## Population and social conditions

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Statistics in focus 34/2009

# 1 in 10 of the population wanting to work took part in labour market training in 2006

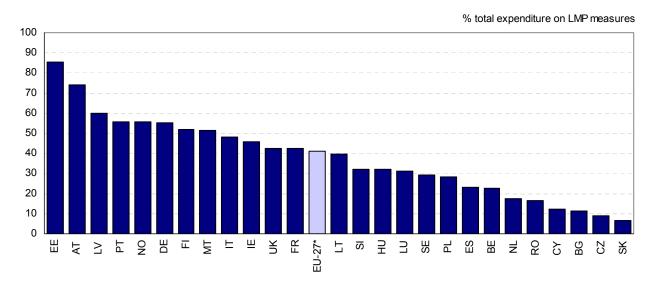
In 2006, training accounted for just over 40% of total expenditure on Labour Market Policy (LMP) measures used to actively help and support the unemployed and other disadvantaged groups in the transition from unemployment or inactivity to work.

In terms of participants, training is the second most important type of LMP measure after employment incentives and, on average, 3.8 million people – one in ten of the total population wanting to work across the EU – took part in LMP training at any time during 2006.

The way in which labour market training is implemented varies between countries. Classroom-

based programmes are most common but actions to support the provision of apprenticeship places for particular groups also benefit large numbers of people in some countries.

The statistics shown are based on Eurostat's LMP database, which collects information on labour market interventions implemented by the EU Member States and Norway. LMP interventions are classified into three main types – services, measures and supports. This article analyses LMP measures, and in particular training.



## Figure 1: Expenditure on training as a share of expenditure on LMP measures, 2006

Product code: <u>Imp\_expsumm</u> \* Eurostat estimate. DK, EL: no data. Source: Eurostat, LMP database



## Training accounts for over 40% of expenditure on LMP measures

In 2006, an estimated total of 223 billion euro (1.9% of GDP) was spent across the EU on LMP interventions, which are classified into three main types – services, measures and supports.<sup>1</sup> Nearly 60 billion of this total (27%) was spent on LMP measures, which aim to 'activate' the unemployed and other disadvantaged groups in the labour market.

The term 'activation' refers to the use of active labour market measures to help unemployed people and others experiencing difficulty to find a job by themselves. Active measures, which include the LMP categories of training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation and start-up incentives, require participants to take part in some activity, in addition to or instead of their regular job-search, that aims to broaden their skills or experience of work and therefore improve their chances of finding a regular job in future.

<sup>1</sup> For details see 'Methodological notes'.

## Table 1: Share of expenditure on LMP measures by category, 2006

	Training Job rotation and job sharing		Employment incentives	Supported employment and rehabilitation	Direct job creation	% Start-up incentives	
EU-27*	41.1	0.7	24.2	12.2	14.1	7.7	
BE	22.6	-	23.4	13.9	39.8	0.4	
BG	11.5	-	11.6	2.1	73.6	1.2	
cz	8.8	-	23.5	42.3	22.1	3.4	
DK	:	:	:	:	:	:	
DE	55.4	0.0	9.5	1.3	14.4	19.4	
EE	85.5	-	7.4	0.8	-	6.3	
IE	45.7	-	7.2	1.9	45.2	-	
EL	:	:	:	:	:	:	
ES	23.1	1.2	50.2	3.4	9.7	12.5	
FR	42.4	-	18.0	9.8	28.4	1.4	
ΙТ	48.3	0.6	40.0	-	2.0	9.1	
CY	12.2	-	61.9	7.6	-	18.3	
LV	60.0	-	28.8	3.3	7.9	-	
LT	39.7	0.0	32.0	1.8	26.5	0.1	
LU	31.1	-	51.2	2.3	15.4	0.1	
HU	31.9	-	42.3	-	24.3	1.6	
МТ	51.5	-	42.8	-	5.4	0.4	
NL	17.4	-	17.2	65.4	-	-	
AT	74.1	0.0	10.2	6.6	8.2	1.0	
PL	28.2	0.0	13.5	43.6	4.5	10.3	
РТ	55.6	0.0	29.2	8.2	6.5	0.5	
RO	16.4	-	50.8	-	32.0	0.8	
SI	32.2	-	15.8	-	41.3	10.6	
SK	6.8	-	16.0	8.1	38.1	31.1	
FI	51.9	7.2	13.3	13.3	11.8	2.6	
SE	29.1	5.6	45.4	17.3	-	2.6	
UK	42.5	-	24.0	24.4	9.1	-	
NO	55.5	-	4.8	27.5	11.8	0.5	

Product code: <u>Imp\_expsumm</u>

\* Eurostat estimate.

Some of these values may be estimated (or include estimated values).

: Not available; - Not applicable or real zero or zero by default; 0.0 Less than half of the unit used

Highlighted cells show the most important category in each country.

Source: Eurostat, LMP database

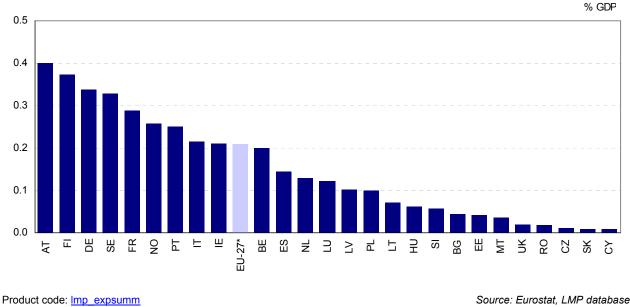
Table 1 shows the distribution of expenditure on active LMP measures between the different types of intervention and it can be seen that for the EU as a whole the category of training is by far the most important, accounting for over 24 billion (41%) of the total expenditure on LMP measures. However, the importance of training amongst active measures varies between countries (Figure 1).

In Estonia, training predominates, accounting for almost 86% of the total spent on LMP measures, followed by Austria with 74% and Latvia with 60%. On the other hand, training accounts for less than 13% of expenditure on LMP measures in Bulgaria, the Czech Republic, Cyprus and Slovakia.

In 20 of the 26 countries for which data were available, training is the most important (DE, EE, IE, FR, IT, LV, LT, MT, AT, PT, FI, UK and NO) or the second most

important category (ES, LU, HU, NL, PL, SI and SE) of active LMP measures in terms of expenditure. It is clear, therefore, that training is an important tool used by national authorities in the fight against unemployment.

Putting the level of expenditure on training into context by relating the amount spent to gross domestic product (GDP) changes the picture somewhat (Figure 2). Across the EU, public expenditure on LMP training programmes accounted for 0.21% of GDP in 2006 and the highest levels of expenditure are now observed in Austria (0.40%), Finland (0.37%), Germany and Sweden (both around 0.33%). However, there are fewer differences at the lower end of expenditure with LMP training costing around 0.01% of GDP or less in the Czech Republic, Slovakia and Cyprus. Training expenditure as a share of GDP is also less than a quarter of the EU average in Bulgaria, Estonia, Malta, Romania and the UK.



## Figure 2: Expenditure on training as a % of GDP, 2006

## \* Eurostat estimate. DK, EL: no data.

## Average of 3.8 million participants in LMP training across the EU

In 2006, there was an annual average stock<sup>1</sup> of around 3.8 million participants in LMP training programmes across the European Union. However, the numbers of participants were not evenly distributed with almost 60% of them being accounted for by just two countries – Germany (41.5%) and France (14.5%).

Table 2 shows for each country the total stock of participants in each category of LMP measures (training, job rotation, employment incentives, supported

employment and rehabilitation, direct job creation and start-up incentives). Note that, in a number of countries, participant data are incomplete for some interventions but aggregates are shown so long as data are available for at least 80% of expenditure on the category or broader aggregate.

<sup>&</sup>lt;sup>1</sup> The term 'stock' refers to the average number of persons participating in an intervention at any point during the year.

Table 2: Participants in LMP measures by category, 2006

	Stock (1000s)						)s)							
	Training	I	Job rotatio & job sharir		Employment incentives		Supported employment & rehabilitation		Direct job creation		Start-up incentives		Total LMP measures	
EU-27*	3,816.1	u	106.9	u	4,606.3	u	773.6	u	1,336.9	s	712.2	u	11,351.9	u
BE	96.0		-		116.1	u	38.6	u	108.9		1.0		360.5	u
BG	11.6		-		14.3		1.8		74.3		4.6		106.6	
cz	7.4		-		16.6		21.0		9.5		4.2		58.7	
DK	:		:		:		:		:		:		:	
DE	1,585.4		0.4		126.8		23.2		372.9		407.8		2,516.7	
EE	1.1	s	-		0.7		0.1	е	0.0		0.0		2.0	s
IE	26.8		-		4.3		1.6	s	23.8		4.4		60.8	s
EL	:		:		:		:		:		:		:	
ES	262.9	u	68.7		2,591.1		42.9	е	222.8	s	158.7	u	3,347.0	u
FR	553.8	е	-		556.2	u	129.5	е	279.3		76.4	е	1,595.1	u
IT	:		17.4	u	579.4	u	-		35.1		8.2	u	:	
СҮ	0.1	s	-		1.1	u	:		-		0.1		1.3	u
LV	5.0		-		2.6	s	0.5		1.5		-		9.6	s
LT	7.1		0.0		:		:		6.5		0.2		17.3	u
LU	2.3	u	-		:		0.1		1.1	е	-		9.7	u
HU	13.9		-		35.4		-		17.0		3.3		69.5	
МТ	1.5	u	-		0.4	u	-		0.0	е	:		1.9	u
NL	178.5		-		46.7		144.4		-		-		369.6	
AT	90.1	е	0.0		61.0	е	:		7.6		2.2		162.3	u
PL	98.8	s	:	n	98.0	u	:		8.2		3.4	s	453.5	u
РТ	48.0	u	:	n	79.1	u	5.7		21.2		4.3	u	158.3	u
RO	15.1		-		51.4		-		17.4		:	n	83.9	
SI	12.0	u	-		2.4		-		3.3		3.3	u	21.1	u
SK	2.3		-		13.1	u	1.9		104.6		20.6		142.4	u
FI	48.9		7.3		15.8		8.9	е	13.5		4.2		98.6	е
SE	52.0		13.0		118.8		36.9		-		5.4		226.2	
UK	39.0		-		30.0	u	7.2		8.3		-		84.5	u
NO	34.5				4.6	u	12.6		7.6		0.5		59.8	u

Product code: Imp partsumm

Source: Eurostat, LMP database

\* Eurostat estimate.

: Not available; :n Not significant; - Not applicable or real zero or zero by default; 0.0 Less than half of the unit used; e Estimated value; s Eurostat estimate; u Unreliable or uncertain data: participant data complete for interventions covering >=80% but <100% of expenditure.

Table 3: Distribution of participants (stocks) in LMP measures by category, 2006

							Supporte	d					%
	Training		Job rotation		loyme		employme	ent	Direct job		Start-up		Total LMP
	-		& job sharing	Inc	entive	S	& rehabilitation		creation		incentives		measures
EU-27*	33.6	u	0.9 ι		40.6	u	6.8	u	11.8	s	6.3	u	100.0
BE	26.6		-		32.2	u	10.7	u	30.2		0.3		100.0
BG	10.9		-		13.4		1.7		69.7		4.3		100.0
cz	12.6		-		28.3		35.8		16.2		7.2		100.0
DK	:		:		:		:		:		:		:
DE	63.0		0.0		5.0		0.9		14.8		16.2		100.0
EE	58.4	s	-		35.5		3.1	е	1.8		1.2		100.0
IE	44.0		-		7.0		2.6	s	39.2		7.2		100.0
EL	:		:		:		:		:		:		:
ES	7.9	u	2.1		77.4		1.3	е	6.7	s	4.7	u	100.0
FR	34.7	е	-		34.9	u	8.1	е	17.5		4.8	е	100.0
ІТ	:		:		:		-		:		:		:
СҮ	10.1	s	-		85.5	u	:		-		4.4		100.0
LV	52.3		-		26.8	s	5.2		15.7		-		100.0
LT	41.0		0.1		:		:		37.7		1.1		100.0
LU	23.2	u	-		:		0.5		10.9	е	-		100.0
HU	19.9		-		50.9		-		24.5		4.7		100.0
МТ	78.4	u	-		19.8	u	-		1.8	е	:		100.0
NL	48.3		-		12.6		39.1		-		-		100.0
AT	55.5	е	0.0		37.6	е	:		4.7		1.4		100.0
PL	21.8	s	: r		21.6	u	:		1.8		0.7	s	100.0
PT	30.3	u	: r		49.9	u	3.6		13.4		2.7	u	100.0
RO	18.0		-		61.3		-		20.8		:	n	100.0
SI	56.8	u	-		11.5		-		15.9		15.9	u	100.0
SK	1.6		-		9.2	u	1.3		73.4		14.5		100.0
FI	49.6		7.4		16.0		9.0	е	13.7		4.3		100.0
SE	23.0		5.8		52.5		16.3		-		2.4		100.0
UK	46.2		-		35.5	u	8.5		9.8		-		100.0
NO	57.6		-		7.7	u	21.1		12.7		0.8		100.0

Product code: <u>Imp\_partsumm</u>

Source: Eurostat, LMP database

\* Eurostat estimate.

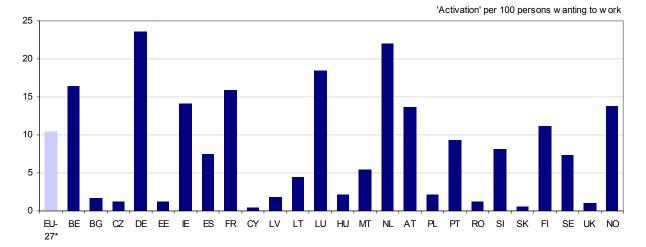
: Not available; :n Not significant; - Not applicable or real zero or zero by default; 0.0 Less than half of the unit used; e Estimated value; s Eurostat estimate; u Unreliable or uncertain data: participant data complete for interventions covering >=80% but <100% of expenditure. Table 3 shows the distribution of participants in LMP measures by category. Note that the figures reflect the breakdown of available data on participants so that the share of categories where participant data are incomplete (see Table 2) may be understated. The figures show that training is the second most important type of active LMP intervention in the EU, accounting for a third of all participants in LMP measures (33.6%), some way behind the most important category of employment incentives (40.6%). However, when considering individual countries, training has a higher priority. Of the 25 countries for which the breakdown of participants by category is sufficiently complete to determine a ranking, training is the most important category in 12 countries compared to 9 for employment incentives.

The share of participants in training is highest in Malta, where it accounts for 78.4% of the currently reported numbers (expressed as annual average stocks)<sup>1</sup>, in Germany (63.0%), Estonia and Norway (both around 58%). On the other hand, training accounts for less than 10% of participants in active measures in Spain (7.9%) and especially in Slovakia (1.6%).

The category of employment incentives, which mostly covers short-term incentives for employers to take on unemployed people, accounts for particularly high shares of participants in LMP measures in Cyprus (85.5%), Spain (77.4%) and Romania (61.3%). Direct job creation - where public money is used to create jobs additional to normal market demand - is the most important type of measure (in terms of participants) in Slovakia (73.4%) and Bulgaria (69.7%). Finally, the category of supported employment and rehabilitation, which covers measures aiming to promote the labour market integration of persons with reduced working capacity, accounts for the highest share of participants in the Czech Republic (35.8%) and Poland where the data for this category are incomplete but still account for more than half of the total number of participants reported.

<sup>1</sup> Around two-thirds of the LMP training participants reported in Malta are people enrolled in apprenticeship schemes. The treatment of these schemes as LMP or as part of the regular education system is under review.

## 1 in 10 persons wanting to work 'activated' through training



### Figure 3: 'Activation' through LMP training, 2006

Source: Eurostat, LMP database and EU Labour Force Survey

\* Eurostat estimate.

DK, EL: no data; IT data incomplete.

The European Employment Strategy aims to increase employment across the Union and promotes 'activation'<sup>1</sup> not only of persons formally counted as unemployed but also people who are currently inactive in the labour market. The extent of 'activation' through LMP measures can be monitored by relating the number of persons 'activated' to the ultimate target population of all persons wanting to work.

Persons wanting to work are defined as the ILO unemployed plus the labour reserve. Unemployed according to the ILO definition are persons without work, currently available for work and actively seeking work. The labour reserve covers those inactive persons wanting to work but who are not counted as unemployed because they are not actively seeking work or not currently available for work. Data are taken from the EU Labour Force Survey (EU LFS).

Figure 3 shows 'activation' through LMP training, measured as the number of participants in LMP training

per 100 persons wanting to work. The observations of LMP participants used in this calculation are stock figures so the results should be interpreted as the average number of people currently 'activated' at any point during the year and not the number of different individuals 'activated' through training during the year.

On average, one in ten of the EU population wanting to work was 'activated' through some form of LMP training measure in 2006 but there were large differences between countries. The highest rates of 'activation' through training are observed in Germany (23.6 persons per 100 persons wanting to work) and the Netherlands (22), with Belgium, France and Luxembourg 'activating' around 16-18 persons per 100 persons wanting to work. On the other hand, levels of 'activation' are just one person per 100 persons wanting to work or below in the UK (1.0), Slovakia (0.5) and Cyprus (0.4).

<sup>1</sup> See also page 2 for further explanation of the term 'activation'.

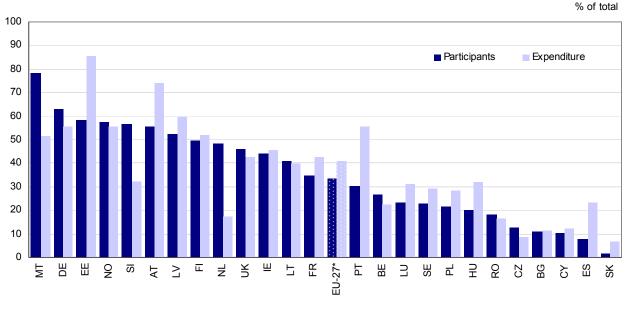
## Significant differences in training costs across the European Union

It is interesting to relate data on expenditure with participant figures to examine the costs of implementing labour market training in each country.

However, some caution must be applied to the interpretation of results. In some countries, data on the number of participants (expressed as annual average stock) in LMP measures are not fully complete for all categories so that the share of participants in training may be distorted in either direction depending on whether it is the training category or other categories that are incomplete (see Tables 2 and 3).

Additionally, expenditure on training may be understated in some cases – for example when unemployment benefits are paid to participants in training measures but not included as training expenditure, or when training is provided by the Public Employment Services (PES) and the expenditure cannot be separated from the general PES costs recorded in category 1 (labour market services).

Figure 4 compares the share of participants in training with the share of expenditure on training in relation to the totals for LMP measures. Cases where there are significant differences between the shares of expenditure and participants tend to suggest differential costs in the implementation of training compared to other types of active measure. Assuming that all relevant costs are correctly included in each category and the distribution of participants by category is not unduly distorted, then if the share of expenditure on training is higher than the share of participants it suggests that training is more expensive to implement than other types of active intervention. Figure 4 shows the share of expenditure on training to be higher than the share of participants for the EU-27 average, which ought to balance out most discrepancies due to data issues in individual countries. Training seems to be relatively more expensive than other forms of active measure in Estonia, Austria, Portugal, Hungary and Spain.



## Figure 4: Shares of expenditure and participants in LMP training measures, 2006

Product code: <u>Imp\_expsumm</u>; <u>Imp\_partsumm</u>

Source: Eurostat, LMP database

\* Eurostat estimate.

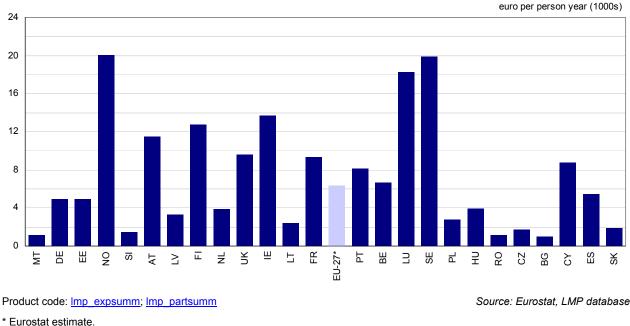
DK, EL: no data; IT data incomplete.

At first sight, it seems reasonable to expect that training measures would be more expensive than, for example, employment incentives. To support training programmes, governments must not only cover the cost of the training provision, but also provide income support for the participants during training. On the other hand, employment incentive measures tend to work in the lower end of the job market (in terms of wage levels) and normally cover only a partial subsidy to employers, who then pay a wage to the participants so that the input of public money needed for each participant is relatively small.

However, LMP interventions are extremely varied and such general explanations rarely cover all situations. As can be seen in Figure 4, the share of expenditure on training is significantly lower than the share of participants in training in Malta, Slovenia and the Netherlands, which suggests training is relatively cheap to implement compared to other types of intervention in these countries. In the case of the Netherlands, around half of the participants counted in the training category are apprentices whose employers benefit from reductions in taxes and social contributions due on wages paid to the apprentices. The costs of the training are borne by the employers and the expenditure recorded in the LMP training category is therefore akin to an employment incentive. Moreover, some of the participants in other Dutch training programmes continue to receive unemployment benefits that are still counted in LMP category 8 (out-of-work income maintenance and support), thereby understating the full public cost of supporting the training. In Malta the cost of training provided by the PES own network of trainers cannot be separated from the general costs of the PES recorded in category 1 – LMP services so that the expenditure recorded in category 2 – training is understated.

In the LMP data, the observation of stock describes the average number of persons participating in an intervention at any point during the year. For full-time activities, stock can therefore be interpreted as the number of person-years and measuring expenditure per person-year is one way of comparing the costs of LMP interventions. Figure 5 shows how the costs of training per person-year vary across the  $EU^1$ . On average a year of labour market training costs around 6,400 euro per person but the figures range from 20,000 euro in Norway and Sweden to below 2,000 euro in Slovakia, the Czech Republic, Slovenia, Malta, Romania and Bulgaria – i.e. about a ten-fold difference.

<sup>&</sup>lt;sup>1</sup> Countries are shown in the same order as in Figure 4, i.e. in descending order according to the share of participants.



## Figure 5: Expenditure per person-year on LMP training, 2006

DK, EL: no data; IT data incomplete.

## Mainly institutional training and apprenticeship

The LMP methodology distinguishes four sub-categories of training: institutional training where most of the training time (>75%) is classroom-based; workplace training where most of the training (>75%) takes place in a work environment; alternate training where there is a mix of classroom and workplace tuition; and special support to apprenticeship, which covers measures offering specific aid to encourage the take-up of apprenticeship by unemployed persons and other target groups but excludes apprenticeship that is part of the regular offer of education and training open to all young people.

Table 4 shows the distribution of training participants between the four aforementioned types of training in 2006. In the EU as a whole, 41% of training participants benefited from institutional training (largely classroom based), 25% were supported in an apprenticeship, and a further 8% of trainees spent a good proportion of their time in other forms of work-based training (7% who did the majority of their training at work and a further 1% through some form of alternate training). The type of training provided to the remaining 27% of trainees was not specified - usually because the interventions affected offer access to a variety of training courses and the allocation of trainees to different types of training is not recorded.

The EU figures are heavily weighted by the numbers of trainees in a few of the larger countries. About 45% of the persons recorded as participating in institutional training within the EU in 2006 were from Germany alone, but France and Spain also contributed important numbers to this sub-category (18% and 9% respectively). Germany and France also accounted for over 73% of the total EU number of apprenticeship positions supported though LMP expenditure.

The way in which labour market training is implemented varies considerably across countries. In Latvia, Hungary and Slovakia, the data reported by the national administrations indicate that only institutional (classroom-based) training is provided. In Romania, Slovenia and the UK, this form of training also accounted for 90% or more of total training participants. On the other hand, institutional training is relatively little used in Lithuania (3%) and Poland (8%). Workbased training accounted for 56% of training participants in Spain and 28% in Finland, but is otherwise relatively unimportant and is not used at all in ten of the countries for which a breakdown is available. Alternate training, which combines classroom and workplace instruction, is extremely important in Lithuania (97% of trainees) and significant also in Ireland (26%) but is not used in 14 EU countries.

Apprenticeship is normally considered part of the regular education system and outside of the scope of the LMP except where additional support is provided for disadvantaged groups and the extent to which such support is implemented varies significantly between countries. Supported apprentices account for 73% of

training participants in Poland, around half in France and the Netherlands, but less than 10% in Belgium, Spain and Finland. Moreover, there are no forms of special support for apprenticeship in a further eleven countries.

%

	Institutional training	Workplace training	Alternate training	Special support for apprenticeship	Mixed or not known	Total	
EU-27*	40.9	6.7	1.5	24.5	26.4	100.0	
BE	82.4	11.6	-	6.1	-	100.0	
BG	56.9	-	-	43.1	-	100.0	
cz	:	:	:	:	100.0	100.0	
DK	:	:	:	:	:	:	
DE	36.7	-	-	17.9	45.4	100.0	
EE	77.8	9.8	-	12.4	-	100.0	
IE	57.5	-	26.0	-	16.4	100.0	
EL	:	:	:	:	:	:	
ES	42.9	55.6	-	1.5	-	100.0	
FR	42.0	0.1	0.6	51.3	6.1	100.0	
IT	:	:	:	:	:	:	
CY	49.8	-	-	-	50.2	100.0	
LV	100.0	-	-	-	-	100.0	
LT	3.2	-	96.8	-	-	100.0	
LU	:	:	:	:	:	:	
HU	100.0	-	-	-	-	100.0	
MT	:	:	:	:	:	:	
NL	10.9	2.5	16.3	48.6	21.6	100.0	
AT	79.5	4.3	-	13.4	2.8	100.0	
PL	7.5	19.6	0.2	72.7	-	100.0	
PT	43.8	19.6	-	34.8	1.8	100.0	
RO	95.5	-	4.5	-	-	100.0	
SI	90.8	9.2	-	-	-	100.0	
SK	100.0	-	-	-	-	100.0	
FI	63.5	28.4	-	8.1	-	100.0	
SE	49.6	1.4	0.2	-	48.8	100.0	
UK	95.6	-	-	-	4.4	100.0	
NO	88.0	12.0	-	-	-	100.0	

## Table 4: Distribution of participants by type of training, 2006

\* Eurostat estimate.

Source: Eurostat, LMP database

DK, EL: no data; IT, LU, MT: breakdown by type incomplete.

## METHODOLOGICAL NOTES

The LMP database is based upon the collection of information from administrative sources, relating to public expenditure and to participants, covering both stocks and flows for each labour market intervention. It also includes much qualitative information.

One of the aims of developing a database on labour market expenditure and participants is to provide comparable data for the follow-up of some aspects of the Employment Guidelines whilst taking into account national specificities.

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.* 

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).

Three different types of intervention are recognised:

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.

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

*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.

### **Classification of LMP measures**

This article covers LMP measures in categories 2-7 as defined below (see LMP methodology, June 2006 <u>http://epp.eurostat.ec.europa.eu/cache/ITY\_OFFPUB/KS</u>-<u>BF-06-003/EN/KS-BF-06-003-EN.PDF</u>).

2 - Training: Measures which aim to improve the employability of the unemployed and other target groups through training, and which are financed by public bodies. Measures included here should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.

3 - Job rotation and job sharing: 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. 4 - Employment incentives: Measures which 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. The majority of the labour cost is normally covered by the employer.

5 - Supported employment and rehabilitation: Measures that aim to promote the labour market integration of persons with reduced working capacity through supported employment and rehabilitation.

6 - Direct job creation: 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. The majority of the labour cost is normally covered by the public finance.

7 - *Start-up incentives:* Measures that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.

### Data on expenditure and participants

LMP data are collected by intervention and then aggregated by category. Data on expenditure are complete for all countries but in some cases, participant data are incomplete or do not include important breakdowns. Aggregates of participants by category are shown only when the relevant observation (stock/flow) is complete for at least 80% of the relevant expenditure so that some values may be understated.

### Population wanting to work

For monitoring of the European Employment Strategy, LMP data may be considered in relation to the population wanting to work, which is taken as a proxy for the global target population for LMP interventions. The population wanting to work is defined to be the sum of the unemployed (ILO definition – persons out of work, available for work and actively seeking work) and labour reserve (inactive persons who would like to work but are currently not actively seeking or available for work).

### Country codes and other abbreviations

BE BG CZ DK EE EL ES FR IT CY LV	Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia	HU MT AL PT RO SK FI SK SFI SU NO	Hungary Malta Netherlands Austria Poland Portugal Romania Slovenia Slovenia Slovakia Finland Sweden United Kingdom Norway
•.			•
LT	Lithuania		. to may

LU Luxembourg

EU-27: European Union of 27 Member States from 1 January 2007 (BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK)

# **Further information**

Data: Eurostat Website: http://ec.europa.eu/eurostat

Select your theme on the left side of the homepage and then 'Data' from the menu.

Data: Eurostat Website/Population and social conditions//Labour market policy

## Labour market policy

- Public expenditure on labour market policy (LMP) interventions
- Participants in labour market policy (LMP) interventions

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