

## COVERAGE AND CLASSIFICATION OF OECD DATA FOR PUBLIC EXPENDITURE AND PARTICIPANTS IN LABOUR MARKET PROGRAMMES

### OECD classification

1. Public employment services and administration
  - 1.1 Placement and related services
  - 1.2 Benefit administration
  - 1.3 Other
2. Training
  - 2.1 Institutional training
  - 2.2 Workplace training
  - 2.3 Alternate training
  - 2.4 Special support for apprenticeship
4. Employment incentives
  - 4.1 Recruitment incentives
  - 4.2 Employment maintenance incentives
  - 4.3 Job rotation and job sharing
5. Sheltered and supported employment and rehabilitation
  - 5.1 Sheltered and supported employment
  - 5.2 Rehabilitation
6. Direct job creation
7. Start-up incentives
8. Out-of-work income maintenance and support
  - 8.1 Full unemployment benefits
    - 8.1.1. Unemployment insurance
    - 8.1.2. Unemployment assistance
  - 8.2 Partial unemployment benefits
  - 8.3 Part-time unemployment benefits
  - 8.4 Redundancy compensation
  - 8.5 Bankruptcy compensation
9. Early retirement

## Notes on the classification

The classification is restricted to measures which are "targeted".<sup>1</sup> This excludes measures such as: training that is generally available to employed adults; apprenticeship programmes that are generally available to young adults; in-work benefits that are available to all employees whose earnings fall below a threshold; and early retirement benefits that are conditional only on age or contribution record. Examples of "targeted" programmes that are included are: programmes targeted on the registered unemployed; training for those known to be at risk of involuntary job loss; apprenticeship support for those who have been unable to find an apprenticeship through the usual channels; and special early retirement benefits created to promote the restructuring of a particular industrial sector or enterprise.

### 1. Public employment services and administration

- 1.1 Placement and related services
- 1.2 Benefit administration
- 1.3 Other

1.1 *Placement and related services* include open information services, referral to opportunities for work, training and other forms of assistance, counselling and case management of jobseekers, financial assistance with the costs of job search or mobility to take up work, and job brokerage and related services for employers, if spending on these functions can be separately identified. Services provided by the main public employment service and by other publicly-financed bodies are included.

1.2 *Benefit administration* expenditure includes the budget of institutions that manage the unemployment and early retirement benefits reported in Categories 8 and 9, if this spending can be separately identified.

1.3 *Other* expenditure includes the budget of institutions that provide placement and related services (if the relevant spending could not be separately reported in Category 1.1 above); institutions that manage labour market programmes in Categories 2 to 7 below (except for costs already included in these categories); and institutions that administer the benefits in Categories 8 and 9 below (if these costs could not be separately identified in Category 1.2 above). However if these institutions' budgets cover functions that are outside the scope of this database (neither placement and related services, nor the management of active or passive labour market programmes within the scope of Categories 2 to 9), estimated spending on those functions should be excluded.

### 2. Training

- 2.1 Institutional training
- 2.2 Workplace training
- 2.3 Integrated training
- 2.4 Special support for apprenticeship

2.1 *Institutional training* refers to programmes where most of the training time (75% or more) is spent in a training institution (school/college, training centre or similar).

2.2 *Workplace training* refers to programmes where most of the training time (75% or more) is spent in the workplace.

2.3 *Alternate training* (formerly called *Integrated training*) refers to programmes where training time is evenly split between a training institution and the workplace.

2.4 *Special support for apprenticeship* refers to programmes providing incentives to employers to recruit apprentices from labour market policy target groups, or training allowances for particular disadvantaged groups.

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1. For OECD's publication of data with some notes by country, see the OECD *Employment Outlook*, Statistical Annex, (<http://www.oecd.org/els/emp/employment-outlook-statistical-annex.htm>). A general note on scope and comparability of the data is also provided. General definitional guidelines are given in Eurostat (2013), *Labour market policy statistics - Methodology 2013*. For EU countries, individual programme data are provided in annual publications *Labour Market Policy* (<http://ec.europa.eu/eurostat/web/labour-market/labour-market-policy>).

Apprenticeship schemes that are generally available are considered to be part of the general education and vocational training system and should be excluded.

#### **4. Employment incentives**

- 4.1 Recruitment incentives
- 4.2 Employment maintenance incentives
- 4.3 Job rotation and job sharing

4.1 *Recruitment incentives* are programmes making payments for a limited period only to facilitate the recruitment of unemployed persons and other target groups into jobs where the majority of the labour cost is covered by the employer. They include payments to individuals that are conditional upon the takeup of a new job (back-to-work bonus, mobility/relocation allowance or similar) only if they are targeted (e.g. restricted to the long-term unemployed).

4.2 *Employment maintenance incentives* are similar but facilitate continuing employment, in a situation of restructuring or similar. Generally-available in-work benefits for low-income groups should not be included.

4.3 *Job rotation and job sharing* replace former Category 3. *Job rotation* refers to schemes promoting the full substitution of an employee by an unemployed person or a person from another target group for a fixed period. *Job sharing* refers to schemes promoting the partial substitution of an employee by an unemployed person or a person from another target group.

#### **5. Sheltered and supported employment and rehabilitation**

- 5.1 Sheltered and supported employment
- 5.2 Rehabilitation

5.1 *Sheltered and supported employment* consists of subsidies for the productive employment of persons with a permanently (or long-term) reduced capacity to work. These measures typically provide ongoing support and have no planned duration. Lifetime sheltered work where the subsidies cover 100% or more of the wages (i.e. also cover administrative costs) is considered to be part of social policy and outside the scope of the database. Recruitment incentives payable for a fixed period to the employer or the disabled worker upon hiring in a regular job appear in Category 4.1.

5.2 *Rehabilitation* refers to vocational rehabilitation for persons with a reduced working capacity which prepares them to move on to work or regular training. Social and medical rehabilitation are not included. Participation by disabled workers in regular training as distinct from rehabilitation appears in Category 2.

#### **6. Direct job creation**

These programmes create additional jobs - usually of community benefit or socially useful, and usually in the public or non-profit sector although similar projects in the private sector may also be eligible - for the long-term unemployed or persons otherwise difficult to place. The majority of the labour cost is covered by public funds. Only programmes where the duration of public funding is limited by design are included.

#### **7. Start-up incentives**

Programmes that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.

## **8. Out-of-work income maintenance and support**

- 8.1 Full unemployment benefits
  - 8.1.1. Unemployment insurance
  - 8.1.2. Unemployment assistance
- 8.2 Partial unemployment benefits
- 8.3 Part-time unemployment benefits
- 8.4 Redundancy compensation
- 8.5 Bankruptcy compensation

8.1.1 *Unemployment insurance* refers to benefits payable to workers satisfying criteria for membership in an unemployment insurance scheme. These are often paid only for a limited period.

8.1.2 *Unemployment assistance* refers to benefits payable to workers either failing to satisfy criteria for membership in an unemployment insurance scheme or who have exceeded the period for entitlement to unemployment insurance benefit. Unemployment assistance is normally means tested.

8.2 *Partial unemployment benefits* refer to benefits compensating for the loss of wage or salary due to short-time working arrangements, and/or intermittent work schedules, where the employer/employee relationship continues.

8.3 *Part-time unemployment benefits* refer to benefits paid to persons working part-time who have lost a full-time job or an additional part-time one and are seeking to work more hours.

8.4 *Redundancy compensation* refer to capital sums paid from public funds to employees who have been dismissed through no fault of their own by an enterprise that is ceasing or cutting down its activities.

8.5 *Bankruptcy compensation* refers to capital sums paid from public funds to employees to compensate for wages not paid by the employer due to bankruptcy/insolvency.

## **9. Early retirement**

These programmes facilitate the full or partial early retirement of older workers who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group. Early retirement benefits normally cease when the beneficiary becomes entitled to an old age pension. Moreover, benefits paid to beneficiaries over the standard retirement age as established in the reference pension scheme should not be recorded here. Programmes that are conditional only on age or contribution record should not be included.