expire, they are not confirmed by law. If they are confirmed, they can subsequently only be modified, completed, replaced or abrogated by another law.

Conclusion

The law on safeguarding competitiveness is important for two reasons:

- * In the first place, it demonstrates politicians' and social partners' awareness of the scale of the concern. This no doubt goes a long way to explaining the extent of wage moderation from the end of the period of wage controls, ie. since the beginning of 1987.
- * Secondly, it has enabled the government to leave the strict incomes' policy of the 1982-86 period and to return responsibility in this matter to the social partners, without, however, losing all possibility of intervening when the situation requires it. The first CCE reports and Opinions published after the law was passed clearly indicate that this is not currently the case, most of the assessment criteria being positive.

GREECE

National council for employment and vocational training

Law 1836/89 on the promotion of employment and vocational training set up a National Council on Employment and Vocational Training (ESEKA) under the supervision of the Ministry of Labour.

This Council will lay down the guidelines for employment and vocational training at the national level, encourage the coordination of services administering vocational training and employment programmes and ensure that all their activities are in line with national development programmes.

Each region of the country has its own regional vocational training and employment committee. This committee carefully collects all elements dealing with employment and vocational training, public and private investments in the region and any other matter relating to the openings for practical traineeships for students in advanced technologies.

SPAIN

Coordinating employment policy

In 1989 virtually all of the autonomous communities in Spain signed or extended collaborative agreements on employment policy with the central government. The agreements have been concluded between the Ministry

of Labour and Social Security, on the one hand, the different autonomous administrations, on the other.

These agreements seek to promote coordination and collaboration between the various public administrations in the area of employment through the establishment of mechanisms enabling the joint design and implementation of specific employment promotion and vocational training actions. The purpose is to achieve greater effectiveness in attaining joint objectives and to ensure that the employment actions of each community are coherent with the employment policy of the State.

The agreements cover the following aspects:

- * implementing community interest works and services by the autonomous communities which have signed the agreements, financed by INEM and/or the autonomous community, through hiring unemployed persons;
- * collaboration between the State and the autonomous community as regards the presentation of employment and training projects to the European Social Fund as well as the realisation and follow-up by the autonomous community in question of the programmes approved and co-financed by this Fund;
- * collaboration between the State and the autonomous community in the fields of cooperatives, labour market studies and statistics.

To carry through these actions, a **coordination committee** has been established between the respective administrations. These committees are entrusted with:

- * examining new employment measures of individual autonomous communities before they are implemented to ascertain their coherence with the State's employment policy;
- * coordinating different employment measures;
- * defining the main thrusts of collaboration laid down in the respective agreement; and
- * globally evaluating the agreement as well as the possible modifications.

In addition to these functions, each coordination committee is also entrusted with studying new forms of collaboration between the State and the autonomous community in areas concerned with employment promotion and training for working life.

To disseminate information about each agreement as well as to implement it, provide follow-up, and settle doubts which might arise as regards interpretations, a **joint follow-up committee** has also been established. This is composed of representatives of the central and autonomous administrations. This joint committee will assess the degree to which knowledge of and information on the employment and training programmes dealt with in the agreements have been spread as well as that of other measures of the central and autonomous administrations aimed at improving the operations of the labour market

FRANCE

New employment plan

In September, the government adopted a new employment plan. Along the lines of the September 1988 plan, it has an economic strand (essentially reductions in

social and fiscal charges) and a social strand. In all, it contains 23 measures grouped around five objectives:

1. To encourage hirings by reducing labour costs.

This should be achieved by:

- * removing the ceiling on contributions to family allowances and to industrial accident insurance, combined with a reduction in the rate of these contributions. The intended effect is for there to be a reduction in the cost of labour in labour-intensive industries.
- * extending until the end of 1990 the exemptions from employers' social security contributions for a period of 24 months for the hiring of a first employee. This measure which also featured in the previous employment plan, was to have ended with hirings made before the end of 1989.
- * experimenting in "two départements" with a lump sum payment for social security contributions for the employment of employees by private persons. This will be available in the form of revenue stamps on sale at the tax offices.
- * raising from FFR 500,000 to FFR 3 million the threshold for liability to pay a social solidarity contribution amounting to 0.1% of the turnover. The effect should be to exempt some 150,000 small and medium sized enterprises from such payments.

2. To stimulate reductions in working time and to improve machine operating times by

- * a tax credit of FFR 1,000 per hour of reduction and per employee for a period of three years, provided that machine operating times are maintained. An additional tax credit is foreseen in cases where this operating time is increased. It is estimated that this measure will cost FFR 53 million over the coming three years.
- * the development of consultancy help as regards arranging working time reductions by financing 2-3 day assessments by a network of experts run by ANACT, the national quality of working life centre.
- * restraining the use of overtime. Compensatory time-off for overtime which exceeds the legal limit of 130 hours per year, or what is authorised in a collective agreement, is raised from 50% to 100%
- * modifying the tax system as regards depreciation aimed at facilitating using plant and machinery for a longer time.
- * measures easing the development of weekend working teams:
 - extending the concept of "weekend"
 - modifying the conditions of employment of white collar staff
 - ensuring that branch-level agreements allowing weekend working, contain provisions on training of the employees concerned, made compulsory by a change in the law (article L221-5-1 of the Labour Code).

3. To create an environment favourable to corporate dynamism by

- * reducing corporate tax rates on undistributed profits from 39% to 37%.
- * broadening the research tax credit
- * extending the scheme for financing small and medium sized enterprises
- * reducing the taxes on transfers of businesses.

4. To improve the quality of the public employment service

This will be achieved by grouping various types of training and actions.

First, there will be a single state-assisted employment contract within the enterprise: the CRE, "Return to work contract". This will take the place of the two existing contracts for the long-term unemployed: the "alternance reintegration contract" and the "return to work contract".

This new return to work contract is characterised by a minimum length of 6 months, a lump sum payment of FFR 10,000 to the employer, and an off-the-job training option lasting between 200 and 1,000 hours, reimbursed by the State to the tune of FFR 50 per hour.

Secondly, there will be a single training provision for the long-term unemployed instead of the parallel approaches of FNE (national employment fund) traineeships managed by the Ministry of Labour's external services, and the ANPE modular traineeships. The new scheme of modular integration and training actions ("AMIF") will consist of actions lasting on average 450 hours.

Thirdly, there will be a single traineeship for the vocational training of single women.

Fourthly, "TUCs" (community works programmes), "PILs" (local integration programmes) and general interest activities set out under the "integration" heading of the "RMI" (minimum integration income, cfr IM 26 and 27) are being merged into a single "CLES" (local employment-solidarity contract). The table below sets out the simplification which is being made.

This objective of improving the public employment service also implies:

- * developing ANPE's upgrading traineeships ("stages de mise à niveau"), and
- * enhancing the pay of young vocational training participants.

5. To make a special effort for those who are most threatened with exclusion by

- * ANPE conducting, from December 1989, a systematic campaign aimed at the group of unemployed who are experiencing the greatest difficulties particularly those who have been unemployed for more than 3 years, those who are over 50 years of age or those who are drawing the RMI;
- * arranging, through positive discrimination, CREs (return to work contracts) and CLES (local employment-solidarity contracts) for the most deprived;
- * increasing the opportunities for the unemployed drawing benefit to work part-time.

Simplifying employment measures

Youth	Adaptation contract	Qualification contract	Apprenticeship contract	Training credit	SIVP	TUC
LTUs	CRE Return to work contract	Alternance reintegration contract	Alternance reintegration traineeship	Modular traineeships	FNE-CLD traineeships	PIL
RMI recipients	CRE					General interest activities

CRE Return to work contracts

Integration and training actions

Employment solidarity contracts

Women living alone	FNE traineeships for single women	Local programme for integrating women
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Traineeship for women living alone

FNE = National employment fund
CLD = Long-term unemployed

IRELAND

New Government employment creation package

A wide range of measures to improve job creation and to give further assistance for disadvantaged jobseekers, especially in urban areas, has been announced recently by the Minister for Labour.

The package of measures, which is primarily designed to encourage employers to review their personnel requirements and recruit additional staff, comprises three main elements.

Capitalising on general economic improvement to boost recruitment

In response to the continuing improvement in the economy and the evident increase in job opportunities, the Government have decided to take a number of further steps to encourage and stimulate the recruitment of workers. These steps include:

- * exempting private sector employers for twelve months from having to pay social security contributions in respect of any new, additional full-time employees they recruit between 23 October 1989 and 28 February 1990. Those recruited must have been registered as unemployed for at least 13 weeks previously;
- * providing an additional 350 training places for those wishing to work in the hotel, catering and tourism sectors;
- * increasing allowances under the Enterprise Scheme (cfr. IR-v.2) which provides financial support and advice to unemployed persons setting up their own busi-

nesses, from £30 to £40 per week for those without dependants and from £50 to £65 per week for those with dependants;

- * introducing a programme of structured training contracts in industry, of up to two years duration, for approximately 1,000 young people. The programme will be operated by FÁS (the National Training and Employment Agency) in conjunction with the Confederation of Irish Industry;
- * closer monitoring by State agencies of overall skills requirements within the economy;
- * FÁS to undertake an action programme aimed at encouraging 1,000 private sector companies to take on additional staff from among unemployed persons.

Measures to support the socially disadvantaged in urban deprived areas

Even in an expanding economy with increased job vacancies, disadvantaged groups, such as the older long-term unemployed and early school-leavers, find it hard to get worthwhile jobs. To help them, the Government have decided on a range of measures which will be targeted particularly on urban disadvantaged areas, i.e. areas with unemployment rates significantly above the national average. The measures are as follows:

- * FÁS are to arrange to provide an additional 1,000 places for long-term unemployed persons on Social Employment Schemes (cfr. IR-vi.8) in severely disadvantaged urban areas over the course of the next twelve months;
- * FÁS are also to take a more active role in ensuring that, in future, disadvantaged areas are able to benefit

to the fullest extent possible from such community-based schemes as SES (Social Employment Scheme), Community Youth Training Programme (cfr. IR-vi.3) and Teamwork (cfr. IR-vi.2);

- * special grants, totalling at least IR£ 500,000 in 1990, are to be provided to disadvantaged communities to assist them in meeting the running costs of projects sponsored under the Community Youth Training Programme (cfr. IR-vi.3) and the Community Enterprise Programme (cfr. IR-v.3);
- * a pilot programme is to be developed by FÁS to assist the "doubly disadvantaged", i.e. those older long-term unemployed persons in disadvantaged areas who have left school without securing any formal educational qualifications.

Measures to assist the socially disadvantaged generally

In addition to tackling the problems of persons in disadvantaged areas, the Government also recognise that they must have regard to the needs of disadvantaged groups generally. To this end, they have adopted the following measures:

- * trainees on FÁS programmes who have dependants will in future receive a weekly bonus payment of IR£10 in order to compensate for the loss of some welfare entitlements and other incidental costs of undergoing training. This should help to increase the attraction of training schemes for the older, long-term unemployed with dependants;
- * the Employment Incentive Scheme (cfr. IR-vi.1), the principal job subsidy scheme operated by FÁS, will in future only apply to long-term unemployed people over 25 years old and early school-leavers and the handicapped. Premiums for the latter two groups are also being increased by 50% while in future all premiums will be payable for a period of 39 weeks instead of 24 weeks, as at present;
- * the Teamwork Scheme for young people operated by FÁS (cfr. IR-vi.2) is to be retained, despite the fact that it will no longer be eligible for assistance from the European Social Fund after the end of 1989;
- * a Vocational Training Opportunity Scheme is to be introduced which will allow long-term unemployed persons over the age of 21 to take up educational or training opportunities free of charge and without foregoing their social welfare entitlements. Initial participation will be 200 though this will increase as the scheme is extended nationwide.

The Government are confident that this overall package of measures can prove both of major assistance to disadvantaged groups such as the long-term unemployed and early school-leavers and be of real value in the overall fight against unemployment and for social equity. In order that the maximum benefits should be realised from the package, the Government have urged the social partners, and employers in particular, to make the fullest use of these measures.

It has also been decided that the Ministerial Committee on Employment which was initially responsible for drafting the proposals on which the package was based, will continue to meet to examine and assess areas where Exchequer resources can be better directed towards

encouraging employment creation and helping the unemployed, particularly the disadvantaged, to benefit from increased opportunities

ITALY

Programme of the new Government

The new Government took office in July 1989.

In outlining the programme of the new Government, the Prime Minister drew attention again to the advent of the Single Market with its 1992 deadline. Thus, utmost efforts are needed in all sectors not only to foster the adaptation of Italian regulations to Community legislation, but also to make the structure of the State more efficient.

The Government intends in particular to develop policies for the disabled and older persons.

Concerning women, the Government intends not only to intervene to facilitate their access to employment, vocational training and representational roles but also to start more positive actions on their behalf.

The Government intends to continue tackling the cost increases of the production factors until they are in line with those of the other Community countries. And it will maintain its intervention in the education and vocational training sector. Special attention will be paid to the Mezzogiorno. This will be done in two ways: by fostering infrastructural development and by supporting the development of the industrial initiatives of the State shareholdings with a view to promoting employment, in particular the employment of young people and women.

LUXEMBOURG

Labour and employment policy declaration

In its July 1989 policy declaration the Government stated that it will pay particular attention to full employment and to protecting wage-earners against the risks of the world of work. The battery of employment promotion instruments will be examined and those whose workings are revealed to be lacking in efficiency will be revised. The Government will bring in a social re-integration plan for the older and the long-term unemployed. It will also undertake actions as regards the integration of young people into working life.

The government will rapidly put before parliament a bill extending the early retirement law. The new provisions concerning "adjustment" early retirement (cfr. IM 20) will be reworded to enable them to be applied in the steel industry for at least three years, which the Government believes is the minimum period to re-adjust the age structure of the workforce of companies in the steel industry. The "solidarity" early retirement for workers who have been on shift work or continuous nightwork will be extended without there being any major changes in the arrangements currently in operation. The modalities regarding solidarity early retirement which have to be introduced by collective agreement will be re-examined as regards the State's financial contribution to the early

retirement benefit. The Government will remove from the law its temporary character and will integrate it as an essential instrument of preventive manpower management policy in the Grand Duchy's labour law.

Recognising the dignity which work gives to all disabled citizens, the Government will have the bill on disabled workers passed as swiftly as possible.

It is entirely up to the social partners to decide on the length of working time, how it is organised and the ways in which it can be reduced within the framework of free collective bargaining. The Government will start consultations with the social partners on the possibilities of bringing about changes in legislation on the length of working time. These will aim at making more flexible the legal framework in which those directly involved in working life can freely negotiate the annual modulation of the working week.

The Government will ensure that bills related to the following domains will rapidly become law: "interim" (temporary) work; temporarily hiring out manpower; and voluntary part-time work. It will reform legislation on winter-weather unemployment and put forward a bill on short-time working ("technical unemployment") to the legislative bodies.

The Government will consult the social partners on reforming the law of 12 June 1965 on collective agreements. It will draft a bill on reforming the Labour and Mines Inspectorate after having consulted the Economic and Social Council.

Labour jurisdictions will be reformed with a view to harmonise the status of different groups of employees. The National Conciliation Office will be reformed to make its organisational and working structures more operational.

The Government will convene a tri-partite round-table to assess the working of the 1974 law on wage-earners' representation on managing boards and on creating joint works committees and make the necessary amendments.

Aware of the growing importance of the improvement of working conditions and safety within the company, the Government will continue to pay attention to the respect of existing standards and rules and will improve current regulations by adapting them to Community orders as regards occupational safety and health.

NETHERLANDS

1989 labour market report

Unemployment dropped in 1989 by 35,000 to an average of 400,000. It is expected that there will be a drop of 20,000 in 1990. The number of jobs increased during the year by 115,000. In 1990 the growth in the number of jobs will decline, albeit to a still respectable number of 85,000. Growth in employment has not led to a commensurate fall in the numbers of unemployed because of the rise in the number of persons who are looking for work. As a result of the natural growth in the working population and in immigration, labour supply increased by 80,000 in 1989. A somewhat smaller figure is expected for 1990.

Although the drop in unemployment in 1989 was the highest, percentage-wise, since the beginning of the crisis in the early 1980s, it is less favourable than expected.

A great number of long-term unemployed are to be found in a small number of towns and in these towns they are concentrated in a small number of areas. Through a combination of a low educational level and socio-cultural backwardness, these people find that getting work in these backward areas is extremely difficult.

That long-term unemployment rubs shoulders with difficult-to-fill job vacancies (including for unskilled work) is a concern of the Minister. It is important for there to be a good link between labour supply and demand. In a growing economy with advanced technology there must be continuous vocational readaptation, retraining and further training. Government, employers and trade unions must be aware of these changes and in the future schemes must be geared to the structure of the labour market.

Growing employment

Employment has been growing in all sectors (including manufacturing and construction) since 1984. It is expected that this growth in employment in all areas will continue into the future, with the services getting the lion's share of jobs.

1989 will probably see an increase of 79,000 work-years. This growth is primarily in trade, hotels and restaurants, temporary employment and business services. Because the number of part-time jobs is continuing to grow, the growth in employment measured in terms of jobs is higher: 115,000.

The structure of unemployment

Because the decline in unemployment differs from one group to another, the stock of unemployed is ageing. The drop in unemployment has been greatest (20%) in 1989 for young people under 25 years of age. The drop for the 25-35 age bracket has been approx. 10% whereas the numbers of the over-35s who are unemployed has, on the contrary, virtually not dropped at all.

Youths have a 70% likelihood of finding employment within one year. This drops to 30% for those aged 40 plus. Even if a youth is long-term unemployed, his/her chances of finding a job are much greater than those of an older unemployed person who has only been jobless for a short time. The unemployed with secondary education have the greatest chances of getting a job rapidly whereas those with only primary education have the least chances.

Although unemployment has dropped since 1984, there is a large group of unemployed persons who have poor chances of finding employment and who remain unemployed for a longer and longer period of time. Thus, there was no drop this year in the number of those unemployed who had been registered for four or more years in a labour office. Indeed, the number of people who have been unemployed for five or more years has increased. The reason is that with an increase in the length of unemployment the chances of finding a job decline. Moreover, the unemployed must compete with increasingly better trained school-leavers. In 1986 15% of the unemployed had been jobless for more than four years; in 1989 the percentage was 18.

The unemployment of minorities is also continuously increasing: their percentage unemployment was some 11.5% (cfr 8% in 1985). Some 40% of the working population of Turks and Moroccans are unemployed. 36% of the unemployed Turks and 48% of the unemployed Moroccans live in the four largest towns, as do 60% of those from the Dutch West Indies and 78% of those from Surinam.

The proportion of women who are unemployed has increased in consequence of their increased participation in the labour market: from some 36% in 1986 to 40% in 1989. There has also been an increase in the proportion of graduates among the unemployed: from 9% in 1986 to 12% in 1989. The decrease in the proportions of unemployed metalworkers and skilled construction workers is also striking: from 19% to 15%; and the increase in unemployed of office workers and teachers: from 19.5% to 22.5%.

Regionally, there have hardly been any shifts. Only the proportion of the large towns in unemployment has increased somewhat, in the four largest towns from 25% to 27%.

Vacancies

At the end of 1988 there were 70,300 vacancies, an increase of 9% compared with the beginning of the year. This is the same for virtually all sectors. The increase was largest in manufacturing industry (10%). In the medical and social services the number of vacancies declined by 5%.

The share of vacancies which have remained unfilled for more than three months has risen from 16% in 1987 to 20% in 1988 and 23% in 1989.

Mobility

Job mobility has risen sharply in the recent past. In 1988 roughly twice as many persons changed jobs as in 1981. Compared with 1983, three times as many people changed jobs. In particular participation in courses has had a clearly positive effect here whereas the influence of differences in wages is less easy to determine. 20% of those with a job are looking for another job. In 1988 15% of the labour force changed jobs. The unemployed benefit less from these dynamics. Only 15.5% of those who were unemployed in 1986 had found a permanent job in 1988, whereas 5.5% had some job prospects and 12.5% were working with a fixed term contract. Almost 40% of them were still jobseekers and nearly a quarter were not even looking for work any more.

Displacement of the lower skilled by the higher skilled

One of the most striking characteristics of the Dutch working population is the substantial increase in the level of education in the recent past. Of the working population of 50 plus, some 36% have received primary school education at most. Of those in the 20-34 age bracket this is a mere 8%. Inversely, 15% of the older persons have received a secondary education compared with 30% of the young persons.

The increase in the educational level would seem to be much quicker than that in the job level. As a result, many workers believe that their educational level exceeds their job requirements. One of the reasons for displacing the

lower by the higher educated is the size of the labour market. Because of higher levels of training employers can increase their recruitment demands.

Quality of work

Contrary to what is claimed, the increase in employment has not been at the expense of quality. Clearly, the new jobs are not mainly in temporary employment, on-call jobs, in small joblets or very low paid jobs. The increase in the proportion of flexible and temporary jobs is not striking. In 1988 80.9% of all workers had a permanent job compared with 82.2% in 1985. The proportion of genuinely temporary jobs and on-call contracts has remained virtually constant at some 6% of all jobs.

NETHERLANDS

1990 measures' budget: HFL 1.5bn

The Government is making available HFL 1.5bn for labour market measures in 1990, compared with HFL 1.2bn in 1989. This means that the budget has been doubled in a little less than five years. Some 200,000 persons will be able to benefit from this money in 1990 through training, wage cost subsidies and work experience places. In 1989 some 190,000 persons were concerned and in 1988, 170,000.

The number of registered unemployed will have dropped by some 95,000 in the 1986-90 period. Since this number is mainly based on a new CBS (Central Statistical Office) series, it is difficult to compare it with the Government's declared objective of reducing unemployment by 200,000; for this used the old, higher unemployment figure of the labour offices. Thus the aim of the Government has been half or two-thirds achieved. It is expected that unemployment will be brought down in 1990 to an average of 380,000. The effect of the extra money which is being made available for labour market measures to reduce unemployment covered some 50,000 persons in the 1986-90 period.

In the recent past more money has gradually been made available for specific labour market measures. From 1987 an additional HFL 200m has been made available annually on top of the budget. Moreover, by doing away with the WIR (Investment Account Act), money has been made available for additional training schemes. For 1989 this amounted to HFL 125m and from 1990 it will amount to HFL 250m annually.

To create work experience places for the unemployed, the Government earmarked HFL 100m in 1989, whereas from 1990, the sum will amount to HFL 400m. The regulations for wage-cost subsidies and work experience places have been streamlined. Moreover, the eligibility conditions for schemes have been changed so that more people can take advantage of them. The Government wants to see to it that the grant-in-aid scheme for employers who provide the long-term unemployed with a work experience place - for which they receive a subsidy of between HFL 15,000 and HFL 22,000 - also applies for temporary jobs ("uitzendbanen"). Just how this can be achieved will be examined with the social partners.

Jobless young people

In spite of the decline in unemployment, attention still needs to be paid to a number of special categories on the labour market. Thus there are some 15,000 youths up to the age of 25 who have been unemployed for more than two years. Many of them have at most primary school education, advanced elementary education ("Mavo"), lower vocational education ("LBO") or have dropped out of subsequent training. Were they to have completed schooling, their chances of finding work would be much better. The labour market policy for young persons is therefore aimed as much as possible to enable them to undertake and complete such education. A significant proportion of the money made available for training in 1990 will be used for young people.

The JWG (Youth Employment Guarantee Scheme) and the TVGW (the Scheme of Municipal Employment Initiatives) which precedes the JWG, are of considerable importance for young persons aged 16 to 20 years. The scheme provides for guaranteed jobs of 19 hours a week in the public sector. Young persons who have been unemployed for six months are considered for such a guaranteed job. In 1989 the figure is expected to be 11,000.

After the enactment of the JWG, the scheme should be gradually introduced for the whole group of young people. By the time it is fully implemented in 1994, some 22,000 young people should be covered. The work guarantee should then gradually take over from the existing income guarantee in the form of benefits.

Long-term unemployed

Despite the drop in unemployment, the long-term unemployed remain in general in need of attention. The chances of their finding employment are very poor.

For the 170,000 persons in question, "custom-made work" is often necessary to help them back into employment. An important tool in this is the reorientation interview. This became operational in 1988 for persons who have been unemployed for more than three years. These interviews examine how they can be helped back into work. The service then works out jointly with the long-term unemployed a so-called "activities plan". Experience indicates that such interviews can be carried out with all 135,000 persons concerned over the coming three years.

Of all those called to a reorientation interview, 90% have actually attended. That 10% fail to attend is unacceptable to the Government. Thus it is important that in these cases sanctions are applied in accordance with the rules. This has hardly happened so far. The Government will examine whether the regulations need to be adapted or whether regulations are needed to foster the observance of provisions on sanctions by the enforcing bodies.

The evaluation of the reorientation interviews indicates that the labour market position of older very long-term unemployed persons with a very low level of education is not very bright. So the Government has declared its willingness to support three experiments until early 1991 which are aimed at creating activities replacing employment for these persons. This is behind the so-called "work-pools" in Rotterdam, Nijmegen and Dordrecht in which a maximum number of 600 long-term unemployed can participate.

There are currently some 30 jobclubs in operation, where the unemployed receive job search training. The Government considers the results so far to be promising. Roughly half of the participants find a job in a rather short time. Thus it is intended to increase the number of clubs gradually to 60.

The position of ethnic minorities on the labour market is also very worrying. Particular efforts are needed to improve their low level of training and experience. Effective adaptation of the training schemes can contribute significantly to improving their chances. In the near future more people will be engaged in carrying out reorientation interviews with ethnic minorities.

Training those in employment

It is not just the unemployed who need training, but also those in employment. People do not just need to be well trained when they go into a company, but training also needs to accompany their work.

Training is one of the most important factors in raising quality and makes a significant contribution to economic growth. Firms are increasingly aware of the importance of training their workforce. Of 94 collective agreements examined by the pay unit of the Ministry which cover more than 5,000 workers, 64 included arrangements on training. (This "Loontechnische Dienst" is the Ministry's specialist arm concerned with the technical aspects of pay.) This is an advance on the numbers of the previous year. But on the other hand, there are indications that the amount of in-company training is stagnating.

Vacancies

The number of vacancies differs according to the branch, the occupational group and the level of education. There are many vacancies in the engineering industry, the building industry, in banking and insurance. As regards occupational groups there is a shortage of trained nurses.

There is a relatively large number of jobs going where a higher level of qualifications is demanded. In the past three years, the number of vacancies, as measured by the CBS, has oscillated between 60,000 and 70,000, which is nearly 2% of all jobs. Despite the further growth in employment, there would not appear to be any significant indications for a further increase in bottlenecks on the labour market. In a few sectors and regions the problem of vacancies is, however, becoming rather serious

Amounts available for labour market measures (in millions of guilders)

	1986	1988	1989	1990
Wage-cost subsidies and work experience including JOB, MLW, MOA, WVM, EAJ and TVGW	103	161	304	561
Training schemes	518	670	727	612
Various measures	243	162	175	374
Total	864	993	1207	1547

Numbers of participants (in thousands)

	1986	1988	1989	1990
Wage-cost subsidies and work experience	13	28	39	51
Training schemes	93	143	148	177
Total	106	171	187	228

Employment maintenance

FRANCE

Modifying legislation on redundancy

A law modifying legislation on redundancy ("economic dismissal") was voted by parliament on 1.07.89 and enacted on 2.08.89.

It is not really a new law on dismissal procedure. Rather, it brings in new mechanisms for preventing redundancies and holding joint consultations ("concertation") related to them; it reaffirms the right to retraining for the employees being made redundant and it strengthens the individual guarantees which they are being given; but it does not bring back the "administrative authorisation" for redundancies, which was abolished in 1986.

The modifications to the system which was instituted by the law of 30.12.86 (cfr IM 17) are broken down into various chapters of measures:

- * preventing redundancies
- * redundancy procedures
- * retraining agreements ("conventions de conversion")

1. Preventing redundancies

In the first place, joint consultation is required for the **preventive management of employment**. To this end, the works council is enhanced by having to be informed of and consulted on:

- * how qualifications/skills have evolved over the past year;
- * what the annual and longer-term forecasts are for employment;
- * what preventive and training activities need to be taken for older employees or those most at risk as a consequence of technological and economic change.

Such consultation takes place during the annual meeting where the overall report setting out the economic and financial situation of the enterprise is presented, but on the basis of a separate report on employment within the company.

Parallel information is organised for the possible group committee.

During the compulsory annual bargaining round on wages and working conditions, employers and trade union organisations are required to make an examination of employment trends and annual and longer-term forecasts. On the branch level, the same examination must

be held between trade union and employers' organisations.

State support for preventive actions of companies

Three types of support measures have been brought in:

- * financial incentives for bringing in negotiated training to help the employees adapt to the changing nature of employment. This support amounts to FFR 3,000 per employee and per full month of training. The amount is raised to FFR 4,000 for those over 45 years of age. It is given to enterprises which conclude - by applying a collective agreement or a branch agreement (national, regional or local) on employment - a company agreement providing for long-term training actions (of more than 500 hours, as a rule).
- * financial incentives for carrying out economic audits in enterprises employing less than 300 people.
- * a tax credit covering 25% of the costs for corporate membership of recognised "preventive groupings", these being diagnostic centres geared to the needs of small and medium sized enterprises.

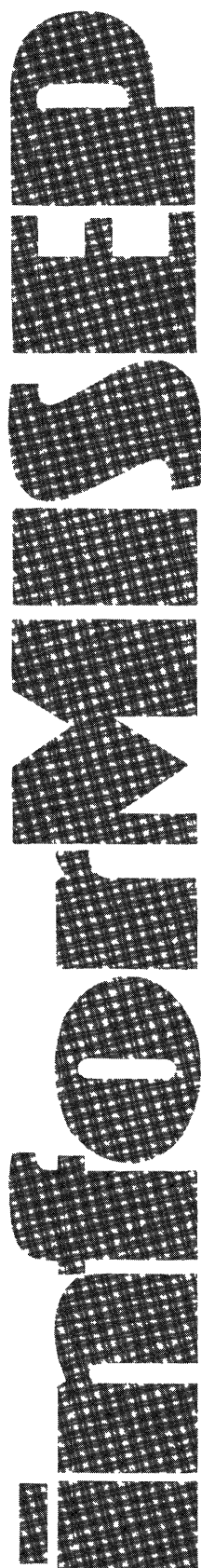
Discouraging dismissals of the over-55s

Terminating the employment contract of employees over the age of 55 who are not receiving a special (early retirement) allowance from the National Employment Fund entails for the employer the payment of a contribution to UNEDIC (the unemployment fund) equivalent to three months gross pay of the worker averaged over the last twelve months of his employment. This is the generalisation, after modification, of a measure which has been in existence for two years and which aims at avoiding the uncushioned dismissal of older workers. Except for early retirement measures, it is the unemployment insurance system which has to finance the replacement incomes of such workers. The contribution brought in aims both to compensate UNEDIC for this cost and to stimulate enterprises to use early retirements, which implies sharing the cost between themselves and the State.

2. Dismissal procedures

The new measures aim to increase individual guarantees by:

- * bringing in a legal definition of redundancy ("economic dismissal") which will appear in article L321.1 of the Labour Code.



PART TIME WORK

- * Legal basis
- * Specific thresholds
- * As an employment policy instrument
- * Policy thrusts

BELGIUM	DENMARK	GERMANY	GREECE	SPAIN	FRANCE
LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS
None. Assessed cfr normal full-time work within firm, sector or administration concerned	None. In most collective agreements part-time is defined as at least 15 and at most 30 hours/week	Employment Promotion Act (Besch FG) : weekly hours lower than regular ones of full-time employees in the same company	No general legal definition	Law 32/1984 and Royal Decree 1991/1984 : Hours per day or per week or days per week or per month less than 2/3 of the usual number of hours worked	Labour code : Work for at least 1/5 less than the statutory working hours the collectively agreed ones. Since 1986, new form of part-time through "intermittent work"
STATISTICS	STATISTICS	STATISTICS	STATISTICS	STATISTICS	STATISTICS
1. Eurostat - Labour Force Survey 1985 - Definition : self-reporting of the person 2.810 9,3	2.226 25,4	23.013 12,3	interviewed - absolute and in % : 1.770 4,4		17.713 10,5
2. OECD - Employment Outlook 1988 - in % : 9,4	23,7	12,9	5,8		11,8
SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS
<u>Unemployment insurance:</u> Voluntary p.t. work 18 hrs/week or 1/2 regular full-time + minim. nber of days in ref. period. Part-time work assimilated to full-time work when monthly gross salary is at least equal to monthly reference salary (BF 34.426 from 1.8.89). <u>Sickness and maternity allowance:</u> entitlement or maintenance for those having worked, in last 6 mths, 120 days (of 3 hrs +) or 400 hrs and if they handed in their own contribution slips.	<u>Act on legal relationship between employers and workers:</u> applies only if at least 15 hours/week. Act on daily cash benefits in case of sickness: applies only if 40 hours were worked during last 4 weeks. <u>Unemployment insurance system:</u> reduced entitlement to supplementary benefit in case of weekly working time between 15 and 30 hours. <u>Labour Market Supplementary Fund:</u> for entitlement, working time of at least 10 hours/week.	<u>Old age insurance and sickness insurance:</u> those earning less than DM 450 and working less than 15 hrs/week are excluded. <u>Unemployment insurance:</u> entitlement only if at least 18 hrs/wk are worked; the unemployed need in principle to make themselves available for full-time work (not required for employees working long term part-time or having chosen part-time work for specified reasons).	Compulsory registration with the social security system exists only for those "earning enough to live on their work". In practice, they are deprived of annual holidays.		<u>Unemployment benefit:</u> calculated on the basis of previous earnings. <u>Illness, maternity insurance:</u> only if 200 hours' work per 6 months period
PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT
Unemployed entitled to full benefit and accepting to work part-time to escape full unemployment are entitled to a part-time complementary benefit provided they do not work more than 3/4 of the working time of a full-time job and their monthly gross salary is less than the reference salary (BF 34,421 from 1.8.1989). Part-time career break: 6 mths duration min. Replacement by unemployed, with allowance (BF 5,252/month) for 5 yrs max, except those 50+ (then until retirement with full allowance of 10,504/month). <u>Work-training agreement:</u> Temporary reduction of soc. sec. contributions for employers hiring young job-seekers (18 to 25 yrs old), training length to be specified.	<u>Workers in the age group 60-67 years who reduce their working time by at least 9 hours/week or at least 1/4 of their previous working time, are entitled to a public part-time pension.</u> <u>Work sharing:</u> Workers who share the work available are entitled to supplementary cash benefits. The working time must be reduced by whole days and the reduction must be at least two days/week.	<u>P.t. work for older workers:</u> workers aged 58+ can claim a reduction of their working time to p.t.employment, provided they have been in contributory employ. for min. 1080 calendar days in the last 5 yrs, having worked the collectively agreed regular weekly hrs. They must work min. 18 hrs/week but can reduce working time to 1/2 that of the collectively agreed reg. hrs while receiving min.20% on top of the normal part-time salary. <u>Jobsharing:</u> in emergencies and where individual contractual agreement exist, job-sharing workers can replace one another. No dismissal of workers solely because work-sharing partner withdrew. <u>Part-time AEM "Working and Learning" scheme</u> combines p.t. AEM with a p.t.training progr. Youths under 25 gain a vocational qualification while gainfully employed through AEM. <u>P.t.further train./retraining (restricted condit.):</u> under 25 youths or with family duties can take p.t. training progr. + receive reduced subsistence allowance.	<u>Pre-retirement:</u> workers older than 60 or those older than 55 who have not completed the requisite years of employment to qualify for retirement, can agree with their employers to reduce their job to a part-time of at least 4 hours a day. Employers and workers pay social security contributions and the OAED makes up the difference with full-time contributions.	<u>Relief contracts:</u> partially retired workers are replaced by registered unemployed.	<u>Community work project:</u> part-time activity meet local collective needs 16 to 25 yrs old for 3 to 1 yr. Financial compensation to encourage part-time employment of unemployed: when the wage of the part-time employ. lower than the replacement income, compensation is paid, for max. 1 yr (2 y if unemployed is 50+). <u>Local integration programme:</u> 1/2-time employ. in jobs meeting local collect. needs for unemployed in receipt of benefits, ag 26+, for 6 mths renewal once, + 1/2-time training. <u>Solidarity contracts:</u> voluntary 1/2-time early retirement scheme for older workers, the employer agreeing on hiring a new worker. <u>Agreement on part-time (to avoid lay-offs):</u> employer employs 1/2-time workers 55 + previously full-time. No compensatory hiring required. <u>Limited benefit:</u> work can be to 78/169th of reference wage. Unemployment benefit reduced accordingly. <u>Agreements on reducing working time and modernisation:</u> reduce weekly working time by at least 2 hrs, receiving degressive financial support (about FF 1500 reduced hour and worker)
POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS
Early 1985 : generalization of measures fostering the voluntary take-up of part-time work within public administration (8 measures). Aim: improving public finances and safeguarding the overall volume of employment. May 1988: new government agreement stating that part-time work in all its forms is one way of redistributing work.	March 1984 : the terms of working time policy, including part-time work, were left to tripartite negotiations	1985: Empl. Promotion Act (BeschFG), enhancing part-time work attraction. Legally forbids disadvantaging part-timers and enlarges cases for applying part-time work; extends labour law protection to "job-sharing" schemes and "forms of work adapted to workload". April 1989, Government declaration: part-time jobs are to be promoted	In 1986, the Greek government stated its intention of moving towards a legal settlement of the part-time situation, in order to encourage the sharing of available employment, especially in the industrial sector.	August 1984: the reform of the workers' statute opens up new opportunities of part-time work and does away with restrictive conditions.	1984: main objective is re-organisation of working time for enhanced use of equipments.

IRELAND	ITALY	LUXEMBOURG	NETHERLANDS	PORTUGAL	UNITED KINGDOM
LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS	LEGAL BASIS
<p>o general legal definition</p>	<p>Law 863/1984 = working hours lower than standard hours or for set periods per week, month or year. Public service ; not less than 50 % of normal working time.</p>	<p>Private sector: none. But a bill is before Parliament. Public sector: half normal hours.</p>	<p>None. Mainly seen as regular wage employment with hours of work shorter than those considered as normal in the establishment concerned.</p>	<p>No general legal definition</p>	<p>None. Department of Employment statistics define it as a 30 hours/week or less.</p>
STATISTICS	STATISTICS	STATISTICS	STATISTICS	STATISTICS	STATISTICS
<p>800 5,8 6,2</p>	<p>14.566 4,5 5,0</p>	<p>130 7,1 6,6</p>	<p>4.537 22,6 25,3</p>	<p> 6,0</p>	<p>21.498 21,8 21,6</p>
SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS	SPECIFIC THRESHOLDS
<p>social security benefits (sickness, unemployment, old age) : entitlements limited to those working : least 18 hours/week. Legislation on minimum wage, redundancy pay and unfair dismissal : only for those working more than 18 hours/week. Annual leave on holidays : only for those working : least 120 hours/month. Maternity leave : only if work for at least 18 hrs/week.</p>	<p>Social security : no contribution payable by those working less than 4 hours</p>	<p>Unemployment benefit : only if work is for at least 20 hours/week</p>	<p>Unemployment benefit: entitlement after 6 mths employment only if in the preceding 3 yrs employment was at least 8 hrs/wk and if loss of work amounts to minim. 5 hrs/wk. Minimum wage: employers are not obliged to pay the appropriate proportion of the minim. wage to employees working less than 1/3 of normal working hours. Sick pay: for these same workers, employers are not obliged to make up their wage to the equivalent minim. wage level during the first 6 wks of illness. Illness and maternity insurance: no affiliation for those working less than 2 days/wk or earning less than 40% of minimum wage.</p>	<p>Unemployment assistance : entitlement only if employment has been full time</p>	<p>Social security benefits (old age unemployment, sick pay, etc): no contributions payable by those earning less than £43/week. Entitlements to benefits only if this minim. is earned and if work has lasted more than 50 wks. Part-timers tend to be excluded from occupational sick pay and pension schemes. Unemployment benefit: apart from above entitlement conditions, unemployed should be looking for a job of at least 30 hrs/wk. Employment protection legislation it does not apply to those working less than 8 hrs/wk (or between 8 and 16 hrs/wk if less than 5 yrs with their employer).</p>
PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT	PART-TIME AS AN EMPLOYMENT POLICY INSTRUMENT
<p>social employment scheme: employed older than 25 and naturally beneficial projects for an average 2½ days/week for up to one year. Part-time job incentive scheme : certain long-term unemployed receive an income supplement if they take up a part-time job under 24 hours/week. Jobsharing in the public service : two public servants may volunteer to share a particular post, for at least 3 yrs. New staff can also be recruited on a jobsharing part-time basis.</p>	<p>Community programmes for young people: youths aged 18 to 25, unemployed and registered in class 1 working part-time (max. 80 hrs/month) for a max. of 12 mths in activities of public interest are entitled to unemployment benefit for the hours not worked. Solidarity contracts : workers who reduce their working time to allow hiring of unemployed are entitled to a wage compensation for up to 24 months. The employer receives a grant-in-aid, degressive over 3 yrs. The workers are as well entitled to an early retirement at 58.</p>	<p>Put-to-work programme for unemployed: unemployed in receipt of benefits can be asked to carry out on a part-time basis (no more than 32 hours/week spread over 4 days) work of public utility.</p>	<p>Youth work experience (JOB) : Long-term unemployed youth under 25 years can be placed in temporary jobs on a part-time basis (between 20 and 32 hours). Employers receive a wage subsidy. Municipal employment initiative: wage subsidy is granted to municipalities giving a part-time (19 hrs/week) temporary job to young people up to 20 yrs old. Leave entitlement: workers are entitled to reduce their working time to a minimum of 20 hours/week if they have to look after children under 4 years.</p>	<p>Part-time work : workers having children younger than 12 years old are entitled to reduce their working time in order to take care of them.</p>	<p>50-plus Jobstart: pilot experiment to encourage (with a £20/week allowance) unemployed older than 50, out of work since at least 1 year, to take up a part-time employment (minimum 10 hrs/wk) with hourly rate exceeding £2.57. Jobshare scheme: employers are entitled to a subsidy if they split existing full time jobs into 2 part-time jobs, when the part-time opportunity is kept filled for 12 months.</p>
POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS	POLICY THRUSTS
<p>part-time work is currently being reviewed.</p>	<p>April 1984: DL 94 authorises work at reduced hours and regulates it in order to maintain and increase levels of employment. December 86 : government report on employment policy over the coming ten years. To increase flexibility, it recommends part-time work among other things.</p>	<p>July 1989: government programme wanting to speed up legislation on voluntary part-time work.</p>	<p>January 1986 : government programme in favour of general working time reduction, also through part-time work, as an important contribution to fighting unemployment. 1987 : white paper on part-time jobs drawing suggestions to promote it in enterprises. Summer 1988 : government states that there is still considerable growth potential for part-time work.</p>	<p></p>	<p></p>

- * enabling an employee, in the absence of any workers' representatives, to be represented by an outside adviser during the preliminary interview — this preliminary interview is being generalised to dismissals of at least 10 employees in 30 days;
- * establishing the principle of priority of re-employment;
- * generalising to all dismissals the rule of setting out in writing in a letter to the employee concerned the reasons for the redundancy.

The new provisions clearly set out the time limits within which the representatives of the personnel have to be consulted.

Precise indications are given as regards the contents of the information which has to be given to the representatives of the personnel. It must consist of:

- * information on the economic measures which are being considered to remedy the situation of the company;
- * the criteria used for deciding on the order of dismissals. These criteria must take account of the situation of the workers in a weakened position whose reintegration would be difficult.

The new law makes the social plan compulsory for companies employing at least 50 workers when the number of prospective dismissals is equivalent to at least ten. It brings in the possibility for the appropriate administration (the labour inspectorate) to make proposals as regards the contents of the social plan. And it requires information on the implementation of the social plan to be given to the works council in the following year.

3. Retraining agreements

Retraining agreements are being generalised to all redundancies, regardless of the size of the workforce and the number of workers affected by the redundancy.

The aim of this measure is to enable the employees concerned, completely voluntarily, to have an assessment made of their capacities so as to draft a personal

action plan. This can include training activities aimed at fostering their redeployment.

In companies where a social plan is compulsory (companies employing at least 50 workers when the number of prospective dismissals is at least 10) the employees are informed about this possibility. It has to be systematically proposed in all other cases. Employers failing to respect this obligation will have to pay a fine (to the unemployment insurance system).

Employees have 21 days to decide whether or not to accept the retraining agreement and the termination of contract can be deferred for two months. It should be remembered that employees contribute to the financing of the retraining agreements, by not being paid any severance pay which helps to pay for the retraining agreements.

4. Other measures

The new law also includes provisions concerning:

- * enterprises being turned around or under compulsory liquidation;
- * the industrial tribunal magistrate checking the genuine and serious nature of the reasons for the dismissal; the important point here is that, in cases of doubt, the employee will be given the benefit of the doubt. The burden of proof of the well-founded character of the reason must be borne by the employer, the magistrate no longer being bound merely by the appearance of a serious reason.
- * finally, the right of the representative trade unions to carry out in court all actions relating to redundancies or to the termination of employment contract of an employee having adhered to a retraining agreement, on behalf of the employee without his power of attorney provided that, after having been informed by registered mail, the employee has not objected to it within a fortnight.

Aid to the unemployed

DENMARK

New legislation

Consolidation Act n° 510 of 19 July 1989 on the Public Employment Service and the Unemployment Insurance System updates the preceding Consolidation Act of 8 August 1988 to take into account the amending legislation passed in the meantime.

Some of the new rules replace the old provisions relating to measures promoting mobility (cfr. measures viii-2 and viii-3 of the Basic Information Report on Denmark). Under the new rules - which, like the old rules, are administered by the public employment service - financial assistance may be granted to special placement

activities with a view to promoting employment and improving the balance on the labour market.

Financial assistance may be granted to such activities as information meetings in firms with vacancies. Support may still be granted to cover costs in connection with jobseeking activities, such as travel costs for job interviews and work tests. An innovation is that support may now also be granted to costs incurred by jobseeking activities of the spouse of a person who obtains a job after having been registered as a jobseeker with the public employment service.

The Act empowers the Director of Labour to lay down rules after consultation with the tripartite National Labour Board concerning support to placement activities other than those specifically mentioned in the Act.

GERMANY

Modification of unemployment assistance regulations

The modification of §137 of the Labour Promotion Act (AFG) clarifies that the provision of maintenance according to family law takes priority over unemployment assis-

tance financed from federal funds. The modification has become necessary, because the Federal Social Court has stated in several judgments that the employment offices' administrative practice - ie. having maintenance under family law take priority over unemployment assistance - which had not been objected to for decades, needed an express statutory basis. This is now provided for in the modification

Training

GERMANY

Good training places' market for applicants

The training places' market has hardly ever been better than this year from the applicants' point of view. At the end of the vocational guidance year (30 September), there were only 18,000 registered applicants who did not have a training place, which was 6,800 (27%) less than in the previous year. This is the lowest figure since 1980. At the same time there were some 84,600 vacant places, which was 22,700 (37%) more than in the previous year. That is the highest figure since the economic boom at the beginning of the 1970s.

In the whole of the Federal Republic there is a surplus of training places, which is the greater the further south one goes. In manufacturing occupations this surplus in training places is particularly high in relation to the number of applicants. This development of the training places' market is very favourable for young persons; but for certain sectors and regions it is becoming more and more of a problem. For they have a definite shortage of apprentices. Sectors worst affected include construction, the food industry and the metal trades.

In the course of the last vocational guidance year, which started on 1 October 1988, 598,000 training places were offered through the employment offices. This was 32,500 (6%) more than in the previous year. On the other hand, the number of applicants dropped, particularly for demographic reasons, by 51,700 (10%) to 482,500.

Over the next few weeks the employment offices will continue to make considerable efforts to place those who have not yet found a training place and to fill the available trainee positions. Many of those who have not yet been placed have received an offer. Young foreigners are also receiving training places in growing numbers although the proportion of young foreigners looking for a training place is far too small. Companies are constantly being invited to approach young foreigners and their parents more than they have done in the past. Young people experiencing certain difficulties in learning, and who all too often have had no training opportunities, constitute a reservoir of potential trainees.

Spain

Grants for vocational training centres

"FIP" is the national training and vocational integration plan launched in 1985. It is currently governed by the ministerial order of 4.04.89 which brings in significant changes compared with the previous situation (cfr iM 26). The Plan covers all occupational training carried out within the ambit of the Ministry of Labour and Social Security.

Generally speaking, the Plan is managed by INEM, the national employment institute, which is the executive body for employment and training policy. For actually implementing the occupational training courses, INEM has its own centres as well as a network of collaborating centres, the overall aim being to develop and coordinate the public and private supply of training. To achieve this aim, INEM periodically monitors and approves training centres as collaborating bodies for the provision of occupational training. This is done by periodic reviews which take account of quality criteria and make a rigorous selection of priority areas based on labour market demand.

The training carried out in the framework of the Plan is free of charge for the participants who can, moreover, receive various help and grants depending on the programme in question and the characteristics of the target groups. The Plan also provides for subsidies to enterprises and the collaborating centres to compensate them for the costs incurred.

This is the background to the INEM resolution of 29.05.89. This resolution brings together and lays down additional rules for implementing the Orders of 5.06.87 and 4.04.89 on subsidies for adapting or equipping occupational training centres.

Thus, in addition to INEM contributing to their training costs, the collaborating centres can receive subsidies for creating, adapting or equipping their centres for the provision of vocational training.

The resolution lays down rules complementary to the already existing regulation which fixed the maximum percentages for the amount of the subsidies compared with the total amounts invested. The percentages can now amount to 80% of the budget for the purchase of capital goods, educational furniture, teaching material, the purchase or construction of buildings or installations in vocational training centres and up to 60% for upgrading existing centres.

SPAIN

Survey of corporate needs

The Ministry of Labour and Social Security has completed a survey of 2,000 enterprises with more than 5 workers; the firms in question are representative of the manufacturing, building and service industries.

Purpose and objectives

The survey was carried out to identify corporate employment and vocational training needs. Its overall purpose was to improve planning to ensure that courses provided within the FIP Plan (the national training and vocational integration plan) meet, in as far as possible, the manpower needs of the labour market; it also complements the "Permanent Observatory for the Trends of Occupations" set up by INEM, the national employment agency.

More specifically, the objectives were set out as follows:

- * determining those occupations which are growing and those which are declining the most rapidly, as well as their medium term trends;
- * discerning the design of corporate policies aimed at trimming excess manpower;
- * finding out the processes used by companies to fill jobs and the nature of the difficulties which they are experiencing in so doing;
- * quantifying the various types of company needs for vocational training; and
- * finding out the main objectives pursued in this area by companies and the main methods deployed for reaching them.

The survey was also intended to analyse the impact of introducing new technologies and corporate management techniques on the structure of employment.

The results

The field survey was carried out in the first quarter of 1989 by means of personal interviews with those in charge of human resources. The most significant results were as follows:

- * Enterprises are very favourably disposed towards the practical training courses followed by their workers. 72.3% considered that these courses provided the right skills.
- * Employment has been growing since 1985, and it is still growing. This could be seen through an analysis of those occupations which keep the company expanding. The net number of jobs created is positive for virtually all occupations and for the broad categories into which they can be grouped. Moreover, the results of the survey on the development of occupations provides clear indications that such an expansionary situation will continue into the medium term. Some 84.2% of companies state that their employment will either increase or remain steady in the medium term. 70% of this future expansion will be accounted for by managerial, building, transport, office work, informatics and engineering occupations.

As a result of all this, current training needs are concentrated on seven occupational categories. These represent 70% of all categories and in general coincide with those categories which will be experiencing significant growth on the employment market in the future.

- * 45% of the enterprises questioned consider that their training needs will increase over the coming 12 months for virtually all jobs (85.6% of enterprises will experience the same or increased needs for training). There is a series of jobs for which half the enterprises state that they will have greater training needs in the future. Those particularly emphasised are cold storage and air conditioning, public works and building, community services, communications, design and technical drawing. This is quite obvious in that 30% of enterprises have introduced new production and/or management techniques between 1988 and 1989 which, according to the enterprises themselves, create training needs in more than 80% of the cases.

These figures reveal the interest raised by the FIP Plan training programmes geared specifically to recurrent vocational training programmes for those in employment and even more specifically, those programmes aimed at facilitating the introduction of new corporate production and management techniques.

- * 28.7% of Spanish enterprises run training courses, over and above those which provide unstructured on-the-job training. Of these 28.7%, 37.5% collaborate with INEM. This is either by being a collaborating centre (26.5%) or by jointly developing training projects (11%).
- * 89.1% of business heads consider that their being collaborating centres with INEM is useful or very useful.
- * In 25.6% of cases, enterprises are affected by collective agreements which include clauses on workers' vocational training. These clauses refer above all to the need to inform the legal representatives of the workers about internal training and promotion plans (50.2%), about setting up internal promotion through training (45.9%) and about the annual number of hours to be devoted to training (36.9%)

ITALY

Vocational training : 13 September agreement

An agreement was concluded between Confindustria (the employers' association) and the main union confederations CGIL, CISL and UIL on 13 September 1989. This provides for the institution of some 12-member bi-partite bodies (with 6 members nominated by the trade unions and six by the employers). Their task is five-fold:

- * to plan basic models for training to be proposed to enterprises;
- * to monitor the efficiency of the existing training centres;
- * to organise participation in the courses of these centres;
- * to foster equal opportunities;
- * to promote the improvement of vocational guidance.

To start with, the regions concerned will be Lombardy and Piedmont. Subsequently, such bi-partite structures will be set up in Latium, Emilia Romagna, Veneto and Apulia.

For the first two years, trade unions and employers will share the costs of launching the activities of these bodies.

After the first two years, the bodies will have to operate on the market like any other service institution.

PORTUGAL

1990 financial support for vocational training

The Government has set out the thrusts of its future vocational training policy. The document defines the priorities which are to be respected from January 1990 for assessing requests for financial support for vocational training by the ESF and IEF, the employment and vocational training institute. One of the prime criteria is that employment will be generated by the actions to be undertaken.

The ministerial decree of 28 August 1989 (published in n° 210 of the official gazette of 12.9.1989) defines these priorities and integrates them into a much broader strategic action plan. This plan seeks to

- * enhance coordination between basic training and recurrent training so as to strengthen the links between the educational and training systems and that producing goods and services;
- * strengthen the supply and professionalism of the formal educational system;
- * give priority to training middle managers and to programmes for integrating young managers in companies;
- * strengthen the qualifications of adult workers;
- * provide SMEs with privileged access to training for their various staff levels;
- * promote alternance (sandwich) training systems, which are considered to be the most effective, flexible and productive in preparing young persons for working life;
- * foster training by occupational groups (rather than highly selective training);
- * develop awareness and qualifying activities which will enable innovative functions to be encouraged within firms;
- * invest in trainer training;
- * deal appropriately with groups that are underprivileged, whether this be because of age, sex, protracted

unemployment, migration or any other form or risk of being marginalised.

The first set of priorities are for training activities in the geographical zones of "integrated development operations". Such activities are integrated projects within sectoral, regional or local programmes or in zones affected by the highest levels of unemployment. There follow (in priority) actions undertaken within the framework of previously existing basic training programmes or interdependent actions supported by an overall human resources training programme. And finally, there are actions integrated into investment projects of companies, or other units with a financial guarantee.

The second set of criteria for priorities concern various specific requests for actions on behalf of the unemployed as well as those in employment.

The legal scheme provides for the possibility of reviewing the priorities decided on in order to adapt vocational training to the real needs of the country. To this effect, the approach establishes a permanent mechanism for collecting and processing information

UNITED KINGDOM

Literacy and numeracy initiative

A new three year Basic Skills Accreditation Initiative (BASI) has been launched aimed to help people with literacy and numeracy difficulties. Using TV and radio, it is designed to motivate people with basic skills problems. By building on existing good practice, it seeks to bridge the gap between academic and vocational qualifications and to recognise communication and numeracy skills.

The focus of the initiative are new City and Guilds certificates in communication and numeracy, which will enable students to work towards nationally recognised qualifications.

Advice on training opportunities, including the Department of Employment's Youth Training Scheme and Employment Training Scheme, will be available through a referral programme associated with the BBC TV programmes.

The project is a joint venture by the Department of Employment's Training Agency, the Department of Education and Science's Adult Literacy and Basic Skills Unit.

Job creation

ITALY

Reindustrialisation programme for steel areas

In its session of 13 October 1989 CIPI, the Interministerial Committee for Co-ordinating Industrial Policy,

approved the reindustrialisation plan for areas affected by the steel crisis as well as the SPI's industrial promotion programme (a company controlled by IRI, the State holding company). This was in pursuit of law n° 181, 1989.

The plan provides for the creation of 12190 new jobs, 6896 of which are to be created in the South of Italy (4279 in Naples and 2617 in Taranto) with investments in fixed assets of LIT 2500 billion.

NETHERLANDS

SER Opinion requested on flexible work contracts

Persons working on various flexible contracts (on-call, zero-hours, min/max) must be able to claim at least 20 hours' pay per month. This right must be laid down in a law to guarantee employees compensation for uncertainty of work in situations where in exchange for the employee's obligation to be available, there is no guarantee of work.

Consultations with the social partners in the "Labour Foundation" on the Government's tentative viewpoint on flexible contracts has not resulted in agreement on the measures to be taken. Hence the request by the Minister for an Opinion from the SER, the socio-economic council.

In principle the Government judges the trend towards flexible working positively. More flexible use of labour can contribute to more efficient business management and, through strengthening competitiveness, to more employment. In principle, flexible working can also increase the possibilities for combining work with other occupations.

The social partners are, according to the request for an Opinion, in the first instance jointly responsible for finding a good balance between enterprise needs for flexible work, on the one hand, and the wishes and the legal position of those working, on the other. In addition, the Government has its own role to play. The starting point for the Government's policy is that it should introduce

measures tackling those forms of flexible working relationships against which there are social objections.

For "zero-hour contracts" and on-call contracts the worker should, according to the request, be entitled to the agreed hourly wage for at least 20 hours per month. Pay for the hours worked and possible on-call compensation can be deducted from the claim to which the worker is entitled. The minimum amount to which anyone aged 23 and more is entitled should be HFL 150 per month for a 20-hour claim.

For "min/max contracts" the request proposes that in special cases there should be a similar minimum compensation. What is determining for this minimum compensation is the difference between the minimum guaranteed working hours and the maximum number of hours for which the employee has to be available. Should the difference between the minimum and the maximum be greater than the minimum number of hours or more than 12 hours a week, then for one third of the difference the agreed hourly rate of pay has to be paid. The maximum of the legal compensation for work uncertainty is also here 20 hours wages per month. For a full claim the compensation would amount to at least HFL 150 for employees who are 23 years old and over.

Home-workers who must be available without being certain of having work would also be entitled to compensation for work uncertainty. The compensation should not apply for employees who have agreed with the employer on a fixed number of working hours per week, but have not determined at what point of time the work must be performed. The measure should not apply either for so-called "kaartenbakrelaties" (card-index relationships) where the worker is not required to hold him/herself at the employer's disposal.

The government leaves open the possibility for workers and employers to come to different arrangements by collective agreement on the hourly rate of pay and the number of hours for which compensation can be claimed.

Special categories of workers

GERMANY

"Round-tables on social responsibility"

BA, the federal employment service, has taken up the federal Government's idea of setting up "round-tables on social responsibility" at the provincial ("Länder") and local employment office levels. These consist of participants from employer and trade union organisations, churches, welfare associations, training, cultural and sporting bodies as well as other initiative groups. These round-tables are seen as an important starting point for tackling the problem of long-term unemployment and coming up with possible solutions.

The BA services have therefore been requested to initiate such round-tables in their districts. One of their important roles is to enhance the exchange of information between those involved and to coordinate planned

activities. The aim of the activities should be to create a framework which enables the many conceptual and financial possibilities for integrating the long-term unemployed into the labour market to be part of a concrete integrated programme in line with locally prevailing conditions.

In all employment office districts contacts have been planned or have already been made with institutions which can contribute to such round-tables.

The employment offices are using, first of all, existing working groups or other bodies for discussing and working out solutions to overcome long-term unemployment. With the support of press releases, labour market discussions and discussions in the various tri-partite bodies of the employment services, the attempt will continue to be made to improve the employment chances of the long-term unemployed.

Because of the existing variety of contacts, the services will, by and large, refrain from setting up discussion circles which will meet as established institutions. The make-up of the round-tables and the sequence of their meetings should rather be handled flexibly, having the overall purpose in mind. Such targeting of the round-tables at the local level is preferable to their "institutionalisation".

GERMANY

State and industry help returning foreigners

The first complete workshop for the dual system of vocational training has now been delivered to Turkey. It was provided by the firm Mannesmann. The Federal Minister of Labour described it as a particularly successful example of cooperation between State and industry for the reintegration of returning foreign workers.

This cooperation is rooted in an initiative of the Minister. It was decided on early in 1988 during a seminar for German and Turkish governmental and industrial representatives. The goal was to support the integration into working life of returning Turks. The particular target group was young Turks, the aim being to give them better opportunities for undertaking qualified vocational training in Turkey. For this, German firms provide second-hand machinery, as well as teaching and learning material. Aid is provided through a coordination office set up within the "Institut der deutschen Wirtschaft" (a studies institute linked to the employers' association) and financed by the Federal Ministry of Labour. This project has already enabled several machines for training workshops to be sent to Turkey.

The Mannesmann shipment consisted of a complete training workshop for 27 trainees in the occupational areas of engineering and electronics, as well as the requisite training rooms and sanitary facilities. In addition, six Turkish vocational trainers were given the necessary training to enable them to develop the dual vocational training system in Turkey.

NETHERLANDS

Training women in technical occupations

The possibilities for CVVs (vocational training centres for adults) to train more women in technical occupations have been extended. CVVs which provide part-time training for women will be receiving more money. Moreover, a position will be made available in each CVV for a project leader to recruit and give accompanying support to female course participants. And child care facilities are being improved.

PORTUGAL

Subsidies for the vocational rehabilitation of the disabled

Decree law n° 247/89 of 5 August 1989 lays down the specific competence of IEFP, the employment and vocational training institute, as regards technical and financial assistance to be granted to sponsors of programmes for the vocational integration of disabled workers.

The decree law instituting the new grant system lays down the general principles and spells out various means for providing technical and financial assistance for the following types of programmes:

- * pre-vocational preparation;
- * vocational guidance;
- * vocational training;
- * occupational re-adaptation;
- * employment on the open labour market;
- * sheltered employment;
- * becoming self-employed.

A ministerial decree will lay down each year the guidelines and priorities to be given according to the following criteria: the deficiencies of the regions for which the programmes are intended; the category or nature of the disability affecting the beneficiaries of the programmes; and the complementarity and the continuity provided by the programmes for which subsidies are requested within the overall process of rehabilitating disabled persons.

In addition to modifying previous assistance programmes, new financial subsidies for hiring the disabled have been instituted. These are a subsidy for a personalised welcome of the disabled worker hired by the employer, subsidies and premia for enterprises and other bodies hiring disabled workers, and rewards for employers who carry out each year appropriate occupational rehabilitation actions.

Miscellaneous

BELGIUM

A new social document

To fight clandestine work, the programme-law of 6.07.89 (MB of 8.07.89) comprises not only measures against manpower suppliers (cfr article in this issue) but also provisions modifying the royal decree n° 5 of 23.10.78 relating to the keeping of “social documents”.

These provisions create a legal framework first of all for bringing in a new social document — the individual card — and subsequently for increasing the penalties where such social documents are not kept.

The individual card (“fiche individuelle”)

The individual card is a social document which the employer has to fill in and give to the worker. The worker must keep it at his/her place of work.

A royal decree of enforcement will specify the information to be mentioned on the card, such as data on the identity of the worker and of the employer, the employer’s social security number (ONSS), enrolment on the personnel register, etc.

The potential scope of application of the individual card is that of the above mentioned royal decree n° 5 which applies, in principle, to all employers and workers. However, the King can limit the scope or exclude from it certain workers or workers employed in certain branches or certain categories of enterprises. Thus the introduction of the individual card will probably be limited as a first step to the building industry; subsequently, an enlargement of its scope could be envisaged.

Increased penalties

The royal decree n° 5 of 23.10.78 lays down sanctions against employers contravening the provisions relating to keeping social documents. In order to fight clandestine work more effectively, the programme-law of 8.07.89 comprises provisions designed to increase these penalties. The penalties apply to all employers who fall under royal decree n° 5.

As regards **penal sanctions**, at present the employer, his managerial staff or his representatives are punished with imprisonment of between eight days to three months and a fine of 26 x BEF 500 (x60) when:

- * they do not draw up the documents laid down in accordance with royal decree n° 5 (in particular the personnel register, the individual account and, where appropriate, the individual card);
- * they do not draw up or fill out these documents at the fixed periods;
- * they do not keep these documents and keep them at the specified place;
- * they do not keep them for the prescribed period;
- * they have failed to deliver them to the workers within the prescribed time limit;

- * they have not mentioned a worker in these documents or have made incomplete or incorrect statements;
- * they have not complied with the other implementing regulations laid down in the royal decree.

The fine is multiplied by the number of workers on whose account these provisions have been violated. In cases of repeated offence within the year of conviction, the punishment can be doubled.

Additional penalties are laid down in articles 30-31 of the programme-law. The magistrate who passes sentence on the employer, his managerial staff or his representatives for the infringements indicated above, orders them automatically to pay to the ONSS a compensation equivalent to three times the social contributions calculated on the basis of the average minimum monthly income, multiplied by the number of workers on whose account the offence has been established. In cases of repetition of offences within the year, the punishment can be doubled.

As regards **administrative sanctions**, the present situation is as follows: where there has been an offence and the “auditeur du travail” decides not to prosecute, an administrative fine can be inflicted. This is done in accordance with the law of 30.06.71 concerning administrative fines applicable in cases of offences against certain social laws. Any employer who does not keep the social documents, or makes incomplete or incorrect statements in the documents, or refuses to communicate them, exposes him/herself to an administrative fine of between BEF 1,000 and 50,000.

Additional penalties are laid down in article 32 of the programme-law. Thus the employer who has an administrative penalty inflicted on him is required to pay a lump sum compensation to the ONSS. The amount is three times the social contributions calculated on the basis of the average minimum monthly income multiplied by the number of workers on whose account the offence has been established.

BELGIUM

Acting against the suppliers of manpower

The programme-law of 6.07.89 (MB of 8.07.89) comprises a set of measures which should put an end to the activities of those who supply manpower, particularly in the building industry.

This law modifies and completes the provisions inserted in the Code on income taxes and the law of 27.06.69 by that of 4.08.78. In its turn, the 1969 law had revised the decree-law of 28.12.44 concerning workers’ social security.

Law of 4 August 1978

The system developed in this law (which still remains in force) can be summarised as follows:

Contractors are divided into two categories: the registered and the unregistered. Whoever, for carrying out construction work, has recourse to anyone who is not registered as a contractor is jointly liable with the non-registered contractor for the latter's debts as regards social security (ONSS, the social security office) and taxation. This liability is, however, limited to 50% (for the social security debts) and 35% (for tax debts) of the total costs of the works (excluding VAT).

Furthermore, the person ordering the work ("commettant") is required to deduct from each payment he makes to the unregistered contractor, 30% (excluding VAT) of the amount he owes and to pay one half to the ONSS and the other half to the tax office. But it should be noted that these measures do not apply to:

- * renovations, conversions, repairs, maintenance and cleaning of an individual dwelling;
- * building a one-family house, built other than in a group, by order and on account of an individual;
- * cases where article 30-ter of the programme-law applies. Article 30-ter concerns the system of joint liability of the main contractor brought in by the programme-law described below.

Programme-law of 6.07.89

The programme-law of 6.07.89 first of all extends the notion of "unregistered contractor". From now on, the registered contractor will be considered equivalent to an unregistered contractor in the following two cases:

- * when he does not respect the limits of the category or categories of works for which he has been registered as a contractor;
- * when he employs more workers than his registration allows him to employ.

The programme-law also brings in new requirements for the main contractor, in particular:

- * the obligation to deduct from each payment he makes to a sub-contractor a percentage of the amount he owes and to pay it to the ONSS and the tax office;
- * the requirement to keep a daily register at each building site of all the workers who are employed there.

Since the executive orders for these measures have yet to be taken, the King will lay down, in accordance with articles 27 and 56 of the programme-law, the date on which the new measures outlined above will come into force.

Joint liability ("responsabilité solidaire")

The principle is that the main contractor is jointly liable for the payment of the social and fiscal debts relating to any work performed on the building site. He can be exempted from this joint liability by deducting 50% from each payment made to a sub-contractor. This 50% is made up of 35% social deductions and 15% fiscal deductions.

There are a number of **definitions** used in applying this new regulation:

- * **main contractor** ("entrepreneur principal"): any natural or legal person who undertakes, in exchange for a certain price, to carry out or have carried out for a principal ("maître d'ouvrage"), certain works (to be determined by royal decree). Any of the partners of a

temporary association ("association momentanée") or a partnership association ("association en participation") which carries out similar work, is also considered as a main contractor;

- * **sub-contractor**: any natural or legal person who directly or indirectly, at any stage whatsoever, undertakes to carry out or have carried out, for a certain price, the work or a part of the work contracted out to the main contractor. Those making workers available are also considered as sub-contractors;
- * **building site**: the place or set of places where the main contractor carries out, or has carried out, for a principal ("maître d'ouvrage"), works which by their very nature are considered a whole.

As regards the **deductions**, any main contractor who calls on a sub-contractor to perform services (which correspond to activities to be determined by royal decree) is required each time he pays the sub-contractor for his services, to deduct:

- * 35% of the amount (before VAT) which he then has to pay to the ONSS;
- * 15% of the amount (before VAT) which he then has to pay to the tax office (the competent body will be designated in the royal decree).

If these payments have not been made, or have not been made in full, for all the payments made to the sub-contractor for a given site, the main contractor as well as the sub-contractor and each of the following sub-contractors are jointly liable

* as regards **social obligations**:

1. for the sub-contractor's fulfilling the obligation under article 21 of the law of 27.06.69 concerning workers' social security (ie. their registration at the ONSS and the requirement to establish quarterly declarations);
2. for the payment to the ONSS of the amounts due by this sub-contractor;
3. for the payment of the wages due to the workers for the work, completed or on-going, performed on the site for the sub-contractor;
4. for the payment of contributions due to the Livelihood Guarantee Fund ("Fonds de Sécurité d'Existence");

* as regards **fiscal obligations**:

1. for all the existing tax debts;
2. for all the existing debts as regards deductions at source;
3. for wage tax deducted at source for carrying out the works in question;
4. for income tax for the years during which the work in question has been carried out - irrespective of the date on which these taxes were established - which the sub-contractor or each following sub-contractor owes.

The joint liability towards each of the sub-contractors is limited to a sum equal to 50% of the total amount of the works, excluding VAT, which are put out to contract for a given building site.

Administrative obligations and sanctions

* **Daily list of workers**

Every sub-contractor is required to transmit daily to the main contractor the list of workers he employs on the site as well as all the requisite information.

Every main contractor is required to keep at each site a daily list of all the workers who are employed there. This list must be kept by the main contractor for five years from

the third day following the day to which it refers at the place he keeps documents relating to social matters.

The main contractor who does not keep this list or who does not mention a worker or provides false information has to pay to the ONSS a sum equal to three times the contributions calculated on the basis of the amount of the average monthly income (multiplied by the number of workers who are not mentioned on the list in question).

The sub-contractor who has not sent the requisite information to the main contractor has to pay to the ONSS a sum equivalent to 5% of the total amount (excluding VAT of the works which have been contracted out to him on the site in question).

*** Information to be sent to the ONSS**

Before starting a site, every main contractor must send to the ONSS the necessary information for evaluating its volume and for identifying the sub-contractors at any moment in time. Should, in the course of the works, other sub-contractors be called upon to carry out some work, the main contractor must inform the ONSS beforehand. The contractor who does not meet these requirements has to pay to the ONSS a sum equivalent to 5% of the total amount (excluding VAT) of the works contracted out to him on the site in question.

*** New sanction in case of evasion of liability to pay contributions**

In cases where one or more persons are not subjected to the application of the law on workers' social security, the employer (and in apposite cases the main contractor for those employed by the sub-contractor on the site of the main contractor) is ordered automatically to pay to the ONSS a compensation equal to three times the contributions evaded, without this compensation being less than BEF 51,000 per person employed and per month (or part of a month). This sanction thus applies to both the supply of manpower and to "ordinary" black work.

Miscellaneous

These regulations are applicable to cases of bankruptcy and any other form of equality of rank between creditors.

The arrangements set out above do not apply to:

- * renovations, conversions, repairs, maintenance and cleaning of an individual dwelling;
- * building a one-family house, built other than in a group, by order and on account of an individual;
- * individuals who are having a house built which they want to live in themselves.

DENMARK

Revision of the equal treatment legislation

The Act on Equal Treatment for Men and Women as regards Employment and Maternity Leave, etc. (n° 244 of 19 April 1989) came into operation on 1 May 1989. It consolidates the provisions formerly laid down in the Maternity Leave Act (n° 101 of 6 March 1987) and the Consolidation Act on Equal Treatment for Men and Women as regards Access to Employment (n° 117 of 28 March 1987) as these two Acts are now abolished. Furthermore, the new Act revises some of the provisions laid down in the old legislation.

The background for passing new legislation in this field was a Parliamentary resolution adopted by the "Folketing" (the Danish Parliament) in June 1987. In this the Government was invited to ensure better protection of employees as regards pregnancy, maternity and adoption. The most important changes in this field are:

- * The burden of proof is reversed for cases of dismissal during absence due to pregnancy, maternity or adoption: it is now the employer who has to prove that the dismissal was not related to these matters. It should be noted that this reversed burden of proof applies from the date of the beginning of the pregnancy until the employee returns to work without being entitled to further absence; it also applies to men who avail themselves of their right to parental leave under the Act.
 - * An employee whose dismissal is related to the above situations may bring proceedings against the employer stating as his/her claim that the dismissal should be set aside so that the employee continues in the employment relationship or is reinstated in his/her job with all former rights, for instance in relation to seniority, etc. Such proceedings are brought before the ordinary courts of law.
 - * In cases where the employment relationship must be considered to be spoilt so that it will not be in the interest of either party to continue it, the employee who has been unlawfully dismissed will be entitled to compensation of up to 78 weeks' wages. The amount of the compensation is fixed with due consideration to the period of employment of the employee and the circumstances of the case. (Under the old legislation the compensation could not exceed 26 weeks' wages.)
- It is not possible to "contract out" of the Act since any agreements which place the employee in a less favourable position will be void.

IRELAND

New National Authority for Occupational Safety and Health

The Minister for Labour has recently announced the establishment of a new National Authority for Occupational Safety and Health.

The new Authority has taken over responsibility for the area of health and safety in the workplace previously administered by the Department of Labour. In addition, it will be responsible for implementing the Safety, Health and Welfare at Work Act, 1989, which came into operation on 1st November 1989. The new act extends the application of health and safety in the workplace legislation to all employers, workers and the self-employed. It also provides for the safety of non-employees and the public who may be affected by work activities. Up to now safety legislation applied mainly in industry, construction and mining and quarrying operations.

Rough currency conversion rates

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

* Belgium	43.4 BFR
* Denmark	8.0 DKR
* Germany	2.05 DM
* Greece	183 DRA
* Spain	131 PTA
* France	7.0 FF
* Ireland	0.77 IR£
* Italy	1,507 LIT
* Luxembourg	43.4 LFR
* Netherlands	2.31 HFL
* Portugal	176 ESC
* United Kingdom	0.70 UK£

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