

## Policies

Developments in employment policies in Europe.  
Series produced from the MISEP network.

# 36



# MISEP



Commission of the European Communities  
Directorate-General  
Employment, Industrial Relations and Social Affairs

# DEVELOPMENTS AT A GLANCE

<b>Belgium</b>	<p>The old system of daily unemployment checks has been changed to a twice-monthly signing-on procedure. (p.5 )</p> <p>Terms and conditions of training-cum-work agreements for young persons have been improved and modified. (p.6 )</p> <p>For people who move to the Brussels-Capital Region to take a permanent job, through <i>ORBEM</i>, some of the removals costs will be reimbursed. (p.12 )</p> <p><i>ORBEM</i> has adopted new measures to assist the unemployed, these include so-called partnership agreements and an outplacement service. (p.13 )</p>
<b>Germany</b>	<p>The emphasis of the <i>BA's</i> 1992 budget will be on vocational qualification and job creation measures (<i>ABMs</i>), especially in eastern parts. (p.2 )</p> <p>There is a slight surplus of apprenticeship places in the east, whereas in the west there are even more places available than there are candidates. (p.7 )</p>
<b>Spain</b>	<p>There are signs of an upturn on the Spanish labour market, the number of people in gainful employment has risen. (p.2 )</p> <p>1990 and 1991 saw elections of workers' representatives, not leading to any substantial shifts in the balance of trade union representativity. (p.16 )</p>
<b>France</b>	<p>With the prospect of a single European market, the <i>ANPE</i> has taken steps to anticipate increased mobility on the European labour market. (p.3 )</p> <p>As SMEs/SMIs have been good sources of job creation, the <i>ANPE</i> wants to offer them more services and assistance. (p.3 )</p> <p>Two measures have been adopted which are intended to boost the number of new jobs in SMEs and home-care services. (p.9 )</p>
<b>Ireland / United Kingdom</b>	<p>An Anglo-Irish Trans-Frontier Committee has been set up to alleviate some of the problems encountered by migrants from these countries. (p.14 )</p>
<b>Italy</b>	<p>Incentives have been modified to promote young entrepreneurs in southern Italy. (p.11 )</p> <p>Restrictions on employers' recruitment procedures have been eased. (p.12 )</p>
<b>Netherlands</b>	<p>There was an exceptional growth in the number of jobs in 1990. (p.4 )</p> <p>A new law has been proposed to cut down on the numbers of persons who are registered as being unfit for work. (p.11 )</p>
<b>Portugal</b>	<p>A survey has revealed that in the 1986-1990 period there was an increase in the share of in-company vocational training actions. (p.7 )</p> <p>The Government and the social partners have agreed on comprehensive improvements in the field of vocational training. (p.8 )</p> <p>A new programme for LTUs will concentrate on training and qualification to enhance their employment prospects. (p.11 )</p>
<b>United Kingdom</b>	<p>A Business Advice Centre has been set up in St. Petersburg, with British assistance, to provide advice and help to the emerging small business sector. (p.15 )</p> <p>A new Training and Work Experience Scheme has been introduced in the UK for East European and USSR nationals. (p.15 )</p> <p>Rules governing work permit applications have been simplified for the employers concerned. (p.16 )</p>

## **Dear readers of inforMISEP,**

You may be surprised to find this new-look publication in your mailbox. It is the new appearance of what used to be *inforMISEP*, the quarterly newsletter of the MISEP programme.

The European Commission has decided to use similar designs for publications of the programmes which are part of the *Employment Observatory*. From now on MISEP publications will appear as *Employment Observatory - Policies*, SYSDSEM publications as *Employment Observatory - Trends*, and reports of the Network of Employment Coordinators (NEC) as *Employment Observatory - Research*.

References to MISEP publications will not change: *iM* refers to this MISEP newsletter, *BIR* refers to the Basic Information Reports about policies in each of the EC Member States.

Marjolein Peters,  
MISEP Project Director

## BASIC INFORMATION REPORTS

Comparable information on labour market operations and policies from the EC-Member States is published in Basic Information Reports. The following reports are available in English, French and/or German at the price of ECU 6 each (ECU 50 for set of 12).

<b>Country</b>	<b>Published in</b>	<b>Languages</b>
Belgium	1989	E / F
Denmark	1988	E / F
Germany	1988	E / F / G
Greece	1991	will soon be available
Spain	1988	E / F / G
France	1987	E / F
Ireland	1988	E / F
Italy	1988	E / F
Luxembourg	1991	will soon be available
Netherlands	1991	(update) E
Portugal	1991	(update) E / F
U.K.	1988	E / F

The updated Basic Information Reports of Luxembourg and Greece will soon be available. In 1992, the other country reports will also be updated.

<b>OVERALL DEVELOPMENTS</b>		
<b>Germany</b>	The Federal Employment Service's 1992 budget	2
<b>Spain</b>	Employment upturn in the second quarter of 1991	2
<b>France</b>	The ANPE prepares for single European market	3
	ANPE action aimed at SMEs and SMIs	3
<b>Netherlands</b>	Rapid growth in number of jobs in 1990	4
<b>AID TO THE UNEMPLOYED</b>		
<b>Belgium</b>	Humanising daily unemployment checks	5
<b>TRAINING</b>		
<b>Belgium</b>	Training-cum-work for young workers	6
<b>Germany</b>	Apprenticeship situation in 1991	7
<b>Portugal</b>	Agreement on vocational training policy	7
	Evaluation of vocational training actions 1986-1990	8
<b>JOB CREATION</b>		
<b>France</b>	Two new employment measures	9
<b>SPECIAL CATEGORIES OF WORKERS</b>		
<b>Italy</b>	Enterprise promotion in the Mezzogiorno	11
<b>Netherlands</b>	Legal curbs on incidence of industrial disability	11
<b>Portugal</b>	Adult training and integration	11
<b>PLACEMENT</b>		
<b>Belgium</b>	Contributing to the removal expenses of the unemployed	12
<b>Italy</b>	Reform of recruitment procedures	12
<b>STRUCTURAL CHANGES</b>		
<b>Belgium</b>	The Brussels Regional Employment Office	13
<b>INTERNATIONAL</b>		
<b>Ireland/United Kingdom</b>	Anglo-Irish Trans-Frontier Committee	14
<b>United Kingdom</b>	Business Advice Centre in St. Petersburg	15
	Supporting the new democracies: training and work experience scheme	15
<b>MISCELLANEOUS</b>		
<b>Spain</b>	Election of workers' representatives 1990-1991	16
<b>United Kingdom</b>	New work permit arrangements	16
<b>SPECIAL</b>		
	Job creation measures for the adult unemployed	

# OVERALL DEVELOPMENTS

## Germany

### The Federal Employment Service's 1992 budget

The Governing Body of the Federal Employment Service (*BA*) has earmarked DM 87.3bn for the 1992 budget (1991: DM 70.9bn), this includes a federal subsidy of DM 6.7bn (1991: DM 2.7bn). The budget still has to be approved by the Federal Government.

The budget provides the basis to pursue the active deployment of labour market policy instruments. In 1992 therefore, the *BA* wants to continue contributing to structural change in the East which will be socially acceptable. More than half of the funds available will be channelled into this. In the West, the *BA* measures will support the integration of high-risk groups into the labour market and counteract the shortage of skilled labour (cf. iM 34). It is forecast that the measures will concern about 1.7 million persons in the East and 350,000 persons in the West.

The budget is based on the assumption, that there will be 29.1 million persons liable for contributions in 1992 (including 5.8 million in the new federal states). The figure incorporates nearly 1.4 million persons drawing unemployment benefits (including 770,000 in the new part of the Federal Republic) and 1.35 million short-time workers (including 1.2 million in the East).

The emphasis will be on vocational qualification and job creation measures (*ABMs*). Consequently, 690,000 workers will be able to participate in advanced vocational training and re-training (including 330,000 in the East). The *BA* intends to facilitate the new influx of 230,000 unemployed into *ABMs* (including 150,000 in the new federal states). This means that the target number of *ABM* employees in the East at the end of 1991 can be maintained in 1992.

## Spain

### Employment upturn in the second quarter of 1991

The most recent labour market data from the Labour Force Survey (*EPA*) for the second

quarter of 1991 reveal an upturn in employment. There was an increase of 42,500 persons in gainful employment, as opposed to a drop of 44,000 persons registered as such in the first quarter of the year.

**Table 1: Spanish labour market developments in 2nd quarter 1991**

	Total in 1000s	Compared with:			
		previous quarter		previous year	
		in 1000s	%	in 1000s	%
Labour force	15,010.3	10.2	0.1	15.6	0.1
Employed	12,622.1	42.5	0.3	65.6	0.5
Unemployed	2,388.2	-32.3	-1.3	-50.0	-2.1

At sectoral level, the construction and service sectors have made major contributions to job creation, with 17,000 and 75,500 new jobs respectively. Therefore, this compensates the loss of 44,900 jobs in agriculture and 5,200 jobs in industry. The positive effects of the rise in employment are reflected exclusively in the field of temporary work where there were 82,000 extra contracts, whilst there were 36,100 less permanent contracts.

The drop in unemployment in this second quarter of 1991 by 32,300 persons, brings the unemployment rate down to 15.9%, the lowest rate registered since 1982.

## France

### The ANPE prepares for single European market

The forthcoming realisation of the single market of the European Community has led the National Employment Agency (*ANPE*) to adopt a series of concrete measures. These measures are intended to prepare the ground for the growing number of requests from users and partners in the context of free movement of people.

Since 1990, the *ANPE* has been running a training programme on the Community institutions for top employment service officials, and with a single market on the horizon, on the evolution of employment and training markets. In order to foster cooperation and the exchange of experience, employment service officials from other Member States are invited to attend these sessions. For example, training places will be made available in Brussels, with the assistance of the Belgian office for vocational training and employment (*FOREM*) and

the Commission (DG V), and in Strasbourg with officials from German employment offices.

Furthermore, an "ANPE/EEC Steering Committee" has been set up by the Director General of the *ANPE*, composed of central and territorial managers. Its task will be to propose adjustments and measures to the managing board so that a plan of action can be installed which is suited to the needs of users on the subject of Community mobility. The Committee also provides officials with the instruments necessary to exercise this activity.

The first meeting of the Steering Committee took place on 8.10.91, it examined two files which DG V presented to the Directors General for employment on 15 October: the revamping of European System for the International Clearing of Vacancies and Applications for Employment (*SEDOC*) and the Social Euro-Info' Centres (*Euroguichets sociaux*.)

## France

### ANPE action aimed at SMEs and SMIs

In the light of rising unemployment, the problems which certain sectors face when recruiting qualified labour force are becoming increasingly intolerable. Recruitment difficulties are not only encountered when production engineering managers and technicians are needed, but also qualified labour. This shortage of qualifications at a time of rising unemployment is paradoxical.

Moreover, the SMEs and SMIs in industry and in trade and services, which have until now created the vast majority of new jobs, do not always (unlike large enterprises) have the necessary resources at their disposal to analyse employment trends and to overcome qualification developments. Therefore it is sometimes difficult for them to identify their future recruitment needs and to satisfy these needs adequately.

The State already intervenes to help professional sectors define their medium-term needs, particularly by supporting employment management geared towards future requirements. There are also contracts for research on future developments in the fields of qualifications and occupations; these have already been signed with 18 branches. These forms of assistance

will be continued and the results will be more widely circulated. The situation on the recruitment front is particularly fraught in SMEs and SMIs which are faced with changing job descriptions and which are often in need of support in matters of management of jobs and qualifications geared to future requirements.

### The SME/SMI plan and the ANPE

The Prime Minister asked the *Préfets* to meet with occupations and representatives from local industry in the summer of 1991 in order to outline their needs. This gave company representatives the chance to make their wishes and needs known as regards manpower.

Beyond this analysis, the National Employment Agency (*ANPE*) will be able to lend its financial support to enterprises which are interested in having a complementary expert evaluation carried out, under its responsibility, by a specialist office.

Furthermore, the *ANPE* will conduct a special operation for six months, during which time its skilled advice and funds will be available for SMEs, so that these enterprises will be able to benefit from a service which coincides best with their expectations. The *ANPE* has a long history of cooperation with SMEs, as vacancies which are registered at the Agency are

## OVERALL DEVELOPMENTS

predominantly from companies with less than 50 employees. It is the only commercial market to have provided an increase in the number of vacancies in 1990 (essentially in the service sector).

Of the visits to small enterprises made by Agency advisers, 90% are to companies with less than 50 employees, i.e. 96.8% of all companies, regardless of the size. 52.6% of the total number of wage earners are employed in these smaller enterprises. The operation which has just been launched should lead to a further increase of this share. The ANPE also has a considerable market share in terms of alternating contracts. In 1990, approximately 40,000 training-cum-work contracts were signed, i.e. 16,000 apprenticeship contracts, 18,000 qualification contracts and 7,000 adaptation contracts.

A large-scale operation has also been undertaken to promote apprenticeships. These operations are conducted in collaboration with the principal vocational and consultative organisations concerned:

- Permanent Assembly of the Guild Chambers,
- National Council of French Employers,
- General Confederation of SMEs,
- Professional Association for Craftsmen,
- Association of French Chambers of Commerce and Industry.

### Objectives

The combination of the present economic difficulties and the effects on the volume of job vacancies registered by the Agency (slightly down on second half of 1990) points even more urgently to an active company-orientated policy. Failing this, the ANPE would risk finding itself lacking integration solutions to propose to job-seekers and seeing the deterioration of several

of the indicators of the progress agreement concerning job supply. (cf. iM 31, 32 and 34)

Practical measures contained in the internal development plan (cf. iM 34) are in answer to the aim to reactivate contacts with companies:

- reaction to vacancy within 48 hours of its registration;
- visit to the enterprise for each vacancy which is not filled within one month;
- proposals for services in the form of targeted mass mailings followed by visits and actions to solve problems;
- organisation of forums bringing together enterprises interested in recruiting and job seekers.

This systematic action will take on a particular form in the 40 *départements* assigned for the operation "ANPE action for SMEs and SMIs - target of 40,000 visits" (*Mobilisation de l'ANPE vers les PME/PMI - objectif 40000 visites*) which was announced by the Minister on 3.7.91. The special ANPE effort will constitute a tangible follow-up to the orientations of the progress agreement (cf. iM 33). It will serve to restore the importance of active company relations. Alongside accompanying actions in the field of communication, it will contribute to improving the ANPE's image and to raising the level of performance of its placement activities.

In regional, departmental and local plans, measures have been taken;

- to launch mailing operations as from 1.9.91; in stages spread over six months will enable contact with the SMEs in the sector concerned;
- to enable local employment agencies and their partners to react immediately to requests from enterprises as soon as they are received.

## Netherlands

### Rapid growth in number of jobs in 1990

The increase in the number of jobs was greater in 1990 than in any other year since the Second World War. Between March 1990 and March 1991, the number of jobs rose by 143,000 to more than 5.4 million. In the 1970s and early 1980s, this figure grew at a slower rate than was the case in other countries. In the second half of the 1980s however, growth was stronger in the Netherlands.



# AID TO THE UNEMPLOYED

## Belgium

### Humanising daily unemployment checks

As a modification of Chapter VII of the Ministerial Decree of 4.6.64 governing unemployment, the Ministerial Decree of 2.9.91 (*Moniteur belge* of 5.9.91) has abolished the system of daily signing-on for fully unemployed persons as from 1.10.91. The National Employment Office (*ONEm*) estimates that in the region of 196,000 persons will be affected by this measure.

In future, the unemployed will have to sign on at their local offices only twice a month on fixed dates, namely the 3rd and 26th of each month. If, however, the set date falls on a Saturday, Sunday, national holiday or on a day for which signing-on is not organised (eg. local holiday), then this must be done on the first subsequent working day. Furthermore, if for whatever reason (work, illness, annual holiday, individual dispensation, etc.) the unemployed person fails to sign on, then he/she must do so on the first subsequent day of unemployment that signing-on is organised, and for which he/she is not exempted from control.

Before abolishing daily signing-on it has been necessary to ensure that the principles of unemployment insurance are respected. This explains why these measures have been implemented with a two-fold objective. On the one hand, they aim to promote more effective re-integration of the unemployed and on the other hand to combat abuses, improper use of the regulation and moonlighting.

### Measures

In the context of employment incentives, the following training measures for LTUs are important:

- cooperation agreement, termed the "*Plan 1 + 1 = 3*" (cf. iM 30);
- continued attention paid to training and employment for high-risk groups among the unemployed (0.25% obligation, cf. iM 33);
- a subsidy of BFR 10,000 awarded to certain unemployed persons who follow a vocational training course;
- reorientation of traineeship obligation (cf. BIR Belgium iv.2) to include LTUs by assimilating young high-risk groups to trainees;
- improvement of training-cum-work system for young persons aged between 18 and 25 years (Royal Decree no. 495 of 31.12.86; cf. article in this number).

Measures designed to combat abuses, improper uses and moonlighting include the following:

- agreement reached in December 1990 regulating the problem of information on unemployed persons' job refusals supplied by the regional employment offices to the unemployment services of *ONEm*;
- the introduction of the "individual card" (cf. iM 28) in the building sector, which has had a positive influence on the fight against moonlighting;
- the fight against illicit work: checks at work places have been stepped up in certain sectors (building, catering, cleaning and clothing); furthermore, standard directives have been elaborated so as to achieve more efficient collaboration between the administrative bodies responsible for supervisory control.

Finally and importantly, this reform must be seen in the context of the broader discussion which is taking place on the subject of unemployment insurance. This was set in motion by the Minister of Employment and Labour in his memo of 13.11.90 on "Unemployment insurance in the 90s". It has led to a proposal for a broadly based and versatile career plan. This proposal, which must be discussed with the social partners, should take account of incentives and aspects of control, but take more account of the social and economic realities.

## Belgium

### Training-cum-work for young workers

Royal Decree no. 495 which came into force on 1.1.87 (cf. iM 18) seeks to ensure better training for young workers and, at the same time, integrate them into working life. An evaluation of the system, as it has been implemented in recent years, has led to a slight modification of the decree so that it functions better.

The law of 28.5.91 (*Moniteur belge* of 21.6.91) has amended Royal Decree no. 495 which established a system linking work and training for young persons aged 18-25 years. The law provides for the temporary reduction of social security contributions paid by employers who hire young persons. It has also introduced the following modifications:

- a reduction of the minimum period of training per year;
- a reduction of employers' contributions calculated on the basis of the actual number of hours worked, no longer on the basis of half-time working;
- monitoring authority granted to the works council or to the union delegation and, at sectoral level, to Joint Apprenticeship Commissions.

### Field of application

#### 1. Employers

Those employers covered by the Royal Decree no. 495 are:

- employers who employ staff liable to social security; and who:
    - either come under the laws governing corporate closures; or are of the (liberal) professions.
- As from 1.10.89, the following may also benefit from the system:
- the non-profit-making associations (*ASBLs*) in which the State does not play a preponderant role as far as financing activities and management is concerned;
  - sheltered workplaces.

This extension which was already made effective by the Royal Decree of 30.11.89 has just been inserted, by means of the above mentioned law, into the text of the Royal Decree no. 495.

Employers will be excluded from the system if they:

- are indebted to the National Social Security Office (*ONSS*) at the end of the quarter for which the application is submitted. However if employers concerned have strictly adhered to the terms laid down for payment of the debt, dispensations may be

granted by the managing board of the *ONSS*;

- do not satisfy the requirements laid down by Royal Decree no. 230 (hiring of trainees from the National Employment Office - *ONEm*). However, employers can benefit from the system if they have been exempted from taking on trainees because their companies are recognised as having problems.

#### 2. Young persons

According to Royal Decree no. 495, young persons must be:

- jobseekers (regardless of how long);
- aged between 18 and 25 years. However, since 1.1.89, if apprenticeship of professions exercised by wage earners is not organised in the sector or profession, the age limit is lowered to 15/16 years (at the end of full-time compulsory education);

The Decree excludes young persons who:

- hold a university degree;
- hold a diploma from an institute of higher education (long or short cycle);
- hold a diploma of higher technical secondary education.

### "Employment-training" agreement

This agreement entails that on the one hand, the employer hires a young person on the basis of an employment contract, and on the other hand, employment and training are organised.

Training lasts for a minimum of one year and maximum of three years, with at least 240 hours per year. The limits which were formerly imposed were for:

- 256 hours per year for training company managers organised by the Small Business Ministry;
- 500 hours per year for all other cases.

This reduction of the annual training period was deemed necessary because:

- the system is intended for young persons who are generally deterred by education;
- 500 hours did not correspond with any educational programme of social promotion;
- the requirement difference between the training for company managers and other forms of training was unjustified.

The employment contract must be permanent and must stipulate that the hiring is for at least half-time without annually exceeding the length of the working time decided by collective agreement for a full-time job minus training time.

### **Exemption from employers' contributions**

Any employer who hires a young person on the basis of an employment-cum-training agreement can claim exemptions from payment of contributions for the duration of the contract (1-3 years), with the exception of those related to the following:

- workers' annual holiday;
- paid educational leave;
- livelihood guarantee fund and the corporate closure fund.

However, exemptions are limited, they were formerly limited to:

- contributions due on the pay pertaining to a half-time job in the enterprise;
- the amount of these contributions calculated on the average guaranteed minimum monthly income (*RMMM*).

A double limit was thus imposed. From now on, the exemption will no longer be limited to a half-time job in all cases. In effect, the actual length of time worked for the employer con-

## **TRAINING**

cerned will be considered. The calculation of exemption will therefore be made on the basis of the part of the *RMMM* which corresponds to the length of working time. The *RMMM* taken into consideration is the "standard" wage i.e. BFR 38,095 on 1.7.91 for a full-time job.

### **Supervisory measures**

In enterprises, correct application of the training-cum-work agreements is supervised by the works council or, in its absence, the union delegation. At sectoral level, the Joint Apprenticeship Commissions monitor agreements concluded in the enterprises of the sector concerned. Furthermore, they can set up training programmes or collaborate in their elaboration.

A Ministerial Decree is being drawn up which will stipulate that the modalities according to which the employers must inform the sector of newly signed training-cum-work agreements in their enterprises.

## **Germany**

### **Apprenticeship situation in 1991**

At the end of the vocational guidance period 1990-91, the situation concerning offers of and demand for apprenticeship places in the eastern part of the Federal Republic is much better than had generally been feared. On 30.9.91, there were still 6,700 vacant apprenticeship places registered at the employment offices in the new federal states and the eastern part of Berlin, and 2,400 unplaced applicants. In the western parts of the Republic, there was, as expected, a high surplus of apprenticeship places.

During the last vocational training period, which generally runs from 1 October until 30 September, a total of 122,700 vacant apprenticeship places were registered at the eastern employment offices, 37,400 of which were at joint training centres (establishments serving a number of firms). During the same period, there were 145,000 applicants for apprenticeship places.

In the West, 711,400 vacant apprenticeship places were registered at the employment offices by trade and industry and public administrations, which was 9% up on the previous vocational guidance period. For the same period, 421,000 applicants registered at employment offices which represents a drop of 9.5%. At the end of September 1991, there were 128,500 unfilled apprenticeship places and 11,300 unplaced applicants. This means a 12.9% increase in the number of places and a 19% drop in the number of applicants.

The highest surplus of places in the West was found in the manufacturing sector. However, in the service sector there were also more vacancies than applicants. There are still clear regional disparities, for example, the apprenticeship market is still less favourable for enterprises in the south than in the west and north.

## **Portugal**

### **Agreement on vocational training policy**

Following the 1991 Economic and Social Agreement (cf. iM 33), the Government and social partners, with a seat on the Permanent Coun-

cil for Social Concertation (*CPCS*), have reached an agreement on vocational training policy. The objectives are as follows:

- to foster training which is adapted to the country's needs;
- to improve educational qualification and

## TRAINING

- organisational efficiency;
- to reinforce the role of the social partners;
- to create conditions which enhance the efficiency of existing structures.

In view of this, the agreement will cover the following areas:

- improvement of interaction between training and working life;

- integration of the most disadvantaged groups in the labour market;
- intensification of further education;
- social dialogue with regard to defining, developing and implementing employment and training policies;
- encouragement of research and systematisation of training and employment statistics;
- cooperation at EC level.

## Portugal

### Evaluation of vocational training actions 1986-1990

In 1991, a survey was conducted by the Statistics Department of the Ministry of Employment and Social Security (*DEMESS*). The survey (financed by the European Community) was held among a representative number of

manufacturing industries and its aim was to gauge the impact of vocational training actions in the period 1986-1990. The results of the survey indicate an increase in the number of vocational training actions in this period. The number of enterprises to have developed such schemes varies between 6% and 11%, rising in proportion to the size of the enterprises:

**Table 2: Percentage of enterprises to have organised vocational training actions.**

	Number of employees				
	Total	10-49	50-99	100-499	500+
1986	5.7	2.2	7.8	20.8	52.7
1990	11.1	6.4	16.4	30.6	61.1

A sectoral analysis reveals which industries implemented the highest number of vocational training actions, these are: metallurgy, chemical and petrol industries, manufacture of metal products, machinery and equipment, transport (materials, machines and equipment) and textiles. This trend has been reconfirmed by the results of the *DEMESS* quarterly survey for the first quarter of 1991.

For the implementation of vocational training actions, the vast majority of enterprises relied

on public funds, 78% in 1986 and 65% in 1990. Purely private funds constituted the second major source of finance, in the 1986-1990 period this varied between 20% and 28%.

A major percentage of vocational training actions (80%) were implemented for enterprises' own employees, followed by actions for unemployed workers (13%). Approximately 48% of unemployed workers who received training were hired by enterprises, particularly enterprises with less than 500 employees.

**Table 3: Percentage of enterprises which hire unemployed persons after having completed a vocational training course.**

	Number of employees			
	10-49	50-99	100-499	500+
Total	54.5	42.3	56.1	32.9
48%				

In agreement with the employers' views, the positive outcome of vocational training actions can be summarised as the increase or improvement of the following:

- average production per worker (in 59% of the cases);
- productivity (in 76% of the cases);
- the quality of goods (in 64% of the cases);
- social working environment (in 51% of the cases);

## JOB CREATION

### France

#### New employment measures

The last inforMISEP reported on 15 newly adopted employment measures which were centred around three major aims (cf. iM 35). The first of these aims was to allow new jobs to emerge in SMEs and SMIs and in home-care services. In this context, two new employment measures were presented in the Council of Ministers on 15.10.91, namely:

- exemption from social security contributions when hiring a young unqualified person;
- a support plan to develop home-care services.

This action plan goes beyond the scope of the principles which were announced on 3.7.91 in the Council of Ministers, in that it aims to boost the numbers of people hired, develop employment and fight against exclusion of young people in difficulties.

#### Recruitment incentive for young unqualified persons

Every year, 100,000 young persons leave school empty-handed. In the present economic climate, they face considerable problems integrating in enterprises, as they have no qualifications and are unwilling or unready to follow training courses. Following an academic failure, or for personal reasons, many want to find stable employment as quickly as possible. These young persons encounter particular recruitment problems due to the scarcity of employment opportunities. Another obstacle they face is the tendency among enterprises to anticipate future needs by recruiting young persons with qualifications, even for jobs which do not require any.

An exceptional and targeted measure will therefore be implemented providing exemptions from social security contributions when hiring young unqualified persons so as to foster their integration, particularly in SMEs. It answers two aims:

## TRAINING

- internal mobility (in 44% of the cases).

The terms of the agreement on vocational training policy foresee the realisation of other similar surveys held among enterprises from the following sectors: civil construction, electricity, gas and water, hotels and restaurants, transport, banks and insurance.

- to urge enterprises to "invest" in the employment potential of this group of young persons who are now in a difficult period;
- to integrate young unqualified persons into stable employment and thus offer them a real chance of vocational integration.

The exemption will apply for each person hired on a permanent contract basis between 15.10.91 and 31.5.92. It will benefit young persons aged 18-25 years who do not have a level V diploma (Vocational Training Certificate - CAP, or Certificate of Vocational Studies - BEP). These young persons will have to be taken on by companies with less than 500 employees where there have been no lay-offs since 1.7.91 and which are current with payments of social contributions. The exemption will cover all employers' contributions for social security, unemployment insurance and supplementary pension schemes for up to 120% of the statutory minimum wage (SMIC). It will apply for 18 months at the rate of 100% for one year, followed by 50% for six months. In the case of a worker hired for SMIC wages, labour costs borne by the employer will be reduced to FF 5,500 per month for the first year, i.e. a reduction of 28%.

A simplified form giving notice of the hiring will be subsequently sent to the National Employment Agency (ANPE). The young person's circumstances will be looked into by the "Carrefours Jeunes" which have been established in each employment catchment area to help young persons to find solutions which are best suited to their skills and motivations. By 31.5.92, this measure should benefit between 100,000 and 130,000 young persons, at a total cost of between FF 2.7bn and FF 3.6bn.

#### Development of home-care services

Home-care services constitute an important employment potential which can contribute effectively to job creation. Development of these services will lead to a marked improvement in

## JOB CREATION

the quality of family life, particularly for women. At the same time, costs borne by the community for care of dependent persons and young children will be cut.

It involves real jobs with an acknowledged social function and for which access to training actions will be broadened to include wage earners. At the moment, the number of registered employers is under 520,000. Another 500,000 should be added to this figure representing those persons who employ a home-help for seven hours a week on average, 200,000 of whom benefit from exemptions available to the elderly and disabled.

The number of jobs available in this sector could be significantly boosted by officially registering all unofficial jobs, and also by creating jobs in households which cannot afford the services at present, particularly when they fall into the medium income bracket.

Some measures, which apply principally to childminding and assistance for the elderly or disabled, have already been implemented by the State, local communities and Social Security offices. These include official and optional household assistance, childminding at home (*allocation de garde d'enfant à domicile - AGED*), help to the family for employing a certified maternity assistant (*aide à la famille d'une assistante maternelle agréée - AFEAMA*), exemption from contributions when an outside person is employed by elderly or disabled persons, tax relief for childcare costs and employment of home-help. These measures represent an unquestionable community effort, however there is still a considerable potential for growth in the field of home-care services.

Therefore, as from 1.1.92, a comprehensive action will be implemented to further its development. It is based on three combined elements:

1. the simplification of declaration procedures;
2. satisfying home-care needs by improving existing measures and introducing special tax relief;
3. help towards a better organisation of services on offer locally.

### 1. Simplified declaration:

The decision to simplify formalities involved in wage declarations to social bodies was made in the Council of Ministers on 3.7.91. As from 1.1.92, individual employers will have to submit only quarterly declarations of the hourly wage bill and the number of hours worked. The Union for the collection of social security and family allowance contributions (*URSSAF*) will calculate the contributions.

### 2. Measures to satisfy demand in the home-care sector:

Financial assistance to households in the form of tax relief is a simple, generally applicable and efficient solution for the creation of the maximum number of jobs. As from 1.1.92, a

household which employs a home-help will be entitled to tax relief on up to 50% of the total costs of maximum FF 25,000. The ceiling on the maximum relief will be FF 12,500 per year. This will be available to each household employing a home-help who is registered as such at the *URSSAF*, whatever the nature of the employment (household or family help, childminding, help to the elderly and disabled, etc.). The costs of this measure for the State budget will amount to FF 3.3bn. It should enable the creation of 100,000-150,000 part-time jobs, including the registration of unofficial jobs. These new jobs will lead to additional income of FF 1.2bn or thereabouts for the social security systems.

### 3. Improved organisation of "supply":

In addition to financial help to households, the promotion of a better organisation of local home-care services is also necessary. The aim is three-fold:

- to assist households to fulfill their obligations as employers (declaration to *URSSAF*s, tax returns, etc.);
- to offer wage earners the chance of real employment, particularly by adding together the hours worked in several families;
- to contribute to the "professionalisation" of these wage earners by making training widely accessible to them.

Extending the offer of home-care services locally must above all depend on the development of a contact network, and support from local communities which already play an active role in the field of home- and childcare (*crèches*, nursery schools). By enlisting the services of existing or new non-profit-making associations which provide services to private individuals in their homes, households will be entitled, under the same conditions as direct employment of a worker, to the tax relief mentioned above.

An updated legal framework will be defined for these associations so that they can act as direct employers for a number of workers for paid work in households, and so that they can facilitate the matching of job supply and demand from private individuals who will still be employers. The associations will be exempted from social contributions when hiring the first employee. A package of measures, aimed at promoting the development of these associations and training for workers in this sector is being studied.

# SPECIAL CATEGORIES OF WORKERS

## Italy

### Enterprise promotion in the Mezzogiorno

Law 275 of 11.8.91 amends and supplements Law 44 of 28.2.86 on exceptional provisions for the promotion and development of youth entrepreneurship in the Mezzogiorno (cf. BIR Italy vi.6). The new law provides the financial means necessary for the continued implementation of the original Law 44 (i.e. LIT 600bn for 1992-93). It also modifies the regulations governing access to provisions and way in which funds are managed. In addition, the role has been extended of the Committee for the development of youth entrepreneurship which was established under Law 44. It is now responsible for the transfer of experience which encourages the expansion of new business initiatives and stimulates a spirit of enterprise.

More specifically, these changes have the following implications:

- financial support is now not only available for companies employing a majority of persons from the Mezzogiorno aged between 18 and 29 years, but also for companies whose work force is made up exclusively of persons between 18 and 35 years of age;

- financial incentives are given priority in the case of companies whose work force is exclusively female, or companies located in areas with the highest unemployment rates;
- incentives for setting up enterprises with funds provided under this scheme have been reduced to a period of two years;
- business associates may not transfer company shares until a period of 10 years has elapsed;
- a loan guarantee fund has been set up with the Deposits and Loans Bank (*Cassa Depositi e Prestiti*) for the companies established under Law 44/86. Access to this fund is subject to the Committee's approval. The Committee can act on ministerial directives on exceptional provisions for the Mezzogiorno and projects for entrepreneurial development using regional, national and EC resources. In addition, the Committee can lend technical assistance to the regions in the implementation of regional laws aimed at the development of business initiatives by young people and by the handicraft sector;
- the committee for the promotion of new enterprises has a four year term and the evaluation group, three years.

## Netherlands

### Legal curbs on incidence of industrial disability

Proposals for a new law have recently been presented to Parliament; it will be known as the Act on the Reduction of Number of Persons Incapable of Working (*Wet Terugdringing Arbeidsongeschiktheidsvolume - TAV*). The aim of the law will be to curb the increased prevalence of incapacity and to foster the labour re-integration of persons who are incapable of working.

Many of the measures included in the TAV law involve financial "incentives" (penalties and bonuses) for employers to limit the number of working hours lost through illness and to reduce the number of cases whereby employees are declared incapable of working (temporarily or permanently, partially or totally). As regards individual employers, financial "incentives" are considered most effective in combating incapacity to work and urging companies to employ or continue employing persons who are incapable of working.

## Portugal

### Adult training and integration

The Secretary of State for Employment and Vocational Training has passed an ordinance (Ord. 45/91 of 10.9.91) creating a new training-cum-work programme (*Formação e Integração de Adultos - FIA*) which will become operational in 1992. The programme is de-

signed to provide LTUs aged 25 years and older with professional qualifications so that they can integrate into the labour market. The programme also aims to help enterprises take on qualified workers.

This programme will run for 11 months and will consist of theory and practical training,

## SPECIAL CATEGORIES OF WORKERS

the last months spent in the sector of activity of the enterprise concerned. Potential candidates for the programme are enterprises, cooperatives, professional organisations and private charity institutions. Priority will be given to elderly workers registered at employment centres.

The trainees will receive a training allowance equivalent to the national minimum wage which can be increased by 20% for the trainees who integrate into professions which have a shortage of qualified manpower. The programme will be financed by the Institute for

Employment and Vocational Training (*IEFP*) and enterprises. Enterprises which take on female or disabled trainees, or workers who are over 45 years of age will be exempted from financial contribution.

The employer bodies which actually create new jobs by hiring trainees will receive a non-reimbursable subsidy amounting to:

- 12 times the national minimum wage for workers aged 45 years or younger;
- 18 times the national minimum wage for workers aged over 45 years.

## PLACEMENT

### Belgium

#### Contributing to the removal expenses of the unemployed

The decree of the Executive of the Brussels-Capital Region of 17.7.91 modifies articles 59-67 of the Royal Decree of 20.12.63 (cf. BIR Belgium iii.11) on employment and unemployment (*Moniteur belge* of 30.8.91). The decree lays down that *ORBEM* will contribute financially to the removal expenses incurred by unemployed persons who move to the Brussels-Capital Region to take up paid employment. The employment must be on the basis of a permanent employment contract and for at least 18 hours per week.

The subsidy is awarded if all of the following conditions are satisfied:

- former place of residence must be in Belgium;
- the new place of residence and the new workplace must be situated in the Brussels-Capital Region;
- the new place of residence must be at least 30 km from the old one;

- *ORBEM* must have been responsible for the placement in the new job.

The assistance is granted to applicants aged at least 18 years who, before accepting the new job, have been unemployed and in receipt of benefits, or unemployed jobseekers who do not receive benefits and who have been registered for at least three months. It includes:

- travelling expenses of the applicant, dependants living under the same roof and the partner (married or common-law). These costs are calculated on the basis of the average price of the most economical form of public transport;
- reimbursement of costs incurred for furniture transport (upon declaration of invoices and up to a maximum of BFR 20,000);
- a lump-sum payment of BFR 15,000 for rehousing (increased by BFR 7,500 for each dependant);

The applicant must have moved house in the 12 months following the date upon which the new job began. If deemed necessary, *ORBEM* may demand written proof of all expenditure declared.

### Italy

#### Reform of recruitment procedures

For the first time in Italian legislation, law 223 of 23.7.91 has authorised the system of so-called nominative requests (*richiesta nominativa*) for employers when recruiting. In practice, this means that an employer can approach the employment office to ask for and be sent the employee of his choice. Recourse to

this type of labour recruitment has been generalised since 11.8.91. If the employer prefers, it will of course still be possible to make a numerical request (*chiamata numerica*), i.e. according to the order of priority drawn up by the local employment offices, however this is no longer compulsory. (cf. BIR Italy Ch.II.5.1)

Italian labour recruitment has until now been



rigid and specific, this has now been transformed so that it can better satisfy the new flexibility demanded by the labour market. Nevertheless the weakest members of the labour force will still be "protected" to a certain extent. In fact, the same regulation still lays down that employers with more than 10 employees must reserve 12% of jobs for this group, namely:

- workers who have been registered on placement lists for more than two years and who, for a period of at least three years, have not been registered as traders, craftsmen, farmers and members of liberal professions;
- workers registered on mobility lists drawn up by the regional employment offices;
- workers who belong to other disadvantaged categories which are defined by resolution of the Regional Employment Commission, and approved by Ministry of Labour and Social Security.

In areas where the ratio of persons classified in group 1 of the placement list (including unemployed or first-time jobseekers) to the resident

## PLACEMENT

working population is higher than the national average, the Regional Employment Commissions can propose an increase of the quota of jobs reserved for disadvantaged groups, bringing it up to 20%. These Commissions also actively promote the recruitment of female jobseekers.

The calculation of the percentage of jobs to be reserved for the disadvantaged groups takes no account of recruitment of employees belonging to qualifications mentioned in sectoral collective agreements, nor of managers, security guards, public security staff, etc.

Law 223, article 25 also establishes another important point, namely that registration on a placement list is only relevant for labour recruitment and the payment of social security contributions. These measures should lead in one way or another to the reduction of the placement lists which, at a certain stage, are overloaded with persons who are not necessarily looking for work.

## STRUCTURAL CHANGES

### Belgium

#### The Brussels Regional Employment Office

The Royal Decree of 16.11.88 laid down the creation and organisation of the Brussels Regional Employment Office (*ORBEM*; cf. iM 26). In the Brussels-Capital Region, the office is responsible for organising the employment market and deciding on a suitable management policy. A series of decrees, designed to improve the Office's efficiency, has been issued by the Executive of the Brussels-Capital Region (*Moniteur belge* of 30.8.91).

#### Partnership agreements

The first decree of 27.6.91 authorises *ORBEM* to conclude partnership agreements so that certain jobseekers have more chance of finding or resuming employment. Partnership agreements must pursue a double objective:

- to promote the systematic registration of persons received by the partner organisations (mentioned below) as *ORBEM* jobseekers;
- to increase *ORBEM* registered jobseekers' chances of finding or resuming employment through guidance actions and active job search.

The second decree of 27.6.91 authorises *ORBEM* to conclude partnership agreements

with a view to increasing the chances of certain jobseekers to find or resume employment in the framework of coordinated measures of vocational integration. These partnership agreements should pursue a triple objective:

- to promote the systematic registration of persons subject to socio-professional exclusion, received by the partners of the Office as *ORBEM* jobseekers;
- to promote actions of local coordination and consultation on matters of employment and socio-professional integration;
- to promote local actions of socio-professional integration to benefit people in a situation of socio-professional exclusion.

The partnership agreements may only be concluded with:

- either a private, legal non-profit-making institution situated in the Brussels-Capital Region;
- or a public centre for social assistance.

In the case of the second decree, they may also be concluded with:

- educational centres organised or subsidised by the Communities;
- the Community and regional office for vocational training and employment (Walloon *FOREM* or Flemish *VDAB*).

## STRUCTURAL CHANGES

The agreements are drawn up for a maximum of one year and they can be extended.

A subsidy can be awarded to the Office's partners from the *ORBEM* budget. In this case, the agreement must contain a clause according to which the partners undertake to make preliminary registration as a jobseeker at the Office a condition for participation in the subsidised action that they implement. They also undertake to pass on any information to the Office regarding job vacancies which they may have. However, *FOREM* and *VDAB* may not receive the subsidy.

As far as both decrees are concerned, partnership agreements stipulate the following: the duration, actions paid for by the partners and those paid for by *ORBEM*, methods of cooperation, the type and number of jobseekers targeted by the actions, objectives assigned to the actions, modes of evaluating actions, and if necessary, the amount, granting conditions and methods of payment of subsidy granted to the partner.

As far as the second decree is concerned, one must add the measure of coordination and socio-professional integration which is established, and the network of relationships between the various partners,

### Definitions

"Persons subject to socio-professional exclusion" refers to persons who are not necessarily registered as jobseekers and who are unemployed and unable to satisfy available job offers on the employment market. This can be due to the inadequacy or total absence of vocational qualification, due to their social deprivation or the discrimination directed at the specific group to which they belong.

Within the framework of actions of socio-professional integration, "actions of local coordination and consultation" are operations which aim at the recruitment and structural association of the various partners for training, employment and socio-professional integration.

This involves especially the study of problems of socio-professional exclusion, promotion and coordination of concerted actions involving the intervention of various partners, the coordination of actions to prospect for and recruit local economic "actors".

"Local actions of socio-professional integration" involve operations aiming at rapid access to vocational qualifications and to employment thereby stabilising individuals in economic activity. These actions are translated by the implementation of integrated operations:

- of reception and guidance of persons subject to socio-professional exclusion, to determine their vocational route and accompany them for its implementation;
- of training (basic training, pre-qualification, social training, vocational training, etc.);
- of placement in employment in an enterprise, covered by social security.

### Creation of an *ORBEM* outplacement service

The decree of the Executive of the Brussels-Capital Region of 4.7.91 established an *ORBEM* outplacement service for the provision of individual or collective assistance to workers who have been dismissed in order to help them to find suitable employment again as quickly as possible.

Outplacement service assistance is provided at the request of the employer and with the previous consent of the workers concerned. This assistance is subject to an outplacement agreement drawn up by the employer and *ORBEM*.

The assistance provided includes psychological training and supervision, compilation of a personal assessment, help to elaborate and implement a jobhunting plan, support when negotiating new contracts and, when integrating into the new work environment, logistic and administrative assistance. The costs of outplacement activities are solely for the employer; the costs may under no circumstances be borne by the dismissed workers.

## INTERNATIONAL

### Ireland / United Kingdom

#### Anglo-Irish Trans-Frontier Committee

The Employment Services of the UK and Ireland are looking at ways of minimising the difficulties of entry to employment and training markets experienced by migrant workers between the two countries.

The newly formed Anglo-Irish Trans-Frontier Committee (TFC) hopes that, by identifying the needs of migrant workers, it will assist in establishing the provision of an easily identifiable and readily accessible Employment Service response to help migrants who are seeking work in either country. The TFC will also advise on and promote the provision in Ireland of

## INTERNATIONAL

better pre-departure information on the employment situation and placement opportunities, with particular emphasis on the discouragement of unplanned and involuntary migration.

Initially, the TFC will focus on London; however, it is hoped that initiatives leading to suc-

cessful provision of employment programmes can be used as models for TFCs in the future. As well as membership from statutory bodies on both sides of the Irish Sea, the TFC draws on representation from the voluntary sectors in London and Dublin which are closely concerned with the problems encountered by migrants.

## United Kingdom

### Business Advice Centre in St. Petersburg

On 30.9.91, the Secretary of State for Employment, International Computers Ltd. (ICL), and St. Petersburg City Council signed a joint statement of intent to help the renamed city set up a Business Advice Centre. The Centre, which will be supported by the St. Petersburg City Council, will provide direct advice and help to the emerging small business sector in the region and train business counsellors to advise the small entrepreneur.

The Employment Department plans to be involved in training the Director and other staff

of the Centre (modelled upon the UK Enterprise Agency concept). It will also equip them with basic materials to provide business advice and counselling to potential and new small private businesses. ICL, through a joint venture, will provide local support and expertise in St. Petersburg.

A British mission with appropriate expertise was scheduled to visit St. Petersburg to agree the more detailed needs of the Centre. The UK Government's support will be provided through the Know How Fund, which has been set up by the British Government to help central and eastern European countries develop free market economies.

## United Kingdom

### Supporting the new democracies: training and work experience scheme

The Employment Department grants work permits under the special provisions of the Training and Work Experience Scheme (TWES) for East European and USSR nationals to gain on-the-job training and work experience with United Kingdom employers.

The TWES programme was until recently only available to citizens from developing countries who allowed their citizens to come to the UK for a limited period of training or work experience when it was not readily available in their own country. A review of the scheme now ensures that citizens from any country outside the EC can benefit provided their prospective employer can demonstrate a genuine need for the training and work experience.

TWES can benefit the overseas national and company providing the training or work experience. The Scheme is used by employers wishing to train an individual in a UK qualification for redeployment abroad in their own or associate company, or because they feel that offering an opportunity will help develop business contacts abroad. Some countries sponsor their nationals to train for skills needed in their country.

### Work experience

Work experience, normally for a period of up to 12 months, is used by UK employers to give their own overseas personnel career development or by giving an individual experience in the UK first before employment with the company abroad. It is widely used for fostering commercial opportunities abroad by offering work experience to staff from overseas customers, contacts, etc.

Some examples of the opportunities provided by the UK firms for East Europeans serve to illustrate the diversity of the scheme:

- A Bulgarian has been given a work permit for 6 months to enable him to gain production knowledge with a firm that designs and manufactures air quality control products, eg. heating and ventilating systems. On his return home he will help to maintain equipment supplied by the firm to a Bulgarian company.
- A Romanian, who has an MSc in electronics, has been given a work permit for 12 months in order to train with a firm involved in the design and manufacture of electronic equipment. On his return home he will take charge of design and quality control in their Bucharest branch office.
- A Polish legal clerk, who already holds a

## INTERNATIONAL

Polish law degree, has been given a permit to take articles with a well established UK firm of solicitors who deal principally with commercial law. This will help her advise more effectively on privatisation issues on her return home.

Assisting countries to build up their stocks of skilled manpower not only strengthens their moves toward a market economy but also promotes a climate of cooperation within which UK business efforts can flourish.

## MISCELLANEOUS

### Spain

#### Election of workers' representatives 1990-1991

In 1990 and 1991, elections were held to appoint workers' representatives for Staff Delegations within enterprises with 10-49 employees, and for Work Councils in enterprises with 50 or more employees (cf. BIR Spain Ch.II.2.4). Employees from all sectors participate in these elections which serve as indicators of union representation for the next four years.

In accordance with the Organic Law 11/1985 of 2.8.85 on trade union freedom (*LOLS*), the outcome of these elections determines the representativity of specific trade unions, thus authorising them:

- to have institutional representation before public administration;
- to negotiate collective agreements;
- to determine the working conditions in the

- public administration through consultation or negotiation,
- to participate in the non-jurisdictional systems for resolving labour conflicts;
- to hold elections for the Staff Delegations and Work Councils; and
- to obtain temporary use of union patrimony.

The election process has already been concluded and the final results will be made public as soon as complaints concerning the electoral process have been looked into. Preliminary results indicate that the union scene as established at the last elections in 1986 will not change drastically. The *UGT* (the general workers' union) and the *CCOO* (the workers' commissions) will still play a central role at national level and the *ELA-STV* in the Basque country.

### United Kingdom

#### New work permit arrangements

As from 1.10.91 employers can send all work permit applications to a single point of contact in the Employment Department for initial consideration. The rules which employers have to comply with when applying for work permits for necessary foreign staff have been simplified and this means that some of the bureaucracy involved in making an application has been reduced. However, there is no relaxation of the immigration rules.

The Overseas Labour Section (OLS) in the Employment Department functions as the single contact point. Revised application forms and guidance notes are available, and about 15,000 letters were sent out by OLS in September informing employers of the changes.

The new arrangements enable the Employment Department to provide a faster, better

service taking greater account of the needs of business and resulting in considerable administrative savings for most employers who need to apply for permits. Working closely with the Home Office to reduce the formalities for employers, the Employment Department helps to bring to the UK the essential staff who are subject to work permit requirements.

Permits continue to be restricted to posts requiring highly qualified and skilled people for which there are no suitable UK or EC workers available. 47,201 work permit applications were made in 1990 (125% up on the 1984 level) and permits were issued for 34,611 workers.

### **Rough currency conversion rates**

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in November 1991:

Belgium	BFR	42.1
Denmark	DKR	7.93
Germany	DM	2.04
Greece	DRA	232
Spain	PTA	129
France	FF	6.98
Ireland	IRL	0.76
Italy	LIT	1,542
Luxembourg	LFR	42.1
Netherlands	HFL	2.30
Portugal	ESC	179
United Kingdom	UKL	0.71



# SPECIAL

## **Job creation measures for the adult unemployed**

This centrefold provides an overview and brief descriptions of targeted measures to create or stimulate the creation of employment for unemployed adult workers in the EC-member states.

The categories are:

### **1. Subsidies to regular employment:**

Alleviation of wage costs (wage-cost subsidies, exemptions from social security contributions or tax reliefs) for the recruitment of targeted workers.

### **2. Financial support to unemployed persons starting enterprises:**

This kind of support can consist of a capitalisation of unemployment benefits or special grants. Taking over an enterprise may also fall under the same regulation.

### **3. Direct job creation:**

Support of fixed-term contracts and, in some cases, regular jobs mainly in the public sector or in non-profit-making organisations, offered to facilitate reintegration of unemployed persons into the labour market. Projects are usually of community interest and are designed to foster work experience.

Not included in this overview are:

- measures which are used (mainly) for the employed, or support to continued employment of persons whose jobs are at risk;
- youth measures (generally under 25 years of age);
- measures particularly designed for disabled workers;
- measures for the (re-)integration of women;
- early retirement schemes;
- other schemes related to working time, such as career break regulations and job sharing schemes;
- measures to ensure year-round employment, as in the building sector (winter/bad weather allowances etc.), and
- general employment subsidies or subsidies paid for workers in certain regions (except in cases where employment services are strongly regionalised).

Long-term unemployed (LTUs) are defined as, if not otherwise stated, those who have been unemployed for at least 1 year (possibly within a certain period).

References are given either to an edition of inforMISEP (iM) or to the Basic Information Report of that country (if a country code is given in form of one or more letters).

Figures are given per day (d), week (w), month (m) and year (yr).

# Belgium

1.

## **Employment Fund - Vocational integration agreement for groups at risk**

(national): An employer hiring a difficult-to-place unemployed worker can receive a subsidy of up to BFR 15,000/m for a worker over 18 years old and up to BFR 7,000 for a worker under 18 for a maximum period of one year. (iM 26, iM 32)

## **Temporary reductions of employers' social security contributions**

(national): Employers in the private sector hiring certain difficult-to-place unemployed workers can be granted a reduction of their social security contributions for a maximum of 1 1/2 years. It must concern a first employee, a replacement of an employee, replacement in case of career break, or the hiring of an additional employee. Reduction is based on guaranteed monthly minimum wage of BFR 38,095 (1.7.91). (B-v.5; iM 25)

## **Grants for SMEs recruiting unemployed for economic expansion projects**

(Walloon and Brussels-Capital Regions): SMEs (3 to 100 workers) can receive a grant from the Region for recruiting registered unemployed in full receipt of benefit for carrying out projects of innovation, export promotion, and energy or raw material savings. The Regions pay 50%-90% of wage costs and employers' social security contributions for a maximum of 2 years, for a maximum of 3 workers. (B-v.6; iM 11)

## **Employment premium**

(Walloon Region): Employers employing less than 15 workers can be granted a premium of BFR 100,000 for hiring additional workers. The hired workers must remain in employment for at least 2 years. (iM 29)

## **Wage-cost subsidies for hiring difficult-to-place unemployed**

(three Regions): Walloon Region: "Plus" wage-cost subsidy of BFR 40,000 per quarter per worker for a maximum of 4 additional workers who remain in employment for at least 2 years. (iM 34)

Flemish Region: wage-cost subsidy of BFR 15,000/m for an employee (or BFR 90/hour for a manual worker). The subsidy cannot be used to replace dismissed workers. (B-iii.10)

Brussels Capital Region: the conditions to be met are the same as in the Flemish Region. The subsidy is awarded for a maximum of 1 year, as a lump-sum payment, linked to the cost of living. (B-iii.10)

2.

## **Loans to unemployed**

(national) Persons, unemployed for at least 3 months, can obtain a subordinated loan of BFR

450,000 (4-5% interest). The duration of the loan is 10 to 15 years. (B-v.8)

## **Encouragement to young persons to set up their own business**

(national): Young persons under 35 who set up on their own for the first time are exempt, for 3 years, from tax penalties if it appears that the original taxation level was too low. (B-vi.1)

3.

## **Grant-aided contractuels (ACSs) working for local/provincial authorities**

(three Regions): Local and provincial authorities can obtain grants for hiring certain difficult-to-place unemployed to carry out non-market activities. Employers are exempt from social security contributions and can receive max. grant of BFR 400,000/yr. (B-v.9; iM 17)

## **ACS working for public authorities**

(three Regions and national): Same provision for specified public authorities in order to carry out clearly defined jobs. Max. annual payment of BFR 203,000. (B-v.10; iM 25)

## **PRIME programme**

(Walloon Region): Scheme for non-market sector for hiring LTUs. For the duration of the project, employers are exempt from part of social security contributions, depending on duration of unemployment and qualification. Employers also receive wage-cost subsidies. (iM 31)

## **Third Circuit of Work**

(TCT or DAC; Flemish and Brussels-Capital Regions): Wage-cost subsidies for hiring structurally unemployed for jobs created in non-market sectors which meet community needs. (B-v.1; iM 17)

## **Interdepartmental Fund for Employment Promotion**

(three Regions and national): Grants for jobs created by Ministries, Regions and Communities and public interest bodies. Max. BFR 590,000/yr; BFR 710,000 in hospitals. (B-v.2)

# Denmark

1.

## **Wage-cost subsidies for recruitment in private undertakings:**

The municipality of residence may grant a subsidy in connection with recruitment of young persons and other special groups of unemployed persons by private undertakings or institutions. The municipal authorities may themselves decide on the duration of the subsidy period, but it may as a maximum be 12 months. The amount of the subsidy is also fixed locally subject to an upper limit fixed annually by the Ministry of Labour (as per 1.7.91 DKR 40.80/d). (DK-iii.4; iM 21)



## 2.

### **Enterprise Allowance:**

Persons under the age of 60 years who want to set up and run their own enterprise may, after a total period of 5 months' unemployment within last 8 months, receive a subsidy corresponding to 50% of maximum amount of cash benefits (as per 1.7.91 DKR 1227/w) for a period of up to 3 1/2 years. (DK-i.3, DK-iii.7; iM 9, 24).

### **Job Start Allowance:**

This scheme falls within the competence of the Ministry for Social Affairs. The allowance may be paid to persons who have received social assistance for 9 months or more and who want to set up their own business. The allowance corresponds to 50% of the social assistance benefit and is payable for up to 1 year.

## 3.

### **Employment projects:**

Employment projects for young persons and other special groups of unemployed persons can be established by municipal, county and state institutions as well as private organisations etc. If projects are established by state institutions, organisations etc., the municipal and county authorities may grant a subsidy of up to 120% of actual wage costs. Persons employed on an employment project may undergo a period of practical training outside the project. The work activities carried out on employment projects may only include work which would otherwise not be performed. (DK-iii.3, DK-iii.6; iM 12, iM 21)

### **Job Offer Scheme:**

After about 21 months of unemployment, persons under the age of 60 years are entitled to a reasonable job offer of 9 months' duration in the private sector or 7 months in the public sector. The State grants a financial subsidy in connection with recruitment of LTUs. The subsidy is DKR 40.80/hour (as per 1.7.91). (DK-i.1, DK-iii.5; iM 9, 24)

## Germany

## 1.

### **Fostering measures designed to create jobs for older workers:**

To aid their re-integration, difficult-to-place LTUs aged over 50 are to be employed in additional jobs by private employers for a period of 5 years or by public bodies for 3 years. The wage-cost subsidy usually amounts to 50% (70%/60% in the first year, being reduced by 10% each year). Loans and subsidies are also given if for this aim (parts of) firms are created, enlarged or equipped. (D-v.2)

### **Integration assistance subsidies:**

As "incentive to enter employment" of difficult-to-place unemployed, loans and subsidies can be granted to employers who offer a permanent

job to unemployed workers or those threatened with unemployment. The subsidy amounts to 50% of the wages for usually 6 months (possibly up to 2 years). (D-iii.2)

### **Employment aids for LTUs:**

Employers who employ LTUs on permanent basis can receive (until end of 1994) a wage-cost subsidy of up to 80% in the first six months and up to 60% in the second six months (depending on the length of unemployment). This initiative is being backed up by accompanying "Measures for the particularly disadvantaged LTUs and other very difficult-to-place unemployed persons" giving subsidies to organisations which employ the unemployed, provide training and/or take care of LTUs socially. (iM 27, 30, 31, 35)

### **Adaptation subsidy:**

This subsidy should match qualifications to particular jobs. If a person who is unemployed or whose job is under threat needs more adjustment to a work situation than is customary, the employer can receive a subsidy of 50% of the wages which are collectively agreed or locally applicable for the entire period of adaptation. The amount and duration of payment depend on the difference between the individual's productivity and the requirements of the envisaged job. (iM 12)

## 2.

### **"Bridging allowance":**

Unemployed who start their own business and who previously received unemployment benefit or assistance for at least 4 weeks and after proving the viability of their self-employment receive a benefit at equal rate for a maximum of 6 months and insurance subsidies. (iM 12)

## 3.

### **General job creating measures (ABM):**

For persons who have been unemployed for 6 months during the preceding 12 months. Until 31.12.92, a temporary exception is made for unemployed persons in east German federal states, whereby it suffices that the unemployed have merely had a "logical second" of unemployment. Projects must be of public interest and be additional (without subsidies they would either not yet be carried out or not at all). Priority is given to projects which are likely either to provide the unemployed with a permanent job, facilitate structural improvement, provide work opportunities for LTUs, improve the social infrastructure, or serve the conservation or improvement of the environment. Wage-cost subsidies are given to public and private (mainly non-profit making) bodies, amounting to between 60% and 100%, depending on severity of the case and the regional situation. Additional loans and subsidies are possible if the federal state participates in the financing. In the new federal states additional subsidies can be granted to cover non-person-

nel costs, from federal funds in the "common efforts programme for upswing in the East". (D-v.1)

## Greece

### 1. Wage-cost subsidy for newly created jobs in the public and private sector:

Employers (private enterprises, local government enterprises, collective utility bodies/enterprises and cooperatives) providing unemployed persons with new jobs, receive a subsidy for 1 year amounting to:

- DRA 1800/d for persons aged 25 and over; DRA 2000/d for persons under 25;
- 60% of the wage paid for persons aged 18-60 for part-time employment. Priority is given to:
  - returning migrants (those who have returned to Greece after at least 2 years of employment abroad (DRA 2000/d);
  - employees in enterprises in frontier regions (DRA 2000/d);
  - employees in enterprises in frontier regions in the industrial, crafts or mining sector (DRA 2300/d);
  - employees with higher education or university degrees (DRA 2300/d);
  - employees in cooperatives (DRA 2300/d);
  - women in jobs usually taken by men (DRA 2300/d);
  - employees with disabilities (DRA 2300/d).

The minimum contract length is 18 months. No dismissals are allowed in the previous 3 months. (GR-v.1)

### 2. Financial support to unemployed starting enterprises:

Persons aged 18-50 who have been unemployed for at least 1 year and set up their own enterprises can receive a subsidy of DRA 300,000 for enterprises in service and trade sector, and DRA 400,000 for enterprises in industrial sector. (iM 17, 18)

### 3.

-

## Spain

### 1. Fiscal incentives to increase employment:

To promote net employment increase through reducing corporate or professional taxes. A deduction of PTA 500,000 can be made on the taxable income of companies or individuals for each additional person employed on a permanent contract on average during the year. (ESP-v.18)

**Contracts for workers aged over 45 years:** Enterprises and cooperatives which conclude a contract of this type are given a grant of PTA

400,000 and a 12% reduction of employers' social security contributions for hiring workers on the basis of permanent contracts who are older than 45 and who have been unemployed for more than 1 year. (ESP-v.7)

### Promotion of local employment initiatives:

To promote, launch and finance local initiatives which establish SMEs which intend to draw on unused resources in the area in which they are being established. Support includes grants of up to PTA 500,000 for every worker hired on a permanent employment contract and 50% wage-cost subsidies for development agents and employment promoters who are contracted for enterprises created under this measure. (ESP-v.16)

### 2. Capitalising unemployment benefits:

Under this measure, workers who have lost their jobs are helped to become self-employed or become a member of a working cooperative or a workers' company. They are eligible for a reduction in the social security contributions for a period equivalent to the period for which they received unemployment benefits, unless they choose to receive a lump sum. (ESP-v.13)

### Promoting self-employment:

Projects which facilitate registered unemployed persons to set up their own enterprise, receive grants for reducing interest rates, grants of up to 100% of the costs for technical assistance and training and grants for subsistence income of up to PTA 500,000. (ESP-v.14)

### 3. INEM-Public administration accords:

Work and services of general and social interest, compulsorily carried out by registered unemployed, are subsidised by 40% to 75% of the overall wage costs and, exceptionally, by up to 100% of the cost of the unemployed manpower. This takes place on the basis of collaboration between the National Employment Institute (INEM) and local authorities, autonomous communities and other public administration bodies. (ESP-v.10)

### Rural employment plan for the Extremadura and Andalusia:

This plan is aimed at temporarily employing unemployed for unskilled work in public projects which are to be carried out in a rural environment. The wages paid to the workers are, as minimum, those set by the collective agreement in force. Unemployed casual agricultural workers who are not entitled to receive unemployment benefits are given priority to occupy such jobs. (ESP-v.11)

### Works of social utility:

To have unemployed workers in receipt of benefit compulsorily carry out, temporary works of

social utility while retaining their unemployment benefit or unemployment assistance. The employing public administration has to top up, at least, towards the level of the national minimum wage. (ESP-v.12)

## France

### 1.

#### **Return to work contracts (CRE):**

Employers who have not dismissed anyone in the last 12 months and who employ an LTU or a beneficiary of the minimum integration income (RMI) on a permanent or fixed-term basis (min. 24 weekly hours) receive 100% exemption of social security contributions for a period of 6-18 months (depending on the length of unemployment) and for the duration of the contract in case of LTUs aged over 50. Furthermore, employers receive a lump-sum payment of FF 20,000 for a full-time contract. Additional subsidies for off-the-job training of CRE-workers (200-1000 hours/yr) and supervision are possible. (iM 28, 29)

### 2.

#### **Aid to jobseekers who set up their own business:**

According to the previous work references and their registration, jobseekers starting their own business receive a lump-sum payment of between FF 16,125 and FF 43,000. An increase of the help by max. FF 21,000 is possible, if additional jobs are created. Furthermore the social insurance is covered free of charge for two quarters. Additional training support is possible. (F-v.1a)

### 3.

#### **Solidarity contracts (CES):**

The aim of the CESs is the integration of the most vulnerable groups (generally LTUs, young persons with few or no qualifications) and the promotion of local initiatives, jobs in local collectives, associations, etc. They can last for between 3 and 12 months and can be extended to 24 months for those who have been unemployed for more than 3 years, for persons of 50 years and older, RMI-beneficiaries and disabled persons. The wage is fixed on statutory minimum wage (SMIC), 85% of which is paid by the State (100% in case of the most deprived groups). Employers (especially local authorities and non-profit making organisations) are exempted from social security contributions except for unemployment insurance. Additionally, training costs (400 hours) are paid. (F-vii.1a; iM 29)

#### **Integration enterprises:**

Aim to help certain groups of persons in difficulties, subsidy of FF 36,000/yr per job. (iM 35)

#### **Intermediary associations:**

For persons undergoing grave difficulties,

namely LTUs, RMI-beneficiaries. Employers are exempted from social security contributions for wage earners for 250 hours per quarter. Also possible assistance for a start-up of FF 50,000 - FF 100,000 for the first year of activity. (iM 35;F-v.1b)

## Ireland

### 1.

#### **Employment Incentive Scheme (EIS):**

Enterprises (except in the public, banking, insurance and building sector) can receive a subsidy when hiring additional unemployed (registered or leaving a programme of work experience) in stable employment. A subsidy of IRL 60/w is paid in respect of an LTU aged over 25, the standard rate being IRL 45/w while a minimum requirement of 13 weeks of unemployment must be met, in both cases over a period of 39 weeks. (IR-v.1; iM 26)

### 2.

#### **Enterprise Scheme:**

A weekly allowance (IRL 40/w for those without dependants, IRL 65/w for those with dependants) is paid for 40 weeks to persons unemployed for at least 13 weeks or on a training course for starting new and independent enterprises. For those receiving pay-related benefit, there is a possibility of capitalisation of their benefit of 25 weeks. (IR-v.2)

#### **Community Enterprise Programme:**

Subsidies to help community-based groups and worker co-operatives to generate extra income and employment for unemployed by either setting up businesses directly or helping individuals and groups to set up businesses. (IR-v.3)

### 3.

#### **Social Employment Scheme:**

IRL 72 (with additions for dependants) is paid to LTUs who are given part-time work experience (2 1/2 d/w on average) in projects run by public bodies and voluntary organisations which are socially and culturally beneficial to the community for up to one year. (IR-vi.8)

## Italy

### 1.

#### **Relief in contributions in the Mezzogiorno:**

Relief of 8.5% (as from 1.1.86) in employers' contributions for compulsory unemployment insurance is granted for hiring additional workers in the Mezzogiorno in industrial and craft firms. Other reductions are available depending on the date of hiring and on the seniority of the job concerned. The regulation has recently been extended. (I-v.2; iM 25, 26)

**Integration and reintegration contracts:** Employers have to pay only 50% of social security contributions for a period of 36 months if they hire LTUs (more than 2 years unemployed) or persons who have benefited from the extraordinary intervention of the Wage Compensation Fund (*CIG*) for at least 2 years. (iM 33)

## 2.

### **Special fund for interventions to safeguard employment levels:**

Production and worker cooperatives which are set up by workers formerly compensated under the *CIG* or those who are being made redundant due to economic or financial problems of the enterprise receive a subsidy which is adequate to cover the expenditure necessary to carry out projects, taking into account, amongst other things, the future capacity for self-financing. However in each case the maximum subsidy may not exceed LIT 2bn for projects of restructuring and conversion of installations or the realisation and purchase of installations, and LIT 200 million for other projects specified in law. (I-v.3)

## 3.

### **State jobs for the unemployed:**

As from July 1991, in northern and central regions, 50% of available jobs in the public sector must be reserved for persons who are on classification lists (*graduatorie*) and who have been receiving assistance from the Special Wage Integration Fund (*Cassa Integrazione Salariale Straordinaria*) for more than 12 months (LTUs). This increased quota (formerly 30%) is valid until 1993. (iM 12, 35)

### **Fund for occupational reintegration:**

The most vulnerable groups on the labour market, especially in the Mezzogiorno, are hired and trained with subsidies from the fund. To this end, employers can present investment plans and projects which lead to increased employment and may obtain total or partial financing from the same fund. Priority will be given to projects which involve environmental protection, the maintenance of cultural wealth, energy-saving activities and projects set by the public administrations. (iM 22)

## Luxembourg

### 1.

#### **Incentive to employ the long-term unemployed and difficult-to-place jobseekers:**

Employers who hire difficult-to-place unemployed (unemployed persons who have been registered for at least 15 months, unemployed persons aged 55 or older, unemployed persons who have an incapacity to work of at least 30%) on a permanent contract for at least 20 hours/w receive a premium of 200% of the minimum so-

cial wage (amounting currently to approximately LFR 35,000). This applies after the job has been held for an uninterrupted period of at least 1 year. (L-vi.2)

### **Aid for reemployment:**

For workers dismissed for economic reasons, for wage earners whose jobs are threatened and those who moved for economic reasons to another enterprise in accordance with a collective agreement. The original branch of industry must be officially declared as being in crisis and the industry in which the worker is placed must have a structural manpower deficit. Aid (two installments) is given for a maximum period of 12 months, guaranteeing the worker 87.5% of former wages (ceiling of 300% of minimum social wage). (L-ii.7)

## 2.

### **Aid for enterprise creation by unemployed persons in receipt of benefit:**

This involves the capitalisation of unemployment allowances for enterprise creation by difficult-to-place unemployed. It is payable for 6-12 months with a ceiling of LFR 367,000. (L-v.5)

## 3.

### **Aid for creating socio-economically useful jobs:**

Aid is granted for a maximum of one year, it is non-renewable. The target group includes persons whose jobs are threatened and registered jobseekers who are under 25 years. The job must be permanent and lasting. The maximum amount of aid is LFR 350,000 per full-time job created, reduced proportionally for part-time employment. (L-v.4)

## Netherlands

### 1.

#### **Employment Integration Framework Scheme (KRA):**

- Exemptions from social security contributions for max. 4 years (as a cost reduction of about 17%) and lump-sum subsidies towards guidance and training (HFL 4000-6000) is given if LTUs are recruited for regular jobs. LTUs must be unemployed for more than 2 years, belong to an ethnic minority, or participate in a youth work experience scheme (*JWG*) and be partially incapable of working.
- Exemptions from social security contributions for max. 1 year (extended to max. 4 years if taken into regular employment later; cost reduction depends on hours worked and age) and a so-called maintenance subsidy (mp-sum payment of HFL 15,000-22,000) is granted in order to place LTUs in jobs in public or private sector providing them with work experience. LTUs must be unemployed for more than 3 years (2 years for ethnic mi

norities), having had a reorientation interview or be partially incapable of working. (NL'91-vi.2; iM 29, 35)

### **Temporary Employment Refund Scheme (VU):**

Aims to provide LTUs with work experience by placing them into temporary work, so that they find regular jobs afterwards (possibly with *KRA* subsidy). Employer receives wage-cost subsidy of 33% for hiring unemployed person for at least 15 hours/w, and for a minimum period of 12 and a maximum of 52 weeks. (NL'91-vi.3; iM 30)

### **Temporary employment agency *START*:**

Provides temporary jobs of up to 6 months for difficult-to-place unemployed with the ultimate aim of a permanent job. No subsidy is given, *START* is self-financing. (NL'91-v.1)

### **Law on the reduction of wage costs on minimum wage level (WLOM):**

Wage-cost subsidy of about 10% for hiring persons on a minimum wage level if these wage costs form a hindrance for recruitment. (NL'91-v.2; iM 27, 31)

## **2.**

### **Complementary Benefit Scheme for Self-employed (BZ):**

*BZ* assistance is available to unemployed persons drawing unemployment benefit or social security and for persons whose jobs are under direct threat. The new, proposed company must be viable. Support can consist of an income supplement during the initial period and possibly a loan bearing interest of a maximum of HFL 40,000 (as from 1.11.91). The supplement is awarded for a preliminary period of six months which can be extended by six months and, in exceptional cases, extended by yet another six months. Six months after the start-up of the business, the local authorities check that it is progressing according to expectations, if not, *BZ* assistance is discontinued. (NL'91-v.3)

## **3.**

### **Labour pools (BP):**

Aim to place very difficult-to-place into additional jobs in the public sector. Participants in the scheme are given a permanent employment contract with the *BP* organisation and receive supernumerary jobs in the public or non-profit-making sectors while receiving the statutory minimum wage, which is refunded by the body which hires a participant temporarily. The *BP* organisations receive the benefits of the person concerned (HFL 17,420 on average), HFL 10,500 central and regional subsidy and HFL 4,300 for the social security contributions through the *KRA* regulation for each participant per year. (NL'91-vi.1; iM 32, 35)

# Portugal

## **1.**

### **Help in concluding permanent employment contracts:**

Enterprises which take on young persons or LTUs aged 25 and over on a permanent basis receive, for each job created, a grant corresponding to 12 times the national minimum wage. Enterprises which take on women for traditionally male professions receive an additional amount of 20%. (P-v.1)

### **Local employment initiatives (ILE):**

Technical and financial help (subsidies and/or interest-free loans with extra grants for initiatives involving women) is available for *ILEs*, while priority is given to initiatives affecting the greatest number of first-time job applicants, the unemployed and members of cooperatives. (P-v.2)

### **Aids to handicraft:**

Employers in the handicraft sector are eligible for grants (max. 12 times value of minimum national wage per job), technical aids and the provision of services, if they employ young first-time jobseekers, unemployed or under-employed workers and disabled persons. (P-v.3)

### **Incentives for job creation for LTUs:**

Full exemption from social security contributions for 12-36 months (depending on age) is granted if new jobs are created for unemployed workers or those in search of their first job and who have been registered for longer than 12 months. (P'91-vi.CLD3)

## **2.**

### **Self-employment creation by the unemployed in receipt of unemployment benefit:**

In addition to capitalising the overall amount of unemployment benefits, the unemployed receive a lump sum of ESC 120,000. Each project must be able to prove its viability. (P-v.5)

### **Aid for self-employment creation (ACPE):**

Aims at young persons and LTUs who are qualified for independent professions, including handicrafts. Candidates must have proof of corresponding vocational qualifications and must present projects which are viable from economic, regional and sectoral points of view. Aid is of a financial-technical nature including a non-reimbursable installation subsidy equal to 12 times the national minimum wage. Furthermore a management training of 6 weeks is paid. (P'91-v.6)

### **Aid for setting up as self-employed:**

Helps young first-time jobseekers or LTUs to become self-employed. A grant (ESC 6,277/w in 1989) is fixed annually and available for a maximum period of 12 months. Applications to

be submitted to the regional Social Security centres responsible for allocation of aid. (P'91-v.7)

**3. Help to the long-term unemployed (ATD):**

Provides adult LTUs, not eligible for benefit, with temporary employment in activities of community interest (averaging 40 hours /w). Projects can be presented by public or private non-profit-making bodies. Each beneficiary receives an allowance equal to the national minimum wage. (P-vi.CLD1)

**Employment Action:**

Scheme offers temporary work on projects of benefit to the local community, help with finding a job, plus appropriate training to persons who have been unemployed for more than six months, while retaining benefits plus an extra UKL 10/w. (iM 35)

## United Kingdom

1.

-

2.

**Enterprise Allowance Scheme (EAS):**

Unemployed persons starting up in business receive an allowance which is likely to depend on having an approved business plan and can vary locally/regionally between UKL 20 and UKL 90/w, for a period ranging from 26 to 66 weeks. The qualifying period of unemployment is 6 weeks and can be waived altogether for certain groups (people with disabilities, ex-Forces, ex-offenders, vocational returners, victims of large-scale redundancies and people leaving Employment Training). Training and counselling are built into the scheme. (UK-iii.3; iM 34)

3.

**Action for Community Employment**

(ACE- Northern Ireland): ACE provides temporary employment of up to 1 year for adult LTUs in work of benefit to the community to enable them to compete more effectively for available jobs when they leave the scheme. To be eligible, applicants should have been unemployed for 12 out of the last 15 months and continuously for the last 3 months. Persons in the 18-24 age group who have been unemployed for 6 months are eligible for ACE employment. Community employment must not endanger existing jobs. Any organisation or individual may sponsor an ACE project. A grant is available to cover wage costs and overheads. Projects employing at least 20 workers will receive a core staff grant to improve management, supervision and administration of the project. To help improve the employment prospects of participants, structured training was introduced into the programme. (UK Ch.V.5)

**Enterprise Ulster**

(Northern Ireland): Undertakes work of amenity, environmental, cultural, community or social value put forward by District Councils, Public Authorities and voluntary organisations. Offers employment training of 6-12 months through work experience and directed on and off-the-job training for LTUs who have been unemployed for more than 6 months. (UK Ch.V.5)

## ORDER FORM MISEP PUBLICATIONS

- Please add my name to the mailing list and send me, free of charge, an ... English / ... French / ... German copy of the MISEP newsletter.
- Please send me the following Basic Information Report(s):

.....  
in English/French/German.

Name: .....

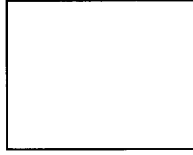
Organisation .....

Address .....

Postal code .....

Town .....

Country .....



**MISEP SECRETARIAT  
INSTITUTE FOR POLICY RESEARCH  
P.O. BOX 985  
2300 AZ LEIDEN  
NETHERLANDS**





# MISEP INFORMATION

*Employment Observatory - Policies* (formerly called *inforMISEP*) is the quarterly newsletter of the Mutual Information System on Employment Policies (MISEP). MISEP was created to meet the need for an exchange of information on employment policies within the European Community. *Employment Observatory - Policies* presents those measures, policies and actions adopted by the Member States which are aimed at promoting and improving employment within the European Community. It is compiled on the basis of information provided by national correspondents. The information serves to update the Basic Information Reports (BIRs). *Employment Observatory - Policies* is published in English, French and German.

## Correspondents

<b>Belgium</b>	Joseph Remy Ministère de l'Emploi et du Travail
<b>Denmark</b>	Karen Thrysøe Arbejdsministeriet
<b>Germany</b>	Barbara Knöss Bundesministerium für Arbeit und Sozialordnung Detlef Hein Bundesanstalt für Arbeit
<b>Greece</b>	Dimitra Gana Ministry of Labour
<b>Spain</b>	Delmira Paz Seara Soto Ministerio de Trabajo y Seguridad Social
<b>France</b>	Henri Roux Ministère de l'Emploi Cristina Marino Agence Nationale pour l'Emploi
<b>Ireland</b>	Fergus McCafferty Department of Labour
<b>Italy</b>	Teodosio Zeuli Ministero del Lavoro e della Previdenza Sociale
<b>Luxembourg</b>	Jean Hoffmann Administration de l'Emploi
<b>Netherlands</b>	Chris Smolders Arbeidsvoorzieningsorganisatie
<b>Portugal</b>	Victor Viegas Ministério do Emprego e da Segurança Social
<b>United Kingdom</b>	Jeanie Cruickshank Department of Employment
<b>European Commission</b>	Panayotis Sigonis DG V/B/1
<b>MISEP Secretariat</b>	Marjolein Peters Hans Weening Carole Leblond Aileen Stronge Martin Touwen

**Institute for Policy Research**  
P.O.Box 985  
2300 AZ Leiden  
Netherlands  
tel: (31) 71 / 25 37 37  
fax: (31) 71 / 25 37 02