

EQUAL-trans-national co-operation 'ENDEAVOUR': group 2: policy and employment; activity 4: best practice in the labour market

Examples of Best Practice in the Labour Market in the participating countries of 'ENDEAVOUR' (Austria, France, Germany, Ireland, Netherlands, United Kingdom)

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1	Preface	4
2	Introduction	4
3	Austria	12
3.1	<i>Background</i>	12
3.2	<i>Initiatives</i>	13
3.3	<i>Activities</i>	13
3.4	<i>Outcome, lessons learned</i>	14
4	France	14
4.1	<i>Assisted jobs of non-commercial nature</i>	14
4.1.1	CES — Job creation contract	14
4.1.2	CEC — Consolidated employment contract	15
4.1.3	EMPLOIS JEUNE — Youth employment	15
4.2	<i>Assisted jobs of commercial nature</i>	15
4.2.1	CIE — Employment initiative contract	15
4.2.2	Job creation programmes	16
4.2.3	Training contracts	16
4.3	<i>Periods of work experience and training courses</i>	16
4.3.1	SIFE — Vocational integration and training courses	17
4.3.2	The 'TRACE'-programme: Access routes to employment for young people in danger of exclusion	17
5	Germany	17
5.1	<i>Background</i>	17
5.2	<i>Activities</i>	18
5.2.1	'Ich-AG'	18
5.2.2	'JobBörsen'	18
6	Ireland	20
6.1	<i>Assistance for Employers</i>	21
6.1.1	Workplace	21
6.1.2	Workplace Equipment Adaptation Grant (WEAG)	21
6.1.3	Employment Support Scheme	21
6.1.4	Employment PRSI Exemption Scheme	22
6.1.5	Employer Retention Grant Scheme	22
6.1.6	Supported Employment Programme	22
6.1.7	Revenue Job Assist	23
6.1.8	Disability awareness Training for Employers	23

6.1.9	Personal Reader Grant	23
6.1.10	Job interview Interpreter Grant	23
6.2	<i>Assistance for Individuals</i>	23
6.2.1	Back to Work Allowance (BTA)	24
6.2.2	Back to Work Enterprise Allowance	24
6.2.3	Family Income Supplement (FIS)	25
6.2.4	Lone Parent Payment	25
6.2.5	Revenue Job Assist	25
6.2.6	Part-time Job Incentive Scheme	26
6.2.7	Disability Benefit/Invalidity Pension	26
6.2.8	Disability Allowance	27
6.2.9	Blind Pension	27
6.2.10	Job Interview Interpreter Grant	27
6.2.11	Personal Reader Grant	27
7	The Netherlands	27
7.1	<i>Background</i>	27
7.2	<i>Activities</i>	28
7.2.1	The polder model	28
8	Northern Ireland: The New Deal Programme	29
8.1	<i>The New Deal Programme for unemployed young people aged 18-24</i>	30
8.1.1	Gateway	30
8.1.2	Option	31
8.1.3	Follow through	31
8.2	<i>The New Deal Programme for long-term unemployed persons aged 25+</i>	31
8.2.1	Gateway	32
8.2.2	Option	32
8.2.3	Follow through	33
8.3	<i>Key learning</i>	33
9	Recommendations - Lessons learned from national ALMP-examples	34
10	Literature	35

1 Preface

This paper is a follow-up version of working papers which were presented at two EQUAL trans-national meetings of 'endeavour' in Belfast (*Biffi — Bock-Schappelwein, 2002*) and Rotterdam (*Biffi, 2003A*). We describe case-studies from all 'endeavour'-member countries in the field of activation, as well as the lessons that we learned from them.

2 Introduction

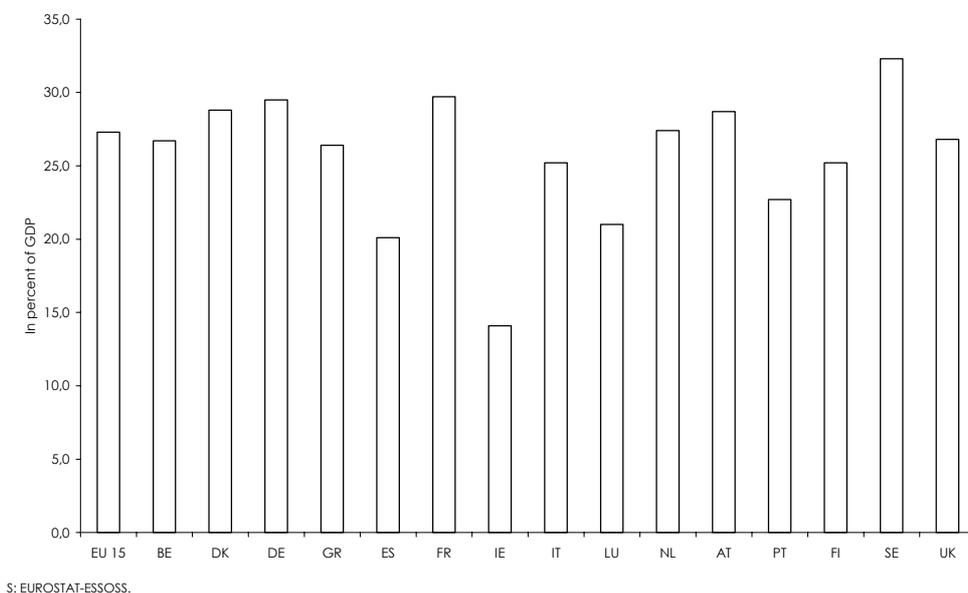
In the course of time, EU-member states chose different routes and developed different institutional set-ups to ensure social protection against the vagaries of life. Although unemployment is an EU-wide problem, all possible solutions have to be found in a local environment. National unemployment programmes have their roots in their own specific political, cultural and economical context. As a result, the EU distinguishes between four different European welfare systems, namely the Northern European, Anglo-Saxon, Continental European and Southern European models. In spite of these differences it is the objective of the EU to modernise all protection systems in order to promote flexibility and structural change of the economy and the labour market in the wake of globalisation, technical change, and changing family patterns by providing a safety net adapted to the changing environment. The search for best/good-practice instruments and policies of social and labour market integration, in particular of active labour market policies (ALMP), has to be seen against this backdrop of different European welfare systems.

In the following sections examples of best/good-practice activation in partner-countries of the trans-national partnership 'endeavour' (Austria, France, Germany, Ireland, Netherlands, and United Kingdom) are collected and described. The driving question is to understand which among the active-policy programmes work, and under what circumstances.

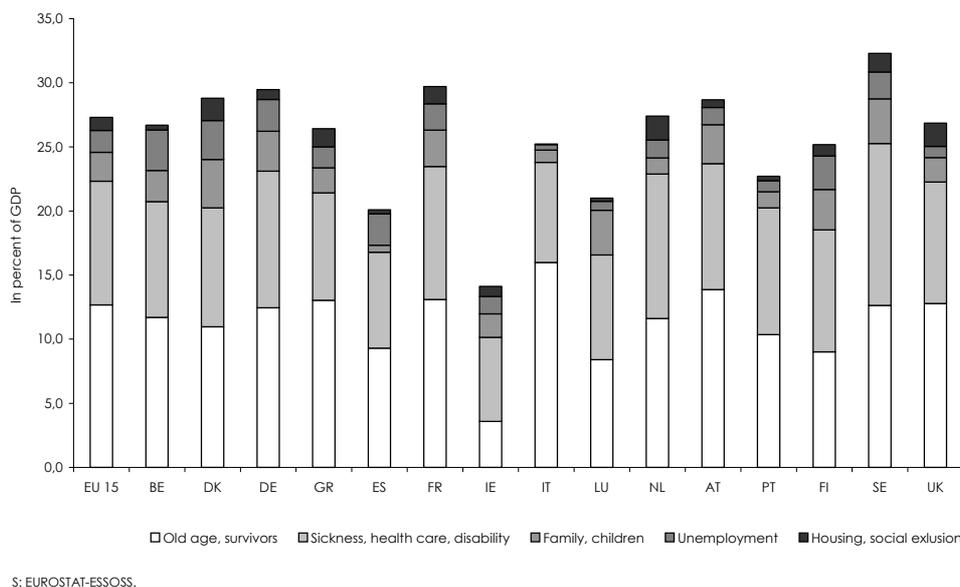
Before starting to describe examples of activation programmes, we will look at social protection systems, active labour market expenditures and unemployment insurance systems in the EU member states.

Social expenditures (and revenues) are closely linked to economic developments – in periods of economic decline, expenditures on unemployment benefits and early retirement rise while contributions and taxes to the social security system decline due to the linkage of contributions to employment; the contrary holds in periods of economic upswings (*Bauernberger – Guger, 1998*). In the year 2000, social expenditures in the EU member countries amounted to 27.3 percent of GDP (*Biffi, 2003A, European Commission, 2003*). The country with the lowest expenditures was Ireland (14.1 percent), the country with highest Sweden (32.3 percent). France amounted to 29.7 percent, Germany to 29.5 percent, Austria to 28.7 percent, the Netherlands to 27.4 percent and the United Kingdom to 26.8 percent.

Graph: Social expenditures in percent of GDP (2000)



Graph: Social expenditures by function (2000)

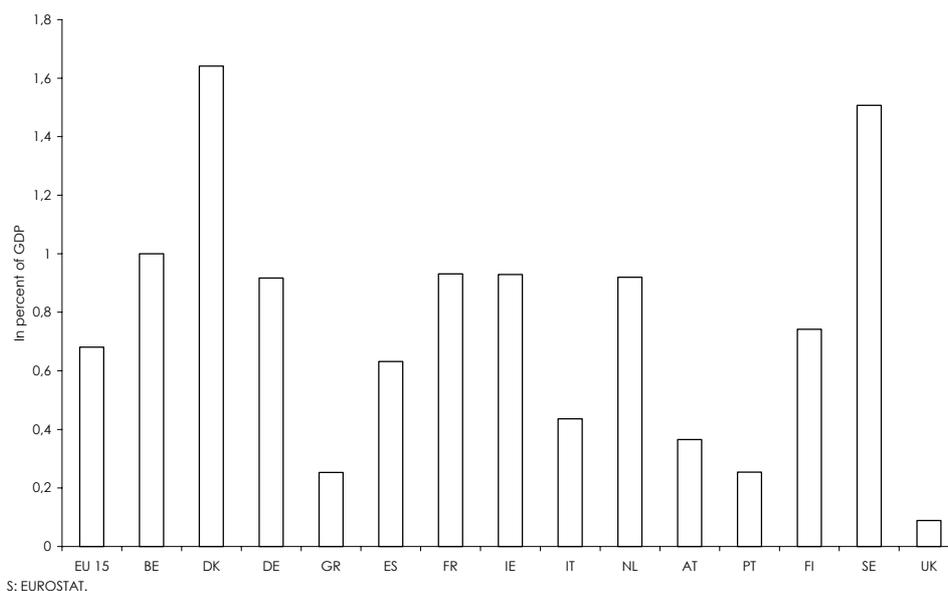


The largest share of social expenditures in the EU goes to old age pensioners and survivors followed by health related expenditures and family related. Expenditures on unemployment amounted to 6.3 percent of GDP in the EU member countries in 2000 (Abramovici, 2003). Spain and Belgium had highest expenditures (about 12 percent of GDP), followed by Denmark and Finland (about 10 percent of GDP). The countries with the lowest expenditures in the area of unemployment were Luxembourg and Portugal (about 3 percent of GDP).

Within 'endeavour'-partner countries expenditures on unemployment were highest in Ireland (9.7 percent of GDP), followed by Germany (8.4 percent) and France (6.9 percent). On the other end of the scale ranked the Netherlands (5.1 percent of GDP), Austria (4.7 percent) and the United Kingdom (3.2 percent).

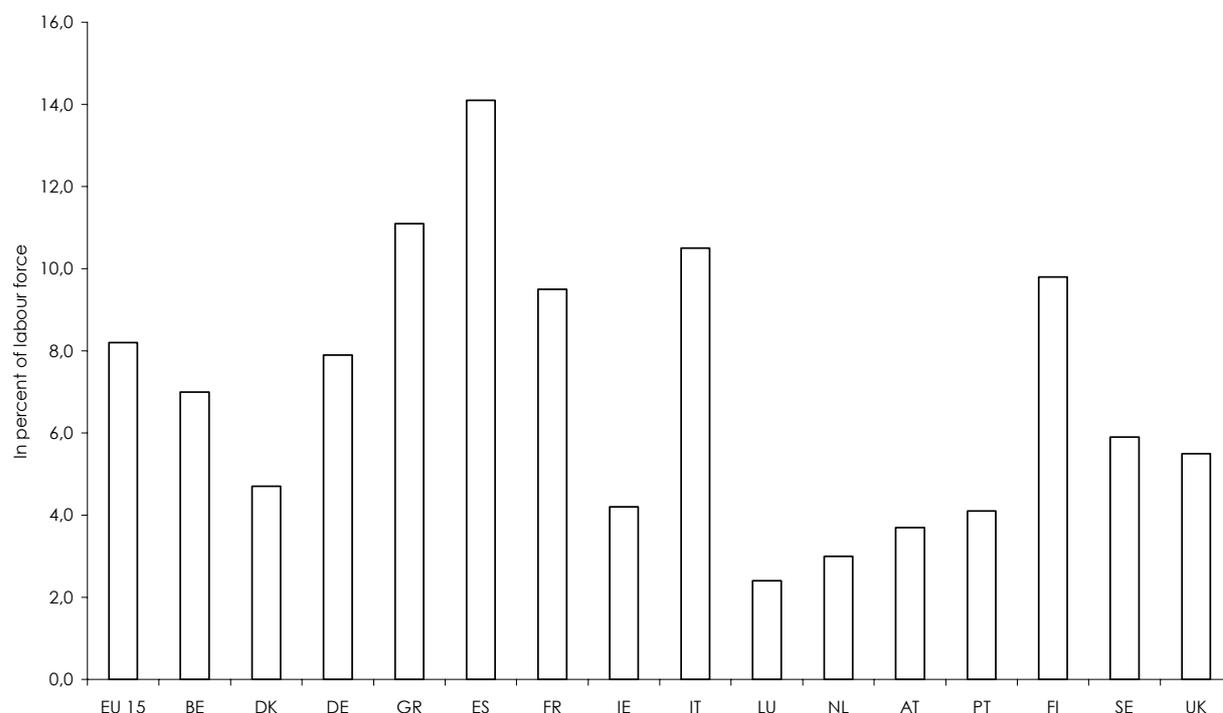
In 2000, public expenditure on active labour market policies (training, job rotation, direct job creation, job sharing, employment incentives, integration of disabled persons, start-up incentives) represented 0.681 percent of GDP in the EU. There are considerable differences between member states, also between partner countries of 'endeavour' (*European Commission, 2003*). Public expenditure on ALMP is highest in the Nordic countries like Denmark (1.641 percent) and Sweden (1.507 percent), followed by Belgium, Germany, France, Ireland and the Netherlands, and lowest in the United Kingdom (0.089 percent), Greece and Portugal. Within 'endeavour'-partner countries, ALMP expenditures are almost the same in Germany (0.917 percent), France (0.931 percent, Ireland (0.929 percent) and the Netherlands (0.920 percent), but lower in Austria (0.365 percent) and lowest in the United Kingdom (0.089 percent).

Graph: Public expenditure on active labour market policy as a percentage of GDP (2000)



In 2000, 14.2 million persons were unemployed (2001: 12.9 million). This represented 8.2 percent of the labour force (2001: 7.4 percent). The unemployment rate was highest in Spain and Greece (more than 11 percent of labour force), and lowest in Luxembourg and the Netherlands. Within 'endeavour'-partner countries unemployment was highest in France (9.5 percent), followed by Germany and the United Kingdom and lowest in the Netherlands (3 percent), Austria (3.7 percent) and Ireland (4.2 percent).

Graph: Unemployment rates (2000)



S: EUROSTAT.

Table: Ranking in terms of social expenditures, unemployment expenditures, ALMP-expenditures and unemployment rates in the 'endeavour'-partner countries (2000)

	Social expenditures		Unemployment expenditures		ALMP		Unemployment rate	
	In percent of GDP	Ranking	In percent of GDP	Ranking	In percent of GDP	Ranking	In percent of labour force	Ranking
DE	29.5	2	8.4	2	0.917	4	7.9	2
FR	29.7	1	6.9	3	0.931	1	9.5	1
IE	14.1	6	9.7	1	0.929	2	4.2	4
NL	27.4	4	5.1	4	0.920	3	3.0	6
AT	28.7	3	4.7	5	0.365	5	3.7	5
UK	26.8	5	3.2	6	0.089	6	5.5	3

S: EUROSTAT.

This table demonstrates that social expenditures, unemployment expenditures, ALMP-expenditures and unemployment rates have different faces depending on socio-economic determinants in the 'endeavour'-partner countries. A cross country comparison on unemployment expenditures and ALMP-expenditures highlights this high positive correlation (+0.78).

The interface between labour market policy and social policy is characterised by different criteria of eligibility for benefits and the right to access social services. In order to gain some

insight into the challenges of an adequate provision of social protection, in particular social protection against unemployment, a brief description of unemployment insurance and social assistance benefits in the 'endeavour'-partner countries is given.

Table: Funding of unemployment benefits and social assistance in the 'endeavour'-partner countries

	Unemployment insurance			Social assistance		
	Funding principle			Funding out of taxes		
	Government contributions (out of taxes)	Contributions by employers and employees	Alternative funding	Federal state	State/region	Communities
DE	Yes (unemployment assistance, covers possible deficits)	Yes			Yes (25 percent)	Yes (75 percent)
FR		Yes		Yes		
IE	Yes (covers possible deficits)	Yes		Yes		
NL		Yes		Yes (90 percent)		Yes (10 percent)
AT	Yes (covers possible deficits)	Yes			Yes	Yes (certain elements of social assistance)
UK	Yes (income-based Jobseeker's Allowance)	Yes		Yes		

S: MISSOC (Mutual information system on social protection in the EU member states and the EEA).

Austria and Germany have two safety nets, unemployment insurance and social assistance. The majority of unemployed have the right to unemployment benefits due to prior payment of contributions into the unemployment insurance fund (exceptions for instance some forms of atypical employment). However, those who do not have the required number of weeks of employment to be eligible for benefits, would be entitled to access social assistance provided they can prove extreme hardship and show that all other sources of income support have been tapped. Thus, assistance from community comes as a last resort. In spite of this narrow definition, the number of persons on social assistance are continually rising (Hanesch, 2002). The integration of persons on social assistance into the labour market is difficult, not least because the communities lack the institutional capacities of the labour market service to match labour market demand and supply (Biffel - Bock-Schappelwein, 2003).

France and Ireland have similar income support systems as Germany and Austria – one contribution based element and a second assistance scheme (Gautrad et al., 2002). In contrast, the Netherlands combine the Bismarkian employment insurance scheme

(Continental European welfare model; earnings related benefits) with a Beveridgean national insurance system (Anglo-Saxon welfare model) with benefits as a percentage of the statutory minimum wage (*de Haan – Verboon, 2002*).

The United Kingdom has a single national system of social security benefits, which combines the two functions of unemployment insurance and social assistance. It has thus a single benefit administration, i.e., it doesn't need a bridge between two institutional set-ups as the Continental European welfare model (*Ditch – Roberts, 2002*).

Table: Funding of unemployment benefits and social assistance in the 'endeavour'-partner countries in detail

	Unemployment insurance schemes	Social assistance schemes
DE	<p>The legal basis for unemployment benefits is „Sozialgesetzbuch III (Third volume of the Social Code – SGB III) of 1997 in the latest version. After registered as unemployed a person gets earning-related benefit payments of limited duration as „Arbeitslosengeld“ ALG (unemployment compensation at the employment agency). Earning-related benefits as “Arbeitslosenhilfe” (ALI) (unemployment assistance) in case of indigence after ALG has run out. ALI is funded by taxes.</p> <p>Conditions for entitlement (ALG and ALI): Involuntary unemployment, objective and subjective availability for the labour market, and active job search. Level of benefits: ALG: Unemployed persons with children 67% of the net wage, without children 60%. ALI: Unemployed persons with children 57% of the net wage, without children 53%. ALI payment is preceded by a “means test”, i.e., other types of income and property of the recipient, spouse of partner are considered.</p> <p>The duration of the payment of benefits depends of the length of the employment (at least 12 months) during which contributions were paid as well as on age. Up to 2004 older unemployed persons from the age of 45 years have an entitlement to benefits for 18 months, from the age of 47 years for 22 months and from the age of 57 years for 32 months. ALI-Benefits can be granted without time-limit, conditions for entitlement are re-examined yearly.</p> <p>Changes 2005 (preliminary): According to the „Hartz-Kommission“ the government decided to shorten the payment period for the payment period in particular for older employees. For many older long-term unemployed the level of benefit will be shortened dramatically. All unemployed persons younger than 55 years have only an entitlement to benefits (called “ALG I”) for 12 months and from 55 years for 18 months. After ALG I has run out “unemployed persons will get ALG II”, which is similar to social assistance benefits and depends to indigence.</p> <p>The former Arbeitslosenhilfe (ALI) and social</p>	<p>Social assistance benefit is a service for people who have got in financial problems and need help. Indigence and level of social welfare payment are controlled by the federal law for social assistance benefits.</p> <p>Principle of social welfare payment is help for self-help. Only people who cannot help themselves or do not have anybody (e.g. relatives or partners who could help) are able to get social assistance benefits. Income and private means are credited to social assistance benefit.</p> <p>Social assistance benefits are granted by local or supra-local departments. The level of these benefits depends on general cost of living.</p>

	welfare payments are to be emerged to ALG II. Further the level of dole II will comply with the will of the unemployed persons to participate at trainings and agency.	
FR	<p>Unemployment benefit:</p> <p>Allocation de solidarité spécifique (long-term unemployment benefit): officially registered unemployed whose entitlement to benefits under the unemployment insurance scheme has expired, under the precondition they have previously been in paid employment for a certain amount of time.</p> <p>The French unemployment insurance is financed by contributions from employers and employees collected by ASSEDIC, the unemployment insurance organisation. The money is transferred to workers who already pay their contribution and who lost their job. One part of the collected funds is affected to create a direct return to employment. Once the unemployment insurance payment is over, a solidarity fund financed by the State is taking over.</p>	<p>The French social assistance is financed by contributions from employees and employers for 57%, income and social taxes for 18.8%, and other income such as public contribution. The fund is used for helping families in needs, health insurance and pension. The health insurance usually gives 70% back from the cost of the medical intervention and the rest can be covered by a mutual insurance company. The pension system is a contributory scheme that means that you are paid proportionally to your wage during your working life.</p>
IE	<p>Unemployment benefit (UB): this weekly payment to insured unemployed is based on PRSI (pay related social insurance) contributions. To qualify a person must have 39 weeks PRSI paid since starting work and 39 weeks PRSI paid or credited in the Relevant Tax Year, OR 26 weeks PRSI paid in the Relevant Tax Year and 26 weeks PRSI paid in the Tax Year prior to the Relevant Tax Year</p>	<p>Unemployment Assistance (UA): a means-tested weekly payment for persons who do not qualify for UB, or have used up their entitlement to UB. UA is a means tested payment and the rate of payment depends on the amount of weekly means assessed. The main items that count as means include: cash income, value of savings or investments, any property other than own home, maintenance paid to person if separated.</p> <p>Supplementary Welfare Allowance (SWA): a means-tested weekly payment which provides assistance to those in need who do not qualify for payment under other state schemes. Ensures a standard basic minimum income.</p> <p>Back to Work Allowance (BTA): The Back to Work Allowance (BTA) was introduced in 1994 to allow long-term unemployed persons, lone-parents and people with disabilities returning to work while keeping a proportion of their social welfare payments over a period of three years (EUROFOUND, 2002).</p> <p>Back to Work Enterprise Allowance: Under this scheme a person can become self-employed and retain social welfare payment at the following rates: 100% for the 1st Year, 75% for the 2nd Year, 50% for the 3rd Year, 25% for the 4th Year</p>
NL	<p>Employee insurance, covering risks of unemployment (WW), long-term disability (WAO) and sickness (ZW). This insurance is compulsory for employees and the self-employed and is not means-tested. Contributions are a percentage of wages and benefits are wage-related;</p> <p>Unemployment Insurance Act (WW): this benefit is pay-related (up to 70 percent of the daily pay); the duration of the benefit depends on the length (between 6 months and five years); after this period the unemployed person is entitled to a continuation benefit for two years (or 3.5 years for older workers aged 57.5) and 70 percent of the gross minimum wage. Persons who have used up their entitlement to WW, are entitled to ABW</p>	<p>National Assistance Act (ABW)</p> <p>Older and Partially Incapacitated Unemployed Workers' Income Support Act (IOAW)</p> <p>Older and Partially Incapacitated Former Self-Employed Persons' Income Support Act (IOAZ)</p> <p>Reformed Social Assistance Act (WWB) since January 2004</p> <p>Social assistance, accessible to all citizens. Social assistance aims to ensure a basic income level when insurance arrangements are not applicable. It is non-contributory, paid from general funds (taxes), means-tested (including the family income) and the level of payment is adjusted annually to changes in wages and prices. The local authorities are responsible for social</p>

<p>AT</p>	<p>Arbeitslosengeld (Unemployment benefit): a payment to insured unemployed persons for 20 weeks; if unemployed have been employed in the last five years for 156 weeks, unemployment benefits last for 30 weeks (workers older than 40 who have been employed in the last 10 years for 312 weeks get unemployment benefits for 39 weeks and workers older than 50 who have been employed in the last 15 years for 468 weeks get unemployment benefits for 52 weeks).</p> <p>Notstandshilfe (Unemployment assistance): a means-tested unlimited payment for insured unemployed persons who have used up their entitlement to temporary limited unemployment benefits (payment amounts to 92 percent of unemployment benefits)</p>	<p>assistance benefits.</p> <p>Sozialhilfe (social assistance): means-tested payment to those in need who do not qualify for payments under unemployment insurance. Recipients have to pay back social assistance if they get a new job with payments higher than a certain amount (about 400 €, higher for families).</p>
<p>UK</p>	<p>Jobseeker's Allowance (Contribution based): You may qualify for Jobseeker's Allowance (Contribution based) if you are unemployed, have paid enough National Insurance Contributions and are available for and actively seeking work. It is payable for up to 182 days. No additional benefit is payable for dependants.</p> <p>Jobseeker's Allowance (Income based) is income related. You may qualify for Jobseeker's Allowance (Income Based) if you are unemployed, available for and actively seeking work but have not paid enough National Insurance Contributions to receive Jobseeker's Allowance (Contribution based). The rates payable depend on your circumstances.</p> <p>Joint Claims for Jobseeker's Allowance (Income Based) was introduced from 19 March 2001 as part of the Government's Welfare to Work reforms. It aims to:</p> <ul style="list-style-type: none"> • reduce the number of households where currently no one works by requiring both members of a couple to look for work or training • help you, if you are working part time, to increase your hours or improve your employment prospects. • Both members of a couple satisfying certain criteria will be required to be available for work as a condition of receiving Jobseeker's Allowance (Income Based). 	<p>Income Support is a tax-free, income related, benefit payable to people aged 16 to 60 whose income, from all sources, is below the minimum level set by Parliament. You may qualify if your income, from all sources, is below the minimum level set by Parliament. You must be aged 16 to 60 and resident in Northern Ireland</p> <p>Working Tax Credit is paid to support people in work. The scheme is administered by the Inland Revenue. You do not have to pay national insurance contributions to qualify. Working Tax Credit is paid in addition to any Child Tax Credit you may be entitled to (please refer to section on Child Tax Credit). The amount of Working Tax Credit you receive will be based on your circumstances, for example, how many hours you normally work, and your income (or joint income, if you are part of a couple).</p> <p>Child Tax Credit has been introduced from April 2003, it is calculated taking account of the family income and the number of children. You do not have to pay national insurance contributions to qualify. Child Tax Credit is administered and paid by the Inland Revenue.</p>

S: 'endeavour'-questionnaire.

3 Austria

3.1 Background

In 2001 the Austrian labour market situation was characterised by a weak economy. Total employment (including self-employed and family helpers as well as persons on parental leave and conscripts) reached 3.522,500 (+16,000, +0.5 percent). The decline in economic growth was linked with a slow down in labour productivity growth to 0.8 percent (after 2.5 percent in the year before). Dependent employment (by wage and salary earners) growth slowed down to 13,600 (+0.4 percent) to 3.078,100. Unemployment increased by 9,600 (4.9 percent) to 203,900. Computed by the Austrian method, the unemployment rate went up from 5.8 percent in 2000 to 6.1 percent as an average for 2001. Based on EUROSTAT definition, unemployment remained at 3.7 percent.

In 1997 all EU-member countries committed themselves to a co-ordinated employment policy (Amsterdam Treaty). Every member state draws up a National Action Plan (NAP) which describes how employment guidelines are put into national practice. Active labour market policy is one part of the NAP.

The goal of Austria's ALMP is to improve sustainable employment of unemployed persons by fostering skills enhancement and regional mobility, creating jobs and lowering employers' prejudices against long-term unemployed persons (i.e. subsidising employers to accept an unemployed individual as an employee).

In 2001, public expenditure on active labour market policies (training, job rotation, direct job creation, job sharing, employment incentives, integration of disabled persons, start-up incentives) increased by 14.3 percent to 965.54 million Euros (2000: 844.88 million Euros) - i.e., 32.9 percent of all public unemployment expenditures).

Active labour market policy in Austria includes employment promotion schemes (i.e. monitoring unemployed persons when they are looking for a job), start-up incentives (i.e. monitoring unemployed persons when they start a new company), training and re-training programmes (i.e. courses, employment foundations), individual integration subsidies to companies and organisations (i.e. subsidising employers to accept unemployed persons as employees) and subsidies to unemployed persons for accepting a job. These programmes differentiate between person-based activities and company-based activities. In the first case the available instruments are counselling, training, re-training, skills training programmes, monitoring and guidance. The second category comprises company-based re-structuring programmes and projects. Personal-based activities consist of educational guidance in schools, of activities promoting geographic and occupational mobility or skills training programmes. They include also training programmes for start-up companies, temporary subsidised jobs and subsidised individual integration programmes (e.g. the 'come back'-

initiative). Company-based activities consist of socio-economic companies, non-profit employment projects, employment foundations, and short-time work subsidies.

3.2 Initiatives

One example of ALMP is a temporary wage subsidy programme called 'come back' (formerly action 8000). The aim of the initiative is to lower employers' prejudices against (long-term) unemployed persons and to help long-term unemployed persons to re-enter the labour market. Participants are unemployed men aged 50 and over, unemployed women aged 45 and over, early retired long-term unemployed persons and long-term unemployed people (6 months and more of unemployment in the case of people up to the age of 25, 12 months and more for persons over 25). The temporary wage subsidy programme lasts for up to 2 years and is paid by the Austrian Labour Market Service (up to 66.7 percent of total labour costs).

One another ALMP example is a programme known as 'job-coaching 2000' for short-time unemployed persons in Vienna. The aim of the initiative is to prevent long-term unemployment by reducing the number of potentially long-term unemployed persons through activation programmes. Each participant has to take part in the following activities: (Adam — Kuschej — Schernhammer — Stix, 2002):

- 1) Early intervention: guidance, counselling and activation start on the first day of unemployment
- 2) Permanent change between guidance and activation
- 3) The intensity of guidance activities increases as unemployment duration grows

3.3 Activities

The job-coaching programme lasts for up to 12 months and includes the following activities:

- First talk with labour market office counsellor
- Impulse day (within the first month)
- Service talk I
- Course job-coaching (before the 4th month)
- Service talk II
- Resource-pool (between 6th and 12th month)
- Further guidance

3.4 Outcome, lessons learned

The goal of the initiative was to re-integrate half of the participants in the first labour market within 3 months. This goal could not be attained, only 34 percent of all unemployed found a job within this time span. But another goal — reduction of transition rates into long-term unemployment — was reached. In the case of youngsters, transition rates into long-term unemployment were reduced by 21 percent, in the case of all participants by 21.5 percent.

4 France

In France, active labour market policy consists of three main parts: assisted jobs of non-commercial nature, assisted jobs of commercial nature and periods of work experience and training courses to re-integrate socially excluded persons into employment (*Gautrat — Fraisse — Buccola, 2002*). Rehabilitation companies (i.e. employment initiatives) are one example of integration schemes. They were established for long-term unemployed people, and are aimed at keeping this category in touch with employment. In those companies, the unemployed learn to go back to work and get to know which skills are demanded by the labour market. Rehabilitation companies can propose contracts for up to two years.

4.1 Assisted jobs of non-commercial nature

These schemes are administered jointly by central and local employment services; they include CES (job creation contract), CEC (consolidated employment contract), CEV (municipal employment contract), and EMPLOIS JEUNE (youth employment).

4.1.1 CES — Job creation contract

The CES (*contrat emploi solidarité*), which was started in 1990, is concluded by non-profit organisations and public entities, and it exempts employers from all contributions except unemployment insurance. The government bears the following costs: 65 percent of the wage bill for CES employees who do not fall into the long-term unemployed category and 95 percent of the wage bill for CES employees who are registered as long-term unemployed, for RMI (integration-related income support) recipients and their partners, for disabled persons and for unemployed persons over 50 who have been registered as unemployed for more than three years. The CES offers part-time work for a minimum of three months and a maximum of two, in some cases three years (for long-term unemployed persons, unemployed persons over 50, disabled persons, RMI recipients, youngsters aged 18-25). The aim of the initiative is to (re-)qualify persons who have difficulties in finding a job. The specific feature of this programme is that it establishes a direct relationship between employer (non-profit) and employee/participant (*Gautrat — Fraisse — Buccola, 2002*).

4.1.2 CEC — Consolidated employment contract

The CEC (*contrat emploi consolidé*) was established to encourage employment of people who have already finished their CES but who have not found a job. The target group includes persons over 50, RMI recipients who have been unemployed for more than one year, other jobseekers who have been looking for work for more than three years, and disabled persons. The CEC is a full-time or part-time contract with(-out) time limits (Gautrat — Fraise — Buccola, 2002). Incentives for companies are provided under the form of tax exemptions and wage subsidies.

4.1.3 EMPLOIS JEUNE — Youth employment

The aim of the initiative is to respond to personal needs by initiating new activities or by developing new work opportunities, and thereby to enable young people with no qualification to (re-)enter the labour market. The contract has a fixed-term (for five years) or open-ended form. The target group consists of youngsters aged 18-25, disabled persons below the age of 30 and young adults aged 26-29 who are unemployed and ineligible for unemployment benefits. The employers are non-profit organisations, local authorities, public enterprises, and institutions (Gautrat — Fraise — Buccola, 2002). The aim of *emploi jeune* is to give job and work experience to socially excluded youngsters. The program has had great success in France. One reason for this success lies in the high correspondence between the wishes of young people, and the realised job opportunities. At least 230.000 appointments were made during the first three years. Almost 65 percent of *emploi jeune* participants had been unemployed before they found this project.

4.2 Assisted jobs of commercial nature

This initiative wants to reduce public charges for part-time employees and to exempt from taxation for the first employee. It further contains employment initiative schemes, apprenticeship contracts, general and specific employment and training contracts and start-up incentives.

The assistance scheme for unemployed persons known as ACCRE was put in place in 1997. It is a public programme designed to help unemployed persons who wish to start-up a company or re-enter the labour market. This scheme is available to jobseekers receiving unemployment benefits and to others who have been registered as unemployed for more than 10 months out of the last 18 months.

4.2.1 CIE — Employment initiative contract

Employment initiative contracts (*initiative emploi*) are designed to facilitate professional educational training for people with extreme difficulties to find a job. The CIE target group consists of jobseekers who were long-term unemployed, young people with low educational

attainment levels, RMI recipients, ASS (extended unemployment benefit) recipients, AV (widows' and widowers' pre-pension allowance) recipients, unemployed persons aged 50 and over, disabled persons, ex-offenders and lone parents. The CIE lasts up to 24 months (part-time or full-time). Employers do not have to contribute for a maximum of 24 months; they get a grant if they employ an unemployed person aged 50 and over who was unemployed for more than 36 months, a RMI or ASS recipient, an unemployed person younger than 26, or a disabled person. The wage setting is oriented on collective agreements and must not be less than the national minimum wage (SMIC) (Gautrat — Fraise — Buccola, 2002).

4.2.2 Job creation programmes

In 1997 special regions/zones were identified to reach socially and/or economically disadvantaged persons; 416 urban stimulation zones (*zones de redynamisation*) and 44 urban free zones (*zones franches urbaines*) have been created since then. These regions could be singled out for their high number of closed shops/companies and high unemployment rates. In these regions all remaining shops/companies have been granted tax exemptions. The goal of the initiative is to create or help companies and shops by giving job opportunities to disadvantaged persons and by reducing unemployment. Since the beginning of the initiative, the number of job opportunities was doubled in these regions. The same policy has been implemented in rural revitalisation zones (*zones de revitalisation rurales*) to encourage local shops in these regions.

The junior contract for companies (*Contrat jeune en entreprise*) is a new contract designed to facilitate the access of non-qualified young people to employment and a durable vocational qualification. The main objective is to prevent unemployment. Companies offer a permanent contract in exchange of wage subsidies.

4.2.3 Training contracts

Training programmes/contracts are provided for youngsters with a lack of qualification. They can take part in these programmes in order to get work experience and vocational education. Training contracts are vocational contracts (*Contrat d'apprentissage*), qualification contracts (also for old persons) (*Contrat de qualification*), adaptation contract (*Contrat d'adaptation*), and guidance contracts (*Contrat d'orientation*). These contracts are designed for young persons at the dividing line between school and labour market. Older persons with no qualification are able to sign the same type of contract.

4.3 Periods of work experience and training courses

Training courses are organised by national or regional employment agencies to help unemployed people in their professional orientation. The aim of the initiative is to introduce

unemployed to job opportunities of which they would otherwise not be aware. In this way, these people can find a new motivation to look for jobs. Participants also get educational training. This scheme contains individual and collective short-time vocational training, training courses and programmes to enable persons to (re)-enter the labour market (TRACE).

4.3.1 SIFE — Vocational integration and training courses

Participants of SIFE are jobseekers aged 26 and over. Collective re-training courses are primarily intended for long-term unemployed persons, unemployed persons aged 50 and over, as well as RMI recipients. Individual training courses are designed to foster the employability of the target group (Gautrat — Fraisse — Buccola, 2002).

4.3.2 The 'TRACE'-programme: Access routes to employment for young people in danger of exclusion

TRACE was established in 1998. The aim of the initiative is to help disadvantaged and marginalised young persons not only to find employment but also to achieve integration into society. They are younger than 26, have problems in the familiar, health or personal sphere, have educational deficits, or are homeless. This programme lasts for up to 18 months and the participant receives personalised guidance from an experienced counsellor. It includes the following activities (Peer Review, 2001):

- training, obtaining qualifications.
- applying for work.
- social support to sustain the position in the workforce.

5 Germany

5.1 Background

Active labour market policy in Germany is co-ordinated by the federal employment service (*Bundesanstalt für Arbeit*). It contains vocational and job counselling, training placement, start-up incentives, apprenticeship, job placement services, job creation schemes, wage subsidies, vocational and advanced training (Blien, 2001). Job creation programmes are only provided for socially excluded persons, e.g. long-term unemployed individuals, lone parents, ex-offenders. In the following sections one example of German ALMP in Cologne is described in detail.

5.2 Activities

5.2.1 'Ich-AG'

'Ich-AG' is the name of the programme for unemployed persons to become self employed.

5.2.2 'JobBörsen'

Cologne widened the number of activation programmes for socially excluded persons (long-term unemployed persons, young unemployed people, and lone parents). The aim of the initiative is to foster their employability and to reduce the duration of social assistance payments by installing regional and target group specific¹ 'JobBörsen' (job exchanges). They are designed to counsel and re-integrate the target group into the labour market ('one-stop-shop') (Hanesch, 2002, Empter — Frick, 1999).

5.2.2.1 The methodology — 'JobBörsen'

Counselling and re-integration into the labour market is a step-by-step process:

5.2.2.2 1st Step: 'activation assistance' from social service sections of the local district offices

At the first step of activation, case managers (usually workers in a public employment service) are responsible for providing 'activation assistance' for all new applicants (long-term unemployed persons and lone-parents). All participants who are capable of work get an integration counselling. The case managers are responsible for the ongoing process (Hanesch, 2002). All persons who are not capable of or eligible for work are excluded (e.g. pensioners, asylum seekers, disabled persons).

5.2.2.3 2nd Step: counselling and placement by the JobBörsen (job exchanges)

Each participant who is capable of work is transferred to JobBörsen. The aim of the initiative is to assist district offices by transferring participants to suitable jobs which will enable them to re-enter the labour market (i.e. to escape from social assistance and to reduce social assistance costs). JobBörsen differ in terms of access and target groups. District JobBörsen participants come from district offices' social services sections and 'pro-Veedel' JobBörsen participants have open access. Target group specific JobBörsen are multi-district facilities, participants come from district offices. All JobBörsen are financed by Cologne employment service (Hanesch, 2002). JobBörsen participants are members of three different target groups, the first group receives only social assistance benefits (BSHG — Federal Social Assistance Act), the second one a combination of unemployment and social assistance benefits and the third

¹) E.g. for young adults, disabled persons, lone parents.

one gets no benefits. As soon as possible the analysis of participants' potentials and deficits is started (5-6 interviews). The outcome is the basis for further steps to (re-)integration into the labour market (about 10 placement interviews with potential employers). Additionally, JobBörsen offer (re-)training programmes and therapy for participants who are not able to (re-)enter the labour market at this time because of educational deficits and/or health problems.

5.2.2.4 The methodology — JobBörsen 'junges Köln' (job exchanges young Cologne)

Cologne introduced a specific programme for young unemployed persons who are entitled to social assistance. As in the case of JobBörsen case managers are responsible for providing 'activation assistance' for all new applicants. The partners of 'job exchange young Cologne' are the social assistance office, employment authorities and the youth office. The aim of the initiative is to activate unemployed youngsters by providing training and educational programmes and jobs in the first labour market. If no (re-)integration into the first labour market is possible, other educational and employment possibilities for the second labour market are offered (for example the initiative 'Sprungbrett' — 'springboard'). In a next step Cologne developed a model called 'Arbeit sofort' — 'Instant work' for unemployed youngsters. Under this scheme unemployed youngsters are only entitled to get social assistance benefits if they are disabled or ill. All others get no benefits; JobBörsen try to find a job within 24 hours which offers them the opportunity to earn some money.

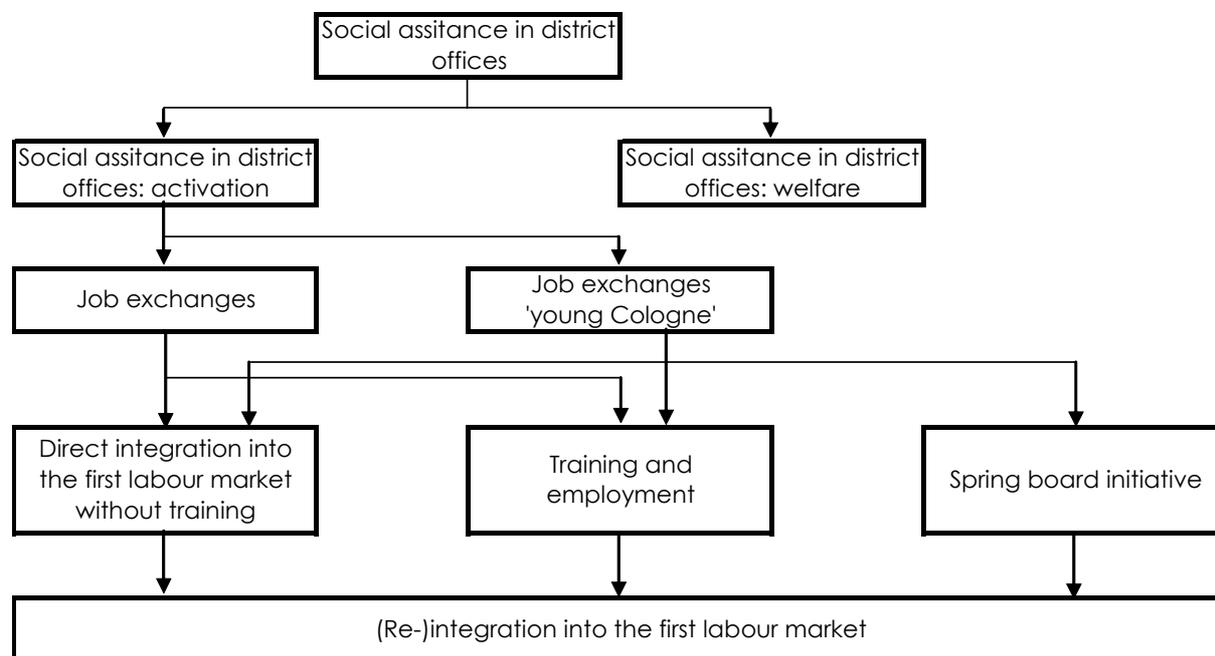
5.2.2.5 The methodology — 'Sprungbrett' ('springboard')

The initiative was firstly established as part of the instant work programme and secondly as part of the job exchange young Cologne programme. The target group consists of youngster who are not ready for training and employment programmes and therefore for the first labour market. The aim of the initiative is to keep unemployed youngsters from social assistance and to prepare them for an apprenticeship or semi-skilled job in the first labour market. 'Sprungbrett' provides educational and training programmes and on-the-job training, together with social pedagogical guidance in training agencies. This programme lasts for up to 12 months and contains employment, vocational training and improvement of school leaving qualifications.

5.2.2.6 Outcomes

Cologne's effort is to reduce the number of social assistance recipients, in particular the number of young social assistance recipients, and amount of social assistance payments by reducing the duration of social assistance dependence through activation programmes (workfare programmes).

Figure: Activation in Cologne



6 Ireland

From the early 1990s ongoing national policy began to see long-term unemployment 'as requiring a different response to short-term unemployment' (EUROFOUND, 2002). In this context a range of active measures were developed, in particular for long-term unemployed and other marginalized persons (e.g. lone parents, people with disabilities). The programs are divided by:

- Direct employment schemes (e.g., Community Employment),
- Tax and welfare measures to encourage the movement from welfare to work (welfare-programs; e.g., Back to Work Allowance),
- Training programs and services.

Active labour market policy in Ireland consists of training and educational programmes, the provision of job placement services, direct job creation schemes and subsidies to employment in the private sector (Clarke, 2000). The following information gives an overview of the schemes and agencies involved in assisting socially excluded persons to employment, beginning with assistance for employers, and then going on to assistance for individuals and agencies.

6.1 Assistance for Employers

The following section describes ten examples of assistance schemes for employers to employ disadvantaged persons.

6.1.1 Workplace

Workplace is designed to bring people who need jobs together with people who can provide jobs for a 7 week trial period, i.e. it provides work experience for unemployed persons (also including travellers, people with disabilities and those in receipt of lone parent family payments).

Workplace gives the employer the chance to find out if somebody is suitable for the job before making the final decision, no strings attached. While on Workplace, jobseekers will retain their normal social welfare status and entitlements and will receive a flat rate payment of € 31.80 per week towards travel and meal expenses. This will be paid by the employer and reimbursed, in arrears, by FÁS (national training and employment authority).

6.1.2 Workplace Equipment Adaptation Grant (WEAG)

FÁS has a responsibility for providing labour market services for people with disabilities. If you are an employer and have offered employment or have someone currently in employment with a disability, and require a more accessible workplace or adapted equipment, you may be able to get a grant from FÁS towards the cost of adapting premises or equipment. A maximum grant of € 6,348.70 is available towards the cost of adaptations to premises or equipment.

6.1.3 Employment Support Scheme

FÁS has a responsibility for providing labour market services for people with disabilities. The Employment Support Scheme (ESS) offers financial support to employers to encourage them to employ people with disabilities whose work productivity levels are between 50% - 80% of normal performance, and are employed for at least 20 hours per week. A person on the Employment Support Scheme is subject to the same conditions of employment as other employees. These conditions include PRSI (Pay Related Social Insurance) contributions, annual leave, tax deductions and minimum wage requirements.

How the scheme works:

- The employer completes an application form that is signed by both employer and employee.
- FÁS, the employer and the employee agree the employee's productivity level.
- The employer pays 100% gross salary as advertised.

- FÁS pays a grant to the employer to cover the shortfall.

The employees can keep any secondary benefits they have been receiving for one year if they are employed with ESS funding.

6.1.4 *Employment PRSI Exemption Scheme*

The Employers' PRSI Exemption Scheme allows the employer to employ extra eligible workers and not have to pay the employers' share of the employee's PRSI contributions for the first two years of their employment.

- There is no limit to the number of people you can employ under this scheme.
- Anyone you take on must represent a net increase in the number of workers in your employment.
- Recruited employees must start work within 14 days of 'signing off' the Live Register and must remain off the Live Register for the period of the exemption.

6.1.5 *Employer Retention Grant Scheme*

The Employer Retention Grant Scheme aims to encourage employers to retain employees who acquire an illness, condition or impairment which impacts on their ability to carry out their job and, in that context, to explore their continuing capacity to operate as productive members of your workforce. It will assist in maintaining the employability of the employee when he/she acquires an illness, conditions or impairment (occupational or otherwise) by providing funding to:

- Identify accommodation and/or training to enable him/her to remain in his/her current position, or
- Re-train him/her so that s/he can take up another position within the company.

6.1.6 *Supported Employment Programme*

The Supported Employment Programme is an open labour market initiative which aims to assist people with disabilities, who traditionally have had difficulty getting into paid employment, by providing supports on the job. A job coach, who assists both the job seeker and the employer, provides the support. The Supported Employment Programme funds the placement and support of people with different types of impairment and varying degrees of disability. However, the person must genuinely need the initial support of a job coach to obtain and retain employment in the open labour market.

6.1.7 Revenue Job Assist

Revenue Job Assist provides additional tax allowance to both the employer and employee. The job must satisfy the following conditions in order to qualify:

- It should be expected to last 12 months.
- It should be for 30 hours or more a week.

6.1.8 Disability awareness Training for Employers

Employers in Ireland that provide disability awareness training for their staff may be able to apply for grant aid towards the cost of this training. Disability awareness aims to provide the best possible customer service to clients and customers and promotes the employability of disabled people by creating work environments that are open and welcoming to all staff. FÁS has put in place a grant scheme aimed at employers that provide this training and helps raise awareness of disability issues in the workplace. Disability awareness also addresses the concerns and misconceptions that employers and employees may have about working with disabled people. Disability awareness training that qualifies for grant aid by FÁS is suitable for the following:

- Employers interested in employing or retaining staff with disabilities.
- Employers interested in promoting the employment of staff with disabilities, of staff at all levels in the organisation.

Disability awareness training that is undertaken must form part of your organisation's human resource or equal opportunities policy and the programme must be approved by the managing director of your organisation.

6.1.9 Personal Reader Grant

Grant assistance for visually impaired people who need assistance with job related reading. The grant is paid for a maximum of 16 weeks.

6.1.10 Job interview Interpreter Grant

Funding paid interpreters for people with speech or hearing impairments who wish to attend job interviews.

6.2 Assistance for Individuals

In this section assistance schemes for individuals are described, in particular BTA, FIS, lone parent payment, revenue job assist, part-time job incentive scheme, disability benefit/invalidity pension, disability allowance, blind pension, job interview interpreter grant, and personal reader grant.

6.2.1 *Back to Work Allowance (BTA)*

The Back to Work Allowance (BTA) was introduced in 1994 to allow long-term unemployed persons, lone-parents and people with disabilities returning to work while keeping a proportion of their social welfare payments over a period of three years (EUROFOUND, 2002). Under this scheme a person can return to work and retain social welfare payments at the following rates:

75 percent for the 1st year

50 percent for the 2nd year

25 percent for the 3rd year

- The person must be aged over 23 and unemployed for at least 5 years (until 2002 the qualification period was 12 months unemployed).
- The employment in question must be for a minimum of 20 hours per week.
- Back to work allowance is tax free.
- Retain medical card for 3 years.
- Retention of secondary benefits, e.g. rent allowance, will depend on household income.
- May be eligible for Family Income Supplement (see below).

6.2.2 *Back to Work Enterprise Allowance*

Under this scheme a person can become self-employed and retain social welfare payment at the following rates:

100% for the 1st Year

75% for the 2nd Year

50% for the 3rd Year

25% for the 4th Year

- The person must be in receipt of Unemployment Benefit or Unemployment Assistance for at least 3 years (until 2002 the qualification period was 12 months unemployed. This changed to 5 years in 2002 and to 3 years in 2004)
or
in receipt of One-Parent Family Payment, Disability Allowance, Blind Pension, Farm Assist, Unemployability Supplement, Pre-Retirement Allowance, Invalidity Pension, carer's Allowance, Widow's/Widower's (Non-Contributory) Pension, Deserted Wife's

Benefit/Allowance or Prisoner's Wife's Allowance for at least 12 months
or

in receipt of Disability Benefit for 3 years or longer

- Interest free loans (subject to a maximum amount) available, repayable over 3 years.
- An employment grant can be accessed if the employee qualifies for back to work allowance.
- Technical assistance grant available to assist with preparation of a business plan, market research or product development.
- Training grants available for up-skilling.
- Retain medical card.
- Retention of secondary benefits, e.g. rent allowance, will depend on household income.

6.2.3 *Family Income Supplement (FIS)*

FIS is a weekly allowance for families, including lone parent families, at work on low pay. It is not subject to tax and it does not affect the entitlement to a medical card. Family Income Supplement is payable if:

- A person is an employee in paid full-time employment which is expected to last for 3 months and the person works at least 19 hours every week (or 38 hours every fortnight). In the case of married couples or living as husband and wife hours worked by spouse/partner can be combined.
- There is at least one qualified child who is normally living with and being supported by the claimant.
- The average weekly income is below a specified amount for the family size.
- The applicant passes a means test.

6.2.4 *Lone Parent Payment*

Lone parents can avail of a range of employment supports (back to work allowance, back to work enterprise allowance etc.) and educational and training options operated by the Department of Social and Family Affairs and other state agencies.

6.2.5 *Revenue Job Assist*

If a person is getting an unemployment payment for at least 12 months and takes up a job for at least 30 hours per week, which is expected to last at least 12 months, he/she may be eligible for Revenue Job Assist. Under this scheme a person may receive additional tax

credits/allowances when taking up employment. The employer will also receive additional tax relief.

6.2.6 *Part-time Job Incentive Scheme*

This is intended as a stepping stone to full time work. It allows certain long-term unemployed people to take up a part time job and receive a special weekly allowance. A person can remain on this scheme for one year or, in some cases, the scheme may be extended for further periods (see below option one vs. option two; *EUROFOUND*; 2002). The person is also entitled to retain a medical card for 1 year (for up to a maximum of 3 years) regardless of earnings. Two options, with different eligibility criteria and conditions were introduced:

Eligibility criteria:

- The person is in receipt of an unemployment payment for 12 months or more.
 - The weekly unemployment assistance is at a certain rate.
 - The job is subject to social insurance deductions.
1. Option one: the part-time integration option is targeted at the long-term unemployed persons with 'reasonable prospects of employment'. It provides work for up to one year for:
 - Persons of age 21 and over in receipt of unemployment benefits, unemployment assistance or lone parents allowance for one year or longer.
 - Travellers of any age in receipt of the same payments.
 - Persons referred by the National Rehabilitation Board.
 2. Option two: the part-time job option is targeted at the long-term unemployed persons with 'poor prospects of employment'. It provides work for up to three years for:
 - Persons 35 years of age and over in receipt of unemployment benefits, unemployment assistance or lone parents allowance for three years or longer.
 - Travellers of any age in receipt of the same payments for three years and longer.
 - Persons referred by the National Rehabilitation Board.

6.2.7 *Disability Benefit/Invalidity Pension*

A person can work while receiving either one of the above payments if the job is judged to be rehabilitative in nature i.e. if the work contributes to an improvement to the illness or disability or increases the person's ability to cope with illness or disability. It should be noted, however, that income from rehabilitative work can affect entitlement to secondary benefits such as rent supplement and fuel allowance. The retention of a medical card may also be affected.

6.2.8 *Disability Allowance*

People whose work is classed as rehabilitative are allowed to earn a certain amount per week before extra income will be assessed euro for euro against their Disability Allowance.

6.2.9 *Blind Pension*

If a person is receiving a Blind Pension and also working, certain sources of income are disregarded in the means test. For instance, if the recipient has adult/child dependents the amounts payable for them will not be included in the means test.

6.2.10 *Job Interview Interpreter Grant*

This is funding available to pay interpreters for speech or hearing impaired persons who wish to attend job interviews.

6.2.11 *Personal Reader Grant*

This is grant assistance per hour for visually impaired persons who need assistance with job related reading, paid to a maximum of 16 weeks.

7 The Netherlands

7.1 Background

The Dutch economy improved considerably in the second half of the 1990s. Aided by strong economic growth, unemployment was reduced. Since 1995, 1.2 million jobs have been created and unemployment has fallen from 7% to 3%. Since the end of 2000, however, the economic tide has turned. Unemployment is rising fast as a result of the stagnating economy. The number of unemployed in 2004 is expected to climb to 540,000, which represents about 6 to 6.5% of the workforce. The number of people on unemployment or social security benefits is expected to rise from 665,000 in 2003 to 780,000 in 2004.

The labour market participation rate of some groups in the population is relatively low. This applies particularly to the less well educated, older people, ethnic minorities and the occupationally disabled. The participation rate of women is still low compared to that of men, despite a substantial increase in the number of working women during the 1990s. There are various reasons for the low participation rate among these groups. For women, the lack of adequate child care facilities and other options for combining work and care are a significant factor. For the less well educated, the main problems are the poverty trap and the productivity gap. Finally, the high number of occupationally disabled is a significant obstacle to increasing the participation rate. The policy measures are aimed primarily at preventing

and combating unemployment, particularly long-term unemployment, and increasing labour market participation. Some of the measures are also designed to boost labour productivity.

7.2 Activities

7.2.1 The polder model

Looking behind the dikes of the 'polder model' the main feature of Dutch industrial relations is consensus-based consultation between the social partners and the government. In fact, the Dutch welfare state and Dutch social policy are based to a large extent on consensus and cooperation. The social partners and the government coordinate the main policy lines with each other, including those on wage growth, job creation and the structure of the social security system. This social partnership is not restricted to the central level; it is also the guiding principle at sector and company level.

7.2.1.1 The Reformed Social Assistance Act

The Reformed Social Assistance Act (WWB) came into effect on 1 January 2004. The Act is based on the principle that everyone in the working population is deemed capable of supporting themselves independently. Those who are not able to do so are given income support and help in finding work by the local authority. The discretionary reintegration budget enables the local authorities to customise their approach to limiting the inflow into the social security system and encouraging people off benefits. This system should increase both the effectiveness and efficiency of the reintegration process.

Social assistance in the Netherlands normally provides a cash benefit at subsistence level for those who cannot support themselves. Benefits are paid to all eligible persons above the age of 18 who reside legally in the Netherlands. A precondition for receiving assistance benefits is that people must actively look for work and accept any reasonable job offer. If all attempts fail, social services will assist in finding work or providing training facilities. If the claimant refuses to cooperate, social services may impose sanctions.

The government has assigned the implementation of the Reformed Social Assistance Act and related regulations to local authorities on the basis of shared administration. The central government remains responsible for, among other things, general benefit levels, the implementation of national integration policies, and enforcing the law. Local authority responsibility includes the provision of tailor-made benefits, support for people entitled to a supplementary benefit and support for people trying to regain their financial independence.

7.2.1.2 The comprehensive approach

The aim of the comprehensive approach is to prevent people joining the long-term unemployed. The approach is based on European guidelines. The groups targeted in the

comprehensive approach include people who have recently become unemployed and the long-term unemployed. All newly registered as unemployed who are not able to find work themselves are offered a place in a reintegration programme. For those who are not ready for paid work in the short term, this may involve social activation, which includes activities such as voluntary service, training courses, work placements, group activities and language-learning skills. A maximum period of six months applies to young people.

8 Northern Ireland: The New Deal Programme

The United Kingdom is a pathfinder in terms of employability and activation measures in order to reduce dependency on benefits and to increase employment. Key part of their context is devolution, with involvement of the establishment of the Scottish Parliament and the Assemblies in Wales and Northern Ireland (*Ditch – Roberts, 2002*). Active labour market policy (ALMP), known as welfare to work or workfare programme, has become the dominant strategy to bring jobless people back into work (*Pierre, 1999*). A part of the strategy was a series of "New Deals", targeted to offer additional support and guidance to enable specific (marginalized) groups of unemployed to foster their employability and find jobs.

Following the introduction of 'New Deal for Young People' for persons aged between 18 and 24 in April 1998, a further New Deal provision for persons aged 25 and over was introduced in November 1998. This programme seeks to tackle the problem of potential long-term unemployed persons or the formation of entrenched unemployment patterns amongst young people by helping them to find a job or by enhancing their employability through the acquisition of relevant vocational skills and work experience. These objectives contribute to the lowering of unemployment and the reduction of social exclusion. The new element in the delivery of the New Deal programme is its commitment to partnerships, the bringing together of organisations from different sectors, each with different skills and experience. This programme includes groups like:

- Young people aged 18-24 who have been unemployed for more than 6 months.
- Long-term unemployed persons aged 25 and over
 - lone-parents
 - disabled persons
 - partners of unemployed persons
 - unemployed persons aged 50 and over
 - musicians
 - self employed clients.

The aim of the initiative is to help unemployed young people and long-term unemployed persons over 25 into work by improving their prospects of moving into and staying in employment. Each participant has to complete three elements of the programme:

- 1) Gateway
- 2) Option
- 3) Follow through

The design of the New Deal Programme is geared to (*Ditch — Roberts, 2002*):

- Placing specific categories of claimant more quickly into employment,
- Encouraging employers to recruit unemployed persons,
- Improving work skills, experience, qualifications, motivation, self-esteem, and job search skills,
- Enabling the individual/participant to choose the most appropriate method of obtaining and keeping jobs,
- Maintaining effective job search, particular in the Gateway and follow-through phases,
- Delivering policy through mechanisms tailored to individual circumstances and needs: in a professional, efficient and cost-effective manner; through effective local partnerships; ensuring equality of opportunity; providing community and environmental benefits,
- Ensuring the Jobseeker's Allowance (JSA) claimants in all relevant categories covered by New Deal Programmes are aware of, and carry out, their possibilities.

8.1 The New Deal Programme for unemployed young people aged 18-24

This programme helps 18-24 year olds who have been continuously on JSA (Jobseeker's Allowance) for six months and more. It consists of three stages, 'Gateway', 'Option' and 'Follow through', and each youngster has a personal adviser (*Ditch — Roberts, 2002*). This programme starts after six months of unemployment because lots of young people can find a job within this period (about 80 percent). Homeless people, people with numeric and literacy problems, people with drug problems or ex-offenders could enter this programme before reaching an unemployment period of six months under the Early Entry Criteria.

8.1.1 Gateway

After six months of unemployment young people enter the so-called Gateway period, which lasts for up to 4 months. During the Gateway period the young person gets a New Deal Personal Advisor, a worker within the Public Employment Service, specially trained to offer

intensive counselling, advice and guidance. They together prepare an action plan for re-entering the labour market.

8.1.2 Option

If the participant is still unemployed after the four months (gateway period), he/she moves into one of four possible options which provide opportunities for full-time work experience or training. These four options are (*Peer Review, 1999*):

- 1) A job with an employer, including at least one day per week in education or training which will lead to an accredited qualification. Employers are offered a wage cost subsidy of £ 60 per week for 26 weeks plus a grant of £ 750 to cover training costs.
- 2) A job for six months in the Government's Environment Task Force (a programme in environmental work), again including one day a week in education or training towards an accredited qualification. The participant receives an allowance that is equal to their Jobseeker's Allowance plus a small allowance to cover additional costs.
- 3) A job for six months with an employer in the voluntary sector, also including one day per week in education or training towards accredited qualification. Again the participant receives an allowance that is equal to their Jobseeker's Allowance plus a small allowance to cover additional costs.
- 4) The opportunity for those who do not have qualifications which are needed for good employment prospects to take up full-time education for up to twelve months on an approved course leading to an accredited qualification.

The state benefit of young people who refuse to participate in one of the four options can be suspended, usually for two or four weeks, in some cases for up to 26 weeks.

8.1.3 Follow through

If a young person has not found gainful employment after participating in one of the four options, he/she receives additional help and support from the Employment Service to enable him/her to find a job. It should be noted that this long-term support of the programme is innovative compared with other traditional active labour market programmes.

8.2 The New Deal Programme for long-term unemployed persons aged 25+

This programme is designed to help long-term unemployed persons aged 25 and over who have been unemployed for 18 months or more, or 18 months out of the last 21 months, into work and improve their prospects of moving into and staying in employment. As with the 18-24 age group, clients can come onto the programme early if they satisfy any of the conditions of the Early Entry Criteria.

8.2.1 Gateway

Gateway lasts for up to 16 weeks (4 months) and includes the following activities:

- Initial screening for essential skills,
- Short accredited training courses (for up to 2 weeks),
- Weekly interview with a New Deal Personal Adviser (NDPA),
- Referral to the Core Gateway Programme (a mandatory 2 weeks programme addressing essential skills needs),
- Preparation for self-employment (optional),
- NDPA case conferences with New Deal Supervisor at the end of the 1st and 3rd month, and
- Employer Subsidy available at any stage.

8.2.2 Option

If the participant is still unemployed after the four months (gateway period), he/she moves into one of four possible options which provide opportunities for full-time work experience or training. These four options are:

- 1) Employer Subsidy: an employer will receive up to £ 75 per week for up to 26 weeks if he/she agrees to employ one of the programme participants on a full-time basis (£ 50 for part-time work) under the New Deal Programme.
- 2) Preparation for employment: those aged 25 to 49 who do not enter employment, self-employment or education and training options are required to participate on this programme. All clients must attend 30 hours per week for 20 weeks and are paid a benefit based training allowance plus £ 15.38 per week.
 - This programme is tailored to individual needs and lasts for up to 20 weeks.
 - Work placements can be arranged in the public/private sector or voluntary/environments or community sector.
 - Mandatory personal effectiveness job search module.
 - Short vocational training course leading to approved qualification.
 - Essential skills provision to address essential skills needs.
 - Continued NDPA contact throughout.
 - Employer subsidy available throughout or on completion.

- 3) Education and training option: a one year programme of study addressing educational and vocational and leading to a recognised qualification at NVQ Level 2 or 3.
- 4) Self-employment: test trading of up to 26 weeks.

8.2.3 Follow through

If a participant has not found gainful employment after participating in one of the four options, he/she receives additional help and support from the Employment Service to enable him/her to find a job. This element, which lasts 6 weeks, is the final part of the programme. It includes:

- Weekly interviews with their NDPA concentrating on personal achievements gained during their time on an option,
- Intensive job search activity,
- Access to short courses for CV completion and interviewing skills etc., and
- Employer subsidy.

Table: Outcomes in Northern Ireland

	New Deal 25+programme End of September 2003
Number of participants	No information
Number of participants who moved into a job	12,776
of which: number of persons who stayed in employment for 13 weeks and longer	10,820
of which: number of unsubsidised jobs	8,909

8.3 Key learning

Key learning from The New Deal Programme:

- The New Deal Programme gives participants the chance to take control of their lives, to recognise that work is the foundation for independence and a sense of self-worth. This programme utilises participants' talents and energy and equips them with skills to compensate for further jobs. It contributes to the regeneration of local communities not just through the move from welfare to work and the provision of training, but directly through environmental and voluntary work done by clients. In conclusion, the New Deal Programme focuses resources to help people move away from welfare to

work and to assure those working and paying taxes that their contributions are being used creatively to tackle one of society's biggest problems (*Ditch — Roberts, 2002*).

- The processes put in place for this programme were designed for the hard-to-help client group and have succeeded to some extent in meeting this objective.
- With the introduction of the New Deal 25+ programme a decrease of unemployment has been achieved and 10,820 participants have gone into sustained employment.
- The New Deal 25+ programme is currently undergoing an external evaluation and the Department is awaiting its results.

9 Recommendations - Lessons learned from national ALMP-examples

The interaction of demographic and socio-economic determinants on the one hand and value systems on the other, which are at the root of systems of social organisation/protection, result in an enormous complexity of factors affecting social policy outcomes. In those circumstances it is hard to envisage best practice solutions which cover the whole sphere of socio-economic integration, decent work, well-being of all members of society, and also examples of ALMP. Every welfare model has its own logic and functional mechanisms. These have to be tested for their continued relevance in terms of comprehensive coverage and motivational impact. One may, however, take up ideas and practices which are conducive to socio-economic integration from one or another country/model and adapt them to one's own model such that there will be a convergence of views and best practice models (*Biffi, 2003A*).

The current changes in labour demand and labour supply have no clear-cut directional effect upon the funding of the social protection system. Intermittent employment of workers tends to put pressure on public finance in the short-term (unemployment benefits) and long-term (unemployment assistance, social assistance, (early)-retirement pay) (*Biffi, 2003B*).

ALMP was created to prevent long-term exclusion from the labour market. It would be unrealistic to try to compare examples of ALMP under the prevailing great differences in unemployment insurance systems (social protection systems) of the EU member countries. The more immediate object should be to identify mechanisms (in this paper through lessons learned) by which social protection is ensured in one member country.

Our lessons learned from the described cases of ALMP in the partner-countries of "ENDEVOUR" are the following:

- ALMP should be tailored to individual circumstances and needs (e.g. in form of individual courses, co-ordination between counselling, guidance and activation); ongoing counselling and guidance by responsible persons (e.g. case managers, employees in employment offices).

- The goal of an initiative should be to bring participants back to gainful employment and to create sustainable employment relationships.
- ALMP should already start at the beginning of an unemployment period in order to reduce transition rates into long-term unemployment (and social assistance) and to foster employability.
- ALMP should configure to meet local circumstances.
- Causes and consequences of unemployment cannot be limited to exclusively defined single ministries or even single teams. The goal is to co-ordinate all responsible partners to achieve a sustainable (re-)integration of excluded persons into the labour market (e.g. Ministry/Department of labour and economic affairs, chamber of commerce, chamber of labour, unions, employment offices, non-profit organisations).
- Decentralisation of employment programmes needs to be combined with strategies for sharing information.

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