

Commission of the European Communities DG V

Working document on employment policies

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

Overall developments

France: Employment accounts; **Ireland:** Revising protective legislation; **Italy:** District employment sections; **Luxembourg:** Labour policy amendments; **United Kingdom:** Action for Cities

Aid to the unemployed

Belgium: Signing on dispensations; **Italy:** 1988 benefit rates; *Mezzogiorno* fund

Training

Denmark: Policy report; **Germany:** Appeal; **Spain:** *Escuelas-Taller*; **Luxembourg:** Employment Fund training; **Netherlands:** *BVJ* revisions; Computer specialists; **Portugal:** School leavers

Job creation

Belgium: Walloon region; **Italy:** Ministry jobs; *Mezzogiorno* part-timers; *Mezzogiorno* small firms; **United Kingdom:** Prince's Fund

Special categories of workers

Denmark: LTU counselling; **Germany:** Training the socially disadvantaged; **Italy:** Youth scheme extended; **Netherlands:** LTU counselling; *MLW* evaluated; **United Kingdom:** Sheltered placement evaluated

Working time

Germany: Hours of work bill

Miscellaneous

Spain: Law on labour offences and punishments

Centrefold: Training-cum-work contracts

Developments at a glance

Belgium	Dispensation from daily signing on has been brought in to enable certain categories of new jobseekers to devote themselves full-time to job search (p. 8). The Walloon Region is financing up to 50% of the staff selection and training costs of corporate start-ups and extensions in product development (p. 14).
Denmark	An official report on vocational training policy in the 1990s advocates notably closer links between different training systems and greater influence by market forces (p. 8). Experience with early personal counselling of the long-term unemployed has led to the recent introduction of special local two-weeks' planning courses (p. 16).
Germany	Employers' groupings and trade unions have made a joint appeal to enhance the opportunities of young foreigners through vocational training (p. 9). Since January 1988, the programme for the socially disadvantaged, consisting of aids accompanying in-company training and training in external centres, has been taken over by the Federal Employment Services and boosted by 10% (p. 17). The Government has tabled an hours of work bill which, if passed, will replace the current legislation dating from 1938 (p. 19).
Spain	The number of school-workshops providing training-cum-employment is being increased from 150 to nearly 550 in 1988 (p. 9). A single law bringing together all previous legal provisions has been enacted on labour offences and punishments (p. 20).
France	The 1986 "Employment and vocational training accounts" provide a financial and physical balance sheet of policies and trends as regards unemployment compensation, incentives to withdraw from work, employment maintenance, employment promotion and job creation, incentives to work, vocational training and improving the labour market (p. 3).
Ireland	The government has published a discussion document on protective legislation which identifies three particular areas for priority review: unfair dismissals; employment equality; and payment of wages (p. 5).
Italy	District employment sections have been established as a major innovation for implementing an active employment policy (p. 6). Pending a more general reform of the unemployment benefit system, new daily rates for unemployment benefits have been set for 1988 (p. 8). A fund to combat unemployment has been set up particularly for the <i>Mezzogiorno</i> (p. 8). The Ministry is hiring 2000 persons on 12 months maximum employment contracts to work on the computerisation of the employment services (p. 14). LIT 1,500bn is available between 1988-90 for part-time local initiative community jobs for 18-29 year old "Mezzogiornians" (p. 15). In the same area, small firms can receive grants for hiring persons on open-ended contracts (p. 15). The 1986 special youth employment scheme has been extended until end-1988 (p. 17).
Luxembourg	Labour policy amendments in the pipeline concern employment contracts, Sunday working and the national minimum wage (p. 6). The "new" Employment Fund has a special unit providing financial support for training, particularly for apprenticeships (p. 12).
Netherlands	The age limit of the <i>BVJ</i> training scheme for young people has been raised to 25 years with more openings for ethnic minorities (p. 13). The <i>IIG</i> scheme for training unemployed persons as computer specialists is continuing in 1988 (p. 13). 250 counsellors are being employed to interview and aid annually 45,000 persons who have been out of work for 3 years or more (p. 17). The <i>MLW</i> scheme providing work for LTUs has been evaluated (p. 18).
Portugal	Analyses are being made of how those leaving different types of education are integrated into working life (p. 13).
United Kingdom	The new Action for Cities Programme is designed to promote local enterprise and initiative through advisory, educational, training and financial actions in inner cities (p. 6). The Prince's Youth Business Trust uses similar actions to help 18-25 year old unemployed persons develop a business (p. 15). The Sheltered Placement Scheme for the disabled has been evaluated (p. 18).

Overall developments

FRANCE

Employment accounts: the cost of employment policies in 1986

The Ministry of Social Affairs and Employment makes an annual census and analysis of total efforts for employment and against unemployment. These *Employment and Vocational Training Accounts* set out data, both financial (amounts spent) and physical (numbers of beneficiaries, days paid for, trainees trained or of firms concerned) backed up by descriptive elements of the policies implemented and trends observed. The main results for 1986 are outlined below.

What is covered under employment expenditure

The field covered by employment accounts includes employment policy actions carried out by the ministry responsible for employment and vocational training as well as by other ministries: agriculture, physical planning, commerce and handicrafts, economics and finance, in-

dustry, etc. It also comprises the participation of firms and wage-earners in financing these measures through specific contributions or actions laid down in legislative or regulatory texts - in essence contributions to *ASSEDIC* and the 1.1% levy for recurrent vocational training.

Among the activities carried out by ministries other than that of employment, only those focused on an explicit criterion of job creation and maintenance or leaving the employment market are considered as being elements of employment policy.

Expenditure for employment covers grants and allowances. It does not include the costs of regulatory measures (such as those dealing with the length of working time, the minimum wage or employment contracts), the financial impacts of which cannot be measured directly.

Expenditure for employment is broken down into seven headings: compensation for total unemployment, incentives for retiring from work (in particular early retirements), employment/job maintenance (short-time working), employment promotion and job creation, incentives to work, vocational training, and the functioning of the labour market (*ANPE*).

Comparative figures on employment expenditure

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
<i>DPE</i> - Expenditure for employment (in bn of current FFR)	10,2	13,4	20,1	25,4	33,0	44,8	54,4	64,8	89,4	117,7	140,6	153,3	169,7	182,4
Annual variations in volume (%)	—	+ 16,2	+ 33,9	+ 15,4	+ 18,4	+ 24,8	+ 9,6	+ 4,8	+ 21,6	+ 17,8	+ 9,0	+ 1,5	+ 4,6	+ 4,7
<i>DPE</i> /State Budget (%)	4,9	5,6	6,8	7,4	8,8	10,3	10,9	11,3	13,0	14,3	15,1	15,3	15,6	16,1
<i>DPE</i> /GDP (%)	0,9	1,1	1,4	1,5	1,8	2,1	2,2	2,3	2,9	3,3	3,5	3,5	3,6	3,6
<i>DEFM</i> *Jobseekers at the end of the month ('000s)	394	498	840	933	1.072	1.166	1.350	1.451	1.773	2.010	2.068	2.340	2.458	2.517

*New series following from the recommendations of the Malinvaud Report (cfr iM. 17).

DPE, expenditure for employment, amounted to FFR 182.4 billion in 1986, an increase of 7.5% in current francs and 4.7% in constant francs over 1985. This latter rate is comparable to that observed in 1985 (+4.6%) - even though it is the result of somewhat different trends, as indicated below - and confirms the moderate trend compared with the long term trend seen since 1983-84.

In the last two years, the *DPE* represents the equivalent of 3.6% of the GDP: the rate of *DPE* growth, which was very much above that of the GDP until the beginning of

the 1980s, hardly exceeds the GDP growth during the last 3 years.

In 1985 and 1986, financing *DPE* has been ensured by the public authorities (mainly the State's budget as well as of the regions for vocational training) for some 45%; the remaining 55% comes from employers and wage-earners by means of contributions to *ASSEDIC*, of their expenditure for recurrent training (including for alternance training) and of compulsory vocational schemes.

Development in the structure of expenditure for employment (%)

	1973	1980	1984	1985	1986 (p)
A. Unemployment compensation	34,1	57,6	67,4	67,6	64,7
B. Incentives to withdraw from work					
C. Employment maintenance	1,4	3,9	3,5	2,3	2,1
D. Employment promotion and job creation	4,9	4,1	3,5	4,7	6,5
E. Incentives to work	0,8	2,1	2,0	2,0	2,0
F. Vocational training	56,2	30,6	22,2	21,8	23,3
G. Improving the labour market	2,6	1,6	1,5	1,5	1,5
TOTAL	100,0	100,0	100,0	100,0	100,0

The *DPE structure* remains characterised by the weight of expenditure generally described as "passive": 64.7% of total expenditure in 1986 following 67.5% in 1984 and 1985 and 68.1% in 1983, the highest point over the long run. This slight fall is explained not by a fall in expenditure for incentives to retire early, which is below the growth in

expenditure for unemployment compensation, but rather by the development of measures for the social treatment of unemployment (plan for young people, *TUCs*, etc.) which brings the share of expenditure for "active" employment policy up to 35.3%.

The cost of employment policy (in millions of FFR)

	1973	1980	1984	1985	1986 (p)
A. Unemployment compensation	1.890,3	26.375,1	50.227,4	57.595,6	64.477,0
B. Incentives to withdraw from work	1.576,9	10.966,3	53.042,9	57.134,3	53.576,5
C. Employment maintenance	138,9	2.511,3	5.301,8	3.930,8	3.803,6
D. Employment promotion and job creation	500,9	2.669,5	5.392,3	8.021,9	11.898,6
E. Incentives to work	78,6	1.387,1	3.022,6	3.436,9	3.578,3
F. Vocational training	5.718,5	19.812,9	34.001,0	37.015,9	42.433,3
G. Improving the labour market	264,7	1.061,9	2.306,3	2.563,5	2.660,9
TOTAL	10.168,8	64.784,1	153.294,3	169.698,9	182.428,2
Annual % change	—	+ 19,1	+ 9,0	+ 10,7	+ 7,5

Expenditure for **unemployment compensation** amounted to FFR 64.5bn in 1986, after 57.6bn in 1985, which indicates an increase of 9% in real terms. Contrary to the situation in 1985, this increase exceeds that of jobseekers at the end of the month of category 1, 2 and 3 and the unemployed exempt from job search: 4.8%. This difference is explained by the increase in the number of beneficiaries, in particular those of the "specific solidarity allowances", and by that of the average amount of the allowance paid. This last increase concerns in particular, as in 1985, those who receive the smallest allowances at the "end of rights" and those experiencing the longest lengths of unemployment; but it also concerns those receiving basic benefits following the modification of the age structure of benefit recipients. The unemployment benefit system finances a decreasing part of the expenditure for allowances (91% in 1984, 86% in 1985 and 85% in 1986), because of the increase in "specific solidarity allowances."

Incentives to withdraw from work diminished by 8.3% in volume, as had been expected: from FFR 57.1bn in

1985 to FFR 53.7bn in 1986. This heading now only represents 30% of total expenditure, of which 15% is for *GR* (the "guaranteed income"), as compared with 34% in the two previous years. These *GR* allowances have dropped by 12% in real terms and those of "resignation-early retirements" under solidarity contracts by 32%, the difference between the rates of drop of these two systems which were abrogated in 1983 being due in the main to the indirect entries into *GR*. On the other hand, the special *FNE* (national employment fund) allowances registered an increase of 18.8%, the annual average number of beneficiaries at the end of the month rising from 137,100 to 164,000. Finally, "age measures" in the steel industry have also increased significantly (+15%) from FFR 4.3bn to 5.1bn, whereas "withdrawal" allowances for farmers, craftsmen and traders fell below FFR 2bn and the "reinsertion support" for foreign workers fell from FFR 1bn to 0.7bn.

The expenditure for **employment maintenance** (which only represents 2% of total expenditure) decreased by 6%. Short-time working further underlined the falling

trend observed the previous year (-37% in 1986). But on the other hand, the special systems of short-time working, particularly the *BTP* (building and public works), were stable (FFR 1.5bn in 1986). "Conversion leaves" both within the general system and for the steel industry and ship-building and repairs only amounted to FFR 230,000,000. The special "mountain allowances" continue their moderate growth (FFR 1.0bn).

Efforts to **promote employment** and to **create jobs** have increased considerably (+45% in volume) since they reached FFR 11.9bn. This heading represents 7% of all expenditure on employment. It consists on the one hand of measures providing for exemption from social contributions for hiring young people: FFR 3.4bn, including a share of between FFR 1.0bn and 1.5bn for apprentices (1979 law). On the other hand there are the *TUCs* (community work projects, cfr. iM 19), the budget of which increased by 64% in volume in 1986 over 1985. Help for unemployed persons setting up on their own stayed at the same high level as the previous year: FFR 2.25bn after FFR 2.04bn. In contrast, the decline in premiums for physical planning continued: FFR 0.9bn after 1.1bn.

Expenditure for **incentives to work** is more modest: FFR 3.6bn, or 2% of the total employment policy expenditure. It covers individual grants for encouraging the integration into working life of certain target groups of the working population: income guarantee for disabled workers (FFR 2.6bn), which has been constantly rising in volume by 7.9%, and the establishment provision for young farmers (FFR 1.0bn), which is in slight decline.

Expenditure on **vocational training** amounted in 1986 to FFR 42.4bn, a remarkable 11% increase in real terms over 1985 (FFR 37bn). This area covers, on the one hand, training for jobseekers and integration measures into working life for young people and, on the other, the recurrent training of the employed as well as specific accompanying measures for restructuring.

The State and the regions contributed FFR 17.9bn in 1985, after 15.6bn in 1985. This 12% increase in real terms was mainly attributable to *SVIPs* (initiation into working life traineeships for young people) and activities for the long-term unemployed. Back in 1985, the increase already exceeded 10%. Corporate expenditure (net of State transfers) rose from FFR 20.7bn in 1985 to 24.4bn in 1986; this increase of more than 14% in volume was due to a considerable extent to the development of alternance training. The participation rate, expressed in a percentage of the paybill, rose from 2.24% to 2.34%.

The heading of improving the **functioning of the labour market** mainly covers the grant of the State to *ANPE*. This has represented 1.5% of total public expenditure on employment policies since the beginning of the 1980s.

IRELAND

Discussion document on labour law

As part of the normal monitoring of protective legislation the Minister of Labour recently published a Discussion Document identifying three particular areas for priority review - unfair dismissals, employment equality and payment of wages.

Unfair dismissals

The Unfair Dismissals Act, 1977, was enacted at a time when employees had a minimal degree of protection against wrongful dismissal - principally under common

law. The Act brought about a significant change in that situation by providing that dismissal would be regarded as unfair unless there were substantial grounds justifying such action. A system was established whereby claims of unfair dismissal could be investigated impartially by a Rights Commissioner or by the Employment Appeals Tribunal. Provision was made for redress in respect of dismissals found to be unfair - reinstatement in the same job, re-engagement by the employer or compensation for financial loss.

Surveys on the operation of the 1977 Act suggest that beneficial effects for management have flowed from that legislation through its contribution to improved personnel practices and to the evolution of a more stable industrial relations climate. In many instances, the Act has provided the impetus for the reform of disciplinary and dismissal procedures and has helped to tighten up selection procedures. This, in turn, has led to a better-selected and more suitable work force with obvious benefits to employers and a lesser likelihood of industrial disputes because of dismissals.

The Act has been on the statute book for over 10 years and it is accepted that a review of its provisions is necessary. The Discussion Document describes many of the issues which are causing concern and on which differing views have been expressed as to how they might be addressed.

These issues include:

- the service requirement for eligibility (currently one year)
- the hours threshold to qualify for protection (currently 18 hours)
- the burden of proof on employers to show that a dismissal is fair
- the dismissal of a person based on private life conduct
- the operation of the Employment Appeals Tribunal
- the claims, appeals and enforcement procedures.

Employment equality

The Anti-Discrimination (Pay) Act, 1974 and the Employment Equality Act, 1977 established the right of men and women to equal pay for work of equal value and to equality of opportunity in employment. In the period since the legislation came into force there have been developments in the perception of employment equality, both nationally and in a European context, and the operation of both Acts has recently been reviewed by the Department. Following on from this review, a number of proposals and options have been put forward in the Discussion Document to take account of these developments and also to remedy certain shortcomings in the working of the legislation which the review identified.

Payment of wages

The Payment of Wages Act, 1979 removed a long-standing legal prohibition on the payment of manual workers otherwise than in cash. It permits payment by non-cash means where there is joint agreement between workers and their employers while also allowing all or any of the employees involved to subsequently change their minds about the acceptance of payment by non-cash methods subject to giving four weeks' notice or at the expiry of the agreement.

In recent years, there has been a shift in most countries towards forms of non-cash payment, primarily in the form of cheques or credit transfers. In Ireland, employers have been prompted by security considerations to press for the discontinuation of payment of wages in cash.

The Discussion Document identifies a number of

broad options for change in the existing legislation, including the possibility of amending the 1979 Act to prevent any agreement between employers and employees to a non-cash method of payment being terminated by either party without the agreement of the other. An alternative proposal is the introduction of a new Bill to repeal existing legislation, generally strengthen employees' rights in this area of pay and, possibly, provide legal definitions as to what constitutes legal methods of wage payment.

ITALY

Organisation of the District Employment Sections (*Sezioni circoscrizionali per l'impiego*)

A ministerial decree of 20 January 1988 sets out the organisation of the SCIs, the District Employment Sections, which were established by law no. 56 (Art. 1-2) of 28 February 1987 (cfr. IM 18).

SCIs represent a major innovation for implementing an active employment policy. They replace the placement offices; new criteria have, however, been defined as regards both their geographical scope and the tasks they have been assigned. In defining the area of responsibility of each District Section, account has been taken in the first place of the characteristics of the local labour market in order to create homogeneous catchment areas so that actions can be more effective.

The SCIs will be entrusted with carrying out both the existing functions of the placement offices and new functions connected with promotion and information and liaison with the area. Their organisational structure, laid down by the ministerial decree, reflects these new objectives. Each SCI will have four services:

- administration and instruments
- job placement
- information and promotion
- delegated and decentralised activities.

In addition to the traditional functions of registration, striking off the register, assigning points, etc. SCIs' tasks include interviewing workers, providing information for employment promotion and for the development of matching labour supply and demand, contacting corporations, education and training institutions, employers and workers, and carrying out statistical research and surveys.

LUXEMBOURG

Labour policy*

Law relating to employment contracts

In its declaration of 23.07.84, the Government committed itself to reforming the legal status of the employment contract of private sector workers. The dual aim was to better protect them from the risks of dismissal and to strengthen the protection of those being dismissed.

The Government hinges its proposals for reform on some fundamental points. These are based on the orientations set out by the Economic and Social Council in its Opinion of 29.11.83.

In December 1987 the Government submitted to the employers' associations and the trade unions a draft bill on employment contracts.

On the basis of their observations, the Minister of Labour will soon be tabling a bill on the employment contract for consideration by the Cabinet.

In line with the governmental declaration, the bill will lay down a statute for temporary workers designed to provide these workers with adequate social protection while at the same time ensuring that companies have the operational flexibility necessary to deal with fluctuations in their workload.

In an attempt to regulate the so-called "atypical" forms of work, the Minister of Labour submitted in December 1987 a second draft bill to the employers' associations and the trade unions governing temporary work and the temporary hiring out of manpower.

In 1988 the Minister of Labour will ask the Cabinet to approve a bill drafted in the light of the observations of these organisations.

Finally, the Minister of Labour will be considering the draft law on voluntary part-time work in the light of the Opinions of the occupational chambers and the Council of State.

Reform of the legislation on Sunday working

Following on from the work of the Tripartite Coordination Committee, particularly as regards the problems of increasing the length of utilisation of equipment, the Minister of Labour tabled in January 1987 a bill modifying a certain number of fundamental points of the legislation governing Sunday working and Sunday rest.

In the light of the Opinions of the Council of State of 19.11.87 and of the occupational chambers, the Government submitted a set of amendments to parliament and the Council of State in February 1988.

Upgrading the national minimum wage

The law of 28.03.86 provided for an anticipative upgrading from 1.04.86 of the national minimum wage by 3% in real terms, the national minimum wage having also been upgraded by 3%.

The Minister of Labour will be sending Parliament by 31 December 1988 at the very latest the next biennial report foreseen by Article 2, paragraph 2, of the modified law of 12.03.73 reforming the national minimum wage.

* Source: Extract of the *Rapport d'Activité* 1987 presented by the Minister of Labour to Parliament in March 1988.

UNITED KINGDOM

Action for Cities Programme

Acting upon its intention to make revitalisation of the inner cities a priority, the UK Government unveiled a new Action for Cities Programme in March 1988.

The Programme has been designed to promote local enterprise and initiative in order to raise the quality of life in inner cities. Its key priorities for action are to:

- encourage enterprise and new business and help existing business grow stronger
- improve people's job prospects and provide training designed to develop their skills and motivation
- make the inner city environment more attractive to residents and business by tackling dereliction, preparing sites and encouraging development, bringing buildings into use and improving the quality of housing

- ensure that inner city areas are safe and attractive places to live and work by building on existing programmes and initiatives to tackle urban dereliction and inner city decay.

The term "Inner Cities" is used to describe many different areas encountering a variety of serious economic and social problems. Most frequently it is applied to the inner areas of towns and cities, often older manufacturing centres, which have suffered severe dislocation caused by economic change, leading to a derelict environment and high levels of unemployment amongst residents. Inner city residents are often unable to compete successfully for job opportunities that do exist because they lack the necessary skills and qualifications. Such problems are not exclusive to inner cities but they do suffer from a combination of environmental, economic and social problems to a much greater degree than other parts of the community, often further highlighted where deprived areas are adjacent to prosperous developing areas.

The Inner Cities Task Forces set up in 1986 to cover very small areas suffering the most acute levels of unemployment and urban problems aimed to:

- stimulate economic activity and employment by encouraging private sector involvement in target areas
- improve co-ordination of different government programmes and the involvement of local organisations
- improve awareness and relevance and access to inner city employment and enterprise schemes in target areas
- strengthen the capability of local organisations to undertake long-term economic and enterprise development activity
- target the employment needs of specific disadvantaged groups, especially ethnic minorities
- develop innovative approaches which are capable of application in other inner city areas.

The new Action for Cities Programme builds on these activities together with all the other programmes and initiatives introduced since 1979 to tackle urban dereliction and inner city decay, and to raise skills and encourage enterprise. About £3 billion will go to support urban regeneration in Britain in 1988/89, bringing in several times that total in private investment. The initiatives will be carefully monitored, to measure their immediate effectiveness and to ensure that initiatives with particular longer term potential for future action can be fully developed.

The variety and intensity of the problems faced in inner city areas means that a number of Government Departments as well as the private sector, local authorities and other local organisations all have a role to play.

The Department of Employment and Manpower Services Commission currently spend over £1.1 billion annually on a wide range of programmes available in all inner city areas to help local residents and businesses. The programmes offer:

- encouragement and support for new and existing businesses through the Enterprise Allowance Scheme, the Small Firms Service, the Loan Guarantee Scheme, Training for Enterprise and financial support to Local Enterprise Agencies
- the opportunity for people to improve their motivation and skills, and ultimately their chances of getting a job with advice, training and work experience through the Youth Training Scheme, the Community Programme, the various adult training programmes, Jobclub and Restart Courses.

The Government has guaranteed that places will go to unemployed people who need them and that resources will go to areas of greater need, so that the programmes

are effectively targeted at inner city areas with high levels of unemployment. These current activities are being enhanced and new ones introduced:

Compacts

Twelve inner city Compacts will be created with financial and organisational support from the Department of Employment and the Manpower Services Commission. Many school leavers in inner cities do not have the basic skills to enable them to compete for the increasing number of jobs becoming available. At the same time employers are facing difficulties in attracting school leavers in sufficient numbers and with adequate skills.

The essential nature of a Compact is that it is a local partnership between private industry and local schools and colleges whereby employers give priority to hiring school leavers in return for agreed standards of achievement and commitment. The Department of Employment will supply up to £50,000 to set up each Compact followed by up to £100,000 per year for four years for proposals which meet the Department's criteria.

Business Advice

Six new offices will be set up by the Small Firms Service to improve access to business information and advice. Specialist counsellors will also be appointed to work in the local business community, particularly with ethnic minority businesses. In addition, help will be offered through "Enterprise Days" at Jobcentres, a new training course for Enterprise Allowance Scheme participants, new "Enterprise Clubs" to help people develop their businesses and improved links between Jobcentres and business advice agencies.

Local Enterprise Agencies

A new fund of £600,000 per annum has been established to match private sector contributions to local enterprise agency projects especially designed to help inner city firms in the provision of facilities such as managed workspace, improved information and advice and training.

Loan Guarantee Scheme

The guarantee to the banks for the loans they make to small businesses under this scheme will increase from 70% to 85% in the 16 Inner City Task Force areas.

Self Employment

Greater emphasis will be placed in all training programmes on promoting the option of self-employment and help for participants who wish to become self-employed.

Training Courses

Courses in literacy and numeracy and English as a second language are to be included as a priority in the Government's new training for employment programme. In addition more employers are to be encouraged to become training providers in inner city areas and to collaborate in providing training with local colleges and other training organisations.

Access to information on job and training opportunities is to be offered through the allocation of more than a hundred specialist staff working in local communities. In addition, special Restart assessment courses will be offered through the Department of Employment's 500 Jobcentres and Unemployment Benefit Offices and new information points will be set up to extend the existing network of inner city offices.

Aid to the unemployed

BELGIUM

Dispensation from daily signing on for those recently made unemployed

The ministerial decree of 7 December 1987 (M.B. of 17.12.87) modified Article 77 of the ministerial decree of 4 June 1964 concerning unemployment. The new decree dispenses specific categories of those who have recently become unemployed from signing on daily for the month in which they introduce their claim for benefits and for the three following months. They are, however, subject to controls twice a month.

The unemployed persons concerned are those who introduce their claim:

- * after having been contractually employed for an uninterrupted period of at least 6 months;
- * after a period of military service;
- * after having attended vocational training, at least half-time, for an uninterrupted period of at least 3 months;
- * as a young graduate (on completion of the waiting period).

This dispensation was brought in to enable these unemployed persons to devote themselves full-time to job search.

ITALY

Reform of the unemployment benefit system

Decree-law no. 86 of 21 March 1988 covered "regulations on social security, youth employment and the labour market as well as regulations designed to strengthen the information system of the Ministry of Labour and Social Security." It introduced a reform of the unemployment benefit system.

Under Article 7 of the decree, the daily rate of unemployment benefit has been set at 7,5% of the average contributory pay received over the three months prior to the onset of unemployment or of the pay received in 1987. The new provision will remain in force only for 1988 since a more general reform of the unemployment benefit sys-

tem, the wage guarantee (under the *CIG*) and "labour surpluses" is planned in the near future. For this reason the decree-law to some extent covers the same ground as that covered by bill no. 585 (cfr. iM 21).

To meet the expenses of implementing this decree-law, a sum of LIT 300 billion has been earmarked for 1988.

ITALY

Fund to combat unemployment

Article 6 of the decree-law no. 86 of 21 March 1988 provides for the institution of a Fund to combat unemployment to be managed by the Ministry of Labour and Social Security. The purpose of the Fund will be to foster employment creation, particularly in the *Mezzogiorno* regions and for the most disadvantaged categories of persons on the labour market.

The Fund will finance or co-finance investment plans or projects which have a high propensity to create new employment. Priority will be given to projects in the area of environmental protection, cultural heritage and energy conservation as well as to projects finalized by public administrations.

The criteria and the general modalities for examining the investment plans and projects as well as the agreements on ways in which they are to be implemented are laid down by the Minister of Labour with the consent of the competent Ministers after consultation with the Central Employment Commission.

A commission is being set up within the Ministry of Labour and Social Security consisting of six members from the most representative employers' associations and trade unions. The purpose of the commission is to contribute to determining the priority objectives of the Fund and to express their views, which are not binding, on the Minister's decisions in the Fund's management.

Expenditure foreseen for 1988 amounts to LIT 54 billion.

Establishing such a Fund to combat unemployment was already provided for under a previous bill (cfr. iM 21).

Training

DENMARK

Vocational training policy in the nineties

In March 1988 the Minister of Education and the Minister of Labour submitted a joint report to the *Folketing* (the Danish Parliament) concerning the vocational training and advanced training policy of the nineties.

In this report it is suggested to create new links between basic training and advanced and further training.

In the light of the prospects of the nineties, the aim is to ensure that as many working adults as possible obtain a

higher level of skills. It is important for firms to recognise this and to share the responsibility for offering training to all groups of employees, not only those in executive functions.

More so than in the past, the new content of the training should be determined by market forces and by the demand of the users in order to reduce the risk of development of bottlenecks on the labour market. More local freedom of action should be ensured so as to adapt the training to local or regional needs and possibilities. Possibilities will also be opened up to use new training methods, to use the equipment of the firms and to offer training at untraditional hours.

GERMANY

Opportunities for young foreigners through vocational training

The number of foreigners undergoing training in the Federal Republic virtually doubled between 1979 and 1987 to almost 60,000. Yet only about one third of the 15-18 year old foreigners living in Germany complete vocational training or schooling. This compares with a figure for Germans of roughly 90%. It is for this reason that *BDA* (the Confederation of German Employers' Associations), *DGB* (the German Federation of Trade Unions), *ZDH* (the Central Association of German Handicrafts), *DIHT* (the Federation of Chambers of Industry and Commerce) and *BA* (the Federal Employment Services) have now made a public appeal to improve the equality of opportunities of young foreigners through vocational training.

Of the 4.6m foreigners living in the Federal Republic, 1.9m are under 25 years old and 1m are under 16. More than four fifths of the 15-24 year olds went to school in Germany. Between 1979 and 1987, the proportion of foreigners who attended but did not complete the lower general education system was halved, and the figure has now fallen below 25%. Of all foreigners completing schooling in 1987, 49% held a lower secondary school certificate (*Hauptschulabschluss*), 21% an intermediate school certificate (*Realschulabschluss*), and 5.5% held a certificate of aptitude for technical college studies (*Fachschulreife*) or a certificate of aptitude for higher education (*Hochschulreife*).

At the present time about half of all young foreigners of the respective age group are looking for a training place. The figure is significantly lower for girls. The range of career choice is significantly narrower for young foreigners than for Germans. At present 90% of young under-20s unemployed foreigners and some 80% of the 20-24 year-old unemployed young foreigners have not completed any vocational training. Every year some 10,000 young foreigners follow one of the various preparatory schemes for vocational training which are run under the auspices of employment offices.

The joint appeal launched on 23 March 1988 is targeted at all those who are responsible for the vocational training of young foreigners. Enterprise and public administration are being encouraged to take young foreigners, girls and boys, more into consideration than previously when filling training places.

The joint appeal states in particular that "the deliberate and more intensive inclusion of young foreigners, boys and girls, in training raises their qualifications and improves their prospects on the labour market. At the same time this helps to meet the growing need of the economy for qualified workers, male and female. Even at the present time, there are special areas of skill shortages in the young generation."

The appeal then goes on to say that especially parents and teachers should give sustained support to the training efforts of young foreigners, encouraging girls in particular to make use of opportunities opened up. At present, only every sixth foreign girl has the opportunity of being trained in a recognised occupation.

SPAIN

Escuelas-Taller and *Casas de Oficios*: training-cum-employment programmes

Different measures for fostering the integration of young people into working life and easing the passage from school to working life have been taken by the Spanish government in its concern with youth unemployment. One of these is the *Escuela-Taller* or workshop-schools which have turned out to be a prime instrument for training and integrating young people (cfr iM 15).

The programmes of these *escuelas-taller* combine various vocational training and employment measures especially designed to promote the integration of young people into working life. Since their launch in 1985, programmes of this type have multiplied so that there are some 150 currently in operation and 541 are foreseen for 1988. 1988 will also see the creation of 750 *casas de oficios* - houses of trades. During the year, the two types of programmes will accommodate some 50,000 students. In parallel they will employ some 10,000 adults as teachers or staff.

A decree of the Ministry of Labour and Social Security of 29 March 1988, bringing together the experiences under way, regulates for the first time the *escuelas-taller* and establishes the form of the *casas de oficios*.

This ministerial decree defines the programme of the *escuelas-taller* as a public training-cum-employment programme aimed at providing jobseekers (essentially those under 25 years of age) with training alternating with work and practical training for a profession. The practical work consists of projects for restoring, renovating or conserving the artistic, historical, cultural, natural and urban environmental heritage; they also include handicraft occupations and techniques.

The *casas de oficios* are vocational training and youth employment promotion centres. They cooperate with trade union and employer organisations and other social partners in developing projects for training and integrating young people into the labour market. They teach related vocations/trades and specialities connected with improving the quality of life in towns and of their inhabitants (improving the urban environment, aiding the elderly, etc). There is also a trend towards reviving some crafts through the introduction of new technologies.

The fundamental difference between the *escuelas-taller* and the *casas de oficios* is that the training programmes of the latter are not connected with a specific rehabilitation or renovation project, for instance of a monument or of a natural area.

Both types of programme fall within the framework of employment creating initiatives which, at the local or regional level, can draw in particular on aid from public administration, especially municipal councils and the autonomous communities. They are a part of the vast framework of vocational training and employment activities carried out in collaboration with the ministry of labour and social security.

Programme structure

Programmes have two stages: the first, initiation, combines theoretical training with workshop training in occupations related to, for instance, carpentry, stone-cutting, brick-laying, iron-working and archeology. During this first stage, students receive a grant and a contribution towards their travel and maintenance expenses.

During the second stage, that of qualification, specialisation and proficiency, the students round off their training in alternation with work and practical training. They work under a contract according to the modalities of training or vocational integration. They receive pay according to the law in force.

The two phases together last anything from one to

Training-cum-work contracts

	MEASURE LEGAL BASIS	BENEFICIARIES	EMPLOYER'S CHARACTERISTICS AIDS RECEIVED	CONTRACT CHARACTERISTICS	TRAINING CONDITIONS	SOCIAL GUARANTEES
BELGIUM	System for linking work and training for youths. Royal Decree n°495 of 31 Dec. 1986	Jobseekers aged 18-25, except those with diploma of higher education	Employers coming under the laws governing corporate closures (industrial or commercial activities) and the professions. Exemptions are granted from employers' contributions for social security and wage moderation	Indefinite term contracts embracing work and training. Ratification of a convention that organises the training	Training for at least 1 year and for maximum 3 years on the basis of 256 hours/year when training is supplied by entrepreneur (small industry chambers) and of at least 500 hours/year for other training	
GERMANY 1	Working and learning. AFG §91 et seq.- Law on Educational grants, Regulation of the BA Governing Body on the support for the vocational training of individuals (§13a)	Unemployed younger than 25, on the live register for at least 6 months and entitled to AFG-benefit	Non-profit making associations, public or private. Wage costs subsidy of 60% to 100% for the part-time employment	One year or, exceptionally, two years part-time work contracts	The actual working hours amount up to 25 hours/week. The break-down between work and training can take place on a daily or a weekly basis. No formal training certificate but certificate of participation	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
	1. Re-training in enterprises (AFG§47) and 2. Part-time employment combined with part-time training	Preferably unemployed, workers threatened by unemployment and for unskilled workers. In 2. priority to the under 25	1. Private employers organizing in-company re-training or 2. those who employ part-time workers under 25 who follow an outside training programme	Part-time work/re-training contracts. In (2) the BA pays workers a part-time subsistence allowance	In the cases where part-time subsistence allowance is paid, working time must be between 12 and 24 hours/week. In the other cases, no rule is set. A formal training certificate is always obtained with (1) but is only optional for (2)	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
	Einarbeitungszuschuss AFG § 49	Unemployed or workers threatened by unemployment needing an adjustment of their qualifications	Employers who hire an unemployed or a worker threatened by unemployment needing special adjustment of his qualifications. For a maximum of one year, 70% of the wage costs are paid for (in form of an adjustment allowance)	The work contract can be on fixed or indefinite terms	The qualifications' adjustment takes place on the work place. No formal training certificate	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
SPAIN 1	Practical traineeship contracts Art.11 of the workers' statute (Law 8/1980) modified by Law 32 of 2.8.1984. Royal Decree 1992 of 31.10.1984 Art. 6 and 7 of the 1988 FIP plan Order of 22.01.1988	For any person holding a university or vocational training diploma giving her/him the right to practice a trade/profession	Reduction of 75% of employer's social security contributions if the contract is full time. If first contract is changed into an indefinite term contract, the contribution rate is lowered from 24 to 12% for as long as the contract exists. If the initial contract is signed with LTUs (2years on the live register) having second level training diploma or in search of 1st employment, subsidies from INEM of * 120000 ptas if term between 6 and 12 months * 240000 ptas if term of 12 to 24 months and * 280000 ptas if at least 24 months term	Limited term contracts of at least 3 months and of maximum 3 years. Possible extensions of contracts cannot exceed this period of 3 years.	The training is by doing: the paid employment allows the worker to use and to improve his qualifications. The employer issues a certificate about the content of the practical work done.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
	Training contracts Art.11 of workers' statute (Law 8/1980) modified by Law 32 of 2.8.1984 Royal Decree 1992 of 31.10.1984 Art. 2 of the 1988 FIP plan Order of 22.01.1988	For youths older than 16 and younger than 20; for handicapped youths, no age limitation	Reduction of 100 or 90% of employer's contributions (if less or more than 25 workers in the enterprise) if contract is full time. If contract is changed into an indefinite term one, the contribution rate is lowered to 12% for as long as the contract exists. If the training takes place in the enterprise with an authorized training plan INEM bears all training costs; without a plan, subsidy of 90 ptas per worker and daily hour of training. If the training takes place in crafts training workshops INEM pays the worker 75% of the minimum interprofessional wage for at least 6 months and up to 3 yrs	Limited term contracts of at least 3 months and of maximum 3 years. Possible extensions of contracts cannot exceed this period of 3 years	The time devoted to training cannot be less than a quarter or more than half of the working time agreed in the contract. The employer issues a certificate about the acquired training. When training is provided by INEM or in official training centres, a formal official qualification certificate is issued.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
	Escuelas-Taller/Casas de Oficios Art.11 of workers' statute (Law 8/1980) modified by Law 32 of 2.8.1984 Royal Decree 1992 of 31.10.1984 Art.2 and 3 of the 1988 FIP plan Order of 29.3.1988	Unemployed, preferably youths	Public bodies (municipalities and auton. regions) and non-profit organisations are employers/trainers and receive INEM subsidies. During the initiation period (6 months for Escuelas Taller and 3 for Casas de Oficios), trainees receive a scholarship of 550 ptas/day. In the subsequent stage, they are paid as normal wage-earners.	The initiation period is followed by a specialisation/further training phase of max.30 months in Escuelas Taller & 9 in Casas Oficios. Trainees are then working either under a practical traineeship contract or a training contract	Apart from the first 3 to 6 months where training is full time, the division between work and training time is not fixed. The Escuela-Taller and the Casa de Oficios issue a certificate about the training acquired.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
FRANCE 1	1. Qualification contract 2. Adaptation to employment contract. Government programme for training young people	For youths aged 18-25, with a special dispensation also for those 16 to 18	Private employers who are members of UNEDIC receive 100% exemption from social security contributions	1. 6 months to 2 years contracts 2. Contracts of 1 year minimum	1.No formal rule of break-down between work and training, but participants obtain a recognized qualification/diploma 2.Training must be for at least 200 hours over 12 mths	
	Alternance re-integration contracts - C R A - Law n° 87-518 of 10 July 1987	Long term unemployed aged 26 and more	Total exemption from social security contributions for a year. The State gives the employers a lump sum for training.	Contracts have to concern both work and training.	600 hours of training	
IRELAND	Youth Traineeship Initiative	Young people in first employment whose jobs do not provide any real opportunity of structured training		Contracts have the form of training agreements		
ITALY 1	Employment-training contracts Law n° 863 of 19 December 1984	Young people aged 15 to 29	Private and public enterprises having neither dismissed nor reduced their personnel	Limited term contract of maximum 24 months	15% of time must be devoted to training. No formal diploma, but certification by employer of the qualification acquired	Social security entitlements are the same as those of an apprentice. Full entitlement to unemployment benefit in case of unemployment after termination of the scheme
	Special youth employment programme Law 113 of 11 April 1986	Youths aged 18 to 29 registered as job-seeker for at least 12 months	Private and public enterprises, associations and foundations carrying out research or providing technical assistance to companies. Wage costs subsidy of 15% and a monthly allowance of 100 000 lir. for 12 months if first contract is followed by one on indefinite terms	Contract embracing work and training for a maximum of 24 months	No formal break-down has been fixed. No formal diploma	Social security entitlements are the same as those of an apprentice. Full entitlement to unemployment benefit in case of unemployment after termination of the scheme
LUXEMBOURG 1	Traineeship-initiation contract Law of 27 July 1978 - Ministerial ruling of 14 August 1978 - Grand-Ducal ruling of 21 December 1978	Registered job-seekers younger than 25.	Social security contributions on the traineeship allowance are paid by the Employment Funds. This allowance amounts 85% of the minimum social wage for unqualified workers; the Employment Funds reimburses the employer 25% of this allowance.	Traineeship contract for at least 26 weeks and 52 weeks maximum		Same social security entitlements as the other workers. In case of hiring of new personnel, the employer has to give priority to the former trainee whose traineeship ended in the last 3 months and who is again unemployed (if he/she qualifies for the vacancy)
	Temporary auxiliaries division - D A T Law of 27 July 1978	Registered job-seekers younger than 25. If the jobseeker has a University diploma the age limit is 30 years old	Public bodies, communes, public utility groupings or any other non-profit associations. The Employment Funds bears social security contributions on the allowance paid to the young person and reimburses the employer 25% of it. For the less than 25, this allowance equals the minimum social wage for unqualified workers. For those aged 25 to 30, it equals the minimum social wage for qualified workers	Temporary work contracts		Same social security entitlements as other workers with limited term contracts.
	In-company preparatory traineeships Budgetary Law of 19 December 1983	Registered job-seekers younger than 25.	Employers covered by a framework agreement concluded with the Employment Administration.	Temporary work contracts at most for as long as the entitlement to full unemployment benefit		The trainee continues to draw the full unemployment benefit or the equivalent amount if he is not entitled to payment (the employer always pays at least 50% of the allowance)
UNITED KINGDOM	YTP Workscheme Northern Ireland	For employees aged 17. For disabled, the limit goes until 22.	The employer can claim £25/week for each employee whose gross average earnings are not less than £25 and not more than £50/week for a maximum of 52 weeks	Traditional work contract	New certificate of competence	

MISEP

m-work contracts

	CONTRACT CHARACTERISTICS	TRAINING CONDITIONS	SOCIAL GUARANTEES
res . social	Indefinite term contracts embracing work and training. Ratification of a convention that organises the training	Training for at least 1 year and for maximum 3 years on the basis of 256 hours/year when training is supplied by entrepreneur (small industry chambers) and of at least 500 hours/year for other training	
ymen	One year or, exceptionally, two years part-time work contracts	The actual working hours amount up to 25 hours/week. The break-down between work and training can take place on a daily or a weekly basis.No formal training certificate but certificate of participation	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
an outside	Part-time work/re-training contracts. In (2) the BA pays workers a part-time subsistence allowance	In the cases where part-time subsistence allowance is paid, working time must be between 12 and 24 hours/week. In the other cases, no rule is set. A formal training certificate is always obtained with (1) but is only optional for (2)	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
y unemploy- r a maximum of an	The work contract can be on fixed or indefinite terms	The qualifications' adjustment takes place on the work place. No formal training certificate	Same situation as other workers as regards social security entitlements and the entitlement to unemployment benefit in case of unemployment after termination of the scheme
ons if the an indefi- 24 to 12% ct is ond level s from INEM ptas if months term	Limited term contracts of at least 3 months and of maximum 3 years. Possible extensions of contracts cannot exceed this period of 3 years.	The training is by doing: the paid employment allows the worker to use and to improve his qualifications. The employer issues a certificate about the content of the practical work done.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
ess or more me. If con- tution rate the trai- ning plan 90 ptas kes place the minimum yrs	Limited term contracts of at least 3 months and of maximum 3 years. Possible extensions of contracts cannot exceed this period of 3 years	The time devoted to training cannot be less than a quarter or more than half of the working time agreed in the contract. The employer issues a certificate about the acquired training. When training is provided by INEM or in official training centres, a formal official qualification certificate is issued.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
-profit or- dies.During for Casas ay. In the	The initiation period is followed by a specialisation/further training phase of max.30 months in Escuelas Taller & 9 in Casas Oficios. Trainees are then working either under a practical traineeship contract or a training contract	Apart from the first 3 to 6 months where training is full time, the division between work and training time is not fixed.The Escuela-Taller and the Casa de Oficios issue a certificate about the training acquired.	Social security entitlements and entitlement to unemployment benefit after completion of training are the same as for other workers
exemption	1. 6 months to 2 years contracts 2. Contracts of 1 year minimum	1.No formal rule of break-down between work and training, but participants obtain a recognized qualification/diploma 2.Training must be for at least 200 hours over 12 mths	
year.	Contracts have to concern both work and training.	600 hours of training	
	Contracts have the form of training agreements		
or reduced	Limited term contract of maximum 24 months	15% of time must be devoted to training. No formal diploma, but certification by employer of the qualification acquired	Social security entitlements are the same as those of an apprentice.Full entitlement to unemployment benefit in case of unemployment after termination of the scheme
ns carrying es. Wage ir. for ite terms	Contract embracing work and training for a maximum of 24 months	No formal break-down has been fixed. No formal diploma	Social security entitlements are the same as those of an apprentice.Full entitlement to unemployment benefit in case of unemployment after termination of the scheme
re are paid e minimum reimpurses	Traineeship contract for at least 26 weeks and 52 weeks maximum		Same social security entitlements as the other workers. In case of hiring of new personnel, employer has to give priority to the former trainee whose traineeship ended in the last 3 months and who is again unemployed (if he/she qualifies for the vacancy)
other non- curity con- reimburses nce equals e aged 25 rkers	Temporary work contracts		Same social security entitlements as other workers with limited term contracts.
the	Temporary work contracts at most for as long as the entitlement to full unemployment benefit		The trainee continues to draw the full unemployment benefit or the equivalent amount if he is not entitled to payment (the employer always pays at least 50% of the allowance)
ross £50/week	Traditional work contract	New certificate of competence	

three years for the *escuelas-taller* and from six months to one year for the *casas de oficios*.

Other measures

This ministerial decree also sets up additional supporting measures for pupils entering the labour market in the form of orientation, advice, vocational information and in-company training. This aid is provided for pupils in the last phase of their schooling. Information is also provided for those who wish to set up their own business or become company heads or members of cooperatives or limited liability companies.

Once they are integrated on the labour market, students can draw for at least 6 months on technical assistance as regards information on the administrative procedures which have to be followed, making feasibility studies and market research, advice, as well as technical assistance in corporate management.

Finally, mechanisms have been established allowing the social partners to participate in following up and monitoring these programmes through the establishment of the standing committee of the general council for vocational training, the provincial executive committee and the national executive committee of *INEM* - the national employment institute.

LUXEMBOURG

Reforming the Employment Fund* (Law of 12 May 1987)

A law of 12 May 1987 fundamentally reformed the law of 30 June 1976 setting up an unemployment fund and regulating compensation for the fully unemployed.

In addition to a certain number of substantial improvements to the compensation system for the fully unemployed (cfr iM 20), this reform transformed the Unemployment Fund into the Employment Fund, in particular by integrating into it a special unit designed to promote practical in-company training as well as the integration or re-integration of jobseekers.

The financial aid of this special unit consists of giving "orientation grants" to young unemployed persons who take on salaried employment or who sign up for an apprenticeship contract within an industry or trade which is declared to be eligible by the minister of labour, after consultation with the National Employment Commission.

The special unit also deals with the provision by the Employment Fund of financial aids to promote apprenticeships, with the minister of labour designating each year, after consulting with the National Employment Commission, the trades and the industries which are eligible for receiving this aid.

For both these types of financial help by the special unit, the minister of labour will be submitting to the Cabinet a draft Grand Ducal regulation laying down the conditions and the modalities for implementing these aids and premiums for promoting apprenticeships and the orientation grant for young unemployed persons from the year 1987-88.

The Employment Fund can pay part of the expenses for preparing, operating and managing apprentice training centres which are set up, financed and managed by enterprises, by specialised institutions or by professional organisations and chambers. In such cases, the financial help of the Fund is given within the limits and under the conditions laid down in an agreement concluded between the training centre, on the one hand, and the minis-

ters of labour and vocational training, on the other.

The Employment Fund can cover some of the expenses for preparing, running and managing courses, training periods and other measures for preparing for or introducing young persons to working life or courses or traineeships for vocational further training, and vocational adaptation, conversion or development courses or traineeships organised for jobseekers registered with *ADEm*.

Finally, the Fund can shoulder part of the expenses for preparing, running and managing specialised courses designed for workers threatened with losing their jobs as well as, should the case arise, fully or partly compensate wage-earners for pay losses incurred through their participating in such courses.

In accordance with the law, the minister of labour and the minister of national education consulted with the National Employment Commission in July 1987 with respect to laying down the priorities in managing the resources of the special unit of the Employment Fund. They subsequently submitted to the Cabinet, within the framework of deliberations for preparing the draft budget for 1988, proposals determining the resources of the Fund earmarked for the special unit.

As a result, the special unit has been allocated Flux 250,5m for fiscal year 1988 in the bill on the State's income and expenditure for 1988 (Annex 7, Volume I, page 601). To this is added the vocational reconversion expenditure for employees of the steel industry, estimated at Flux 80m for 1988.

The resources of the special unit have been earmarked for the following activities:

1. Vocational orientation and initiation courses: 78.0m
2. Local actions for young people: 9.8m
3. Accelerated courses for the unemployed: 4.0m
4. In-company traineeships: 0.2m
5. Welding courses: 15.3m
6. Courses for workers threatened with unemployment: 4.2m
7. Training activities (retraining courses for employees of new firms; inter-company training; grant to the Emile Metz technical school): 34.0m
8. Retraining of the beneficiaries of the guaranteed minimum income: 5.0m
9. Promoting apprenticeship (aids for hiring apprentices, orientation grants, previous aids of the framework law): 100.0m.

From 1988 the special unit of the Fund integrates the previous aids for apprenticeship promotion. These were provided on the basis of the law of 29 July 1968 aimed at the structural improvement of commercial and craft enterprises, and the modified law of 24 December 1977 authorising the government to take measures aimed at stimulating economic growth and maintaining full employment.

Finally, the government used the reform of the 1976 law to extend DAT, the division of temporary auxiliaries which was established by the law of 27 July 1978, to include young university graduates up to the age of 30.

* Source: Extract of the *Rapport d'Activité* 1987 presented by the Minister of Labour to Parliament in March 1988.

THE NETHERLANDS

BVJ enlarged

The minister of social affairs and employment has earmarked HFL 220m for the *BVJ* scheme for the 1988-89 academic year. The aim of this scheme is to enhance in-company vocational training opportunities for young people.

Compared with 1987, the scheme has been broadened on two main points: The **age limit** for *BVJ* participants has been raised from 23 to 25 years. Furthermore, an **additional grant** of HFL 3,000 is available for 2,000 young persons at most from **ethnic minorities**. This information is provided in a letter sent by the minister to the training funds for apprentices concerning the main features of the *BVJ* for the 1988-89 academic year.

In the past few years, the amount of money made available under the *BVJ* scheme was in particular used to double the number of young people entering apprenticeships compared with 1982. In that year the numbers entering apprenticeships dropped to their lowest ever. In his letter the minister states that this doubling of numbers has been achieved in the past year because of the *BVJ* scheme and the efforts made by the social partners.

As in the previous year, the amount of the grant to the training funds amounts to HFL 3,500 for each new apprentice, which can be increased by HFL 3,000 if the apprentice receives his/her training within a joint training activity. Just as before, an additional grant is given for training girls taking up traditionally male occupations; this grant amounts to HFL 2,000. In addition to these amounts there is now a further grant for some young people from minority groups. This grant is paid from the additional funds which the government have made available for training this year. The grant for these young people is limited at present to the following sectors: building, engineering, health care, economic and administrative occupations and the retail trade. The additional amount of HFL 3,000 for each new apprentice will be used in the main for projects which are aimed at remedying the fact that young people from minorities are underrepresented in the apprenticeship system.

Because of demographic developments and the lengthening of basic education, the traditional group from which apprentices are drawn (*LBO* and *MAVO* school leavers) will become significantly smaller in the near future. The minister thinks that the time is ripe for a policy change towards other categories of school leavers and to look for possibilities of improving the effectiveness of apprenticeships. Having the latter in mind, a study has been launched to look into the reasons for drop-outs from apprenticeships.

NETHERLANDS

Regulation on enrolment for *GAB* computer training (*IIG*)

In 1987 the minister of social affairs and employment provided additional funds for retraining unemployed

people in higher computer operations. In this context, HFL 6m was earmarked for the activities of regional employment offices (*GABs*). A central enrolment procedure was used for appropriating these funds.

In 1987, with the help of the enrolment regulation some 500 jobseekers were trained for six months in 32 projects as computer specialists.

Since the commitment was for two years, the "Regulation on enrolment for *GAB* computer training" (which the *GABs* refer to as *IIG*) will continue through 1988. HFL 12,5m has been centrally earmarked for this purpose.

The employment offices can now again propose activities aimed at retraining unemployed people as computer specialists.

The amount of the grant for the approved projects will be added to the *TB*-budget of the regional employment office in question. Once the training project is completed, a brief evaluation report has to be sent to the central service providing information on the background of the target group, how the persons were trained and for what professions, whether the course participants found a job, and, if so, what kind of a job.

PORTUGAL

Observatory of entries to working life

OEVA was set up in 1985 jointly by the studies and planning services of the ministries of education and employment and vocational training, in cooperation with *IEFP* - the employment and vocational training institute. *OEVA* is intended to meet the need for systematic and continuously updated knowledge on entry to working life as well as on the links between training received and qualifications required.

By means of surveys, *OEVA* has so far studied the integration into working life of young persons leaving the following schooling:

- * after the final, twelfth year of secondary education
- * after the ninth year (final year of basic education)
- * after vocational courses (10 years of school followed by 6 months traineeship)
- * agricultural high schools (polytechnic higher education)

The data published so far concern the first group. It transpires that

- * 42.5% of the young people questioned responded to the questionnaire. Concerning their integration into working life, 40.6% of them have had a job and 20.9% are unemployed;
- * of the unemployed, more than half (57.2%) have been looking for a job for more than one year;
- * among those with a job, the school qualifications which they had received were required in only 7.9% of the cases.

Surveys are being conducted on technico-vocational courses (10th, 11th and 12th years of schooling) and the former trainees of vocational courses administered by the Ministry of Employment and Social Security.

Job creation

BELGIUM

Support to firms in the Walloon region

The Walloon regional executive order of 24.09.87 (M.B. of 7.11.87) modified the provisions on financial help granted by *ONEm* (the national employment office) in cases of setting up, extending or restructuring companies. The support consists of *ONEm* shouldering part of the expenses for staff selection and training.

The firms

Only industrial firms which have a place of business in the Walloon Region are eligible for help. However, some firms are excluded:

- * those in the tertiary sector dealing with wholesale and retail distribution of goods and services;
- * those which are involved in the production and distribution of energy.

Furthermore, firms claiming support must meet different conditions as regards employment depending on whether the case in question concerns:

- a) setting up a firm: the new firm must lead to the creation of at least five new jobs;
- b) extending a firm: the investments made must maintain existing employment. These investments must either lead to establishing a new division within an existing firm for producing different products or to a capacity increase by applying new techniques;
- c) investing within a firm or one of its subsidiaries. The investments made must be aimed at restructuring by the production of
 - * different products by new techniques;
 - * similar products by different techniques;
 - * new products aimed at new markets.

In these restructuring investments, at least 80% of the jobs existing in the Walloon Region must be maintained either within the firm itself or within one of its subsidiaries in which these investments are made.

The workers concerned

The target group of workers must be:

- * nationals of a Member State of the European Community or persons really living in the Walloon Region;
- * at least 18 years old; and
- * employed by the firm on an open-ended employment contract.

The supports

First of all, *ONEm* covers some of the selection costs. Selection is made jointly with the public placement services. These services can require applicants to take a medical or psychological test. Applicants taking such a test can have their travel expenses reimbursed.

As to training per se (which must be mainly technical) *ONEm* can cover up to 50% of the pay and social charges of the workers to be trained for each trade according to the occupational skills to be acquired, and up to 50% of the pay and social charges as well as expenses for travel and board when the technical training takes place abroad. The training must last:

- * at least 4 weeks when it takes place within the firm and 5 consecutive days when training takes place abroad;

- * at most 26 weeks (irrespective of whether training is within or outside the firm).

The firm can also draw on financial support for instructors entrusted with training these workers:

- * 50% of the pay and social charges of the firm's instructors for a period depending on the number of persons to be trained and the scale of the training to be done;
- * 50% of the costs of foreign instructors, including their travel and board expenses, for a period depending on the numbers to be trained and the scale of the training. There is a ceiling for the extent of the costs of these foreign trainers which can be met: BF 28,850 per week.

The overall support ceiling is BF 5 million, except:

- * when a firm is being established - provided that starting industrial activity is carried out neither by the transfer of production workers from another firm sharing in the capital of the new firm nor by drawing on workers performing the same job on the same industrial site;
- * when a corporate extension or restructuring leads to a net increase in employment of at least 25% of the number of workers trained in the company.

The financial support is at its maximum when 5 workers at least are concerned. Otherwise, it is calculated pro rata of the number of persons trained.

The procedure

The employer who is interested in this type of support must start by submitting a basic request. A full file is drawn up by the firm at the very latest at the time the activity in question starts up. Then the management committee of *ONEm* takes a decision, which must be approved by the regional minister entrusted with employment issues. Finally, an agreement is concluded between *ONEm* and the firm. This agreement lays down the conditions and the duration of support - the maximum duration being two years.

ITALY

Contractual jobs for computerising the employment services

Under decree-law no. 86 (Article 9), the Ministry of Labour and Social Security is authorised to hire 2000 persons to work on the computerisation of the employment services, in particular the placement procedure. The aim is to meet urgent functional needs of the labour and employment offices (*ULMO*) and their district employment sections in connection with their being computerised.

The workers hired will work in jobs of functional grades 4 and 6. They have to meet three requirements:

- * be registered under category 1 of the placements list
- * be aged between 18 and 25 years, and
- * hold the requisite school-leaving certificate for the job (lower or higher level secondary school).

The successful applicants will be given a fixed term employment contract of no longer than 12 months.

Article 9 also provides (subparagraph 40) for the establishment of a Fund for giving incentives which will help in particular to carry out an active employment policy according to the provisions of law no. 56/87 (cfr. iM 18).

For the implementation of the provisions of Article 9 of

the law, a total of LIT 80 billion has been earmarked for 1988.

ITALY

Community work projects

Article 23 of the 1988 Finance law (law no. 67 of 11 March 1988) sets out the financing of local initiatives for the years 1988, 1989 and 1990 by the Ministry of Labour and Social Security; these local initiatives are all activities in the public interest. Such community work projects have to be carried out in the *Mezzogiorno* and provide for the part-time employment of young people aged between 18 and 29 years who are registered on the placement lists. The initiatives have to be proposed by public administrations, companies, associations, foundations, societies or professional bodies and carried out by companies or cooperatives. The projects containing the proposals will be presented to the regional employment agency which, having checked that they conform with the model prepared by the Ministry of Labour and Social Security, will submit them for approval to the regional employment commission, which is the competent body.

The young people who will carry out the projects will be chosen on the basis of the classification of the placement lists. They will work part-time for a maximum of 80 hours per month. They will receive an allowance of LIT. 6,000 for each working hour actually worked - a sum which replaces the unemployment benefit which may be due. Each young person can be employed for a maximum period of 12 months. He/she can retain his/her place on the placement lists.

The total sum earmarked for the implementation of such projects amounts to LIT. 1,500 billion for the 1988-90 triennium. It will be divided up annually between the regions interested in the allocation, taking into account the rate of youth unemployment and the state of implementation of the projects.

The initiative was the subject of a previous bill (cfr. IM 21).

ITALY

Grants-in-aid for manufacturing companies which recruit in the *Mezzogiorno*

Article 15 of the 1988 Finance Law (law no. 67, subparagraph 52, of 11 March 1988) provides for grants for specified firms over the quinquennium 1988-92.

From 1 January 1988, all manufacturing companies, craft firms and cooperatives with fewer than 100 workers can receive grants for hiring additional workers. To be eligible, they have, by 31 December 1990 at the latest, to proceed to additional recruitments on open-ended employment contracts. For every worker they hire they are entitled to a grant-in-aid of LIT. 3.600.000 for each of the years of 1988, 1989 and 1990, of LIT. 2.880.000 for 1991 and of LIT. 2.160.000 for 1992.

These sums are increased by LIT. 600.000, LIT. 480.000 and LIT. 360.000 respectively in case of hiring men and women who have been unemployed for over 12 months and are between 25 and 40 years of age. The grant-in-aid is in proportion with the actual duration of the employment relationship. It is accorded on the basis of modalities laid down by the Ministry of Labour

and Social Security, in agreement with the ministry responsible for special intervention in the *Mezzogiorno* and the Ministry of the Treasury. Recruitments have to be made in those *Mezzogiorno* areas determined by the *CIPE* taking into account the levels of unemployment of the areas in question.

Each company is required to pay back the grant-in-aid received for any worker dismissed within six months of his/her recruitment.

The amount foreseen for meeting the expenditure resulting from applying this regulation is LIT. 350 billion per year.

UNITED KINGDOM

The Prince's Youth Business Trust

The Prince's Youth Business Trust provides finance, professional advice, training and education to assist young people aged 18-25, most of whom are unemployed, in setting up or developing their own small businesses either as sole traders or in partnership with others. It carries out this work through its own national network and in co-operation with other job creation organisations and enterprise agencies.

The Trust is particularly concerned with helping people who are disadvantaged whether for social, economic, environmental or physical reasons. They must have viable, imaginative business propositions and enthusiasm and determination to succeed. All the young people selected have the personal abilities to put their idea into practice with a reasonable likelihood of success - in many cases after business advice and training arranged with the help of the Trust.

They come from widely varying backgrounds - some have never been employed, others have academic qualifications to degree level and there are many more who have lost their former jobs through redundancy. It is all of these people whom the Trust wishes to encourage in creating their own jobs and who, without the Trust's help, would not be able to develop their entrepreneurial talents.

Help is available for both those who have recently started trading and need finance for expansion purposes, as well as for those starting a brand new business. The Trust has advised over 10,000 applicants and provided financial help and tutorial support to more than 3,000 of the most deserving of them.

How does it work?

Young people usually hear of the Trust through Jobcentres, enterprise agencies, youth organisations, other charitable bodies, and by word of mouth.

Their applications have to be supported by a business plan. All applicants will receive help, from one of the Trust's own regional co-ordinators or an adviser recognised by the Trust, for instance from a Youth Enterprise Centre. In order to qualify for financial assistance, the plan must be considered to have a reasonable chance of success.

What support does it provide?

Grants, in the form of bursaries of up to £1,000 per person or £3,000 per business, can be made to applicants who are unemployed and disadvantaged in order to meet the setting up costs of their business. The money is provided when it is needed, often in instalments and can be put towards the purchase of fixed assets and items other than stock and materials.

Low interest loans of up to £5,000, paid in a lump sum and for which repayment terms are applied at advantageous rates to the business supported. Loans are not restricted in the same way as grants and may be provided for expansion purposes as well as start-up costs.

Advice and support for all successful applicants is normally provided on an on-going basis by business advisers who maintain regular contact with the businesses, monitor progress and offer advice in problem solving. Regular reports on the progress of each business are prepared by the business advisers for the regional co-ordinator and Board. Additionally, and increasingly, recipients may also receive training in business management and basic accounting.

Work experience and business training through the Trust's training programmes. Many applicants initially fail to obtain financial assistance, either because they have no work experience or because their skills are insufficiently developed. With the support of the Manpower Services Commission, the Trust is developing projects to assess these applicants, identify their requirements and help them to obtain the necessary work experience or training. Three training centres are now established in London, West Midlands and West Yorkshire and some 300 people are benefiting from this form of help each year.

Experience so far shows that two out of three people receiving this training are able to successfully re-apply for financial assistance from the Trust to start their own businesses. The remainder, who may have decided that self-employment is not the route they wish to follow, are, nevertheless, better equipped to seek work on the open market.

What makes it different?

The results are encouraging. Over 80% of the business enterprises already set up continue to trade. Many are providing job opportunities for others. A further 10% of the people whom the Trust has helped, but whose businesses have not been successfully developed, have nevertheless benefited from the experience and have, often for the first time, been able to find jobs in the open market.

The Trust runs its own fully co-ordinated national network and by linking in with Youth Enterprise Centres and local enterprise agencies, provides very comprehensive support.

All applicants are given help in completing a business plan, as well as on-going individual advice through their business advisers.

It offers grants and low interest loans to enable young entrepreneurs to start or expand their businesses and, therefore, to increase their job creation potential. Increasingly, the provision of a loan to enable the business to expand, will follow the initial grant - "adding value" to the original support for the business.

The secondment from commerce and industry of professional men and women as regional co-ordinators and other staff reduces operating costs and ensures that a high proportion of the money received by the Trust is distributed in the form of direct support for young people.

The cost of the Trust per job created is declining year by year, as successful businesses recruit others, frequently from within their own community.

Continuous evaluation of the scheme's performance is undertaken to ensure the track record warrants growing support.

The Trust is constantly reviewing the help it can offer young business people by asking them what they need and responding to their requirements.

Who provides support?

Initial funding for the Trust was provided by the Royal Jubilee Trusts and the Prince's Trust, with Investors In Industry subsequently making available an interest-free loan of £1/2m.

Today industry and commerce contribute the largest proportion of income, with many donors using the Business Bursary Scheme, which provides awards to young people on a specifically regional basis. A number of charitable trusts help with finance, as do some local authorities. In addition, the Government has agreed to match pound for pound all the private sector money which the trust raises between 27.11.86 and 31.12.89, provided that this sum was only used for making loans. It is estimated that the Government's eventual contribution may total around £15m. Donors benefit in many ways from their connections with the Prince of Wales's imaginative scheme; among other things, the secondment of staff by companies is increasingly regarded as a valuable form of management development.

Donations in kind are provided by many companies and local authorities, particularly in the form of accommodation, support services and equipment. By achieving sponsorship of fund-raising events and exhibitions and of the production of stationery, literature and similar items the Trust is able to reduce operating costs to the minimum.

Special categories of workers

DENMARK

Improving schemes to prevent long-term unemployment

Early and preventive action is a keyword in the initiatives to combat long-term unemployment. This is why steps have been taken to improve the information and guidance offered to persons who register as unemployed with the public employment service.

The practice of offering newly registered unemployed persons an information meeting after about four weeks'

unemployment is being continued, but initiatives have been taken to improve and further develop the pedagogical methods used and the form of such meetings.

After three months' unemployment the unemployed person is offered an individual interview where a record is made of his/her qualifications and skills and information is given about employment and training opportunities. This interview is also used to inform the unemployed person about other relevant offers of information and guidance which he/she is encouraged to use. Special emphasis is put on information about opportunities for

undergoing education/training while receiving unemployment benefits. The unemployed persons are also invited to participate in weekly meetings. The experience obtained so far has been positive.

A new element has recently been introduced whereby, during the personal interview, unemployed persons who are considered to have difficulties in maintaining their future attachment to the labour market may now be offered participation in special planning courses of two weeks' duration. These courses are designed around local/regional employment and training opportunities; their aim is to inform the unemployed about their individual rights and possibilities for participation in training courses, etc. A plan is prepared for job search activities, training, etc. for each individual participant. With a view to intensifying and strengthening local cooperation, representatives of the local cooperation partners (unemployment insurance funds, the public employment service, education and training institutions, etc.) are invited to act as visiting teachers on these courses.

GERMANY

Renovating the programme for the socially disadvantaged

Until 31 December 1987 the existing programme for the socially disadvantaged was carried out under the guidelines of the Ministry of Education and Science. From 1 January 1988 it has been incorporated into *AFG*, the Labour Promotion Act. By Order of the Governing Body of the Federal Employment Services (*BA*), the nature and range of this scheme have been restructured.

The programme provides vocational training for those who have been unable to complete a basic education (*Hauptschule*), those who have completed special schooling, the socially disadvantaged who cannot meet the demands of training without additional help and for young foreigners.

The employment offices provide:

* **Aids accompanying training** to support in-plant training. They comprise remedial tuition to reduce language or educational deficiencies and to foster the learning of technical skills in practice and in theory. They also include educational support needed for ensuring successful outcomes to training. Companies, vocational schools, promoters and vocational guidance services cooperate closely in providing this supplementary supply of vocational training within the dual system.

* **Vocational training in external centres** is provided in cases where a training place in a company cannot be found even with aids accompanying training. After the first year of this training in recognised training centres, efforts are made to continue the training within a plant.

DM 430 million are available for these measures in 1988. This is a 10% increase over 1987. This will provide for some 17,000 aids accompanying training and almost 20,000 training places in external centres.

ITALY

Special youth employment scheme

Article 1 of the decree-law no. 86 of 21 March 1988 extends until 31 December 1988 the final date for implementing the special youth employment scheme provided

for under law no. 113 of 11 April 1986 (cfr. iM 15).

The decree-law stipulates that, in derogation of the provisions of law 113/86, projects can foresee the recruitment of young people who have been registered on the placement lists for less than 12 months, provided they are persons who have obtained a degree, a diploma or a certificate of qualification by means of vocational training courses at least 12 months previously. Furthermore, the projects must provide for theoretical training lasting at least 200 hours.

This subject was inserted as a priority matter in a broader bill, Senate no. 585, presented to parliament (cfr. iM 21).

NETHERLANDS

Counselling interviews for the long-term unemployed

Counselling interviews are organised in the first place for those unemployed persons who have been unemployed for three years or more. They enable an action plan to be worked out together with the jobseeker to help him/her to return to the labour market. This activity is carried out jointly by the employment offices and the local social services. The intention is to create a framework, in which the local social services and the employment offices can reach further agreements about shaping these interviews. Local initiatives are already being developed to this end.

Depending on experiences, the target group can be enlarged. At present, 170,000 jobseekers who have been unemployed for at least three years are registered with the employment offices. The Minister of Social Affairs and Employment believes that it will be possible for there to be counselling interviews with all these persons within three years. This means counselling approximately 45,000 persons per year. 250 collaborators will be temporarily deployed to strengthen the job placement service. This means that each collaborator can interview at least 180 unemployed persons per year, following which possible placement plans can be drawn up.

The Minister states in his circular that the most practicable form of collaboration between the social services and the employment offices can be determined locally. He lays down several premises on which collaboration must be based. Thus to avoid fragmentation new corporate bodies (foundations and the like) will not be allowed. Clear agreements have to be made on collaboration and these have to be specified in a collaboration agreement. Without such an agreement, no finance will be made available.

Furthermore, the circular specifies that the 250 collaborators will work for the employment offices and from there will be deployed according to the collaboration relations. The employment offices are also accountable for the financial resources.

There are four possibilities for filling the 250 additional positions for the counselling interviews:

* by using the permanent staff of the employment offices for these functions;

* by using the temporary staff of the employment offices. They are employed on other projects such as *MLW*, the measure for the long-term unemployed or *JOB*, the temporary work experience scheme for young LTUs;

* by borrowing personnel from the municipalities or from institutions subsidised by the municipalities;

* by recruiting new collaborators.

It is left entirely to the director of the employment office to decide on using (temporary or permanent) personnel of, for instance, the employment office for counselling interviews. When recruiting collaborators, a significant number has to be recruited from among women and/or ethnic minorities (in particular people from the Moluccas).

In addition to HFL 15m for the 250 jobs, HFL 26,5m are being made available in 1988 for the counselling interviews. Of this amount, HFL 20,75m is intended in particular for the requisite material facilities, for resolving housing problems, and additional activities for improving the opportunities for the long-term unemployed and HFL 4.0m for information/guidance activities and also special projects.

NETHERLANDS

Evaluating the *Vermeend-Moor* law

The *Vermeend-Moor* law is designed to foster the employment of the very long-term unemployed by means of the *MLW* scheme for the long-term unemployed (cfr iM 16, 19).

The scheme enables employers who conclude an employment contract with persons who have been unemployed for longer than three years to be exempted, under certain conditions, from paying a part of the employer's social security contributions for a maximum period of 4 years. The annual labour costs of the employee concerned are then in many cases 20% lower than the normal. In addition to the exemption from social security contributions, the employer can claim a one-off payment of HFL 4.000 for each person taken on under the *MLW* scheme to cover costs of training and accompanying support.

The *NEI* research institute has now made an evaluation of the functioning of the *Vermeend-Moor* law. This shows that the law has had a positive effect on employment. There are indications that in approximately one third of all placements, employment has increased under the influence of the law.

The researchers conclude that, after a difficult start, a significant number of LTUs has been reached. The target figure for 1987 was 12,000. Some 75% of this target figure for placements seems to have been attained during the period of the research.

Among LTUs who have found work with the help of the scheme, women, older workers and the unskilled are under-represented. Although firms can conclude fixed term employment contracts under the scheme, the researchers found that in a strikingly large number of cases (some 50%) contracts were concluded for an indefinite period of time.

The drawback of the employment strengthening effect of the scheme is, according to the researchers, that the use of additional workers in the firms concerned has led to an increase in turnover. The effect of the law on increasing sales is still limited, but the researchers believe that a significant increase in the number of firms participating in the scheme could lead to competition being distorted. In this case employment in firms not participating in the scheme could be negatively influenced.

In two thirds of the jobs *NEI* found indications of "displacement": that LTUs were taking jobs which would otherwise have been taken by someone else. The number of cases of displacement just stays within the margin (40-70%) that the legislators had expected.

In some 40% of the cases, the participating firms considered that the LTUs who had been taken on (or some of them) would also have found work if the scheme had not been there. But the researchers consider that it is impossible to determine from the available data just how high the percentage in employment is. Rather they consider that the law has had a favourable influence on the employment opportunities of LTUs since the scheme has a positive effect on employment which, per definition, is to the advantage of the target group. Furthermore, the researchers believe that without the grant employers would not have been so easily inclined to hire LTUs.

UNITED KINGDOM

The Sheltered Placement Scheme

The Department of Employment's Employment Service has recently published a report on an evaluation of the Sheltered Placement Scheme (SPS). The Scheme was introduced in its present form in April 1985 to provide opportunities for people with severe disabilities to work alongside able-bodied workers in a wide range of occupations. The evaluation reviewed the quality, range and cost-effectiveness of provision under the Scheme, and where deficiencies were identified, made recommendations for improvement.

How SPS works

The Scheme involves a "sponsor" (Remploy, a local authority or a voluntary body), a "host" organisation and the Employment Service. The "sponsor" is the legal employer of the disabled person although the host organisation provides the work. There is a contract between the sponsor and host under which the disabled person's services are made available to the host in return for an agreed payment based on the person's productive output, as compared with the output likely to be achieved by an able-bodied person. For example, if the disabled worker's output is 60% of that of an able-bodied employee of the host organisation doing the same job, the host pays the sponsor 60% of the employment costs with the sponsor meeting the remaining 40%. The sponsor can recover its share of the employment costs, together with administration costs, from the Employment Service.

The Scheme aims to provide employment opportunities for those with severe disabilities under as near normal conditions as possible. The jobs are expected to be ones that would otherwise be filled by able-bodied workers. Staff of DE's Disabled Advisory Service (DAS) play a prominent role in promoting the Scheme with potential host employers, identifying suitable opportunities and, in close co-operation with Disablement Resettlement Officers, putting forward disabled people for consideration by sponsors and host organisations.

The Scheme requires that the wage paid to the disabled worker should be the same as that paid to the host's employees doing the same or similar work. Employment Service staff are also instructed not to approve placements with employers who are paying less than the "going rate" in the local labour market for that type of work. In all other respects, too, SPS aims, as far as possible, to establish the same conditions of employment for the disabled worker as those applying to the host's own employees.

The evaluation

65% of those supported under the Scheme are aged 30 or

less. This is thought to reflect the Scheme's rapid growth in recent years, possible increases in demand for employment by young disabled people, and the attractions of working alongside able-bodied counterparts in a wider range of jobs than those which tend to be available in traditional sheltered establishments. The Scheme is catering for disabled people within all of the ten broad disability categories used by Employment Service staff. It may be more difficult to place people with some disabilities than others, but there are no disabilities which need to be ruled out automatically as unsuitable for support under the Scheme.

The Scheme is supporting people with severe disabilities in a wide range of occupations. A high proportion are low-skill jobs; this is attributed largely to the composition of the client group, a very high proportion of whom have a mental handicap. The clustering of jobs towards the lower end of the occupational spectrum, together with the relative youth of the clientele, also has a depressing effect on average rates of pay under the Scheme. However, instructions that those on placements should be paid at rates in line with those paid to direct employees of the host employer, and which are not lower than the "going rate" locally were being complied with in the vast majority of places.

Disabled people placed under the Scheme were found to be well integrated with their able-bodied counterparts working for the employer direct. However, the report identifies the need for more emphasis to be placed on ensuring that the Scheme's potential to provide a route into open (ie. unsubsidised) employment is firmly registered

with host employers and disabled workers in appropriate cases.

The average cost of sheltered placements is substantially lower than that of sheltered workshops, whether net or gross costs are used. However, the report does include recommendations for changes in the way in which the Scheme is financed by Central Government so as to take more account of wage inflation and to encourage sponsors to maximise contributions from host employers.

In general, arrangements for setting up placements and providing after-care for disabled workers were found to be working well. The report concludes that there are arguments for and against retention of the present arrangement under which the sponsor rather than the "host" is the legal employer of the disabled person and the Employment Service is now consulting widely on this important issue. The report also identifies a need for more attention to be paid to the assessment of the disabled person's output and to the arrangements for monitoring placements once they have been established. The Scheme was found to have achieved a good level of geographical coverage, even in areas of relatively high unemployment. There was no evidence of any substantial difficulty in finding employers willing to take on sheltered placements.

The report concludes that the Sheltered Placement Scheme is widely regarded as a simple but effective means of getting people with severe disabilities into open employment, and one which has potential for considerable further expansion.

Working time

GERMANY

Hours of work bill

Parliament has discussed a government Bill on hours of work which provides for the following main regulations:

The protection of workers as regards hours of work is aimed in principle at all workers/employees and all areas of employment. It is geared to the protection of health. The same basic hours of work norms apply to men and women. The Bill focuses on three points:

* The hours of work legislation dating from 1938 is to be replaced by an unbureaucratic framework regulation giving the social partners greater authority and more responsibility than previously. This should ensure proper and effective protection of working hours in line with actual working situations.

* The provisions of the *Gewerbeordnung* (Industrial Regulations) on the ban on Sunday and public holiday working would be incorporated into hours of work protection legislation.

* The restrictions on the employment of women would focus on the protection against gender-specific risks or risks to unborn babies. Regulations going beyond this should be repealed on grounds of the equality of treatment of men and women and in order to enhance women's employment opportunities.

The new law is intended to protect employee health as has previously been the case through limiting the maximum daily hours of work, providing for minimum breaks

and banning Sunday and public holiday working:

- * the basic 8-hour working day;
- * the possibility of increasing daily hours up to 10 provided that, over a period of four months, average daily hours do not exceed eight;
- * minimum breaks, varying according to the length of the working day - for instance, 30 minutes per day for a regular 6-9 hours working day;
- * minimum rest period of 11 hours between the end of one working day and the start of the next.

The social partners and, under certain conditions, employers and employees from a specific plant can deviate from these basic standards according to their requirements within certain limits to be laid down by law.

The regulations concerning special protection of women also go back to 1938. The Government intends to maintain this special protection for working women insofar as it is required to give protection against gender-specific risks or possibly risks to unborn babies.

All bans and restrictions in the old hours of work legislation which are not related to differences between the sexes are to be repealed. These include special limitations on maximum hours of work for women, the earlier ending of work for women on days preceding Sundays and public holidays, the laws on the day for house-work, and the regulation on employing women on vehicles, except for the provisions about lifting and carrying loads.

The new law on working hours will bring about a reduction in bureaucratisation: 22 regulations and 7 laws would be repealed if the Bill were passed.

Miscellaneous

SPAIN

Law on labour offences and punishments

Law 8/1988 of 7 April 1988 deals with social order offences and punishments. It spells out the powers of the public authorities to sanction employers and beneficiaries who do not respect labour law: conditions of work and industrial relations. Aspects covered are social security, health and safety at work, employment (placement, employment promotion, vocational training and unemployment benefits), migratory movements and the work of foreigners. Thus, the law brings into a single text all the previous laws on offences and sanctions for which there had previously been various provisions.

Offences are spelt out in detail, bringing together those mentioned above.

Punishments are standardised. A distinction is made between minor, serious and very serious offences. These are classified according to the cause (negligence or intention) of the perpetrator of the offence, fraudulence or connivance, failure to respect previous warnings and

requirements of inspectors, the turnover of the enterprise, the number of workers concerned, the harm caused, the scale of the fraud as well as the circumstances likely to attenuate or aggravate the offence committed.

Labour and social security inspectors can propose a fine not exceeding Ptas 15m for offences committed by employers. These fines are imposed by the competent bodies of the ministry of labour and social security or by the Cabinet, depending on the scale of the punishment, without prejudice to the powers of the competent labour authorities of the autonomous communities or the health authorities to punish offences as well.

Punishments for workers as well as those requesting or receiving allowances, grants or pensions are proposed by the inspectors. They are imposed by the managing body dealing with minor and serious offences and by the provincial labour and social security directorate in cases of very serious offences.

Offences become invalid three years from the moment they are committed, except for social security issues and unemployment protection where the time limit of validity is five years.

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Rough currency conversion rates

One European Currency Unit (ECU) was roughly equivalent to the following amounts of national currencies in June 1988:

• Belgium	43 BFR
• Denmark	7.9 DKR
• Germany	2.07 DM
• Greece	165 DRA
• Spain	137 PTA
• France	7.0 FF
• Ireland	0.78 IR£
• Italy	1,542 LIT
• Luxembourg	43 LFR
• Netherlands	2.32 HFL
• Portugal	169 ESC
• United Kingdom	0.69 UK£