

Labour market policy database

Methodology

Revision of June 2006



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Directorate F - Unit F/2: Labour Market Statistics

LABOUR MARKET POLICY DATABASE METHODOLOGY REVISION OF JUNE 2006

This document presents the revised version of the methodology for the Labour Market Policy (LMP) database. The revision has been prepared by the consultants of Alphametrics under the leadership of the Labour Market Policy Task Force for methodological work. The list of the Task Force members is included in the Introduction.

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INTRODUCTION AND ACKNOWLEDGEMENTS

The project to set up a new database in Eurostat on Labour Market Policies started back in 1996 with a small Task Force composed of seven Member States and two Commission Directorates. The aim was to develop a database that would provide the Commission with comparable data on expenditure and on participation in the labour market policy measures (LMPs) implemented by each Member State in their fight against unemployment. This project became particularly relevant in November 1997, when the "European Employment Strategy" was launched by the European Council. The LMPs are, by definition, restricted in scope, covering only political interventions that target the unemployed and other groups of people who face particular difficulties in entering or retaining their position in the labour market. Primary target groups are the unemployed who are registered with the public employment services. However, the activation of "inactive" people has also become a political priority in recent years.

The development of the LMP database and of its methodological guidelines took several years. The first version of the LMP methodology was developed between 1999 and 2000 as a joint project between Eurostat and Directorate General for Employment and Social Affairs and provided instructions on collecting comprehensive information on labour market policy interventions, covering expenditure, numbers of participants and a detailed description of the policy measures. The LMP Methodology published in May 2000 constituted the reference guidelines used between 2000 and 2005 for the collection of data.

By June 2006 Eurostat has produced seven publications covering data for the years 1998 through to 2004, including a wide range of data on:

- (a) Labour market policy total expenditure, expenditure by category, expenditure by recipient of the transfers, expenditure by type of payments, detailed labour market expenditure by category and by country,
- (b) Total participants (stocks) in labour market policy measures by category, participants' flows (entrants and exits) by category, detailed figures on participants by category and by country, with breakdowns by age and sex, etc.

A methodological manual is an essential tool for assisting statisticians in their work, but we are aware that all manuals should be revised at regular intervals. We have great pleasure in presenting here **the first revision of the LMP Methodology**. Given that real work on the methodology started in 1998, and virtually all delegates contributed to the improvement of the guidelines by sending comments, questions and / or suggestions, this is the result of eight years of team-work. During these years of development, the Labour Market Policy database has moved from a kind of "exploratory" status to maturity. Joint work with the Directorate General of Employment and Social Affairs was maintained throughout this process of development, reflection and revision. As a result, the present revision of the LMP methodology takes into account the needs expressed by the Employment Committee for the LMP database to improve its contribution to the monitoring of the European Employment Strategy.

In the meantime, the European Union has been enlarged; most of the new Member States have started to implement the LMP data collection in 2005, and the remaining countries will start in 2006. Thanks to this, the first the revision of the LMP methodology, whose final version was prepared between 2005

and the first half of 2006, was able to take into account a number of proposals put forward by the representatives of the new Member States.

Additionally, in 2005 the LMP data collection was for the first time launched jointly with the OECD. Both organisations agreed to use the Eurostat methodology, and OECD contributed actively to the revision process. The result is a simplification of the Member States workload as well as an overall improvement in the quality of data for international comparisons.

We would like to thank all those who have contributed to its preparation, in particular the members of the LMP Task Force on Methodology, for their constructive comments:

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We would like to express our gratitude to the whole network of LMP delegates, who have contributed to the revision of the methodology with a great deal of motivation, support and positive suggestions. Many thanks to all of them.

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European Employment Strategy

1 SCOPE AND KEY DEFINITIONS

1.1 SCOPE

- §1 The scope of the LMP database covers all labour market *interventions* which can be described as:

Public interventions in the labour market aimed at reaching its efficient functioning and correcting disequilibria and which can be distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market.

- §2 *Public interventions* refer to actions taken by general government in this respect which involve expenditure, either in the form of actual disbursements or of foregone revenue (reductions in taxes, social contributions or other charges normally payable).
- §3 *General government* should be understood as including central government, state/regional government, local government and the social security funds (see §347 to §350).

1.2 TYPES OF INTERVENTION

- §4 All LMP interventions, with the exception of some services (see §6), must aim to benefit identifiable members of one or more target groups as defined below (see §17 to §19) and incur expenditure. In many cases the direct recipient of the public expenditure may be an employer or service provider but the ultimate beneficiary of the actions implemented is the participant (see §20) who must always be a member of an LMP target group. Three different types of intervention are recognised:
- §5 Services refer to labour market interventions where the main activity of participants is job-search related and where participation usually does not result in a change of labour market status¹.
- §6 Services also cover functions of the PES that are not directly linked to participants. This includes placement and other services for employers, administrative functions, general overheads and other activities depending on the responsibilities of the PES (see §44 to §51).
- §7 Measures refer to labour market interventions where the main activity of participants is other than job-search related and where participation usually results in a change in labour market status¹. An activity that does not result in a change of labour market status may still be considered as a measure if the intervention fulfils the following criteria:
- the activities undertaken are not job-search related, are supervised and constitute a full-time or significant part-time activity of participants during a significant period of time, and

¹ In “services”, a participant who is registered unemployed always continues to be counted as registered unemployed. In “measures”, in most countries a participant who is registered unemployed usually ceases to be counted as registered unemployed (see also Box 1).

- the aim is to improve the vocational qualifications of participants, or
- the intervention provides incentives to take-up or to provide employment (including self-employment).

- §8 LMP *measures* cover, primarily, government interventions that provide temporary support for groups that are disadvantaged in the labour market (see §13 - §15). Most *measures* are aimed at activating the unemployed, helping people move from involuntary inactivity into employment, or maintaining the jobs of persons threatened by unemployment.
- §9 The only *measures* included in the database that do not provide temporary support relate to the provision of ongoing support for persons with permanently reduced working capacity (see §84). In this case it is recognised that public support may be needed to counteract the reduced productivity or other overheads associated with such persons, who would otherwise be uneconomic to employ.
- §10 Supports refer to interventions that provide financial assistance, directly or indirectly, to individuals for labour market reasons or which compensate individuals for disadvantage caused by labour market circumstance.
- §11 The participants (see §20) are usually persons who are out of work and actively seeking work but also persons who retire early from the labour market.
- §12 *Supports* may be payable to persons who benefit from *services* but financial assistance paid to persons participating in *measures* should be considered as part of the costs of the measure and not as a support (see §176).

1.3 TARGET GROUPS

- §13 The scope of the LMP database is limited primarily to interventions which are explicitly targeted in some way at groups of persons with difficulties in the labour market - referred to here as *target groups*. This specification facilitates a distinction between labour market policies and more general employment, social protection or fiscal policies which may have similar aims in terms of promoting employment, but which act in a non-selective way across the population.
- §14 Three main *target groups* are recognised as described below (see §17 to §19). All labour market *measures* (see §7) and *supports* (see §10) must target at least one of these groups or be subject to specific national targeting (see §15) in order to be considered within the scope of the database. Labour market *services* (see §5) have a wider application and include interventions that are designed to help any person requiring assistance in the labour market.
- §15 In addition, it is recognised that there may be particular circumstances in which a government provides special assistance to promote the employment of groups that do not necessarily comply with the target groups identified above. For example, in order to counteract concentrations of unemployment in particular groups (e.g. young people) or regions, there may be interventions that provide support for employers taking on persons from these groups, irrespective of their

previous status. Since such measures support a particular group considered as disadvantaged in the national labour market, they are also included in the database.

- §16 The database also specifies a number of detailed target groups that may be used in addition to the main target groups in order to identify where interventions are focused on particular client groups (see §287) *within* the three main target groups.
- §17 Unemployed - persons usually without work, available for work and actively seeking work. Persons considered as *registered unemployed* according to national definitions are always included here even if they do not fulfil all three of these criteria.
- §18 Employed at risk - persons currently in work but at risk of involuntary job loss due to the economic circumstances of the employer, restructuring, or similar.
- §19 Inactive – persons currently not part of the labour force (in the sense that they are not employed or unemployed according to the definition above) but who would like to enter the labour market and are disadvantaged in some way.

1.3.1 Use of the term *participants*

- §20 The term *participants* and related phrases (e.g. *participating in*) is used throughout to refer to the persons that benefit from each intervention irrespective of the type of intervention. For example, in LMP *measures* individuals actually take part in an activity such as training or a subsidised job so that the term *participants* is technically correct. However, for LMP *supports* the interventions refer only to cash benefits that may not be related to any specific activity so that the term *beneficiaries* would be technically more correct. In order to avoid having to use both terms throughout, the term *participants* should be understood to cover both concepts.

1.4 EXAMPLES OF INTERVENTIONS OUTSIDE THE SCOPE OF THE LMP DATABASE

- §21 Public interventions which act in the labour market but which are not specifically aimed at LMP target groups are considered as general employment and/or fiscal interventions and should not be included in this data collection. The only exception to the criterion of targeting relates to labour market services (see §36) .
- §22 Interventions that act in the labour market in order to assist members of LMP target groups but which do not directly incur expenditure are also excluded.
- §23 Examples of interventions considered to be outside the scope of the database include:
- Interventions that specify a national limit to the number of hours worked per week aim to create employment by releasing hours that may then be filled by persons currently not in employment. Such interventions do not incur any direct expenditure.
 - Interventions that oblige employers to include a minimum proportion of disabled persons in their workforce do not involve expenditure that benefits individuals specifically from one of the three main target groups.

- Interventions that provide in-work benefits based on levels of income may be used as an incentive to facilitate the transition from welfare to work but the benefits are equally available to persons already in low-wage employment and are thus not specifically aimed at an LMP target group.
- Interventions that provide continuous training for employees aim to improve human capital but are available to all employees and not only those considered to be at *employed at risk* (see §18).
- Subsidies to small companies to facilitate the recruitment of a first employee and which do not specify that the person recruited should be previously unemployed.

2 STATISTICAL UNIT AND COVERAGE

2.1 STATISTICAL UNIT

- §24 The statistical unit in this data collection is the labour market *intervention*, as defined above.
- §25 For each intervention, the LMP database collects quantitative data on expenditure and participants together with qualitative data, which apply to and describe the intervention. In the rest of this document the specifications of the data required are organised according to these main headings of expenditure, participants and qualitative data. A full list of the questions included in the LMP questionnaire is shown in Annex A1.

2.2 GEOGRAPHICAL COVERAGE

- §26 The database aims to cover information on the whole territory of each country.
- §27 In countries where regional or other sub-national levels of government have the authority to implement LMP interventions independently of the national authority then these interventions should be reported as distinct interventions.
- §28 Where such interventions are effectively localised versions of national interventions this should be made clear in the reporting.

2.3 MEASUREMENT PERIOD

- §29 Data on each intervention are collected with reference to each calendar year in which the intervention is active (i.e. the law allows for its application), including years when the intervention is active but not used.
- §30 When an intervention becomes inactive (i.e. the law no longer allows for its application) then data should continue to be reported until there is no further expenditure and all participations have ended.
- §31 In the case that the financial year for reporting on LMP interventions does not coincide with the calendar year and it is not practical to make the necessary adjustments, then data should be provided for the financial year which most overlaps the calendar year in question.
- §32 All data for a country should apply to the same time period. Where data for an individual intervention pertains to a different period then this should be clearly specified with metadata.

3 CLASSIFICATION OF INTERVENTIONS

- §33 All LMP interventions are classified by type of action, which refers to the way in which an intervention acts to achieve its objectives (e.g. training or employment incentives). The classification scheme identifies one category of LMP *services*, six categories of LMP *measures* and two categories of LMP *supports*, most of which have two or more sub-categories.
- §34 Table A below lists the categories identified for each type of intervention and the detailed specification of each category follows below. A complete classification scheme showing all levels of detail is given in Annex A2.

Table A: Classification of interventions by type of action

LMP services

- 1 Labour market services

LMP measures

- 2 Training
3 Job rotation and job sharing
4 Employment incentives
5 Supported employment and rehabilitation
6 Direct job creation
7 Start-up incentives

LMP supports

- 8 Out-of-work income maintenance and support
9 Early retirement

- §35 This remainder of this section defines the scheme for the classification of interventions by type of action. Definitions are grouped by type of intervention – services, measures and supports (see §5 to §10)

3.1 LMP SERVICES

Table B: Classification of interventions by type of action – LMP services

1 Labour market services

- 1.1 Client services
 1.1.1 Information services
 1.1.2 Individual case management
1.2 Other activities of the PES
 1.2.1 Administration of LMP measures
 1.2.2 Administration of LMP supports
 1.2.3 Other services / activities

- §36 **Labour market services** (category 1) are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.
- §37 *PES* should be understood to refer to the national employment service (and regional/local equivalents) together with any other publicly funded bodies whose main responsibility is to facilitate the integration of unemployed and other jobseekers in the labour market.
- §38 When reporting PES services/activities it is recommended to distinguish between head-office and regional or local office services/activities.
- §39 The scope of category 1 covers all activities of the PES plus client services provided by other publicly funded bodies.
- §40 Client services (cat. 1.1) are services provided by the PES or other bodies, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.
- §41 Client services cover all services provided for the direct benefit of individuals and/or employers, including the provision of self-service facilities such as on-line job-banks.
- §42 Information services (cat. 1.1.1) are open services for jobseekers providing ad hoc information and referral to opportunities for work, training and other forms of assistance, together with job brokerage services for employers.
- §43 Individual case-management services (cat. 1.1.2) are services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance, personalised action plans) and follow-up for unemployed persons provided as part of a planned path towards durable (re-) employment. Financial assistance for the unemployed in case of travel to interview costs, other job-search related costs and similar cases are included here (see §171).
- §44 Other activities of the PES (cat. 1.2) covers all other services and activities undertaken by the PES as defined above and which are not covered in any other category. Similar services and activities undertaken by organisations other than the PES are not included.
- §45 Administration of LMP measures (cat. 1.2.1) covers activities of the PES related to the implementation of LMP *measures*. In categories 2-7 expenditure should cover only the direct costs of the measure and not the indirect administrative costs of the PES as defined here (see §129).
- §46 Activities related to the administration of LMP *measures* include:
- the management/co-ordination of employers and services providers engaged as direct recipients in LMP *measures*,
 - other activities related to the management and implementation of LMP *measures* – e.g. planning, co-ordination, monitoring, evaluation, decision making, etc. ,

- any other functions directly related to the provision of LMP *measures* but which cannot be attributed to a specific measure – e.g. running costs of PES own training centres.

§47 Administration of LMP supports (cat. 1.2.2) covers activities of the PES related to the administration and payment of LMP *supports* and/or the supervision by the PES of other bodies that undertake the payment/administration function.

§48 In countries where the PES is not responsible for the administration of unemployment and other LMP benefits then this sub-category may be empty.

§49 Activities related to the administration of LMP *supports* include:

- the registration and monitoring of beneficiaries (where not directly linked to ongoing monitoring of job-search activity)
- the payment of benefits, validation of claims, etc.
- the supervision or monitoring by the PES of external benefit funds/offices, legal developments, etc.

§50 Other services / activities (cat. 1.2.3) covers all other services, activities and general overheads of the PES and which are not covered in any other category of the LMP database.

§51 The scope of this sub-category will vary between countries depending on the responsibilities of the PES.

3.2 LMP MEASURES

Table C: Classification of interventions by type of action - LMP measures

2	Training
2.1	Institutional training
2.2	Workplace training
2.3	Alternate training
2.4	Special support for apprenticeship
3	Job rotation and job sharing
3.1	Job rotation
3.2	Job sharing
4	Employment incentives
4.1	Recruitment incentives
4.1.1	Permanent
4.1.2	Temporary
4.2	Employment maintenance incentives
5	Supported employment and rehabilitation
5.1	Supported employment
5.2	Rehabilitation
6	Direct job creation
7	Start-up incentives

- §52 **Training** (category 2) covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.
- §53 All training measures should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.
- §54 The category of training includes three sub-categories (see below) that are distinguished by the proportion of training time spent in the classroom and/or the workplace. Measures providing a training allowance only should be classified according to the type of training that beneficiaries are allowed to participate in (see sub-categories below).
- §55 Short courses that only develop a person's ability to get a job - e.g. counselling in job application methods or interview techniques - should be considered as a form of job-search assistance (category 1).
- §56 Advice in business management provided as part of a start-up initiative should be considered as part of the start-up measure in category 7 (see §98).
- §57 In the case that participants in training continue to receive unemployment benefits the related expenditure should be included here and not in category 8 (see §176 to §179).
- §58 Institutional training (cat. 2.1) covers measures where most of the training time (75% or more) is spent in a training institution (school/college, training centre or similar).
- §59 Workplace training (cat. 2.2) covers measures where most of the training time (75% or more) is spent in the workplace.
- §60 Measures which are entirely work-based and where there is no identifiable element of formalised training are considered as learning by doing or learning by experience and should be considered as temporary recruitment incentives in category 4 (see §81).
- §61 Alternate training (cat. 2.3) covers measures where the training time is evenly split between a training institution and the workplace.
- §62 Special support for apprenticeship (cat 2.4) covers measures providing special support for apprenticeship schemes through:
- incentives to employers to recruit apprentices, or
 - training allowances for particular disadvantaged groups.
- §63 *Apprenticeship is defined as “a form of alternate training where the participants receive a salary/remuneration for participation, are linked to the employer by a contract (or an agreement), and receive a recognised diploma upon completion”².*
- §64 Apprenticeship schemes are considered part of the regular offer of education and vocational training open to all young persons, or as general employment policy, and are therefore excluded

² Eurostat (1996), 'Key data on Vocational Training in the European Union', p.104

from this data collection. Only measures specifically developed to support the take-up of apprenticeship schemes by LMP target groups should be considered here.

- §65 **Job rotation and job sharing** (category 3) covers measures that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee. (See §234 for clarification of participants).
- §66 Schemes facilitating educational leave for employees without substitution by an unemployed person or a person from another target group should not be included here.
- §67 **Job rotation** (cat. 3.1) covers full substitution of an employee by an unemployed person or a person from another target group for a fixed period.
- §68 In job rotation measures the employee is given complete leave from their normal professional activities. Often this is to undertake further training, but other reasons are equally valid, e.g. maternity leave. The employee may or may not receive financial assistance during the leave period.
- §69 **Job sharing** (cat. 3.2) covers partial substitution of an employee by an unemployed person or a person from another target group.
- §70 In job sharing measures the existing employee is compensated (fully or partially) for reducing working hours that are filled by an unemployed person or a person from another target group.
- §71 Job sharing may be distinguished from partial, conditional early retirement (cat. 9.1.2 – see §116) by the fact that no age criteria are applied to the employees reducing their hours.
- §72 **Employment incentives** (category 4) covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.
- §73 Employment incentives refer to subsidies for open market jobs which might exist or be created without the public subsidy and which will hopefully be sustainable after the end of the subsidy period.
- §74 The jobs that may be subsidised are usually in the private sector, but public or non-profit sector jobs are eligible too and no distinction is requested.
- §75 With employment incentives the public money represents a contribution to the labour costs of the person employed and, typically, the majority of the labour costs are still covered by the employer. However, this does not preclude cases where all costs are covered by the public money for a limited period.
- §76 Measures that relate to temporary placements for the purpose of in-work training and where there is an identifiable training input should be included in category 2.

- §77 Recruitment incentives (cat. 4.1) are measures providing incentives for the creation and take-up of new jobs or which promote opportunities for improving employability through work-experience, and which are payable for a limited period only.
- §78 Recruitment incentives may include benefits provided exclusively to persons from an LMP target group and which are conditional upon the take-up of a new job (back-to-work bonus, mobility/relocation allowance or similar). No other form of in-work benefit for individuals should be included.
- §79 Incentives for employers to take on new workers may include special conditions in case of disabled persons (e.g. longer subsidy period or additional support for adaptation of the workplace). However, if there is no direct link to the take-up of new jobs by identifiable individuals, support for the provision of sheltered work places (see §90) should be considered as a form of supported employment in category 5.1 (see §89).
- §80 Permanent recruitment incentives (cat. 4.1.1) are measures providing incentives associated with permanent jobs (open-ended contracts).
- §81 Temporary recruitment incentives (cat. 4.1.2) are measures providing incentives associated with temporary jobs (fixed-term contracts).
- §82 Employment maintenance incentives (cat 4.2) are measures providing incentives to maintain the employment of persons at risk of involuntary job loss due to restructuring or other economic difficulties.
- §83 Employment maintenance incentives are only applicable in relation to specific cases of restructuring or similar. Generally available in-work benefits for low-income groups should not be included.
- §84 **Supported employment and rehabilitation** (category 5) covers measures that aim to promote the labour market integration of persons with reduced working capacity through supported employment and rehabilitation.
- §85 Persons with reduced working capacity refers primarily to those registered as *disabled* according to national definitions. However, it also covers persons temporarily incapacitated after an accident or illness, recovering drug-addicts and other groups who are not work-ready and may benefit from rehabilitation..
- §86 Supported employment (cat. 5.1) covers measures providing subsidies for the productive employment of persons with a permanently (or long-term) reduced capacity to work.
- §87 Measures included in this category typically provide an ongoing support and have no planned duration. However, lifetime sheltered work provisions are normally considered as part of social policy and outside the scope of the LMP database. Sheltered work provisions included here should have the aim of preparing people for integration into the regular labour market.
- §88 Measures that provide incentives for disabled persons to take up a new position in a regular company and which are payable only for a fixed period, belong in category 4 (see §79).

- §89 Subsidies towards the provision of sheltered work places that are directly linked to the commencement of employment for specific individuals should be included in category 4. However, subsidies that are not directly linked to the commencement of a new job are considered to support an ongoing facility to accommodate persons with reduced working capacity in the workplace and should be included in category 5.
- §90 The provision of a sheltered workplace should be understood to cover both physical adaptation of the workplace (buildings and/or equipment) and the implementation of special organisational arrangements, including the provision of mentors and other specialised assistants.
- §91 Rehabilitation (cat. 5.2) covers measures providing rehabilitation for persons with a reduced working capacity (temporary or permanent) and which aim to help participants adjust to their disability or condition and develop competencies that prepare them to move on to work (including supported employment) or regular training.
- §92 Rehabilitation refers to vocational rehabilitation only. Social and medical rehabilitation are outside the scope of the LMP database and should not be included.
- §93 Direct job creation (category 6) covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.
- §94 Direct job creation refers to subsidies for temporary, non-market jobs which would not exist or be created without public intervention (i.e. the jobs are *additional* to normal market demand). The jobs are created in order to provide an opportunity for persons to maintain an ability to work, to improve skills and generally increase employability and typically involve work of benefit to the community.
- §95 The jobs are usually in the public or non-profit sector, but projects of community interest or similar within the private sector may also be eligible and no distinction should be made.
- §96 With direct job creation measures the public money usually covers the majority of the labour costs of the employers.
- §97 Provisions for lifetime sheltered work in a non-productive employment are considered to act outside the open labour market and are therefore considered as social policy and outside the scope of the LMP database.
- §98 Start-up incentives (category 7) covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.
- §99 Assistance may take the form of direct cash benefits or indirect support including loans, provision of facilities, business advice, etc.
- §100 Advice in business management provided as part of a start-up initiative should be included only in this category and not considered separately as training (category 2).

§101 Generally available business start-up measures should not be included. Loans or incentives to help people start-up businesses are covered only when the programmes are targeted specifically to one or more LMP target groups.

3.3 LMP SUPPORTS

Table D: Classification of interventions by type of action - LMP supports

8 Out-of-work income maintenance and support

- 8.1 Unemployment benefits
 - 8.1.1 Unemployment insurance
 - 8.1.2 Unemployment assistance
- 8.2 Partial unemployment benefits
- 8.3 Part-time unemployment benefits
- 8.4 Redundancy compensation
- 8.5 Bankruptcy compensation

9 Early retirement

- 9.1 Conditional
 - 9.1.1 Full
 - 9.1.2 Partial
- 9.2 Unconditional
 - 9.2.1 Full
 - 9.2.2 Partial

§102 **Out-of-work income maintenance and support** (category 8) covers supports which aim to compensate individuals for loss of wage or salary through the provision of cash benefits when:

- a person is capable of working and available for work but is unable to find suitable employment,
- a person is on lay-off or enforced short-time work or is otherwise temporarily idle for economic or other reasons (including seasonal effects),
- a person has lost his/her job due to restructuring or similar (redundancy compensation).

§103 **Unemployment benefits** (cat. 8.1) are benefits compensating for loss of earnings where a person is capable of working and available for work but is unable to find suitable employment, including persons who had not previously been employed³.

§104 Entitlement to unemployment benefit is normally conditional upon the beneficiary actively seeking work but, in certain cases - e.g. older workers - the condition may be relaxed. The

³ Definition from the ESSPROS Core system. ESSPROS manual 1996, Part 2, §79.

description of the intervention should clearly state when this is the case and the numbers of participants benefiting from relaxed conditions should be reported as metadata.

- §105 Unemployment benefits paid to persons participating in training or other LMP measures in categories 2-7 should be considered as part of the costs of the relevant measure (see §176 to §179).
- §106 Unemployment insurance (cat. 8.1.1) covers benefits payable to workers satisfying criteria for membership in an unemployment insurance scheme. The benefits are often paid only for a limited period.
- §107 Unemployment assistance (cat. 8.1.2) covers benefits payable to workers either failing to satisfy criteria for membership in an unemployment insurance scheme or who have exceeded the period for entitlement to unemployment insurance benefit. Unemployment assistance is normally means tested.
- §108 Partial unemployment benefits (cat. 8.2) covers benefits compensating for the loss of wage or salary due to formal short-time working arrangements, and/or intermittent work schedules, irrespective of their cause (business recession or slow-down, breakdown of equipment, climatic conditions, accidents and so on), and where the employer/employee relationship continues⁴.
- §109 Part-time unemployment benefits (cat. 8.3) covers benefits paid to persons working part-time who have lost a full-time job or an additional part-time one and are seeking to work more hours.
- §110 Redundancy compensation (cat. 8.4) covers capital sums paid from public funds to employees who have been dismissed through no fault of their own by an enterprise that is ceasing or cutting down its activities.
- §111 Bankruptcy compensation (cat. 8.5) covers capital sums paid from public funds to compensate employees for wages not paid by the employer due to bankruptcy/insolvency.
- §112 Early retirement (category 9) covers supports which facilitate the full or partial early retirement of older persons who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.
- §113 Early retirement benefits normally cease when the beneficiary becomes entitled to an old age pension. Moreover, benefits paid to beneficiaries over the standard retirement age as established in the reference pension scheme should not be recorded here.
- §114 Conditional early retirement (cat. 9.1) covers supports which facilitate the early retirement of older workers and which oblige the employer to replace the retiree with an unemployed person or a person from another target group.

⁴ Definition from the ESSPROS Core system. ESSPROS manual 1996, Part 2, §80.

- §115 Full conditional early retirement (cat. 9.1.1) covers cases of conditional early retirement where the older worker retires completely and ceases to be active in the labour force.
- §116 Partial conditional early retirement (cat. 9.1.2) covers cases of conditional early retirement where the older worker reduces hours worked but remains employed.
- §117 Unconditional early retirement (cat. 9.2) covers supports which facilitate the early retirement of older persons and, for those retiring from employment, where there is no obligation for the employer to replace the retiree.
- §118 Unconditional early retirement supports should only be included when they offer benefits due to unemployment or to job reduction caused by economic measures such as the restructuring of an industrial sector or of a business enterprise.
- §119 Sectoral early retirement schemes that facilitate the early retirement of workers subject to difficult working conditions (e.g. mining, fishing) are not included.
- §120 Full unconditional early retirement (cat. 9.2.1) covers cases of unconditional early retirement where the older person retires completely and ceases to be active in the labour force.
- §121 Partial unconditional early retirement (cat. 9.2.2) covers cases of unconditional early retirement where the older worker reduces hours worked but remains employed.

3.4 MIXED INTERVENTIONS

- §122 An intervention that encompasses more than one of the types of action defined above is termed a *mixed intervention*.
- §123 A *mixed intervention* comprises two or more *components*, each of which may have a different classification by type of action. Two types of mixed intervention are possible:
- Type 1 - where all participants benefit from each component of the intervention.
 - Type 2 - where the intervention either offers different actions for different target groups or where it is effectively a budget reserve for a number of different types of action and individual participants benefit from just one component at a time (though they may move on to another later).
- §124 The LMP database collects just one set of qualitative data to describe a mixed intervention but quantitative data on expenditure and participants are collected for each component (see §163 and §230).

3.5 RECORDING THE CLASSIFICATION OF INTERVENTIONS

- §125 Type of action (item 4 in the LMP questionnaire) is used to record the classification of each intervention by type of action according to the scheme described above.

§126 Classification (item 4.1) records the full classification of the intervention by type of action.

§127 In the case of a mixed intervention the class field is completed as a comma separated list showing the classification of each component.

§128 Components (item 4.2) is used to record details of each component of mixed interventions and is not completed for regular (non-mixed) interventions. There are two parts to this item, which are repeated for each component of the intervention:

- Classification (item 4.2.1) records the classification of each component by type of action.
- Name (item 4.2.2) records the name of each component and should be completed in English and the national language.

4 EXPENDITURE

4.1 EXPENDITURE TO BE COLLECTED

§129 The LMP database collects data on the public expenditure associated with each intervention. For each intervention, the expenditure required should cover the whole of transfers and foregone revenue provided to the direct recipients (see §139) as a result of the intervention. Any other indirect costs are considered as part of the administration costs of an intervention (see §165) and should be reported in sub-category 1.2 only.

§130 This expenditure may include:

- transfers in the form of cash payments or reimbursements
- the value of directly provided goods and services, which should be valued according to the methodology of the ESSPROS Core System. The value of services may relate to the costs of purchasing services from third party providers or the costs of internally provided services where there is no explicit transfer (e.g. costs of PES staff time and related overheads – see §170).
- amounts of revenue foregone through reductions in obligatory levies, which should be valued as the amount of revenue foregone compared to that normally payable. That is, the amount payable by the individual or the employer in the absence of the intervention, but taking into account any other reductions that might be in force.

§131 Expenditure should be recorded on an accruals basis - i.e. measured at the time that the events creating related claims and liabilities occur. This is important in order to maximise the link between expenditure and participants.

§132 For example, in the case of a two year training course the expenditure should be split appropriately between each of the years in which participants benefited from the training services and not at the time the services are paid for, which could be a one-off payment. If expenditure is not available on an accruals basis because of the accounting system in place, then expenditure should be reported on a cash basis and clear metadata provided to inform on this point.

4.1.1 Measurement unit

§133 Expenditure should be recorded in national currency units.

4.2 BREAKDOWNS OF EXPENDITURE

§134 Expenditure should be reported as a total and broken down according to a two tier scheme, which distinguishes firstly the direct recipient of the transfers (see §139) and then the type of expenditure involved (see §144-§153).

§135 Many interventions provide money to more than one direct recipient and use different types of expenditure. All data on expenditure should be broken down as far as possible.

- §136 The LMP database collects data on expenditure in two ways. Qualitative data are collected to describe the different direct recipients and types of expenditure that apply to each intervention and are considered as a classification of expenditure (item 5 in the LMP questionnaire, see section 4.4.1). Quantitative data are collected to specify the actual amounts of expenditure as a total and for each breakdown (item 15 of the LMP questionnaire, see section 4.4.2).
- §137 The qualitative data describe the different types of expenditure used for each intervention and can be used as a validation for the quantitative data. Quantitative data are expected for the same breakdowns of expenditure that are indicated in the qualitative data. Any discrepancies indicate either an incomplete breakdown of the quantitative data or an error in the data.
- §138 The table below describes the breakdowns and the item numbers from the LMP questionnaire that are applicable to each breakdown for the completion of qualitative and quantitative data.

Table E: Breakdowns of expenditure		
	<u>Qualitative data</u>	<u>Quantitative data</u>
Total	Not relevant	15.1
Transfers to individuals	5.1	15.2
Periodic cash payments	5.1.1	15.2.1
Lump-sum payments	5.1.2	15.2.2
Reimbursements	5.1.3	15.2.3
Reduced social contributions	5.1.4	15.2.4
Reduced taxes	5.1.5	15.2.5
Transfers to employers	5.2	15.3
Periodic cash payments	5.2.1	15.3.1
Lump-sum payments	5.2.2	15.3.2
Reimbursements	5.2.3	15.3.3
Reduced social contributions	5.2.4	15.3.4
Reduced taxes	5.2.5	15.3.5
Transfers to service providers	5.3	15.4
Not specified	Not relevant	15.5

4.2.1 Breakdown of expenditure by direct recipient

- §139 For all LMP interventions, the direct recipient of the public expenditure may be the individual participants, their employers, or service providers as defined below.
- §140 Transfers to individuals refer to public expenditure transferred directly to individuals and which are paid in cash or through a reduction in obligatory levies.
- §141 Transfers to employers refer to public expenditure transferred directly to employers and which are paid in cash or through a reduction in obligatory levies.

In cases where a public or non-profit organisation pays a wage to participants (e.g. for public or socially useful works) then the state or municipality should be considered as an employer.

§142 Transfers to service providers refer to public expenditure transferred directly to producers of goods and services that are provided to individuals or to employers as directly provided services (e.g. training or counselling) for the benefit of participants.

§143 Not specified refers (for quantitative data only) to the amount of expenditure that cannot be broken down by direct recipient or type. (This amount is calculated automatically by the LMP software).

4.2.2 Breakdown of expenditure by type of expenditure

§144 Transfers to individuals and to employers should be broken down by the type of expenditure, which describes how the public money is disbursed.

§145 Periodic cash payments are cash payments issued at regular intervals, such as each week, month or quarter.

§146 Lump sum payments are cash payments issued on a single occasion or in the form of a lump sum.

§147 Reimbursements are payments that reimburse the recipient in whole or in part for certified expenditure on specified goods and services.

§148 Vouchers provided to participants that are then exchanged for training or similar services of the relevant value should be treated as reimbursements (transfers to individuals).

§149 Reimbursements paid to employers refer to payments that reimburse the employer for certified expenditure on goods and services provided by a third party organisation. Transfers to employers that compensate for wage costs or other internal costs of the employer should be recorded as cash payments.

§150 Reduced social contributions are full or partial exemptions to obligatory social contributions.

§151 Reduced social contributions refer only to foregone revenue. Repayments of disbursed social contributions are considered as a partial wage subsidy and treated as cash payments.

§152 Reduced taxes are full or partial exemptions to taxes or other obligatory levies other than social contributions.

§153 Reduced taxes refer only to foregone revenue. Repayments of disbursed taxes are considered as a partial wage subsidy and treated as cash payments.

4.3 METADATA ON EXPENDITURE

§154 The following items of metadata are requested in order to describe the quantitative data on expenditure for each intervention:

§155 Source (item M1.1) – the source of data on expenditure (each country can input a list of relevant organisations).

§156 Notes (formal) (item M1.2) – important information about the expenditure data for the current intervention and which should be included in any publication of data by intervention. (The note is limited to 255 characters.)

§157 Notes (free) (item M1.3) – free text to provide useful information about the data provided – e.g. further information on the data source (database, publication, etc.), estimation methods, etc.

4.4 GUIDELINES ON THE COMPLETION OF DATA ON EXPENDITURE

4.4.1 Qualitative description of the breakdown of expenditure

§158 **Breakdown of expenditure** (item 5 in the LMP questionnaire) is used to record a qualitative description of the breakdown of expenditure by direct recipient and by type.

§159 This item includes sub-items for each of the breakdowns available (see Table E) and a simple yes/no indication is required to indicate which breakdowns are relevant for the current intervention.

4.4.2 Quantitative data on expenditure

§160 The LMP software includes a single form for the input of expenditure data for each intervention, which includes all breakdowns in a grid format. An example input form is shown in Annex A3.

§161 Where actual expenditure is not available then an estimate should be provided and flagged accordingly using facilities available in the LMP software. If budget figures are used then the relevant figures should also be flagged as estimated. In both cases clarification should be provided in the *Notes (formal)* item of metadata (see §156).

§162 Where expenditure data is not available but the amounts are known to be relatively small (<1% of total expenditure for the relevant type of intervention – services, measures or supports) then the value should be marked as not significant using the flag “n.s.” that is available using the LMP software.

§163 For mixed interventions, expenditure should be completed for each component and the grid on the input form will include one row for total expenditure (i.e. for the intervention as a whole) and one row for each component of the intervention.

§164 In order to complete aggregations of expenditure by category of intervention, it is important to complete a breakdown of expenditure for each component of mixed interventions. If this breakdown is not available then there are three options to complete the data. In all cases the *Notes (formal)* item of metadata (see §156) should be completed to inform of the option taken:

- allocate all expenditure to the most important component and zero to all other components;
- split expenditure equally between components
- allocate expenditure in proportion to the participants on each component

4.4.3 Administration costs

- §165 Paragraphs §45 and §47 above describe the types of activities that are considered as administration costs for LMP *measures* and *supports* respectively.
- §166 For LMP *measures*, the expenditure for each intervention should cover only direct costs in the form of cash transfers, directly provided services or foregone revenue. The costs of administering LMP *measures* are included only when undertaken by the PES and should be reported only to sub category 1.2.1 *Administration of LMP measures* (see §45).
- §167 In the case that some administrative activities (see §46) are carried out by the direct recipient of a transfer (employer or service provider) then no breakdown of direct and other costs is required and the whole of the transfer should be considered as expenditure of the measure.
- §168 For LMP *supports*, the expenditure for each intervention should cover only the amounts of cash benefits disbursed to participants and any foregone revenues (e.g. social contributions paid on behalf of participants). The costs of administering LMP *supports* are included only when undertaken by the PES and should be reported only to sub category 1.2.2 *Administration of LMP supports* (see §47).

4.4.4 Expenditure on category 1 (Labour market services)

- §169 Expenditure to be included in category 1 should cover the total expenditure of the PES (less any amounts already included in any other category) plus the costs of *client services* provided by other organisations.
- §170 Expenditure related to *client services* in sub-category 1.1 (see §40) and to administrative activities in subcategories 1.2.1 and 1.2.2 (see §45 and §47) relates primarily to the costs of the staff involved in the provision of the service/activity (including managers) and directly related overheads. All such expenditure should be considered as transfers to service providers.
- §171 For sub-category 1.1.2 there may also be some small amounts of transfers to individuals in case of financial assistance to attend interviews or similar (see §43). This type of mobility allowance is considered part of job-search assistance. Mobility allowances paid to persons on the condition of actually taking up new employment are included in category 4 (see §77).
- §172 Directly related overheads refer to the costs of equipment and materials used/consumed in the routine provision of the service plus an appropriate share of more general costs (e.g. premises, IT).
- §173 Significant one-off capital expenditure (e.g. to purchase new buildings) is not considered to be part of the routine provision and should be excluded.
- §174 Where LMP services are sub-contracted by the PES to third-party providers then the whole of the transfer should be included.
- §175 Sub-category 1.2.3 (see §50) should include all residual expenditure of the PES - i.e. total PES expenditure minus amounts reported in other sub-categories.

4.4.5 Treatment of unemployment benefits received by participants in LMP measures

§176 In some cases participants in LMP *measures* may continue to receive unemployment benefits instead of receiving a training allowance, wage or similar. In this case the amounts of unemployment benefit received should be included as part of the expenditure for that measure and excluded from the amounts reported as unemployment benefits in category 8.

§177 If necessary the amounts can be estimated based on the stock of participants in the *measure* and the average level of benefits. For example, in the case persons receiving unemployment benefits are allowed to keep their benefits whilst participating in a training course. The stock of participants (see §182) indicates the average number of persons in training each month. If unemployment benefits are paid at a flat rate or an average level can be determined, then the expenditure for the year can be estimated as:

$$\text{Expenditure} = \text{Stock} * \text{Average monthly UB payment} * 12$$

§178 This amount should then be included in the expenditure of the current *measure* (as a periodic cash payment to individuals) and excluded from the amounts reported to the intervention covering the relevant benefit in category 8. If only some of the participants receive benefits then the stock figure should be reduced by the appropriate proportion.

§179 If this treatment is not possible then item 9.1.2 should be used to indicate that participants continue to receive unemployment benefits and that these amounts are not included in the expenditure for the current intervention (see §314).

5 PARTICIPANTS

5.1 PARTICIPANT VARIABLES

§180 The LMP database collects information on public interventions in favour of persons disadvantaged in the labour market. Three variables are requested in order to measure the numbers of *participants* in these interventions: stock, entrants and exits.

§181 These variables are defined in paragraphs §182 to §191 below and a schematic diagram that illustrates how the main variables of stock, entrants and exits are measured from an example group of participants is shown in Annex A5.

Table F: Participant variables	
	<u>Item number in LMP questionnaire</u>
Stock	16
Stock (total)	16.1
Stock (FTE)	16.2
Entrants	17
Exits	18

§182 **Stock** refers to the number of persons participating in an intervention at a given moment.

§183 The data required is the annual average stock figure, which is usually calculated as an average of the stock at the end of each month. Two different observations of stocks are requested:

§184 **Stock (total)** (item 16.1 in the LMP questionnaire) refers to the annual average stock as defined above

§185 **Stock (FTE)** (item 16.2) refers to the annual average stock adjusted to take account of part-time participation - i.e. Stock (total) converted to full-time equivalents (FTE).

§186 When converting stocks to full-time equivalents, national definitions of full-time should be applied and it is recognised that full-time hours per week may be different for training than for employment. Metadata should be provided to inform on the definitions used.

§187 **Entrants** (item 17) refers to the number of participants that join or start on the intervention during the year - i.e. the inflow or new starts.

§188 Persons who are already participating on the intervention at the start of the year are considered to be a carry-over from the previous year and not new starts and should not be counted as entrants.

§189 The data required refer to the total number of new starts in the year and not to the number of different individuals who join the intervention during the year. In other words the same individual may be counted as an entrant more than once in a year.

- §190 In accordance with the recommended treatment of breaks in the unemployment spell (see Box 1 following §200) a temporary break in participation of more than 28 days should be treated as an exit at the beginning of the break and a new start at the end of the break.
- §191 **Exits** (item 18) refers to the number of participants that leave the intervention during the year - i.e. the outflow.
- §192 The data required refer to the total number of exits, irrespective of the reason for leaving. For LMP *measures* where there may be a planned period of participation, persons who leave early (drop-outs) are counted equally with participants that complete the measure.
- §193 The data required refer to the total number of exits in the year and not to the number of different individuals who leave the intervention during the year. In other words the same individual may be counted as an exit more than once in a year. See §190 re treatment of temporary breaks in participation.

5.2 BREAKDOWNS OF PARTICIPANTS

5.2.1 Breakdowns of all participant variables

- §194 All data on participants, including the breakdowns of entrants and exits covered below, should be broken down according to the following criteria:

Table G: Breakdowns applicable to all participant variables	
	<u>Item number in LMP questionnaire</u>
Sex	19
Total (men and women)	
Men	
Women	
Age	20
Total (all ages)	
<25	
25-54	
55+	
Unemployment duration	21
Total (for whom duration is relevant)	This breakdown by duration is applied to four groups by sex/age: Total (men and women all ages), Total <25 (men and women aged <25), Women (all ages) and Women <25
Total (unemployed for) < 6 months	
Total 6-12 months	
Total > 12 months	

- §195 **Sex** (item 19) refers to the gender of participants. The LMP database collects data for the total (men and women together) and for men and women separately.

- §196 Age (item 20) refers to the age-group within which participants fall. The standard age-groups required are: under 25 / 25-54 / 55 and over.
- §197 These core age-groups are requested in order to facilitate monitoring of the Employment Guidelines, which refer to youth as persons aged under 25 and older persons as those aged 55 or over. The simple breakdown specified above should be completed for all interventions but the LMP software allows data to be provided for more detailed age-groups where this is available. This may be particularly relevant in cases where national definitions for youth and/or older workers are different.
- §198 Duration of unemployment (item 21) refers to the duration of the unemployment spell before joining the intervention (see Box 1). The required breakdown by duration of unemployment is:
- Total refers to the total number of participants for whom duration of unemployment is relevant (i.e. the number of participants who were registered unemployed before joining the intervention)
 - <6 months refers to the number of participants who were registered unemployed for less than 6 months before joining the intervention
 - 6-12 months refers to the number of participants who were registered unemployed for 6 to 12 months before joining the intervention
 - >12 months refers to the number of participants who were registered unemployed for more than 12 months before joining the intervention
- §199 This breakdown is applied to four groups of participants by sex and age:
- Total (men and women, all ages)
 - Total <25 (men and women, aged <25)
 - Women (women, all ages)
 - Women <25 (women, aged <25)
- §200 The breakdown of participants by duration of unemployment is relevant only to participants who were previously registered unemployed (see Box 1 and §300 to §306). It is expected, therefore, that in cases where persons not previously registered unemployed can participate in the intervention then the total number for whom duration is relevant will be lower than the total number of participants for that variable. The observation is also not relevant for some breakdowns of entrants by previous status (see §201-§213).

Box 1: Treatment of breaks in the unemployment spell and registration as unemployed

The measurement of the duration of an unemployment spell is subject to national methods and differences in the treatment of temporary breaks in the unemployment spell may have a significant impact on the duration measured for similar cases. In some countries participation in an active LMP intervention always causes a break in the spell and participants are no longer counted as registered unemployed because they are occupied with the activity and therefore not immediately available for work. The same argument can be applied to temporary breaks for reason of sickness, maternity, care responsibilities, etc.

However, this approach is not applied in all countries and there are four main methods applied to the measurement of unemployment duration and the treatment of registration:

- Unemployment spell is **broken**: participation in an active labour market measure breaks the unemployment spell and automatically resets the counter of duration to zero. A participant is not counted as registered unemployed during a measure. In the case that a person returns to unemployment after completing a measure then a new unemployment spell is started.
- Unemployment spell is **suspended**: periods of activation do not contribute to the duration of the unemployment spell but the counter is not reset and if the person returns to unemployment afterwards then unemployment spell continues from where it left off before activation. A participant is not counted as registered unemployed during a measure.
- Unemployment spell is **continuous** and registration is **continuous**: participants in active measures continue to be counted as registered unemployed and the duration of the spell includes periods of activation.
- Unemployment spell is **continuous** but registration is **discontinuous**: participants are not counted as registered unemployed (on an instantaneous observation) during active measures but the unemployment spell is not interrupted and includes periods of activation.

The schematic diagram below shows how these different approaches can impact on the duration observed.

In order to have more consistency in the observations between countries, the EMCO Indicators Group has recommended that all temporary interruptions of more than 28 days should be treated as a break in the unemployment spell and reset the counter. However, it is recognised that at the present time several countries are unable to apply this rule due to national procedures that cannot easily be modified.

Treatment of breaks in the unemployment spell:

	Unemployed				Active measure				Unemployed			
Broken												
<i>Duration at the end of each month</i>	1	2	3	4	0	0	0	0	1	2	3	4
<i>Person is counted as registered unemp.</i>	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
Suspended												
<i>Duration at the end of each month</i>	1	2	3	4	4	4	4	4	5	6	7	8
<i>Person is counted as registered unemp.</i>	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
Continuous/Continuous												
<i>Duration at the end of each month</i>	1	2	3	4	5	6	7	8	9	10	11	12
<i>Person is counted as registered unemp.</i>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Continuous/Discontinuous												
<i>Duration at the end of each month</i>	1	2	3	4	5	6	7	8	9	10	11	12
<i>Person is counted as registered unemp.</i>	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y

5.2.2 Breakdown of entrants**Table H: Breakdown of entrants by previous status**

	<u>Item number in LMP questionnaire</u>
Entrants (total)	17
Previous status (of entrants)	22
Registered	22.1
Registered unemployed	22.1.1
Other registered jobseekers	22.1.2
Not registered	22.2
Employed	22.3
Unknown	22.4

- §201 **Previous status** (of entrants) (item 22) refers to the status of participants immediately prior to joining the intervention and is based on operationally practical groups (see comments in relation to target groups in section 6.1.3).
- §202 The breakdown required is shown in the table above and described below (§205 to §213). Every effort should be made to allocate entrants between items 22.1 and 22.3 and to avoid using the category of status unknown (item 22.4).
- §203 When reporting data on entrants by previous status it is expected that the sum of entrants by previous status is equal to the total number of entrants (i.e. $22.1 + 22.2 + 22.3 + 22.4 = 17$). In other words, each entrant can only have one previous status, though an individual person may enter an intervention more than once and with a different status each time.
- §204 **Registered** (item 22.1) refers to the number of entrants that were previously registered with the PES as jobseekers. The total will be reported in column 22.1. This item should be broken further to identify those who were counted as registered unemployed or not such that $22.1 = 22.1.1 + 22.1.2$.

- §205 Registered unemployed (item 22.1.1) refers to the number of entrants that were previously considered as registered unemployed according to national definitions (see §362).
- §206 Other registered jobseekers (item 22.1.2) refers to the number of entrants who were registered with the PES as jobseekers but who were not considered as registered unemployed according to national definitions (see further in section 7 on reference data).
- §207 To separate this group from the employed (§209) it should normally refer to persons who are unemployed, underemployed or inactive.
- §208 Jobseekers activated through the PES should also be included here, irrespective of whether they were registered by the PES or not (e.g. activation of persons registered in sickness or social security schemes).
- §209 Not registered (item 22.2) refers to the number of entrants who were not previously employed and who were not registered as jobseekers with the PES or where this information is not relevant (e.g. interventions implemented by organisations other than the PES).
- §210 Employed (item 22.3) refers to the number of entrants that were previously in employment, irrespective of whether or not they are individually registered with the PES.
- §211 Persons who are employed part-time but are seeking to work more hours to fill the hours for which they are unemployed tend to become eligible to participate in an LMP intervention on the basis of their situation of underemployment rather than their employment and should therefore be considered as other registered jobseekers (item 22.1.2) or registered unemployed (22.1.1) depending on the hours worked and national regulations.
- §212 Since the majority of LMP interventions are aimed at activating the unemployed or helping people make the move from involuntary inactivity into employment this category of entrants will not be applicable in many cases and is expected, primarily, in the case of *measures* for persons who are employed at risk (see §18), supported employment for persons with reduced working capacity (see §84), as well as some forms of LMP *support* – e.g. partial unemployment benefits (see §108).
- §213 Unknown (item 22.4) refers to the number of entrants for whom previous status is not known.

5.2.3 Breakdown of exits

- §214 Data on exits are broken down to identify what happens to participants after leaving the intervention.

Table I: Breakdown of exits	
	<u>Item number in LMP questionnaire</u>
Exits (total)	18
Destination (of exits)	23
Employment	23.1
(of which) Subsidised	23.1.1
Other (LMP) measure	23.2
Unemployment	23.3
Inactivity	23.4
Unknown	23.5

§215 **Destination** (of exits) (item 23) refers to the destination of participants on exit from an intervention.

§216 It is recognised that there are different approaches to monitoring the outcomes of LMP measures and that observations of what happens to participants may be made at different times, e.g. immediately, 3 months or 6 months after exit. The point in time at which the observation of destination is made and the method employed (survey or register data) should therefore be recorded as metadata (see §225).

§217 Data is required on the number of participants moving to the following destinations:

§218 **Employment** (total) (item 23.1) refers to the number of exits that move into employment (including self-employment).

§219 (of which) **Subsidised** (item 23.1.1) refers to the number of exits that move into employment that is subsidised in some way by public funds. Mostly this refers to employment that is subsidised through LMP measures in categories 4 and 7 but measures in category 6 may also be applicable depending on national definitions.

§220 **Other measure** (item 23.2) refers to the number of exits that transfer to another LMP *measure* covered by this database, but excluding those considered to have moved into subsidised employment and therefore already counted under item 23.1.1. Transfers to LMP *services* and/or *supports* are not included here.

§221 **Unemployment** (item 23.3) refers to the number of exits that are considered to be unemployed (see §17) after leaving the intervention.

§222 **Inactivity** (item 23.4) refers to the number of exits that are considered to be inactive (see §19) after leaving the intervention. This destination encompasses persons who cease to be active in the labour market for a wide range of reasons – e.g. return to education, retirement, illness, caring responsibilities, failure to satisfy job-search criteria to qualify as unemployed, etc.

§223 **Unknown** (item 23.5) refers to the number of exits for whom destination is not known.

5.3 METADATA ON PARTICIPANTS

§224 The following items of metadata are requested in order to describe the quantitative data on participants for each intervention:

§225 **Observations:** the observations/methods used to report on each of the main participant variables:

- Stock (item M2.1.1) – the observation/method used to report data on stocks.
- Entrants (item M2.1.2) - the observation/method used to report data on entrants
- Exits (item M2.1.3) - the observation/method used to report data on exits
- Destination method (item M2.1.4) – the observation/method used to report data on the destination of exist
- Destination time (item M2.1.5) – the point in time after exit from the measure at which the observation is made

In each case the observation/method should be selected from the following list:

Table J: Observations/methods available to describe the reporting of data on stocks, entrants and exits

<u>Observation/method</u>	<u>Applicable to:</u>				
	M2.1.1 Stock	M2.1.2 Entrants	M2.1.3 Exits	M2.1.4 Destination (method)	M2.1.5 Destination (time)
Average of monthly figures	X				
Average of weekly figures	X				
Average of daily figures	X				
Average of quarterly figures	X				
Average of two year-end figures	X				
End-year figure	X				
Start-year figure	X				
Other one-off observation	X				
Calculated on the basis of paid allowances	X				
New starts (sum of monthly figures)		X			
New starts (sum of quarterly figures)		X			
New starts (granted requests/approved applications)		X			
Total participants (new starts plus end-year stock)		X			
Outflows (sum of monthly figures)			X		
Outflows (sum of quarterly figures)			X		
Register				X	
Survey				X	
Immediately					X
3 months					X
6 months					X
Other (to be explained in notes)	X	X	X	X	X
Not applicable	X	X	X	X	X

- §226 Source (item M2.2) – the source of data on participants for the current intervention. Each country can input a list of the organisations involved in the provision of LMP data and the one applicable to each intervention is then selected from that list.
- §227 Notes (formal) (item M2.3) – important information about the participant data for the current intervention and which should be included in any publication of data by intervention. (The note is limited to 255 characters.)
- §228 Notes (free) (item M2.4) – free text to provide useful information about the data provided – e.g. further information on the data source (database, publication, etc.), estimation methods, etc.

5.4 GUIDANCE ON THE COMPLETION AND INTERPRETATION OF PARTICIPANT DATA

5.4.1 General guidance on the completion of participant data

- §229 The LMP software includes a single form for the input of participant data, which includes all variables and breakdowns in a grid format. An example input form is shown in Annex A4.
- §230 In the case of mixed interventions, data on participants should be completed for each component. The input form includes a blank grid for the intervention overall and for each component, which can be selected using a drop-down list of the components. This drop-down list is only available for mixed interventions.
- §231 Where participant data are not available but the number of participants is known to be relatively small (<1% of total for the relevant type of intervention – services, measures or supports) then the value should be marked as not significant using the flag “n.s.” that is available using the LMP software.
- §232 In some cases, one or more participant variables may not be relevant for a particular intervention. For example, stocks are meaningless in relation to redundancy or bankruptcy compensation where there is a one-off payment which does not oblige the recipient to participate in any activity. In such cases the value should be completed using the flag “n.r.” (not relevant) that is available using the LMP software.

5.4.2 Completion of participant data by category of intervention

- §233 Labour market services (Category 1). Participant data for LMP *services* in category 1 are requested only in relation to sub-category 1.1.2 - Individual case-management.
- §234 Job rotation and job sharing (Category 3). The ultimate beneficiaries of job rotation and job sharing measures are the members of the LMP target groups that gain employment in place of the employees taking leave or reducing hours worked. It is the unemployed and other replacements that should, therefore, be reported as participants for this type of intervention. However, it is recognised that the expenditure for the intervention – and therefore the

administrative data – often refer to cash payments to the employee as compensation for reduced wages. If, as a result, the administrative data cover only the number of employees taking leave or reducing hours and not the replacements then these numbers should be reported but with clear metadata to inform on this point.

- §235 Start-up incentives (Category 7). In many cases, the financial aid provided as a start-up incentive is paid in a lump-sum. However, this payment normally obliges the recipient to maintain his/her self-employed activity for a minimum period. This period of activity should be considered as the duration of the intervention and stock therefore refers to the number of persons at any one time who have received the lump-sum payment and have been self-employed for less than the prescribed minimum period. Exits refer to all those persons who, during the year in question, complete the minimum period of self-employment or terminate their self-employment before that time.
- §236 Conditional early retirement (Category 9.1). As with category 3 above, the administrative data for conditional early retirement usually relate to cash payments to the retiree. (In the case that public money is used to subsidise the recruitment of an unemployed replacement then this should be considered as an active measure in category 3.) The participants to be recorded for supports in this category should therefore be the retirees. The numbers of persons belonging to an LMP target group who benefit from freed positions should be reported as metadata.

5.4.3 Treatment of double-counting

- §237 The unit of observation in the LMP database is the LMP intervention and data on participants are collected for each intervention, each of which is classified by type of action. When cumulating participants for each intervention in a category there is an implicit assumption that each intervention (i.e. the unit of observation) is mutually exclusive and that a person can participate in only one intervention at a time.
- §238 LMP *measures* in categories 2-7 refer to activities that are mostly full-time and therefore comply with this assumption. However, in some cases, participants may get benefits in kind (e.g. training) from one measure and at the same time receive cash benefits or reimbursements (e.g. of travel or accommodation costs) from another measure. In this case there can be a double-counting of participants that needs to be taken into account when creating aggregates.
- §239 It is also possible for double-counting to occur for other types of intervention. For example in category 8 there could be a supplementary allowance that is used to top-up unemployment benefit payments and in this case the participants could be double-counted.
- §240 In order to handle double-counting, the scheme for classification of interventions by type of action recognises the suffix “A” when appended to any top level category (e.g. 2A) in order to record the extent of double-counting within that category.
- §241 In case of double counting within a category, a new dummy intervention should be added to the database and classified to the appropriate category with the double-counting suffix (e.g. 2A). The intervention name (item 2) should indicate clearly that it is a double-counting adjustment.

Participant data to quantify the extent of double counting for each variable and breakdown should be completed as for any regular intervention. Metadata on the source of the participant data and the observation methods should be completed as usual and notes should be added to inform on how the double counting arises and which interventions are affected. No other items from the questionnaire need to be completed for these entries.

§242 There is currently no method to handle cases of double-counting between categories.

5.4.4 Interpretation and use of participant data

§243 Stocks. Data on participant stocks can be interpreted in two ways. On the one hand, the annual average stock represents the average number of persons participating in the intervention at any given time during the year. In other words, it takes account of fluctuations in the number of participants during the year.

§244 However, stock figures can also be interpreted as the number of person-years of participation completed during the year. For example, 1 person participating in an intervention throughout the year represents an annual average stock of 1. The same stock results if 12 persons participate for just 1 month each. In both cases 1 person-year of participation has been completed. Stock figures can therefore be considered as an observation of the number of participant-years completed (rather than a simple number of participants).

§245 For any intervention, dividing the expenditure by the annual average stock therefore gives a measurement of expenditure per participant-year (NOT per participant). This measurement effectively eliminates differences due to the duration of different interventions and may be one useful means of comparing the costs of different types of intervention.

§246 A further enhancement of this observation would be to use the observation of Stock (FTE), which takes account of part-time participation and expresses stocks in terms of full-time equivalents. Clearly the cost of supporting participation in a part-time training course or job may be significantly lower than that of a full-time position and using the observation of stock (FTE) should adjust for this difference.

5.5 AVERAGE DURATION OF PARTICIPATION

§247 Average duration of participation (item 24) is a quantitative observation of the average duration of each spell of participation in an intervention – i.e. the time between entrance and exit.

§248 The observation must be completed in months and should refer to the average duration of completed participations – i.e. spells of participation that have ended during the year. The duration of incomplete spells – i.e. persons still participating in the intervention at the end of the year – should not be taken into account.

§249 Where average duration cannot be calculated directly from the administrative data then it may be estimated from participant stocks and flows. Two formulae are available to estimate the average duration of participation in months:

- Formula 1 is the most reliable and requires data on stock, entrants and exits:

$$\frac{\text{Stock}_{(16)} * 12}{\frac{1}{2} * (\text{Entrants}_{(17)} + \text{Exits}_{(18)})}$$

- Formula 2 assumes constant flows in/out of the intervention and requires data on stock and entrants only:

$$\frac{\text{Stock}_{(16)} * 12}{\text{Entrants}_{(17)}}$$

§250 The table below shows three examples of average duration calculated using these formulae and demonstrates how Formula 2 gives the same result as Formula 1 when flows in and out of the intervention are constant (i.e. entrants = exits):

Table K: Examples of average duration calculated from observations of participants				
Stock	Entrants	Exits	Duration (Formula 1)	Duration (Formula 2)
(1000s)			(Months)	
150	400	600	3.6	4.5
300	160	180	21.2	22.5
150	150	150	12.0	12.0

5.5.1 Metadata on average duration

§251 The following items of metadata are requested in order to describe the quantitative data on average duration for each intervention:

§252 Observation (item M3.1) – the observation/method used to report data on average duration. Select from one of the following options:

- Administrative data
- Fixed duration
- Formula 1 – $12 * \text{Stock} / 0.5 * (\text{Entrants} + \text{Exits})$
- Formula 2 – $12 * \text{Stock} / \text{Entrants}$

§253 Notes (formal) (item M3.2) – important information about the data on average duration for the current intervention and which should be included in any publication of data by intervention. (The note is limited to 255 characters.)

§254 Notes (free) (item M3.3) – free text to provide useful information about the data provided – e.g. further information on the data source (database, publication, etc.), estimation methods, etc.

6 QUALITATIVE DATA

§255 In addition to the data on expenditure and participants, the LMP database collects comprehensive qualitative information to complement, and put into context, the quantitative data and which will allow users of the database to understand the aims, targets and implementation methods of each intervention.

Table L: Summary of qualitative data items	
	<u>Item number in LMP questionnaire</u>
Intervention number	1
Intervention name	2
Description	3
Type of action	4
Type of expenditure	5
Operational target groups	6
Detailed target groups	7
Unemployment registration	8
Receipt of benefits	9
Planned duration	10
Area of application	11
Source of finance	12
Responsible institution	13
Implementation of intervention	14

6.1.1 Identification of interventions

§256 **Intervention number** (item 1): a number that uniquely identifies the intervention within the full set of interventions reported by a country.

§257 The intervention number is used purely for identification purposes internally within the database and for reports generated from the database and has no external meaning or application.

§258 **Intervention name** (item 2): the formal name of the intervention as used in the country concerned or, where this gives no immediate indication as to aim/content, a short descriptive title.

§259 The intervention name should be provided in English (item 2.1) and in the National language (item 2.2)

6.1.2 Description of interventions

- §260 **Description** (item 3): a concise description of the intervention that highlights the aims, actions, instruments and beneficiaries/participants. The description is split into seven sections described below.
- §261 The description may be given in English and/or the national language. At least one of these must be completed for all interventions.
- §262 For interventions reported in category 1 *Labour market services* the description should be used to describe the services/activities covered under each entry. For sub-category 1.1 *Client services* the services should be described so that it is possible to understand how jobseekers benefit from the service. For sub-category 1.2 *Other activities of the PES* it is acceptable to simply list the range of activities covered.
- §263 **Aim** (item 3.1): a brief description of the aims/objectives of an intervention - e.g. increase employability of early school leavers, reintegrate long-term unemployed, etc.
- §264 Together with the section on beneficiaries/participants (see §265), which confirms that the intervention is properly targeted, the aim section of the description should include enough information to confirm that the intervention is within the scope of the LMP data collection
- §265 **Beneficiaries/participants** (item 3.2): a brief description of the main groups of persons that may benefit from the intervention.
- §266 The beneficiaries/participants section of the description should be consistent with codified answers to items 6 and 7 (see §277 to §299) and should be very brief, with detailed information on eligibility criteria included in the eligibility section of the description (see §271).
- §267 **Action/Instrument** (item 3.3): a brief description of the way in which the intervention works - how assistance is provided, how expenditure is disbursed, how long the intervention lasts, etc.
- §268 The action/instrument section of the measure description should describe the way in which the measure is implemented and how money is spent in sufficient detail that the classification of the intervention by type of action (see §125) and the breakdown of expenditure by direct recipient and type (see §158) can be readily confirmed.
- §269 **Financing/support** (item 3.4): a brief description on the sources of finance for the intervention and the organisation(s) responsible for administrative and/or operational support.
- §270 The financing/support section of the description should be consistent with codified answers to item 12 Source of finance (see §335) and item 13 Responsible institution (see §344).
- §271 **Eligibility** (item 3.5): a brief description of the criteria that define which groups of persons are eligible to participate in the intervention.
- §272 **Legal basis** (item 3.6): brief details of the legal basis of the intervention.

§273 Recent changes (item 3.7): short comments on changes to the regulations applied to the intervention compared to the previous year.

§274 Changes in an intervention compared to the previous year should always be integrated into the relevant section(s) of the description (items 3.1 to 3.6) so that all parts of the description are fully up-to-date and reflect the situation for the current year. Important changes should also be identified in the recent changes section (item 3.7). In the subsequent year the recent changes section should be cleared and left empty (unless further changes have occurred).

6.1.3 Target groups

§275 In principle, all LMP interventions benefit disadvantaged groups that could be distinguished by labour market status (as defined in §17 to §19). In practice, however, the implementation of labour market policies is, by necessity, tied to national regulations, and it is most practical to collect information on the targeting of interventions in relation to groups that reflect operational practice.

§276 The LMP database collects information on the groups targeted by each intervention using two levels of detail. The operational target groups (see §277) reflect the basic legislative conditions defining eligibility to each intervention and the detailed target groups (§287) either refine this specification (i.e. restrict the operational target groups in some way) or indicate that there are special conditions/benefits for selected groups.

Table M: Operational target groups and detailed target groups

7. Detailed target groups	6. Operational target groups			
	6.1 Registered unemployed	6.2 Other registered jobseekers	6.3 Not registered	6.4 Employed
7.1 All				
7.2 LTU				
7.3 Youth				
7.4 Older				
7.5 Disabled				
7.6 Immigrants / ethnic minorities				
7.7 Re-entrants / lone parents				
7.8 Public priorities and Other				

§277 Operational target groups (item 6) indicate the main groups targeted by each intervention.

§278 In most countries the majority of LMP interventions are implemented by the PES and are available to groups that have been registered by the PES as jobseekers or otherwise needing assistance. This group is broken down to identify interventions open only to those that are

considered as registered unemployed according to national definitions and those that are also open to other groups of registered persons.

- §279 However, other groups may also be targeted by LMP interventions and not registered (individually) with the PES. For example, in the case of employees threatened by restructuring, an employer may apply for assistance on behalf of its workers without any requirement for the individual employees to register. Also in cases where measures are implemented by municipalities or other levels of government, the issue of registration with the PES may not be relevant in deciding who is or is not eligible to benefit from the intervention.
- §280 Sub-items 6.1 to 6.4 (see definitions below and table above) are completed with a simple yes/no answer to indicate which groups are targeted by the current intervention. All interventions must be targeted to at least one of the main LMP target groups (see §13)
- §281 Registered unemployed (item 6.1) refers to persons considered as registered unemployed according to national definitions (see also §362).
- §282 Other registered jobseekers (item 6.2) refers to all persons registered with the PES as jobseekers but who are not considered as registered unemployed according to national definitions.
- §283 The group of persons registered as jobseekers with the PES normally includes persons already in employment who are simply looking to change jobs and do not need support from an LMP measure. In practice, therefore, the target group of *other registered jobseekers* refers to persons who are unemployed (but do not qualify as registered unemployed), underemployed or inactive.
- §284 Typically, this group will be selected when an intervention is targeted not only at registered unemployed but also at some other groups of persons in contact with the PES and, in this case, both items 6.1 and 6.2 should be selected.
- §285 Not registered (item 6.3) indicates where interventions are targeted at groups who are not in employment or where registration with the PES is not a prerequisite for participation.
- §286 Employed (item 6.4) indicates when an intervention is targeted specifically at persons who are already in employment, irrespective of whether or not they are individually registered with the PES (see also §209), and who are not seeking to work more hours (i.e. underemployed).
- §287 **Detailed target groups** (item 7) indicates where other particular groups are specifically targeted by the intervention.
- §288 Detailed target groups should only be used to identify groups subject to specific focus within the intervention, either through eligibility criteria or through special provisions. In many cases interventions are simply targeted at one of the operational target groups and no detailed target groups are relevant.
- §289 In all cases, the beneficiaries/participants and/or eligibility items of the description of the intervention should contain enough information to clarify the use of each detailed target group and, when relevant, to clarify any differences from the definitions of each group given below (see §265 and §271 respectively)

- §290 All (item 7.1) indicates that all members of the relevant operational target group(s) are targets of the intervention – e.g. a measure may be open to all registered unemployed.
- §291 This item is selected by default when an operational target group is selected and should be deselected only in the case that participation in the intervention is restricted to only part of that main group. In the case that the intervention is open to all of the operational target groups but there are enhanced benefits for certain sub-groups (e.g. increased subsidies for disabled workers) then item 7.1 should be selected together with the other relevant detailed target group(s).
- §292 LTU (item 7.2) refers to long-term unemployed persons and is only relevant when registered unemployed (item 6.1) is selected as an operational target group.
- §293 The definition of LTU varies with age:
- Youth (<25 years) – more than 6 months continuous spell of unemployment (>6 months).
 - Adult (25 years or more) – more than 12 months continuous spell of unemployment (>12 months).
- §294 Youth (item 7.3) refers to persons aged under 25 and who are in some way disadvantaged in the labour market.
- §295 Older (item 7.4) refers to persons aged 55 and over.
- §296 Disabled (item 7.5) refers to persons who are registered disabled according to national definitions.
- §297 Immigrants/ethnic minorities (item 7.5) refers to non-national permanent residents in a country, or nationals from an ethnic minority, who need special help in the labour market because of language or other cultural difficulties.
- §298 Re-entrants/lone parents (item 7.6) refers to persons with difficulties in returning to work after a period of inactivity, and single men or women with children who need assistance - financial or otherwise - to be encouraged to work.
- §299 Public priorities and other (item 7.7) refers to any nationally recognised disadvantaged groups not covered above.

6.1.4 Other qualitative items

Table N: Other qualitative items in the LMP questionnaire	
	<u>Item number in LMP questionnaire</u>
Treatment of unemployment spells	8
Broken	8.1
Suspended	8.2
Continuous/continuous	8.3
Continuous/discontinuous	8.4
Not relevant	8.5
Receipt of benefits	9
Cash benefits	9.1
Current intervention	9.1.1
Unemployment benefit	9.1.2
Other LMP benefit	9.1.3
Other benefit	9.1.4
Non cash benefits	9.2
Clarification	9.3
Planned duration	10
Typical	10.1
Maximum	10.2
Unlimited	10.3
One-off	10.4
Not defined	10.5
Area of application	11
National	11.1
Regional	11.2
Other	11.3
Source of finance	12
Central government budget	12.1
Ear-marked taxes	12..1.1
State/regional government budget	12.2
Local government budget	12.3
Social security funds	12.4
European Social Fund (ESF)	12.5
Other	12.6
Responsible institution	13
Central government	13.1
State/regional government	13.2
Local government	13.3
Social security funds	13.4
Trade union or similar	13.5
Public employment services	13.6
Implementation of intervention	14
Year started	14.1
Year ended	14.2

- §300 **Treatment of unemployment spells** (item 8): indicates, for persons previously registered unemployed, the treatment of the unemployment spell as a result of participation in an LMP intervention (see Box 1).
- §301 The question refers only to participants who were registered unemployed before participating in the intervention. Only one of the four possible options can be selected. In the case that the duration of the intervention is variable and the treatment of the unemployment spell is dependent on duration (e.g. 28 day rule) then the situation applying to the largest share of participants should take precedence.
- §302 **Broken** (item 8.1) indicates where participation in an LMP intervention breaks the unemployment spell and participants cease to be counted as registered unemployed (see Box 1).
- §303 **Suspended** (item 8.2) indicates where participation in an LMP intervention results in the unemployment spell being suspended for the duration of the intervention but may be continued afterwards (see Box 1). Participants are not counted as registered unemployed during a measure.
- §304 **Continuous/continuous** (item 8.3) indicates where the unemployment spell includes periods of activation in an LMP intervention and participants continue to be counted as registered unemployed throughout (see Box 1).
- §305 **Continuous/discontinuous** (item 8.4) indicates where the unemployment spell includes periods of activation in an LMP intervention but participants cease to be counted as registered unemployed on an instantaneous observation (see Box 1).
- §306 **Not relevant** (item 8.5) indicates where treatment of the unemployment spell is not relevant for the current intervention. This item should be applied only in the case when none of the participants were previously registered unemployed (e.g. interventions for employed at risk) or are unlikely to be so after completion of the intervention (e.g. early retirement benefits).
- §307 **Receipt of benefits** (item 9): indicates whether or not participants receive cash or other benefits that are paid, or continue to be paid, as a direct result of participating in the current intervention and then clarifies the source of these benefits.
- §308 The answers provided should refer to the majority of participants and should not attempt to cover every possible case.
- §309 **Cash benefits (item 9.1)** indicates whether or not participants receive cash benefits that are paid, or continue to be paid, as a direct result of participating in the current intervention. A simple yes/no answer is required.
- §310 Cash benefits refer to public money transferred directly to participants or via service providers. Wages paid to participants by employers are not considered as cash benefits.
- §311 In the case that participants receive cash benefits (item 9.1 = yes) then the source of those benefits should be selected from one of the four options below (one option only can be selected):

- §312 Current intervention (item 9.1.1) indicates that the cash benefits received by participants are included in the expenditure of the current intervention.
- §313 This option (and not item 9.1.2) should also be selected in the case that
- the intervention is a form of unemployment benefit classified in category 8;
 - participants in the current intervention continue to receive unemployment benefits but where the expenditure has been included in the current intervention and excluded from that reported in category 8 (as recommended in §176).
- §314 Unemployment benefit (item 9.1.2) indicates that participants in the current intervention continue to receive cash unemployment benefits that are not included in the expenditure of the current intervention but in another intervention recorded in category 8.
- §315 Other LMP benefit (item 9.1.3) indicates where participants receive cash benefits (other than unemployment benefits) paid through another LMP intervention included in the database. For example, participants in a training measure may receive a training allowance that is paid through a separate budget and reported as a separate intervention in the database.
- §316 Other benefit (item 9.1.4) indicates where participants receive cash benefits that are outside the scope of the LMP database. For example, participants in rehabilitation may receive disability benefits.
- §317 Non-cash benefits (item 9.2) indicates where participants receive non-cash, secondary benefits (e.g. medical cards, housing benefits, health insurance) that they become, or continue to be, eligible for as a direct result of participating in the current intervention. A simple yes/no answer is required.
- §318 Clarification (item 9.3) is a free text field that should be used to describe the cash and non-cash benefits referred to in items 9.1 and 9.2. Where cash benefits are included elsewhere in the LMP database the intervention number and name should be given.
- §319 **Planned duration** (item 10) describes the duration of participation in an intervention as planned through its design and regulations, including cases where duration is variable or not relevant.
- §320 For interventions where the duration is somehow planned, two sub-items items describe the typical and maximum duration envisaged. Three further sub-items cover cases where duration is unlimited, one-off or not defined. Answers to this item should either complete information on defined duration (at least one of items 10.1 and 10.2) or indicate that some other situation applies (one of items 10.3 to 10.5).
- §321 Typical (item 10.1) refers to the duration planned for a typical participant.
- §322 Note that typical duration is an item of qualitative information and refers strictly to duration that is planned in the intervention design and/or regulations. A quantitative measurement of the actual duration of participation is recorded elsewhere (see §247).

- §323 Maximum (item 10.2) refers to the maximum duration planned or allowed according to the legislation underlying the intervention.
- §324 For example, an intervention may offer an employment subsidy for one year (typical duration) but this can be extended up to two years (maximum duration) in certain circumstances or for particular groups. If there are no special conditions for the typical duration to be extended then the maximum duration should be completed with the same value as the typical duration.
- §325 In some cases maximum duration is the only relevant observation of defined duration. For example, in the case of unemployment benefits there is no planned typical duration but there is often a maximum period for which benefits are payable.
- §326 Unlimited (item 10.3) indicates that the duration of the activity or support offered by the intervention is open-ended or has no formal limit. For example, in some cases, unemployment assistance benefits may be paid for an unlimited period so long as the participant continues to actively seek work.
- §327 One-off (item 10.4) indicates that the intervention provides a one-off support that is free of any condition for the participant to fulfil any specific activities during a defined time-period (e.g. redundancy compensation).
- §328 Note that this option is not applicable to all interventions providing one-off support. For example, some start-up incentives are paid in the form of a lump-sum that must be repaid (at least in part) if the entrepreneurial activity is terminated within a certain period. In this case there is a planned duration for the activity and items 10.1 and/or 10.2 should be completed accordingly.
- §329 Not defined (item 10.5) indicates that the intervention has no defined duration or has a variable duration.
- §330 For example, many LMP *services* provide on-demand assistance for jobseekers whenever it is required so that duration is not relevant. Additionally, some LMP *measures* may have variable duration in order to cater for individual needs – e.g. vocational training courses. If no maximum duration is applied to such cases then item 10.5 should be applied.
- §331 **Area of application** (item 11) indicates the part of the national territory to which the intervention is applied. One of three options must be selected:
- §332 National (item 11.1) indicates that the intervention is applied throughout the territory and the detailed regulations are not subject to variation by any regional or local authority.
- §333 Regional (item 11.2) indicates that the intervention is applied only in selected administrative regions (NUTS) or is applied nationally but can be implemented subject to variations under regional authority.
- §334 Other (item 11.3) indicates that the intervention is applied only in specially defined parts of the territory that are recognised nationally, e.g. large cities, specific areas of high unemployment, etc.

- §335 **Source of finance** (item 12) indicates the source(s) of finance for an intervention. One or more sub-items should be selected to indicate each source of finance applicable to the current intervention.
- §336 Levels of government below central government should only be identified as the source of finance where the funds are derived from revenue due to taxes or other charges levied and collected through its own competence. Where funds are controlled by the lower level of government, but originated in a transfer from central government revenues, then the source of finance should be central government.
- §337 **Central government budget** (item 12.1) refers to revenue from all taxes or other charges levied (but not necessarily collected) by central government (see §347).
- §338 **Ear-marked taxes** (item 12.1.1) refers to taxes or other charges which are levied by central government (see §347) specifically to generate funds for public labour market interventions and which cannot by law be used for any other purpose.
- §339 **State/regional government budget** (item 12.2) refers to revenue from all taxes or other charges levied and collected by state/regional government (see §348).
- §340 **Local government budget** (item 12.3) refers to revenue from all taxes or other charges levied and collected by local government (see §349).
- §341 **Social security funds** (item 12.4) refers to funds derived from compulsory social contributions paid by employers on behalf of their employees or by protected persons to secure entitlement to social benefits (see §350).
- §342 **European Social Fund** (ESF) (item 12.5) refers to funds provided by the ESF towards the cost of implementing specific labour market interventions.
- §343 **Other** (item 12.6) refers to any other source of finance not covered above.
- §344 **Responsible institution** (item 13) indicates the institution(s) primarily responsible for the management and implementation of an intervention.
- §345 For LMP *services* and *measures* this refers to activities such as the selection and monitoring of participants and the management/co-ordination of employers and service providers. For LMP *supports* this refers to activities such as the registration and monitoring of beneficiaries, payment of benefits, validation of claims, etc.
- §346 When one institution has the main responsibility for an intervention then only that institution should be selected. When more than one institution has important responsibilities then each relevant institution should be selected.

- §347 Central government (item 13.1) refers to all governmental departments, offices, establishments and other bodies which are agencies or instruments of the central authority whose competence extends over the whole territory, except for the administration of social security funds.
- §348 State/regional government (item 13.2) refers to all units of government exercising a competence independently of central government in a part of a country's territory encompassing a number of smaller localities, except for state, provincial or regional administration of social security funds.
- §349 Local government (item 13.3) refers to all other units of government exercising an independent competence in part of the territory of a country, except for local administration of social security funds.
- §350 Social security funds (item 13.4) refers to central, state and local institutional units whose principal activity is to provide social benefits. The benefits are paid from autonomous funds derived from compulsory social contributions. The level of both contributions and benefits paid out is controlled by government regulation and are normally applicable to the whole of the territory.
- §351 Trade union or similar (item 13.5) refers to organisations which promote solidarity and protect the rights and other interests of workers. Also included here are chambers of commerce, employers federations or similar.
- §352 Public employment services (item 13.6) refers to the national employment service (and regional/local equivalents) together with any other publicly funded bodies whose main responsibility is to facilitate the integration of unemployed and other jobseekers in the labour market.
- §353 **Implementation of intervention** (item 14) indicates the period over which an intervention has been in force.
- §354 Year started (item 14.1) refers to the year that the intervention first received participants and/or incurred expenditure. Note that this may be later than the year in which the legal decision was taken.
- §355 Year ended (item 14.1) refers to the year in which the last participants exited the intervention and/or when no more expenditure was incurred. Since persons already participating in an intervention are normally allowed to complete any planned period of participation, the year ended can be some time after the legal decision is taken to end the intervention.

7 REFERENCE DATA

§356 In addition to the data on each LMP intervention, the LMP database also collects reference data on the number of persons registered with the public employment service as unemployed or as a jobseeker. These groups are the main targets of LMP interventions and may be used to put into context the numbers of participants benefiting from the different types of LMP intervention.

§357 The database also collects qualitative information to describe the different populations (see §366). This is important information that provides a link between the target groups that define the scope of the database (see section 1.3) and operational practice in each country. For example, in some countries the population of registered unemployed may include significant numbers of persons who are employed (working limited numbers of part-time hours) whilst in others it may not include all persons who are actually unemployed because of limited incentives to register. Since, by and large, the registered unemployed represent the primary target of LMP measures this qualitative information is vital in understanding the different coverage in each country.

§358 For the convenience of completing data using the standard input form, reference data are recorded using a special category added to the scheme for classification of interventions by type of action. It should be clear, however, that this is for data collection purposes only and the data are not related to interventions and must be treated separately.

7.1.1 Classification of LMP reference data

Table O: Classification of LMP reference data

R	Reference data
R.1	Registered jobseekers
R.1.1	Registered unemployed
R.1.2	Other registered jobseekers

§359 Reference data (category R) refers to data which are not related to individual LMP interventions but which describe and quantify the main targets of LMP interventions and which are used for reference purposes.

§360 Reference data cover the numbers of registered jobseekers, registered unemployed, and other jobseekers registered with the PES such that $R.1 = R.1.1 + R.1.2$ ⁵. (Note that this equation may

⁵ This equation is applicable for data on stocks only; an aggregation of flow data for sub-categories R.1.1 and R.1.2 may differ from the flows of R.1 as registered jobseekers may change their status from *registered unemployed* to *other registered jobseeker* and thus influence the flows of these sub-groups whilst not affecting the flows of all jobseekers in R.1.

not hold in the case that there is no separate concept of registered unemployed and the population refers to persons receiving unemployment benefits.)

§361 Registered jobseekers (total) (cat R.1) refers to all persons who are currently registered as jobseekers with the PES.

§362 Registered unemployed (cat R.1.1) refers to persons who (1) are registered jobseekers and at the same time (2) fulfil the national criteria for consideration as registered unemployed, regardless of whether they receive unemployment-related benefits or not⁶.

§363 Other registered jobseekers (cat. R.1.2) refers to all persons registered with the PES who are not considered as registered unemployed and who have (1) contacted the PES for assistance in job-search, (2) whose personal details and circumstances have been recorded by the PES and (3) who have had personal contact with the PES within the current year, or as otherwise defined for PES operational purposes. All 3 conditions should be fulfilled at the same time.

§364 When information is available, several groups of persons within this category (e.g. apprenticeship seekers, employed jobseekers etc.), can be reported separately.

7.1.2 Specification of the data required

§365 Reference data are collected using the standard input form used for data by intervention. A separate entry should be made for each of the three reference populations requested.

§366 Items 3.5 (Eligibility), 4.1 (Classification) and all participant variables must be completed for all reference data entries. All other items are optional and may be used to report relevant information.

§367 Details on the criteria for consideration as a member of each reference population (registered jobseeker, registered unemployed or other registered jobseeker) should be given under item 3.5 Eligibility.

§368 Clear details should be given to inform on differences between the national criteria to be considered as registered unemployed and the ILO definition of unemployment. In particular, details should be given of:

- the lower age-limit for unemployed young persons;
- the maximum age at which a person can still be registered unemployed;
- restrictions for first-time job-seekers and/or school leavers;

⁶ In most countries the definition of *registered unemployed* (RU) follows the ILO definition: people who are “*out of work, actively seeking work and available for work*”. However, national criteria may tighten or relax this definition. The reference here is strictly based on national criteria and not in the international ILO definition of *unemployed*.

- any limitations on part-time work (in some countries persons who are part-time employed up to a fixed threshold of hours or wages can still be registered unemployed whilst in others no work is allowed);
- any restrictions on the type of work sought (e.g. persons seeking part-time or temporary work may not qualify as registered unemployed).

§369 For each reference population, detailed information on participant stocks and flows complete with breakdowns by sex/age/duration of unemployment are required.

APPENDIX

ANNEX A1: LMP QUESTIONNAIRE - FULL LIST OF QUESTIONS

Qualitative items

1. Intervention number
2. Intervention name
 - 2.1. English
 - 2.2. National language
3. Description
 - 3.1. Aim
 - 3.2. Beneficiaries/participants
 - 3.3. Action/Instrument
 - 3.4. Financing/support
 - 3.5. Eligibility
 - 3.6. Legal basis
 - 3.7. Recent changes
4. Type of action
 - 4.1. Class
 - 4.2. Components
 - 4.2.1. Class
 - 4.2.2. Name
5. Breakdown of expenditure
 - 5.1. Transfers to individuals
 - 5.1.1. Periodic cash payments
 - 5.1.2. Lump-sum payments
 - 5.1.3. Reimbursements
 - 5.1.4. Reduced social contributions
 - 5.1.5. Reduced taxes
 - 5.2. Transfers to employers
 - 5.2.1. Periodic cash payments
 - 5.2.2. Lump-sum payments
 - 5.2.3. Reimbursements
 - 5.2.4. Reduced social contributions
 - 5.2.5. Reduced taxes
 - 5.3. Transfers to service providers
6. Operational target groups
 - 6.1. Registered unemployed
 - 6.2. Other registered jobseekers
 - 6.3. Not registered
 - 6.4. Employed
7. Detailed target groups
 - 7.1. All
 - 7.2. LTU
 - 7.3. Youth

- 7.4. Older
- 7.5. Disabled
- 7.6. Immigrants/ethnic minorities
- 7.7. Re-entrants/lone parents
- 7.8. Public priorities and Other
- 8. Treatment of unemployment spells
 - 8.1. Broken
 - 8.2. Suspended
 - 8.3. Continuous/continuous
 - 8.4. Continuous/discontinuous
 - 8.5. Not relevant
- 9. Receipt of benefits
 - 9.1. Cash benefits
 - 9.1.1. Current intervention
 - 9.1.2. Unemployment benefit
 - 9.1.3. Other LMP intervention
 - 9.1.4. Other
 - 9.2. Non-cash benefits
 - 9.3. Clarification
- 10. Planned duration
 - 10.1. Typical
 - 10.2. Maximum
 - 10.3. Unlimited
 - 10.4. One-off
 - 10.5. Not defined
- 11. Area of application
 - 11.1. National
 - 11.2. Regional
 - 11.3. Other
- 12. Source of finance
 - 12.1. Central government budget
 - 12.1.1. Ear-marked taxes
 - 12.2. State/regional government budget
 - 12.3. Local government budget
 - 12.4. Social security funds
 - 12.5. European Social Fund (ESF)
 - 12.6. Other
- 13. Responsible institution
 - 13.1. Central government
 - 13.2. State/regional government
 - 13.3. Local government
 - 13.4. Social security funds
 - 13.5. Trade union or similar
 - 13.6. Public employment services
- 14. Implementation of intervention

14.1. Year started

14.2. Year ended

Expenditure

15. Expenditure

15.1. Total

15.2. Transfers to individuals

15.2.1. Periodic cash payments

15.2.2. Lump-sum payments

15.2.3. Reimbursements

15.2.4. Reduced social contributions

15.2.5. Reduced taxes

15.3. Transfers to employers

15.3.1. Periodic cash payments

15.3.2. Lump-sum payments

15.3.3. Reimbursements

15.3.4. Reduced social contributions

15.3.5. Reduced taxes

15.4. Transfers to service providers

M1. Metadata on expenditure

M1.1. Source

M1.2. Notes (formal)

M1.3. Notes (free)

Participants

16. Stock

16.1. Stock (total)

16.2. Stock (volume)

17. Entrants

18. Exits

M2. Metadata on participants

M2.1. Observations

M2.1.1. Stock

M2.1.2. Entrants

M2.1.3. Exits

M2.1.4. Destination method

M2.1.5. Destination time

M2.2. Source

M2.3. Notes (formal)

M2.4. Notes (free)

Breakdown of participants

19. Sex

20. Age

21. Duration of unemployment

22. Previous status of entrants

22.1. Registered

22.1.1. Registered unemployed

- 22.1.2. Other registered jobseekers
- 22.2. Not registered
- 22.3. Employed
- 22.4. Unknown
- 23. Destination of exits
 - 23.1. Employment (total)
 - 23.2. Of which subsidised
 - 23.3. Other measure
 - 23.4. Unemployment
 - 23.5. Inactivity
 - 23.6. Unknown

Duration

- 24. Average duration of participation
- M3. Metadata on duration
 - M3.1. Observation
 - M3.2. Notes (formal)
 - M3.3. Notes (free)

ANNEX A2: CLASSIFICATION OF INTERVENTIONS BY TYPE OF ACTION

This table shows the full scheme of the classification of LMP interventions by type of action. The table includes all special codes for the handling of double counting (or participants) and for the collection of reference data. These items are not strictly part of the scheme but are included in it for convenience of the data collection.

LMP services

- 1 Labour market services**
 - 1.1 Client services
 - 1.1.1 Information services
 - 1.1.2 Individual case management
 - 1.2 Other activities of the PES
 - 1.2.1 Administration of LMP measures
 - 1.2.2 Administration of LMP supports
 - 1.2.3 Other services / activities
 - 1A Adjustment for double-counting, category 1

LMP measures

- 2 Training**
 - 2.1 Institutional training
 - 2.2 Workplace training
 - 2.3 Alternate training
 - 2.4 Special support for apprenticeship
 - 2A Adjustment for double-counting, category 2
- 3 Job rotation and job sharing**
 - 3.1 Job rotation
 - 3.2 Job sharing
 - 3A Adjustment for double-counting, category 3
- 4 Employment incentives**
 - 4.1 Recruitment incentives
 - 4.1.1 Permanent
 - 4.1.2 Temporary
 - 4.2 Employment maintenance incentives
 - 4A Adjustment for double-counting, category 4
- 5 Supported employment and rehabilitation**
 - 5.1 Supported employment
 - 5.2 Rehabilitation
 - 5A Adjustment for double-counting, category 5
- 6 Direct job creation**
 - 6A Adjustment for double-counting, category 6
- 7 Start-up incentives**
 - 7A Adjustment for double-counting, category 7

LMP supports**8 Out-of-work income maintenance and support**

- 8.1 Full unemployment benefits
 - 8.1.1 Unemployment insurance
 - 8.1.2 Unemployment assistance
- 8.2 Partial unemployment benefits
- 8.3 Part-time unemployment benefits
- 8.4 Redundancy compensation
- 8.5 Bankruptcy compensation
- 8A Adjustment for double-counting, category 8

9 Early retirement

- 9.1 Conditional
 - 9.1.1 Full
 - 9.1.2 Partial
- 9.2 Unconditional
 - 9.2.1 Full
 - 9.2.2 Partial
- 9A Adjustment for double-counting, category 9

LMP reference data**R Reference data**

- R.1 Registered jobseekers
 - R.1.1 Registered unemployed
 - R.1.2 Other registered jobseekers

ANNEX A3: INPUT FORM FOR EXPENDITURE

Measure details			15.2 Transfers to individuals					15.3 Transfers to employers					15.4 Transfers to service providers	15.5 Not specified
			15.2.1 Periodic cash payments	15.2.2 Lump-sum payments	15.2.3 Reimbursements	15.2.4 Reduced social contribs.	15.2.5 Reduced taxes	15.3.1 Periodic cash payments	15.3.2 Lump-sum payments	15.3.3 Reimbursements	15.3.4 Reduced social contribs.	15.3.5 Reduced taxes		
No. Name [Component]	Class	15.1 Total												

ANNEX A4: INPUT FORM FOR PARTICIPANTS

Participants	16 Stock		17 Entrants							18 Exits										
	16.1 Stock (total)	16.2 Stock (FTE)	17. Entrants (total)	22.1 Registered			22.2 Not registered	22.3 Employed	22.4 Unknown	18. Exits (total)	23 Destination of exits									
				22.1 Total Registered	22.1.1 Registered unemployed	22.1.2 Other registered jobseekers					Employment		23.2 Other measure	23.3 Unemployment	23.4 Inactivity	23.5 Unknown				
											23.1 Employment (total)	23.1.1 of which subsidised								
19. & 20. Sex/age																				
Men and Women (Total)																				
under 25																				
25-54																				
55 and over																				
Men (Total)																				
under 25																				
25-54																				
55 and over																				
Women (Total)																				
under 25																				
25-54																				
55 and over																				
21. Duration of unemployment																				
Total (men and women)																				
<6 months																				
of whom aged <25																				
6-12 months																				
of whom aged <25																				
>12 months																				
of whom aged <25																				
Women																				
<6 months																				
of whom aged <25																				
6-12 months																				
of whom aged <25																				
>12 months																				
of whom aged <25																				

ANNEX A5: ILLUSTRATION OF MAIN PARTICIPANT VARIABLES

LMP participant variables: illustration of figures required.

The diagram below illustrates how periods of participation in measures and other periods of registration are treated in the LMP database.

Entrants Number of **new** starts in the year, the same individual may be counted more than once.
 Exits Number of ending spells in the year, the same individual may be counted more than once.
 Stock Average stock throughout the year

For simplicity, the illustration assumes that registration periods always start/end at the beginning/end of the month. Normally, registers store daily data so that part-months of participation can be adequately dealt with for calculation of stocks.

Key:

S Month in which the period of participation/registration starts (entrants)
 R Continuous months of participation/registration
 X Month in which the period of participation/registration ends (exits)

Participation/registration periods for example individuals														
Personal ID	Survey year													
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	R	R	R	R	R	R	R	R	R	R	R	R	R	R
2	R	R	R	R	R	R	R	R	R	R	X			
3	R	R	R	X				S	R	R	R	X		
4		S	R	R	R	R	R	R	R	R	R	R	R	R
5									S	R	R	R	R	R
6			S	R	R	R	R	R	R	R	X			
7			S	R	X			S	R	R	R	R	R	R
8			S	R	X			S	R	X				
9				S	X			S	R	X		S	R	R
Monthly stock	4	7	7	7	7	4	5	8	8	8	7	6	5	
Average of monthly stocks	6.33													

Contribution to LMP participant variables			
Months of participation/registration	Stock	Entrants	Exits
	Contribution to annual stock (months/12)		
12	1.00	0	0
9	0.75	0	1
7	0.58	1	2
12	1.00	1	0
4	0.33	1	0
9	0.75	1	1
9	0.75	2	1
6	0.50	2	2
8	0.67	3	2
Annual totals		6.33	11
			9