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From the Secretary of State for Social Services

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29 August 1986

Dear David

BENEFITS FOR THE LONG TERM UNEMPLOYED AND FOR YOUNG PEOPLE

I am ~~sorry~~ ^{at 11ap} you have not had an earlier response to your letter of 2 June, which commissioned notes providing an international comparison of benefits for these groups. I now attach a note on each group.

Copies go to the Private Secretaries to the Chancellor of the Exchequer, the Chief Secretary, the Chancellor of the Duchy of Lancaster, the Secretary of State for Employment, the Paymaster General and the Minister of State (Department of Trade and Industry).

Yours

Giles

GILES DENHAM
Private Secretary



STATE SUPPORT FOR 16-18 YEAR OLDS

1. State support for 16-18 year olds can be given through educational maintenance grants or loans, training allowances, unemployment benefit (either insurance or means-tested assistance) or social assistance. Parents can be entitled to a family allowance and to a tax allowance or credit for young people in full-time education, undergoing training or unemployed.
2. There does not appear to be any country that has been able to devise a single means of financial support for young people and provisions, especially for those in training, are subjected to frequent change. The summary in attached table does no more than reflect broad policy intentions; it does not present a complete account of multifarious projects adopted by countries faced with increasing numbers of young people unable to find regular employment after leaving school.
3. Maximum age for family/tax allowances. Many countries extended family allowance entitlement to age 25 or more for those in full-time education. Australia, Belgium, Germany, Netherlands and Switzerland (in some cases) do so. Where a tax allowance or rebate is available, it is sometimes means-tested against the young person's income (Belgium, Canada, USA).

In France and Sweden the upper age limit for tax allowance/rebate is lower than for family allowance.

In Belgium there is no upper age limit for a tax allowance, so long as the dependant remains a member of the household.

In New Zealand a flat-rate tax rebate is given to a parent until the youngest child reaches age 16, or age 18 if still attending school.

In Canada the upper age limit for a tax allowance is higher than for family allowance. There is also a Canadian child tax credit in addition to the tax allowance and family allowance.

It is more difficult to establish the position for young people undergoing vocational training.

France and the Netherlands extend entitlement to family allowance to the same age as for students - 20 and 27 years old respectively.

4. Education maintenance allowances. Discretionary schemes of educational allowances exist in Australia, Belgium, Denmark, France, Germany, Sweden and Switzerland. Entitlement to an allowance depends upon the resources of the parents and students; and typically the level of the allowance is higher if the student is unable to live at home. Thus, the schemes are often aimed at parents living in outlying communities whose children are attending a high school too far away to allow daily travel. Generally speaking, the provision for 16-18 year old students does not appear to be as extensive or costly as for students in higher (tertiary) education.

In Australia the Government is introducing a number of initiatives to deal with the problems of youth unemployment (8.8% of those under 25 are unemployed). In 1986 there is to be an increase in the level of education allowances and in 1987 age-related allowances will be introduced. By 1989 allowances for all young people will be age-related and common basic rates will apply whether the young person is in secondary or tertiary education or unemployed.



5. Training allowances. Government-sponsored training schemes for young people generally seek to provide an allowance that is below the minimum adult statutory or established wage.

In Australia and New Zealand the level of the training allowance is pitched slightly above that of the means-tested unemployment benefit to which school-leavers are entitled, while in Sweden the training allowance is equal to the education maintenance allowance for secondary school students.

In France the level of remuneration/allowance depends on the sort of training being undertaken.

The Netherlands seems to have encouraged training through grants to employers and the level of remuneration of trainees probably remains a matter for collective bargaining.

In Germany participants in the dual system of vocational training receive a wage from their employer which is significantly lower than the normal adult rate for the same job. It increases during the period of training.

6. Unemployment benefit. In most countries school-leavers unable to find work do not qualify for unemployment insurance or assistance because they cannot satisfy the employment or insurance test.

Australia and New Zealand are exceptions: unemployment benefit is payable from age 16 at a rate significantly below the adult rate on the assumption that parental support should continue beyond age 16. The benefit is subject to a test of the young person's but not the parents' income (Australia) or means (New Zealand). In Australia school leavers are generally subject to a 6-week waiting period before receiving unemployment benefit. As part of the Australian Government's initiatives to help the young unemployed, unemployment benefit and education allowances are being progressively reorganised so that payments are related to age rather than the type of activity. An intermediate rate of unemployment benefit for 18-20 year olds was introduced in November 1985.

After six months of being available for work or training in France, young people can qualify for a flat-rate daily assistance payment for up to 12 months.

7. Social assistance and housing benefit. Very often the broad statutory conditions of eligibility do not allow exclusions of young persons, but in practice they are often not entitled to benefit because of their family circumstances.



In Germany very few of the young people who do not secure training or work will qualify for assistance because the test of resources takes account not only of their personal income and assets but those of parents, adult siblings and even grandparents. The housing benefit scheme in Germany achieves broadly the same effect in excluding students (of any age) from housing benefit unless they can demonstrate that they are permanently settled in their accommodation. Only young married persons with a dependent child are likely to be able to do this.

A similar situation exists in France where it is very unlikely that young persons would qualify for cash support from the scheme of municipal social aid. A student without a dependent child would not qualify for housing benefit.

In the Netherlands on the other hand, national assistance is payable at much reduced rates for 18 year olds living at home.

In Canada social assistance is not payable for those under 18 unless they are living apart from their parents; away-from-home assistance is approximately 40% of the adult social assistance rate. It appears unlikely that young unemployed persons without family responsibilities would have access to discretionary assistance except as part of a larger household dependent upon assistance for families.

The situation in Australia and New Zealand is rather different as is noted in the preceding paragraph.

In the United States the Federal scheme of means-tested social assistance does not cover unemployed young people except as dependants of a qualifying parent, and then only up to age 18. (At a state's discretion children aged 18 may be included if they are completing their education or vocational training and are likely to do so before they are 19.) State programmes of assistance may assist unemployed young people but this varies from state to state and, in principle at least, most states require prescribed relatives to support applicants in need. Assistance is given at widely varying levels, usually on a short-term basis and sometimes as a loan to be repaid when employment starts.

Provision for this age group in the United Kingdom is not specifically laid down as in some other countries. It should however be noted that in the UK such young people, like the rest of the adult population, are able to claim means-tested assistance (supplementary benefit) on their own rather than on their parents' financial situation.

August 1986

STATE SUPPORT FOR 16-18 YEAR OLDS

	MIN SCHOOL LEAVING AGE	STATUS GIVING ENTITLEMENT TO		ED MAINTENANCE ALL/GRANT	TRAINING ALLOWANCES	UNEMPLOYMENT OR SOCIAL ASSISTANCE
		CHILD BEN	CHILD TAX ALL			
AUSTRALIA	15	To age 16 Students to age 25	No provision	Secondary education allowance and State bursaries	Training allowances Wage subsidies	Unemployment benefit (not students)
BELGIUM	15 18(part-time)	To age 14 Students to age 25 Trainees to age 21 Disabled no age limit	All dependent children with negligible income if part of households	Study grants	Most trainees are paid by employers	150 waiting days before flat-rate allowance (below minimum for Unemployment Benefit) is payable
CANADA	16	All dependent children to age 18 ALSO Child tax credit - Income threshold	All dependent children to age 20	No known	Payable from age 17 only	Some provincial schemes exclude 16-19 year olds
DENMARK	16	To age 16 Special family allowance to orphans or children of pensioners - to age 18	No provision	Grant/loan Scheme	Subsidies for e'ers who pay wages	Family support for some young persons under 17 year but disentitled to social assistance
FRANCE	16	To age 17 if in work Students to age 20 Most trainees to age 20 Unemployed to age 20 Disabled to age 20	Dependent upon parents up to age 17	Student grants to parents	Training allowance for non-apprentices paid by e'er	Flat rate unemployment assistance for variable time depending on circumstances

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		CHILD BEN	CHILD TAX ALL			
GERMANY	15/16	To age 18 Students to age 27 (if unmarried) Trainees Disabled no age limit	Students) to age 26 Trainees)	Means-tested Maintenance allowances	Exceptionally, most trainees are paid by e'ers	Only exceptionally; parents are required to maintain children
NETHERLANDS	16	To age 16 if in work Students to age 27 Trainees to age 27 Unemployed to age 18 Disabled to age 18	No provision	Means--tested loans for post-compulsory study	Grants to e'ers	Not entitled (min age 18)
NEW ZEALAND	15	To age 16 Students to age 18 Invalids	Tax rebate until youngest child is 16 or 18 if still attending school	None	None	Unemployed benefit (not students)
SWEDEN	16	To age 16	Single parent's tax credit for child at home	Study grant	Study grant	Labour market allowance payable provided certain minimum periods of employment or employment training have been completed.
SWITZERLAND	15/16	Cantonal age limits 15-18 Students to age 21 or 25 Apprentices/ Trainees Disabled to age 18 20 or 25	Dependent children to age 18 Students Apprentices/ Trainees (Cantonal tax allowances vary)	Cantonal Schemes	Cantonal provisions	Parental obligation to maintain up to age 20 (6 months contributions for benefit)

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		CHILD BEN	CHILD TAX ALL			
USA	17	No provision	All dependent children (including students) where parent provides at least half support	State scheme - means-tested aid for post-compulsory education and secondary education	State subsidies to e'ers	No entitlement
UK	16	Up to 16 years. Then up to 19 years while in full-time non-advanced education	No provision	Local Authority Education Maintenance Allowances (Scotland-bursaries) from aged 16 years in respect of non-advanced education, subject to parents' income	Youth Training Scheme (YTS) for 16-17 year olds. 2 years for 16 years 1 year for 17 years. Rates of YTS allowance £27.30 per week (first year) and £35 per week (second year)	Unemployment benefit available if contribution conditions satisfied. Supplementary Benefit available to those who have left full-time non-advanced education and who are available for work.

Introduction

1. The long term unemployed are usually defined as those out of work for over 12 months (which is the point at which UB in the UK exhausts. However, because other countries have initial benefits that exhaust at different times, this paper looks at benefits throughout unemployment. Broadly it falls into three sections - contributory benefits, means tested benefits and housing benefits. Attached to the paper are 6 annexes, reproduced from some recent OECD papers. These are:

- A. Numbers of unemployed persons;
- B. Unemployment rates;
- C. Long term unemployment - numbers and rates - in selected countries;
- D. Unemployed people by types of benefit in selected countries;
- E. Benefits under contributory schemes in selected countries;
- F. Benefits under non-contributory schemes in selected countries.

2. Countries have tended to adopt one of three strategies for helping the long term unemployed:

- (a) extended contributory benefits, for example in Belgium;
- (b) social assistance, for example in the UK;
- (c) special employment measures, for example Sweden.

However it is evident that many countries are modifying their traditional approaches in the light of continuing high rates of unemployment. The countries with relatively little long-term unemployment, like Canada and the USA have, as might be expected, few specific benefits for this group. Those with more experience of long term unemployment tend to have such benefits. However there is no straightforward connection between the availability of

long term benefits and the incidence of long term unemployment - Annexes C and D for example show that France had more long term unemployed than the UK even though it had a much higher proportion of people with no benefit and, correspondingly, a lower proportion with assistance benefits.

Contributory unemployment insurance benefits

Duration of Benefits

3. There is considerable variation in the length of time for which unemployment benefit is payable, the extremes being Belgium where it continues indefinitely and the USA which pays for 6 months (9 in some states). The most common duration is 12 months (as in the UK, Germany and Canada) but many countries pay for longer (eg Denmark and Netherlands both for 2 years).

4. Several countries extend entitlement to benefit for older people - Sweden normally pays for 50 weeks but goes to 90 weeks for claimants over 55. Germany pays for two years to people over 54. Ireland, on the contrary, pays normally for a year but only 6 months to those under 18.

Rate of Benefit

5. Most countries pay earnings related insurance benefits and flat rate benefits are the exception. UB in the UK is flat-rate at the weekly rate of £30.45 plus £18.80 for a dependent adult. Additions for dependent children were abolished in 1984 and earnings-related supplement was abolished in 1982. Ireland also has flat-rate benefits (which last a year) of £34.02 a week with increases for an adult (£22.05) and for children (between £7.62 for the first child and £5.64 for the sixth and subsequent children) and in addition pays an earnings related supplement to benefit for six months. In France benefit is a basic £3.73 a day plus 42 per cent of insurable wages. In Germany benefit is 68 per cent of earnings, in Switzerland 70 per cent. Portugal's benefit is a percentage of the national minimum wage between 70 per cent when there are no dependants and 100 per cent where there are six or more dependants. Spain has benefit paid on a reducing percentage of earnings, down to 60 per cent after one year's unemployment. Luxembourg and Netherlands also base the rate of benefit on previous earnings. (Luxembourg's benefit is not strictly contributory, being funded from taxation, but it is not means-tested and depends upon employment records.) Belgium, where contributory benefits continue indefinitely, changes from earnings related to flat rate after two years.

6. Insurance-based benefits are not normally subject to "means-testing" but at least one country, Switzerland, makes benefit dependant on 'need' and family circumstance.

Conditions for payment of benefit

Contribution/Employment Conditions

7. With the exception of Luxembourg all countries finance their means-tested schemes by means of insurance contributions but, with the exception of the UK and Ireland entitlement usually depends not on the amount of contributions paid but on employment durations over a period. In the UK benefit is paid subject to the satisfaction of contributions tests - the amount of earnings-related contributions paid in the relevant income tax year. Ireland has a contribution test (similar to that in the UK prior to 1975) - 48 contributions (paid or credited) in the relevant contribution year required for the payment of full benefit.

8. In most countries, there are qualifying employment conditions rather than contribution conditions. The employment condition varies a great deal. For many countries it means having worked at least half of a set period - for example 52 weeks in the past two years in Italy and 6 months in the last year in Luxembourg and Netherlands. Others have more relaxed rules - examples are Germany which requires 12 months in the last 3 years and Switzerland with 6 months in 4 years.

Requirement to register and search for work

9. All countries require claimants to be capable of and available for work. The UK seems to be the exception in not also requiring registration for employment. Registration means different things in different countries - ranging from putting one's name down at the employment office to attending there twice a week (Switzerland). Weekly attendance seems to be most common. Several countries go further and require claimants to produce evidence of job search. Some countries, eg Switzerland, require claimants to produce written statements showing progress in job search at regular intervals. Others, eg France, require evidence from time to time.

Penalties for voluntary unemployment, refusal of employment, training etc

10. There are penalties - loss of benefit - in all countries where the unemployment is voluntary. Most States in the US do not pay unemployment compensation at all where the unemployment is voluntary. Other countries, impose varying periods of disqualification for voluntary unemployment. In the UK the maximum period is to be extended from 6 weeks to 13 weeks; in Germany the periods of disqualification is 8 weeks on the first occasion and benefit is withdrawn entirely for a "second offence". In Sweden benefit is suspended for 4 weeks if a job is refused and stopped entirely for repeated job refusals.

11. In the UK, case-law (Commissioners Decisions) has developed the Statutory law that a person loses benefit if he refuses suitable employment, broadly on the lines that a person can seek work of a similar standard to his last job when newly unemployed but should take anything within his capacity when he has been unemployed for some months providing the pay is reasonable for the job. In other countries (eg Switzerland) claimants are expected to take any reasonable work offer taking account of health and age and in Sweden claimants are expected to take jobs in other regions, being given help and encouragement to move.

Non-Contributory, income-related social assistance allowances

General

12. In most countries there is some scheme of non-contributory assistance allowance, paid subject to a means test, where the unemployed person does not qualify for unemployment insurance benefit or where such benefit is exhausted. A few countries have comprehensive, national schemes where assistance is paid indefinitely as is Supplementary Benefit in the UK - examples are Australia, Ireland and Germany. But in most countries assistance scheme are run locally, are part funded nationally - and have local rules and local rates of payment - for example the US assistance for the unemployed with children (AFDC-UF) and the Canadian assistance programme have rates that vary between states or provinces. Many countries have in effect two assistance schemes - one national or with national guidelines and small variations (commonly for people with reasonable employment records but who have exhausted insurance benefit) and the other municipal, in cash or kind or a mixture, very variable and often with large elements of discretion. It is therefore difficult to obtain comprehensive information or to make accurate generalisations about them. An example of this approach in France where those who have run out of insurance

benefits can get a means tested, flat rate benefit indefinitely but others, with less employment experience receive a similar benefit for only one year and thereafter have to depend on charities or discretionary local schemes. In the USA, once unemployment insurance is exhausted, the main source of help for those without children is food stamps, plus in some localities a rather vague "General Assistance".

Types of assistance

13. Where there are national schemes they fall into two classes - flat rate and earnings related. Local schemes are either flat rate or purely discretionary - in effect handouts to avoid destitution. The UK, Ireland, Netherlands and Australia all have flat rate schemes, supplementing other income up to the guaranteed level. But Germany supplements income up to 56 per cent of previous earnings (or 58 per cent if there are children). In Spain unemployment assistance is at 75 per cent of the minimum wage for 6 months (extendable to 9 months) but only for people with dependants and who have exhausted UB.

14. As indicated above, firm information is not available about local schemes with their mixtures of municipal and charitable elements. Even in Switzerland the arrangements involve a high degree of voluntary sector and church participation and the assistance paid is said to be "just about enough to guarantee survival". Public assistance paid by municipalities in Sweden is expressed as covering basic needs only - food, clothing and housing.

Means-testing

15. The limited information available on mean-testing in other countries suggests a wide variation in approach. Whereas in the UK only the claimants' own resources (and those of his dependants) are taken into account, in several countries the test of resources includes those of other members of the wider family. In Germany, for example, parents are expected to maintain their sons and daughters (and vice versa) whether or not they are living in the same household. The "liable relative's" own financial position is assessed and he is frequently called on to make a contribution. In an extreme case, a particularly well-off liable relative may be expected to maintain completely his unemployed relatives.

16. While hard information is not available, it is understood that owner-occupiers are in many countries expected to borrow on the value of their homes before they can be eligible for local assistance.

Workfare

17. Under a workfare system, payment of unemployment assistance to the able-bodied long-term unemployed is made conditional in some way on the willingness of the unemployed person to undertake work, training, or a course of education. If the long-term unemployed person has not found a job, then he is offered one (or training) and this must be taken if he is to continue to receive assistance. Such schemes operate in 38 States in the USA and similar arrangements are found in Sweden and Switzerland, and to a lesser extent in Austria and Denmark. The closest analogies in the UK are Restart, which requires the longterm unemployed to attend for counselling, and the Community Programme, although this is almost entirely voluntary. In most of these countries the workfare arrangements are patchy so that only some of the eligible unemployed are affected. In the USA, where the idea originated, only a minority of welfare recipients are involved (and many of these are single parents who would not be required to seek work in the UK).

18. In Sweden, where there has been a traditional policy of providing temporary jobs or vocational training for the unemployed, rather than simply provision of cash assistance to replace lost earnings, there is what may be described as a "youth workfare" system. Special programmes of "youth jobs" are provided for the 16 and 17 year olds and municipal authorities are required by law to arrange youth teams for unemployed 18/19 year olds. Failure to accept a youth team job results in withdrawal of unemployment benefit or assistance.

19. In Switzerland, the long-term unemployed may be offered relief work organised by the Canton. Those offered this work, in forestry or environmental improvement, are expected to accept it - on pain of suspension of benefit. Alternatively claimants may be offered contributions to the cost of retraining courses. It is known that several other OECD countries are considering introducing workfare in one form or another, or have already started.

Housing Benefit

20. Neither Canada nor USA runs a separate housing benefit scheme outside general public assistance or subsidised housing (although Canada has a system of refundable property tax credits which can provide some help to the poor generally).

21. Australia. Runs a mortgage and rent relief scheme only for beneficiaries of the various pensions and benefits (age, invalidity, supporting parents etc). Since May of this year, this assistance has been given to those in receipt of unemployment benefit for over 6 months. The help is limited to 50 per cent of the rent in excess of \$10 (approx £5) up to a maximum of \$10 for unemployed. Those in subsidised public housing are excluding from claiming. Even this limited help will be scrapped from November 1986 and instead the scale rates of the relevant benefit will be increased.

22. New Zealand operates a scheme which gives help in addition to social security benefit (similar to Australia). Benefit equal to $\frac{2}{3}$ excess over \$30 with a maximum benefit of \$36 (1982 prices). Only 7 per cent of beneficiaries in 1982 received housing assistance. For those in work, if weekly wages exceed 9 per cent of average earnings no help is given. To all intents and purposes, scheme does not operate for those in work.

23. France has a complex system open to all through means-testing. Depends on family circumstances, net income after tax and rent. Child benefit is ignored. The number of children, the income band width and the rent payable feed in to a formula to produce rent payable by claimant. This can be nil (i.e. a 100 per cent grant of HB) even in full-time work.

24. Sweden. Means-tested housing allowances are available in two forms, regardless of the type of tenure of the home:

(i) state housing allowance is only available to low income families with children and is related to the number of children in the household, not the housing costs;

(ii) local municipal housing allowances are available to childless households as well as families with children. These are means-tested and calculated taking housing costs and number of children into account.

25. Germany. Means-tested benefit from central funds. Can be paid in respect of rent or mortgage outgoing. Based on income, housing costs and number of people in household.

26. The UK has housing benefit which gives 100 per cent aid with rent and rates to most people on assistance (supplementary benefit), and means tested help to others.

Table 2

UNEMPLOYED PERSONS IN THE OECD AREA
(thousands)

	1973	1975	1979	1982	1983	1984	1985
Australia	106	279	378	461	687	605	567
Austria	33	53	65	116	135	128	118
Belgium	92	175	304	490	545	546	-
Canada	515	690	836	1 314	1 448	1 399	1 323
Denmark	21	121	157	296	312	231	-
Finland	51	51	143	149	156	158	162
France	577	911	1 371	1 920	1 961	2 312	2 410
Germany	273	1 074	876	1 833	2 258	2 266	2 304
Greece	64	75	64	215	299	310	-
Iceland	0	1	0	1	1	1	-
Ireland	64	84	88	148	184	204	-
Italy	1 303	1 226	1 686	2 052	2 264	2 392	2 473
Japan	680	1 000	1 170	1 360	1 560	1 610	1 560
Luxembourg	0	0	1	2	3	3	-
Netherlands	110	260	280	655	801	822	-
New Zealand	2	3	25	47	76	78	-
Norway	26	40	38	52	67	61	51
Portugal	90	178	344	317	377	403	-
Spain	363	625	1 248	2 260	2 461	2 901	2 966
Sweden	98	67	88	137	151	136	125
Switzerland	0	13	10	14	29	35	29
Turkey (a)	1 923	2 120	2 288	2 731	2 861	2 905	-
United Kingdom	557	838	1 234	2 770	2 984	3 030	3 179
United States	4 365	7 929	6 137	10 678	10 717	8 539	8 312
North America	4 880	8 619	6 973	11 992	12 165	9 938	9 640
OECD Europe	5 645	7 912	10 286	16 158	17 849	18 849	-
Total OECD	11 313	17 813	18 832	30 018	32 337	31 080	-

a. Secretariat estimates

b. Including estimates for unemployment in agriculture.

Source: OECD, Employment Outlook. MAS/WP5(86)4 - Statistical Annex.

Table 4
UNEMPLOYMENT RATES (a)

	1975	1979	1982	1983	1984	1985
Australia	4.8	6.2	7.1	9.9	8.9	8.2
Austria	1.7	2.1	3.5	4.1	3.8	3.5
Belgium	5.0	8.2	12.6	13.9	14.0	13.2
Canada	6.9	7.4	10.9	11.8	11.2	10.4
Denmark (b)	4.9	6.0	11.0	11.4	8.5	10.4
Finland	2.2	5.9	5.8	6.1	6.1	6.2
France	4.0	5.9	8.1	8.3	9.7	10.1
Germany	3.6	3.2	6.1	8.0	8.5	8.6
Greece (b)	2.3	1.9	5.8	7.9	8.1	-
Iceland (b)	0.6	0.4	0.7	1.0	1.3	-
Ireland (b)	7.3	7.1	11.4	14.1	15.5	-
Italy	5.8	7.6	9.0	9.8	10.2	10.5
Japan	1.9	2.1	2.4	2.6	2.7	2.6
Luxembourg (b)	0.2	0.7	1.2	1.6	1.7	-
Netherlands	5.2	5.4	11.4	13.7	14.0	13.0
New Zealand (b)	0.2	1.9	3.5	5.6	5.7	-
Norway	2.3	2.0	2.6	3.3	3.0	2.5
Portugal (b)	4.4	8.0	7.3	8.2	8.9	-
Spain	3.7	8.5	15.9	17.4	20.1	21.6
Sweden	1.6	2.1	3.1	3.5	3.1	2.8
Switzerland	0.4	0.3	0.4	0.9	1.1	0.9
Turkey (b)	12.9	13.2	15.1	15.7	15.7	-
United Kingdom	4.3	5.1	11.4	12.6	13.0	13.2
United States	8.3	5.8	9.5	9.5	7.4	7.1
North America	8.2	5.9	9.7	9.7	7.8	7.4
OECD Europe (c)	4.1	5.4	8.9	10.	10.8	11.0
Total OECD (c)	5.1	4.9	7.9	8.5	8.1	8.0

- a. Data for all countries except Denmark, Greece, Iceland, Ireland, Luxembourg, New Zealand, Portugal and Turkey are standardized unemployment rates which are more comparable between countries than the unemployment rates published in national sources. For a detailed description of the sources and methods used, see OECD, Standardized Unemployment Rates, Sources and Methods.
- b. National data based on national definitions.
- c. Based only on countries with standardized unemployment rates. These countries represent 90 per cent of the total OECD labour force.

Source: OECD, MAS/WP5(86)4 - Statistical Annex.

Table 3

PERSONS UNEMPLOYED FOR ONE YEAR OR MORE IN SELECTED OECD COUNTRIES

Country	1979	1981	1983	1984	1985	1979	1981	1983	1984	1985
	No. (000)					As % of Total Unemployment				
Australia	68.2	79.4	188.7	188.6	18.1	21.0	27.5	31.2	-	-
Austria	2.8	2.7	7.9	11.9	13.0	8.6	6.5	9.0	12.9	13.3
Belgium	160.2	198.5	308.3	336.2	-	58.0	52.4	62.8	68.2	-
Canada	28.0	36.0	138.0	139.0	-	3.5	4.2	9.8	10.1	-
Finland	26.8	10.6	16.6	15.5	-	19.3	12.5	14.6	14.4	-
France	371.4	492.2	713.6	850.2	1 030.3	30.3	32.5	42.2	42.3	46.8
Germany	146.3	203.4	608.7	701.7	-	19.9	16.2	28.5	32.7	-
Ireland	30.4	38.5	58.6	84.0	94.5	33.0	34.8	31.0	39.1	41.2
Italy	490.0	591.0	804.0	-	-	35.8	37.9	41.9	-	-
Japan	230.0	190.0	230.0	250.0	-	16.5	13.5	15.5	15.2	-
Netherlands	51.0	74.0	329.2	440.3	407.2	27.1	22.0	43.7	54.5	55.3
Norway	1.3	1.1	4.1	6.2	-	3.8	3.0	6.7	10.8	-
Sweden	6.0	6.4	15.5	16.9	-	6.8	6.0	10.3	12.4	-
Spain	363.0	-	1 233.6	1 544.3	-	27.5	-	53.6	54.2	-
United Kingdom	-	626.9	1 102.6	1 234.4	1 326.8	-	22.0	36.5	39.8	41.0
United States	259.0	558.1	1 430.0	1 049.0	-	4.2	6.7	13.3	12.3	-

Note: Measures of long-term unemployment are particularly uncertain and international comparisons are difficult since the type of sources used varies from country to country (household surveys and administrative records).

Source: Draft synthesis report of the Evaluation Panel No.4 "Measures to assist the long-term unemployed".

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Table 4

TRENDS IN THE DISTRIBUTION OF THE UNEMPLOYED BY TYPE OF COMPENSATION

	1973	1976	1980	1983
AUSTRALIA (percentage of registered unemployed)				
assistance	45.6	74.2	73.0	*
no benefit	54.4	35.8	27.0	*
* After 1980, Australia has stopped publishing data on registered unemployed				
BELGIUM (percentage of registered unemployed)				
insurance	75.3	80.0	75.8	75.8
no benefit	24.7	20.0	24.2	24.2
CANADA (percentage of unemployed at sometime during the year)				
insurance		87.5 *	74.0	84.8
no benefit		12.5 *	26.0	15.2
* Data for 1978				
FRANCE (percentage of registered unemployed)				
insurance	43.0	49.3	-	47.3 *
assistance	14.3	17.2	-	11.2 *
no benefit	42.7	33.5	34.8	41.5 *
* on 31.12.1984				
GERMANY (percentage of registered unemployed)				
insurance	56	58	51	45
assistance	8	16	14	21
no benefit	35	26	35	33
SWEDEN (share of unemployment days compensated)				
insurance	41	47	47	60
assistance	10	15	22	23
no benefit	49	38	31	17
UNITED KINGDOM (percentage of claimants)				
insurance	(1971) 41.0	29.8	31.0 (1981)	23.8
insurance + assistance	(1971) 12.5	9.1	9.4 (1981)	7.7
assistance	(1971) 26.1	43.0	43.7 (1981)	55.6
no benefit	(1971) 20.5	18.1	15.9 (1981)	13.1

Table 2

SELECTED CHARACTERISTICS OF BENEFITS SERVED UNDER CONTRIBUTORY SCHEMES

	Type: - Earnings Related - Lump Sum	Maximum duration	Differentiation by family status	Measures for older workers (age)	Comments
Australia	-	-	-	-	-
Belgium	E.R. becoming L.S. after 2 years for some recipients	unlimited	yes	work search (55)	- lower benefit after one year for all but sole supporter head of household - young people under 26 having completed education or training may receive benefits
Canada	E.R.	50 weeks	no	no	duration of benefit depends upon: - length of contribution period - regional unemployment rate
France	L.S. + E.R. then L.S.	18 months for each level; 30 months combined	no	Longer duration (50); (illimited duration (57 1/2 under condition) higher benefit (55 under condition)	duration of benefit depends upon length of contribution
Germany	E.R.	312 days	yes	Longer duration (49)	duration of benefit depends upon length of contribution period
Netherlands Type 1 (MW)	E.R.	6 months	no	no	- restricted eligibility criteria and benefits for those less than 23
then/or Type 2 * (MNV)	E.R.	2 years	married women not entitled unless head of household	longer duration (57 1/2)	- military period assimilated to employment for eligibility
Sweden	L.S. **	300 days	no	no	
United Kingdom	L.S.	312 days	yes	no	level of benefit depends on amount of contributions paid

* Although this scheme is not financed through contributions all other characteristics assimilate it to a contributory scheme.

** de facto as 95 per cent receive the maximum.

Table 3

SELECTED CHARACTERISTICS OF BENEFITS SERVED UNDER NON-CONTRIBUTORY SCHEMES

	Means tested	Type: - Guaranteed Minimum Income - Lump Sum - Earnings Related	Maximum duration	Target group	Differentiation by family status	Measures for older workers (age)
Australia	Yes	GMI	unlimited	all unemployed over 16	Yes	No
Belgium	-	-	-	-	-	-
Canada	-	-	-	-	-	-
France 1. Insertion	No for young Yes for others	LS	1 year	young (16-25); other with no employment experience and special needs	Yes	n.a.
2. Solidarity	Yes	LS	unlimited	insurance exhaustees with sufficient work history and workers not entitled to insurance coverage	No	Work search (55) Higher benefit (55)
Germany	Yes	ER	unlimited	unemployed not entitled to insurance benefit with minimum past activity (including training, military period) or special needs	Yes	No
Netherlands (RWW)	Yes	GMI	unlimited	unemployed not entitled to insurance benefit	Yes	No
Sweden	No	LS	300 days	unemployed not entitled to insurance benefit		Longer duration(55)
United Kingdom	Yes	GMI	unlimited	all unemployed over 16	Yes	Higher benefit (60)

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