



**European Employment Policy Observatory Catalogue of Measures, March 2014**

**24 March 2014**

A report submitted by **ICF GHK**

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## Document Control

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## Catalogue of Measures: summary

### Policy Activity – mid-December 2013 to early March 2014

This report identifies 98 labour market reforms taking place across 32 European countries, introduced between December 2013 and early March 2014. Most new measures were introduced in PA 5 - Education and Training Systems (22), PA 2 - Active Labour Market Policies, Job Creation (17) and PA 3 - Social Security Systems (16). Together, these three policy areas accounted for 56 % of the total number of measures introduced during the period. In total, 36 % of all new measures (35) were enacted into law. Of the measures which specified a funding source, the largest proportion (44 %) are state-funded, with a further 20 % EU co-funded. Around 23 % of the measures (20) required no specific funding.

### Summary points – Main Policy Areas

**PA 1 – Employment Protection Legislation:** Under this policy area, four countries introduced a total of seven new policy measures for the period. Around 29 % of the new measures introduced have been enacted into law. Key areas of activity include measures concerning *Flexicurity/changes in employment protection legislation* (BE x2, ES, PL, TR x2).

**PA 2 – ALMPs - Job Creation:** A total of 17 new measures were introduced by nine countries. The most popular type of measures introduced related to *Employer subsidies for job creation* (8) (EL x2, CY x2, MT, former Yugoslav Republic of Macedonia x3) and *simplifying the business environment* (LT x2, SK). Four 'other' measures added to this total.

**PA 2 – ALMPs - PES:** A total of seven measures were introduced by five countries. The most popular type of measure was *Measures Improving Services for the Unemployed* (4) (EE, MT x2, former Yugoslav Republic of Macedonia), *PES Reform Measures* (2) (FI x2), and *Measures Enhancing Employability* (1), (IE).

**PA2 – ALMPs - Youth Guarantee:** Seven countries introduced a total of nine measures here in the area of Reducing Youth Unemployment (ES, LT x3, HU, PT, RO, SK, UK).

**PA 2 – ALMPs - Other:** Two countries introduced a measure each in this category: LT and LU.

**PA 3 – Social Security Systems:** A total of 16 new measures were introduced across 11 European countries during this reporting period. The sub-policy area with the greatest increase in new measures for this period is *Other* (BE, EE x2, LV, NL, PL, FI, UK, former Yugoslav Republic of Macedonia), with *Pension Reforms* (4), (DE, LV, NL, PT) and *Unemployment benefit Reforms* (3), (EE, FR, FI) adding to this total.

**PA 4 - Work life Balance and Gender Equality:** This policy area had a relatively low level of new measure activity. Five countries introduced a total of five new measures in *Changes to parental leave arrangements and/or benefits* (2) (HU, MT), *Measures Reducing gender Discrimination* (2), (PT, SI), and *Enhancing job flexibility* (1), (ES).

**PA 5 – Education and Training Systems:** This area saw the largest introduction of new measures for the period. A total of 22 new measures across 12 countries were introduced in Policy Area 5. The sub-policy areas with the most changes were *Other* (7) (EE x4, LV, MT x2), *Improving VET Systems* (6) (BE, DK, ES, FR, SK, UK), *Measures improving skills supply and promoting adult learning* (4), (BG x3, CY), *Measures facilitating school to work transitions* (3), (IT, LT, HU).

**PA 6 – Labour Taxation:** This policy area reported eight new measures across seven different European countries and all in the area of *Taxation changes* (BE x2, EE, ES, FR, IT, LV, NL).

**PA 7 – Wage setting institutions and dynamics:** Under Policy Area 7, a total of five new measures were introduced in five countries. The sub-policy area with three of these measures was *Changes to the wage setting mechanisms* (3), (IT, UK and former Yugoslav Republic of Macedonia) while two more measures fell into the *Other* category (DE & PT).

## 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:

- New measures introduced during the reporting period (mid-December 2013 – early March 2014), as identified by the EEPO network of experts;
- Measure updates, reporting progress on the implementation of existing measures included in previous Catalogues and the EEPO Regular Reports database.

For this reporting period, the number of Policy Areas (PAs) used to structure the catalogue has been reduced from the previous nine to seven. These policy areas are drawn from the Report on Labour Market reforms 2011-2013.

Table 1.1 below offers an overview of the volume of measures (newly introduced and updated) covered during the reporting period mid-December 2013 – early March 2014. Table 1.2 then illustrates the proportion of new measures introduced under each policy area during the reporting period.

From the tables that follow, it is evident that a total of 98 new measures have been introduced across the various European countries. Progress was most often reported in Policy Area (PA) 5, then PA 2 and PA 3:

- PA 5 - Education and Training Systems;
- PA 2 - Active Labour Market Policies, Job Creation; and
- PA 3 - Social Security Systems.

The least progress was noted under PA 4 – Work-life balance and gender equality - and PA 7 – Wage-setting institutions and dynamics. In each of these PAs, only five countries reported new measures.

Table 1.3 describes the breakdown of funding sources for new measures per policy area. The funding source was specified for 88 of the 98 new measures. According to this, almost half of the new measures (44 %) are state-funded, while no specific funding is required to implement 23 % of the new measures and another 20 % are EU co-funded.

Table 1.4 summarises the proportion of new measures enacted into law under each PA. Overall, 36 % of the new measures included in this Catalogue have been enacted into law. The proportion of enactment in all PAs ranges from 0 % in PA 2 – ALMPs, Other, to 75 % in PA 6 - Labour taxation.

The measures introduced during mid-December 2013 – early March 2014, as well as the measures where developments have occurred under each of the seven policy areas, are discussed in detail in the sections that follow.

The Regular Reports Database (RRD) also allows some analysis of the target groups for the new measures. From 98 measures, 93 specified the target group. Of these, 24 targeted youth; 12 targeted the unemployed; 10 targeted all workers; six measures targeted employers; four each targeted low income earners and women; three each targeted 'all disadvantaged jobseekers', immigrants and parents; two measures targeted part-time workers; and one each targeted the long-term unemployed, redundant workers and the self-employed. A total 19 were categorised under 'other' target groups.

Last but not least, experts only categorised explicit policy drivers for 63 new measures out of a total of 98 (i.e. 64 %) with the largest proportion of that figure (28) attributed to Country-Specific Recommendations (CSRs); 11 categorised as having no explicit policy driver; nine attributed to the country's Memorandum of Understanding (MoU); eight of the measures categorised as being driven by the country's National Reform Programme (NRP) and seven attributed to the Annual Growth Survey (AGS)

A table listing all new measures, by title and country and by policy area, is included in Annex 1.

**Table 1.1 Summary of new and updated measures per Policy Area, mid-December 2013 – early March 2014**

Country / Policy Area	Policy Area 1		Policy Area 2 (i)		Policy Area 2 (ii)		Policy Area 2 (iii)		Policy Area 2 (iv)		Policy Area 3		Policy Area 4		Policy Area 5		Policy Area 6		Policy Area 7	
	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU	NM	MU
BE	2	1		1				1			1				1		2			
BG				1				3							3	2				
CZ		1										1								
DK												1			1					
DE											1	2		2		1			1	1
EE					1						3	1			5	1	1			
IE			1		1			1												
EL			3																	
ES	1	4	1				1						1		1		1			
FR		1		2		1					1				1	1	1			
HR		1										1				1		1		
IT															1		1		1	
CY			3					1							1					
LV								1			2	1			1	1	1			
LT		1	2	1			3		1						1					
LU								1	1						1					
HU						2	1						1	1	1					1
MT			2	1	2			1				1	1		2					
NL		2									2	1					1			
AT								1		1		1		1		3		1		1
PL	2										1									
PT							1				1		1						1	
RO				1			1													



Country / Policy Area	Policy Area 1		Policy Area 2 (i)		Policy Area 2 (ii)		Policy Area 2 (iii)		Policy Area 2 (iv)		Policy Area 3		Policy Area 4		Policy Area 5		Policy Area 6		Policy Area 7	
SI													1							
SK		1	1	2			1					1			1			1		
FI					2	2		1			2									
SE																				
UK		1					1				1	1		1	1				1	
IS				1																
former Yugoslav Republic of Macedonia			3		1	2					1								1	
TR	2																			
RS		2	1															1		
<b>Totals (Countries)</b>	7 (4)	15 (10)	17 (9)	10 (8)	7 (5)	7 (4)	9 (7)	11 (9)	2 (2)	1 (1)	16 (11)	12 (11)	5 (5)	5 (4)	22 (15)	10 (7)	8 (7)	4 (4)	5 (5)	2 (2)

**Table 1.2 Proportion of new measures falling under each policy area, mid-December 2013 – early March 2014**

Policy Areas & sub-categories	Number of new measures	New measures as a proportion of all new measures for the period	Number of measure updates
<b>PA 1: Employment protection legislation</b>	<b>7</b>	<b>7%</b>	<b>15</b>
Labour Market Reform measures	0	0%	7
Measures introducing Local Government Reform (as far as it impacts on employment policy)	0	0%	0
Flexicurity/Changes in Employment protection legislation measures	6	6%	3
Measures addressing labour market segmentation for specific groups	1	1%	2
Other	0	0%	3
<b>PA 2, Active Labour Market Policies - job creation</b>	<b>17</b>	<b>17%</b>	<b>10</b>
Measures Encouraging Entrepreneurship	1	1%	1
Micro-credit schemes	1	1%	1
Employer subsidies for job creation	8	8%	3
Simplifying the Business Environment	3	3%	0
Public Investment Programmes and Regional Investment Incentives measures	0	0%	4
Measure Encouraging Female Entrepreneurship	0	0%	0
Other	4	4%	1
<b>PA 2, Active Labour Market Policies - public employment services</b>	<b>7</b>	<b>7%</b>	<b>7</b>
PES Reform measures	2	2%	1
Measures supporting vulnerable workers including women, older workers, immigrants & those with a reduced ability to work	0	0%	3
Measures enhancing employability	1	1%	1
Measures Protecting Benefit Rights and Favouring the Employment of the unemployed	0	0%	0
Measures mitigating the effects of redundancy	0	0%	0

Policy Areas & sub-categories	Number of new measures	New measures as a proportion of all new measures for the period	Number of measure updates
Improving ALMP programmes measures	0	0%	1
Measures for Improving Services for the Unemployed	4	4%	1
Other	0	0%	0
<b>PA 2, Active Labour Market Policies - youth guarantee</b>	<b>9</b>	<b>9%</b>	<b>11</b>
Reducing Youth Unemployment	9	9%	11
Other	0	0%	0
<b>PA 2, Active Labour Market Policies - other</b>	<b>2</b>	<b>2%</b>	<b>1</b>
<b>PA 3: Social security systems</b>	<b>16</b>	<b>16%</b>	<b>12</b>
Unemployment Benefit Reforms	3	3%	2
Pension Reforms	4	4%	5
Health insurance system reforms	0	0%	1
Other	9	9%	4
<b>PA 4: Work-life balance and gender equality</b>	<b>5</b>	<b>5%</b>	<b>5</b>
Increasing child/family care provision	0	0%	2
Changes to parental leave arrangements and/or benefits	2	2%	1
Enhancing job flexibility	1	1%	0
Measures Reducing the Gender Pay Gap	0	0%	0
Measures Reducing Gender Discrimination	2	2%	1
Measures Targeting Other Vulnerable Groups in specific gender categories	0	0%	0
Other	0	0%	1
<b>PA 5: Education and training systems</b>	<b>22</b>	<b>22%</b>	<b>10</b>
Measures Improving skills supply and promoting adult learning (continuous training programmes, training vouchers and individual training accounts)	4	4%	1
Measures facilitating school to work transitions (traineeships, apprenticeships and work	3	3%	0

Policy Areas & sub-categories	Number of new measures	New measures as a proportion of all new measures for the period	Number of measure updates
experience schemes)			
National Qualification Frameworks	0	0%	1
Improving Vocational Education and Training Systems	6	6%	2
Improving Tertiary and Higher Education	1	1%	1
Improvement of Primary and Secondary Education Systems	1	1%	0
Other	7	7%	5
<b>PA 6: Labour Taxation</b>	<b>8</b>	<b>8%</b>	<b>4</b>
Measures for Reducing Undeclared Work	0	0%	0
Taxation changes	8	8%	4
Other	0	0%	0
<b>PA 7: Wage setting institutions and dynamics</b>	<b>5</b>	<b>5%</b>	<b>2</b>
Changes to the wage setting mechanisms	3	3%	2
Other	2	2%	0

Table 1.3 Breakdown of funding sources for new measures per policy area, mid-December 2013 – early March 2014

	New Measures specifying a funding source	EU Co funding	Government/State Budget	No specific funding required	Social Partner/Private Funding	Other
PA 1: Employment protection legislation	7	0	1	6	0	0
PA 2, Active Labour Market Policies - job creation	17	6	9	2	0	0
PA 2, Active Labour Market Policies - public employment services	7	1	3	1	0	2
PA 2, Active Labour Market Policies - youth guarantee	8	5	1	0	0	2
PA 2, Active Labour Market Policies - other	2	0	1	1	0	0
PA 3: Social security systems	13	1	7	3	0	2
PA 4: Work-life balance and gender equality	4	1	2	1	0	0
PA 5: Education and training systems	21	4	12	2	0	3
PA 6: Labour Taxation	6	0	2	3	0	1
PA 7: Wage setting institutions and dynamics	3	0	1	1	1	0
<b>Totals</b>	<b>88</b>	<b>18 (20%)</b>	<b>39 (44%)</b>	<b>20 (23%)</b>	<b>1 (1%)</b>	<b>10 (11%)</b>

**Table 1.4 Proportion of new measures enacted into law under each policy area, mid-December 2013 – early March 2014**

	New measure	Enacted into Law	Proportion of new measures enacted into law
<b>PA 1: Employment protection legislation</b>	7	2	29%
<b>PA 2, Active Labour Market Policies - job creation</b>	17	5	29%
<b>PA 2, Active Labour Market Policies - public employment services</b>	7	1	14%
<b>PA 2, Active Labour Market Policies - youth guarantee</b>	9	4	44%
<b>PA 2, Active Labour Market Policies - other</b>	2	0	0%
<b>PA 3: Social security systems</b>	16	6	38%
<b>PA 4: Work-life balance and gender equality</b>	5	3	60%
<b>PA 5: Education and training systems</b>	22	6	27%
<b>PA 6: Labour Taxation</b>	8	6	75%
<b>PA 7: Wage setting institutions and dynamics</b>	5	2	40%
<b>Totals</b>	98	35	36%

## 2 PA 1: Employment Protection Legislation

Under PA 1, four countries introduced a total of seven new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Flexicurity/Changes in Employment protection legislation*. The following gives a breakdown of the new measures introduced in this policy area:

- Labour market reforms (no new measures);
- Measures introducing local government reform (no new measures);
- Flexicurity/Changes in Employment protection legislation measures (Belgium x2, Spain, Poland, Turkey x2)
- Measures addressing labour market segmentation for specific groups (Poland);
- Other (no new measures).

There were 16 updates to previously identified measures. These were found in the following countries: Belgium x2, Czech Republic, Spain x4, France, Croatia, Lithuania, Netherlands x2, Slovakia, UK, Serbia x2.

This policy area represents 7 % of the total of new measures introduced in the relevant period. Just under a third of the new measures introduced (29 %) have been enacted into law. Following a similar pattern to the previous Catalogue of Measures, where the majority of measures introduced under this policy area required no specific funding, 6 out of 7 of the new measures under PA 1 required no specific funding for implementation, and the remaining measure was state funded.

The measures and measure updates are discussed in turn below.

### 2.1 Labour Market Reform measures (0 new measures)

No new measures to report.

**Measure Updates total: 7**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Belgium</p> <p><b>Measure Title:</b> Harmonisation of the rules applicable to blue collar and white collar workers</p> <p><b>Description:</b> The social partners have reached a compromise on the harmonisation of the rules applicable to workers and employees, which trade unions, employers and members of the Government have been negotiating about since the beginning of March. The agreement provides for: the end of the trial period; the end of the waiting day (<i>jour de carence</i>) for workers; a progressive harmonisation of the term of notice period; the obligation to provide a reason for dismissal (not required for employees except in cases of dismissal on important grounds).</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Law of 26 December 2013</p> <p><b>What has changed:</b> On 1 January 2014, the law of 26 December 2013 (Belgian Monitor of 31 December 2013) officially introduced a unique status for blue-collar and white-collar workers.</p>

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Croatia</p> <p><b>Measure Title:</b> Amendments to the Labour Law - second phase</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Amendments to the Labour Law entered into Parliamentary procedure</p> <p><b>What has changed:</b> In January 2014, the government adopted the draft Labour Act and sent it to parliamentary procedure, without reaching an agreement with the trade unions. As a response, on 25 February 2014, the trade unions organised a nationwide two-hour strike as a warning and preparation for a more serious general strike. The draft version of the Labour Act was adopted in Parliament in the first reading at the end of February. In early March 2014, a meeting between trade unions leaders and employers' association representatives with the Minister of Labour and Pension System was held and after the meeting it was announced that social dialogue on the Labour Act amendments will be renewed, but on a bilateral basis between trade unions and employers. The situation regarding the Labour Act changes is entering its final phase and it seems that some concession will be made from both sides to reach a final compromise solution.</p>
<p><b>Country:</b> Czech Republic</p> <p><b>Measure Title:</b> Efficiency and effectiveness of PES and evidence based policies</p> <p><b>Description:</b> There are various agendas described in the report.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Hiring several hundred personnel for PES</p> <p><b>What has changed:</b> Employment services are hiring several hundred new personnel for district labour offices.</p>
<p><b>Country:</b> Spain</p> <p><b>Measure Title:</b> Reduction in the number of labour contract templates</p> <p><b>Description:</b> This measure would be included in a second round of labour market reform launched in February 2013. The number of template modalities of labour contracts will be reduced from the current 41 models to five. They will be: open-ended, temporary, replacement, internship and apprenticeship. The measure would affect all the new contracts signed after the launch.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Online platform for recruiting</p> <p><b>What has changed:</b> The measure encompasses an online platform with a virtual assistant configured to help the employers to find the most suitable contract linked to their needs. This tool is expected to simplify the process of recruitment and to reduce uncertainty among employers.</p>



Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Spain</p> <p><b>Measure Title:</b> Flexibilisation of the collective bargaining process</p> <p><b>Description:</b> The measure encompasses three elements: collective agreements can be cancelled on the grounds of economical, technical, or organisational reasons that result in current or expected losses during two consecutive quarters; the collective agreements at firm level are given priority to other levels (provincial, sectoral, national, etc.). Ultra-activity is no longer valid, which means that the indefinite extension of expired and not-renewed collective agreements is limited to two years</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Monitoring data released</p> <p><b>What has changed:</b> According to the Labour Statistics Bulletin, 75 505 working reductions were implemented during 2013 (-24.3 % compared to 2012). At the same time, wages and salaries within the labour cost index have not increased during three consecutive quarters (2012-Q4 to 2013-Q3).</p>
<p><b>Country:</b> Serbia</p> <p><b>Measure Title:</b> Preparation of changes to the Labour Law</p> <p><b>Description:</b> MLESP announced its readiness to enter into structured discussion with social partners about the comprehensive set of changes in the Labour Law and to submit them to the Parliament early next year. A number of conferences and meetings have been held in order to facilitate the discussion.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Labour Law still unchanged</p> <p><b>What has changed:</b> During this period, the Ministry of Labour, Employment and Social Policy (MLESP) took few actions regarding changes in the Law. At one point in late 2013, the Ministry of Economy tried to speed up the process and to take over the drafting of the Labour Law from the MLESP, publicly taking the side of employers in the debate. This caused a negative reaction from the trade unions. Eventually, the Minister of Economy resigned and there are efforts to speed up the process under the auspices of MLESP after the elections to be held in March 2014.</p>

## 2.2 Measures introducing Local Government Reform (as far as it impacts on employment policy) (0 new measure)

No new measures or updates to report.

**Measure Updates total: 0**

## 2.3 Flexicurity/Changes in Employment protection legislation measures (6 new measures)

### Obligation to state reasons for redundancy

**Country:** Belgium

**Description:** Following the introduction of the unique status between white-collar workers and blue-collar workers, social partners have reached a Collective Agreement which requires employers to explain the reasons for the redundancy of their workers, employed for at least six months. For each redundancy, employers must communicate specific reasons that have led to the dismissal. The Agreement also gives workers the right to obtain compensation when the redundancy can be considered manifestly unreasonable. This compensation will

be a minimum of three weeks' pay and a maximum of 17 weeks' pay, depending on the how unreasonable the redundancy is considered to be.

**Institution Responsible:** Social Partners

**Target Groups:** Redundant workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**What is the legal reference?** Collective Labour Agreement no. 109

**Date of adoption:** 12 February 2014

**Is the measure being enforced?** No

**Start date for implementation of the measure:** 1 April 2014

**Funding Sources:** No specific funding required

**If not law, what type of measure is it?** Collective Labour Agreement

**Which policy recommendations or commitments does the measure respond to?** AGS

**Recommendation details:** AGS (2013) Reducing the gaps in employment protection between different types of work contracts, p.10.

### **Reinforcement of the social status of artists**

**Country:** Belgium

**Description:** In 2002 a specific status was introduced to allow artists working without an employment contract to benefit from complete social protection. On 1 January 2014, the government decided to complete the social status of artists and give priority to the conclusion of an employment contract. A Royal Decree will be adopted to specify conditions when the conclusion of a contract is mandatory. If one of these conditions is not met, the specific status can be used. It can only be used if the 'Artists Commission', composed of representatives of the National Social Security Office (NSSO) and the National Institute for the Social Security of the Self-employed (INASTI), grants a visa.

**Institution Responsible:** NSSO and INASTI

**Main Objectives:** The objective is to reinforce the social status of artists

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law of 26 December 2013

**Date of adoption:** Belgian Monitor of 31 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Funding Sources:** No specific funding required

### **Fostering part-time employment**

**Country:** Spain

**Description:** Part-time contracts used to include two different arrangements in order to entitle firms to increase the total amount of hours: complementary (necessarily included in the contract) and extraordinary hours (not included). In summary, the measure removes the possibility to arrange extraordinary hours within part-time contracts (something which was introduced in February 2012) and makes the use of complementary hours more flexible. In this context, complementary hours can be obligatory (arranged in the employment contract) and voluntary (which exceed the former and can only be arranged with permanent workers). According to this, temporary workers are allowed to arrange obligatory complementary hours which can be arranged for 30 % of the total ordinary hours of the contract (before: 15 %). The length of the notice period for increasing obligatory complementary hours has been reduced from 7 to 3 days. Voluntary complementary hours can be arranged for 15 % of ordinary hours. Collective agreements may increase complementary hours up to 90 % (60 % obligatory and 30 % voluntary). In any case, firms should register the total working hours and give a copy to the employees. Finally, employers are no longer obliged to provide part-time workers preferential access to full-time employment of the same professional group or category.

**Institution Responsible:** Public Employment Service

**Country-specific recommendation:** CSR 5: Implement and monitor closely the effectiveness of the measures to fight youth unemployment set out in the Youth

Entrepreneurship and Employment Strategy 2013-2016, for example through a Youth Guarantee.

**Main Objectives:** Encouraging part-time employment; Making part-time protection legislation more flexible

**Target Groups:** Part-time workers

**Duration of measure:** Permanent

**What is the legal reference?** Royal-Decree 16/2013

**Date of adoption:** 21 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 21 December

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Implement and monitor closely the effectiveness of the measures to fight youth unemployment set out in the Youth Entrepreneurship and Employment Strategy 2013-2016, for example through a Youth Guarantee.

### **Social security contributions on contract orders – proposal for an Act**

**Country:** Poland

**Description:** Workers employed on employment contracts pay contributions to the Social Insurance Institution from their entire salary. In the case of order contracts (umowa zlecenie), employers can now pay contributions to social security - including pension, disability and accident contributions - only from one selected contract. From other contracts with the same person the payment is not obligatory. The Ministry of Labour and Social Policy proposes the introduction of contributions from all subsequent contract orders in the month to at least the minimum wage level (PLN 1 680 / EUR 397, in 2014). There will also be changes in the social insurance for farmers. Farmers and members of the household who take extra work on an order contract in addition to the agricultural activity will be able to be doubly insured. Such a person as the contractor will have to be compulsorily insured for social security, and as a farmer voluntarily with the Agricultural Social Insurance Fund (KRUS). The possibility to continue insurance under KRUS applies only to farmers and their families who, based on order contracts, reach a monthly income of no more than half of the minimum wage. In 2014, this amount cannot be higher than PLN 840 (EUR 199) per month. Currently, a farmer or a member employed on an order contract, even if it is concluded for a short period and is for a small amount, cannot be insured in KRUS, but must be in Social Security.

**Institution Responsible:** Ministry of Labour and Social Policy

**Country Specific Recommendation:** CSR 3. Combat in-work poverty and labour market segmentation including through better transition from fixed-term to permanent employment and by reducing the excessive use of civil law contracts.

**Main Objectives:** According to the guidelines of the Ministry of Labour it will increase the range of people entitled to unemployment benefits (and increase the amount of benefits), higher pensions, sickness and maternity benefits. In practice it will also provide an additional indirect source of budgetary revenues (by lowering the contributions to the social insurance from the state budget).

**Target Groups:** Part-time workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Proposal for an Act

**Enacted/not enacted into law - State of play?** Proposal for the Act accepted by the government on 4 March 2014.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** This measure aims at the decrease of the excessive use of civil-law contracts in the labour market.

**Government proposal that regulates ‘temporary work contracts’ (private employment agencies)**
**Country:** Turkey

**Description:** Turkey has been using sub-contracted low level service workers, especially in public institutions, for many years now. With the proposal, the minimum contract duration for sub-contractual workers will be three years. For the first time, the Private Employment Agency will take responsibility for the temporary workers’ labour costs (salary, severance pay, social security contributions, etc.)

**Main Objectives:** Improving working conditions of existing ‘sub-contractual workers’ in public employment. They are currently routinely hired by the sub-contracting firm for just under one year at a time, so they never qualify for severance pay.

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Government Proposal amending the existing labour law

**Enacted/not enacted into law - State of play?** Expected to be brought to parliament for approval after the municipal elections on 30 March

**Funding Sources:** No specific funding required

**Which policy recommendations or commitments does the measure respond to?** None

**Increasing women’s employment and regulating women’s legal rights during pregnancy and birth**
**Country:** Turkey

**Description:** Part-time work will be institutionalised in the public and private sector on demand for women who gave birth. Maternity leave is going up from 16 weeks to 18 weeks. Women with three children, who work for the minimum wage, will not pay income taxes. Women with three children will retire six years early if they pay their contributions for those years.

**Institution Responsible:** Ministry of Labour and Social Security

**Main Objectives:** To increase both the birth rate and women’s employment rate by regulating working conditions.

**Target Groups:** Women

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Government Proposal to amend existing labour law

**Enacted/not enacted into law - State of play?** Expected to be brought to parliament for approval after the 30 March municipal elections.

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** None

**Measure Updates total: 3**

Description of Measure	Description of March 2014 Update
<b>Country:</b> Netherlands <b>Measure Title:</b> Act on Work and Security <b>Description:</b> EPL: install transition allowance; abolish that employers may choose via which route to make workers redundant. Unemployment Benefit (UB): shorten maximum duration from 38 to 24 months; a suitable job has to be accepted after six months in UB. Flexible work: smaller chain of temporary contracts;	<b>Title:</b> Postponement changing maximum chain temporary contracts <b>What has changed:</b> There was a postponement by one year, until July 2015, of the change to the 3*3*3 rule (a requirement to be given an open ended contract after having three consecutive temporary contracts for a maximum of three years, and with the option of a new chain beginning if the employment relationship has been stopped for at

<p>narrow options for pay-rolling; reduce use of on-call/zero hours contracts.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p>least three months) into the 2*2*6 rule (maximum of two consecutive contracts for the duration of two years and an interval of six months to restart the chain).</p>
<p><b>Country:</b> Slovakia</p> <p><b>Measure Title:</b> Abolition of open-ended work agreements</p> <p><b>Description:</b> The draft amendment to the Labour Code stipulates that the duration of agreements on work performed outside an employment relationship (short, work agreements) will be limited to one year at most (work performance agreements) and/or that agreements terminate by the end of a calendar year (work activity agreements, agreements on work performed by students). It is also proposed that the maturity and payment of remuneration and withholding tax on work agreements will be regulated in the same way as standard employment contracts. All work agreements concluded before 1 July 2014 shall be terminated by the end of 2014 and/or by the date of expiry of a period agreed for a given assignment.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Measure approved by the government</p> <p><b>What has changed:</b> The government gave the green light to a package of amended laws under the heading of an amendment to the Act on old-age saving on 26 February 2014. One of the revised laws is the Labour Code, specifically provisions on agreements on work performed outside an employment relationship (work agreements). According to the modified rules, which shall enter into force on 1 July 2014 if passed by the parliament, work agreements will be concluded for a maximum of 12 months (initial proposal by the Ministry of Labour was that agreements will have to be terminated by the end of a calendar year). Maturity date, payout of remuneration, and payroll deductions on work agreements shall be subject to the same rules as standard employment contracts. The main motive is to minimise payroll tax evasion.</p>
<p><b>Country:</b> United Kingdom</p> <p><b>Measure Title:</b> Changes to Transfer of Undertakings (Protection of Employment) Regulations (TUPE) rules</p> <p><b>Description:</b> The TUPE regulations cover the terms and conditions of existing employees that apply when a business changes ownership. This can be in the public or private sectors (in the latter case for example when a public service is taken over by a private provider). Following a consultation process, the regulations will be changed to make the process of transfer easier and fairer for both employer and employees. This will effectively alter the process of TUPE by allowing some renegotiation of the terms of transfer and it will also set limits around what can be discussed, particularly where collective agreements are in place.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Changes to the TUPE regulations come into force</p> <p><b>What has changed:</b> The changes to the TUPE regulations came into force on 31 January 2014 and can be summarised as follows: 1. Businesses are now able to negotiate terms and conditions in collective agreements one year after transfer; 2. Micro businesses now able to inform and consult employees directly when there is no existing representative; 3. The new employer is now able to engage in pre-redundancy consultation with employees, with the consent of the old employer; 4. Contractual changes now permitted for economic, technical or organisational reasons; plus there are some other minor changes invoked.</p>



## 2.4 Measures addressing labour market segmentation for specific groups (1 new measure)

### Changes in employment of immigrants

**Country:** Poland

**Description:** From 1 January 2014 the rules related to the employment of immigrants have changed. Procedures for obtaining a work permit have been clarified. The rules concern immigrants from Belarus, Georgia, Moldova, Russia and Ukraine.

**Institution Responsible:** Ministry of Labour and Social Policy

**Main Objectives:** The main changes include: performance of work by the immigrant for the same job with the same employer for at least three months before the application; conclusion of the immigrant in the written agreement; presentation of the original employment contract for inspection when applying for a permit (no longer possible to submit a copy of the contract or certificate of employment); presentation of original documents confirming the payment of social security contributions (if they were required). A new regulation pertains also to Armenian citizens. They can work in Poland for up to six months without a work permit. From 1 January 2014 citizens of Armenia will also apply using a simplified procedure for obtaining a work permit on the basis of the procedure for the citizens of Belarus, Georgia, Moldova, Russia and Ukraine in the case of: (1) nursing and care work as housekeeper or to individuals in the household; (2) when a person has worked for the same employer for at least three months directly before the application for a work permit, based on a written employment contract.

**Target Groups:** Immigrants (High-skilled/Low-skilled)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Regulations of the Minister of Labour and Social Policy (Journal of Laws of 2013 No. 1507, 1534, 1644, 1674)

**Date of adoption:** No 1507 & 1534 - 28.11.2013; No 1644 - 10.12.2013;

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** None

### Measure Updates total: 2

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> France</p> <p><b>Measure Title:</b> Securing Employment Act</p> <p><b>Description:</b> There are four main fields: 1) addressing labour market segmentation, particularly encountered by young people and women; 2) anticipating change in activities, jobs and skills; 3) maintaining employment provisions to avoid loss of employment and skills in companies facing difficulties; and, 4) to improve proceedings in collective redundancies when not possible to avoid them by anticipating actions for short-time working arrangements to allow better accompaniment of employees and better legal security for enterprises as well as</p>	<p><b>Title:</b> March 2014: First results of the Securing Employment Act</p> <p><b>What has changed:</b> Revised schedule for the negotiations on the implementation of 24-hour minimum work contracts: branches now have six more months to negotiate. At the end of December, only 10 branches from more than 600 had found an issue. The question is about the real impact of this measure on labour market segmentation: 18 % of employees are concerned but it is to note that the average hours worked in part time jobs are usually more than 24 hours, thus the law impacts only the 40 % of part-time employees who are usually working less than 24 hours per week..</p>

Description of Measure	Description of March 2014 Update
for employees. <b>Measure Time Period:</b> Oct 2012	
<b>Country:</b> Netherlands  <b>Measure Title:</b> EUR 100 million extra in the next two years to fight unemployment of both older and younger workers and to support the construction sector  <b>Description:</b> The money is among others reserved for regional projects to match jobseekers and vacancies, job interview training and improvement of the match between education and labour market.  <b>Measure Time Period:</b> Jan 2013	<b>Title:</b> New sector-level job plans  <b>What has changed:</b> New sector-level job plans launched in childcare, welfare and youth care, the temporary work agency sector, and the chemical industry and painters.

## 2.5 Other (0 new measures)

No new measures reported.

**Measure Updates total: 3**

Description of Measure	Description of March 2014 Update
<b>Country:</b> Spain  <b>Measure Title:</b> Increase the role of temporary employment agencies  <b>Description:</b> Temporary employment agencies are entitled to conclude apprenticeship and training contracts (before they were not allowed).  <b>Measure Time Period:</b> Apr 2013	<b>Title:</b> Extension of temporary agencies to specific contract modalities  <b>What has changed:</b> Temporary employment agencies are entitled to arrange training and apprenticeship contracts (since July 2013) and traineeship contracts (since January 2014).
<b>Country:</b> Lithuania  <b>Measure Title:</b> Task force to increase employment  <b>Description:</b> A task force to increase employment was set up in February 2013 by the Order of the Prime Minister in order to develop a National Employment Strategy for 2014-2020.  <b>Measure Time Period:</b> Apr 2013	<b>Title:</b> Inter-institutional Action Plan 2014-2016 implementing the Employment Enhancement Programme  <b>What has changed:</b> In February, the Government of the Republic of Lithuania approved the draft Inter-institutional Action Plan 2014-2016 implementing the Employment Enhancement Programme. The Plan addresses the implementation of the Employment Enhancement Programme in 2014-16. The measures envisaged in the Plan are geared towards three main areas: support for employers, support for employees, and support for education and vocational guidance.

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Serbia</p> <p><b>Measure Title:</b> Ban on new employment in the public sector until the end of 2015</p> <p><b>Description:</b> The measure introduces a ban on new employment in the public sector until the end of December 2015. It also stipulates that the number of employees on fixed-term or temporary contracts cannot exceed 10 %. New employment can be granted only exceptionally with the explicit permission of the Government.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Implementation phase became effective in January 2014</p> <p><b>What has changed:</b> The government (Ministry of Finance) issued a Decree on the procedure to obtain an approval for new employment and additional work engagement in publicly-financed institutions. Approval must be granted by the special committee established within the Ministry of Finance.</p>



### 3 PA 2: Active labour market policies – Job Creation

Under PA 2 - Active Labour Market Policies, Job Creation, nine countries introduced a total of 17 new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Employer subsidies for job creation*. The following gives a breakdown of the new measures introduced in this policy area:

- Measures Encouraging Entrepreneurship (Greece);
- Micro credit schemes (Malta);
- Employer subsidies for job creation (Greece x2, Cyprus x2, Malta, former Yugoslav Republic of Macedonia x3);
- Simplifying the business environment (Lithuania x2, Slovakia)
- Public Investment Programmes and Regional Investment Incentives measures (no new measures);
- Measures encouraging female entrepreneurship (no new measures);
- Other (Ireland, Cyprus, Spain, Serbia).

There were 10 updates to previously identified measures in the following countries: Belgium, Bulgaria, France x2, Lithuania, Malta, Romania, Slovakia x2, Iceland.

This is one of the policy areas with one of the largest shares of total measures introduced in the reporting period – 17 new measures represents 17% of the total across all policy areas. Just under a third of the new measures introduced (29 %, or 5) have been enacted into law. The source of funding was specified for all of these new measures, with the majority (nine) being funded by the state and six EU co-funded. No specific funding was required for two measures.

The measures and measure updates are discussed in turn below.

#### 3.1 Measures Encouraging Entrepreneurship (1 new measures)

##### Youth Entrepreneurship with a Focus on Innovation

**Country:** Greece

**Description:** This is a new start-up incentives scheme for 2 000 young persons aged up to 35 years. Priority is to be given to activities promoting innovation, whereas prior to participating, applicants must have completed a course in supportive counselling (mentoring). As regards the amount of the subsidy, each beneficiary will receive the amount of EUR 10 000, distributed in three instalments within a period of 12 months.

**Institution Responsible:** Manpower Employment Organisation (OAED).

**Country Specific Recommendation:** 4.6 Support to the unemployed

**Main Objectives:** Encouragement of entrepreneurship

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The measure will run for 12 months.

**Has the measure been enacted into law?** No

**What is the legal reference?** Ministerial Decision No. 32180/466 (ΦΕΚ 3194/16 December 2013).

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 16 December 2013

**If not law, what type of measure is it?** EU co-funded project

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 20 million.

**Which policy recommendations or commitments does the measure respond to?** MoU

**Recommendation details:** Greece is committed to strengthen support for the unemployed.

## Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Bulgaria</p> <p><b>Measure Title:</b> Promoting projects for starting own business, Component II. OP HRD / Procedure BG051PO001-1.2.03 Encouragement of projects for starting own business</p> <p><b>Description:</b> The Procedure includes three inter-related components. The first includes training of the unemployed that want to start their own business (2012); the second is the provision of grants to those that have successfully completed their training to begin their initiatives (2013); and the third is regular counselling and other business services provision to the persons with ongoing projects that have received grants (2014).</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Data for financing projects was released</p> <p><b>What has changed:</b> There have been no changes to the Scheme. A total of 562 entrepreneurs were financed, who demonstrated a clear idea for starting their own business but lacked financial resources and appropriate professional knowledge and management skills. The total amount of the grant is EUR 5.37 million. Shops for clothing, household goods, as well as hairdressers, advertising agencies, design and real estate are the most desirable areas for the unemployed who received start-up capital.</p>

### 3.2 Micro-credit schemes (1 new measures)

#### Microguarantee

**Country:** Malta

**Description:** The measure enables small enterprises to apply for a guarantee of up to 80 % on loans of between EUR 2 500 and EUR 100 000. Guarantees may be awarded with respect to loans used to support business growth and development and may be used to cover new loans which are to be repaid within 10 years. Companies with up to 30 employees may benefit from this measure.

**Institution Responsible:** Malta Enterprise

**Main Objectives:** The measure aims to provide companies with the possibility to access funds required for the acquisition of tangible investments, intangible assets and the working capital required for such acquisitions.

**Target Groups:** Employers

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Unknown

**Has the measure been enacted into law?** Yes

**What is the legal reference?**

<http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=12002&l=1>

**Date of adoption:** 1 January 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 12 December 2013

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments do the measure respond to?** NRP

**Recommendation details:** NRP 2. Macroeconomic Context and Scenario - New Measures to Address Growth Bottlenecks and Economic Imbalances - MicroGuarantee Scheme

## Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Lithuania</p> <p><b>Measure Title:</b> Entrepreneurship promotion fund (EPF)</p> <p><b>Description:</b> The EPF was started in 2010 and is financed from the ESF. The purpose of the EPF is to promote entrepreneurship and self-employment by providing financial assistance in the form of loans, consultations, and training of business basics for business start-ups. Target groups in the EPF scheme are business start-ups (individuals), micro- and small enterprises (new enterprises or existing enterprises no older than one year) and social enterprises. The priority groups are the unemployed, disabled, young people and people over 50 years of age.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Compensation of wages and salaries</p> <p><b>What has changed:</b> Nascent entrepreneurs who have taken or are going to take favourable loans from EPF to start up or develop their business are eligible to apply for additional support in order to receive compensation for a part of their employees' wage costs. The measure intends to provide additional financial incentives to the recipients of EPF loans in order to help them to establish themselves in the market at the initial stage of independent business.</p>

### 3.3 Employer subsidies for job creation (8 new measures)

#### Employment subsidies for the extension of the tourist period

**Country:** Greece

**Description:** The scheme provides subsidies to hotels and other tourist-related enterprises operating on a seasonal basis, in order to maintain employment posts during the winter months of 2013-2014. It is open to all tourist-related enterprises, with the exception of those based in Greater Athens area and in Central Macedonia. Employers can claim subsidies for a period of four months (from 1 November 2013 until 28 February 2014) for each of the seasonal workers they employ, equal to the amount of regular unemployment benefits these workers were entitled to.

**Institution Responsible:** Manpower Employment Organisation (OAED)

**Country Specific Recommendation:** 4.6 Support to the unemployed

**Main Objectives:** The programme provides subsidies to employers in the tourism sector in order to create new jobs during specific months of the year. Apart from fighting sectoral unemployment, the scheme supports the national tourism strategy aimed at creating a tourism market that extends throughout the year.

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The scheme will run during the winter months of 2013-2014.

**Has the measure been enacted into law?** No

**What is the legal reference?** Ministerial Decision 2559/74/27-01-2014 (ΦΕΚ 223/B/05-02-2014)

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 20 February 2014

**If not law, what type of measure is it?** EU co-funded project

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments do the measure respond to?** MoU

**Recommendation details:** The measure falls under the commitment to fight unemployment.

**Subsidies to enterprises participating in the 'voucher' scheme**
**Country:** Greece

**Description:** The 'voucher' scheme has assisted 35 000 young persons to acquire basic theoretical training followed by practical training in enterprises, while a parallel scheme has provided subsidies on the same terms and conditions for 10 000 young persons in tourism-related activities. The new scheme envisages the creation of 4 000 new, full-time jobs. In order to qualify for the subsidy employers must convert the contracts of those participating in the practical training stage of the voucher scheme to regular employment contracts. The duration of the subsidy period is six months and the daily amount of the subsidy is between EUR 15 and EUR 18, depending on whether the beneficiary is below or above 25 years of age.

**Institution Responsible:** Manpower Employment Organisation (OAED)

**Country Specific Recommendation:** 4.6 Support to the unemployed

**Main Objectives:** To help create new jobs for the unemployed youth.

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The scheme will be open for one year.

**Has the measure been enacted into law?** No

**What is the legal reference?** The legal basis of the programme is provided by Ministerial Decision No. 42343/598/9-12-2013 (ΦΕΚ 3144/Β/11-12-2013).

**If not law, what type of measure is it?** EU co-funded project

**Enacted/not enacted into law - State of play?** The scheme is being implemented as of 30 December 2013.

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 10 200 000

**Which policy recommendations or commitments do the measure respond to?** MoU

**Recommendation details:** Greece is committed to combat youth unemployment.

**Employment subsidies for large retail firms**
**Country:** Cyprus

**Description:** Section 4.5 of the MoU, under 'Activating the unemployed and combating youth unemployment' is specifically addressed (despite its title) at the youth guarantee. It is interpreted more broadly, given the intent of the title. It provides subsidies for firms to provide employment and training for up to 1 000 individuals. A subsidy of up to 50 % of the employment cost runs for six months, provided the employer commits to a further employment of two months without the subsidy. Up to EUR 3 000 in total per employee, to a maximum of 5 employees. The measure is addressed at the registered unemployed who are receiving unemployment insurance (UI) benefits and are eligible to continue doing so for one more month on starting the programme. The employers involved are larger retail firms (1-49 employees).

**Institution Responsible:** Department of labour, MLSI.

**Country Specific Recommendation:** MoU Chapter 4.5: [...] Cyprus needs to take swift action to create opportunities for young people and improve their employability prospects. To this end, the Cypriot authorities will present by Q4-2013 a draft action plan for the implementation of measures envisaged for support under the Youth Employment Initiative, in line with the conclusions of the European Council of June 2013. The design, management and implementation of these measures targeted to youth shall be well integrated within the broader system of activation policies (section 4.3) and be coherent with the reform of the social welfare system (section 3.11) and the agreed budgetary targets.

**Main Objectives:** To provide employment for registered unemployed drawing UI benefits and to improve their skills and employability.

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 30 June 2015.

**Has the measure been enacted into law?** No

**What is the legal reference?** Decision by the Council of Ministers number 76.195

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** February 2014.

**If not law, what type of measure is it?** Executive decision

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 3 million

**Which policy recommendations or commitments do the measure respond to?** MoU

**Recommendation details:** Under chapter 4, Activating the unemployed.

### **Employment subsidy for retail trade small businesses**

**Country:** Cyprus

**Description:** The PA 4.5 is specifically for youth but this measure is not restricted to youth. This is a subsidy to continue the employment of individuals who have been employed in a small (1-4 employees) business which has experienced a documented (via VAT payments) drop in demand of at least 25 % in the 12 months prior to December 2013. The employer is paid up to 70 % of the total employment cost for 10 months (limit of EUR 7 000) on condition of further employment for two months.

**Institution Responsible:** Department of Labour, Ministry of Labour and Social Insurance (MLSI).

**Country Specific Recommendation:** MoU Chapter 4.5: [...] Cyprus needs to take swift action to create opportunities for young people and improve their employability prospects. To this end, the Cypriot authorities will present by Q4-2013 a draft action plan for the implementation of measures envisaged for support under the Youth Employment Initiative, in line with the conclusions of the European Council of June 2013. The design, management and implementation of these measures targeted to youth shall be well integrated within the broader system of activation policies (section 4.3) and be coherent with the reform of the social welfare system (section 3.11) and the agreed budgetary targets.

**Main Objectives:** To avoid the unemployment of workers in small firms which have experienced a drop in demand.

**Target Groups:** All workers who have been employed (full time or part time) for two years in small retail firms.

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Until 30 June 2015

**Has the measure been enacted into law?** No

**What is the legal reference?** Decision by Council of Ministers 76.083

**Date of adoption:** 21 November 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Programme starts in February 2014.

**If not law, what type of measure is it?** Executive decision by Council of Ministers.

**Enacted/not enacted into law - State of play?** In effect.

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 7 million

**Which policy recommendations or commitments does the measure respond to?** MoU

**Recommendation details:** Chapter 4, Activating the unemployed (or unemployed to be).

### **Employment Aid Programme for Gozo**

**Country:** Malta

**Description:** The measure entitles employers who recruit new employees to 50 % of the basic wage plus half of the cost of the employer's National Insurance contribution, for a maximum of 52 weeks. Employers of persons with a disability receive 75 % of the basic wage cost.

**Institution Responsible:** Employment and Training Corporation

**Main Objectives:** To help Gozitan businesses grow and increase the employment rate in Gozo.

**Target Groups:** Employers and unemployed persons

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Most grants were scheduled to start on the 2 January 2014 and span one year. It is unknown whether the scheme will be re-launched in



the future.

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** EU co-funded project

**Enacted/not enacted into law - State of play?** Applications from potential employees have been received and processed. Grants were scheduled to start being awarded as from 2 January 2014.

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** More than EUR 2 million

**Which policy recommendations or commitments does the measure respond to?** CSR, NRP

**Recommendation details:** The measure is imprecisely related to: CSR 2 - Take measures to increase the employment rate of older workers, CSR 3 - Continue supporting the improving the labour-market participation of women and NRP 4 - Progress towards National Europe 2020 Targets: Employment

### **Stimulating employment of beneficiaries of social financial assistance**

**Country:** former Yugoslav Republic of Macedonia

**Description:** The measure provides that if a private sector company hires a worker in receipt of social financial assistance (SFA) it will receive a subsidy amounting to 80 % of the SFA benefit that the worker has been previously receiving. The employer should not have fired any workers three months prior to the employment of new workers under this measure. The subsidy has a duration of 24 months. The company that would fire a worker in the meantime (during these 24 months) is obliged to pay back the total subsidy received. The employer can, however, replace the hired worker with another recipient of the SFA in case of underperformance.

**Institution Responsible:** Ministry of Labour and Social Policy and Employment Service Agency

**Main Objectives:** To help this disadvantaged category of workers (SFA beneficiaries) to find a job

**Target Groups:** Beneficiaries of social financial assistance (the main social safety net programme)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law for Amendments to the Law on Employment and Insurance in Case of Unemployment, Official Gazette No. 39/2014

**Date of adoption:** 25 February 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Starting from 5 March 2014

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Recommendation details:** 'poverty remains high and implementation of existing policies and strategic plans remains unsatisfactory...' (p. 36), as well as that '... limited progress was made in achieving efficient and inclusive labour market'• (p.37)

### **Subsidised employment of young graduated workers - first chance**

**Country:** former Yugoslav Republic of Macedonia

**Description:** The measure provides subsidised employment for young workers who have graduated from tertiary education institutions in the academic year 2012-2013, as a first chance to enter employment. In addition, these workers have to be registered as unemployed. Employers who hire these workers will receive a monthly gross subsidy of 13 000 MKD (approximately EUR 210) for a period of three months and will then have a responsibility to keep the workers for an additional six months. The measure will provide only 30 subsidised employment places and priority will be given to workers who have previously completed an internship programme with a specific employer.

**Institution Responsible:** Ministry of Labour and Social Policy and Employment Service Agency

**Main Objectives:** To offer young workers a first chance to take up successful employment

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** For one year. It will be implemented as a pilot project, as part of the Operational Plan for active labour market policies for 2014

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Active labour market policy, under the Operational Plan for Active Policies

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** Approximately EUR 20 000

**Recommendation details:** It corresponds to the recommendation of the Progress Report 2013 that "Long-term unemployment, high youth unemployment and very low labour market participation by women all need more attention." (p. 36).

### **Subsidised employment of young workers (up to 29 years of age)**

**Country:** former Yugoslav Republic of Macedonia

**Description:** The measure provides wage subsidies to employers for hiring young workers aged up to 29 years. Subsidies are in the form of a one-year allowance for payments of social contributions and personal income tax for newly employed young workers. Employers have an obligation to keep the young workers for two years (one year after the subsidy expires). Employers have to select a worker from the registered unemployed workers. The allowance for payment of the contributions is for a wage up to the average gross wage, otherwise employers will pay contributions and tax on wages above that level (only for the difference from the average wage). Young workers who will self-employ themselves are also entitled to the allowance.

**Institution Responsible:** Ministry of Labour and Social Policy

**Main Objectives:** To promote employment of youth

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Two years

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law for Amending the Law for Employment and Insurance in Case of Unemployment, Amendments to the Law for Health Insurance and Amendments to the Law for Pension

**Date of adoption:** These Laws were passed by the Parliament

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** March, 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Recommendation details:** "Long-term unemployment, high youth unemployment and very low labour market participation by women all need more attention.", p. 36, Progress Report 2013

### **Measure Updates total: 3**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Belgium</p> <p><b>Measure Title:</b> Reinforcement of the reduction of social security contributions for first appointments</p> <p><b>Description:</b> As stipulated in the Government Programme, the government has reinforced its support to</p>	<p><b>Title:</b> Reduction of social security contributions now for five first appointments</p> <p><b>What has changed:</b> On 1 January 2014, the Government reinforced its support to small companies wishing to hire their first employees. Now small</p>

Description of Measure	Description of March 2014 Update
<p>small companies wishing to hire their first employees (1 October). First hiring: the employer's social security contribution is now reduced to EUR 1 500 per quarter during the five first quarters (against EUR 1 000 previously), EUR 1 000 per quarter during the fourth quarter and EUR 400 per quarter during the four following quarters (previously EUR 400 during the eight quarters). Second hiring: the employer's social security contribution is now reduced to EUR 1 000 per quarter during the five first quarters and EUR 400 during eight quarters (previously EUR 400 during 13 quarters). Third hiring: the employer's social security contribution is now reduced to EUR 1 000 per quarter during the five first quarters and EUR 400 during four quarters (previously EUR 400 during nine quarters).</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p>companies can profit from a reduction of social security contributions for their five first appointments.</p>
<p><b>Country:</b> Slovakia</p> <p><b>Measure Title:</b> Support to job creation for disadvantaged jobseekers through agencies</p> <p><b>Description:</b> The measure will be coordinated by the Ministry of Labour, Social Affairs and Family (MOLSAF) and the Central Office of Labour, Social Affairs and Family (COLSAF). MOLSAF will select by public procurement procedures recruitment agencies and/or non-governmental organisations to place disadvantaged unemployed in the labour market. The contracted agencies shall receive remuneration in three instalments: i) after signature of an open-ended employment contract by the disadvantaged jobseeker (EUR 200), ii) after four months of employment, i.e. after the probationary period (EUR 1 500-2 500), iii) and after 12 months of employment (EUR 1 000 and more, depending on the type of the jobseeker's disadvantage). Cost per one placed unemployed should range from EUR 3 000 to 5 000.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Project postponed to new programme period</p> <p><b>What has changed:</b> According to information released on the website of the MOLSAF, this project will be postponed to the new programme period 2014-2020. Allocated funds shall be redirected to the National project XXI on support for youth jobs in the private sector.</p>
<p><b>Country:</b> Iceland</p> <p><b>Measure Title:</b> Support (Liðsstyrkur)</p>	<p><b>Title:</b> Final report published</p> <p><b>What has changed:</b> The initiative ended in December 2013, as had been</p>



Description of Measure	Description of March 2014 Update
<p><b>Description:</b> This creates new jobs for those unemployed that will exhaust their right to unemployment benefits in the period September 2012-December 2013. The Unemployment Insurance Fund will contribute the minimum unemployment benefits, currently ISK 186 417 (EUR 1 100) per month, plus an 8 % pension fund contribution, to cover the costs of those that are hired by the private or public sector. The employment subsidy decreased, however, to 90 % of the basic unemployment benefits for hires that took place in April and May 2013, and is 80 % for hires that occur later in the year 2013. A special severance grant was offered to those jobseekers who had received unemployment benefits for more than 36 months but less than 42 months when their benefit period expired. The grant was offered for a maximum period of six months or until the combined Severance grant period and unemployment benefit period equals 42 months. The monthly severance grant equals the basic unemployment benefits. 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 in need will be offered rehabilitation. Each individual that completes their unemployment period shall be provided with suitable options.</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p>planned. A final report has been published.</p>

### 3.4 Simplifying the Business Environment (3 new measures)

#### **Consolidation plan**

**Country:** Lithuania

**Description:** Consolidation trends for business supervisory institutions were presented at the Ministry of the Economy on 3 January 2014. The trends serve as a basis for drawing up an activity consolidation plan for business supervisory institutions (Consolidation Plan, CP). The CP is one of the business supervision reform implementation measures. The CP is expected to contain an analysis of the functions of business supervisory institutions: analysis of duplicating, similar, excessive or ineffectively performed functions of business supervisory institutions, recommendations regarding improvement of the effectiveness, optimisation and reform of the system of business supervisory institutions, and a recommendation implementation plan.

**Institution Responsible:** Ministry of Economy

**Main Objectives:** The business supervision reform measures are intended to produce more effective activities of business supervisory institutions, reduce supervision burdens on business, and modify the concept of mission of supervisory institutions.

**Target Groups:** Employers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** Consolidation plan is under development.

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** Promotion of entrepreneurship

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### Improvement of the business environment

**Country:** Lithuania

**Description:** In February, the Government of the Republic of Lithuania approved proposals of the Ministry of Economy regarding business start-ups, construction permits, connection to the electricity grid, protection of investors and improvement of tax payment indicators.

Responsible institutions are delegated to prepare amendments to relevant legislation and procedures by 1 May 2014.

**Institution Responsible:** Ministry of Economy

**Main Objectives:** Improvement of the business environment (introduction of one-stop shop principle, reduction of the number and length of procedures, etc.); increasing Lithuania's ranking by the World Bank's 'Doing Business'.

**Target Groups:** Employers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** Concerned institutions should provide an assessment of the proposals by 1 May, 2014

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** Promoting entrepreneurship

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### Simplified accounting rules for micro enterprises

**Country:** Slovakia

**Description:** An amendment to the Act on accountancy simplifies rules on financial statements for micro enterprises. Micro enterprises (those meeting two of the following conditions: less than 10 employees, equity up to EUR 350 000, net turnover below EUR 700 000) will be obliged to deliver only a simplified balance sheet and statement of profit/loss, with minimum data required by Council Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies. The extent of a financial statement should be thus reduced from 45 pages to 8 pages.

**Institution Responsible:** Ministry of Finance

**Main Objectives:** The main aim of the measure is to reduce the administrative burden for businesses using double-entry bookkeeping, not-for-profit units and physical persons using single-entry bookkeeping.

**Target Groups:** Employers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Amendment to the Act. No 431/2002 Coll. on accountancy as amended

**Date of adoption:** 17 October 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** Part of the NRP action plan on reducing administrative burdens for businesses.

**Measure Updates total:** 0

### 3.5 Public Investment Programmes and Regional Investment Incentives measures (0 new measures)

No new measures reported.

**Measure Updates total:** 4

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> France</p> <p><b>Measure Title:</b> Generation jobs (Contrat de génération) programme</p> <p><b>Description:</b> This encourages the recruitment of young people and maintaining older workers on the labour market. The measure has been built in two stages: negotiation between social partners. The decree was published in March 2013. The content of the programme is different depending on the size of the firms (those with fewer than 50 employees, between 50 and 300, and over 300 employees). The government wants to limit the deadweight effect by supporting (with EUR 2 000 twice a year, for three years) only enterprises with under 300 employees. Nevertheless, some controls will ensure that companies do not dismiss staff before recruiting young people. For enterprises with fewer than 50 employees, the commitment will be more flexible. For companies with over 300 employees, they will be subject to sanctions (1 % of total payroll) in cases of non-adherence to the agreement or action plan. Collective agreements will include quantitative indicators for the recruitment of young people. Enterprises with between 50 and 299 employees will have to conclude a collective agreement or action plan or to be covered by a branch agreement. The generation contract will be opened to people under 30 years if the person was previously in a</p>	<p><b>Title:</b> Monitoring dates in March 2014</p> <p><b>What has changed:</b> At the end of February, the current picture of the programme is: 17 branch agreements, covering 5 million employees; 7 300 action plans or agreements submitted, of which 5 000 were submitted during the last quarter of 2013 (20 % of them are enterprises with between 50 and 300 employees); 21 000 signed contracts, of which nearly 90 % of the enterprises have less than 50 employees; 300 enterprises with less than 300 employees have been supported.</p>

Description of Measure	Description of March 2014 Update
<p>temporary contract, in an apprenticeship, is disabled, or doing a PhD, otherwise the provision is open to people under 26 years old. It is also important to note, in contrast to the original intention, those in charge of accompanying young people will not automatically be older workers.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	
<p><b>Country:</b> France</p> <p><b>Measure Title:</b> Generation jobs (Contrat de génération) programme</p> <p><b>Description:</b> As above</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Implementation change for SMEs (50 to 300 employees) - March 2014</p> <p><b>What has changed:</b> It is more difficult for SMEs to anticipate their hires than for firms that have people going in and out on regular basis. In this context, an article introduced into the training system law has modified the criteria: for enterprises with between 50 and 300 employees, it is no longer a requirement to conclude an agreement or action plan to obtain support for recruiting a young person, but they must do it within a certain timeframe (the timeframe will be indicated in a future decree). If they do not respect the process, financial sanctions apply, as with enterprises with more than 300 employees.</p>
<p><b>Country:</b> Romania</p> <p><b>Measure Title:</b> Youth Guarantee scheme started with ESF co-financing</p> <p><b>Description:</b> The Youth Guarantee scheme has been kick-started as of this mid-summer by the launch of a EUR 10 million call for strategic programmes by the SOP HRD, Romania's main ESF co-financed operational programme. The intermediate management body for the Development region of Bucharest and Ilfov launched the call for projects as of end of July with the final deadline being 31 July (electronic submission in the Action Web system). It is expected that at least two large EUR 5 million schemes of employment and training will be implemented for young people, including with an emphasis on apprenticeship.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Youth Guarantee Plan for 2014-15 adopted</p> <p><b>What has changed:</b> The plan has been adopted and is ready to enter into action. Contracts have been signed for the two pilot projects in which the Ministry of Labour is engaged jointly with social partners and two consultancy companies to provide job placement, guidance, apprenticeships and support for entrepreneurship for 5 000 young people. The professional stage/traineeship Act for higher education graduates has been adopted and will start application, following publication also of norms for application as of March 2014.</p>
<p><b>Country:</b> Slovakia</p> <p><b>Measure Title:</b> Measures to tackle youth unemployment and intensify support to</p>	<p><b>Title:</b> Interim implementation report released</p> <p><b>What has changed:</b> The Ministry of</p>

Description of Measure	Description of March 2014 Update
<p>small and medium-sized enterprises</p> <p><b>Description:</b> The measure is coordinated by the Ministry of Economy and is implemented within the Operational Programme (OP) Competitiveness and Economic Growth, based on a reallocation of unspent funds from other OPs (2007-2013 programme period). Financial support is not intended to finance a job, but innovation and high technology. Within each supported project at least one job has to be created and preserved for at least three years (de minimis aid) and/or five years (state aid) after the end of project. The creation of approximately 1 200 jobs is expected in 2013-2015.</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p>Economy submitted an interim implementation report on the programme to the session of the government on 29 January 2014. The first of three calls for applications (December 2012 - April 2013) raised immense interest and the Ministry decided to increase the budget from the initial EUR 100 million to EUR 150 million for this call. 136 approved projects shall generate 1 725 jobs, of which 975 for the young unemployed aged up to 29 years. Together with the other two calls, a total number of 2 825 supported jobs is expected, of which 1 575 are for young people.</p>

### 3.6 Measures encouraging female entrepreneurship (0 new measures)

No new measures or updates reported.

**Measure Updates total: 0**

### 3.7 Other (4 new measures)

#### Action Plan for Jobs 2014

**Country:** Ireland

**Description:** The Action Plan for Jobs 2014 was launched by the government on 27 February 2014. This is the third annual instalment of the government initiative which encourages all government departments to work towards the objective of building a sustainable growing economy and creating jobs. The Action Plan for Jobs is a key component of the government's response to high levels of unemployment in Ireland and its original goal set a target of having 100 000 more people in work by 2016 (from a baseline of 1.85 million in employment). The development of the plan is coordinated by Forfás on behalf of the Department of Jobs, Enterprise and Innovation, and is monitored on a quarterly basis. The 2014 Plan builds on over 500 measures already implemented through the Action Plan for Jobs 2012 and 2013, containing 385 actions to be carried out by all government departments and 46 Agencies. It is reported that 92 percent of actions were delivered in 2012 and 90 per cent were delivered in 2013. The 2014 Plan adds three new Disruptive Reforms (high-impact measures with ambitious deadlines that are implemented in partnership with senior industry partners) targeting Entrepreneurship, Winning Abroad and Manufacturing. Specific measures to be implemented by the government in 2014 include: Entrepreneurship - The roll out of 31 Local Enterprise Offices, supported by a centre of Excellence in Enterprise Ireland, to drive start-ups across the country; a new Youth Entrepreneurship Fund making additional funding available to support entrepreneurial activity and expansions; a review of tax supports for entrepreneurs with a view to simplifying to increase entrepreneurship; the launch of a EUR 2 million fund to help identify and support the best young entrepreneurs in each county. Winning Abroad - target the creation of an additional 10 000 new jobs over five years by increasing resources to IDA Ireland in overseas offices, including emerging markets, to win exports and investment. Manufacturing: National Step Change - support 130 Irish-owned firms through an initiative to improve their productivity; deliver a Transformation Programme in 70 foreign-owned firms; ensure that publically-funded R&D is oriented to the needs of manufacturing sectors. These measures are aimed to grow direct manufacturing employment in Ireland by more than 40 000 by 2020. The Action Plan for Jobs 2014 is complemented by other initiatives, such as, the Medium

Term Economic Strategy (MTES) and the Pathways to Work policy.

**Institution Responsible:** the action plan spans a wide range of government departments.

**Main Objectives:** The Action Plan for Jobs is a key component of the government's response to high levels of unemployment in Ireland and its original goal set a target of having 100 000 more people in work by 2016 (from a baseline of 1.85 million in employment).

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** February 2014

**If not law, what type of measure is it?** Announcement

**Have any steps been taken to monitor the implementation of the measure?** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** MOU

**Recommendation details:** The policy responds to MoU commitments to reduce unemployment.

### Training for transition from unemployment to employment in the hospitality industry

**Country:** Cyprus

**Description:** Section 4.5 of the MoU under 'Activating the unemployed and combating youth unemployment' is specifically addressed (despite its title) at the youth guarantee. It is interpreted more broadly, given the intent of the title. The measure allows those unemployed for more than 12 months and not previously employed in the hospitality industry to train for two months at a hospitality establishment with the view to subsequent employment there. At the end of two weeks training, the hospitality establishment commits to hiring the trainee for a period of at least six months. The trainee is paid EUR 125 per week during training and the training establishment EUR 100 per month for costs.

**Institution Responsible:** Higher Hotel Institute of Cyprus (HHIC)

**Country Specific Recommendation:** MoU Chapter 4.5: [...] Cyprus needs to take swift action to create opportunities for young people and improve their employability prospects. To this end, the Cypriot authorities will present by Q4-2013 a draft action plan for the implementation of measures envisaged for support under the Youth Employment Initiative, in line with the conclusions of the European Council of June 2013. The design, management and implementation of these measures targeted to youth shall be well integrated within the broader system of activation policies (section 4.3) and be coherent with the reform of the social welfare system (section 3.11) and the agreed budgetary targets.

**Main Objectives:** To retrain those long-term unemployed who wish to work in the hospitality industry.

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Until 31 May 2014.

**Has the measure been enacted into law?** No

**What is the legal reference?** Not stated, likely administrative decision.

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** February 2014.

**If not law, what type of measure is it?** EU co-funded project

**Have any steps been taken to monitor the implementation of the measure?** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 2 million.

**Which policy recommendations or commitments does the measure respond to?** MoU

**Recommendation details:** Section 4, support for the unemployed.

### Incentives for recruiting open-ended workers

**Country:** Spain

**Description:** The measure was announced during the National State Debate on 25 February and approved on 1 March (Royal-Decree 3/2014). It encompasses a EUR 100



monthly flat rate for employers' common contingencies Social Security contributions until 31 December 2013 (previously this was 23.6 % of the gross monthly salary). It does not affect unemployment and other minor contributions, which still amount to 6.3 % of the gross monthly salary. For instance, a firm which recruits a new permanent worker with a gross monthly salary of EUR 1 500 is entitled to pay EUR 100 per month for common contingencies Social Security contributions (previously it was EUR 354, corresponding to 23.6 % of the worker's gross salary). Added to other contributions, this would mean a 43 % reduction in the Social Security payments. The flat rate lasts for two years and the worker cannot be dismissed for three years. No restrictions are implemented with respect to the firm size or workers' characteristics (age group, skill level, etc.) but small companies (with less than 10 workers) are entitled to a third year of subsidies (encompassing 50 % of Social Security contributions). It also applies for part-time workers (with at least 50 % of working hours). Moreover, firms should not have made an unfair dismissal in the previous six months of the new recruitment without considering those carried out before 25 February. Otherwise, the incentive should be (gradually) reimbursed. Moreover, the new recruitment should involve the creation of net employment. Still, the employment level in the firm is measured through the average number of workers within the previous month.

**Institution Responsible:** Public Employment Service

**Country Specific Recommendation:** CSR 4: Finalise the evaluation of the 2012 labour market reform covering the full range of its objectives and measures by July 2013, and present amendments, if necessary, by September 2013 (...).

**Main Objectives:** Encouraging permanent recruitment

**Target Groups:** All workers

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Until 31 December 2014

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Royal Decree-Law 3/2014

**Date of adoption:** 1 March 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 25 February 2014

**Enacted/not enacted into law - State of play?** Ongoing

## National Employment Action Plan

**Country:** Serbia

**Description:** In December 2013, the government adopted the National Employment Action Plan (NEAP) for 2014. Financial resources made available for its implementation were set at 2.6 billion dinars (some EUR 23 million), excluding some additional funds coming from provincial and local authorities and IPA grants. This amount is very low, less than 0.1% of GDP and far below the target of 0.4% of GDP which was set in National Employment Strategy for 2014.

**Institution Responsible:** Government of Serbia, including Ministry of Labour, Employment and Social Policy, Ministry of Education, Science and Technological Development and other line ministries

**Main Objectives:** The NEAP pursues three main interconnected objectives, each of them involving a number of activities. The first objective relates to the improvement of labour market conditions and labour market institutions. The second objective focuses on job creation and the inclusion of persons with limited employability, development of social entrepreneurship and support to regional and local employment policy. The third objective relates to the activities aimed at enhancing the quality of the labour force and investment in human capital.

**Target Groups:** All disadvantaged jobseekers (LTU, older workers, workers with disabilities etc.)

**Duration of measure:** Temporary

**If temporary, how long will it run for?** One year

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** January 2014

If not law, what type of measure is it? Other please specify

If not law what type of measure is it: Action Plan

Enacted/not enacted into law - State of play? Not applicable

Have any steps been taken to monitor the implementation of the measure: Yes

If monitoring arrangements are in place, what are they: Standard arrangements

If monitoring arrangements are in place, frequency of update: Twice a year

Funding Sources: Government

Is there a specific budget allocated to the measure? Yes

Budget: EUR 23 million

Recommendation details: This is the Action Plan implementing the National Employment Strategy 2011-2020 in 2014

#### Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Malta</p> <p><b>Measure Title:</b> International Individual Investor Programme</p> <p><b>Description:</b> A programme of citizenship with investment, whereby foreign persons may buy Maltese citizenship for EUR 650 000. Their families may buy their citizenship for a lower fee.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Amendments in the International Individual Investor Programme</p> <p><b>What has changed:</b> A resolution expressing concern over Malta's plan to introduce the Programme was agreed upon by nearly all the European Parliament in January 2014. The Programme was accused of undermining the concept of European citizenship. This and other local and foreign pressure on the Government resulted in the Government's decision to review the programme. The amendments include the introduction of an effective residence status in Malta prior to the possibility to acquire Maltese naturalisation. A certificate of naturalisation will only be issued if the applicant provides proof that he/she has resided in Malta for a period of at least 12 months immediately preceding the issuing of the certificate of naturalisation. In the latest version of the Programme, applicants are required to make a contribution of EUR 650 000 of which 70 % will go into a national development and social fund, while the rest would go to the consolidated fund. Applicants are also required to make a property investment of EUR 350 000 or take a EUR 16 000 annual rental, both on five-year contracts. They are also required to invest EUR 150 000 in bonds or shares kept for five years in Malta.</p>



## 4 PA 2: Active Labour Market Policies – Public Employment Services

Under PA 2 - Active Labour Market Policies, Public Employment Services, five countries introduced a total of seven new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Measures for improving services to the unemployed*. The following gives a breakdown of the new measures introduced in this policy area:

- PES reform measures (Finland x2);
- Measures supporting vulnerable workers (no new measures);
- Measures enhancing employability (Ireland);
- Measures for improving services to the unemployed (Estonia, Malta x2, former Yugoslav Republic of Macedonia);
- Measures protecting benefit rights and favouring the employment of the unemployed (no new measures);
- Measures mitigating the effects of redundancy (no new measures);
- Improving ALMP programme measures (no new measures);
- Other (no new measures).

There were seven updates to previously identified measures, in the following countries: France, Hungary x2, Finland x2, former Yugoslav Republic of Macedonia x2.

This policy area saw the introduction of 7 new measures, or 7% of the total number of new measures introduced across all European countries. Only one was enacted into law. Sources of funding for the measures came from the state (three), EU co-funding (one) and other (two). No specific funding was required for one measure.

The measures and measure updates are discussed in turn below.

### 4.1 PES Reform Measures (2 new measures)

#### Enhancing job offers in PES

**Country:** Finland

**Description:** This is a set of measures to enhance job offers to jobseekers. A decision has been made in the Ministry of Employment and the Economy to increase job offers in the PES, also outside one's profession after three months, requiring individuals to take jobs within three hours daily commute, enhancing plans for employment for job seekers, and offering active measures within three months of unemployment.

**Institution Responsible:** Ministry of Employment and the Economy, PES-offices (TE-offices)

**Country Specific Recommendation:** Part of CSR3: Implement and monitor closely the impact of on-going measures to improve the labour-market position of young people and the long-term unemployed, with a particular focus on the development of job-relevant skills.

**Main Objectives:** Enhance job offers to jobseekers

**Target Groups:** Unemployed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Beginning of 2014

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** In force

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** No specific funding required

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3

### New legislation on Labour Market Service Centres

**Country:** Finland

**Description:** A decision has been made in the Government Programme to increase the role of municipalities in long-term unemployment by new legislation concerning the Labour Market Service Centres (LAFOS), a joint service of PES, Municipality social work and National Insurance. The new legislation has been prepared in February 2014 and is due to be presented to Government and Parliament in Spring 2014, to take effect in 2015.

**Institution Responsible:** Ministry of Employment and the Economy

**Country Specific Recommendation:** Part of CSR 3: Implement and monitor closely the impact of on-going measures to improve the labour-market position of young people and the long-term unemployed, with a particular focus on the development of job-relevant skills.

**Main Objectives:** To enhance multi-professional and multi-institutional services for those unemployed with multiple difficulties in the labour market To increase the role of municipalities and local partnerships in this

**Target Groups:** All disadvantaged jobseekers (LTU, older workers, workers with disabilities etc.)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**Enacted/not enacted into law - State of play?** The law is due to be passed in the Spring 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR

**Recommendation details:** CSR 2 and 3

### Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Finland</p> <p><b>Measure Title:</b> PES Reform</p> <p><b>Description:</b> There is an ongoing reform of public employment services run by the Ministry of Employment and Economy, where PES units have been amalgamated and new heads of PES units allocated in the second and third quarter. Training for staff has been ongoing throughout 2012. The services are being renewed to three service lines: (1) job recruitment and employer services (2) services for improving skills (2) subsidised and rehabilitation services.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Independent evaluation of PES reform by Tempo Economics, Ramboll, Arnkil Dialogues and Spangar negotiations</p> <p><b>What has changed:</b> According to the independent evaluation, the initial problems in launching the PES reform in 2013 have now passed, and the reform is reaching a 'steady state'. The remaining challenges are: the whole strategy of the reform needs to be communicated more effectively and clearly; implementing the reform of e-services needs further attention, as does the whole concept of 'multi-channelled services'; the division of labour of the new PES offices (TE-offices) and the regional level (ELY-centres) needs clarification; conclusions on effectiveness of the reform cannot yet be made; the reform needs to move</p>

Description of Measure	Description of March 2014 Update
	from internal focus more to external partnership focus; staff skills and coping with workload needs attention; cooperation between the three service lines needs further attention; management of a 'local whole'. including attention to the Youth Guarantee, Local Government reform and the Municipality Employment experiment, needs attention.

## 4.2 Measures supporting vulnerable workers including women, older workers, immigrants & those with a reduced ability to work (0 new measures)

No new measures reported.

**Measure Updates total: 3**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Hungary</p> <p><b>Measure Title:</b> Programme for women over 55 to reach 40 years of employment</p> <p><b>Description:</b> A programme for women over 55 who need less than one year of employment to reach 40 years of employment (making them eligible for old-age pension) and have been unemployed at least for six months. Employers are granted the wages (up to HUF 142 500 / EUR 455) and social security contribution taxes for a maximum of 10 months, after that the employers have to finance two more months.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Programme extended</p> <p><b>What has changed:</b> It was originally available until the end of 2013 for women with at least 39 service years, but is now extended to accept applications until 30 April 2014 from a wider group. It is now also available to women aged 60 years and older without further restriction and to those at least 55 years old who have at least 37 service years.</p>
<p><b>Country:</b> former Yugoslav Republic of Macedonia</p> <p><b>Measure Title:</b> Employing 300 disabled persons</p> <p><b>Description:</b> This envisages that 300 workers with a disability are employed within the public administration. They will be initially employed in the public enterprise, Macedonian forests, and then transferred to other public institutions, based on their needs. About 160 of the available job posts are for persons with low education and qualifications; 100 for workers with completed secondary education; and 40 for persons with</p>	<p><b>Title:</b> Employing 300 disabled persons</p> <p><b>What has changed:</b> About 1 826 disabled persons applied to the public announcement of the employment of 300 disabled persons in the public enterprise Macedonian forests. The selection has been completed using software to avoid any subjectivity (after a careful validation of the submitted documentation). Selected persons will be transferred to some of the public sector institutions, based on their need.</p>

Description of Measure	Description of March 2014 Update
<p>tertiary education. The selection criteria are: the duration of unemployment, personal income of the disabled worker, the household income, single-parent family, and family where more than one of the members has a disability.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	
<p><b>Country:</b> former Yugoslav Republic of Macedonia</p> <p><b>Measure Title:</b> Employment subsidies for unemployed persons who are beneficiaries of social financial assistance</p> <p><b>Description:</b> A Law has been enacted (Official Gazette No. 155/2013) for employment subsidies for registered unemployed persons who are recipients of social financial assistance (SFA). It targets both the individual recipients of the SFA and/or their family members, the condition being that they are registered as unemployed (in particular, active job seekers) with the Employment Service Agency (ESA). Employers that will employ these workers would receive a monthly subsidy of MKD 14 000 (approx. EUR 230) for payment of gross wage (slightly above the level of the minimum wage, MKD 12 268 (EUR 199) in 2013) plus an additional monthly payment of MKD 3 000 (EUR 49) for the costs of the initial job training and some materials used. The payment is scheduled for six months, with an obligation of the employer to keep the workers in a job for an additional six months (12 months in total).</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Employment subsidies for unemployed persons who are beneficiaries of social financial assistance</p> <p><b>What has changed:</b> Applications were collected from social financial assistance beneficiaries interested in participating in the programme (around 800 applications). At the same time applications were collected from companies that would like to employ workers under this measure. However, the matching procedure is progressing quite slowly, so that there are not yet employments from this measure.</p>

### 4.3 Measures enhancing employability (1 new measure)

#### Gateway programme

**Country:** Ireland

**Description:** The Gateway programme was announced in 2012, to be introduced as part of the 2013 budget, but little progress was made in 2013. On 21 February 2014, the Minister for the Environment, Phil Hogan, announced that 3 000 positions would be available nationally by the end of the year. Gateway provides short-term work and training opportunities for long-term unemployed people who have been on the Live Register for over two years. The scheme is managed by city and county councils (local authorities), on behalf of the Department of Social Protection, and the work opportunities are to benefit the local area. Participants will work 19.5 hours a week and receive a EUR 20 top-up from the Department of Social Protection in addition to their Jobseeker's Allowance. Potential participants will be randomly selected and contacted by their local social welfare office. Under the National

Employment Plan, those in receipt of Jobseeker's Allowance are required to take up work opportunities such as the offer of a Gateway work placement. If they refuse a work opportunity, they may have their social welfare payment reduced or terminated. If they agree to participate, they will be referred to their County and City Councils where they will be recruited for a suitable placement. Once a 22-month placement has been completed, participants must wait three years before taking up another Gateway placement.

**Institution Responsible:** Department for Social Protection in conjunction with local authorities.

**Main Objectives:** To reintegrate the unemployed back into employment.

**Target Groups:** Unemployed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Unknown

**If not law, what type of measure is it?** Announcement

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** MoU

**Recommendation details:** Commitment to reduce unemployment and long-term unemployment.

**Measure Updates total:** 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Hungary</p> <p><b>Measure Title:</b> Continue public works programme</p> <p><b>Description:</b> Improve public work programmes, invest more in the best programmes</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> Winter public works and training rolled out, budget extended</p> <p><b>What has changed:</b> Unlike in previous years, the public works programme was made available during the winter months, backed by a budget extension of HUF 7 billion (EUR 22 million). The programme provided work opportunities (half) and training (half). More than 200 000 people participated during December 2013, 50 000 more than the summer months in 2013 and more than twice the comparable number in 2012. Half of the participants attended training during the winter; this arrangement is unlikely to be sustainable. The content of the work opportunities are not known, but anecdotal evidence indicates that organising meaningful jobs for such a large number of people is always a challenge and it is even more so when simple seasonal agricultural work is unavailable. Most of the training was concentrated on the provision of basic competencies, but there is very little public information available on what the courses cover and how they are being taught in the institutions directed by the TKKI.</p>

#### 4.4 Measures for improving services for the unemployed (4 new measures)

##### Employment Programme 2014-2015

**Country:** Estonia

**Description:** Based on this programme, the Estonian Unemployment Insurance Fund provides labour market services under more flexible conditions than foreseen in the Labour Market Services and Benefits Act. In 2014 and 2015, the existing activities will be supplemented by the following:

- the rate of compensation for adapting the employer's work premises and instruments will be increased from 50 % to 75 %;
- the target group of those receiving the working with support person service will be expanded to include the long-term unemployed, and unemployed with addiction problems and special social needs; and the amount of hours for working with a support person will be increased from 700 to 1 000;
- the possibilities for supporting continued enterprise will be extended;
- employers will be eligible to receive salary support also in the case of employment contracts made for a specified term, in addition to contracts without a term.

**Institution Responsible:** Estonian Unemployment Insurance Fund

**Main Objectives:** The programme is aimed at helping people to find jobs and supporting employers to find employees.

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 1.01.2014 - 31.12.2015

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Government decree, Employment Programme 2014-2015, RT I, 17.12.2013, 6, available in Estonian: <https://www.riigiteataja.ee/akt/117122013006>

**Date of adoption:** 12.12.2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01.01.2014

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** From the labour market services and support endowment consisting of the unemployment insurance funds and state budget allocations

**Is there a specific budget allocated to the measure?** Yes

**Budget:** Up to EUR 36.2 million in 2014 and up to EUR 33 million in 2015.

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** The measure is consistent with the CSR 2, which emphasises the need to strengthen activation measures to facilitate the return to the labour market of the long-term unemployed and disabled.

##### Green Paper Against Poverty and Social Exclusion

**Country:** Malta

**Description:** Green Paper to serve as a framework for the fight against poverty and social exclusion.

**Institution Responsible:** The Prime Minister said that the measure is owned by the whole government. However, it will probably be managed by the Ministry for the Family and Social Solidarity.

**Main Objectives:** The Green Paper proposes a variety of initiatives including the revision of the social security system, the creation of new job opportunities and better education, the tackling of inter-generational transmission of poverty, the drive against discrimination and the improvement of lifelong health. Among others, it was reported that through this measure, the government aims to help 22 000 persons out of poverty by 2015.

**Target Groups:** Low-income families

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2024

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** The Prime Minister launched the Green Paper at the end of January 2014.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government



**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 10 million

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** The measure is imprecisely related to: NRP. 4. Progress towards National Europe 2020 Targets – Promoting Social Inclusion in particular through the Reduction of Poverty

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#### **LEAP Project Against Poverty**

**Country:** Malta

**Description:** LEAP will result in the setting up of a number of regional resource centres for the family, offering services in the heart of the community through public-social partnerships. Networks of key people will be identified within each region to identify areas of poverty and tackle pressing issues. About 200 people who are poor or at risk of poverty will be helped out of the poverty trap through assistance to help them find employment and improve their lives. Besides this group, some 900 other people experiencing poverty will be provided with training to make them more employable. The project will also assist NGOs with capacity-building to better equip them to help the poor.

**Institution Responsible:** Ministry for the Family and Social Solidarity

**Main Objectives:** To help groups of persons in various localities across Malta to get out of poverty.

**Target Groups:** Persons experiencing poverty or at risk of poverty

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** EU co-funded project

**Enacted/not enacted into law - State of play?** The project started in December 2013. In February 2014 there were calls for applications for a number of posts relating to the project.

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** The measure is imprecisely related to: NRP. 4. Progress towards National Europe 2020 Targets – Promoting Social Inclusion in particular through the Reduction of Poverty

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#### **Mobile application for vacancies, internships and volunteering offers**

**Country:** former Yugoslav Republic of Macedonia

**Description:** The Ministry of Labour and Social Policy along with an ICT School have created a software application for mobile phones called PRV (meaning FIRST), as an abbreviation standing for internships, work and volunteering. The application will allow jobseekers to get all new information on their mobile phones with android support. The project is supported by UNDP.

**Institution Responsible:** Ministry of Labour and Social Policy

**Main Objectives:** To improve information flows about available jobs, internships and volunteering 'jobs', predominantly to younger generations of workers

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Co-funded by UNDP

**Is there a specific budget allocated to the measure?** No

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**Measure Updates total:** 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Finland</p> <p><b>Measure Title:</b> Municipality Employment Pilot for Long-term Unemployed</p> <p><b>Description:</b> An unemployment pilot project with 29 pilot municipalities chosen by 20 October. In the municipality pilot project the aim is to reduce long-term unemployment by developing coordination, assessment, planning and follow up of services for the long-term unemployed. The government has given EUR 20 million for these projects. The target group are the long-term unemployed who have exhausted their 500 days of unemployment benefits, or have been unemployed for a year.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Independent intermediary evaluation by Arnkil Dialogues, Spangar negotiations and Rehabilitation Foundation</p> <p><b>What has changed:</b> In an intermediary independent evaluation in February 2014, the key observations were: the MEL has been successfully launched and in a dynamic phase; employment is more on the agenda in Municipal decision-making in the MEL local authorities; local cooperation in tackling unemployment has improved, but the activity and role of the TE-centres (PES) and health services needs improvement; a new 'local partnership model' on tackling unemployment is in the making, and there are good examples across the country, but development is still very uneven and needs attention; many aspects of personalised customer service and service process have been identified, but more attention is needed on a holistic management of the whole customer flow; there has been a considerable amount of peer learning in the MEL, facilitated by the Association of Local Authorities, and this needs attention in the future.</p>

#### 4.5 Measures Protecting Benefit Rights and Favouring the Employment of the unemployed (0 new measures)

No new measures or updates reported.

**Measure Updates total: 0**

#### 4.6 Measures mitigating the effects of redundancy (0 new measures)

No new measures or updates reported.

**Measure Updates total: 0**

#### 4.7 Improving ALMP programmes measures (0 new measures)

No new measures reported.

**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> France</p> <p><b>Measure Title:</b> <i>Emplois d'avenir</i> programme (Jobs of the Future)</p>	<p><b>Title:</b> Monitoring in March 2014</p> <p><b>What has changed:</b> The main change is that a recent decree opened the programme to some categories of</p>



<p>programme) and associated programme</p> <p><b>Description:</b> The measure proposes to create 100 000 Jobs of the Future supported by the state: 75 % of minimum wage for non-profit organisations and 35 % for enterprises (it is only open to some sectors). The measure is similar to the previous programme, New Services Youth Job, implemented between 1998 and 2004 and to Emplois Tremplins implemented by most of the French <i>Conseils Régionaux</i> after 2005.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p>young people with qualifications, while the initial objective was to address non-qualified young people. At the end of February 2014, 113 000 young people have been recruited to the programme. More than 40 % of the recruits are in sensitive urban areas, which is more than the objective targeted at 20 %.</p>
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#### 4.8 Other

No new measures reported.

**Measure Updates total: 1**

## 5 PA 2: Active Labour Market Policies - Youth Guarantee

Under PA 2 - Active Labour Market Policies, Youth Guarantee, seven countries introduced a total of nine new policy measures in the areas of *Reducing youth unemployment* between December 2013 and early March 2014. The following gives a breakdown of the new measures introduced in this policy area:

- Reducing youth unemployment (Spain, Lithuania x3, Hungary, Portugal, Romania, Slovakia, UK)
- Other (no new measures)

There were 11 updates to previously identified measures, in the following countries: Belgium, Bulgaria x3, Ireland, Cyprus, Latvia, Luxembourg, Malta, Austria and Finland).

This policy area saw the introduction of 9 new measures or 9% of all new measures introduced across all countries in this reporting period. Four have been enacted into law (44 %). The most frequent source of funding amongst these measures is EU co-funding (5 measures) while state funding is associated with 1 measure and 2 measures are funded by 'other' sources.

The measures and measure updates are discussed in turn below.

### 5.1 Reducing Youth Unemployment (9 new measures)

#### Youth Guarantee National Implementation Plan

**Country:** Spain

**Description:** This Plan was introduced in December 2013 and is addressed to ensure the youth guarantee in Spain. It implements the Council recommendations concerning the youth guarantee from a comprehensive and preventive approach in order to improve the employability and integration into the labour market of young people.

**Institution Responsible:** Public Employment Service

**Country Specific Recommendation:** CSR 5: [...] Continue with efforts to increase the labour market relevance of education and training, to reduce early school leaving and to enhance life-long learning, namely by expanding the application of dual vocational training beyond the current pilot phase and by introducing a comprehensive monitoring system of pupils' performance by the end of 2013.

**Main Objectives:** Transforming the approach through which the Public Employment Services tackles youth unemployment, establishing a youth guarantee system which speeds up the assistance to young people; ensuring all young people (up to the age of 25) an adequate employment, traineeship or training offer within four months of finishing school or becoming unemployed; improving the coordination between education and employment authorities in order to prevent difficulties for youth integrating into the labour market; facilitating the incorporation of young people into the labour market through the provision of training actions adapted to the labour market needs

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** The Plan has been released and sent to the EC (December 2013)

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 1 825 million from the YEI 2014-15 and EUR 2 359 million from the ESF 2014-20

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Implement and monitor closely the effectiveness of the measures to fight youth unemployment set out in the Youth Entrepreneurship and Employment Strategy 2013-2016, for example through a Youth Guarantee.

## Youth Guarantee Implementation Plan

**Country:** Lithuania

**Description:** On 16 December 2013, the Youth Guarantee (YG) Implementation Plan was approved by the Minister for Social Security and Labour. The Plan identified the following main tasks: to promote early intervention and activity; to promote integration into the labour market; to develop cooperation between state institutions, local authorities, non-governmental organisations and business entities with the view of integrating youth into the labour market and/or education system; to improve access to and quality of vocational guidance (career) services; to ensure acquisition of quality skills within the education and training system; to develop a framework for the assessment and recognition of competencies; to promote self-employment and entrepreneurship.

**Institution Responsible:** Ministry of Social Security and Labour

**Country Specific Recommendation:** CSR 3: (ii) Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches.

**Main Objectives:** The main objective of the YG is to ensure that all young people up to the age of 29 are offered jobs, continued education, including vocational training in the form of apprenticeships, practices, traineeships within four months of leaving formal education or becoming unemployed.

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2020

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Order of the Minister of Social Security and Labour No A1-692

**Date of adoption:** 16 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** LTL 109 million (EUR 31.6 million) for the years 2014-2015

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS: "Stepping up active labour market measures, notably active support and training for the unemployed, improving the performance of public employment services and implementing a Youth Guarantee". CSR: "Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches". NRP: "To prepare a plan for promoting youth employment, which would establish the youth guarantees: include young school leavers in the education system, develop the youth's vocational guidance and career planning systems, develop skills necessary for the labour market, develop youth entrepreneurship and encourage their self-employment, support their first steps in the labour market, develop partnerships by solving youth employment problems".

## Memorandum on the Youth Guarantee

**Country:** Lithuania

**Description:** On 14 January 2014, social partner representatives of state institutions, business, employer, employee and youth organisations signed a memorandum in which they agreed to cooperate in the implementation of the Youth Guarantee initiative in Lithuania. The social partners will seek to ensure that young people are trained for the labour market on a targeted basis, taking account of the needs of the national economy, acquire adequate competences and qualifications through the process of quality education and vocational training, and are offered a quality job or continued education/training within four months of leaving education or becoming unemployed. The partners will also cooperate in the development and implementation of labour market integration schemes for graduates by

providing better opportunities to young people to undergo apprenticeships or traineeships.

**Institution Responsible:** Ministry of Social Security and Labour

**Country Specific Recommendation:** CSR 3: (ii) Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches.

**Main Objectives:** The aim of the Memorandum is to support implementation of the Youth Guarantee initiative.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 14 January 2014

**If not law, what type of measure is it?** Memorandum, signed by social partners

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS: "Stepping up active labour market measures, notably active support and training for the unemployed, improving the performance of public employment services and implementing a Youth Guarantee". CSR: "Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches". NRP: "To prepare a plan for promoting youth employment, which would establish the youth guarantees: include young school leavers in the education system, develop the youth's vocational guidance and career planning systems, develop skills necessary for the labour market, develop youth entrepreneurship and encourage their self-employment, support their first steps in the labour market, develop partnerships by solving youth employment problems"

## Youth workers

**Country:** Lithuania

**Description:** After almost a year of assessment of competencies of various professionals working with young people (librarians, labour exchange officers, police officers, employees of youth centres or youth spaces, non-formal education trainers, special needs teachers, sports coaches, etc.), more than 80 youth workers were accredited in Lithuania in December 2013. Around 200 persons more are currently improving their qualifications and probably will be accredited in May 2014. (A youth worker is a person who works with young people during their spare time, seeks personal and social development of young people both through individual work with different persons and through group work, and has competencies necessary for this work).

**Country Specific Recommendation:** CSR 3: (ii) Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches.

**Institution Responsible:** Department of Youth Affairs under the Ministry of Social Security and Labour

**Main Objectives:** The main purpose of youth workers is to work with young people in pursuit of consciousness, independence and responsibility of young people for their own and society's well-being.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Order of the Minister of Social Security and Labour No A1-208

**Date of adoption:** 14 May 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** December 2013

**Enacted/not enacted into law - State of play?** The first youth workers in Lithuania were

accredited in December 2013, it is not yet clear how the youth workers are going to perform their functions and how their work and the implications for youth will be assessed.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS: "Stepping up active labour market measures, notably active support and training for the unemployed, improving the performance of public employment services and implementing a Youth Guarantee". CSR: "Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches". NRP: "To prepare a plan for promoting youth employment, which would establish the youth guarantees: include young school leavers into the education system, develop the youth's vocational guidance and career planning systems, develop skills necessary for the labour market, develop youth entrepreneurship and encourage their self-employment, support their first steps in the labour market, develop partnerships by solving youth employment problems"

### **Submitting the Youth Guarantee Implementation Plan to the European Commission**

**Country:** Hungary

**Description:** The government has submitted the Youth Guarantee Implementation Plan to the European Commission.

**Institution Responsible:** Government / Ministry for National Economy / Various

**Country Specific Recommendation:** CSR 6: "Support the transition between different stages of education and towards the labour market."

**Main Objectives:** Describes the approach of Hungary to setting up the infrastructure of the Youth Guarantee

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Until 2018

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** Document formulated and submitted to the EC.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Mixed: government and EU co-funded

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** AGS, NRP

**Recommendation details:** NRP: "The implementation of the set of measures aimed at the reduction of youth unemployment", AGS: "Stepping up active labour market measures, notably active support and training for the unemployed, improving the performance of public employment services and implementing a Youth Guarantee."

### **National Implementation of a Youth Guarantee Plan (Plano Nacional de Implementação de Uma Garantia para a Juventude)**

**Country:** Portugal

**Description:** Set of measures designed to implement the youth guarantee: 1) information and management, 2) Integrated information and orientation system for VET and employment, 3) education and training, 4) occupational traineeships, 5) partnerships and networks, 6) coordination and supervision / monitoring

**Institution Responsible:** IEFP

**Main Objectives:** Implementation of the youth guarantee

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Resolution of the government nr. 104/2013, published 31 December 2013

**Date of adoption:** 19 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** The measure is just starting

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Recommendation details:** Council Recommendation of 22 April 2013 on establishing a Youth Guarantee

### **Professional stage (traineeship) adopted by the Romanian Parliament and promulgated as of December 2013**

**Country:** Romania

**Description:** The new legislative act prepared by the Ministry of Labour, after consultation with the social partners, provides for a professional stage for higher education graduates six-months after they graduate, with the exception of those occupations (e.g. lawyers, doctors, public notaries) for which provisions are made via special laws. Employers willing to engage in such a type of contract will have to provide, in addition to the labour contract, mentoring and access to forms of specific vocational training for the young graduate. A subsidy worth 1.5 times the social reference indicator (currently at the value of RON 500 / EUR 166). The subsidy, which is granted from the unemployment insurance fund, may be however supplemented with funds from the ESF as well as from other sources.

**Institution Responsible:** Although norms for the application of the law are still to be elaborated, it is to be judged that as the subsidy, at least in its basic form, will be granted from the unemployment insurance fund, the National Agency for Employment (NAE) the Romanian PES will be responsible for its delivery via its county ('judet') and local offices.

**Country Specific Recommendation:** CSR 4: Improve labour market participation, as well as employability and productivity of the labour force, by reviewing and strengthening active labour market policies, to provide training and individualised services and promoting lifelong learning. Enhance the capacity of the National Employment Agency to increase the quality and coverage of its services. To fight youth unemployment, implement rapidly the National Plan for Youth Employment, including for example through a Youth Guarantee[...]

**Main Objectives:** The main objectives are:

- to provide young graduates of higher education with a certain amount of work experience and further training, thus improving their prospects of future and further employment;
- to encourage enterprises, via a financial incentive, to take on young people and train them for their specific needs;
- to build a platform, via the formalisation of 'mentoring', for the development of enterprise-focused training and career guidance paths, which will both help young people to integrate into working life more quickly and effectively, as well as helping enterprises to improve their performance by the acquisition and training, according to their needs, of high-productivity, highly trained labour;

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law no.335/2013

**Date of adoption:** December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** It should have started as of 1 January 2014 but in practice it will have to wait for application norms to be drafted which might mean that the effective start will be somewhere towards the end of the first quarter of 2014 (possibly March)

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government via the Unemployment insurance fund plus ESF and the YEI

**Is there a specific budget allocated to the measure?** Yes



**Budget:** EUR 25 million

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** The measure is in accordance with CSR 4: To fight youth unemployment, implement rapidly the National Plan for Youth Employment, including for example through a Youth Guarantee. It may be also construed as contributing to CSR 5 "Further align tertiary education with the needs of the labour market and improve access for the disadvantaged people"

### Youth Guarantee Implementation Plan

**Country:** Slovakia

**Description:** The implementation plan defines the substance of the Youth Guarantee scheme in Slovakia and outlines a set of planned reforms and initiatives covering early intervention, activation and support to labour market integration of young people and especially NEETs (young people neither in employment, nor in education and training). Envisaged are legislative amendments of several laws (the Act on vocational education and training, Act on employment services, Act on recognition of outcomes of non-formal and informal education, etc.) and a number of initiatives to support labour market integration (e.g. second chance education, information on study opportunities and achievements of graduates, support to self-employment start-ups, project Competences for practice, project Chance for the young to get employment). The implementation plan identifies key organisations responsible for the implementation of the scheme and a draft timetable.

**Institution Responsible:** Ministry of Labour, Social Affairs and Family; Ministry of Education, Science, Research and Sport

**Country Specific Recommendation:** CSR 4: Step up efforts to address high youth unemployment, for example through a Youth Guarantee.

**Main Objectives:** The main objective of the Implementation Plan is to define a package of reforms and initiatives which ensure that young unemployed/NEETs get a timely offer of suitable employment, education and training, counselling, participation in activation programmes or information on jobs through established services.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** The Youth Guarantee Implementation Plan was approved by the government on 5 February 2014. A final approval by the European Commission shall follow in the coming weeks. Particular reforms and initiatives have a different starting date. Some existing component parts of the scheme are implemented continuously (e.g. ALMPs).

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Unknown

**Budget:** Total budget unknown because many of the ongoing component activities run in parallel, with their own financial allocations. Prime Minister Fico stated that EUR 200 million is available for the implementation of the guarantee in 2014-2015

(<http://www.employment.gov.sk/sk/informacie-media/aktuality/minister-informoval-premiera-politike-zamestnanosti.html>)

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** CSR 4. Step up efforts to address high youth unemployment, for example through a Youth Guarantee.

### Improving opportunities for young people

**Country:** United Kingdom

**Description:** The government announced a raft of new measures to help tackle youth unemployment in the Chancellor's Autumn Statement and they have been refined since



(though still not completely clear in some cases). These include: 1. Boosting careers guidance in schools; 2. Getting young people into work quickly through: (a) help at Jobcentres for 16 and 17 year olds; (b) removing basic skills barriers; (c) providing work experience places;

**Institution Responsible:** Department for Education (in schools) Department for Work and Pensions (Jobcentres)

**Country Specific Recommendation:** CSR 3: Building on the Youth Contract, step up measures to address youth unemployment, for example through a Youth Guarantee.

**Main Objectives:** To help get more young people into work including those making the transition from education to the labour market, and those unemployed young people for whom the transition has failed.

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The improvements to the in-school careers service should be long duration but the other measures such as work experience will be short-term, however the timeframe is unclear.

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** The careers service improvements are expected to start in mid-2014 and will be included in the school inspection regime from 2015/16. Jobcentres are expected to provide support for 16 and 17 year-olds from April 2014 in pilot areas. Basic skills for 16-21 year-olds will be piloted from Autumn 2014. Work experience for those young jobseekers unemployed for at least six months will be piloted from Autumn 2014.

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** Various start dates with the earliest of April 2014 but some running pilots from Autumn 2014.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR, NRP

**Recommendation details:** 1. Boosting careers guidance in schools - schools will be required to improve their careers guidance to include better links with employers leading to support such as coaching, mentoring, work experience, etc. 2. Help for 16 and 17 year-olds in jobcentres - extending (initially on a trial basis involving 3 000 young unemployed claimants) the services they provide to this group such as help with CVs, job applications and interview training. 3. Help with basic skills - a pilot scheme will run for jobseekers aged 18-21 who do not have a Level 2 qualification in English and maths. They will be identified early on and offered training appropriate to their needs. 4. Work experience - for 18-21 year-olds on JSA for six months they will be offered a placement in a working environment to build up confidence and some experience to enhance their CVs.

#### Measure Updates total: 11

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Belgium</p> <p><b>Measure Title:</b> Reinforcing of ACTIVA plan for under 27s</p> <p><b>Description:</b> This measure provides a reduction of charges for employers who engage low skilled jobseekers aged under 27. Moreover, these young people receive a working allowance paid by the National Office for Employment.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> ACTIVA plan extended to those aged 30 years</p> <p><b>What has changed:</b> On 1 January 2014, the government decided to extend the age limit of the ACTIVA scheme to young people aged up to 30.</p>

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Bulgaria</p> <p><b>Measure Title:</b> Provision of incentives to employers to hire on a part-time basis, unemployed young people aged up to 29 years old with a continuous registration in the labour office of no less than 12 months</p> <p><b>Description:</b> Employers who provide jobs for such unemployed young people receive a subsidy for a period of one year. For 2013, 30 unemployed young people will be hired and the allocated financing amounts to EUR 396 700 (BGN 777 600).</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Monitoring data released; the measure is permanent</p> <p><b>What has changed:</b> At the end of December, 189 employers have received subsidies for 230 jobs for young people with low levels of education and qualifications. Forty young unemployed people have already received part-time jobs. In January 2014, the measure did not receive financing.</p>
<p><b>Country:</b> Bulgaria</p> <p><b>Measure Title:</b> First job for unemployed aged up to 29 years old who are secondary or university graduates without any work experience</p> <p><b>Description:</b> Employers receive grants for each unemployed young person aged up to 29 years old they hire, for the duration of employment period, but no less than six months and no more than 18 months. The measure aims to ensure a first job for unemployed young people. It is important to mention that there is a requirement stipulating that the position should correspond to the education and qualification level of the unemployed, not a job in general. The subsidy shall amount to 30 % in the first six months, 50% for the period from the 7th to the 12th month and the rest of the sum for the remaining six-month period. The longer subsidised period up to 18 months and the increasing amount of the subsidy over the subsidised period is expected to promote longer employment of the hired young people.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Monitoring data released; the measure is permanent.</p> <p><b>What has changed:</b> At the end of December, 137 employers have received subsidies to employ young people with secondary or higher education and no work experience. The number of employed young people is increasing for a third consecutive month.</p>
<p><b>Country:</b> Bulgaria</p> <p><b>Measure Title:</b> Promotion of employment of unemployed young people with primary or lower education, and apprenticeship training, under the guidance of a mentor</p> <p><b>Description:</b> The implementation of the measure will promote the employment of</p>	<p><b>Title:</b> Monitoring data released; the measure is permanent</p> <p><b>What has changed:</b> No changes in the measure. The interest among employers is moderate. In January 2014, the measure did not receive financing.</p>

Description of Measure	Description of March 2014 Update
<p>young persons aged up to 29 years with primary or lower education but no qualifications, for on-the-job training under the guidance of a mentor. The mentor, who will guide the worker in learning practical skills, should possess qualifications and professional experience on the respective profession or craft. Subsidised employment and remuneration of mentors shall be ensured for a period of up to 12 months. Employers, who keep workers hired under the apprenticeship measure for a period equal to the period of subsidised employment for apprenticeship training, shall receive grants for the remuneration of the mentors for the additional period.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	
<p><b>Country:</b> Ireland</p> <p><b>Measure Title:</b> Youth Guarantee</p> <p><b>Description:</b> The guarantee is a state backed commitment that within four months of becoming unemployed or leaving education, individuals aged 18 to 24 will receive a good quality offer of employment, continued education, apprenticeship or training.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Youth Guarantee implementation plan</p> <p><b>What has changed:</b> The Youth Guarantee Implementation Plan was launched by the Government on 28 January 2014. As agreed at EU level, the Guarantee will be introduced on a phased basis in Ireland over 2014-2015, due to current financial constraints, with a review due in 2015. Ireland's proposed plan for the implementation of the EU Council Recommendation for a Youth Guarantee states that: the Department of Social Protection's Intreo service will engage earlier and more intensely with young people; those who are unemployed for at least four months and registered with the benefits/employment service will be assisted to find work or offered training, education or work experience; the Department of Social Protection will use a person's Probability of Exit (PEX) score to target these resources initially. Young people with a higher PEX score will receive supports after nine months if they are still unemployed. The expected inflow of young people participating in activation programmes in 2014 will be 28 350 out of a total expected participation of 105 650. The indicative cost of this youth provision is EUR 336.4 million.</p>
<p><b>Country:</b> Cyprus</p>	<p><b>Title:</b> Two youth employment</p>

Description of Measure	Description of March 2014 Update
<p><b>Measure Title:</b> Two programmes to support unemployed youth</p> <p><b>Description:</b> The Minister of Labour and Social Insurance has announced that two measures to support unemployed youth are being developed and will be implemented as part of the commitment and MoU obligation to introduce the Youth Guarantee. The implied timing is the end of 2013. Details are not known as yet but, since a number of other ALMPs directed at youth and other unemployed have been running, it is probable that the new ones will build on the lessons from and best practices of the past.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p>programmes announced</p> <p><b>What has changed:</b> Two pre-announced (in December 2013 and listed as new measures then) youth employment programmes have now been put into effect. They are:</p> <p>(i) Placing up to 2 500 registered unemployed secondary and up to two-year post-secondary education graduates in businesses and other organisations to get work experience for up to six months in specific occupations. They must be under 25 and priority is given to the disabled, but also to individuals with special needs (orphans, single parents, married with child(ren), long-term unemployed). They are paid EUR 125 per week (minus 7.8 % employee social insurance contributions), 9.8 % employer contributions to social insurance will be covered. There is no cost to employers except supervision. The budget of EUR 8.5 million is ESF co-funded. It runs during 2014. A certificate of training and work experience is granted upon graduation. The Human Resource Development Authority runs the programme.</p> <p>(ii) Placing up to 2 500 registered unemployed HE graduates in businesses and other organisations to gain work experience for up to six months in positions that require a degree. The conditions are the same as above.</p>
<p><b>Country:</b> Latvia</p> <p><b>Measure Title:</b> Youth Guarantee scheme</p> <p><b>Description:</b> European Union employment and social affairs ministers agreed on 28 February on the implementation of a Youth Guarantee scheme that provides support to tackle youth unemployment in EU Member States. Latvia will receive EUR 80 million 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.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Youth Guarantee implemented</p> <p><b>What has changed:</b> The Youth Guarantee was launched from 1 January 2014. Young people age 15-29 who are not working or are not in education or training (NEETs) will be offered either a job, vocational education or work practice and training within four months of registering for the programme. This represents the 'guarantee'. The measure has three pillars: one is identification and activation of NEETs (aged 13-24) in municipalities through cooperation between municipal and governmental institutions, NGOs, the SEA and youth organisations, together with</p>

Description of Measure	Description of March 2014 Update
	implementation mentoring and motivation initiatives; the second pillar comprises second chance vocational education for young people aged 17-29, who have left school or training without completing basic or secondary education and who have not managed to succeed on the labour market; the third pillar comprises training or ALMPs for young people aged 15-29, supported by profiling.
<b>Country:</b> Luxembourg <b>Measure Title:</b> The Youth Action Plan and Youth Guarantee <b>Description:</b> The Action Plan, with at its heart the Youth Guarantee, aims to reduce youth unemployment and provide - within the period of four months - a job, apprenticeship or training scheme to young jobseekers. <b>Measure Time Period:</b> Dec 2013	<b>Title:</b> The Youth Action Plan and Youth Guarantee: Update <b>What has changed:</b> The Youth Guarantee is expected to be implemented in June 2014. A taskforce within the National Employment Agency has been set up.
<b>Country:</b> Malta <b>Measure Title:</b> Youth Guarantee Scheme <b>Description:</b> This measure will provide individual help to 350 young people who are either inactive or seeking employment, with the aim of helping them to integrate into the labour market or to embark on a course in an educational institution. Each person will benefit from EUR 1 440. <b>Measure Time Period:</b> Dec 2013	<b>Title:</b> Implementation of part of the Youth Guarantee Scheme <b>What has changed:</b> In January 2014, the government launched a programme for fifth formers who did not register to sit for 'O' Level exams. The programme consists of work training and academic training. While 353 students were invited for this programme, 150 refused to attend.
<b>Country:</b> Austria <b>Measure Title:</b> Young entrepreneur fund <b>Description:</b> The business foundation fund (Gründerfonds) and the Business Angel Fund provide financial means for young entrepreneurs with innovative business ideas. <b>Measure Time Period:</b> Jan 2013	<b>Title:</b> New budget decided for 2014 <b>What has changed:</b> The budget for start-ups has been increased from EUR 63.7 million (2013) to EUR 100 million for 2014. The Business Angels Fund has EUR 12 million available.
<b>Country:</b> Finland <b>Measure Title:</b> Youth Guarantee <b>Description:</b> The Youth Guarantee is for young persons aged under 25, and those under 30 newly graduated from	<b>Title:</b> Independent intermediate evaluation of the Youth Guarantee by Rehabilitation Foundation (Kuntoutussäätiö) <b>What has changed:</b> The intermediate evaluation on 20 December 2013 made

Description of Measure	Description of March 2014 Update
<p>education. In practice, it means an enhancement of services for these target groups in jobcentres, schools and social services, so it includes measures run by PES, municipalities and educational institutes. Also the obligations for the young person to be active him/herself are emphasised. EUR 60 million / year is allocated for this measure, and from this, EUR 5 million is allocated to finding and activating NEETs (outside employment and education) and special searching youth work, a hands-on coaching programme.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p>the following key observations: the YG has successfully focussed on the intended key target group, namely NEETs under 25, who also have been quite well aware of the existence of the YG; the implementation across the country, as well as capabilities in handling the YG, are still rather uneven, and there is path dependency on the capabilities; the pressures and cuts on local government have had somewhat adverse effects in some areas (like Oulu and Jyväskylä); the best awareness and implementation has been in youth work, education and youth workshops; youth outreach work (etsivä nuorisotyö) has been successful but short of resources (in 2012 outreach was performed in 279 municipalities reaching 20 400 young people); youth workshops have been performing well, but unevenly, quality criteria is being developed for the workshops (youth workshop activities have taken place in 270 municipalities, reaching 24 400 young people aged under 29 in 2012); apprenticeship training has not fitted well into YG and needs new ways of support, and connection to educational measures of the youth workshops; connecting social work to the YG needs improvement; youth coordinators are needed in the PES (TE-offices).</p>

## 5.2 Other

No new measures or updates reported.



## 6 PA 2: Active Labour Market Policies – Other

Under PA 2 - Active Labour Market Policies, Other, two countries (Lithuania and Luxembourg) introduced a total of two new policy measures between December 2013 and early March 2014.

Only one update to a previously identified measure was found; in Austria.

The policy measures introduced here represent 2 % of the total number introduced across all countries and none of these were enacted into law. One was state funded and one required no specific funding.

The measures and measure updates are discussed in turn below.

### 6.1 Active Labour Market Policies – other (2 new measures)

#### Migration policy guidelines

**Country:** Lithuania

**Description:** In January, the government of the Republic of Lithuania approved the Lithuanian Migration Policy Guidelines (the Guidelines). The Guidelines should help to start the implementation of modern migration policies aimed at eliminating the causes of emigration, promoting the return migration of Lithuanian nationals and creating better job opportunities for foreign professionals.

**Institution Responsible:** Government of the Republic of Lithuania, Ministry of Interior

**Main Objectives:** The purpose of the Guidelines is to identify the key goals and principles of migration policy, to define the main trends for the development of migration policy that would contribute to ensuring the management of migration flows matched to the state's needs, particularly with regard to tackling the problems of ensuring long-term structural and skills-related needs of the labour market and contributing to the promotion of country's social and economic development.

**Target Groups:** Immigrants (High-skilled/Low skilled)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** Just adopted.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** No specific funding required

**Which policy recommendations or commitments does the measure respond to?** AGS

**Recommendation details:** AGS: "[...] to support job creation in fast-growing sectors and to facilitate labour mobility".

#### Inter-governmental platform for better regulation

**Country:** Luxembourg

**Description:** The measure is based on two elements: a systematic screening of the existing administrative procedures with the objective to alleviate the burden on citizens and companies and to provide a structured dialogue with administrations, citizens, municipalities and companies.

**Institution Responsible:** Ministry of Better Regulation (Ministère de la Fonction Publique et de la Réforme Administrative).

**Main Objectives:** The overall objective is to modernise government procedures both as regards citizens and companies. This is achieved through establishing an inter-governmental task force of civil servants.

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**What is the legal reference?** Council of Ministers

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** The measure is ongoing as it has also



been a priority of the last government.

**If not law, what type of measure is it?** Strategy

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** NRP

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**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> EducationFit (AusbildungsFit)</p> <p><b>Description:</b> EducationFit is a further development of the transition management system. It will offer needs-oriented counselling, support and orientation for young people with low levels of education. Activities include, amongst others, instructions in basic skills, career orientation, training in social skills, the possibility to take a compulsory school examination, and internships.</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> Implementation of pilot projects has started</p> <p><b>What has changed:</b> The second phase, the implementation of pilot projects, started and will last until the end of 2014. In the pilot phase, 25 projects will be implemented in seven federal provinces.</p>

## 7 PA 3: Social security systems

Under PA 3, 11 countries introduced a total of 16 new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Other*. The following gives a breakdown of the new measures introduced in this policy area:

- Unemployment Benefit Reform (Estonia, France, Finland);
- Pension Reforms (Germany, Latvia, Netherlands, Portugal);
- Health Insurance System Reforms (no new measures);
- Other (Belgium, Estonia x2, Latvia, Netherlands, Poland, Finland, United Kingdom, former Yugoslav Republic of Macedonia)

There were 12 updates to previously identified measures, in the following countries: Czech Republic, Denmark, Germany x2, Estonia, Croatia, Latvia, Malta, Netherlands, Austria, Slovakia and the UK.

This is another policy area with a relatively large share (16%) of the total number of measures introduced across all countries. There were 16 new measures introduced and around 40 % (six of the measures) have been enacted into law. The most common source of funding was specified state funding (seven measures), followed by 'other' (two) and EU co-funding (one). No specific funding was required for three of the measures.

The measures and measure updates are discussed in turn below.

### 7.1 Unemployment Benefit Reforms (3 new measures)

#### **Upper ceiling and the bottom level of unemployment insurance benefit and the rate of unemployment assistance benefit increased**

**Country:** Estonia

**Description:** The upper ceiling of unemployment insurance benefit increased up to EUR 1 176 per month (from EUR 1 055 in 2013). The upper ceiling of the benefit is calculated annually on the basis of the average remuneration of the insured person per calendar day, based on the information of the unemployment insurance database. The minimum level of the unemployment insurance benefit equals 50 % of the national minimum wage and it increased to EUR 165 in 2014 (from the EUR 160 in 2013). The level of unemployment assistance benefit is fixed by the state budget and was increased to EUR 112 in 2014 (from EUR 101.5 in 2013).

**Institution Responsible:** Estonian Unemployment Insurance Fund (EUIF)

**Target Groups:** Unemployed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Unemployment assistance benefit: State Budget of 2014 Bill, RT I, 28.12.2013, 10.

**Date of adoption:** 11 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01 January 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Unemployment insurance benefit is funded from the EUIF budget; unemployment assistance benefit is funded from the state budget.

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#### **Unemployment insurance benefits reform**

**Country:** France

**Institution Responsible:** Social partners

**Main Objectives:** Negotiations have been launched at the beginning of January, and three workshops have occurred.

**Target Groups:** Unemployed

**Duration of measure:** Temporary  
**If temporary, how long will it run for?** 3 years  
**Has the measure been enacted into law?** No  
**Is the measure being enforced?** No  
**If not law, what type of measure is it?** In negotiation

#### Safe zones for wage earnings for unemployed

**Country:** Finland

**Description:** Introducing a EUR 300 'safe zone' for wage earnings and a EUR 400 'safe zone' for support for housing for unemployed to provide an incentive for taking up work will be decided in March 2014. This is mentioned initially as a new measure in the EEPO Regular Report database and as the details are known, they will be updated.

**Institution Responsible:** Ministry of Employment and the Economy and Ministry of Social Affairs and Health

**Country Specific Recommendation:** Part of CSR 3: Implement and monitor closely the impact of ongoing measures to improve the labour market position of young people and the long-term unemployed, with a particular focus on the development of job-relevant skills.

**Main Objectives:** Provide an incentive for taking up work for the unemployed

**Target Groups:** Unemployed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**Enacted/not enacted into law - State of play?** Due to be confirmed in the government meeting at the end of March 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3

#### Measure Updates total: 2

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Malta</p> <p><b>Measure Title:</b> Helping the long-term unemployed to join the labour market</p> <p><b>Description:</b> As part of the 2014 Budget, the government announced that it will introduce a system in which persons who have been registering as unemployed for more than two years will not have all their unemployment benefit terminated immediately after finding employment. These benefits will be decreased gradually over a period of three years. In the first year of employment, the beneficiary will retain 65 % of the unemployment benefit. In the second year the individual will retain 45 %, while in the third year he or she will retain 25 %.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Making Work Pay</p> <p><b>What has changed:</b> In February, the Minister for Education and Employment launched the Making Work Pay initiative. The initiative will include a profiling exercise amongst those who are eligible to benefit from the tapering of social benefits. Through this initiative, persons on social benefits will experience a gradual reduction of their benefits over a three-year period. Besides, the Government is encouraging private sector employers to recruit these persons by giving employers subsidies for three years. Other funds will be allocated for the training and job placement of these persons.</p>
<p><b>Country:</b> Slovakia</p>	<p><b>Title:</b> New welfare rules challenged at</p>

<p><b>Measure Title:</b> Reform of social assistance</p> <p><b>Description:</b> The reform shall be implemented through an amendment to the Act on assistance in material need. The main reform proposal is that the basic material need benefit of EUR 60.50 monthly would be provided only to those adults in receipt of social benefits who participate in at least 32 hours per month of activation work in the form of small municipal services, voluntary activities or works associated with the prevention or elimination of natural disasters and other emergency situations, provided such work is offered to the recipient. The condition shall not apply to specific groups of recipients, including old-age pensioners, severely disabled persons, and persons taking whole-day care of dependent children or disabled people. There is no such conditionality of the basic benefit in the current system. Another change concerns the entitlement for the activation allowance, which shall be conditioned by at least 64 hours of work per month in small community services or voluntary activities (currently 10 hours per week required). Registered unemployed may gain entitlement to the allowance also by taking part in other activation policies such as education and training. Also proposed is the introduction of a new allowance which should be granted to long-term unemployed persons in material need who take up employment. Individuals with a monthly salary ranging between 100 and 300 % of the statutory minimum wage will be entitled to the monthly allowance of EUR 63 for a maximum of six months. Additional changes concern the provision of supplements to the basic benefit; not conditioned by activity. It is also proposed that certain minor misdemeanours could be penalised with deductions from social benefits. The draft amendment envisages that labour offices will gain more power in the supervision of municipal activation work.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p>the Constitutional Court; preparatory activities launched</p> <p><b>What has changed:</b> Following the overruled president's veto, two complaints have been filed to the Constitutional Court by opposition MPs and the public ombudsman, challenging the new welfare rules for violating the inherent principle of the right to assistance in material need. Conditionality of social assistance benefits on activation of recipients has been in effect since 1 January 2014, although not enforced for a six-month transition period. The Minister of Labour began consultations with self-government representatives on practical arrangements. EUR 15 million has been allocated for the launch of the new rules, of which EUR 7 million shall be used for working and protective tools and accidental insurance, and EUR 8 million for the engagement of around 800 field coordinators. Coordinators shall be employed within territorial labour offices and coordinate work carried out by benefit recipients. A preliminary list of 20 types of work has been agreed with municipalities, including maintenance and cleaning of public spaces, greenery, pavements, removal of illegal waste dumps, supervision at pedestrian crossings, primary schools, etc.</p>
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## 7.2 Pension Reforms (4 new measures)

### Pension reform package

**Country:** Germany

**Description:** The main elements of the draft law for the pension reform package (Entwurf

eines Gesetzes über Leistungsverbesserungen in der gesetzlichen Rentenversicherung, RV-Leistungsverbesserungsgesetz) are the so-called 'mothers' pension', retirement age at 63 for long-term insured without pension reduction taking unemployment periods into account, and the enhancement of the disability pension (Erwerbsminderungsrente):

- Mothers' pension (Mütterrente): mothers of children born before 1992 receive one extra credit point in the pension system. Mothers of children who were born later still receive three credit points in the pension system
- Pension at the age of 63: provision to allow individuals who have already paid social insurance contributions for a period of 45 years to retire at 63 without seeing their pension reduced. The current reform intends to account for short-term unemployment as part of the insured period.
- For those who retire earlier due to health problems, the calculation period increases from 60 to 62 years. Their reduced earning capacity pension (Erwerbsminderungsrente) is calculated as if they had paid contributions until the age of 62, increasing their monthly pension by net EUR 40 (the monthly pension is currently EUR 600 on average).

A solidarity pension for low-income earners (solidarische Lebensleistungsrente) as fixed in the Grand Coalition agreement should be specified and enacted into law by 2017.

**Institution Responsible:** Statutory Pension Insurance (Deutsche Rentenversicherung)

**Country Specific Recommendation:** CSR 2, i) sustain conditions that enable wage growth to support domestic demand. To this purpose, reduce high taxes and social security contributions, especially for low-wage earners

**Main Objectives:** Account for more equity for those who have long contributions periods and for mothers with children born before 1992.

**Target Groups:** People who have been insured for more than 45 years with the statutory pension insurance, mothers of children born before 1992, people with disabilities

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Start date for implementation of the measure:** Draft law Federal Council (Bundesrat) Drucksache 25/14, 31.01.14

**Enacted/not enacted into law - State of play?** Draft Law proposal adopted by the cabinet on 29 January, draft law presented by the Federal Council on 31 January 2014, should be enacted by 1 July 2014.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** According to the draft law for the pension reform, contributions to the pension system remain unchanged until 2018. They could however have decreased from 18.9 % to 18.3 % of the gross wage, given the fact that the pension funds have risen to EUR 31 billion. The pension reforms are estimated to cost about EUR 60 billion until 2020. Until 2030, it will be about EUR 160 billion. The reforms will be mainly paid by the renouncement of decreased contributions and the usage of the reserve funds of EUR 31 billion. The Federal State increases the general government subsidy from 2019 until 2022 gradually by EUR 400 million annually.

**Is there a specific budget allocated to the measure?** Yes

**Budget:** See explanation above

## Indexation of pensions and other social payments

**Country:** Latvia

**Description:** Pensions up to EUR 285 will be indexed to a combination of consumer price and 'contribution wage' index. Certain other benefits linked to loss or ability to work through industrial accidents or illness will also be indexed.

**Institution Responsible:** Ministry of Welfare

**Country Specific Recommendation:** CSR 4. Tackle high rates of poverty by reforming social assistance for better coverage, by improving benefit adequacy and activation measures for benefit recipients. Reinforce the delivery mechanisms to effectively reduce child poverty.

**Main Objectives:** To maintain the real incomes of the poorest pensioners

**Target Groups:** Pensioners

**Duration of measure:** Permanent, but as always subject to political decisions

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Amendments to Pension Law

**Date of adoption:** Government accepted on 25.02.2014

**Is the measure being enforced?** No

**Enacted/not enacted into law - State of play?** By 1 August 1 2014 the Ministry of Welfare will announce the final indexation calculations.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR4 Tackle high rates of poverty by improving benefit adequacy

## Second pillar pension reduction

**Country:** Netherlands

**Description:** The government has proposed a much contested restriction of fiscally-attractive pension savings in the second pillar. The plan is that as of 2015, the threshold for fiscally attractive pension savings will be reduced from maximum of 2.25 % to a maximum of 1.875 %. The main aim is to increase the tax revenues by EUR 3 billion.

**Institution Responsible:** Tax agencies, employers, pension funds

**Country Specific Recommendation:** CSR 3: Underpin the gradual increase of the statutory retirement age with measures to increase the employability of older workers.

**Main Objectives:** Increase the tax revenues by EUR 3 billion so as to reduce deficit.

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** Former proposal has been disapproved by first chamber of parliament. A new proposal has been submitted to the second chamber of parliament.

**Funding Sources:** No specific funding required

**Budget:** 3 billion more tax revenues

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** A former CSR related to pensions and pension age, stated that the Netherlands should mind inter-generational solidarity.

## Increase of normal retirement age to 66 years

**Country:** Portugal

**Description:** Increase of normal retirement age from 65 to 66 years.

**Institution Responsible:** Institute of Social Security (Instituto da Segurança Social)

**What is the legal reference?** Decree-Law 167-E/2013 and Decree (Portaria) 378-G/2013

**Date of adoption:** 31 December 2013 (Decree-Law and Portaria)

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS

**Recommendation details:** AGS 2014: "... strengthen the efficiency and financial sustainability of social protection systems, notably pensions ... linking statutory retirement age to life expectancy ..."

**Measure Updates total:** 5

Description of Measure	Description of March 2014 Update
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Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Czech Republic</p> <p><b>Measure Title:</b> Implementing pension reform</p> <p><b>Description:</b> Introduction of second (saving, capital based) pension pillar.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Intention to cancel the second pension pillar</p> <p><b>What has changed:</b> The new government stated its strong intention to cancel the pension second pillar introduced by the previous government in January 2013.</p>
<p><b>Country:</b> Germany</p> <p><b>Measure Title:</b> Proposal for topping-up low pensions of long-duration contributors (Zuschussrente)</p> <p><b>Description:</b> Increase low public pensions up to a ceiling of EUR 850</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Solidarity pension for long-duration contributors with low income (Solidarische Lebensleistungsrente)</p> <p><b>What has changed:</b> The Grand Coalition prepared the introduction of a solidarity pension for long-term insured low-income earners (Solidarische Lebensleistungsrente) before 2017, as agreed in the grand coalition contract. According to this concept, those low-income earners who have been paying contributions for 40 years but earned only 30 pension credits points (Rentenentgeltpunkte), are to be supported by being entitled to EUR 844 monthly in Western Germany and to EUR 756 monthly in Eastern Germany. The law would support mainly those who have been involved in long-term care of relatives or children's education. After a transition period, beneficiaries need to prove that they have been paying contributions to an optional pension insurance (<i>Riester</i> or employee pensions). The number of beneficiaries is estimated to be about 100 000 while the reform will cost about EUR 3.2 billion until 2030. Critics argue that those who have an additional private insurance would not need the minimum pension, while those who need it are not privately insured.</p>
<p><b>Country:</b> Germany</p> <p><b>Measure Title:</b> Promoting private pension schemes and savings for retirement</p> <p><b>Description:</b> Draft law of the Federal Government</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> Tax relief for private pension on the basis of real estate savings</p> <p><b>What has changed:</b> The tax relief for private pension insurance is to be improved by making the private home pension (Eigenheimrente/Wohn-Riester) more flexible. From 1 January 2014, the accumulated capital in the framework of the Riester Pension can be used more flexibly, concerning the accumulation of residential property without losing the state subsidy.</p>



Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Croatia</p> <p><b>Measure Title:</b> Changes to Pension Insurance Act</p> <p><b>Description:</b> The Ministry of Labour and Pension System is currently in the process of preparing changes to the Pension Insurance Act planned by the end of 2013. Many new proposals from the Ministry have already been made public, although no official document regarding the planned reform proposals is available yet. Currently, there are several proposals being discussed by the public: the extension of the retirement age to 67; division of the first pillar of the pension scheme into two parts (part of pensions would be financed from the accumulated contribution and would fully depend on the contribution paid during the employment, while the other part of pensions would be financed mostly from the budget, such as family pensions, invalidity pensions and war veterans pension, ex high state officials - those who have become pensioners under special conditions).</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> New Pension Insurance Act came into force</p> <p><b>What has changed:</b> The new Pension Insurance Act was adopted by the Croatian Parliament on 13 December 2013 and came into force on 1 January 2014. The most important changes include the extension of the retirement age to 67 years starting from 2038. Other important changes under the new Act are the fact that those who entered employment early will have to reach 41 years of service and 60 years of age in order to retire without a penalty (without a decrease in pension due to early retirement); the new Act should also encourage longer work and allow the use of an old-age pension while working part-time and thus reward a longer stay in work. It also defines a disability pension due to partial loss of working ability within certain jobs and the scope of work that the insured can carry out.</p>
<p><b>Country:</b> Netherlands</p> <p><b>Measure Title:</b> Pension provisions for self-employed without personnel</p> <p><b>Description:</b> The Dutch government wants to play a role in supporting 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 the self-employed who do not have any employees, e.g. by supporting initiatives to set up a collective pension fund. Secondly, the government wants to reassess the rule that the self-employed who apply for welfare first have to use their pension fund which they saved for individually, before welfare is granted.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Collective pension fund for the self-employed</p> <p><b>What has changed:</b> Interest groups for the self-employed without employees have indicated that they want to make a voluntary collective pension arrangement for the self-employed in the third pension pillar. Participants may enter and leave the scheme at a self-chosen moment and moreover determine themselves how much they want to contribute to the fund. Moreover, the government agreed that self-employed who apply for welfare do not have to use their pension fund first before becoming eligible for welfare, which is means-tested (with a maximum of pension capital that is not included in the means-test and the rule that the input into a pension fund should show equal contributions in the years prior to the welfare application). The planned implementation date is 1 January 2015.</p>

### 7.3 Health insurance system reforms (0 new measures)

No new measures reported.

**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Denmark</p> <p><b>Measure Title:</b> Proposed Reform of sickness benefits</p> <p><b>Description:</b> The reform of the sickness benefit system implies both a stricter follow-up of the recipients, more assistance to the clients in the system and an extension of the duration of benefits for persons with life-threatening illnesses. 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, as today. Persons who have received sickness benefits for a period of six months and then cannot get their sick pay extended according to one of the existing extension rules will start on a so-called resource-programme. During the programme they will receive a benefit equal to cash benefits (albeit not means-tested). The person who starts a resource programme receives a personalised, comprehensive and long-term effort. The model thus ensures that no sick people are left without income or public assistance, and it implies increased efforts to help people back into work. The aim is that a multi-disciplinary and coherent action will ultimately bring the sick into work or education.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Political agreement on the reform of sickness benefits in December 2013</p> <p><b>What has changed:</b> Following almost a year of political negotiations, a broad political agreement concerning a reform of sickness pay was finally achieved in December 2013. The main elements in the reform are: 1) Claimants of sickness benefits will have financial security for the full duration of their illness. After five months, the options for extension of benefits will be assessed. In a number of cases the person will be allowed to continue of full sickness benefits, which are equal to unemployment benefits for insured unemployed. Where the benefits cannot be extended, typically because the claimant's illness is judged to be less serious, will be transferred to job counselling. Their benefit will be lowered to the level of social assistance cash benefits, but without means testing. 2) Furthermore, assistance and follow-up will occur early, based on a new visitation model, which also ensures that the efforts are focused on the individual's need for support to return to work. A new follow-up model is introduced with the option to use a fast-track solution. It means that companies or individuals can get the municipality to launch an extraordinary early action if there is a risk of a prolonged illness. In this way, the aim is to get started much earlier than the day on which the first interview with the municipality takes place, which is after eight weeks of illness.</p>

## 7.4 Other (9 new measures)

### Adjustment to the fiscal employment bonus

**Country:** Belgium

**Description:** The social employment bonus is a reduction of workers' contributions of social security for low-wage workers. The fiscal employment bonus is a reduction of the income tax for workers who can benefit from the social employment bonus. From 1 April 2014, the fiscal employment bonus will increase from 8.95 % to 14.40 % of the amount of the social employment bonus.

**Main Objectives:** To increase the wage for low-wage workers

**Target Groups:** Low-income earners

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Royal Decree of 21 February 2014

**Date of adoption:** Belgian Monitor of 26 February 2014

**Is the measure being enforced?** No

**Start date for implementation of the measure:** 1 April 2014

### Parental benefit formula corrected to make employment more beneficial

**Country:** Estonia

**Description:** The new formula for calculating the parental benefit ensures that it always pays off to receive a salary and that the benefit is reduced proportionally.

**Institution Responsible:** Estonian Social Insurance Board

**Target Groups:** Parents

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Parental Benefit Act, RT I, 10.01.2014, 14, available in English: <https://www.riigiteataja.ee/en/eli/514012014006/consolide>

**Date of adoption:** 21.11.2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01 January 2014

**Enacted/not enacted into law - State of play?** In force.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

### Subsistence benefit level increased

**Country:** Estonia

**Description:** Since 1 January 2014 the subsistence level for persons living alone and for first family members increased to EUR 90 per month. The subsistence level for the second and each following family member increased to EUR 72 per month. In 2013, the subsistence level was EUR 76.7 per month for the first member and EUR 61.36 for the second and each following family member.

**Institution Responsible:** Local governments

**Main Objectives:** Reducing poverty.

**Target Groups:** Low-income earners

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** State Budget of 2014 Bill, RT I, 28.12.2013, 10, available in Estonian: <https://www.riigiteataja.ee/akt/128122013010>

**Date of adoption:** 11 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01 January 2014

**Enacted/not enacted into law - State of play?** In force.

**Fund for European Aid to the Most Deprived Persons (FEAD)**
**Country:** Latvia

**Description:** This fund will serve as a platform for all kinds of activities which aim to reduce poverty. In particular in Latvia the fund will provide for baby food and hygiene items.

**Institution Responsible:** Ministry of Welfare

**Country Specific Recommendation:** CSR 4: Tackle high rates of poverty by reforming social assistance for better coverage, by improving benefit adequacy and activation measures for benefit recipients. Reinforce the delivery mechanisms to effectively reduce child poverty.

**Main Objectives:** The overall goal is to address social cohesion, social inclusion and poverty by providing non-financial support to the most needy families

**Target Groups:** Deprived groups

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014 - 2020

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** EU co-funded project

**Enacted/not enacted into law - State of play?** Currently the proposals for implementation are being developed

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 41 million over the period 2014 to 2020

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR4: Tackle high rates of poverty by reforming social assistance and by reinforcing delivery mechanisms to reduce child poverty

**Participation Act**
**Country:** Netherlands

**Description:** This is the merger of three Acts that give (income) support to groups at a distance from the labour market into one Act: the Participation Act. It decentralises the responsibility for these groups at least partly to the municipalities. Moreover, it entails large budget cuts in providing income and work to these groups.

**Institution Responsible:** Municipalities are the main actors. Moreover, businesses should provide 100 000 jobs and the public authorities another 25 000 jobs to people who are not able to earn minimum wages due to their disabilities. In addition, young people with established rights who already received disability benefits (Wajong) or worked at a sheltered workplace, are not transferred to municipality level. For these groups, the Dutch PES (UWV) remains the main actor.

**Country Specific Recommendation:** CSR 4: Take further measures to enhance participation in the labour market, particularly of people at the margin of the labour market.

**Main Objectives:** Reducing spending on social assistance; one Act for all which is believed to improve efficiency; decentralisation to the local level. Official goal: offering more job opportunities to people who are at a distance from the labour market

**Target Groups:** All disadvantaged jobseekers (LTU, older workers, workers with disabilities etc.)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** The Act has been approved by the Second Chamber of Parliament and has now been sent to the First Chamber. Provisional implementation date: 1 January 2015. There have been some alterations to the original proposal.

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** The three Acts currently cost EUR 11 billion and after the merger this is likely to grow to EUR 11.8 billion in the long term. Without the merger of the three acts, the expenses would have grown to EUR 13.5 billion.

**Which policy recommendations or commitments does the measure respond to?** None,

## NRP

**Recommendation details:** In the planning stage, the Participation Act was called the Work Capability Act (Wet Werken naar Vermogen). The Commission assessed these plans in its staff working documents accompanying the CSRs, stating that the plans had large implementation risks, especially as the decentralisation and merger of the Acts is attached to large budget cuts. There have been some changes in the plans, e.g. municipalities are given a bit more space to develop their own policies, and the young disabled receiving a Wajong benefit, who are also in a (part-time) job, will not be placed into general welfare. Also people currently in sheltered work keep their rights. This means that also the Dutch PES will remain responsible for part of the group of vulnerable people. Nevertheless, careful monitoring is required.

**Assumptions of the amendment to the child support Act**

**Country:** Poland

**Description:** The amendment simplifies procedures and increases the effectiveness of the procedures for the collection of monies owed. On 21 Jan 2014 Council of Ministers adopted the assumptions of the amendment to the child support Act. The main changes are: simplification of procedures; more effective procedures for the collection of monies by a court bailiff; definition and procedures for the collection of monies which have not been recovered. The efficiency of judicial enforcement is much higher. Recovered by a court bailiff, the amount of debt outweighs even dozens of times the sum recovered by the execution administrative authority. The bailiff will transfer from the debtor the enforced amount to a grant alimony fund. This will shorten the proceedings and relieve the tax offices. The simplified procedure is to be a transfer of recovered debts. The current allocation of funds will be replaced as follows: 40 % enforced duties will come into the municipality of the creditor, and the remaining 60 % together with interest will be received by the state budget.

**Institution Responsible:** Ministry of Labour and Social Policy

**Country Specific Recommendation:** CSR 4: Continue efforts to increase female labour market participation, in particular by investing in affordable quality childcare and pre-school education, by ensuring stable funding and qualified staff.

**Main Objectives:** Simplify procedures and increase effectiveness of execution of debtors

**Target Groups:** Parents

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Assumptions to the law novelisation

**Enacted/not enacted into law - State of play?** Assumptions adopted by the Government on 21 January 2014

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 4: Especially in the context of labour market integration of single parents, with the alimonies granted for the child support, where execution was ineffective.

**Change in Activation Limit for Labour Market Support for Municipalities**

**Country:** Finland

**Description:** According to the present legislation, municipalities must pay half of the Labour Market Support, LMS (työmarkkinatuki), for those who have been unemployed over 500 days, unless the unemployed are activated in subsidised employment, rehabilitation or some form of labour market training. This is thus an incentive (or a form of a 'fine') for the municipalities to activate the unemployed on LMS, so that the municipalities save money and the unemployed are activated earlier. The limit will be lowered to 300 days. An independent evaluation is taking place to assess the feasibility and consequences of such a change, due to be published at the end of March 2014. The change in LMS ties in with the new legislation concerning the Labour Force Service Centres (LAFOS)



**Institution Responsible:** Ministry of Employment and the Economy and the Municipalities

**Country Specific Recommendation:** Part of CSR3: Implement and monitor closely the impact of on-going measures to improve the labour market position of young people and the long-term unemployed, with a particular focus on the development of job-relevant skills.

**Main Objectives:** To activate the long-term unemployed on Labour Market Support (LMS) earlier; an incentive (or a form of a 'fine') for the municipalities to activate the unemployed on LMS, so that they save money

**Target Groups:** Long-term unemployed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**Enacted/not enacted into law - State of play?** Will take effect in 2015

**Have any steps been taken to monitor the implementation of the measure?** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR

**Recommendation details:** CSR 3: Further steps to increase employment.

### Minimum earnings threshold for EEA migrants

**Country:** United Kingdom

**Description:** Migrants from the EEA who claim to have been in work or self-employment and wish to access a range of benefits will face a more robust test of their eligibility.

**Institution Responsible:** Department for Work and Pensions

**Country Specific Recommendation:** CSR 4: Enhance efforts to support low-income households and reduce child poverty by ensuring that the Universal Credit and other welfare reforms deliver a fair tax-benefit system with clearer work incentives and support services.

**Main Objectives:** In order to help ensure that benefits only go to those with a genuine need (i.e. working on the minimum earnings threshold).

**Target Groups:** Immigrants (High-skilled/Low skilled)

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 March 2014

**If not law, what type of measure is it?** Adjustment to the rules for eligibility for in and out-of-work benefits

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** None

**Recommendation details:** Being defined as a 'worker' under EU law gives greater access to in- and out-of-work benefits such as Jobseeker's Allowance, Housing Benefit, Child Benefit, etc. but the government decided that the definition of a 'worker' is too vague. Therefore EEA migrants will need to demonstrate that for the last three months they have been earning at the level at which employees start paying National Insurance. This is GBP150 per week (EUR 180) which is equivalent to working 24 hours a week at the level of the National Minimum Wage. EEA jobseekers must live in the UK for at least three months and satisfy the 'Habitual Residence Test' before being entitled to claim income-based JSA. Also from 1 April 2014 EEA jobseekers will not be eligible for Housing Benefit.

### Benefit provisions for workers from bankrupt state enterprises

**Country:** former Yugoslav Republic of Macedonia

**Description:** The Law concerns the provision of benefits to persons made unemployed due to the privatisation of companies with dominant state ownership. It entitles the person whose employment ceased due to bankruptcy, liquidation or closure due to privatisation of companies with dominant state ownership to unemployment cash benefit and health



insurance until 31 December 2013. According to the initial Law (from 2008), only 3 000 workers were using this right, since the entitlement was limited to workers who were working in predominantly state-owned enterprises that were closed down in the period 2000-2004. Now, with the amendments to the Law, the entitlement was extended to workers from companies that were closed until 31 December 2013.

**Institution Responsible:** Ministry of Labour and Social Policy and Employment Service Agency

**Main Objectives:** To provide income support to unemployed workers who have lost their jobs due to closure of the state-owned enterprises

**Target Groups:** Workers from state-owned enterprises who lost their jobs due to closure of the enterprises

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Official Gazette No. 33

**Date of adoption:** February 2014

**Is the measure being enforced?** No

**If monitoring arrangements are in place What are they:** No need, the Employment Service Agency will implement the measure

**Funding Sources:** Government

**Which policy recommendations or commitments does the measure respond to?** None

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#### Measure Updates total: 3

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Estonia</p> <p><b>Measure Title:</b> Launch of needs- based child benefits</p> <p><b>Description:</b> The benefits are paid in addition to the current child benefits to families whose income is below the relative poverty line.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> The level of needs-based family benefit increased</p> <p><b>What has changed:</b> The income level for the needs-based family benefit for the first family member increased to EUR 299 per month from the current EUR 280. The income level for the needs-based family benefit for each following family member who is at least 14 years of age increased from EUR 140 to EUR 149.5 and the said level for every family member under 14 years of age rises from EUR 84 to EUR 89.7 per month.</p>
<p><b>Country:</b> Latvia</p> <p><b>Measure Title:</b> Resumption of social insurance ceilings</p> <p><b>Description:</b> An income ceiling of LVL 32 600 LVL per year (EUR 46 400) will apply to social insurance payments. A higher income than that will not attract extra social insurance payments. This ceiling will restore the pre-crisis regime in which there was a ceiling on both payments in and on benefits received. The ceiling level is based on the 2008 ceiling indexed to the development of gross wages over 2009-14.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Measure has been approved</p> <p><b>What has changed:</b> Measure has been approved and amendments made in law.</p>

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> Reform of the invalidity pension scheme</p> <p><b>Description:</b> The fixed-term invalidity pension will be abolished by 1 January 2014 for all people with poor 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 and will amount to at least the minimum pension (EUR 815; 12 times a year) without taking into account a partner's earnings. The periods of payment of rehabilitation benefit will last a maximum of one year. After one year a new examination has to take place.</p> <p>After recovery, people should be reintegrated into employment. If impairment to health does not allow them to take up their previous occupation, the person will be sent to a vocational retraining measure of the AMS. During requalification, the person will receive a so-called retraining benefit (Umschulungsgeld) which corresponds to the unemployment benefit, increased by 22%. The retraining benefit must not be less than the subsistence minimum of EUR 950.</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> In effect as of 1 January 2014</p> <p><b>What has changed:</b> The reform is in effect since 1 January 2014</p>
<p><b>Country:</b> United Kingdom</p> <p><b>Measure Title:</b> Workplace pensions reform</p> <p><b>Description:</b> Qualifying employees currently not in a workplace pension will be automatically enrolled and will have to opt out if they do not wish to be included.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Plans to reshape workplace pensions</p> <p><b>What has changed:</b> The government has opened consultations on how workplace pensions can become more relevant to employees and offer greater flexibility to maximise returns while at the same time protecting future payments from excessive management charges and the vagaries of the stock market.</p>

## 8 PA 4: Work-life balance and gender equality

Under PA 4, five countries introduced a total of five new policy measures between December 2013 and early March 2014. The most common type of reform of any of the sub-policy areas has been in the areas of *Changes to parental leave arrangements and / or benefits* and *measures reducing gender discrimination*. The following gives a breakdown of the new measures introduced in this policy area:

- Increasing child/family care provision (no new measures);
- Changes to parental leave arrangements and or benefits (Hungary, Malta)
- Enhancing job flexibility (Spain);
- Measures reducing the gender pay gap (no new measures);
- Measures reducing gender discrimination (Portugal, Slovenia);
- Measures targeting other vulnerable groups in specific gender categories (no new measures);
- Other (no new measures).

There were five updates to previously identified measures. These were found in the following countries: Germany x2, Hungary, Austria and the United Kingdom.

This policy area accounted for 5 % (five measures) of the total new measure tally throughout the various European Countries in the reporting. A relatively high proportion of new measures were enacted into law (3 out of 5). The source of funding was divided between state (two measures) and EU co-funding (one). No specific funding was required for one of the measures.

The measures and measure updates are discussed in turn below.

### 8.1 Increasing child/family care provision (0 new measures)

No new measures were reported.

#### Measure Updates total: 2

Description of Measure	Description of March 2014 Update
<b>Country:</b> Germany <b>Measure Title:</b> Provision of a further EUR 580 million for the expansion of supply of day-care centres <b>Description:</b> Financial provision <b>Measure Time Period:</b> Jan 2013	<b>Title:</b> Additional funding for day-care centres <b>What has changed:</b> In 2014, the Federal State provided EUR 5.4 billion for the creation and maintenance of additional child care facilities. The <i>Bundestag</i> and <i>Bundesrat</i> also decided to give the <i>Länder</i> more time to claim and use the funding. In order to improve the quality of services the Federal state provides the <i>Länder</i> and municipalities with EUR 3 billion.
<b>Country:</b> Austria <b>Measure Title:</b> (Part-time) care leave <b>Description:</b> Employees, who care for a close family member (long-term care allowance of level three), will be able to take leave (up to three months) or to reduce their working hours. An	<b>Title:</b> In force since January 2014 <b>What has changed:</b> The law is in force since January 2014

<p>agreement with the employer is required.</p> <p>After three months of leave or part-time work, another family member can join for the leave (also up to three months). If the health status of the person being cared for deteriorates, it is possible to apply again for a care leave or part-time leave (again up to three months). Protection under labour law and social law continues.</p> <p>During the leave an earnings-related benefit will be paid, amounting to unemployment benefits.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	
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## 8.2 Changes to parental leave arrangements and/or benefits (2 new measures)

### Employment and family-friendly reforms to childcare allowance and fee

**Country:** Hungary

**Description:** As of 1 January 2014, various extensions to the child care fee (GYED) and partly to the child care allowance (GYES) have been introduced. Firstly, employment is possible while receiving both transfers after the child has reached the age of one – this was not possible before. Secondly, if children are born in rapid succession, the mother can claim GYED for both of them – it was only possible to claim for one before. Thirdly, GYED is available for those in higher education but not in employment – formerly only GYES was available for these HE students, similarly to others without employment.

**Institution Responsible:** Treasury (no change in arrangements)

**Main Objectives:** Help childbearing young women to realise their plans to have a family and return to the labour market as soon as they desire.

**Target Groups:** Women

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Act CCXXIV of 2013.

**Date of adoption:** 18 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Enacted/not enacted into law - State of play?** Entered force

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** NRP

**Recommendation details:** NRP: "Improvement of women's labour market activity, promoting the reconciliation of work and family (21)"

### Leave entitlement for parents with sick children

**Country:** Malta

**Description:** The measure will enable parents to use their sick leave if they need it to take care of their sick children.

**Institution Responsible:** The Department of Employment and Industrial Relations is studying how best to introduce the measure which would require legislative changes in Parliament.

**Country Specific Recommendation:** CSR 3: Continue supporting the improving labour market participation of women by promoting flexible working arrangements, in particular by enhancing the provision and affordability of child-care and out-of-school centres.

**Main Objectives:** To enable parents to balance their work and childcare needs.

**Target Groups:** Parents

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**Start date for implementation of the measure:** Not known

**Enacted/not enacted into law - State of play?** The Department of Employment and Industrial Relations is studying how best to introduce the measure. The next step would probably be a discussion of the measure within the Malta Council for Economic and Social Development.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3: Continue supporting the improving labour-market participation of women by promoting flexible working arrangements

#### Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Hungary</p> <p><b>Measure Title:</b> Expansion of family tax allowances to lower earners</p> <p><b>Description:</b> From 1 January 2014, the family tax credit regulation will allow the use of the credit to waive not only personal income tax payment obligations, but employees' social security contributions payments too (17 % of gross wages). This will allow families with lower incomes to benefit more from the scheme. Other elements did not change much and thus the scheme is still very much geared towards families with more than two children.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Family tax allowance was expanded to lower earners as planned and further</p> <p><b>What has changed:</b> Family tax allowance expanded so that those unable to use it to its full extent can use the remaining deductions towards their payable health and pension contributions. On top of this original plan, children count towards the eligibility of their parents not only under 18, but also above if the child attends school.</p>

### 8.3 Enhancing job flexibility (1 new measure)

**Increase the age limit of children whose parental care entitles workers to take working time reductions**

**Country:** Spain

**Description:** This measure entitles workers to take a working time reduction (up to 50 %) to care for children until they are aged 12 (before it was age eight).

**Institution Responsible:** Public Employment Service and the Social Security

**Main Objectives:** Achieving reconciliation between labour and family life; Increase female employment rates as the major part of those who take working time reductions to take care of children are women

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Royal Decree-Law 16/2013

**Date of adoption:** 21 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 21 December 2013

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** None

**Measure Updates total:** 0

#### 8.4 Measures Reducing the Gender Pay Gap (0 new measures)

No new measures were reported.

**Measure Updates total:** 0

#### 8.5 Measures Reducing Gender Discrimination (2 new measures)

**V National Plan for Equality, Gender, Citizenship and Non-Discrimination 2014-2017 (V Plano Nacional para a Igualdade)**

**Country:** Portugal

**Description:** The Plan contains 70 measures organised in seven strategic areas: 1) Integration of the gender perspective in the central and local public administration, 2) Promotion of gender equality in public policies, 3) Economic independence, labour market and organisation of private and working life, 4) Sexual orientation and gender identity, 5) NGOs, 6) Media, 7) Cooperation

**Main Objectives:** See description of measure

**Target Groups:** Women

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2017

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Approved by government resolution 103/2013, published 31 December 2013

**Date of adoption:** 12 December 2013

**Start date for implementation of the measure:** The measure is at the very start of its implementation

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Include.All (Vključi i.Vse)**

**Country:** Slovenia

**Description:** The Ministry of Labour, Family, Social Affairs and Equal Opportunities together with the Managers' Association of Slovenia and the Commission for Prevention of Corruption has successfully obtained Progress funds and prepared a project Vključi.Vse (Include.All). The purpose of the two-year project Vključi.vse is the promotion of balanced representation and participation of women and men in the highest decision-making positions in business and entrepreneurship.

**Institution Responsible:** The Ministry of Labour, Family, Social Affairs and Equal Opportunities, together with the Managers' Association of Slovenia and the Commission for the Prevention of Corruption

**Main Objectives:** The objectives of the project are to strengthen the knowledge of male and female managers' status and about the obstacles for more balanced gender structure in decision-making positions in the economy. The objective is also the elimination of stereotypes about women's and men's managerial and executive positions and encouraging the private sector to strengthen the participation and representation of women at all decision-making levels. One of the objectives is to reach 40 % of women in the highest decision-making levels.



**Target Groups:** Women

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Two years

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** December 2013

**If not law, what type of measure is it?** EU co-funded project

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** None

**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Germany</p> <p><b>Measure Title:</b> Gender quota in company boards</p> <p><b>Description:</b> Law proposal of the Federal Council (<i>Bundesrat</i>)</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> Gender quota planned by new government</p> <p><b>What has changed:</b> On January 27, 2014, Family Minister Manuela Schwesig (SPD) announced that based on the coalition agreement the Federal Government agreed to implement a statutory gender quota (Frauenquote). From 2016, all companies listed on the stock exchange and subject to employee participation (about 120) will be obliged to assign at least 30 % of seats on their board of directors to women. If the 30% are not reached, the seats will remain empty. The Minister underlined that this would be an effective sanction. In 2015, companies either listed on the stock exchange or subject to employee participation have to define their own binding quota for their boards of directors. The only precondition is that the quota is above the average status quo of female executives. This regulation applies to about 2 500 companies in Germany.</p>

## 8.6 Measures Targeting Other Vulnerable Groups in specific gender categories (0 new measures)

No new measures or updates were reported.

**Measure Updates total: 0**

## 8.7 Other (0 new measures)

No new measures were reported.

**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
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<p><b>Country:</b> United Kingdom</p> <p><b>Measure Title:</b> Extension of flexible working rights to all employees and changes to parental leave</p> <p><b>Description:</b> 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.</p> <p><b>Measure Time Period:</b> Jan 2013</p>	<p><b>Title:</b> New rules on the sharing of parental leave</p> <p><b>What has changed:</b> The conditions for using parental leave are to be made more equitable so that parents and carers can share the 12 months unpaid leave currently allowed. This follows a period of consultation and the changes will be embodied in the Children and Families Bill 2013 currently going through Parliament. Parents will have to give employers an indicative breakdown of how they intend to take the leave at the most eight weeks before it starts. Existing rules are retained that a parent will only be entitled to return to the same job if the period of absence is less than six months. Under the changes, fathers will also be permitted up to two unpaid periods of time off to attend anti-natal appointments.</p>
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## 9 PA 5: Education and training systems

Under PA 5, 15 countries introduced a total of 22 new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Improving Vocational Education and Training Systems* and *Other*. The following gives a breakdown of the new measures introduced in this policy area:

- Measures improving skills supply and promoting adult learning (Bulgaria x3, Cyprus);
- Measures facilitating school to work transitions (Italy, Lithuania, Hungary);
- National Qualification Frameworks (no new measures);
- Improving Vocational Education and Training Systems (Belgium, Denmark, Spain, France, Slovakia, UK);
- Improvements in Tertiary and Higher education (Luxembourg);
- Improvement of Primary and Secondary Education Systems (Estonia);
- Other (Estonia x4, Latvia, Malta x2).

There were 10 updates to previously identified measures. These updates are found in the following countries: Bulgaria x2, Germany, Estonia, France, Croatia, Latvia, and Austria x3.

This is one of the policy areas which saw the majority of reforms throughout the various European Countries in the reporting period - it accounted for 22 % of all new measures across all policy areas. However, only 27 % (six) of the new measures described were enacted into law. The majority of the new measures introduced here were funded through state funding (12), while EU co-funding was the next most common source of funding (four measures). Other funding sources are attributed to three of the new measures. No specific funding was required for two of the measures described.

The measures and measure updates are discussed in turn below.

### 9.1 Measures improving skills supply and promoting adult learning (continuous training, training vouchers, individual training accounts) (4 new measures)

#### **Vocational training and motivation to achieve employability (Pro-Mo-Pri)**

**Country:** Bulgaria

**Description:** The Project includes motivation; vocational training; training for the acquisition of key competences 'Social and civic competences' and 'Enterprise and Entrepreneurship'; training of trainers of adults, including mentors.

**Institution Responsible:** State Enterprises: 'Bulgarian-German Vocational Training Centres' (SE BGVTC); Employment Agency as a partner.

**Main Objectives:** To improve employability of unemployed people from disadvantaged groups in the labour market.

**Target Groups:** Priority will be given to youth up to 25 years old, and to those that have left care homes for children after the age of 18; unemployed with competences which are not in demand in the labour market or low-skilled, including the unemployed with low education (Roma people in particular); Inactive persons, including discouraged.

**Duration of measure:** Temporary

**If temporary, how long will it run for?** One year.

**Has the measure been enacted into law?** No

**What is the legal reference?** An Order № RZ01-101 from 07 February 2014, signed by the Minister of the Labour and Social Policy.

**Date of adoption:** The measure was included in the Law on Employment Promotion for 2014

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** In January the Project was not financed.

**Have any steps been taken to monitor the implementation of the measure?** Yes

**If monitoring arrangements are in place Frequency of update:** Monthly.

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** No

**Budget:** EUR 1 549 800

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3. Accelerate the national Youth Employment Initiative through a Youth Guarantee. Further strengthen the capacity of the Employment Agency with a view to develop capacity for identifying and matching skill needs.

## From Training to Employment

**Country:** Bulgaria

**Description:** A Project that includes vocational training, key competence training; motivation; subsidised employment. Its results will be in favour of better quality of the workforce and will contribute to unemployment reductions in some regions in Bulgaria.

**Institution Responsible:** Bulgarian Industrial Capital Association (BICA). Partner:

Employment Agency

**Country Specific Recommendation:** CSR 4: Adopt the School Education Act and pursue the reform of higher education, in particular through better aligning outcomes to labour market needs and strengthening cooperation between education, research and business.

**Main Objectives:** Main objectives: -To improve the effectiveness of labour market functioning by achieving a better match between employers' needs for skilled labour and its supply; -To stimulate motivation of the long-term unemployed to go back to work; -To provide access to subsidised temporal employment. Main groups of activities: -Training on the key competence 'Conflict Management' from the group of 'Social and civic competences'; -Vocational training in one of the professions: 'Retailer consultant', 'Computer Operator', 'Worker in food industry', 'Tailor', 'Operator in woodworking', 'Construction worker', 'Road construction worker', 'Landscaping and floriculture', 'Administrator in hospitality', 'Steward', 'Waiter'; Motivation courses; -Subsidised employment for a period of three months for 27 % of the successfully completed vocational training in occupations which were trained under the project; - Employment in the primary market for at least one month for 17 % of the successfully completed vocational training in occupations which were trained under the project.

**Target Groups:** Unemployed

**Duration of measure:** Temporary

**If temporary, how long will it run for?** One year

**Has the measure been enacted into law?** No

**What is the legal reference?** Order no. RZ01-103 from 07 February 2014 was signed by the Minister of the Labour and Social Policy.

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** Not yet implemented, but included in the National Employment Plan for 2014

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 1 544 700

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3. Enhance active labour-market policies, in particular concerning national employment schemes.

## Project 'Compass'

**Country:** Bulgaria

**Description:** Training on skills and competences which are in demand and subsidised employment of the graduates of such training

**Institution Responsible:** Confederation of Labour Support

**Country Specific Recommendation:** CSR 4: Adopt the School Education Act and pursue the reform of higher education, in particular through better aligning outcomes to labour-market needs and strengthening cooperation between education, research and business.

**Main Objectives:** Main objectives: Increasing employability and improving opportunities for

professional career and employment; improving the quality of the workforce through the acquisition of new and / or improving existing knowledge, skills and competencies, but according to the labour demand; Support for employers in hiring unemployed people from vulnerable groups in the labour market. Provision of guidance. The main groups of activities include: Training for acquiring professional qualification in one of the professions 'Steward', 'Waiter, Bartender', 'Computer Operator'; Training on key competences such as 'multicultural and social aspects in customer service' or 'Conflict Management' from the group of 'Social and civic competences'; Subsidising employment for a period of three months for 10 % of those who have successfully completed vocational training in occupations which were trained under the project; Provision of employment in the primary market for at least 1 month for 30 % of successfully completed vocational training; employment in occupations which have completed training project

**Target Groups:** Unemployed with low skills or in a profession with low demand/skills and with a shortage of key competencies;

**Duration of measure:** Temporary

**If temporary, how long will it run for?** One year.

**Has the measure been enacted into law?** No

**What is the legal reference?** An Order no. RZ01-102 from 07 February 2014 was signed by the Minister of the Labour and Social Policy.

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** The measure was included in the Employment promotion plan that was enacted on 21 December 2013 with Decision of the Council of Ministers no 03 190/27.12.2014. In January 2014 the measure did not receive its financing.

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 1 452 400

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 3. Enhance active labour-market policies, in particular concerning national employment schemes.

### **Training programme for temporarily unemployed hospitality industry employees**

**Country:** Cyprus

**Description:** Section 4.5 of the MoU (the best choice in the dropdown menu), under 'Activating the unemployed and combating youth unemployment' is specifically addressed (despite its title) at the youth guarantee. It is interpreted more broadly, given the intent of the title. A number of hospitality establishments close during the winter months and their employees go on unemployment insurance (UI) benefits until the following spring. The programme would pay these establishments an amount equal to the monthly UI benefit of the employee for each training period of 30 days, on condition that they hire the temporarily laid off workers at their previous salary and train them further.

**Institution Responsible:** Ministry of Labour and Social Insurance.

**Country Specific Recommendation:** MoU Chapter 4.5: [...] Cyprus needs to take swift action to create opportunities for young people and improve their employability prospects. To this end, the Cypriot authorities will present by Q4-2013 a draft action plan for the implementation of measures envisaged for support under the Youth Employment Initiative, in line with the conclusions of the European Council of June 2013. The design, management and implementation of these measures targeted to youth shall be well integrated within the broader system of activation policies (section 4.3) and be coherent with the reform of the social welfare system (section 3.11) and the agreed budgetary targets.

**Main Objectives:** To encourage retraining and extension of the tourist season into the winter months.

**Target Groups:** Hospitality industry workers on temporary layoff.

**Duration of measure:** Temporary

**If temporary, how long will it run for?** December 2013 to March 2014.

**Has the measure been enacted into law?** No

**What is the legal reference?** Likely, an administrative decision.

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** December 2013.

**If not law, what type of measure is it?** EU co-funded project

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Previous CSRs have stressed the need for lifelong learning.

The MoU notes the importance of the tourism sector in section 5.5.

#### Measure Updates total: 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Bulgaria</p> <p><b>Measure Title:</b> Vocational and key competence training in favour of improved employability of the unemployed</p> <p><b>Description:</b> The project will support the easy access of the unemployed to vocational and other trainings in State Enterprise Bulgarian-German Training Centres (SE BGTC), or organised by them. The trainers and mentors will also be educated under the activities of this Project.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> The project is to be continued in 2014.</p> <p><b>What has changed:</b> At the end of December, 174 mentors were trained and 2 121 unemployed graduated took part in motivational, vocational and key competence courses. The planned number of trained mentors for 2013 was 200 and the planned number of trained unemployed was 1 596. The high interest of the unemployed and employers in these trainings provided strong arguments for the project to be continued in 2014.</p>

## 9.2 Measures facilitating school to work transitions (traineeships, apprenticeships, work experience schemes) (3 new measures)

### Law 128/2013 on Urgent measures on matters of education, university and research•

**Country:** Italy

**Description:** Strengthening the school-to-work transition by facilitating training periods within firms and apprenticeship contracts for students. Improving the quality and accessibility of education.

**Institution Responsible:** Government (Ministry of Education, University and Research)

**Main Objectives:** Strengthen instruments for educational, vocational and career guidance and counselling for students. Strengthen the school-work transition by improving on the existing regulation and involving a wide range of local stakeholders.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law 128/2013

**Date of adoption:** 8 November 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 8 November 2013

**Enacted/not enacted into law - State of play?** The law is in force and the implementation of its provisions is under way.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes



**Budget:** EUR 205 million (earmarked for specific interventions to supplement existing resources)

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Fourth 2013 CSR: Foster higher labour market participation among women and young people. Step up efforts to prevent early school leaving. Improve school quality and outcomes.

#### **‘Partners 4 Value’ Initiative •**

**Country:** Lithuania

**Description:** On 9 December 2013, the main national employers’ organisation, the Confederation of Lithuanian Industrialists, agreed to combine knowledge, experience and funds with five main universities in Lithuania, and to develop the initiative ‘Partners 4 Value’. This initiative is to promote high-quality international traineeships of students and teachers with a view to enhancing the transnationality of Lithuanian higher education institutions and career opportunities for graduates in international corporations and organisations.

**Institution Responsible:** Confederation of Lithuanian Industrialists

**Country Specific Recommendation:** CSR 3 (ii) Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches.

**Main Objectives:** The aim of the initiative is to provide motivated and talented Lithuanian undergraduates/graduates with quality international and national real-life work experiences, to start graduate internship programmes that would result in reinforced links between education and the world of work. Receiving organisations would equally benefit from qualified temporary support and an opportunity to pre-select early talent.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** December 2013

**If not law, what type of measure is it?** Agreement between employers and universities

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Currently the initiative is financed from ERASMUS+ funds

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS: "Pursuing the modernisation of education and training systems, including life-long learning, vocational training and dual learning schemes". CSR: "Improve the employability of young people, for example through a Youth Guarantee, enhance the implementation and effectiveness of apprenticeship schemes, and address persistent skill mismatches". NRP: "develop youth's [...] skills necessary for the labour market, [...] support their first steps in the labour market, and develop partnerships by solving youth employment problems".

#### **‘Degree-saver’ programme**

**Country:** Hungary

**Description:** The programme creates a fast-track to those close to completing HE graduation but lacking only a language examination (a requirement for graduation). Further requirements include being under 35 or claiming childcare allowance or benefit (no age limit in this instance). Support is available for a course of at most 240 hours with a ceiling of HUF 300 000 (EUR 1 000) with preference given to those having already passed a basic examination. The support is available to training institutions - clients are selected in a second round.

**Institution Responsible:** Ministry for National Economy and OFA (National Employment Fund)

**Country Specific Recommendation:** CSR 6: "Support the transition between different stages of education and towards the labour market."

**Main Objectives:** Enable the transition of around 50 000 youth into the labour market by helping them earn a higher education degree.

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 15 August 2015

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 March 2014

**If not law, what type of measure is it?** A set of proposals and decisions by officials in the Ministry for National Economy "az NGM/25850-10/2013. iktatószámú előterjesztés, az NSZFT 45/2013.11.27. számú állásfoglalása, a nemzetgazdasági miniszter 25/2013. NFA KA NGM számú vonatkozó döntése és a 8/2013. NFA KA NGM számú miniszteri utasítása"

**Enacted/not enacted into law - State of play?** Calls for training institutions have been published.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 9.7 million

**Which policy recommendations or commitments does the measure respond to?** AGS

**Recommendation details:** AGS: "facilitate the transition from school to work"

**Measure Updates total:** 0

### 9.3 National Qualification Frameworks (0 new measures)

No new measures were reported.

**Measure Updates total:** 1

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Croatia</p> <p><b>Measure Title:</b> Croatian Qualification Framework Act (CQFA)</p> <p><b>Description:</b> Croatian Qualification Framework defines the qualification system in Croatia.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Croatian Qualification Framework Act (CQFA)</p> <p><b>What has changed:</b> Since February 2013, when the Act was adopted, no significant changes were introduced. Currently, the draft Regulation on the CQFA Registry is in the process of public debate. The information system for managing the Registry will be developed until March 2015. In the meantime, the Ministry of Science, Education and Sports (MSES), which is responsible for delivery of the framework, launched a web portal with the purpose of informing the public with all CQFA related activities.</p>

### 9.4 Improving Vocational Education and Training Systems (6 new measures)

**Work-based vocational training open to unemployed job-seekers (Wallonia only)**

**Country:** Belgium

**Description:** The Walloon Government has approved the decree concerning work-based vocational training, which extends this system to unemployed jobseekers. It combines an internship in an enterprise and training provided by a training provider. It aims to offer them

new competences, practical training and work experience.

**Main Objectives:** To improve skills supply

**Target Groups:** Unemployed

**Duration of measure:** Permanent

**What is the legal reference?** Walloon Decree of 19 February 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 February 2014

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### **Reform of the vocational training system**

**Country:** Denmark

**Description:** The agreement on the reform of vocational training was concluded on Monday 24 February 2014 between the Government and the Liberal Party, Danish People's Party, Socialist People's Party, Liberal Alliance and the Conservative Party. The reform will become a reality in the autumn of 2015.

The reform has the following main elements:

- Introduction of entry requirements concerning grades in Danish and mathematics.
- The possibility for audition and interview, if applicants do not meet the admission requirements and also direct access if the young person has a contract of training with an employer or another youth education provider.
- A simplification of the basic entry courses, which will consist of two parts of a total of 40 weeks for young people who come from 9 or 10 class for up to one year after finishing school. Other students begin directly on the entry course 2 part and will thus have a basic course of 20 weeks.
- Basic course teaching will take place in a stable class environment to ensure a better secondary education environment.
- The benefits of common environments, e.g. between vocational and secondary educational institutions, will be exploited in order to create a better environment for secondary education.
- An increase in the weekly teaching hours to 25 hours in 2015 and 26 hours from 2016, better link between classroom and workplace training, more differentiated instruction, skill enhancement of teachers and managerial and institutional development.
- 45 minutes of physical exercise as part of class each day.
- Education giving competences to begin further education at university level will be introduced in all relevant programmes, and there will be more teaching of subjects at advanced levels
- New targeted training for adults aged 25 years and more taking into account obtained practical work experience
- The creation of a new 10th class in primary school focused on vocational competences (EUD10 )
- The creation of a targeted vocational education for young people who do not have the skills to carry out a normal vocational youth education.
- Improved guarantee for traineeships as part of vocational training.

Based on an analysis there will later be a discussion concerning amending the access rules for non-vocational secondary schools.

**Institution Responsible:** The Ministry of Education

**Country Specific Recommendation:** CSR 2. (second part): Take further steps to improve the employability of people at the margins of the labour market, including people with a migrant background, the long-term unemployed and low skilled workers. Improve the quality of vocational training to reduce drop-out rates and increase the number of apprenticeships. Implement the reform of primary and lower secondary education in order to raise attainment levels and improve the cost-effectiveness of the education system.

**Main Objectives:** Four clear objectives for the reform have been defined: 1) More students need to choose a vocational education directly after 9th or 10th class; 2) More students must complete vocational training, once they have started; 3) Vocational training must challenge all students to become as proficient as they can; 4) Confidence in and well-being at vocational schools must be strengthened.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** A political agreement, which will subsequently be enacted into law.

**Enacted/not enacted into law - State of play?** The agreement will be enacted into law during 2014 and will be implemented from the fall of 2015.

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Part of CSR 2 from 2013: "Improve the quality of vocational training to reduce drop-out rates and increase the number of apprenticeships"

### **Dual VET system: incentives for carrying out training at firm level**

**Country:** Spain

**Description:** New incentives for providing training in the context of the new training and apprenticeship contract within the dual VET system have been launched. They involve EUR 8 per each hour and worker for classroom classes and EUR 5 per hour and worker for distance-learning classes. The Public Employment Service may fund up to 25 % of the total working hours during the first year of contract and up to 15 % for the second and third year (these figures coincide with the minimum share of hours which should be dedicated to training within the training and apprenticeship contract). Moreover, additional subsidies for education centres are available. Finally, it should be noted that firms are entitled to use these contracts without leading to official professional certifications or VET grades up to 31 December 2014 (it was introduced in 2012 until 31 December 2013).

**Institution Responsible:** Public Employment Service

**Country Specific Recommendation:** CSR 5: [...] Continue with efforts to increase the labour market relevance of education and training, to reduce early school leaving and to enhance life-long learning, namely by expanding the application of dual vocational training beyond the current pilot phase and by introducing a comprehensive monitoring system of pupils' performance by the end of 2013.

**Main Objectives:** Encouraging the new dual VET system; Increasing young workers' employability; Decreasing youth unemployment, particularly among low skilled

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Order ESS/2518/2013

**Date of adoption:** 11 January 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 11 January 2014

**Have any steps been taken to monitor the implementation of the measure?** Yes

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Continue with efforts to increase the labour market relevance of education and training, to reduce early school leaving and to enhance lifelong learning, namely by expanding the application of dual vocational training beyond the current pilot phase and by introducing a comprehensive monitoring system of pupils' performance by the end of 2013

### **Law on training system**

**Country:** France

**Description:** The law encompasses the following

- Simplification of the contribution rate for the training system by maintaining only 2 rates: one for enterprises with less than 10 employees (0.55 %) and one for others (1 %) dedicated to financing collective measures like professionalisation contracts, CIF or the new personal Training Account. (For example, before the Law, enterprises with more

than 50 employees would have to pay 1.6 % tax on wages but today, with the reform, the amount is 1 % only).

- An end to the training tax on wages for companies with over 300 employees. The training tax is however maintained for smaller companies at a lower level: 0.4 % for enterprises with less than 10 employees, 0.2 % for those with 10 to 49 employees and 0.1 % for firms with 50 to 299 employees.
- Simplification of enterprise delivering: Contribution is now collected by only one OPCA<sup>1</sup> while before delivering could be to many of them.
- Principle of a professional interview every two years and a balance every six years.
- Access to advice and assistance in career guidance, carried out by five operators specified in the Law: the Public employment service (Pôle Emploi) and its partners (the missions locales network, the Capemploi network), plus the APEC and the Fongecif network.
- Creation of the personal training account (in place of the DIF, droit individuel à la formation) funded by part of the contribution rate: 24 hours per year until 120 hours and then 12 hours per year until 150 hours, meaning that in seven and a half years, the quota of 150 hours is reached; 100 hours more delivered by employers (for enterprises with 50 employees and more) if they do not implement training actions and / or implement actions for recognised employees skills.
- The personal training account can be used for training courses only if it leads to certification, or for basic skills, training courses will be identified by lists elaborated by representative of social partners at branch level in case of employees and by representative of regional authorities for training and employment policies for unemployed people.
- Creation of a new fund to finance social partner relations, for which a special contribution will be asked from enterprises (a tax on wages), from the state and OPCA. Furthermore, the social partners' representatives are integrated into new bodies: FNASEA (Representative for agriculture), UNAPL (Representative of liberal professions) and UDES (Representative for Social and Solidarity Economy).
- Change in FPSSP<sup>2</sup> main sources of financing: the FPSP will receive a contribution from enterprises to finance the personal training account, professionalisation contracts and the training contribution from enterprises with less than 10 employees and will be the main financing institution of unemployed CPF and collective actions dedicated to enterprises with less than 10 employees. Its main role does not really change: to contribute to the financing of training actions for the low qualified and unemployed. In addition to the EUR 300 million provided by companies, EUR 600 million will be given to the FPSP to finance training courses for the unemployed.
- New stage in decentralisation to the regions of the training system competency: new categories of people and/or actions like training for disabled people, the fight against illiteracy, people dealing with justice, health and social education and training system or early school leavers; new training centre certifications, coordination of collective training actions to unemployed people.
- Simplification of governance bodies: at national level, merger of CNPFTLV and CNE into CNEFOP and at regional level, merger of CCREFP and CRE into CREFOP
- Easier access to the certified training system for people facing the most difficulties: employees in CUI (contrat unique d'insertion) and employees hired in SIAE (structure d'insertion par l'activité économique) will have a better access to the POE (préparation opérationnelle à l'emploi) allowing them to continue with an apprenticeship contract or professionalisation contract.
- Negotiating a permanent contract between an employer and a young person in an apprenticeship is possible.

**Institution Responsible:** State, Regions and Enterprises

**Country Specific Recommendation:** CSR 6: [...] Increase adult participation in lifelong learning, especially of the least qualified and of the unemployed. [...]

**Main Objectives:** The main objectives were: firstly, allowing reinforced access to training for

<sup>1</sup> Branches organisms responsible for collecting training funds

<sup>2</sup> Special fund created in 2009 to finance training courses for unemployed people.



those who need it most and do not benefit from training courses (unemployed, low qualified) by the creation of the personal training account (the concept was introduced in the Securing Employment Law), and secondly, proposing a new way of funding the social partners relations for more transparency

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** LOI no 2014-288 du 5 mars 2014 relative à la formation professionnelle, à l'emploi et à la démocratie sociale (1)

**Date of adoption:** 5 March 2014

**Is the measure being enforced?** No

**Start date for implementation of the measure:** 1 January 2015

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Other

**Funding Sources(Other):** The training system is co-funded by Regions, Enterprises and State Government

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR

**Recommendation details:** Lifelong learning; improvement of training access to unemployed; reinforcement of apprenticeship system

#### List of fields of study in demand and surplus

**Country:** Slovakia

**Description:** The Ministry identified, in cooperation with employer organisations and based on data on the labour market position of secondary vocational school leavers (graduates), fields of study with insufficient numbers of graduates with respect to labour market needs, and fields of study with graduate numbers beyond labour market needs. Regular publishing of such lists is stipulated by the Act on vocational education and training.

**Institution Responsible:** Ministry of Education, Science, Research and Sport

**Country Specific Recommendation:** CSR 4: Take steps to attract young people to the teaching profession and raise educational outcomes. In vocational education and training, reinforce the provision of work-based learning in companies. In higher education, create more job-oriented bachelor programmes

**Main Objectives:** The main objective of the measure is to identify fields of vocational studies which are in demand on the labour market and those which are not. The resulting lists shall be taken into consideration in the normative financing of secondary vocational schools (study fields on the 'white' list shall get more, and vice versa). The information gathered shall also enable school founders to adjust number of classes (study fields on the 'black' list cannot open more classes).

**Target Groups:** Youth

**Duration of measure:** Permanent

**If temporary, how long will it run for?** Permanent measure, but information on study fields in demand and/or surplus shall be updated regularly.

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Elaboration of lists of study disciplines in demand and/or surplus is stipulated in Article 3 of the Act No. 184/2009 Coll. on vocational education and training, as amended.

**Date of adoption:** Respective article of the law is in force since 1 January 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Tentatively on 1 September 2015.

**If not law, what type of measure is it?** Ministerial document.

**Enacted/not enacted into law - State of play?** Lists were approved by the government on 8 January 2014.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** None



**Introduction of a range of 'Tech Level' qualifications**
**Country:** United Kingdom

**Description:** A series of new A-Level standard vocational qualifications is being phased in in 2014 that are more closely matched with the skills needs of employers. They are designed to lead to a skilled job in fields such as engineering, accounting, construction, IT, and manufacturing and so provide a viable alternative to the academic A-Levels.

**Institution Responsible:** Department for Education and Department for Business, Innovation and Skills.

**Country Specific Recommendation:** CSR 3: (ii) Reduce the number of young people aged 18-24 who have very poor basic skills, including through effectively implementing the Traineeships programme.

**Main Objectives:** To provide a highly regarded vocational route for 16-19s and an alternative to the academic route of A-Levels then university. They are also a direct response to the skills shortages in the UK, particularly in the SET subjects.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** The first students to be taught under the new Tech Levels will be in September 2014 with qualification two years' hence.

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** The first student intakes for the Tech Levels will be in the Autumn Term of 2014. Schools and colleges will have to be accredited to teach the new subjects before they can award the Technical Baccalaureate or 'Tech Bacc'.

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** There will be 142 Tech Levels (equivalent to a Level 3 qualification) corresponding to different skills and each will be supported by employers (such as Vauxhall, John Deere, Proctor & Gamble, Kawasaki). In addition there will be 87 Applied General Qualifications which will provide broader study of a vocational area and each endorsed by at least three universities. All will combine classroom and practical learning.

**Measure Updates total: 2**

Description of Measure	Description of March 2014 Update
<b>Country:</b> Bulgaria <b>Measure Title:</b> BG051PO001-3.1.10, Improving the quality of vocational training• <b>Description:</b> The activities planned for achieving the overall and specific objectives are the following: 1. Analysis of the current situation and identification of the learning needs of the personnel in vocational training centres (VTC). 2. Development of specialised manuals for the managerial and training personnel of VTC to improve the methodology and methods for planning organisation and delivery of vocational training for different target groups. 3. Holding workshops and work with focus groups of representatives of the managerial and training personnel	<b>Title:</b> Survey published <b>What has changed:</b> An expert survey was completed in December 2013 on the managerial and teaching staff employed at VTCs.

Description of Measure	Description of March 2014 Update
<p>in the VTC to discuss the manuals. 4. Publication and dissemination of manuals. 5. Training of the personnel of the VTC on approaches, methods, instruments and techniques included in the manuals.</p> <p><b>Measure Time Period:</b> Oct 2012</p>	
<p><b>Country:</b> Latvia</p> <p><b>Measure Title:</b> Pilot project on vocational education for the unemployed</p> <p><b>Description:</b> Unemployed people will be able to study for free in different vocational programmes, i.e. welder, carpenter, tailor etc. It is expected that 200 unemployed people will be involved in the project.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Amendment in law has been made</p> <p><b>What has changed:</b> The Ministry of Welfare and Ministry of Education and Science have approved the amendment.</p>

## 9.5 Improving Tertiary and Higher Education (1 new measure)

### Modification of the framework of government grants for students

**Country:** Luxembourg

**Description:** The measure is intended to reform the existing framework on government student grants. A maximum of EUR 17 000 will be granted annually to students in the future. The eligibility is based on social criteria. The elements of the framework include: - EUR 6 500 per year are allocated to students via a cheaper bank loan - the basic amount of EUR 2 000 per year is allocated - up to EUR 2 000 mobility grant can be allocated - a grant up to EUR 2 500 is allocated according to the social situation of the family (if the parents earn less than 4.5 times the minimum wage) – EUR 3 700 grant for tuition fees (half is a cheap bank credit) - a special grant of EUR 1 000 is allocated to difficult cases. A committee decides on the eligibility.

**Institution Responsible:** Ministry of Higher Education

**Country Specific Recommendation:** CSR 5: Strengthen general and vocational education to better match young people's skills with labour demand, in particular for people with a migrant background. Take resolute action to increase the participation rate of older workers, including by improving their employability through lifelong learning

**Main Objectives:** The main objective is to adapt the existing framework and to account for a legislation voiced by the European Court of Justice and Luxembourg's administrative Court in 2013, implying that children of cross-workers are also eligible for the funding. At the same time, it is indicated that the measures lead to a decrease of government expenditures in the current state budget.

**Target Groups:** Youth

**Duration of measure:** Permanent

**Has the measure been enacted into law?** No

**What is the legal reference?** Draft legislation approved by the Council of Minister decision

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Government Proposal

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** Maximum budget: EUR 109 billion per year

**Which policy recommendations or commitments does the measure respond to?** CSR, NRP

**Recommendation details:** Student grants are an important policy element in the government's objective to provide access to higher education. This has also been an important element of the last NRPs and corresponds to the Commission's June 2013 CSRs

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**Measure Updates total: 1**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Estonia</p> <p><b>Measure Title:</b> Needs-based study allowance launched</p> <p><b>Description:</b> The new needs-based allowance is a national allowance designed to support students from financially disadvantaged backgrounds in terms of their access to higher education, success in their studies and completion of a study programme with a nominal duration. The system of needs-based study allowances is introduced in the 2013-14 academic year and will apply to all students entering institutions of higher education. The former study allowance system will remain in place for students studying at institutions of higher education who entered them prior to the 2013-14 academic year.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	<p><b>Title:</b> Amendments in the eligibility criteria</p> <p><b>What has changed:</b> a) The upper limit for family member income was raised from EUR 280 to EUR 299 to qualify for the allowance - this increases the number of potential recipients of the allowance; b) the application process was opened up for the whole semester; c) in cases of students without parental care, the income of their biological parents is not taken into account in calculating the qualification for support; d) the family of a student would include now all sibling up to 24 years of age who are studying full time in general, vocation or higher education.</p>

## 9.6 Improvement of Primary and Secondary Education Systems (1 new measure)

### Minimum wage for general education teachers increased

**Country:** Estonia

**Description:** The new rate of minimum wage for general education teachers increased from EUR 715 to EUR 800. The state support (grant) for teacher salaries for local governments totals EUR 960 per teacher (20 % higher), providing for flexibility at local level.

**Institution Responsible:** Local governments

**Main Objectives:** Increasing the attractiveness of the teaching profession.

**Target Groups:** General education teachers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Government decree, Minimum Wage for teachers of basic school and gymnasium, RT I, 27.12.2013, 19, Available in Estonian: <https://www.riigiteataja.ee/akt/127122013019>

**Date of adoption:** 20.12.2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01 January 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

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**Measure Updates total: 0**

## 9.7 Other (7 new measures)

### Youth field development plan for 2014-2020

**Country:** Estonia

**Description:** This development plan differs from the previous plans by focusing only on the most important goals, rather than describing measures in all sub-fields of youth work and policy. The development plan sets four goals: a) young people have more choices for being active and developing their creativity; b) the risk of social exclusion is reduced c) youth participation in the decision-making process is more supported; d) the functioning of the youth field is more efficient.

**Institution Responsible:** Ministry of Education and Research

**Main Objectives:** The main objective of the plan is to create wide opportunities for development and self-realisation for young people that support the formation of a cohesive and creative society.

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2020

**Has the measure been enacted into law?** No

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 01 January 2014

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** Approved by the government on 19 December 2013

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 90 417 053

**Which policy recommendations or commitments does the measure respond to?** CSR, NRP

**Recommendation details:** Country specific recommendation: the need to implement targeted measures to address youth unemployment.

### Scholarships for students introduced

**Country:** Estonia

**Description:** Scholarships for students with special needs, high achieving students, students studying in priority areas and students who have been raised in care homes. The sizes of the scholarships vary from EUR 100 to EUR 510 per month.

**Institution Responsible:** Study Institutions

**Main Objectives:** To support and motivate studies.

**Target Groups:** Students

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Government decree - Types, sizes and conditions for designation of students' scholarships. RT I, 27.12.2013, 18

**Date of adoption:** 20 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 30 December 2013

### New research, development and innovation (RDI) strategy 'Knowledge-based Estonia 2014-2020'

**Country:** Estonia

**Description:** While the previous strategy focused on increasing the capacity of Estonian researchers and the research infrastructure, the next strategy intends to implement this capacity for more direct economic or societal impacts. The strategy sets four major goals: a) achieving high quality and diversity; b) acting in the interests of the society and economy; c) increasing knowledge intensiveness of the economy; d) being active and visible in

international cooperation. The strategy, using the OECD methodology, prioritises areas with the highest growth potential: ICT, health technology and services, and efficiency of using resources.

**Institution Responsible:** Ministry of Education and Research

**Main Objectives:** Maximising the potential of the Estonian RDI system in order to contribute to improved development of the country and its economy.

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2020

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** Approved by the government on 31 October 2013 and by the Parliament on 22 January 2014.

**Have any steps been taken to monitor the implementation of the measure?** Yes

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 1 353 215 525 (on average EUR 193 million per year)

### **New Lifelong Learning Strategy 2020 approved**

**Country:** Estonia

**Description:** This is a new overarching education strategy encompassing all education fields. In contrast, all education fields (school education, VET, adult education, higher education) were earlier regulated by separate strategies. The new LLL strategy aims to provide learning opportunities for all Estonians according to their needs and capabilities throughout their life. The strategy set five major objectives: a) a changed approach to learning – all education levels should provide learning according to the individual needs of learners, facilitating social development, critical thinking, creativity and entrepreneurship at the same time; b) competent and motivated teachers and school leaders – the work of teachers and leaders should be evaluated based on the actual outcomes and compensated accordingly (fairly); c) achieving compatibility of learning opportunities and the needs of the labour market – the available learning opportunities should be flexible, diverse, high quality and correspond to the needs of the labour market as well as contribute to the increased share of individuals with a professional qualification; d) development of digital learning – learners and teachers are using digital learning opportunities reasonably and effectively, this facilitates the implementation of a new learning approach and development of learning skills; e) increasing participation in learning and effective financing. The Ministry of Education and Research will implement five thematic programmes (corresponding to the five objectives) to outline the specific implementation of the objectives. Also, the Ministry of Education and Research will develop a separate programme for each education field: general education, vocational education, higher education, and adult education.

**Institution Responsible:** Ministry of Education and Research

**Main Objectives:** Providing learning opportunities for all Estonians

**Target Groups:** All Estonians

**Duration of measure:** Permanent

**If temporary, how long will it run for?** 2014-2020

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** Approved by the national government on 13 February 2014. The operational programmes regulating the implementation of the strategy will be prepared during the next months.

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 8 374 300

### **Erasmus+ international project**

**Country:** Latvia



**Description:** Erasmus+ aims to boost skills and employability of young people as well as modernising education, training, and youth work. Erasmus+ supports non-formal education, sport, and mobility projects.

**Institution Responsible:** Ministry of Education and Science State Education Development Agency, Agency for International Programmes for Youth

**Country Specific Recommendation:** CSR 3: [...] establish comprehensive career guidance implement reforms in the field of vocational education and training, and improve the quality and accessibility of apprenticeships.

**Main Objectives:** To promote mobility of young people

**Target Groups:** Youth

**Duration of measure:** Temporary

**If temporary, how long will it run for?** 2014-2020

**Has the measure been enacted into law?** No

**What is the legal reference?** There is none

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** First applications 17 March 2014

**If not law, what type of measure is it?** European-wide programme

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** EU co-funded

**Is there a specific budget allocated to the measure?** Yes

**Budget:** For Latvian activities EUR 25 million over 7 years

**Which policy recommendations or commitments does the measure respond to?** None

**Recommendation details:** None in a direct way

#### **Consultation document on reforms to Education Act**

**Country:** Malta

**Description:** A consultation process was launched with all stakeholders involved in the education sector and with Maltese society at large on amendments to the Education Act - Chapter 327 of the Laws of Malta.

**Institution Responsible:** Ministry for Education and Employment

**Country Specific Recommendation:** CSR 3: Continue to pursue policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system, and increase the labour-market relevance of education and training to address skills gaps, including through the announced reform of the apprenticeship system.

**Main Objectives:** The consultation, leading to a White Paper on Education, should gather feedback on all issues currently regulated by the Education Act and related matters in order to reform the Act in line with the country's emerging social and economic needs. The ultimate aim is to improve the quality of life of all Maltese society.

**Target Groups:** All persons who use or may use the formal education system in Malta

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The consultation process ends on 31 March 2014. The Act will inevitably continue to be updated even after this major reform.

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** The two-month consultation process started in January 2014 and ends in March 2014.

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS No.3: Promoting growth and competitiveness for today and tomorrow - Raising the performance of education and training systems and overall skill levels, linking the worlds of work and education more closely together; AGS No.4: Tackling unemployment and the social consequences of the crisis - Improving employability levels, in



particular of young people; CSR No. 4: Continue to pursue policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system, and increase the labour-market relevance of education and training to address skills gaps, including through the announced reform of the apprenticeship system; NRP No.3: Implementation of the country-specific recommendations: CSR 3: Early School Leaving Strategy (pp.58-59)

### Education Strategy for Malta (2014-2024)

**Country:** Malta

**Description:** In February 2014, the Government launched the framework for an Education Strategy for Malta (2014-2024). A consultation process about this strategy will last from February until May.

**Institution Responsible:** Ministry for Education and Employment

**Country Specific Recommendation:** CSR 3: Continue to pursue policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system, and increase the labour-market relevance of education and training to address skills gaps, including through the announced reform of the apprenticeship system

**Main Objectives:** This strategy aims to align all sectoral education strategies and policies, and has four targets: 1. reduce the gaps in educational outcomes, decrease the number of low achievers and raise the bar in literacy, numeracy, and science and technology competence; 2. support educational achievement of children at-risk-of-poverty and from low socio-economic status and reduce the relatively high incidence of early school-leavers; 3. raise levels of student retention and attainment in further, vocational, and tertiary education and training; and 4. increase participation in lifelong learning and adult learning.

**Target Groups:** All persons who use or may use the formal educational system in Malta

**Duration of measure:** Temporary

**If temporary, how long will it run for?** From 2014 to 2024

**Has the measure been enacted into law?** No

**Is the measure being enforced?** No

**If not law, what type of measure is it?** Strategy

**Enacted/not enacted into law - State of play?** The Government announced the framework for the strategy. It will be receiving feedback from stakeholders until May 2014.

**Have any steps been taken to monitor the implementation of the measure?** Unknown

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** Unknown

**Which policy recommendations or commitments do the measure respond to?** AGS, CSR, NRP

**Recommendation details:** AGS 3: Promoting growth and competitiveness for today and tomorrow - Raising the performance of education and training systems and overall skill levels, linking the worlds of work and education more closely together AGS 4: Tackling unemployment and the social consequences of the crisis - Improving employability levels, in particular of young people CSR 4: Continue to pursue policy efforts to reduce early school leaving, notably by setting up a comprehensive monitoring system, and increase the labour-market relevance of education and training to address skills gaps, including through the announced reform of the apprenticeship system. NRP 3: Implementation of the country-specific recommendations: CSR 3: Early School Leaving Strategy (pp.58-59)

### Measure Updates total: 5

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Germany</p> <p><b>Measure Title:</b> Promotion of elderly care training (Elderly Care Education and Qualification Programme)</p> <p><b>Description:</b> On 19 March, a law was passed to promote training in elderly care, a sector which is and will be</p>	<p><b>Title:</b> Training initiative in the care of the elderly</p> <p><b>What has changed:</b> The first training initiative in the care of the elderly was signed on 13 December 2013 by 30 partners at the level of the Federal State, the <i>Länder</i>, and associations.</p>

Description of Measure	Description of March 2014 Update
<p>strongly affected by skill shortages. The law provides that the training period of elderly care nurses shall be shortened by one third 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 <i>Bund, Länder</i> and social organisations, which aims 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.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p>Until 31 December 2015, a variety of measures will be implemented. The responsible Ministry is the Ministry of Family Affairs, Senior Citizens, Women and Youth. On 27 January 2014, Health Minister Hermann Gröhe announced the intention to increase the number of trainees in the care of the elderly by 30 % by 2015. In addition, healthcare assistants are to become further trained to be skilled workers. The goals are enshrined in the coalition contract.</p>
<p><b>Country:</b> France</p> <p><b>Measure Title:</b> Creation of an individual training account</p> <p><b>Description:</b> The last initiative opened to debate is about lifelong training and could be revolutionary in a mid-term perspective: the creation of an individual training account offering rights to the person and not to the status (employee, jobseeker, student etc.).</p> <p><b>Measure Time Period:</b> Oct 2012</p>	<p><b>Title:</b> Monitoring</p> <p><b>What has changed:</b> Implementation details of the Personal training account are presented in the Training System Law adopted in March 2014.</p>
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> Teacher employment law</p> <p><b>Description:</b> The reform includes different measures: homogeneous service and pay scheme for teachers of all school types at the federal and province level; starting salary increase and the progression flattened; implementation of a unified extent of teaching duties in the length of 24h/week. Twenty two hours of these are pedagogical core work (including teaching time, preparation work, correction of tests etc.). The other two hours are reserved for functions like form teaching, mentoring for pupils and parents etc.; in future, a master's degree shall be mandatory for all teachers; at the beginning of a teacher's career, an induction phase for 12 months shall be</p>	<p><b>Title:</b> Decision in parliament in December 2013</p> <p><b>What has changed:</b> Law was decided in parliament in December 2013 and will come into effect by September 2014. (Federal Law Gazette I Nr. 211/2013). During the parliamentary consultation, numerous detail changes have been agreed (e.g. the obligation for teachers to temporarily teach subjects for which they are not professionally qualified was revised insofar as for a period of more than one semester the agreement of the teacher is needed) without changing the broad lines.</p>

Description of Measure	Description of March 2014 Update
<p>implemented. At this time, young teachers will be accompanied by experienced teachers; for cross-entrants, extracurricular practice times in the amount of maximum 12 years shall be considered; further training (institution-based) is foreseen to the extent of a maximum of 15 hours per school year outside school hours.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> Contact point for recognition of foreign qualifications</p> <p><b>Description:</b> Establishment of five counselling centres nationwide, offering cost-free, multilingual information, advice and Support. Launch of a new website (<a href="http://www.berufsanerkennung.at">www.berufsanerkennung.at</a>) serving as a guide to find quickly the right contact point for the recognition of foreign qualifications.</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Experiences after one year of work</p> <p><b>What has changed:</b> The Austria-wide contact points have advised a total of 4 599 people during 2013, the first year of activity. Over 40 % of those seeking advice have completed a medium or higher education abroad. Based on the first year experiences, several problems and challenges were documented and recommendations were made. This includes an expansion of training measures (e.g. language teaching, courses for the recognition of foreign degree qualifications) and the unification of the different legal framework in the nine Austrian provinces for specific occupations (namely kindergarten teachers) (see Koordination - Anlaufstellen für Personen mit im Ausland erworbenen Qualifikationen (AST) (2014): Erfolgsfaktoren und Herausforderungen, Wien).</p>
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> Compulsory kindergarten year</p> <p><b>Description:</b> An agreement between the nine provinces and state government allows a cost-free and compulsory half-day early increase in institutional childcare facilities to the extent of 20 hours per week for the last year before school entry. This first came into force in September 2009. The agreement decided in June 2013 is an extension of the agreement 2009 for a further two years, which provides a partial compensation of costs by the federal government in the context of the compulsory kindergarten year.</p>	<p><b>Title:</b> Review published</p> <p><b>What has changed:</b> The Court of Auditors reviewed the federal-state agreements with a focus on expanding the childcare facilities and free compulsory kindergarten (see Bericht des Rechnungshofes, Reihe BUND 2013/11, November 2013). They criticised, besides other things, the lack of evaluations on the financial resources invested and the effects achieved, contrary to originally announced plans. Currently, the discussion on a second compulsory kindergarten year is ongoing. According to the Minister for Integration and the Minister for Family and Youth, a second compulsory year is planned to be</p>

Description of Measure	Description of March 2014 Update
<b>Measure Time Period:</b> Sep 2013	introduced in 2015.

## 10 PA 6: Labour taxation (including undeclared work)

Under PA 6, seven countries introduced a total of eight new policy measures between December 2013 and early March 2014. The most popular type of reform of any of the sub-policy areas has been in the area of *Taxation Changes*. The following gives a breakdown of the new measures introduced in this policy area:

- Taxation changes (Belgium x2, Estonia, Spain, France, Italy, Latvia, Netherlands)
- Measures for reducing undeclared work (no new measures);
- Other (no new measures)

There were four updates to previously identified measures, spread across the following countries: Croatia, Austria, Slovakia, and Serbia.

This policy area accounted for 8% of new measures as a proportion of all new measures for the period. This is the policy area where the highest share of new measures was enacted into law - three quarters (75%, or six measures). State sources provided funding for two of the measures while three of the measures needed no specific funding. One final measure was funded by 'other' sources.

The measures and measure updates are discussed in turn below.

### 10.1 Taxation changes (8 new measures)

#### **Reduction of tax for overtime hours worked**

**Country:** Belgium

**Description:** Employers have a partial exemption on their tax burdens on the extra pay of their workers for overtime hours worked. This reduction, which was applied for the 130 first extra hours worked, is extended to 180 first hours in the Horeca sector since 1 January 2014 and in the construction sector from 1 April 2014. There are conditions for employers to benefit from the increase of this limit of extra hours worked. In the Horeca sector, employers must use a cash register. In the construction sector, employers must use a presence registration system.

**Main Objectives:** To fight against fraud

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law of 26 December 2013

**Date of adoption:** Belgian Monitor of 31 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** For Horeca sector: 1 January 2014; for construction sector: 1 of April 2014

#### **Reinforcement of income tax exemption for continuous work**

**Country:** Belgium

**Description:** Since 1 January 2014, employers benefit from a larger income tax exemption for continuous work. This exemption has increased from 15.6 % to 17.8 %.

**Main Objectives:** To offset higher wage costs in case of continuous work

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law of 26 December 2013

**Date of adoption:** Belgian Monitor of 31 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

#### **Increase of pension tax allowance**

**Country:** Estonia

**Description:** Income tax allowance for pensions was increased from 1 January by EUR 18 per month, from the current EUR 192 to EUR 210 per month

**Main Objectives:** To increase the welfare of retirees.

**Target Groups:** Retirees

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Income Tax Act, RT I, 23.12.2013, 23, available in English: <https://www.riigiteataja.ee/en/eli/530012014003/consolide>

**Date of adoption:** 5 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

### **Increase of Social Security contributions on wages and salaries in kind**

**Country:** Spain

**Description:** This measure entails an increase of Social Security contributions for salaries in kind, affecting the following items: meal and childcare vouchers, transport, contributions to pension plans and medical insurances, etc. Before the reform, some items were exempted from contributions and others had certain limits. For instance, in the case of meal vouchers, firms and workers did not have to contribute to the Social Security for the first EUR 9 per meal. Following the Royal Decree 16/2013, those limits are removed.

**Institution Responsible:** Social Security and the Ministry of Finance

**Main Objectives:** Improve workers' social protection; Increase Social Security funding

**Target Groups:** All workers

**Duration of measure:** Permanent

**What is the legal reference?** Royal-Decree 16/2013

**Date of adoption:** 21 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 21 December 2013

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Consider further limiting tax expenditure in direct taxation

### **Responsibility Pact**

**Country:** France

**Description:** Decrease of social contributions based on work contracts for EUR 30 billion per year before 2017 (included the EUR 20 billion already introduced across the CISE, see below).

**Institution Responsible:** The state

**Country Specific Recommendation:** CSR 2: Ensure that the reduction in the labour cost resulting from the 'credit d'impôt compétitivité et emploi' yields the planned amount and that no other measure will offset its effect. Take further action to lower the cost of labour, in particular through further measures to reduce employers' social-security contributions, in association with social partners. (...)

**Main Objectives:** The aim is to reduce the labour cost in France. This must be a response to the loss of the French enterprises competitiveness.

**Target Groups:** All workers

**Duration of measure:** Temporary

**If temporary, how long will it run for?** The measure continues until 2017 but will possibly be maintained after

**Has the measure been enacted into law?** No

**If not law, what type of measure is it?** Government Proposal

**Enacted/not enacted into law - State of play?** Will not be enacted into law

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** Reducing public spending

**Is there a specific budget allocated to the measure?** Yes



**Budget:** EUR 30 billion

**Which policy recommendations or commitments does the measure respond to?** AGS, CSR

#### **Law 147/2013 (2014 Budget Law)**

**Country:** Italy

**Description:** The Budget Law defines the national budget for 2014 and cuts across numerous policy areas. The most relevant labour-market related provisions concern public employment, social security and labour taxation.

**Institution Responsible:** Government (Ministry of Economy and Finance, Ministry of Labour and Social affairs), National Institute of Social Security (INPS)

**Country Specific Recommendation:** CSR 4: Ensure effectiveness of social transfers, notably through better targeting of benefits, especially for low-income households with children.

**Main Objectives:** Formulate the national budget for 2014. Main labour market related objectives: to incentivise stable employment, to fund social safety nets and increase efficiency in public administration by controlling personnel costs.

**Target Groups:** All workers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law 147/2013

**Date of adoption:** 27 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 600 million: refinancing social safety nets; EUR 350 million: new fund for active policies

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** 2013 CSR 5: Shifting the tax burden away from labour for the abolishment of IMU property tax, the increase of the tax deduction on personal income tax, and the introduction of tax deduction for employers who increase the number of employees with permanent contracts; 2013 CSR 4: Promoting the effectiveness of social transfers for refinancing social safety nets; 2013 CSR 4: Fostering labour market participation as for the establishment of a new fund for active policies, as well as for the introduction of a tax deduction for employers who increase the number of employees with permanent contracts.

#### **Increase in tax rate for micro companies**

**Country:** Latvia

**Description:** The revenue tax for micro-companies is to be gradually increased from the current 9 % to 15 % in 2017 (11 % in 2015, 13 % in 2016, 15 % in 2017).

**Institution Responsible:** Ministry of Finance

**Main Objectives:** To increase tax revenues.

**Target Groups:** Self-employed

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Law on the taxation of micro-companies

**Date of adoption:** 1 January 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** Starting from 1 January 2015

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** CSR 1: Maintain efforts to improve tax compliance and combat the shadow economy

**Tax rebate for hiring young workers****Country:** Netherlands

**Description:** The tax plan 2014 includes a tax rebate for employers who hire young people aged 18 to 27 and who receive unemployment benefit or welfare/social assistance. The job must provide employment for at least 32 hours a week and have a minimum duration of six months. The young person needs to become employed after 1 January 2014 and before 1 July 2016. The maximum duration of the rebate is two years (or the duration of the employment contract if this is shorter than two years). The arrangement ends 31 December 2017. The rebate is EUR 3 500 per (full) year

**Institution Responsible:** Tax agency

**Country Specific Recommendation:** CSR 4: Continue to reduce tax disincentives on labour, including by phasing-out of transferable tax credits for second income earners

**Main Objectives:** Give more job opportunities to young people / persuade employers to hire youth.

**Target Groups:** Youth**Duration of measure:** Temporary**If temporary, how long will it run for?** Two years**Has the measure been enacted into law?** Yes**What is the legal reference?** Tax plan 2014 Article 48a**Date of adoption:** 31 October 2013**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** The rebate may be requested from 1 July 2014

**Have any steps been taken to monitor the implementation of the measure:** Unknown

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Taxes supporting job creation and improving labour participation

**Measure Updates total: 4**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Croatia</p> <p><b>Measure Title:</b> Minimum Wage Act</p> <p><b>Description:</b> The new act provides a new set of rules for the calculation and adjustments of the minimum wage in Croatia.</p> <p><b>Measure Time Period:</b> Apr 2013</p>	<p><b>Title:</b> Minimum Wage Increase</p> <p><b>What has changed:</b> Since the Act's adoption in March 2013, there were no changes to the Act itself. However, the accompanying Ordinance on the Minimal Wage for the period January to December 2014 entered into force on 1 January 2014, increasing the minimum wage to HRK 3 017 (EUR 394).</p>
<p><b>Country:</b> Austria</p> <p><b>Measure Title:</b> Measures concerning tax and social security contributions on labour come into effect 2013</p> <p><b>Description:</b> Several tax measures decided in the stability package 2012-2016 (decided in parliament on March 2012) come into effect. Measures concerning tax and social security contributions on labour include: 1) solidarity tax for higher income earners (to be levied on 13th and 14th salaries and other irregular remuneration items that were so far subject to a flat tax rate</p>	<p><b>Title:</b> Permanent introduction of solidarity tax for higher income earners</p> <p><b>What has changed:</b> The solidarity tax for higher income earners, which was temporarily introduced until 2016 in 2013, will be transformed into a permanent measure (Abgabenänderungs G ,Federal Law Gazette I Nr. 13/2014). Government expects annual budget revenues in the amount of EUR 75 million.</p>

Description of Measure	Description of March 2014 Update
<p>(6 %). The progressive solidarity tax rates of up to 50 % affect employees with a gross annual employment income above approximately EUR 185 000). 2) Extraordinary increase of maximum assessment basis for social insurance in 2013 by EUR 90. 3) Reintroduction of the compulsory unemployment insurance up to the age of 63 (so far unemployment insurance contributions ceased to be levied when an employee passed the age of 60).</p> <p><b>Measure Time Period: Jan 2013</b></p>	
<p><b>Country:</b> Slovakia</p> <p><b>Measure Title:</b> Lowering of social contributions for the long-term unemployed</p> <p><b>Description:</b> The measure is a proposal for a temporary lowering of social contributions for employees who have been unemployed for more than one year prior to finding their job (long-term unemployed - LTU). More specifically, the social contribution break shall apply to employees whose gross wage is below EUR 536 in 2013 and EUR 539 in 2014 (67 % of the economy-wide average wage reported two years ago). Employees will be freed from any contributions for a period of one year. Employers' contributions paid on behalf of the employee will include only a small contribution to accident insurance and guarantee insurance (1.05 % of gross wage). At a gross wage of EUR 536, the employee would save EUR 70 and the employer EUR 180 compared with the current rules. Companies will have to employ LTU on standard employment contracts and may not release other incumbent workers. Another precondition is that employers have no arrears in social and health insurance. Preliminary information suggests that employees would not be entitled to sickness and unemployment insurance benefits and the supported period would not be counted in the calculation of the amount of a retirement pension (only into the number of years worked). Health insurance shall be paid by the State. Companies shall gain also the possibility to draw a so-called contribution loan. This option should be available especially for</p>	<p><b>Title:</b> First performance data released</p> <p><b>What has changed:</b> The Social Insurance Agency informed at the end of January that since 1 November 2013, a total of 987 employers have taken advantage of reduced contributions (also referred to as contribution allowance) and created jobs for 1 454 long-term unemployed persons. Out of the total number of 2 112 applications, 570 have been rejected.</p>

Description of Measure	Description of March 2014 Update
<p>SMEs who are threatened by redundancies and unable to draw commercial loans. The loan shall cover social contribution costs for a specified number of employees at a favourable interest rate of 2.8 % p.a. and shall be repayable in years two and three (deferred by one year). The subsidised (by the State) interest rate will be available only to those employers who retain jobs and settle all arrears. If the company should lay off workers, the interest rate would be around 7 %.</p> <p><b>Measure Time Period:</b> Sep 2013</p>	
<p><b>Country:</b> Serbia</p> <p><b>Measure Title:</b> Law on the Decrease of Net Revenue of Persons Employed in the Public Sector</p> <p><b>Description:</b> This measure effectively represents a solidarity surtax levied on public sector employees with net salaries over RSD 60 000 (slightly above EUR 500). The additional tax rate on net income of public sector employees is 20 % up to the monthly level of RSD 100 000 (EUR 864), while above that level it grows at 25 %. The budgetary revenue gains in 2014 from the solidarity surtax should be around RSD 15 billion (EUR 130 million).</p> <p><b>Measure Time Period:</b> Dec 2013</p>	<p><b>Title:</b> Implementation started in January 2014</p> <p><b>What has changed:</b> The implementation phase revealed many practical problems. In some cases, persons on minimum wage, or persons on maternity leave, who because of arrears received several wages / allowances in one pay check, had their wages / salaries reduced because the total sum they received in one month exceeded RSD 60 000 (around EUR 500). On the other hand, avoidance schemes are being designed, with large payments being split up, and salaries diverted to other forms of private benefits.</p>

## 10.2 Measures for Reducing Undeclared Work (0 new measures)

No new measures were reported.

**Measure Updates total: 0**

## 10.3 Other (0 new measures)

No new measures were reported.

**Measure Updates total: 0**

## 11 PA 7: Wage setting institutions and dynamics

Under PA 7, five countries introduced a total of five new policy measures between December 2013 and early March 2014. The following gives a breakdown of the new measures introduced in this policy area:

- Changes to the wage setting mechanisms (Italy, UK, former Yugoslav Republic of Macedonia);
- Other (Germany, Portugal)

There were two updates to previously identified measures, found in the following countries: Germany and Hungary.

This policy area accounted for 5 % of total reforms introduced throughout Europe in the reporting period and of these 2 measures, or 40 %, were enacted into law. Funding sources for the measures included state (1) and social partner/private funding (1). No specific funding was required for one of the measures.

The measures and measure updates are discussed in turn below.

### 11.1 Changes to the wage setting mechanisms (3 new measures)

#### **Interministerial Decree 14 February 2014**

**Country:** Italy

**Description:** Provide incentives for secondary-level (or decentralised) bargaining.

**Institution Responsible:** National Institute of Social Security (INPS)

**Country Specific Recommendation:** CSR 4: Ensure the effective implementation of the labour market and wage setting reforms to allow better alignment of wages to productivity.

**Main Objectives:** To improve business competitiveness and to give better wage opportunities to workers by reinstituting a tax rebate for companies that have signed second-level contracts during 2013.

**Target Groups:** Employers

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Valid only for contracts signed during 2013

**Has the measure been enacted into law?** No

**What is the legal reference?** Interministerial Decree

**If not law, what type of measure is it?** Interministerial Decree

**Enacted/not enacted into law - State of play?** The decree has been signed but it is not yet published in the Official Gazette. After its publication, INPS will be in charge of its application.

**Have any steps been taken to monitor the implementation of the measure:** No

**Funding Sources:** Government

**Is there a specific budget allocated to the measure?** Yes

**Budget:** EUR 607 million

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** 2013 CSR 4: Ensure effective implementation of labour market and wage setting reforms to allow better alignment of wages to productivity

#### **Tougher measures to tackle employer abuse of the National Minimum Wage**

**Country:** United Kingdom

**Description:** Employers who fail to adhere to the requirements of the National Minimum Wage will face tougher sanctions

**Institution Responsible:** Department for Business, Innovation and Skills (BIS)

**Country Specific Recommendation:** CSR 4: Enhance efforts to support low-income households and reduce child poverty by ensuring that the Universal Credit and other welfare reforms deliver a fair tax-benefit system with clearer work incentives and support services.

**Main Objectives:** To ensure that all workers who are eligible to receive at least the National Minimum Wage do so.

**Target Groups:** Employers

**Duration of measure:** Permanent

**Has the measure been enacted into law?** Yes

**What is the legal reference?** Amendment to the National Minimum Wage Act 1998

**Date of adoption:** 7 March 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 7 March 2014

**Enacted/not enacted into law - State of play?** A number of changes are possible without recourse to amending the National Minimum Wage Act (NMW) of 1998 and these come into effect on 7 March 2014. These include higher financial penalties of up to GBP 20 000 and a naming and shaming approach where offending employers will be publicly identified. There are also plans to extend the GBP 20 000 (EUR 24 000) penalty to apply to each worker affected but this requires an amendment to the NMW Act and this will be introduced as soon as possible.

**Have any steps been taken to monitor the implementation of the measure:** Yes

**Funding Sources:** No specific funding required

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** None

**Recommendation details:** Higher financial penalties of up to GBP 20 000 (up from GBP 5 000) and a naming and shaming approach where offending employers will be publicly identified. There are also plans to extend the GBP 20 000 penalty to apply to each worker affected but this requires an amendment to the NMW Act and this will be introduced as soon as possible. Employers also have to pay back wages lost to the employees affected.

### **Increase of the minimum wage**

**Country:** former Yugoslav Republic of Macedonia

**Description:** In 2012 the Government and social partners agreed to establish a nation-wide minimum wage, through a Law on minimum wage. The Law prescribed that the minimum wage is set at 39.6% of the gross average wage in the economy. There were however certain (low-wage) sectors of the economy for which there was a three-year gradual introduction of the minimum wage. After two years of implementation, social partners and the government have agreed on increasing the minimum wage (apart from the adjustment), over a two-year period, from March 2014, to achieve a level of MKD 10 080 (EUR 163) in March 2016. This is an increase of 25 %.

**Institution Responsible:** Ministry of Labour and Social Policy and the Economic-Social Council

**Main Objectives:** To improve the living standard of low-wage workers

**Target Groups:** Low-income earners

**Duration of measure:** Permanent

**What is the legal reference?** Law for Amendments to the Law for Minimum Wage, Official Gazette No. 30

**Date of adoption:** 10 February 2014

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** March 2014

**Have any steps been taken to monitor the implementation of the measure:** Yes

**If monitoring arrangements are in place What are they:** The State Labour Inspectorate is in charge of controlling the implementation of the Law

**Which policy recommendations or commitments does the measure respond to?** None

### **Measure Updates total: 2**

Description of Measure	Description of March 2014 Update
<p><b>Country:</b> Germany</p> <p><b>Measure Title:</b> Nationwide minimum wage</p> <p><b>Description:</b> Introduce a nationwide minimum wage</p>	<p><b>Title:</b> Grand coalition agreement on minimum wage</p> <p><b>What has changed:</b> A key component of the coalition agreement between the CDU/CSU and SPD signed on 27 November 2013 is the adoption of a</p>



Description of Measure	Description of March 2014 Update
<b>Measure Time Period:</b> Oct 2012	national minimum wage for Germany. The hourly minimum wage of EUR 8.50 should become statutory across the country starting in 2015 and becoming fully effective in 2017.
<b>Country:</b> Hungary <b>Measure Title:</b> Raising the minimum wage <b>Description:</b> Set the minimum wage and the guaranteed wage minimum. The minimum wage was increased by 5.4 %, well above the projected 3.5 % inflation in 2013. <b>Measure Time Period:</b> Jan 2013	<b>Title:</b> Raising the minimum wage further <b>What has changed:</b> As of the beginning of 2014, the base minimum wage was increased by 3 %. All types of minimum wage were raised.

## 11.2 Other (2 new measures)

### Minimum wage for hairdressers

**Country:** Germany

**Description:** Introduction of a minimum wage for hairdressers at a rate of EUR 7.50 in West Germany and EUR 6.50 in East Germany; this will become a nationwide minimum wage (for hairdressers) at EUR 8.50 from 2015.

**Institution Responsible:** A collective agreement has been made binding by the Federal Ministry of Labour.

**Country Specific Recommendation:** CSR 2, i) Sustain conditions that enable wage growth to support domestic demand. To this purpose, reduce high taxes and social security contributions, especially for low-wage earners

**Main Objectives:** Increase wages for hairdressers, as they are in the low wage sector

**Target Groups:** Low-income earners

**Duration of measure:** Permanent

**If temporary, how long will it run for?** See above

**Has the measure been enacted into law?** No

**What is the legal reference?** Announcement by the Federal Ministry of Labour BAnz AT 13.12.2013 B1 on the grounds of § 5 collective bargaining agreement.

**Date of adoption:** 9 December 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 November 2013

**If not law, what type of measure is it?** Announcement

**Enacted/not enacted into law - State of play?** Announced and in force (see above)

**Have any steps been taken to monitor the implementation of the measure?** No

**Funding Sources:** Social Partner/Private sector

**Is there a specific budget allocated to the measure?** No

**Which policy recommendations or commitments does the measure respond to?** CSR

**Recommendation details:** Wages should grow to foster domestic demand

### Wage cuts in public administration (2014)

**Country:** Portugal

**Description:** Reduction of remunerations of workers in public services from 2.5 % for those earning EUR 675 per month up to 12 % for those earning more than EUR 2 000 per month.

**Institution Responsible:** Ministry of Finance

**Main Objectives:** Cutting costs in public administration

**Duration of measure:** Temporary

**If temporary, how long will it run for?** Year 2014

**Has the measure been enacted into law?** Yes

**What is the legal reference?** State Budget 2014, Decree No. 191/XII (published 31 December 2013)

**Date of adoption:** 26 November 2013

**Is the measure being enforced?** Yes

**Start date for implementation of the measure:** 1 January 2014

**Which policy recommendations or commitments does the measure respond to?** MoU

**Recommendation details:** The strategy for reducing public spending established in the MoU has a strong focus on cutting wage costs.

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**Measure Updates total: 0**

# ANNEXES

## Annex 1 Summary table of new measures

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 1: Employment protection legislation</b>	Labour Market Reform measures	None	None
	Measures introducing Local Government Reform (as far as it impacts on employment policy)	None	None
	Other	None	None
	Flexicurity/Changes in Employment protection legislation measures	Obligation to state reasons for redundancy	Belgium
		Reinforcement of social status of artists	Belgium
		Fostering part-time employment	Spain
		Social security contributions on contract orders - project of an Act	Poland
	Measures addressing labour market segmentation for specific groups	Changes in employment of immigrants	Poland
		Government proposal that regulates 'temporary work contracts' (private employment agencies).	Turkey
		Increasing women's employment and regulating women's legal rights during pregnancy and birth	Turkey
<b>PA 2, Active Labour Market Policies</b>	Public Investment Programmes and Regional	None	None

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>- job creation</b>	Investment Incentives measures		
	Measure Encouraging Female Entrepreneurship	None	None
	Other	Action Plan for Jobs 2014	Ireland
	Measures Encouraging Entrepreneurship	Youth Entrepreneurship with a Focus on Innovation	Greece
		Employment subsidies for the extension of the tourist period	Greece
		Subsidies to enterprises participating in the 'voucher' scheme	Greece
		Incentives for recruiting open-ended workers	Spain
		Employment subsidies for large retail firms	Cyprus
		Employment subsidy for retail trade small businesses	Cyprus
		Training for transition from unemployment to employment in the hospitality industry	Cyprus
	Simplifying the Business Environment	Consolidation plan	Lithuania
		Improvement of the business environment	Lithuania
	Micro-credit schemes	Microguarantee	Malta
	Employer subsidies for job creation	Employment Aid Programme for Gozo	Malta
		Simplified accounting rules for micro enterprises	Slovakia

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 2, Active Labour Market Policies - public employment services</b>		Stimulating employment of beneficiaries of social financial assistance	former Yugoslav Republic of Macedonia
		Subsidised employment of young graduated workers-first chance	former Yugoslav Republic of Macedonia
		Subsidised employment of young workers (up to 29 years of age)	former Yugoslav Republic of Macedonia
		National Employment Action Plan	Serbia
	Measures supporting vulnerable workers including women, older workers, immigrants & those with a reduced ability to work	None	None
	Measures Protecting Benefit Rights and Favouring the Employment of the unemployed	None	None
	Measures mitigating the effects of redundancy	None	None
	Improving ALMP programmes measures	None	None
	Other	None	None
	Measures for Improving Services for the Unemployed	Employment Programme 2014-2015	Estonia
	Measures enhancing employability	Gateway programme	Ireland
		Green Paper Against Poverty and Social Exclusion	Malta



<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 2, Active Labour Market Policies - youth guarantee</b>	PES Reform measures	LEAP Project Against Poverty	Malta
		Enhancing job offers in PES	Finland
		New legislation on Labour Market Service Centres	Finland
		Mobile application for vacancies, internships and volunteering offers	former Yugoslav Republic of Macedonia
	Other	None	None
		Youth Guarantee National Implementation Plan	Spain
		Memorandum on the Youth Guarantee	Lithuania
		Youth workers	Lithuania
		Youth Guarantee Implementation Plan	Lithuania
		Submitting the Youth Guarantee Implementation Plan to the European Commission	Hungary
		National Implementation Plan of a Youth Guarantee (Plano Nacional de Implementação de Uma Garantia para a Juventude)	Portugal
		Professional stage (traineeship) adopted by the Romanian Parliament and promulgated as of December 2013	Romania

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
		Youth Guarantee Implementation Plan	Slovakia
	Reducing Youth Unemployment	Improving opportunities for young people	United Kingdom
<b>PA 2: ALMPs – Other</b>		Migration Policy Guidelines	Lithuania
		Inter-governmental platform for better regulation	Luxembourg
<b>PA 3: Social security systems</b>	Health insurance system reforms	None	None
	Other	Adjustment to the fiscal employment bonus	Belgium
		Pension reform package	Germany
		Parental benefit formula corrected to make employment more beneficial	Estonia
		Subsistence benefit level increased	Estonia
		Upper ceiling and the bottom level of unemployment insurance benefit and the rate of unemployment assistance benefit increased	Estonia
		Unemployment insurance benefits reform	France
		Indexation of pensions and other social payments	Latvia
		Fund for European Aid to the Most Deprived Persons (FEAD)	Latvia
		Second pillar pension reduction	Netherlands
		Participation Act	Netherlands

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 4: Work-life balance and gender equality</b>		Assumptions of the amendment of the child support Act	Poland
	Pension Reforms	Increase of normal retirement age to 66 years	Portugal
	Unemployment Benefit Reforms	Safe zones for wage earnings for unemployed	Finland
		Change in Activation Limit for Labour Market Support for Municipalities	Finland
		Minimum earnings threshold for EEA migrants	United Kingdom
		Benefit provisions for workers from bankrupt state enterprises	former Yugoslav Republic of Macedonia
	Increasing child/family care provision	None	None
	Measures Reducing the Gender Pay Gap	None	None
	Measures Targeting Other Vulnerable Groups in specific gender categories	None	None
	Other	None	None
	Enhancing job flexibility	Increase the age limit of children whose parental care entitles workers to take working time reductions	Spain
	Changes to parental leave arrangements and/or benefits	Employment and family-friendly reforms to childcare allowance and fee	Hungary
		Leave entitlement for parents with sick children	Malta

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 5: Education and training systems</b>	Measures Reducing Gender Discrimination	V National Plan for Equality, Gender, Citizenship and Non-Discrimination 2014-2017 (V Plano Nacional para a Igualdade)	Portugal
		Vklju?i.Vse (Include All)	Slovenia
	National Qualification Frameworks	None	None
		Work-based vocational training open to unemployed job-seekers (only Wallonia)	Belgium
	Measures Improving skills supply and promoting adult learning (continuous training programmes, training vouchers and individual training accounts)	From Training to Employment	Bulgaria
	Measures Improving skills supply and promoting adult learning (continuous training programmes, training vouchers and individual training accounts)	Project 'Compass'	Bulgaria
		Vocational training and motivation to achieve employability (Pro-Mo-Pri)	Bulgaria
		Reform of the vocational training system	Denmark
	Improvement of Primary and Secondary Education Systems	Minimum wage for general education teachers increased	Estonia

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
		New Lifelong Learning Strategy 2020 approved	Estonia
		New research, development and innovation (RDI) strategy 'Knowledge-based Estonia 2014-2020'	Estonia
		Scholarships for students introduced	Estonia
		Youth field development plan for 2014-2020	Estonia
	Improving Vocational Education and Training Systems	Dual VET system: incentives for carrying out training at firm level	Spain
		Law on training system	France
		Law 128/2013 on 'Urgent measures on matters of education, university and research'	Italy
		Training programme for temporarily unemployed hospitality industry employees	Cyprus
		Erasmus+ international project	Latvia
		'Partners 4 Value' Initiative	Lithuania
	Improving Tertiary and Higher Education	Modification of the framework of government grants for students	Luxembourg
	Measures facilitating school to work transitions (traineeships, apprenticeships and work experience schemes)	'Degree-saver' programme	Hungary
	Other	Consultation document on reforms to Education Act	Malta

<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
<b>PA 6: Labour Taxation</b>		Educational Strategy for Malta (2014-2024)	Malta
		List of fields of study in demand and surplus	Slovakia
		Introduction of a range of 'Tech Level' qualifications	United Kingdom
	Measures for Reducing Undeclared Work	None	None
	Other	None	
		Reduction of tax for overtime hours worked	Belgium
		Reinforcement of income tax exemption for continuous work	Belgium
		Increase of pension tax allowance	Estonia
		Increase of Social Security contributions on wages and salaries in kind	Spain
		Responsibility Pact	France
		Law 147/2013 (2014 Budget Law)	Italy
		Increase in tax rate for micro companies	Latvia
	Taxation changes	Tax rebate for hiring young workers	Netherlands
<b>PA 7: Wage setting institutions and dynamics</b>	Other	Minimum wage for hairdressers	Germany
		Interministerial Decree 14 February 2014	Italy



<i>Policy area</i>	<i>Sub-policy area</i>	<i>Title of new measure</i>	<i>Country of measure</i>
		Wage cuts in public administration (2014)	Portugal
		Tougher measures to tackle employer abuse of the National Minimum Wage	United Kingdom
	Changes to the wage setting mechanisms	Increase of the minimum wage	former Yugoslav Republic of Macedonia