

THE EMPLOYMENT GUIDELINES FOR 2002

The careful build-up, over the last decade, of a macroeconomic framework for stability and growth coupled with consistent efforts to reform labour, capital, goods and services markets, as well as an improvement in the labour market situation over the last few years, has brought the attainment of some of the key objectives of the European Employment Strategy within reach. This is why the European Council has embraced full employment as an overarching objective of the EU's employment and social policy. It committed the Member States to reach the strategic goal of making the Union the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.

The achievement of these objectives requires simultaneous efforts by the Community and the Member States. It also requires a continued implementation of a comprehensive set of policies aiming at growth and macroeconomic stability, further structural reforms to improve the functioning of the European labour market, innovation and competitiveness, and an active welfare state promoting human resources development, participation, inclusion and solidarity. Further progress is however not automatic and requires strengthened efforts in view of the less favourable economic and employment outlook.

Preparing the transition to a knowledge-based economy, reaping the benefits of the information and communication technologies, modernising the European social model by investing in people and combating social exclusion and promoting equal opportunities are key challenges for the Luxembourg process. In order to achieve the goal of full employment set at Lisbon, the Member States should articulate their response to the guidelines under the four pillars in a coherent overall strategy which incorporates the following horizontal objectives:

A. Enhancing job opportunities and providing adequate incentives for all those willing to take up gainful employment with the aim of moving towards full employment recognising Member States' different starting positions, and recognising the fact that full employment is a goal of overall national economic policy. To this end Member States should consider setting national targets for raising the rate of employment, in order to contribute to the overall European objectives of:

- reaching by January 2005 an overall employment rate of 67 % and an employment rate of 57 % for women.
- reaching by 2010 an overall employment rate of 70% and an employment rate of more than 60% for women.
- reaching by 2010 an employment rate among older persons (aged 55-64) of 50%.

B. With a view to raising employment rates, promoting social cohesion and social progress, enhancing competitiveness, productivity and the functioning of the labour market, Member States will endeavour to ensure that policies across the four pillars contribute to maintaining and improving quality in work. Areas for consideration could include, inter alia, both job characteristics (such as intrinsic job quality, skills, lifelong learning and career development) and the wider labour market context encompassing gender equality, health and safety at work, flexibility and security, inclusion and access to the labour market, work organisation and work-life balance, social dialogue and worker involvement, diversity and non-discrimination and overall work performance and productivity.

C. Member States shall develop comprehensive and coherent strategies for Lifelong Learning, in order to help people acquire and update the skills needed to cope with economic and social changes throughout the entire life cycle. In particular, the strategies should cover the development of systems for initial, secondary and tertiary education, further education and vocational training for young people and adults to improve their employability,

adaptability and skills, as well as their participation in the knowledge-based society. Such strategies should articulate the shared responsibility of public authorities, enterprises, the social partners and individuals, with relevant contribution from civil society, to contribute to the realisation of a knowledge-based society. In this context, the social partners are invited to negotiate and agree on measures to improve further education and training of adults to enhance the adaptability of workers and competitiveness of business. To this end, Member States should set national targets for an increase in investment in human resources as well as in participation in further education and training (whether formal or informal) and monitor regularly progress towards such targets.

D. Member States shall develop a comprehensive partnership with the social partners for the implementation, monitoring and follow-up of the Employment Strategy. The social partners at all levels are invited to step up their action in support of the Luxembourg process. Within the overall framework and objectives set by these guidelines, the social partners are invited to develop, in accordance with their national traditions and practices, their own process of implementing the guidelines for which they have the key responsibility, identify the issues upon which they will negotiate and report regularly on progress, in the context of the National Action Plans if desired, as well as the impact of their actions on employment and labour market functioning. The social partners at European level are invited to define their own contribution and to monitor, encourage and support efforts undertaken at national level.

E. In translating the Employment Guidelines into national policies, Member States will give due attention to all the four pillars and the horizontal objectives by setting their priorities in a balanced manner, so as to respect the integrated nature and equal value of the guidelines. The National Action Plans will develop the strategy for employment (adopting a gender mainstreaming approach), comprising an identification of the policy mix based on the four pillars and the horizontal objectives which should make explicit how policy initiatives under different guidelines are structured in order to reach long-term goals. In giving effect to the Strategy, the regional dimension and regional disparities will be taken into account in terms of differentiated policies or targets, while fully respecting the attainment of national targets and the principle of equal treatment. Likewise, it is appropriate for Member States, without prejudice to the overall framework, to focus, in particular, on certain dimensions of the strategy to meet the particular needs of their labour market situation.

F. Member States and the Commission should strengthen the development of common indicators in order to evaluate adequately progress under all four pillars, including with regard to quality in work, and to underpin the setting of benchmarks and the identification of good practice. The social partners are invited to develop appropriate indicators and benchmarks and supporting statistical databases to measure progress in the actions for which they are responsible. In particular, the Member states should evaluate and report in the framework of their respective National Action Plans on the efficiency of their policy measures in terms of their impact on labour market outcomes.

I. IMPROVING EMPLOYABILITY

Tackling youth unemployment and preventing long-term unemployment

In order to influence the trend in youth and long-term unemployment, Member States will intensify their efforts to develop preventive and employability-oriented strategies, building on the early identification of individual needs. Within one year – although this period may be extended in Member States with particularly high unemployment and without prejudice to the review of the Guidelines which will take place in 2002 – Member States will ensure that:

1. Every unemployed person is offered a new start before reaching six months of unemployment in the case of young people, and twelve months of unemployment in the case

of adults in the form of training, retraining, work practice, a job, or other employability measure, including, more generally, accompanying individual vocational guidance and counselling with a view to effective integration into the labour market.

These preventive and employability measures should be combined with measures to reduce the stock of the long-term unemployed by promoting their reinsertion in the labour market.

In this context, Member States should pursue the modernisation of their Public Employment Services, in particular by monitoring progress, setting clear deadlines and providing adequate retraining of their staff. Member States should encourage cooperation with other service providers so as to make the strategy of prevention and activation more effective.

A more employment-friendly approach: benefits, taxes and training systems

Benefit, tax and training systems – where that proves necessary – must be reviewed and adapted to ensure that they actively support the employability of unemployed persons. Moreover, these systems should interact appropriately to encourage the return to the labour market of those inactive persons willing and able to take up a job. Particular attention should be given to promoting incentives for unemployed or inactive people to seek and take up work, as well as measures to upgrade their skills and enhance job opportunities in particular for those with greatest difficulties.

2. Each Member State will:

- review and, where appropriate, reform its benefit and tax system to reduce poverty traps, and provide incentives for unemployed or inactive people to seek and take up work or measures to enhance their employability and for employers to create new jobs;
- endeavour to increase significantly the proportion of unemployed and inactive persons benefiting from active measures to improve their employability with a view to effective integration into the labour market, and will improve the outcomes, outputs and cost effectiveness of such measures;
- promote measures for unemployed and inactive people to acquire or upgrade skills, including IT and communication skills, thereby facilitating their access to the labour market and reducing skills gaps. To this end, each Member State will fix a target for active measures involving education, training or similar measures offered to the unemployed thereby aiming at gradually achieving the average of the three most advanced Member States, and at least 20 per cent.

Developing a policy for active ageing

In-depth changes in the prevailing social attitudes towards older workers, as well as a revision of tax-benefit systems are called for, in order to reach full employment, to help ensure the long-term fairness and sustainability of social security systems, and to make the best use of older workers' experience. The promotion of quality in work should also be considered as an important factor in maintaining older workers in the labour force.

3. Member States, if appropriate with the social partners, will therefore develop policies for active ageing with the aim of enhancing the capacity of, and incentives for older workers to remain in the labour force as long as possible, in particular by:

- adopting positive measures to maintain working capacity and skills of older workers, not least in a knowledge-based labour market, in particular through sufficient access to education and training, to introduce flexible working arrangements including, for example, part-time work if workers so choose, and to raise employers' awareness of the potential of older workers; and
- reviewing tax and benefit systems in order to reduce disincentives and make it more attractive for older workers to continue participating in the labour market.

Developing skills for the new labour market in the context of Lifelong Learning

Effective and well functioning educational and training systems responsive to labour market needs are key to the development of the knowledge-based economy and to the improvement of the level and quality of employment. They are also crucial to the delivery of lifelong learning to allow for a smooth transition from school to work, lay the foundations for productive human resources equipped with core and specific skills and enable people to adapt positively to social and economic change. The development of an employable labour force involves providing people with the capacity to access and reap the benefits of the knowledge-based society, addressing skill gaps and preventing the erosion of skills resulting from unemployment, non-participation and exclusion throughout the lifecycle. Effective access of adults, whether employees or job seekers, to further vocational training should be ensured by Member States through the development, in consultation with the social partners, of an appropriate framework.

4. Member States are therefore called upon to improve the quality of their education and training systems, as well as the relevant curricula, including the provision of appropriate guidance in the context of both initial training and lifelong learning, the modernisation and greater effectiveness of apprenticeship systems and of in-work training, and promote the development of multi-purpose local learning centres, in order to:

- equip young people with the basic skills relevant to the labour market and needed to participate in lifelong learning;
- reduce youth and adult illiteracy and reduce substantially the number of young people who drop out of the school system early. Particular attention should also be given to young people with learning difficulties and with educational problems. Member States will in this context develop measures aimed at halving by 2010 the number of 18 to 24 year olds with only lower-secondary level education who are not in further education and training;
- promote conditions to facilitate better access of adults, including those with atypical contracts, to lifelong learning, so as to increase the proportion of adult working-age population (25-64 year olds) participating at any given time in education and training. Member States should set targets for this purpose;
- facilitate and encourage mobility and lifelong learning, paying attention to such factors as foreign language education, the improved recognition of qualifications and knowledge and skills acquired in the context of education, training and experience.

5. Member States will aim at developing e-learning for all citizens. In particular, Member States will continue their efforts to ensure that all schools have access to the internet and multimedia resources and that, by the end of 2002, all the teachers needed are skilled in the use of these technologies in order to provide all pupils with a broad digital literacy.

Active policies to develop job matching and to prevent and combat emerging bottlenecks in the new European labour markets.

In all Member States unemployment and exclusion from the labour market coexist with labour shortages in certain sectors, occupations and regions. With the improvement of the employment situation and accelerating pace of technological change, these bottlenecks are increasing. An insufficiency of active policies to prevent and combat emerging labour shortages will harm competitiveness, increase inflationary pressures and keep structural unemployment high. The mobility of workers should be facilitated and encouraged in order to exploit fully the potential of open and accessible European labour markets.

6. Member States will, as appropriate with the social partners, step up their efforts to identify and prevent emerging bottlenecks, in particular by:

- developing the job-matching capacities of employment services;
- developing policies to prevent skills shortages;
- promoting occupational and geographical mobility within each Member State and within

the EU;

- enhancing the functioning of labour markets by improving databases on jobs and learning opportunities which should be interconnected at European level, making use of modern information technologies and experience already available at European level.

Combating discrimination and promoting social inclusion by access to employment

Many groups and individuals experience particular difficulties in acquiring relevant skills and in gaining access to, and remaining in, the labour market. This may increase the risk of exclusion. A coherent set of policies is called for to promote social inclusion by supporting the integration of disadvantaged groups and individuals into the world of work, and promoting the quality of their employment. Discrimination in access to, and on the labour market, should be combated.

7. Each Member State will:

- identify and combat all forms of discrimination in access to the labour market and to education and training;
- develop pathways consisting of effective preventive and active policy measures to promote the integration into the labour market of groups and individuals at risk or with a disadvantage, in order to avoid marginalisation, the emergence of "working poor" and a drift into exclusion;
- implement appropriate measures to meet the needs of the disabled, ethnic minorities and migrant workers as regards their integration into the labour market and set national targets where appropriate for this purpose.

II. DEVELOPING ENTREPRENEURSHIP AND JOB CREATION

Making it easier to start up and run businesses

The development of new businesses in general, and the contribution to the growth of small and medium-sized enterprises (SMEs) in particular, is essential for job creation and for the expansion of training opportunities for young people. This process must be promoted by encouraging greater entrepreneurial awareness across society and in educational curricula, by providing a clear, stable and predictable set of rules and regulations by improving the conditions for the development of, and access to, risk capital markets. Member States should also reduce and simplify the administrative and tax burdens on SMEs. Policies should strengthen the prevention of, and the fight against, undeclared work.

8. Member States will give particular attention to reducing significantly the overhead costs and administrative burdens for businesses, in particular when an enterprise is being set up and when hiring additional workers. Also, Member States should, when drafting new regulations, assess their potential impact on such administrative burdens and overhead costs for businesses.

9. Member States will encourage the taking up of entrepreneurial activities:

- by examining, with the aim of reducing, any obstacles which may exist, especially those within tax and social security regimes, to moving to self-employment and the setting up of small businesses;
- by promoting education for entrepreneurship and self-employment, targeted support services as well as training for entrepreneurs and would-be entrepreneurs;
- by combating undeclared work and encouraging the transformation of such work into regular employment, making use of all relevant means of action including regulatory measures, incentives and tax and benefit reform, in partnership with the social partners.

New opportunities for employment in the knowledge-based society and in services

If the European Union wants to deal successfully with the employment challenge, all possible sources of jobs and new technologies must be exploited effectively. Innovative enterprises can make an essential contribution to mobilising the potential of the knowledge-based society to create high quality jobs. A considerable potential for job creation exists in the services sector. The environment sector may open important possibilities for entering the labour market. There is also a potential to upgrade workers' skills through the more rapid introduction of modern environment technology. To this end:

10. Member States will remove barriers to the provision of services and develop framework conditions to exploit fully the employment potential of the full range of the services sector to create more and better jobs. In particular, the employment potential of the knowledge society and the environmental sector should be tapped.

Regional and local action for employment

All actors at the regional and local levels, including the social partners, must be mobilised to implement the European Employment Strategy by identifying the potential of job creation at local level and strengthening partnerships to this end.

11. Member States will:

- take into account, where appropriate, in their overall employment policy the regional development dimension;
- encourage local and regional authorities to develop strategies for employment in order to exploit fully the possibilities offered by job creation at local level and promote partnerships to this end with all the actors concerned, including the representatives of civil society;
- promote measures to enhance the competitive development and the capacity of the social economy to create more jobs and to enhance their quality, especially the provision of goods and services linked to needs not yet satisfied by the market, and examine, with the aim reducing, any obstacles to such measures;
- strengthen the role of the Public Employment Services at all levels in identifying local employment opportunities and improving the functioning of local labour markets.

Tax reforms for employment and training

It is important to deepen the examination of the employment impact of the tax burden, and make the taxation system more employment friendly by reversing the long-term trend towards higher taxes and charges on labour. The employment impact of tax systems should be further examined. Tax reforms must also take into account the need to increase investment in people, by business, public authorities and individuals themselves, in view of the longer term impact on employment and competitiveness.

12. Each Member State will:

- set a target, if necessary and taking account of its present level, for gradually reducing the overall tax burden and, where appropriate, set a target for gradually reducing both the fiscal pressure on labour, and on non-wage labour costs, in particular on relatively unskilled and low-paid labour. Such reforms should be undertaken without jeopardising public finances or the long-term sustainability of social security systems;
- provide incentives and remove tax obstacles to investment in human resources;
- examine the practicability of and design options for using alternative sources of tax revenue, inter alia energy and pollutant emissions taking into account the experience with environmental tax reforms in several Member States.

III. ENCOURAGING ADAPTABILITY OF BUSINESSES AND THEIR EMPLOYEES

The opportunities created by the knowledge-based economy and the prospect of an improved level and quality of employment require a consequent adaptation of work organisation and the contribution to the implementation of Life Long Learning strategies by all actors including enterprises, in order to meet the needs of workers and employers.

Modernising work organisation

In order to promote the modernisation of work organisation and forms of work, which inter alia contribute to improvements in quality in work, a strong partnership should be developed at all appropriate levels (European, national, sectoral, local and enterprise levels).

13. The social partners are invited:

- to negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive, competitive and adaptable to industrial change, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example, include the introduction of new technologies, new forms of work and working time issues such as the expression of working time as an annual figure, the reduction of working hours, the reduction of overtime, the development of part-time working, access to career breaks, and associated job security issues; and
- within the context of the Luxembourg process, to report annually on which aspects of the modernisation of the organisation of work have been covered by the negotiations as well as the status of their implementation and impact on employment and labour market functioning.

14. Member States will, where appropriate in partnership with the social partners or drawing upon agreements negotiated by the social partners,

- review the existing regulatory framework, and examine proposals for new provisions and incentives to make sure they will contribute to reducing barriers to employment, to facilitate the introduction of modernised work organisation and to helping the labour market adapt to structural change in the economy;
- at the same time, taking into account the fact that forms of employment are increasingly diverse, examine the possibility of incorporating in national law more flexible types of contract, and ensure that those working under new flexible contracts enjoy adequate security and higher occupational status, compatible with the needs of business and the aspirations of workers;
- endeavour to ensure a better application at workplace level of existing health and safety legislation by stepping up and strengthening enforcement, by providing guidance to help enterprises, especially SMEs, to comply with existing legislation, by improving training on occupational health and safety, and by promoting measures for the reduction of occupational accidents and diseases in traditional high risk sectors.

Supporting adaptability in enterprises as a component of Lifelong Learning

In order to renew skill levels within enterprises as a key component to lifelong learning:

15. The social partners are invited, at all relevant levels, to conclude agreements, where appropriate, on lifelong learning to facilitate adaptability and innovation, particularly in the field of information and communication technologies. In this context, the conditions for giving every worker the opportunity to achieve information society literacy by 2003 should be established.

IV. STRENGTHENING EQUAL OPPORTUNITIES POLICIES FOR WOMEN AND MEN

Gender mainstreaming approach

In order to meet the objective of equal opportunity and reach the target of an increased employment rate for women in line with the conclusions of the Lisbon European Council, Member States' policies towards gender equality should be strengthened and should address all relevant conditions, such as men assuming domestic responsibilities, which may influence women's decisions to take up employment.

Women still face particular problems in gaining access to employment, in career advancement, in earnings and in reconciling professional and family life. It is therefore important, inter alia:

- to ensure that active labour market policies are made available for women in proportion to their share of unemployment;
- to pay particular attention to the gender impact of tax and benefit systems. Wherever tax-benefit structures are identified that impact negatively on women's participation in the labour force, they should be reformed;
- to pay particular attention to ensuring the application of the principle of equal pay for equal work or work of equivalent value;
- to give particular attention to obstacles which hinder women who wish to set up new businesses or become self-employed with a view to their removal;
- to ensure that both men and women are able to benefit positively from flexible forms of work organisation, on a voluntary basis and without loss of job quality;
- to ensure the conditions for facilitating the access of women to education, continuing training and lifelong learning, in particular to access to training and the necessary qualifications for careers in information technology.

16. Therefore, the Member States will adopt a gender-mainstreaming approach in implementing the Guidelines across all four pillars:

- developing and reinforcing consultative systems with gender equality bodies;
- applying procedures for gender impact assessment under each guideline;
- developing indicators to measure progress in gender equality in relation to each guideline.

In order meaningfully to evaluate progress, Member States will need to provide for adequate data collection systems and procedures and ensure a gender breakdown of employment statistics.

Tackling gender gaps

Member States and the social partners should pay attention to the imbalance in the representation of women or men in certain economic sectors and occupations, as well as to the improvement of female career opportunities. In this regard, a wide range of choices in education and training is essential from the earliest stage.

17. Member States will, where appropriate with the social partners:

- strengthen their efforts to reduce the gap in unemployment rates between women and men by actively supporting the increased employment of women, and consider setting national targets in accordance with the objectives set out in the conclusions of the Lisbon European Council;
- take action to bring about a balanced representation of women and men in all sectors and occupations and at all levels;
- initiate positive steps to promote equal pay for equal work or work of equal value and to diminish differentials in incomes between women and men: actions to address gender pay gaps are necessary in the public and private sector, and the impact of the policies on gender pay gaps should be identified and addressed;

- consider an increased use of measures for the advancement of women in order to reduce gender gaps.

Reconciling work and family life

Policies on career breaks, parental leave and part-time work, as well as flexible working arrangements which serve the interests of both employers and employees, are of particular importance to women and men. Implementation of the various Directives and social-partner agreements in this area should be accelerated and monitored regularly. There must be an adequate provision of good quality care for children and other dependants in order to support the entry of women and men into, and their continued participation in, the labour market. An equal sharing of family responsibilities is crucial in this respect. Those returning to the labour market after an absence may also have outmoded skills, and experience difficulty in gaining access to training. Reintegration of women and men into the labour market after an absence must be facilitated. In order to strengthen equal opportunities,

18. Member States and the social partners will:

- design, implement and promote family-friendly policies, including affordable, accessible and high-quality care services for children and other dependants, as well as parental and other leave schemes;
- consider setting a national target, in accordance with their national situation, for increasing the availability of care services for children and other dependants;
- give specific attention to women, and men, considering a return to the paid workforce after an absence and, to that end, they will examine the means of gradually eliminating the obstacles to such return.

THE DEVOLVED ADMINISTRATIONS

SCOTLAND

Priority themes

Scotland's claimant count unemployment rate is currently around its lowest level for 25 years, with substantial numbers of new jobs being created. The Scottish Executive has shown its ability to help people back to work, and to improve the working of the labour market. However, further work is needed and the Executive is firmly focused on tackling barriers to competitiveness and improving productivity, raising the skills and capabilities of all Scots and providing employment opportunity for all.

Key current priorities relate to both the Employability and Entrepreneurship Pillars. They include the following:

Guideline 4: Skills for the new labour market

The Scottish Welfare to Work Advisory Task Force was appointed by Scottish Executive Ministers to offer them and the Secretary of State for Work and Pensions advice on Welfare to Work policy and relevant programme delivery. The Task Force is currently developing demand-led sector initiatives which will help to develop skills for the labour market to meet employer demand. The initiatives focus on sectors offering high employment opportunities in Scotland, such as the IT sector, retail, hospitality and construction, and are each led by a Task Force champion who will bring together a group of employers to work with Jobcentre Plus, the Enterprise Networks and the Executive. Initiatives will pilot new ideas for training, mentoring, information dissemination and job placements, and will link to national 'Ambition' initiatives.

Guideline 7: Promoting social inclusion

At both the UK and Scottish levels, one of the key challenges on the Welfare to Work agenda is how best to support hard-to-help groups among the unemployed, as a means of promoting social inclusion. As the Green Paper *'Towards Full Employment in a Modern Society'* made clear, both the UK Government and the devolved administrations are involved in targeting resources at those who are hardest to help, including the economically inactive and long-term unemployed adults. The strategy for delivering these changes nationally includes extending the package of choices available to lone parents, through the New Deal for Lone Parents, and the national extension of the New Deal for Disabled People, together with modernisation of the supported employment programme, WORKSTEP.

The Executive's initiatives include the New Futures Fund, which provides intensive support and help for young unemployed people suffering from serious disadvantage in looking for work. The main focus is on young people aged 16-34, many of whom are likely to be detached from the labour market. This target group includes people with drugs or alcohol problems; ex-offenders; the homeless or those with family or relationship problems; the physically and mentally disabled; ethnic minorities; people with learning difficulties; and those who lack basic skills or personal and social skills who as a result have become disaffected or de-motivated. Those who are detached from the labour market may require intensive support and help before they are ready for pre-vocational training or work preparation. The programme is managed by Scottish Enterprise and Highlands and Islands Enterprise.

Guideline 9: Promoting entrepreneurial activities

The Executive also has a range of initiatives which support the Entrepreneurship Pillar, such as Scotland's first ever science strategy. The Executive's policy is to bring together enterprise, research and lifelong learning. '*Smart, Successful Scotland*' sets a new strategic framework for the enterprise networks, which aims to raise the long run, sustainable growth rate of the Scottish economy. This will entail:

- greater entrepreneurial dynamism and creativity;
- more e-business;
- increased commercialisation of research and innovation, and;
- global success in key sectors.

WALES

Pillar I: Improving Employability

The Welsh economy suffers from having too high a proportion of its population unemployed or economically inactive. At the same time, research undertaken by the Future Skills Wales partnership shows that many employers suffer from skills gaps and skills shortages. The Welsh Assembly Government's Skills and Employment Action Plan seeks to improve skills levels and help unemployed and economically inactive people into sustained employment, complementing measures taken by the UK Government.

Guidelines 1 & 2: Youth and long-term unemployment, taxes and training systems

The Assembly Government works closely with the Department for Work and Pensions and the Employment Service/Jobcentre Plus in Wales in the delivery of the New Deal. It is advised by an independent New Deal Advisory Task Force to ensure that the New Deal and Assembly policies and initiatives are complementary. The Assembly has a target of working with the Employment Service in Wales to assist 30,000 young people to leave benefit for work or training by 2003. Eligibility for Work Based Training for Adults has also been extended to some 18-24 year olds who are not eligible for the New Deal. Furthermore, those affected by significant redundancies receive additional support and all over 50's will receive immediate help from day one of unemployment.

Guideline 3: Active ageing

During 2002, the Welsh Assembly Government will develop a Strategy for Older People in Wales to provide a framework to plan for and address the consequences of an ageing population, including employment issues.

Guideline 4: Skills for the new labour market

The Assembly Government's Skills and Employment Action Plan sets out action to identify and meet current and future skills and develop a lifelong approach to learning, for example by piloting free learning up to NVQ Level 3. The Modern Skills Diploma for Adults is being introduced in Wales as part of a move towards a single all-age skills programme. ELWa, the national training and post 16 learning authority have set up an Expert Group to advise on key actions to increase the number of people with higher level ICT skills and they are also working with Careers Wales to improve information on career paths and opportunities. These actions are underpinned by targets in '*The Learning Country*', such as the proportion of adults of working age with a level 3 qualification to increase from 3 in 10 in 1996 to approaching 5 in 10 by 2002, over 5 in 10 by 2004, and 6 in 10 by 2010.

Pillar II: Developing Enterprise

The ratio of new business formations in Wales is lower than that of all our main competitors. The Welsh Assembly Government has adopted a 5-year initiative to remedy this deficit and contribute to a stronger economy and the overall jobs target. The key action areas stemming from the Entrepreneurship Action Plan are co-ordinated across the key players and range from changing cultural attitudes towards entrepreneurship to offering practical help and support for business start-ups. EU structural funds are being used to part-fund some of this activity.

Guideline 6: Developing job-matching and preventing bottlenecks

ICT skill gaps could obstruct achieving the aim of 'A Winning Wales' to achieve a prosperous Welsh economy that is dynamic, inclusive and sustainable, based on successful innovative businesses with highly skilled, well motivated people. The Welsh Assembly Government has published its ICT strategic framework: 'Cymru Ar Lein-Online for a Better Wales', which includes actions to increase the availability of skilled people and to help tackle the difficulties businesses experience recruiting and retaining high quality ICT staff. The Strategy also seeks to attract skilled, good quality, well paid jobs to Wales including those related to research and development, leading edge technologies and product/process innovation. This is key to creating a knowledge economy in Wales.

Pillar III: Encouraging adaptability

An action plan for promoting Workplace Partnerships and increasing the number of organisations involved in partnership arrangements is under development. The Assembly Government is supporting a new Wales Social Partners Unit to strengthen engagement with the business community on policy development and implementation.

Pillar IV: Strengthening equal opportunities

The Welsh Assembly Government is committed to: mainstreaming equality; expanding the role that women play in the field of enterprise; promoting the economic development of women in Wales; promoting awareness of equal opportunities for all within education and training; and influencing public policy in relation to the economic development of women.

It has reviewed the work of all its Departments to assess the extent to which equality is built in. It supports an organisation, Chwarae Teg, in a range of activities aimed at promoting equal opportunities and the economic development of women in Wales. Chwarae Teg's business plan reflects the actions required to assist in delivering the Assembly's key strategies as set out in the Overview.

The Assembly Government has taken action to close the pay gap in Wales. It is leading by example - it has reviewed its own pay system and agreed a three year action plan to close the 10% pay gap identified between male and female staff. The NHS and local government in Wales are being encouraged to take action to narrow and close their pay gaps. It is asking Assembly Sponsored Public Bodies to do the same. A joint Equal Opportunities Commission and Wales TUC campaign has been launched to encourage action to be taken across the private sector. Action is also being taken to reduce stereotyping in employment through action with schools.

The Assembly Government is working in partnership with key organisations to deliver Work-Life Balance policies and practices. A programme of work has been developed for the next three years which includes: developing a website for Welsh employers, employees and the general public; developing good practice models in the public sector by setting up three year pilot projects; and continuing a work life balance challenge fund to help organisations

implement good practice.

The Assembly Government is producing an action plan to improve the provision of childcare in Wales. This will respond to the recommendations of the National Childcare Strategy Task Force which, amongst other issues, looked at the economic impact of childcare. From April 2003, the Assembly Government will introduce a new unified grant scheme, Cymorth, the Children and Youth Support Fund, bringing together various existing funding streams for children, including childcare. In the first year this will be worth over £35 million. Additional childcare places will be created by public expenditure of £3.55 million in 2001-02, and £5.05 million in 2002-03.

NORTHERN IRELAND

Guideline 1: Youth and long-term unemployment

To address all barriers to employment the Northern Ireland Executive established a Taskforce on Employability and Long Term Unemployment in March 2001. Responses to engagement meetings and a consultation document have highlighted a number of themes including: benefits issues; childcare provision; educational issues; transition to work; transport; basic/essential skills and employers' attitudes to the long-term unemployed. The Taskforce is currently drafting material for an Action Plan.

Guideline 4: Skills for the new labour market

The Northern Ireland Skills Task Force and Skills Unit direct a programme of labour market research and information gathering. The Executive will enhance the skills of the Northern Ireland work force by ensuring that:

- those who began Jobskills training in 1998/1999 and 1999/2000 achieve at least a 70% and 55% success rate, respectively, at NVQ level 2 or above;
- at least 5,000 young people follow training towards a Jobskills Modern Apprenticeship (this target was achieved in December 2001);
- a review of policy and interventions in respect of management development is completed, and;
- the number of Northern Ireland organisations achieving Investors in People status increases to 550.

Improving basic skills in Northern Ireland will be addressed through a strategy formulated in conjunction with the Basic Skills Unit.

Work to foster a culture of learning continues. This is specifically addressed through the establishment and promotion of learndirect centres and Individual Learning Accounts (prior to the suspension of this initiative in November 2001).

Structural Funds: EU Special Support Programme for Peace and Reconciliation 1 (Peace 1)

The Peace 1 programme provided European Regional Development Funding to build a 'state-of-the-art' education and training facility in the Greater Shantallow area of Derry City. This is an area of deprivation compounded by a high benefit dependency culture and generational unemployment. The facility is meeting community needs by offering a wide range of vocational and non vocational programmes. The student population initially targeted was 300. By September 2001, student numbers had already reached 1000.

Guideline 8: Starting up and running businesses

To meet the new challenges of a competitive global market place, in 2001, the economic agencies within Northern Ireland commenced preparations to merge into a new single agency, Invest Northern Ireland. The new agency will have responsibility for the areas of work formally undertaken by the Industrial Development Board, Local Enterprise Development Unit, Industrial Research and Technology Unit, the Department for Enterprise Trade and Investment's business support division together with the tourist accommodation support function of the Northern Ireland Tourist Board. The aim of this major restructuring is to generate more vibrant, entrepreneurial, local businesses which are capable of winning export business and generating greater wealth.

Guideline 11: Regional and local action for employment

As part of the New Targeting Social Need (New TSN) action planning for the period 2000-2003, the Executive has strengthened measures aimed at encouraging the location of foreign direct investment in disadvantaged areas. Key activities aim to ensure that 75% of all first time inward investment projects locate in designated New TSN areas. By March 2001, 16 new inward investment projects were attracted to Northern Ireland, 14 of which (88%) located in New TSN areas creating 2,715 associated new jobs. All offers of financial assistance incorporate a new clause encouraging companies to recruit from the unemployed, utilising mainstream domestic programmes such as the New Deals and Bridge to Employment.

The small business agency, Local Enterprise Development Unit, has developed the framework for a new Business Birth Rate strategy. The strategy will include start-up programmes targeting specific under-represented groups such as women and community enterprises, particularly in New TSN areas.

Structural Funds: EU Programme for Peace and Reconciliation (Peace 11)

The Peace 11 programme's priority is focused on 'Locally Based Regeneration and Development Strategies'. In 2001, New Local Strategic Partnerships were formed within each of the 26 local District Council areas, based upon an integrated and sustainable approach to planning and managing resources. The District Council area provides the level of local administration closest to day- to-day life in Northern Ireland. The membership of the Local Strategic Partnerships will include representatives from District Councils, the voluntary and community sectors, trades unions, businesses and those statutory agencies delivering services at a local level. The partnerships aim to ensure that the disadvantaged benefit most and that the integrated economic, social and environmental objects of sustainable development are delivered at local level. The Special EU Programmes Body is the Managing Authority for the Peace 11 programme.

Guideline 17: Tackling gender gaps

The Executive has demonstrated its commitment to strengthening equal opportunities for all by awarding Executive Programme Funds to match public funding to the European Social Funding available under the NI EQUAL Community Initiatives Programme. These resources will allow up to 25% of the 35% match funding requirement to be met for each Development Partnership involved in the implementation of EQUAL in the first call. Within the Peace 11 and Building Sustainable Prosperity programmes, there are specific measures dedicated to tackling gender gaps. Equality Impact Assessments have been completed for both programmes, and work is underway to establish an Equality Working Group and complete a Mainstreaming Equality guide for the Structural Funds.

DELIVERY TARGETS

This annex gives the main targets for the two key agents for delivery of the UK's employment strategy - the English Regional Development Agencies and the new Jobcentre Plus.

JOBCENTRE PLUS 2002-03

- a Job Entry Target - based on a points scoring system which will provide extra performance 'reward' for helping people find jobs from priority customer groups, such as lone parents, and in the most deprived areas. There will be also be recognition for the first time for helping employed job changers;
- a target for reducing Fraud and Error in Income Support and Jobseeker's Allowance based on that previously used in the Benefits Agency;
- an Employer Outcome Target which will measure how quickly and effectively Jobcentre Plus meets their needs, based on their response to a survey asking whether their vacancy was filled and whether it was filled in an acceptable timescale;
- a Customer Service Target which will measure how well Jobcentre Plus are meeting standards of service for both working age clients and employers based on standards of speed, accuracy, helpfulness and quality; and
- a Business Delivery Target which will help Jobcentre Plus measure how well it meets standards for accurate and timely delivery of key processes in Jobcentre Plus.

Job Entry Target

A points based system for job entries gives everyone in Jobcentre Plus a clear and unambiguous steer on priority client groups for 2002-03. The system has been piloted and has shown to be good for performance, clearly understood by staff and welcomed by managers. Points are awarded as follows:

- Jobless Lone Parents and others on inactive benefits - 12 points.
- People on JSA New Deals on Long Term JSA and disabled people not included above - 8 points.
- People on short term JSA - 4 points.
- Jobless people not receiving benefit - 2 points.
- Employed job changers - 1 point.

'Additional Points' have been introduced in 60 Local Authority Districts to help the most disadvantaged. This is designed to give extra incentive to improve Jobcentre Plus performance in difficult labour markets and those with a high population of people from an ethnic minority background. In addition, one Additional Point is scored for job entries achieved by Jobcentre Plus of every JSA client who remains off benefit 4 weeks after starting the job.

Jobcentre Plus will have a single points score as its job entry target for 2002-03. The national target is 6,656,000 points and each district will have its own points score target. Jobcentre Plus will monitor how many job entries are achieved in each of the priority client groups but there are no targets for these.

Monetary Value of Fraud and Error Target

The aim of this target is to reduce the money lost in Income Support and Jobseeker's Allowance Payments caused by:

- mistakes made by customers.
- mistakes made by staff.
- customer fraud.

The target for 2002-03 is 'by March 2003 to reduce losses from fraud and error in working age, Income Support and Jobseeker's Allowance to no more than 7% of the monetary value of these benefits paid during the year'.

It's important to note that the long-term aim of this target is to reduce overall losses by 50% by 2006. Each year a new target level will be set to ensure progress is being made towards this long-term aim. Every month the results are published at national and regional/country level showing the progress being made towards the target reduction levels set for this and future years.

Customer Service Target

The purpose of the Customer Service Target is to measure Jobcentre Plus performance in meeting the standards and commitments in both the Jobcentre Plus Customers' Charter and the Employers' Charter. It is therefore a single Customer Service Target measures service to both clients, i.e. individual customers, and to employers.

There are four elements to the Customer Service Target:

- Speed - How quickly Jobcentre Plus staff answer the telephone, greet a customer, deal with customers on the telephone, and face to face.
- Accuracy - The accuracy of information Jobcentre Plus staff give on the telephone and face to face.
- Proactivity - How well Jobcentre Plus staff understand customers' requests, anticipate their needs and how successfully they tailor services to meet individual needs.
- Environment - The quality of Jobcentre premises, facilities, and their accessibility and physical condition.

Service to clients is measured against all four elements of speed, Accuracy, Proactivity and Environment. But, for employers the Environment element is not measured because relatively few employers visit Jobcentre Plus offices.

Employer Outcome Target

The Employer Outcome Target measures how quickly and effectively employers' recruitment needs are met. Employers were asked what was important to them and as a result the Employer Outcome Target was developed. The two things that are important to employers, which form the basis of the Employer Outcome Target, are:

- Resolution - was the vacancy filled?
- Responsiveness - was the vacancy filled in a timescale that met their needs?

Business Delivery Target

Jobcentre Plus has many key processes which need to be carried out to ensure the business is successful. The purpose of this target is to help Jobcentre Plus to deliver these key processes efficiently, accurately and to agreed standards.

The target measures performance in five of the most important Jobcentre Plus processes. It will help measure how well agreed standards are met for:

- accurate processing of claims for Income Support.
- accurate processing of claims for Jobseeker's Allowance.
- booking appointments and holding interviews with client and following up cases where clients have failed to attend interviews.
- accurate and timely processing of Incapacity Medical Testing decisions.
- identifying people in certain client groups who have literacy, language and numeracy skill needs through a face to face screening process.

REGIONAL DEVELOPMENT AGENCIES (RDAs) (England)

Objectives

- To promote economic development and regionally balanced growth;
- To promote social cohesion and sustainable development through integrated local regeneration programmes;
- To help those without a job into work by promoting employment and enhancing the development of skills relevant to employment; and
- Promote enterprise, innovation, increased productivity and competitiveness.

Regional Outcomes (by 2004/05 unless otherwise stated)

Note: These are national targets, with regional targets set through the corporate planning process, and these are only those targets which are relevant to the Employment Guidelines.

- Sustainable Economic Performance: Provide the strategic framework to improve the sustainable economic performance of each region, measured by the trend in growth of GDP per capita, while also contributing to the broader quality of life in the region.
- Regeneration: Work with stakeholders to tackle poverty and social exclusion through promoting economic development in the most deprived areas by reducing deprivation by 10% in those wards in the region that are currently in the bottom 20%.
- Urban: In line with White Paper objectives, contribute to the renaissance of towns and cities through the delivery of RDAs' Regional Strategies.
- Rural: In line with White Paper objectives and RDAs' regional strategies, regenerate market towns in or close to priority rural areas, and achieve increases in employment, skills and new business formation levels in priority rural areas comparable with other priority areas.
- Employment: Work with partners to increase ILO employment rate over the economic cycle.
- Skills: Work with partners, to improve the levels of qualifications of the workforce in order to meet priorities as defined in Regional Frameworks for Employment and Skills and to help meet national learning targets.
- Productivity: Work with regional partners to enable an increase in productivity measured by Gross Value Added (GVA) per hour worked in the region.
- Enterprise: Work with Small Business Service and others to help build an enterprise society in which small firms of all kinds thrive and achieve their potential, with an increase in the number of people considering going into business, an improvement in the overall productivity of small firms, and more enterprise in disadvantaged communities.

Core Milestones (outputs)

Note: As above and numbers will differ regionally – to be set through corporate planning process.

- Employment Opportunities: Support the creation or safeguarding of x net jobs.
- Education and Skills: Support the creation of learning opportunities for x individuals.
- Business Performance: Support the creation and/or attraction of x new businesses.
- Strategic Added Value: Mobilise the actions of key regional and sub-regional partners to support the achievement of regional priorities and deliver agreed regional strategies (being developed).
- Supplementary Milestones: Each RDA will also agree supplementary milestones which will vary.

FURTHER INFORMATION

The UK Employment Action Plan 2002 refers to a wide range of activity which can not be covered in detail. Therefore, more information can be found at the sources below, particularly to help the exchange of good practice.

For general information:

- All UK Government websites @ www.open.gov.uk, also an A-Z of local government.
- Economic, employment and labour market statistics @ www.statistics.gov.uk (Office for National Statistics) or www.hmtreasury.gov.uk/econ.html.
- Further information on European Social Fund programmes across all Government activity is @ www.esfnews.org.uk/about.
- Most Government publications are available through The Stationery Office @ www.the-stationery-office.co.uk or e-mail customer.services@theso.co.uk.

Devolved Administrations:

- The Scottish Executive @ www.scotland.gov.uk or E-mail ceu@scotland.gov.uk.
- Government services in Wales and the National Assembly for Wales @ www.wales.gov.uk. (The strategy documents are available @ <http://www.learning.wales.gov.uk/>.)
- The Northern Ireland Executive @ www.nics.gov.uk.

Main Social Partners: (with links to the *UK Productivity Challenge* report)

- Confederation of British Industry (CBI) @ www.cbi.org.uk/.
- Trade Union Congress (TUC) @ www.tuc.org.uk/

Themes:

- Further information on employment programmes, *Opportunity for All* etc., is @ www.dwp.gov.uk (Department of Work and Pensions (DWP)).
- Main business links @ www.employmentservice.gov.uk or www.jobcentreplus.gov.uk, as well as information on key programmes @ e.g. www.newdeal.gov.uk and www.worktrain.gov.uk.
- Some areas of welfare to work and making work pay are also covered @ www.hm-treasury.gov.uk/ (the UK's finance and economics ministry), with Budget Report 2002.
- The DWP (see above) also covers working age issues such as age diversity, with links to specific programmes such as @ www.agepositive.co.uk, and disability (see DRC below).
- Further information on education and skills, including learning targets, Union Learning Fund etc., @ www.dfes.gov.uk (Department of Education and Skills (DfES)).
- Other related links are @ www.ngfl.gov.uk (National Grid for Learning), www.learndirect.gov.uk, www.lsc.gov.uk (Learning and Skills Council), www.ssda.org.uk/ (Sector Skills Councils) and www.lgnto.gov.uk (Local Government National Training Organisations).
- Specific reports, such as on *Adult Skills in the 21st Century*, can also be found on www.cabinet-office.gov.uk/innovation.
- Aspects of Government policy on immigration etc is @ www.homeoffice.gov.uk.
- Further information on entrepreneurship, including clusters, social enterprise etc., and policies relevant to adaptability such as employment relations, work-life balance etc., @ www.dti.gov.uk (Department of Trade and Industry (DTI)) and www.sbs.gov.uk/ (Small Business Service (SBS)). Health and safety is covered by Health and Safety Executive (HSE) @ www.hse.gov.uk.
- Contact details for of England's Regional Development Agencies (RDAs) @ www.consumers.gov.uk/rda/info/.

- Information on regional action for employment, e.g. neighbourhood renewal, New Deal for Communities etc., is also available at www.neighbourhood.dtlr.gov.uk, and at the site for the Regional Coordination Unit (RCU), which has overall responsibility for Government Offices, @ www.rcu.gov.uk.
- Investors in People is at www.investorsinpeople.co.uk.
- For information on action on gender equality, Equal Opportunities Commission is @ www.eoc.org.uk or e-mail info@eoc.org.uk, and Women's National Commission and Women's Unit are @ www.womens-unit.gov.uk.
- In addition, the UK's two other equality commissions are the Commission for Race Equality @ www.cre.gov.uk and the Disability Rights Commission, through the information resource for disabled people @ www.disability.gov.uk.
- Information on childcare is available on the DfES site (see above) and the 'Kingsmill' Report on gender pay is @ www.kingsmillreview.gov.uk.

Evaluation and research:

The Government has a well established programme of evaluation of policies. All labour market policies are evaluated to test their effectiveness at achieving their stated objective, including in terms of costs. For example, as the cornerstone of the Government's employment strategy, the family of New Deals are subject to extensive and continuous evaluation.

This can include qualitative evaluation (e.g. views of participants and of those who deliver), quantitative evaluation (e.g. large surveys), analysis of administrative data and macro-evaluation (looking at the broader picture). This work can be carried out by researchers employed by the Government department or agency concerned or by independent organisations.

Except for exceptional circumstances, all evaluation work is published. The websites mentioned above will, in many cases, have information on this evaluation, including electronic versions of the reports. This Employment Action Plan describes the increasing focus on particularly disadvantaged groups and areas. Studies, which support this activity, include:

- **Overarching:** Basic skills (early qualitative study and evaluation strategy); Contribution of education and training to long run employability; Review of effectiveness of in-work support programmes for long-term unemployed workers; Methods of evaluating which interventions work best for which client groups; Improving the service for hardest to help clients; New Deal Innovation Fund.
- **Age diversity:** factors affecting moves out of the labour market for older workers; Exploring social find use among older people.
- **Disability:** Mapping exercise of existing UK schemes for disabled people which have an employment outcome; Barriers to the employment and retention of disabled people, and the employers' perspective; Job Retention and Rehabilitation pilots.
- **Ethnic Minorities:** Lone Parents from ethnic minority groups – which also supports gender equality as most lone parents are women; Ethnic Minority Participation in Programmes for Adult Unemployed; Ethnic minority perceptions of DWP services.
- **Women:** (gender mainstreamed in wider research, but also) Comparative Study of Child Support Packages; Maternity Rights.
- Also a study on multiple disadvantage: ethnicity, age, gender and disability.
- **Enterprise and disadvantaged areas:** Self-employment as a route off benefit into employment; Role of Personal Advisers in Employment Zones and New Deals; Job Transition Service; Transitional employment.