

# Public expenditure on Labour Market Policies in 1999 varied greatly among Member States

Statistics  
in focus

POPULATION AND  
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Public expenditure on labour market policies in 1999 varied greatly among those countries which provided full data. Six countries spent more than 3% of GDP (Belgium, Denmark, Germany, the Netherlands, Finland and Sweden), whereas two countries spent less than 1% (Greece and the United Kingdom). However, these aggregated data conceal interesting differences.

#### 1. The Labour Market Policy data collection

For the second time detailed data on labour market policies, including descriptions of policy measures, public expenditure and participant stocks and flows, are published by Eurostat. Data referring to 1998 were released in June<sup>1</sup> 2001, and 1999 data will be issued this month. LMP data will be available annually.

The LMP data collection is based on a comprehensive methodology that has been developed over the past years by Eurostat, in close co-operation with DG Employment and Social Affairs, all EU Member States and Norway, as well as the OECD. The LMP - data collection was developed as an instrument for the follow-up of the targeted employment policies developed and implemented by EU countries as a result of the agreement they reached in November 1997 to launch the European Employment Strategy (Employment Summit in Luxembourg), to provide more jobs and combat and reduce unemployment. The EU Labour Market Policy data collection presents two main advances as compared to previously existing sources of information: (i) For the first time a detailed and comparable description of each labour market policy measure is collected, stored and published, and (ii) for the first time detailed information on participant stocks and flows are collected and published at European level.

The methodology organises labour market policy measures into nine categories describing the *type of action* and most of these in turn have one or more sub-categories. Categories 1-7 of the LMP classification cover those types of measures usually referred to as *active* interventions, including training, job rotation and job sharing, employment incentives, integration of the disabled, direct job creation and start-up incentives<sup>2</sup>. Categories 8 and 9 are usually referred to as *passive* measures, and refer mostly to the provision of unemployment and early retirement benefits. *Public expenditure* is distinguished first by direct recipient (individuals, employers or service providers) and then by the way in which the expenditure is disbursed (e.g. cash payments or foregone revenues) *Participants* are measured



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<sup>1</sup> Eurostat, *European Social Statistics (Theme 3) "Labour Market Policy - Expenditure and Participants Data 1998"*

<sup>2</sup> Note that data on category 1 "Intensive counselling and job-search assistance" are not included here because the data are too incomplete. Similarly, data on sub-category 2.4 "Special support to apprenticeship" are presented separately, since data are not fully comparable.

through three different variables: stocks, entrants and exits.

A major effort has been made to ensure comparability in the scope, homogeneous classification and full coverage of measures by category, and coherence with other sources of data on labour market actions. Nevertheless, Eurostat and all partners are aware of areas where further research is needed to improve the data further. This is particularly important in relation to the geographical coverage as well as to the direct intervention of the Public Employment Services. Data currently available refer to measures implemented

through the authority of the central government only. This is likely to underestimate public expenditure in LMP in countries where the activities of regions are known to be significant, such as Spain and Germany. Additionally, expenditure might be underestimated in the UK where the PES play an important role in implementing mainly "mixed" measures. The data, although already of interest for researchers and policy makers, should therefore be considered as a first step in a mid-term project and be treated with appropriate caution.

## 2. Public expenditure in Labour Market Policies

### 2.1 Targeted policies

Labour market policies are, by definition, targeted at the unemployed and other groups of people with particular difficulties in entering or retaining their position in the labour market. Therefore, expenditure is related to the numbers of unemployed in each country (see Table 1 below). Primary target groups of labour market measures in all countries (with the exception of Italy)

are those unemployed persons who are registered with the public employment services. Note that the numbers of registered unemployed differ from those used to calculate harmonised rates of unemployment.

However, public expenditure on LMP should not be interpreted exclusively as demonstrating the strength of the political will to combat unemployment. Other factors such as the demographical situation and the GDP per capita of each country contribute to the differences.

Table 1: Numbers of Registered Unemployed - Annual average 1999

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	NO
Registered unemployed	507.7	158.2	4,100.0		1,650.8	2,772.1	193.7	2,156.8	5.3	221.3	221.3	356.6	348.1	276.7	1,254.4	

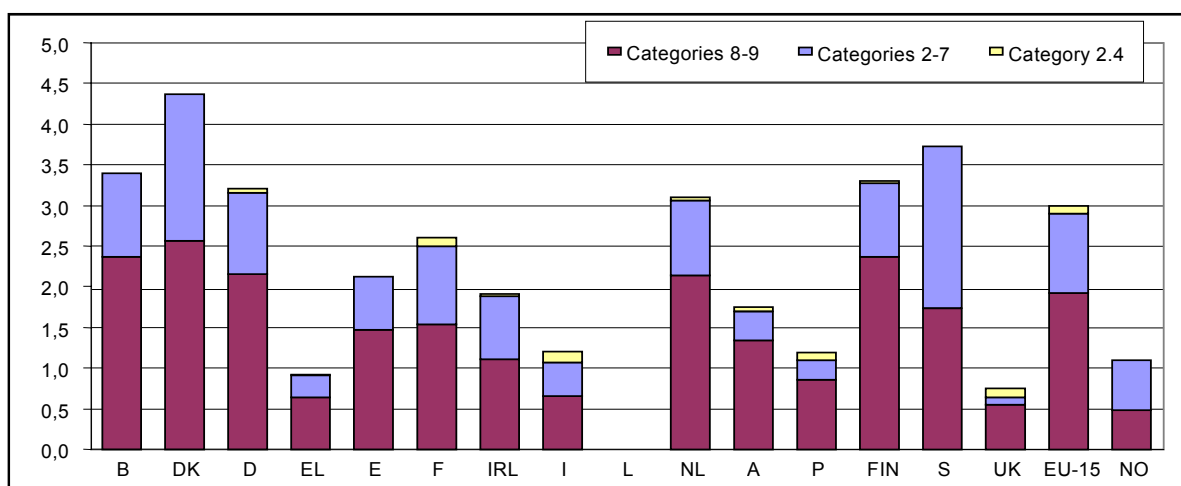
Source: Eurostat, NewCronos. Data extracted on 21 February 2002; DK, D, F, I, FIN, S, national sources

### 2.2 - Active and passive expenditure

The ratio between expenditure in active and passive categories is highest in Sweden, where expenditure on training, employment incentives, integration of the

disabled and other active measures is higher than expenditure for unemployment benefits and early retirement; this is also the case for Norway. In all other EU countries expenditure on unemployment benefits and early retirement is higher than active expenditure.

Graph 1: Public expenditure on LMP measures (categories 2-9) in relation to GDP - 1999



### 2.3 - Public expenditure in categories 2-7:

Total expenditure in categories 2-7, measured as a percentage of GDP in 1999 (see table 2), ranged from less than 0.5% in Greece, Italy, Austria, Portugal and

the UK to over 1.8% in Denmark and Sweden. The average of the Union's expenditure amounted to 0.974% of GDP, which is approximately the expenditure dedicated to active policies by Belgium, Germany, France, the Netherlands and Finland.

**Table 2: Public expenditure in labour market policies, categories 2-7 - 1999, as a percentage of GDP**

		LMP expenditure / GDP (%)																
eurostat		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
2	Training (excl. sub-category 2.4)	0.155	0.758	0.412	0.009	0.180	0.295	0.194	0.147	:	0.064	0.213	0.129	0.448	0.949	0.046	0.345	0.070
3	Job rotation and job sharing	0.100	0.001	-	-	0.004	-	-	0.002	-	0.000	0.000	-	0.063	0.064	-	0.008	0.001
4	Employment incentives	0.156	0.497	0.080	0.078	0.275	0.206	0.051	0.178	0.045	0.070	0.059	0.043	0.105	0.297	0.006	0.174	0.028
5	Integration of the disabled	0.117	0.407	0.122	0.069	0.061	0.087	0.028	0.003	0.015	0.466	0.050	0.013	0.094	0.543	0.023	0.142	0.514
6	Direct job creation	0.495	0.123	0.351	-	0.092	0.374	0.458	0.072	:	0.315	0.044	0.052	0.182	0.077	0.014	0.282	0.000
7	Start-up incentives	0.002	0.018	0.038	0.021	0.036	0.001	0.047	0.013	0.001	-	0.003	0.011	0.014	0.068	0.000	0.024	0.003
<b>Total categories 2-7</b>		<b>1.026</b>	<b>1.804</b>	<b>1.004</b>	<b>0.258</b>	<b>0.649</b>	<b>0.964</b>	<b>0.779</b>	<b>0.415</b>	:	<b>0.915</b>	<b>0.368</b>	<b>0.247</b>	<b>0.907</b>	<b>1.998</b>	<b>0.089</b>	<b>0.974</b>	<b>0.616</b>
2.4	Special support for apprenticeship	-	-	0.059	0.011	-	0.104	0.021	0.128	0.032	0.038	0.05	0.087	0.034	-	0.106	0.097	0.001

### 2.4 - Public expenditure in categories 8-9

Total expenditure in categories 8-9 ranged from less than 0.7% of GDP in Greece, Italy, Luxembourg, United Kingdom and Norway, to more than 2.3% in Belgium, Denmark, and Finland.

However, it should be noted that in the past few years the conditions for maintaining eligibility to receive

unemployment benefits have been increasingly tied to individualised job-search activities and may also involve active intervention by the public employment services. Further, expenditure in some early retirement programmes is conditional upon the replacement of the retiree with an unemployed person. Therefore, expenditure on categories 8-9 should not be considered entirely "passive".

**Table 3: Public expenditure in labour market policies, categories 8-9 - 1999, as percentage of GDP**

		LMP expenditure / GDP (%)																
eurostat		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
8	Out-of-work income maintenance and support	1.846	1.721	2.146	0.648	1.452	1.306	1.022	0.531	0.224	2.143	1.276	0.676	1.895	1.645	0.555	1.788	0.475
9	Early retirement	0.525	0.846	0.006	-	0.025	0.228	0.086	0.126	0.287	-	0.059	0.174	0.467	0.094	-	0.142	-
<b>Total categories 8-9</b>		<b>2.371</b>	<b>2.566</b>	<b>2.152</b>	<b>0.648</b>	<b>1.477</b>	<b>1.534</b>	<b>1.107</b>	<b>0.656</b>	<b>0.511</b>	<b>2.143</b>	<b>1.336</b>	<b>0.850</b>	<b>2.362</b>	<b>1.738</b>	<b>0.555</b>	<b>1.930</b>	<b>0.475</b>

## 3. Distribution of LMP expenditure among types of action

### 3.1 - Share of expenditure for active categories (categories 2-7)

The category of **training** accounts for 35% of expenditure on active measures. Table 4 shows that training is the most significant area (in terms of expenditure) in eight countries (Denmark, Germany, Greece, Austria, Portugal, Finland, Sweden and United Kingdom), with expenditure shares ranging from 35% in Greece to 58% in Austria. Training is also the second most important area of expenditure in Spain, France, Ireland, Italy and Norway.

**Direct job creation** is the second most significant category in terms of expenditure (29% overall) but there is considerable variation between countries. As a share of total expenditure, it is the most important category in Belgium (48%), France (39%) and particularly in Ireland

(59%). It is the second most important area in Germany (35%), the Netherlands (34%), Portugal (21%) and Finland (20%). On the other hand, direct job creation accounts for only 7% of active expenditure in Denmark and 4% in Sweden and is not used in Greece and Norway.

Expenditure on **Employment Incentives** represents 18% of total expenditure in categories 2-7 at EU level. In both Spain and Italy, it is the largest category and accounts for more than 42% of expenditure. In Belgium (15%), Denmark (28%), Greece (30%) and Austria (16%), it is the second largest category. However, in Germany, Ireland, the Netherlands, United Kingdom and Norway, it represents less than 8% of expenditure.

**Integration of the Disabled** is one of the categories where the 15% EU average, hides large disparities. It is the main type of action in the Netherlands (51%), and

the second most important in Sweden and the United Kingdom (over 26%), and it represents 27% of expenditure in Greece. It is also important in Denmark, accounting for 23% of active expenditure, whereas elsewhere the effort ranges from less than 1% in Italy to 14% in Austria. The integration of the disabled is by far the main area of effort in Norway, where it represents 83% of total expenditure on active labour market policies. Apart from the targeted LMP measures included in this database, most countries implement ordinary employment measures which also benefit disabled persons.

**Start-up Incentives**, which aim to promote entrepreneurship by encouraging unemployed and other target groups to start their own business or to become self-employed, are utilised by all countries except the

Netherlands. The category accounts for around 2.4% of expenditure overall and is highest in Greece (8%), Ireland (6%), Spain (6%) and Portugal (4%).

**Expenditure in Job Rotation and job sharing** measures, where unemployed people replace fully or partially employees on leave or reducing hours, covers a category of measures that is currently not used in all countries. The category represents 10% in Belgium, 7% in Finland and 3% in Sweden. For other countries, it is either not used (Germany, Greece, France, Ireland, Luxembourg, Portugal and the United Kingdom), or accounts for less than 1% of active expenditure (Denmark, Spain, Italy, The Netherlands, Austria and Norway).

**Table 4: Share of expenditure by type of action (categories 2-7) - 1999**

		% total expenditure (categories 2-7)																
eurostat		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
2	Training (excl. sub-category 2.4)	15.1	42.0	41.1	35.1	27.7	30.6	25.0	35.5	:	7.0	57.8	52.1	49.4	47.5	51.6	<b>35.4</b>	11.3
3	Job rotation and job sharing	9.8	0.0	-	-	0.6	-	-	0.4	-	0.0	0.0	-	6.9	3.2	-	<b>0.8</b>	0.2
4	Employment incentives	15.2	27.5	7.9	30.2	42.4	21.3	6.6	42.9	:	7.6	15.9	17.4	11.6	14.9	6.2	<b>17.9</b>	4.6
5	Integration of the disabled	11.4	22.6	12.2	26.7	9.5	9.0	3.6	0.7	:	51.0	13.6	5.1	10.4	27.2	26.4	<b>14.6</b>	83.4
6	Direct job creation	48.3	6.8	35.0	-	14.2	38.9	58.8	17.3	:	34.4	12.0	20.9	20.1	3.8	15.3	<b>28.9</b>	0.0
7	Start-up incentives	0.2	1.0	3.8	8.0	5.6	0.1	6.0	3.2	:	-	0.7	4.4	1.6	3.4	0.5	<b>2.4</b>	0.5
<b>Total categories 2-7</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	:	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### 3.2 - Share of expenditure for passive categories (categories 8-9)

For the passive measures, expenditure on **Out-of-work income maintenance and support** accounts for more than 75% of expenditure for all countries except Denmark and Luxembourg.

The share of expenditure on **Early Retirement** varies greatly. It represents 5% or less in Sweden, Austria, Germany and Spain, but it rises up to 33% in Denmark and 56% in Luxembourg. In Belgium, France, Italy, Portugal and Finland it represents between 15% and 24%. These type of measures are not used in Greece, the Netherlands, the United Kingdom and Norway.

**Table 5: Share of expenditure by type of action (categories 8-9) - 1999**

		% total expenditure (categories 8-9)																
eurostat		B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
8	Out-of-work income maintenance and support	77.9	67.1	99.7	100.0	98.3	85.1	92.2	80.9	43.9	100.0	95.6	79.5	80.2	94.6	100.0	92.7	100.0
9	Early retirement	22.1	32.9	0.3	-	1.7	14.9	7.8	19.1	56.1	-	4.4	20.5	19.8	5.4	-	7.3	-
<b>Total categories 8-9</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 4. Main direct recipients of LMP expenditure


### 4.1 - Expenditure by direct recipient (categories 2-7)

The type of expenditure refers to the ways in which public funds are issued in order to benefit target groups. The classification used is based firstly upon who is the direct recipient of the public money, secondly on the type of expenditure involved (cash payment or

reductions in social contributions or in taxes) and finally on the way it is disbursed (periodic or lump-sum payment). The direct recipient of public expenditure may be the individual beneficiaries, their employers, or service providers that offer counselling, training or other kind of services included in the scope of this data collection (see table 6).

**Table 6: Share of expenditure by direct recipient – Categories 2-7 – 1999**

% total expenditure (categories 2-7)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
<b>18.1 Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	:	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>18.2 Transfers to individuals</b>	<b>38.1</b>	<b>66.8</b>	<b>30.3</b>	<b>24.5</b>	<b>4.6</b>	<b>18.8</b>	<b>95.9</b>	<b>21.3</b>	:	<b>51.0</b>	<b>31.6</b>	<b>13.8</b>	<b>42.2</b>	<b>48.8</b>	<b>10.3</b>	<b>30.7</b>	<b>66.0</b>
18.2.1 Periodic cash payments	37.9	66.8	30.2	23.7	0.4	18.1	95.9	18.1	:	51.0	23.2	8.4	42.2	47.6	9.3	29.8	65.8
18.2.2 Lump-sum cash payments	0.2	-	0.1	0.8	4.0	0.5	-	1.6	:	-	-	5.5	-	0.4	1.0	0.6	0.2
18.2.3 Reimbursements	0.0	-	0.0	-	0.2	0.1	-	1.1	:	-	0.1	-	0.1	0.8	-	0.2	-
18.2.4 Reductions in social contributions	-	-	-	-	-	-	-	0.5	:	-	8.3	-	-	-	-	0.1	-
18.2.5 Reductions in taxes	-	-	-	-	-	-	-	-	:	-	-	-	-	-	-	-	-
<b>18.3 Transfers to employers</b>	<b>45.4</b>	<b>23.8</b>	<b>8.6</b>	<b>24.4</b>	<b>67.7</b>	<b>67.2</b>	<b>0.3</b>	<b>66.4</b>	:	<b>47.9</b>	<b>36.3</b>	<b>19.6</b>	<b>34.0</b>	<b>30.7</b>	<b>30.0</b>	<b>37.4</b>	<b>24.9</b>
18.3.1 Periodic cash payments	35.6	23.8	8.5	24.4	13.2	44.8	0.3	0.8	:	42.1	23.8	3.6	34.0	30.1	30.0	22.8	23.6
18.3.2 Lump-sum cash payments	-	-	0.0	-	3.3	1.6	-	5.5	:	-	4.1	15.5	-	-	-	1.1	1.4
18.3.3 Reimbursements	-	-	0.0	-	-	-	-	-	:	-	6.8	0.0	-	0.5	-	0.1	-
18.3.4 Reductions in social contributions	9.8	-	-	-	50.3	20.5	-	59.2	:	2.9	1.6	0.4	-	-	-	12.9	-
18.3.5 Reductions in taxes	-	-	-	-	1.0	0.4	-	0.8	:	2.9	-	0.0	-	0.0	-	0.4	-
<b>18.4 Transfers to service providers</b>	<b>16.5</b>	<b>9.4</b>	<b>61.2</b>	<b>6.2</b>	<b>27.6</b>	<b>14.0</b>	-	<b>12.3</b>	:	<b>1.1</b>	<b>23.2</b>	<b>2.1</b>	<b>22.9</b>	<b>20.5</b>	<b>12.9</b>	<b>30.3</b>	<b>7.3</b>
Not specified	-	-	-	44.9	-	-	3.8	-	:	-	8.9	64.5	0.9	0.0	46.8	1.7	1.7

On average across the EU, the three types of direct recipients are quite evenly distributed. However there are certain preferences: In five of the 13 countries providing detailed information<sup>3</sup>, transfers to employers constitute the main type of expenditure – more than two thirds in France, Italy and Spain, 45% in Belgium and the Netherlands. It should be observed that reductions in social contributions is the main form adopted by this expenditure in Spain and Italy, and it represents 20% of it in France. On the other hand, transfers to employers represent only 9% of expenditure in Germany and less than 1% in Ireland.

**Direct transfers to individuals** are most important in Ireland, with 96% of expenditure, and in Denmark with 67%. They represent between 30% and 50% in five countries (Belgium, Germany, Austria, Finland and Sweden), about 20% Italy and France, but only 5% in Spain.

**Transfers to service providers** are most important in Germany, where they represent 61% of payments, and in Spain, with nearly 30%. In six countries, Belgium, France, Italy, Austria, Finland and Sweden, these type of payments account for 12% to 23% of expenditure. In Ireland they are not used.

#### 4.2 - Expenditure by direct recipient (categories 8-9)

Direct recipients of expenditure for categories 8 and 9 are the individual beneficiaries. This holds true for all countries in the Union. Only a very small amount of expenditure, between 0.2% and 2.6%, is disbursed through transfers or reductions to employers in Germany, France, Luxembourg and Austria, (see table 7)

## 5. Participants in Labour Market Policies

Harmonised and detailed data on participants in labour market measures was collected for the first time in the 1998 LMP data collection. At present, 1999 data are complete only for seven EU countries: Belgium, Denmark, Germany, Greece, Ireland, Finland, Sweden (plus Norway).


Three variables are requested in order to evaluate the numbers of participants in labour market measures:

stock, entrants and exits. Details on these variables by measure are included in the publication. However, the present "Statistics in Focus" comments only some data on stocks.

**Stock** refers to *the number of participants in a measure at a given moment*. The methodology specifies that an annual average stock should be calculated on the basis of monthly or weekly observations.

**Table 7: Share of participants (stocks) by type of action, categories 2-7 - 1999**

% total stock in categories 2-7

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
2 Training (excl. sub-category 2.4)	16.3	33.7	40.8	55.0	:	:	21.6	:	:	:	:	:	47.9	59.8	:	:	15.3
3 Job rotation and job sharing	22.8	0.1	-	-	:	:	-	:	:	:	:	:	9.8	3.4	:	:	0.3
4 Employment incentives	26.3	25.9	10.2	31.2	:	:	32.9	:	:	:	:	:	12.9	13.7	:	:	7.0
5 Integration of the disabled	6.3	34.0	11.8	5.2	:	:	4.5	:	:	:	:	:	8.7	18.4	:	:	76.8
6 Direct job creation	28.2	4.0	33.8	-	:	:	35.4	:	:	:	:	:	18.6	2.4	:	:	0.0
7 Start-up incentives	0.1	2.3	3.4	8.5	:	:	5.6	:	:	:	:	:	2.0	2.4	:	:	0.7
<b>Total categories 2-7</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	:	:	<b>100.0</b>	:	:	:	:	:	<b>100.0</b>	<b>100.0</b>	:	:	<b>100.0</b>

<sup>3</sup> in Greece, Portugal and United Kingdom, the amount of "not specified" expenditure is too high.

## 5.1 - Share of participants by category (categories 2-7)

The share of participants in **training** measures is highest in Sweden (among those countries which provided complete data), with 60% of their participants in labour market training measures.

It is also the most important category in terms of participants, in Germany, Greece and Finland, with a share between 41% and 55%.

On the other hand, in Belgium, Ireland and Norway, only between 15% and 22% of participants in labour market policies are in training.

**Direct job creation** measures represent the most important type of labour market action, in terms of participants, in Ireland, with 35% of their participants, and in Belgium with 28%.

It is the second most important category in terms of participants in Germany with 34% and in Finland with 19%, whereas it is less important in Denmark (4%), Sweden (2%) and Norway (below 1%).

**Employment incentives**, represent the second most important type of labour market action in Belgium with 26% of participants, in Greece, with 31% and in Ireland with 33% of participants, and it is the third type of action in Denmark (26%). Elsewhere, the share of participants is under 14%.

The share of participants in measures aimed at the **Integration of disabled** among the EU countries is highest in Denmark, with 34% and Sweden with 18%. In Denmark it is the first and in Sweden the second most important category in terms of participants. Elsewhere, the share of participants is under 12%. For Norway the integration of the disabled is the most important activity both in terms of participants, with 77% of all participants, as well as for expenditure (see table 4).

The share of participants in **Job rotation measures** is highest in Belgium with 23%, followed by Finland with 10% of all participants. On the other hand, in Sweden and Denmark, it involves 3% or less of participants. In Germany, Greece and Ireland this type of action is not

used.

**Start-up incentives** involve 8% of participants in labour market measures in Greece, 7% in Ireland, and less than 4% in Denmark, Germany, Finland, Sweden and Belgium.

## 5.2 - Share of participants by category (categories 8-9)

The structure of participants in these two categories corresponds to the "expected" situation, showing that "participants" in labour market passive measures, are mostly unemployed receiving unemployment benefits, and only a small proportion of them go into early retirement. This is the case in all countries with the exception of Denmark, where the share of participants going into early retirement for labour market reasons, 35%, is very important. Early retirement measures are also important in terms of participants in Belgium with 18% of participants. The share for other countries where data are complete ranges from less than 1% in Germany to 13% in Finland.

It is not straightforward to establish the link between expenditure on labour market policy measures and numbers of participants. Firstly, the types of measure implemented include a number of measures which have no direct link to a definable number of participants. This is the case for some measures contained in category 5, Integration of the disabled, where expenditure might refer to adapting workplaces to facilitate access to disabled persons by including special furniture or other facilities. Similarly, Job rotation measures do not always involve a clear one-to-one replacement relation, since one single full-time worker might be replaced by two part-time jobs or one part-time job only.

## 5.3 - Risk of double counting participants

Participants in category 8 should never be added to those in categories 2-7 since some of the participants in the "active" measures may be allowed to keep their unemployment benefits reported in category 8.

Table 8: Share of participants (stocks) by type of action (categories 8-9) - 1999

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15	NO
8 Out-of-work income maintenance and support	82.0	65.0	99.5	100.0	:	91.5	93.8	:	:	100.0	93.4	:	87.0	97.8	100.0	:	100.0
9 Early retirement	18.0	35.0	0.5	-	:	8.5	6.2	:	:	-	6.6	:	13.0	2.2	-	:	-
<b>Total categories 8-9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>:</b>	<b>100.0</b>	<b>100.0</b>	<b>:</b>	<b>:</b>	<b>100.0</b>	<b>100.0</b>	<b>:</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>:</b>	<b>100.0</b>

## ➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

### I - IMPORTANT REMARKS

#### 1. EU totals

EU totals are completed only when data are available for all 15 EU countries or when Luxembourg is the only country with incomplete data. Improving the completion of EU totals is a priority for the ongoing work.

#### 2. Coverage

Data in this publication refer on the whole to measures implemented through the authority of central government only. The activities of autonomous regions, which are not included here, are known to be significant in countries such as Spain and Germany. It is planned that such activities will be studied in future.

#### 3. Treatment of mixed measures

Where a measure is mixed (involves more than one type of action) the detailed tables include an entry for the measure in each of the appropriate categories. For each entry the measure name is prefixed by "[Component]" to indicate that it is a part of a mixed measure and that other components may be found elsewhere in the table. As far as possible, expenditure and participants have been attributed to the different components of the measure according to actual observations. Where the breakdown is not known then total values for the measure are usually allocated to the most important component. Footnotes explain the treatment of such cases.

#### 4. Categories 0 and 1

Category 0 (General PES) does not relate to LMP "measures" in the sense defined here, but to general services for jobseekers provided by the public employment services. Information provided for this category is to be treated as general background information and considered separately from that relating to actual measures which fall into categories 1-9.

Category 1 is defined in section II below. In most cases the measures included under this category are implemented by staff of the public employment services and there are not specific procedures for monitoring the allocation of staff time between different activities. Moreover, although the activities considered to be category 1 actions should be specifically targeted (in order to be considered in this category), in reality there may be an overlap with counselling offered to all jobseekers as a general service and it is not straightforward to make clear distinctions.

Further research is therefore needed before the data can be considered comparable with other categories or between countries. Moreover, because of the known difficulties, some countries have not reported fully on one or both of these categories and empty sections in the detailed tables should not be taken as meaning that such actions do not exist.

Category 1 has therefore not been included in any aggregates of LMP activities. Category 0, as stated above, does not refer to LMP measures and should not be aggregated with other categories.

#### 5. Category 2.4 - Special support for apprenticeship

Apprenticeship is normally considered to be part of the "general education and vocational training offer" addressed to all young people and not only to unemployed or groups at risk, and it is therefore outside the scope of the database. Only schemes that support or elaborate upon the basic apprenticeship system specifically for the benefit of disadvantaged groups can be included and the description of any such measure must provide an adequate justification for consideration as LMP.

The information currently available in the database could give a biased picture of the efforts (in terms of public expenditure) dedicated to improving apprenticeship systems across the European Union. The main reason being that some Member States consider such investments as pertaining to the improvement of the regular offer of vocational training open to all youth, and therefore not included in the LMP-database, whereas other Member States

consider this effort to be specifically labour market oriented. Further, among those Member States who consider this effort as labour market oriented, some have restricted the numbers of participants reported to those who were previously "registered unemployed" or young people with special difficulties, whereas in other cases all apprentices have been counted.

Considering the important amount of expenditure and participants involved, this publication presents data on support to apprenticeship separately from all other training measures in category 2 and excluded from the total. Furthermore, Eurostat considers that this issue justifies a more complete study in order to provide a full picture of expenditure invested in apprenticeship systems in all Member States (including public and private financial efforts), as well as on the numbers of participants involved.

#### 6. Coherence with other data sources

The LMP data collection has been established in consultation with those responsible for the ESSPROS database and for the OECD database on labour market policies. There are known differences in the methodologies of the different collections. Nevertheless, coherence of data is expected in some places and analysis of any observed differences is part of the ongoing validation process for each data collection.

#### 7. Double-counting of participant stocks

In the process of aggregating stock figures, within or across categories, there is a chance of double counting in some circumstances.

The following aggregations should not be made for methodological reasons:

- Participants in category 8 should never be added to those in categories 2-7 since some of the participants in the "active" measures may be allowed to keep their unemployment benefits reported in category 8.
- Participants in category 0 should never be added with any other category (see note above).

Double counting may occur legitimately when a person participates in more than one measure at the same time or is counted in two components of a mixed measure - for example when training allowances are paid independently from the provision of training services.

All known cases of double counting are taken into account by a negative adjustment figure when figures are aggregated to produce category totals in the detailed tables by measure. All figures included in the summary tables, are already adjusted to eliminate double counting.

#### 8. Country specific remarks

##### *Germany*

Data for Germany refer only to measures implemented through the authority of the federal government and do not include the activities of the Länder.

##### *Spain*

Data for Spain refer only to measures implemented through the authority of central government and do not include the activities of the autonomous regions or those developed by local governments from their own budget.

##### *United Kingdom*

Data for the United Kingdom do not include Northern Ireland unless otherwise specified and refer to the financial year April 1999 to March 2000.



# Further information:

## ➤ Reference publications

Title European Social Statistics - Labour Market Policy  
Expenditure and participants - Data 1998  
Catalogue No KS-36-01-920-EN-C Price EUR 17.50

## ➤ Databases

New Cronos: Theme 3, Domain: LMP

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