



# Labour market policy statistics

## Methodology 2018

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Unit EMPL. A4 - Thematic analysis

Petrica.BADEA@ec.europa.eu

*European Commission  
B-1049 Brussels*

# **Labour market policy statistics**

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## Introduction

Labour market policy (LMP) statistics are one of the data sources for monitoring the EU Employment Guidelines through the Europe 2020 Joint Assessment Framework (JAF). The JAF is an indicator-based assessment system developed and used by the European Commission, the Employment Committee and the Social Protection Committee. A series of indicators to measure the current situation and trends through time are organised by policy area. Indicators related to LMP fall within policy area 3: Active labour market policies and policy area 4: Adequate and employment oriented social security systems.

LMP statistics cover labour market interventions which are public interventions in the labour market aimed at reaching its efficient functioning and correcting disequilibria. LMP interventions are distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market. Three main target groups are recognised: unemployed, employed at risk and inactive. The primary target groups in most countries are those people who are registered as unemployed by Public Employment Services (PES) or who are currently employed but at risk of involuntary job loss due to difficult economic circumstances for their employer. However, policy objectives at European and national levels are focused not only on these groups but on a wider range of people facing disadvantages and barriers that may prevent them from joining or re-joining the labour force – for example, women re-entering work after a family break, young people looking for their first job, older workers and disabled workers. Therefore, people currently considered as inactive but who would like to enter the labour market are also treated as an important LMP target group.

A comprehensive methodology defines the scope of the LMP data collection, the statistical unit and coverage, describes the classification system of LMP interventions, and gives precise guidelines on the data to be provided. This publication presents the *LMP Methodology 2018*, which incorporates a number of changes approved by the LMP Task Force and Expert Group. Some of the key changes introduced include:

- Guidelines on category 1 (Labour market services) and on reference data have been adapted in order to exclude participant data for individual actions plans (IAPs) from sub-category 1.1.2 (Individual case management services) and instead collect this as reference data using the classification R.2.
- Guidelines for category 1 have been revised and a new appendix (Appendix A.6) has been introduced in order to provide instruction on the reporting of PES activities and on how to deal with a range of practical issues associated with applying the guidelines.
- Guidelines for the breakdown of expenditure have been amended in order to clarify the treatment of different types of social contributions associated with benefit payments reported in LMP, most notably unemployment benefits.

We would like to thank and congratulate all those who have contributed to the revision of the methodology, in particular the members of the LMP Task Force and Expert Group, for their contributions and constructive comments.

**Loukas Stemitsiotis**

Head of Unit, DG EMPL/A4

Thematic analysis

## Scope and key definitions

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# 1. Scope and key definitions

## 1.1 Scope

- §1 The scope of the LMP database covers all labour market *interventions* which can be described as:
- Public interventions in the labour market aimed at reaching its efficient functioning and correcting disequilibria and which can be distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market.*
- §2 *Public interventions* refer to actions taken by general government in this respect which involve expenditure, either in the form of actual disbursements or of foregone revenue (reductions in taxes, social contributions or other charges normally payable).
- §3 *General government* should be understood as including central government, state/regional government, local government and the social security funds (see §369 to §372).
- §4 Actions taken by general government which involve expenditure include actions financed directly by general government or by earmarked taxes imposed by general government. The latter includes, for example, interventions implemented by social partners that are funded by earmarked taxes.

## 1.2 Types of intervention

- §5 All LMP interventions, with the exception of some services (see §7), must aim to benefit identifiable members of one or more target groups as defined below (see §18 to §20) and incur expenditure. In many cases the direct recipient of the public expenditure may be an employer or service provider but the ultimate beneficiary of the actions implemented is the participant (see §21) who must always be a member of an LMP target group. Three different types of intervention are recognised:
- §6 ***Services*** refer to labour market interventions where the main activity of participants is job-search related and where participation usually does not result in a change of labour market status<sup>1</sup>.
- §7 *Services* also cover functions of the PES that are not directly linked to participants. This includes placement and other services for employers, administrative functions, general overheads and other activities depending on the responsibilities of the PES (see §48 to §55).
- §8 ***Measures*** refer to labour market interventions where the main activity of participants is other than job-search related and where participation usually results in a change in labour market status<sup>1</sup>. An activity that does not result in a change of labour market status may still be considered as a measure if the intervention fulfils the following criteria:
- the activities undertaken are not job-search related, are supervised and constitute a full-time or significant part-time activity of participants during a significant period of time, and
  - the aim is to improve the vocational qualifications of participants, or
  - the intervention provides incentives to take-up or to provide employment (including self-employment).
- §9 LMP *measures* cover, primarily, government interventions that provide temporary support for groups that are disadvantaged in the labour market (see §14 - §16). Most *measures* are aimed at activating the unemployed, helping people move from involuntary inactivity into employment, or maintaining the jobs of persons threatened by unemployment.

(1) In "services", a participant who is registered unemployed usually continues to be counted as registered unemployed. In "measures", in most countries a participant who is registered unemployed usually ceases to be counted as registered unemployed (see also **Box 3** following §218).

- §10 The only *measures* included in the database that do not provide temporary support relate to the provision of ongoing support for persons with permanently reduced working capacity (see §94). In this case it is recognised that public support may be needed to counteract the reduced productivity or other overheads associated with such persons, who would otherwise be uneconomic to employ.
- §11 *Supports* refer to interventions that provide financial assistance, directly or indirectly, to individuals for labour market reasons or which compensate individuals for disadvantage caused by labour market circumstance.
- §12 The participants (see §21) are usually persons who are out of work and actively seeking work but also persons who retire early from the labour market.
- §13 *Supports* may be payable to persons who benefit from *services* but financial assistance paid to persons participating in *measures* should be considered as part of the costs of the measure and not as a support (see §194).

### 1.3 Target groups

- §14 The scope of the LMP database is limited primarily to interventions which are explicitly targeted in some way at groups of persons with difficulties in the labour market - referred to here as target groups. This specification facilitates a distinction between labour market policies and more general employment, social protection or fiscal policies which may have similar aims in terms of promoting employment, but which act in a non-selective way across the population.
- §15 Three main target groups are recognised as described below (see §18 to §20). All labour market measures (see §8) and supports (see §11) must target at least one of these groups or be subject to specific national targeting (see §16) in order to be considered within the scope of the database. Labour market services (see §6) have a wider application and include interventions that are designed to help any person requiring assistance in the labour market.
- §16 In addition, it is recognised that there may be particular circumstances in which a government provides special assistance to promote the employment of groups that do not necessarily comply with the target groups identified above. For example, in order to counteract concentrations of unemployment in particular groups (e.g. young people) or regions, there may be interventions that provide support for employers taking on persons from these groups, irrespective of their previous status. Since such measures support a particular group considered as disadvantaged in the national labour market, they are also included in the database.
- §17 The database also specifies a number of detailed target groups that may be used in addition to the main target groups in order to identify where interventions are focused on particular client groups (see §306) within the three main target groups.
- §18 Unemployed - persons usually without work, available for work and actively seeking work. Persons considered as registered unemployed according to national definitions are always included here even if they do not fulfil all three of these criteria.
- §19 Employed at risk - persons currently in work but at risk of involuntary job loss due to the economic circumstances of the employer, restructuring, or similar.
- §20 Inactive – persons currently not part of the labour force (in the sense that they are not employed or unemployed according to the definition above) but who would like to enter the labour market and are disadvantaged in some way.

#### 1.3.1 Use of the term participants

- §21 The term participants and related phrases (e.g. participating in) is used throughout to refer to the persons that benefit from each intervention irrespective of the type of intervention. For example, in

LMP *measures* individuals actually take part in an activity such as training or a subsidised job so that the term participants is technically correct. However, for LMP *supports* the interventions refer only to cash benefits that may not be related to any specific activity so that the term beneficiaries would be technically more correct. In order to avoid having to use both terms throughout, the term participants should be understood to cover both concepts.

## 1.4 Examples of interventions outside the scope of the LMP database

- §22 Public interventions which act in the labour market but which are not specifically aimed at LMP target groups are considered as general employment and/or fiscal interventions and should not be included in this data collection. The only exception to the criterion of targeting relates to labour market services (see §37).
- §23 Interventions that act in the labour market in order to assist members of LMP target groups but which do not directly incur expenditure are also excluded.
- §24 Examples of interventions considered to be outside the scope of the database include:
  - Interventions that specify a national limit to the number of hours worked per week aim to create employment by releasing hours that may then be filled by persons currently not in employment. Such interventions do not incur any direct expenditure.
  - Interventions that oblige employers to include a minimum proportion of disabled persons in their workforce do not involve expenditure that benefits individuals specifically from one of the three main target groups.
  - Interventions that provide in-work benefits based on levels of income, including tax credit schemes, may be used as an incentive to facilitate the transition from welfare to work but the benefits are equally available to persons already in low-wage employment and are thus not specifically aimed at an LMP target group.
  - Interventions that provide continuous training for employees aim to improve human capital but are available to all employees and not only those considered to be at employed at risk (see §19).
  - Subsidies to small companies to facilitate the recruitment of a first employee and which do not specify that the person recruited should be previously unemployed.

## Statistical unit and coverage

2

## 2. Statistical unit and coverage

### 2.1 Statistical unit

- §25 The statistical unit of this data collection is the labour market *intervention*, as defined above.
- §26 For each intervention, the LMP database collects quantitative data on expenditure and participants together with qualitative data, which apply to and describe the intervention. In the rest of this document the specifications of the data required are organised according to these main headings of expenditure, participants and qualitative data. A full list of the questions included in the LMP questionnaire is shown in Appendix A.1.

### 2.2 Geographical coverage

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

### 2.3 Measurement period

- §30 Data on each intervention are collected with reference to each calendar year in which the intervention is active (i.e. the law allows for its application), including years when the intervention is active but not used.
- §31 When an intervention becomes inactive (i.e. the law no longer allows for its application) then data should continue to be reported until there is no further expenditure and all participations have ended (see §377).
- §32 In the case that the financial year for reporting on LMP interventions does not coincide with the calendar year and it is not practical to make the necessary adjustments, then data should be provided for the financial year which most overlaps the calendar year in question.
- §33 All data for a country should apply to the same time period. Where data for an individual intervention pertains to a different period then this should be clearly specified with metadata.

## Classification of interventions

3

### 3. Classification of interventions

- §34 All LMP interventions are classified by type of action, which refers to the way in which an intervention acts to achieve its objectives (e.g. training or employment incentives). The classification scheme identifies one category of *LMP services*, five categories of *LMP measures* and two categories of *LMP supports*, most of which have two or more sub-categories.
- §35 Table A below lists the categories identified for each type of intervention and the detailed specification of each category follows below. A complete classification scheme showing all levels of detail is given in Appendix A.2.

**Table A: Classification of interventions by type of action**

**LMP services**

1. Labour market services

**LMP measures**

2. Training
3. ~~Job rotation and job sharing~~ (Not used anymore – included in category 4 – see §71)
4. Employment incentives
5. Sheltered and supported employment and rehabilitation
6. Direct job creation
7. Start-up incentives

**LMP supports**

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

- §36 The remainder of this section defines the scheme for the classification of interventions by type of action. Definitions are grouped by type of intervention – services, measures and supports (see §6 to §13).

#### 3.1 LMP services

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

**1. Labour market services**

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

- §37 **Labour market services** (category 1) are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.

- §38 *PES* should be understood to refer to the national employment services (and regional/local equivalents) and any other publicly funded bodies whose main responsibility is to actively facilitate the integration of unemployed and other jobseekers in the labour market.
- §39 Only organisations providing employment services that would be classified in LMP sub-category 1.1 may be considered *PES*. Those providing only supports and/or measures to LMP target groups (reported in categories 2-9) do not fall within the scope of the *PES* concept in the LMP database.
- §40 When reporting *PES* services/activities it is recommended to distinguish between head-office and regional or local office services/activities as it is usually only the latter that deliver services directly to clients.
- §41 The scope of category 1 covers all activities of the *PES* other than those reported in categories 2-9, plus client services provided by other publicly funded bodies. Detailed guidance on reporting *PES* activities is given in Appendix A.6.
- §42 Client services (cat. 1.1) are services provided by the *PES* or other bodies, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.
- §43 Client services cover all services provided for the direct benefit of individuals and/or employers, including the provision of self-service facilities such as on-line job-banks.
- §44 Information services (cat. 1.1.1) are open services for jobseekers providing ad hoc information and referral to opportunities for work, training and other forms of assistance, together with job brokerage services for employers.
- §45 Individual case-management services (cat. 1.1.2) are services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance) and follow-up for unemployed persons provided as part of a planned path towards durable (re-) employment. Financial assistance for the unemployed in case of travel to interview costs, other job-search related costs and similar cases are included here (see §189).
- §46 Intensive counselling and guidance services reported in sub-category 1.1.2 can be distinguished from more general counselling and guidance services reported in sub-category 1.1.1 on the basis that they actively engage participants in planning a tailored path towards durable (re-)employment, following that plan, adjusting it as needed and developing skills associated with job-search, applications and interviews.
- §47 Services reported in sub-category 1.1.2 may be provided to registered clients of the *PES* within the context of an Individual Action Plan (IAP), which is an agreement between the *PES* and the client that defines the steps and actions to be taken by both parties through the job-search process. The existence of an IAP does not, however, guarantee the provision of services, particularly in the case of persons well-equipped to seek work under their own initiative. Rather, an IAP is an administrative process via which the *PES* provides services to clients. Category 1.1.2 records only the actual services provided. Information about IAPs is instead collected separately as additional reference data within the LMP data collection (see §387).
- §48 Other activities of the *PES* (cat. 1.2) covers all other services and activities undertaken by the *PES* as defined above and which are not covered in any other category. Similar services and activities undertaken by organisations other than the *PES* are not included.
- §49 Administration of LMP measures (cat. 1.2.1) covers activities of the *PES* related to the implementation of LMP *measures*. In categories 2-7 expenditure should cover only the direct costs of the measure and not the indirect administrative costs of the *PES* as defined here (see §146).
- §50 Activities related to the administration of LMP *measures* include:
- the management/co-ordination of employers and services providers engaged as direct recipients in LMP *measures*;
  - other activities related to the management and implementation of LMP *measures* – e.g. planning,



co-ordination, monitoring, evaluation, decision making, etc.;

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

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

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

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

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

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

§55 The scope of this sub-category will vary between countries depending on the responsibilities of the PES. In countries where the PES is solely responsible for the provision of LMP and does not engage in other activities then this sub-category may be empty.

## 3.2 LMP measures

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

<b>2.</b>	<b>Training</b>
2.1.	Institutional training
2.2.	Workplace training
2.3.	Alternate training
2.4.	Special support for apprenticeship
<b>3.</b>	<b><del>Job rotation and job sharing</del> (Not used anymore – included in category 4 – see §71)</b>
<b>4.</b>	<b>Employment incentives</b>
4.1.	Recruitment incentives
4.1.1.	Permanent
4.1.2.	Temporary
4.2.	Employment maintenance incentives
4.3.	Job rotation and job sharing
4.3.1.	Job rotation
4.3.2.	Job sharing
<b>5.</b>	<b>Sheltered and supported employment and rehabilitation</b>
5.1.	Sheltered and supported employment
5.2.	Rehabilitation
<b>6.</b>	<b>Direct job creation</b>
<b>7.</b>	<b>Start-up incentives</b>

§56 Training (category 2) covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.

- §57 All training measures should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.
- §58 The category of training includes three sub-categories (see below) that are distinguished by the proportion of training time spent in the classroom and/or the workplace. Measures providing a training allowance only should be classified according to the type of training that beneficiaries are allowed to participate in (see sub-categories below).
- §59 Short courses that only develop a person's ability to get a job - e.g. counselling in job application methods or interview techniques - should be considered as a form of job-search assistance (sub-category 1.1.2).
- §60 Advice in business management provided as part of a start-up initiative should be considered as part of the start-up measure in category 7 (see §114).
- §61 In the case that participants in training continue to receive unemployment benefits the related expenditure should be included here and not in category 8 (see §194 - §197).
- §62 Institutional training (cat. 2.1) covers measures where most of the training time (75% or more) is spent in a training institution (school/college, training centre or similar).
- §63 Distance learning (including e-learning) should be considered as institutional training in sub-category 2.1 provided that it is financed by public bodies, it aims to improve the employability of the target groups, there is clear evidence of supervision/monitoring, and it is undertaken on a non-sporadic basis with a minimum degree of intensity (at least part-time).
- §64 Workplace training (cat. 2.2) covers measures where most of the training time (75% or more) is spent in the workplace.
- §65 Measures which are entirely work-based and where there is no identifiable element of formalised training are considered as learning by doing or learning by experience and should be considered as temporary recruitment incentives in category 4 (see §83).
- §66 Alternate training (cat. 2.3) covers measures where the training time is evenly split between a training institution and the workplace.
- §67 Special support for apprenticeship (cat. 2.4) covers measures providing special support for apprenticeship schemes through:
- incentives to employers to recruit apprentices, or
  - training allowances for particular disadvantaged groups.
- §68 *Apprenticeship is defined as “a form of alternate training where the participants receive a salary/remuneration for participation, are linked to the employer by a contract (or an agreement), and receive a recognised diploma upon completion”<sup>2</sup>.*
- §69 If the apprenticeship offers no formal qualifications, then it should be treated as subsidised employment in sub-category 4.1.
- §70 Apprenticeship schemes are considered part of the regular offer of education and vocational training open to all young persons, or as general employment policy, and are therefore not considered as LMP measures. A general apprenticeship scheme (open to all young people) that is financed and managed by the PES should, however, be reported as a separate intervention in sub-category 1.2.3 (Other services of the PES) since it is one of the activities of the PES (§41). In this case, data on both expenditure and participants should be provided (§251). Only measures specifically developed to support the take-up of apprenticeship schemes by LMP target groups should be included in category 2.

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

- §71 **Job rotation and job sharing** (category 3) is no longer used. Measures of this type are now included under sub-category 4.3 (see §87-§93).
- §72 **Employment incentives** (category 4) covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.
- §73 Employment incentives refer to subsidies for open market jobs which might exist or be created without the public subsidy and which will hopefully be sustainable after the end of the subsidy period.
- §74 The jobs that may be subsidised are usually in the private sector, but public or non-profit sector jobs are eligible too and no distinction is requested.
- §75 With employment incentives the public money represents a contribution to the labour costs of the person employed and, typically, the majority of the labour costs are still covered by the employer. However, this does not preclude cases where all costs are covered by the public money for a limited period.
- §76 Measures that relate to temporary placements for the purpose of in-work training and where there is an identifiable training input should be included in category 2.
- §77 Measures that are time-limited but renewable without limit (so long as the relevant eligibility criteria are met) should be considered as ongoing support and therefore included in sub-category 5.1.
- §78 Criteria to distinguish interventions in categories 4, 5 and 6 are presented in Box 1 following §113.
- §79 **Recruitment incentives** (cat. 4.1) are measures providing incentives for the creation and take-up of new jobs or which promote opportunities for improving employability through work-experience, and which are payable for a limited period only.
- §80 Recruitment incentives may include benefits provided exclusively to persons from an LMP target group and which are conditional upon the take-up of a new job (back-to-work bonus, mobility/relocation allowance or similar). No other form of in-work benefit for individuals should be included. Measures encouraging unemployed people to take up a part-time job with continuing unemployment benefits for the hours/days not worked, should be considered as an employment incentive and therefore included in category 4.1 rather than in category 8.
- §81 Incentives for employers to take on new workers may include special conditions in case of disabled persons (e.g. longer subsidy period or additional support for adaptation of the workplace). However, if there is no direct link to the take-up of new jobs by identifiable individuals, support for the provision of sheltered work places should be considered as a form of sheltered and supported employment in category 5.1 (see §103).
- §82 **Permanent** recruitment incentives (cat. 4.1.1) are measures providing incentives associated with permanent jobs (open-ended contracts).
- §83 **Temporary** recruitment incentives (cat. 4.1.2) are measures providing incentives associated with temporary jobs (fixed-term contracts).
- §84 **Employment maintenance incentives** (cat 4.2) are measures providing incentives to maintain the employment of persons at risk of involuntary job loss due to restructuring or other economic difficulties.
- §85 Employment maintenance incentives are paid to keep people working or to support their retraining during a restructuring process. However, payments to compensate workers for loss of income as a result of hours not worked due to restructuring or other economic circumstances of the employer (or payments to reimburse – in full or in part – employers for wages paid in these circumstances) should always be considered as partial unemployment benefits in sub-category 8.2.
- §86 Employment maintenance incentives are only applicable in relation to specific cases of

restructuring or similar. Generally available in-work benefits for low-income groups should not be included.

- §87 Job rotation and job sharing (cat. 4.3) covers measures that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee (see §252 for clarification of participants).
- §88 Schemes facilitating educational leave for employees without substitution by an unemployed person or a person from another target group should not be included here.
- §89 Job rotation (cat. 4.3.1) covers full substitution of an employee by an unemployed person or a person from another target group for a fixed period.
- §90 In job rotation measures the employee is given complete leave from their normal professional activities. Often this is to undertake further training, but other reasons are equally valid, e.g. maternity leave. The employee may or may not receive financial assistance during the leave period.
- §91 Job sharing (cat. 4.3.2) covers partial substitution of an employee by an unemployed person or a person from another target group.
- §92 In job sharing measures the existing employee is compensated (fully or partially) for reducing working hours that are filled by an unemployed person or a person from another target group.
- §93 Job sharing may be distinguished from partial, conditional early retirement (cat. 9.1.2 – see §133) by the fact that no age criteria are applied to the employees reducing their hours.
  
- §94 **Sheltered and supported employment and rehabilitation** (category 5) covers measures that aim to promote the labour market integration of persons with reduced working capacity through sheltered or supported employment or through rehabilitation.
- §95 Persons with reduced working capacity refers primarily to those registered as disabled according to national definitions. However, it also covers persons temporarily incapacitated after an accident or illness, recovering drug-addicts and other groups who are not work-ready and may benefit from rehabilitation.
- §96 Criteria to distinguish interventions in categories 4, 5 and 6 are presented in Box 1 following §113.
- §97 Sheltered and supported employment (cat. 5.1) covers measures providing subsidies for the productive employment of persons with a permanently (or long-term) reduced capacity to work.
- §98 *Sheltered employment* refers to employment in an enterprise operating in a commercial market, with or without public support, and established specifically for the employment of people with disabilities or other working limitations, but which may also employ able-bodied people in a limited proportion.
- §99 *Supported employment* refers to employment in a regular working environment where people with disabilities or other working limitations are enabled through public support (financial or otherwise) to work alongside able-bodied employees.
- §100 Measures included in this category typically provide an ongoing support and have no planned duration. However, lifetime sheltered work provisions where the subsidies cover 100% or more of the wages (i.e. also cover administrative costs) for an indefinite period are considered as part of social policy and outside the scope of the LMP database. Sheltered work provisions included here should have the aim of preparing people for integration into the regular labour market.
- §101 Temporary sheltered employment used as rehabilitation with a clear objective of getting the person fit for regular work within a certain period of time should be considered as a rehabilitation measure in sub-category 5.2 rather than 5.1.
- §102 Measures that provide incentives for disabled persons to take up a new position in a regular company and which are payable only for a fixed period, belong in category 4 (see §81). For

example, if a self-funding social workshop receives public support for a limited period when recruiting people from recognised LMP target groups, the intervention should be included in category 4.

- §103 Subsidies towards the provision of sheltered work places that are directly linked to the commencement of employment for specific individuals should be included in category 4. However, subsidies that are not directly linked to the commencement of a new job are considered to support an ongoing facility to accommodate persons with reduced working capacity in the workplace and should be included in sub-category 5.1.
- §104 The provision of a sheltered workplace should be understood to cover both physical adaptation of the workplace (buildings and/or equipment) and the implementation of special organisational arrangements, including the provision of mentors and other specialised assistants.
- §105 Rehabilitation (cat. 5.2) covers measures providing rehabilitation for persons with a reduced working capacity (temporary or permanent) and which aim to help participants adjust to their disability or condition and develop competencies that prepare them to move on to work (including sheltered and supported employment) or regular training.
- §106 Rehabilitation refers to vocational rehabilitation only. Social and medical rehabilitation are outside the scope of the LMP database and should not be included.
- §107 Direct job creation (category 6) covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.
- §108 Direct job creation refers to subsidies for temporary, non-market jobs which would not exist or be created without public intervention (i.e. the jobs are additional to normal market demand). The jobs are created in order to provide an opportunity for persons to maintain an ability to work, to improve skills and generally increase employability and typically involve work of benefit to the community.
- §109 Measures in this category should always be temporary in the sense that duration should be limited by design. This means that item 10.2 Maximum should always be a meaningful observation and completed for all interventions in this category.
- §110 The jobs are usually in the public or non-profit sector, but projects of community interest or similar within the private sector may also be eligible and no distinction should be made.
- §111 With direct job creation measures the public money usually covers the majority of the labour costs of the employers.
- §112 Support for employment in sheltered work places should always be recorded in category 5 (subject to the clarifications of §100) rather than in category 6. If the position is temporary or the support is time-limited, then it should be considered as rehabilitation in sub-category 5.2 (otherwise sub-category 5.1 applies).
- §113 Criteria to distinguish interventions in categories 4, 5 and 6 are presented in Box 1 below.

Box 1: Criteria distinguishing interventions in categories 4, 5 and 6				
Criterion	Category 4	Category 5		Category 6
Regular labour market jobs	Always	5.1	Always (supported employment); Never (sheltered employment)	Never
		5.2	Not applicable (rehabilitation institution); Never (temporary sheltered employment)	
Duration of support limited by design	Always	5.1	Never	Always
		5.2	Always	
Temporary jobs only (fixed-term contracts)	Some	5.1	Never	Always
		5.2	Not applicable (rehabilitation institution); Always (temporary sheltered employment)	
Majority of labour costs (50-100%) covered by public money	Possible but unusual	5.1	Possible but unusual (supported employment); Some (sheltered employment)	Always
		5.2	Not applicable (rehabilitation institution); Some (temporary sheltered employment)	

- §114 **Start-up incentives** (category 7) covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.
- §115 Assistance may take the form of direct cash benefits or indirect support including loans, provision of facilities, business advice, etc.
- §116 Advice in business management provided as part of a start-up initiative should be included only in this category and not considered separately as training (category 2).
- §117 Measures providing support for new enterprises to take on their first (or first few) employee(s) from recognised LMP target groups should be included in category 4.
- §118 Generally available business start-up measures should not be included. Loans or incentives to help people start-up businesses are covered only when the programmes are targeted specifically to one or more LMP target groups.

### 3.3 LMP supports

Table D: Classification of interventions by type of action - LMP supports	
<b>8. Out-of-work income maintenance and support</b>	
8.1. Unemployment benefits	
8.1.1. Unemployment insurance	
8.1.2. Unemployment assistance	
8.2. Partial unemployment benefits	
8.3. Part-time unemployment benefits	
8.4. Redundancy compensation	
8.5. Bankruptcy compensation	
<b>9. Early retirement</b>	
9.1. Conditional	
9.1.1. Full	
9.1.2. Partial	
9.2. Unconditional	
9.2.1. Full	
9.2.2. Partial	

- §119 **Out-of-work income maintenance and support** (category 8) covers supports which aim to compensate individuals for loss of wage or salary through the provision of cash benefits when:
- a person is capable of working and available for work but is unable to find suitable employment;
  - a person is on lay-off or enforced short-time work or is otherwise temporarily idle for economic or other reasons (including seasonal effects);
  - a person has lost his/her job due to restructuring or similar (redundancy compensation).
- §120 **Unemployment benefits** (cat. 8.1) are benefits compensating for loss of earnings where a person is capable of working and available for work but is unable to find suitable employment, including persons who had not previously been employed<sup>3</sup>.
- §121 Entitlement to unemployment benefit is normally conditional upon the beneficiary actively seeking work but, in certain cases - e.g. older workers - the condition may be relaxed. The description of the intervention should clearly state when this is the case and the numbers of participants benefiting from relaxed conditions should be reported as metadata.
- §122 Unemployment benefits paid to persons participating in training or other LMP measures in categories 2-7 should be considered as part of the costs of the relevant measure (see §194 to §197).
- §123 **Unemployment insurance** (cat. 8.1.1) covers benefits payable to workers satisfying criteria for membership in an unemployment insurance scheme. The benefits are often paid only for a limited period.
- §124 **Unemployment assistance** (cat. 8.1.2) covers benefits payable to workers either failing to satisfy criteria for membership in an unemployment insurance scheme or who have exceeded the period for entitlement to unemployment insurance benefit. Unemployment assistance is normally means tested.
- §125 **Partial unemployment benefits** (cat. 8.2) covers benefits compensating for the loss of wage or salary due to formal short-time working arrangements, and/or intermittent work schedules, irrespective of their cause (business recession or slow-down, breakdown of equipment, climatic conditions, accidents and so on), and where the employer/employee relationship continues<sup>4</sup>.
- §126 **Part-time unemployment benefits** (cat. 8.3) covers benefits paid to persons working part-time who have lost a full-time job or an additional part-time one and are seeking to work more hours.
- §127 **Redundancy compensation** (cat. 8.4) covers capital sums paid from public funds to employees who have been dismissed through no fault of their own by an enterprise that is ceasing or cutting down its activities.
- §128 **Bankruptcy compensation** (cat. 8.5) covers capital sums paid from public funds to compensate employees for wages not paid by the employer due to bankruptcy/insolvency.
- §129 **Early retirement** (category 9) covers supports which facilitate the full or partial early retirement of older persons who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.
- §130 Early retirement benefits normally cease when the beneficiary becomes entitled to an old age pension. Moreover, benefits paid to beneficiaries over the standard retirement age as established in the reference pension scheme should not be recorded here.
- §131 **Conditional early retirement** (cat. 9.1) covers supports which facilitate the early retirement of older workers and which oblige the employer to replace the retiree with an unemployed person or a person from another target group.

(3) Definition from the European System of integrated Social PROtection Statistics (ESSPROS): ESSPROS manual (2011 edition), Part 2 – Classification of benefits in the core system, §65. See [http://epp.eurostat.ec.europa.eu/portal/page/portal/social\\_protection/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/introduction).

(4) Definition from the European System of integrated Social PROtection Statistics (ESSPROS): ESSPROS manual (2011 edition), Part 2 – Classification of benefits in the core system, §66. See [http://epp.eurostat.ec.europa.eu/portal/page/portal/social\\_protection/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/introduction).



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

### 3.4 Mixed interventions

- §139 An intervention that encompasses more than one of the types of action defined above is termed a *mixed intervention*.
- §140 A *mixed intervention* comprises two or more components, each of which may have a different classification by type of action. Two types of mixed intervention are possible:
- Type 1 - where all participants benefit from each component of the intervention;
  - Type 2 - where the intervention either offers different actions for different target groups or where it is effectively a budget reserve for a number of different types of action and individual participants benefit from just one component at a time (though they may move on to another later).
- §141 The LMP database collects just one set of qualitative data to describe a mixed intervention but quantitative data on expenditure and participants are collected for each component (see §180 and §248).

### 3.5 Recording the classification of interventions

- §142 **Type of action** (item 4 in the LMP questionnaire) is used to record the classification of each intervention by type of action according to the scheme described above.
- §143 Classification (item 4.1) records the full classification of the intervention by type of action.
- §144 In the case of a mixed intervention the class field is completed as a comma separated list showing the classification of each component.
- §145 Components (item 4.2) is used to record details of each component of mixed interventions and is not completed for regular (non-mixed) interventions. There are two parts to this item, which are repeated for each component of the intervention:
- Classification (item 4.2.1) records the classification of each component by type of action.
  - Name (item 4.2.2) records the name of each component and should be completed in English and the national language.



**Expenditure**

**4**

## 4. Expenditure

### 4.1 Expenditure to be collected

§146 The LMP database collects data on the public expenditure associated with each intervention. For each intervention, the expenditure required should cover the whole of transfers and foregone revenue provided to the direct recipients (see §156) as a result of the intervention. Any other indirect costs are considered as part of the administration costs of an intervention (see §182) should only be reported if they are incurred by the PES and should be reported as follows:

- Administration of LMP services: sub-category 1.1
- Administration of LMP measures: sub-category 1.2.1
- Administration of LMP supports: sub-category 1.2.2

§147 This expenditure may include:

- transfers in the form of cash payments or reimbursements;
- the value of directly provided goods and services should be valued according to the method prescribed in §3.49 of the European System of National and Regional Accounts (ESA)<sup>5</sup>. This valuation method is concisely summarised in §124 of Part 1 of the ESSPROS methodology<sup>6</sup>. The value of services may relate to the costs of purchasing services from third party providers or the costs of internally provided services where there is no explicit transfer (e.g. costs of PES staff time and related overheads – see §188);
- amounts of revenue foregone through reductions in obligatory levies, which should be valued as the amount of revenue foregone compared to that normally payable. That is, the amount payable by the individual or the employer in the absence of the intervention, but taking into account any other reductions that might be in force.

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

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

#### 4.1.1 Measurement unit

§150 Expenditure should be recorded in national currency units.

### 4.2 Breakdowns of expenditure

§151 Expenditure should be reported as a total and broken down according to a two tier scheme, which distinguishes firstly the direct recipient of the transfers (see §156) and then the type of expenditure involved (see §161-§170).

(5) European System of National and Regional Accounts (ESA): ESA 2010, Chapter 3 - Transactions in products and non-produced assets, See <http://ec.europa.eu/eurostat/web/esa-2010>.

(6) European System of Integrated Social Protection Accounts (ESSPROS): Manual and user guidelines (2016 edition), Part 1 – General principles and core system, Section 8.3 – Valuation. See <http://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-GQ-16-010>

- §152 Many interventions provide money to more than one direct recipient and use different types of expenditure. All data on expenditure should be broken down as far as possible.
- §153 The LMP database collects data on expenditure in two ways. Qualitative data are collected to describe the different direct recipients and types of expenditure that apply to each intervention and are considered as a classification of expenditure (item 5 in the LMP questionnaire, see section 4.4.1). Quantitative data are collected to specify the actual amounts of expenditure as a total and for each breakdown (item 15 of the LMP questionnaire, see section 4.4.2).
- §154 The qualitative data describe the different types of expenditure used for each intervention and can be used as a validation for the quantitative data. Quantitative data are expected for the same breakdowns of expenditure that are indicated in the qualitative data. Any discrepancies indicate either an incomplete breakdown of the quantitative data or an error in the data.
- §155 The table below describes the breakdowns and the item numbers from the LMP questionnaire that are applicable to each breakdown for the completion of qualitative and quantitative data.

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

#### 4.2.1 Breakdown of expenditure by direct recipient

- §156 For all LMP interventions, the direct recipient of the public expenditure may be the individual participants, their employers, or service providers as defined below.
- §157 Transfers to individuals refer to public expenditure transferred directly to individuals and which are paid in cash or through a reduction in obligatory levies.
- §158 Transfers to employers refer to public expenditure transferred directly to employers and which are paid in cash or through a reduction in obligatory levies.
- In cases where a public or non-profit organisation pays a wage to participants (e.g. for public or socially useful works) then the state or municipality should be considered as an employer.
- §159 Transfers to service providers refer to public expenditure transferred directly to producers of goods and services that are provided to individuals or to employers as directly provided services (e.g. training or counselling) for the benefit of participants.

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

#### 4.2.2 Breakdown of expenditure by type of expenditure

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

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

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

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

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

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

§167 Social contributions cover actual expenditure or revenue foregone in relation to social contributions that directly result from participation in an LMP measure or receipt of an LMP support. Social contributions may take the following forms:

- Reduced social contributions are full or partial exemptions to obligatory social contributions normally payable directly by individuals or employers. Reduced social contributions refer only to foregone revenue. Reimbursement of social contributions already paid by the employer, for example, are considered as a partial wage subsidy and treated as cash payments (periodic or lump-sum).
- Actual social contributions are social contributions paid by the state on behalf of an individual benefitting from an LMP intervention (measure or support). Such contributions are not a liability of the individual but are paid on their behalf to the relevant collection authority in order to secure their future entitlement to relevant social benefits. For example, the state may pay health insurance or pension contributions on behalf of a person receiving an unemployment benefit. Equally, similar contributions may be made in the case of a person participating in an LMP funded traineeship in which there is no contract of employment and therefore no liability of the employer to pay such contributions.
- Withheld contributions are social contributions deducted from a cash benefit prior to payment. Such contributions are a liability of the individual and are deducted at source prior to disbursement of the benefit and transferred to the relevant collection authority in order to secure their future entitlement to relevant social benefits (e.g. health insurance or pension).

§168 Credited contributions where no social contributions are made but the contribution record of the individual (e.g. towards health insurance or pension) is updated as if the relevant amounts had been paid are normally not reported in LMP because there was no original liability to pay contributions so that no revenue has been foregone and there is clearly no actual expenditure, even if a potential future liability has been created. An exception is made in case of contributions credited in the event of bankruptcy of an employer. Here, the employer should have paid contributions on behalf of the employee and if these are subsequently credited without any transfer of money then the credited contributions correspond to revenue forgone.

§169 Taxes include both actual expenditure or revenue foregone in relation to taxes that directly result from a member of an LMP target group participating in an LMP measures or benefitting from an LMP support. These may take the following forms:

- Reduced taxes are full or partial exemptions to taxes or other obligatory levies other than social contributions.
- Withheld taxes are obligatory levies other than social contributions which are the liability of the individual and which are deducted at source prior to the payment of benefit to the individual and transferred to the relevant tax authority.

§170 Reduced taxes refer only to foregone revenue. Repayments of taxes already paid out by the employer are considered as a partial wage subsidy and treated as cash payments (periodic or lump-sum).

### 4.3 Metadata on expenditure

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

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

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

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

### 4.4 Guidelines on the completion of data on expenditure

#### 4.4.1 Qualitative description of the breakdown of expenditure

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

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

#### 4.4.2 Quantitative data on expenditure

§177 The LMP software includes a single form for the input of expenditure data for each intervention, which includes all breakdowns in a grid format. An example input form is shown in Appendix A.3.

§178 Where actual expenditure is not available then an estimate should be provided and flagged accordingly using facilities available in the LMP software. If budget figures are used then the relevant figures should also be flagged as estimated. In both cases clarification should be provided in the *Notes (formal)* item of metadata (see §173).

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

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

- §181 In order to complete aggregations of expenditure by category of intervention, it is important to complete a breakdown of expenditure for each component of mixed interventions. If this breakdown is not available then there are three options to complete the data. In all cases the *Notes (formal)* item of metadata (see §173) should report the option taken:
- allocate all expenditure to the most important component and zero to all other components;
  - split expenditure equally between components;
  - allocate expenditure in proportion to the participants on each component.

#### 4.4.3 Administration costs

- §182 Paragraphs §49 and §51 above describe the types of activities that are considered as administration costs for LMP *measures* and *supports* respectively.
- §183 For LMP *measures*, the expenditure for each intervention should cover only direct costs in the form of cash transfers, directly provided services or foregone revenue. The costs of administering LMP *measures* are included only when undertaken by the PES and should be reported only to sub category 1.2.1 *Administration of LMP measures* (see §49).
- §184 In the case that some administrative activities (see §50) are carried out by the direct recipient of a transfer (employer or service provider) then no breakdown of direct and other costs is required and the whole of the transfer should be considered as expenditure of the measure.
- §185 For LMP *supports*, the expenditure for each intervention should cover only the amounts of cash benefits disbursed to participants and any foregone revenues (e.g. social contributions paid on behalf of participants). The costs of administering LMP *supports* are included only when undertaken by the PES and should be reported only to sub category 1.2.2 *Administration of LMP supports* (see §51).

#### 4.4.4 Expenditure on category 1 (Labour market services)

- §186 Expenditure to be included in category 1 should cover the total expenditure of the PES (less any amounts already included in any other category) plus the costs of *client services* provided by other organisations.
- §187 Organisations providing only supports or measures to LMP target groups (reported in categories 2-9) are not PES (see §39) therefore no costs associated with these should be reported in category 1. Only direct costs of the measures and supports provided by these organisations should be included in LMP in other categories.
- §188 Expenditure related to *client services* in sub-category 1.1 (see §42) and to administrative activities in subcategories 1.2.1 and 1.2.2 (see §49 and §51) relates primarily to the costs of the staff involved in the provision of the service/activity (including managers) and directly related overheads. All such expenditure should be considered as transfers to service providers.
- §189 For sub-category 1.1.2 there may also be some small amounts of transfers to individuals in case of financial assistance to attend interviews or similar (see §45). This type of mobility allowance is considered part of job-search assistance. Mobility allowances paid to persons on the condition of actually taking up new employment are included in category 4 (see §79).
- §190 Directly related overheads refer to the costs of equipment and materials used/consumed in the routine provision of the service plus an appropriate share of more general costs (e.g. premises, IT).
- §191 Significant one-off capital expenditure (e.g. to purchase new buildings) is not considered to be part of the routine provision and should be excluded.
- §192 Where LMP services are sub-contracted by the PES to third-party providers then the whole of the transfer should be included.

§193 Sub-category 1.2.3 (see §54) should include all residual expenditure of the PES - i.e. total PES expenditure minus amounts reported in other sub-categories.

#### **4.4.5 Treatment of unemployment benefits received by participants in LMP measures**

§194 In some cases participants in LMP measures may continue to receive unemployment benefits instead of receiving a training allowance, wage or similar. In this case the amount of unemployment benefit paid to these participants (including any associated social contributions paid on their behalf, as per §167) should be included as part of the expenditure for that measure. Two approaches are then possible for treatment of unemployment benefits in category 8:

- (Recommended). The total amount of unemployment benefits paid out and the total number of benefit recipients should continue to be recorded as expenditure and participants in category 8. At intervention level the LMP data will then be consistent with other publications of the same information. In addition, an adjustment entry (classified as 8.A) should be added to report on the total amount of unemployment benefit paid to persons participating in LMP measures and the related number of recipients. These numbers will then automatically be deducted when calculating aggregates by category and eliminate any double-counting.
- Report entries for unemployment benefits that are net of payments to participants in measures and related recipients. In this case no adjustment entry is needed but the figures published at detailed level (by intervention) may not tally with other sources of data.

§195 If necessary, the amount of unemployment benefit paid to participants in an LMP measure can be estimated based on the stock of participants in the measure and the average level of benefits. For example, in the case that persons receiving unemployment benefit are allowed to keep their benefits during an LMP training course. The stock of participants in the measure (see §200), adjusted by the proportion receiving unemployment benefits, indicates the average number of persons receiving benefits at any time during the year. If unemployment benefits are paid at a flat rate or an average level can be determined, then the benefit expenditure that should be attributed to the measure in that year can be estimated as:

$$\text{Expenditure} = \text{Stock} * \text{Proportion receiving UB} * \text{Average UB per month} * 12$$

§196 This amount should then be included in the expenditure of the current measure (as a periodic cash payment to individuals) and excluded from the amounts reported to the intervention covering the relevant benefit in category 8. If following the recommended approach above (see §194) the same amount should also be reported as a double-counting adjustment entry in category 8 so that it is automatically deducted from total expenditure on unemployment benefits at category level in order to eliminate double counting. Note that it may be practical to include the double-counting adjustment as a component of the relevant intervention rather than to create a separate entry (see Box 2).

§197 If this treatment is not possible then item 9.1.2 should be used to indicate that participants continue to receive unemployment benefits and that these amounts are not included in the expenditure for the current intervention (see §333).

### Box 2: Reporting unemployment benefits paid to participants in LMP measures (recommended approach)

For each affected LMP measure:

- Add the value of unemployment benefit payments (and any associated social contributions) to participants in the current year as expenditure for the measure.
- Ensure that item 9.1.1 is checked (cash benefits in the form of unemployment benefits are now recorded as expenditure of the current measure) and 9.1.2 is unchecked (unemployment benefits are correctly recorded in the current measure and not only in category 8).

For the relevant intervention reporting unemployment benefits in category 8:

- Add a component to the intervention and classify it to 8.A.
- Apply a meaningful description to both components. For example, the original component (probably classified to 8.1) could be called "All benefits" (or similar) and the new adjustment component could be called "Benefits paid to persons in LMP measures" (if only one measure is affected a more explicit name might be entered).
- On the expenditure grid of the input form, enter the total expenditure on unemployment benefits to the rows for the "Total" and "All benefits" component. Enter the amount paid to participants in measures to the adjustment component.
- On the participants tab of the input form, the total number of benefit recipients should be applied to the Total page and repeated on the page for the "All benefits" component (8.1). The number of persons receiving benefits during measures should be applied to the page for the adjustment component (8.A).



**Participants**

**5**

## 5. Participants

### 5.1 Participant variables

- §198 The LMP database collects information on public interventions in favour of persons disadvantaged in the labour market. Three variables are requested in order to measure the numbers of participants in these interventions: stock, entrants and exits.
- §199 These variables are defined in paragraphs §200 to §211 below and a schematic diagram that illustrates how the main variables of stock, entrants and exits are measured from an example group of participants is shown in 0.

**Table F: Participant variables**

	Item number in LMP questionnaire
<b>Stock</b>	16
Stock (total)	16.1
Stock (FTE)	16.2
<b>Entrants</b>	17
<b>Exits</b>	18

- §200 **Stock** refers to the number of persons participating in an intervention at a given moment.
- §201 The data required is the annual average stock figure, which is usually calculated as an average of the stock at the end of each month. Two different observations of stocks are requested:
- §202 **Stock (total)** (item 16.1 in the LMP questionnaire) refers to the annual average stock as defined above;
- §203 **Stock (FTE)** (item 16.2) refers to the annual average stock adjusted to take account of part-time participation - i.e. Stock (total) converted to full-time equivalents (FTE).
- §204 When converting stocks to full-time equivalents, national definitions of full-time should be applied and it is recognised that full-time hours per week may be different for training than for employment. The definitions used should be identified in metadata.
- §205 **Entrants** (item 17) refers to the number of participants that join or start on the intervention during the year - i.e. the inflow or new starts.
- §206 Persons who are already participating on the intervention at the start of the year are considered to be a carry-over from the previous year and not new starts and should not be counted as entrants.
- §207 The data required refer to the total number of new starts in the year and not to the number of different individuals who join the intervention during the year. In other words the same individual may be counted as an entrant more than once in a year.
- §208 In accordance with the recommended treatment of breaks in the unemployment spell (see **Box 3** following §218) a temporary break in participation of more than 28 days should be treated as an exit at the beginning of the break and a new start at the end of the break.
- §209 **Exits** (item 18) refers to the number of participants that leave the intervention during the year - i.e. the outflow.

- §210 The data required refer to the total number of exits, irrespective of the reason for leaving. For LMP measures where there may be a planned period of participation, persons who leave early (drop-outs) are counted equally with participants that complete the measure.
- §211 The data required refer to the total number of exits in the year and not to the number of different individuals who leave the intervention during the year. In other words the same individual may be counted as an exit more than once in a year. See §208 re treatment of temporary breaks in participation.

## 5.2 Breakdowns of participants

### 5.2.1 Breakdowns of all participant variables

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

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

- §213 Sex (item 19) refers to the gender of participants. The LMP database collects data for the total (men and women together) and for men and women separately.
- §214 Age (item 20) refers to the age-group within which participants fall. The standard age-groups required are: under 25 / 25-54 / 55 and over. This breakdown should be considered obligatory and completed for all interventions. Optionally, the LMP software will also accept more detailed data using 5-year age-groups (<20, 20-24, 25-29, ..., 60-64, 65+).
- §215 Duration of unemployment (item 21) usually refers to the duration of the unemployment spell of participants in LMP measures before they joined the intervention but is used differently depending on the type of intervention and observation of participants (see Table H).

Table H: Use of duration of unemployment (item 21) by observation of participants			
	Stock	Entrants	Exits
<b>LMP services (1.1.2 only)</b> <b>LMP measures</b>	Duration of unemployment spell before joining the intervention. Only applies to participants that were previously registered unemployed.		
<b>LMP supports</b>	Current duration of benefit spell.	Not required. (Duration of unemployment spell before starting to receive benefits.)	Duration of ending spell of benefits.
<b>Reference data for registered unemployed (R.1.1)</b>	Current duration of unemployment spell.	Not relevant.	Duration of ending unemployment spell.
<b>Reference data for IAPs (R.2)</b>	Duration of unemployment spell before joining starting an IAP. Only applies to participants that were previously registered unemployed.		

§216 The required breakdown by duration of unemployment is:

- Total refers to the total number of participants for whom duration of unemployment is relevant. For *LMP measures/services* that means the number of participants who were registered unemployed before joining the intervention (see **Box 3** following §218). For *LMP supports* and reference data on registered unemployed the number will be the same as the total number of participants.
- <6 months refers to the number of participants who were registered unemployed for less than 6 months before joining the intervention (*LMP services/measures*) or in receipt of benefits for less than 6 months (*LMP supports*) or registered for less than 6 months (reference data).
- 6-12 months refers to the number of participants who were registered unemployed for at least 6 months but less than 12 months before joining the intervention (*LMP services/measures*) or in receipt of benefits (*LMP supports*) or registered (reference data) for the same period.
- >=12 months refers to the number of participants who were registered unemployed for 12 months or more before joining the intervention (*LMP services/measures*) or in receipt of benefits (*LMP supports*) or registered (reference data) for the same period.

§217 This breakdown is applied to four groups of participants by sex and age:

- Total (men and women, all ages)
- Total <25 (men and women, aged <25)
- Women (women, all ages)
- Women <25 (women, aged <25)

§218 For LMP measures and services, the breakdown of participants by duration of unemployment is relevant only to participants who were previously registered unemployed (see **Box 3** and §319-§325). It is expected, therefore, that in cases where persons not previously registered unemployed can participate in the intervention then the total number for whom duration is relevant will be lower than the total number of participants for that variable. The observation is also not relevant for some breakdowns of entrants by previous status (see §219-§231).

**Box 3: Treatment of breaks in the unemployment spell and registration as unemployed**

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

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

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

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

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

**Treatment of breaks in the unemployment spell:**

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

### 5.2.2 Breakdown of entrants

**Table I: Breakdown of entrants by previous status**

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

- §219 **Previous status** (of entrants) (item 22) refers to the status of participants immediately prior to joining the intervention and is based on operationally practical groups (see comments in relation to target groups in section 6.3).
- §220 The breakdown required is shown in the table above and described below (see §222-§231). Every effort should be made to allocate entrants between items 22.1 and 22.3 and to avoid using the category of status unknown (item 22.4).
- §221 When reporting data on entrants by previous status it is expected that the sum of entrants by previous status is equal to the total number of entrants (i.e.  $22.1 + 22.2 + 22.3 + 22.4 = 17$ ). In other words, each entrant can only have one previous status, though an individual person may enter an intervention more than once and with a different status each time.
- §222 **Registered** (item 22.1) refers to the number of entrants that were previously registered with the PES as jobseekers. This item should be broken further to identify those who were counted as registered unemployed or not such that  $22.1 = 22.1.1 + 22.1.2$ .
- §223 **Registered unemployed** (item 22.1.1) refers to the number of entrants that were previously considered as registered unemployed according to national definitions (see §384).
- §224 **Other registered jobseekers** (item 22.1.2) refers to the number of entrants who were registered with the PES as jobseekers but who were not considered as registered unemployed according to national definitions (see further in section 7 on reference data).
- §225 To separate this group from the employed (see §228) it should normally refer to persons who are unemployed, underemployed or inactive.
- §226 Jobseekers activated through the PES should also be included here, irrespective of whether they were registered by the PES or not (e.g. activation of persons registered in sickness or social security schemes).
- §227 **Not registered** (item 22.2) refers to the number of entrants who were not previously employed and who were not registered as jobseekers with the PES or where this information is not relevant (e.g. interventions implemented by organisations other than the PES).
- §228 **Employed** (item 22.3) refers to the number of entrants that were previously in employment, irrespective of whether or not they are individually registered with the PES.
- §229 Persons who are employed part-time but are seeking to work more hours to fill the hours for which they are unemployed tend to become eligible to participate in an LMP intervention on the basis of their situation of underemployment rather than their employment and should therefore be considered as other registered jobseekers (item 22.1.2) or registered unemployed (22.1.1) depending on the hours worked and national regulations.
- §230 Since the majority of LMP interventions are aimed at activating the unemployed or helping people make the move from involuntary inactivity into employment this category of entrants will not be

applicable in many cases and is expected, primarily, in the case of measures for persons who are employed at risk (see §19), sheltered and supported employment for persons with reduced working capacity (see §94), as well as some forms of LMP support – e.g. partial unemployment benefits (see §125).

§231 Unknown (item 22.4) refers to the number of entrants for whom previous status is not known.

### 5.2.3 Breakdown of exits

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

Table J: Breakdown of exits

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

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

§234 It is recognised that there are different approaches to monitoring the outcomes of LMP measures and that observations of what happens to participants may be made at different times, e.g. immediately, 3 months or 6 months after exit. The point in time at which the observation of destination is made and the method employed (survey or register data) should therefore be recorded as metadata (see §243).

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

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

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

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

§239 Unemployment (item 23.3) refers to the number of exits that are considered to be unemployed (see §18) after leaving the intervention.

§240 Inactivity (item 23.4) refers to the number of exits that are considered to be inactive (see §20) after leaving the intervention. This destination encompasses persons who cease to be active in the labour market for a wide range of reasons – e.g. return to education, retirement, illness, caring responsibilities, failure to satisfy job-search criteria to qualify as unemployed, etc.

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

### 5.3 Metadata on participants

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

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

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

In each case the observation/method should be selected from the list shown in Table K.

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

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



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

## 5.4 Guidance on the completion and interpretation of participant data

### 5.4.1 General guidance on the completion of participant data

- §247 The LMP software includes a single form for the input of participant data, which includes all variables and breakdowns in a grid format. An example input form is shown in Appendix A.4.
- §248 In the case of mixed interventions, data on participants should be completed for each component. The input form includes a blank grid for the intervention overall and for each component, which can be selected using a drop-down list of the components. This drop-down list is only available for mixed interventions.
- §249 Where participant data are not available but the number of participants is known to be relatively small (<1% of total for the relevant type of intervention – services, measures or supports) then the value should be marked as not significant using the flag “n.s.” that is available using the LMP software.
- §250 In some cases, one or more participant variables may not be relevant for a particular intervention. For example, stocks are meaningless in relation to redundancy or bankruptcy compensation where there is a one-off payment which does not oblige the recipient to participate in any activity. In such cases the value should be completed using the flag “n.r.” (not relevant) that is available using the LMP software.

### 5.4.2 Completion of participant data by category of intervention

- §251 Labour market services (Category 1). Participant data for LMP services in category 1 are requested only in relation to sub-category 1.1.2 - Individual case-management. However, in the case of programmes financed and managed by the PES that are similar to LMP but formally outside the scope of LMP measures because of targeting criteria (and therefore reported in sub-category 1.2.3)<sup>7</sup>, it is recommended to provide both expenditure and participant data.

Participant data for individual action plans (IAPs) should not be reported in category 1 as this is collected separately as reference data (R.2). See §387 for further information.

- §252 Job rotation and job sharing (Category 4.3). The ultimate beneficiaries of job rotation and job sharing measures are the members of the LMP target groups that gain employment in place of the employees taking leave or reducing hours worked. It is the unemployed and other replacements that should, therefore, be reported as participants for this type of intervention. However, it is recognised that the expenditure for the intervention – and therefore the administrative data – often refer to cash payments to the employee as compensation for reduced wages. If, as a result, the administrative data cover only the number of employees taking leave or reducing hours and not the replacements then these numbers should be reported and their coverage clearly described in

(7) This is for instance the case for general apprenticeship schemes or training services for SMEs or low-skilled workers.

metadata.

- §253 Start-up incentives (Category 7). In many cases, the financial aid provided as a start-up incentive is paid in a lump-sum. However, this payment normally obliges the recipient to maintain his/her self-employed activity for a minimum period. This period of activity should be considered as the duration of the intervention and stock therefore refers to the number of persons at any one time who have received the lump-sum payment and have been self-employed for less than the prescribed minimum period. Exits refer to all those persons who, during the year in question, complete the minimum period of self-employment or terminate their self-employment before that time.
- §254 Conditional early retirement (Category 9.1). As with category 4.3 above, the administrative data for conditional early retirement usually relate to cash payments to the retiree. (In the case that public money is used to subsidise the recruitment of an unemployed replacement then this should be considered as an active measure in category 4.3.) The participants to be recorded for supports in this category should therefore be the retirees. The numbers of persons belonging to an LMP target group who benefit from freed positions should be reported as metadata.

### 5.4.3 Treatment of double-counting

- §255 The unit of observation in the LMP database is the LMP intervention and data on participants are collected for each intervention, each of which is classified by type of action. When cumulating participants for each intervention in a category there is an implicit assumption that each intervention (i.e. the unit of observation) is mutually exclusive and that a person can participate in only one intervention at a time.
- §256 LMP *measures* in categories 2-7 refer to activities that are mostly full-time and therefore comply with this assumption. However, in some cases, participants may get benefits in kind (e.g. training) from one measure and at the same time receive cash benefits or reimbursements (e.g. of travel or accommodation costs) from another measure. In this case there can be a double-counting of participants that needs to be taken into account when creating aggregates.
- §257 It is also possible for double-counting to occur for other types of intervention. For example, in category 8 there could be a supplementary allowance that is used to top-up unemployment benefit payments and in this case the participants could be double-counted.
- §258 In order to handle double-counting, the scheme for classification of interventions by type of action recognises the suffix “A” when appended to any top-level category (e.g. 2A) in order to record the extent of double-counting within that category.
- §259 In case of double counting within a category, a new dummy intervention should be added to the database and classified to the appropriate category with the double-counting suffix (e.g. 2A). The intervention name (item 2) should indicate clearly that it is a double-counting adjustment. Participant data to quantify the extent of double counting for each variable and breakdown should be completed as for any regular intervention. Metadata on the source of the participant data and the observation methods should be completed as usual with notes identifying how the double counting arises and which interventions are affected. No other items from the questionnaire need to be completed for these entries.
- §260 There is currently no method to handle cases of double-counting between categories.

### 5.4.4 Interpretation and use of participant data

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

- §262 However, stock figures can also be interpreted as the number of person-years of participation completed during the year. For example, 1 person participating in an intervention throughout the year represents an annual average stock of 1. The same stock results if 12 persons participate for just 1 month each. In both cases 1 person-year of participation has been completed. Stock figures can therefore be considered as an observation of the number of participant-years completed (rather than a simple number of participants).
- §263 For any intervention, dividing the expenditure by the annual average stock therefore gives a measurement of expenditure per participant-year (NOT per participant). This measurement effectively eliminates differences due to the duration of different interventions and may be one useful means of comparing the costs of different types of intervention.
- §264 A further enhancement of this observation would be to use the observation of Stock (FTE), which takes account of part-time participation and expresses stocks in terms of full-time equivalents. Clearly the cost of supporting participation in a part-time training course or job may be significantly lower than that of a full-time position and using the observation of stock (FTE) should adjust for this difference.

## 5.5 Average duration of participation

- §265 Average duration of participation (item 24) is a quantitative observation of the average duration of each spell of participation in an intervention – i.e. the time between entrance and exit.
- §266 The observation must be completed in months and should refer to the average duration of completed participations – i.e. spells of participation that have ended during the year. The duration of incomplete spells – i.e. persons still participating in the intervention at the end of the year – should not be taken into account.
- §267 Where average duration cannot be calculated directly from the administrative data then it may be estimated from participant stocks and flows. Two formulae are available to estimate the average duration of participation in months:
- Formula 1 is the most reliable and requires data on stock, entrants and exits:
 
$$\frac{\text{Stock}_{(16)} * 12}{\frac{1}{2} * (\text{Entrants}_{(17)} + \text{Exits}_{(18)})}$$
  - Formula 2 assumes constant flows in/out of the intervention and requires data on stock and entrants only:
 
$$\frac{\text{Stock}_{(16)} * 12}{\text{Entrants}_{(17)}}$$
- §268 Note that neither formula is reliable when there are significant changes year on year to the numbers of entrants or exits, for example in the case of interventions just starting up or coming to an end.
- §269 The box below shows three examples of average duration calculated using these formulae and demonstrates how Formula 2 gives the same result as Formula 1 when flows in and out of the intervention are constant (i.e. entrants = exits):

**Box 4: Examples of average duration calculated from observations of participants**

Stock	Entrants	Exits	Duration (Formula 1)	Duration (Formula 2)
(1000s)			(Months)	
150	400	600	3.6	4.5
300	160	180	21.2	22.5
150	150	150	12.0	12.0

### 5.5.1 Metadata on average duration

- §270 The following items of metadata are requested in order to describe the quantitative data on average duration for each intervention:
- §271 Observation (item M3.1) – the observation/method used to report data on average duration. Select from one of the following options:
- Administrative data
  - Fixed duration
  - Formula 1 –  $12 * \text{Stock} / 0.5 * (\text{Entrants} + \text{Exits})$
  - Formula 2 –  $12 * \text{Stock} / \text{Entrants}$
- §272 Notes (formal) (item M3.2) – important information about the data on average duration for the current intervention and which should be included in any publication of data by intervention. (The note is limited to 255 characters.)
- §273 Notes (free) (item M3.3) – free text to provide useful information about the data provided – e.g. further information on the data source (database, publication, etc.), estimation methods, etc.

**Qualitative data**

**6**

## 6. Qualitative data

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

**Table L: Summary of qualitative data items**

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

### 6.1 Identification of interventions

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

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

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

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

### 6.2 Description of interventions

§279 **Description** (item 3): a concise description of the intervention that highlights the aims, actions, instruments and beneficiaries/participants. The description is split into seven sections described below.

§280 The description may be given in English and/or the national language. At least one of these must be completed for all interventions.

§281 For interventions reported in category 1 *Labour market services* the description should be used to describe the services/activities covered under each entry. For sub-category 1.1 *Client services* the

services should be described so that it is possible to understand how jobseekers benefit from the service. For sub-category 1.2 *Other activities of the PES* it is acceptable to simply list the range of activities covered.

- §282 Aim (item 3.1): a brief description of the aims/objectives of an intervention - e.g. increase employability of early school leavers, reintegrate long-term unemployed, etc.
- §283 Together with the section on beneficiaries/participants (see §284), which confirms that the intervention is properly targeted, the aim section of the description should include enough information to confirm that the intervention is within the scope of the LMP data collection
- §284 Beneficiaries/participants (item 3.2): a brief description of the main groups of persons that may benefit from the intervention.
- §285 The beneficiaries/participants section of the description should be consistent with codified answers to items 6 and 7 (see §296-§318) and should be very brief, with detailed information on eligibility criteria included in the eligibility section of the description (see §290).
- §286 Action/Instrument (item 3.3): a brief description of the way in which the intervention works - how assistance is provided, how expenditure is disbursed, how long the intervention lasts, etc.
- §287 The action/instrument section of the measure description should describe the way in which the measure is implemented and how money is spent in sufficient detail that the classification of the intervention by type of action (see §142) and the breakdown of expenditure by direct recipient and type (see §175) can be readily confirmed.
- §288 Financing/support (item 3.4): a brief description on the sources of finance for the intervention and the organisation(s) responsible for administrative and/or operational support.
- §289 The financing/support section of the description should be consistent with codified answers to item 12 Source of finance (see §357) and item 13 Responsible institution (see §366).
- §290 Eligibility (item 3.5): a brief description of the criteria that define which groups of persons are eligible to participate in the intervention.
- §291 Legal basis (item 3.6): brief details of the legal basis of the intervention.
- §292 Recent changes (item 3.7): short comments on changes to the regulations applied to the intervention compared to the previous year.
- §293 Changes in an intervention compared to the previous year should always be integrated into the relevant section(s) of the description (items 3.1 to 3.6) so that all parts of the description are fully up-to-date and reflect the situation for the current year. Important changes should also be identified in the recent changes section (item 3.7). In the subsequent year the recent changes section should be cleared and left empty (unless further changes have occurred).

### 6.3 Target groups

- §294 In principle, all LMP interventions benefit disadvantaged groups that could be distinguished by labour market status (as defined in §18 to §20). In practice, however, the implementation of labour market policies is, by necessity, tied to national regulations, and it is most practical to collect information on the targeting of interventions in relation to groups that reflect operational practice.
- §295 The LMP database collects information on the groups targeted by each intervention using two levels of detail. The operational target groups (see §296) reflect the basic legislative conditions defining eligibility to each intervention and the detailed target groups (see §306) either refine this specification (i.e. restrict the operational target groups in some way) or indicate that there are special conditions/benefits for selected groups.

**Table M: Operational target groups and detailed target groups**

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

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

§297 In most countries the majority of LMP interventions are implemented by the PES and are available to groups that have been registered by the PES as jobseekers or otherwise needing assistance. This group is broken down to identify interventions open only to those that are considered as registered unemployed according to national definitions and those that are also open to other groups of registered persons.

§298 However, other groups may also be targeted by LMP interventions and not registered (individually) with the PES. For example, in the case of employees threatened by restructuring, an employer may apply for assistance on behalf of its workers without any requirement for the individual employees to register. Also in cases where measures are implemented by municipalities or other levels of government, the issue of registration with the PES may not be relevant in deciding who is or is not eligible to benefit from the intervention.

§299 Sub-items 6.1 to 6.4 (see definitions below and table above) are completed with a simple yes/no answer to indicate which groups are targeted by the current intervention. All interventions must be targeted to at least one of the main LMP target groups (see §14).

§300 **Registered unemployed** (item 6.1) refers to persons considered as registered unemployed according to national definitions (see also §384).

§301 **Other registered jobseekers** (item 6.2) refers to all persons registered with the PES as jobseekers but who are not considered as registered unemployed according to national definitions.

§302 The group of persons registered as jobseekers with the PES normally includes persons already in employment who are simply looking to change jobs and do not need support from an LMP measure. In practice, therefore, the target group of other registered jobseekers refers to persons who are unemployed (but do not qualify as registered unemployed), underemployed or inactive.

§303 Typically, this group will be selected when an intervention is targeted not only at registered unemployed but also at some other groups of persons in contact with the PES and, in this case, both items 6.1 and 6.2 should be selected.

§304 **Not registered** (item 6.3) indicates where interventions are targeted at groups who are not in employment or where registration with the PES is not a prerequisite for participation.

§305 **Employed** (item 6.4) indicates when an intervention is targeted specifically at persons who are already in employment, irrespective of whether or not they are individually registered with the PES (see also §228), and who are not seeking to work more hours (i.e. underemployed).

§306 **Detailed target groups** (item 7) indicates where other particular groups are specifically targeted by the intervention.



- §307 Detailed target groups should only be used to identify groups subject to specific focus within the intervention, either through eligibility criteria or through special provisions. In many cases interventions are simply targeted at one of the operational target groups and no detailed target groups are relevant.
- §308 In all cases, the beneficiaries/participants and/or eligibility items of the description of the intervention should contain enough information to clarify the use of each detailed target group and, when relevant, to clarify any differences from the definitions of each group given below (see §284 and §290 respectively).
- §309 All (item 7.1) indicates that all members of the relevant operational target group(s) are targets of the intervention – e.g. a measure may be open to all registered unemployed.
- §310 This item is selected by default when an operational target group is selected and should be deselected only in the case that participation in the intervention is restricted to only part of that main group. In the case that the intervention is open to all of the operational target groups but there are enhanced benefits for certain sub-groups (e.g. increased subsidies for disabled workers) then item 7.1 should be selected together with the other relevant detailed target group(s).
- §311 LTU (item 7.2) refers to long-term unemployed persons and is only relevant when registered unemployed (item 6.1) is selected as an operational target group.
- §312 LTU is defined to refer to a continuous spell of unemployment lasting at least a year (12 months or more).
- §313 Youth (item 7.3) refers to persons aged under 25 and who are in some way disadvantaged in the labour market.
- §314 Older (item 7.4) refers to persons aged 55 and over.
- §315 Disabled (item 7.5) refers to persons who are registered disabled according to national definitions.
- §316 Immigrants/ethnic minorities (item 7.6) refers to non-national permanent residents in a country, or nationals from an ethnic minority, who need special help in the labour market because of language or other cultural difficulties.
- §317 Re-entrants/lone parents (item 7.7) refers to persons with difficulties in returning to work after a period of inactivity, and single men or women with children who need assistance - financial or otherwise - to be encouraged to work.
- §318 Public priorities and other (item 7.8) refers to any nationally recognised disadvantaged groups not covered above.

## 6.4 Other qualitative items

Table N: Other qualitative items in the LMP questionnaire	
	Item number in LMP questionnaire
<b>Treatment of unemployment spells</b>	8
Broken	8.1
Suspended	8.2
Continuous/continuous	8.3
Continuous/discontinuous	8.4
Not relevant	8.5
<b>Receipt of benefits</b>	9
Cash benefits	9.1
Current intervention	9.1.1
Unemployment benefit	9.1.2
Other LMP benefit	9.1.3
Other benefit	9.1.4
Non cash benefits	9.2
Clarification	9.3
<b>Planned duration</b>	10
Typical	10.1
Maximum	10.2
Maximum extended	10.3
Unlimited	10.4
One-off	10.5
Variable	10.6
Continuously available	10.7
Not relevant	10.8
<b>Area of application</b>	11
National	11.1
Regional	11.2
Other	11.3
<b>Source of finance</b>	12
Central government budget	12.1
Ear-marked taxes	12.1.1
State/regional government budget	12.2
Local government budget	12.3
Social security funds	12.4
European Social Fund (ESF)	12.5
Other	12.6
<b>Responsible institution</b>	13
Central government	13.1
State/regional government	13.2
Local government	13.3
Social security funds	13.4
Trade union or similar	13.5
Public employment services	13.6
<b>Implementation of intervention</b>	14
Year started	14.1
Year ended	14.2

§319 **Treatment of unemployment spells** (item 8): indicates, for persons previously registered unemployed, the treatment of the unemployment spell as a result of participation in an LMP intervention (see **Box 3** following §218).

§320 The question refers only to participants who were registered unemployed before participating in the intervention. Item 8 should be considered as a relevant observation, and should be completed accordingly, for all interventions where one or more participants are reported as being previously registered unemployed. Only one of the four possible options can be selected. In the case that the

duration of the intervention is variable and the treatment of the unemployment spell is dependent on duration (e.g. 28 day rule) then the situation applying to the largest share of participants should take precedence. In case of any difference between the legal rule (treatment of unemployment spells according to regulation) and the statistical practice (treatment in the unemployment register), the statistical practice should take precedence.

- §321 Broken (item 8.1) indicates where participation in an LMP intervention breaks the unemployment spell and participants cease to be counted as registered unemployed (see **Box 3**).
- §322 Suspended (item 8.2) indicates where participation in an LMP intervention results in the unemployment spell being suspended for the duration of the intervention but may be continued afterwards (see **Box 3**). Participants are not counted as registered unemployed during a measure.
- §323 Continuous/continuous (item 8.3) indicates where the unemployment spell includes periods of activation in an LMP intervention and participants continue to be counted as registered unemployed throughout (see **Box 3**).
- §324 Continuous/discontinuous (item 8.4) indicates where the unemployment spell includes periods of activation in an LMP intervention but participants cease to be counted as registered unemployed on an instantaneous observation (see **Box 3**).
- §325 Not relevant (item 8.5) indicates where treatment of the unemployment spell is not relevant for the current intervention. See Box 5 for guidance on how this item may be applied to the different types of LMP intervention.

#### Box 5: Guidelines for the completion of item 8 Treatment of unemployment spells

- For sub-category 1.1, item 8 is expected to be continuous/continuous (8.3) when some or all participants are already registered as unemployed, and not relevant (8.5) when none of the participants are currently registered as unemployed (or when the intervention is explicitly targeted at people who are not registered unemployed).
- For sub-category 1.2, item 8 is expected to be not relevant (8.5); except when the PES provides services (considered outside the LMP scope of LMP measures, and reported under sub-category 1.2.3) directed at registered unemployed people.
- For categories 2-7, item 8 is mandatory; it is relevant if any participant was previously registered unemployed, even if registered unemployed is not explicitly mentioned as a group in items 3 (Description) or 6 (Operational target groups).
- For categories 8-9, item 8 should be completed as not relevant (8.5).
- In case of mixed interventions, item 8 should refer to the component(s) classified in categories 2-7. If the treatment differs across active components, the situation applying to the largest share of participants who were previously registered unemployed should take precedence and the treatments applied should be identified in metadata.
- For double-counting entries, the answer to item 8 should be the same as for the interventions affected by double-counting. If the treatment differs between interventions, the situation applying to the largest share of participants who were previously registered unemployed should take precedence and the issue should be described in metadata.

- §326 Receipt of benefits (item 9): indicates whether or not participants receive cash or other benefits that are paid, or continue to be paid, as a direct result of participating in the current intervention and then clarifies the source of these benefits.
- §327 The answers provided should refer to the majority of participants and should not attempt to cover every possible case.

- §328 Cash benefits (item 9.1) indicates whether or not participants receive cash benefits that are paid, or continue to be paid, as a direct result of participating in the current intervention. A simple yes/no answer is required.
- §329 Cash benefits refer to public money transferred directly to participants or via service providers. Wages paid to participants by employers are not considered as cash benefits.
- §330 In the case that participants receive cash benefits (item 9.1 = yes) then the source of those benefits should be selected from one or more of the four options below:
- §331 Current intervention (item 9.1.1) indicates that the cash benefits received by participants are included in the expenditure of the current intervention.
- §332 This option (and not item 9.1.2) should also be selected in the case that
- the intervention is a form of unemployment benefit classified in category 8;
  - participants in the current intervention (measures in categories 2-7 only) continue to receive unemployment benefits and where the expenditure has been included in the current intervention (as recommended in §194-§196).
- §333 Unemployment benefit (item 9.1.2) indicates that participants in the current intervention continue to receive cash unemployment benefits that are not included in the expenditure of the current intervention but in another intervention recorded in category 8. If item 9.1.2 is selected for LMP measures (categories 2-7), the formal note (item M1.2) accompanying the expenditure data should specify that participants continue to receive unemployment benefits that are included in category 8.
- §334 Other LMP benefit (item 9.1.3) indicates where participants receive cash benefits (other than unemployment benefits) paid through another LMP intervention included in the database. For example, participants in a training measure may receive a training allowance that is paid through a separate budget and reported as a separate intervention in the database.
- §335 Other benefit (item 9.1.4) indicates where participants receive cash benefits that are outside the scope of the LMP database. For example, participants in rehabilitation may receive disability benefits.
- §336 Non-cash benefits (item 9.2) indicates where participants receive non-cash, secondary benefits (e.g. medical cards, housing benefits, health insurance) that they become, or continue to be, eligible for as a direct result of participating in the current intervention. A simple yes/no answer is required.
- §337 Clarification (item 9.3) is a free text field that should be used to describe the cash and non-cash benefits referred to in items 9.1 and 9.2. Where cash benefits are included elsewhere in the LMP database the intervention number and name should be given.

**Box 6: Guidelines for the completion of item 9 Receipt of benefits**

- The selection of item 9.1.1 (i.e. cash benefits are included in the current intervention) implies that expenditure should include some cash transfers to individuals and therefore that either item 15.2.1 (Periodic cash payments) or item 15.2.2 (Lump-sum payments) should contain a non-zero value. Similarly, if a significant proportion of expenditure for the intervention is reported as periodic or lump-sum cash benefits to the individual (items 15.2.1 or 15.2.2), then it is expected that item 9.1.1 should be checked. In cases where item 9.1.1 is checked, item 3.3 (Action/Instrument) should always include information that explains the nature of the cash benefits provided.
- Item 9 is not relevant (and should not be completed) for sub-category 1.2, except when the PES provides services that are not considered as LMP measures because of targeting criteria (e.g. generally available apprenticeship schemes) and reported under sub-category 1.2.3.
- Item 9.1.1 should normally be selected for interventions in category 8.
- In case of mixed interventions, if the receipt of benefits differs across components, the situation applying to the majority of participants should take precedence.

- §338 **Planned duration** (item 10) describes the duration of participation in an intervention as planned through its design and regulations, including cases where duration is variable or not relevant.
- §339 For interventions where the duration is somehow planned, three sub-items items describe the typical and maximum duration envisaged. Five further sub-items cover cases where duration is unlimited, one-off, variable, continuously available or not relevant. Answers to this item should either complete information on defined duration (at least one of items 10.1 to 10.3) or indicate that some other situation applies (one of items 10.4 to 10.8).
- §340 **Typical** (item 10.1) refers to the duration planned for a typical participant.
- §341 Note that typical duration is an item of qualitative information and refers strictly to duration that is planned in the intervention design and/or regulations. A quantitative measurement of the actual duration of participation is recorded elsewhere (see §265).
- §342 **Maximum** (item 10.2) refers to the maximum duration planned or allowed for regular participants according to the legislation underlying the intervention.
- §343 **Maximum extended** (item 10.3) refers to the maximum duration which applies under special conditions or for particular groups.
- §344 For example, an intervention may offer an employment subsidy for one year (typical and maximum duration) but this can be extended to two years (maximum extended duration) for people with disabilities.
- §345 In some cases maximum duration is the only relevant observation of defined duration. For example, in the case of unemployment benefits there is no planned typical duration but there is often a maximum period (and possibly a maximum extended duration) for which benefits are payable.
- §346 **Unlimited** (item 10.4) indicates that the duration of the activity or support offered by the intervention is open-ended or is not defined by regulation. Interventions with unlimited duration are expected only in sub-category 5.1 (Sheltered and supported employment) or in sub-categories 8.1 and 8.3 (Unemployment benefits and Part-time unemployment benefits) where some forms of unemployment benefit may be paid for an unlimited period so long as the participant continues to actively seek work.
- §347 **One-off** (item 10.5) indicates that the intervention provides a one-off support that is free of any condition for the participant to fulfil any specific activities during a defined time-period (e.g. redundancy compensation).

- §348 Note that this option is not applicable to all interventions providing one-off support. For example, some start-up incentives are paid in the form of a lump-sum that must be repaid (at least in part) if the entrepreneurial activity is terminated within a certain period. In this case there is a planned duration for the activity and typical and maximum duration (items 10.1-10.3) should be completed accordingly.
- §349 Variable (item 10.6) indicates that the intervention has a variable duration. This item should only be applied in cases where the intervention lasts for a significant period of time but has no specific typical or maximum duration.
- §350 For example, some LMP *measures* may have variable duration in order to cater for individual needs – e.g. vocational training courses. If no maximum duration is applied to such cases then item 10.6 should be applied.
- §351 Continuously available (item 10.7) indicates that the intervention is provided on an ad-hoc basis at the request of either the jobseeker (e.g. ad-hoc information services) or the provider (e.g. referral to job opportunities or training). In general this item is applicable only to entries in sub-category 1.1 (Client services).
- §352 Not relevant (item 10.8) indicates that an observation of duration is not relevant for the current intervention. In general, this item is applicable only to entries in sub-category 1.2 (Other activities of the PES), though even here duration is relevant for programmes financed and managed by the PES that are similar to LMP but formally outside the scope of LMP measures because of targeting criteria and which are therefore included in sub-category 1.2.3 (e.g. general apprenticeship schemes).

#### Box 7: Guidelines for the completion of item 10 Planned duration

- The following observation units are available to describe items 10.1 to 10.3:
  - < 1 day
  - Days
  - Weeks
  - Months
  - Years
- It is recommended to provide duration in months wherever possible.
- The observation “<1 day” will normally apply only to services in sub-category 1.1.
- When more than one of items 10.1 to 10.3 is completed, the same observation unit should be applied to each.
- An LMP measure that is time-limited but renewable without limit (so long as the relevant eligibility criteria are met) should be considered as ongoing support, item 10 = 10.4 Unlimited. This also implies that the intervention should be classified in sub-category 5.1.
- If a one-off payment is conditional upon an employer respecting a minimum hiring period (category 4) or a minimum operating period for a new start-up (category 7), this should be considered as a planned duration so that item 10.1 Typical duration (and potentially items 10.2 and 10.3 related to maximum duration) should be completed and not item 10.5 One-off.
- In the case of Individual case-management services (cat 1.1.2) that are provided on an ongoing basis and involve the supply of services at defined intervals items 10.1 to 10.3 should be completed. However, if the services of the intervention are supplied on-demand then item 10.7 should be completed.
- The duration of some LMP measures and supports may differ between participants in order to cater for individual needs. If no maximum duration is applicable then variable (item 10.6) should be completed, otherwise typical and maximum duration (items 10.1 to 10.3) are expected to apply. For example, a vocational training programme where participants may participate in a range of courses

of differing durations would be considered to be of variable duration (item 10.6). Whilst in the case of unemployment benefits where the payment duration is linked to contribution history and/or age but where there are specific limits for each category of claimant then, typical and maximum durations (items 10.1 to 10.3) are expected to apply.

- In case of mixed interventions, if components run consecutively, the overall duration of the intervention should be reported. Otherwise, if components are alternatives, duration should be reported as Variable (item 10.6). Quantitative information on the actual duration of participation in each component can be provided under item 24 (Average duration of participation).

- §353 **Area of application** (item 11) indicates the part of the national territory to which the intervention is applied. One of three options must be selected:
- §354 **National** (item 11.1) indicates that the intervention is applied throughout the territory and the detailed regulations are not subject to variation by any regional or local authority.
- §355 **Regional** (item 11.2) indicates that the intervention is applied only in selected administrative regions (NUTS) or is applied nationally but can be implemented subject to variations under regional authority.
- §356 **Other** (item 11.3) indicates that the intervention is applied only in specially defined parts of the territory that are recognised nationally, e.g. large cities, specific areas of high unemployment, etc.
- §357 **Source of finance** (item 12) indicates the source(s) of finance for an intervention. One or more sub-items should be selected to indicate each source of finance applicable to the current intervention.
- §358 Levels of government below central government should only be identified as the source of finance where the funds are derived from revenue due to taxes or other charges levied and collected through its own competence. Where funds are controlled by the lower level of government, but originated in a transfer from central government revenues, then the source of finance should be central government.
- §359 **Central government budget** (item 12.1) refers to revenue from all taxes or other charges levied (but not necessarily collected) by central government (see §369).
- §360 **Ear-marked taxes** (item 12.1.1) refers to taxes or other charges which are levied by central government (see §369) specifically to generate funds for public labour market interventions and which cannot by law be used for any other purpose.
- §361 **State/regional government budget** (item 12.2) refers to revenue from all taxes or other charges levied and collected by state/regional government (see §370).
- §362 **Local government budget** (item 12.3) refers to revenue from all taxes or other charges levied and collected by local government (see §371).
- §363 **Social security funds** (item 12.4) refers to funds derived from compulsory social contributions paid by employers on behalf of their employees or by protected persons to secure entitlement to social benefits (see §372).
- §364 **European Social Fund (ESF)** (item 12.5) refers to funds provided by the ESF towards the cost of implementing specific labour market interventions.
- §365 **Other** (item 12.6) refers to any other source of finance not covered above.
- §366 **Responsible institution** (item 13) indicates the institution(s) primarily responsible for the management and implementation of an intervention.



- §367 For LMP *services* and *measures* this refers to activities such as the selection and monitoring of participants and the management/co-ordination of employers and service providers. For LMP *supports* this refers to activities such as the registration and monitoring of beneficiaries, payment of benefits, validation of claims, etc.
- §368 When one institution has the main responsibility for an intervention then only that institution should be selected. When more than one institution has important responsibilities then each relevant institution should be selected.
- §369 Central government (item 13.1) refers to all governmental departments, offices, establishments and other bodies which are agencies or instruments of the central authority whose competence extends over the whole territory, except for the administration of social security funds.
- §370 State/regional government (item 13.2) refers to all units of government exercising a competence independently of central government in a part of a country's territory encompassing a number of smaller localities, except for state, provincial or regional administration of social security funds.
- §371 Local government (item 13.3) refers to all other units of government exercising an independent competence in part of the territory of a country, except for local administration of social security funds.
- §372 Social security funds (item 13.4) refers to central, state and local institutional units whose principal activity is to provide social benefits. The benefits are paid from autonomous funds derived from compulsory social contributions. The level of both contributions and benefits paid out is controlled by government regulation and are normally applicable to the whole of the territory.
- §373 Trade union or similar (item 13.5) refers to organisations which promote solidarity and protect the rights and other interests of workers. Also included here are chambers of commerce, employers federations or similar.
- §374 Public employment services (item 13.6) refers to the national employment service (and regional/local equivalents) together with any other publicly funded bodies whose main responsibility is to facilitate the integration of unemployed and other jobseekers in the labour market.
- §375 **Implementation of intervention** (item 14) indicates the period over which an intervention has been in force.
- §376 Year started (item 14.1) refers to the year that the intervention first received participants and/or incurred expenditure. Note that this may be later than the year in which the legal decision was taken.
- §377 Year ended (item 14.1) refers to the year in which the last participants exited the intervention and/or when no more expenditure was incurred. Since persons already participating in an intervention are normally allowed to complete any planned period of participation, the year ended can be some time after the legal decision is taken to end the intervention.



**Reference data**

**7**

## 7. Reference data

- §378 In addition to the data on each LMP intervention, the LMP database also collects reference data on the number of persons registered with the public employment service as unemployed or as a jobseeker and the number of persons with an active individual action plan (IAP). These groups are the main targets of LMP interventions and may be used to put into context the numbers of participants benefiting from the different types of LMP intervention.
- §379 The database also collects qualitative information to describe the different populations (see §389). This is important information that provides a link between the target groups that define the scope of the database (see section 1.3) and operational practice in each country. For example, in some countries the population of registered unemployed may include significant numbers of persons who are employed (working limited numbers of part-time hours) whilst in others it may not include all persons who are actually unemployed because of limited incentives to register. Since, by and large, the registered unemployed represent the primary target of LMP measures this qualitative information is vital in understanding the different coverage in each country.
- §380 For the convenience of completing data using the standard input form, reference data are recorded using a special category added to the scheme for classification of interventions by type of action. It should be clear, however, that this is for data collection purposes only and the data are not related to interventions and must be treated separately.

### 7.1 Classification of LMP reference data

**Table O: Classification of LMP reference data**

R	Reference data
R.1	Registered jobseekers
R.1.1	Registered unemployed
R.1.2	Other registered jobseekers
R.2	Individual action plans

- §381 **Reference data** (category R) refers to data which are not related to individual LMP interventions but which describe and quantify the main targets of LMP interventions and which are used for reference purposes.
- §382 Reference data cover the numbers of registered jobseekers, registered unemployed, and other jobseekers registered with the PES such that  $R.1 = R.1.1 + R.1.2$ <sup>8</sup>. (Note that this equation may not hold in the case that there is no separate concept of registered unemployed and the population refers to persons receiving unemployment benefits.)
- §383 Registered jobseekers (total) (cat R.1) refers to all persons who are currently registered as jobseekers with the PES.
- §384 Registered unemployed (cat R.1.1) refers to persons who (1) are registered jobseekers and at the same time (2) fulfil the national criteria for consideration as registered unemployed, regardless of whether they receive unemployment-related benefits or not<sup>9</sup>.

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

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

- §385 Other registered jobseekers (cat. R.1.2) refers to all persons registered with the PES who are not considered as registered unemployed and who have (1) contacted the PES for assistance in job-search, (2) whose personal details and circumstances have been recorded by the PES and (3) who have had personal contact with the PES within the current year, or as otherwise defined for PES operational purposes. All 3 conditions should be fulfilled at the same time.
- §386 When information is available, several groups of persons within this category (e.g. apprenticeship seekers, employed jobseekers etc.), can be reported separately.
- §387 Individual action plans (cat R.2) refers to all persons who are currently following an individual action plan (IAP).

An individual action plan (IAP) is defined as an on-going process that outlines a set of prescribed activities, tailored for each individual, aimed at promoting their integration into the labour market. The action plan is updated as participant needs change and progress is made, it is frequently monitored, it enforces mutual obligations on both the jobseeker and the PES and sanctions may be imposed on participants who fail to follow the prescribed activities.

## 7.2 Specification of the data required

- §388 Reference data are collected using the standard input form used for data by intervention. A separate entry should be made for each of the four reference populations requested.
- §389 For all reference data entries in R.1 (Registered jobseekers): Items 3.5 (Eligibility), 4.1 (Classification) and all participant variables must be completed. All other items are optional and may be used to report relevant information.
- §390 Details on the criteria for consideration as a member of each reference population in R.1 (registered jobseeker, registered unemployed or other registered jobseeker) should be given under item 3.5 Eligibility.
- §391 The differences between the national criteria for registered unemployed status and the ILO definition of unemployment should be clearly identified. In particular, details should be given of:
- the lower age-limit for unemployed young persons;
  - the maximum age at which a person can still be registered unemployed;
  - restrictions for first-time job-seekers and/or school leavers;
  - any limitations on part-time work (in some countries persons who are part-time employed up to a fixed threshold of hours or wages can still be registered unemployed whilst in others no work is allowed);
  - any restrictions on the type of work sought (e.g. persons seeking part-time or temporary work may not qualify as registered unemployed).
- §392 For all reference data entries in R.2 (Individual action plans): Items 3-14 (Qualitative information) except item 5 (Breakdown of expenditure) and 12 (Source of financing) and all participant variables must be completed.
- Details on the criteria for being provided with an individual action plan (IAP) should be recorded under item 3.5 (Eligibility).
- The different characteristics of an individual action plan should be clearly illustrated under item 3.3 (Action/Instrument). In particular, details should be provided to illustrate how:
- The IAP is an on-going process;
  - The IAP outlines a set of prescribed activities;

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in the international ILO definition of *unemployed*.

- The IAP is tailored for each individual;
- The IAP is updated as participant needs change and progress is made;
- The completion of the activities defined in the IAP is frequently monitored;
- The IAP enforces mutual obligations on the jobseeker and the PES;
- Sanctions may be imposed on participants who fail to follow the activities prescribed by the IAP.

§393 For each reference population, detailed information on participant stocks and flows complete with breakdowns by sex, age, and duration of unemployment (where relevant) are required.

## Appendix

# A

## Appendix

### Appendix A.1. LMP questionnaire – full list of questions

#### Qualitative items

1. Intervention number
2. Intervention name
  - 2.1. English
  - 2.2. National language
3. Description
  - 3.1. Aim
  - 3.2. Beneficiaries/participants
  - 3.3. Action/Instrument
  - 3.4. Financing/support
  - 3.5. Eligibility
  - 3.6. Legal basis
  - 3.7. Recent changes
4. Type of action
  - 4.1. Class
  - 4.2. Components
    - 4.2.1. Class
    - 4.2.2. Name
5. Breakdown of expenditure
  - 5.1. Transfers to individuals
    - 5.1.1. Periodic cash payments
    - 5.1.2. Lump-sum payments
    - 5.1.3. Reimbursements
    - 5.1.4. Reduced social contributions
    - 5.1.5. Reduced taxes
  - 5.2. Transfers to employers
    - 5.2.1. Periodic cash payments
    - 5.2.2. Lump-sum payments
    - 5.2.3. Reimbursements
    - 5.2.4. Reduced social contributions
    - 5.2.5. Reduced taxes
  - 5.3. Transfers to service providers
6. Operational target groups
  - 6.1. Registered unemployed
  - 6.2. Other registered jobseekers
  - 6.3. Not registered
  - 6.4. Employed
7. Detailed target groups
  - 7.1. All
  - 7.2. LTU
  - 7.3. Youth
  - 7.4. Older
  - 7.5. Disabled
  - 7.6. Immigrants/ethnic minorities
  - 7.7. Re-entrants/lone parents
  - 7.8. Public priorities and Other
8. Treatment of unemployment spells
  - 8.1. Broken
  - 8.2. Suspended
  - 8.3. Continuous/continuous
  - 8.4. Continuous/discontinuous

- 8.5. Not relevant
- 9. Receipt of benefits
  - 9.1. Cash benefits
    - 9.1.1. Current intervention
    - 9.1.2. Unemployment benefit
    - 9.1.3. Other LMP intervention
    - 9.1.4. Other
  - 9.2. Non-cash benefits
  - 9.3. Clarification
- 10. Planned duration
  - 10.1. Typical
  - 10.2. Maximum
  - 10.3. Maximum extended
  - 10.4. Unlimited
  - 10.5. One-off
  - 10.6. Variable
  - 10.7. Continuously available
  - 10.8. Not relevant
- 11. Area of application
  - 11.1. National
  - 11.2. Regional
  - 11.3. Other
- 12. Source of finance
  - 12.1. Central government budget
    - 12.1.1. Ear-marked taxes
  - 12.2. State/regional government budget
  - 12.3. Local government budget
  - 12.4. Social security funds
  - 12.5. European Social Fund (ESF)
  - 12.6. Other
- 13. Responsible institution
  - 13.1. Central government
  - 13.2. State/regional government
  - 13.3. Local government
  - 13.4. Social security funds
  - 13.5. Trade union or similar
  - 13.6. Public employment services
- 14. Implementation of intervention
  - 14.1. Year started
  - 14.2. Year ended

### **Expenditure**

- 15. Expenditure
  - 15.1. Total
  - 15.2. Transfers to individuals
    - 15.2.1. Periodic cash payments
    - 15.2.2. Lump-sum payments
    - 15.2.3. Reimbursements
    - 15.2.4. Social contributions
    - 15.2.5. Taxes
  - 15.3. Transfers to employers
    - 15.3.1. Periodic cash payments
    - 15.3.2. Lump-sum payments
    - 15.3.3. Reimbursements
    - 15.3.4. Social contributions
    - 15.3.5. Taxes
  - 15.4. Transfers to service providers
- M1. Metadata on expenditure

- M1.1. Source
- M1.2. Notes (formal)
- M1.3. Notes (free)

### **Participants**

- 16. Stock
  - 16.1. Stock (total)
  - 16.2. Stock (volume)
- 17. Entrants
- 18. Exits
- M2. Metadata on participants
  - M2.1. Observations
    - M2.1.1. Stock
    - M2.1.2. Entrants
    - M2.1.3. Exits
    - M2.1.4. Destination method
    - M2.1.5. Destination time
  - M2.2. Source
  - M2.3. Notes (formal)
  - M2.4. Notes (free)

### **Breakdown of participants**

- 19. Sex
- 20. Age
- 21. Duration of unemployment
- 22. Previous status of entrants
  - 22.1. Registered
    - 22.1.1. Registered unemployed
    - 22.1.2. Other registered jobseekers
  - 22.2. Not registered
  - 22.3. Employed
  - 22.4. Unknown
- 23. Destination of exits
  - 23.1. Employment (total)
  - 23.2. Of which subsidised
  - 23.3. Other measure
  - 23.4. Unemployment
  - 23.5. Inactivity
  - 23.6. Unknown

### **Duration**

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



## Appendix A.2. Classification of interventions by type of action

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

### LMP services

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

### LMP measures

- 2 Training**
  - 2.1 Institutional training
  - 2.2 Workplace training
  - 2.3 Alternate training
  - 2.4 Special support for apprenticeship
  - 2A Adjustment for double-counting, category 2
- 3 ~~Job rotation and job sharing~~** (Not used – included in category 4 – see §71)
- 4 Employment incentives**
  - 4.1 Recruitment incentives
    - 4.1.1 Permanent
    - 4.1.2 Temporary
  - 4.2 Employment maintenance incentives
  - 4.3 Job rotation and job sharing
    - 4.3.1 Job rotation
    - 4.3.2 Job sharing
  - 4A Adjustment for double-counting, category 4
- 5 Sheltered and supported employment and rehabilitation**
  - 5.1 Sheltered and supported employment
  - 5.2 Rehabilitation
  - 5A Adjustment for double-counting, category 5
- 6 Direct job creation**
  - 6A Adjustment for double-counting, category 6
- 7 Start-up incentives**
  - 7A Adjustment for double-counting, category 7

**LMP supports**

- 8 Out-of-work income maintenance and support**
  - 8.1 Full unemployment benefits
    - 8.1.1 Unemployment insurance
    - 8.1.2 Unemployment assistance
  - 8.2 Partial unemployment benefits
  - 8.3 Part-time unemployment benefits
  - 8.4 Redundancy compensation
  - 8.5 Bankruptcy compensation
  - 8A Adjustment for double-counting, category 8
- 9 Early retirement**
  - 9.1 Conditional
    - 9.1.1 Full
    - 9.1.2 Partial
  - 9.2 Unconditional
    - 9.2.1 Full
    - 9.2.2 Partial
  - 9A Adjustment for double-counting, category 9

**LMP reference data**

- R Reference data**
  - R.1 Registered jobseekers
    - R.1.1 Registered unemployed
    - R.1.2 Other registered jobseekers
  - R.2 Individual action plans

### Appendix A.3. Input form for Expenditure

*All figures to be presented in national currency (1000s)*

Intervention details			15.2 Transfers to individuals					15.3 Transfers to employers					15.4 Transfers to service providers	15.5 Not specified
			15.2.1 Periodic cash payments	15.2.2 Lump-sum payments	15.2.3 Reimburse- ments	15.2.4 Social contribs.	15.2.5 Taxes	15.3.1 Periodic cash payments	15.3.2 Lump-sum payments	15.3.3 Reimburse- ments	15.3.4 Social contribs.	15.3.5 Taxes		
No.	Name [Component]	Class	15.1 Total											

## Appendix A.4. Input form for participants

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

## Appendix A.5. Illustration of main participant variables

### LMP participant variables: illustration of figures required.

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

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

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

#### Key:

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

Participation/registration periods for example individuals																	Contribution to LMP participant variables			
Personal ID	Survey year																Stock		Entrants	Exits
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Months of participation/ registration	Contribution to annual stock (months/12)		
	1	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	12	1.00	0
2	R	R	R	R	R	R	R	R	R	R	X						9	0.75	0	1
3	R	R	R	X					S	R	R	R	X				7	0.58	1	2
4			S	R	R	R	R	R	R	R	R	R	R	R	R	R	12	1.00	1	0
5										S	R	R	R	R		R	4	0.33	1	0
6				S	R	R	R	R	R	R	R	X					9	0.75	1	1
7				S	R	X				S	R	R	R	R	R	R	9	0.75	2	1
8				S	R	X				S	R	X					6	0.50	2	2
9					S	X			S	R	X			S	R	R	8	0.67	3	2
Monthly stock			4	7	7	7		4	5	8	8	8	7	6	5	Annual totals		6.33	11	9
Average of monthly stocks			6.33																	

## Appendix A.6. Reporting of PES activities

Public Employment Services (PES) are the principal labour market institutions established by governments to support the labour market integration of jobseekers. As such, the activities of the PES are of central importance to the LMP database. The LMP methodology provides a definition of the PES in §38 and provide further clarification of this concept under §39. In order to assist data providers to correctly report PES activities in accordance with the methodology this appendix provides guidance on how to overcome a number of common issues.

### 1. Delineation of the PES

In some countries, the national employment service is clearly recognisable as a single autonomous or semi-autonomous organisation but in other countries it may be an integral part of a wider government department, an affiliation of bodies and departments or a collection of autonomous decentralised organisations. The definition of PES in LMP (§37) is purposefully worded to cover a wide range of scenarios, with a focus on function and not organisational structures.

As per §38 and §39, the *PES* should be understood to refer to the national employment service (and regional/local equivalents) and any other publicly funded bodies whose main responsibility is to actively facilitate the integration of unemployed and other jobseekers in the labour market. This implies that only bodies providing employment services that would be classified in LMP sub-category 1.1 may be considered PES while those providing only measures and supports reported in categories 2-9 cannot.

A first step is therefore to identify all the public funded bodies that adhere to the definition. Once these have been identified it is necessary to delineate the PES in financial terms by identifying the expenditures that form part of the total costs of the PES. Where the PES is a single autonomous or semi-autonomous organisation this ought to be straightforward as such organisations tend to have independent accounts, but where the organisational structure is more complex the task may be more complicated:

#### 1. Multiple PES organisations

In the case of multiple PES, the distribution of roles among them can vary, for example, by level of territorial authority and/or geographical coverage or by the form of LMP provided and/or the target group(s) catered for. Nevertheless, the costs of all PES should be covered in LMP. However, the larger the number of PES the more difficult this becomes if there is no centralised data source covering all PES. Indeed, where a large number of fully decentralised PES exist it may be necessary to implement a survey to collect data on the services delivered and money spent in order to provide comprehensive and comparable data for LMP.

#### 2. PES integrated into a larger organisation:

The PES may be an integrated part of a much wider organisation (e.g. a Ministry) which also has extensive non-LMP responsibilities. In this case, it may or may not have financial autonomy (i.e. separate operating budget). Where it has financial autonomy, the PES can be easily distinguished from the wider organisation in financial terms. However, where the PES is not autonomous and there are shared resources/budgets, the task becomes more complicated. It will be necessary to split shared resources between the PES and non-PES parts of the organisation in order to only report the PES share in LMP. Guidance on this is provided in section 3 of this appendix.

It is possible that both of the above complications coexist. For example, PES may be devolved to regional level and integrated into regional government services as part of a one-stop-shop service model. In such cases, there will be a large number of separate PES, each integrated into a larger organisation. To isolate the PES to be reported in LMP it will be necessary to isolate the PES component of each regional council and aggregate these.

## 2. Reporting the costs of non-LMP activities of the PES

In principle, the LMP data should include the total costs of the public employment services (PES) in each country (see §186)<sup>10</sup>. The costs of LMP measures (i.e. active labour market policies or ALMP) and any LMP supports (i.e. passive labour market policies – mainly in the form of unemployment benefits) managed by the PES are covered in categories 2-7 and 8-9 respectively of the classification by type of action. All remaining costs of the PES fall within either sub-category 1.1 (Client services), which covers the main LMP related activities of integration and placement (including the administration of these services), and sub-category 1.2 (Other activities of the PES), which covers administration costs of measures and supports (sub-categories 1.2.1 and 1.2.2) as well as the all non-LMP activities of the PES and general overheads (sub-category 1.2.3).

The possibility that the PES may be integrated into a larger organisation results in five possible scenarios:

1. Standalone PES with only LMP responsibilities: The PES is easily identified as a single organisation and the methodology requires that the full expenditure of the organisation is reported. All expenditure is within scope of LMP.
2. Standalone PES with some non-LMP responsibilities: As case 1 but now some of the expenditure requested by the current methodology is outside the scope of LMP (costs of non-LMP activities).
3. Integrated PES which operates autonomously with only LMP responsibilities: In this case the PES is delimited as a specific part of a wider organisation (e.g. a Ministry) but with financial autonomy (i.e. separate operating budget). This case is essentially equivalent to a standalone PES with only LMP responsibilities (case 1). All expenditure of its separate operating budget is within scope of LMP.
4. Integrated PES which operates autonomously with some non-LMP responsibilities: As case 3 but with some of the expenditure requested by the current methodology being outside the scope of LMP (costs of non-LMP activities). This case is essentially equivalent to a standalone PES with significant non-LMP responsibilities (case 2).
5. Integrated PES which operates non-autonomously: The PES is delimited as a specific part of a wider organisation but the operational budget for the relevant part of the organisation is not fully separated such that some general costs for the whole organisation are grouped together. The problem here is that if only budget lines specifically related to the PES part of the organisation are included it will exclude the LMP-related part of shared costs.

Category 1.2.3 is not expected to be empty in any of the above scenarios as the sub-category should always include general overheads of the PES which cannot be associated directly or even indirectly with the provision of specific LMP services, measures or supports but do contribute to the operation of the PES as a whole. This includes for example, costs associated with general administration and human resource management. However, the sub-category is only expected to contain data for non-LMP activities in two of the five situations presented above:

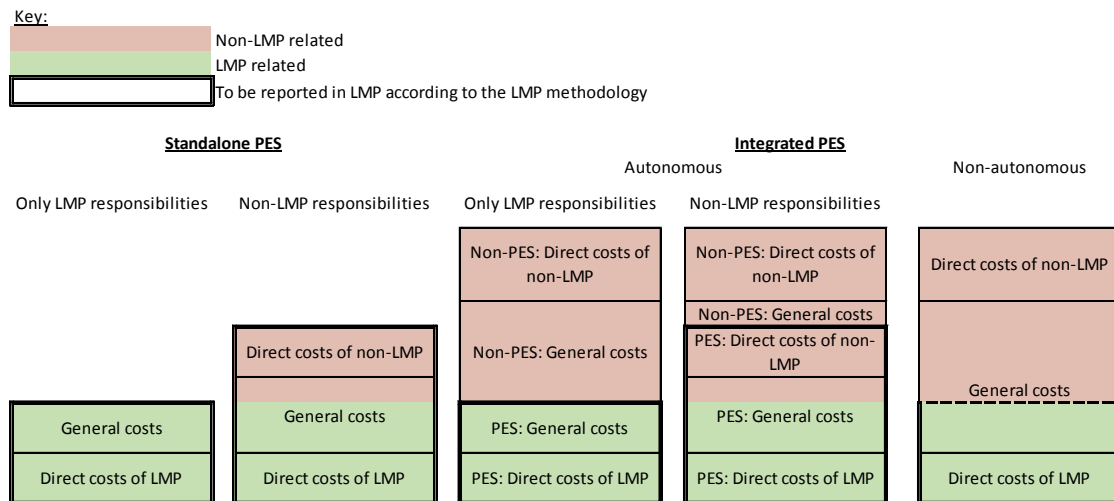
- (1) Standalone PES with responsibility some non-LMP responsibilities;
- (2) Integrated PES which operates autonomously with some non-LMP responsibilities.

For example, where the PES is responsible for all LMP, as well as apprenticeships and labour market research/analysis which not considered LMP. The costs of apprenticeships and labour market research/analysis and the administration costs associated with them should be reported in sub-category 1.2.3.

(10) The only exception to this is identified in §191: "Significant one-off capital expenditure (e.g. to purchase new buildings) is not considered to be part of the routine provision and should be excluded."

To ensure comparability between countries, non-LMP responsibilities should only be included when they constitute a minor part of the responsibilities of the organisation/department identified as the PES. If they constitute a significant part of the responsibilities, this suggests that the delineation of the PES is too wide and needs to be adjusted.

The figure below illustrates the possible scenarios and their impact on the reporting of non-PES activities in LMP:



To further illustrate what this implies in practice, an example of how the PES is delimited in Norway is provided in Box 8.



### Box 8: Delineation of PES in Norway (as applied in 2016)

The Norwegian Labour and Welfare Administration (NAV) is responsible for providing publicly funded employment services in Norway but also has responsibility for social services, pensions, maternity leave allowances and other services outside the scope of LMP. Local NAV offices provided in collaboration with municipalities deliver customer facing services – both LMP related and other services determined by the municipality. There are also back office units responsible for payments, accounting, etc. For the purposes of LMP reporting only expenditure on LMP related activities and a proportionate share of general overheads are included as shown by the items highlighted yellow in the figure below. Cells marked with “s” are those where a share of total costs is included.

			Benefits									Services				Municipal				
		Full time equivalents	Paid sick leave	Disability pensions	Maternity leave	Unemployment benefits	work assessment allowance	Child and family allowances	Assistive technology	Other benefits	Pensions	Sickness absence follow up	Classification of serviceneed	work capability assesment	Follow-up towards work	Employer services	Qualification Program	Social services and benefits	Other municipal services	Administration and shared services
Customer facing offices	Municipal part of NAV kontor	ca 5000										x	x	x			x	x	x	
	Regional administration	632,0																		S
	Local offices / NAV-kontor	4881,6	x	x	x	x	x	x				x	x	x	x	x	x	x/-		S
	Call-center	930,1	x	x	x	x	x	x		x	x	x	x	x	x	x				S
	Logistics centres Assistive technology	1260,5							x											
	Specialised service providers	374,1		x		x	x						x	x	x					S
	Workplace Assistance centres	521,0							x			x								
Benefits administration units	Back-office general	2123,3	x	x	x	x	x	x	x	x										S
	Back-office pensions	268,8									x									
	Back-office International	213,2	x	x	x	x	x	x		x		x			x					S
	Complaints	166,7	x	x	x	x	x	x	x	x	x									S
	Control	232,8	x	x	x	x	x	x		x	x									S
	Payments, Procurement, Accounting	474,7	x	x	x	x	x	x	x	x	x									S
	Directorate	1120,2																		S
	Norwegian Labour Service	13198,8																		
	Norwegian Labour Administration	ca 17000																		

Source: Norwegian response to the EMPL questionnaire on LMP category 1 and PES expenditure in March 2016

### 3. Reporting of expenditure

PES expenditure data typically derive from the accounting data of the organisation responsible for employment services. Obtaining access to the most detailed accounting data possible and explanations of the content greatly facilitate the compilation of the LMP expenditure data. Further, good communication with personnel in the accounting departments responsible can also be useful for gaining extra insights into the data when clarification is needed.

Unfortunately, it is rare that available accounting data provide the exact breakdowns of expenditure needed to (1) financially delimit the PES when it is part of a larger organisation and (2) break down costs between all the sub-classifications defined in the LMP database.

Usually some accounting items can be directly attributable to interventions with specific LMP classifications or excluded on the basis that they are not associated with the PES part of the organisation concerned. Indeed, expenditure for LMP measures and supports, which belongs in categories 2-9, is generally easily separated out as these are typically standalone actions with separate budgets and thus have distinct entries in PES accounting data. This can also be the case for some LMP services. Similarly,

where the PES is a fully autonomous department of a ministry, all costs associated with other parts of the organisation can be directly excluded.

Once all items, where it is possible to do so, have been directly excluded or attributed to specific classifications, it is then necessary to consider how to deal with the remaining data which therefore represent shared costs (i.e. those attributable to several activities with different LMP classifications). Usually, the remaining expenditure is mainly associated with activities which belong in category 1 and which therefore need to be broken down between the sub-classifications of this category.

The reason for this is that, unlike other categories, category 1 tends to cover PES activities that make use of shared resources such that the costs attributable to any particular activity may be difficult to quantify separately. For example, this includes costs of premises, transportation, IT, utilities, office supplies, administration, repairs and maintenance and cleaning. Some of these clearly contribute directly (i.e. are actually used/consumed) in the provision of services which do not have distinct budgets while others are used more indirectly in the administration of these services and to ensure continued operation of the PES.

Regardless, all such shared costs should be split in order to:

- Exclude the part of shared costs related to non-PES activities: This only applies when the PES is integrated into a larger organisation and does not have financial autonomy. Here, it is necessary to split shared costs between those associated with the PES part of the organisation - i.e. associated with LMP activities - and the non-PES part of the organization – i.e. associated with non-LMP activities – in order to include the former and exclude the latter.
- Allocate costs to sub-categories of category 1: The LMP methodology requires category 1 data to be broken down between sub-category 1.1 (Client services) and sub-category 1.2 (Other activities of the PES). Often the activities that fall within these categories use shared resources so it is necessary to split the associated shared costs according to their use in the different services/activities of the PES and allocate them to the different sub-categories as follows:
  - Cat 1.1 (Client services) includes the portion of the costs of shared resources that contribute directly (i.e. are actually used/consumed) and indirectly (administration) to the provision of a services.
  - Cat 1.2 (Other activities of the PES) includes the portion of the costs of shared resources that contribute directly and indirectly to non-LMP activities and indirectly to LMP measures or supports (administration costs).
- Provide data by service within category 1.1: Costs of shared resources used to provide services in sub-category 1.1 should be split between the individual services provided in order to allow costs of services to be reported under separate interventions which can be classified as either sub-category 1.1.1 and 1.1.2. This is particularly important for services in 1.1.2 for which participant data by intervention are required. Guidance on this is provided under section 5.

In the absence of precise data on the allocation of costs, it is recommended that, where available, staff time-use data or other indicators of staff allocation, such as numbers of staff by role (client-facing and back office) and numbers of staff by office type (local, regional and national) should be used as the basis for splitting not only staff costs but all types of shared costs. However, it must be noted that the human resource intensity of different services/activities does vary and may impact reliability. For example, an online job bank uses relatively low human resources compared to intensive counselling services. Accordingly, all data based on such estimates should be flagged accordingly in the LMP data and be accompanied with a footnote describing how data have been split.

Splitting shared costs using a known breakdown from a previous reference period is to be avoided where possible and to be used only as a last resort as such estimates are liable to become progressively less reliable as time progresses, particularly if there are significant changes within the organisation(s) affected.

Note that if the vast majority of an accounting item for shared costs is known to be associated with a particular activity which belongs in a specific sub-category then it can be allocated to that category as an estimate with a footnote. For example, when local PES offices provide all frontline services as well as

undertaking some admin activities and regional/national offices only deal with administration it may be reasonable to allocate all costs of local PES to 1.1 and all the costs of regional/national PES to 1.2 (in both cases excluding any costs already reported in categories 2-9).

#### 4. Reporting of participant data

Participant data for PES LMP services in category 1 are requested only in relation to sub-category 1.1.2 - Individual case-management which means that there should be participant data for the following kinds of PES services:

- Individualised assistance including:
  - Intensive counselling/guidance
  - Intensive job-search assistance
  - Follow-up for unemployed
  - Training of short duration to develop a person's ability to get a job (e.g. counselling in job application methods or interview techniques)
  - Job clubs
- Financial assistance for the unemployed (e.g. travel to interview costs, other job-search related costs)

The relevance of different observations of participants may vary between the different types of services offered and between countries depending on the way these services are administered. For those provided on a one-off (or continuously available) basis, stock and, to some extent, exits are not relevant, while for those with a certain duration, stock, entrants and exits are all valid observations. For example, interventions providing financial assistance to jobseekers often (but not always) provide one-off support (e.g. reimbursement of travel to interview costs) so that stock is not a relevant observation.

Stock data in sub-category 1.1.2 are particularly important as they are used for the assisted activation indicator. Relevant stock data can be expected to derive mainly from individualised assistance such as intensive counselling/guidance, short training programmes, intensive job search assistance and follow-up. Such activities may be implemented on a one-to-one basis or in the form group activities such as job-clubs.

Note that even if category 1 expenditure data cannot be broken down to the level of the individual services provided, there should nevertheless be entries in the LMP database providing participant data at this level. Guidance on this is provided under section 5.

While participant data for Individual action plans (IAPs) are excluded from category 1.1.2 and reported separately as reference data in R.2 (see §47), category 1.1.2 should nevertheless include participant data for specific services undertaken within the context of an IAP. For example, a person following an IAP may be required to take part in intensive counselling, job clubs or short course to develop job search skills. Separate participant data for each of these different services, should be provided.

#### 5. Organisation of PES category 1 interventions:

The recommended organisation of interventions for PES category 1 activities depends on the breakdown of PES expenditure data that is available. Participant data are only valid at the most detailed level (i.e. at the level of individual service) so even if expenditure cannot be broken down to this level there should always be interventions (or components of a mixed intervention) in which participant data for category 1.1.2 services can be reported.

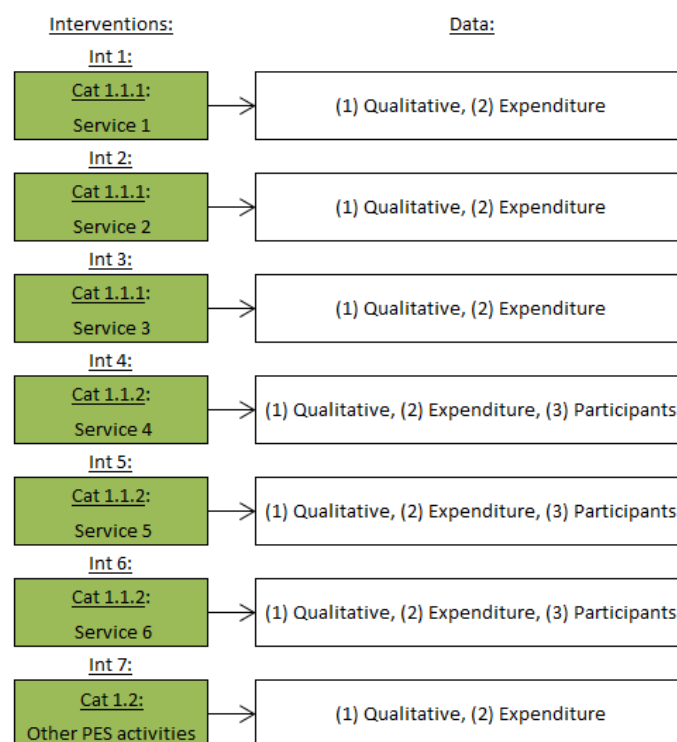
##### Case 1 – Expenditure available at the level of individual services/activities:

When expenditure data are available by service/activity - i.e. at the same level of disaggregation as

participant data (when relevant) - each PES service/activity should be reported as a distinct intervention with a single component including:

- Qualitative information describing the service/activity
- Expenditure data of the service/activity
- Participant data of the service/activity (where relevant)

This type of organisation is illustrated in the figure below.



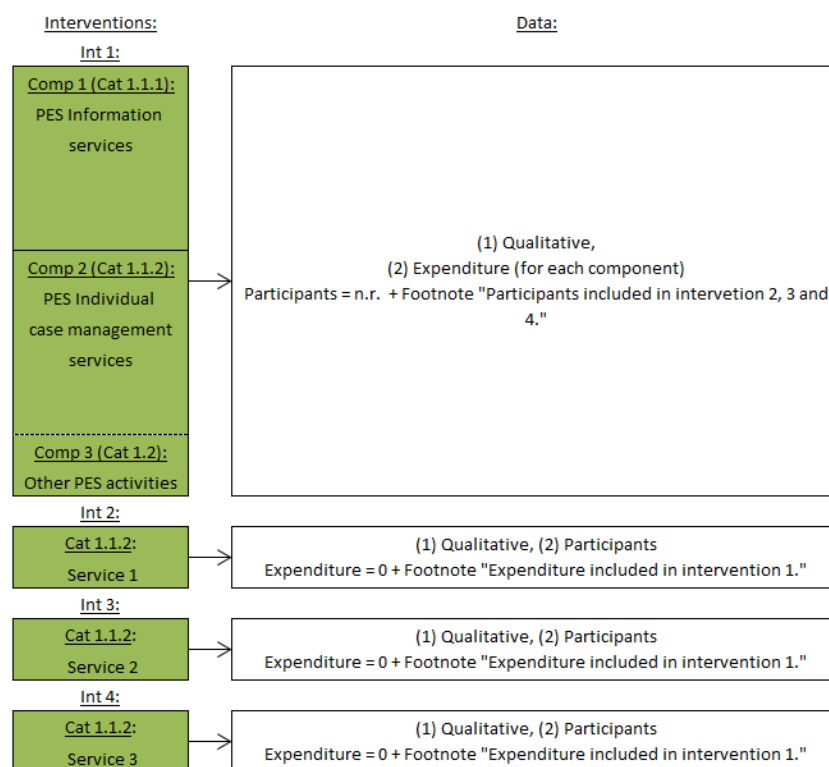
#### Case 2 – Expenditure available only at level(s) aggregating services/activities:

When the available breakdowns of expenditure are at a higher aggregate level than the individual services/activities for which participants are relevant then the two sets of data should be reported using multiple interventions:

- One intervention with multiple components should be used to report expenditure to the greatest level of detail practical (any data for specific services should always be separated out as described above). This should include:
  - Qualitative information which describes the PES in general but also lists activities included under each specific breakdown and provides references to where any relevant participant data are reported
  - Expenditure for each breakdown.
  - Participant data for each breakdown should be set to not relevant with a footnote stating that participants are included elsewhere (the intervention number(s) should be provided).
- A separate intervention for each specific service/activity in sub-category 1.1.2 should be used to report participants. Each of these should include:
  - Qualitative information describing the service/activity

- Expenditure data of the service should be set to zero with a footnote stating that expenditure is included elsewhere (the intervention number should be provided).
- Participant data of the service/activity

This type of organisation is illustrated in the figure below.



## 6. Reporting of qualitative information:

All interventions in the LMP database should be accompanied by a description that is sufficiently detailed to confirm the classification applied, to allow the quantitative data to be correctly interpreted and to enable an understanding of the aims, targets and implementation methods of the intervention.

For category 1 the qualitative information to be provided varies between sub-categories. As per §281 "for sub-category 1.1 Client services the services should be described so that it is possible to understand how jobseekers benefit from the service. For sub-category 1.2 Other activities of the PES it is acceptable to simply list the range of activities covered."

On this basis, the qualitative information for interventions in sub-category 1.2 is expected to be mainly limited to a list of activities under item 3.3 (Action/Instrument). However, other items may be completed as producers see fit. In particular, in the case of programmes recorded in sub-category 1.2.3 that are strictly out of scope of LMP but still with some relevance (e.g. general apprenticeship scheme run by the PES), it is recommended to complete a comprehensive description. Meanwhile, qualitative information for all items is expected for interventions with a component in sub-category 1.1.

In the case of an intervention covering multiple category 1 services/activities, which should normally be reported as separate interventions, all but one of the items of the qualitative information should reflect the group of interventions covered as a whole unless otherwise stated in the methodology. Exceptionally, item 3.3 Action/Instrument should provide the following information:

- Explanation of how the activities/services are related
- Clear identification of each individual activity/service covered so that these can be distinguished

- For each individual activity/service:
  - Detailed information on the activity/service which enables the classification applied to be confirmed and clarifies the aims, targets and implementation methods of the activity/service.
  - Identification of where the activity/service is reported in the quantitative data (i.e. in which breakdown). This is particularly important in the case of interventions with multiple components.

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