

## APPENDIX 4

### INCOME SUPPORT SCHEMES AND OTHER MEASURES—OVERSEAS EXPERIENCE

*(Compiled largely from information supplied by the Commonwealth Department of Social Security)*

#### **Belgium**

##### **General**

Income support for the unemployed in Belgium is provided through a social insurance system financed by employer and employee contributions, with the Government meeting out of its general revenue any deficit in the insurance fund. Benefits are related to past earnings, subject to an upper limit. Additional amounts are payable to specified occupational groups whose benefit entitlements is below a specified minimum.

To qualify for benefits a person must have had, before becoming unemployed, a prescribed period of 'insured employment' (that is, employment where contributions are paid to the insurance fund by employer and employee). This prescribed period increases with the age of the claimant, ranging from 75 days in the last 10 months to 600 days in the last 36 months.

##### **Unemployment benefits for youth**

Claimants under 25 years who have just completed their education or training generally qualify for unemployment insurance benefits after 75 days of registration as seeking employment (as distinct from actually being employed). These benefits may be paid for up to one year.

##### **Special measures**

Employers were exempt from social security levies for three months in respect of new employees engaged permanently during 1977, provided—

- there was an increase in total personnel; and
- the new employee was wholly unemployed.

In addition, it was required that the new employee had been either registered for one month and in receipt of unemployment insurance benefits or had been registered for six months though not in receipt of benefits.

Enterprises employing 100 workers or more are required to take on, without public financial assistance, trainees at the rate of one for each 100 workers. The minimum period of engagement is six months and may be extended for a further six months. The trainee receives 75 per cent of the normal wage for the job during the first six months and 90 per cent if the six-month extension is applied. Enterprises employing less than 100 workers can engage one trainee, for whom a public subsidy is paid at the end of the training period.

Between 1975 and 1977, financial assistance equivalent to the rate of unemployment insurance benefits otherwise payable was given to enterprises which employed young graduates from secondary and higher education who were under 25 years and register as unemployed. It is not known whether this scheme is still in operation.

#### **Canada**

The Canadian unemployment insurance program involves compulsory participation and covers the contingencies of illness and maternity as well as unemployment. It is financed jointly by insured workers, their employers and the Federal Government. Rates of benefit are earnings — related with minimum and maximum payments. To be eligible for the benefit, an unemployed

claimant must have spent at least 10 to 14 weeks in 'covered employment', depending on the unemployment rate in his region, during the last 52 weeks. Most unemployed 16 and 17 year olds would fail to qualify under this system as they are unlikely to have the required length of covered employment.

Provincial and municipal social assistance programs are residual programs providing income to meet basic needs when all other resources have been exhausted. Although the programs are administered by the provinces and municipalities, funding is shared with the Federal Government. These programs are commonly called 'welfare'. The eligibility criteria and levels of assistance vary from province to province. A means test applies and the minimum qualifying age ranges from 16 to 19 years of age depending on the province concerned.

*Canada provides most of its assistance to the young unemployed through employment and training measures.* The most important of these which would apply to 16 and 17 year olds are below.

### **Job Experience and Training Program**

**Objective:** To contribute to the placement of young people with serious job placement problems through exposure to a selected work environment and employment counselling.

**Provisions:** The programme provides subsidised work experience and is carried out in cooperation with community groups. There are two parts of the program—one gives work experience to those unlikely to complete secondary school; the other is aimed at recent school leavers between the ages of 15-19 years likely to have difficulty finding jobs. Both parts of the scheme provide 9 weeks of work experience.

### **Canada Works Program**

**Objective:** To utilise the expertise of local organisations in the development of proposals that will create new short-term employment opportunities by funding job creation projects.

**Provisions:** The program operates on a year round basis with the possibility of project funding for up to 52 weeks. Projects must be sponsored by established organisations or corporations and must be non-profit projects of community benefit. Projects aim to provide workers with job experience that will assist them in securing further employment upon completion of the project. Youth make up about 40 per cent of the participants.

### **Federal Labour Intensive Program**

**Objective:** To create additional temporary employment in the federal public service in areas of high unemployment during the winter months.

**Provisions:** This program provides temporary employment in federal departments.

### **Student Summer Employment and Activities Program**

**Objective:** To facilitate the development of temporary summer employment for students through direct job creation.

**Provisions:** This program is a co-ordinated set of 17 programs involving a number of government departments and agencies. The major program components include the Canada Manpower Centres for Students, the Summer Job Corps Program, and Young Canada Works Program. Projects sponsored through this program operate between April and September and a majority of the positions are offered to post-secondary students.

## **Denmark**

Denmark has a subsidised voluntary unemployment insurance system run by trade unions in a variety of industries. Contributions are made by employers and employees and the government meets any shortfall in funding. To qualify for payments the unemployed person has to serve a qualifying period of employment and must have contributed to the fund for six months. Benefits are earnings-related. Under these conditions, few unemployed 16 or 17-year-olds could qualify

for benefits. Assistance is available to the young unemployed under social assistance provisions if their families are unable to support them.

Denmark also has a number of job creation and educational measures to assist the young jobless. Those who have received training assistance and have reached age 18 are either found work or qualify for special compensation for loss of income.

### **Social assistance**

*Act:* Social Assistance Act 1974, came into effect 1 April 1976.

*Provisions:* Types of cash assistance for the young unemployed would apply under the following provisions:

- temporary aid given in situations of acute need to prevent previous standard of living being substantially reduced. Continues as long as applicant may be able to support himself again at some stage. Position reviewed after 3 months on temporary aid to see if other help is needed to encourage a return to the labour market.
- aid under the children's and young person's welfare provisions.
- can be granted if there are special circumstances without an actual assessment of need.

### **Rates of Benefit:**

Temporary assistance - weekly maximum for living expenses (basic pension rate)

— single 310 dkr—average additional payment per week—250 dkr

— children -70 dkr each.

Children's additions are equal to the rates of family allowances.

### **Special measures**

#### **Unemployment compensation**

Youths who have reached age 18 and have participated in training programs are immediately eligible for special compensation for loss of income if they cannot find work; these allowances are financed through general revenue. Where work cannot be found for large numbers of young unemployed persons aged 18-25, youth employment projects are set up. Those who have been unemployed for 50 days continuously or for 100 days in the preceding year are eligible for such work.

#### **Job creation**

*Objective:* A subsidy scheme financing additional work carried out by, or on behalf of, national, regional or local public authorities and private organisations.

*Provisions:* Work done under the subsidy scheme must be of benefit to the community and of a kind which would not otherwise be carried out. Participants are selected for referral to the schemes by local labour exchanges. Workers are paid the current pay rate, and the sponsor is paid a subsidy consisting of 20 per cent of gross wage costs in the case of work sponsored by national State bodies, and 80 per cent of work under municipal authorities and private bodies. Project proposals are submitted by sponsors to the local labour exchanges, which then must be approved by the appropriate labour market board. Sponsoring authorities are responsible for the whole operation, including paying participants' wages and social security contributions. Participants may stay in a scheme for six months of any one year, and leave if offered a suitable permanent job by the local labour exchange. Work financed under the scheme includes construction projects and supplementary social service functions.

#### **Education**

##### **(a) Special short-term courses**

*Objective:* A series of special courses in technical, higher and further education institutions of a short-term nature.

*Provisions:* The courses at upper secondary, commercial and technical courses last from between 2 weeks and 6 months. Students receive unemployment benefits throughout the courses.

##### **(b) Courses for vocational preparation**

*Objective:* To provide an introduction to trades for young people.

*Provisions:* The courses are for unemployed young people under 25 who have had either no vocational training or training in a field where employment cannot be found. The courses last 6 to

8 weeks and are followed by a trainee period of 4 weeks in an enterprise. Trainees receive financial support and those entitled to unemployment benefits continue to receive them.  
Extraordinary apprenticeships and trainee places in state institutions

Objective: To supply the need for trainee places in basic vocational education.

## Federal Republic of Germany

Unemployment benefit in West Germany is provided through a social insurance scheme under which employees are required to contribute a percentage of earnings and employers contribute a percentage of payroll. Any deficit in the insurance fund is met by the government. Benefits are related to previous earnings.

To qualify, an applicant must have spent at least 26 weeks in insured employment during the last 3 years. The duration of payment varies from a minimum of 13 weeks to a maximum of 26 weeks.

Where the unemployed person fails to qualify for benefits under the above provisions or where his entitlement to those benefits has been exhausted, he may receive unemployment assistance if unable to support himself by other means. Assistance is payable for an indefinite period and is related to previous earnings.

The young unemployed of 16 or 17 years of age would normally not qualify for either unemployment insurance or unemployment assistance as they would have no workforce experience or previous earnings to enable them to meet the initial qualifying conditions. They would, however, qualify for social assistance payments if their family was unable to support them.

### Social assistance

Social assistance is administered by local government and financed by local taxes. Social assistance may be granted in the form of personal assistance, cash benefits, loans or benefits in kind. There is a close link between the Social Welfare office in each district, which administers social assistance, and the voluntary welfare agencies. There are two forms of social assistance — subsistence aid (for which the young unemployed are eligible) and assistance in special circumstances (not available to the young unemployed).

### Subsistence aid

Subsistence aid is awarded to meet the necessities of life for those who are unable to provide for themselves or to obtain help from other sources.

The aim of subsistence aid is to assist the individual regain his independence. A claimant does not have to be unemployed to claim benefits; it is available to a person whose resources fall below his requirements. However, he is expected to make use of his income and capital assets and those of his spouse (with certain exceptions, notably the family home and the means of livelihood) before applying for assistance. *Close relatives also have a legal liability to maintain such persons.* The unemployed are expected to seek work and may be required to perform some kind of public work in some districts.

Subsistence aid is granted in the form of regular and non-recurring benefits and there is considerable flexibility in the amount and type of aid provided. The regular benefits to meet subsistence needs are usually granted at standard rates which are calculated using a "Basket of Goods" approach. Heating and accommodation costs are paid separately from the standard rates and are usually met in full if the costs are reasonable. A standard rate is set for the head of a household and the amounts for other members of the household are calculated as a percentage of that standard rate. These percentages vary with age.

The standard rate for the head of the household is also used for single persons. The actual amount of the standard rate is laid down by each State, although the rates do not vary greatly between States.

Non-recurring benefits are available both to regular recipients of subsistence aid and to others who do not require regular assistance but have a specific need they cannot meet. Payment can be

made by voucher or by the transfer of money to the claimant's bank account. Payments are most often given for clothing, furniture and household items.

### **Special measures**

#### **Job creation**

**Objective:** To provide temporary jobs for the registered unemployed in short-run projects sponsored by public bodies, voluntary social service agencies and private enterprise.

**Provisions:** Participants are paid the appropriate rate for the job and stay in the scheme for six months, with the option of an extension for a further six months. The projects must serve a public need and provide extra work which would not have been possible without the scheme. They are not restricted to young people, but local labour exchanges are supposed to favour needy categories. The projects can be subsidised for a 12-month maximum of at least 60 per cent of gross wage costs. Most sponsors are local authorities or other public agencies and more than 50 per cent of the projects are in office or administrative work.

#### **Compulsory part-time education up to 18**

**Objective:** To facilitate transition from school to work and to continue some general education beyond compulsory full-time for all new entrants to the labour force, employed or not.

**Provisions:** Part-time education is compulsory by law up to the age of 18 for those who leave school after compulsory education (age 15 or older). The courses are two-thirds vocational and one-third general. The vocational element is co-ordinated with apprenticeship. The law covers those who leave school before the age of 18 (i.e. about 50 per cent of the age group).

## **Netherlands**

The Netherlands has a dual system of compensation for unemployment—an employment related insurance scheme and a complementary 'unemployment provisions' scheme operated by the municipalities to cover those who cannot claim unemployment insurance or whose insurance benefit is exhausted. As recipients would need to have been a member of the workforce and have served a qualifying period of employment to qualify for the earnings-related payments under either of these schemes, the young employed of 16 or 17 years of age would not be covered under these schemes.

The young unemployed person of 16 or 17 years of age who cannot be supported by his or her family and who has no other means of support would qualify for assistance under the Public Assistance Act of 1965, although it could be expected that few 16 or 17 year olds would be living independently.

Apart from income support schemes the Netherlands also has a number of specific schemes aimed at assisting the young unemployed.

### **Social assistance**

**Law:** Public Assistance Act of 1965.

Social assistance is provided for those not covered by insurance arrangements.

**Types of assistance:** In addition to general continuing assistance, special or incidental assistance may take the form of a long-term addition to benefit or an exceptional needs payment. Special assistance is subject to local discretion and there is no obligation to make payments, or pay any specified amounts. Welfare services are provided by other bodies.

**Rates:** A single person's rate is about 70 per cent of the married couple's rate (which itself is usually equal to the net minimum wage less employment expenses).

### **Special measures**

#### **Job creation**

**Objective:** A job creation scheme for young people under 23.

**Provisions:** The job-creation scheme, financed by the employment service of the Ministry of Social Affairs, provides temporary jobs in short-run projects sponsored by government organisations or non-profit making institutions which are themselves government-subsidised. The projects must be of community value and supplementary to the normal work of the organisation. Participants, who must have been continuously unemployed for at least two months, are referred from local labour exchanges. They can be employed for a maximum of six months, and are paid the current rate for the job. The project sponsor is paid a per capita grant equal to the gross wage cost of employing the participants. Sponsors submit the projects to the appropriate Regional Co-ordination Board for Public Works, which then applies for government approval and finance. Most of the sponsors are either public or voluntary social welfare agencies.

#### Vocational training

**Objective:** To maintain vocational training levels among junior workers.

**Provisions:** Employers making an employment contract with a school leaver and an apprenticeship contract for primary training was eligible for a subsidy towards training costs.

#### Temporary junior workers wage subsidy scheme

**Objective:** To encourage firms to employ unemployed young people aged between 17 and 23 who have been registered as unemployed for at least six months.

**Provisions:** Employers hiring unemployed young people for an indefinite time with a working week of 35 hours or more, may be eligible for a wage cost subsidy of D.Fl.650.00 a month, provided the young employees have been registered as unemployed for more than six months. The subsidy may be granted for a maximum period of 12 months.

#### Temporary scheme to provide jobs for unemployed apprentices

**Objective:** To maintain levels of vocational training of unemployed young people up to the age of 23.

**Provisions:** A company or body set up under the apprenticeship system, which enters into an agreement with an unemployed youth to follow a practical training course, may be granted a subsidy towards the training costs of D.Fl.100.00 per person per week.

#### Training schemes organised by government and industry

**Objective:** To help job-seekers unable to find jobs without additional schooling.

**Provisions:** Firms engaging and training job-seekers may receive a subsidy towards the cost of their training up to a maximum of D.Fl.40 for each trainee for each day of effective training, plus a subsidy towards the labour costs amounting to D.F.70 for each trainee aged 23 or more for each day of effective training. Where training takes place at an adult vocational training centre subsidised by the Government, no subsidy towards the cost of training is granted.

#### Temporary jobs scheme

**Objective:** To provide temporary jobs for hard-core registered unemployed.

**Provisions:** Government institutions and similar subsidised institutions which employ people in this category may be eligible for a subsidy towards the labour costs amounting to 100 per cent, provided the labour costs do not exceed D.Fl.35 000 per annum. For persons under 45 (who have had to be unemployed for 6 months or more) the subsidy is granted for a maximum of 6 months. The proportion of participants under the age of 25 was 23 per cent.

#### Thirty per cent wage subsidy scheme

**Objective:** To promote active participation in the labour force of registered unemployed who have difficulties because of prolonged unemployment or age.

**Provisions:** Employers engaging certain long-term unemployed for an indefinite length of time, may be eligible for a subsidy towards the labour cost amounting to a maximum of 30 per cent. For persons under 45 (who have been unemployed for six months or more) the subsidy is granted for a maximum period of 6 months.

## New Zealand

Income support for the unemployed in New Zealand is provided through a system very similar to Australia's. Benefits are paid at flat rates out of general revenue. Rates vary with the marital status and age of the beneficiary (in the case of single persons aged 16 to 20 years, it is about

three-quarters of the rate payable to a single person aged 20 or more). Rates are increased for dependent children.

After six weeks on benefit, a beneficiary may become entitled to 'additional benefit' if he or she is experiencing hardship, has only limited income and assets and is paying accommodation costs in excess of a given figure.

Emergency benefit may be granted on the grounds of hardship to persons who are not qualified to receive any other pension or benefit but who by reason of age, physical or mental limitation or any other reason are not able to earn a sufficient livelihood for themselves and their dependants. Emergency benefit may also be granted in lieu of other cash support when it is considered that a course of medical treatment or occupational training would be beneficial. As far as possible, emergency benefit is related to the type of payment for which recipients most nearly qualify.

### **Special measures**

#### **Training programs for the unemployed**

Objective: To provide training for the younger unemployed.

Provisions: Special training programs are provided at technical institutes and schools. The courses are either pre-employment courses in a range of skills, or training for specific skilled or semi-skilled occupations. Unemployed people in these courses are paid an unemployment benefit for courses of up to 20 weeks and are paid the standard tertiary bursary for any longer-term courses offered.

#### **Farm employment scheme**

Objective: To encourage farmers to engage unemployed people (including young people).

Provisions: The scheme provides a subsidy to all farmers who engage a skilled or unskilled unemployed person. The subsidy is one-third the ruling rate for farm workers in the region concerned, with a maximum of \$NZ50 a week. The subsidy is available only in respect of additional jobs created.

#### **Private sector subsidy scheme**

Objective: To encourage permanent employment for the unemployed (particularly younger persons and school leavers) in the private sector in times of economic recession.

Provisions: The scheme is open to those unemployed for more than four weeks and receiving unemployment benefit. Employers obtain a wage subsidy of one-third of the appropriate basic occupational rate subject up to \$NZ45 per week maximum.

#### **Special government work**

Objective: To provide temporary employment opportunities in the public sector, and in subsidised employment with local authorities and community organisations, for people enrolled for employment with the Department of Labour.

Provisions: The unemployed are placed on special works by the Employment Service. Employment is created by government departments and on a subsidy basis with local authorities and non-profit making organisations. Unemployed people of all ages can be placed on special works if considered suitable and willing to undertake the work offered. Students (at tertiary institutions) are eligible for placement on the scheme, if they cannot be placed in a regular job within their local Employment District.

#### **Training incentive scheme**

Objective: To promote the development of skills and training.

Provisions: Government subsidies are offered for various forms of training.

#### **Apprenticeship trade training incentives**

Objective: To provide employers with an incentive scheme of wage subsidies for off-the-job training of apprentices.

## Sweden

Sweden operates a dual system of subsidised voluntary insurance and unemployment assistance. A union-related program covers employees belonging to approved unemployment funds established by trade unions on their initiative. This program is funded by employers and employees and subsidised by the Government. A qualifying period of employment is required before benefit, which is earnings-related, becomes payable. The young unemployed (16 and 17 year olds) would not normally qualify under this system.

The complementary labour market support program covers employees and prospective employees aged 16 years or more who are ineligible to join the union-related program because of lack of previous work experience.

The young unemployed are also assisted by various job-creation and employment related special measures. Very few would need to apply for social assistance but it is available to those who cannot obtain assistance from any other source.

### Social security system

#### *Cash labour market assistance*

The scheme took effect in 1974. It was designed mainly to protect various categories entering or returning to the labour market (such as young persons). Assistance is payable to persons over the age of 16 who are not insured against unemployment or who do not yet satisfy the unemployment insurance conditions.

Generally an unemployed person must have worked for at least 5 months during the past 12 month period in order to qualify for cash labour market assistance. Gainful employment is in certain cases equated with care of the aged or handicapped. The 12 month qualifying period does not include time during which the applicant has been unable to work owing e.g. to illness, military service or adult education. A person who has undergone a particular type of advanced training and has been unemployed for five months immediately after, is entitled to labour market assistance. No employment conditions are imposed in this case.

Cash labour market assistance was in 1974 payable for up to 150 days to persons under 55 (such assistance is taxable).

People are entitled to social assistance if they lack the means to support themselves. Assistance is given when other aid cannot be obtained (either from insurance or elsewhere) or is insufficient. It is usually granted in the form of a cash grant. The extent and conditions of assistance are largely a local responsibility.

### Special measures

#### Temporary recruitment subsidy

Objective: To provide unemployed youth with job experience and facilitate the provision of permanent employment.

Provision: Private firms and organisations will be able to obtain a State grant of up to 75 per cent of wage costs if, in addition to their normal recruitment, they engage unemployed people referred to them by the Employment Service. They are paid at the rate provided in current collective agreements. The type of work is relief work of at least 3 months duration.

#### Employment measures

Objective: To facilitate the entry of young people into employment.

Provisions: A series of measures were introduced including:

- improved information services for young people at employment exchanges;
- increased state unemployment benefits;
- increased number of places at Vocational Training Centres for unemployed youth under 20 years of age;
- local government emergency work — the subsidy consists of 75 per cent of the payroll costs. Local authorities which train an employee and also hire a jobless person can get a State subsidy of 75 per cent of the payroll cost for the replacement. Applies where unemployed youth are under 25;



- 6000 new trainee posts created in the public service and State enterprises.

#### Relief work

Objective: To provide employment for the young unemployed.

Provisions: Central government relief works since 1972 have been organised in government agencies and authorities especially for young people under 20. Payment is according to a special agreement. For local authority relief works the government grants 75 per cent of the wage costs up to a certain level. Government grants may be paid for private relief work organised by firms or organisations for young people under 20. The grant covers 75 per cent of the wage costs.

Provisions: Wage subsidies paid to employers while apprentices attend off-the-job courses at technical institutes.

#### Student community service program

Objective: To provide jobs for tertiary students over the summer vacation.

Provisions: The program provides summer jobs for tertiary students. Students are employed by voluntary agencies, government and local authorities in community work.

#### Education and work preparation

In order to counteract youth unemployment various labour market policy measures were introduced in Sweden via the Employment Service, and since the late 1970's the Employment Service and the school have had a joint responsibility for youth. An Act of Parliament in May 1980 made the school responsible for ensuring that all 16 and 17-year-olds are in education or employment.

A new curriculum, which places great importance on the pupils acquiring a knowledge of working life, will come into full affect in 1982. During the nine years of schooling the pupils, it is planned, will have six-ten weeks of practical orientation on working life.

The upper secondary school is divided into so-called lines and special courses. There are both three-year and four-year theoretical lines and two-year vocational lines. The number of students entering these courses is determined by national and employer needs. In this way vocational education is offered on the basis of predicted needs. This planning is kept short-term in an effort to maintain greater precision. At present, an average of 80 per cent of 16 year olds go on to upper secondary school straight after nine years in the comprehensive school. Consequently the majority of young people attend school until 17 or 18 years of age.

Since 1977, all local authorities have had a council for co-operation between school and working life attached to the local education authority. The councils consist of representatives of the local employers, the trade unions and the local employment office. The school is represented by the school board, staff, pupils and parents. The councils work for increased contacts with working life for young people while they are still at school.

Young people under 18 years of age who are or run the risk of becoming unemployed and who cannot be placed in education are offered an individual vocational introduction of a maximum of 40 weeks. This is arranged jointly by the upper secondary school and companies/institutions. This introduction should contain elements of training for the occupation in question.

## Switzerland

### General

Income support for the unemployed in Switzerland is provided through a social insurance system financed by employer and employee contributions. Where contributions to and accumulated reserves in the insurance fund are not enough to meet expenditures the Federal Government and the Cantons provide low-interest loans. Benefits are related to past earnings and the number of dependants, subject to an upper limit of 85 per cent of past earnings.

Among the qualifications for benefits is the condition that a person must generally have been employed for 150 of the 365 days preceding the onset of unemployment. Benefits are payable after a one-day waiting period for up to 150 days in a calendar year (180 days in some cases) or 315 days in four consecutive years. Some Cantons provide special assistance where benefit entitlement is exhausted.

## **Young unemployed**

Persons aged not less than 15 years of age who, on completion of their vocational training, can find no suitable employment are entitled to unemployment benefit for up to one year after they leave school or cease training. At times of persistent unemployment this period may be extended to two years.

### **Special measures**

Other provisions to assist the young unemployed in Switzerland focus on improving information and training facilities.

Information services attempt to keep young people informed of the training and employment opportunities available and to provide guidance on career choices. The training measures aim to increase the number of apprenticeships made available and to facilitate the placement of young people on completion of their apprenticeship.

## **United Kingdom**

The United Kingdom has two avenues of assistance for the unemployed under its social security system—unemployment insurance and supplementary benefit. The compulsory unemployment insurance system applies to all employed persons earning above a certain limit and is financed by contributions from employers and employees; deficits are met by government. Benefits consist of a flat rate payment plus an earnings-related supplement.

An unemployed person has to have a certain minimum period of contributions to the fund to qualify for benefits. Most unemployed 16 and 17 year olds would not receive benefits under this system because their period of contribution would not be sufficient.

The supplementary benefits scheme provides income support for, among others, those aged 16 and over who are unemployed and are unable to support themselves. It is financed from general revenue. Details are outlined in the attachment together with information on special measures available to assist the young unemployed.

The Youth Opportunities Programme (YOP) was established in 1978. Most participants are provided with work experience while some attend work preparation courses. YOP provides an alternative means to further education through which young people can gain a step up into the labour market. The programme aims to enhance the skills and personal development of unemployed young people and to compensate for any deficiencies in their education by offering them remedial training in basic and social skills. The programme is an innovation, and represents the intervention of a new agency, the Manpower Services Commission, and new interests into an area of policy (the vocational preparation of young workers) which has formerly been dominated by a network of educationally defined interests.

### **Supplementary Benefits (SB) scheme**

The SB scheme provides mean-tested cash benefits. It provides income to persons aged 16 or over who are not in full-time work and whose resources fall below certain officially established 'requirements'. Supplementary beneficiaries receive the difference between their resources and their requirements. The unemployed are treated in the same way as other claimants where their resources, including any unemployment benefit and any other income, fall below the officially established requirements. An unemployed person (below pension age) will normally be required to register for employment as a condition of receiving the allowance if he or she is able to work. Unlike other beneficiaries, however, the unemployed are not eligible for the (higher) long-term rate after receiving benefit continuously for one year.

### **School-leavers**

As from November 1980 the entitlement of school leavers (aged between 16 and 19) to supplementary benefits will be deferred until the end of the holiday following their last term at school (prior to November 1980 school leavers could claim SB on leaving school, or reaching age

16 if that was later). Their parents' entitlement to child benefit and increases for dependants in supplementary benefit and other social security benefits will be extended correspondingly. Young people who live apart from their parents will not have their benefit entitlement deferred.

### **Special measures**

#### **Work experience program**

**Objective:** To provide unemployed young people under 19 with an introduction to working life and career possibilities.

**Provisions:** Participating employing organisations provide facilities to enable young people to learn about different types of work at first hand. Day release for further education or other training is incorporated into the work experience. Schemes last for at least six months and the young people involved are paid a maintenance allowance of 18 pounds per week (higher than unemployment or supplementary benefit).

#### **Community Industry Scheme**

**Objective:** To prepare unemployed young people for regular employment in as short a time as practicable. Special emphasis is placed on those who are personally and socially disadvantaged.

**Provisions:** The scheme provides paid employment to young people aged 16-19. They work under the supervision of a skilled tradesman on work projects of social value, especially community work which would not otherwise be done. They are released for further education courses where appropriate.

#### **Strengthening the Careers Service**

**Objective:** To enable the Careers Service to play a greater role in the promotion of special employment measures for young people.

**Provisions:** The scheme provides additional resources to enable the Careers Service to canvass employers for additional job opportunities; to conduct placement interviews with unemployed young people; advise employers about special measures etc.

#### **Employment induction courses**

**Objective:** Courses designed to improve clients' employability by helping them assess the type of work they are most suited for.

**Provisions:** The courses are designed to lead unemployed young people into employment, vocational training, further education or work experience. Clients attending the courses will receive a flat rate allowance.

#### **Counter-cyclical support for training with industry**

**Objective:** To help maintain the level of apprentice and other forms of long-term training undertaken by industry.

**Provision:** Three main forms of assistance are provided:

- **Premium grants** —per capita grants, representing a substantial contribution to first-year training costs are offered to employers to recruit young people for apprenticeships and other training in excess of a 'normal' level of intake.
- **Training awards:** per capita payments covering the full cost of initial apprentice training, plus a weekly allowance to the trainee.
- **'Sandwich' (bridging) course grants:** Per capita weekly payments to employers who make good a shortfall in opportunities for college-based 'sandwich' course students to obtain industrial experience.

#### **Short industrial courses**

**Objective:** To develop skills necessary for employment at a semi-skilled level.

**Provisions:** These courses form the bulk of the training provided by the Training Services Agency for young people under 19, who are unemployed with little prospect of early employment. On average the courses last for 10 to 13 weeks.

## **United States**

Income maintenance for the unemployed in the United States is provided through a compulsory unemployment insurance system operated jointly by the States and the Federal government

and financed by a Federal payroll tax levied on employers. The Federal law contains some standard requirements for State unemployment insurance laws and State laws specify the terms and conditions under which benefits are paid. Benefits are earnings related and the rate of payment varies between States.

A qualifying period of covered employment is required before benefits become payable. Consequently young unemployed people with little or no workforce experience would not normally be entitled to unemployment insurance payments. (It is estimated that less than 10 per cent of unemployed workers aged 15 to 17 years apply for benefits.) Neither would they qualify for Federal-State public assistance programmes, which are directed primarily at families.

Often the only aid available to the unemployed who do not qualify for unemployment insurance or public assistance is general assistance or general relief which is paid by the individual States either in cash or in kind. However, not all States have these provisions and where it is provided the rates are often quite low.

It would appear that the principal forms of assistance to the young unemployed in the United States are employment and education measures rather than income maintenance or poverty alleviation.

### **Employment and Training Act (CETA) of 1973**

#### Comprehensive manpower services

Objective: To provide a range of employment development services for unemployed and under-employed persons. Both youths and adults are eligible.

Provisions: Subsidised temporary work experience, primarily in public and non-profit organisations, is provided to youths. State and local governments administer the program under broad Federal guidelines. Enrollees receive allowances during training. Persons under 25 constitute about sixty per cent of enrolment.

#### Public Service employment

Objective: To reduce unemployment by providing transitional public service jobs for unemployed workers.

Provisions: In one part of the program jobs are oriented towards the disadvantaged unemployed and are intended to provide job experience for persons with unemployment problems.

#### Job Corps

Objective: To train severely disadvantaged persons between ages 16-21 who are out of school and unemployed, and place them in gainful employment.

Provisions: The Job Corps provide remedial education, vocational training and social rehabilitation in residential training centres. These centres provide remedial education with job training.

#### Summer program for economically disadvantaged youths

Objective: To provide employment and other related services to economically disadvantaged youths 14 to 21 during the summer months.

Provisions: Placement for youth in community service organisations, private non-profit agencies etc. The program also provides an introduction to the 'world of work', some training, and income to help the enrollees return to school.

#### National young adult conservation corps

Objective: To provide work experience for youths, particularly from high unemployment areas, by providing them with outdoor jobs in work camps.

Provisions: For unemployed youths 16-23, with preference to youths from high unemployment areas.