

HRD STRATEGIES IN SELECTED EU AND CEEC COUNTRIES

Angela Taylor

INTRODUCTION

As recognised in the Terms of Reference and Project Organisation and Methods the area of Human Resource Development (HRD) is very broad. With this in mind the Final Paper will take account of the draft HRD Strategy and as such be more focused in terms of selecting the most appropriate best practice. I have set out here information I think is of interest given the issues that were raised in the Terms of Reference and Organisation and Methods, regarding the current state of HRD in the Czech Republic.

KEY ISSUES

A number of issues concerning the current state of the HRD sector in the Czech Republic were raised in the Terms of Reference and Organisation and Methods:

- There is an absence of conceptual and strategic thinking in the development of human resource, at both the national, local and particularly organisational and employers level.
- The concept of HRD needs to be better understood in its widest sense:
 - opportunities and motivation for learning;
 - role of practical experience in HRD;
 - career paths;
 - role models;
 - wide institutional delivery network; and
 - relationships between personnel management and staff development in organisations.
- There is a need to consider Short terms solutions, especially in the areas of increasing employability and restructuring and reducing unemployment.
- Within the HRD Sector there is a wide range of stakeholders. This requires a full consultation process and, more importantly, the engagement of all of these stakeholders in the implementation of HRD initiatives and models.
- Within the human capital base there are gaps and deficiencies in knowledge, practical skills, competencies, experience, attitudes towards work and the

community, personal drive and aspirations, discipline, sense of responsibility or the ability to learn and to change.

- The challenges the Czech Republic HRD Sector faces in terms of the EU include: skills and attitudes for acquiring and retaining employment; keeping pace with technological and structural changes; achieving the required productivity and quality standards; becoming more flexible and mobile and learning to learn throughout the whole working life (life long learning).
- Any strategic approach to HRD needs to be applied at the national, sectoral regional and organisational level.
- There is no clear Ministerial responsibility for HRD. This is specifically an issue for adult learning.
- Adult learning is mainly post-experience and takes place mostly in companies and in smaller private and independent training firms.
- The area of adult training has suffered from the lack of: a conceptual approach, and policy guidance; fragmentation; absence of quality standards; poor co-ordination and inadequate financial support by both the public and private sector.
- The adult learning resource base – programmes, learning materials, institutions, teachers, technologies – is only slowly developing and many current programme offerings are obsolete and of poor quality.
- Employers do not understand their role and responsibility in HRD, have no HRD strategy and policy in their companies and invest very little in HRD.

PRACTICE IN EU AND CEEC COUNTRIES

Several countries have faced the issue of the lack of clear ministerial control by establishing external Task Forces to address specific issues, led by external organisations e.g. employers. Others have focused on merging Ministries, notably in the UK with the merger of the Ministry of Education and Employment.

What is required is a flexible system of provision that acknowledges that each individual and employer is different and require different services. Ease of access to services is also very important.

A fundamental part of the EC's revised stance on employment is the 'common concern' that it now assumes, as underpinned by the Amsterdam Treaty. This has been further developed into the 'Employment Policy Guidelines' which set employment targets and essentially form an Employment Strategy where there are four 'pillars' or basic principles for Member States to follow:

- create a new culture of entrepreneurship;
- create a new culture of 'employability';
- promote and encourage adaptability (i.e., greater flexibility); and

- strengthen policies for equal opportunities.

Further refinement of the Strategy has been given by the EC in its Employment Agenda for the year 2000. Here it is interesting to note that the creation of jobs in the regular labour market remains the priority and the most effective way of tackling unemployment.

Employment-intensive growth is an important consideration, though the need is for sustainable jobs. Here employment policy must encourage job creation through such aspects as the following:

- flexibility in working patterns;
- flexibility in wages and salaries;
- geographical mobility; and
- occupational mobility.

Labour market flexibility is cited as a necessary condition for job creation and an indicator for comparative purposes is the *employment rate*. However, the EC does not see the pursuit of a more flexible labour market as a reason to dilute all forms of employee protection. Employment policy needs to achieve a balance between protecting the vulnerable employee and allowing employers to manage their workforce needs without unnecessary legislative encumbrance.

Creating Local Employment Opportunities

The Essen Council laid out the need to develop activities to encourage job creation at local and regional levels in the sectors of the environment, household and social services, these being seen as offering good opportunities for employment-intensive growth.

“Employment initiatives at local level offer new opportunities for employment and enable emerging needs to be met by creating new occupations. In addition to their direct labour market function, such initiatives often provide social and economic benefits and services to the local community. They mobilise local partnerships and can contribute to local processes of economic, social and environmental renewal and development of rural and urban areas.” (Joint Employment Report, EC DGV, Oct 1997 para 3.4.1).

The HRD issues facing the Czech Republic to date are not unique, not even to many EU Member States. Within the EU there is plenty of evidence of labour market problems that persist and have served to create a new impetus in HRD and employment policy and the search for a response from the European Commission. There are, however, many examples of where EU Member States have had some noticeable success in tackling the issues and some of these have been highlighted in this draft outline paper. It should be stressed though that though often the themes are common there are very few common policy approaches.

The key issues for organisations who are engaged in the development of the labour market continue to be:

- **skills development** - to ensure that people have the skills attractive to the new economy and that firms can access the quality of labour needed to exploit new markets and new technologies. This includes the need to develop enterprise skills;
- **job creation** - to address the shortage of employment opportunities and the uneven distribution of jobs across the country. This relates to issues of both labour mobility and of regional development policy;
- **access to employment** - the traditional patterns of recruitment are changing, bringing a need for new job search skills and raising the issue of equal opportunities; and
- **the problem of exclusion** - as radical change proceeds, many people find it hard to secure employment. There is a danger that they will become permanently excluded from the economy; EU experience of dealing with long term unemployment demonstrates that effective policy measures need to combine preventative and curative initiatives.

Targeted Service for the Unemployed

One of the key trends in EU Member States is the introduction of a more individualised service for the unemployed, coupled with a clear devolution of power in determining how the budget on active employment/labour measures should be spent, to organisations in local labour markets. This development recognises the importance of the local labour market as the place where unemployment will be solved through targeted measures that correspond with the economic development prospects of the local area. It also recognises that the public employment services cannot achieve these objectives in isolation; helping the unemployed back into work is the responsibility of whole communities.

A specific active labour measure that is well established in the EU Member States but is being applied only to a limited extent in the CEEC and CIS is the introduction of job subsidies to encourage the recruitment of the unemployed into the private sector, an element of which should be available for helping those wishing to become self employed. These programmes need to be structured in a way that develops relevant labour market skills.

Within the CEEC and CIS countries the whole issue of the monitoring and evaluation of active measures is very weak. Monitoring and evaluation needs to be an intrinsic element of the work of the delivery organisations.

Addressing Unemployment

Unemployment is the manifestation of labour market imbalance, but it should not be considered from one single perspective. There are basically four different types of unemployment and each requires a different approach in terms of policy. These are as follows:

- Structural;
- Cyclical;

- Seasonal; and
- Frictional.

Structural unemployment is essentially the by-product of industrial change and represents a mismatch between the number of jobs available and those seeking work. In Czech Republic, as in most CEEC and CIS countries, structural unemployment is endemic and is caused by the move to a market economy where the old state-run industries have been declining. All countries with an industrial sector have, at some time or other experienced this problem. The issue is one of adjustment and ultimately the economic resurgence of the areas affected, as such the effects of structural change are not evenly distributed across the country.

Pro-active Intervention in Industrial Restructuring - Several EU Member States have sought to tackle unemployment before it happens by effective targeting. In Greece, for example, the Integrated Programme of Intervention provides a set of options aimed at re-integrating those made redundant from sectoral downsizing for up to a period of 37 months. The measures available include: training allowances; job subsidies; and start-up grants for those who wish to start their own businesses. At the same time, those displaced are supported financially in the expectation that it will be a relatively short time before they are self supporting. The measure is considered to be particularly useful for easing the displacement of workers caused by the privatisation process and as such may be of specific interest to the Czech Republic.

Cyclical unemployment is considered to be less of a problem, partly because it is often short-term and concentrated. The ups and downs of the economy may mean that people are displaced as the level of business activity declines.

Seasonal unemployment is a more tangible problem and can be found in various forms throughout Czech Republic. It is usually related most strongly to the agricultural sector and tourism sector. In most EU Member States the tendency is to allow the seasonally unemployed to re-register as unemployed and claim benefits to support them (but these would normally be social rather than unemployment benefits).

Frictional unemployment is essentially those normally short periods of unemployment that people experience when they move between jobs. The object is to keep these periods as short as possible and here the key is an efficient job search facility. The quality of the information available, the number of vacancies notified to e.g. the employment service and the confidence of the jobseeker in using the service are the main ingredients of success. When these services fail to deliver, then those frictionally unemployed can drift into long-term unemployment thus increasing the problems of placement.

Active Labour Market Policies

Active Labour Market Policies (ALMPs) provide the means by which labour market imbalances can be tackled. Within the EU there has been an emphasis on reducing the proportion of employment support spent on passive measures (mainly unemployment benefit but also including early retirement programmes) to the benefit of increased spending on active measures. However, this process has been slow. In 1992, for example, around one third of spending among the 15 EU Member States (EU15) was

on active measures and this had increased to 36 per cent in 1996. However, over the same period the proportion of GDP spent on active and passive measures together has altered little (at around 1.5 per cent of GDP in 1996).

Germany and Sweden basically fund active and passive labour market policies through the receipts from unemployment insurance funds. However, there are differences in how these are managed. In Sweden the two functions of paying unemployment benefit and developing and implementing ALMPs are kept separate, each having semi-autonomous agencies or boards overseeing the activities with national, regional and local offshoots.

In Germany the system has the Federal Labour Office responsible for unemployment benefit and ALMPs and it is recognised as a potential problem in that when the number of unemployed claimants is rising, then this puts financial pressure on the fund with the possible result that labour market programmes are over stretched..

The overall figures mask the variations found among the individual EU Member States. So, for example, in Germany in 1996, the mix between active and passive measures expenditure was 37.6 per cent to 62.4 per cent; in the Netherlands the ratio was 28.7 per cent to 71.3 per cent.

More generally, there are four basic approaches to ALMPs, as follows:

- advice and counselling;
- subsidised jobs;
- job creation; and
- training and retraining courses.

These form the basic approaches but within the EU there are many variations on these themes, reflecting the need for ALMPs to be adapted to local circumstances.

Advice and counselling activities seek to assist the unemployed through analysis of their background, current position and aspirations in the labour market, leading to recommendations on their best course of action. Such activities should commence from the initial registration of the individual and should precede participation in any other programme. Job Clubs would tend to fall into this category.

Intensive Guidance with Follow-up Options - United Kingdom

The *New Deal* programme is aimed at young people who have been unemployed for at least six months. They receive guidance through the 'Gateway' which can last for up to four months. It aims to increase their employability and find them a job. If at the end of this period the young person cannot find a job in the regular labour market, they can choose to develop their skills by taking one of four options:

- a subsidised New Deal job with training;
- work with the Environmental Task Force;
- work in the voluntary sector; or
- return to full-time education or training.

The jobs option under *New Deal* offers a subsidy to employers of £60 per week for six months when they recruit a young person who has been through the 'Gateway' training period. Training costs of up to £750 per participant may also be paid. Part-time jobs are allowed provided they are for a minimum of 24 hours per week.

Subsidised Jobs provide a financial incentive for employers to recruit additional employees from the unemployed. The nature of the financial incentive can vary with, for example, a direct payment to the employer to offset all or (more usually) part of the wage, social security concessions, or one-off payments to help fund the initial costs of creating the additional jobs. Such programmes are common in the EU and typically offer partial subsidy of wages and other employment costs for a limited period.

Also included here would be ALMPs aimed at encouraging the unemployed to move into self employment. This type of support takes on a number of different forms and may assist the unemployed person through preparatory training, a loan to buy the necessary tools and equipment and maybe sheltered workshops for the first year of activity. Normally during this first year the unemployed person will receive a stipend equivalent to unemployment benefit with some sort of adjustment mechanism for any earnings made through the self employment activity.

Encouraging Job Creation

Virtually all EU Member States have implemented measures aimed at reducing the non-wage costs of taking on additional workers from the unemployed. These typically take the form of temporary reductions in social insurance contributions, or the payment of subsidies directly to the employer to cover part of the non-wage costs.

Job Creation in the Service Sector

France

The *Nouveaux services - nouveaux emplois* programme was launched in 1997 with the aim of creating new jobs for the unemployed to meet the needs of those services experiencing growing demand from such influences as demographic change, increased leisure, etc. The objective is to create 350,000 jobs over three years and the focus is the young unemployed aged 18-26 (some others such as disabled up to the age of 30 are also covered). The state provides a grant of around 80 per cent of the minimum wage for a full-time job (FF92,000) for a maximum period of 60 months. The aim of the long period is to allow participants to gain work experience and to prove themselves to the employer.

Belgium

In July 1997 the federal government initiated a new measure to activate wage compensation benefits. The 'Service Jobs' (*emplois-service*) programme aims to create as many jobs as possible for the LTU. Participants will be given a regular employment contract and will tend to work in functions that are no longer widely performed. Those eligible will be at least two years unemployed and the jobs must

satisfy the following criteria: they must be new (incremental) jobs; they must provide genuine services. Those recruited can be on a fixed term or open-ended contract provided that it covers at least half the standard working hours. The employees receive a monthly allowance linked to unemployment and social benefit levels and the employer may subtract this from the net wage paid to the employee. Employers also enjoy reductions in employer contributions to the social insurance system.

During their employment under the programme, the participants continue to receive advice from the appropriate regional employment services.

Netherlands

The *Regulation on Additional Employment for the Long-term Unemployed* had, by October 1997, realised over 20,000 jobs in the local authority and health care employers.

Job Creation measures are often termed ‘make work’ schemes and essentially create additional jobs in the public sector and in non-profit making organisations. The practice is again widespread in the EU and is principally focused on the LTU. Jobs tend to be in lower skilled or non skilled activities and for a fixed duration. Employers may be asked to augment the allowance paid to the unemployed person through the programme, but this is not always the case. The idea behind the measure is to give the unemployed some re-attachment to the world of work, though in practice it seldom leads to participants joining the regular labour market and a major criticism is that the programmes often do not contain any training element.

Training and Retraining Courses focus on trying to give the unemployed new or enhanced skills to enable them to compete more effectively in the regular labour market. Such initiatives are generally of two types. The first concentrates on the development of *generic* or *key* skills such as communication, numeracy or information technology ability. The second type of training is focused on vocational skills and is aimed at preparing the participant for a particular occupation, normally based on a review of what the labour market needs in terms of skill.

Focusing Training

Portugal

The *Workshop Schools* programme has been developed in the context of local economic development. It concentrates on young first-time job seekers and long-term unemployed adults allowing them to acquire Vocational Qualifications in traditional crafts or environmental activities in order that they can start their own business or find a regular job using their new skills. The programme lasts for 12 months during which the participants receive a grant and allowance for subsistence.

Intermediate Labour Markets

The most effective way of providing socially useful work is now thought to be on a small scale, focused on local projects. To be effective the work must offer work experience and training in the jobs being carried out.

Ireland

The *Community Employment* programme offers part-time work for the long-term unemployed and certain other disadvantaged groups in the social sector. There are two levels of participation. For those LTU assessed to have reasonable opportunities of moving to a regular job after participation in the programme, then the duration is 12 months maximum. However, for the very LTU (i.e., over three years) aged over 35, the part-time jobs may last for up to three years. Those on either option are paid at least what they were receiving on benefit plus an additional allowances.

Creating Local Responsibility for Programmes

Sweden

In 1995 the municipalities voluntarily took responsibility for the young unemployed aged under 20. The main objective is to encourage them to complete their upper secondary education, but where required the municipalities can devise local active measures to meet the needs of their local labour markets.

Germany

Provisions of the *Labour Promotion Act* of 1997 increased the flexibility local employment offices have in determining local need and allocating budgets accordingly. From their budget allocation they can decide on the mix of national ALMPs that would best suit their local labour market circumstances. In addition they can use up to 10 per cent of their ALMP budget to devise new measures to meet local needs. This has been backed up by increased performance monitoring and evaluation.

United Kingdom

The decentralisation of most ALMPs has been in place since 1991 when the *Training and Enterprise Councils* (TECs) in England and Wales and their equivalents in Scotland, the Local Enterprise Companies (LECs), were set up. They are employer-led bodies relying on local partnership to deliver ALMPs according to local needs. They resource the development of labour market information and provide perspectives on future needs. A more recent development has been the merging of some TECs with their local Chamber of Commerce, thereby creating a broader based partnership body.

Unemployment Benefits

In examining the potential effects of unemployment benefit as a restriction on the willingness of the unemployed to actively look for work and eventually take a job, there are two aspects to consider, as follows:

- overall level of benefit; and
- duration of the payment period.

From the experience of the EU, there is some evidence to show that both aspects have a potential effect, though hard to quantify.

Reducing the Duration of Unemployment Benefit Payments

United Kingdom

In 1997 the Job Seeker's Allowance was introduced to replace traditional unemployment benefit. This was payable for six months only instead of the 12 month period under the previous system, but along with it was 'charter' or agreement involving both sides. The employment service promised to provide the necessary services to help the unemployed person find work or a preparatory programme (such as retraining), and the unemployed person promised to diligently look for work.

In 1997 the Organisation for Economic Co-operation and Development (OECD) - *Making Work Pay* (Paris, OECD Publications), examined the matter in some detail and came to the conclusion that there is no easy or obvious solution to ensuring that benefits provide an adequate financial support framework while at the same time maintaining an incentive for the unemployed to actively seek and take work. More significantly, it stated that: '*No country has yet found an ideal system of taxes and benefits*'. Within the EU there have been many examples of recent changes to benefit systems to help achieve this balance more effectively.

Measuring the *level of benefit* between countries is normally done in terms of its 'net replacement ratio' or the proportion that benefit represents of previous earnings. However, this is further complicated by different systems in the EU, some (the majority) based on a proportion of previous earnings and others on a flat rate regardless of previous earnings. Taking the extremes among the EU Member States, in Sweden benefit is around 80 per cent of previous earnings while in the United Kingdom it is about 23 per cent.

In terms of the duration of benefit payments, the common practice in the EU is to limit the period for paying non-means tested benefit, after which if the person remains unemployed then a means-tested social benefit system applies. The range is highly variable in the EU, with a low period in the United Kingdom of six months, to longer periods of up to five years in Denmark. Most Member States have different duration periods depending on such factors as age, length of work experience, etc.

Needs Identified

It is all too easy to develop a list of ALMPs that are desirable to have and which would directly address the problems of unemployment. In reality all ALMPs are only a contributory factor in assisting labour market adjustment and in any case, the cost of such a comprehensive package would be prohibitive, especially to a country in transition.

Therefore, any identification of employment policy needs has to be predicated on the following basic principles:

- measures should be highly targeted;

- measures should be individualised as much as possible; and
- measures should be based on sound labour market information.

Targeting is the key to maximising the effectiveness of ALMPs and there are many examples in the EU where this is now happening. In the Netherlands, for example, under recent legislative changes, local communities have been given their own budget to fund training and work experience for the unemployed with the aim of giving individuals a bespoke support package with the objective of placing people in real jobs. This is also the message from the *New Deal* in the United Kingdom, which offers young people (and more lately older unemployed) intensive counselling with the primary intention of placing them in the regular labour market, but with the fall back of an appropriate option (such as retraining or a subsidised job with training) if this is not immediately in prospect.

Targeting Success

Germany

Targeting can be highly productive as an example from Germany illustrates. Here the local employment offices were instructed to concentrate on assisting the long-term unemployed and those in danger of becoming so. This was achieved by approaching employers directly requesting information on vacancies even though they may not have advertised any. The approach rendered almost a quarter of a million jobs, most of which were filled by the long-term unemployed without the need for a subsidy.

Individualising ALMPs begins with the basic services that the unemployed receive at the employment offices. This requires a personalised service with adequate time spent with the individual to develop a plan of action for job search. It goes without saying that the staff involved need to be competent in their advisory and counselling activities and have the time to devote to clients. It is also an opportunity to tighten up checks on the person's availability and willingness to work and their activities in job search or in making them more attractive to the labour market. Such a service requires a higher staff to client ratio than is likely to exist in the Czech Republic and a programme of staff development to match. It also works best when co-ordinated with the overall framework for ALMPs so that employment service staff have something to offer their clients if they are not able to find jobs in the first instance.

Offering a Bespoke Service to the Unemployed

Denmark

Individual guidance for the unemployed received a high priority in recent policy developments. The *regional labour market councils* have responsibility for identifying special risk groups among the unemployed in their area and each unemployed person selected is then given an individual action plan. This spells out the employment goal of the person and the kind of steps needed to get there which may include training or job experience, for example. Individuals may short-cut the process by requesting an individual action plan themselves.

Results of the development show that a high proportion of individuals have action plans specifying jobs that are different from their previous jobs and educational background. Furthermore, because in the majority of cases the objectives are what the individual wants, then motivation levels are high.

Netherlands

The Jobseekers Employment Act was passed by the Dutch Parliament in December 1997. It greatly simplifies the rules and regulations for subsidised employment replacing some of the programmes such as *Labour Pools* and the *Youth Work Guarantee Act*. The local communities are given a *Work Fund* with which to offer training and/or work experience to the unemployed, the LTU and jobless youth. The principle is to offer tailor made solutions aimed at putting people into regular employment. Jobs with the local authority will be a last option. The main change in providing places is that the employment contract is combined with training and financial incentives to the employee to help them reintegrate into the regular labour market as quickly as possible.

United Kingdom

The *New Deal* programme was launched in pilot form in January 1998 and nationally in April 1998. Those young people taking part will be put through a *Gateway*, an intensive counselling, advice and guidance session with the intention of finding an unsubsidised job if possible. The fall back situation is a bespoke programme where there is a choice of four options: a subsidised job with an employer who receives the subsidy for six months maximum; a job with the Environmental Task Force or with an employer in the voluntary sector; follow full time education or training to achieve basic qualifications. All the employment options include at least one day per week (or its equivalent) in education or training leading to a recognised qualification.

Good *labour market information* underpins the ability to offer the best service to the unemployed and to the employer as well. This extends to knowing which jobs are in demand now and in the future and will influence the structure of programmes such as retraining courses. However, good labour market information is not just about statistics. It is also about networking with employers and other key players in local labour markets and ensuring that the employment service is at the centre of partnerships set up to develop employment opportunities locally.

The EU has made employment policy and combating unemployment a high profile activity for all Member States which is also starting to filter through to the applicant countries. In the pursuit of this the Structural Funds and in particular the ESF have a role to play, though their contribution to overall expenditure on ALMPs by Member States is relatively small and in any case has to be matched from national sources.

The emphasis in EU labour market support has been on changing the balance between active and passive measures in favour of the former, though only slow progress has been made.

The EC has prioritised combating unemployment through effective employment policy and this is high on the agenda of all Member States and should be at a similar

level of concern among the applicant countries. However, employment policy must be seen as facilitating economic development and not as an inhibitor, since it is recognised that the best way to reduce unemployment is to create jobs through economic growth. So flexibility for the labour market is now accepted subject, of course, to the maintenance of basic levels of protection for those in work. It is also recognised that those on the margins of the labour market will need special assistance to be able to join it and so ALMPs are essential.

Development of ALMPs should be guided through;

- clearer and more focused objectives for ALMPs measures - relating as appropriate to the skill needs of the economy or to the labour market competitiveness of individuals and groups;
- focusing especially on priority groups - those who are particularly disadvantaged in the labour market; and
- a sensitivity to local circumstances - for example, the needs of particular groups or the problems faced by different communities within an area (notably the rural areas).

This approach also calls for;

- actions to be adequately resourced; and
- local discretion on the deployment of resources between programmes. Such local discretion can often act as a spur to local innovation in the design and adaptation of programmes and this is something that might be encouraged positively.

Attempts also should be sought to strengthen - locally and nationally - connections to the economy and to measures designed to develop enterprises and jobs. There are opportunities to;

- link the active labour measures closely into wider development programmes;
- develop programmes that bridge the gap - for example, subsidy schemes for employers and for the promotion of self-employment; and
- to build a more strategic approach to the development of training providers and other agents related to employer demand.

Measures to Deal with Unemployment amongst Disadvantaged or potentially Disadvantaged Workers

Falling employment and rising unemployment have been and remain an issue for all Member States. A common aim throughout the EU is therefore to maximise the efficiency of labour market policy. In their employment programmes there is a common belief that the emphasis of policy should shift from passive measures of income support for those out of work, to active measures, to help people find a job or remain in work.

The measures adopted by the various countries differ considerably. In some, priority has been given to the direct replacement of passive spending by active measures such as the provision of training or subsidised jobs. In others, there has been an attempt to improve complementarity between active and passive measures by, for example,

linking the provision of income support to job search activity or acceptance of training schemes. Not only do the measures adopted by various countries differ from one to another, but also within most countries a number of different approaches have been adopted and then replaced by others in the search for greater effectiveness. Experience has shown that there is no “right” approach; not only is a range of measures likely to be needed but also regular and careful monitoring of their effects is essential.

Preventing and reducing long term unemployment has been a priority for all Member States. Types of interventions which have been tried include the following:

- Job Creation Schemes;
- recruitment subsidies;
- reductions in social security deductions, tax credits etc;
- wage subsidies;
- support for self-employment and business start-up;
- Adult and Youth Training schemes;
- Sponsored Training;
- job-finding programmes (including Job Clubs);
- income support;
- fares to work allowances;
- work experience;
- compulsion;
- apprenticeships;
- part-time and job-sharing schemes;
- development of networks; and
- support for the development of co-operatives;

In addition some countries have increasingly tried to target support on the potential long-term unemployed by identifying those at greatest risk among the recently unemployed.

Initiatives taken to assist young unemployed

Ireland

The Irish introduced a Community Employment programme in 1994, which had three main objectives: providing part-time direct job creation opportunities for the long-term unemployed and those at risk of becoming so; assisting the personal development of participants and thereby increasing their employability; and contributing to local development through targeting the programme towards high unemployment areas. The programme provided part-time work (averaging 20 hours per the week) in public or non profit-making organisations for a period of around one year. Participants were given direct on-the- job training.

Belgium

Belgium’s rate of youth unemployment, at over 25%, was one of the highest in the EU, leading to the introduction of a *Youth Recruitment Programme*. It offered

employers who recruited anyone under the age of 26 who had been unemployed for at least six months, exemption from paying social insurance contributions for up to three years. Whilst analyses showed both deadweight and displacement effects, the scheme was successful in lessening the risks for some of the younger workers involved of becoming totally excluded from the labour market.

Denmark

Denmark has, in recent years, tightened its unemployment benefit system and introduced an element of compulsion for all those who have been out of work for two years or more. Since 1996 young people under 25 who have been in receipt of benefit for at least six months are offered job experience or training for at least 18 months if they have not completed adequate education or have little work experience. Those who refuse a reasonable offer of work will lose their entitlement to benefit.

Despite doubts about the beneficial effects of large-scale training programmes, especially compared with the much less expensive job-placement and guidance schemes run by the employment services, training is still the most important active measure in many Member States. It is particularly relevant for those who need some training to stand a chance of entering the regular labour market and therefore has been used particularly for the young unemployed. It is also extensively used as an element in job creation schemes.

Measures to Deal with Female Unemployment

Measures for dealing specifically with female unemployment mainly consist of employment and training subsidies. Sometimes childcare is also subsidised. Other measures include special programmes to promote the recruitment of unemployed women into typically male occupations. However, the main policy instrument for dealing with female employment and unemployment lies within equal opportunity legislation and programmes.

Equal Opportunities Policy

The EU actively encourages and, in some cases through Directives such as 75/117/EEC (Equal Pay) and 76/207/EEC (Equal treatment), requires Member States to comply with certain minimum standards under the heading of 'equality'. This is mainly, it must be said, directed at achieving equality of opportunity between the genders

To comply with EU policy all Member States have been proactive in improving their policies and practice in relation to equal opportunity, particularly in relation to men and women.

Equal Pay and Equal Treatment

Most countries rely on national regulations to implement the principle of equal treatment but some also require that all collective agreements comply with these principles. Job evaluation has been applied in only a limited number of countries and only a few sectors as a method of reducing segregation by gender.

The United Kingdom provides a useful example of long standing legislation on equality. Here there has been equal pay legislation since 1970 and a Sex Discrimination Act since 1975. As its title suggests, the Sex Discrimination Act applies to women and men and to marital status and the well as simply gender. The legislation makes provision for exceptions in cases where sex can be shown to be a genuine occupational qualification. Regulatory machinery is vested in the *Equal Opportunities Commission* (EOC) which was set up in 1974. The EOC's remit includes research and education, preparation and issue of codes of practice, formal investigations, the issue of non-discrimination notices and assisting claimants.

Examples of Equal Opportunity Policy Approaches

Austria

Equal Treatment law forbids direct or indirect discrimination and also sexual harassment.

Belgium

The law covers direct as the well as indirect discrimination and provides for positive action. All collective agreements including those on job definition and evaluation must conform to the principle of equality.

Germany

The burden of proof is with the employer, once an evidential difference is proved by the employee.

France

Persons found guilty of infringement of the law on non-discrimination may be fined or imprisoned.

Finland

The Finnish Equality Act of 1986 was amended on accession to the EU. As the well as clauses prohibiting direct and indirect discrimination and discriminatory advertising, an obligation is placed upon both authorities and employers to promote equality and on employers to report on their procedures.

Greece

A bipartite commission for monitoring the application of the sex equality legislation has been created.

Italy

The law promotes positive action, through public funding, to favour the employment of women and the acquisition of equality between men and women at work.

Ireland

Ireland has an Employment Equality Act (1977), which applies to employment, the professions and vocational training, and forbids discriminatory job advertising. The Anti-discrimination (Pay) Act applies expressly to men also. It provides for equality officers to investigate disputes. The Act called for a review of job classification and evaluation systems.

Netherlands

Positive action is permitted in the case of under-representation of women in certain occupations or professions.

Portugal

Recently tackled the issue of sexist language in the workplace when it published a new National Classification of Occupations.

Spain

Reinforced its equal opportunity legislation by requiring all employers of 10 or more workers to make an annual survey of pay differentials between men and women. They must include an Action Plan to be submitted to the Equal Opportunities Ombudsman on request.

United Kingdom

In the UK there has been Equal Pay legislation since 1970 and a Sex Discrimination Act (SDA) since 1975. As its title suggest, the SDA applies to men and women, and to marital status as well as gender. The Act makes provision for exceptions in cases where sex can be shown to be a genuine occupational qualification. Regulatory machinery is vested in the Equal Opportunities Commission, which was set up in 1974. The EOC's powers include research and education, preparation and issue of codes of practice, formal investigations, the issue of non-discrimination notices and assisting claimants.

Equality Audits

Equality auditing is a process through which countries and/or organisations can evaluate the extent to which their internal processes, employment policies, structures and practices have progressed towards gender equality. They usually cover factors such as the number of men and women employed, by salary, by grade and by hours of work.

In Belgium, France and Italy there are legal requirements to carry out such audits. Belgium introduced these requirements in 1993 and requires all enterprises to produce an Annual Report to present to the works council or trade union delegation of an

enterprise. The public sector also has to produce an analysis report on positive actions. In many of the other Member States the organisations which are part of the equality industry encourage organisations to draw up equality plans or introduce equal opportunity policies.

Finland's Equality Act requires every employer who has 30 or more employees to prepare an equality plan showing measures to increase equality in the workplace and steps to promote equitable recruitment, improve working conditions, facilitate the reconciliation of working and family life and decrease the pay differences between men and women. The plan also has to describe measures to deal with sexual harassment.

Positive Action

Although there is no official definition of positive action at a European level, there is nonetheless widespread agreement that the concept of positive action embraces any measure or set of measures which aim to make up for the effects of past discrimination. No Member State has introduced compulsory positive action in the private sector but in Belgium and Italy, for example, there are legal obligations to apply some form of positive action in the public sector.

Increasingly there is recognition in several Member States that some form of positive action is going to be necessary if traditional patterns of employment are to change and if employment segregation is to be reduced. For example, in 1987 France introduced a contract for equal treatment in employment aimed at firms employing less than 200 workers which sought to improve recruitment, career change and promotion in jobs which are principally occupied by men or involve new technology.

Racial Equality

The EC estimates that there are between eight and nine million *migrants and ethnic minorities* in a total EC population of around 370 million, but there is no way of producing an accurate assessment. Many countries do not collect figures on the basis of race or ethnic origin and in France, for example, it is illegal to do so. The EU has not so far introduced Directives governing ethnic or racial inequality, recognising both the sensitivity and the uniqueness of each country's situation. As a general rule, it is expected that the principles of equal treatment, equal opportunity and equal access will apply to all, following the UN Declaration of Human Rights in 1948. Some countries, however have found it necessary to go further and create separate legislation to deal with issues of racial discrimination.

Levels of protection against racial discrimination vary greatly at national level. Each country has its own legal framework concerning human rights and citizens' rights. The Netherlands, for example, has a substantial body of law against racial discrimination. In France racial discrimination is a criminal offence, but the law is very rarely enforced because this depends on the actions of police and prosecutors. Germany has no anti-discrimination law, but there is much voluntary activity against racism and strong government concern to deal with extreme right-wing groups. Both Belgium and the UK have laws on racial discrimination and Belgium has a *Centre for Equal Opportunities and the Struggle against Racism*.

It is perhaps relevant to provide a brief history of the progress of policy in the United Kingdom in this area during the past 30 years.

Development of Race Relations Legislation in the United Kingdom

Substantial inward migration to Britain from the Commonwealth during the 1950s introduced a much more racially mixed population in many of the UK's larger cities. Problems of racial tension started to surface in tandem with an economic recession which began to hit some of the industries in which many immigrants were employed and in the textile industry in particular. This led to the first Race Relations Act (RRA) in 1965. Under this Act it was unlawful to discriminate unfairly in places of public resort.

After three years it was evident that further legislation was needed and the RRA 1968 extended the coverage of anti-discrimination legislation to cover employment, housing and the provision of services. The emphasis in the new Act was on conciliation. Two bodies, a *Race Relations Board* and a *Community Relations Commission*, had been established to promote good practice and investigate complaints.

Despite this, the new Act failed to win the confidence of the minority community and in 1975 a third race RRA was introduced. It was prompted partly by the introduction in the previous year of the Sex Discrimination Act, some of the features of which were recognised as having equal applicability to racial discrimination. Specifically these were as follows:

- the concept of indirect discrimination;
- the provision of protection against victimisation; and
- the principle of vicarious liability (i.e. where an employer remains liable for discriminatory acts of his employees whether or not they were carried out with his consent or knowledge).

The Commission for Racial Equality, established under the 1976 Act, has a wide variety of roles and powers, including:

- investigation;
- enforcement (by issuing non-discrimination notices);
- education;
- research; and
- advice.

The Commission also managed locally-based *Community Relations Councils*.