



# **EEO Quarterly Reports**

## **Catalogue of measures**

### **1<sup>st</sup> Quarter of 2013 (January – March 2013)**

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## 1 Introduction

The aim of this Catalogue is to provide factual information on Member States' policy developments within the Europe 2020 framework. This document acts as a catalogue of:

- a) New measures introduced during the first quarter of 2013 (January to March 2013), as identified by the EEO experts
- b) Existing measures that were included in this Catalogue for the first time during the third Quarter of 2012 (August – October 2012) and during the fourth quarter of 2012 (November 2012 – mid-January 2013), and for which progress on their implementation is followed.

The third Quarter of 2012 (August – October 2012) is thus considered as Q0, the first quarter for which measures were recorded in this Catalogue.

The fourth Quarter of 2012 (November 2012 – mid-January 2013) is considered as Q1.

The first quarter of 2013 (January to March 2013) is considered as Q2, where new measures introduced during the past three months are included and where progress with previous measures from Q0 and Q1 is also followed.

The table below offers a bird's eye view of the volume of new measures introduced in each quarter (Q0, Q1 and Q2), giving a broad picture of where policy activity is most intense.

Overall, the April 2013 Quarterly Reports most often reported progress in Policy Area PA 1: Labour market functioning / segmentation and Policy Area PA 2: Active Labour Market Policies. This was followed by Policy Area PA3: Social security systems and PA9: Wage Setting mechanisms and labour cost developments.

The least progress was noted under PA 4: Work-Life Balance, where 20 countries reported no progress during the past quarter.

The measures introduced during the past quarter, as well as the measures where developments have occurred under each of the nine policy areas are discussed in detail in the sections that follow.

**Table 1.1 Overview of Policy Areas where countries reported new measures in each of the past three quarters (Q0, Q1, Q2)**

Country / Policy Area	Policy Area 1			Policy Area 2			Policy Area 3			Policy Area 4			Policy Area 5			Policy Area 6			Policy Area 7			Policy Area 8			Policy Area 9		
	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2, NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q.2 NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1. NM	Q2.N M
BE	✓ (2)	✓	✓ (5)	✓ (3)	✓ (5)	✓ (5)	✓ (3)	✓ (2)	✓ (1)	✓			✓			✓			✓								✓ (2)
BG		✓		✓ (3)		✓ (3)													✓ (2)			✓					
CZ	✓ (6)	✓ (2)		✓ (2)		✓ (1)	✓ (3)				✓ (2)				✓ (1)							✓ (4)			✓	✓	
DK	✓			✓ (2)					✓ (2)				✓		✓ (1)		✓	✓ (1)	✓			✓		✓ (1)	✓		
DE	✓	✓			✓ (2)	✓ (1)	✓ (2)	✓	✓ (1)	✓	✓						✓	✓ (1)			✓ (1)		✓	✓ (2)	✓		✓ (1)
EE	✓						✓	✓										✓ (1)							✓		
IE				✓		✓ (1)					✓									✓		✓	✓	✓ (1)	✓		
EL	✓ (3)			✓ (3)	✓ (3)				✓ (1)				✓ (2)			✓			✓ (2)			✓					
ES	✓ (3)		✓ (1)	✓		✓ (8)	✓ (3)	✓	✓ (8)	✓ (2)						✓ (2)			✓				✓				
FR	✓ (3)		✓ (1)	✓ (2)		✓ (2)				✓			✓			✓						✓			✓	✓	
IT	✓		✓ (1)										✓					✓ (1)							✓	✓	
CY	✓ (3)			✓ (3)			✓ (3)			✓ (2)															✓		
LV	✓ (3)	✓ (4)	✓ (1)	✓	✓ (3)	✓ (1)	✓ (6)		✓ (3)				✓ (2)		✓ (1)				✓	✓	✓ (1)	✓ (2)	✓	✓ (1)	✓	✓	✓ (3)
LT	✓	✓ (2)	✓ (2)	✓ (3)	✓ (2)		✓		✓ (1)				✓		✓ (1)					✓		✓		✓ (1)		✓	
LU		✓	✓ (1)			✓ (1)									✓ (1)	✓									✓		
HU	✓	✓ (6)		✓	✓ (7)	✓ (1)		✓ (2)		✓	✓			✓	✓ (1)								✓		✓	✓	✓ (1)
MT	✓			✓ (3)	✓	✓ (1)	✓				✓ (2)		✓ (3)	✓ (2)	✓ (2)				✓	✓ (3)	✓ (1)	✓ (2)	✓			✓	
NL	✓ (2)	✓	✓ (1)	✓			✓ (2)		✓ (1)	✓																	
AT	✓ (3)	✓ (4)									✓			✓ (2)	✓ (1)		✓			✓			✓ (3)	✓ (2)		✓	✓ (1)
PL	✓ (3)	✓ (3)	✓ (2)	✓ (4)	✓	✓ (1)	✓ (2)	✓ (2)		✓ (3)		✓ (1)	✓	✓ (2)	✓ (1)				✓			✓	✓ (2)	✓ (1)	✓		
PT				✓	✓ (2)	✓ (3)	✓																		✓		
RO	✓		✓ (1)	✓				✓		✓			✓		✓ (1)	✓				✓	✓ (1)					✓	
SI	✓		✓ (2)	✓				✓																			
SK	✓	✓		✓			✓	✓						✓ (2)	✓ (3)							✓	✓	✓ (1)	✓	✓	
FI	✓ (3)		✓ (1)	✓ (2)					✓ (1)						✓ (1)									✓ (1)			
SE				✓ (2)			✓			✓												✓ (3)					
UK		✓	✓ (1)	✓ (2)	✓		✓	✓			✓	✓ (1)	✓ (3)	✓	✓ (1)							✓ (2)		✓ (1)	✓		

Country / Policy Area	Policy Area 1			Policy Area 2			Policy Area 3			Policy Area 4			Policy Area 5			Policy Area 6			Policy Area 7			Policy Area 8			Policy Area 9		
	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2, NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1.N M	Q.2 NM	Q0.N M	Q1.N M	Q2. NM	Q0.N M	Q1. NM	Q2.N M
IS	✓		✓ (1)								✓			✓		✓										✓ (1)	
HR	✓	✓		✓	✓			✓		✓ (2)	✓ (2)		✓			✓			✓ (2)			✓			✓		
FYROM	✓ (2)	✓ (2)		✓	✓				✓ (2)			✓ (1)		✓		✓					✓ (1)	✓	✓				
SB	✓ (2)			✓ (5)			✓	✓				✓ (1)	✓		✓ (2)	✓			✓			✓				✓	
TK					✓		✓						✓	✓											✓		
Total MEASURES	50	31	22	50	27	29	33	15	21	16	12	4	20	13	18	11	3	4	13	8	5	24	13	12	15	16	9
Total COUNTRIES		15	15		13	13		12	10		9	4		9	14		3	4		6	5		10	10		13	6

- Key:
- PA 1: Labour market functioning / segmentation;
  - PA 2: Active labour market policies;
  - PA 3: Social security systems;
  - PA 4: Work-life balance;
  - PA 5: Job creation;
  - PA 6: Gender equality;
  - PA 7: Skill supply and productivity /Lifelong learning;
  - PA 8: Education and training systems;
  - PA 9: Wage setting mechanisms and labour cost developments.

**Q0.NM:** Oct 12 New Measures  
**Q0.P:** Progress with measures presented in Oct12  
**Q1.NM:** Jan 13 New Measures

## 2 Policy Area 1: Labour market functioning / segmentation

Under this policy area, 15 countries have reported on a total of 22 new measures which address labour market functioning and segmentation during the past quarter:

A) General labour market reform

April 13: Belgium, France, Italy, Latvia, Lithuania, the Netherlands, Romania, Slovenia, former Yugoslav Republic of Macedonia

Jan13: Latvia, former Yugoslav Republic of Macedonia

Oct 12: Slovakia, Finland and Croatia, Serbia

B) PES Reform

Apr13: Spain

Jan13: Poland

Oct12: Czech Republic, Latvia, Finland and former Yugoslav Republic of Macedonia

C) Local Government Reform (in so far as it affects employment policy) – Italy, Finland

D) Reducing undeclared work –

Jan13: Belgium, Latvia, Croatia, former Yugoslav Republic of Macedonia

Oct12: Czech Republic, Greece, Lithuania, Turkey

E) Promoting flexicurity

Apr13: Lithuania, Poland, Slovenia, UK

Jan13: Bulgaria, Czech Republic, Latvia, Lithuania, Luxembourg, Austria, Slovakia

Oct12: Belgium, Czech Republic, Germany, Spain, France, the Netherlands, Poland, Austria

F) Addressing segmentation for special groups:

- All disadvantaged groups (Jan13: The Netherlands, Hungary)
- Immigrants (Oct12: Czech Republic and Estonia)
- Older workers (Apr13: Poland / Oct12: Denmark)
- People with disabilities (Apr13: Croatia, Finland / Jan13: Hungary, Austria / Oct12: Iceland and Serbia)
- Inclusion of marginalised groups – (Oct12: Cyprus, Malta, Austria, Romania)

G) Occupational standards and classifications

Oct12: Latvia, Poland

### 2.1 Labour Market Reform measures

**New measures introduced during the past quarter (Apr13):**

- **Belgium [1.1.d.Apr13]** - Adopted by the Council of Ministers, still to be published in the Belgian Monitor and laid down in royal decrees. They will apply with retroactive effect from 1 January 2013 - **Encouraging people to continue to work past retirement age if they wish to do so.** The provisions foresee: the removal of the restrictions on authorised work for pensioners above the age of 65 having completed at least 42 years of service; continued restrictions for those who do not meet the dual age and length-of-service requirement (65 years and 42 years of service), but with automatic indexation of this maximum authorised income; relaxation of the current penalties in the event that the maximum authorised income is exceeded; administrative streamlining and harmonisation in relation to the different pension schemes, in particular as regards the requirement to



declare any work in advance; corrective measures to ensure that pensioners in self-employment are not disadvantaged when it comes to social security contributions; adaptation of tax rules concerning tax relief on revenue earned from authorised work beyond retirement age. The provisions are consistent to the AGS priority 'Supporting longer working lives.'

- **Belgium [1.1.e.Apr13] – Law entered into force 10 January 2013 - Tightening the rules governing the posting of workers**, to prevent social security fraud. Client undertakings may now exercise authority over workers hired out to them in areas other than those for which authorisation has already been granted (obligations relating to health and safety in the workplace, working time, rest periods and the performance of the work agreed) solely on the basis of a contract between the employer and the client undertaking. The measure addresses the AGS priority: 'Tax compliance should be improved through systematic action to reduce the shadow economy, combat tax evasion and ensure greater efficiency of tax administration'.
- **Belgium [1.1.f.Apr13] - Law entered into force 10 January 2013 - Faster recovery of social security contributions by the ONSS/RSZ in the event of fraud.** In order to prevent abuse of European rules coordinating social security arrangements, from now on, the relevant social security authorities (the ONSS/RSZ, INAMI/RIZIV (National Institute for Health and Invalidity Insurance) etc. and social inspectors will be able to apply Belgian social security legislation to a worker if it is found that he or she is wrongfully subject to the social security provisions of another country, with effect from the first day on which the conditions for the application of Belgian legislation are met.
- **Belgium [1.1.g.Apr13] – Royal Decree, entered into force 10 January 2013 - Creation of an administrative committee responsible for determining employment relationships.** The creation of an administrative committee responsible for determining employment relationships, the role of which is to take decisions regarding the classification of a given employment relationship (employment or self-employment). The aim is to prevent social security fraud by those falsely declaring themselves self-employed or employed. The mis-use of the self-employed status has been underlined by trade-unions for several years. Since the crucial point of the harmonisation of the labour contracts is under negotiation, it seems coherent to also have a better control of the use of self-employed status in place of a labour contract. The creation of the Committee is a positive step, but does not necessarily imply that effective changes will take place.
- **Belgium [1.1.h.Apr13] – Royal Decree enters into force on 4 March 2013 - Making the use of illegal labour less attractive.** Employers must now ask all foreign workers they wish to employ to present their residence permit and must keep a copy of it for the use of the registration authorities. Employers who use workers without a valid residence permit will have to bear the costs of the unpaid wages, social security contributions and tax owed in respect of these workers. Where fraud has been committed, companies face a level-four penalty (the most severe). - If any subcontractor makes use of third-country nationals without the requisite residence permit, the companies will be jointly liable for unpaid wages and penalties.
- **France [10.1.d.Apr13] - Creation of 13 territorial platforms to support SMEs through economic and social restructuring.** The 13 territories or local areas have been chosen in regard to the large economic changes stakes and development: grand Lille, seine maritime, aerospace valley, territory of LGV South Europe atlantique, Métropole francilienne, employment area of Saint Nazaire, Lacq Orthez et d'Oléron Mauléon zone, Triscatin and urban area of Belfort-Héricourt-Montbéliard. The measure responds to recommendations 2 and 3 of the NRP 2012. It has been announced in the pact with the objective to "help SMEs and very small companies to reinforce competitiveness and employees to adapt their skills without return to unemployment. The aim is to share local employment and training resources dedicated to supporting enterprises and to support employees in their internal or external mobility. For SMEs and very small companies, platforms will deliver services to assist them with transitions. For employees, the platform will help them adapt their skills and prepare them for new jobs.

Budget of EUR 14 million, of which EUR 4 million is to come from the State and 10 million from other private or public contributions.

- **Italy [11.1.b.Apr13] - Ministerial decree awaiting publication in the official journal (Gazzetta Ufficiale)- Decree on Disadvantaged Workers.** The decree aims to tackle labour market segmentation and foster employment opportunities for disadvantaged workers. The Decree defines the criteria describing a disadvantaged worker: a) people with no regular job in the last six months, b) employed people with educational qualification below ISCED 3, c) people who are employed in sectors where the employment gender gap is above 25% according to the Italian Labour Force Survey and who belong to the underrepresented gender. The Decree implements the rationale established in the EC regulation 800/2008. Fixed-term staff leasing contracts are possible for disadvantaged workers in derogation to the technical, productive, organizational and substitutive reasons that are otherwise necessary for the contract type to be valid. The decree responds to the 2012 CSR recommendation No.4 on tackling labour market segmentation.
- **Latvia [13.1.g.Apr13] – Proposed amendments under discussion, not yet adopted - Amendments to the Labour Law** on the initiative of Latvian Employers' Confederation and the Latvian Association of Free Trade Unions a number of clarifications and additions to labour law are planned. These include: specification of information contained in job advertisements; an obligation for the employer to make available a worker's employment contract upon request; clarification of the calculation of average earnings; clarification of the conditions relating to deductions made for losses to the employer; amendments relating to reprimands; clarifications in relation to work and leisure-time framework to ensure compliance with European Union legislation; clarification on regulations for compensation for unused vacation time.
- **Lithuania [14.1.d.Apr13] - Task force for employment increase.** A task force for employment increase was set up in February 2013 by the Order of the Prime Minister in order to develop a National Employment Strategy for 2014-2020, by 1 June 2013. The initiative is consistent with the NRP priorities and with the CSR 'Tackle high unemployment, in particular among youth, low-skilled and long-term unemployed'. Budget details not available.
- **Luxembourg [15.1.b.Apr13] - Draft legislation, approved by the Council of Ministers - Professional internal and external redeployment.** The draft legislation puts forwards a reinforcement of already-in-place measures to manage the professional redeployment of employees, both internal within companies or administrations or, externally, on the employment market. As underlined above, the number of jobseekers considered for external redeployment has increased by more than 20% which justifies a reorganisation, better protection and guidance. The current draft considers those redeployed as jobseekers, considering the more efficiently their needs. Despite that studies are not available, unions point out that their involvement has showed that compensation periods are long and that applications by individuals are not accepted as the decision is taken by the Social security.
- **The Netherlands [18.1.b.Apr13] – Government decision - Postponing free movement for workers from Croatia.** The government has decided that free movement of labour is postponed for workers from Croatia after the country's EU accession. Instead, employers who want to hire staff from Croatia require a work permit. In first instance this decision will be valid for the first two years after accession. The reason for closing the labour market for two years is the deteriorating labour market situation in the Netherlands.
- **Romania [22.1.b.Apr13] - Draft Law - Re-organization of the Social and Economic Council (CES-Consiliul Economic si Social).** The measure aims at reorganizing the country's main social dialogue body and render it functional after almost two full years of trade union boycott. It also plans to broaden its competencies in order to enhance the efficiency of the CES. The measure is not only coherent with the pledges made by the Governing coalition ever since electoral campaign last year but it also responds to the condition in the MoU asking for salary developments to be kept in line with productivity.

Such aim cannot be achieved without the consent and cooperation of the social partners. The measure is timely and the fact that the law will go through parliamentary debate is another good omen showing a certain departure from the damaging practice of the 2009-12 administration of imposing labour market legislation via assuming Government responsibility.

- **Slovenia [23.1.b.Apr13] - Law adopted 5 March 2013 - **Act amending the Labour Market Regulation Act**.** The changes adopted in the amended Act should improve the social security of some groups of unemployed (younger than 30 years of age) and inactive (pensioners)
- **former Yugoslav Republic of Macedonia [30.1.e.Apr13] – Law, Official Gazette No. 25, from 19.02.2013 - **Amendments to the Law on Safety and Health at Work**.** The measure consists of greater control over the health and safety of workers. According to the Law, employers are obliged to provide regular systematic health check of their workers at least every 24 months. Due to some irregularities in practice, the amendments to the Law define the (minimum) specific components that each health check should contain and price that should be charged by the health institutions.

Progress with pre-existing measures from Oct12 and Jan13 QRs is outlined in the table below:

October 2012	January 2013	April 2013
<b>Slovakia [24.1.a.Oct12]</b> – <u>Law adopted October 2012 - Labour Code revision</u> (budget implications not specified)	The Labour Code amendment entered into force on 1 January 2013. The measure has demonstrably led to layoffs towards the end of 2012, in anticipation of increased redundancy costs since 1 January 2013.. However, the negative impact on employment figures may be reduced in subsequent months, as suggested by previous experience	No progress reported by April 2013.
<b>Finland [25.1.a.Oct12]</b> – <u>Strategy launched Spring 2012 - Structural Change and Functionality of the Labour Market</u> –cross-ministerial strategy (budget details not available). This is a key government initiative	No progress reported by Jan2013	No progress reported by April 2013
<b>Croatia [28.1.a.Oct12]</b> – no details made public yet - <b>Labour Act reform (budget not yet determined)</b> . A forthcoming substantive reform of labour law was announced in Q3 2012.	No progress reported by Jan2013.	<u>Parliamentary procedure planned in Q3 2013 - Draft Amendments to the Labour Act.</u> The first phase of the Labour Act amendments was announced by the Ministry of Labour and the Pension System. In February 2013, the first phase of the negotiations between all stakeholders (Government, labour unions and employers) has been concluded. The main issues tackled by the amendments include changes in the duration of employment contracts for a definite period, limiting the total duration of the employment contract for a definite period of three years, facilitation of layoffs during the probationary period, as well as simplification of the definition and procedures of collective layoffs of redundant workers. The Ministry of Labour announced that the second phase of changes will be based on three goals: acceleration of the employers' restructuring process, enhancing the safety of workers and solving the identified problems in the application of the Labour Act in practice.
<b>Serbia [31.1.a.Oct12]</b> – <u>changes in the Labour Law under preparation</u> – <b>Labour Law Reform</b> (budget n.a.)	No progress reported by Jan2013.	
.	<b>Latvia [13.1.d.Jan13]</b> – <u>Law</u> - <b>Additional funding for better quality labour market research and short term labour market forecasting.</b> Additional funding of c. EUR 90 000 has been reallocated for the development of short-	No progress reported by April 2013.

October 2012	January 2013	April 2013
	term labour market forecasting methodology in this ESF co-funded programme.	
	<p><b>former Yugoslav Republic of Macedonia</b></p> <p><b>[30.1.c.Jan13] – Amendments to the Labour Law</b> have been proposed, taking into account the requirements of the trade unions and employers' organisations, in order to improve labour market functioning, to reduce administrative costs for firms and to improve matching. The proposed amendments include changes to penalties and procedures for informal workers, information that has to be provided in the publicly announced vacancies etc.</p>	<p>The amendments proposed at the end of 2012 have now been enacted into law on 19 February 2013, in the Official Gazette No. 25. The amendments have the potential to reduce the costs for seasonal workers (through easing the requirements for severance pay), reducing the administrative burden and other costs to employers (introduction for trial work in seasonal jobs, less days for firing notice, etc), as well as to reduce informal work.</p>

## 2.2 PES Reform measures

New measures introduced during the past quarter (April 13) include:

- **Spain [9.1.d.Apr13] - Royal Decree 4/2013, adopted 22 February 2013 - Increased role for temporary employment agencies.** Temporary employment agencies are entitled to conclude training contracts. The measure has been approved in the context of the agreement with social partners. However, this particular measure has not been included in the agreement due to the opposition of the trade unions. In spite of the fact that this measure may introduce additional duality in the labour market, increasing the role of the temporary agencies may improve the low levels of placement within the Public Employment Services.

Progress with pre-existing measures from Oct12 and Jan13 QRs is outlined in the table below:

October 2012	January 2013	April 2013
<b>Latvia [13.1.b.Oct12] – Draft Regulation Restructuring of the State Employment Agency (SEA)</b> to improve cooperation and coordination between the administration and its 28 branches. The new structure has been effective from September 3, 2012. It is also planned that the SEA will change its status from an independent agency to a directly supervised unit of the Ministry of Welfare.	Regulations on status changes were approved by the Council of Ministers on 18 December 2012. The changes in the State Employment Agency came into effect on 1 January 2013.	Changes have been in effect since 1 January 2013.
<b>Poland [20.2.a.Oct12] - Law - Reform of local labour offices and cooperation with private agencies.</b> The pilot program will be implemented in selected poviats and financed by the provisions of the Labour Fund. This program will be ground-breaking for institutional cooperation between the PES and the private sector.	The selection of employment agencies is in progress. The selected agencies will sign a cooperation agreement with the PES.	The draft amendment to the Act of employment promotions and Labour market institution was elaborated and delivered to social consultancy.
<b>Slovakia [24.2.a.Oct12] – Law - Amendment to the Act on employment services.</b> Among the provisions, job-search requirements will be loosened. The main goals are to streamline existing activation policies and to improve the targeting on most disadvantaged groups. No specific budget is mentioned.	The Amendment to the Act on employment services was approved by the government on 9 January 2013. The Ministry of Labour proceeded with partial adjustments of its initial plans, notably: (i) some of the most restrictive proposals hampering the employment of disabled persons were relaxed; and, (ii) the proposal to abolish the possibility for job seekers to have earnings from work agreements was withdrawn.	The amendment to the Act on employment services was approved by the parliament on 19 March 2013. Negotiations resulted in further adjustments to the draft law. The revised law entered into force on 1 May 2013.
<b>Finland [25.1.b.Oct12] – Taking full effect in 2013 - PES reform</b> There is an on-going reform of the PES, where PES units have been amalgamated and new heads of PES units allocated in the second and third Quarter. Staff training has been ongoing throughout 2012.	The PES reform took effect on 1 January 2013. The reform has been so far quite efficiently implemented, but the imminent cuts, especially at the regional level (the so called ELY-centres) might pose a threat for motivation and implementation in the future. An independent evaluation is ongoing.	No progress reported by April 2013
<b>Former Yugoslav Republic of Macedonia [30.1.a.Oct12] – Law Amendment - Law on Employment and Insurance in case of Unemployment</b> – Changes in the Law prescribe clearer and stricter criteria for testing the job search activity of the unemployed and makes the requirements and monitoring of an active job search more stringent, increasing the obligations of unemployed for accepting a job offer and participating in ALMPs.	The registration of the unemployed according to the new legislation has started. Upon registration, unemployed persons provide more detailed data on their characteristics, education, etc, and also provide a statement on whether they are actively searching for a job or not. Moreover, ESA staff are currently being trained on the preparation of individual employment plans	The implementation of the Law started. The process of re-registration of unemployed is on-going, such that app. 50% of unemployed that re-registered did so as passive unemployed persons. The process of preparation of individual employment plans is also ongoing.

October 2012	January 2013	April 2013
	<p><b>Poland [20.1.d.Jan13] – <u>Law</u></b> (adopted November 2012, envisaged to come into force in June 2013) - <b>Registration in Labour Offices via the Internet.</b> Registering at labour offices via the Internet will be possible for the unemployed and job seekers. After filling out the electronic form and its submission, individuals will be given an appointment at a labour office. To use the full registration over the Internet one will need to have a secure electronic signature verified by a certificate, certified signature profile for a secure electronic platform for public services. Thus the Ministry of Labour estimates that the use of the full range of electronic registration, at least in the initial period of operation of the Regulation, will be limited. The measure is a continuation of actions to improve the operation of public employment services and enhance the quality of services and is an important first step towards web-based PES services.</p>	<p>No progress reported by April 2013</p>
	<p><b>Poland [20.1.e.Jan13] – <u>ESF co-funded project - Modular training for PES employees.</u></b> The aim of the project is to increase the effectiveness of measures taken by employees of the Public Employment Services for the unemployed and job seekers, by raising the professional competence of PES employees responsible for implementing the labour market services and vocational activation programmes. This is an ESF co-funded systemic project which supports the quality of services provided by the PES with a budget of approx. PLN 21 million (EUR 5 million) running until December 2013.</p>	<p>No progress reported by April 2013</p>
	<p><b>Poland [20.1.f.Jan13] – <u>ESF co-funded project - Monitoring the cooperation of labour offices and social welfare centres and the identification and popularization of good practice in this area.</u></b> The project entails research into the cooperation of district labour offices and social welfare centres, identifying problematic areas and good practices and developing a methodology to monitor the effects of cooperation between District Labour Offices and Social Welfare Centres. Workshops will be conducted for the staff of</p>	<p>No progress reported by April 2013</p>



October 2012	January 2013	April 2013
	these institutions for the exchange of experiences. The project is considered important in helping to improve the cooperation between the PES and the Social Welfare Centres, which has been inadequate so far in Poland, in order to combat both unemployment and poverty more coherently (budget of approx. PLN 2,6 million or EUR 623 000).	

## 2.3 Measures introducing Local Government Reform (as far as it impacts on employment policy)

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing measures related to local government reform:

October 2012	January 2013	April 2013
<b>Italy [11.1a.Oct12] – <u>Law Decree without legal effect</u> - Reducing the number of Provinces and its consequences on PES organisation</b>	As the Law Decree (95/2012) was not converted into law within 60 days from enactment, it has lost its legal effect. While the conversion of the law decree appeared credible, the Government's decision to resign and the subsequent political instability in view of the next general elections prevented the Parliament from reaching the required consensus.	The Law Decree (95/2012), reducing the number of Provinces was not converted into law within 60 days from enactment, hence losing its legal effects. Nevertheless, the regional Parliament of Sicily approved on 20 March the draft law 278/2013 on "Transitory rules for the institution of consortia of Municipalities" that provides for the suppression of the 9 Provinces of Sicily
<b>Finland [25.1.c.Oct12] – <u>already launched, taking full effect in 2012-2013</u> - Municipality reform</b>	In the Municipality Reform, new proposals for amalgamation and restructuring of Health and Social Services were introduced in November 2012 for statements by stakeholders.	No progress reported by April 2013

## 2.4 Measures for Reducing Undeclared Work

New measures introduced during the past quarter (April 13) include:

NONE

**Progress with pre-existing measures to reduce undeclared work from Oct12 and Jan13 QRs is outlined in the table below:**

October 2012	January 2013	April 2013
<b>Czech Republic [3.1.d.Oct12]</b> – <u>Employment Code</u> - Monitoring the “Schwarz system”. This system concerns the ‘false’ self-employed, i.e. persons with a self-employed status who work for just one company. It is estimated that this problem affected half of the temp-agency employment of about 160 000 workers in 2011.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Greece [8.1.c.Oct12]</b> – <u>Legal Act</u> - <b>Labour ticket</b> - employment coupon. This measure aims at the reduction of undeclared work, through the use of the so-called "labour ticket" ("ergosimo"), i.e. an employment coupon which may comprise an alternative type of insurance for occasional employees. This alternative form of insurance is meant to target mainly domestic staff and people employed in the sectors of agriculture and healthcare.	This is a new measure, not yet implemented. The number of potential beneficiaries has been downsized to 45 000 persons (from the originally planned 60 000). The age limit of participants has also changed. It is now set at 29 years of age (instead of at 24). The budget has been agreed at EUR 174.9 million for the next two years	No progress reported by April 2013
<b>Lithuania [14.1.a.Oct12]</b> – <u>Draft law, under discussion in Parliament</u> - <b>Service cheques</b> - possibility of introducing a simplified, flexible form of employment in agriculture and forestry. The use of service cheques would enable an employer (farmer) to hire a worker by issuing a special service cheque, cutting down red tape.	No progress reported by Jan2013.	GRL commissioned related ministries to prepare and adopt the form and usage of the service cheques by 1 April 2013
<b>Turkey [32.3.a.Oct12]</b> <u>administrative mandate to tackle undeclared work in agriculture</u> . The Social Security Institution, SGK, has announced a new study on the prevention of unregistered work in agriculture.	No progress reported by Jan2013. However, agriculture's share in employment is decreasing again, after four years; and, the incidence of unregistered work in non-agricultural employment is decreasing	No progress reported by April 2013
	<b>Belgium [1.1.c.Jan13]</b> – <u>Law</u> – <b>Establishment of legal presumption against false self-employment</b> . A legal presumption has been established in four professional areas by law adopted on 25 August 2012, effective since 1 January 2013. Any person who meets more than half of the criteria in the law is considered an employee. Otherwise, the person is considered to be self-employed. This measure is consistent with the Commission recommendation to 'halt the abuse of false self-employment' (no budget implications).	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p><b>Latvia [13.1.f.Jan13] - <u>Proposed law amendment</u> - State Revenue Service requirements for more precise information on employees</b> The proposal is that employers, including micro taxpayers, when registering each employee with the State Revenue Service (SRS), will have to indicate the employee's professional code according to the Classification of Occupations. Also, the employer will have to indicate how many hours the employee has worked during the month of registration. These proposed amendments are consistent with commitments to fight the shadow economy.</p>	<p>Amendments approved by CoM on 19 February 2013</p>
	<p><b>Croatia [28.1.b.Jan13] - <u>Law</u> - Fiscalisation of cash payments.</b> In order to ensure efficient oversight over transactions done in cash, the Ministry of Finance has introduced a real-time IT system, about to be adopted at point of sale by all business subjects accepting cash payment. The object of this process is combating the informal economy, as the measure will limit the space for informal employment and informal cash "top-up" compensation of employees in sectors mostly operating with cash. In effect since Jan 2013 in accommodation, bars and restaurants, starting in April 2013 for retail and liberal professions, and in July 2013 in other industrial sectors. This measure is likely to reduce tax evasion and reduce informal employment. EUR 1.75 million.</p>	<p>No progress reported by April 2013</p>
	<p><b>Former Yugoslav Republic of Macedonia [30.1.d.Jan13] - <u>Annual Action Plan</u> - Action plan to combat the informal economy.</b> The government is currently reviewing the draft Action plan prepared by the MoLSP, in consultation with other government agencies. The Action plan sets out the measures, deadlines, required resources and responsible institutions to combat undeclared work and details monitoring arrangements through semi-annual reporting to the MoLSP on the stage of the implementation/fulfilment of the plan. The MoLSP has agreed to develop innovative modes for tackling informal employment during 2013, mainly drawing on the Belgian voucher system.</p>	<p>No progress reported by April 2013</p>

## 2.5 Flexicurity/Changes in Employment protection legislation measures

New measures introduced during the past quarter (April 13) include:

- **Lithuania [14.1.e.Apr13] – Law - Increased flexibility for temporary work agencies.**  
This law was adopted on 12 March 2013. Currently, employers are required to notify the Social Insurance Fund (SODRA) about employment of a person at least 1 working day before the scheduled commencement of work. Such regulation reduces possibilities for temporary work agencies to expeditiously supply temporary workers to business enterprises. The introduced amendments stipulate that temporary work agencies will be exclusively allowed to notify SODRA of employment of a temporary worker before the start of work, i.e., at the latest on the date of employment. The measure is consistent with the CSR 'Amend the labour legislation with regard to flexible contract agreements, dismissal provisions and flexible working time arrangements'.
- **Poland [20.1.g.Apr13] - Draft law - Special solutions for the protection of jobs associated with the mitigation of the economic slowdown** and economic crisis for employees and employers. The proposed regulation aims to introduce measures to promote employment in businesses by direct financial assistance from the Guaranteed Employee Benefits Fund for subsidies of wages for employees threatened with redundancy as well as maintenance of jobs and prevention of layoffs of workers at risk in the event the employer difficulties associated with the deterioration of the business environment of transition character and promising improvement in the 12 months. No budgetary provisions have been presented (only the source of financing: the Guaranteed Employees Benefits Fund).
- **Slovenia [23.1.a.Apr13] – Law - Adoption of the new Employment Relationship Act (ERA-1).** The new Employment Relationship Act offers some new measures for increasing the flexibility of Slovenian labour market and for reducing labour market segmentation. On the other hand, it is difficult to predict whether such measures could dramatically improve the economic and labour market situation in the current situation. EUR 95 million for active employment policy in 2013.
- **UK [27.1.b.Apr13] - New rules expected to be introduced later in 2013 following a brief period of consultation - Simplification and improvement of Employment Tribunals.** The Department for Business, Innovation and Skills (BIS) announced new rules aimed at streamlining the Employment Tribunal process. They are a response to the review of the system by a former President of the Employment Appeal Tribunal (Underhill) and cover four principal changes: a) New strike out powers to ensure that weak cases that should not proceed to full hearing are halted at the earliest possible opportunity; b) Guidance from the Employment Tribunal Presidents to help ensure that judges deal with hearings in a consistent manner which ensures parties know what to expect; c) Making it easier to withdraw and dismiss claims by cutting the amount of paper work required; and d) A new procedure for preliminary hearings that combines separate pre-hearing reviews and case management discussions. This will reduce the overall number of hearings and lead to a quicker disposal of cases saving time and costs for all parties. The new rules will be incorporated into the forthcoming Enterprise and Regulatory Reform Bill. The overhaul of the Employment Tribunal system appears to be timely and broadly neutral in its approach to all the parties involved.

**Progress with pre-existing measures for increasing labour market flexibility:**

October 2012	January 2013	April 2013
<b>Belgium [1.1.a.Oct12]</b> – <u>Royal Decree with direct effect - Monthly communication of the effective first day of temporary unemployment.</u>	The change that is evident is positive and provides better control.	No progress reported by April 2013
<b>Germany [5.1.a.Oct12]</b> – <u>Draft law, proposed on 25 September - Increase the social contribution ceiling for Minijobs from EUR 400 to 450 and for midi-jobs from EUR 800 to 850.</u> Change the opting-in rule for public pension contribution into an opting-out regulation (expected loss in state revenues of EUR 200 million annually).	In force since January 2013. An IAB study identified that: the number of minijobs was stable between 2006 and 2011; differences between sectors in employing mini-jobbers were large; and, displacement of employment could be observed in small companies. Doubts have been raised about the positive employment effect of this reform, for example by the Minister of Family.	No progress reported by April 2013
<b>Spain [9.1.a.Oct12]</b> – <u>Royal Decree updated 2012. Decrease of severance pay linked with open-ended contracts</u> (budget details unknown).	No updated information reported by Jan2013.	The last quarter of the year has seen an increase in the number of layoffs among male permanent workers (6 out-of-ten jobs that were terminate were open-ended). According to the AGS 2013, reducing severance pay of open-ended and thus diminishing the gap with the temporary workers ones are necessary to modernize the Spanish labour markets.
<b>Spain [9.1.b.Oct12]</b> – <u>Royal Decree adopted - New entrepreneurship contract.</u> A new open-ended contract (called <i>contrato indefinido de apoyo a los emprendedores</i> ). Entitles SMEs that recruit full time a young individual aged 16-30 to receive a EUR 3 000 fiscal deduction and other Social Security reductions. The new contract bears a one-year probationary period (compared to 3 to 6 months in other contracts), which means that firms can dismiss workers without any severance pay during this period.	<b>Jan 2013 update:</b> The number of entrepreneurship contracts has increased at a very slow pace since the Oct12 quarterly report as well as all the open-ended contracts for young people below 30. Only 5 % of the initial contracts were open-ended during October and November 2012 among young people aged below 30.	During 2012, only 77,260 entrepreneurship contracts have been signed. Both the country specific recommendations and the AGS 2013 insisted in the situation of youth within the labour market. Due to its poor outcomes, the importance of this measure has been lessened by the new employment incentives approved in February 2013
<b>France [10.1.a.Oct12]</b> – <u>Tripartite negotiations on securing employment (no budget implications).</u> The social partners are negotiating agreements that could reduce wages and working time to maintain employment in a company facing economic difficulties.	<b>Jan 2013 update:</b> The agreement on securing employment between the social partners is already signed. As part of the changes, the Trade Unions have obtained taxation on fixed term contacts as a counterpart of more flexibility for companies with possible agreements on the reduction of wages and work duration in case of difficulties for companies.	In recent weeks, the draft Law implementing the social partners' agreement has been discussed at the parliament following a fast track vote.

October 2012	January 2013	April 2013
<b>France [10.1.c.Oct12] – Obligation to obtain administrative authorisation for short time working arrangements:</b> <u>the enterprise no longer needs to obtain the agreement.</u> If the administration does not reply within 15 days, the agreement is granted.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Latvia [13.1.a.Oct12] - Pilot project for employee mobility within Latvia</b>	No progress reported by Jan2013	Project approved on 26 February 2013 and implementation has been underway since 19 March. The project will now be implemented nation-wide instead of initially starting in one region.
<b>The Netherlands [18.1.c.Oct12] – Planned Revision - Employment Protection legislation.</b> The preventative test to determine the legal base of a redundancy remains an important element of Dutch EPL (unless collective labour agreements contain an alternative yet good procedure). However, instead of having two routes for dismissal, PES and the court, the plans contain only one route for dismissal, via PES (UWV). Employers also have to set a transition budget to help redundant employees find a new job.	No progress reported by Jan2013.	No progress reported by April 2013.
<b>Poland [20.1.a.Oct12] – Law under discussion in Parliament – Liberalisation of certain professions.</b> The government has adopted a draft act to amend the laws governing the exercise of certain professions, where entry to the profession is strictly regulated.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Poland [20.1.b.Oct12] – Prime Minister Announcement - Flexibility of working time</b> (budget PLN 19 million or EUR 4.5 million). Extension of the working time period settlement up to 12 months and the introduction of flexible working hours.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Austria [19.1.a.Oct12] – Law - Amendment to transpose the EU Directive on Temporary Agency Work</b>	As the amendment came into effect on 1 January 2013, it is so far unclear to what extent the new regulations were implemented in practice and at the company level.	The legal regulations concerning equal treatment of temporary workers and the core workforce in a company came into effect as of January 1st 2013. However, some parts of the amendment will not come into effect until 2014.
	<b>Bulgaria [2.1.a.Jan13] – Law – On the Road.</b> The measure offers subsidies to employers for the	The application form and the procedure for applying were updated. The new deadline announced was 8 February

October 2012	January 2013	April 2013
	geographical mobility of employees. Subsidies will be paid to employers who organize the transport of their workers. The workers' homes have to be situated no further than 100 km from the enterprise. The employer will have to suggest the most appropriate transport scheme, which includes the routes, number of passengers to and from work, the frequency of the service that will be performed (if workers operate in shifts). Every employer is entitled to apply for a subsidy of between BGN 20 000 and 390 000 (i.e. EUR 10 000 to 195 000). The measure responds to the National Reform Programme commitment to increase labour market flexibility (The measure budget is EUR 10 million - BGN 20 million).	2013. The check of the administrative compliance has still not been completed.
	<b>Czech Republic [3.1.g.Jan13] – <u>Law</u> - More Flexible Repeat Use of Fixed-time Work Contracts.</b> The aim of this measure is to re-introduce more flexibility into repeated fixed-term contracts, but only for a limited type of seasonal jobs in agriculture and construction (no budget details provided).	No progress reported by April 2013
	<b>Germany [5.1.b.Jan13] – <u>Collective agreements</u> – Temporary Agency Work.</b> Recent collective agreements extend pay supplements for temporary agency workers in several new sectors. The adjustment of the wages of temporary agency workers is consistent with the AGS 2013 priority of tackling social consequences of the crisis.	No progress reported by April 2013
	<b>Germany [5.2.a.Jan13] – <u>Law</u> - Lengthening receipt of short-term work benefits (Kurzarbeit).</b> This measure involves the extension of short-time work from 6 to 12 months by the federal government on 14 December 2012. The measure is consistent with the AGS 2013 priority, preparing for a job rich recovery and it is expected to help keep people in work during an economic downturn while increasing labour market flexibility.	No progress reported by April 2013
	<b>Latvia [13.1.e.Jan13] – <u>Law</u> - Shortening of minimum duration of basic occupational health and safety training</b> - In order to reduce the administrative burden, from 1 July 2013 the minimum time required for the basic	In force since 1 January 2013



October 2012	January 2013	April 2013
	occupational health and safety training will be shortened from 160 to 60 hours. The measure addresses the NRP recommendation to reduce the administrative burden of mandatory employee training. It is an open question whether it will lead to less effective health and safety in the workplace.	
	<b>Lithuania [14.1.c.Jan13] - <u>Law</u> - Amendments of the Labour Code increasing flexicurity.</b> Adopted in November 2012, these amendments contribute to better protection of employees in case of the change of employer (business handover) while more opportunities are provided to agree on work schedules. Amendments adopted are only the first steps towards flexicurity increase. Due to the minor nature of the measures, there should not be any hindrances to their implementation.	No progress reported by April 2013
	<b>Luxembourg [15.1.a.Jan13] – <u>Law</u> - Reform of bankruptcy legislation (especially the employment part).</b> The main objective of the reform is to decrease the currently high number of bankruptcies in Luxembourg and to avoid the resulting unemployment. The measure is considered adequate as there are a significant number of bankruptcies in 2012. The burden on employment and on maintaining in employment policies is considerable and the new legal framework makes employers assume their responsibility. At the same time, the procedure is simplified, contributing to better regulation at the government level.	Draft legislation has been introduced in parliament on 1 February 2013 and the legislation is analysed in the parliamentary justice committee
	<b>Austria [19.1.e.Jan13] –<u>Law</u> - Reform of the part-time scheme for older workers.</b> Older workers who continuously reduce their working time are entitled to part-time work not only until an entitlement to regular pension but until the statutory retirement age (Women 60 years, men 65 years). The maximum period of part-time for older workers is 5 years. Agreements on lengthy blocked periods of leave are only permissible if an unemployed worker or unemployed apprentice is additionally recruited prior to the beginning and for the whole period of leave. The measure is a slight adaption of an established ALMP	As of 1 January 2013, agreements on part-time for older workers are fundamental in the new scheme and it is expected that, as a result, older workers will remain in employment for longer.



October 2012	January 2013	April 2013
	<p>instrument to keep older workers longer in employment. It has to be considered, that the number of people in the scheme amounted to about 17 500 (annual stock during the last three years), which is only about 8% of the workforce in the respective age (women: older than 53, men older than 58 years). The measure is being funded through the Unemployment Insurance fund with an annual budget of approx. EUR 228 million per year.</p>	
	<p><b>Austria [19.1.f.Jan13] - <u>Law</u> - Reform of the short-time work regulations.</b> The reform of the short-time work allowance includes: a shift from short-time work without training to short-time work with training becomes easier; a maximum period of the short-time allowances (granted in 2013) can be extended to 24 months (instead of 18 months); additional non-wage labour costs for employers are taken by the state from the 5<sup>th</sup> month of the allowance period (instead of the 7<sup>th</sup> month) resp. from the beginning of the period in the case of short-time work combined with training. The reform should lead to a reduction of the wage costs for employers who suffer from temporary economic problems and thus make it easier to offer short-time work. According to evaluations, short-term work is an effective instrument to overcome temporary economic problems of companies, especially in production. The reform leads to a reduction of the costs for companies as the additional social security contributions are taken over by the state from the fifth month (instead of the 7 month) of the allowance period. The reform will not have a substantial influence on the take-up rate of the short-time allowance, as it can be assumed that only those companies will be eligible which are really in economic troubles. A precondition for the take-up is the achievement of social partner agreement who will accept an agreement only if the economic situation of the company justifies short-time work. For 2013, representatives of the industry assume an increase in the number of employees in short-time work. As unemployment currently increases in those regions with a high proportion of production, this might be a reasonable assumption. But it has to be considered that</p>	<p>The amendments concerning short-time work came into effect on 1 January 2013. They are due to provide a reduction in the wage costs for employers, who suffer from severe temporary economic problems.</p>

October 2012	January 2013	April 2013
	even at the peak of the economic crisis in 2009, only 1% of the Austrian workforce was in short-time work.	
	<p><b>Austria [19.1.g.Jan13] – Fee for employers who terminate a work contract (Auflösungsabgabe).</b> This fee was part of the austerity package, the so-called 'Stability Package 2012-2016' which was decided in parliament on 28 March 2012. It came into effect at the beginning of 2013. If an employer terminates a work contract (open-ended; for fixed-term contracts with a duration of at least 6 months) which is subject to unemployment insurance contributions, a fee of EUR 113 (for 2013) has to be paid. The fee is administered by the respective regional Health insurance institution. This fee has been introduced in order to gain additional ALMP means for financing measures especially for young people, women and older workers. Short-term contracts (less than 6 months duration) are exempted. Since this type of contract is the rule in seasonal jobs, employers are not prevented from dismissing seasonal workers in the off-season. The estimated additional revenue to be raised by this fee during the period 2012-2016 is EUR 343 million.</p>	<p>As of 1 January 2013, this fee falls due for each employer, when a work contract is terminated. The fee amounts to EUR 113 (2013) and has to be paid to the regional health insurance institution along with the regular social security contributions.</p>
	<p><b>Slovakia [24.1.b.Jan13] - <u>Draft law</u> - Proposal on new law on family businesses.</b> A draft version puts forward the stipulation of three types of family businesses – family trade, family farm, and family company, referring to existing legal forms of a small trade, independent farmer, and limited liability company and/or joint stock company. The proposed law could enrich existing legal forms of small entrepreneurship. Family entrepreneurship is not very common in Slovakia, which is a legacy of collectivisation and nationalisation of property under the communist regime. Experience from neighbouring Austria shows that family businesses can play a vital role in key sectors of the economy. Building on assets such as flexibility and quality of services, there is vast potential particularly in tourism and small crafts in Slovakia.</p>	<p>No progress reported by April 2013</p>

## 2.6 Measures addressing labour market segmentation for specific groups

New measures introduced during the past quarter (Apr13) include measures for older workers, people with disabilities and immigrants.

### 2.6.1 Older Workers

**New measures introduced during the past quarter (April 13) include:**

- **Poland [20.1.h.Apr13]** – ESF co-funded project - **Equal opportunities in the labour market for people 50+**. Trainings for PES employees in the area of improving services for unemployed over 50 years old. The training will be implemented in the form of blended learning, which involves two learning packages such as e-learning module and a fixed module and will last from May to September 2013. Budget of EUR: 7 678 008

### 2.6.2 People with Disabilities

**New measures introduced during the past quarter (April 13) include:**

- **Croatia [28.1.c.Apr13]** – legislative proposal under public consultation - **Act on Vocational Rehabilitation and Employment of Disabled Persons**. The Ministry of Labour and Pensions introduced the proposal of the new Vocational Rehabilitation and Employment of Disabled Persons Act, which is currently in the process of public debate, proposed to be implemented starting in January 2014. The Act is consistent with the priorities of the National Strategy of Equalization of Opportunities for Persons with Disabilities 2007 – 2015 (2.7) and Government Strategy 2013-2015 (4.1).
- **Finland [25.1.d.Apr13]** – Government pilot project - **Tailored activity concept for disabled**. The employer or Job Centre names a personal coordinator for the disabled person and is supposed to provide an individually tailored service package.

### 2.6.3 Vulnerable Groups

**New measures introduced during the past quarter (April 13):**

**NONE**

**Progress with pre-existing and new measures addressing labour market segmentation for specific groups:**

October 2012	January 2013	April 2013
A) Immigrants		
<b>Czech Republic [3.1.e.Oct12]</b> – <u>Legislative proposal - Regulation of foreign employment</u> This is a proposal for streamlining the legislation governing foreigners' entry and stay conditions in the CR, envisaging an 'employee card' to be issued for all types of positions.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Estonia [6.1.a.Oct12]</b> – <u>New integration strategy for 2014-2020, under discussion since October 2012, implementation will start from 2014 – 'Integrating Estonia 2020'</u> (Planned budget is EUR 46 million, c. EUR 6.6 million annually). The strategy is targeted towards ethnic minority groups with the main objective to increase cohesion in society.	No progress reported by Jan2013.	No progress reported by April 2013
B) People with disabilities		
	<b>Hungary [16.1.b.Jan13]</b> - <u>Government Regulation (327/2012)</u> - <b>Accreditation of Employers of people with disabilities.</b> Rehabilitation is an important step in enabling the disabled to work in an integrated environment. Accredited employers can foster this process by providing expert help in the rehabilitation process. The system of provision of disability benefits has been reformed, making it considerably harder to obtain benefits that are permanent and have high payment levels. This process must be accompanied by efficient rehabilitation to prevent poverty of the clients. The recent establishment of a separate rehabilitation authority and a nationwide network of offices supports the credibility of this measure.	No progress reported by April 2013
	<b>Hungary [16.1.d.Jan13]</b> - <u>Government decree (1530/20120)</u> - <b>Authorization of the TÁMOP-1.1.1-12/1-2012-0001 project to help disabled people re-enter the labour market.</b> This is a temporary measure valid until	No progress reported by April 2013

October 2012	January 2013	April 2013
	the end of 2013, co-funded by the ESF with a budget of c. EUR 40 million (HUF 11.7 billion), considered an important project for the country.	
	<b>Hungary [16.1.f.Jan13] – Law - Modification of rules for public procurement.</b> Public health and social institutions must request a public procurement quotation from employers where more than 50% of the employees are disabled. However, even though the measure is highly relevant, there are doubts on its credibility because recent research shows that public procurement is characterised by a large extent of corruption in Hungary.	No progress reported by April 2013
	<b>Austria [19.1.d.Jan13] – Law - Reform of the invalidity pension scheme.</b> The fixed-term invalidity pension will be abolished by 1 January 2014 for all people in bad health conditions below the age of 50. If someone is temporarily (for more than six months) incapable of doing his/her regular job, the person will receive medical treatment and a so-called rehabilitation benefit (Rehabilitationsgeld) which corresponds to 60% of the previous salary. The periods of payment of rehabilitation benefit will last a maximum of one year. After one year a new examination has to take place. After recovery, people should be reintegrated into employment.	The new legal invalidity pension scheme came into effect on 10 January 2013. In the long run, on the basis of this scheme, it can be assumed that the number of invalidity pensions will decrease, but nevertheless, more attention should be given to preventative measures such as the improvement of the quality of jobs.
<b>Iceland [29.1.a.Oct12] – Resolution adopted in Parliament - Action plan aimed at improving the situation of disabled people in Icelandic society.</b> A target is set that by the end of 2014, 85% of disabled individuals of working age will either be employed, taking part in activation measures or attending an institute of learning.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Serbia [31.1.b.Oct12] – Draft changes in the Law to be submitted to Parliament – Law on employment and professional rehabilitation of the persons with disabilities.</b> After facing practical difficulties in the	No progress reported by Jan2013.	Changes adopted into Law on 8 April 2013. They include: - obligation of employer who do not employ a required quota of persons with disability to pay the amount of 50% of average wage in Serbia for each missing employee with

October 2012	January 2013	April 2013
enforcement of penalties to employers that do not abide with PWD quotas, the intention now is to abolish the penalty without abolishing the quota obligation.		disability; and, - the level of wage subsidy for open-ended employment contract with a person with disability without work experience is set at 75% of total labour costs of a person, but not more than the amount of minimum wage.
C) Older workers		
<b>Denmark [4.1.a.Oct12]</b> – <u>Legislative proposal - Targeting of the Prevention Fund</u> (DKK 1 billion, EUR 130 million). The measure implies an allocation resources from the existing 'Prevention Fund' (set up in 2007 to prevent the early withdrawal of workers from the labour market) to more targeted uses.	The legislative proposal that was under discussion during Q0 was approved by the Parliament as law, on 19 December 2012.	The law on targeting of the prevention fund was approved by Parliament on 19 December 2012 and is <b>now being implemented</b> .
D) Inclusion of marginalised groups		
<b>Malta [17.1.a.Oct12]</b> – <u>Four new centres opened by October 2012 - Access Community Centres</u>	No progress reported by Jan2013.	No progress reported by April 2013
<b>Austria [19.1.b.Oct]</b> – <u>Draft law under discussion – Amendment to the Equal Treatment Act</u> [Gleichbehandlungsgesetz]. The proposed amendment aims to improve the anti-discrimination legislation and covers various aspects, including transposing Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity.	Contrary to the original announcement, the amendment was not decided in parliament in 2012. The current state of play and reasons for the delay are not known. One can assume, that some of the proposed measures in the review draft law are renegotiated, as the review process showed different opinions concerning some of these measures. In January 2013, the chamber of labour called for the rapid implementation of the amendment.	No progress reported by April 2013
<b>Romania [22.1.a.Oct12]</b> - <u>Draft law under public consultation – Draft Law on Social Economy</u> . Attempting to regulate and provide a wide range of incentives for a sector of the Romanian economy until now largely neglected.	There has been no significant change during the past quarter. However, the consultation process has continued, which is a positive development given upcoming elections	Consultation process has been stalled by negative opinion from the Ministry of Finance; it is like it will not occur earlier than sometime in 2014.
	<b>Hungary [16.1.c.Jan13]</b> – <u>Government decree - Authorization of the SROP-1.2.1-07/1-2007-0002 project to foster the employment of disadvantaged groups. Employers pay 10% social security contributions instead of 27% in the first year and 20% contributions in the second year of employment. The measure aims to increase the employment chances of vulnerable groups</u>	No progress reported by April 2013.

October 2012	January 2013	April 2013
	(mothers, long-term unemployed, 50+, jobseekers with low educational level and means tested unemployment assistance receivers). ESF co-funded project with a budget of c. EUR 160 million (HUF 45.3 billion).	
	<b>The Netherlands [18.1.a.Jan13] - Financial Incentive Measure - Additional funds for fighting unemployment.</b> The government has decided to devote an extra EUR 100 million in the next two years, to fight unemployment of both older and younger workers and to support the construction sector. Apart from improving the labour market position of younger and older people, and stimulating the construction sector, the measure supports social dialogue somewhat. It gives the social partner a positive incentive to continue the dialogue on the crisis and the labour market.	More detailed allocation of funds; additional funds to fight youth unemployment; and, appointment youth ambassador.

#### 2.6.4 Occupational Classification

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing measures:

October 2012	January 2013	April 2013
<b>Latvia [13.1.c.Oct12] – Updating classification - The Classification of Occupations.</b> This has been updated to bring it into line with international standards. In Latvia, the relevance of updating the classification of occupations is strong, because the existing Latvian Classification of Occupations had been frequently criticized as out-dated and inconsistent to reality.	No progress reported by Jan2013.	Law adopted 19 Feb 2013. Based on proposals by trade associations and businesses, the classification has been supplemented by new professions in various fields: information security manager, information system security officer, video engineer, sewing operator, low-voltage system engineer. Also, six occupational standards have been added: dental hygienist, podiatrist (chiroprapist), food quality specialist, physiotherapist, heat and power engineer, timber exporting machine driver.
<b>Poland [20.1.c.Oct12] – Development of set of standards - Development of a set of national competence standards</b> (no budget implications).	No progress reported by Jan2013.	No progress reported by April 2013

### 3 Policy Area 2: Active Labour Market Policies

Under policy area 2, 7 countries have introduced a total of 30 new measures in the area of Active Labour Market Policies.

They types of measures described by the experts under this policy area can be divided up into 9 sub-categories to include the following objectives (some individual measures may cut across two or three of the categories below):

- A) Reducing Youth unemployment  
Apr13: Bulgaria, Germany, Spain, France, Latvia, Luxembourg, Malta, Poland  
Jan13: Greece, Latvia, Lithuania, Hungary, Austria.
- B) Supporting vulnerable workers including women, older workers, immigrants & those with a reduced ability to work  
Apr13: Belgium, Bulgaria, Spain, Hungary, Portugal  
Jan13: Belgium, Germany, Latvia, Hungary.
- C) Enhancing employability via public/community works programmes, training programmes, via improved services and supports to the UE  
Apr13: NONE  
Jan13: Hungary, Austria.
- D) Improving services to the UE  
Apr13: Spain, Belgium  
Jan13: Germany, Latvia, Lithuania, Hungary.
- E) Encouraging Entrepreneurship  
Apr13: Bulgaria, Czech Republic, Spain and Portugal  
Oct12: Greece, Austria
- F) Protecting benefit rights and favouring employment of the unemployed  
Apr13: Belgium, Ireland  
OCT 12: NONE
- G) Mitigating the effects of redundancies  
Apr13: NONE  
Oct 12: UK
- H) Reforming ALMPs  
Apr13: NONE  
OCT 12: Hungary

#### 3.1 Reducing Youth Unemployment

New measures introduced during the past quarter (April 13) include:

- **Bulgaria [2.2.d.Apr13]** - Not law but in accordance to the legislation on OP HRD (22.7.2011) - **Project 'Employment in public administration' / Operational Programme Human Resources Development (OP HRD), procedure BG051PO001-6.2.17 'Supporting institutional strengthening of institutions in the labour market, social inclusion and healthcare'**. This is a temporary measure due to run from 2012 to 2014 with the Employment Agency responsible for delivery. The project envisages granting subsidies to university graduates up to 29 years of age that have not been hired



after graduation and to young people in disadvantage groups in the same position. The subsidy is for 9 month internships in the Ministry of Labour and Social Policy (MLSP), Ministry of Health (MH), or in their administrative structures as secondary executors of budgetary credits. The objectives are twofold: 1) To create additional access to labour mediation, health and social services of citizens and managers and to improve their quality, and, 2) To implement internship programs in public administration for young graduates of Universities. The project aims at activating young people and involving them in employment. It thus realizes number of goals of the National Youth Employment Programme (2011 -2015) and is coherent with the objectives of CSR3. The project will be funded 85% by the ESF and 15% by the state budget. Total budget for the Project (2012-2014): EUR 1.5 M (BGN 3.0 M); indicative budget for 2013: EUR 0.75 M (BGN 1.5 M).

- **Germany [5.2.d.Apr13] – Federal Employment Agency measure - Formal qualification premium for young and low-skilled unemployed persons.** The agency responsible for delivering the measure is the Federal Employment Agency. The objective of the measure is to combat skilled labour shortages through further training of low-skilled unemployed persons. Payment of a premium of EUR 1500 for unemployed, low-qualified persons (age: 25-35) for obtaining a professional qualification through an employment agency measure; for passing the midterm training exam, EUR 1000 will be paid. The measure is consistent with CSR3 and AGS 2013. It will be funded through the Federal Employment Agency budget with the first model tests conducted from the summer 2013 in eastern Thuringia; a nationwide introduction will be discussed afterwards.
- **Spain [9.2.b.Apr13] - 22 February 2013 (Royal Decree Law 4/20130 - Social Security contributions reductions for boosting self-employment (flat-rate Social Security contribution for new young self-employed workers).** Targeted at young people aged below 30 this measure has been approved in the context of the agreement with social partners. It encompasses a reduction in self-employment Social Security contributions: 80% during the first six months of activity, 50% during the next six months of activity, 30% during the next three months and, a 30% rebate during the next 15 months. The objective is to promote self-employment among young unemployed workers and support job creation. It is consistent with CSR 5 and 6 related to the implementation of a Youth Action Plan, improving access to finance for young people. However, as the ALMP budget has been reduced and normal lending to the economy has not yet been restored, the coherence of the measure is still uncertain. It is to be funded from the 2013 budget 871 million EUR in 2013 and 3,485 million EU up to 2016 (32% ESF)
- **Spain [9.2.d.Apr13] - Royal Decree Law 4/2013 - Employment incentives for part-time recruitment related to training (on-the-job training).** The measure has been approved in the context of the agreement with social partners. Companies who hire young workers (aged below 30) on a part-time basis (temporary or open-ended) are entitled to social security contributions reductions (100% for SMEs and 75% for the rest) for 12 months. Workers must be engaged with training actions (related or not with their jobs), during the term of the contract or within the six previous months. Training can be run by the Public Employment Service and addressed to improve the workers technical or second language skills. Reductions are extended for an additional period of 12 months in case workers are still engaged with training actions at the end of the first 12 months or have been engaged within the six previous months. The regulation only affects companies which hires young workers without labour experience (less than three months), long-term unemployed (12 months during the last 18) or come from another sector of activity. It is consistent with CSR 5 and 6. However, coherence is questionable given that employment incentives have not been traditionally efficient in order to create employment, deadweight effects have tended to be strong. Moreover, linkage with education is weak as young workers are not entitled to receive training related to their jobs but general skills within or without the participation of Public Employment Services.

The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF).

- **Spain [9.2.e.Apr13] - Royal Decree Law 4/2013 - Employment incentives for open-ended recruitment.** Small companies (less than 10 workers) or self-employers which hire a young worker (aged below 30) on permanent basis (part-time or full-time) are entitled to 100% social security contributions reductions for 12 months. The worker must be hired for at least 18 months. Reductions are only available for one contract. The objective of the measure is to support young workers first transitions from education to employment and promote stability. It is consistent with CSR 5 and 6. However, similar doubts regarding the measure 9.2.e.Apr13 are expressed here. Moreover, stability is only promoted for the first worker recruited which represents a strong effort to encourage companies to hire workers on a permanent basis. This attempt is added to the “entrepreneurship contract” which is explicitly excluded from this regulation. The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF).
- **Spain [9.2.g.Apr13] - Royal Decree Law 4/2013 - Employment incentives for converting fixed-term to open-ended contracts for young people: “first young job”.** Companies must recruit young workers (aged below 30) with short working careers (less than 3 months) within fixed-term contracts (full-time or part-time over 75% of the complete working day) between 3 and 6 months of duration. Once the contract has been converted to open-ended (in case it is part-time, it must be 50% of the complete working day), companies are entitled to social security rebates: 500 EUR/year, during 3 years (women: 700 EUR/year). It is consistent with CSR 5 and 6. However, similar doubts regarding the measure 9.2.e.Apr13 are expressed here. Moreover, stability is only promoted for the first worker recruited which represents a strong effort to encourage companies to hire workers on a permanent basis. This attempt is added to the “entrepreneurship contract” which is explicitly excluded from this regulation. The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF).
- **Spain [9.2.h.Apr13] - Royal Decree Law 4/2013 - Employment incentives for apprenticeship (internship) contracts (“work experience” contract).** The measure aims to support the recruitment of young workers. Companies which recruit young workers (aged below 30) under apprenticeship contracts are entitled to 50% social security contributions reduction during the entire period of the contract. Moreover, apprenticeship contracts can be signed although the young worker has finished his/her tertiary grade more than 5 years before the contract come into force (before this was not allowed). In case of internship workers who were already in the firms, the reduction rate reaches 75%. Young people are able to switch apprenticeship and training contracts. It is consistent with CSR 5 and 6. However, similar doubts regarding the measure 9.2.e.Apr13 are expressed here. Moreover, this particular measure may lead to reinforce duality between permanent and apprenticeship workers with lower salaries and worst employment conditions. The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF)
- **Spain [9.2.i.Apr13] - Royal Decree Law 4/2013 - Incentives for the incorporation of new members of social economy companies.** Cooperatives or labour companies which incorporate young workers (aged below 30) as worker members are entitled to receive social security contribution rebates: 800 EUR/year during 3 years. In case of recruiting harder-to-help collectives within insertion companies, the rebates are higher (1,650 EUR/year) during 3 years. Along with the objective of supporting the recruitment of young workers and promoting employment among vulnerable groups, this measure also aims to boost the social economy. It is consistent with CSR 5 and 6 and coherent with the country’s commitments and recommendations. The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF).

- **France [10.2.c.Apr13] – Experiment - “free tax zone” employment arrangement (emplois francs).** This measure targets young unemployed people aged between 18 to 30 years living in *sensible urban areas* (ZUS). It involves the creation of 2000 subsidised jobs in 10 urban areas facing difficulties; the contract gives an advance of 2 500 Euros for companies which are recruiting people coming from ZUS (sensible urban areas), paying the allowance for 2 years. This disposal has been created as a substitution for previous free tax zones arrangements (but during an undetermined period, both will be implemented) under which enterprises could create tax free activities and jobs in some specific areas. Experience has showed that jobs created by free tax zone companies do not benefit enough people living in those zones, explaining why the arrangement needs to be evaluated, and to be less focused on companies than on employment. The measure is consistent with recommendation 3 of PNR 2012. No information exists yet on how long the programme will run or how much funding will be allocated to it.
- **France [10.2.d.Apr13] - Public policy - Improve the number of people included in the international experience volunteer programme (VIE).** This is a permanent measure aimed at young post graduate French people. The VIE programme is part of export measures included into the pact. The programme allows French companies to entrust a six to twenty-four month professional mission abroad in the form of outsourced services to a young man or woman (under 28 years old). Most of companies concerned are SMEs. Part of companies expenditures involved in the programme can be deductible from global expenditures, particularly for SME. The VIE programme actually concerns 7 200 young post graduated French people; the new objective fixed by prime minister is to increase the number to 9 000 young post graduates (+25%) before 2015. As part of the measure, the prime minister wants to incentivise young post graduated from sub urban areas facing difficulties to take a VIE. In the context, Unifrance was asked to sign an agreement with Mozaic RH, a recruitment company dedicated to helping people facing discrimination (non profit organisation), to be involved with the selection of young people that could enter into the VIE programme. It is consistent with recommendation 3 of PNR 2012. In most cases, the measure is funded by companies themselves even if some regional subsidies can be given to them or those expenditures reimbursed (like credit tax export for SME).
- **Latvia [13.2.e.Apr13] - not law - Youth Guarantee Scheme.** Targeted at young people up to the age of 25, the measures are planned to be implemented over 2014-20 by the Ministry of Welfare and Ministry of Education and Science. European Union employment and social affairs ministers agreed on 28 February 2013 on the implementation of a youth guarantee scheme, which provides support to tackle youth unemployment in EU Member States. The objective of the measure is to combat unemployment of young people and bring them closer to the labour market. It is consistent and coherent with CSR3 measures to reduce long term and youth unemployment. Latvia will receive EUR 80 million in EU funding for implementation of the programme over 2014 - 2020. The funding will be used to improve vocational education programmes, develop voluntary/first job programmes as well as youth workshops.
- **Luxembourg [15.2.a.Apr13] - Law - Maintaining in employment measures for the young and youth measures.** Adopted on 2 April 2013 and targeted at young jobseekers registered at ALE, in the context of implementing a “youth guarantee” and a youth action plan, the government enacted a law on maintaining in employment measures, i.e. a renewal of contracts between a young jobseeker, the National Employment Agency and companies. The Ministry of Work and Employment and the National Employment Agency are responsible for delivery on the government level. In practical terms, companies and employers are responsible for delivery as well. The main objective of the law is to provide young jobseekers registered at ALE with an opportunity to get into employment through training and a contract with mutual obligations between the companies, the young jobseeker, and the government. The more general objective is to reduce youth unemployment and to increase more broadly Luxembourg’s employment rate within the context of EU2020 objectives. The measure perfectly corresponds to the

Commission's recommendation to implement a national youth guarantee and action plan. The measure is funded by the Employment Fund.

- **Malta [17.2.e.Apr13] – Strategy framework - National Youth Employment Strategy.** This measure is targeted at young people aged 15 to 24 and is intended to be temporary, running until 2015. The strategy aims to serve as a holistic framework for the successful integration of young persons into employment through the provision of adequate support and the acquisition of education attainment. It falls under the responsibility of the Ministry of Education and Employment. It is coherent with CSR No 3, to pursue policy efforts in the education system to match the skills required by the labour market but the strategy is in abeyance as it is unknown whether the new government will implement it. It is partly funded by EU funds and partly funded by the government of Malta.
- **Poland [20.2.f.Apr13] – Proposal - Loan to students for starting a business to combat unemployment among graduates.** The Ministry of Labour Market and Social Policy proposes a low-interest loan for setting up a business for students. This will apply to students during the last year of study and graduates until 24 months after graduation. Funds for this measure will be transferred from Labour Fund to Bank Gospodarstwa Krajowego (BGK) (state-owned bank). The applicant will receive up to 20 times the average salary, which is about EUR 18 000 (74 000 zlotys). The interest rate will be 1%. Verification of the proposal will be carried out on the basis of a business plan, which the applicant presents to the bank. The business plan must be confirmed by a professor from the applicant's university. The repayment period of the loan is 7 years with an option to use the 12-month grace period. It is coherent with CSR 3, to reduce youth unemployment. No specified budget is mentioned by the expert.

**Progress with pre-existing measures targeting youth unemployment:**

October 2012	January 2013	April 2013
<b>Belgium [1.2.a.Oct12]</b> - <u>Royal Decree</u> - <b>Monitoring and activation of the job search activity of the young unemployed benefiting from integration allowances.</b>	This measure has just been implemented. It is expected that a better control should result from the measure and that, it could lead to greater inclusion in the labour market.	No progress reported by April 2013
<b>Bulgaria [2.2.b.Oct12]</b> - <u>Law</u> - <b>Creation of New Jobs</b> by subsidising employers to hire the young unemployed and subsidising their vocational training and/or training on key competences.	The Employment Agency extended the deadline for applying to the scheme until 4 January 2013 and organized an information campaign to promote the scheme. These changes are positive, because they may increase employers' interest in the scheme and may help increase the number of applicants. The interest towards the measure still remains moderate, mainly due to the low interest shown by employers.	No progress reported by April 2013
<b>Bulgaria [2.2.c.Oct12]</b> - <u>Law</u> - <b>'First Job' programme Encouraging employers to hire young unemployed up to age 29</b> by covering part of the employers' labour expenses, vocational training and/or key competences through vouchers.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Denmark [4.2.a.Oct12]</b> - <u>Government Proposal</u> - <b>The Youth Package</b> . As part of its proposal for the Finance Bill for 2013 the government proposes to implement a new youth package during the period 2012-2016 to combat youth unemployment. The new initiatives aim at helping young unemployed people with no education to take a vocational education and improve unemployed graduates' opportunities to acquire work experience and get a job. Approximately EUR 27 million per year in 2013 and 2014.	The different elements of the youth package were all included in the Budget Law, which was approved by Parliament on 19 December 2012.	No progress reported by April 2013
<b>Greece [8.2.a.Oct12]</b> - <u>Ministerial Decision</u> - <b>Promotion of youth innovative entrepreneurship and mentoring of enterprises</b>	No progress reported by Jan2013	According to the 'Action Plan for the promotion of youth employment and entrepreneurship' (final version, January 2013), launching is set for the first quarter of 2013.
<b>Greece [8.2.b.Oct12]</b> - <u>Ministerial Decisions</u> - <b>Integrated intervention for supporting youth employment by strengthening entrepreneurship</b> . The measure supports business plans by financing expenditures such as operational costs, training expenses, and raw material & intermediate product costs. In addition, the measure covers the annual salary cost for the creation of one new	This measure is ongoing. Measures such as this one are bound to have a limited impact, because they do not tackle the core of the unemployment problem, namely deficient demand for goods and services.	No progress reported by April 2013



October 2012	January 2013	April 2013
job per enterprise. It focuses on young people (18-35), (budget allocated for the measure is EUR 15 million).		
<b>Greece [8.2.c.Oct12] - Ministerial Decision- Supporting Youth Entrepreneurship (Round 2).</b> The measure finances business initiatives undertaken by young persons, placing emphasis on high value-added products and services through the incorporation of innovative ideas and environmental-friendly production processes. While the project was adopted in 2011 the measure is currently under finalisation with the cooperation of the Social partners and the Commission services. It is due to run from 2013 – 2015 with an allocated budget EUR 60 million.	No progress reported by Jan2013	According to the 'Action Plan for the promotion of youth employment and entrepreneurship' (final version, January 2013), launching is set for the first quarter of 2013.
<b>France [10.2.a.Oct12] – Employment Subsidy for the hiring and training of young people – ‘Jobs of the Future’.</b> The added value on previous similar programmes is the commitment to training which is part of the criteria to obtain the employment subsidy and it will be verified each year when renewing. It is expected that the measure will create over 100 000 new jobs for low qualified young people before the end of 2014. The employers targeted are mainly non-profit organisations and the idea is to facilitate young recruitments on social or environmental activities or with high employment potentials. A specific provision entitled “jobs of the future teachers” will facilitate integration into teaching jobs. This measure will be supported by the State: 75% of minimum wage for non-profit organisation and 35% for enterprises	The official documents for implementation have been published. The quality of the ‘jobs for the future’ programme needs to be improved, in particular regarding the requirements asked of public establishments and non-profit organisations. From a budgetary point of view, credibility is questionable. According to the government, cost could be EUR 500 million in 2013 and then EUR 1.5 billion per year once 150 000 jobs are created. According to OFCE, the cost will reach EUR 3.5 billion if exemptions of social tax are included, which represent EUR 2 billion	No progress reported by April 2013
<b>Hungary [16.2.b.Oct12] - First job guarantee.</b>	This measure came to an end on 31 December 2012	No progress reported by April 2013
<b>Cyprus [12.2.b.Oct12] – ESF &amp; MCIT approval - Scheme for the enhancement of women’s and youth entrepreneurship</b> to encourage entrepreneurship in manufacturing, commerce, services and tourism. It targets women aged 18-55 and young people between the ages of 20 – 39.	This programme is ongoing. In light of the increase in the unemployment rate, there is increased sensitivity of the need to support those out of work. The Minister of Labour and Social Insurance has announced the intention to provide further support but it is not clear how this will be done under current fiscal circumstances.	No progress reported by April 2013
<b>Hungary [16.2.b.Jan13] – First Job Guarantee Programme.</b> Aimed at new labour market entrants the	This measure came to an end on 31 December 2012	The program has been extended to 31 December 2013 period (or before if the allocated funds run out before the

October 2012	January 2013	April 2013
purpose of the measure is to improve the position of youth in the labour market, to help get their first jobs, and to provide opportunity to get work experience. It will refund 100 % of the wage bill and social security contributions for 4 months of new entrants to the labour market. It is to be administered by the local PES offices. The measure is temporary, and due to run from 1 Sept 2012 until 31 Dec 2012. It is consistent with the Hungarian Action Package to reduce youth unemployment. It has a specified budget of EUR 10 million (HUF 3 billion).		end of 2013).
<b>Latvia [13.2.a.Oct12] – Regulation approved - Workshops for young people.</b> Participants are provided with the opportunity to acquire knowledge and skills in three different vocations. The participants will receive a stipend and the vocational institution will receive compensation for providing the education. Targeted at unemployed 15-24 year olds who either are unemployed or never had a job, this measure provides unemployed youth with the opportunity over a nine week period to try their hand at three different vocations in a vocational training institution.	A negative change for 2012 has occurred in terms of reach. For unknown reasons, the SEA has announced that only 20 young people (out of an expected 50) could be involved in the project in 2012. The expected involvement in 2013 and 2014 has remained to be the same - respectively 250 and 200 young people. The measure seems to have faced some implementation problems in 2012, which have not been disclosed. However, it is expected to be on track in 2013 and 2014	A minor change has occurred in terms of promotion of the measure. The State Employment Agency has invited vocational education institutions to take part in the project and to submit their proposals.
<b>Lithuania [14.2.a.Oct12] – ESF co-funded project - Support for the first job.</b>	No progress reported by Jan2013	In January 2013, UAB Investicijų ir verslo garantijos (INVEGA) was appointed as a manager of the measure "Support for the first job".
<b>Lithuania [14.2.b.Oct12] – ESF co-funded project - Increasing Youth Employment.</b> Increasing youth employment by creating opportunities to acquire working skills and gain a foothold in the labour market through wage subsidies to employers who train young people (under 29 years).	No progress reported by Jan2013	During the first half year of the implementation of the project, 3 900 young persons participated in the measure "Increasing youth employment". Of these young persons, 1 200 participated in the measure "Support for working skills acquisition"; according to the LLE, about one third of these young persons were employed on a permanent basis after expiration of their temporary employment.
<b>Poland [20.2.b.Oct12] - Law - Young people on the labour market, 'Your career- Your Choice'.</b> Young people below 30 years, can receive work experience through receipt of one of the following - an internship voucher, training voucher, voucher for vocational training or post-secondary education, coupon for postgraduate	Between November 2012 and January 2013 the services and instruments to carry out pilot participants' Individual Action Plans were implemented; a contractor monitored the implementation of a pilot project; and, funds were transferred for the implementation of the pilot programme.	No progress reported by April 2013

October 2012	January 2013	April 2013
education, voucher given to the employer for hiring graduate or a grant for changing of residence. This is a pilot project July 2012 - Nov 2014 (budget of almost EUR 10 million)		
<b>Portugal [21.2.b.Oct12] – strategic programme - "Impulso Jovem".</b> This is aimed at increasing youth employment and implementation began in August 2012 with the objective of integrating 90 000 young people into the labour market.	No progress reported by Jan2013	No progress reported by April 2013
<b>Slovenia [23.2.a.Oct12] - 'Prvi izziv' (First challenge).</b> Employer subsidies for a period of 15 months with a three months' probation period for employing young people	No progress reported by Jan2013	No progress reported by April 2013
<b>Finland [25.2.a.Oct12] - Youth Guarantee.</b> The Youth Guarantee is for young persons under 25 years and those under 30 who are newly graduated. In practice it means an enhancement of services for these target groups in job-centres, schools and social service, so it includes measures run by PES, municipalities and educational institutes.	The Youth Guarantee took effect 1 January 2013. With a history of failures of earlier employment guarantees, the risk of underperformance in the Youth Guarantee is quite considerable. The implementation is multi-stakeholder and cross cutting, posing a tremendous challenge of coordination. The two key implementers, the PES and Municipalities, are both in the middle of major structural and service reforms, so this makes it even more difficult to deliver	Took effect on 1 January 2013 - An evaluation has been launched in March 2013, due in autumn 2013.
<b>UK [27.2.b.Oct12] - Improving the career prospects of young Londoners.</b> The aim of this measure is to provide work experience to young unemployed people (aged 18-24) in Greater London who have not previously completed 6 months paid work.	No progress reported by Jan2013	No progress reported by April 2013
<b>Former Yugoslav Republic of Macedonia [30.1.b.Oct12] – Action Plan for Youth Employment 2015</b>	No progress reported by Jan2013	No progress reported by April 2013
<b>Serbia [31.2.d.Oct12] – Package of services for youth.</b> The aim is to provide a package of services for youth aimed at their activation and inclusion.	No progress reported by Jan2013	No progress reported by April 2013
	Czech Republic [3.2.b.Jan13] – <u>Legal framework not clear – Increasing the Appeal of Apprenticeship Programmes.</u> This has not yet been adopted. It is a pilot	Internships in firms (measure) should be implemented in broader scale since summer 2013



October 2012	January 2013	April 2013
	project, the objective of which is to award stipends to enhance the appeal of Apprenticeship Programs which have spare capacity, for young people 15 years olds with lower study ambitions. No specific budget mentioned.	
	<b>Greece [8.2.d.Jan13]</b> – <u>Ministerial Decision Pending - Beehive of Entrepreneurship</u> . To be implemented by the Secretariat for Youth (Ministry of Education), the measure offers 1 520 short-term scholarships to young people (students and graduates, tertiary education) and the opportunity to work temporarily in a real enterprise, under guidance and supervision. Its aim is to assist young persons to develop their business ideas and transform them into viable business plans. It is a temporary measure which proposes run from March 2013 until October 2015. It is consistent with the NRP, Employment Guidelines (7), and the Youth Initiative. It will be funded through the national budget and ESF resources, with a proposed specified budget of around EUR 7 million.	No progress reported by April 2013
	<b>Greece [8.2.e.Jan13]</b> – <u>Ministerial Decision Pending – Agricultural Entrepreneurship</u> . To be implemented by the Ministry of Labour, the measure seeks to support and strengthen agricultural entrepreneurship. It aims at assisting 3 000 young unemployed persons, aged 18-35 who are holders of secondary education certificates, wishing to engage in agricultural work, through the provision of training, guidance and through the covering part of the necessary investment. It is proposed as a temporary measure running from early 2013 until the end of 2015. Consistent with the NRP, Employment Guidelines (7) and the Youth Initiative it is to be funded through the national budget and ESF resources with an expected budget of EUR 12.8 million.	According to the 'Action Plan for the promotion of youth employment and entrepreneurship' (final version, January 2013), launching is set for the first quarter of 2013.
	<b>Greece [8.2.f.Jan13]</b> – <u>Ministerial Decision Pending - Pilot action supporting young people to establish co-operative social enterprises</u> . The measure will be implemented by the Ministry of Labour. It seeks to activate and train 500 young unemployed persons (aged 18-29) in	According to the 'Action Plan for the promotion of youth employment and entrepreneurship' (final version, January 2013), launching is set for the first quarter of 2013.

October 2012	January 2013	April 2013
	<p>order to create a social enterprise and to offer financial support for the setting up of the enterprise (200). It offers training, mentoring and coaching, as well as assistance in forming a viable business plan and financial support during the initial stages of the running of the social enterprise. It is proposed as a temporary measure to run from early 2013 until 2015. It is a measure consistent with the NRP, Employment Guidelines (7), and the Youth Initiative. The measure will be funded through the national budget and ESF resources with a specified budget of EUR 7.5 million.</p>	
	<p><b>Latvia [13.2.c.Jan13] – Law - Extension of inspector assistant training and internships at State Employment Agency.</b> The legislation was approved by the Cabinet of Ministers on 20 November 2012 with the aim of tackling youth unemployment and providing education on labour market practices. It concerns a six month extension for the training and internship project at the State Employment Agency until 30 June 2013. The measure will train a further 20 young people (not older than 25 and with higher education) in labour market and job placing issues. The interns will acquire skills that could be used either in the public employment service or in private agencies. The internships will now be available to those without previous work experience (previously 3 month's work experience was mandatory) and preference will be given for people with disabilities. The interns will receive a monthly stipend of approximately EUR 214 (LVL 150). It is consistent with the CSR 3 which refers to measures to reduce long term and youth unemployment. It is funded by ESF and state monies, with a specified budget of EUR 837 194.</p>	<p>No progress reported by April 2013</p>
	<p><b>Lithuania [14.2.e.Jan13] - Initiative of the LLE - Youth Job Centres (YJC).</b> In order to increase youth employment and improve availability of labour market services for youth, 11 more Youth Job Centres are planned to be established in the near future, whilst greater attention is to be paid to the quality of the activities of</p>	<p>No progress reported by April 2013</p>

October 2012	January 2013	April 2013
	<p>YJC. Currently, there are 11 YJC functioning at local labour exchanges in Lithuania aimed at providing young people with information on available training and job opportunities, guidance in the social environment and labour market, assistance in tackling of employment-related problems independently. This new measure is consistent with the NRP to facilitate an 'increase in labour market participation and employment assistance particularly to young people', and also CSR 3. It is a permanent measure to be funded by the LLE Budget.</p>	
	<p><b>Hungary [16.2.e.Jan13] – <u>Law, Government Regulation (388/2012) - Financial aid for public employers of youth.</u></b> Adopted on 1 January 2013, with the intention of promoting quality apprenticeships and traineeship contracts with wage subsidies for employees under 30. It provides a subsidy to wages up to 50 % of the total wage bill for youth employees of central and municipal public institutions. It is a temporary measure, available until 1 September 2013, and consistent with the delivery of youth opportunities and the action package to reduce youth unemployment and increase the employment of disadvantaged groups including young people. It is to be funded by the Central Budget with no specified budget yet.</p>	<p>No progress reported by April 2013</p>
	<p><b>Austria [19.2.c.Jan13] – <u>specific measure - EducationFit (AusbildungsFit).</u></b> EducationFit is a further development of the transition management system. It will offer needs-oriented counselling, support and orientation for young people without educational maturity. Activities include amongst others instructions in basic skills, career orientation, training in social skills, possibility to take compulsory school examination, internship. Institution responsible: Federal Social Office. A pilot project is starting 2013 in 2 federal provinces (Vienna, Styria). A nationwide extension is planned. The measure is consistent with CSR 5, to "[...] Take measures to reduce drop-outs from higher education", and the Euro Plus Pact concerning Fostering employment / National Job Plan–</p>	<p>No progress reported by April 2013</p>

October 2012	January 2013	April 2013
	Youth. Funding comes from the ALMP budget. There is no further information on specific funding for the measure.	
	<b>Austria [19.5.a.Jan13] - Young entrepreneur fund.</b> Due to a less developed risk capital market in Austria and the increased bank request for coverage by equity capital, young entrepreneurs with innovative ideas are confronted with financing problems. The new funds provide options for long-term funding of businesses. The business foundation fund (Gründerfonds) and the Business Angel Fund provide financial means for young entrepreneurs with innovative business ideas. As the number of company start ups has decreased during the past year, new initiatives for business creation have become necessary and access to capital is a necessary prerequisite in this context. It has a specified budget of EUR 110 million for the period 2013-2018.	Two funds were founded in January 2013 and will be run by the AWS (Austrian Economic Service). The "Gründerfonds", providing equity capital for founders, reports on 70 appliers by the beginning of march – the first financing commitments will be given in the course of the second quarter ( <a href="http://www.gruenderfonds.awsg.at/">http://www.gruenderfonds.awsg.at/</a> ).
	<b>Portugal [21.2.c.Jan13] – Decree 408/12 – Employment Passport 3i.</b> The measures targets young unemployed people and supports their transition into employment. Adopted in December 2012, it involves integrated projects consisting in occupational traineeships with additional vocational, followed by support to the conclusion of a permanent work contract. Three types of traineeships for young workers are provided with different qualification profiles: Passport Employment Industrialization, Passport Employment Internationalisation, Passport Employment Innovation. The institution responsible is the IEFP (Portuguese Job Centre). It is coherent with the AGS 2013 on Improving employability levels, in particular of young people. No specific budget has been mentioned.	No progress reported by April 2013

### 3.2 Measures supporting vulnerable workers including women, older workers, immigrants & those with a reduced ability to work

New measures introduced during the past quarter (April 13) include:

- **Belgium [1.2.i.Apr13]** - Flemish government decree of 14 December 2012 - Adjustment to the employment bonus granted in Flanders for the recruitment of jobseekers over 50. It is a permanent measure enters into force on 1 January 2013. The objective of the measure is to ensure that employment aid is channelled toward the most vulnerable groups. Previously, the bonus was a fixed amount determined on the basis of the gross real remuneration per quarter for the worker in question. The bonus now corresponds to a percentage of the real wage cost for the worker in question, with the percentage depending on the worker's age and the length of time for which he or she has been unemployed. It is coherent with the AGS 2012: 'Developing employment opportunities for older workers, including through incentives', p. 11. No information on budget has been specified.
- **Bulgaria [2.2.f.Apr13]** - not law; the project was developed in accordance to the Law of Employment and the Law on Vocational Education and Training - Chance for Success - Provision of training and subsidised employment. The measure was adopted in January 2013 and is temporary until 1 December 2013. The measure is targeted at unemployed youths under 29 years of age with no qualifications and / or without experience; unemployed over 50 years old with no qualifications and persons with disabilities. The project is targeted to the above groups in the following regions: Burgas, Varna, Lovech, Plovdiv and region Sofia. The institution responsible for delivery is the Association of the Industrial Capital in Bulgaria with partners including Employment Agency and training organisations. The purpose of the measure is to increase the workforce mobility through acquisition of new knowledge and skills according to the needs of employers and reduce unemployment in regions with high rates through placement of training courses' graduates on subsidised jobs. The project is expected to target 300 unemployed to graduate training courses and 150 of these to be included in subsidised employment. The measure answers the need to overcome some regional disparities in the labour market. It is funded by the state budget for 2013 with a budget of EUR 250 000 (BGN 0.5 million)
- **Spain [9.2.f.Apr13]** - Royal Decree Law 4/2013 - Employment incentives for open-ended recruitment of workers aged 45 or more addressed to young self-employers ("generations" contract). Young self-employed people (aged below 30) who hire a long-term unemployed worker (aged 45 or more) on permanent basis (part-time or full-time) are entitled to 100% social security contributions reductions for 12 months. Those who benefit from Prepara Plan are also included. The worker must be hired for at least 18 months. Reductions are only available for one contract. the measure has been approved in the context of the agreement with social partners. It is consistent with CSR 5 (improving ALMP targeting) and CSR 6 (allocate funds to support young people employment). The measure will be funded from the 2013 budget with a specified budget of EUR 871 million in 2013 and EUR 3 485 million up to 2016 (32% ESF).
- **Hungary [16.2.i.Apr13]** - Government Decree (1044/2013) - Setting aims and miscellaneous regulations for public works in 2013. Adopted on 06-Feb-13, the objective of the measure is the social inclusion of groups at special risk and anti-discrimination. The purpose of the measure is to better target the public works programme by establishing the aims of public works program for 2013, including a focus on the disabled, homeless, asylum seeker and Roma people. The Minister of interior has called for a measure which will require public workers to ensure they maintain a clean legal record in order to be eligible for public works program participation. It is a temporary measure until the end of 2013. The measure is coherent with employment policy. Although crime offenders are often part of the target group of public works, ruling out their eligibility is in line with mutual obligations. Focus on disadvantaged groups also helps to improve targeting. The measure is funded from the central budget.

- **Portugal [21.2.d.Apr13]** - Decree No.3-A/2013, revised by the Decree No.97-A/2013 - **Support for hiring unemployed aged over 45 years, via the reimbursement of the Single Social Tax (RTSU 45+)**. The measure aims to provide incentives to hire unemployed aged over 45 years by refunding a percentage of the Single Social Tax (TSU) paid by the employer. The IEFP is the institution responsible for delivery. The objective of the measure is to promote the hiring of adults in age groups particularly exposed to unemployment and experiencing additional difficulties in labour market reintegration. It is a permanent measure coherent with policy commitments and recommendations namely AGS 2013 - Promoting social inclusion and tackling poverty – linking social assistance and activation measures. It is funded by IEFP but there is no information available on specific budgets.
- **Portugal [21.2.f.Apr13]** - Decree No 33/2013 - **Active Patrimony Programme**. This measure was adopted on 29 January 2013 and comprises two sets of measures: 1) occupational traineeships for unemployed persons and 2) employment-insertion contracts targeted particularly to long-term unemployed, unemployed aged over 55 years, people with disabilities and beneficiaries of the social income (RSI). The IEFP is the institution responsible for delivery. The objective is to promote employability and labour market reintegration of the unemployed in local and socially useful activities in the conservation and maintenance of the natural, cultural and urban patrimony. It is a permanent measure coherent with policy commitments and recommendations namely AGS 2013: promoting social inclusion and tackling poverty – linking social assistance and activation measures. It is funded by IEFP but there is no information available on specific budgets.

**Progress with pre-existing measures related to vulnerable groups:**

October 2012	January 2013	April 2013
<b>Belgium [1.2.b.Oct12] - <u>Royal Decree</u> - Lengthening of the activation period for the persons with a reduced work ability.</b>	This is a new measure so any evaluation should require at least one year before analysing the results on the inclusion of the target group in employment.	No progress reported by April 2013
<b>Malta [17.2.b.Oct12] - <u>Draft Strategy</u> - Active Ageing Strategy.</b> In September 2012, the Government announced that the drafting of the strategy was at an advanced stage and its launch was expected in the following weeks.	No progress reported by Jan2013	No progress reported by April 2013
<b>Malta [17.2.c.Oct12] - New Work Scheme for Persons with Disability.</b>	In the 2013 Budget, the Finance Minister announced that the Local Council Work Scheme shall be extended to voluntary organizations and other governmThis is a positive change since it increases the impact of the measure. The particular emphasis on Gozo is also in the right direction, since persons with disability appear to be more marginalised in the smaller island	No progress reported by April 2013
<b>Poland [20.2.c.Oct12] – <u>No data available on the legal basis</u> - Equal opportunities on the labour market for people 50 and over.</b> Under the project, 1 250 SME employees will be trained to develop soft skills in areas such as communication, teamwork, leadership, planning and organisation, problem-solving, networking etc.	On 14 November 2012 a research report on 300 occupations for which descriptions of professional competences are to be prepared, has been accepted	No progress reported by April 2013
<b>Poland [20.2.d.Oct12] - Programme for the Social Activity of the Elderly (60+).</b>	No progress reported by Jan2013	Ministry of labour and social policy announced the second edition of the Social activity of elderly contest - social partners can apply.
<b>Sweden [26.2.b.Oct12]– <u>Budget Bill</u> - ALMPs targeted toward immigrants.</b> The government intends to prioritise workplace-based measures by introducing a “practical base year “consisting of a combination of job training, and Swedish for immigrants courses (SFI) . Amendments will be made to the already implemented wage subsidy for foreign-born persons ( <i>Instegjobb</i> ): the period of subsidy will be extended from six to twelve months.	Adopted by the Swedish Parliament in December 2012. This is reinforcement of a measure already in place. As of yet, no formal evaluation has been conducted so it is still too early to assess the efficiency of reforms	Took effect in January 2013
	<b>Belgium [1.2.f.Jan13] – <u>Collective Labour Agreement</u> - Company Plans related to the employment of</b>	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p><b>employees over 45 years old.</b> By collective labour agreement, number 104, and Royal decree of the 28 October 2012, the measure should contribute to increase the relative employment rate of older employees. Companies occupying more than 20 employees will be obliged to set up every year a plan that should contain specific measures to keep or increase the number of employees over 45 years. It is a permanent, consistent with the EPP concerned with using targeted incentives to employ older workers (notably in the age tranche about 55), (p.8). There is no specified budget.</p>	
	<p><b>Belgium [1.2.g.Jan13] – Law, Royal Decree - Raising the age requirement to be exempted from active job search.</b> Entering into force on 1 Jan 2013 this measure aims to increase the employment rate of older workers by raising the age requirement needed to be exempted from active job search from 58 to 60 years old (65 years old if the unemployed lives in an area with low unemployment rates (listed by the NEO). However, if he has spent 38 years as a professional employee and 312 days of unemployment over the last two years, this age requirement does not apply. An unemployed person who has already benefited from the exemption and is not yet 60 years old, maintains this exemption. It is a permanent measure, consistent with the EPP of 'limiting early retirement schemes and using targeted incentives to employ older workers (notably in the age tranche above 33)', and with CSR 2 (2011), which requires Belgium to 'implement the reform of pre-retirement and pension schemes'. <i>No budget has been specified.</i></p>	<p>No progress reported by April 2013</p>
	<p><b>Czech Republic [3.2.d.Jan13] – Legal Act – Ending Public Services Jobs Programme for the Unemployed</b> (welfare arrangements conditional on work). The Constitutional Court has shut down the programme in which the unemployed gave their services free-of-charge in order to remain on the register. Over 60 000 mainly long term unemployed have participated in the programme last year.</p>	<p>Public Service Jobs program will be kept as optional only for interested unemployed</p>



October 2012	January 2013	April 2013
	<p><b>Germany [5.2.b.Jan13] – <u>Co-operation Agreement - Improving labour market integration of immigrants and their children</u>.</b> This is billed as an inter-institutional co-operation agreement of the Federal Employment Agency and the Federal Ministry of Labour and Social Affairs with the embassies of the Russian Federation, Turkey, Italy, Greece, Croatia and Serbia. The aim is to promote labour market integration of immigrants and to improve their participation in the German education and vocational training system, whilst simultaneously encouraging company owners with a migration background to offer apprenticeship places and create regular jobs. It is consistent with CSR 3 which seeks to take measures to raise the educational achievement of disadvantaged groups in particular through ensuring equal opportunities in the education and training system. <i>No budget has been specified.</i></p>	<p>No progress reported by April 2013</p>
	<p><b>Ireland [7.8.b.Jan13] –<u>Administrative procedure by the Department of Education and Skills (DES)- Momentum Programme</u>.</b> The objective of the measure is to provide training/education to LTU persons in order to enhance their employment prospects. provides training/further education supports for LTU persons with, broadly speaking, second level education. It is being administered by FÁS, which falls under the aegis of the Department of Education and Skills (DES). (Note FÁS is currently being wound down and will be replaced by the new training agency called 'SOLAS'. It is consistent with the MoU requirement that the country pursues activation measures. Furthermore the Troika reviews of the MOU implementation have stressed the need to respond to the escalating LTU problem. The measure complements other support programmes for the LTU (e.g. Community Employment schemes, the TUS programme) which are targeted at the less skilled LTU. The measure is funded through the Labour Market Education and Training Fund (LMETF) which is jointly funded by DES &amp; ESF. There is no allocated budget for this measure but the total LMETF</p>	<p>No change - the measure was only announced as recently as mid December 2012. The training agency FAS (soon to become SOLAS) has made available on its website a substantial list of Momentum course options available from both State bodies (mainly Vocational Education Committees) and private providers.</p>

October 2012	January 2013	April 2013
	fund is EUR 20 million.	
	<p><b>Latvia [13.2.d.Jan13] – <u>Law</u> - State Employment Agency support for long-term unemployed persons with addiction problems.</b> Adopted on 15 December 2012, the overall objective of this measure is to reduce long-term unemployment and avoid social exclusion. The State Employment Agency has responsibility for the measure which involves a 28 day programme (according to the Minnesota 12-step approach) for long term unemployed (18+) with alcohol, drugs and psychotropic substances or gambling addiction. The initiative began in December 2012 with 40 participants but it is planned to involve 220 each year in 2013 and 2014. It is a temporary measure running until 31 Dec 2014. Consistent with the CSR 3 referring to measures to reduce long term and youth unemployment, it is ESF and State budget funded. <i>It has a specified budget of EUR 1.7 million.</i></p>	No progress reported by April 2013
	<p><b>Hungary [16.2.f.Jan13] – <u>Law</u>. (No. CCXVI Act of 2012) - Modification of the START Programme.</b> Adopted on 1 January 2013, the aim of the measure is to lengthen the availability of the tax credits of the social contribution tax to support the employment of vulnerable groups. It is temporary until 31 December 2014 and consistent with the social inclusion of groups at special risk and anti-discrimination as well as increasing employment of disadvantaged groups including young people. It is to be funded out of a part of the national employment fund of the central budget. There is no specified budget for the measure.</p>	No progress reported by April 2013
	<p><b>Hungary [16.2.g.Jan13] – <u>Governmental Decree</u> - Modification of the allowance of SROP 1.4.1. and SROP 2.1.3.</b> The objective of this measure, which is the responsibility of the Public Employment Service, is to support the training at the workplace and support the employment level of disadvantaged groups. It involves supporting employment of new entrants in civic and non-profit organisations by extending the budget of SROP 1.4.1 by EUR 5.4 million (HUF 1.6 billion), and supporting</p>	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>the productivity of enterprises through employees' vocation training by extending the budget of SROP 2.1.3 by c. EUR 26.5 million (HUF 7.8 billion). It is a temporary measure until the end of 2014. It is consistent with policy to invest in education and training, social inclusion of groups at risk of anti-discrimination, and increasing the employment of disadvantaged groups including young people.</p>	
	<p><b>Malta [17.2.d.Jan13 ] – Government Proposal – Job Bridge.</b> This programme was announced in the Budget 2013. The programme will “give specialized training to people with a disability so that these persons will build their competence and the necessary skills to adapt to the job market. This programme will have professionals trained to help persons with a disability in their passage towards the transition from school to the place of work. The place identified in Pembroke will be furnished with modern equipment to facilitate this teaching. On a stretch of 2 years, this project will mean an investment of over half a million euro.”The government did not announce the name of the organisation that will be in charge of such programme. The main objective of this programme is that of enhancing the employability of persons with disability. It is coherent with the NRP but not tied to a specific measure. The proposal is currently on hold until the general elections in March 2013. The specified budget for the proposal is EUR 500 000.</p>	<p>The previous Government opened the Job Bridge Centre in Pembroke in January 2013. The Centre will be managed by the Employment and Training Corporation.</p>
	<p><b>Croatia [28.2.b.Jan13] – Strategy – National Strategy for Roma Inclusion 2013-2020.</b> A comprehensive strategic framework, with employment being one of priority policy areas. The strategy is to be delivered via various state and non-state actors and coordinated by the Office for National Minorities, with Public employment service playing major role in terms of employment policies. The overarching goal in employment area is reducing the labour market gaps between Roma and the majority population. This ought to be done via seven goals, namely (1) reinforcing the social inclusion through support,</p>	<p>No progress reported by April 2013</p>

October 2012	January 2013	April 2013
	increasing motivation for labour market integration, applying measures towards improving employability of Roma youth, Roma women, long-term unemployed Roma, increasing formal self-employment, and increasing capacity of Public employment service for effective work with Roma. Three-year action plans are to be developed in Q1 2013 and strategy revised after each. It is coherent with the COM (2011) 173 final and COM (2010) 133 final; built upon key Commission Communications and emanating from Decade for Roma framework (at regional and national level), this strategy has a solid evidence-base, and addresses the key aspects of Roma integration, including labour market participation. No specific budget has been allocated.	
	<b>Former Yugoslav Republic of Macedonia</b> <b>[30.2.b.Jan13] – government approved operational plan - Operational Plan for Active Policies 2013.</b> The goal of the Plan is to promote employment, especially among disadvantaged group and to improve the matching in the labour market. The Plan consists of 7 groups of measures, including subsidised employment, self-employment, public works, financial support for creation of new jobs in SMEs, training, survey conducted by unemployed and special programme for supporting farmers. It is a temporary measure for one year and is coherent with the policy of improving the financing allocated to active policies. It is funded from the national budget, ESA budge, local self-government budgets and UNDP. It has a specified budget of EUR 9 million intending to cover 9 500 participants.	No progress reported by April 2013

### 3.3 Measures enhancing employability

New measures introduced during the past quarter (April 13) include:

NONE

**Progress with pre-existing measures to enhance employability:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Bulgaria [2.2.a.Oct12]- Support for Employment via employer subsidies and on-the-job training for the unemployed.</b> The programme will run until October 2014. The specified budget is EUR 40 million for 2012-14 and is 85% ESF co-funded.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Ireland [7.2.a.Oct12] - <u>Law</u> - Intreo: The New Employment and Support Service Integrated employment and support system.</b> The measure was launched in October 2012 and it will be extended countrywide by the end of 2014.	No progress reported by Jan2013.	In principle, nothing has changed, apart from the fact that the measures continue to be established throughout the country: a process that will not be completed until end 2014. An update on this progress is due to be included in the First Quarter Report on the 2013 Action Plan for Jobs.
<b>Cyprus [12.2.a.Oct12] - <u>ESF and HRDA Board approval</u> - Training in IT, English language and secretarial skills</b> to enhance the employability of the unemployed. It is in operation since 2010 and will run until 2014. The budget allocated to the programme is EUR 8 million, 70% ESF co-funded.	<b>Jan 2013 update:</b> This programme is ongoing. In light of the increase in the unemployment rate, there is increased sensitivity on the need to support those out of work. The Ministry of Labour and Social Insurance has announced its intention to provide further support but it is not clear how this will be done under the current fiscal circumstances.	No progress reported by April 2013
<b>Hungary [16.2.a.Oct] - <u>Law</u> – Public works programme combined with training.</b> The measure provides for extra budget to support specific public employment projects and committing to increase overall budget by EUR 17.7 million in 2013.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Malta [17.2.a.Oct12] - Community Work Scheme.</b> The scheme enables registering unemployed persons to do community work with local councils and non-government organisations. The scheme was originally targeted to persons who had been registered as unemployed for 5 years or over. In 2012, the scheme will start targeting unemployed who have been registered for over 6 months.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Sweden [26.2.a.Oct12] – <u>Budget Bill</u> - Increase level of appropriation for active labour market policy measures.</b> The aim of this measure is to improve the matching process in the labour market and enhance the employability of unemployed job seekers with a special focus on vulnerable groups including youth, foreign-born,	<b>Jan 2013 update:</b> Adopted by the Swedish Parliament in December 2012. Since the increase in appropriation took effect in January 2013, there has been no evaluation yet. As stressed in Oct12, the more efficient way of reducing structural unemployment and hysteresis is to limit the development of long-term unemployment. Thus, the	Took effect in January 2013

October 2012	January 2013	April 2013
and those with disabilities). No specific budget allocation is mentioned.	government's emphasis on preventing an increase and even reducing long-term unemployment, while focusing on measures targeted towards vulnerable groups are appropriate in this context.	
<b>Former Yugoslav Republic of Macedonia [30.2.a.Oct12] - Public Works.</b> Unemployed persons in areas with high unemployment and low activity rates are engaged for public works while the financing is shared between the Ministry of Labour and Social Policy (MoLSP) and the local government. The budget allocated for the project is EUR 1.5 million.	<b>Jan 2013 update:</b> The program has worked rather well. Out of the planned 2 000 participants to be financed from the national budget, 1 820 people have already participated. The local authorities financed an additional 1 244 public works places (out of the planned 2 000)	No progress reported by April 2013
	<b>Hungary [16.2.d.Jan13] – Measure Type Unknown - Draft Continue public works.</b> In order to improve employment levels, a communication by Imre Hoffmann, vice-secretary to the state, responsible for public employment put forward a measure to improve public works programmes by investing more in the best programmes and expand the number of public workers to 300 000. It would be funded by the government budget. The specified budget is EUR 524 million (HUF 154 billion).	Government decision about the expansion of the number of regions which can apply for the program, about the wage of public workers to be due to monthly, about that public work will be mostly full-time in 2013. The National Land Fund Management Organisation will provide lands to local authorities (through trusteeship) to use in public work programmes.
	<b>Austria [19.2.a.Jan13] – draft legislation - Professional/skilled worker scholarships.</b> This draft legislation is expected to come into effect in July 2013. The measure is the responsibility of the PES. The objective of the measure is to upgrade skills of the low and medium skilled workers/jobseekers, in occupations with labour demand, to improve their employment prospects. The scholarship will be granted for the duration of the training, but the maximum duration is limited to three years. The amount of the scholarship corresponds to the equalisation supplement reference rate in old-age insurance (2013: EUR 795 per month). In order to qualify for a scholarship, workers must have been gainfully employed for a minimum of 4 years within the last 15 years. The measure is coherent with CSR5, to “Continue to implement measures to improve educational outcomes [...]” and CSR 3, to “[...] enhance older workers' employability” and the NRP objective for the	The draft legislation is passing through the parliamentary process. The report of the Committee on Labour and Social Affairs is going to be discussed in Parliament towards the end of march and the new regulations are expected to come into effect in July 2013.

October 2012	January 2013	April 2013
	<p>'Enhancement of the attractiveness, quality and permeability of vocational training'. The measure addresses important challenges. It will give low/medium skilled workers a chance to upgrade and adapt their skill level and therefore enhance their employability and labour market prospects. The measure could also be assessed as a further step towards the objective of permeability of vocational training, notwithstanding the age of the workers. In this sense the measure also support CSR 3 (enhance older workers' employability). It is funded via the ALMP budget, with an annual budget of EUR 25 million in 2013 and 2014 for the measure itself.</p>	
	<p><b>Austria [19.2.b.Jan13] – Directive - Apprenticeships for Adults.</b> Targeted towards adults seeking to change occupation or dropped out from an apprenticeship, employers that pay adult apprentices at least the customary wage for unskilled workers, will receive increased apprenticeship subsidisation. Adults should be enabled to gain an apprenticeship certificate for the first time or the second time, in case of a professional reorientation. This should improve their employment prospects ensuring the supply of qualified workforce in future. The institution responsible is the Apprenticeship Offices of the Economic Chambers. The allocated budget for 2013 is EUR 3 million. Financing needs for the coming years which will be identified during 2013.</p>	<p>Due to come into effect as of 1 June 2013: basic subsidy (amounting to 3 monthly wages per year) at the amount of the wage for unskilled workers. Unskilled workers in any profession who start an apprenticeship are eligible.</p>
	<p><b>Poland [20.2.e.Jan13]- launch funds from the Labour Fund - Increasing funding for activities in the area of combatting UE.</b> This measure has increased funding to the district labour offices for the implementation of active labour market policies in January 2013 for fighting UE. The amount of the Labour Fund has been raised by PLN 1.2 billion up to PLN 4.6 billion (in Poland the Labour Fund is a main source of funding of activation actions). Funded by the national budget and labour fund, with an allocated budget of EUR 1.1 billion (PLN 4.6 billion).</p>	<p>No progress reported by April 2013</p>

### 3.4 Measures for Improving Services for the Unemployed

New measures introduced during the past quarter (April 13) include:

- **Spain [9.2.j.Apr13] - Royal Decree Law 4/2013 - Common national database for job matching.** In order to support the recruitment of young workers and improve the job matching process, a common national database including all the available job vacancies will be developed. It is coherent with CSR 5 for improving the use of job matching services. The measure will be funded from the 2013 budget with a specified budget of EUR 871 million in 2013 and EUR 3 485 million up to 2016 (32% ESF).
- **Belgium [1.2.L.Apr13] - Subsidy - Subsidy for Actiris employment office for the creation of a platform for language learning.** At the end of February the Brussels government granted a subsidy of EUR 400 000 to Actiris for the creation of an independent language learning platform for job seekers. It will be free of charge for jobseekers registered with Actiris. The objective of the measure is to assist jobseekers in Brussels with learning the various national languages. It is consistent with AGS 2012: 'Maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies such as training schemes for unemployed persons', p.4. The specified budget for the measure is EUR 400 000.



**Progress with pre-existing measures improving services for the unemployed:**

October 2012	January 2013	April 2013
<b>Finland [25.2.b.Oct12] - Municipality Employment Experiment for the Long-term Unemployed.</b> The target group are long term unemployed who have exhausted their 500 days of unemployment benefits, or have been unemployed for a year. The government has allocated EUR 20 million for these projects.	<b>Jan 2013 update:</b> The municipalities that will participate in the Municipality Experiment for the Long-term Unemployed have been chosen during the last Quarter, and the experiments have already been launched. The two key actors in implementation, the PES and Municipalities, are both in the midst of major structural and service reforms, so this may complicate delivery.	The municipalities for Municipality Experiment for Long-term Unemployed have been chosen in the last Quarter, and the experiments have been launched. An evaluation is due to be commissioned in 2013
<b>Serbia [31.2.d.Oct12] - Preparation of labour market institutions in Serbia for European Employment Strategy.</b> The aim of the measure is to support NES and MOLESP in their efforts to align their operations with best European practices. NES beneficiaries. It is an EU IPA project and has been operational since 2012.	<b>Jan 2013 update:</b> The implementation of the project is on track. Work with local employment councils to increase capacity in planning and statistics has also started.	No progress reported by April 2013
<b>Serbia [31.2.e.Oct12] - Further integration of the forecasting, monitoring and evaluation systems in the creation and implementation of active labour market measures and harmonization of national occupational classification with ISCO 08 standards.</b> The beneficiaries of the measure will be all NES recipients.	<b>Jan 2013 update:</b> The activities have started. The preliminary results of the net impact evaluation of two major programmes (the Employment Subsidy and the youth oriented 'First Chance' project) has been completed, and found strong positive net effects of both programmes	Preparations for Employer Survey and assistance in the development of NEAP 2014
	<b>Germany [5.2.c.Jan13] – Strategy of the Federal Employment Agency - Increase efficiency of services for jobseekers who are ready for the labour market.</b> By using social medial channels e.g. by co-operating with XING, for employment services in order to increase efficiency of services of the Federal Employment Agency. The idea is to (possibly) relieve the staff of the Federal Employment Agency from some services related to the short-term unemployed and therefore allowing them to concentrate more on difficult to place long-term unemployed persons. It is proposed as a permanent measure, consistent with CSR 3, to maintain appropriate activation and integration measures, in particular for the long-term unemployed. No specified budget mentioned.	No progress reported by April 2013
	<b>Latvia [13.2.b.Jan13] – Planned Legislation, July 2013 - Amendments to the Unemployed and Job Seekers Support Law.</b> This measure was announced by the	The amendments to the Unemployed and Job Seekers Support Law were approved by the Cabinet of Ministers on 26 February 2013. The amendments still have to be

October 2012	January 2013	April 2013
	<p>Ministry of Welfare on November 8 2012 but still remains to be adopted by Parliament. Its objective is to provide more efficient and effective support for job search by all unemployed in Latvia including those with temporary residence permits. The amendments include: i) Persons from third countries with a temporary residence permit and who have a general work permit will be able to receive the status of unemployed and will be entitled to unemployment benefit; ii) Job search obligation of all unemployed will be strengthened. A State Employment Agency (SEA) official will examine the client's unemployment situation and will together with the client agree on the measures that should be taken, such as regular reports on the job-search process, submission of proposals on tackling the problem, etc.; iii) More appropriate and more targeted support for the unemployed. Each unemployed person will have the opportunity for a consultation with the SEA on what could be an appropriate job for the person, what the chances are of finding such job is and how it should be done. iv) The introduction of profiling of the unemployed. Job seekers will be divided into groups like youth and long-term unemployed, which will help to match candidate with specific active employment measures. The measure is consistent with CSR 3 concerning measures to reduce long-term and youth unemployment and the European Parliament and Council Directive of 13 Dec 2011. It is to be funded by the state social insurance special budget. No specific budget is mentioned.</p>	<p>adopted by Parliament, but are expected to be in force from July 2013.</p>
	<p><b>Lithuania [14.2.d.Jan13] – LLE initiative – Improvement of labour market e-services.</b> At the end of 2012, the Lithuanian Labour Exchange (LLE) focused on the improvement of labour market e-services with the objective of increasing the share of unemployed persons and job seekers using labour market e-services. An e-manual for job seekers was ready in November and LLE's representatives actively considered further improvement of labour market e-services. The action is consistent with the NRP relating to the enhancement of the coverage and</p>	<p>No progress reported by April 2013</p>

October 2012	January 2013	April 2013
	efficiency of the activities of labour market institutions. It is funded by the LLE's budget. There is no specific budget allocated to the measure.	
	<b>Hungary [16.2.c.Jan13]</b> – <u>Law, government regulation (414/2012)</u> - <b>Expansion of the tasks of the National Labour Office.</b> With the objective of exploiting job matching possibilities, from the 1 Jan 2013 the measure 'keeping in contact with employers, local authorities, other organisations, participate in programs with the aim of increased employment'. It is a permanent measure, consistent with recommendations to improving employment levels, and reaching EU 2020 employment target. No specific budget indicated.	No progress reported by April 2013
	<b>UK [27.2.c.Jan13]</b> – <b>Introduction of new job search website ' Universal JobMatch'.</b> The introduction of an integrated website (known as Universal JobMatch) enabling the online matching job vacancies and jobseeker details is aimed at making it easier for jobseekers to explore opportunities. It is available to all jobseekers (whether claiming benefits, not claiming benefits, already in work, etc) but in the case of claimants they will have to demonstrate regular use or face sanctions. The new online service went live at the end of November and the mandatory requirement for claimants to use it will start in January 2013.	From the beginning of March 2013 jobseekers using Jobcentre Plus are required to use Universal JobMatch or risk losing their benefit.
	<b>Turkey [32.2.a.Jan13]</b> – <u>Government Agency Initiative - Public Employment Agency, ISKUR, Participant Survey &amp; Trainee Programme.</u> Announced in December 2012, these measures are targeted on educated, unemployed and current students (high school or vocational school) with the objective designing more effective active labour market policies. ISKUR is puzzled by lengthy open position listings and will conduct surveys in all provinces about potential reasons. ISKUR can allocate up to 5 % of its own budget on such research while the trainee programme will have its own allocation, which is not yet known.	ISKUR delivered on its first promise of a survey.

### 3.5 Measures Encouraging Entrepreneurship

New measures introduced during the past quarter (April 13) include:

- **Bulgaria [2.2.e.Apr13]** – not law. Measure accords with legislation on OP HRD (22.7.2011) – ‘Promoting projects for starting own business’, Component II. OP HRD / Procedure BG051PO001-1.2.03 ‘Encouragement of projects for starting own business’. Targeted at the unemployed that have successfully graduated after training courses provided during Component I, this measure is the second stage of the project and aims to assist the unemployed that want to start with their businesses and to maintain their positions as self-employed. The Procedure includes three inter-related components. The first includes training of the unemployed that want to start their business (2012); the second - provision of grants to those that have successfully completed their training to begin with their initiatives (2013); and the third, regular counselling and other business services’ provision to the persons with on-going projects that have received grants (2014). The institution responsible for delivery is Employment Agency. The measure is consistent with the NRP (2011 -2015) implementation plan of “Integrating the disadvantaged groups in the labour market” and CSR 4 to improve the access to finance for start-ups and SMEs, in particular those involved in innovative activities. The deadline for applying is 15 May 2013. Also, 85% will be funded by the ESF and 15% by the State Budget with a specific budget of EUR 25 million (BGN 50 million).
- **Czech Republic [3.2.e.Apr13]** – To be provided under current employment code framework - Subsidy to start up entrepreneurship by unemployed. The Ministry of Labour announced its plan (few details only) to provide a subsidy to registered unemployed who produce a reasonable business plan (one-off support of CZK 40 000 to 80 000). The objective of the measure is to decrease unemployment and increase employment. The duration is not yet set for the measure. Funding will most likely be OP or state budget funds. No specific budget details are yet known.
- **Spain [9.2.c.Apr13]** – Royal Decree Law 4/2013 - Social Security contributions reductions for boosting disabled self-employment (flat-rate social security contribution for new disabled self-employed workers). Targeted at young people aged below 35, the measure encompasses a reduction in self-employment social security contributions of 80% during the first six months of activity and 50% during the next four years of activity. The objective is the promotion of self-employment among young disabled unemployed workers, motivating young disabled people to start up and run businesses and supporting job creation among disabled workers. The measure has been approved in the context of the agreement with social partners and is consistent with CSR 5 and 6 related to the implementation of a Youth Action Plan, improving access to finance for young people and improving the targeting of ALMP. However, as ALMP budget have been reduced and normal lending to the economy has not yet been restored, the coherence of the measure is still uncertain. The measure is funded through the 2013 budget with a specific budget of EUR 871 million in 2013 and 3 485 million EU up to 2016 (32% ESF).
- **Portugal [21.2.e.Apr13]** - decree no 432/2012 - Support for hiring by start-up enterprises. Adopted in December of last year, and targeted at unemployed and other workers with at least a qualification level 3 (NQF), this permanent measure involves the full or partial reimbursement of mandatory contributions to social security paid by the employer when concluding contracts of full-time employment, for at least 18 months, with an unemployed person or any other worker recipient of the measure. IAPMEI and IEFP are the institutions responsible for delivery. The objective of the measure is to promote job growth and new start-up businesses knowledge-based and with export potential, and encourage the hiring of unemployed by reducing labour costs incurred by the employer in new hiring. It is coherent with AGS 2013 - promoting social inclusion and tackling poverty – linking social assistance and activation measures. It is to be funded by IEFP with no additional details known on specific budgets.

**Progress with pre-existing measures for encouraging entrepreneurship:**

October 2012	January 2013	April 2013
<b>Cyprus [12.3.a.Oct12]</b> – see section on Enhancing Employability	This is ongoing. In light of the increase in the unemployment rate, there is increased sensitivity on the need to support those out of work. The Minister of Labour and Social Insurance has announced the intention to provide further support but it is not clear how this will be done under the current fiscal circumstances	No progress reported by April 2013
<b>Netherlands [18.2.a.Oct12] - Stimulating entrepreneurship of people receiving benefits.</b> The measure allows municipalities to act as a guarantee for banks or other creditors, so start-ups coming from benefits can get a loan	No progress reported by Jan2013	No progress reported by April 2013
<b>UK [27.2.a.Oct12] - Changes to the New Enterprise Allowance</b> Jobseekers receiving Job Seeker's Allowance wishing to set up a business or become self-employed can receive up to EUR 1 500 over 6 months (around EUR 61 per week) and up to EUR 1 230 to help with start-up costs	No progress reported by Jan2013	No progress reported by April 2013
	<b>Austria [19.5.b.Jan13] – Law - SME/OPE Package.</b> The SME/OPE package aims to improve the social security of the self-employed and includes the following measures: In case of long lasting illness and thus inability to work, self-employed are entitled to receive sick pay from the 43 <sup>rd</sup> day of inability to work up to 20 weeks. The benefit amounts to 27.96 Euros per day. Also, company owners may apply for an interest-free postponement of their social security contributions until the third year. The maternity benefit for self-employed has been raised from EUR 26.97 to EUR 50 per day. The SME/OPE package provides an improvement of the social security situation for company owners and creates additional possibilities for funding the business set-up. The planned reduction of the required share capital for founding a Limited Liability Company has not yet been agreed. This would be another improvement for business foundation.	On 1 January 2013, regulations regarding the retention of sick pay and the increase of the maternity benefit for self-employed came into effect. Further improvements concerning the social security of self-employed are to be made by the following amendments (SVÄG 2013, effective by July 2013).

### 3.6 Measures Protecting Benefit Rights and Favouring the Employment of the unemployed

New measures introduced during the past quarter (April 13) include:

- **Belgium [1.2.J.Apr13]** - Decree of 19 December 2012 - **Abolition of assistance for promoting employment in the commercial sector**. The scheme granting assistance to employers in the commercial sector for recruiting workers has been abolished. This does not affect assistance for 'young people in business', which benefits jobseekers under 25 and remains in place for the time being. Assistance for promoting employment in the non-commercial sector continues to be granted. It is permanent and consistent with CSR 2012 to 'Strengthen the focus of employment support and activation policies on vulnerable groups', p. 6.
- **Belgium [1.2.k.Apr13]** – not law - **Creation of a new information centre (centre de référence) relating to employment in the civil service and in the service of the city of Brussels**. This is a permanent measure and involves the creation in mid-February of the sixth information centre in Brussels. It is dedicated to civil service posts and jobs serving the city, i.e. roles intended to improve quality of life in the urban environment, such as park warden, tram driver, cleaner etc. Targeted at jobseekers, the objective of the measure is to encourage the placement in work and employment of Brussels residents and to develop the technical and teaching expertise required in order to adapt training programmes as necessary. It is coherent with the country's commitments and recommendations particularly on COM recommendations to 'pool resources and focus on effective partnerships' (COM(2012) 173 final p. 12) while addressing the following issue: 'increasing skills mismatches and shortages hinder economic activity in the short run while investing in education and training will raise productivity and income levels in the long run' (COM(2011) 815 final). Funding was allocated by the Brussels Government in February 2013 in the amount of EUR 300 000.
- **Ireland [7.2.b.Apr13]** - administrative procedure by Department of Social Protection - **Jobs Plus**. Implementation of this measure by the Department of Social Protection (DSP) will commence in June 2013. It will provide grant payments to enterprises as an incentive to recruit long-term unemployed persons. The aim is to provide employment opportunities for the long-term unemployed and reduce the level of LTU. It is not permanent but if successful is likely to run for a few years. It corresponds to the MoU requirement that the country pursues activation measures. Furthermore the Troika reviews of the MoU implementation have stressed the need to respond to the escalating LTU problem. It is to be funded through the exchequer.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<p><b>Belgium [1.2.c.Oct12]– <u>Arrete Royale</u> - Modification of the services-voucher system.</b> Adopted in August 2012 and targeted towards unemployed persons receiving benefits or integration income, the measure means that 60% of the new jobs in the system have to be recruited from the unemployed, with an obligation on firms to account separately for their different activities. New companies have also the obligation of producing a business plan before being recognised by the Ministry of Labour.</p>	<p><b><u>Royal decree - Limiting the Service-Voucher System.</u></b> Adopted on 20 December 2012, the latest modification is intended to reduce public spending in order to reduce the public debt. In order to reduce the federal intervention from EUR 14.22 to EUR 13.22, the purchase price of the service vouchers has increased from EUR 7.50 to EUR 8.50. In addition, the number of service vouchers per household has been limited, depending on the composition of the household.</p>	<p>Entered into force on 1 January 2013: 1. All new companies seeking authorisation must now pay the National Employment Office (ONEM/RVA) a guarantee of EUR 25 000. This guarantee is refunded on the voluntary cessation of business or in the event that authorisation is withdrawn, following the deduction (where applicable) of monies owed by the service voucher company to the National Employment Office, National Social Security Office (ONSS/RSZ) or tax authorities. 2. The penalties applied in the event of violation of the rules governing service vouchers are now included in the Social Penal Code. Depending on the seriousness of the offence, a penalty corresponding to level 2, 3 or 4 will be applied.</p>
<p><b>Czech Republic [3.2.a.Oct12] - Educate Yourself for Stability.</b> This ESF project is to be implemented between Sept 2012 - Sept 2015 to prevent layoffs in companies affected by temporary difficulties by funding the retraining of workers who would otherwise be likely to lose their jobs (budget of c. EUR 30 million).</p>	<p>No progress reported by Jan2013.</p>	<p>The program simplified some conditions to allow for faster and more flexible spending of OP money</p>
<p><b>Denmark [4.2.b.Oct12] – <u>government proposal</u> - The “acute packages”.</b> The measure which emanates from the Ministry of Employment and Job Centres involves targeted assistance (counselling and active programmes) (acute package 1) plus a special programme for reserving job openings for the LTU (acute package 2). The aim of the measure is to prevent LTU from losing their rights to benefits as a result of the benefit reform from May 2010.</p>	<p><b>Jan13 update:</b> All measures were included in the Finance Bill agreed by the Parliament on 19 December 2012. In addition to the measures described as part of the “acute packages”, the Government and the Red-Green Alliance (“Enhedslisten”) as part of the overall agreement on the Finance Bill on 19 November 2012, added the following measure: All unemployed who exhaust their unemployment benefits in the first half of 2013, will be given the right to training and skills enhancement courses. Provided that the unemployed are available for job offers, including acute jobs and training, the unemployed will receive a special education allowance for up to 26 weeks. Non-parents and parents will have the right to 60 % and 80 % respectively, of the maximum unemployment benefit. A total of DKK 480 million (EUR 64.3 million) has been allocated to this training measure in 2013.</p>	<p>No progress reported by April 2013</p>
<p><b>Romania [22.2.a.Oct12] – <u>draft law</u> - Drafting</b></p>	<p>No progress reported by Jan2013</p>	<p>Law finally sent to Parliament for debate and approval. It</p>



October 2012	January 2013	April 2013
<b>modifications and completions to the Unemployment Insurance system and employment stimulation act.</b>		has high chances of getting approved before mid of this year and enter full application as of the beginning of the next year.

### 3.7 Measures mitigating the effects of redundancy

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing measures:

October 2012	January 2013	April 2013
<b>Lithuania [14.2.c.Oct12]</b> – Order of the LLE's director - <b>Mitigating the impact of group redundancies.</b> Ensuring that local labour exchanges take additional measures to mitigate the negative effects of group redundancies.	No progress reported by Jan2013	No progress reported by April 2013
<b>Serbia [31.2.c.Oct12]– Service Package for workers who lost their job due to restructuring.</b>	No progress reported by Jan2013	Preparatory phase with the procedures designed but implementation practically not yet started
	<b>UK [27.1.a.Jan13]</b> – Changes to rules on collective redundancies	No progress reported by April 2013

### 3.8 Improving ALMP programmes measures

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing and new measures:

October 2012	January 2013	April 2013
<b>Spain [9.2.a.Oct12]</b> - <u>Royal Decree &amp; Employment Policy Annual Plan (EPAP) 2012</u> – <b>ALMP reform.</b> The measure involves increasing the effectiveness of the Employment Promotion programmes. They are to be focused on youth employment with special attention paid to self-	Dual vocation training was approved at the beginning of November 2012. However, ALMPs appear insufficient to retrain and contribute to reincorporate the millions of workers who are being dismissed, especially in the case of older and low-skilled employees	No progress reported by April 2013



October 2012	January 2013	April 2013
employment. Matching labour demand and supply will be opened to private profit oriented agencies.		
<b>Serbia [31.2.a.Oct12] – official policy document - National Employment Action Plan for 2013.</b> The measure intends to create a consistent framework for ALMP in 2013 and set activities and priorities	The draft plan was adopted by the government in December 2012. The National Employment Service is currently preparing its Programme for 2013 and the Performance Agreement between MoLESP and NES has not yet been concluded	The Programme of NES adopted and the Performance Agreement between MoLESP and NES signed. The implementation of main set of measures within the NEAP started with some delay in end March with the public call for active labour market programmes by the NES.
	<b>Hungarian [16.2.h.Jan13] – Law, government decree (1507/2012) - Authorisation of TIOP-3.2.1-12/1-2012-0001, Improve efficiency of active labour market policies &amp; services at the PES.</b> Adopted 16 November 2012, it concerns laying down the foundations of the integrated system by developing the infrastructure of the public employment service. The objective is to improve the efficiency and effectiveness of active labour market policies, improving the infrastructure of NES's services, and expanding capacity. It is a temporary measure until 10 June 2015 and consistent with the aim of redefining the primary and core services of Public Employment Services (PES) and also to provide job-seekers with access to appropriate support services in the interest of re-employment within the shortest possible time and the improvement of their employability. It is funded by the ESF. It has a specified budget of EUR 20.4 million (HUF 6 billion).	No progress reported by April 2013
	<b>Hungary [16.1.b.Jan13] - Accreditation of Employers of people with disabilities and their financial aid.</b> (See Policy Area 1.)	No progress reported by April 2013
	<b>Hungary [16.1.c.Jan13] - Authorization of the SROP-1.2.1-07/1-2007-0002 project (connected to the employment protection plan).</b> (See Policy Area 1).	No progress reported by April 2013
	<b>Hungary [16.1.d.Jan13] - Authorization of the TÁMOP-1.1.1-12/1-2012-0001 project</b> (See Policy Area1).	No progress reported by April 2013

## 4 Policy Area 3: Social Security Systems

Under this policy area, 11 countries have introduced a total of 22 reforms linked to their social security systems:

- (A) Unemployment Benefit reforms
- (B) Pension reforms
- (C) Health insurance system reforms

### 4.1 Unemployment Benefit Reforms

Three types of measures have been adopted in the context of reforms to Member States' unemployment benefit systems during the past quarter, as follows:

1. Increases in unemployment benefit coverage, duration and/or amounts
  - Apr13: Greece, Spain, Latvia, Finland
  - Jan13: Estonia
2. Access to early retirement
  - Apr13: Spain
  - Jan13: Belgium, Spain
  - Oct12: Belgium, Czech Republic, Lithuania, Slovakia, Sweden, UK
3. Encouraging unemployment and welfare benefit recipients to flow into work
  - Apr13: Belgium, Denmark, Spain, Latvia, Lithuania
  - Jan13: UK
  - Oct12: Belgium, Spain, the Netherlands, Portugal, Sweden, UK

#### 4.1.1 Increases in unemployment benefit coverage, duration and/or amounts

**New measures introduced during the past quarter (April 13) include:**

- **Greece [8.3.a.Apr13] - Ministerial Decision No. 2685/5925.02.2013 - Provision of unemployment allowance to independent employees (self-employed).** Previously self-employed and currently unemployed workers will be able to claim monthly unemployment benefits for the first time. The self-employed were up to now, excluded from the unemployment compensation system. The government has now instituted this measure prompted by the large increase in unemployment which has hit hard not only employees but self-employed workers too, for reasons of fairness. The benefit will amount to 360 Euros and the maximum period that self-employed professionals will be able to claim this benefit will be nine months. Certain criteria however have to be fulfilled: beneficiaries should not owe any social security contributions and be able to prove that they are not working and not earning a pension. The Institution responsible for delivery is the Manpower Employment Organization (OAED). The budget for the measure amounts to EUR 75 million, to be funded by a special levy foreseen by the legislation.
- **Spain [9.3.h.Apr13] - Royal Decree 4/2013, adopted 22 February 2013 - Unemployment benefit resumption after self-employment.** Spanish workers were able to continue to receive the unemployment benefit after being employed by others for less than 12 months (otherwise, a new benefit was generated). With this new measure, self-employed workers who have been working for up to 24 months (60 months in case of young people aged below 30) can continue to receive the unemployment benefit in case they were entitled to it, if they lose their job. This measure aim at providing equivalent rights in the employment area for all workers. It specifically protects self-employed from poverty in case they have to leave their economic activity. Covered within

the budget of EUR 871 million in 2013 and EUR 3,485 million up to 2016, ESF co-funded.

- **Latvia [13.3.I.Apr13]** - amendment to the law, but not yet enacted/enforced - **Electronic submissions relating to state pension or social security benefit transfer**. People living in social care homes (or their care givers) will be able to submit applications for the transfer of state pension or benefit to the State Social Insurance Agency electronically. Currently submission is only by post or personal delivery. The measure is consistent with NRP measures aimed at 'Modernizing Public administration' and 'developing e-government and e-services'.
- **Finland [25.3.a.Apr13]** - Continuation of the Working-career Agreement of Social Partners of 22.3.2012- **Reducing the period of Earnings Related Unemployment Benefits**. The period of earnings related unemployment benefits for those with less than 3 years of work experience was lowered from 500 to 400 days.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
	<p><b>Estonia [6.3.b.Jan13] – <u>Law</u> - Increasing the amount of the unemployment assistance (UA) benefit.</b> The Unemployment assistance benefit was increased to 35% of the national minimum wage (around EUR 101) per month. The main objective of the measure is to increase the social security of the unemployed. Unemployment assistance has been very low in Estonia and the unemployed were at risk of poverty. However, despite the increase in the level of the unemployment assistance benefit, this remains low. The government did not uphold the agreement it concluded with the social partners according to which the unemployment assistance benefit was supposed to increase to 50% of the national minimum wage from 2013 onwards (The increase is funded by the state budget with a budget of EUR 12,5 million).</p>	<p>No progress reported by April 2013</p>

#### 4.1.2 Access to early retirement

**New measures introduced during the past quarter (April 13) include:**

- **Spain [9.3.i.Apr13] - Royal Decree 5/2013, adopted 16 March 2013 - Early exit schemes reform.** Workers are allowed to access to voluntary early exit scheme with, at least, 35 years of working career (before: 33). The minimum age for accessing is established in 2 years less than the statutory age of retirement (in 2013: 63 years and 1 month). The reduction coefficients for each quarter of early retirement have been increased: 2% (workers with less than 38 years and a half of contributions, before: 1,875%), 1,875% (workers with contributions between 38 years and a half and 41 years and a half: before: 1,625%), 1,7% (workers with contributions between 41 years and a half and 44 years and a half: before: 1,625%) and 1,625% (workers with more than 44 years and a half of contributions: before: 1,625%). The measure is consistent with the CSR n°2: accelerate the increase in the statutory retirement age. Tightening early exit schemes may reduce the number of workers who wish to retire from the labour market earlier. However, for those with shorter careers, the penalization could contribute to increase their difficulties to receive decent pensions (8% on a yearly basis).
- **Spain [9.3.j.Apr13] - Royal Decree 5/2013, adopted 16 March 2013 - Partial exit scheme reform.** Partial exit the scheme is a mechanism through which those workers at the legal statutory retirement age or over and already entitled to receive a pension (15 years of contributions) can reduce their working day (by 25% to 75%) and are allowed to part time work. Through this mechanism, workers can increase the final amount of their pension when they finally leave their jobs. This reform tightens the possibility of early partial retirement allowed. This reform is coherent with the CSR n°2 (accelerate the increase in the statutory retirement age) and the pension system reform in 2011. It is intended to reduce the pension system expenditure and discourage the use of partial exit schemes.
- **Spain [9.3.k.Apr13] - Royal Decree 5/2013, adopted 16 March 2013 - Tightening the access to contributory benefits for older workers (aged 55 or over).** The access to the benefit addressed to workers aged 55 or over who would be entitled to access to exit schemes (except for their age) and who have exhausted their unemployment benefits will be tightened. In particular, the total incomes of her/his household divided by the number of individuals living in the family unity must be 75% or less of the minimum wage. Coherent with the CSR n°2 (accelerate the increase in the statutory retirement age) The measure is expected to reduce the public expenditure on supporting companies for implementing voluntary redundancy schemes for older workers. This positive step is also intended to increase the incentives for tackling active ageing schemes and improving older workers employment conditions.
- **Spain [9.3.l.Apr13] - Royal Decree 5/2013, adopted 16 March 2013 - Combining working and retirement benefit.** Employees or self-employed are allowed combining working and the ordinary retirement benefit (only for those who are entitled to receive the full pension). Therefore, the workers are entitled to the 50% of their pension and their salaries. Under this modality, employers and workers can reduce their Social Security contributions but a new "solidarity contribution" is introduced (6% for the employer and 2% for the employee). This reform is coherent with the CSR n°2 and the pension system reform in 2011. It is intended to improve incentives for longer working lives.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Belgium [1.3.b.Oct12] - Reform effective as of 1 September 2012 - Modification of the seniority supplement.</b> The age limit from which an unemployed person may receive a benefit supplement has been increased from 50 to 55 years	The changes are effective. This modification is positive from a public expenditure point of view, but negative from the unemployed point of view. As of yet there is no evaluation. The effects of the modification should be measured in terms of the increase or decrease of poverty and the effects on the re-employment probability	No progress reported by April 2013
<b>Belgium [1.3.c.Oct12] - Modification of the company supplemented unemployment benefit.</b> A stricter regime of company supplemented unemployment benefit (ex-early-retirement) by increasing the age and seniority limits.	Same as for the modification of the seniority supplement [1.3.b.Oct12 above], the changes are effective. This modification is positive from a public expenditure point of view, but negative from the unemployed point of view. As of yet there is no evaluation	No progress reported by April 2013
<b>Czech Republic [3.3.b.Oct12] – Law- Early exit from the labour market.</b> Effective from January 2013, this legislative change allows early retirement for workers employed in hazardous occupations	No progress reported by Jan2013	No progress reported by April 2013
<b>Czech Republic [3.3.c.Oct12] - Social Cards - already adopted</b> – concerns the technical arrangements for paying out social benefits through special ‘Social Cards’ to be used for disbursing social benefits and for monitoring purchases made with the card	By January 2013 all registered unemployed and pensioners were supposed to use sCards. However, the project appears to be in disorder.	Government started considering to stop and cancel the whole project
<b>Lithuania [14.3.a.Oct12] – Law- Improvements in the administration of unemployment benefits.</b> Adopted in October 2012.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Slovakia [24.3.a.Oct12] – Law - Amendment to the Act on assistance in material need.</b> The revision of the law seeks to improve the targeted provision of social assistance, to reduce the administrative burden and minimise the abuse of social assistance.	The amended Act on assistance in material distress was approved by the parliament on 28 November 2012 and changes entered into force on 1 January 2013.	No progress reported by April 2013
<b>Sweden [26.3.a.Oct12] - administrative mandate - Swedish Agency for Public Management assigned to survey the municipalities and the PES's initiatives to promote employment among people receiving social assistance.</b>	Adopted by the Swedish Parliament in December 2012. It is still too early to assess the impact of the reform on the labour supply of persons receiving social assistance since the reform only took effect in January 2013.	Took effect in January 2013

October 2012	January 2013	April 2013
<p><b>UK [27.3.b.Oct12] - <u>administrative mandate</u> - Announcement of Universal Credit pilot areas.</b> Universal Credit is the new single payment for people who are looking for work or are on a low income. Universal Credit is to be rolled out in 2013.</p>	<p>No updated information provided</p>	
	<p><b>Belgium [1.3.d.Jan13] – <u>Law</u> – Making access to early retirement stricter.</b> According to the law of 28 December 2011 which came into force on 1 January 2013, the age for accessing early retirement schemes will increase progressively from 60 to 62 years between 2013 and 2016. The condition of the minimum career is also gradually rising from 35 years in 2012, to 38 years in 2013 to reach 40 years by 2015. The measure responds to the CSR2011 'making the access criteria for early retirement more stringent' and is coherent with the objective to bring the effective age of retirement closer to the legal age of 65 (no budget details provided).</p>	<p>No progress reported by April 2013</p>
	<p><b>Spain [9.3.d.Jan13] – <u>Announcement</u> – Plans to reform early retirement schemes reform (details not yet known)</b> - According to these plans, early retirement is to be postponed from 63 to 65 years. Moreover, working part-time while receiving retirement benefit will be made more flexible.</p>	<p>No progress reported by April 2013</p>

#### 4.1.3 Encouraging unemployment and welfare benefit recipient to flow into work

**New measures introduced during the past quarter (April 13) include:**

- **Belgium [1.3.f.Apr13]** - Royal decree of 11 February 2013, to enter into force 1 January 2014 - Deduction of social security contributions from work placement allowances. The allowances paid to those completing work placements under a work experience contract or training or professional integration contract recognised by the competent Community or Region are now subject to social security contributions, in the same way as work placements carried out under an SME work placement contract, SME apprenticeship contract, industrial apprenticeship contract or socio-professional integration contract (all of which are already subject to social security contributions). The objective is to harmonise social security legislation and labour provisions relating to combined work experience and training.
- **Denmark [4.3.a.Apr13]** – Government proposal for legislative reform, which is now subject to negotiation with the opposition - Proposed reform of sickness benefits. The sickness benefit system is regulated by the Ministry of Employment (National Labour Market Authority) and implemented by the municipalities (the jobcentres). The reform proposal means that all recipients of sickness benefits are to have their case reassessed after six months rather than after twelve months, currently. Persons who have received sickness benefits and cannot get their sick pay extended will start a so-called resource-program, receiving a personalized, comprehensive and long-term effort. During the program they will receive a benefit equal to cash benefits (albeit not means tested). The model thus ensures that no sick person is left without income or public assistance, and it implies increased efforts to help people back into work. The aim is that a multidisciplinary and coherent action will ultimately bring people on sickness benefit into work or education. The proposed reform is clearly in line with the AGS's emphasis on stepping up active labour market measures. The sickness benefits system is funded by the public budgets (combined from state level and local level). Hence, whether the proposed reform is adequate will to a large degree depend on whether the municipalities will have the necessary financial means for the resource programs that are a key feature of the reform. Given the present financial pressure on the municipalities, this is a critical factor.
- **Denmark [4.3.b.Apr13]** – Government proposal for legislative reform, which is now subject to negotiation with the opposition - Proposed reform of cash-benefits. The Danish cash benefit system is the general safety net of the Danish welfare system providing means tested cash benefits to the unemployed who are not eligible for unemployment benefit or other forms of social assistance. The cash benefit system is regulated by the Ministry of Employment (National Labour Market Authority) and implemented by the municipalities (the jobcentres). The guiding principle for the reform proposed by the Government on February 25 2013 is that no client in the cash benefit system should be left in a passive position (compared to the present situation, where the weakest one-fifth among the recipients of cash benefits at present get no active support). The proposed reform has the following elements: a) Young people under 30 years of age without education should no longer be part of the social assistance system. Instead, they should have the right and duty to education. They get a new benefit equal to the normal State Student's Grant (SU). b) All recipients of cash benefits will be met with clear requirements and expectations. Those who can, should work for their benefit and contribute to the community in public or private service jobs (in the reform proposal labelled as "usefulness jobs"); c) Single parents and young mothers will get special support and financial help to get education; d) Cohabiting couples will get a mutual economic responsibility to support one another. Today this is only the rule for legally married couples. The reform is clearly in line with the AGS's emphasis on strengthening "youth guarantee schemes" and step up active labour market measures. The proposal is also well in line with the overall ambition to raise labour supply and employment and to move adults from passive support and into employment. It also addresses the challenge of the large group of young persons, who do not at present get a vocational education.



- **Spain [9.3.e.Apr13] - Royal Decree 4/2013, adopted 22 February 2013 - Combination of unemployment benefit with self-employment for vulnerable groups.** This measure entails the possibility to combine the unemployment benefit with a self-employment activity in case an employment programme does allow it. The measure is related to CSR n°6, improving the targeting of ALMP and counter poverty and holds promise since the combination of active and passive labour market policies may improve their effectiveness, especially in case of vulnerable groups. Part of a budget of a budget of EUR 871 million in 2013 and EUR 3,485 million up to 2016, ESF co-funded.
- **Spain [9.3.f.Apr13] - Royal Decree 4/2013, adopted 22 February 2013 - Combination of unemployment benefit with starting up a business for young people** if the employment programme allows it. The implementation of the “youth guarantee” is one of the aims of this measure and self-employment may be a reasonable way to facilitate labour market participation of young and mainly high-skilled youngsters. Without additional efforts to combine this measure with the development of entrepreneurial skills and culture it would be difficult to this measure to influence levels of self-employment. The measure is related to CSR n°5, Youth Guarantee. Part of a budget of EUR 871 million in 2013 and EUR 3,485 million up to 2016, ESF co-funded
- **Spain [9.3.g.Apr13] – Royal Decree 4/2013, adopted 22 February 2013 - Single unemployment benefit payment and tax exemptions.** The capitalisation of unemployment benefits is a Spanish programme that gives the young unemployed people (aged below 30, 35 for women) the possibility to receive the contributory unemployment benefits in a lump-sum payment in order to set up a business or to make a capital injection in an already existing company (for not longer than 12 months). The lump-sum is exempt from paying the income tax. As has been remarked, lump-sum payments have traditionally not had significant effects on self-employment levels and this rate increase to 100% will have serious difficulties to produce large impacts. In fact, the number of unemployed workers who have chosen the capitalization of their unemployment benefits has decreased by 11% since 2008, standing in 2012 at around 145,000 although the proportion of benefit included has been increased in 2009 (from 60% to 80%). As above, part of a budget of EUR 871 million in 2013 and EUR 3,485 million up to 2016, ESF co-funded.
- **Latvia [13.3.k.Apr13] - Announced by the Ministry of Welfare (MoW) on January 17, still has to be aligned with the ministries, approved by the government and adopted by Parliament - Social rehabilitation services made available to working people with disabilities who are of retirement age.** This represents an extension of measures aimed at enabling people to live and work with disability which currently are available to the working age disabled people or to three special groups: people with forecasted disability, victims of the Chernobyl Nuclear Power Plant accident, and politically repressed persons. The measure provides a social rehabilitation course that lasts for 21 days. The measure is consistent with CSR 4: ‘tackle high rates of poverty and social exclusion by reforming the social assistance system’. The funding required for implementation in 2013 amounts to EUR 657,890.
- **Lithuania [14.3.b.Apr13] – Proposed amendments to the law - Increased incentives to work.** The government proposes that social benefits to unemployed persons should be paid for a period of 12 months and then gradually reduced: after 12 months – by 20%, after 24 months – by 30%, after 36 months – by 40%, etc. With regard to granting social benefits to deprived persons, more powers are to be transferred to the local authorities. In addition, the list of unemployed persons, to whom 50% of previously received social benefits will be paid for another 6 months after getting employed, will be extended. The proposed amendments are in line with the NRP priority action direction: “Form a more inclusive labour market” and with the CSR ‘Increase work incentives and strengthen the links between the social assistance reform and activation measures, in particular for the most vulnerable, to reduce poverty and social exclusion’. Budget details not available.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Belgium [1.3.a.Oct12]-</b> <u>Reform effective as of 1 November 2012 - Gradual decrease in the unemployment benefit.</u> To reform the level of unemployment benefits to decrease gradually with the duration of unemployment.	<b>Jan 2013 update:</b> The changes are effective. This modification is positive from a public expenditure point of view, but negative from the unemployed point of view. As of yet there is no evaluation.	No progress reported by April 2013
<b>Spain [9.3.a.Oct12] – Royal Decree - Unemployment benefit reduction.</b> Unemployment benefit will be reduced (cost savings of c. EUR 660 million are expected)	No progress reported by Jan2013.	The average amount of the benefit has not declined since the benefits have been cut, except for young people, aged between 15 and 24.
<b>Spain [9.3.b.Oct12] -</b> <u>Royal Decree – Stricter access to Social Security minimum income schemes</u> (cost savings are expected to represent EUR 967 million)	No progress reported by Jan2013.	No progress reported by April 2013
<b>The Netherlands [18.3.b.Oct12] -</b> <u>legislative proposals – the duration of unemployment benefit (WW)</u> is planned to be shortened to a maximum of 24 months. Also, the benefits ceiling is to be reduced drastically.	No progress reported by Jan2013.	According to the largest trade unions, as well as the Labour Party, it is unlikely that the measure will be adopted as planned in the coalition agreement.
<b>Portugal [21.2.a.Oct12] -</b> <u>ministerial order - Incentive for the acceptance of job offers.</u> Recipients of unemployment benefits are offered a financial incentive if they accept a full time job with at least three months duration and a payment of at least the national minimum wage.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Sweden [26.3.a.Oct12] -</b> <u>Budget Bill - Change to the calculation of income support</u> to encourage social assistance recipients to start working or to extend their current working time thus modifying the calculation of income support (social assistance), so that only a part of their earnings from labour is included in the assessment regarding eligibility for social benefits (State Budget).	<b>Jan 2013 update:</b> Adopted by the Swedish Parliament in December 2012. It is, however, too early to assess the impact of the reform on the labour supply of persons receiving social assistance since the reform only took effect in January 2013.	Took effect in January 2013
<b>UK [27.3.a.Oct12] -</b> <u>New rules effective as of October 2012 – Stricter Sanctions on Jobseeker's Allowance.</u> The maximum loss of benefit for those claimants not actively looking for work or refusing to take a 'reasonable' job offer is extended from 3 months to up to 3 years for the most serious breaches.	No progress reported by Jan2013	Took effect in January 2013

October 2012	January 2013	April 2013
	<p><b>UK [27.3.c.Jan13] – Changes to benefits</b> applicable from April 2013. Most working age benefits and tax credits will be limited to an increase of 1 % per year for the three years beginning 2013/14. It was also confirmed that the proposed Benefit Cap will be introduced from April 2013, set at a maximum of GBP 500 per week (approx. EUR 580), the equivalent of the average earned income after tax and national insurance (i.e. GBP 26 000 per annum, approx. EUR 30 180). The expectation is that these measures will reduce social security expenditure and so contribute to bringing down the budget deficit.</p>	<p>One of the principal planks of the Government's welfare reforms (as reaffirmed in the Chancellor's Autumn Statement) is the introduction of the benefits cap (maximum of GBP 26,000 per year) has been cleared by Parliament and will be trialled in four London boroughs from April 2013 with gradual roll out to all other areas from July 2013. The cap on benefits will need to be monitored closely to assess the effects on households that will face a reduction in their income – principally in terms of their housing situation.</p>

## 4.2 Pension Reforms

A second theme under social security reforms concerns pension reforms. The relevant measures address the following aspects of pension reform:

A) The process of implementation of pension reform

Apr13: NONE

Jan13: NONE

Oct12: Czech Republic, Cyprus, Malta, Poland, Finland, Serbia

B) Acceptable living standards for pensioners and social assistance recipients

Apr13: Germany, Estonia, Latvia, former Yugoslav Republic of Macedonia

Jan13: Poland, Romania, Slovakia, Serbia

Oct12: Germany, Latvia

C) Promoting the sustainability of pension schemes and private and company-based pension schemes

Apr13: The Netherlands

Jan13: Hungary, Latvia

Oct12 Germany, Malta.

### 4.2.1 Process of implementation of pension reform

**New measures introduced during the past quarter (April 13) include:**

**NONE**

**Progress with pre-existing measures related to pension reform:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Cyprus [12.3.d.Oct12]</b> – legislative act, subject to discussion with the EU/IMF/ECB - <b>Proposal to extend the retirement age from 63 to 65</b> (Funding arrangements: extension of existing structure of contributions)	<b>Jan 2013 update:</b> The retirement age will be increased gradually (6 months per year) from 63 to 65. Earlier retirement will be possible but the pension entitlement will be reduced at the rate of 0.5% for each month ahead of schedule. The retirement age will be tied to life expectancy. Payments by employers and employees to the Social Insurance Fund will be increased by 1% point to 7.8% and by the self-employed and self insured to 14.6%. The years of contributions needed to qualify for an old age pension increase from 10 to 15 years from April 2013. Annual increases to the social pension to cover inflation are suspended until December 2016 and the amount is set at EUR 336.28. For public servants who have pensions from a number of jobs, the maximum pension is fixed at 50 % of the maximum salary earned. The contribution for transferring a public sector pension to a widow or to dependent children increases from 2 % to 3 % from 1 January 2013. A number of grants are abolished or reduced in value. The health care system will be reformed to make the system more viable.	No progress reported by April 2013
<b>Czech Republic [3.3.a.Oct12]</b> – <b>Introduction of the second pension pillar as of 2013</b> (budget not yet known).	The second pillar commenced on 1 January 2013	No progress reported by April 2013
<b>Poland [20.3.a.Oct12]</b> - <u>Draft Law under public consultation</u> - <b>Increasing retirement age</b> of both women and men to 67 years.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Serbia [31.3.a.Oct12]</b> - <u>announcement on pension reform</u> – <b>Inclusion of pension reform plans in the Fiscal Strategy 2013-2105</b> . Legislation has yet to be developed.	No progress reported by Jan2013	No progress reported by April 2013

#### 4.2.2 Acceptable living standards for pensioners and social assistance recipients

**New measures introduced during the past quarter (April 13) include:**

- **Germany [5.3.d.Apr13] - Law adopted 22 March 2013 - Reform of the educational package (*Bildungs- und Teilhabepaket*)** - The educational package supports children of low-income families with cooked lunch, school books and other materials, private lessons, sports and cultural activities. Credits and vouchers are given to the families by the local labour agencies. By partial turning away from the non-cash and voucher orientation of the benefits, this reform of the educational package aims to reduce bureaucracy and grants the municipal providers more liberties in providing this service in cash. In some cases, the municipal providers will be able to cover their recipients requirements, e.g. for school excursions, with cash money, and standard rates, e.g. a lump sum for a local traffic ride (EUR 5), were defined to reduce the administration effort and to create a distinct legal basis for the municipal providers. According to the Bundestag, the measure is cost neutral. Due to its complex application procedure, it is arguable that a reform of the educational package is reasonable. However, this reform does not seem to go far enough, and there are doubts whether, in general, the approach of the educational package is the most effective.
- **Estonia [6.3.c.Apr13] – Adopted Law to be enforced in two stages: partially from the 1st of July 2013 and fully from January 2015 - Need based child benefits**. Additional benefits paid to families whose income is below the relative poverty line, to complement the existing universal child benefit system, and aiming to reduce child poverty. The measure directly responds to CSR 2, which among others stipulates „...better targeting family and parental benefits...“. The measure appears to be relevant and adequate. It is expected that child poverty (0-17) will decrease by 2 percentage points in 2015 as a result. Until now in Estonia parental benefits are paid universally and not based on actual need. New the term “need-based child benefits” is introduced. A criticism relates to how ‘need’ is defined, in relation to the poverty line, rather than minimum income level. The assigned budget is EUR 2,6 million in 2013 and EUR 10,5 million in 2015.
- **Latvia [13.3.m.Apr13] – Legislative proposal under discussion - Higher benefits for people with disabilities**. The Ministry of Welfare has prepared a proposal to increase benefits for people with disabilities in 2014 in accordance with the consumer price index. Additionally, for disabled people that need care services the benefit will increase from 143 EUR to 214 EUR. The proposal responds to CSR 4: “tackle high rates of poverty and social exclusion by reforming the social assistance system to make it more efficient” and its anticipated budget will be EUR 2.7 million.
- **former Yugoslav Republic of Macedonia [30.3.a.Apr13] - Law - Increasing the amount of social assistance and introducing new measures of social assistance**. The measure increases the amount of social assistance and introduce a new type of social assistance, that is measures for employment of persons who until the age of 18 had a status of children without parents and parental care. Moreover, the amendments slightly change the indexation. Whereas the nominal amount of the financial assistance is indexed to inflation (CPI), the Law states that there will not be downward revision of the nominal amount in case of deflation. The measure does not refer to a specific recommendation in the Progress Report. It aims at improving the living standard and reducing poverty levels of the target group.
- **former Yugoslav Republic of Macedonia [30.3.b.Apr13] – Law, Official Gazette No. 166/2012, applicable as of February 2013 - A one-off increase in pensions**. The measure is implemented through amendments to the Law on Pension and Disability Insurance (PDI) which incorporated a one-off increase of pension levels for 2013, besides the regular indexation of pensions to inflation and average wage. The measure is not related to any recommendation, or the progress Report. It is driven by the need to improve the living standard of pensioners and mitigate the effect of rising food prices. However, it could also be related to the March 2013 local elections.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<p><b>Germany [5.3.b.Oct12]</b> - <u>Proposal under discussion in Parliament – Topping-up low pensions of persons with long contribution periods (<i>Zuschussrente proposal</i>, now replaced by the <i>Lebensleistungsrente-proposal</i>)</u>. The aim is to reward long labour market histories, prevent old-age poverty and valorise mothers' contribution to society, for women who earned less over their life-cycle due to child-rearing (Cost of c. EUR 5 billion to the state budget, to be funded from taxation)</p>	<p>The <i>Zuschussrente</i>-proposal described in Oct12, has been replaced by the <i>Lebensleistungsrente</i>-proposal, which will come into force in late 2013. The main idea is to top up pensions of workers with a low contribution period, but low income to a level above the minimum income threshold. The level of pension is not yet decided, though it might be under the EUR 830 - 850 proposed by the Minister of Labour</p>	<p>In March, the former sceptical CSU accepted <i>Lebensleistungsrente</i> in exchange for the so-called mother's pension (<i>Mütterrente</i>). The mother's rent aims at an equation of pension payments for mothers of children born before 1992.</p>
<p><b>Latvia [13.3.f.Oct12] - Social security for the poor (Budget 2013)</b>. From 2013 the guaranteed minimum income (GMI) for low income households will be reduced from EUR 57-64 to EUR 50 per month. The GMI will be fully financed from the budgets of municipalities (total funds available for GMI in 2013 will be c. EUR 22 million)</p>	<p>The measure has been in effect since 1 January 2013. A positive change is that the municipalities will be free to increase the level of GMI up to EUR 128 for various population groups (e.g. child benefit, old-age and disability pension recipients). The GMI limit represents a minimum and some municipalities may pay more. For example Riga has made an unofficial promise that the GMI will stay at its previous level. It is also noteworthy municipal elections will take place during 2013.</p>	<p>No progress reported by April 2013</p>
	<p><b>Poland [20.3.c.Jan13] – Law - Amendment to the law on family benefits and other acts</b>. The amendment to the Family Benefits Act, adopted by the government, provides for two types of benefits: nursing care (independent of family income) and special care allowance (dependent on family income). As of 1 July 2013, the amount of care benefit will be PLN 620 (EUR 148) per month. Income criteria will not apply. Entitled to receive it will be all the people who give up work to take care for a disabled person, if the disability occurred before the age of 18 years or during school education. Persons entitled to provide care will therefore be: parents (mother or father), actual child carers and other people who have the duty to pay maintenance (except for those with severe disabilities). It is also proposed to introduce a new benefit paid under the family benefits - special care allowance. The condition of receiving it is the resignation from employment or other gainful activity due to the need to exercise constant care of a family member having a</p>	<p>No progress reported by April 2013</p>



October 2012	January 2013	April 2013
	disability certificate. The amount of the special care allowance will be PLN 520 (EUR 124) per month, for people who meet the income criteria. The measure is consistent with the National Reform Programme 2012-2013 actualisation (3.2.8) 'Development of coherent policy for supporting families and child care'.	
	<b>Poland [20.3.d.Jan13] – Law - Changes in the childbirth allowance.</b> As of 1 January 2013, the right to limited support for the birth of a child (co- called "becikowe"), will depend on the income criterion, which will be PLN 1 922 (EUR 459) per month per person in the family. This is a minor change, not expected to have a significant effect on childbirth rates.	No progress reported by April 2013
	<b>Romania [22.3.a.Jan13] - Indexation of the pension point by 4% (first application of the new indexation system provided by the new pension law adopted at the end of 2010).</b> The measure is intended to increase the income of more than 4.7 million pensioners and is the first of its kind in the last three years. Since the end of 2009, the value of the pension point has been frozen at a value of RON 732.8 (approx. EUR 162.8). The measure practically only adds to the pension point the increase in prices of last year (2012 and as reflected by the CPI conventional measure). It however almost leaves aside, if applied as such, the real increase of the national average wage. This was supposed to be taken into account at a rate of 50% (inflation is taken into account fully-100%). The measure was much awaited and part and parcel of the commitments made in the hard-fought election of November 2011. The measure marks the first application of the indexation principles enshrined in the new public pension laws as adopted at the end of 2010. In general it is coherent with the Government's program of boosting domestic demand and it does not run contrary to any of the recommendations in the MoU.	Law in current application. Coherent with the Government's policies of shielding the most vulnerable from the effects of the crisis.
	<b>Slovakia [24.3.b.Jan13] - Law Amendment under discussion in parliament – Law on subsidies under the responsibility of the Ministry of Labour, Social Affairs</b>	No progress reported by April 2013



October 2012	January 2013	April 2013
	<p><b>and Family (MOLSAF)</b> - The reason for the proposed amendments is misuse of support provided to children-pupils from households in material need. Children from a disadvantaged environment are entitled to a free lunch, but often lunches are taken although children are truant. Consequently, the measure proposes that school aids will become property of schools and provision of free lunches will be discontinued for children with more than 5 hours of unexcused absence in a month. If adopted, the amendments will create the conditions for improved school attendance of children from problematic environments, what should translate into their better prospects for future labour market entry.</p>	
	<p><b>Serbia [31.3.b.Jan13] – Regulation - Social Cards for Energy Consumption.</b> Before the increase in energy prices for households (scheduled for the end of Q1 2013), the Ministry of Energy, Development and Environmental Protection initiated the creation of social cards for vulnerable consumers, including social assistance and means-tested child allowance beneficiaries. The aim of the measure is to protect poor households from negative effects of the energy price increases. The social cards are now largely prepared, and the proposal of Regulation on Energy Protected Consumers was completed in January 2013. According to the proposal, eligible households will be exempt from the payment of 120-250 kWh of electrical energy, or an equivalent value of gas for household use. Although the system appears to be relatively simple and well designed, challenges may arise in the implementation phase related to the cooperation between the local centres for social work and other social protection institutions (budget details not provided).</p>	<p>In March 2013 The Government passed the Decree on energy protected customers, as an operationalisation of the measure, defining the criteria for a household to qualify for a subsidised energy.</p>

#### 4.2.3 Promoting the sustainability of pension schemes and promoting private pension schemes

**New measures introduced during the past quarter (April 13) include:**

- **The Netherlands [18.3.c.Apr13] – Public debate - Pension provision for self-employed without personnel.** The Dutch government wants to support self-employed people in their attempts to build a pension. It wants to investigate if there is an option to create a voluntary collective pension arrangement for self-employed without personnel eg by supporting initiatives to set up a collective pension fund. Secondly, the government wants to reassess the rule that self-employed who apply for welfare first have to use up their pension fund which they saved for individually, before welfare is granted. It is too early to assess these ideas as debate and research has just started on the topic....

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Germany [5.3.a.Oct12]</b> – <u>Legislative proposals</u> – Reduction of pension contributions. The reduction of pension contributions, is part of the pension reforms taking place in Germany, in parallel with thoughts around promoting company based and private pension schemes and with the debate on topping-up low pensions	The reduction in pension contributions is in force since January 2013. Contribution rates to public pension schemes were reduced from 19.6% to 18.9%, which is questionable in the light of demographic change. On the other hand, contribution rates to old-age long-term insurance were increased from 1.95% to 2.05% (to 2.3% for people with no children), which is reasonable in the light of the demographic change	No progress reported by April 2013
<b>Malta [17.3.a.Oct12]</b> - <u>strategy under development</u> - <b>National Strategy for Financial Literacy</b>	No progress reported by Jan2013	No progress reported by April 2013
	<b>Belgium [1.3.e.Jan13]</b> – <u>Law</u> – <b>Wage bonus: solidarity contribution and increase of the ceiling.</b> Established in 2008, the wage bonus, (bonus to a worker if a company's goal is reached), was previously exempt from social security contributions and regular tax, provided they did not exceed a certain limit. From 1 January 2013, the ceiling of the tax-exempt bonus is raised (to EUR 3 100 against the previous EUR 2 200 in 2012) and the worker will pay a solidarity contribution of 13.07% on the amount received. This measure is intended to increase tax income and social security contributions through a law adopted on 27 December 2012, effective from 1 January 2013 (no budget details provided).	No progress reported by April 2013
	<b>Germany [5.3.c.Jan13]</b> – <u>Draft Law</u> - <b>Promoting private pension schemes and savings for retirement.</b> The draft law responds to CSR 3 'reduce the high tax wedge in a budgetary neutral way, in particular for low-wage earners'. The promotion of private pension provision is one pillar of developing the pension system in the light of demographic change. However, the current generation has to bear much of the burden as they have to build-up private savings in addition to paying social contributions for the pay-as-you go pension scheme (no budget details provided).	In January, the draft law which aims at improving the promotion and comparability of private pension plans (Altersvorsorgegesetz) was decided in the finance committee of the Bundestag. On 18 March, due to controversies between the government-led Bundestag and the opposition-led Bundesrat concerning the fiscal funding limit of private pension funds, the Bundesrat invoked the mediation committee (Vermittlungsausschuss).
	<b>Hungary [16.3.a.Jan13]</b> - <b>Compulsory retirement for public sector employees.</b> Laying off public employees	No progress reported by April 2013

October 2012	January 2013	April 2013
	after reaching retirement age and the minimum number of years of service (excepting University professors, politicians etc.). The measure is not coherent with either COM recommendations or announced policies.	
	<b>Latvia [13.3.j.Jan13] – Law - Lower Mandatory State Social Insurance Contribution rate for pensioners or those that have reached retirement age.</b> Marginal changes have been made to the contribution rates of workers who have reached retirement age or who have been granted state pension.	No progress reported by April 2013

### 4.3 Health insurance system reforms

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing measures:

October 2012	January 2013	April 2013
	<b>Slovenia [23.3.a.Jan13] – Law - Adoption of the Pension and Disability Insurance Act (ZPIZ-2)</b>	No progress reported by April 2013
	<b>Turkey [32.3.b.Jan13] – Amending Social Security and General Health Insurance Law and Some Other Laws.</b> Introduces sweeping new general health benefits scheme and reduces employers' social security contributions. Social Security Institution (SGK) is responsible. The measure directly and consistently tackles the sustainability and job creation challenges faced by Turkey. Its effectiveness as a policy instrument remains to be seen. No budget details have been provided.	No progress reported by April 2013

## 5 Policy Area 4: Work Life Balance

Under this policy area, 4 countries have introduced a total of 4 new measures contributing to reconciling work and family life and thus to increasing the participation of women in the labour market – Poland, UK, former Yugoslav Republic of Macedonia and Serbia.

A) Increasing child/family care provision

Apr13: UK

Jan13: Czech Republic, Germany, Ireland, Malta

Oct12: Cyprus, Poland, Croatia

B) Changes in parental leave arrangements/benefits

Apr13: Poland, former Yugoslav Republic of Macedonia, Serbia

Jan13: Austria, Latvia, Croatia, Iceland

Oct12: Germany, France, Poland, Romania, Sweden

C) Enhancing job flexibility

Apr13: NONE

Jan13: UK, Croatia

Oct12: Belgium, Cyprus

### 5.1 Increasing child/family care provision

**New measures introduced during the past quarter (April 13) include:**

- **UK [27.4.c.Apr13] - Will be in the Finance Act provisions for the relevant year - Assistance with Childcare costs.** The new scheme is designed to enable those parents with young children to afford to work. The new scheme will be phased in from autumn 2015. Parents with children up to five years old will be able to reclaim up to GBP 1 200 (to a maximum of 6 000 or five children) towards their childcare costs to make the choice between working and staying at home more viable. The funding will be in the form of vouchers to be used with registered childcare providers. There is also a vague commitment to extend the support to all children aged under 12, though without any specific commitment. Parental income must be below GBP 150 000 per year. It is consistent with CSR 4 and will be funded from the general exchequer with a specified budget estimated in the region of GBP 1 billion per year.

**Progress with pre-existing measures under the title of increasing child/family care provision:**

October 2012	January 2013	April 2013
<b>Cyprus [12.4.b.Oct12]</b> - <b>subsidising the cost of day care/social care</b> provided to family members to assist the employment of women with family responsibilities (EUR 3.7m budget).	This Programme is ongoing. All emphasis is now on the MoU and unemployment.	No progress reported by April 2013
<b>Poland [20.4.a.Oct12]</b> - <b>the Welfare Act of children aged up to 3 years</b> saw the introduction of the toddler programme which aims to create new child centres thus increasing the number of childcare places in public and private institutions by granting funds to establish nurseries (EUR 9.7 million).	The government adopted the package of acts that are designed to facilitate the reconciliation of childcare and work, on 8 November 2012. The package defines detailed rules and criteria for the extension of maternity leave. The Council of Ministers also adopted a draft amendment to the Labour Code, relating to parental leave. It adapts Polish law to the requirements of EU directives and introduces provisions, according to which one of the 36 months of leave will have to be used by the other parent.	No progress reported by April 2013
<b>Croatia [28.4.a.Oct12]</b> – <u>proposal</u> - <b>revision of the early childhood care and education act</b> . The proposed changes primarily concern the quality of service.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Croatia [28.4.b.Oct12]</b> - <u>draft law</u> - <b>formalising child care provision by nannies</b> ; satisfying needs and enabling choice in childcare where capacity is insufficient. An aim of the draft law is to increase female employment and decrease informal work	The law was submitted by the government into parliamentary procedure. While explanation in this version is more coherent, no major changes were introduced in the document following the initial public consultation. Having entered the regular parliamentary procedure, the law will pass through two readings and be subject to further negotiations. Due to having lower staffing requirements and weaker pedagogical standards, while competing for the same budget of local government, there is significant concern on the part of stakeholders in the regular pre-school education system that the system may suffer from displacement effects and reaching a lower common denominator. However, parental groups and political parties have not made strong commitments on this issue	The law was adopted in March 2013.
	<b>Czech Republic [3.4.a.Jan13]</b> – <u>draft legislation</u> – <b>Long-term Care Legislation</b> . By 2013 a new law governing social and health-care services for those requiring long term care (primarily old-age and handicapped) was supposed to be in place. It is not clear the MoL has even	No progress reported by April 2013

October 2012	January 2013	April 2013
	started working on it, Ministry of Finance, Ministry of Labour and Health. The law was expected to encompass all those requiring long-term care and the relatives who have to care for them.	
	<b>Germany [5.4.b.Jan13] – Law - Provision for the expansion of supply of daycare centers.</b> Adopted on 20 November 2012, and aimed at working parents, this measure is a financial provision for the creation of 30 000 additional places for children under the age of three. It is a once-off provision to be funded through the Federal Budget. It is consistent with CSR 3 to increase the availability of full time childcare facilities and all-day schools. However, while it is a credible measure, it is likely to be inadequate to meet the need for places - about 220 000 places were still needed in Spring 2012. The specified budget for the measure is EUR 580 million.	99 % of the originally planned federal subsidies (EUR 4 billion) for daycare centers were already requested in the end of January 2013 by municipalities and the Länder. The additional subsidies of EUR 580 million were approved on 31 January: the same day the German development bank KfW and the Federal Ministry for Families started the loan programme (EUR 350 million) for the expansion of childcare. The legal claim for a place in a day nursery will come into effect in August 2013.
	<b>Ireland [7.4.a.Jan13] – Administrative procedure by Department of Children and Youth Affairs - Additional after school childcare places.</b> Provision of additional <i>after school</i> places for primary school children from low income families. The parent will first be identified from among the unemployed and referred as being an appropriate applicant. There is a wide range of existing supports which help to provide childcare <i>during</i> school hours. The measure is coherent with the MoU stipulation concerning enhancing incentives to work. It complements a wide range of existing supports which help to provide childcare during school hours while at the same targeting low income families. The measure will be funded through the exchequer with a specified budget of EUR 14 million.	No changes or other developments are evident, other than a reference in the Action Plan for Jobs 2013 reaffirming that 6,000 childcare places are being made available.
	<b>Latvia [13.3.h.Jan13] - Action Plan 2013-2017- National Family Policy Guidelines 2011 - 2017.</b> The action plan <i>National Family Policy Guidelines 2011 – 2017</i> outlines support for measures for families with children. An immediate measure is to raise the personal income tax allowance for a dependent child. Targets have been set such as the desirable percentage increase in marriages and in the birthrate for 2014 - 2017. The measure is	No progress reported by April 2013

October 2012	January 2013	April 2013
	coherent with the national targets and directly encourages parents' participation in the labour market.	
	<p><b>Malta [17.4.a.Jan13] – <u>legal status unknown</u> – New Child Care Centres.</b> To facilitate the employment of women by taking care of their children during working time, the government started constructing a new child care centre in San Gwann that should come into operation in the first months of 2013. Another three centres, in Naxxar, Gzira and Zurrieq are also being constructed. Yet another centre is due to open in Gozo. Whereas these government child care centres are under the responsibility of the Foundation for Educational Services, the one in Gozo will be under the responsibility of the Ministry for Gozo. The measure is consistent with CSR 3 and NRP 3.1.3.10, increasing the number of women in employment. The government has in recent months published standards for child care facilities and launched a scheme providing improvement grants to existing facilities, in order to regulate and facilitate the provision of child care. The specified budget for the measure is EUR 5.3 million - over the past five years has been spent on the opening and running of such centres.</p>	<p>The previous Government opened three child care centres in February and March 2013, in Naxxar, San Gwann, and Gharb (Gozo). Further, it renewed its pledge to build other childcare centres in Gzira and Zurrieq</p>
	<p><b>Malta [17.4.b.Jan13] – <u>legal status unknown</u> – New Klabb 3-16.</b> The existing 8 Klabb 3-16 centres offer educational and recreational activities to children and students attending government, church and independent schools until 6pm. The government announced that another 30 of such centres would be set up in 2013 in various localities across Malta and Gozo. Between October 2009 and September 2012, about 3 000 children made use of such services. The objective of the measure is to facilitate the employment of women by taking care of their children during working time. It is consistent with NRP and CSR. The budget for the measure is unknown but it is currently being implemented.</p>	<p>No progress reported by April 2013</p>



## 5.2 Changes to parental leave arrangements and/or benefits

New measures introduced during the past quarter (April 13) include:

- **Poland [20.4.d.Apr13] - Systemic project co-financed by ESF NGO Initiatives Competition 2013 - Equal opportunities for women and men in the labour market.**  
This measure is targeted at parents on leave/raising children. The Ministry of Labour & Social Policy announced a competition for projects in the area of equal opportunities for women and men in the labour market. It is an open contest for NGOs with a deadline of 22 March 2013. The priority action is to support the mobilisation of women returning to work after maternity/parental leave or other care of dependents. The objective of the measure is to increase of women's participation in the labour market and support employment of parents after leave related to raising children. It is a temporary action for 2013 and consistent with CSR No 3, to combat labour market segmentation. It will be funded from the national budget and ESF with a specific budget of EUR 72 115 (300 000 zlotys).
- **Former Yugoslav Republic of Macedonia [30.4.a.Apr13] – Law, 23.01.2013 Official Gazette No.13 - Increased protection of female workers during pregnancy, birth and parenthood.** The Ministry of Labour and Social Policy is responsible for the implementation of the law the aim of which is to fight the discrimination of female workers in the labour market and to provide greater protection of female workers during pregnancy, birth and parenthood. The measure comes as a government response to the allegations that employers discriminate against females in the selection process (asking females questions about family planning during job interviews), firings during pregnancy or maternity leave (which are prohibited by the law) etc. This measure is related to the recommendation of the Progress Report: "There is a need for better protection of the rights of women, including those in vulnerable groups". (P.16). The measure requires no funding.
- **Serbia [32.4.a.Apr13] - Law - Labour Law amendment of protection of employment of pregnant women.** The law was adopted on 8 April 2013 and the institution responsible for delivery is the Ministry of labour, employment and social policy. The objective of the law is to improve position of pregnant women and women after childbirth in the labour market, to promote gender equality in the workplace, to enhance work-life balance. The provisions of the measure include: 1) pregnant women who have fixed term contracts will have their contract automatically extended until the end of the maternity leave; 2) any dismissal will be annihilated if an employer know about eh pregnancy or if a pregnant women informs the employer about her pregnancy within 15 days of dismissal with the valid confirmation from the physician or other authorised person; and 3) employer is obliged to secure to employed women who return to work before the expiration of maximum period of maternity leave (1 year after the birth) right to one or more breaks in the course of working time lasting 90 minutes or the reduction of working time of 90 minutes in order to allow mothers to breast feed if their working time lasts six or more hours. It is coherent with policy commitments on gender equality. There is a recent history of legislation extending the labour rights of women on maternity leave - extension of paid leave and increase in replacement rate. Funding is not applicable here.

**Progress with pre-existing measures regarding the introduction of changes to leave arrangements / benefits:**

October 2012	January 2013	April 2013
<b>France [10.4.a.Oct12] – <u>Proposal</u> - To facilitate a more rapid return to employment for women with young children.</b> Proposal by the Minister for Women's Rights.	No progress reported by Jan2013	No progress reported by April 2013
<b>Poland [20.4.b.Oct12] – <u>draft Act</u> - To extend paid maternity leave from six months to one year available for the mother and father</b>	The government adopted the package of acts that are designed to facilitate the reconciliation of childcare and work, on 8 November 2012	Ministry of labour and social policy announced first edition of the Programme in 2013.
<b>Sweden [26.4.a.Oct] - <u>Proposal</u> – for Changes in parental leave arrangements.</b> The proposal is to allow a maximum of 20 % of the current 480 parental benefit days to be used after the child's fourth birthday in order to increase the labour participation and speed up the integration of newly arrived immigrant women (mothers) into the labour market	The proposal that the government will come back with legislative proposals in 2013 has been adopted by the Swedish Parliament in December 2012	No progress reported by April 2013
<b>Germany [5.4.a.Oct12] - <u>Law</u> -introducing a child rearing benefit for inactive women to care for their young children at home.</b> The Ministry of Family had proposed the introduction of a "child-rearing benefit" (Betreuungsgeld) amounting to 100 EUR for those families with children up to the age of three who decide to not use childcare facilities but to raise their child by a non-working parent.	No progress reported by Jan2013	The agreement of educational saving (Bildungssparen) was a prerequisite to the consent of the FDP for the child rearing benefit and shall be adopted as 'Supplement Law for the Child Rearing Benefit' (Gesetz zur Ergänzung des Betreuungsgeldes) in the coming weeks.
<b>Romania [22.4.a.Oct12] - <u>Law</u> – Increasing the amount of benefit granted for parents taking child care leave up to two years after a child's birth.</b>	No progress reported by Jan2013	No progress reported by April 2013
	<b>Austria [19.4.a.Jan13] – <u>Law</u> - Reform of Childcare Leave Regulations.</b> Adopted on 5 December 2012, the measure is aimed at parents in so-called patchwork families and non-natural parents living in the same household in order to make childcare duties more flexible and more adapted to new family forms. The entitlement to paid childcare leave has been extended to so-called patchwork families. From 1 <sup>st</sup> of January 2013 on, parents who do not live in the same household with their biological child are entitled to one week paid childcare leave (or two weeks for children below the age of 12 years). The	As of 1 January 2013, the regulations for paid childcare leave have been expanded. Now parents in so-called patchwork families and non-natural parents living in the same household can also take leave when a child becomes ill. The expansion of childcare leave to non-traditional families and households is a necessary and important step to adapt social and welfare laws to family-situations commonly occurring today.

October 2012	January 2013	April 2013
	entitlement also includes non-natural parents but living in the same household with the child of their partner (registered partner or partner in life); former spouses after divorce, even without common custody; same-sex relationships. The entitlement also covers the parental guidance of the child's hospital stay. In Austria currently about 70 000 patchwork families and 100 000 single parent families exist. This requires flexible childcare arrangements for employed parents in the case of children's illness. In this respect the reform contributes to a better work-life balance of parents living in non-traditional family forms. No public funding is required.	
	<b>Latvia [13.3.g.Jan13] – <u>Law</u> - Increase of minimum parental allowance</b> - The parental allowance increased from EUR 90 to EUR 142 per month starting in January 2013. (The measure is expected to cost nearly EUR 370 000 per year). The parental benefit is extraordinarily generous for high earning parents. This amendment helps those at the lower end of the income spectrum.	No progress reported by April 2013
	<b>Hungary [16.4.b.Jan13] – <u>Law</u> , government regulation (420/2012)- Support of additional days off for fathers.</b> Adopted on 1 January 2013, this is a government refund to employers for the cost of fathers' additional day offs related to the birth of a child, in order to lighten the burden of labour cost on employers. It is a permanent measure funded via the government budget.	No progress reported by April 2013
	<b>Croatia [28.4.d.Jan13] – <u>draft legislation</u> - Revisions and amendments of the Law on Maternity and Parental Benefits.</b> The measure is targeted at parents and foster parents. The objective of the measure is equalisation of parental leave rights for different groups of employed parents (employees, self-employed, employed foster parents), as well as harmonization with updates of European standards in the area. Parental leave is nominally set up in such a way to be split evenly between both parents (4+4 months), with two months being untransferable, instead of 6 months in total plus two additional months if male partner takes up three or more	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>months. However, total benefits are largely unchanged, so compensation still decreases after six months of parental leave from the ceiling of 80 % budgetary baseline to 50 % of the baseline. It responds to Council directives 2010/18/EU, 2010/41/EU. This law is for the most part changed as updates took place in regulation of parental leave at the European level since the last time this field was brought in line with the <i>acquis communautaire</i>. While past regulation of parental leave was awkward, the current solution is more elegant and should not run counter to any other policies. No change in expenses are foreseen.</p>	
	<p><b>Iceland [29.4.a.Jan13] – Law – Amendments to the Act on the Childbirth Leave Fund.</b> Adopted on 22 December 2012 and to be implemented in the period 2013 – 2015, the measure is aimed at parents with young children to make the family-work transition easier for new parents. Maximum payments increased from EUR 1 766 (ISK 300 000) to EUR 2 060 (ISK 350 000). Total maternity/paternity leave has been extended from 9 to 12 months. The leave can be spread over the first two years in the child's life, or after a child enters the home following adoption or fostering. Parents will not be forced to extend their leave or take leave, but the amendments will reduce the opportunity cost of those holding well-paid jobs, and lengthen the period parents can spend with their children. It is a permanent measure aimed at ensuring that children enjoy the care of both parents, and make it possible for both parents to coordinate family and work. The Act is seen as one of the cornerstones of Icelandic social/labour policy. It is funded by the Childbirth Leave Fund, with a specific budget of EUR 5 million.</p>	<p>No progress reported by April 2013</p>

### 5.3 Enhancing job flexibility

New measures introduced during the past quarter (April 13) include:

NONE

**Progress with pre-existing measures related to employment flexibility:**

October 2012	January 2013	April 2013
<b>Belgium [1.4.a.Oct12] – <u>Collective Agreement</u> – New Regulation of time credit.</b> Reorganisation and strengthening of the time-credit system.	The current measure modifies the regulation by strengthening the conditions according to the Government Programme. Figures are not yet available since the measure has been recently implemented	No progress reported by April 2013
<b>Cyprus [12.4.a.Oct12] - <u>Decision by ESF &amp; CPS</u> - Subsidy scheme to stimulate the availability, popularity and acceptance of flexible forms of employment</b> (EUR 3 million budget)	This programme is ongoing. All emphasis is now on the MoU and tackling unemployment	No progress reported by April 2013
	<b>Czech Republic [3.4.b.Jan13] – <u>Law</u> - Support for Parents who are Studying.</b> Adopted in 2013, The Lower houses of parliament approved tertiary reform legislation providing various tax and benefit advantages to studying parents. It will be funded through tax breaks.	No progress reported by April 2013
	<b>UK 27.4.a.Jan13 – <u>Proposed legislation</u> - Extension of flexible working rights to all employees and changes to parent leave.</b> The measure is expected to be adopted for parental leave in 2013 and for all employees in 2014. The right to request flexible working is to be extended to all employees from 2014 and for those with children the right to share parental leave for up to 12 months. The purpose of the measure is two-fold; a) to allow employees to work more to suit their own circumstances and for employers to be able to recruit from a wider pool of labour. It also is expected to lead to a more adaptable workforce with consequent knock-on effects for productivity and performance; b) to allow parents to distribute their childcare responsibilities according to their best needs. It is a permanent measure which doesn't respond directly to any UK CSR although it has some relevance to CSR 4. However, the development responds directly with implementation of EU Directive 2010/18 on parental leave which has to be extended to four months (currently 13 weeks in the UK) and to agency workers. The extension of the right to request flexible working also fits with social equity aims to give better working conditions to all groups. It should also help foster gender equality. It fully	No progress reported by April 2013

October 2012	January 2013	April 2013
	implements EU Directive 2010/18 on parental leave and takes forward the 2003 legislation that already allows some categories of workers to request flexible working. No extra funding is needed for the measure.	
	<b>Croatia [28.4.c.Jan13] – Law - Revisions of Protection on the Workplace Act.</b> Directed at pregnant workers and workers who have recently given birth, the measure offers increased protection of mothers and child health without reduction in income. Adopted on 7 December 2012, employers are obliged to temporarily adjust working conditions, place, working time or workplace in order to protect health and safety of pregnant workers, those who have recently given birth or are breastfeeding, without reductions in wage. The assessment is provided by a medical doctor, and the employer is made legally responsible. It is a permanent measure, and responds to Council directive 92/85/EEC. It complements maternity leave provisions, increasing incentives for taking up employment earlier or sharing of parental leave between parents. Additional funding is not required.	No progress reported by April 2013

## 6 Policy Area 5: Job Creation

Under the job creation policy area, 14 countries have introduced a total of 19 new measures in the past quarter:

- A) Micro-credit schemes and financing for SMEs
  - Apr13: Finland
  - Jan13: NONE
  - Oct12: Lithuania, UK
- B) Employer subsidies
  - Apr13: Czech Republic, Hungary, Latvia, Lithuania, Romania, UK, Serbia
  - Jan13: Malta, Iceland
  - Oct12: Belgium, Greece, Italy, Latvia, Romania
- C) Simplifying the business environment
  - Apr13: Austria
  - Jan13: Hungary
  - Oct12: Malta, Poland, UK
- D) Public investment programmes and investment incentives
  - Apr13: Czech Republic, Denmark, Luxembourg, Malta, Romania, Serbia
  - Jan13: Malta, Slovakia, UK
  - Oct12: Denmark, Latvia, Finland, Turkey

### 6.1 Micro-credit schemes

**New measures introduced during the past quarter (April 13) include:**

- **Finland [25.5.a.Apr13]** – Government 10-year initiative and fund - **Growth Fund Programme**. The Programme provides risk investment funding and is targeted towards growth companies, and the risk funding would be used mainly to hire highly skilled personnel. The measure is consistent with CSR 5 and promoting growth and competitiveness (AGS). The total fund available to SMEs through TEKES (the Finnish Funding Agency for Technology and Innovation) for start-ups, and through SuomenTeollisuussijoitus (Finnish Industry Investment) amounts to EUR 55 million.

**Progress with pre-existing measures:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Lithuania [14.5.a.Oct12]: Entrepreneurship Promotion Fund (EPF)</b> - adopted in March 2011, evaluated during the third quarter of 2012	No further progress reported by Jan2013	No progress reported by April 2013
<b>United Kingdom [27.5.b.Oct12]: Creation of a Business Bank</b> – (still at planning stage) – the aim is to create a new virtual bank underwritten by the state but attracting funds through the wholesale money markets. (State funding estimated at GBP 1 billion – EUR 1.2 billion with the aim to attract around GBP 10 billion of funds from the money markets, with any risk underwritten by the state)	The measure was confirmed in the Chancellor's Autumn Statement though the timing is still vague. The initial funding of GBP 1 billion was confirmed and this is relatively small in relation to the needs of SMEs. Also the timing of when applications can be made is unclear, as is the process involved	The government (through BIS) has appointed a group of respected business and finance experts to advise on the direction and priorities of the Business Bank - The setting up of the advisory group is a step towards getting the Business Bank operational and the composition of the groups seemed relevant and balanced. However, progress continues to be slow and the initial release of GBP 300 million over the next two years is woefully inadequate when set against the needs of SMEs



## 6.2 Employer subsidies for job creation

New measures introduced during the past quarter (April 13) include:

- **Czech Republic [3.5.b.Apr13]** – Government proposals - **Employer subsidies to support part-time job creation.** The government plans to offer a subsidy (through the District Labour Offices) to those employers who (instead of hiring someone for a full-time position) hire long-term unemployed or parents taking care of a child (children, dependent relatives) for part-time positions. The aim is to enhance supply of part-time jobs and foster streamlining work and family life.
- **Hungary [16.5.b.Apr13]** - Grant by the Ministry of National Economy based on the Budget Law for 2013 - Employer subsidies for maintaining and creating jobs (NFA-2013-KKV). This is a renewed provision of financial support for investment in order to motivate SMEs to create new jobs, with a target to create 5200 new jobs and to preserve 10 000 existing jobs in 2013. This is a measure recurring every years since the mid-00s. It is coherent with the wording, but not the spirit of the recommendations, as it might induce deadweight losses of an unknown, but most probably significant size.. Budget of HUF 10 billion (EUR 33 million).
- **Latvia [13.5.c.Apr13]** – ESF co-funded wage subsidy scheme, running from 2008 to 2013 - **600 new subsidized jobs.** Latvian employers can apply for grants from the State Employment Agency (SEA) grants to employ people who find it hard to get a job. SEA funding covers 50% of the wage, which is set by the employer in case the person is hired (but the subsidy is subject to a ceiling equal to the minimum wage). Responds to CSR 3: "enhancing the quality, coverage and effectiveness of active labour market policy and its training component through an effective wage subsidy scheme". The total budget for 2008 -2013 has been EUR 13 million, covered by state and ESF funds.
- **Lithuania [14.5.b.Apr13]** – Law adopted 14 February 2013 - **Improvement of the measure of Local employment initiatives (LEI).** So far, in order to receive a subsidy for establishing a new job under the LEI measure administered by the Lithuanian Labour Exchange (LLE), an employer was required to provide the local (territorial) labour exchange a letter of guarantee from a bank or insurance company for 100% of the amount of subsidy. Basing on recent LLE experience, not all employers were capable to satisfy such requirements, so employers are now allowed to provide guarantees for only 50% of the subsidy. The measure is consistent with several NRP priorities and in particular with 'promote job creation and demand for labour'. Budget details not known.
- **Romania [22.5.b.Apr13]** – framework of action consistent with the MoU - **National Action Plan for Youth Employment.** To create a coherent frame for action and synergize all partners and resources available so as to promote the cause of youth employment. The measure comes at the right time. It not only gives consistency to all of the Government's measures in terms of youth employment promotion but it also shows that the Government is committed to the inclusion of social partners in its job generation approach. The Plan responds to both NRP commitments as well as to the recent Council Recommendation regarding the Youth Guarantee. Budget of EUR 969 000.
- **UK [27.5.e.Apr13]** – Announced in the March 2013 Budget, to be legislated and to apply starting in April 2014 - **Employment Allowance.** This entails a cut in the National Insurance Contribution (NIC) that employers have to pay for each person employed. Aimed at SMEs, the main objective of the job subsidy through reductions in NIC is to protect jobs and create new ones. The provision is consistent with CSR 4 & CSR 3.
- **Serbia [31.5.b.Apr13]** - **Package of support measures to 'innovative and fast growth' SMEs.** The Ministry of Finance and the Economy will co-finance the costs of development of new products or services, significant improvement of existing products/services, new industrial design/redesign of a product, design of a new packaging, marketing, planning of the development of product/service, improvement of existing or introduction of new production process. Also, support will be given to upgrading of technical standards related to the product safety, environmental protection and energy efficiency, purchase of business software etc. The total available funds for the programme are 40 million dinars (EUR 370 000), with the MoFE cofinancing up to 50% of eligible costs.

**Progress with pre-existing measures offering job creation incentives to employers:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Belgium [1.5.a.Oct12] – forthcoming Royal Decree - Reinforcement of the reduction of social security contributions for ‘first hirings’.</b> It offers reduced social security contributions for the three first recruits for micro enterprises.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Greece [8.5.a.Oct12] - Creation of a National Network of Direct Social Intervention for the Unemployed up to the Age of 30.</b> Unemployed young people will be placed in jobs in various social structures	No progress reported by Jan2013.	The measure is now in its implementation phase.
<b>Greece [8.5.b.Oct12] - Community service programmes in culture for young people.</b> Providing temporary employment (up to seven months within a given year) to unemployed young people, in municipal construction and cultural infrastructure projects (EUR 15 million).	No progress reported by Jan2013.	According to the ‘Action Plan for the promotion of youth employment and entrepreneurship’ (final version, January 2013), launching is set for the first quarter of 2013.
<b>Latvia [13.5.a.Oct12] – Subsidies for projects creating at least 50 new jobs per company.</b> The programme opened for applications on 1 November 2012, to encourage the creation of high quality jobs by entrepreneurs who can create at least 50 new vacancies each (EUR 4.3 million budget, ESF co-funded).	Application has been available since 1 November 2012, as expected. The submission of projects continues until 28 March 2013 and the current number of applicants has not been disclosed.	The allocation of additional funding was approved by CoM on 12 March 2013: the total funding will now allow the creation of almost 600 additional work places, instead of 250.
<b>Italy [11.5.a.Oct12] - Inter-ministerial Decree adopted in October 2012 - Fund for increasing job opportunities for young people and women.</b> The fund will provide subsidies on a first-come first-served basis, up to the complete use of the earmarked resources.	No progress reported by Jan2013	No progress reported by April 2013
<b>Romania [22.5.a.Oct12] - inter-ministerial consultation, also due for discussion with the IMF - One year exemption from social security contributions for enterprises hiring workers below the age of 25 and above the age of 55</b> (budget not yet known).	No progress reported by Jan2013	Apparently the measure has been renounced, at least for this year during negotiations with IFIs.
	<b>Malta [17.5.d.Jan13] - MicroInvest scheme.</b> The scheme, in operation for a number of years, assists small businesses to innovate, expand and develop their	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>operations. Through the scheme, businesses can get 40 % of the investment to improve their own operations in the form of tax credits, up to a maximum of EUR 25 000. In the Budget 2013, the government announced that the scheme was to be extended for a further two years and was now available for companies employing up to 30 workers, from the previous threshold of 10 workers. The scheme is credible as it has already resulted in tax deductions of more than EUR 11.5 million to more than 1 700 businesses. It is also useful to note that Gozitan businesses, that tend to be in greater need due to the island's double insularity, are subsidised with up to 60 % of their investment. It was estimated that by the end of September 2012, around 600 jobs had been created through this scheme. However, It is unclear whether the changes proposed will be implemented, since the 2013 Budget was not approved.</p>	
	<p><b>Iceland [29.5.a.Jan13] – Liðsstyrkur (Support) - Create new jobs for those unemployed that will exhaust their right to unemployment benefits in the period September 2012-December 2013.</b> The Unemployment Insurance Fund will contribute the minimum unemployment benefits, currently ISK 186 417 (EUR 1 100) per month, plus an 8 per cent pension fund contribution, to cover the costs of those that are hired by the private or public sector. Firms in the private sector will provide 1 320 employment opportunities, local communities 660 and central government 220, with each job stretching over a period of six months. Those needing rehabilitation will be offered it. Since the crisis the Directorate of Labour has launched several initiatives aimed at specific targets group, i.e. long-term unemployed, young people. The unemployment benefit period was also temporarily lengthened from 3 to 4 years. This measure, which is aimed specifically at those nearing the end of their benefit period, is much more proactive than lengthening the UB period (EUR 16 million).</p>	<p>No progress reported by April 2013</p>

## 6.3 Simplifying the Business Environment

New measures introduced during the past quarter (April 13) include:

- **Austria [19.5.c.Apr13] - Company with limited liability 'light'.** The measure aims to increase the number of business set-ups in the form of limited liability companies and is another step in making business set-ups easier by reducing the administrative burden and financial requirements for company founders. The minimum amount of the authorised capital will be reduced from EUR 35 000 to EUR 10 000, which is now closer to the EU average of about EUR 8 000. In addition, the minimum corporate income tax will be decreased from currently EUR 1 750 to EUR 500. The reform of the Limited Liability Companies Act foresees a cost reduction of the notarial deed. Also the costs for publishing the foundation of the company in an official newspaper aren't applicable anymore. The share of companies with limited liability in all new company foundations decreased during the past few years. With the reduction of the required authorised capital, the number of newly created companies of this type is expected to increase by about 1 000 per year.
- **Poland [20.5.c.Apr13] - Regulation that came into force 17 January 2013 - One-stop-shop Act.** The main aim of the act is simplifying and reducing the responsibilities and procedures for business start-ups. For example, the obligation to inform the National Sanitary Inspection (NSI) and National Labour Inspectorate(NLI) about start-up a business has been waived. This measure is coherent with the obligations of the government to cut the red tape (explicitly stated in Euro Plus Pact commitment for Poland).
- **Slovakia [24.5.d.Apr13] - draft amendment - Revision of the Act on public procurement.** The draft amendment includes a new clause, enabling procuring authorities to include creation or retention of jobs and/or filling of these jobs by unemployed as evaluation criteria. Following discussions with civil society representatives, who pointed out that award criteria must relate to the subject of the tender, the draft has been modified to allow the inclusion of these conditions in the service/framework contract. The possibility to include the 'employment' clause in the public procurement contract will presumably have a minor effect on employment figures. It is not expected that public authorities would make extensive use of this tool in order to improve employment at the cost of overpriced public contracts. It appears to be necessary to specify more clearly what is an adequate number of jobs/hired unemployed, type of jobs, length of service, etc.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Malta [17.5.b.Oct12]</b> - <u>operational initiative - Business First</u> . This measure is a one-stop-shop set up for business services. Funded from the state budget, amount not yet known.	No progress reported by Jan2013	No progress reported by April 2013
<b>Malta [17.5.a.Oct12]</b> - legislation adopted November 2012 - <b>Reform of Commerce License Regulations</b> . This measure simplifies the processes and licences required to set up new companies. Budget not yet known.	No progress reported by Jan2013	No progress reported by April 2013
<b>Poland [20.5.a.Oct12]</b> - <u>Draft Act under discussion in Parliament - Third Act on the reduction of administrative burden in the economy</u> . Funded by the state budget, specific amount allocated to the measure not known.	No progress reported by Jan2013	No progress reported by April 2013
<b>UK [27.5.a.Oct12]</b> - <u>legislation still in preparation - Proposals on streamlining employment law red tape</u> . Budget not yet known.	No progress reported by Jan2013	No progress reported by April 2013
	<b>Hungary [16.5.a.Jan13]</b> - <b>Free enterprise zones</b> - Corporate tax credits in the free enterprise zones for investments larger than EUR 345 900 (HUF 100 million). Free enterprise zones provide social security tax relief on a geographic basis regardless of individual characteristics, but for a limited period of time. For the first 2 years of employment, no tax has to be paid and tax is lowered to 14.5 for the third year from the general 27 per cent, payable after thereafter. There is no budget allocated to the measure .	Free enterprise zones are set for 5 years and it can be lengthened after that; they can apply for additional aid, which will be funded by National Employment Fund. The regulation sets the specific settlements belonging to the zones.
	<b>Poland [20.5.a.Jan13]</b> – <u>Draft Law still in the preparation phase - Changes in the law on bankruptcy and reorganization</u> . This measure entails the development of new legal instruments for conducting effective restructuring and reducing job losses. Instruments contained in this document are intended to improve liquidity, rescue and restructure of a company in crisis. The amendment will contain measures to facilitate the opportunity to re-start economic activity. The main	No progress reported by April 2013

October 2012	January 2013	April 2013
	objectives of the proposed amendments are to develop instruments for restructuring available to a wider group of companies and new regulations that can limit the number of bankruptcy-related liquidations of companies.	
	<b>Poland [20.5.b.Jan13]</b> – Draft law awaiting adoption by the government - <b>Principle of "two terms"- changes in the Act on Freedom of Economic Activity.</b> Preparation of the principle of "two terms", according to which only two times in a calendar year may enter into force provisions which affect the take up and pursuit of economic activities. Regulations affecting the take up and pursuit of economic activity will therefore either come into force in either January or June every year. Reducing the frequency of changes in the law will allow entrepreneurs to plan effective and efficient operations and raise legal awareness.	No progress reported by April 2013

## 6.4 Public Investment Programmes and Regional Investment Incentives measures

New measures introduced during the past quarter (April 13) include:

- **Czech Republic [3.5.a.Apr13] - New Green for Savings [Nová zelená úsporám]**. This is a follow-up of a 2009 program that will provide loans and subsidies for additional thermal insulation of private and public buildings. The core environmental target of the programme is heating energy savings, the secondary objective is job creation support. It will run until 2020 and support project preparation as well as actual construction. It is expected that the budget will be just under CZK 30 billion (EUR 1.1 billion) and that the programme will support over 70 000 jobs (mainly in small and medium sized construction companies). It is supposed to have labour demand effects too, primarily in SME in construction. The programme responds to the EU's emphasis on the green economy and green jobs.
- **Denmark [4.5.b.Apr13] - Government proposals under discussion with the political parties - Reform for growth DK [Vækstplan DK]**. The "Reform for growth DK" presented by the Government on 26 February 2013, contains a large number of initiatives related to taxes, subsidies, public investments, adult learning and long-term targets for the growth of the public sector until 2020. The plan covers a wide range of issues of which not all are directly related to the labour market. Of direct relevance to job creation are: More public investments; More resources for renovation of social housing; Continuation of the tax deduction for renovation of private homes; More rapid construction of the tunnel across the Femern Belt (to Germany). The overall aim of the Growth Plan DK is to make it more attractive to invest in Danish companies and jobs. The Ministry of Finance has estimated that the direct employment effects of the four initiatives listed above will be about 5.300 persons in 2014. The total effect on structural employment in 2020 will be 15,000 persons. The total expenditure for the investment programme is estimated at around 6 billion DKK (EUR 0.7 billion). The expenditure is to be financed by savings elsewhere on the public budget. However, the scale of the stimulus seems insufficient to turn the tide on the Danish labour market.
- **Luxembourg [15.5.a.Apr13] - draft legislation approved by the government in February 2013 - Implementation of a Higher Industry Committee for the development and promotion of industry**. Already announced, the government approved the setting-up of this committee to promote and develop new areas in the field of industry. The Committee has as mission to detect pivotal or niche sectors for Luxembourg's future industry, to promote employment, to reinforce the competitiveness of industry, to evaluate grants in favour of industry (i.e. R&D), to promote foreign commerce and R&D into the economy, and to coordinate measures between the ministerial agencies with the objective to defend Luxembourg's position in the context of European legislation. Broadly linked to job creation (Luxembourg NRP 2012, AGS). The measure is strongly connected to the European Commission's objective to increase the industry part of the PIB to 20% in 2020.
- **Malta [17.5.f.Apr13] - Construction started in Feb 2013 - Development of the BioMalta Life Sciences Centre**. The Centre aims to provide the infrastructure for the development of Life Sciences in Malta. It will provide space and facilities for researchers and companies involved in the field of biotechnology and life sciences. The Centre will provide a link between the University of Malta, Mater Dei Hospital and the Life Sciences industry and will initially consist of four key buildings which will provide 10 000 square meters of space and 3 500 square meters of incubation facilities. The investment is consistent with NRP No. 3.2.2.4: The Setting Up of a Life Sciences. Budget of EUR 38 million, co-financed by the government, Malta Enterprise and the European Regional Development Fund.
- **Malta [17.5.g.Apr13] - Increased of air routes to Malta**. The previous Government, through its Ministry responsible for tourism invested in increasing the accessibility of Malta through more airline routes. In January 2013, new routes from Istanbul, Riga, Budapest, Paris, Liverpool, Bergamo, Gothenberg and East Midlands were announced. The promotion of new routes is coherent with the country's aim of strengthening its



tourism sector and the new Government intends to continue down this road. A major challenge faced by the Government will be that of ensuring that Air Malta remains sustainable, as its demise could lead to negative effects on the country's tourism industry.

- **Slovakia [24.5.c] - Revision of the Act on public procurement.** The draft amendment was prepared by the Ministry of Interior. It included a new clause, enabling procuring authorities to include creation or retention of jobs and/or filling of these jobs by unemployed as evaluation criteria. Following discussions with civil society representatives, who pointed out that award criteria must relate to the subject of the tender, the draft has been modified to allow the inclusion of these conditions in the service/framework contract. The possibility to include the 'employment' clause in the public procurement contract will presumably have a minor effect on employment figures. It is not expected that public authorities would make extensive use of this tool in order to improve employment at the cost of overpriced public contracts. It appears to be necessary to specify more clearly what is an adequate number of jobs/hired unemployed, type of jobs, length of service, etc.
- **Serbia [31.5.a.Apr13] – Decree - Conditions and modalities of supporting production and sales of passenger vehicles produced in the Republic of Serbia in 2013.** The measure has as an objective to support production and sales of passenger vehicles in Serbia, and promote employment growth in the local automobile industry. *This measure introduces a subsidy of EUR 3 500 for all domestic purchases of new Fiat model (Fiat 500L) produced in Zastava Kragujevac, the only Serbian car producer. This is a temporary measure, until the end 2013 or until the budget of 720 million dinars (approx. EUR 6.5 million) is exhausted. This is a typical import substitution measure, but its primary objective is to demonstrate the support of the government to the national automobile industry*



**Progress with pre-existing measures that promote job creation via public or semi-public investment programmes or via incentives offered by governments to companies that decide to invest in disadvantaged regions:**

October 2012	January 2013	April 2013
<b>Denmark [4.5.a.Oct12]</b> - <u>partly under negotiation, partly already implemented</u> - <b>Government Initiative for Growth and Jobs</b> which provides public and semi-public investments to develop an estimated 21 000 green and white jobs (initiatives to be funded from a mix of public and private sources)	<b>Jan 2013 update:</b> The initiatives for growth and employment were included in the Finance Bill for 2013 agreed by Parliament on 19 December 2012. The growth initiatives are not sufficient in their magnitude to change the current picture of a stagnant labour market.	No progress reported by April 2013, but a further stimulus package (Reform for growth) is currently under discussion (see 'new measures', above).
<b>Malta [17.5.c.Oct12]</b> - <u>Draft Strategy under public consultation</u> - <b>Draft National Strategy for the Cultural and Creative Industries</b> introduces a , comprehensive strategy to strengthen cultural institutions and the creative industries in the county (Budget to be confirmed)	<b>Jan 2013 update:</b> In the 2013 Budget, the government announced that it would start the implementation of the strategy in a holistic manner "with an emphasis on the betterment and the strengthening of cultural governance. This should lead to the implementation of a full section in the heart of the national political culture, with ties identifying priorities in the vision of the Government to change Malta into a centre of creative excellence" (Ministry of Finance, Investment and the Economy, 2012).	No progress reported by April 2013
<b>Latvia [13.5.b.Oct12]</b> - <u>plan approved in May 2012</u> - <b>Action plan for Latgale 2012-2013</b> the plan aims to support entrepreneurs, and municipalities in Latgale to enhance the local business infrastructure in the poorest region of the country (EUR 118 million budget coming from EU, state and Norwegian funds).	<b>Jan 2013 update:</b> As a part of the project a Latgale business centre to support entrepreneurship in Latgale has been set up. Creation of a business centre is an indication of action taking place. However, some measures that could directly create workplaces are still to come.	To ensure continued existence of the Latgale Business Centre (part of the project aimed at supporting entrepreneurship in the region) beyond 2015, on 4 March, CoM approved the allocation of EUR 213,000 for this purpose in 2016.
<b>Turkey [32.5.a.Oct12]</b> - <u>Government decree adopted November 2012</u> - <b>Regional Investment Incentives</b> – concerning income tax breaks and government subsidies in disadvantaged regions covering of 10% to 50% of physical investments, social security contributions for up to ten years (state budget, amount not yet known).	No progress reported by Jan2013	No progress reported by April 2013
	<b>Malta [17.5.e.Jan13]</b> - <b>Revision of Incentives to promote hotel investments.</b> In the Budget 2013, the Government announced that Malta Enterprise will be reviewing the Incentive Guidelines so that licensed hotels may benefit from investment aid of 15 % of capital expenditure in the form of tax credits. The amount to be received will not be capped and the measure will apply from the basis year 2013. The substantial deduction of	No progress reported by April 2013

October 2012	January 2013	April 2013
	taxes would probably encourage many hoteliers to invest in their business. However, the 2013 Budget was rejected in parliament, but this measure might be adopted by a new government, following the March 2013 general elections.	
	<b>Slovakia [24.5.a.Jan13] – EU co-funded programme - Measures to tackle youth unemployment and intensify support to small and medium-sized enterprises.</b> The measure is in the first place intended to support investment in technology and equipment by companies. Within each supported project at least one job for a young unemployed person has to be created and preserved for at least 3 years (de minimis aid) and/or 5 years (state aid) after the end of the project. The creation of approximately 1 200 jobs is expected in 2013-2015. However, job creation seems to be a by-product and negligible relative to the budget of the measure and to youth unemployment figures in the country (1 200 jobs to be created vs. 140 000 unemployed aged 15-29 as of November 2012). (EUR 225 million)	No progress reported by April 2013
	<b>Slovakia [24.5.b.Jan13] - Amendment to the law - Law on investment aid amendments.</b> Investment aid shall be more closely linked to output indicators, for example a minimum 15 % net increase in the number of jobs and a 15 % increase of production will be requested. The objective of the measure is to create conditions for the development of economically disadvantaged regions by way of supporting investments and the creation of jobs, preferably in high value-added sectors. The minimum amount of eligible costs shall be decreased to improve access of small and medium-sized investors to the incentive scheme.	The parliament approved the revised Act on investment aid on 19 March 2013. There is one change against the draft version adopted by the government.
	<b>UK [27.5.d.Jan13] – Package of measures to encourage growth announced in the Autumn Statement.</b> The Chancellor has announced various measures aimed at boosting economic growth as follows:  - Develop the UK infrastructure with EUR 6.38 billion	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>(GBP 5.5bn) capital package and support for long-term private investment including new roads, science infrastructure and schools;</p> <ul style="list-style-type: none"> <li>- A further reduction in the main rate of corporation tax to 21 % from April 2014;</li> <li>- Temporary increase of the Annual Investment Allowance from EUR 29 012 (GBP 25 000) to EUR 290 120 (GBP 250 000) for two years;</li> <li>- Devolve a greater proportion of growth-related spending to local areas (from 2015);</li> <li>- Create Business Bank to use GBP 1bn of additional capital and to enable UK Export Finance to provide an additional GBP 1.5bn in loans to finance the exports of small firms;</li> <li>- Introduce a package of reforms to promote exports and inward investment.</li> </ul> <p>The measures to some extent recognise that recovery is not all about cuts in public expenditure and that some stimulus is vital.</p>	
	<p><b>Turkey [32.5.b.Jan13] – Law – Amending TÜBİTAK's foundation law no. 278.</b> The Turkish Scientific and Research Council (TÜBİTAK) will now be allowed to set up or invest in R&amp;D intensive firms. The aim of the measure is to establish or run incubation centres, technology centres, technology transfer offices, project development and science parks, forming support programmes, collaboration networks, clustering activities, organising fairs and competitions, and running incentive, education, and scholarship programmes. are consistent with the ongoing drive by Turkey to build up a scientific presence commensurate with its economic success. TÜBİTAK has been receiving increasing budgetary allocations from the government (budget details not yet known).</p>	<p>No progress reported by April 2013</p>

## 7 Policy Area 6: Gender Equality

Under this policy area, four countries have introduced a total of four new measures in this area in the last quarter:

- A) Reducing the Gender Pay Gap
  - Apr13: Germany
  - Jan13: None
  - Oct12: Belgium, Spain, France, Iceland
- B) Encouraging Female Entrepreneurship
  - Apr13: Denmark
  - Jan13: former Yugoslav Republic of Macedonia
  - Oct12: Greece, Serbia
- C) Reducing gender discrimination
  - Apr13: Estonia
  - Jan13: Denmark, Germany
  - Oct12: NONE
- D) Targeting other vulnerable groups with a gender dimension
  - Apr13: Italy
  - Jan13: Austria
  - Oct12: Luxembourg, former Yugoslav Republic of Macedonia
- E) Other measures affecting Gender Equality

### 7.1 Measures Reducing the Gender Pay Gap

**New measures introduced during the past quarter (April 13) include:**

- **Germany [5.6.b.Apr13]** - a motion of the governing coalition – **Gender wage equality.**  
A motion of the governing coalition was adopted on March 13 2013 that argues for voluntary regulations by the social partners and the economy in general to reduce the gender pay gap. Social partners and economy in general are responsible for delivery. The objective is to reduce the gender pay gap ensuring equal opportunities. It is coherent with the relevant recommendations e.g. employment guideline 'increasing labour market participation of women and men reducing structural unemployment and promoting job quality.

**Progress with pre-existing measures to reduce the gender pay gap:**

<b>Oct12 measure</b>	<b>Jan 2013 update</b>	<b>April 2013 update</b>
<b>Belgium [1.6.a.Oct12] – <u>Law</u> - Reducing the gender wage gap.</b> The introduction of the law means that the reduction of the gender pay gap becomes compulsory within the framework of the Inter-sectoral biannual collective agreement.	No progress reported by Jan2013	No progress reported by April 2013
<b>Spain [9.6.b.Oct12] - <u>National Plan</u> (not yet implemented) - Equality Plan and Gender Pay Gap Plan (GPG).</b>	Both plans have been announced	No progress reported by April 2013
<b>France [10.6.a.Oct12]– <u>Decree</u> – this decree introduces new sanctions and more controls on companies duties for gender equality.</b>	The decree announced in Oct12 was published in December 2012. On 30 November 2012, the Prime minister detailed a new Plan for Equal opportunities between women and men (plan pour l'égalité) with different aspects: fight against stereotypes at school, sport, and advertising, law against violence, equal treatment in employment, better reimbursement for contraception or termination of pregnancy etc	No progress reported by April 2013
<b>Iceland [29.6.a.Oct12]- Action Plan for Gender Pay Equality</b> aims to coordinate research on wage differences, introduce equal-pay standards, work on providing institutes and firms with information and counselling on gender equality issues	No progress reported by Jan2013	No progress reported by April 2013

## 7.2 Measure Encouraging Female Entrepreneurship

- **Denmark [4.6.b.Apr13] – proposed legislation - Maternity Fund for self-employed.**  
The proposed legislation on a maternity fund for self-employed has its main objective to give self-employed women the same right to paid maternity leave as the female employees. A self employed is defined in the bill on the basis of his or her registration with the tax authorities. The annual mandatory full-time contribution to the scheme is 328 DKK EUR 44 (328 DKK) for all self-employed. Those self-employed, who combine self-employment with a full time paid job, are exempted from the obligation to pay contributions. A self-employed woman is entitled to compensation from the scheme if she has an operating profit that exceeds the maximum unemployment benefit rate. The scheme will be administered by the ATP (Arbejdsmarkedets Tilbagebetalingsskema) which is the institution also responsible for administering the mandatory supplementary labour market pension. ATP is authorised to administer the scheme in line with the administration of maternity fund for employees in the private sector. Self-employed men are also entitled to compensation for paternity-leave from the fund according to the same rules as for male employees. The proposal for reform is well in line with the overall ambition to strengthen gender equality. The maternity fund will be funded by mandatory contributions from all self-employed.

**Progress with pre-existing (Oct12) and new (Jan13) measures that aim to encourage female entrepreneurship:**

October 2012	January 2013	April 2013
<p><b>Greece [8.6.a.Oct12]</b> – <u>Ministerial Decision</u>, pending - <b>Integrated intervention for supporting Women Employment by strengthening entrepreneurship</b>. This measure provides for grants to women between the ages of 18-35 years for setting up their own business</p>	<p>The target is now set at assisting 1 500 women (instead of 1 900 under previous planning), while the budget has increased at the cost of EUR 20 million (instead of EUR 15 million under the previous version of the plan).</p>	<p>According to the 'Action Plan for the promotion of youth employment and entrepreneurship' (final version, January 2013), launching is set for the first quarter of 2013</p>
<p><b>Serbia [31.6.b.Oct12]</b> – <u>Loans Programme</u> - <b>The Development Fund credit line for female entrepreneurship in 2012</b>. The credit line provides privileged conditions to female owned and managed firms and sole-traders.</p>	<p>No progress reported by Jan2013</p>	<p>No progress reported by April 2013</p>
	<p><b>former Yugoslav Republic of Macedonia [30.6.b.Jan13]</b> - <b>Promoting female entrepreneurship</b>. This measure is related to the "Program for SMEs for 2013", with three subprograms: competitiveness, innovation and entrepreneurship. The funding for this particular measure (approx. EUR 10 000) is insufficient to make a real difference for female managers or entrepreneurs. However, given that females might use any other measure/financial support from the Program for SMEs for 2013, there is considerable support by the government in supporting competitiveness of companies, innovation and entrepreneurship. The program was developed along with the chambers of commerce, which should guarantee that the measures are well suited to the real needs of the businesses.</p>	<p>No progress reported by April 2013</p>

### 7.3 Measures Reducing Gender Discrimination

New measures introduced during the past quarter (April 13) include:

- **Estonia[ 6.6.a.Apr13] – Law - Compensated Paternity Leave.** This measure was adopted into law on 18 June 2009 and entered into force 1 January 2013. The objective of the measure is to acknowledge the father's role in childrearing. A father has the right to receive total of then working days of paternity leave during the two months before the estimated date of birth determined by a doctor or midwife and during the two months after the birth of the child. The compensation equals with 100% of the father's previous average earnings with a ceiling (three times the average Estonian income). It is a permanent measure consistent with CSR2 and funded by the state budget. No specified budget is mentioned.



**Progress with pre-existing measures):**

October 2012	January 2013	April 2013
	<p><b>Denmark [4.6.a.Jan13] – <u>Law</u> – Increase number of women in top-management and company boards.</b> Adopted on 14 December 2012, this measure is aimed at employed women and increasing their share in top management positions including company boards. The measure implies legislative changes, which commits all firms with more than 1 100 employees to set a target for the share of the underrepresented sex at the top-management level. The firms must furthermore have a strategy for increasing the share of the underrepresented sex at the other levels of management. The firms must document the status for the implementation of the target and the strategy in their yearly report. State-owned firms and institutions must set targets irrespective of size and all state-owned firms and institutions with more than 50 employees must set up a strategy for a more equal representation of the sexes in management. It is a permanent measure and coherent with the commitment to work for gender equality at all levels of the Labour market. The measure aims at creating more awareness of the low share of women in (top)-management of public and private companies. It must however be characterized as a “soft” form of regulation in the sense that the targets are to be defined by the firms themselves and that there are no specific requirements concerning the steps that firms should take in order to reach the targets. It has no direct budgetary effects.</p>	<p>The measure has been put into law and is being implemented</p>
	<p><b>Germany [5.6.a.Jan13] – <u>proposed legislation to the Federal Council (Bundesrat)</u> - Gender Quota in Company Boards.</b> The aim of the measure is to promote gender equality in top management boards by introducing a quota of women in company boards of 20 % (to be raised to 40 % in the long-term). It corresponds in general to a policy of equal opportunities. It has no specified budget.</p>	<p>On 16 January, there was a consultation of experts in the judiciary committee of the Bundestag concerning the gender quota. In March, the Federal Ministry of Labour and Social Affairs apparently backed down from its pro-quota position against the background of the European gender quota guideline which is intended to be blocked by the German Federal Government.</p>

## 7.4 Measures Targeting Other Vulnerable Groups in specific gender categories

New measures introduced during the past quarter (April 13) include:

- **Italy [11.6.a.Apr13]** - decree waiting publication in the official bulletin (Gazzetta Ufficiale) - **Interministerial Decree on the Hiring of unemployed women.** The institution responsible for delivery is the Ministry of Labour and Social Policy and the Ministry of Economy and Finance. The objective of the measure is to tackle labour market segmentation, and foster female employment opportunities. The decree provides contributory reliefs for employers who hired between 2009 and 2012 women who were unemployed for more than six months in areas characterised by high levels of female unemployment. Permanent measure which is consistent with CSR 4, referring to tackling labour market segmentation and fostering the labour market participation of women. The budget for the measure is unknown .

**Progress with pre-existing measures targeting vulnerable groups in specific gender categories:**

October 2012	January 2013	April 2013
<b>Luxembourg [15.6.a.Oct12]</b> - "infoMann" an information point for unemployed men in difficulties.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Former Yugoslav Republic of Macedonia [30.6.a.Oct12]</b> - <u>Fee-based Service Contract</u> - <b>Strengthening the Capacities for Integration of Disadvantaged Women in the Labour Market</b> , with Special Focus on Ethnic Minority Women.	This project is still in the initialization phase, addressing administrative issues. However, there is progress in the Grant scheme (which is a component of the overall project), such that agreements have been signed with 7 partners in November 2012 (those were selected in 2010), who would start implementation of projects related to the improvement of employment opportunities for women in January and February 2013.	The project implementation has started and monthly reports are produced. The project is in a stage of data collection, interviews with main stakeholders and training needs analysis
	<b>Austria [19.6.a.Jan13]</b> – <u>Awareness raising campaign</u> - <b>Awareness Raising Campaign 'Real Men use Parental Leave'</b> . The measure aims to encourage more men to take paternity leave to achieve a more equal distribution of care obligations between women and men. The Austrian Minister for Women and the Civil Service relaunched in November 2012 a campaign with the title "Real men take paternity leave" (Echte Männer gehen in Karenz) which has the aim to encourage men to take paternity leave. A more equal distribution of care obligations between women and men would be an important step to better employment opportunities of women. Awareness raising campaigns can be seen as a supporting tool. So far, the share of men using childcare allowance is constantly rather low: calculating the male share of recipients at a given moment, in 2011 only 4.3 % of the recipients turn out to be male. It is funded by the budget of the Ministry for Women and the Civil Service, with a specific budget.	The counselling and information possibilities – such as nationwide information days and the Mentoring-model – are ongoing.

## 8 Policy Area 7: Skills Supply and Productivity

Under this policy area, 4 countries have introduced 4 new measures during the past quarter:

- A) Improving skills supply and promoting adult learning (continuous training programmes, training vouchers and individual training accounts)

Apr13: Germany, Latvia, Malta

Jan13: Ireland, Latvia, Malta, Austria

Oct12: Belgium, Bulgaria, Greece, Spain, France Poland, Sweden and Serbia

- B) Measures that facilitate school to work transitions (traineeships, apprenticeships etc)

Apr13: Romania

Jan13: Belgium, Lithuania, Portugal, Romania

Oct12: Spain, the Czech Republic, Greece, Latvia, Finland and Croatia.

- C) National Qualification Frameworks

Apr13: NONE

Oct12: Malta and Croatia

### 8.1 Measures improving skills supply and promoting adult learning (continuous training programmes, training vouchers and individual training accounts)

New measures introduced during the past quarter (April 13) include:

- **Germany [5.7.a.Apr13] – Law in force from 1 July 2013 - Reform of the Foreign Employment Regulation Act.** A reform of the foreign employment regulation act shall open the German labour market for intermediate-skilled persons from outside the EU, presuming that skilled workers for the respective qualification are needed and the qualification is equivalent to the German qualification (e.g. at least two years of training). Bottleneck jobs are ascertained by the Federal Employment Agency. Also, persons placed by the Federal Employment Agency can get an employment permit. Furthermore, refugees with residence permit in Germany will be able to get unrestricted access to the labour market without prior agreement of the Federal Employment Agency. The provision responds to employment guideline 2 “Developing a skilled workforce responding to labour market needs and promoting lifelong learning”. Keeping in mind the skilled labour shortage, the need to attract skilled workers is crucial for Germany. To expand these efforts to attract non-EU-workers is a logical step.
- **Latvia [13.7.c.Apr13] – Law adopted 26 February 2013 - More targeted involvement in lifelong learning.** The target groups eligible to receive full ESF voucher funding for participation in lifelong learning programmes have been amended. Previously full funding was available to everyone over 25. Under the new rules full funding will be available to all over 45 (which is regarded as the most at risk of unemployment age group) and to selected sub-groups of disadvantaged people in the 25-44 age group. Other people will be required to provide 30% self-financing. Consistent with the NRP 2012 commitment ‘Implementing effective active labour market and education policies’. Budget of EUR 4,5 million to implement the project in 2013 and 2014.
- **Malta [17.7.e.Apr13] – Programme launched in January 2013 - Enhancing Employability through training.** The project will train over 8,000 persons with the aim of finding new employment or upgrading their current employment. The initiative responds to the CSRs in general and will be the major tool to be used by the PES (the Employment and Training Corporation, ETC) to fulfil its role of upgrading the job-related skills of persons in Malta. The programme focuses on a number of skills required by the labour market, such as language skills, childcare, health and safety, entrepreneurship etc. Budget of EUR 3.5 million. The funds and number of beneficiaries involved are significant for Malta.

■ **Progress with pre-existing adult learning measures:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Belgium [1.7.a.Oct12] – Increase in Paid training leave</b>	<b>Jan 2013 update:</b> Figures are not yet available since the measure has been recently implemented.	No progress reported by April 2013
<b>Bulgaria [2.7.a.Oct12] – ‘I can more’ – vouchers subsidising training for employees and the self-employed</b>	No progress reported by Jan2013.	No progress reported by April 2013
<b>Greece [8.7.a.Oct12] - <u>measure under finalisation</u> - Cheque for the entrance of young people in the labour market according to their formal qualifications (EU co-funded)</b>	<b>Jan 2013 update:</b> The number of potential beneficiaries has been downsized to 45 000 persons (from 60 000). The age limit of participants has also changed. It is now set at 29 years of age (instead of at 24). This will be the main measure tackling the country's youth unemployment challenge for the next two years. Its execution should be closely monitored and the authorities should be prepared to make the necessary adjustments under the light of experience.	The measure has been activated. It has been downsized however, as it now entails 35.000 beneficiaries instead of 45.000
<b>Spain [9.7.a.Oct] – <u>Royal Decree</u> - Introduction of Individual Training Account</b>	No progress reported by Jan2013.	No progress reported by April 2013
<b>France [10.8.a.Oct12] – <u>Government Proposal</u> - Creation of an individual training account.</b> This proposal will offer rights to the person and not to the status (employee, jobseeker, student etc)	No progress reported in Jan 13	The Personal Training Account is included in the draft bill on flexicurity, to be adopted in May 2013.
<b>Lithuania [14.8.a.Oct12] - Amendments to the Law on Support for Employment. 11/2011 - <b>Vocational training of the unemployed.</b></b> A new system of vocational training for the unemployed was introduced in Lithuania on 1 January 2012. Pursuant to this system, training of unemployed persons and those notified of pending dismissal will be provided exclusively on a targeted basis, i.e. in order to train a worker for a specific job. (budget LTL 52 million / EUR 15.1 million).	No progress reported by Jan2013.	No progress reported by April 2013
<b>Poland [20.7.a.Oct12] – <u>under development</u> – Human Capital Development Strategy</b>	<b>Jan 2013 update:</b> Public consultation on the draft strategy has been completed. A draft strategy has been published on the website of the Ministry Labour and Social Policy. The human capital development strategy is now supplemented by a section on the general financial framework, specifying the sources and amount of funding for these measures. In December 2012 additional	No progress reported by April 2013

October 2012	January 2013	April 2013
	changes were made to the strategy due to the need to integrate it with the new guidelines of the Ministry of Regional Development. Specific actions of the strategy will be described in the implementation document, for which the time of publication is not yet known.	
<b>Sweden [26.8.a.Oct12]</b> - Budget Bill 2013 adopted – The Bill, which aims to increase human capital and employability among low educated workers to better meet the needs of the labour market, increases available adult education places. The Bill which targets youth and adults with lower educational attainments, foreign born and long term unemployed, intends to temporarily increase the number of places in adult vocational training, apprenticeship training for adults, vocational higher education, folk high schools, and universities and other higher education institutions. Furthermore, in order to meet the increase needs of technicians and civil engineers, the Swedish government intends to permanently increase the number of university places for these two occupations.	Adopted by the Swedish Parliament in December 2012. The temporary increase of places in adult education is well in line with the effort the government to increase the educational level of the Swedish population and to speed up the integration of low educated individuals into the labour market. It is too early to assess the impact of the reform. However, some empirical evidence demonstrates that on-the-job training (work practice) is associated with smaller negative locking-in effects but smaller positive long-term effects than labour market training. Furthermore, the relative size of the locking-in effect seems smaller during a recession and the long run effects become less beneficial during a downturn. These results suggest that it is relatively more efficient to use labour market training during a recession than during a boom.	Took Effect in January 2013 - The temporary increase of places in adult education is well in line with the effort the government to increase the educational level of the Swedish population and to speed up the integration of low educated individuals into the labour market.
<b>Serbia [31.7.a.Oct12]</b> – ongoing rolling out of adult education strategy - <b>Second chance: the development of the system of functional adult education</b>	No progress reported by Jan2013	No progress reported by April 2013
	<b>Ireland [7.7.a.Jan13]</b> – <u>Ministry Provision</u> - <b>Higher education places to address ICT sector skills shortages.</b> This provision introduced by the Department of Education and Skills involves providing free ICT conversion programmes for third level graduates in other disciplines. The objective is to double the output of ICT graduates by 2018. The measure is being organised and administered by the Higher Education Authority (HEA) (a semi State body under the aegis of the Department of Education and Skills). The actual programmes will be carried out by Third Level institutions. The project is consistent with the EPP commitment to 'initiate sectoral	This measure involves the provision of free ICT graduate skills conversion programmes, due to commence in early 2013.

October 2012	January 2013	April 2013
	measures to promote job creation' as well as with the government's commitment to expand the ICT sector. The annual numbers of new ICT graduate qualifying from administrative sources will be monitored. The measure was carried out on a more limited scale in 2011, which can be regarded as a test run.	
	<b>Latvia [13.7.b.Jan13] - EU co-funded programme - Improving adult education.</b> The Ministry of Education and Sciences of Latvia has started a project aimed at improving adult education. The project involves regional workshops, inter-ministerial forums and a National Conference, in which problems and recommendations for improvement of adult education in Latvia will be made. Starting from December 2012, the services of adult consultant services will be available to provide mentoring on further education possibilities. The project is consistent with the NRP key directions to improve the implementation of lifelong learning (project budget of EUR 136 000).	The project has been promoted in "Skola 2013" the annual education exhibition, thus the awareness of the measure should be raised.
	<b>Malta [17.7.b.Jan13] – 'Get qualified' scheme</b> - This scheme helps students to acquire qualifications required by industry. Once they complete their studies, students covered by the scheme may get back up to 80% of their expenses in relation to registration fees, examination fees and fees paid to the educational institution. In the Budget 2013, the government expanded the scheme to new industries, namely: advanced manufacturing; maritime; energy, oil and gas; and life sciences (including health services and veterinary services). By the end of 2012, the Get Qualified scheme had assisted over 2,000 students through over EUR 7.7 million in tax credits. The suggested changes will expand the scope of the scheme and more students would be helped. However, it is unclear whether the suggested changes will be implemented, since the 2013 Budget has not yet been approved.	No progress reported by April 2013
	<b>Malta [17.7.c.Jan13] – Promoting training for low wage earners</b> - The scheme was first introduced in the Budget 2012. It originally entitled persons on the minimum wage	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>who follow training to EUR 25 per week. The Budget 2013 extended this scheme to part-time or full-time workers earning less than EUR 300 per week. Also, the allowance will start being paid monthly rather than at the end of the programme. This measure focuses on a group of workers who tend not to be targeted by the other existing training measures. However, it was reported that only a handful of persons made use of it during 2012, as the amount offered by the scheme is too small to be enticing.</p>	
	<p><b>Malta [17.7.d.Jan13] – Agreement – Memorandum of understanding between the Malta Health Department and Brighton and Sussex University Hospitals.</b> The agreement, the sixth agreement of this kind, gives access to Malta's medical doctors who are currently specialising in medicine and surgery to do part of their training involving both education and work experience (between six and twelve months) in the UK. This measure is another step in needed in the training of medical specialists in Malta. Other similar agreements in place are giving positive results.</p>	<p>No progress reported by April 2013</p>
	<p><b>Austria [19.7.a.Jan13] – Draft legislation planned to come into effect in July 2013 - Adapting the educational leave model and introduction of a part-time educational leave model.</b> Adapting educational leave means that recipients of the education benefit for university studies must now prove their participation at examinations. The introduction of a part-time educational leave model will allow further training during an employment relationship. Employees will receive an education benefit. In the case of halving the normal working time (20 hours), this benefit amounts to EUR 456 per month, in the case of a reduction by a quarter (10 hours) to EUR 228 per month. The leave can be used for a duration of between 4 months and 2 years. The employment relationship must have lasted for at least six months.</p>	<p>The draft legislation is passing the parliamentary process. The report of the Committee on Labour and Social Affairs will be discussed in Parliament towards the end of march. The new regulations are expected to come into effect in July 2013.</p>



## 8.2 Measures facilitating school to work transitions (traineeships, apprenticeships and work experience schemes)

**New measures introduced during the past quarter (April 13) include:**

- **Romania [22.7.b.Apr13] - Draft in open consultation between ministries and other central agencies - Introducing a new draft law for the professional stage (traineeship) for higher education graduates.** The measure aims essentially at developing from the explicit provision of the Labour Code which create the institution of traineeship (professional stage) for higher education graduates comprising the first 6 months of labour contract occurring after graduation, only for those specialties where this is not regulated by other laws. It provides employers willing to engage in it with a monthly subsidy, running for six months, and equivalent to 50% of the country's social reference indicator (RON=500/EUR=111 and thus at 50% RON=250/EUR=55). The graduate also receives throughout the six months, in accordance with the complementary traineeship contract mentoring, supervision thus acquiring competencies while working. The law provides the possibility of accessing the ESF for financing of the professional training stage, as an alternative source of financing to the Unemployment Insurance Fund whereby the subsidy is supposed to come in the first place. The measure is welcome as it provides young graduates at a time of crisis with a welcome opportunity of employment and training. By enshrining the possibility of bringing in ESF financing it will also render it more attractive and less reliant on the ever-scarce resources of the Unemployment Insurance Fund

**Progress with pre-existing measures to facilitate the school to work transitions:**

<b>October 2012</b>	<b>January 2013</b>	<b>April 2013</b>
<b>Czech Republic [3.2.b.Oct12] – 'Traineeships in Companies - education through practice' –</b> ESF project to be implemented Sep 2012 - Oct 2014 providing several months' internships in companies. Budget allocation of approx. EUR 32 million, covering a minimum of 5 000 participants.	No progress reported by Jan2013	Internships in firms (measure) should be implemented in broader scale since summer 2013
<b>Greece [8.7.c.Oct12] – Establishing Traineeships for students of tertiary education institutes.</b> Traineeships are being funded in private sector firms and in public organisations to support students of various education levels in their effort to enter the labour market. (EU co-funded, budget c. EUR 75 million for 2012-2015)	No progress reported by Jan2013	The measure has now been activated. In addition to previously planned actions, it now entails the formation of Units of Innovation and Entrepreneurship in all Universities and TEIs
<b>Latvia [13.7.a.Oct12] – Regulation adopted in September 2012 - Professional education of young people.</b> This regulation aims to create an additional 2 000 professional training places for young people. The measure extends training possibilities to 17 and 25 year olds with professional education, but who have been unable to find a job in their profession for at least a year. (ESF co-funded, budget of EUR 4.2 million)	No progress reported by Jan2013	No progress reported by April 2013
<b>Finland - Young Adults Skills Development Programme.</b> The target groups - in particular, 'NEETS' with only basic education, aged between 20 and 29 years old - are offered extra possibilities to participate in professional vocational training, aiming at degrees and certificates, coupled with educational and career guidance. Training is offered in vocational training institutes, as apprenticeship training, and competence-based qualification certificates.	No progress reported by Jan2013	
<b>Croatia [28.7.b.Oct12]- Relaxation of participation criteria for publicly-financed internship scheme</b> (approx. EUR 215 monthly). Young people can now apply for funding after being registered as unemployed for one month only, and eligibility criteria have been changed in relation work experience required.	No progress reported by Jan2013	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p><b>Belgium [1.2.d.Jan13] – Law, Royal Decree – Implementation of Transitional Internships.</b> On 10 November 2012, legislation was introduced in order to facilitate school to work transitions. It allows unskilled young people to do an internship full-time for a period of 3-6 months in a company, a non-profit or public service. In addition to the monthly allowance of EUR 200 paid by the employer, the intern received a stipend paid by the employer, the intern receives a stipend paid by the NEO (EUR 26.82). It is a permanent measure, consistent with Com (2012) 727 final to increase the supply of quality traineeships and apprenticeships as a possible remedy to the difficult school to work transitions.</p>	<p>No progress reported by April 2013</p>
	<p><b>Belgium [1.2.e.Jan12] – Law, Royal Decree – Obligation for employers to provide internship.</b> Introduced on 27 December 2013, this measure has been introduced to facilitate school to work transitions. Employers will be required to provide training places amounting 1 % of the total number of employees.</p>	<p>No progress reported by April 2013</p>
	<p><b>Lithuania [14.7.a.Jan13] – Professions' Fair -</b> The Professions Fair held in November 2012 was aimed at introducing the professions demanded on the labour market to 11/12-grade students, concurrently providing them with an opportunity to meet professionals working in the areas of their interest and to find out the skills and competences demanded on the labour market. Although this measure is seen as a positive one, it was a one-off event. Students showed interest in being informed on the professions demanded on the labour market. The Professions Fair was held in different Lithuanian cities/towns for a period of two weeks and during the first week, the Fair was visited by 3 000 11<sup>th</sup> &amp; 12<sup>th</sup> grade students. More systematic efforts are needed in this direction.</p>	<p>No progress reported by April 2013</p>
	<p><b>Romania [22.7.a.Jan13] - Changes to the Apprenticeship Act (Law no.297/2005) -</b> The changes proposed to the act by the Ministry of Labour aim to bring the system of apprenticeships in line with the</p>	<p>Draft of the law sent to the Parliament for debate and approval</p>

October 2012	January 2013	April 2013
	requirements for adult vocational training thus instituting some minimum obligations for employers as well as for apprentices. These include working with an authorized vocational training provider to supply the apprentice with a recognized qualification certificate. The measure is adequate as it tries to bring some order to a system which has been functioning poorly to date and relevant for improving the skills of the labour force in an organized manner. The modifications were expected and announced and will most probably not encounter any opposition in being adopted and even implemented. While some employers might decry the fact that recourse to an authorized training provider is now mandatory, most employers are expected to comply and find it useful and even cost-saving.	

### 8.3 National Qualification Frameworks

New measures introduced during the past quarter (April 13) include:

NONE

Progress with pre-existing measures linked to their National Qualifications Frameworks:

Oct12 measure	Jan 2013 update	April 2013
<b>Malta. [17.7.a.Oct12]- Legal Notices - Strengthening the Legal Framework of Qualifications.</b>	No progress reported by Jan2013	No progress reported by April 2013
<b>Croatia. [28.7.a.Oct12] - Law to be adopted in 2013 - Croatian Qualification Framework.</b>	No progress reported by Jan2013	Law adopted 8 February 2013. Defines the qualification system in Croatia. The Croatian Qualification Framework Register is to be established in order to ensure efficient tracking and monitoring of qualifications, standards and education programmes. The Act is coherent with Croatian and EU policies and enables the international recognition of learning outcomes, as well as harmonisation of the education system with labour market needs and trends. The budget for 2013 is EUR 173 642

## 9 Policy Area 8: Education and Training Systems

Under this policy area, 9 countries have introduced a total of 11 new measures that lead to the overall objective of improving education and training systems to better reflect the needs of the labour markets in the various countries involved. The measures concern:

- A) Improving vocational education and training (VET) systems
  - Apr13: Ireland, Latvia, Finland, UK
  - Jan13: Spain, Hungary, Malta, former Yugoslav Republic of Macedonia
  - Oct12: Bulgaria, Ireland, Lithuania
- B) Improving tertiary and higher education systems
  - Apr13: Denmark, Germany, Austria
  - Jan13: Hungary, Latvia, Germany, Poland, Slovakia
  - Oct12: Latvia, UK
- C) Improving Primary & Secondary Education Systems
  - Apr13: Austria, Poland, Slovakia
  - Jan13: NONE
  - Oct12: Czech Republic, Malta, Sweden, FYROM, Serbia
- D) Other Improvements
  - Apr13: Lithuania, Germany
  - Jan13: Poland

### 9.1 Improving Vocational Education and Training Systems

**New measures introduced during the past quarter (April 13) include:**

- **Ireland [7.8.c.Apr13] – Draft law (Bill) - The Further Education and Training Bill 2013.** The Bill, which was presented to the Dáil (Parliament) on 25 January 2013 gives effect to the government decision to establish a new education and training authority (SOLAS) which will replace the training division of the existing agency, FÁS. The Bill is being presented by the Department of Education and Skills (DES) which will be responsible for its implementation when the measure becomes law. The objective of the measure is to develop and implement a national strategy for the delivery of further education; to advance funding to training bodies and other bodies for the provision of further education and training programmes; to assess whether or not training boards, and other funded bodies engaged in providing further education and training programmes, perform their functions in an economic efficient and effective manner; to encourage and facilitate the placement of persons who are in receipt of state unemployment payments in further education and training programmes that are funded in whole or in part out of public monies. It is a permanent measure and consistent with the MoU requirement that the country pursues activation measures and reforms to the benefit system to enhance an early exit from unemployment. It is to be funded by the exchequer. Specific budgets are not yet known but since SOLAS will be a statutory body there will have to be a financial allocation in the Annual Departmental Estimates issued at budget time.
- **Latvia [13.8.d.Apr13] - Law - Creation of 11 fully modernised vocational training centres.** This measure was approved by CoM on January 22 and enacted on 8 February 2013. This involves the creation of 11 vocational training centres in educational institutions in different cities of Latvia: Cēsis, Daugavpils, Ogre, Liepāja, Riga, Jelgava, Smiltene, Valmiera, Ventspils as well as in the Eastern part of Latgale. The construction of the centres is planned to be completed by August 31st, 2015. The Ministry of Education and Science has decided to focus these resources on creating complete

modern centres, instead making marginal improvements in 30 existing centres. The objective of the legislation is to modernise the education infrastructure and to facilitate the competitiveness of the vocational education system. The measure is consistent with CSR3 for promoting more efficient vocational education and training. Funding of EUR 128.1 million from the European Regional Development Fund and State budget will be used with the breakdown consisting of ERDF EUR 119 million approximately; State budget EUR 8.7 million.

- **Finland [25.8.a.Apr13] - Government pilot - Apprenticeship Experiment.** Targeted at students in vocational education and unemployed people, the measure involves piloting a pre-apprenticeship period, where the trainee is not under contract of employment (as in the traditional apprenticeship). Flexible arrangements of combining vocational education and apprenticeships are tried and on-the-job training are enhanced in cooperation with educational institutes and work-places. The institution responsible for delivery is the Ministry of Education and Culture. The objective is to make apprenticeship training more accessible, attractive and functional for both trainees and employers. It is consistent with CSR3 and funded through Ministry of Education and Culture.
- **UK [27.8.c.Apr13] - not law - Employers design their own apprenticeships.** This concerns a change in the apprenticeship rules. The expert is uncertain about timing though a consultation process has started and is expected to be relatively swift. The measure responds to CSR 3 though not exclusively applicable to young people, the majority of apprentices (around 75%) are aged under 25. No extra funding is mentioned and it is likely that employers will be expected to shoulder any costs.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Bulgaria [2.8.a.Oct12] – 'Improving the quality of vocational training'.</b> The measure aims to develop and publish specialised manuals for the practice of the vocational training centres (VTC) aiming at improving training methodologies and training delivery methods. To be completed by Oct 2014 with a budget of c. EUR 1.75 million.	No progress reported by Jan2013	No progress reported by April 2013
<b>Ireland [7.8.a.Oct12] - <u>Draft Parliamentary Bill - Education and Training Boards Bill 2012</u>.</b> The Bill provides an integrated framework for both further education and training services and the Regional network of Education and Training Boards (ETBs).	No progress reported by Jan2013	The Bill is being discussed in the Dail (Parliament). There is, as yet, no indication of any significant change and there has not been any public or press comment.
<b>Denmark [4.8.a.Oct12] - <u>Proposal for the Finance Bill for 2013 - Reforms of vocational training for young persons</u>.</b> The aim of this measure is to reduce the lack of apprenticeships students in vocational education by introducing a range of new initiatives including apprenticeship-centres at the vocational schools. There is no information yet on a budget for the measure.	On 8 November 2012 a broad political agreement was reached between the Government and a number of other political parties about a reform of vocational training for young persons. The reform was later integrated into the Finance Bill agreed by Parliament on 19 December. The following elements were included in the agreement: A number of initiatives will be taken to ensure students a better guarantee of traineeships and to contribute to make better use of internship capacity; the quality of training must be increased through targeted continuation of the temporary increases in educational fees and a reserve set aside for better quality in vocational training; the municipal duty to ensure and follow up on all 15-17 year-olds will be maintained in 2013; and the adult education centres (VEU-Centres) will be continued throughout 2013-2016.	No progress reported by April 2013
<b>Malta [17.8.b.Oct12] - STARS Scholarships –</b> The scheme, in operation since October 2012, aims to help persons further their studies in computer games design and financial services through awards of up to EUR 6 000. The scholarship scheme is expected to last three years and around 250 persons are expected to benefit from it. The allocated budget for the scheme is EUR 500 000.	No progress reported by Jan2013	No progress reported by April 2013
<b>Poland [20.8.a.Oct12] - <u>Amendment to the Law - Law on the Education System</u> –</b> Adopted in July 2001 but in	No progress reported by Jan2013.	No progress reported by April 2013

October 2012	January 2013	April 2013
force since September 2012, this reform to the law introduces changes regulating the vocational education system and vocational training students. No details on budget allocated.		
<b>Slovakia [24.8.a.Oct12] - Amendment to the Act on vocational education and training (VET law), September 2012.</b> The ministries of education and labour will regularly publish information on labour market performance of school leavers, and carry out analyses and forecasts of labour market needs. The aims of the Act are to better adapt VET to labour market requirements and increase public interest in VET studies	The amended VET law came into effect on 1 January 2013.	No progress reported by April 2013
<b>Sweden [26.8.b.Oct12] - Budget Bill - Increased allowance paid to employers for apprentices.</b> This Budget Bill strengthens the apprenticeship training programmes by permanently extending the provider allowances for apprentices and raising allowances paid to employers. The Bill aims to smooth the transition from school to work by increasing the incentives paid to employers to accept apprentices.	Adopted by the Swedish Parliament in December 2012. The measures increasing the allowance paid to the employer might favour the development of a dual system in Sweden, but there is no empirical evidence that the increase of the allowance will positively impact upon the take up rate of apprentices.	Took effect in January 2013- The measures proposed to increase the allowance paid to the employer might favour the development of a dual system in Sweden, but no empirical evidence that the increase of allowance will positively impact upon take-up rate of apprentices.
<b>UK [27.8.a.Oct12] - The Employer Ownership Pilot (EOP)</b> – This initiative commenced in September 2012. Employers submit bids for funding to develop innovative training approaches and customised skills development. The designated budget for this programme is GBP 250 million (EUR 309 million) over two years and is expected to fund 125 projects.	Round 2 of this competitive fund for employers was launched in November 2012 with some additional funding taking the total (Rounds 1 and 2) to GBP 340 million (EUR 400 million)	No progress reported by April 2013
	<b>Spain [9.8.a.Jan13] – Law - Reform of apprenticeship contracts which lay the grounds for a dual vocational training system.</b> Adopted on 8 November 2012, this measure focuses on young people aged 25 or less and aims to develop the regulation of the apprenticeship contract; to lay the grounds for a dual vocational training system, providing an alternate training scheme which includes education at the workplace and at a training centre; engage companies in the training process in order to smooth school-to-work transitions among young people	Regional governments have the legal competences on education issues. In this context, the dual vocational training is beginning to be developed in the different educational learning cycles in some regions. At the moment, only 0.3% of the whole amount of initial vocational training students has been included in the dual system.



October 2012	January 2013	April 2013
	<p>(16-30). Youngsters will be trained at workplace up to 33 % depending on the agreement between the regional employment offices and each company. The responsible agency is the Ministry of Employment through the regional governments. It's a permanent measure consistent with CSR 5 and 6 concerning youth employment. The measure complements the recent labour market reform of February 2012 as it provides more flexibility to the incorporation of young people to the labour market. It will be funded from the General Budget 2013 with a specific budget allocation of EUR 247.5 million.</p>	
	<p><b>Hungary [16.8.a.Jan13] – <u>Law, Government decree (1589/2012) - Administrative Changes to the National Registry of Qualifications.</u></b> Adopted on 17 December 2012, the measure aims to simplify with less qualifications and specifications, reducing the administrative burdens of the National Registry of Qualifications related to employment. It is a permanent measure coherent with the aim of improving education and training systems and the aim of streamlining training requirements and matching them better with labour market demand. The system of vocational education is being revamped from full-time to adult education. No specific budget has been allocated to the measure.</p>	<p>No progress reported by April 2013</p>
	<p><b>Malta [17.8.c.Jan13] – <u>Education and Training Programme - Youth Inc.</u></b> The measure is currently in operation and has been running for about two years. The programme, which was launched in February 2011, was sustained and extended in the Budget 2013. It is a joint initiative of the Ministry for Education, Employment and the Family, the Malta Qualifications Council and the Employment and Training Corporation, and is coordinated by the Foundation for Educational Services. The programme aims to assist young school leavers, between the ages of 16 to 24, who may be unemployed or in part-time employment who have not progressed to further education or training by offering a flexible pathway to further education by putting together a programme of</p>	<p>In March 2013, the then Minister of Education and Employment stated that more than 140 youths between 16 and 21 years took part in the programme and 28 of them found permanent employment. Further, it was announced that 63 persons are currently being trained in such programme.</p>

October 2012	January 2013	April 2013
	<p>study and vocational training over a period of two to three years leading to the attainment of a qualification that falls under the National Qualifications framework . The Budget 2013 extended the upper age from 21 to 24 to reach more young people. The professional team taking care of the programme has been strengthened. It will now start offering a third level of training, which increases the students' practical work experience. The programme is clearly coherent with the recommendation to reduce early school leaving and increase the overall level of qualifications in Malta. While there are measures in place meant to decrease school dropouts, this measure targets dropouts who are in greater difficulties, since they are not in full-time employment. The budget allocated to the measure is EUR 600 000.</p>	
	<p><b>Former Yugoslav Republic of Macedonia</b>  <b>[30.8.b.Jan13] – <u>draft Strategy</u> – Strategy for Vocational Education and Training.</b> The Ministry for Education and Science has prepared a draft Strategy for Vocational Education and Training. It is prepared with support from the European Training Foundation, through a participatory approach. The purpose of the measure is to reform the VET system towards the competencies and skills that are demanded on the labour market and set a long-term vision for the development of VET system in the country. The measure is coherent with the government priority for improving the quality of education and improving the match between skills supply and demand. It builds on the measures to improve the quality of education and functioning of the labour market. It is funded by the Ministry of Education, some funding is expected from the IPA IV component.</p>	<p>The Strategy has been promoted publicly and public debate has been organized. In addition, an Action Plan for implementation was prepared. It has not been yet adopted, final revisions are expected.</p>

## 9.2 Improving Tertiary and Higher Education

New measures introduced during the past quarter (April 13) include:

- **Denmark [4.8.b.Apr13] - proposed legislation - Reform of State Student's Grant (SU).**  
The measure is targeted at students eligible for State Student's Grant aged 18 and above. Currently, the reform is now the subject of political negotiation between the government and the opposition. The State Student's Grant is regulated by the Ministry of Science, Innovation and Higher Education and administered by a special agency (The Danish Agency for Higher Education and Educational Support). The reform has a number of elements whereof the most relevant from a labour market perspective are; a) for students starting their tertiary education more than 2 years after the qualifying examination, the duration of the State Student's Grant will be limited to the standard norm for the education in question. Other students will be allowed an additional 6 months for a bachelor's degree and in addition extra six months for a master's degree; b) a new framework for higher education, which supports an active study completion and increased demands on universities for improvements in their studies; c) the State Student's Grant will be indexed in the same manner as transfer payments such as unemployment benefits and social assistance. The reform can be seen in the line of CRS3 and is funded by the public budget at state level. There is an estimate of the net effects on the public budget. When fully implemented the government estimates that the reform will imply public savings of around EUR 0.26 billion (2 billion DKK).
- **Germany [5.8.c.Apr13] – Proposal/Lower Saxony & Law/Bavaria - Abolition of Tuition fees for initial university studies.** This permanent measure is targeted at university students. Tuition fees in Bavaria and Lower Saxony were/will be abolished. In Bavaria, the tuition fees have already been abolished in the beginning of March. In Lower Saxony, the debate is on-going. The Bavarian governing coalition of CSU and FDP decided to abolish tuition fees possibly as early as spring 2013. Also in Lower Saxony tuition fees are about to fold, the newly elected government coalition (SPD and the Greens) announced that an abolition will be effective at the latest in the winter semester 2014/2015. The objective of the measure is to ensure equal opportunities for students from low-income households. In lower Saxony, the debate about this is going on. In Bavaria, the federal state will refund the universities for missing fees. It is consistent with CSR3 which refers to applying measures to raise the educational achievement of disadvantaged groups, in particular though ensuring equal opportunities in the education and training system. Funding for compensation in Lower Saxony will amount to at least EUR 120 million per year. In Bavaria, until the end of 2014, EUR 219 million must be compensated.
- **Austria [19.8.e.Apr13] - Law - Reform of the University Act 2002.** Adopted on 13 March 2013, the main focus of the reform is the transition of the university funding according the principle of a capacity-based, student-oriented university funding. After a pilot phase in the performance agreement period 2013-2015, the capacity-based, student-oriented university funding will be partly implemented in the next period (2016-2018) and fully implemented by 2019. Further measures include amongst others a limitation of student places in selected subjects (architecture and urban Design, computer science, biology and bio-chemistry, pharmacy, economics; temporary until 2015) and the implementation of new professorships in study subjects with high demand.. The objective of the measure concerns improving study conditions by an improvement of the relationship between students and university teachers. It also concerns increasing the proportion of active students and the number of completed studies, reducing dropouts and shortening the average duration of a study. The measure is consistent with CSR 5, referring to further measures to improve educational outcomes, especially of disadvantaged young people. It is funded by public money. There is a stepwise introduction of funds because of the expected significant additional costs. However the additional budgetary and financial resources from the year 2016 on are not reported.. The university budget in the performance agreement period 2013 to 2015 is EUR 7.2 billion.

**Progress with pre-existing measures:**

October 2012	January 2013	April 2013
<b>Latvia [13.8.b.Oct12] – Regulation Sept 2012 - New higher education accreditation and licensing system.</b> The regulation introduces a standards system for higher education. The standards framework will be organized by the MoES's authorized institution which will be selected through an open competition.	No progress reported by Jan2013.	No progress reported by April 2013
<b>UK [27.8.b.Oct12] - UK Research Partnership Investment Fund</b> for Higher Education Institutions to submit proposals to the fund. The bidding process will continue until funds are exhausted. The total allocated budget is GBP 300 million (EUR 371 million).	No progress reported by Jan2013.	No progress reported by April 2013
	<b>Germany [5.8.a.Jan13] – Amendment to the Basic Constitutional Law (article 91b), Easing cooperation between the Federal Level and the Länder in the area of education and research.</b> The aim of the measure is to improve cooperation between the Federal level and Länder and it is directed at students/scientists. It is a permanent measure, and coherent CSR 1, to increase the efficient spending in education and science. There is no specified budget allocation.	No progress reported by April 2013
	<b>Latvia [13.8.c.Jan13] – proposed reform - Studies in EU Languages at Latvian Higher Education Institutions.</b> This reform has been proposed by the Ministry of Education and Science to increase the competitiveness of higher education in Latvia. On 5 November 2012 a working group was established to assess the proposal. It proposes to allow the use of European languages as languages of tuition and the hiring of international teaching staff. The aim of the reforms is to help in building international study programmes at Latvian high schools and to achieve 10 % share of foreign students in the total student pool, and a 5 % share of academic staff from abroad. Funding arrangements are not yet disclosed.	The amendments to higher education law have been submitted for a review in State Secretaries meeting, though have still not been approved by CoM, nor have they been enacted/enforced.
	<b>Hungary [16.8.b.Jan13] – Law, government regulation (331/2012) - Availability of subsidised courses in HE in the 2013/2014 academic years.</b> Adopted on 29	No progress reported by April 2013

October 2012	January 2013	April 2013
	<p>November 2012, it defines courses which cannot be subsidised in 2013/14 academic year. It is a temporary measure for the 2013/14 academic year, to be funded via the government budget with no specific budget allocation. It is not coherent with COM recommendations or national policy in the NRP. Protests by current university students are on-going.</p>	
	<p><b>Poland [20.8.b.Jan13] – Ministerial project - Competition for the best Programs of Study.</b> The Ministry of Science and Higher Education launched a competition in June 2012 for funding amongst universities that develop the best programs of study which are innovative and reflect the needs of the labour market and implement the most advanced programs to improve the quality of education. The winning departments will receive EUR 239 000 (1 million zlotys) to improve the educational offer. Funded from the National budget, with EUR 15 mln.</p>	<p>No progress reported by April 2013</p>
	<p><b>Slovakia [24.8.a.Jan13] – Law - Amendment to the Law on Higher Education Institutions (University Act).</b> Adopted on 13 December 2012 and entered into force on 1 January 2013 (with certain provisions becoming effective on 1 September, the key goal of the measure is to improve the quality of higher education. The Ministry of Education prepared a comprehensive reform, which includes 217 amendments to existing provisions. It covers practically all domains of the law, including the internal quality assurance system, quality of teachers, accreditation of study programmes, quality of external studies, incentives to cooperate with high-quality higher education institutions from abroad.. No specific budget has been allocated.</p>	<p>No progress reported by April 2013</p>

### 9.3 Improvement of Primary and Secondary Education Systems

New measures introduced during the past quarter (April 13) include:

- **Austria[19.8.d.Apr13] - Government bill - Avoidance of violating compulsory school attendance.** This bill targets pupils in compulsory schools and their parents and is planned to come into effect by 1 September 2013. With a five stage activity plan, the problem of school absenteeism of more than 3 days without excuse shall be tackled. The five stages include several forms of communication between teachers, pupils and parents, including school-based and external services (e.g. social workers, psychologists). If all these efforts tend to fail, the final stage will be the imposition of a EUR 440 fine which is than double as much as it is now. The objective of the measure is to reduce school drop-out as a consequence of unexcused school absenteeism. This measure is consistent with CSR5 referring to further measures to improve educational outcomes, especially of disadvantaged young people. It is a permanent measure, with no separate funding necessary.
- **Poland [20.8.d.Apr13] – Policy - Teachers' Card.** Targeted at teachers, the objective of this measure is to improve the quality of education and teaching. The main provisions of the novelisation of Teacher Card include shorter holiday leave (from 54 days to 47 days), financial support only for training necessary to work, sick leave will be predicated by the occupational doctor and the period will be shortened to one year (from 3 years) - teachers with 20 years' experience can apply for it (currently 7 years' experience), there is a possibility of spreading sick leave for two rounds each per 6 month- the break between rounds at least 3 years. The institution responsible for delivery is Ministry of Education. The changes are in the process of social consultation and the measure is consistent with CSR 2012-2013 No. 3 regarding improving the quality of teaching.
- **Slovakia [24.8.c.Apr13] - private initiative/project: web portal - Elementary and High School Database.** Targeted at parents, students, schools, but also other stakeholders, the project, managed by private think-tank INEKO, provides information on primary and secondary schools in Slovakia, achievements of students (leaving exams, standardised tests, competitions, graduate unemployment rate, etc.), conditions for teaching (inspection data, funding, staffing, ICT use, etc.), and compiles rankings and comparable tables. Information is accessible on a special website. The main objective of the project is to help parents and students to take better decisions in their choice of schools but also to encourage schools to achieve better results. Project was launched in 2012; first consistent data were published in the first quarter of 2013. It is envisaged as long-term activity (depending on funding). It is privately financed.

**Progress with pre-existing measures under the heading of improving primary and secondary education systems:**

<b>Oct 2012 measure</b>	<b>Jan 2013 update</b>	<b>April 2013 update</b>
<b>Czech Republic [3.8.c.Oct12] - Evaluation and monitoring in regional schooling.</b> This measure concerns the unified country wide testing of pupils in some subjects to evaluate a selection of skills of graduates from some school types.	<b>Jan 2013 update:</b> Since December 2012, the MoS is renegotiating tertiary reforms with the representatives of Czech universities. Instead of a new law on tertiary education, there will be an amendment of the current legislation.	Issues of longer-term financing contracts, quality certification, and diversification are being discussed.
<b>Czech Republic [3.8.d.Oct12] - Design of Teachers' Career Code</b> The Ministry of Schooling expects that a properly designed career code will improve teaching quality.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Malta [17.8.a.Oct12] - National Curriculum Framework.</b> The government is finalising the National Curriculum Framework.	No progress reported by Jan2013.	The long-awaited new National Curriculum Framework was launched in February 2013. It was announced that there are plans to launch it in the next scholastic year.
<b>Sweden [26.8.c.Oct12] – Budget Bill - Extension of the Folk high school initiative.</b> The extension is expected to help motivate young people and those who have not completed their compulsory or upper secondary school educations to participate in education & training.	Adopted by the Swedish Parliament in December 2012. No formal evaluation of the folk high school initiative has been conducted yet. It is therefore difficult to assess the efficiency of this measure. However, relatively few participants have either continued their studies or received work in the regular labour market, after completion of the programme.	Took Effect in January 2013 - The temporary increase of places in adult education is well in line with the effort the government to increase the educational level of the Swedish population and to speed up the integration of low educated individuals into the labour market.
<b>Former Yugoslav Republic of Macedonia [30.8.a.Oct12] - Amendments to the Law on Primary Education and to the Law on Secondary Education</b> adopted in August 2012. The amendments concern the introduction of a management information system (MIS) for the primary and secondary education school system	The MIS system is in place, although some schools complain that the system fails from time to time and hence they are unable to input all the required data into the system. It is still early to see if the EMIS will be used as a tool for policy-making.	No progress reported by April 2013
<b>Serbia [31.8.a.Oct12] – Government Strategy - National Strategy of Education 2012-2020.</b> The aim of this strategy is to provide a strategic framework for education policy between 2012 and 2020. Advocates an increase in expenditures on education to 6% of GDP.	No progress reported by Jan2013	No progress reported by April 2013



## 9.4 Other Improvements

New measures introduced during the past quarter (April 13) include:

- **Germany [5.8.b.Apr13] - Law - Promotion of elderly care training (Elderly Care Education and Qualification Programme).** This measure is targeted at elderly care workers/apprentices. On 19 March 2013 a law was passed to promote elder care training, a sector which is and will be strongly affected by skill shortages. The law provides that the training period of elderly care nurses shall be shortened by 1/3 for persons with previous knowledge in this sector and further training to become an elderly care nurse shall be financed by the Federal Employment Agency. The law is part of the 'Elderly Care Education and Qualification Programme' (Ausbildungs- und Qualifizierungsoffensive Altenpflege) of Bund, Lander and social organisations which aim at increasing the number of apprentices for elderly care by 10 % per year for four years and by training up to 4 000 elderly care assistants to become elderly care nurses. However, it remains problematic that there are tuition fees for this training for all other groups. It is consistent with CSR1, focusing on continuing the growth-friendly consolidation course through additional efforts to enhance the efficiency of public spending on healthcare and long-term care. It is funded by the Federal Employment Agency and the Federal and local budget. Federal employment agency additional costs of EUR 17 million in 2015, EUR 36 million in each 2016 and 2017, EUR 28 million in 2018 and 2 million in 2019. Federal budget additional costs of EUR 10 million in 2015, EUR 22 million in 2016 and 2017, EUR 16 million in 2018, EUR 1 million in 2019. Local budget additional costs of EUR 1 million in 2015, 2 million in 2016-18 and 100 000 in 2019.
- **Lithuania [14.8.b.Apr13] - yearly event - Exhibition 'Learning. Studies. Career'.** On 7–9 February, Lithuanian Exhibition and Congress Centre "Litexpo" held international exhibition of vocational and higher education schools "Learning. Studies. Career", initiated by the Ministry of Education and Science (MES). 190 Lithuanian education institutions participated in the exhibition, including higher education schools, colleges, vocational education and training schools, business schools, vocational training centres, labour market training centres, and more than 40 foreign education and training institutions. The exhibition was aimed at providing information to school graduates and other potential students where to obtain education, acquire professions, improve qualifications, how to plan and seek career. The exhibition mainly focused on vocational training and skills demanded on the labour market. The event is consistent with NRP's priority action direction, "Reduction of the mismatch between demand and supply of skills and competences".



**Progress with pre-existing measures**

Oct 2012 measure	Jan 2013 update	April 2013
	<p><b>Poland [20.8.c.Jan13] – <u>Law</u> - Amendment to the Act on the classification of occupations and specialities.</b> Adopted 14 November 2012, the measure seeks to adapt and update the regulation on the classification of professions and specialities to changes in the system of vocational education and the appearance of new professions taught in the school system. It is aimed at PES's employees and other people who use classification to professional duties / professionals in the covered professions. The classification is supplemented with 6 new professions whose teaching began on September 1, 2012. These professions include bricklayer-plasterer; network installer, installation and sanitation; fitter building and finishing works in construction; driller; operator of machinery and equipment for plastics processing. The regulation entitles employers to be paid refunds and social security contributions of young workers undergoing vocational training. The institution responsible for delivery is the Ministry of Labour and Social Policy. It is a permanent measure, funded by the national budget with no information on specific amounts of funds.</p>	<p>No progress reported by April 2013</p>

## 10 Policy Area 9: Wage Setting Mechanisms and labour cost developments

Under Policy Area 9 7 countries have introduced a total of 10 new measures during the past quarter:

- A) Changes to the wage setting mechanisms, including changes in collective bargaining processes:

Apr13: Belgium, Germany, Latvia

Jan13: Czech Republic, Estonia, Italy, Latvia, Lithuania, Luxembourg, Romania, Slovakia, Serbia

Oct12: Cyprus, Denmark, Germany, Ireland, Poland, Portugal and from the candidate countries, Croatia and Turkey, and

- B) Taxation changes

Apr13: Spain, Austria, Hungary, Croatia

Jan13: France, Lithuania, Malta, Austria

Oct12: Czech Republic, France, Hungary, Italy, Latvia, Slovakia

### 10.1 Changes to the wage setting mechanisms

New measures introduced during the past quarter (April 13) include:

- **Belgium [1.9.a.Apr13]** – Law entering into force 1 January 2013 - **Adjustment to the structural reduction of social security contributions**, aiming to encourage full time work and to enable more employers to benefit from the reduction. The thresholds for low and high wages have been raised. The method of calculating the amount by which social security contributions are to be reduced in situations in which a full three-month period is not worked has been adjusted to ensure greater proportionality. The measure is consistent with the AGS 2013 priority 'To limit the tax burden on labour, notably for the low-paid, as part of broader efforts to shift tax burden away from labour'. No budget implications have been specified.
- **Belgium [1.9.b.Apr13]** – Royal Decree entering into force 1 January 2013 - **Adjustment to the reduction of social security contributions for certain target groups** (young workers, elderly workers and training providers). The aim of the provisions are to channel employment aid towards the most vulnerable groups, to encourage full-time work and to boost the number of work placements and training courses provided by companies. They foresee the following for young workers: abolition of the reduction in place for low-paid workers under 30 and adjustment to the reduction applicable to workers under 26 (introduction of a wage threshold for reduced contributions and of a new category 'young people with intermediate-level education'). For elderly workers: workers under 54 will no longer be entitled to the reduction. The amount by which social security contributions are reduced now varies depending on the worker's age. For training providers: the amount by which contributions are reduced is being increased from EUR 400 to EUR 800 per quarter. Last but not least, the amount by which social security contributions are reduced is calculated according to the period worked. This measure is also consistent with the AGS 2013 priority 'To limit the tax burden on labour, notably for the low-paid, as part of broader efforts to shift tax burden away from labour'. No budget implications have been specified.
- **Germany [5.9.b.Apr13]** – Concrete plans of the Federal Government - **Promoting the influence of shareholders on executive earnings** - According to plans of the Office of the *Bundeskanzler*, the cornerstones of this reform allow for the shareholders' meeting to agree on total earnings of their management, including salary, profit participation, expense allowances etc. The plans are consistent with sustainable growth, e.g. point 5 of Spring Council Conclusions 2013. Especially in times of crisis, multi-million Euro salaries

in company boards are hard to justify towards many people affected by the crisis. In this view, a democratisation of wage-setting mechanisms for executive board managers can play a part in contributing to a higher legitimacy of earnings of executive board members. Furthermore, higher influence of shareholders can help to discipline reckless managers.

- **Latvia [13.9.c.Apr13]** - Announced by the government in February, still has to be aligned with the ministries, approved by the government and adopted by Parliament - New Trade Union Law. The revised trade union law is designed to streamline and modernize the legal framework in which trade unions operate, as well as to eliminate inconsistencies with other laws and regulations. The law determines general rules of the establishment of a trade union as well as social dialogue between employees, employer organizations and associations, and state and local government institutions. The regulation was developed in response to a request of the Cabinet of Ministers.
- **Latvia [13.9.d.Apr13] - Easier procedures to set public sector salaries**. The amounts and easier procedures for the determination of salaries of national and local government officials and employees were approved by the Cabinet of Ministers on January 29th. The salary scale for each employee will be based on his/her occupation. The point on the scale will depend on performance evaluation and professional experience. Measure responds to commitments under Memorandum of Understanding between LV and EU: 'proposals to reward the performance of public sector employees through earnings and career developments'.
- **Latvia [13.9.e.Apr13] – Law approved in January 2013 - Earnings cap on manager salaries of large state-owned enterprises**. The total rewards of managers of large state-owned enterprises in 2013 cannot exceed EUR 6 750 per month (calculated from the official statistical report of CSB on the average wage level in the previous month of the year multiplied by a coefficient of 10). The coefficient should not exceed 10 and the actual value applied should be based on the performance and the characteristics of the enterprise. Responds to the Euro Plus Pact Measures for Fostering Competitiveness: 'Measures to align salary and productivity developments...

**Progress with pre-existing measures related to changes to wage setting mechanisms and changes in collective bargaining rules:**

October 2012	January 2013	April 2013
<p><b>Denmark [4.9.a.Oct12]</b> - <u>Tripartite proposals</u> - <b>Counteracting social dumping</b> (budget details not made public). To reduce social dumping on the Danish labour market.</p>	<p><b>Jan 2013 update:</b> The initiatives to combat social dumping were agreed between the Government and the Red-Green Alliance ("Enhedslisten") as part of the complex of agreements over the Fiscal Bill for 2013. The initiatives follow up on a political agreement between the Government and the "Red-Green Alliance" (Enhedslisten) made in the fall of 2011, as part of the negotiations of the Fiscal Bill for 2012. The initiatives mainly represent a stricter enforcement of existing regulations and will therefore not face serious barriers for implementation. However, counteracting examples of low wages for immigrant workers will still mainly be a task for the trade unions.</p>	<p>The legislation related to 'Stricter surveillance of and penalties to foreign service providers not registering in the special register established for them' was presented as a proposal to Parliament from the Minister of Employment on 20 March 2013.</p>
<p><b>Germany [5.9.a.Oct12]</b> - <u>law proposal of the Land of Thuringia, submitted September</u> - <b>Nation-wide minimum wage</b> (budget details not known). The main objective is to fight the problem of the working poor.</p>	<p>No progress reported by Jan2013.</p>	<p>The former critical government coalition party FDP now supports the idea of a nation-wide minimum wage, though there is some internal opposition.</p>
<p><b>Spain [9.1.c.Oct12]</b> – <u>Royal Decree</u> - <b>flexibilization of collective bargaining</b> The last labour market reform has led to three main changes: a) The collective agreements can be effectively cancelled on the grounds of economic, technical or organizational reasons that result in current or expected losses during two consecutive quarters. b) The collective agreements at firm level are given priority to other levels (provincial, sectoral, national, etc.). c) the extension of expired and not-renewed collective agreements is no longer indefinite but is limited to one year.</p>	<p>In addition, during the past quarter, collective layoffs in the public sector were made more flexible. The measure is coherent with the broad austerity strategy but is damaging the economic growth perspective in the short run.</p>	<p>Reformation of the wage-setting mechanism was specifically recommended in the 2013 AGS.</p>
<p><b>Ireland [7.9.a.Oct12]</b> - <u>Parliamentary Act</u> - <b>New Legislation on Wage Setting Systems (REA and EROs)</b>.</p>	<p>No progress reported by Jan2013.</p>	<p>No progress reported by April 2013</p>
<p><b>Cyprus [12.9.a.Oct12]</b> – <u>Legal Act</u> - <b>Severe reductions in wider public sector nominal wages following earlier freeze</b>. Government proposal to Troika, made in anticipation of impending negotiations. To reduce cost of</p>	<p>The cuts announced in Oct12, have now been passed into legislation. The change is positive in that wage cuts in the public sector were needed. However, the current government, has shielded those earning low wages from cuts to a large extent and moved to larger cuts on the</p>	<p>The cuts have now been passed into legislation and further after-tax cuts will be coming through the completed MoU</p>

October 2012	January 2013	April 2013
government.	wages of highly paid civil servants. This is unfortunate because (a) the gap between the public and private sector earnings is highest at the low end, (ii) the continuing differential will encourage the substitution of unskilled domestic by unskilled, cheaper, foreign labour, increasing domestic unemployment, (iii) the most highly paid, who have been bearing the brunt of adjustments to EU and Euro-adoption procedures, will experience cuts in real purchasing power which are (depending on circumstances) of the order of 25-30% and (iv) those in responsible positions will be discouraged and may reduce their contribution above and beyond the call of duty or leave the public sector for private sector positions which pay more.	
<b>Poland [20.9.a.Oct12]</b> - <u>Regulation on the minimum wage adopted in 2013 - Increasing the amount of minimum wage in 2013.</u> To remove harmful employers' competition for employees in reducing cost, by lowering wages.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Portugal [21.9.a.Oct12]</b> - Government resolution - <b>Government resolution No. 90/2012</b> The resolution introduces a new criterion for the ministerial extension of collective agreements to the respective sector: the signing employers association must cover at least 50% of the workers in the respective sector/region.	Measure unchanged, but effects are now visible based on data for the year 2012. In 2012, collective bargaining covered only 21% of the workers it covered during the period 2005-2010 (annual average). The measure deepens the profound crisis in collective bargaining and thus undermines the foundations of the Portuguese model of social dialogue.	No progress reported by April 2013
<b>Croatia [28.9.a.Oct12]</b> - <u>Collective agreement - Revision of collective agreement arrangements in the public sector.</u> Revision of collective agreements in line with fiscal constraints. The government was aiming at reforming public sector wage rules towards greater inter-sectoral uniformity and performance pay. However, the actual changes that took place did not touch upon wage levels or supplements, but reduced daily travel allowances, abolished summer and Christmas supplements (by the end of 2013) and removed some tenure awards.	With the basic collective agreement for public services being cancelled in August, and about to expire in November 2012, the brinkmanship was ended with the adoption of a new basic collective agreement for public services and an annex stating the same temporary reductions as those agreed for public administration employees (reduction in travel allowance compensation, tenure award level, voiding summer and Christmas supplement) until the end of 2013. Some minor sectoral collective agreements were signed (employment service and pension fund), with some reductions in tenure and job supplements. Negotiations for revisions in large education sectors are still underway. Four trade unions (including	No progress reported by April 2013

October 2012	January 2013	April 2013
	the three largest and most militant ones in the education sector) did not sign the collective agreement, but it became effective due to the new Collective bargaining mechanism in place since the summer of 2012. The forthcoming collective agreements for the education sectors could provide a substantial debate, especially since this is a sector with the lowest wages, most reliant on supplements.	
<b>Turkey [32.9.a.Oct12]</b> - <u>law enacted, November 2012</u> - <b>New union law proposal</b> . Reforming the current union law.	No progress reported by Jan2013	No progress reported by April 2013
	<b>Czech Republic [3.9.b.Jan13]</b> – Law – <b>Single Minimum Wage</b> – Since January 2013, there are no lower versions of the statutory minimum wage, which is now the same irrespective of the worker age or job type (no budget details provided)	No progress reported by April 2013
	<b>Estonia [6.9.a.Jan13]</b> - Government regulation – <b>Reduction of the unemployment insurance premiums</b> – Following a proposal by the Supervisory Board of the Unemployment Insurance Fund, the government has decided to reduce unemployment insurance premiums, which have stood at the maximum level allowed by the law since August 2009. The regulation was adopted in September 2012 and enacted on 1 January 2013. Thus, the employee's contribution is now 2% of the gross wage and employers pay 1% of the total payroll (previously 2.8% and 1.4% respectively). The main aim of this regulation is to reduce labour costs. The measure has the potential to encourage job creation; however its effect is likely to be modest.	No progress reported by April 2013
	<b>Italy [11.9.b.Jan13]</b> – Agreement - <b>Agreement on productivity</b> between the Government and almost all social partners. The agreement provides a general setting allowing for the second level of wage (and labour conditions) bargaining. It therefore requires further agreements between social partners at the firm/territorial level to be fully effective. The agreement responds to the	In January 2013 the Government enacted a Decree of the President of the Council of Ministers that implemented the November 2012 agreement on productivity between the Government and the main employers' associations and trade unions (with the notable exception of CGIL, the largest Italian trade union confederation).

October 2012	January 2013	April 2013
	4th 2012 CSR recommendation on the implementation of a new wage setting framework. While the agreement is coherent with the need of renewing the bargaining system, it is considered insufficient to produce a significant improvement in employment and productivity growth, partly because it does not innovate much on the pre-existing system and partly because the CGIL (the largest trade union organisation) did not sign it. (budget of EUR 1,6 billion, foreseen in the 2012 Budget law).	
	<b>Latvia [13.9.b.Jan13] - Law - Salary increase for state social workers at care centres</b> Starting from January 1, 2013 salary of social workers at state care centres will be increased by between 19% and 40%. The measure addresses low pay in medicine and social care, which has long been a sensitive issue for the country (The measure will cost EUR 4.8 million in 2013).	Salary increase has been in effect since 1 January 2013.
	<b>Lithuania [14.1.b.Jan13] - Increase of the Minimum Wage</b> - Since 1 January 2013 the minimum wage has increased by almost 18% after a period of no increases over the past four years with negative effects on incentives to work. As this measure has just been introduced, there is no information as to what impact higher MMW will have on the labour market. employers believe that an increase in the MMW will have adverse effects on the business environment in Lithuania. The social partners have agreed to prepare in the very near future the measures to protect companies from likely effects of the MMW increase.	No progress reported by April 2013
	<b>Luxembourg [15.9.a.Jan13] - Reform of social dialogue instruments at the company level</b> - Discussions have started in the Council of Ministers in January 2013, on a reform aiming to overhaul legislation on employee representation in companies. The reform, although at a very early stage, is relevant and adequate as the instruments for worker participation are to be adapted and modernized.	No progress reported by April 2013
	<b>Hungary [16.9.b.Jan13] - Law - Modification of the</b>	No progress reported by April 2013

October 2012	January 2013	April 2013
	<b>simplified contribution to public revenues (EKHO), healthcare contribution, vocational education contribution.</b> The measure linearises social security contributions and increases the levy on specific types of labour income.	
	<b>Hungary [16.9.c.Jan13] – Government Regulation (408/2012) - Public employees' wage compensation</b> - Defines the rules of entitlement and the amount of the compensation for decreases in public sector wages after changes in the tax and contribution system to ensure decent and sustainable wages and avoid low-wage traps for public sector employees.	No progress reported by April 2013
	<b>Hungary [16.9.d.Jan13] - Government Regulation (421/2012) - Raising the minimum wage of public works participants and introducing minimum wage of foremen in public works</b> - The minimum wage was increased by 5.2%, well above the projected 3.5% inflation in 2013. Foremen wages were set with a 10% premium above regular public employment wages. The measure is credible as public works is one of the most important programs of the government and public works employees that perform more complex tasks, should receive adequate compensation.	No progress reported by April 2013
	<b>Hungary [16.9.e.Jan13] - Government Regulation (390/2012) - Increasing the minimum wage and setting the guaranteed wage minimum.</b> The minimum wage was increased by 5.4 %, well above the projected 3.5 % inflation in 2013 and while productivity has not changed. There are concerns that while the measure appears to serve the decent wages purpose, its employment effect can be negative since minimum wage increases can have spillover-effects, causing other wages to rise beyond productivity and generating similar negative effects for affected workers, especially regarding employment chances.	No progress reported by April 2013
	<b>Romania [22.9.a.Jan13] - Restoring salaries of public employees to their June 2010 levels</b> – The measure	No progress reported by April 2013



October 2012	January 2013	April 2013
	<p>aims to restore the salaries of public employees, both civilian and military, to their levels previous to their 25 % reduction in mid 2010, as part of the austerity measures promoted by the Romanian government at that time. While it was in opposition, the current governing coalition had committed to redress what it generally called an injustice and started the process of restoring salaries to their pre-July 2010 levels as soon as it came into office in mid-May 2012, following a non-confidence vote in the Parliament against the former administration. The first phase of the redress took place in early June 2012 when 8 % was restored. The second and final phase of restoring 7.4 % took place on 1 December 2012 (the former government had started the re-dress in 2011 which had stopped due to budgetary difficulties).</p>	
	<p><b>Slovakia [24.9.b.Jan13] - Amendment - Law on higher-level collective agreements.</b> The binding character of higher-level collective agreements shall be extended to include also employers, who do not endorse the agreement. To widen the coverage, higher-level collective agreements shall refer to the broader "division" level (2-digit) of NACE Rev. 2 instead of the currently applied "group" level (3 digit). A tripartite commission shall be established by law to negotiate extension of collective agreements and review comments filed by employers.</p>	<p>The amendment to the Act on collective bargaining (Note: in the January QR incorrectly titled Act on higher collective agreements) was approved by the government on 20 February and submitted to the parliament. The draft amendment envisages an extension of the binding character of higher collective agreements. MOLSAF agreed to deferment by 6 months, i.e. provided the law will pass the vote in the parliament, changes will enter into force on 1 January 2014 instead of 1 July 2013</p>
	<p><b>Serbia [31.9.a.Jan13] - Law – Setting Maximum Wages in the Public Sector</b> - The Law introduces ceilings for public sector wages at approx. EUR 1 500 net monthly amount and also ties wages of other employees to the maximum levels allowed in public administration for their level of qualification. The aim is to prevent wage inflation. The measure has proven difficult to implement consistently, because at first it established maximum wages without compressing wage structure, thus effectively reducing public wages across the board which caused outcry among the lower paid public sector employees. This led Government to provide an ad hoc opinion in November 2012 which protected the wages of</p>	<p>There is little change because of the low coverage, however on the margin the change is positive. According to limited information, the measure is largely enforced, however its coverage within the public sector is far from complete.</p>

October 2012	January 2013	April 2013
	lower-paid public sector employees. The measure is relevant but its credibility and adequacy have been already questioned because of mutually conflicting interpretations of the legal text provided by the government.	

## 10.2 Taxation changes

**New measures introduced during the past quarter (April 13) include:**

- **Spain [9.9.a.Apr13] - Royal Decree Law 4/2013 - Tax incentives.** New small-sized companies (less than EUR 5 million of activity and 25 workers) will be taxed at a flat rate of 15 % in case they have a tax base between 0 and 300 000 EUR (previously it was 20 %) and 20 % for the rest (previously, 25 %). The objective of the measure is to provide support for small companies. It is consistent with CSR 3 concerning introduction of a tax system which is more supportive to growth. The measure will be funded from budget 2013 with 871 million EUR in 2013 and 3 485 million EU up to 2016 (32% ESF).
- **Hungary [16.9.f.Apr13] - Support available for employers in certain sectors to raise wages to the level of the new minimum wage.** Eligible sectors include manufacturing, construction, retail trade and tourism. The application procedure is open from April. The measure is a one-off measure for 2013, consistent with recommendations for decent pay and making work pay. Budget details not available.
- **Croatia [28.9.b.Apr13] – Law adopted 22 March 2013 - Minimum Wage Act.** The new act provides simplified mechanisms for calculation and adjustments of the minimum wage in Croatia, which was not increased since 2010, regardless of the increased living costs over the years. Major changes refer to the fact that the minimum wage will be set each year by an ordinance of the Croatian Government, based on the proposal of the Minister responsible for labour after the consultations with social partners. Some exceptions to the minimum wage set have been allowed, but under strict and measurable conditions. The act is stemming towards reaching 50% share of the minimum wage in the average net wage paid.
- **Austria [19.9.b.Apr13] – Law - Reform of the commuter tax allowance** - Amongst others, for commuters with low incomes who are not subject to income tax, the negative tax was raised and commuter tax allowance applies for employees. Newly introduced were the "Commuter euro" (a tax deduction of EUR 1 per kilometre to work) and the "job ticket", which allows employers to provide tax-free use of public transportation for non-commuters. In return, the commuter tax allowance for workers who can use an employer's company car privately was deleted. The measure is consistent with recommendation No. 4: „Take steps to reduce the effective tax and social security burden on labour especially for low income earners [...] Shift the tax burden in a budgetary neutral way, towards real estate taxes, and environmental taxes". The measure is expected to lead to a reduction of revenues of c. EUR 140 million in 2013 and EUR 20 million annually thereafter. The commuter tax allowance has been extended with the aim to cover more target groups, to reduce mobility costs, especially for low-income earners, and to encourage a shift to environmentally friendly public transport. However, at the same time allowances for public transport are still lower compared to the use of private cars.

**Progress with pre-existing taxation changes:**

October 2012	January 2013	April 2013
<b>Czech Republic [3.9.a.Oct12]</b> – <u>Legal Act</u> - <b>Changes in taxation</b> (budget details not known) aimed at fiscal consolidation	<b>Jan 2013 update:</b> Tax changes for 2013 were approved at the very end of 2012 contributing to high economic uncertainty for taxpayers. The changes came into effect in January 2013.	No progress reported by April 2013
<b>France [10.9.a.Oct12]</b> - <u>Act</u> - <b>End of “free-of-tax” overtime.</b> Overtime is no longer free of tax for workers.	No progress reported by Jan2013.	No progress reported by April 2013
<b>Hungary [16.9.a.Oct12]</b> – <u>Government decree adopted by the parliament</u> - <b>Employment protection plan</b> - decreases employers’ social security contributions for specific target groups and introduces simpler taxes for micro & SMEs.	In force as of 1 January 2013.	No progress reported by April 2013
<b>Italy [11.9.a.Oct12]</b> - <u>draft bill</u> - <b>Draft bill about the 2012 Stability Law.</b> Pursuing fiscal consolidation, reducing tax wedge, freeze on public sector wage, spending review, de-taxation of productivity bonuses. (EUR 11.6 billion)	No progress reported by Jan2013.	No progress reported by April 2013
<b>Latvia [13.9.a.Oct12]</b> - <b>Change in taxation</b> (budget details not known). Reduce taxation of labour	<b>Jan 2013 update:</b> The personal income tax has been changed to 24% starting from 1 January 2013. The higher untaxed income allowance for dependents is still expected to be in force from 1 July 2013.	As of 1 January 2013, personal income tax has been changed to 24%
<b>Slovakia [24.9.a.Oct12]</b> - <u>Act on social insurance &amp; Act on income tax</u> - <b>Tax and social contribution reform.</b> Adopted and planned measures in the tax and contribution system should help to reach fiscal consolidation targets.	<b>Jan 2013 update:</b> Work performed by students (aged 18-26) based on work agreements will be exempted from social contributions up to EUR 155 monthly. Most of the changes in the tax and contribution system came into effect on 1 January 2013	No progress reported by April 2013
	<b>France [10.9.b.Jan13]</b> – <u>Law</u> - <b>Tax credit for competitiveness and employment (referred to as CICE)</b> - The measure will allow a labour cost reduction of EUR 20 billion per year, with a progressive implementation over 3 years, as follows: EUR 10 billion during the first year and EUR 5 billion in the second and third year. The amount of the tax credit will be 6 % of wages for wages under 2,5 times the minimum wage SMIC (EUR 3 500 per month). In 2013, the rate will be 4%. This is seen as a relevant measure to maintaining	No progress reported by April 2013

October 2012	January 2013	April 2013
	French competitiveness, while credible monitoring arrangements are also planned, since the margins created by the Cice disposal will be evaluated at company level by the employee representatives and at national level by a monitoring committee. (Budget of EUR 20 million, half of which is funded through savings in the public budget and another half funded by an increase of the VAT rate by + 0.6 points).	
	<b>Lithuania [14.9.a.Jan13] – Task Force on Tax reform</b> - A Task Force was set up at the beginning of 2013, to draw up a tax reform and submit it for consideration by 1 April 2013. New legislation is expected to be prepared by 1 July 2013 and to come into force on 1 January 2014.	No progress reported by April 2013
	<b>Malta [17.9.a.Jan13] - Bill put on hold – Reduction of Income Tax Rate</b> - In the Budget 2013, the government announced that it would cut the upper tax rate from 35 % to 25 % up to a maximum income of EUR 60 000 over a three year period. Thus, for example, persons earning EUR 60 000 would save EUR 1 200 in 2013, EUR 2 400 in 2014 and EUR 3 600 in 2015. The measure is meant to make higher paid work more attractive and reduce the shadow economy, however, the Bill has been rejected in Parliament but may be implemented once a new government has been elected in office in March 2013 (If implemented, tax cuts will cost EUR 10 million in the first year and EUR 40 million over three years).	No progress reported by April 2013
	<b>Austria [19.9.a.Jan13] - Measures concerning tax and social security contributions on labour coming into effect in 2013.</b> Several tax measures, decided in the stability package 2012-2016 (decided in parliament on March 2012), came into effect.	No progress reported by April 2013