With five country fiches

A FRAMEWORK DESCRIPTION OF OECD LABOUR MARKET POLICY DATA FOR NON-EU COUNTRIES COMPARED WITH DATA FOR EU COUNTRIES

JULY 2018

OECD
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With country fiches for Switzerland, Australia, New Zealand, Canada and the United States

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REFERENCE: Grant VS/2015/0421 (DI150079)

This document was produced with the financial assistance of the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). The discussion in this report of labour market programmes (LMPs) and data relating to them in five OECD non-EU countries has benefited from comments by the national authorities on specific issues. The author thanks Peter Davidson (Australia), Donna Wood (Canada), Randall Eberts and Christopher O'Leary (United States) for advice, and thanks a wide range of labour market policy actors and analysts for their past and continuing inputs to the OECD/EC LMP database and contributions to national LMP data and analysis used here for interpretation and review of the data. However, the opinions expressed and arguments employed herein do not necessarily reflect their views or the official views of the OECD member countries or of the European Union.

Foreword

Labour market policy (LMP) statistics cover public interventions in the labour market to promote its efficient functioning and correct disequilibria. Data on public expenditure and participants in LMP interventions are collected from administrative sources annually for European Union (EU) and OECD non-EU countries, with limited exceptions. This information is essential for policy analysis, which will consider the size of LMP interventions (the number of participants), their target groups, the duration of participation, and costs along with other features that influence their impact. It is important to ensure high quality and cross-country comparability. However, the LMP data currently available have some significant limitations.

A companion paper, "Methodological and operational issues encountered in OECD work with LMP data", provides a general review of OECD experiences with the management of LMP data. Data quality issues are often detected through internal consistency checks, e.g. noting that the classification of a programme seems inconsistent with its name and description, or that the expenditure reported seems implausible in the light of earlier data or the reported number of participants. EU countries report a range of qualitative data items for each intervention - e.g. its target groups, the institution responsible, the sources of finance, the direct recipients of the funding (individuals, employers or service providers), and this enhances the effectiveness of internal consistency checks.

The OECD has on scattered occasions - e.g. when using the LMP data to write a thematic or country brief, or when reading national publications for a country policy review – noted inconsistencies with alternative national sources of information. However, the current paper is the first to be based on a search for national descriptions and statistics across all the main programmes in a country's LMP data. A considerable number of relevant publications – official annual reports, pages on the labour ministry website, academic studies, press articles, etc. – were identified. Typically several national institutions are involved in the implementation of LMPs, but none of them provide a comprehensive overview. The research technique applied here was relatively successful for the five non-EU countries studied here. It would be more difficult to apply for certain EU countries where the LMP data use intervention names different from those used by the national institutions and in national policy debate. Also in some countries language difficulties or a relative shortage of articles that can be quickly identified through searches and downloaded could be a barrier. But it seems desirable to apply this research technique where possible, since it can suggest improvements in the data, clarify its interpretation, attract the attention of experts who currently work with the national data sources, and contribute to public understanding of national labour market policies in an international context.

This paper assumes that the reader is familiar with key features of the LMP data and the OECD and Eurostat LMP database methodology. Among these features are:

- The concept of targeting: e.g. the LMP data only include training for disadvantaged target groups.
- The database categories, e.g. Category 2 is Training, divided into subcategories 2.1 to 2.4 where subcategory 2.4 is Special Support for Apprenticeship.
- Category 1 is called Labour Market Services in the Eurostat methodology, but only the data for subcategory 1.1 Client Services cover a defined "type of action" and is treated as being comparable across countries. The OECD calls Category 1 PES and administration, which includes employment services, the administration costs of benefits in Category 8 Out of work

income maintenance and support, and the central but not the local administration costs of the programmes that are reported in other database categories.

- In Eurostat terminology, the interventions in Category 1 are called “services”, Categories 2 to 7 are called “measures”, and Categories 8 and 9 are called “supports”. OECD reports may use the term “programme” instead of “intervention“: “active” programmes are those in Categories 1 to 7 or Categories 2 to 7. EU countries use a shorthand notation for interventions, e.g. DK-40 refers to a Danish intervention called Guidance and upgrading.

- The expenditure reported includes not only direct payments but also tax breaks, for example the value to employers of exempting trainee wages from employer social insurance contributions. The reported expenditure for “measures” (Categories 2 to 7) includes income support payments, not only training allowances but also any unemployment benefits paid to participants.

With the exception of Table 1, the source for tables included in this report could be cited as the OECD/EC LMP database. Tables A1 to A5 are based on Excel data tables held by the OECD, tidied up to eliminate repeated lines or blanks for programmes that ceased prior to 2002, etc. The text occasionally mentions information that was provided in footnotes to the Excel tables, or in email exchanges. At the same time, the data were originally provided by OECD’s national correspondents, with some adjustments following discussions with the Secretariat and occasional Secretariat estimates for missing data. The current national correspondents were not usually responsible for reporting in the early 2000s, and the national publications accessed mainly describe programme operations in the 2010s, so the research approach used here would not often have identified data reporting issues at the start of the period, or cases where there has been no change of name, but the programme in 2002 was far different from the current one.

The work on this project was carried out by David Grubb (working in the Skills and Employability Division of the Directorate for Employment, Labour and Social Affairs at the time of drafting), under the leadership of Mark Keese (Head of the Skills and Employability Division). Editorial assistance was provided by Monica Meza-Essid, Katerina Kodlova and Kristine Langenbucher. Comments were provided by Mark Keese. This project was financed through a grant by the European Commission (EC). The author thanks Peter Davidson (Australia), Donna Wood (Canada), Randall Eberts and Christopher O’Leary (United States) for advice, but some errors will be present, and responsibility for them remains with the author. Furthermore the author thanks a wide range of labour market policy actors and analysts for their past and continuing inputs to the OECD/EC LMP database and contributions to national LMP data and analysis used here for interpretation and review of the data. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD member countries or the European Union.

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Executive summary

This report reviews labour market programme (LMP) data for five OECD non-EU countries. These data are published in the online OECD Employment Database (www.oecd.org/employment/database) and the OECD Employment Outlook (EMO) Statistical Annex and its accompanying online Statistical Annex (www.oecd.org/els/emp/employment-outlook-statistical-annex.htm), which provides additional tables and explanatory notes. The Social Expenditure database (SOCX) (www.oecd.org/social/expenditure.html) lists expenditure for the individual programmes. The five non-EU countries examined in detail here account for about 33% of the total working-age population of countries with OECD LMP data; five other non-EU countries account for a further 27%.

The reviews here use as background 2002-2014 data for expenditure as a percentage of GDP at database category and subcategory level, and data for expenditure in national currency units at individual programme level. These data were used to identify the main features of national LMP expenditure through time (e.g. expenditure declining or increasing throughout the period, temporary increases in the recession), and to compare expenditure levels in a given country with levels in a neighbouring country and a representative (median) EU country. Further research sought to identify descriptions of the national programmes – in an official annual report, on the labour ministry's website, in academic research or in the press, etc. – to check whether they are in scope for the database and are correctly allocated across the database categories, and note any other published statistical information regarding programme expenditure or participants. The country reviews here describe key national programmes, identifying some instances of inconsistent and inaccurate reporting and areas where the database methodology does not provide clear guidance. The reviews also identify some major features of national labour market policy (e.g. the main institutions; the roles played by subnational governments) and policy changes (e.g. welfare reform initiatives), considering how they either are reflected in the database (e.g. as a switch of expenditure from one programme to another) or, for example, involve expenditure that is not currently included in the database.

A factor that complicates the reporting and interpretation of data is that active programmes are largely managed by states in Australia in the case of training, by Workforce Investment Boards (now called American Job Centres) and states in the United States, by provinces in Canada and by cantons in Switzerland. A national programme name for which expenditure is reported in the LMP database category may fund multiple local programmes which, at local level, have different names, management structures, operational guidelines and detailed types of action.

A specific observation for the United States is that federal funds under legislation for particular target groups – e.g. workers dislocated by trade; single parent benefit recipients; SNAP (Food Stamp) recipients; individuals with disabilities; and war veterans – are reported in a single database category (e.g. training). Especially because funding levels are low, a large proportion of the funds are in fact spent on employment services, at local level, and are not reported as such in the national data. A second observation, relevant for several countries, is that much of the separate funding of active programmes by state and local governments is not included in the OECD LMP data. However, the amount that goes unreported for this reason appears to be low in Switzerland and in Australia (except for training), and fairly low (less than 10% of the reported

total) in the United States. It is probably more than 10% of the reported total in Canada, and high for training expenditure in Australia. A third general observation is that LMP database guidelines call for unemployment benefits paid to participants to be included in the reported expenditure for active measures. Switzerland implements this guideline, but the other four non-EU countries often do not. This partly explains why reported expenditure on active measures is lower in the non-European countries. Time series changes in the data also sometimes reflect changes in the reporting of income support: in Australia, formerly-high reported expenditure in the category of direct job creation reflected the fact that participants in the main programme were paid a wage. More recently, assistance for the target group concerned continues but is reported under the headings of employment services and unemployment benefits. A fourth observation is that in Australia and New Zealand, minimum income benefits are in principle unemployment benefits and are reported in the LMP data; but in the other three countries, social assistance and lone parent benefits that function as unemployment benefits are not reported in the LMP data. The unreported expenditure on cash social assistance benefits in situations of unemployment is estimated to be roughly a third of expenditure on unemployment insurance benefits in Switzerland, and half of expenditure on unemployment insurance benefits in Canada and, except for recession years, in the United States. These and many other detailed observations in this report aim to help users interpret the existing LMP data.

In some areas the LMP database methodology could be clarified, or extended to better cover the wide range of scenarios that are encountered in international comparisons. New Zealand reports as labour market training the funding of training and education for 16- to 19-year olds who are not enrolled in a secondary school. Although this group is at relatively high risk of future unemployment, individual participants will often not yet have entered the labour market, and few other countries report such training and education in the LMP database. The database methodology allows the inclusion of some interventions that are “subject to specific national targeting”, and since about 2010 a labour market strategy called the “investment approach” has promoted youth training in New Zealand. But LMP data will mean little in international comparison if secondary-level vocational training is reported as a labour market intervention by the countries where it is unusual or is funded through the labour ministry, but is not reported by the countries where it is has always been part of the regular secondary school system. A second interesting issue for database methodology is that Switzerland reports as recruitment incentives the cost of unemployment insurance benefits that are still paid to individuals who have taken a part-time job (with a formal recognition of this status by the PES). Most other countries report the unemployment benefits that are still paid to individuals in low-paid or intermittent employment as unemployment benefits rather than a recruitment incentive. The LMP methodology arguably specifies at one point that benefits savings foregone when benefits are reduced less than one-for-one in the presence of earnings can be reported as employment incentive payments. However, the wording is vague and if this is what it means, it is rarely, if ever, applied.

The LMP data include interventions that are targeted on disadvantaged groups, but this refers primarily to individuals registered with the PES as unemployed, or employed but on notice of layoff. In the United States, training can be subsidised on the basis that it is expected to help the applicant achieve “self-sufficiency”. The database methodology could be extended with guidance on which criteria of this kind qualify an intervention for inclusion. In Australia and the United States, vocational training courses are widely accessed by non-disadvantaged participants and they only act as labour market training for a subset of all participants. The database methodology could outline the use of survey (or administrative) data to identify how many trainees were fully or partly unemployed before training and are undertaking training for employment-related reasons; with estimates for subsidies that offset tuition fees for this group, and the cost of unemployment benefits paid to people participating in training.

Policy effectiveness is not only a matter of expenditure on labour market programmes. The broad category of training can include programmes with extremely different content, implementation structures and target groups. There is little reason to expect that high expenditure in one country will be comparable with high expenditure in another country. The strict enforcement of benefit eligibility criteria may be an effective strategy which keeps expenditure on unemployment benefits relatively low. But in Australia and New Zealand, reforms have transferred many former recipients of lone parent benefits to an unemployment benefit status and this may also be an effective strategy, but it increases reported expenditure on unemployment benefits. Broader information about labour market policies is needed to assess the effectiveness of LMP expenditure.

Introduction

This report reviews labour market programme (LMP) data for OECD non-EU countries as published in the OECD *Employment Outlook* (EMO) Statistical Annex and its accompanying online Statistical Annex (www.oecd.org/els/emp/employment-outlook-statistical-annex.htm) as well as in the online Employment Database (www.oecd.org/employment/database) and the Social Expenditure database (SOCX) (www.oecd.org/social/expenditure.htm). The online EMO Statistical Annex provides explanatory notes applicable to the data at the level of categories or subcategories. The SOCX database lists the expenditure in national currency for the individual programmes in the database.

The reviews here use as background 2002-2014 data for: (a) expenditure as a percentage of GDP, at database category and subcategory level; and (b) expenditure in national currency units, at individual programme level. Corresponding participant data were not systematically reviewed, although a review of expenditure/participant and stock/flow ratios would provide some additional insights. These data were used in the first instance to identify the main features of national LMP expenditure data through time (e.g. expenditure declining or increasing across the whole period, or temporary increases in the recession); and the level of expenditure in international comparison, relative to data from a neighbouring country and EU (14-country) median values.

Further research then sought to:

- Identify descriptions in an annual report, in the press, on the labour ministry's website, etc. (e.g. a web page for employers may describe the rules applying to a recruitment incentive) of the larger programmes, to check whether they are in scope for the database and correctly classified, and note any statistical information available regarding programme expenditure or participants.
- Identify the main features of national labour market policy (e.g. the main institutions, the role of regions and municipalities, etc.) and policy changes e.g. welfare reform initiatives, and how they either are reflected in the database (e.g. as a switch of expenditure from one programme to another) or involve certain spending programmes that are not included in the database. If relevant, provide an estimate of expenditure for programmes that are not reported, but arguably are in scope for the database and play a major role in labour market policy.

The listing of data-reporting issues identified for individual programmes in individual countries is one of the main outputs. These identify reporting risks and often areas where the methodology is not clear or explicit, allowing divergent interpretations. Further questions considered include: how (allowing for possible reporting biases) do patterns of LMP expenditure differ between non-EU countries and EU countries? Are reporting errors more frequent or different in type in the non-EU data? In what sense are LMP data comparable across countries? How should LMP data be used in policy analysis, and how should policy analysis inform the collection of LMP data?

1. Overview of data collection by DG Empl and by the OECD

The OECD reports LMP expenditure, and in most cases some participant data, for 33 of its 35 Member countries and Lithuania (an accession country):

- On the basis of DG Empl data, for 22 EU countries, Norway and Lithuania (an accession country). (AT, BE, CZ, DK, EE, FI, FR, DE, GR, HU, IE, IT, LU, NL, NO, PL, PT, SK, SI, ES, SE, UK; LV, LT).
- Via an OECD annual questionnaire for 10 OECD non-EU countries (AU, CA, CL, IL, JP, KR, MX, NZ, CH, US).

As shown in Table 1, the 21 OECD-member EU countries, Norway and Lithuania have a working-age population (in 2014) of 308 million, and the 10 countries for which OECD collects data have a working-age population of 459 million. In the context of this paper, “OECD non-EU” refers to these 10 countries, including Swtizerland, but not Norway.

Brexit will change these totals with the transfer of the UK working-age population (41 million in 2014) to the category of countries for which OECD collects data. Turkey, with a working-age population of 51 million, is not yet included in the regular publication, although the OECD in recent years received some data on the activities of Iskur, the Turkish PES. Data for a particular country in a particular year are sometimes not available due to non-reporting: as of June 2016, for Greece the most recent data available related to 2010, and for the United Kingdom the most recent data available related to 2011.

2. Overview of data quality and validity issues for OECD non-EU countries

2.1 OECD’s adoption in the 2000s of Eurostat methodology

The OECD adopted the Eurostat methodology in the early 2000s and, in 2005, published data according to the Eurostat classification of interventions: these data started with reference year 2002 at the latest.

OECD data from 1985 to (usually) 1998 (when the Eurostat data series started for EU countries), or from 1985 to 2002 (when OECD data according to the Eurostat classification started) were later adjusted onto the basis of the Eurostat classification (at broad category level), as documented in Grubb and Puymoyen (2008). This involved the exclusion of some programmes (those providing training for employed adults and broad support for apprenticeships) and some reclassifications:

- Programmes in the OECD category *Youth measures* were reallocated according to the Eurostat classification by type of action.
- Programmes in the OECD category *Measures for the disabled* should in certain cases have been reallocated (e.g. a training programme for the disabled currently should be allocated to Category 2 *Training*, rather than Category 5 *Sheltered and supported employment and rehabilitation*) or excluded (in the case of “lifetime” sheltered employment), but the implementation of such reallocations particularly in pre-2002 data remains relatively incomplete.

Data – estimates, as described above - back to 1985 are now accessible for many of the longstanding OECD member countries from the OECD online employment database. (www.oecd.org/employment/database).

Table 1. **OECD countries reporting LMP data to DG Empl and to OECD, 2014**

Reporting to DG Empl		Reporting to OECD	
Country	15-64 population	County	15-64 population
	Thousands		Thousands
AT	5676	AU	15566
BE	7266	CA	23678
CZ	7081	CL	11883
DK	3626	IL	5009
EE	866	JP	78050
FI	3491	KR	36107
FR	39738	MX	77583
DE	52702	NZ	2930
GR	7040	CH	5468
HU	6588	US	202987
IE	3007	10 non-EU OECD (reporting)	
IT	38590	Total	459262
LU	364		
NL	10980		
NO	3383	**OECD not reporting LMP data**	
PL	25278	Country	15-64 population
PT	6794		Thousands
SK	3853	IS	206
SI	1397	TR	50978
ES	30311	2 non-EU OECD (non-reporting)	
SE	6136	Total	51184
UK	40618		
LV	*1295*		
(LT)	*1961*		
20 EU and NO, LV, LT			
Total	308044		

Source: OECD Online employment database

The alignment of data from different sources by Grubb and Puymoyen (2008) also identified that in some areas, particularly in Category 8, data reporting decisions about coverage, in areas not clearly addressed by guidelines in the database methodology, could lead to wide variation in the numbers reported.

It should be noted that the OECD definition of Category 1 includes in principle the administration costs of interventions reported in Category 1 itself, in Categories 2 to 7 (Measures) and in Categories 8 and 9 (Supports). OECD data for EU countries for the subcategories 1.1 *Placement and related services* and 1.2 *Benefit administration* are often taken from EC LMP data, but in some countries include additional types of expenditure.

2.2 The scope of OECD data collection and validation procedures

Background

DG Empl data validation procedures involve the collection of multiple pieces of information about each intervention in the database, to validate the classification of the intervention and consistency and coherency of the quantitative and qualitative data for each intervention. OECD data reporting requirements are much simpler, limiting the extent to which data can be validated by checking for internal inconsistencies, although some validation is undertaken in the course of data collection and broader OECD LMP research and analysis (see below: the reviews of national data reported in detail in Annex A also contribute to this validation). But in particular national contexts, Eurostat guidelines may not be directly applicable and national data in a format that applies the most reasonable interpretation of the Eurostat guidelines may not exist, so the realistic objective for OECD data collection is to implement the methodology approximately, not to achieve any high level of data validity. Box 1 describes some key features of the data collection process and implications for the interpretation and use of the data.

Longer-term validation of data

OECD data for non-EU countries are sometime validated by:

- Interpreting supplied programme descriptions, and follow-up query/discussion with the national correspondent.
- Comparing expenditure/stock/inflow data and noting anomalies.
- Noting anomalies when using data, e.g. for thematic or country brief or report.
- Reading national publications (e.g. in the course of a country policy review) and noting additional information.

These methods have been applied on an *ad hoc* basis which does not guarantee that a key issue for a particular programme is noticed and receives attention. The data reviews here identify several new issues.

Box 1. Constraints on collection, comparability and accuracy of LMP data for OECD non-EU countries

The OECD identifies national data correspondents typically through contacts with labour (or labour and social) ministry officials attending meetings of the OECD Employment, Labour and Social Affairs Committee and national delegations to the OECD. The national correspondent has to invest time to identify and understand published data (e.g. in annual reports) and/or establish expert contacts in relevant national institutions. There is often no pre-existing framework for the collection and coordination of these data across multiple public institutions, and each institution itself provides data to the national correspondent on a goodwill basis. Onerous reporting demands may result in non-response, partly in the sense that important programmes are omitted, but another scenario is that the correspondent reports expenditure for a programme but with inadequate information about the programme's participant targeting and coverage (intake criteria and procedures), the coverage of the expenditure data (e.g. income support paid to participants in measures), the stock/flow or "annual participant" nature of participant data, or a surprising feature of the data. In a few countries where the responsibilities for large areas of labour market policy are decentralised, a national reporting system or survey obtains data from regional or municipal authorities, but this faces difficulties comparable to those of the OECD and EC international data collection.

At the same time, goodwill reporting is often effective. National governments (or research institutions or other users) often have only a limited overview of total LMP activity within the country and the OECD data request may facilitate the process of requesting information from multiple institutions and other levels of government. The institutions directly managing programmes often take an interest and prefer to see their programmes included in the international data.

Data reporting is sometimes biased. A government may want to "look better" in league tables and include programmes that are probably out of scope or classify a wider range of active programmes as Category 2 *Training*, which tends to benefit from broader political support than other measures. Localised considerations may also operate, e.g. if the government has announced a particular policy drive or recession response, it may argue for inclusion of the programmes that have benefited from additional funding.

However, data comparability and accuracy problems arise primarily because managing institutions record and report data about specific programmes in specific ways. For example, an institution with a remit to deliver vocational training will typically report its operating budget and participant numbers, but not identify which training participants are in a labour market policy target group or the sources and amounts of their income support, which should in relevant cases be included in the total reported as national expenditure on labour market training. Local governments may report their funding of certain services as expenditure on job creation measures, when the expenditure is not wholly additional or the workers hired are not all in an LMP target group. In such cases, national experts may find it difficult to assess the coverage of the available statistics and implement appropriate adjustments.

National correspondents often report data largely as they come. If in principle the expenditure should be split across database categories, or part of it is probably out of scope, the feasible options for the national data correspondent may be to either exclude the programme completely or include it in just one database category. This means that from a cross-country point of view, the data are not very accurate or closely comparable - which is a major problem. On the positive side, it also means that the programme names are those used in national policy discussion and at the operational level, so that the LMP database entries are relatively likely to match – precisely, or to a good approximation – the data found in national budgets and institutional annual reports. This can allow better understanding of the programmes. For example, Canada reports expenditure on a programme called Labour Market Agreements for Persons with Disabilities. The responsible federal ministry states on its website that this programme provides funding of $222 million each year to Canada's provinces and territories, which is then "matched by each jurisdiction". The $222 million figure is reported in database Category 5. The programme description suggest that technically much of the expenditure falls into other categories (e.g. funding that allows disabled people to participate in regular training should in principle be reported in Category 2, not Category 5) and that total national expenditure on relevant actions is $444 million (since the provinces and territories are expected to match the federal funding dollar-for-dollar). Users can investigate how Canada's largest provinces implement this programme and assess their total expenditure. If statisticians had reallocated the expenditure across international LMP database categories on an estimated basis, the national programme database would include sub-programmes with names and data not seen anywhere else. The database methodology in principle calls for this to be done, but then documentation of the estimation procedures is necessary, because otherwise national labour market policy actors will find the international data hard to understand and work with, and will use only standard national data.

Box 1. **Constraints on collection, comparability and accuracy of LMP data for OECD non-EU countries** *(cont.)*

At the same time, it is essential to keep the international data reasonably clear and simple, and some compromises are necessary for this reason.

Recognising that some major deviations from international data comparability are inevitable and perhaps desirable to keep the data accessible from the national perspective, the OECD has to some extent implemented a principle that when data at category level are thought to differ, or may well differ, from a hypothetical comparable figure by more than 20%, a user footnote explaining the issue is attached to the data. The implementation of this principle is patchy since comprehensive implementation would be time-consuming, and user footnotes have to be concise.

2.3 Labour market policy background factors

Registration of unemployment

In EU countries, unemployment is usually a recognised labour market status. The methodology (Eurostat, 2013) is able to write that in most countries "The primary target groups… are those people who are registered as unemployed by Public Employment Services (PES) or who are currently employed but at risk of involuntary job loss due to difficult economic circumstances for their employer" and "In "services", a participant who is registered unemployed usually continues to be counted as registered unemployed. In "measures"... a participant who is registered unemployed usually ceases to be counted as registered unemployed". In EU countries, generally although by no means always:

- Most employed workers have dependent employment or formal (registered) self-employment status. Most employment takes place in firms where the work organisation implies the existence of specific job slots, and opening a job vacancy helps to find the best candidates, and conversely announced job vacancies are an important channel for job search by workers who are not currently employed.
- Most jobseekers register with a public employment service (PES), often a single national PES. Several factors encourage registration: it is usually required to claim unemployment benefits; it may give access to secondary benefits (e.g. health insurance coverage) and concessionary rates for local services; and it may be required to access labour market programmes and placement-related services (counselling and access to job vacancy databases).

In OECD non-EU countries, LMP interventions less often are targeted on registration status or have an impact on it. Registration is relevant:

- Usually: in Switzerland, Australia and New Zealand, and probably Japan.
- Often but with some major exceptions: in Canada, Korea, the United States.
- To a limited extent: in Chile, Israel, and Mexico.

Self-targeting of ALMPs

In a "self-targeted" programme, administrators of the programme itself assess applicant eligibility (e.g. whether applicants are unemployed, or need employment assistance to escape poverty or inadequate or unsustainable employment). In some cases, the conditions (e.g. low wages) involved for participants in the programme ensure that only people who are disadvantaged in the labour market would apply.

In a "self-targeted" programme, the target groups are usually described as disadvantaged, but websites and other public information may not spell out the criteria defining disadvantage, and the criteria may be decided at local level. Participants may in practice be employed perhaps in the informal sector. Participation may be controlled by local programme management, working to a fixed local budget. This contrasts with the situation where participation is an entitlement for defined target groups and the national government funds local implementation as necessary, exerting budgetary control by enforcing uniform implementation of nationally-defined entitlement criteria. A programme may also be "self-targeted" if clients may identify themselves as disadvantaged by the fact that they apply, e.g. in the case that a relief works programme pays below the minimum wage. For the LMP database, it is hard to assess whether a "self-targeted" programme is in scope and in the right category.

Benefit coverage

- *Income support for participants in training.* Where benefit coverage is low, participants in training might be on a training allowance, a grant from a distinct fund (and there might be a number of national and local funds), UI benefits or welfare benefits. Where the sources of income support are varied, comprehensive statistics are rarely available.
- *Borderline between unemployment and other benefits.* Where benefit coverage is low, the UI benefit, disability benefit and welfare benefit are likely to be distinct, with gaps between them (e.g. there are people without enough employment record to qualify for UI, not disabled enough to qualify for disability, and not poor enough or lacking from family support enough to qualify for welfare). Also, there are few secondary benefits, e.g. housing benefit. These factors make it relatively easy to distinguish unemployment benefits from other cash benefits. However, there are a few cases where countries with low benefit coverage provide benefits that are conditional on layoff, but are not conditional on ongoing availability for work or job search. These benefits are difficult to classify, as they are not exactly full unemployment benefits (Category 8.1) and resemble publicly-funded redundancy compensation (Category 8.4).

Decentralisation

Policies are partly or extensively decentralised in many OECD countries, both EU and non-EU countries.

- *Social assistance benefits:* UI benefits are usually funded at national level (the US and recently to some extent DK are exceptions). However, social assistance (often including lone-parent) benefits are funded and managed partly or completely at regional and local government level in many medium-size economies (BE, CA, DK, NO, SE, CH, NL) and to some extent in JP and US. Decentralised social assistance benefits often act as a type of unemployment benefit which is not reported in Category 8. The ALMPs for this target group may also not be reported, or the ALMP services may be reported but not the income support paid to participants.
- *Active measures:* in AU, regional governments fund and manage vocational training but no other areas of LMP. In BE, CA, CH, IT, ES, and US, regional governments manage most of the active measures (although in some cases the federal government provides much of the funding and considerably influences how funds are spent). With each region acting autonomously, programme content can vary erratically and national data may not be available or may exist but with the type of action, target group, etc. remaining uncertain. In BE the LMP database lists the individual measures in the three regions. Countries with many regions acting autonomously should in principle document LMP expenditure by each region, similar to the way that the OECD/EC LMP data document expenditure by each member country. Along these lines, the national authorities in Spain and, until recently, Australia report total regional expenditure at the level of database categories based on a survey addressed to regional authorities.

2.4 Characteristic limitations of the LMP data for OECD non-EU countries

Qualitative information

Often no description or only a limited description of the action and the target group, etc., by programme is provided. For major national programmes this may not be problematic because a wide range of information is available from other sources. However, in some cases the OECD Secretariat has accepted a data line reported in a particular category for years "on faith" then found some reason to query the classification.

Classification by type of action

The underlying problems seem fairly similar to those arising for EU data, e.g. broad reintegration programmes tend to be reported all in Category 1 (or perhaps Category 2) when they should be split across categories; programmes of a work-experience or job-creation character may be reported in Category 2; and Category 8 data often do not include social assistance benefits (or lone parent benefits) that are paid conditional on availability for work.

Coverage by target group

In the non-EU countries with near-European levels of unemployment benefit coverage and registration with the PES, programmes are to a large extent targeted on individuals who are registered unemployed (or notified to the PES, in the case of workers facing layoff). In non-EU countries with low unemployment benefit coverage and/or high levels of informal employment, a programme's target group may not be clearly identified.

Reporting of transfers to individuals for ALMP participants

Switzerland includes unemployment benefits paid to participants in its reported expenditure on measures, but non-European OECD countries generally do not. The data for non-European OECD countries therefore tend to understate expenditure on measures. In Australia and New Zealand, the assistance nature of unemployment benefits may discourage reporting them "as if" they were training allowances (although New Zealand for many years reported "Training Benefits"). In Canada and the United States, participants in labour market training might benefit from a training allowance linked directly to the training services provided, a grant from a distinct fund, UI benefits or welfare benefits. In these countries, reported expenditure in Category 2 tends to include training allowances (which may mainly cover tuition fees, not living costs), but not other grants or income support payments. In Category 6 *Direct job creation*, reported expenditure can include some programmes that pay wages, and others where the participants stay on unemployment benefit, with a risk that only the expenditure on services and perhaps a small supplement to the regular benefit paid to participants in the activity, but not the regular benefit itself, is reported in Category 6.

Coverage of Category 8

As mentioned in Section 2.3 above, in countries with low benefit coverage the distinction between unemployment benefits and other types of cash benefit is often relatively clear-cut. Some difficulties however arise where benefit payments are not conditional on ongoing availability for work and job search. The OECD data for Chile include expenditure of the unemployment insurance savings account (UISA), which resembles withdrawal of savings and severance pay perhaps more than unemployment benefit.

Reporting by countries with higher benefit coverage can be problematic due to borderline issues:

- Benefits may be paid to individuals whose labour market status is on the borderline between active and inactive, e.g. Norway includes rehabilitation benefits in the LMP data, and New Zealand treats lone-parent benefits subject to a full-time work test but not a part-time work test as an unemployment benefit.
- The treatment of secondary benefits may be problematic, e.g. child allowances of a type that is paid only together with unemployment benefit should be included in total unemployment benefit expenditure, and child allowances that are generally available and paid also to people in work should not be included; but borderline situations are possible.
- The treatment of benefits that continue to be paid to people in work is erratic, e.g. where full benefit is paid for 3 months after a return to full-time work, or part-time benefit is paid after return to part-time work, the continuing expenditure might be reported together with full unemployment benefits (Category 8.1), or reported as a part-time unemployment benefit (Category 8.3) or as a recruitment incentive (Category 4). Category 4 is appropriate for time-limited payment of benefits after the return to full-time work, but guidelines do not clearly describe the treatment of months in which the regular benefit amount payable is reduced by earnings.

Participant data

Among the OECD-EU countries, only Category 2 in the Czech Republic is listed with participant stock data missing (participant data are missing for CZ-22 *National individual project - Educate Yourself,* an ESF-funded workplace training measure, which represents over a third of expenditure in Category 2). Of the 10 OECD non-EU countries with expenditure data, four – Japan, Korea, Mexico and the United States – do not provide participant stock data. Of the other six countries:

- Only Israel provides a participant stock total (within database guidelines, which allow publication of a participant total when some data are missing) for each Category 2 to 7.
- Australia does not provide a participant stock total for Categories 2 and 7, Canada does not provide a total for Category 5 and New Zealand does not provide a total for Category 4. However in these four cases (three countries), expenditure in the categories without participant data is relatively low at 0.01% of GDP.
- Chile does not provide a participant stock total for Category 2 (0.04% of GDP) and Switzerland does not provide a total for Category 5 (0.23% of GDP).

The OECD non-EU participant stock data, when available, are subject to significant quality limitations. In some cases, expenditure/participant ratios suggest that the data may relate to flows (or annual total participants) rather than stocks. Australia for 2013/14 and 2014/15 reports for *Work for the Dole* (Category 6) a significant participant stock but no expenditure: the transfers to service providers that implement the programme are reported in Category 1, as part of a mixed programme, and the transfers to individuals are reported in Category 8.

3. Main features of LMP expenditure data and definition and coverage issues by country

Research method

This section reviews in greater detail the LMP data for five OECD non-EU countries, Switzerland, Australia, New Zealand, Canada and the United States. These countries report data using programme names that are widely used in national analysis and budgeting, although in several of the countries regional authorities sometimes give a different local name to a regional programme funded largely by the national programme. Chile and Mexico report data on a similar basis. In Japan, the availability of additional information about the reported programmes from national sources is limited (Duell et al., 2010) and this is probably true to a lesser extent also for Korea and Israel. Further research into the data for these five OECD non-EU countries would be desirable in principle.

The reviews were conducted using as input mainly:

- **Data for category/subcategory total expenditure as % of GDP 2002-2014**, set against EU 14-country median values (EU-15 countries, plus Norway which also reports, less Greece and the UK which have failed to report data recently). These data are used to review time-series movements, and to review expenditure levels against international benchmarks.
- **Data for expenditure on individual programmes in 2002-2014 in national currency.** These data identify which programmes are responsible for time-series movements in category totals or high expenditure in a particular category. They may identify cases where one programme terminated and another with a similar expenditure level started, and these cases can be targeted for checking how the programme changed and national commentary on the change.
- **External sources of information about the main programmes.** Programme information may be found in the annual report of the labour ministry or similar, or identified directly by internet search. The programme information can include descriptions of programme content (type of action, target group, etc.) supplementing existing descriptions and/or additional statistics. It may indicate that the programme is out of scope, or could be allocated to a different category, or could be reported with a different level of expenditure.

Background information on national labour market poli**cy**. This may identify the exceptional position of the country in terms of its unemployment rate, benefit generosity or structure, etc., and programmes that are frequently mentioned in national LMP literature and debate. In some cases background information may identify programmes that are currently omitted from the LMP database, which then can be researched to identify their target group and type of action and assess their size in terms of expenditure and participant numbers.

3.1 Switzerland (with EU median as a benchmark)

See Table 3.1 and Annex Table A.1, and see Annex A for an extended discussion of data reporting issues.

Table 3.1. **The structure of LMPs in Switzerland vs. EU median**

ID	Category	Switzerland													Switzerland				Median for selected 14 EU countries`			
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14	2002-05	2006-08	2009-12	2013-14
		Expenditure as a percentage of GDP																				
		Single years													Average of years				Average of years			
1	**ADMINISTRATION ET SPE (y compris coûts d'administration de l'indemnisation)**	**0.104**	**0.118**	**0.122**	**0.121**	**0.114**	**0.104**	**0.097**	**0.110**	**0.114**	**0.109**	**0.107**	**0.106**	**0.107**	**0.116**	**0.105**	**0.110**	**0.106**	**0.162**	**0.155**	**0.170**	**0.179**
1.1	Services de placement et assimilés	x	x	x	x	x	x	x	x	x	x	x	x	x	..	..	..	..	0.067	0.069	0.071	0.074
1.2	Administrations des prestations	0.036	0.040	0.041	0.040	0.038	0.036	0.033	0.037	0.037	0.036	0.036	0.037	0.036	0.039	0.036	0.037	0.036	0.043	0.042	0.052	0.058
1.3	Autres	0.067	0.076	0.080	0.080	0.076	0.068	0.064	0.072	0.076	0.073	0.070	0.069	0.070	0.076	0.069	0.073	0.070	0.045	0.041	0.053	0.034
2	**FORMATION PROFESSIONNELLE**	**0.197**	**0.256**	**0.277**	**0.257**	**0.206**	**0.169**	**0.149**	**0.179**	**0.200**	**0.167**	**0.161**	**0.165**	**0.167**	**0.247**	**0.175**	**0.177**	**0.166**	**0.259**	**0.220**	**0.234**	**0.188**
2.1	Formation institutionnelle	0.184	0.250	0.269	0.248	0.197	0.163	0.144	0.172	0.191	0.159	0.153	0.157	0.159	0.238	0.168	0.169	0.158	0.149	0.137	0.162	0.129
2.2	Formation sur le lieu de travail	0.003	0.005	0.008	0.010	0.009	0.007	0.005	0.007	0.010	0.008	0.008	0.008	0.008	0.007	0.007	0.008	0.008	0.011	0.009	0.009	0.009
2.3	Formation en alternance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000
2.4	Soutien spécial à l'apprentissage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.015	0.018	0.015	0.012
4	**INCITATIONS À L'EMPLOI**	0.040	0.061	0.075	0.075	0.069	0.056	0.048	0.060	0.074	0.062	0.059	0.064	0.067	0.063	0.058	0.063	0.066	0.129	0.122	0.117	0.109
4.1	Incitations à l'embauche	0.040	0.061	0.075	0.075	0.069	0.056	0.048	0.060	0.074	0.062	0.059	0.064	0.067	0.063	0.058	0.063	0.066	0.108	0.085	0.087	0.085
4.2	Incitations au maintien des emplois	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4.3	Rotation dans l'emploi et partage de l'emploi	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	**EMPLOI PROTÉGÉ ET RÉADAPTATION**	**0.195**	**0.206**	**0.217**	**0.207**	**0.194**	**0.186**	**0.189**	**0.204**	**0.207**	**0.213**	**0.212**	**0.222**	**0.226**	**0.206**	**0.190**	**0.209**	**0.224**	**0.087**	**0.069**	**0.085**	**0.090**
5.1	Emploi protégé	0.078	0.084	0.084	0.078	0.072	0.071	0.067	0.067	0.066	0.065	0.065	0.065	0.064	0.081	0.070	0.066	0.064	0.028	0.042	0.052	0.046
5.2	Réadaptation	0.116	0.123	0.133	0.129	0.122	0.115	0.122	0.136	0.142	0.147	0.147	0.157	0.162	0.125	0.120	0.143	0.159	0.010	0.006	0.006	0.010
6	**CRÉATION DIRECTE D'EMPLOIS**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.076**	**0.065**	**0.059**	**0.040**
7	**AIDES À LA CRÉATION D'ENTREPRISE**	**0.004**	**0.007**	**0.009**	**0.008**	**0.006**	**0.005**	**0.005**	**0.005**	**0.006**	**0.005**	**0.004**	**0.004**	**0.004**	**0.007**	**0.005**	**0.005**	**0.004**	**0.004**	**0.004**	**0.005**	**0.004**
8	**MAINTIEN ET SOUTIEN DU REVENU EN CAS D'ABSENCE D'EMPLOI**	**0.708**	**0.985**	**0.950**	**0.846**	**0.690**	**0.527**	**0.453**	**0.852**	**0.743**	**0.507**	**0.557**	**0.629**	**0.614**	**0.872**	**0.557**	**0.665**	**0.622**	**1.289**	**1.021**	**1.320**	**1.371**
8.1	Prestations de chômage complet	0.651	0.924	0.918	0.811	0.669	0.522	0.441	0.640	0.661	0.485	0.508	0.594	0.598	0.826	0.544	0.574	0.596	1.076	0.936	1.138	1.197
8.1.1	Assurance chômage	0.587	0.869	0.873	0.767	0.625	0.473	0.393	0.622	0.661	0.484	0.508	0.565	0.563	0.774	0.497	0.569	0.564	0.771	0.597	0.814	0.911
8.1.2	Assistance chômage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.287	0.267	0.343	0.256
8.2_8.3	Partial and part-time unemployment benefits	0.044	0.052	0.028	0.031	0.018	0.005	0.011	0.207	0.078	0.019	0.043	0.030	0.011	0.039	0.011	0.087	0.020	0.017	0.013	0.043	0.035
8.2	Prestations de chômage partiel	0.044	0.052	0.028	0.031	0.018	0.005	0.011	0.207	0.078	0.019	0.043	0.030	0.011	0.039	0.011	0.087	0.020	0.002	0.001	0.014	0.011
8.3	Prestations de chômage versées en cas de travail à temps partiel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4_8.5	Redundancy and bankrupcy compensation	0.013	0.009	0.005	0.004	0.002	0.001	0.002	0.005	0.004	0.004	0.006	0.005	0.005	0.008	0.001	0.005	0.005	0.026	0.021	0.037	0.030
8.4	Indemnités de licenciement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.5	Indemnité en cas de faillite	0.013	0.009	0.005	0.004	0.002	0.001	0.002	0.005	0.004	0.004	0.006	0.005	0.005	0.008	0.001	0.005	0.005	0.021	0.018	0.027	0.027
9	**PRÉRETRAITE**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.092**	**0.077**	**0.069**	**0.035**
100	**TOTAL**	**1.248**	**1.633**	**1.651**	**1.515**	**1.279**	**1.048**	**0.940**	**1.409**	**1.344**	**1.063**	**1.099**	**1.191**	**1.186**	**1.511**	**1.089**	**1.229**	**1.188**	**2.314**	**2.013**	**2.272**	**2.180**
110	TOTAL MESURES ACTIVES (1-7)	0.540	0.647	0.700	0.669	0.589	0.521	0.487	0.557	0.601	0.556	0.542	0.561	0.571	0.639	0.532	0.564	0.566	0.759	0.727	0.834	0.753
111	Total categories 1.1 + 2-7	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0.696	0.635	0.711	0.638
112	Total categories 2-7	0.436	0.530	0.578	0.548	0.475	0.417	0.390	0.448	0.487	0.447	0.435	0.455	0.465	0.523	0.427	0.454	0.460	0.640	0.551	0.641	0.578
120	TOTAL MESURES PASSIVES (8-9)	0.708	0.985	0.950	0.846	0.690	0.527	0.453	0.852	0.743	0.507	0.557	0.629	0.614	0.872	0.557	0.665	0.622	1.394	1.197	1.411	0.661

x Expenditure included in another data line .. Missing, zero or less than 0.5 of the smallest unit displayed

Times-series movements

Most items of LMP expenditure in Switzerland have been very stable from year to year (Table 3.1). Over the longer term there has been some change, as in Categories 2, 7 and 8 expenditure as a percentage of GDP was around a third lower in 2013-4 than in 2002-5 but in Categories 1, 4 and 5 was about the same. In the last recession, expenditure on Category 8.2 *Partial unemployment benefits* (short-time work) increased early (from 0.01% of GDP in 2008 to 0.21% of GDP in 2009, but lower in 2010), while bad-weather benefits and bankruptcy compensation stayed high into 2010. From 2008 to 2010, expenditure increased by about 60% in Category 8, 50% in Category 4, and 30% in Categories 2 and 7 and only slightly in Categories 1 and 5; but by 2013-14 the cyclical increases had been largely reversed.

Comparative level of expenditure

Since 2009, total LMP expenditure has been about 1.2% of GDP, 1 point below the EU (14-country) median level at 2.2% of GDP. Expenditure is lower by about 0.8% of GDP for supports (Categories 8 and 9 combined) and by about 0.2% of GDP for active measures. Total LMP expenditure is relatively low partly because zero expenditure is reported in Category 2.4 *Special support for apprenticeship,* Category 6 *Direct job creation* and Category 9 *Early retirement*. In this context, it can be noted that Switzerland has probably the highest number of apprentices per 1000 employed persons in the OECD (see Steedman, 2010). The definition of LMP database Category 2.4 excludes regular support for apprenticeship which is seen as "part of the regular offer of education and vocational training open to all young persons as funding for education". The likely beneficial impact of the apprenticeship system on labour market outcomes is therefore not captured in the LMP data. Switzerland reports expenditure many times the EU (14-country) median in Category 5.2, in the form of *benefits paid during (rehabilitation) training*, but this remains too low to change the overall picture of relatively low expenditure.

Data reporting issues

Transfers to individuals (including unemployment benefits) are included in reported expenditure on measures. Benefit payments to participants represent about 40% of the expenditure in Category 5.2 *Rehabilitation*, and nearly 90% of the expenditure reported in Category 4. Category 8 then excludes unemployment benefits paid to participants, in line with Eurostat (2013) methodology.

In Category 2 *Training*, about 40% of the expenditure, approaching 50% in recent years, is in *Programmes d'emploi temporaire (Temporary employment programmes)* and *Entreprises d'entrainement (Training enterprises)* rather than *Mesures de formation (Training measures)*. *Temporary employment programmes* are jobs created in the government or non-profit sector which therefore might be allocated to Category 6 *Direct job creation*. Several OECD countries have programmes that they might describe as "job training through work experience", not accepting the label "workfare" but also denying that the programmes are expected to "create" jobs. In Switzerland, in *Programmes d'emploi temporaire* the work should not be indispensable to the functioning of the (parapublic) enterprise; at least 50% of participant worktime should be in "extraordinary activities", which may include training; and participants receive a specific allowance which does not create an entitlement to future UI benefit. In the past, participants were often UI exhaustees for whom participation renewed the entitlement but now they seem to mainly be social assistance recipients. Due to the multidimensional nature of LMPs, a given programme name may cover considerable variety at any point in time, and a description of typical or representative features of the programme might change over time.

In Category 4, most of the expenditure reported consists of *gain intermédiaire*, the continuing payment of part of the individual's regular unemployment insurance (UI) benefit when beneficiaries take a lower-paid (usually part-time) job. The LMP methodology (Eurostat, 2013) encourages the reporting of unemployment benefits in Category 4.1, stating at Para 76: "Measures encouraging unemployed people to take up a part-time job with continuing unemployment benefits for the hours/days not worked, should be considered as an employment incentive and therefore included in category 4.1 rather than in category 8." However, nearly all UI systems pay nonzero benefits in some situations where the beneficiary has earnings from a part-time job. There are differences in the size of the earnings disregard (where earnings do not affect the benefit payment), the benefit taper rate applying to earnings above the disregard, and sometimes hours-based cut-offs are applied (e.g. in the UK, unemployment benefit is not payable when hours worked exceed 16 hours per week on average), but no other country appears to report all UI benefits that are combined with earnings from a part-time job in Category 4. A possible argument for treating *gain intermédiaire* as an employment incentive, separate from regular UI benefit, is that a distinct set of rules applies. Working hours and pay rates in the lower-paid job must be documented, the partial payment of UI benefit is normally limited to one year, when this right is exhausted a job that pays 70% of former earnings is considered "suitable" even for beneficiaries with a UI benefit level at 80% of former earnings, and the jobseeker's participation may need to be authorised by the client's case manager. However, in several other countries with distinct rules for part-time unemployment benefits, these are reported in Category 8.3 *Part-time unemployment benefits* rather than Category 4. Definitional guidelines in this area should be clarified, and current data users should be aware that Switzerland's classification of part-time (tapered) UI benefits in Category 4 rather than Category 8 is exceptional. The ratio of "active" expenditure (Categories 1 to 7) to "passive" (Categories 8 and 9) in Switzerland since 2002 has averaged about 0.9, whereas for the EU (14-country) median country it has averaged 0.5 to 0.6. About half this difference reflects Switzerland's reporting of part-time (tapered) UI benefits as an "active" measure.

The character of labour market policies in Switzerland

In Switzerland, unemployment insurance (UI) benefit is generous in level although limited in duration to 400 days (80 weeks), less than in several other European countries. However, management is strict with the requirement in some cases to accept work that pays less than UI benefit. LMPs are employment- and supply-oriented, with *temporary employment programmes* reported as training, the possibility of combining UI with earnings from low-paid work reported as an employment incentive, *gain intermédiaire*, and exceptionally high expenditure on *benefits paid during (rehabilitation) training*. Although some features look generous, system management also tends to emphasise a fiscal perspective and cost containment.

Social assistance benefits are financed and managed by the cantons, which gives them an incentive to implement active measures. Arguably the character of Swiss LMP is strongly influenced by the institutional incentive structure, but this feature is not documented in LMP data. The number of unemployed beneficiaries on social assistance is about half the number of unemployed beneficiaries on unemployment insurance (UI), but the LMP data do not include social assistance benefits.

Active measures for the social assistance target group were 80% federally funded until the 4th partial revision of the unemployment insurance act (LACI) voted in 2010, which reduced the federal funding rate to 50%. Some cantons and municipalities used to create temporary public sector jobs for social assistance beneficiaries which qualified or requalified them for UI benefits (and which were not necessarily identified as LMPs) but the fourth revision in principle fully suppressed this practice. Apart from the institutional incentive created by cantonal responsibility for the funding of assistance benefits, there is 50% federal funding of active measures, which further encourages cantons to create suitable places, notably on temporary employment programmes to which UI beneficiaries close to benefit exhaustion and social assistance beneficiaries may be assigned.

The management of PES offices by the cantons and the focus on PES caseworker skills and placement objectives probably promote effective use of the measures to reduce unemployment both for UI and social assistance recipients. Giraud (2007) distinguished three patterns of application of the federal employment legislation. A first group – Germanic cantons in the North and East - applies the law as intended in line with SECO recommendations, with significant use of both training measures and monitoring of behaviour;

a second Latin – French- and Italian- speaking – group uses mainly reintegration measures, neglecting monitoring; and a third group – German-speaking cantons in central Switzerland – is “minimalist”, not much using the legally-defined measures, or using only the monitoring instruments. Social assistance beneficiary rates vary widely along the same lines, but they are generally much higher in urban areas than rural areas: thus, an individual’s regional and linguistic background and their current local environment are both influential. Switzerland’s unemployment rate stabilized below 5% after 1996, when the main lines of the modern structure were introduced. The employment orientation of ALMPs could be seen as one important factor, along with social norms, institutional incentives, and the management focus on cost containment and PES caseworker skills, that keeps the unemployment steady and low, with also an exceptionally high employment rate, in Switzerland.

3.2.a Australia

See Table 3.2A and Annex Table A.2, and see Annex A for an extended discussion of data reporting issues.

Times-series movements

In Australia, the Global Financial Crisis (GFC) of 2009 had little impact on unemployment, and Category 8 expenditure peaked in 2009 at below 0.55% of GDP (figures cited here will refer to fiscal years, commencing in July). Possibly related to falls in commodity prices, Category 8 expenditure increased to 0.68% of GDP in 2014, although this was still below the levels experienced in 2002 and 2003.

Expenditure in Category 1 *PES and administration* jumped from 0.158% of GDP in 2008 to 0.193% in 2009, perhaps as a response to the GFC, but also due to jump in expenditure in Category 1.2 *Benefit administration* from 0.029% to 0.053% of GDP, which may reflect a change in accounting methods, since no major changes in operations were reported.

In 2008, expenditure on Category 2.1 *Institutional training* increased from 0.007% of GDP to 0.029% and then stayed relatively high until 2011. However, this reflects expenditure on the 4-year *Productivity Places Program* which was largely a block grant to state governments (see further below).

Reported expenditure on Category 6 *Direct job creation* was above the EU (14-country) median level in 2002-05, when it represented mainly job creation measures for indigenous communities (*Community Development Employment Projects*, CDEP). By 2013/14 reported expenditure had fallen to a very low level, but much of this change is due to changes in management arrangements such that services for this target group are now reported in Category 1 and the income support is reported in Category 8 (see further below).

Table 3.2.A. **The structure of LMPs in Australia vs. New Zealand**

ID	Category	Australia													Australia				New Zealand			
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14	2002-05	2006-08	2009-12	2013-14
		Expenditure as a percentage of GDP																				
		Single years													Average of years				Average of years			
1	**PES AND ADMINISTRATION**	**0.170**	**0.185**	**0.220**	**0.209**	**0.188**	**0.168**	**0.158**	**0.193**	**0.186**	**0.173**	**0.160**	**0.155**	**0.170**	**0.196**	**0.171**	**0.178**	**0.163**	**0.108**	**0.105**	**0.098**	**0.127**
1.1	Placement and related services	0.094	0.114	0.154	0.129	0.115	0.106	0.101	0.110	0.109	0.098	0.078	0.079	0.091	0.123	0.108	0.099	0.085	0.087	0.085	0.087	0.119
1.2	Benefit administration	0.031	0.033	0.032	0.035	0.033	0.027	0.029	0.053	0.051	0.050	0.059	0.057	0.056	0.033	0.029	0.053	0.056	..	..	..	..
1.3	Other	0.045	0.038	0.033	0.045	0.040	0.035	0.028	0.030	0.026	0.024	0.023	0.019	0.023	0.040	0.034	0.026	0.021	0.021	0.020	0.011	0.007
2	**TRAINING**	**0.010**	**0.009**	**0.010**	**0.010**	**0.007**	**0.009**	**0.031**	**0.027**	**0.024**	**0.024**	**0.007**	**0.006**	**0.008**	**0.010**	**0.016**	**0.021**	**0.007**	**0.150**	**0.133**	**0.111**	**0.112**
2.1	Institutional training - published	0.007	0.006	0.006	0.007	0.005	0.007	0.029	0.025	0.022	0.022	0.007	0.006	0.008	0.006	0.014	0.019	0.007	0.071	0.058	0.062	0.056
2.2	Workplace training	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	..	..	0.001	0.000	0.000	..	0.008	0.006	0.005	0.007
2.3	Integrated training	0.002	0.003	0.003	0.003	0.001	0.002	0.002	0.002	0.002	0.001	..	..	..	0.003	0.002	0.002	..	0.071	0.069	0.043	0.049
2.4	Special support for apprenticeship	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4	**EMPLOYMENT INCENTIVES**	**0.010**	**0.012**	**0.010**	**0.010**	**0.008**	**0.010**	**0.010**	**0.012**	**0.012**	**0.013**	**0.013**	**0.007**	**0.005**	**0.010**	**0.010**	**0.012**	**0.006**	**0.031**	**0.014**	**0.014**	**0.014**
4.1	Recruitment incentives	0.010	0.012	0.010	0.010	0.008	0.010	0.010	0.012	0.011	0.011	0.010	0.006	0.005	0.010	0.010	0.011	0.006	0.028	0.012	0.013	0.013
4.2	Employment maintenance incentives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.002	0.003	0.001	0.000	0.000	0.000	0.001	0.001	0.003	0.002	0.001	0.000
4.3	Job rotation and job sharing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	0.048	0.049	0.051	0.052	0.053	0.057	0.078	0.069	0.068	0.072	0.067	0.061	0.063	0.050	0.063	0.069	0.062	0.048	0.050	0.049	0.045
5.1	Supported employment	0.031	0.032	0.036	0.038	0.037	0.041	0.043	0.048	0.047	0.050	0.045	0.042	0.044	0.034	0.040	0.048	0.043	0.021	0.022	0.020	0.018
5.2	Rehabilitation	0.015	0.015	0.015	0.014	0.015	0.017	0.035	0.021	0.021	0.022	0.022	0.019	0.019	0.015	0.022	0.021	0.019	0.026	0.028	0.029	0.027
6	**DIRECT JOB CREATION**	**0.087**	**0.085**	**0.083**	**0.077**	**0.065**	**0.051**	**0.044**	**0.039**	**0.031**	**0.021**	**0.012**	**0.003**	**0.002**	**0.083**	**0.053**	**0.026**	**0.003**	**0.005**	**0.002**	**0.008**	**0.000**
7	**START-UP INCENTIVES**	**0.011**	**0.010**	**0.010**	**0.009**	**0.010**	**0.009**	**0.008**	**0.007**	**0.007**	**0.007**	**0.008**	**0.006**	**0.007**	**0.010**	**0.009**	**0.007**	**0.006**	**0.018**	**0.009**	**0.002**	**0.000**
8	**SUPPORT**	**0.773**	**0.700**	**0.620**	**0.546**	**0.484**	**0.408**	**0.445**	**0.543**	**0.500**	**0.507**	**0.570**	**0.637**	**0.684**	**0.660**	**0.446**	**0.530**	**0.661**	**0.700**	**0.302**	**0.462**	**0.411**
8.1	Full unemployment benefits	0.760	0.692	0.609	0.540	0.477	0.403	0.437	0.531	0.488	0.494	0.552	0.625	0.665	0.650	0.439	0.516	0.645	0.700	0.302	0.437	0.411
8.1.1	Unemployment insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.1.2	Unemployment assistance	0.760	0.692	0.609	0.540	0.477	0.403	0.437	0.531	0.488	0.494	0.552	0.625	0.665	0.650	0.439	0.516	0.645	0.700	0.302	0.437	0.411
8.2_8.3	Partial and part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.025	0.000
8.2	Partial unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.025	0.000
8.3	Part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4_8.5	Redundancy and bankrupcy compensation	0.014	0.008	0.012	0.006	0.007	0.005	0.008	0.012	0.012	0.013	0.017	0.012	0.019	0.010	0.007	0.013	0.016	0.000	0.000	0.000	0.000
8.4	Redundancy compensation	0.001	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.5	Bankrupcy compensation	0.013	0.007	0.012	0.005	0.007	0.005	0.008	0.012	0.011	0.013	0.017	0.012	0.019	0.009	0.007	0.013	0.016	0.000	0.000	0.000	0.000
9	**EARLY RETIREMENT**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
100	**TOTAL**	**1.109**	**1.051**	**1.004**	**0.912**	**0.814**	**0.712**	**0.774**	**0.890**	**0.827**	**0.816**	**0.836**	**0.876**	**0.940**	**1.019**	**0.767**	**0.842**	**0.908**	**1.061**	**0.615**	**0.745**	**0.709**
110	TOTAL ACTIVE MEASURES (1-7)	0.335	0.351	0.383	0.366	0.330	0.305	0.329	0.347	0.328	0.309	0.266	0.239	0.256	0.359	0.321	0.312	0.247	0.360	0.313	0.283	0.298
111	Total categories 1.1 + 2-7	0.259	0.280	0.318	0.287	0.257	0.243	0.272	0.263	0.251	0.234	0.184	0.163	0.177	0.286	0.258	0.233	0.170	0.340	0.293	0.272	0.291
112	Total categories 2-7	0.166	0.165	0.164	0.158	0.142	0.137	0.171	0.154	0.142	0.136	0.107	0.084	0.086	0.163	0.150	0.135	0.085	0.252	0.208	0.184	0.172
120	TOTAL PASSIVE MEASURES (8-9)	0.773	0.700	0.620	0.546	0.484	0.408	0.445	0.543	0.500	0.507	0.570	0.637	0.684	0.660	0.446	0.530	0.661	0.700	0.302	0.462	0.661

.. Missing, zero or less than 0.5 of the smallest unit displayed

Comparative level of expenditure

Australia has the highest expenditure in Category 1 as a percentage of GDP among non-European countries (see further below).

Reported expenditure in Category 2 in most years is extremely low in international comparison. Actual expenditure appears to be reasonably high, but mostly not reported (see below). Expenditure in Category 4 *Employment incentives* is extremely low because the main recruitment incentives are restricted to indigenous target groups. Expenditure on Category 5.1 *Supported employment* as a percentage of GDP is close to the EU (14-country) median. Expenditure on Category 5.2 *Rehabilitation* is higher than the EU (14-country) median. However, in Category 5, much of the reported expenditure consists of employment services which might more accurately be reported in Category 1. Reported expenditure in Category 6 was above the EU (14-country) median level in 2002-05, but arguably a switch from data overstatement to data understatement is one of the key factors involved (see above). The low level of expenditure in Categories 2 to 7 combined implies that these categories in recent years account considerably less than half of total "active" expenditure (including in Category 1 the cost of benefit administration and the administration of active programmes).

Since the mid-2000s, Category 8 expenditure in Australia has been around 0.45% to 0.65% of GDP, which is slightly below half the EU (14-country) median (which itself is affected by under-reporting of social assistance benefits with availability-for-work requirements) but is fairly high by the standards of OECD non-EU countries. Australia has no unemployment insurance benefits, only an unemployment assistance (flat-rate, means-tested) benefit. But several factors push up the reported expenditure: the asset test is permissive (a single person with assets up to AUD 348 500 may qualify for some payment: www.humanservices.gov.au/customer/enablers/assets); benefit reduction rates are below 100%, so low earners may still receive some benefit; and the data include benefits paid with exemption from job search requirements, due to temporary incapacity, participation in training, and some other factors.

Data reporting issues

State/territory funding of data by database category was reported until 2011, when the collection of this data by questionnaire was discontinued. *State/territory expenditure* (multiple lines) totalled about 4% of the Category 1 to 7 total in most years, and rarely as much as 10% in any large category.

Data for Category 1 are relatively detailed, with data lines for components of the contracted employment services funded from 1998 onwards, benefit administration costs, and programme administration costs. In recent years the Category 1.1 data include the Employment Pathway Fund (in the line *Stream Services 1-4*) which funds Work Experience Activity activities for the long-term unemployed, including training and the equivalent of *Work for the Dole*, which previously was reported in Category 6. The data also include, since 2013, the *Community Development Program*, which partly replaces former *Community Development Employment Projects* previously reported in Category 6, and has broad community development and employment objectives well outside the scope of Category 1. Similar problems where broad activation interventions are reported in Category 1 but should in principle be split across LMP database categories have arisen in Canada (*Labour Market Agreements, Aboriginal Human Resources Development Agreements*) and, among EU countries, in Denmark (*Guidance and upgrading*), the Netherlands (*Flexible reintegration budget for municipalities*) and Sweden (*Activity Guarantee*). Category 1.2 includes expenditure by the benefit services and delivery organisation Centrelink, which addresses the profiling (JSCI) questionnaire to new clients, refers them to appropriate services, monitors job search, etc. Some of its "benefit administration" functions would in other countries be reported as placement services.

Several hundred million AUD reported in Category 1.1 probably qualify in principle for Categories 2, 4 and 6. But at the same time *Disability Employment Services* (DES-ESS and DES-DMS) in

Category 5 have large employment services/placement components that probably qualify for Category 1.1. So there may not be a net overstatement of Category 1.1 expenditure.

In Category 2, Australia reports very low expenditure. The largest longstanding programme reported is *Language, Literacy and Numeracy* (since 2012, *Skills for Education and Employment*), a remedial rather than vocation training programme. The *Productivity Places Program* (PPP), which ran from 2008 to 2011, was for a while much larger, but the national government only contracted directly with training providers, creating training places which employment service providers tended to use as a jobseeker referral, in the first year. In later years, funds were transferred as a block grant to state and territory governments for them to implement the training, subject in principle to a number of conditions, including the additionality of the expenditure. However, additionality is hard to document. Lower levels of government can attribute some of their spending to a particular funding source but that may not ensure that the spending was genuinely additional.

The Department of Employment does not publish an overview of training supported by unemployment benefit (or other benefit) payments, and conversely vocational training statistics do not identify participants by type of income support or referral method (OECD, 2012). However:

- About 30% of unemployment benefit recipients are reported to be "in training" with or without a job-search requirement, but this may include job-search training and participation in evening classes which are not reportable in Category 2. Nearly 10% of unemployment benefit recipients are not required to search for work due to their participation in "other activities", which include training/education and self-employment development. This suggests that around 10% of unemployment benefit payments could be interpreted as transfers to participants in Category 2 *Training*, although further analysis of detailed (unpublished) statistics could refine this estimate.

- Vocational training statistics have recently reported that approximately 30% of government-funded VET graduates in 2016 were not employed before training, and they also report VET graduates' reasons for undertaking training and whether those who are not employed are seeking work. Further analysis of these statistics could identify the proportion of VET participants who were not employed before training, and who also had employment-related reasons for undertaking the training and were not still in initial education, perhaps around 15%.

The suggested percentages, applied to statistics for total expenditure on unemployment benefits and on VET services, imply that expenditure on labour market training (defined as public funding of training services for unemployed participants regardless of their income support status, plus income support for VET participation through unemployment benefits) totals around AUD 2 billion. Category 2 expenditure could also include some of the expenditure on the Austudy training allowance (about AUD 0.6 billion) and some of the expenditure on courses for Job Services Australia (JSA) participants funded through the Employment Pathway Fund (about AUD 0.15 billion).

These points suggest that annual expenditure on labour market training - counting public funding of training services and income support for participants - in recent years could total around 0.15% of GDP, which is many times more than is currently reported and is close to the EU (14-country) median level for Category 2.

In Australia, *Disability Employment Services – Employment Support Services* (DES-ESS) place and maintain clients in open labour market jobs. This intervention brings Category 5.1 expenditure up to the EU (14-country) median level, 0.04% to 0.05% of GDP. In other countries, the expenditure in Category 5.1 may mainly support sheltered work or social enterprises. Category 5.2 expenditure concerns *Disability Employment Services – Disability Management Service* (DES-DMS) for jobseekers who have a temporary or permanent disability, injury, or health condition, but are not expected to need long-term support in the workplace. About 10% of all jobseekers are DES-DMS participants, and the job-search assistance character of this programme might explain why relatively high expenditure is reported in Category 5.2.

In Category 6, until 2008 about 20% of reported expenditure was on *Work for the Dole*, a programme targeted on long-term unemployed jobseekers, and about 70% was on *Community Development Employment Projects* (CDEP), which were targeted on indigenous communities. However, participants in *Work for the Dole* stayed on unemployment benefit (which however was reported in Category 8) whereas participants in CDEP worked part-time and were paid a wage (included in the reported expenditure) by the local community organisations running the programme. From 2007 onwards, CDEP was scaled down in non-remote areas of Australia, and new CDEP participants were paid income support (often unemployment benefit) rather than a CDEP wage. By 2014 the expenditure reported in Category 6 was down to near zero. CDEP services (reported in Category 6) have been replaced by mainstream employment services and a new *Community Development Program* (both reported in Category 1), and the wages paid to CDEP participants (reported in Category 6) have been replaced by unemployment benefits (reported in Category 8).

In Category 8.1, the lines *Newstart Allowance* and *Youth Allowance (other)* are both in principle unemployment benefits, although as discussed above many recipients are temporarily exempt from job-search requirements. Category 8 also includes two benefits without activity requirements, the *Mature Age Allowance* (paid to workers aged 60 or more) and *Partner Allowance* (paid only to people born before 1955), which were both closed to new entrants in 2003 and largely phased out by 2008. The Australian authorities perhaps insisted on including the benefits that were set to show a fall in expenditure and recipient numbers. At the same time, Category 8 does not include payments to parents on *Parenting Payment Single* (PPs) with children aged 6 or 7 (or older during a transition period) who are required to be available for work. In June 2011, about 110 000 single parents (a third of all PPs recipients) had this status, and including them the Category 8 total would have been about one-sixth higher.

The character of labour market policies in Australia

The number of unemployment benefit recipients in recent years slightly exceeds the number of people unemployed according to the labour force survey. However, in June 2013 only 44% of benefit recipients were required to search for work, due to exemptions for temporary incapacity, participation in training, and several other factors. This suggests that – as in some other countries – around half the benefit recipients are not unemployed in the sense of the labour force survey and half the unemployed in the sense of the labour force survey are not benefit recipients. The benefit administration agency Centrelink plays a central operational role in determining whether benefit recipients are allowed to engage in training without job search or are exempted from job search requirements on other grounds, so that in principle only recipients available for work are referred to an employment services provider.

Australia is the OECD non-EU country where expenditure on PES and Administration as a percentage of GDP comes closest to the EU (14-country) median level, about 0.18% of GDP in 2013 and 2014. Australia's quasi-market in employment services is uniquely well-developed, with many design features to promote effectiveness and minimise the risks involved. The combined cost of payments to employment service providers, the management of referrals to them by Centrelink, and auditing of operations by the Department of Employment is relatively high, but the outcomes are relatively good. The Economist recently headlined: "Australia has weathered the China slowdown and commodities slump well. What has it done right?".

Total expenditure reported in Categories 2 to 7 is only about a quarter of the EU (14-country) median level. However, funding of vocational training with participation by jobseekers and unemployment benefits paid to participants in this training, which is not currently reported, seems to account for most of the difference. This may be preferable to the strategy of creating training places specifically for participation by unemployed workers. Activation measures in Australia typically refer employable jobseekers to low-paid job vacancies, but this diverts some of them into training - where they may not see or describe themselves as unemployed, and upon completion of the course permission to do another course on unemployment benefit will probably not be given. In Australia (as in Switzerland, see above) the LMP data are informative about some major factors behind the good labour market outcomes, but for a reasonably complete picture, information about institutional arrangements and jobseeker incentive issues must also be taken into account.

3.2.b New Zealand

See Table 3.2B and Annex Table A.3, and see Annex A for an extended discussion of data reporting issues.

Times-series movements

In New Zealand, although since 2002 many individual programmes have been closed and new programmes introduced, for several large active categories expenditure has been fairly stable. Expenditure on the Category 1 *PES and administration* - not including unemployment benefit administration, which is unreported (because it is not separately identified in national data) – stayed close to 0.1% of GDP until 2013, but increased sharply in 2014 and the higher level appears (in national budget data) to be sustained at least through to 2016/17. The increase could be due partly to overreporting, and partly to additional service provision to implement the welfare reforms announced in 2012.

Expenditure in Category 2 fell from about 0.16% of GDP in 2002 and 2003 to 0.11% of GDP in 2009 and then stabilised, not increasing at the time of the 2009 (Global Financial Crisis) recession. At the level of the larger individual programmes, within Category 2 the *Training Opportunities Programmes* line from 2010 is replaced by *Foundation Focused Learning Opportunities (FFTO*), while *Youth Training* is from 2011 replaced by *Youth Guarantee*. From 2010 to 2012 three smaller new programmes, *Training for Work, Youth Services* and *Trades Academies*, were added. The *Training Incentive Allowance*, which represents additional transfers (mainly lump sum payments at the beginning of the school/academic year to cover tuition fees) to individuals on an Invalid's, Widow's or (prior to 2011) a carer's benefit, was the largest training programme in terms of participant inflows in 2003, but policy changes then restricted participation in this measure and particularly after 2008 the expenditure fell to a low level.

Table 3.2.B. **The structure of LMPs in New Zealand vs. Australia**

ID	Category	New Zealand													New Zealand				Australia			
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14	2002-05	2006-08	2009-12	2013-14
		Expenditure as a percentage of GDP																				
		Single years													Average of years				Average of years			
1	**PES AND ADMINISTRATION**	**0.098**	**0.112**	**0.112**	**0.110**	**0.107**	**0.103**	**0.105**	**0.111**	**0.106**	**0.082**	**0.094**	**0.087**	**0.166**	**0.108**	**0.105**	**0.098**	**0.127**	**0.196**	**0.171**	**0.178**	**0.163**
1.1	Placement and related services	0.076	0.092	0.092	0.089	0.088	0.083	0.085	0.093	0.097	0.074	0.086	0.080	0.159	0.087	0.085	0.087	0.119	0.123	0.108	0.099	0.085
1.2	Benefit administration	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0.033	0.029	0.053	0.056
1.3	Other	0.023	0.020	0.020	0.021	0.019	0.020	0.020	0.019	0.009	0.008	0.008	0.008	0.007	0.021	0.020	0.011	0.007	0.040	0.034	0.026	0.021
2	**TRAINING**	**0.156**	**0.156**	**0.148**	**0.138**	**0.135**	**0.129**	**0.134**	**0.114**	**0.103**	**0.109**	**0.118**	**0.121**	**0.102**	**0.150**	**0.133**	**0.111**	**0.112**	**0.010**	**0.016**	**0.021**	**0.007**
2.1	Institutional training	0.078	0.074	0.067	0.065	0.059	0.054	0.060	0.047	0.071	0.064	0.066	0.065	0.047	0.071	0.058	0.062	0.056	0.006	0.014	0.019	0.007
2.2	Workplace training	0.005	0.009	0.009	0.009	0.008	0.005	0.004	0.004	0.004	0.006	0.008	0.007	0.006	0.008	0.006	0.005	0.007	0.001	0.000	0.000	#DIV/0!
2.3	Integrated training	0.074	0.073	0.071	0.064	0.067	0.070	0.070	0.063	0.028	0.039	0.044	0.049	0.049	0.071	0.069	0.043	0.049	0.003	0.002	0.002	#DIV/0!
2.4	Special support for apprenticeship	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4	**EMPLOYMENT INCENTIVES**	**0.039**	**0.036**	**0.028**	**0.023**	**0.020**	**0.012**	**0.011**	**0.016**	**0.015**	**0.014**	**0.011**	**0.013**	**0.015**	**0.031**	**0.014**	**0.014**	**0.014**	**0.010**	**0.010**	**0.012**	**0.006**
4.1	Recruitment incentives	0.037	0.032	0.024	0.019	0.016	0.011	0.009	0.015	0.014	0.014	0.010	0.012	0.015	0.028	0.012	0.013	0.013	0.010	0.010	0.011	0.006
4.2	Employment maintenance incentives	0.002	0.004	0.004	0.004	0.004	0.002	0.001	0.002	0.001	0.000	0.000	0.000	0.000	0.003	0.002	0.001	0.000	0.000	0.000	0.001	0.001
4.3	Job rotation and job sharing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	0.043	0.043	0.052	0.053	0.049	0.050	0.052	0.050	0.049	0.049	0.049	0.046	0.044	0.048	0.050	0.049	0.045	0.050	0.063	0.069	0.062
5.1	Supported employment	0.019	0.020	0.022	0.023	0.023	0.022	0.022	0.021	0.020	0.020	0.020	0.018	0.018	0.021	0.022	0.020	0.018	0.034	0.040	0.048	0.043
5.2	Rehabilitation	0.023	0.023	0.030	0.030	0.026	0.028	0.030	0.029	0.029	0.029	0.029	0.028	0.027	0.026	0.028	0.029	0.027	0.015	0.022	0.021	0.019
6	**DIRECT JOB CREATION**	**0.001**	**0.008**	**0.008**	**0.003**	**0.002**	**0.001**	**0.002**	**0.020**	**0.009**	**0.003**	**0.000**	**0.000**	**0.001**	**0.005**	**0.002**	**0.008**	**0.000**	**0.083**	**0.053**	**0.026**	**0.003**
7	**START-UP INCENTIVES**	**0.027**	**0.021**	**0.014**	**0.012**	**0.009**	**0.009**	**0.008**	**0.006**	**0.003**	**0.001**	**0.000**	**0.001**	**0.000**	**0.018**	**0.009**	**0.002**	**0.000**	**0.010**	**0.009**	**0.007**	**0.006**
8	**SUPPORT**	**1.007**	**0.806**	**0.544**	**0.444**	**0.359**	**0.249**	**0.300**	**0.483**	**0.562**	**0.416**	**0.387**	**0.428**	**0.395**	**0.700**	**0.302**	**0.462**	**0.411**	**0.660**	**0.446**	**0.530**	**0.661**
8.1	Full unemployment benefits	1.007	0.806	0.544	0.444	0.358	0.249	0.300	0.483	0.463	0.416	0.386	0.427	0.395	0.700	0.302	0.437	0.411	0.650	0.439	0.516	0.645
8.1.1	Unemployment insurance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.1.2	Unemployment assistance	1.007	0.806	0.544	0.444	0.358	0.249	0.300	0.483	0.463	0.416	0.386	0.427	0.395	0.700	0.302	0.437	0.411	0.650	0.439	0.516	0.645
8.2_8.3	Partial and part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.099	0.000	0.000	0.000	0.000	0.000	0.000	0.025	0.000	0.000	0.000	0.000	0.000
8.2	Partial unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.099	0.000	0.000	0.000	0.000	0.000	0.000	0.025	0.000	0.000	0.000	0.000	0.000
8.3	Part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4_8.5	Redundancy and bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.010	0.007	0.013	0.016
8.4	Redundancy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.5	Bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.009	0.007	0.013	0.016
9	**EARLY RETIREMENT**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
100	**TOTAL**	**1.371**	**1.183**	**0.906**	**0.782**	**0.681**	**0.554**	**0.611**	**0.800**	**0.846**	**0.674**	**0.659**	**0.695**	**0.723**	**1.061**	**0.615**	**0.745**	**0.709**	**1.019**	**0.767**	**0.842**	**0.908**
110	TOTAL ACTIVE MEASURES (1-7)	0.364	0.377	0.362	0.339	0.322	0.305	0.311	0.317	0.284	0.258	0.272	0.268	0.328	0.360	0.313	0.283	0.298	0.359	0.321	0.312	0.247
111	Total categories 1.1 + 2-7	0.342	0.357	0.342	0.318	0.303	0.285	0.292	0.298	0.275	0.250	0.264	0.260	0.321	0.340	0.293	0.272	0.291	0.286	0.258	0.233	0.170
112	Total categories 2-7	0.266	0.265	0.250	0.229	0.215	0.202	0.206	0.205	0.178	0.176	0.178	0.180	0.163	0.252	0.208	0.184	0.172	0.163	0.150	0.135	0.085
120	TOTAL PASSIVE MEASURES (8-9)	1.007	0.806	0.544	0.444	0.359	0.249	0.300	0.483	0.562	0.416	0.387	0.428	0.395	0.700	0.302	0.462	0.411	0.660	0.446	0.530	0.661

.. Missing, zero or less than 0.5 of the smallest unit displayed

Sharp falls in Category 8 expenditure beneficiary numbers and expenditure in the early 2000s (see below) were reflected in an approximately 50% fall in expenditure in Categories 4 and 6, where expenditure levels had started already quite low. Category 4 and 6 expenditure increased somewhat in 2009, but the higher level was maintained through to 2014 only for Category 4. Category 7 expenditure fell from 0.018% of GDP in the early 2000s – several times the EU (14-country) median level - to near zero from 2010 onwards.

Expenditure on unemployment benefits fell from 1.01% of GDP in 2002 to 0.25% of GDP in 2007, and jumped back to 0.56% of GDP in 2010, apparently stabilizing around 0.4% of GDP in 2011-2014. There were some sharp cyclical fluctuations in the mid and late 2000s, but at the same time the unemployment benefit caseload in the 2010s still averaged less than half its level of the late 1990s and early 2000s which can be seen as a more-structural change. A principle of reciprocal obligations and part-time work requirements was applied to the Domestic Purposes Benefit (DPB, the sole parent benefit) in the late 1990s (it was relaxed in 2003, but reintroduced in 2010), and through to 2012 the caseload of the sole parent benefit (Domestic Purposes Benefit, DPB) was fairly stable. The decline in the unemployment benefit caseload was partly offset by increases in the Sickness Benefits and Invalid's Benefit caseloads, but these increases were not so large (in headcount terms) as the fall in unemployment, and were partly attributable to population ageing. The decline in unemployment was therefore accompanied by only a limited amount of caseload diversion towards other benefits. However, this decline has created an marked imbalance between a relatively small unemployment benefit caseload and a larger sole parent benefit caseload.

Only the unemployment benefit is reported in New Zealand's LMP data, but the "welfare reform" of 2012 transferred part of the DPB caseload to a formal jobseeker status, and the new line *Jobseeker Support – Work Ready* started in 2013 with expenditure 25% higher than the old line *Unemployment Benefit* had in 2012. But Category 8 caseloads were already trending downward due to the recovery from recession and activation measures, and in the time-series for Category 8 as a percentage of GDP, this significant policy shift is only seen as a blip in 2013.

Comparative level of expenditure

Until 2013, New Zealand expenditure on Category 1 *PES and administration*, excluding benefit administration, as a percentage of GDP, was somewhat below corresponding levels (also excluding benefit administration) for Australia or the EU (14-country) median.

Expenditure on Category 2 as a percentage of GDP is around 60% of the EU median level, but some important issues of data comparability should be noted (see below). As a percentage of GDP, expenditure in Category 4 *Employment incentives* is many times below the EU (14-country) median level. Expenditure in Categories 6 and 7 is near zero. Expenditure on Category 5.1 *Supported employment* is lower than the Australian or the EU (14-country) median level, but expenditure on Category 5.2 *Rehabilitation* is higher.

Since the mid-2000s, reported Category 8 expenditure has, as a percentage of GDP, been around two-thirds of the Australian level and one-third of the EU (14-country) median level. The low level may partly reflect substitution towards DPB: the DPB caseload was greater than the *Unemployment Benefit* caseload in the 1980s and most of the 1990s, and again from 2004 to 2012, and the corresponding expenditure is not included in the LMP data.

Data reporting issues

Key issues for New Zealand's LMP data are:

- In Category 1, expenditure on unemployment benefit administration is not included. The large increase in 2014 reflects the introduction of a broad intervention called "improved employment and social outcomes support (MCA)" which facilitates the "investment approach" (introduced in 2012) through greater case manager discretion. The data include some expenditure on training and wage subsidies which could not be reallocated to Categories 2 and 4. But the increase in reported expenditure may also reflect additional service provision for some groups that now have stronger activity requirements.
- In Category 2, about half the reported expenditure concerns education and training which although not it is not delivered in secondary schools, is at secondary level and for youths who have not yet entered the labour market. The New Zealand authorities interpret them as a target group of the type "Inactive – persons currently not part of the labour force… but who would like to enter the labour market and are disadvantaged in some way" (Eurostat, 2013). However, Eurostat (2013) also specifies that "Apprenticeship schemes are considered part of the regular offer of education and vocational training open to all young persons, or as general employment policy, and are therefore not considered as LMP measures". Programmes for an inactive group that is disadvantaged in some way, but is still in initial education, do not appear to be including in the LMP data by other countries.
- In Categories 2 to 7, unemployment benefits paid to participants are not included. This affects the reported expenditure level primarily in Category 2, although some participants (e.g. those in the secondary level programmes mentioned above) will not be on any benefit and some will be on a different benefit (e.g. Invalid's). Expenditure in Categories 4, 6 and 7 is low. In Categories 4 and 6 the expenditure consists mainly of wage subsidies and wages: expenditure on the small *Work Bonus* programme consists of run-on payments of benefit, which act as a recruitment subsidy.
- The largest item in Category 5 is *Vocational activities/community participation*, where participants are likely to have income support from a disability benefit rather than an unemployment benefit. Income support from a disability benefit is not included in Category 2 to 7 expenditure, but it could be appropriate to include if the benefit payment is actually conditional on participation in the vocational activities, so that it can be interpreted as a rehabilitation benefit.
- In Category 8, there is some overreporting of expenditure because *Training Benefits* or other unemployment benefits paid to participants have not been included in Categories 2 to 7. However underreporting, because benefits subject to a part-time work requirement (mainly DPB) are not included, is more significant. DPB is paid to sole parents with children aged up to 17 or sometimes higher, and about half its recipients (mainly those with children aged five and older) are required to be available for work (MSD, 2012, Statistical Report; 2014, Annual Report). Including this group might nearly double reported Category 8 expenditure in 2010 to 2012 and increase it significantly from 1999 to 2003 when a part-time work test also applied to sole parents. (From 2003 to 2010, the minimum requirement was to "meet obligations of the Personal Development and Employment Plan process if required to by their case manager" but this is not described as a work test). In 2013, full-time work requirements were applied to a subgroup of DPB recipients and this subgroup was included in Category 8. This will have reduced the size of the group with part-time work requirements that is not included in Category 8, but it remains large.

See Annex A.3 for more detailed discussion of data reporting issues.

The character of labour market policies in New Zealand

The dramatic decline in reported Category 8 expenditure, from 1.01% of GDP in 2002 to 0.25% of GDP in 2007, is likely to reflect the impact of activation measures. OECD (2005) documents how the *Unemployment Benefit* caseload fell by about 30% in the year after the introduction of two employment service and benefit administration initiatives, WRK4U and Jobs Jolt. The *Unemployment Benefit* caseload, which exceeded the DPB caseload until 2003, was just a third of the DPB caseload by 2008 (MSD, 2012, Statistical Report). The recession then reversed the fall in unemployment benefit expenditure, but only to a limited extent.

Until 2013, New Zealand's expenditure in nearly all areas of the LMP database was well below the EU (14-country) median level. Relatively low expenditure on Category 4, 6 and 7 programmes may reflect three factors: a) in a labour market with relatively high-turnover, a job search and placement focus may be or at least seem more cost-effective b) activation strategies, developed in the early 2000s and further emphasised in the early 2010s, have had a work-first focus, which tends to be implemented by case management (in Category 1) rather than longer-term measures; and c) from 2004 to 2012, only about 2% to 3% of the labour force on average was on Unemployment Benefit, so the potential target group for referrals of the long-term unemployed to full-time labour market measures has been smaller than it is in most other countries.

Insofar as the low expenditure on active programmes has been related to a low caseload in Category 8, it may be dysfunctional. It may be preferable to treat more people on the margins of the effective labour force as unemployed, thus enlarging the group that can be required to participate in longer-term programmes. The welfare reform of 2012 goes in this direction.

From about 2010, the "investment approach", which interprets future benefit costs as an actuarial liability and favours policy measures that are predicted to reduce this liability, seems to have increased the youth focus of reported expenditure in Category 2 *Training*. However, the reported expenditure on youth training measures is mainly funding for vocational education and training of young people who have not yet entered the labour market. Although the wording of the LMP methodology perhaps allows this in principle, training for this target group is not often included in practice. This dimension of the "investment" strategy assumes that additional initial education and training will increase the employment rates of disadvantaged groups when they enter the labour market, but in a signalling/screening interpretation of education this may not be true, and the impact of this policy shift should be carefully monitored and assessed.

Spending on *Vocational Activities/Community Participation* in Category 5.2 seems to have increased following the 2001 Pathways to Inclusion report, and then been maintained at a fairly high level, whereas *Community Work* and *Community Employment Wage Subsidies* for the non-disabled were phased out. Against this background it would be helpful to have some updated description and review of the Community Participation delivery model, its target group and vocational content.

In New Zealand, a detailed analysis of LMP data and the associated reporting issues identifies some of the most important policy issues. But to interpret policy influences on labour market outcomes, information about activation measures (the detailed management of PES and administration) and other (non-unemployment) working-age benefits also needs to be taken into account.

3.2.c Australia/New Zealand commonalities and differences

Category 2 expenditure in New Zealand is roughly 0.1% of GDP, about half the EU (14-country) median level. Australia has reported near-zero Category 2 expenditure in most years, but this is related to the federal structure of government with training services managed by the states. In Australia, expenditure on labour market training including benefits paid to participants in training which qualifies for inclusion in Category 2 (i.e. with full-time or significant part-time participation, excluding job-search training) and the cost of services for all participants who were unemployed (and not still in initial training) at entry to the training may be around 0.15% of GDP, close to the EU (14-country) median level.

In both countries, expenditure in Categories 4 and 7 has been around 0.01% of GDP. In the case of Category 4, this is far below the EU (14-country) median level. Expenditure in Category 5 is around half to two-thirds of the EU (14-country) median level. The slightly higher figures in Australia reflect the funding of Disability Employment Services, including an employment service component that could in principle be reported in Category 1. In EU countries where high Category 5 expenditure is reported, this is likely to reflect long-term subsidies paid to employers: Denmark reports no expenditure on services, but about 0.5% of GDP in subsidies (mainly paid to employers) for “flex jobs”.

Australia has a fairly significant programme in Category 6 called *Work for the Dole,* but the expenditure data do not include income support payments to participants (mainly the regular unemployment benefit, which is reported in Category 8), and since 2008 expenditure data also do not include most of the service provision element (which is included in Category 1). New Zealand reports little expenditure in this category.

Since the mid-2000s, New Zealand has reported Category 8 expenditure of around 0.4% of GDP while Australia has reported around 0.5% increasing to nearly 0.7% in 2014. If sole-parent benefits requiring availability for part-time work were included, this might at certain times (since requirements have varied through time) roughly double Category 8 expenditure in New Zealand and increase it to a lesser extent in Australia.

In both countries, low employment rates in the indigenous population (including Pacific Islanders, in New Zealand) are a significant driver of public expenditure. In the LMP database this is most visible in Australia, as expenditure on *Community Development Employment Projects* was around 0.05% of GDP in the early 2000s, when the reported expenditure included the income support or wage payments to participants. In New Zealand, “Community-led development” initiatives or similar appear to be relatively small-in scale. Expenditure on DPB (sole parent) benefits has been around 1% of GDP in some years: DPB beneficiaries are increasingly an LMP target group and over half of them (including Pacific Islanders) are indigenous, so the indigenous policy challenge in New Zealand is larger and it seems to have an oversized sole-parenthood dimension, although this dimension also exists in Australia and Canada.

3.3.a Canada

See Table 3.3A and Annex Table A.4, and see Annex A for an extended discussion of data reporting issues.

Table 3.3.A. **The structure of LMPs in Canada vs. the United States**

ID	Category	Canada													Canada				United States			
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14	2002-05	2006-08	2009-12	2013-14
		Expenditure as a percentage of GDP																				
		Single years													Average of years				Average of years			
1	**PES AND ADMINISTRATION**	**0.188**	**0.191**	**0.179**	**0.156**	**0.146**	**0.135**	**0.126**	**0.133**	**0.136**	**0.112**	**0.104**	**0.100**	**0.101**	**0.179**	**0.136**	**0.121**	**0.100**	**0.179**	**0.136**	**0.121**	**0.100**
1.1	Placement and related services	0.040	0.040	0.037	0.035	0.036	0.035	0.035	0.038	0.045	0.032	0.031	0.031	0.032	0.038	0.035	0.037	0.031	0.038	0.035	0.037	0.031
1.2	Benefit administration	0.047	0.041	0.041	0.039	0.031	0.029	0.032	0.035	0.033	0.031	0.026	0.023	0.022	0.042	0.031	0.031	0.022	0.042	0.031	0.031	0.022
1.3	Other	0.101	0.110	0.101	0.082	0.079	0.071	0.054	0.051	0.049	0.044	0.041	0.040	0.036	0.099	0.068	0.046	0.038	0.099	0.068	0.046	0.038
2	**TRAINING**	**0.096**	**0.086**	**0.084**	**0.080**	**0.080**	**0.079**	**0.095**	**0.139**	**0.128**	**0.096**	**0.085**	**0.084**	**0.073**	**0.086**	**0.084**	**0.112**	**0.078**	**0.086**	**0.084**	**0.112**	**0.078**
2.1	Institutional training	0.078	0.070	0.070	0.066	0.065	0.061	0.060	0.088	0.079	0.060	0.050	0.050	0.046	0.071	0.062	0.069	0.048	0.071	0.062	0.069	0.048
2.2	Workplace training	0.010	0.008	0.007	0.008	0.009	0.010	0.009	0.009	0.011	0.008	0.007	0.006	0.005	0.008	0.009	0.009	0.006	0.008	0.009	0.009	0.006
2.3	Integrated training	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2.4	Special support for apprenticeship	0.008	0.007	0.007	0.006	0.006	0.008	0.009	0.013	0.012	0.011	0.011	0.011	0.010	0.007	0.008	0.012	0.011	0.007	0.008	0.012	0.011
4	**EMPLOYMENT INCENTIVES**	**0.009**	**0.009**	**0.008**	**0.007**	**0.006**	**0.006**	**0.005**	**0.006**	**0.004**	**0.004**	**0.004**	**0.004**	**0.005**	**0.008**	**0.006**	**0.004**	**0.005**	**0.008**	**0.006**	**0.004**	**0.005**
4.1	Recruitment incentives	0.009	0.009	0.008	0.007	0.006	0.006	0.005	0.006	0.004	0.004	0.004	0.004	0.005	0.008	0.006	0.004	0.005	0.008	0.006	0.004	0.005
4.2	Employment maintenance incentives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4.3	Job rotation and job sharing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	**0.017**	**0.017**	**0.017**	**0.017**	**0.016**	**0.015**	**0.015**	**0.015**	**0.015**	**0.014**	**0.013**	**0.013**	**0.013**	**0.017**	**0.015**	**0.014**	**0.013**	**0.017**	**0.015**	**0.014**	**0.013**
5.1	Supported employment	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.001	0.001	0.001	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
5.2	Rehabilitation	0.016	0.015	0.016	0.015	0.014	0.014	0.013	0.014	0.013	0.012	0.012	0.011	0.011	0.015	0.014	0.013	0.011	0.015	0.014	0.013	0.011
6	**DIRECT JOB CREATION**	**0.027**	**0.024**	**0.021**	**0.018**	**0.017**	**0.016**	**0.016**	**0.018**	**0.017**	**0.014**	**0.013**	**0.011**	**0.010**	**0.023**	**0.016**	**0.016**	**0.010**	**0.023**	**0.016**	**0.016**	**0.010**
7	**START-UP INCENTIVES**	**0.011**	**0.011**	**0.011**	**0.010**	**0.010**	**0.009**	**0.008**	**0.009**	**0.007**	**0.007**	**0.006**	**0.006**	**0.005**	**0.011**	**0.009**	**0.007**	**0.005**	**0.011**	**0.009**	**0.007**	**0.005**
8	**OUT-OF-WORK INCOME MAINTENANCE AND**	**0.743**	**0.752**	**0.665**	**0.604**	**0.577**	**0.543**	**0.638**	**0.950**	**0.790**	**0.644**	**0.587**	**0.564**	**0.565**	**0.691**	**0.586**	**0.743**	**0.564**	**0.691**	**0.586**	**0.743**	**0.564**
8.1	Full unemployment benefits	0.743	0.752	0.665	0.604	0.577	0.543	0.638	0.950	0.790	0.644	0.587	0.564	0.565	0.691	0.586	0.743	0.564	0.691	0.586	0.743	0.564
8.1.1	Unemployment insurance	0.743	0.752	0.665	0.604	0.577	0.543	0.638	0.950	0.790	0.644	0.587	0.564	0.565	0.691	0.586	0.743	0.564	0.691	0.586	0.743	0.564
8.1.2	Unemployment assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.2_8.3	Partial and part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.2	Partial unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.3	Part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4_8.5	Redundancy and bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4	Redundancy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.5	Bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9	**EARLY RETIREMENT**	**0.001**	**0.001**	**0.000**	**0.000**	**0.000**	**0.000**	**0.001**	**0.001**	**0.003**	**0.002**	**0.002**	**0.002**	**0.001**	**0.001**	**0.001**	**0.002**	**0.001**	**0.001**	**0.001**	**0.002**	**0.001**
100	**TOTAL**	**1.121**	**1.118**	**1.011**	**0.916**	**0.873**	**0.824**	**0.925**	**1.294**	**1.121**	**0.909**	**0.832**	**0.802**	**0.789**	**1.041**	**0.874**	**1.039**	**0.795**	**1.041**	**0.874**	**1.039**	**0.795**
110	TOTAL ACTIVE MEASURES (1-7)	0.377	0.365	0.345	0.311	0.296	0.281	0.286	0.343	0.328	0.263	0.243	0.236	0.223	0.350	0.288	0.294	0.230	0.350	0.288	0.294	0.230
111	Total categories 1.1 + 2-7	0.229	0.214	0.203	0.190	0.186	0.181	0.194	0.248	0.237	0.182	0.171	0.167	0.154	0.209	0.187	0.209	0.161	0.209	0.187	0.209	0.161
112	Total categories 2-7	0.188	0.174	0.166	0.155	0.150	0.146	0.159	0.210	0.192	0.151	0.139	0.136	0.122	0.171	0.152	0.173	0.129	0.171	0.152	0.173	0.129
120	TOTAL PASSIVE MEASURES (8-9)	0.744	0.753	0.665	0.605	0.577	0.543	0.640	0.951	0.793	0.646	0.589	0.566	0.566	0.692	0.587	0.745	0.566	0.692	0.587	0.745	0.661

Times-series movements

Canada's total expenditure on active programmes (Categories 1 to 7) fell from 0.35% of GDP in 2002-2005 to 0.23% of GDP in 2013 and 2014. At a broad level this might be an outcome from Canada's period of fiscal restraint, which included the announcement in 1995 of a 30% cut in federal health and social transfers to provinces and territories, and a process transferring the management of active labour market programmes (ALMPs) to these jurisdictions.

Category 1, where expenditure fell from 0.18% to 0.10% of GDP, accounts for about two-thirds of this decline. More-specific factors behind this fall appear to be:

- Labour Market Development Agreements (LMDAs) negotiated with the provinces and territories have progressively transferred management responsibility to them. LMDAs were signed with several provinces from 1996 to 2000, with Ontario in 2005 and with British Columbia, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Yukon in 2008 and 2009 (www.esdc.gc.ca/en/training_agreements/lmda/index.page). This process probably explains why direct federal expenditure, in the database line *Service Delivery Support*, halved between 2004 and 2006 and fell to zero in 2009. Only part of the reduction was offset by increased federal transfers to provinces and territories to cover their administration costs, according to the line *LMDA Province/Territorial Administrative Costs*.

- Although Employment insurance (EI) benefits are still managed at national level, expenditure on benefit administration reported in the line *Unemployment insurance/EI Income Benefits* has fallen in nominal dollar terms. Employment Insurance online application was introduced in June 2001, and since 2007/08 over 95% of applications have made been online. Queries are handled by nine EI Specialised Call Centres, which have streamlined some of their processes over the years and generated various cost savings (CEIC, 2015; ESDC, 2016).

- Declining expenditure in the line *Human Resources Investment* might reflect net budget cuts to the social investment programmes concerned or again, devolution to the provinces and territories.

Category 2 expenditure has declined relatively little as a percentage of GDP since 2002. It increased quite sharply in 2009 and 2010, reflecting the Economic Action Plan of 2008, which announced a $500 million increase in LMDA funding for these two fiscal years (CEIC, 2013; *Skills Development* represents about 80% of the expenditure under LMDAs on measures for EI and former EI claimants).

Expenditures in Categories 4, 5, 6 and 7 have all fallen significantly as a percentage of GDP since 2002. The fall in Category 6 primarily reflects declining expenditure in the line *Labour Market Partnership*, which "facilitates the collaboration of employers, employee and employer associations, community groups, and communities to develop solutions to labour force imbalances" and/or fosters local labour market research and information provision by industry associations or similar (CEIC, 2015; www.tcu.gov.on.ca/eng/employers/labourMarket.html; Work BC, 2015; Morden, 2016).

Expenditure in Category 8 as a percentage of GDP increased by about 70% from 2007 to 2009, but it fell back to the prerecession level by 2012. Survey-based unemployment only increased by about 35%, but also unemployment benefit durations were temporarily extended. *Work Sharing* claims reached 0.8% of total employment in 2009 (ESDC, 2016), but payments stayed relatively low.

Comparative level of expenditure

Category 1 expenditure as a percentage of GDP slightly exceeded the EU (14-country) median level in 2002-5, but as described above it then fell and was not much above half the EU level by 2013/14. Category 2 expenditure by contrast in 2013/14 reached about the half the EU level. Canada's expenditure in Categories 4, 5 and 6 is well below EU levels. Category 8 expenditure, in most years, was more than half the EU level, but in 2013/14, as recession continued in the EU, it was well below half.

Data reporting issues

As detailed in Annex A.4, LMP data for Canada include a number of lines where some or all of the expenditure might be out of scope for the LMP database.

- The Category 1 line *Human Resources Investment excl. Learning and Homelessness* may represent the administration of social investment programmes not directly targeted by labour market status.
- The Category 2 line *Summer Career Placement* subsidises the creation of summer jobs for students, which can be seen as targeting on a disadvantaged group, rather than targeting on an individual identifier of labour market disadvantage.
- The Category 2 line *Workplace Based training* probably includes several measures under the Workplace Skills Strategy (WSS) which was launched in 2005. The largest of these, the Targeted Initiative for Older Workers (TIOW), funded employability enhancement and reintegration measures for unemployed older workers which are in scope for the LMP database, but another component of the WSS, the Workplace Skills Initiative (terminated in 2011) was probably not in scope.
- The Category 6 line *Labour Market Partnership* (Canada negotiates with each province and territory a "Labour Market Partnership Agreement", but the operational programmes are usually called "Labour Market Partnerships"), according to various sources cited above, fosters collaboration between local labour market actors and/or research into labour market issues and the provision of labour market information by industry associations or similar. These activities may be out of scope for LMP database Categories 2 to 7 because they do not have individual participants, but their type of action seems appropriate to be reported in Category 1. In some provinces, this programme can fund training for employees facing loss of employment.

The lines above where some of the expenditure that is reported may be out of scope represent around 15% of Category 1 to 7 total expenditure. But other factors result in understatement of expenditure:

- The line *Skills Development* includes some income support for trainees not entitled to EI but it does not include EI benefits, when these are paid to the participants. Including EI benefits paid during the training would increase the reported expenditure by 40% (in 2013/14). This does not necessarily represent only income support, because participants may be required to pay tuition fees from their EI benefit.
- The provinces' own funding of ALMPs is not included in the database, but the patchy information available suggests that this may represent 20% or more of federal funding. Provinces and territories have not usually been expected to match federal funding of their labour market programmes, but such a requirement is included in *Labour Market Agreements for Persons with Disabilities (LMAPD)*.
- In Category 8, the reported expenditure includes EI benefits but not social assistance benefits paid to employable recipients. About 90% of the social assistance caseload is in a province that has a separate category for disability recipients, although its coverage varies. The inclusion of

social assistance benefits roughly comparable with unemployment assistance benefits in other countries might increase Category 8 expenditure by about 50%, and increase beneficiary numbers by nearly 100%.

After adjustments for data comparability, along these lines, Canada's expenditure as a percentage of GDP might be around half the EU (14-country median) level in Category 1, below half for Categories 2 to 7, and above half for Category 8.

The character of labour market policies in Canada

Among OECD non-EU countries, Canada has the most generous unemployment insurance entitlements after Switzerland, where the UI replacement rate and benefit duration are considerably higher. Category 8 expenditure, which does not include social assistance benefits in either country, is about the same percentage of GDP in the two countries. Canada does much less to limit claims. EI recipients do not have frequent interviews with skilled case managers and are not generally assigned to ALMPs or sanctioned for inadequate job-search efforts. In some areas of Canada repeat (often seasonal) claims are common practice, which is not reported from Switzerland where 12 months of contributions are required to qualify. Also, social assistance benefits are more accessible in than in Japan, Korea or the United States. Against this background, the structural unemployment rate in Canada is about 7%, and will probably remain higher than in most other OECD non-EU countries.

Although social assistance benefit levels in Canada are lower than in Switzerland (or many other European countries) the proportion of the population on social assistance is higher. Low disability insurance benefit recipiency in Canada is one factor likely to be increasing social assistance claims. In Canada, provincial social assistance was 50% federally cofinanced until 1990, and in 1996 the federal contribution was replaced by a block grant, and over the following 7 years Canada's employable social assistance caseload (calculated as described in Annex A.4) fell from over 1 million to 600 000. In both countries, although regions do not fund UI benefits, their responsibility for funding social assistance gives them an incentive to manage ALMPs for UI recipients in an effective way, and it promotes strict administration of social assistance claims with elements of workfare.

European countries to some extent require long-term UI beneficiaries to accept a referral to an active measure, but this can be difficult to enforce. Canada achieves a somewhat similar outcome by paying EI benefits for less than a year, but funding participation in an ALMP for up to three years after UI exhaustion. This "Reachback" provision gives the EI system a relatively active character for the long-term unemployed, and it also provides to provinces and territories some federal funding of ALMPs for social assistance beneficiaries.

Canada prioritises "labour market information". Gibb and Walker (2013) in an article on "Knowledge economy discourses" in Canada study 9 programmes in this area. In the LMP database, "Labour market information" figures in the programme name *Other & SLMI Grants & Contr. Regions (Consolided Revenue Fund CRF);* and the programme called *Labour Market Partnership* fosters collaboration between local labour market actors, and provision of local labour market information. Also, Canada's federal ALMP expenditure is relatively strongly focused on training: since 2008, about 70% of total Category 2 to 7 expenditure in the LMP database has been in Category 2. The labour market information helps well-motivated unemployed to find work or training, and vocational training helps some jobseekers to progress to a better-paid or otherwise preferable job.

After 20 years of increasing decentralisation, labour market policy in Canada has become fragmented. National data (CEIC, 2015) show an erratic pattern of province/territory spending on the programmes in the LMP database: in 2013/4 several provinces spent a small fraction of the national average or actually zero on

Targeted Wage Subsidies and Job Creation Partnerships, Quebec accounted for about 65% of nationwide expenditure on Labour Market Partnerships, and provinces vary programme design. The Canada Job Grant, introduced in 2014, imposes a federal design, with the federal Finance minister saying: ““What happens, unfortunately, in some of the provincial situations is that a lot of federal money, billions of dollars, goes to the provinces and there is no accountability and we don’t know what happens to the money. Now we’re going to know.” (www.thestar.com/news/canada/2014/02/11/canada_job_grant_plan_going_ahead_with_or_without_provinces_federal_budget_reveals.html). But this programme, which applies certain federal rules across all jurisdictions, remains relatively small. In the same way that international organisations lack clear information about national LMPs, in decentralised countries national administrations feel that they lack clear information about their regions’ LMPs.

3.3.b United States

See Table 3.3B and Annex Table A.5, and see Annex A for an extended discussion of data reporting issues.

Time-series movements

Reported expenditure in Category 1 as a percentage of GDP in the United States, already low against international benchmarks at the start of the period, declined sharply through to 2007/08, increased in the recession up to 2009/10 and then fell back further, reaching a new low in 2014/15. Within the total, expenditure on Category 1.1 *Placement and related services* declined steadily except for a temporary peak in 2008/09, whereas expenditure on Category 1.2 *Benefit administration* increased in 2008/09 and then increased further in 2009/10. Similar temporary peaks, reflecting expenditure under the Recovery Act (ARRA) of February 2009, are seen in Categories 2, 4 and 6, but not Category 5. In Categories 2, 5 and 6, by the mid-2010s expenditure as a percentage of GDP was below the previous lows seen in the mid-2000s.

Reported expenditure in Category 8 more than quadrupled between 2006-07 (by late 2007-08, the recession was already under way) and 2009-10. Among OECD countries, only Estonia, Lithuania and Chile - where the unemployment benefit system is relatively recent and where prerecession expenditure was below 0.1% of GDP - experienced a larger increase. Expenditure then fell from 1.07% of GDP in 2009-10 to 0.18% of GDP in 2014-15, which is again below the previous lows seen in the mid-2000s.

Table 3.3.B. **The structure of LMPs in United States vs. Canada**

ID	Category	United States													United States				Canada			
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14	2002-05	2006-08	2009-12	2013-14
		Expenditure as a percentage of GDP																				
		Single years													Average of years				Average of years			
1	**PES AND ADMINISTRATION**	**0.038**	**0.035**	**0.030**	**0.026**	**0.026**	**0.025**	**0.036**	**0.045**	**0.041**	**0.038**	**0.033**	**0.027**	**0.022**	**0.032**	**0.029**	**0.039**	**0.025**	**0.179**	**0.136**	**0.121**	**0.100**
1.1	Placement and related services	0.010	0.010	0.009	0.008	0.008	0.008	0.011	0.007	0.008	0.007	0.007	0.006	0.006	0.009	0.009	0.007	0.006	0.038	0.035	0.037	0.031
1.2	Benefit administration	0.028	0.025	0.021	0.018	0.017	0.018	0.025	0.037	0.033	0.031	0.026	0.021	0.016	0.023	0.020	0.032	0.018	0.042	0.031	0.031	0.022
1.3	Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.099	0.068	0.046	0.038
2	**TRAINING**	**0.056**	**0.051**	**0.048**	**0.046**	**0.045**	**0.043**	**0.070**	**0.049**	**0.041**	**0.042**	**0.037**	**0.037**	**0.035**	**0.050**	**0.052**	**0.042**	**0.036**	**0.086**	**0.084**	**0.112**	**0.078**
2.1	Institutional training	0.024	0.022	0.021	0.021	0.021	0.020	0.034	0.023	0.020	0.020	0.019	0.019	0.016	0.022	0.025	0.021	0.017	0.071	0.062	0.069	0.048
2.2	Workplace training	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.008	0.009	0.009	0.006
2.3	Integrated training	0.031	0.027	0.025	0.024	0.023	0.022	0.035	0.025	0.020	0.020	0.017	0.018	0.018	0.027	0.027	0.021	0.018	0.000	0.000	0.000	0.000
2.4	Special support for apprenticeship	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.007	0.008	0.012	0.011
4	**EMPLOYMENT INCENTIVES**	**0.004**	**0.003**	**0.002**	**0.003**	**0.003**	**0.004**	**0.007**	**0.008**	**0.008**	**0.007**	**0.006**	**0.006**	**0.004**	**0.003**	**0.005**	**0.007**	**0.005**	**0.008**	**0.006**	**0.004**	**0.005**
4.1	Recruitment incentives	0.004	0.003	0.002	0.003	0.003	0.004	0.007	0.008	0.008	0.007	0.006	0.006	0.004	0.003	0.005	0.007	0.005	0.008	0.006	0.004	0.005
4.2	Employment maintenance incentives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4.3	Job rotation and job sharing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	**0.032**	**0.031**	**0.029**	**0.028**	**0.029**	**0.029**	**0.035**	**0.031**	**0.030**	**0.029**	**0.028**	**0.028**	**0.028**	**0.030**	**0.031**	**0.030**	**0.028**	**0.017**	**0.015**	**0.014**	**0.013**
5.1	Supported employment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.002	0.002	0.002	0.002
5.2	Rehabilitation	0.032	0.031	0.029	0.028	0.029	0.029	0.035	0.031	0.030	0.029	0.028	0.028	0.028	0.030	0.031	0.030	0.028	0.015	0.014	0.013	0.011
6	**DIRECT JOB CREATION**	**0.007**	**0.006**	**0.006**	**0.006**	**0.006**	**0.006**	**0.007**	**0.011**	**0.005**	**0.005**	**0.005**	**0.005**	**0.005**	**0.006**	**0.006**	**0.007**	**0.005**	**0.023**	**0.016**	**0.016**	**0.010**
7	**START-UP INCENTIVES**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.011**	**0.009**	**0.007**	**0.005**
8	**SUPPORT**	**0.486**	**0.357**	**0.256**	**0.232**	**0.233**	**0.295**	**0.844**	**1.065**	**0.744**	**0.554**	**0.407**	**0.241**	**0.181**	**0.333**	**0.457**	**0.692**	**0.211**	**0.691**	**0.586**	**0.743**	**0.564**
8.1	Full unemployment benefits	0.486	0.357	0.256	0.232	0.233	0.295	0.844	1.065	0.744	0.554	0.406	0.240	0.181	0.333	0.457	0.692	0.210	0.691	0.586	0.743	0.564
8.1.1	Unemployment insurance	0.482	0.353	0.251	0.228	0.229	0.291	0.842	1.063	0.742	0.552	0.404	0.239	0.179	0.328	0.454	0.691	0.209	0.691	0.586	0.743	0.564
8.1.2	Unemployment assistance	0.004	0.005	0.005	0.004	0.004	0.004	0.001	0.002	0.002	0.002	0.001	0.002	0.001	0.004	0.003	0.002	0.001	0.000	0.000	0.000	0.000
8.2_8.3	Partial and part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000
8.2	Partial unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000
8.3	Part-time unemployment benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4_8.5	Redundancy and bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.4	Redundancy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8.5	Bankrupcy compensation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
9	**EARLY RETIREMENT**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.001**	**0.001**	**0.002**	**0.001**
100	**TOTAL**	**0.645**	**0.501**	**0.388**	**0.357**	**0.358**	**0.419**	**1.015**	**1.227**	**0.885**	**0.689**	**0.527**	**0.356**	**0.287**	**0.473**	**0.597**	**0.832**	**0.322**	**1.041**	**0.874**	**1.039**	**0.795**
110	TOTAL ACTIVE MEASURES (1-7)	0.160	0.144	0.132	0.125	0.125	0.123	0.172	0.162	0.141	0.135	0.121	0.115	0.106	0.140	0.140	0.140	0.111	0.350	0.288	0.294	0.230
111	Total categories 1.1 + 2-7	0.131	0.118	0.111	0.107	0.107	0.106	0.147	0.124	0.108	0.104	0.094	0.094	0.090	0.117	0.120	0.108	0.092	0.209	0.187	0.209	0.161
112	Total categories 2-7	0.121	0.108	0.102	0.099	0.099	0.098	0.136	0.117	0.101	0.097	0.088	0.088	0.084	0.108	0.111	0.100	0.086	0.171	0.152	0.173	0.129
120	TOTAL PASSIVE MEASURES (8-9)	0.486	0.357	0.256	0.232	0.233	0.295	0.844	1.065	0.744	0.554	0.407	0.241	0.181	0.333	0.457	0.692	0.211	0.692	0.587	0.745	0.566

Comparative level of expenditure

Reported levels of expenditure as a percentage of GDP have been around one-fifth of the EU-median levels for active measures. Within the total, the expenditure level is zero in Category 7 Start-up incentives and relatively very low in Category 4 *Employment Incentives*, but relatively higher (around half the EU median level) in Category 1.2 *Benefit administration*, and absolutely higher (around three times the EU median level) in Category 5.2 *Rehabilitation*. Expenditure in Category 8 *Out of work income maintenance and support* was largely in the range of a quarter to a half of EU-median levels up to 2007-08, and then fluctuated dramatically, reaching three-quarters of the EU median level in 2009-10 and falling to one eighth of it in 2014-15. US Category 8 expenditure was the 13th highest in the OECD (among 31 countries reporting nonzero expenditure) in 2009, but it was the lowest reported by any country in 2014.

Data reporting issues

Reported expenditure in Category 1.1 *Placement and related services* has been less than 0.01% of GDP since 2004-05, declining to 0.006% of GDP from 2013-14. This is an exceptionally low level not only in international comparison but also because it is about a third of expenditure in Category 1.2 *Benefit administration*. The quality of data in this area is erratic, but in an average OECD country, expenditure in Category 1.1 slightly exceeds expenditure in Category 1.2 (www.oecd.org/els/emp/employment-outlook-statistical-annex.htm - Table T).

The US data for Category 1.1 include federal grants, funded by unemployment insurance taxes, for state Employment Services, some separate funding of employment services for veterans and ex-offenders, and a small grant to promote American Job Centres (formerly One-Stop Career Centers). However, descriptions of other active programmes that are reported in Categories 2 to 7 suggest that a large proportion of their expenditure also funds employment services. Assuming that this proportion ranges from 30% in the Category 5 line *Other vocational rehabilitation* (where 30% is a “guesstimate”) up to 80% in the Category 2 lines *Adult employment and training - JTPA II A* and *Employment training for dislocated workers - JTPA III* (where there is some evidence for this high share), over USD 4 billion of the expenditure reported in Categories 2 to 7 in 2013-14 and 2014-15 in fact delivers a Category 1.1 type of action. Reallocation of this amount would approximately quintuple the Category 1.1 total, bringing it up to 0.03% of GDP, which is about the same level as in Canada, but still only 40% of the median EU country level.

It is not uncommon in other OECD countries for programmes that include much Category 1.1 expenditure to be reported in Categories 2 to 7 (or vice versa). The United States appears to be an extreme example of this situation, related to the fact that it no longer directly funds a single main public employment service at federal or state-level. Federal legislation funds services for several specific target groups:

- workers dislocated by trade (Trade Adjustment Assistance, TAA);
- TANF (single parent benefit) recipients;
- Food Stamp (SNAP) recipients;
- Individuals with disabilities, under the Rehabilitation Act as amended by the Workforce Investment Act (WIA) of 1998 and the Workforce Innovation and Opportunity Act (WIOA) of 2014.
- Workers who are not in any of the above groups, but who are “dislocated” (laid off) or have low-incomes or an expectation that training can achieve “self-sufficiency”. These target groups qualify for intensive services and training under the WIA (now the WIOA). The WIA/WIOA also requires “core” services to be provided to all callers, and they must be provided to target groups before they can qualify for intensive services or training.

The TAA, Rehabilitation Act and WIA/WIOA promote training as the main type of Category 2 to 7 action. TANF Work Activities can consist of training or work experience. Federal *Food Stamp Employment and Training (E&T)* funds under the 1997 Balanced Budget Act had to be at least 80% spent on services that can fulfil the work requirement (work for 20 hours per week or a "qualifying employment and training opportunity") for able-bodied adults without disabilities (ABAWDs), and for a while work experience (job creation) was seen to be, or expected to be, the main action funded. Expenditure lines for target groups are allocated to database categories based on their nominal main type of action, but the expenditure may still primarily implement other types of action. *Food Stamp E&T* is still reported entirely in LMP database Category 6 *Direct job creation*, but in the early 2010s SNAP (Food Stamp) E&T funded a range of actions, with at most relatively low expenditure on direct job creation.

If over USD 4 billion currently reported in Categories 2 to 7 were reallocated to Category 1, which might be reasonable, Category 1 would represent about half of total active (Category 1 to 7) expenditure. The largest programmes with expenditure remaining in Categories 2 to 7 in 2013/04 and 2014/15 are then: in Category 2 *Job Corps* and *Vocational Education*; in Category 4 the *Work Opportunity Tax Credit* (WOTC); in Category 5 *Vocational rehabilitation for veterans* and part of *Other vocational rehabilitation* (Vocational Rehabilitation State Grants); and in Category 6 *Senior community employment*. However, *Job Corps*, *Vocational Education*, the *Work Opportunity Tax Credit* and *Senior community employment* all represent a specific type of action for specific target groups, and cannot be expected to deliver training or work experience to any large proportion of the unemployed or low-earner population. This contributes to a situation where a relatively large proportion of labour market training is undertaken by adults with already several years of labour market experience, but on a self-funded basis (except for Pell Grants, see below, and loans).

A frequently-arising data issue is whether income-support payments to participants are included in the LMP data for active programmes. The unemployment insurance (UI) benefits paid to participants in TAA and WIA training are not separately identified. In the case of *Trade Adjustment Assistance* (TAA), services are reported in Category 2 but the Trade Readjustment Allowance (which continues income support for participants in training after exhaustion of UI) is reported in Category 8. WIA funds generally provide grants (or vouchers) for tuition and some other costs, but not income support during participation in training. However, income support is included in a few lines in Categories 2 to 7. Data for *Job Corps* include the cost of on-site accommodation and living allowances. In the Category 5 line *Vocational rehabilitation for veterans*, about 40% of the reported expenditure is the "VR&E Subsistence allowance" paid to participants in the training measures.

The LMP database line *Vocational education* according to database notes represents 75% of career and technical education (CTE) grants to states and localities to expand and improve their programs and promote equal opportunity for historically underserved populations. In FY 2014, federal funding of CTE totalled USD 1.12 billion, of which the LMP data include USD 0.84 billion. However, this refers to funding under the Perkins Act, and states distribute 63% of Perkins Act funds on average to secondary rather than postsecondary education providers. Only the postsecondary expenditure is plausibly in scope, according to the database guidelines and usual practice. This suggests that only a much lower proportion of Perkins Act funding should be reported in the LMP data.

Pell Grants are not included in the OECD LMP data, but this programme "has grown to serve as the primary source of grant funds for adults seeking to enhance their workforce skills" and "constitutes the largest source of public funding for workforce development in the United States today" (Baum et al., 2013; Holzer, 2015). It provides grant funding for low-income students to participate in training, including WIA training. Low income status is typically assessed based on federal income tax returns and a questionnaire. In 2010-11, Pell Grants provided about USD 7 billion to adults over the age of 24 in an occupation or technical programme. This may be seen as roughly the share of Pell Grants funding (about a fifth of the total) that has a labour market training function. If this amount were counted as LMP expenditure, it would increase expenditure in Category 2 by about 0.04% of GDP, raising the total to nearly 0.1% of GDP.

Category 8 data for 2008 to 2011 do not include the COBRA continuation coverage subsidy, which was used by about a third of the individuals who started an unemployment insurance claim between September 2008 and May 2010, with expenditure extending into 2011. This subsidy reduced by 65%, for up to 15 months, the premiums that an unemployed person would need to pay to maintain health insurance coverage with their former employer. This measure cost about USD 34 billion over the two years 2008-09 and 2009-10, which is about 13% of total benefit expenditure in those years, and actually exceeds total annual benefit expenditure in 2006/07 or 2014/15.

In many countries, the OECD LMP data for Category 8 do not include social assistance payments that are conditional on availability for work. In the United States, approximately half of TANF basic assistance and one-sixth of Food Stamp (SNAP) payments function like an unemployment assistance benefit. The inclusion of this expenditure would increase the Category 8 total by about USD 17 billion or 25% in 2012-13, and by about 50% in years unaffected by recession.

Another data reporting issue is whether separate state funding of labour market programmes is included and if not, how large an omission this represents. Flachsbarth (2016) reports national total State Supplementary Program Expenditure in a number of areas from FY 2007 to FY 2015, based on the National Association of State Workforce Agencies (NASWA) State Supplemental Funding survey. In FY 2015, the expenditure reported was USD 360m for unemployment insurance (administration), USD 150m for employment services and USD 200m for WIA. These amounts - which are only moderately significant, relative to federal expenditure - are not included in the US LMP data. Separate state funding is however included in the Category 5 line *Other vocational rehabilitation*: this refers to Vocational Rehabilitation State Grants, where the federal grant is calculated as 78.7% of total state expenditure, and the database line reports the total state expenditure. In Category 6, federal expenditure on *Food stamp employment and training* covers 100% of states' expenditures up to a "base funding" level and 50% thereafter. The amounts reported in OECD LMP data appear to include only part of the state funding as reported by Stern (2015). It can be noted that except in recessions nearly all the expenditure reported in Category 8 refers to regular unemployment insurance benefits, which are funded at the state level.

The character of labour market policies in the United States

By 2014-15, total reported LMP expenditure was down to 0.29% of GDP. If relevant shares of Pell Grants were included in active expenditure and TANF and Food Stamps (SNAP) benefits (only for cases with work requirements) were included in income support expenditure, the total reported might increase to over 0.4% of GDP, but this is still only about 1/5 of the level in a median EU country. The limited US expenditure on ALMPs is relatively scattered across different target groups, benefit categories and delivery institutions, leaving many gaps in provision. By contrast Japan, where LMP expenditure is also limited, mainly funds a national employment service and the administration of short-term unemployment insurance and last-resort social assistance, with a large "chasm" between these two benefit systems (Duell et al., 2010).

The Wagner-Peyser Act of 1935 introduced unemployment insurance benefits and state employment services, which originally served all groups in the labour market. However, funding under the Wagner-Peyser Act was allowed to steadily decline in real terms. Later Acts provided funding for particular target groups and actions: for example, predecessors of the 1998 Workforce Investment Act (WIA) funded labour market training for low-income adults and dislocated workers. But funding under these and some other Acts has also declined in real terms. This motivated the administrators of each "funding stream" to devote a large proportion of its resources to employment services. The situation with multiple funding streams delivering fairly similar employment services motivated the rationalisation of organisation and management by co-locating these services under different funding streams at "One-Stop" service delivery points. This became a requirement under the 1998 WIA. The 2014 WIOA defines these “One-Stop” centres as “American Job Centers”, recreating a national public employment service at least as a brand name.

The limited availability of labour market programme expenditure and participant data by type of action partly reflects the absence of a national register, or registers, of programme participants. The federal government has no record (except sometimes from federal income tax) of individual participation in federally-funded programmes. National data for extended unemployment insurance benefits in 2008-2013 are a compilation of aggregates provided in state monthly reports; national data for SNAP are compilations of quarterly and annual state reports to the US Department of Agriculture; national data for participation in TANF Work Activities are based on state reports, but states have targets to meet and flexibility in how they organise and report participation. By contrast, Switzerland and Australia have a comprehensive federal IT system from which national programme participation statistics can be extracted (with the important exception of labour market training in Australia). In Canada, under Labour Market Development Agreements the federal government makes block grants to provinces and territories, but participation in the funded programmes, except for employment assistance services, is restricted to current and former recipients of the federal Employment Insurance, so the federal level retains some visibility over this funding.

The WIA legislation of 1998 included significant reporting requirements: for example, states must use unemployment insurance (UI) wage records to track and report participant employment outcomes. Annual WIASRD (WIA Standardized Record Data) reporting now generates a national publication which, for registered participants who exited WIA services during the year, cross-tabulates (for example) individuals by services received and pre-programme earnings, education level, the receipt of benefits such as UI, TANF, SNAP and Pell Grants, with information on post-participation outcomes. But it remains difficult to compare performance across localities given differences in definitions and reporting standards as well as local labour market characteristics, and the effectiveness of individual client administration still depends on local operational systems (GAO, 2005; Borden, 2009).

Although state governments and local boards can be expected to use federal funds for ALMPs in a generally effective way, the incentives for localities to use federal funding (e.g. funds for SNAP Employment and Training) specifically to control federal benefit expenditure (e.g. SNAP benefits) remain weak. At the federal level unemployment insurance is managed by the Department of Labor, TANF (as regards federal requirements), SSI and other programmes are managed by the Department of Health and Human Services, and SNAP is managed by the Department of Agriculture. Generic ALMPs might not meet the needs of disparate benefit administrations. Integrated strategic management and individual case management of clients, including a degree of coordination with benefit administration, seems central to good labour market performance in Switzerland and Australia.

There is a natural demand in the labour market for employment services and vocational skills training. In the United States, low public expenditure on vocational education and ALMPs is complemented by high rates of self-funded participation in vocational training by adults, many of them aged 25 or more, and with extensive labour market experience but aiming to improve their labour market prospects. Rates of participation in this type of vocational training seem comparable with rates of participation in public labour market training in European countries. Pell Grants partially cover the cost of this training for low-income adults: if this was counted as public expenditure on labour market training, reported expenditure on such training would be much higher, but still well below European levels as a percentage of GDP. Only a fraction of the largely self-funded participation in vocational training seems to be guided by WIA or other employment services, and effectiveness might be increased by providing additional labour market information, guidance, and individual case management resources.

Most of the expenditure reported in Categories 2 to 7 funds programmes with voluntary participation. The United States has relatively few places in “job training” or other measures that might implement “activation” in the Nordic sense, where benefit recipients are required to participate. This type of activation does seem fairly common for TANF recipients, but it is less common (due to low funding) for SNAP (Food Stamp) recipients, and probably uncommon for UI recipients, although they can participate in WIA dislocated worker training.

Due to the low level of SNAP benefits and the short duration of UI benefits (normally limited to 26 weeks), incentives for the authorities to fund expensive active measures or enforce participation in them are weak. Conversely, due to the lack of active case management, disadvantaged workers may stay long-term on Food Stamps (or in the case of UI recipients be repeatedly unemployed), not benefiting from placement and training assistance and still relatively poor.

Annual expenditure on unemployment benefits approximately quintupled by 2009/10, whereas in the median OECD country in the last recession (from a prerecession trough year to the peak year) this expenditure approximately doubled. The United States traditionally extends benefits in recessions, but on this occasion federal benefit supplements and extensions were exceptionally large and early. By 2014/15, again only regular state benefits were payable and some states even cut these back. Such large swings in benefit entitlements and expenditure are internationally exceptional. Few other OECD countries greatly changed basic unemployment benefit entitlements in the recession, although a number sharply expanded short-time work schemes. In the United States, expenditure on active programmes (except for benefit administration) only increased by about 25% in the recession, and the ratio of ALMP to total LMP expenditure fell at one point to about 1/8, one of the lowest levels reported by an OECD country.

By 2014/15 both active and passive LMP expenditure were back to the levels of the mid-2000s in nominal terms – and lower in real terms - with not much change in the pattern of expenditure by programme. This suggests, despite the recessionary surge in benefit expenditure, a degree of policy inertia. In most OECD countries, labour ministries can manage ALMPs largely under administrative powers, perhaps incorporating major changes into legislation some way into the implementation process. In the United States the federal government's administrative powers seem relatively limited: changes of strategy or adjustments based on feedback from operations may be blocked if they require new legislation. However, working-age expenditure on SNAP and SSI (disability assistance) benefits is much higher than it was before the recession and it now probably exceeds the total (active and passive) expenditure reported in the LMP database. Arguably the United States should treat more working-age benefit recipients as unemployed, along the lines of reforms that are reflected in the LMP data for Australia and New Zealand.

4. Conclusions

Using data for 14 EU countries (EU-15 less GR, UK, plus NO) as a benchmark, some key features of LMP data for the four OECD non-EU countries Switzerland, Australia, New Zealand and Canada are:

- Total reported expenditure is slightly above 1% of GDP in Switzerland and slightly below 1% in Australia, New Zealand and Canada, compared with 2.2% of GDP in the EU median country. The inclusion of social assistance benefits with payments conditional on availability for work requirement would significantly increase reported expenditure in Switzerland and Canada, and inclusion of Domestic Purposes Benefit (sole parent) with a part-time work test (since 2010) would significantly increase the total in New Zealand. This would take expenditure to well above half the EU-median level in Switzerland and close to half the EU-median level in New Zealand and Canada. Some negative data adjustments (i.e. excluding database lines that are included but should be put out of scope) are probably also needed but they are not so large.
- In Australia, Category 2 expenditure is reported as close to zero, but it seems that if unemployment benefits paid to participants in Category 2 types of training (managed by the states rather than the federal government), and public funding of the vocational training services when the participants are unemployed at entry, were included, reported expenditure might be fairly near the EU-median level. In New Zealand and Canada, the inclusion of unemployment benefits paid to participants in training would increase Category 2 expenditure by 25% to 50%. These non-EU countries have been reporting active expenditure (Categories 1 to 7) at around 0.25% of GDP, a third of the EU median level. Including unemployment benefits paid to participants in Categories 2 to 7 (and removing this expenditure from Category 8) would bring Category 1 to 7 expenditure up to somewhat nearer half

the EU median. In Switzerland, the “active” expenditure already includes unemployment benefits paid to participants and is around 2/3 of the EU median level.

As the above quick outline suggests, data reporting issues that arise for OECD non-EU country data are similar to those that arise for EU countries. Validation procedures applied to EC LMP data – e.g. the collection of information about participant characteristics, expenditure type (transfer to individuals, etc.) - often bring them closer to conformity with database methodology, although some areas remain problematic (e.g. mixed programmes not split into components by type of action, and the coverage of Category 8). The state of play for EC LMP data may be clarified by applying the data review procedures used here, preferably enhanced (e.g. including a review of expenditure/participant ratios), depending on the availability of external sources of information.

An example of the methodological issues identified here is the treatment of part-payments of unemployment benefit when a beneficiary has earnings from a part-time (or other low-paid) job. Switzerland is reporting these in Category 4 as a recruitment incentive. At one point the wording of the database methodology supports this interpretation. However, most other countries do not separately identify part-payments of unemployment benefit (i.e. they report them in Category 8.1), and in a few cases where a part-time unemployment benefit status with specific regulations and restrictions (e.g. time limits) is recognised, the expenditure is reported in Category 8.3 *Part-time unemployment benefits*, not in Category 4.

Even if all programmes are allocated to the right category, the programmes that make up expenditure in a given category can vary greatly across countries and sometimes through time within a country, because LMPs are highly multidimensional. For example, one country’s Category 4 programmes could be targeted exclusively on youth, and another exclusively on displaced workers. Also, the LMP database functions partly as a “container” for national programme data that have not been fully standardised – particularly in the OECD non-EU countries, but also to a considerable extent in EU countries. The data user will generally need to take programme descriptions into account for a meaningful “reading” of the data.

The OECD LMP data for Switzerland, Australia, New Zealand, Canada and the United States, along with descriptions of the programmes listed and some attention to sole parent benefits, social assistance benefits or in Australia vocational training which arguably should be included, provide a good first overview of national labour market policies. However, an overall description of labour market policies will be broader and more detailed, including programmes outside the scope of the LMP database (e.g. in-work benefits, inactive benefits such as early retirement, apprenticeship systems); institutional structures and institutional incentives; individual incentives (e.g. the level and duration of UI or other benefits, and the wages paid in job creation measures); and the quality of PES case management and labour market information. It may extend to factors such as the minimum wage and measures to tackle labour market duality or informal employment. LMP data also need to be seen against this broader policy background.

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ANNEX A. LABOUR MARKET PROGRAMME DATA ISSUES: COUNTRY FICHES

The “country fiches” in this Annex provide background information about the labour market programme data reported in the OECD LMP database for five non-EU countries. They describe and assess data reporting issues and their current treatment in greater detail, and with more systematic references to source material, as compared with the main text.

A.1 Switzerland

See Table A.1. (at the end of the annex)

Category 1

Switzerland reports separate expenditure lines for *Administration des allocations de chômage* and *Placement (les dépenses pour la logistique des mesures actives y sont incluses).* This reflects the institutional structure: as explained in Duell and Tergeist (2010):

- a central compensation fund makes transfers to the 38 unemployment funds, both public (one in each canton) and private funds, to cover their benefit payments and administration costs. In contrast with the situation in some other countries, the unemployment funds are not responsible for monitoring job search.

- the federal government makes transfers to cantonal governments, calculated as a function of the number of regular jobseekers and social assistance recipients, to cover the costs of running local and cantonal employment offices and implementing active labour market programmes (ALMPs).

Note that the federal transfers to cantonal governments fund both placement services and the implementation of ALMPs, but no breakdown is available and the combined amount is reporting in Category 1.3 rather than Category 1.1. Note that Category 1.1, as implemented by the OECD, in principle includes only “separately-identified” placement services. (For Categories 2 to 9, each programme should in principle be split into subcomponents which allow accurate allocation of its total expenditure across the database categories and subcategories, if this is necessary to limit the scale of reporting errors.)

Category 2

Mesures de formation (Training measures) represent over 50% of this category’s expenditure in the early 2000s, and slightly less currently. These measures seem to be mainly fairly short-term, so participants probably often stay on regular unemployment benefit. Database notes specify that unemployment benefits paid to participants are included in the expenditure reported for active programmes.

The line *Allocations de formation* (AFO) (Training allowances) does not represent income support payments for participants in *Mesures des formation*: it is a distinct programme, which makes payments to participants aged 30 or more who take an apprenticeship or training contract that pays at least the basic apprenticeship rate. The payments are based uniquely on the wage that the beneficiary can expect immediately after finishing their training, not on their former wage. As long as the training starts during the framework period (*délai-cadre*) for UI entitlement, the training allowance can be paid until the end of the training period, which may be up to 3 years. This is similar to the principle of "Reachback" funding for people who have exhausted their regular benefit entitlement to participate in labour market training in Canada (see below).

About 45% of the expenditure in Category 2 is in the measure *Programmes d'emplois temporaires* (Temporary employment programmes). The "temporary employment" places involve work in a federal, cantonal or communal administration, or para- public or non-profit institution. Statements about the content of the programme are varied:

- Duell and Tergeist (2010) report that "Up to 2002, every unemployed had a legal claim to participate in a temporary employment programme, thereby extending the entitlement period to unemployment-insurance benefits. During the duration of the programme, the participants received a wage".

- The Swiss authorities advised the OECD In 2010 that until 1999 participants received a salary, but since then they receive a specific form of UI benefit.

- Recent accounts suggest that many of the participants are on social assistance, not unemployment insurance benefits. Neufchâtel currently specifies that the work performed must not be indispensable for the functioning of the enterprise, and at least 50% of participant worktime should be in "extraordinary activities", which may include training (www.ne.ch/autorites/DEAS/SEMP/organisation/Pages/ofet.aspx).

- Kuehni (2014) describes the *Programmes d'emplois temporaires* as work that is "faux par son statut" (artificial), with "near-to-real" working conditions mainly imposed on participants through an assignation procedure. However, programmes with "near-to-real" working conditions might better be reported in the line *Enterprises d'entrainement* (Training enterprises), see below.

Several descriptions indicate that *Programmes d'emplois temporaires* could be classified primarily in Category 6 *Direct job creation*: this covers non-market jobs, usually in the public or non-profit sector, which would not exist or be created without public intervention. At the same time, when projects include some identifiable element of formalised training, database guidelines allow them to be reported in Category 2. More generally, this measure appears to include projects with varying content, varying target groups, and significant changes through time, so that a concise description and precise classification of it is scarcely feasible.

About 5% of the reported expenditure in Category 2 is on *Enterprises d'entrainement* (Training enterprises), which probably involve activities in a simulated work environment, described in some articles as "fake jobs" (www.nytimes.com/2015/05/31/business/international/in-europe-fake-jobs-can-have-real-benefits.html?_r=0; www.monde-diplomatique.fr/2013/07/KUEHNI/49363).

Categories 4 to 7

In Category 4, nearly 90% of the reported expenditure is in the line *Gain intermédiaire* (intermediate earnings). This programme allows an unemployed person who takes a low-paid job (often, but not necessarily, part-time) to still receive a benefit payment, calculated as a percentage of the difference between their new "intermediate" earnings and their former earnings. The reporting of *gain intermédiaire* payments (called *indemnités compensatoires*) in Category 4 rather than Category 8 reduces Category 8 expenditure by about 10%, and reduces the stock of participants in Category 8 by nearly 20%. Possible arguments for treating *Gain intermédiaire* as a separate and "active" programme are:

- *Gain intermédiaire* payments (*indemnités compensatoires*) are subject to some specific conditions, giving them the character of a separate programme. The work must be new (not work with the former employer), and it must be documented (paying at least standard pay rates for the work involved). Participants are still required to attend PES interviews (once every two months, rather than once a month) and accept full-time (or higher-paid) work, but they are allowed two months to give notice to their part-time employer, rather than having to be immediate available for another job. In some cases a time limit (12 months) applies, after which 100% of earnings are deducted from the benefit payment. PES counsellors may refer recipients to part-time work, or recipients may find part-time work themselves but need confirmation by their PES counsellor (after checking the working conditions, etc.) that the *indemnités compensatoires* will be payable. (Duell and Tergeist, 2010; www.guidechomage.ch/articles/view/travail-convenable-et-gain-intermediaire).

Although in Switzerland the *indemnités compensatoires* are viewed as an incentive or grant, and the labour market authorities probably favour this interpretation, considerations of data comparability (across countries) argue for reporting them in Category 8:

- In other countries, depending on detailed benefit system rules, unemployment beneficiaries who work part-time (but are still available for full-time work) are entitled to benefit payments for the hours not worked, and these payments are included with full unemployment benefits in Category 8.1, or in some cases reported in Category 8.3 *Partial unemployment benefits*. This is the case even in countries where detailed rules apply and the days worked must be reported (e.g. Finland), and in countries where there are time-limits on combining part-time earnings with benefits (e.g. Sweden). Ireland has long reported its *Back-to-work allowance* in Category 4, but in this case entitlement is restricted to the long-term unemployed and the continuing benefit payments are made (at a declining rate) after the return to (usually) full-time work.

Slightly over 10% of the expenditure in Category 2 in recent years is in the line *Allocations d'initiation au travail* (Grants for initial work experience). The employer receives a wage subsidy for 6 months (12 months in some cases) when they hire the participant on a permanent contract (or in some cases a contract of at least 12 months, with the subsidy paid for at most half the period).

In Category 5.1 *Supported employment*, the Swiss national authorities provided no data from 2008 onwards, when funding and management responsibility was transferred from the federal government to the cantons. In the OECD LMP data this category was at first reported as "missing", but from 2013 an OECD Secretariat estimate (agreed with national authorities) has been reported with a note stating that the estimate assumes "20 000 places in sheltered employment (not including "occupational" places, which generate little output) and average public expenditure of 20 000 CHF per place (2008 figure, indexed thereafter)". The estimate is based primarily on INSOS (2008), as follows:

«À l'échelon suisse, près de 25 000 personnes handicapées travaillent dans les ateliers INSOS… Près d'un emploi sur 5 proposé dans les institutions INSOS est une place d'occupation qui génère un faible chiffre d'affaires… Les ateliers occupent au total 32'000 personnes et génèrent un produit de 300 mio. de francs. La plus grande partie des moyens mis en œuvre, qui s'élèvent à 800 mio. de francs, restent dans le marché suisse. »

Official data suggest that since 2008 there has been some growth in the number of places in sheltered workshops with residential accommodation, and press reports suggest that the number of places in sheltered workshops overall has not fallen.

In Category 5.2 *Rehabilitation*, Swiss expenditure at around 0.15% of GDP is far above the EU average or median level. Switzerland reports here both "Transfers to individuals" and "Transfers to service providers", i.e. about 40% of the reported expenditure consists of daily allowance payments to participants in the rehabilitation services. In Category 5.2 Denmark reports only transfers to individuals and Germany reports only transfers to service providers: only Denmark and Finland report expenditure exceeding 0.03% of GDP, and nearly half the EU countries report less than 0.01% (often zero). There are real differences between countries, but at the same time reporting of this category is clearly erratic.

For Category 5 overall (Categories 5.1 plus 5.2), the Swiss participant stock in recent years exceeds 1% of the labour force: the employment of handicapped people in measures might therefore be contributing nearly 1 percentage point towards the country's high employment/population ratio, currently near 80% (for ages 15-64). Switzerland's disability employment rate is relatively high (OECD, 2010).

In Category 7, Switzerland reports a single measure *Encouragement d'une activité indépendante* (Encouragement of independent activity), which probably includes components as identified in www.panorama.ch/dyn/3147.aspx?id_article=1560:

- *un cours pour futurs indépendants*
- *un soutien à l'activité indépendante (SAI). Le SAI consiste en l'octroi d'indemnités journalières de chômage (90 au maximum), permettant au demandeur d'emploi de finaliser son business plan et de commencer son activité en étant dispensé de l'obligation de contrôle et libéré de toute recherche d'emploi… la personne peut également demander une garantie de cautionnement.*

Category 8

Two unusual features of the Category 8 data for Switzerland are:

- About 5% of the expenditure is in the line *Versements à d'autres pays (frontaliers, permis de courte durée)*. This concerns the funding of benefits paid to temporary migrants who, when unemployed, claim benefit in their country of residence. Switzerland made payments to the benefit funds of neighbouring countries, in recognition of these costs. In 2009 the principle of compensation was challenged on the grounds of reciprocity, and expenditure temporarily fell to zero (www.guidechomage.ch/articles/index/frontaliers; www.letemps.ch/suisse/2013/02/03/france-demande-suisse-remboursement-assurance-chomage).
- Expenditure in Category 8.2 *Partial unemployment benefits* increased from near zero in 2008 to 0.21% of GDP in 2009. Only four OECD-EU countries (BE, DE, IT, LU) spent more than 0.1% of GDP on short-time work in 2009 and 2010.

Social assistance benefits paid to unemployed people are broadly equivalent to the benefits called "unemployment assistance" in a number of countries, which are means-tested but with coverage restricted to the social risk "unemployment". Denmark, Germany and the Netherlands report social assistance benefit payments in Category 8, but most other EU countries do not. For international data comparability, the volume of social assistance payments that is conditional on availability for work needs to be assessed and (if it is significant) kept in the picture.

Switzerland had about 180 000 social assistance beneficiaries of working age (and 160 000 social assistance households) in 2014, and among beneficiaries of working age nearly 40% are jobseekers (OFS, 2014, Figures G.3.13, G.3.18, G.3.22). The number of active cases at a given point in time may be somewhat lower, so the stock of unemployed beneficiaries of social assistance may be around 50 000. This is slightly less than half the number of beneficiaries of unemployment insurance. A similar pattern is shown by Duell and Tergeist (2010), Figure 4.1, counting all social assistance cases. If social assistance on grounds of unemployment is treated as unemployment assistance, the corresponding expenditure (50 000 cases at CHF 2000 per month) would be about CHF 1.2 billion per year, about a third of the cost of unemployment insurance (OFS, 2016, Figure G.3.5 shows average expenditure of only CHF 10 000 per beneficiary per year "au sens large" which seems inconsistent with other data). After increasing in the recession, Category 8 expenditure as a percentage of GDP is now considerably below its 2002-2005 level, but social assistance expenditure is probably higher.

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A.2 Australia

The Australian government reorganised the institutional framework for LMP several times since 2002. Among the changes have been (see OECD, 2012; Pratt and Bennet, 2004; DPMC, 2014):

- In 2014, responsibility for working-age benefits was transferred from the Department of Family and Community Services (FACS) to the Department of Employment and responsibility for "Business Services" (disability enterprises) was transferred to FACS. In 2007, responsibility for Disability Support Pension was transferred back to FACS. In 2013, FACS became the Department of Social Services, which is responsible for all working age and student payments.

- Education and Training was integrated with the Department of Employment portfolio up to 1997, and again from 2007 to 2013, and at other times it was in a separate Department.

- Responsibility for Indigenous Affairs lay with the Aboriginal and Torres Strait Islander Commission (ATSIC) until 2004 when programmes were "mainstreamed" across other government departments. Ten years later, in 2014, indigenous programmes in eight different government departments were transferred to an Indigenous Affairs Group within the Department of the Prime Minister and Cabinet.

After reorganisation, it can take some years for the OECD LMP correspondent - located within the Department of Employment (or Employment and Education) - to build or rebuild interdepartmental contacts and reporting protocols.

See Table A.2 (at the end of the annex).

In multiple database categories, state/territory funding was reported until 2011, when the collection of this data by questionnaire (addressed to the state/territory authorities by the national government) was discontinued. In some years, state/territory expenditure in Category 1.1 and/or in Category 6 exceeded AUD 40m. State/territory expenditure totalled about AUD 150m and about 4% of the Category 1-7 total, in most years.

Many of the remarks given below are based on the documentation of labour market policies and programmes in Australia in OECD (2001) and OECD (2012).

Category 1

Departmental annual reports in Australia provide some budget breakdowns of expenditure by function, although the categories used have been subject to change and often their coverage is not clearly stated.

Expenditure on placement and related services is relatively precisely delineated, because the relevant funds are mostly transferred to contracted employment services providers. Some key changes in the structure of contracting for employment services are reflected in the Category 1 data lines:

- In 2003, the "Active Participation Model" rolled previously separate services (in the lines *Job Search Assistance* and *Job Search Training*) into *Intensive Support*, although some separate funding of "Job Placement Licence Only" organisations continued.

- In 2009, Job Services Australia (JSA) incorporated the line *Job Placement* and two earlier programmes for particular target groups, the *Personal Support Program* and *Job Placement, Employment and Training*. JSA had four "Streams" and its expenditure is reported in the line *Stream Services 1-4*. The JSA model involved organising Work Experience Activities for the long-term unemployed, and *Work for the Dole* - a programme which until then had been reported in Category 6 – was incorporated as one of the Work Experience Activities. From 2009 onwards, participant numbers in *Work for the Dole* were still recorded in IT systems and were sometimes publicly cited (OECD, 2012), but the expenditure involved was included in Category 1 and no longer separately identified.

  – Some broad activation interventions in European countries have similarly not been adequately split across LMP database categories, e.g. DK-40 *Guidance and upgrading* and SE-42 *Activity Guarantee* (phased out in 2007). However, national authorities usually can estimate the distribution across different types of action at least approximately. For example Sweden's current intervention of this type, SE-72 *Job and Development Program,* is split across database categories.

- The *Community Development Program* is reported in Category 1.1, but it can be seen as a mixed programme for the indigenous target group. The former *Community Development Employment Projects (CDEP),* reported in Category 6, were replaced by mainstream services from 2007 onwards in Australia's less-remote regions. In the more-remote regions, CDEP continued and its replacement by the *Community Development Program* in 2013 has probably switched the reporting of the expenditure on some continuing activities from Category 6 to Category 1.
- A relatively small programme, *the Australian Apprenticeships Access Program*, was for many years reported in Category 2.1 but recently moved to Category 1.1, based on evidence that the service providers mainly assist the search for apprenticeship places, and institutional (pre-apprenticeship) training is a more minor component of the reported expenditure.
- In Category 1.2, expenditure on *NSA administration* (benefit administration) nearly doubled in 2009. This is thought to be a change of an accounting nature, perhaps related to a changes in Australia's budget reporting framework, where "From the 2009/10 budget, output level reporting ceased and was replaced by reporting at the programme level" (OECD, 2012). The benefit service and delivery organisation Centrelink, within the Department of Human Services, assesses client needs and addresses the profiling (JSCI) questionnaire, and takes decisions about benefit sanctions on labour market grounds and the referral (or the suspension of referral) of clients to employment service providers. Until 2015, Centrelink was responsible for monitoring job search. These functions, which are reported as benefit administration in Australia, would often be reported as placement services in other OECD countries:
- Departmental accounts over the years have identified the cost of administering active labour market programmes, not necessarily in a consistent way from year to year, but the total amount included in Category 1.3 in the lines *Labour Market Programme Management*, then *Labour Market Program Service Delivery*, then *DE, DSS and DPMC expenses* has been fairly stable at around 300m to 400m AUD. Category 1.3 expenditure was about 20% of the Category 1 total in the mid-2000s, falling to slightly below 15% in the 2010s.

Category 2

In Category 2 the only programmes with reported expenditure of more than 20m AUD are:

- The longstanding *Language, Literacy and Numeracy Program*, incorporated from 2012 into *Skills for Education and Employment* which also addresses some other employability skills gaps. Most participants are recipients of an out-of-work benefit (often the unemployment benefit, *Newstart Allowance*), which is not included in Category 2 reported expenditure. Training hours are significant (10 to 25 hours per week). Participants receive a small benefit supplement (AUD 20.80 per fortnight).

- The *Productivity Places Program (PPP)* ran for four years, from 2008 to 2011. The federal government initially (in 2008) directly funded training providers to create training places to which employment service providers could refer their clients. However, in 2009 most of the state and territory governments negotiated a National Partnership Agreement for PPP, and subsequently funds were transferred en bloc to state governments, which in Australia traditionally both fund and manage vocational training. The transfers were subject to conditions on the additionality of the expenditure, competitive tendering to purchase training, and "working towards" the reporting of individual participation in state training through a national data portal. However, state governments are politically autonomous and the influence of these conditions on how they purchased and managed training varied from state to state.

  – LMP database expenditure and participant data should normally be based on individual participant records, although when this type of information is not available budget information may be use, if the type of action and target group of lines in the budget are clear. When block grants are made to lower levels of government, and the federal funds are mixed with funding from other sources, a detailed accounting trail for the federal expenditure may not exist, or it may be exist but be artificial, e.g. if frontline officers can tick a box to say that a particular client is disadvantaged, and this results in the service being charged to one funding stream rather than another, the information is fungible.

At the same time, a large volume of labour market training is not reported Category 2. Vocational training in Australia is state/territory-managed and, to a large extent, training services are funded at that level. Participants in state-managed vocational training courses may be out of the labour force, unemployed or part-time employed and not on benefits. Many will be on the student allowances (Youth Allowance - student, Austudy and ABSTUDY), but also many are recipients of the unemployment benefit Newstart Allowance. Only limited information is available about which types of full-time education and training, under which circumstances, are entered from unemployment and/or are supported by unemployment benefits with exemption from job search requirements. There is a fairly significant incentive to stay on Newstart if possible: the Youth Allowance (student away from home) and Austudy payment rates in 2011 were 18% lower than the Newstart payment rate (OECD, 2012, Table 4.1).

According to the Guide to Social Security Law (http://guides.dss.gov.au/guide-social-security-law/3/2/9/100), full-time students cannot qualify for *Newstart* unless their Newstart Job Plan requires them to undertake the course, and the courses involved in most cases will have a vocational focus, enhancing the immediate employability of disadvantaged jobseekers. Decisions on including training in a job seeker's Job Plan to meet mutual obligation requirements are made by the job seeker's employment services provider.

Category 2 expenditure should include expenditure on unemployment benefits paid to participants in Category 2 training:

- In June 2013, 44% of *Newstart Allowance* recipients were jobseekers, 7% were temporarily incapacitated, and 49% had an "other" activity status, which includes paid employment, full‑time and part‑time voluntary work, part-time study, self-employment development and training (DSS, 2014, Table 32). About 21% had some income from work so plausibly around 14% were in voluntary work and self-employment, and around 14% were in part-time study and training.
- More detailed statistics for activity test exemptions from job search are sometimes published. OECD (2012) estimated that 110 000 Newstart Allowance recipients were in training in June 2011. The monthly publication *Labour Market and Related Payments* reports that in January 2017, 234 000 Newstart allowees, 29% of the 749 000 who received a payment, were "undertaking training or education which may be in conjunction with job search and/or other activities" but only 68 000 Newstart allowees were in the category of "other activities without job search", which is

exempt from the requirement to search for work during participation in education, training or self-employment development.

- Accord to LMP database guidelines, participants in training are allocated to Category 2 only if the activities undertaken are "not job-search related, are supervised and constitute a full-time or significant part-time activity of participants during a significant period of time". Plausibly this is approximately the situation for the 68 000 Newstart allowees who are exempted from job-search (about 9% of all Newstart allowees) (while approximately the same number are engaged in job-search training, and the same again are non-job-search training, but only part-time and therefore are not exempt from job search). On this basis 9% of Newstart benefits, about AUD 900m, could be allocated to Category 2.

Category 2 expenditure should also include the cost of training services provided to participants in Category 2 training, some of whom but not all are on Newstart. Only participants in training who are members of an LMP target group should be included.

- Unemployed before training" status is not recorded directly, but the NCVER Excel file "2016_Govt_funded_Key_findings_by_personal_and_training_characteristics.xlsx", Table 17, shows that:
  - 26.5% of those not employed before training undertook the training for reasons of further study or personal development (i.e. not for employment-related reasons).
  - after training. 37% (21.0/56.2) of those who were still not employed were not in the labour force (rather than unemployed).

  This suggests that around 2/3 of those who were "not employed before training" (30% of participants in training) were "unemployed before training" (i.e. 20% were "unemployed before training").

- NCVER (2015) reports that Australian government funding of vocational education and training in 2014 was AUD 3.1 billion, sharply up from its 2010 level (AUD 2.0 billion) and approaching the level of state/territory funding (AUD 3.7 billion). Expenditure on training services for trainees who were unemployed before training may therefore be estimated at about AUD 1.36 billion, including both federal and state funding of these services.

This approach suggests that about AUD 2.2 billion could be added to expenditure on Cateogry 2 training, including income support from Newstart but not income support from Youth Allowance paid to participants. This would bring the Category 2 total up to about 0.15% of GDP, which is roughly the EU (14 countries) level, and is well above the total amount that is currently reported for the whole of Categories 2 to 7.

It can also be noted that expenditure on the Employment Pathway Fund (EPF) of JSA is included in the line *Stream Services*, but is not separately identified. This expenditure totalled about AUD 360 million in 2012-13. The EPF funds a range of measures to tackle jobseeker barriers, but over 40% of the expenditure, AUD 148m, was on training courses. Expenditure in the area called "Work Experience Group-based Activities" is not exactly stated but it seems to be below AUD 45m (DEEWR, 2012; SSCEE, 2014).

Categories 4 to 7

In Category 5.1, expenditure is reported since 2009 in the line *Australian Disability Enterprises* (previously called Business Services, providing sheltered employment) and *Disability Employment Services – Employment Support Services (DES-ESS).* DES-ESS is for jobseekers who are expected to require regular and ongoing support to keep a job in the open labour market. After a jobseeker has been in work for six months, an Ongoing Support Assessment may determine that the service provider should receive payments of up to AUD 3 300 per quarter for as long as the employment continues, subject to review (OECD, 2012). Australia's expenditure on support for open employment brings Category 5.1 expenditure up to the EU (14-country) median level, 0.04% to 0.05% of GDP.

Category 5.2 expenditure is in the line *Disability Employment Services – Disability Management Service (DES-DMS)*. DES-DMS is for jobseekers who have a temporary or permanent disability, injury, or health condition, but are not expected to need long-term support in the workplace. In 2014 the stock of DES-DMS participants was 80 000, which is about 10% of the stock of jobseekers with Job Service Australia (non-disability) employment service providers. DES clearly delivers job-search assistance which in principle should be split out and reported in Category 1, as well as rehabilitation. The inclusion of spending on employment services for this target group probably explains why Australia reports relatively high expenditure in this category, 0.02% of GDP whereas the EU (14-country) median is 0.01% of GDP.

In Category 6, until 2008 about 20% of reported expenditure was on *Work for the Dole*, which is targeted on long-term unemployed jobseekers. Expenditure in this line fell from AUD 134m in 2008 to zero. As discussed above, "Work Experience Group-based Activities" after 2008 were somewhat similar in character to *Work for the Dole*, but the expenditure on them in 2012-13 was at least three times lower.

Most of the remaining expenditure in Category 6 was on *Community Development Employment Projects (CDEP)* for indigenous communities. Participants in CDEP worked part-time and were paid a "wage", which was the equivalent of income support, by the community organisations that managed local delivery of the programme. For this reason, the expenditure includes the equivalent of income support, whereas participant income support payments were included in the expenditure data for *Work for the Dole*. CDEP was criticised as having become an alternative to regular employment or education and training, and from 2007 new participants have been paid income support rather than a CDEP wage, and participation in it was scaled back in non-remote areas of Australia. It seems fair to say that changes in the volume of expenditure in Category 6 since the mid-2000s reflect changes in reporting conventions (i.e. major components of expenditure are now reported in different categories) as well as substantive changes.

Category 8

In Category 8.1, the lines *Newstart Allowance* and *Youth Allowance (other)* are both in principle unemployment benefits, although as discussed above some recipients are temporarily exempt from job-search due to incapacity, and many recipients are participating in training (of types that are mainly not reported in Category 2), so there is a case that expenditure on unemployment benefits strictly defined is overstated. In fact *Newstart Allowance* in Australia covers, except in the case of single parents with young children, groups that are covered by social assistance benefits in other countries, and commonly only about half the working-age caseload of a social assistance benefit is treated as unemployed.

Category 8 data include two inactive benefits, the *Mature Age Allowance* (paid to workers aged 60 or more) and *Partner Allowance* (paid only to people born before 1955) which were closed to new entrants in 2003. The *Mature Age Allowance* should have been reported as an early retirement benefit for labour market reasons (Category 9), since entry was restricted to unemployed people. The *Partner Allowance* should have been considered out of scope for the LMP database – although it was to some extent the functional equivalent of the allowances for a dependent spouse that were paid as a benefit supplement until 1995, when benefit claims by a couple were individualised (OECD, 2012). The 2003 policy changes pushed more of the working-age population onto an unemployment benefit: as such, they were an important component of Australia's activation strategy, but (as discussed in the New Zealand country fiche), these changes in principle increased Category 8 expenditure, as least in the short run.

Category 8 data do not include parents on Parenting Payment Single (PPs) with children aged 6 or 7, who since the Welfare to Work Reform of 2006 are required to be available for work. In June 2011, about 110 000 single parents (a third of all PPs recipients) had this status. Including them, the unemployment benefit recipient total would have been higher by about one-sixth (OECD, 2012, Table 3.6).

Category 8.1 data include payments of benefit to individuals in part-time work. In June 2013, 20% of Newstart Allowance recipients were earning more than 31 AUD per week (DSS, 2014). The continuing payment of benefit (not reduced by earnings, or reduced less than 1 for 1) can in some circumstances be interpreted as an employment incentive (Category 4), but in most cases Category 8 is appropriate.

– The Eurostat (2013) methodology states that Category 8.3 *Part-time unemployment benefits* includes benefits paid to persons working part-time, but it does not specify that reduced-rate payments of the main benefit (reduced due to earnings or perhaps other reasons) must be reported here. National reporting practices vary. In five countries (BE, FI, NO, PT, SE) that report nonzero expenditure in Category 8.3, the partial benefit payments tend to be seen as a separate type of benefit because certain other detailed rules apply, not only a benefit reduction formula (see also the discussion of this issue in the Switzerland country fiche).

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A.3 New Zealand

New Zealand reports no LMP expenditure by separate regional authorities. Most LMP expenditure is channelled through the Ministry of Social Development. The main exceptions appear to be the *Training Opportunities Programmes* until 2009 and the current *Youth Guarantee* programme, which are funded through a separate Crown Agency, the Tertiary Education Commission (before 2003, Skill New Zealand). The database also includes *Trades Academies*, introduced in 2011, which are managed by the Ministry of Education.

Some database features which have a large impact on the level of expenditure reported include: the non-reporting of unemployment benefit administration costs in Category 1; the inclusion in Categories 2 to 7 of vocational and remedial training programmes for youth who have not yet entered the labour market, such as the *Youth Guarantee* and *Trades Academies*; the non-inclusion in Category 2 of benefits paid to participants in training; and the non-inclusion in Category 8 of New Zealand's large caseload of sole parents with part-time work requirements.

See Table A.3. (at the end of the annex)

Category 1

The Category 1 line *Financial assistance for job search and starting work* in recent years reports what are in New Zealand called Transition to Work Grants, which are transfers to individuals, totalling around 10% of Category 1 expenditure. Transition to Work Grants cover (a) the additional costs of seeking or entering employment (eg clothes, transport), (b) specific transition-to-work costs related to relocation and (c) living costs incurred between the last benefit payment and the first pay from a new job (www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/statistical-report/statistical-report-2008/employment-services/transition-to-work.html). Eurostat (2013) guidelines include:

> §43 Individual case-management services (cat. 1.1.2)… Financial assistance for the unemployed in case of travel to interview costs, other job-search related costs and similar cases are included here.
>
> §184 For sub-category 1.1.2 there may also be some small amounts of transfers to individuals in case of financial assistance to attend interviews or similar (see §43). This type of mobility allowance is considered part of job-search assistance. Mobility allowances paid to persons on the condition of actually taking up new employment are included in category 4.

The distinction between job-search costs and payments that are conditional on actually taking up new employment suggest that the Transition to Work payments of type (a) only in the case of entering employment, (b) always and probably (c) always, should be reported in Category 4.1 *Recruitment Incentives*. Although the coverage of living costs while waiting for first pay acts as income support, it does not fit the title of Category 8 *Out-of-work income maintenance and support*. If Transition to Work Grants were included in Category 4, Category 4 expenditure in the years 2007 to 2013 would be approximately doubled, but it would still be relatively low.

- In most EU countries, around 1% or less, and often none, of the expenditure reported in Category 1 consists of transfers to individuals; this usually represents mobility allowances which reimburse travel-to-interview costs. Exceptionally, in Germany over 5% of Category 1 expenditure in some recent years has consisted of transfers to individuals in DE-106 *Individual Re-integration Budget* (which support "the preparation and taking up of employment subject to compulsory insurance"). In Slovakia in the mid-2000s over 30% of Category 1 expenditure consisted of transfers to employers in SK-1 *[Component] Mediation of employment - Information services*, but it is not clear what this involved.

The line *Improving Work Readiness*, with non-zero expenditure starting in 2014, refers to "a range of services to address barriers to employment (eg literacy, skills, drug or alcohol use)… These services aim to make these clients more ready to undertake work." Part of the expenditure in this line is on training, which should in principle be reported in Category 2. A similar issue – where a broad reintegration budget funds actions across several Categories but is reported only in Category 1 (or perhaps only in Category 2)- arises in Australia and some other countries (see the discussion in the Australia country fiche).

The lines *Skill New Zealand* and *Tertiary Education Commission* refer to the central administration of training measures, which in the mid-2000s represented about 10% of the Category 1 total, and nearly 10% of the Category 2 total.

The line *Vocational Guidance/Careers Advice* refers to a separate organisation called Careers Service/Quest Rapuara. This is focused on people unemployed or searching for work. It now appears to deliver information mainly by telephone, email and online tools. It is reported in Category 1.3, but its information provision function appear to fit Category 1.1 given the guideline (Eurostat, 2013):

> §42 Information services (cat. 1.1.1) are open services for jobseekers providing ad hoc information and referral to opportunities for work, training and other forms of assistance, together with job brokerage services for employers."

Note that open information services should be included in Category 1 even when the user is an employer or not in any disadvantaged target group. By contrast, intensive counselling and guidance is included only for unemployed persons:

> §43 Individual case-management services (cat. 1.1.2) are services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance) and follow-up for unemployed persons.

Career guidance counselling is usually a distinct activity and skill, and it seems unlikely that many career guidance organisations separately identify their expenditure on intensive assistance for unemployed clients.

Category 2

Two Category 2 lines include income support payments to participants in training. The *Training Incentive Allowance* represents additional transfers (mainly lump sum payments at the beginning of the school/academic year to cover tuition fees) to individuals on an Invalid's, Widow's or (prior to 2011) a carer's benefit. This was the largest training measure reported in terms of participant inflows in 2003, but policy changes then restricted participation, and particularly after 2008 the expenditure fell to a low level. In principle, course fees represent transfers to service providers, but this measure also provides some assistance with childcare and transport costs which represents transfers to individuals. *Training Benefits*, currently reported in Category 8, were similar to unemployment benefits but paid during participation in training measures. They may have differed in some ways from ordinary unemployment benefits, e.g. making some payment to participants who are not entitled to ordinary unemployment benefit (because their partner is in work or is claiming benefit for both partners). Detailed documentation of this has not been identified, but New Zealand abolished *Training Benefits* as a separate programme in 2013 following the introduction of "expectations" for partners of beneficiaries, which implies that both partners are now expected to participate in ALMPs on the basis of the income support payment to one partner. This line was recently moved from Category 2 to Category 8, which improves the time-series consistency of both these categories, but at the cost of reducing cross-country comparability of the data.

Category 2 programme descriptions suggest that training expenditure has from 2010 onwards been increasingly focused on youth. Expenditure on youth programmes has increased, and programmes with general targeting have been replaced by programmes targeted on youth.

Youth Guarantee was the largest training programme in 2014, representing nearly half of total Category 2 expenditure. It provides "targeted assistance with access to fees-free post-compulsory classroom-focused education and training.. to increase the educational achievement of targeted 16 - 19 year olds not currently engaged in education and to improve transitions between school, tertiary education and work. Targeting reflects unemployment or risk of unemployment" (advice from national authorities). However, national sources do not identify targeting on labour market status:

- The main student eligibility requirements are to not be enrolled in a secondary school and be 16 to 19 years of age (www.tec.govt.nz/funding/funding-and-performance/funding/fund-finder/youth-guarantee/eligibility-2016/).
- "Youth Guarantee initiatives are about improving the transition from school to further study, work or training. They provide a wider range of learning opportunities, make better use of the education network, and clarify pathways from school" (http://youthguarantee.net.nz/start-your-journey/).

The *Youth Guarantee*, the longstanding *Gateway* programme (which is described as "superseded by the Youth Guarantee", but still reports some expenditure in 2014), and *Trades Academies*, which are 23 centres across New Zealand attended by high school students part-time (e.g. 1 day a week) (www.education.govt.nz/news/what-do-trades-academies-look-like/) appear to all be secondary-level programmes for youths who have not yet entered the labour market.

EU countries do not seem to be reporting training programmes for this type of target group in the LMP database. Eurostat (2013, para 19) does recognise as a target group: "Inactive – persons currently not part of the labour force (in the sense that they are not employed or unemployed…) but who would like to enter the labour market and are disadvantaged in some way." But Eurostat (2013, para 66) also specifies "Apprenticeship schemes are considered part of the regular offer of education and vocational training open to all young persons, or as general employment policy, and are therefore not considered as LMP measures", which implies that the "inactive" target group is not understood to include participants in the "regular offer of education and vocational training". In New Zealand, the proportion of 15 to 19-year-olds enrolled in vocational education is exceptionally low (OECD, 2016, Education at a Glance, Table C1.3a), so that vocational education here may not be seen as part of "the regular offer of education and vocational training". But LMP data will mean little in international comparison if national expenditure on secondary-level vocational training is reported only for countries where it is exceptionally low. Arguably the database guideline for apprenticeships: "Only measures specifically developed to support the take-up of apprenticeship schemes by LMP target groups should be included in category 2" should be adapted and applied to initial vocational training provision.

The second- and third- largest lines in Category 2 in 2014, *Training for Work* and *Youth Services*, represent vocational and foundation training for jobseekers. *Training for Work* in some cases "matches prospective employees with an employer in an industry suited to their skill set, and it provides them with job specific training and work experience" (www.msd.govt.nz/about-msd-and-our-work/newsroom/stories/community-investment-update/2013/training-for-work-showing-results.html). In one variant, it consists of a course "for people to gain the necessary skills, confidence and experience that will assist them in finding employment with prospects within 13 weeks. The course is ideal for those that are ready for work but just need some assistance to get there." *Youth Services* are targeted on at-risk youth, and "combine institutional training with workplace-based training as appropriate for the individual"(advice from national authorities). The focus of the programme could include "supporting youth to engage in positive community activities; personal development programmes, covering anger management, selfesteem building, taking responsibility; mentoring and/or role modelling and structured activity programmes e.g. holiday programmes" (www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/service-guidelines/youth-services-service-guidelines-2016.pdf).

Smaller programmes in Category 2 in 2014 include *Training in Partnership with Industry*, where the wages of (former) unemployed or at-risk clients are subsidised for an agreed training period and *Work Confidence courses* “aimed at developing job search skills, motivation and confidence”.

Categories 4 to 7

Expenditure in Category 4 is low. The *Job Streams (Flexiwage)* programme involves the placement of the unemployed with a wage subsidy paid for up to 52 weeks, with possible additional funding for induction or in-work training. *Work Bonus* allows benefit payments to continue after the start of work, at a declining rate typically extinguishing after 4 or 5 weeks, in the case of recipients who do not have full-time work obligations (e.g. single parents with a child aged under 3) (www.workandincome.govt.nz/employers/employ-staff/flexi-wage.html, www.workandincome.govt.nz/products/a-z-benefits/work-bonus.html).

Expenditure in Category 5.1 *Supported Employment* is primarily on *Employment placement (formerly Workbridge)* and *Support funds*. Both these programmes promote and support open employment (http://workbridgeincorporated.virtuozzo.co.nz/?page=122). There is also a smaller amount spent on sheltered workshops.

New Zealand’s relatively high expenditure under Category 5.2 *Rehabilitation* consists mainly of the *Vocational activities/Community participation* programme. The 2001 New Zealand Disability Strategy and Pathways to Inclusion reports (MH, 2001; DOL, 2001) promoted this type of expenditure, setting out “some very clear objectives designed to facilitate increased participation in the wider community. Central to this is supporting lifestyle choices, recreation and culture for people with disabilities”. This has involved the deinstitutionalization of disabled clients – rehousing them in the community, after often more than 20 years in an institution – and the provision of community-based support services, with a particular focus on vocational services and business enterprises (see also Grant, 2007; CSRE, 2008).

Expenditure in Category 6 has been very low except for the *Community Max* programme in 2009-10, which provided a subsidy for 30 hours a week at the minimum wage for community groups to hire 16 to 24 year olds whose chances of getting work were limited. Additional funding was provided for project supervisors, which confirms that this was a job creation rather than a hiring subsidy programme (www.beehive.govt.nz/release/community-max-youth-work-communities).

Expenditure in Category 7 was relatively high in the early 2000s, but fell to zero by 2014. This mainly reflects the development of expenditure in the line *Community employment*, i.e. expenditure on social enterprises funded via the Community Employment Group. This was an independent agency “working with communities and groups within communities on enterprise development and job creation” (and as such, not comparable with the *Community participation* delivery model mentioned above). It was closed down in 2005 (OECD, 1999; Maharey, 2004; New Zealand Herald, 2005). Expenditure on the *Enterprise Allowance*, which makes individualized start-up grants to people on a benefit after participation in a course (called “Be Your Own Boss”) and setting up a business plan, was always lower than expenditure on *Community employment*, but this also fell to almost zero in the 2010s.

Category 8

In Category 8, the main expenditure line until 2012 was *Unemployment Benefit*. From 2013, it as replaced by *Jobseeker Support-Work Ready*. This new database line includes former beneficiaries of the Domestic Purposes Benefit and the Widows’ benefit when the youngest child is aged 14 and over, and former beneficiaries of Domestic Purposes Benefit – Women Alone, which was a separate benefit paid to women aged 50 or more “who become alone”. In August 2012, the *Unemployment Benefit* caseload was 57 000 and the combined caseload of the three groups scheduled (except in cases of sickness) to be additionally included in *Jobseeker Support - Work Ready* was 19,300 (Bennett, 2012). In 2013, the first year when the expanded benefit coverage applied, expenditure in Category 8 increased by over 20%, whereas in back-casted data, which include these groups also in the years before work requirements applied, the number of beneficiaries declined by about 10% between 2012 and 2013 (Statistics New Zealand, 2014, Figure 4). As this example illustrates, an activation strategy that involves transferring part of the working-age population from an inactive benefit status to an unemployment benefit may increase "passive" as well as "active" labour market programme expenditure, at least in the short term, although it reduces the total out-of-work benefit caseload (a concept that includes benefits without an activity requirement) and increases total employment.

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A.4 Canada

See Table A.4. (at the end of the annex)

Category 1

Most of the expenditure lines reported in Category 1 seem to be in scope for this category.

One areas of doubt is the line *Human Resources Investment excl. Learning and Homelessness*, which refers to the Human Resources Investment Fund (HRIF) described by Phillips (1995):

> *Another major change in social policy delivery is the creation of the Human Resources Investment Fund which consolidates all of the programs of the Department of Human Resources Development, now funded from general tax revenues, into a unified "fund" similar in concept and perhaps eventually integrated with the UI fund. The stated goal of this restructuring is to provide greater flexibility in how training money is used and to fight child poverty.*

This indicates that in 1995 the HRIF was delivering social investment outside the scope of the Employment Insurance (EI) fund (which, from 1996, replaced the UI fund), although the EI fund includes expenditure on ALMPs, sickness, maternity, parental and compassionate care benefits. HRIF expenditure might therefore also be partly out of scope for the LMP database. It represents over 15% of the Category 1 total in the early 2000s, but less than 10% of the Category 1 total from 2009 onwards.

Two lines for administration costs report sharp changes in expenditure through time. The line *Service Delivery Support* reports the cost of federal administration of labour market programmes in jurisdictions that had not yet taken over this function via a Labour Market Development Agreement (LMDA) (although these jurisdictions were said to have "co-managed" LMDAs). This expenditure was nearly CAD 500m annually in 2002-2004, when some provinces already had a "transfer" LMDA. Expenditure in the line *LMDA Prov./Territorial Administrative Costs (transfer regions only)* at the time was less than CAD 100m, and even after 2009, when all jurisdictions had LMDAs and the line *Service Delivery Support* had fallen to zero, it only briefly exceeded CAD 200m. This expenditure is listed in CEIC (2015, Annex 3.12) and appears to represent transfers to provinces and territories for them to administer employment benefits and support measures on behalf of the Canada EI Commission (see CEIC, 2015, Annex 7). Given the signs that administration expenditure was higher in the past, it seems possible that the regions' actual expenditure on administration now exceeds the federal transfer; the operating budgets of provincial ministries of labour and/or social affairs might be examined to check this.

Category 2

The largest line in Category 2 is *Skills Development (LMDA)*. This expenditure is targeted on EI current and "Reachback" (see below) recipients. It funds tuition fees and part of the total income support payments to participants.

Alberta Works (2005, 2007) identifies EI clients in three income support situations in its Skills Investment (SI) programme, which was the provincial programme funded by *Skills Development (LMDA)*:

i) Individuals currently receiving regular (Part 1) EI benefits may be approved for continued receipt of these benefits during Skills Training. Approval may be on a "Feepayer" basis, where the client pays all tuition costs as well as living expenses (with perhaps a loan, but not a grant).

ii) Individuals currently receiving regular (Part 1) EI benefits may be approved for continued receipt of their EI benefit during Skills Training and, where EI is insufficient, they may be approved for additional income support through the SI programme.

iii) "Reachback" clients who have exhausted regular (Part 1) EI benefits may be approved for income support through the SI programme only.

Under the "Reachback" provision, individuals who established a claim for EI benefits have generally been eligible for "Employment Benefits" up to 36 months after the end of their EI benefit period (ENS, 2016). "Employment Benefits" are the active labour market programmes (targeted on EI current and "Reachback" recipients) that are funded from Employment Insurance, as agreed in LMDAs (e.g. see www.immigrantlegal.ca/employment/faq#22; www.cfdcco.com/services/self-employment-program).

Income support for participants in training funded by *Skills Development (LMDA)* is means-tested: Alberta Works (2007) set out standard monthly budgets by family composition (up to about CAD 2000 per month for a couple with 2 children) and the formula "Financial Need = Allowable Costs – Assessed Resources", where assessed resources include own and partner's cash benefits and their earnings above a disregard of CAD 200 per month.

With the exception of Quebec (Noël, 2011), provinces do not provide additional funding of ALMPs for EI clients, so they must treat the federal LMDA transfer as a budget constraint, for this target group. The principle "a worker who has become unemployed through no fault of their own and needs to enhance their skills in order to return to and maintain sustainable employment may be eligible for assistance" (stated in Alberta Works, 2005, 2007) mainly described criteria used to prioritise claims within this budget constraint – it was not an open-ended commitment by the Alberta government to cover all such cases.

This background suggests that:

i) Current EI recipients may be participants in *Skills Development (LMDA*) based only on federal approval for them to continued receiving EI during training, not necessarily involving a further payment to cover tuition fees.

ii) In cases of need, the Skills Development (LMDA) programme can make a top-up payment for current EI recipients.

iii) In the case of "Reachback" EI recipients, the line Skills Development (LMDA) funds training services and also provides, on a means-tested basis, income support for participants during training.

Some dated information about the "Reachback" share in participant numbers and expenditure is available:

- CEIC (2007) reports that "The share of SD interventions accessed by active claimants decreased slightly to 85.7%, with a corresponding increase in the share of former claimant interventions, compared to the previous reporting period".

- CEIC (2011) comments that "As former claimants can receive living allowances through EI Part II, the average cost per benefit intervention is often significantly higher for these clients. Typically, since former claimants have been unemployed for longer than active claimants have, they access longer benefits interventions" [here EI Part II refers to "Employment Benefits" and "benefit interventions" include training and other active programmes].

The *Skills Development (LMDA)* participant stock has been around 10% of the regular EI benefit participant stock in most years. As suggested by the above quotations, regular EI benefit payments to participants are not included in the reported expenditure on *Skills Development (LMDA),* but CEIC (2015, Annex 3.11) identifies these payments as CAD 382 million in 2013/14 which (if included) would increase reported total *Skills Development (LMDA)* expenditure by 40%.

According to the LMP database methodology, EI benefits paid during approved training should be reported in Category 2. However, if the distinction between "Transfers to individuals" and "Transfers to service providers" were implemented, the funding of tuition fees paid by participants could be seen as "Transfers to service providers", leaving only the residual (EI benefits, plus funding from the province and territory Skills Development budgets, minus the tuition fees) as "Transfers to individuals".

The line *Other and SLMI Grant and Contr. Regions (Consolidated Revenue Fund CRF)* represents federal transfers to provinces and territories for them to provide non-EI clients with services similar to those available for EI clients (McIntosh, 2000). Expenditure was low through most of the period, but with some increase in 2009-2011. From 2008 to 2013, most of the federal funding for training of non-EI clients appears in the *LMA (Labour Market Agreement) (Share allocated to Cat 2)* line.

Under the *Youth Skills Link* line, the June 2015 Applicant Guide for this programme (called "Youth Employment Strategy: Skills Link" in recent years) specified that projects "must include a work experience-type activity (Work Experience, Employability Skills through Work Experience or Employability Skills through Entrepreneurship), meaning that a work experience-type activity may be the sole activity of an intervention, or it must be a part of a combination with other interventions and/or services" (www.canada.ca/en/employment-social-development/services/funding/skills-link/application-guide.html; this information is historical and may no longer apply). The work experience was to be full-time (30 hours per week or more) with typical duration 52 weeks, and ideally supported by workplace coaching/mentoring. Wages were funded at the minimum wage level; overhead costs were not funded when the contribution recipient is an employer placing youth within his own business, but were allowable when a contribution recipient was coordinating work experience activities with other employers. Individual projects could include a large training component, but this was not required. The core activity was therefore of the type Category 6 *Direct Job Creation* when the funding covered a coordinator position and coaching/mentoring, or of the type Category 4 *Employment Incentives* in cases where the funds were used by an employer as a hiring subsidy. Database guidelines (Eurostat, 2013) also allow the allocation of work-based measures to Category 2.2 *Workplace training* except when there is "no identifiable element of formalised training".

Summer Career Placement (called "Youth Employment Strategy: Summer Work Experience" in recent years) provides wage subsidies to employers to create summer employment for secondary and post-secondary students. It includes the Canada Summer Jobs program, which currently funds "not-for-profit organizations, public-sector employers and small businesses with 50 or fewer employees to create summer job opportunities for young people aged 15 to 30 years who are full-time students.." (www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html). It represents consistently less than 10% (in 2009 and 2010, less than 5%) of total expenditure in Category 2. The OECD/EC LMP database generally excludes measures that are targeted on an entire demographic (or other) group that is seen as disadvantaged, or is disadvantaged only in statistical average terms (see the discussion of measures for all older workers in OECD (2018) "Methodological and operational issues encountered in OECD work with LMP data").

Expenditure in the line *Workplace Based training* started shortly after formulation of the Workplace Skills Strategy (WSS) in 2004 and the announcement of funding for it in the 2005 federal budget. According to Gibb and Walker (2013), the WSS consisted of the Workplace Skills Initiative (WSI), the Targeted Initiative for Older Workers (TIOW) "considered part of the WSS" and the Foreign Credential Recognition Programme (FCRP) as a "third initiative of the WSS".

- The WSI “provided funding to projects that tested approaches to workplace skills development and human resource management in Canada, with a focus on small and medium-sized enterprises”. From 2005 to 2011 (when it was terminated) the federal funding of WSI totalled only CAD 37 million (HRSDC, 2012).

- The TIOW “was introduced in 2006 to help unemployed older workers in small, vulnerable communities through activities aimed at reintegrating them into employment or to increase their employability”. Total funding allocated for it from 2007-8 to 2011-12 was CAD 180 million (ESDC, 2014).

- The main objectives of the FCRP are to develop and strengthen Canada’s foreign credential recognition capacity; and to contribute to improving labour market integration outcomes of foreign-trained individuals in targeted occupations and sectors. The funding allocation over 5 years (2004-5 to 2008-9) including the creation of a Foreign Credential Recognition Office (FCRO) was CAD 73 million, and the 2009 Budget announced CAD 50 million over two years to develop a pan-Canadian framework (HRDSC, 2010).

WSI, TIOW and FCRP/FCRO expenditures combined appear to fall short of expenditure reported in the line *Workplace Based training*, which has been about CAD 100 million per year since 2009. Possibly the latter includes some other small programmes. Possibly some provincial funding of TIOW has been included. Wood and Klassen (2013) state that provincial matching funds are required under TIOW agreements, but this seems to have been fairly limited: in Alberta’s 2010 TIOW Agreement, Canada agreed to make a contribution equal to the lesser of a) 84% of the eligible project expenditures and b) $8,457,984, so the provincial contribution could be just 16% (advice from Donna Wood). A further issue is that these components are not a close fit for Category 2. The largest measure, TIOW, may be in scope for Category 6 *Direct job creation*. WSI training may have been out of scope for the LMP database because its participants were already employed. FCRP/FCRO may - viewing migrants with unrecognised credentials as disadvantaged group - be seen as a placement service, in scope for Category 1 of the database.

Labour Market Agreements (LMAs) between Canada and its regional governments provided a federal transfer of CAD 500 million annually for six years (2008/09 to 2013/14) “to support skills development for unemployed individuals who are not eligible for EI benefits and employed individuals who are low-skilled”. In Canada’s LMP data, Category 1 and Category 2 subcomponents of the LMA expenditure are reported and these sum to slightly less than CAD 500 million on average over the six years, suggesting that a small proportion of the federal transfer was treated as being out of scope. The data also show some shifts between years in the timing of the expenditure, and perhaps include additional LMA funding in recession years.

In 2014/15 the Canada Job Fund (CJF) replaced the former Labour Market Agreements (LMAs), with total federal funding continuing at CAD 500 million annually. Canada Job Fund Agreements (CJFAs, signed in 2014, accessible at www.canada.ca/en/employment-social-development/programs/training-agreements/cjf.html), specify that federal funding is provided for the implementation of Employment Services and Supports (ESS) and Employer-Sponsored Training (EST) delivered by the province or a third party on its behalf, and for the Canada Job Grant (CJG), which is described as federal-provincial. The 2014-15 data for CJF expenditure in Category 1 should correspond with ESS expenditure. while the CJF expenditure in Category 2 corresponds to EST expenditure, and the 7% of the CAD 500 million that is not included represents expenditure on the CJG strictly defined (training that mainly upskills employed workers).

The British Columbia Job Fund Annual Report 2017 reports that its EST programme, also known as Project-Based Training, is “open to all British Columbians who were either unemployed, non-EI eligible, or employed and low-skilled. The program began in September 2015… Employers participate in the program in various capacities such as assisting in the delivery of training, providing equipment and other work supports, interviewing program participants, and eventually hiring those suitable for their workplaces”. Employer-Sponsored Training (EST) as recognised in the CJFAs must refer to a broad range of training programmes, and more definitions, descriptions and documentation would be needed to assess how far it achieves similar employer participation in the delivery of training to disadvantaged workers. MAESD (2014) describes eligibility criteria for CJF training in Ontario, and WorkBC (2016) describes eligibility criteria in British Columbia. These descriptions suggest that the CJF may often train employed workers, to maintain employment, increase job-related skills or find a better job.

The CJFAs specify that each province will by 2017/18 make an investment in the CJG equivalent to at least 60% of federal funding under the Agreements, and will use no more than 60% of the federal funding for ESS. These requirements may have driven an expansion of the CJG, or in some provinces, squeezed expenditure on ESS. At the same time, CJG training and other forms of EST are not always clearly distinguished (e.g. Wood and Klassen, 2017, describe the “Canada Job Grant (CJG) or employer-driven training” combined as a programme in the CJFAs). A further complication is that the CJFAs allow the required provincial investment in the CJG to be funded by transfers from other federal funding under the LMDAs, and from the federal transfers under the CJFAs themselves, not only from the province’s own funds. Even if these factors have not much affected the 2014/15 data, they could complicate the reporting and interpretation of subsequent data.

Categories 4 to 7

In Category 4, the line *Targeted Wage Subsidies (LMDA)* represents federal funding for provincial and territorial wage subsidy programmes, but these have a variety of designs and programme names. The JobsNL programme in Newfoundland and Labrador is clearly a hiring subsidy: it “is not limited to but will give priority to Income Support clients, persons with disabilities, recent post-secondary graduates and other client groups that may be identified by the department” and “provides a 50% subsidy to a maximum of $8/hour towards the hourly wage, in combination with a flexible duration of 10 - 26 weeks” (www.aesl.gov.nl.ca/empservices/jobsnl_wage_subsidy.pdf). British Columbia by contrast limits the wage subsidy to the period of training for the new position: “Expectations when hiring for a Wage Subsidy Program: You should be committed to training the employee for the position; The duration and rate of the wage will be directly related to the amount of training required for the employee to obtain the skills necessary to be successful in the position” (www.employmentconnections.bc.ca/wage-subsidy-program-for-employers/). If the training is formalised (not only training “on the job”), the British Columbia TWS programme could, according to LMP database guidelines, be reported in Category 2 rather than Category 4. But training content is not a federal condition for this category of federal funding, and the programme is implemented through a wage subsidy, which argues for reporting in Category 4.

In Category 5, most of the expenditure is reported in the line *Labour Market Agreements for Persons with Disabilities (LMAPD)*. “To improve the employment situation for Canadians with disabilities, the Government of Canada provides $222 million each year through Labour Market Agreements for Persons with Disabilities (LMAPDs) with provinces and territories. This funding supports programs and services that are designed and delivered by provinces and territories up to a maximum amount specified in each bilateral agreement. This amount is then matched by each jurisdiction” (www.esdc.gc.ca/en/training_agreements/lma_disabilities/index.page). Two issues for this database line are:

- The activities listed by ESDC do not actually include supported employment or rehabilitation, falling rather into database Categories 1, 2, 4 and 7. According to LMP database methodology, Category 5 should include expenditure on supported employment and rehabilitation as “a type of action”, not expenditure on people with disabilities as a target group. Many countries are unable to cross-classify LMP participants (and the related expenditure) by type of action of the intervention (such as training) and personal characteristics (such as disability); several OECD countries appear to be reporting, in Category 5, expenditure on people with disabilities rather than on the supported employment and rehabilitation “type of action”.

- Reported 2014 expenditure in this line is CAD 222m, which indicates that the matching funding by the provinces and territories is not included.

Most of the expenditure reported in Category 6 is in the line *Labour Market Partnership*. This programme “Funds employers and employer/employee associations to build capacity, so that they can effectively respond to the changing labour market” or “facilitates the collaboration of employers, employee and employer associations, community groups, and communities to develop solutions to labour force imbalances”. It fosters research into labour market issues, human resource planning, labour market information and training, but does not directly fund training for the unemployed (CEIC, 2015; MAESD, 2016; WorkBC, 2015). At the same time, in British Columbia and Nova Scotia, guidelines state that this programme cannot fund employee training costs except for employer-sponsored training of employees facing a loss of employment (WorkBC, 2015; LAE/ENS, 2011). By contrast, in Alberta the projects funded must not include any direct service delivery to individual clients (www.humanservices.alberta.ca/AWonline/ETS/4330.html). It is not obvious why *Labour Market Partnership* is reported in Category 6: except for limited direct funding of training, it seems more like outsourcing (to employer/employee associations) of Category 1 types of action.

Category 6 also includes the line *Job Creation Partnership*. Programmes with this name are listed by British Columbia (www.workbc.ca/Employment-Services/Community-and-Employer-Partnerships/Job-Creation-Partnerships.aspx) and Ontario (www.tcu.gov.on.ca/eng/employers/jobCreation.html). In this case, the programmes descriptions are a close fit to the LMP database definition of Category 6.

In Category 7, the line *Self-employment assistance* (although the name does not mention this) represents “Employment Benefit” funding under LMDAs (see CEIC, 2015, Annex 3). Most provinces and territories seem to offer self-employment programmes providing training, project evaluation and income support during a start-up phase. In 2005 it was claimed that Ontario’s Self-Employment Benefits (SEB) programme was unique in terms of its subcontracting structure, and particularly successful: “This three level partnership is not only administratively efficient, it ensures accountability at all levels and has also produced among the best SEB Program results in the country” (SEDI, 2005), yet in 2016 it was abolished on the grounds that “the reality is just over half of people enrolled in the program actually completed it, and we have a responsibility to allocate taxpayer dollars in a responsible way." (CBC, 2016).

As this example illustrates, within the LMDA framework and funding envelope, the regions are able to design their own programmes and switch funding between different types of Employment Benefits and Support Measures (EBSMs). At the same time, the target group for EBSMs, except for the employment assistance services which are for all Canadians, is defined as current and former EI recipients. Provinces therefore could not easily use the federal funds to finance their general social services for low-income families, the way that American states now use federal TANF Block Grant and state Maintenance of Effort funds to finance a fungible range of labour market, social and education programmes (Lower-Basch, 2016).

Category 8

In Category 8, expenditure on *EI regular benefits* increased more than 70% from 2007 to 2009 (fiscal years). Potential benefit durations in Canada are linked to the regional unemployment rate, so that benefit expenditure increases more than proportionally with the level of unemployment, and a further 5-week (temporary) extension was announced in January 2009.

Expenditure on *Work Sharing* increased sharply in 2009, but it was still only 2% of the Category 8 total. *Work-Sharing* claims reached 0.8% of total employment in 2009, but this refers to new claims which had an average duration of 36 weeks (so claims active at a given point in time were less than 0.8% of total employment), and active claims had a relatively low rate of actual work reduction (26%) (ESDC, 2016).

No expenditure on social assistance is reported in Category 8. However, approximately half of all unemployment benefit recipients in Canada – defining these as recipients of benefits subject to an availability-for-work requirement - are on social assistance rather than EI. The average stock of social assistance cases (not recipients, a number that includes dependants and children in the same household), summed across provinces, excluding the cases identified as disability and handicapped (or excluding half the cases, in provinces where disabled and handicapped are not separately identified) has been steady in the range of 550 000 to 650 000 from 2002/3 to 2013/14 (Caledon Institute, 2015). The provincial caseload statistics are not consistently defined (it is mentioned that some jurisdictions and not others include in their statistics households that receive partial benefit or top-up social assistance benefits), but subject to this caveat the caseload total was below annual average stock of EI recipients in 2009 to 2011 and above it in 2012 to 2014. Total social assistance expenditure was about CAD 12 billion in 2010 and 2011 (www.statcan.gc.ca/pub/11-626-x/11-626-x2015051-eng.htm). About half of this social assistance expenditure functions like an unemployment assistance benefit: including this would increase total Category 8 expenditure by about 50%.

Regional ALMP expenditure

Little information is available about the provinces' own funding of ALMPs. Wood and Klassen (2013) report an earlier estimate that in 2010 the federal contribution covered 50% of employment programming costs in Alberta, but 85% in New Brunswick. Annual federal expenditure on employment programmes, as reported in the LMP data, totals about CAD 4.5 billion in recent years: if separate provincial funding averages 25% of the total, it will be about CAD 1.5 billion. Two relatively large items of separate provincial funding are:

- In 2008-09, Emploi-Québec spent about CAD 950m on active labour market measures, with nearly CAD 600m of funding from the federal government and the remainder from Quebec. This implies that provincial separate expenditure by Quebec was CAD 350m. Quebec was probably relatively high-spending province, being the only province using its own funds to help EI-eligible (as well as EI non-eligible) clients (Noël, 2011). If all the other provinces together spend twice as much as Quebec, the total would be close to CAD 1 billion.

- Under *Labour Market Agreements for Persons with Disabilities (LMAPD)* the federal funding is conditional on provincial matching of federal funds. In 2014-15, Ontario spent CAD 214 million whereas its share of the federal funding was CAD 76m (www.mcss.gov.on.ca/en/mcss/publications/about/lmapd201415) and British Columbia spent CAD 71m whereas its share of the federal funding was CAD 31m (www.sdsi.gov.bc.ca – ministry reports). Allowing that disability employment spending reported by provinces may not be entirely in LMP database scope, their in-scope expenditure might plausibly be twice the federal contribution of CAD 222m. TIOW agreements also required provincial cost-sharing but this was a relatively small programme, with a low provincial contribution rate.

The considerations suggest that total provincial separate funding, in scope for the LMP database but not actually included, is around CAD 1-1.5 billion, but given the uncertainties it could still be outside this range.

The LMP data for Canada include, from 2008 to 2013, federal funding of active measures for non-EI clients through Labour Market Agreements, e.g. in the line *LMA (share allocated to Cat 2)*. Starting 2014, the CAD 500m annual funding for LMAs was transferred to the Canada Job Fund, where some of the expenditure (at least the Canada Job Grant component, although the coverage of this concept seems to vary) is not tightly targeted on disadvantaged groups. Provinces may have to fill a funding gap partly because a certain level of active expenditure on the disadvantaged groups is needed to minimise social assistance costs.

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A.5 United States

See Table A.5 (at the end of the annex)

References in this country fiche are to fiscal years (FY), which in the United States run from 1 October to 30 September of the following year and are dated by the end year, e.g. the LMP data year 2009/10, which runs from 1 October 2009 to 30 September 2010, is FY 2010. The potential duration of unemployment benefits (Unemployment Insurance, Emergency Unemployment Compensation and Extended Benefits combined) was increased in July 2008 and first reached a maximum of 99 weeks in November 2009, so that the impact of these extensions started in FY 2008 and was greatest in FY 2010. Expenditure under the American Recovery and Reinvestment Act (ARRA) of February 2009 started less than half way through FY 2009, and in the LMP data, Recovery Act expenditure is mainly reported in FY 2009, although in the line *Recovery Act - Green Job training* the expenditure started relatively late, and is allocated to FY 2010.

Category 1

Category 1.1 includes several lines for federal government expenditure on Employment Services (ES). *Employment services – grants to states* represents funding under the Wagner-Peyser Act of 1933, which was around USD 750m continuously from FY 1985 to FY 2008 and then declined slightly through to FY 2015.

Wagner-Peyser services are funded by the Federal Unemployment Tax Act's (FUTA) levy, which was last increased, under permanent legislation, to reach 0.6% of the first $7 000 of UI covered employment in 1983. In addition, a temporary 0.2% surtax began in 1977 and was continually reauthorized (nine times) until finally lapsing at the end of June 2011 (Whittaker, 2016). Eighty percent of FUTA tax revenues flow into the Employment Service Administrative Account (ESAA) to cover the costs of administering the ES and UI programs in all states; the remainder flow into the Extended Unemployment Compensation Account. The contribution ceiling approximately fixes the value (per person employed) of the 0.6% levy in nominal terms. Although total ESAA revenues have increased in nominal terms, the increases have been allocated to benefit administration rather than Employment Services. Starting in the 1980s: "As funding in inflation-adjusted dollars to the ES declined, so did the delivery of key staff-assisted job-finding and placement services" (O'Leary and Eberts, 2008): after FY 2011, when the surtax expired, expenditure in the Table A.5 line *Employment Services – Grant to States* fell also in nominal dollars.

O'Leary and Eberts (2008) mention state funding of Employment Services. A survey covering most states reports total state supplemental funding for employment services in the range of USD 150m to USD 200m (slightly lower in FY 2010 and FY 2012 perhaps due to increased federal funding) in most years from FY 2003 - FY2015. The state supplemental funding, which is over 20% of the federal grants, is not included in the data line *Employment Services – Grants to State.*

The line *American Job Centers* represents separate funding of One-Stop Centers by the Department of Labor's Employment and Training Administration (e.g. see: www.acf.hhs.gov/sites/default/files/orr/one_stop_career_center_american_job_centers_overview_dol_82013.doc). Under the Workforce Investment Act (WIA) of 1998, Employment Service (ES) offices with Wagner-Peyser funding could not exist outside of the One-Stop delivery system (Bradley, 2013), but an ES office only had to be physically co-located with other services in one "comprehensive" One-Stop office per WIA area (O'Leary and Eberts, 2008). The Workforce Innovation and Opportunity Act (WIOA) of 2014 "eliminates stand-alone Wagner-Peyser Employment Service offices. These services will now be provided alongside partner programs within one-stop centers." (DOLETA, 2014).

The line *Recovery Act Grants*, with USD 400m expenditure in FY 2009, consists of an allocation of USD 248m for Reemployment Services aimed at UI beneficiaries and USD 148m for unrestricted employment services under the Wagner-Peyser Act (Barnow, 2013).

Veterans employment and training is the next-largest component of Category 1.1. As detailed in DOL (2016), the Veterans Employment and Training Service (VETS):

> helps veterans and transitioning service members obtain positive employment outcomes through the Jobs for Veterans State Grants (JVSG) program provided at American Job Centers and the Transition Assistance Program (TAP) DOL Employment Workshop at military installations. JVSG grants are provided to State Workforce Agencies (SWA) to support staff dedicated to serving veterans, especially those who require special assistance due to disabilities or other significant barriers to employment.

A call for tender (www.dol.gov/vets/programs/vwip/2012%20VWIP/FY12%20VWIP%20SGA-12-02%20inal%2005-2-12%201144hrs%20signed.pdf) specifies that "For this PY 2012 grant solicitation, VETS seeks applicants that will provide services through a case management and mentoring approach and who can demonstrate their ability to collaborate effectively with complementary Federal, state, and local resources and programs". It gives as examples of training "established pre-apprenticeship or apprenticeship training programs, formal on-the job-training (OJT) agreements with specific employers, enrollment in community college or vocational training schools, and/or the incorporation of other formal or voucher-based training programs". As VETS promotes access to existing training resources, rather than directly funding training services, the Category 1.1 classification is appropriate.

The line *Ex-offender activities* approximately matches the line Reintegration of Ex-Offenders in the DOL FY 2015 Budget in Brief. Wiegand et al. (2015) describe the target group and the services delivered for it.

Category 1.1 total expenditure is extraordinarily low in international comparison, but it appears to be significantly understated because programmes in reported in Categories 2 to 7, although they include training or work activities, to large extent fund actions of type Category 1.1 *Placement services* (along with some general administration of Category 2 to 7 measures, which is also reportable in Category 1). As documented below:

- In Category 2:
  - Up to 80% of the expenditure on *Adult employment and training* and *Employment training dislocated workers* represents WIA core services (walk-in services, unassisted job search and labour market information) and intensive services (aptitude testing, career counselling, and short training e.g. in communication and interviewing skills), which in principle should be reported in Category 1.1.
  - Most of the expenditure on *Trade Adjustment Assistance* could similarly be reported in Category 1.1.
  - In the line *Youth Activities*, case management is listed as one of two key components (DOLETA, 2012), so possibly half of this expenditure could be reported in Category 1.1.
- In Category 5.2, much of the expenditure in the line *Vocational rehabilitation for veterans* delivers employment services.
- In Category 6, *Food Stamp Employment and Training* was in principle focused on work experience measures in the late 1990s, but it is not clear that this became the largest component

of the expenditure, and in the 2010s it has funded actions ranging across Categories 1 to 7, varying considerably through time and across states.

- The "mixed" measure *TANF Work Activities* funds actions across Categories 1 to 7, but probably at least half the expenditure is the area of Category 1.1.

In the United States, much of the expenditure reported in Categories 2 to 7 lines for "workforce investment", "trade adjustment assistance", "youth activities", and "TANF Work Activities", etc. is funded through specific pieces of federal legislation. At the same time, according to the LMP data guidelines, measures such as training, subsidised employment and job creation are only reportable in Categories 2 to 7 if they involve near full-time activity, which often involves providing income support for participants. The funds available could only support participation in a near full-time activity by a small proportion of the target group, so employment services often represent the most equitable and efficient use of the funding. In most other OECD countries, the labour ministry and/or a national PES administration manages placement services, and the funds allocated for measures such as training or job creation represent the cost of the full-time activities involved (such as training instructors and premises, or work experience project organisation and supervision), not including the client assessment and referral function which is handled by the PES.

The reallocation towards Category 1.1 of expenditure that is currently reported in Categories 2 to 7 would be appropriate, and this could approximately quadruple or quintuple reported Category 1.1 total expenditure in recent years.

The line *State UI Administration* is likely to include elements described by Hobbie (2014):

- "base funding" (USD 2.0 billion to USD 2.5 billion in years 2000 to 2013)
- additional "above base" funding (allocated according to estimated workload)
- "contingency funding" (USD 28.6 million for each 100 000 additional average weekly insured unemployment above estimate)
- Supplemental Budget Requests (SBRs).

Flachsbarth (2016), including also an Emergency Unemployment Compensation (EUC) component, reports expenditure totals for UI administration of USD 4.1 billion in FY 2010 and USD 3.0 billion in FY 2014. The OECD LMP data line *State UI Administration* reports somewhat higher totals, USD 4.9 billion in FY 2010 and USD 3.55 billion in FY 2014. Whittaker and Isaacs (2016) report higher totals again, USD 5.5 billion in FY 2010 and USD 4.2 billion in FY 2014. To further interpret the OECD data line more research would be needed, since the sources cited do not document in detail the factors that are likely to account for these discrepancies, e.g. the inclusion/exclusion of different components, or the reporting of budget allocations vs. outturn expenditures. The totals cited by Whittaker and Isaacs (2016) relate to "Federal Accounts" and therefore probably do not include state supplemental funding of UI administrative costs, which as reported by NASWA (2016) climbed to near USD 0.4 billion in FY 2015.

The line *UI benefit modernization*, with nonzero expenditure only in FY 2010, FY 2011 and FY 2012, probably corresponds to the concepts of “ARRA Funding – 2009 Modernization Incentive” and “ARRA Funding – 2009 Special distribution” seen in GAO (2012). The concept of UI benefit modernization can refer to expenditure on the modernization of IT systems (as in GAO, 2012). It can also refer to reforms that qualified states for the Unemployment Insurance Modernization Incentives within ARRA. USD 7 billion was available to states that implemented certain policy reforms (easier UI contribution conditions; easier benefit eligibility for part-time workers and workers who quit a job; benefit supplements for workers with care responsibilities and for participants in training), and USD 4.4 billion was finally paid to states which implemented at least one of these reforms. The legislation specified that these incentive payments should be used to pay unemployment benefits to individuals and, under certain circumstances, pay administrative costs of the UI and ES programs (Mastri et al., 2016), which implies that only part of the USD 4.4 billion is reportable in Category 1. GAO (2012) mentions that “Seven out of nine states in our study have also used non-federal sources of funding for UI modernization”, and the non-federal funding is probably not included in the data.

Category 2

Expenditure in the Category 2 line *Trade adjustment assistance* (TAA) for FY 2003- FY 2011 matches the column “Reemployment service obligations” in Collins (2012), Table 4.

However, for FY 2009 Collins reports a huge discrepancy between TAA “Reemployment service obligations” (the budget allocated, USD 685m) and “Reemployment service outlays” (actual expenditure, USD 289m). In FY 2010 actual expenditure increased to USD 495m, still far below the figure for “obligations”. The peak in active (Category 1 to 7) expenditure as reported in the OECD LMP data occurred in FY 2009, but for several lines (notably the “Recovery Act” lines) probably much of the actual expenditure was in FY 2010 or beyond. LMP database guidelines (Eurostat, 2013) call for the reporting of actual expenditure (para 145, “in the case of a two year training course the expenditure should be split appropriately between each of the years in which participants benefited from the training services and not at the time the services are paid for, which could be a one-off payment”; para 174, “If budget figures are used then the relevant figures should also be flagged as estimated”).

Collins (2012) explains that the “Reemployment service” data include all reemployment services, not only training. Some of the expenditure is on case management, employment services and reimbursement of job-search and relocation expenses, which should be reported in Category 1. At the same time, Trade Readjustment Allowance (TRA) income support payments, which are only paid to workers in approved training, should according to LMP database guidelines be reported in Category 2 (along with the UI benefits paid to these training participants). In practice, TRA payments are reported in Category 8 in a line that is also called *Trade adjustment assistance*.

Expenditure in the line *Job Corps* approximately matches annual appropriations listed in DOLETA (2016), which explains that this programme delivers further education and career training in a group setting at 125 centres across the United States, both residential and non-residential, aiming to ensure that young people leave *Job Corps* prepared for jobs in high-demand occupations with good wage potential. The reported expenditure will include students’ housing costs and income support (living allowance).

Expenditure in the lines *Youth Activities; Natives, migrants and seasonal farm workers; Adult employment and training - JTPA II A; Employment training for dislocated workers - JTPA III; and Youth Build* approximately matches expenditure lines in The Department of Labor’s Budget in Brief 2015 (DOL, 2015), table “Summary of Discretionary Funds, Fiscal Years 2006-2015”.

The names of the lines *Youth Activities*, *Adult employment and training*, and *Employment training for dislocated workers*, which represent expenditure under the WIA of 1998, suggest that their employment service component is significant, and in practice this component appears to represent most of the expenditure. California Senate Office of Research (2011) reports that Local Workforce Investment Boards in California in 2008 spent only 20% of their Adult funds and 19% of their Dislocated Worker funds on training, while spending several times as much on One-Stop Employment Services. This is representative of the national situation, as described by Wandner (2015):

> *WIA and Wagner-Peyser Act funds are frequently the sole support of the over 2,500 state workforce offices that provide public labor exchange and other reemployment services, as well as offer training referrals to workers all around the United States. The vast majority of funds from these two streams are used to provide reemployment services and to maintain local workforce offices… A study for USDOL estimated that only between 18 and 27 percent of departmental workforce funds were expended on training in 2002 (Mikelson and Nightingale, 2005). Of the $6.5 billion appropriated to "training programs" in that year, only between $1.1 and $1.7 billion was actually expended on training… One LWIB in Montgomery County, Maryland, is an example. Since the great majority of expenditures are made to provide basic employment services and run the office, training in Montgomery County—and in other local workforce offices around the nation—has to be limited to what funds remain after paying for the basic expenses. Similar to the national average results seen above, available training funds were expected to be less than 20 percent of the total budget.*

By Wandner's account, although the LMP database reports USD 6.3 billion expenditure on training in 2002, within this total the expenditure on training (not including employment services) would be only about USD 1.5 billion. However, expenditure on Job Corps – which does mainly represent training, not employment services - alone is about USD 1.5 billion. Even after an appropriate reallocation to Category 1 of expenditure that is currently reported in Category 2, much more than USD 1.5 billion will remain in Category 2. McCutcheon and Mastri (2015) confirm, for a sample of 28 local workforce investment areas in 2011 or 2012, that approximately 20% of WIA "formula funds" are spent on training, and mention that "…the three local areas that spent the lowest proportion of their allocation on training had access to other sources of training funds, such as National Emergency Grants, state- or city-specific training funds, technical college grants for target populations, and/or state lottery funds." National Emergency Grants are a component of the total reported in the database line *Employment training for dislocated workers - JTPA III*: the budget request for WIA Dislocated Worker activities in FY 2015 included USD 1 002m for formula funds and USD 221m for National Reserve funds, which fund "National Emergency Grants (NEGs) to meet unanticipated increases in demand for employment and training services resulting from mass layoffs, natural disasters, or other situations" (DOL, 2015). The share of WIA Dislocated Worker funds spent on training might be 30% including the National Emergency Grants component.

When WIA *Adult employment and training* and WIA *Employment training dislocated workers* do deliver training, it appears to be nearly all in scope for the LMP database:

- Participants in WIA Adult training are not necessarily registered with the state Employment Service, but they must have received at least one WIA "intensive service", which implies that they are registered with the local Workforce Investment Board (WIB). Also "unless the local board determines that funds are not limited in the local area, priority for intensive and training services must be given to recipients of public assistance and other low-income individuals"(Michigan Workforce Development Agency, 2014). "Low income" status can also be determined based on the receipt of Food Stamps, homelessness, or a caseworker determination of family composition and size and actual total income over the previous six months (relative to official poverty guidelines) (Florida DEO, 2013).
- A significant proportion of participants in WIA training are "employed at participation" (31% of Adult participants in programme year 2014: SPRA, 2016, Table II-13). However in most cases

the objective of training must be to "provide them with self-sufficiency", which seems to usually imply a change of a job. States may apply for a waiver allowing them to use WIA funds to train incumbent workers, but Florida's "customized training" seems to be the largest incumbent worker training programme, and Florida's waiver allows incumbent worker training "as part of a lay-off aversion strategy" (SPRA, 2016, Table II-26; Florida DEO, 2013). In this case, the training delivered to incumbent workers remains in scope for the LMP database.

WIA training generally provides participants with financial assistance for tuition, supplies and a daily stipend for child care and travel expenses, but not regular income support (e.g. see: Labor Idaho, 2011). However, in PY 2014 data (SPRA, 2016), 19.2% of Adult Exiters from training were UI claimants and 34.4% were recipients of public assistance (mainly SNAP and SSI). Some clues to the volume of income support payments to participants in WIA training, which according LMP database guidelines should be reported in Category 2, are:

- In PY 2014 the average stock of WIA Adult trainees was about 60 000 (this is an estimate, based on the annual flow of exits and average weeks of training) and the annual cost of income support for half of these trainees at around USD 300 per week (a typical UI benefit level) would be USD 466m, which is about 50% of the amount of direct expenditure reported in the line *Adult training.*
- The WIASRD data suggest that about 40% of participants in WIA training have no other publicly-funded support during the training. WIA participants frequently take out loans, and then they may not find work related to the training, and default on the loan repayments (Williams, 2014).

A further 9% of participants in WIA Adult training were Pell Grant recipients. Pell Grants are means-tested and support a range of education and training participation only part of which may be interpreted as "job training". In the early 2000s, the modal value of a WIA individual training account (ITA) grant was USD 5000 (Eberts, 2010). Pell Grants are capped at around USD 5000 per year, and they average slightly less than this, because they are "designed with the needs of young people from low-income families in mind" and are not expected to replace income from work (Baum et al., 2013). A WIA grant and Pell Grant combined could cover tuition costs and leave some amount to act as partial income support in the case of less-expensive courses. However, only a small fraction of the Pell Grant expenditure that could be treated as labour market training is combined with a WIA grant (see below).

The *migrants and seasonal farm workers* (MSFW) program also primarily provides employment and training (with some amount, probably small, also for help with transport and housing). This too may have a large Category 1.1 component.

In the *Youth Build* program, youths aged 16-24 learn construction skills while constructing or rehabilitating affordable housing for low-income or homeless families in their own neighbourhoods. Youth split their time between the construction site and the classroom (www.doleta.gov/youth_services/youthbuild.cfm).

Nightingale et al. (2008) describe the *High Growth Job Training Initiative* (HGJTI):

> Between 2001 and 2006, more than 150 grants were awarded to establish demand-driven job training and related projects designed to meet employer-defined workforce challenges… Nearly all grantees leveraged the national funds with other funds and in-kind resources from businesses or other partners… All grantees report using the grant funds to operate some form of job training, the most common types of which are apprenticeships (31 percent of grantees) and internships (16 percent of grantees)… Grantees target their activities to one or more particular populations, the most common of which are youth (36 percent of grantees), incumbent workers (35 percent of grantees), dislocated workers (23 percent of grantees), and entry-level workers (22 percent of grantees).

Although a high percentage of grantees cited disadvantaged groups as targets, the projects described in Nightingale et al. (2008) mainly reported training of incumbent workers with in some cases also a small percentage of new workers. Linked to the focus on high-growth industries, the skill and earnings profile of the workers seems average or better. Therefore most of this expenditure might represent training for already-employed workers or non-disadvantaged workers, which are out of scope for the LMP database.

Recent references to the HGJTI are infrequent (one listing mentions only the long-term care sector). Expenditure in this line may include H-1B Technical Skills Training Grants (awarded 2011 and 2012), which are described by Hollenbeck (2014) but not separately listed in the LMP database.

Workforce Innovation and Regional Economic Development (WIRED), like the HGJTI seems to have been implemented mainly in 2006 and 2007, with some projects extending into 2010, and with only occasional references to it since then.

The line *Vocational education* according to database notes represents 75% of career and technical education (CTE) grants to states and localities to expand and improve their programs and promote equal opportunity for historically underserved populations. Federal funding of CTE in FY 2014 totalled USD 1.12 billion (DOE, 2014) across about 3 million secondary and 8 million postsecondary and adult subbaccalaureate students (ACT, 2016; DOE, 2014). Dortsch (2012) cites total enrolments closer to 12 million in program years 2002 to 2009. Another source (AYPF, 2008) reports that the Carl D. Perkins Career and Technical Education Improvement Act of 2006 provided almost $1.3 billion annually to career and technical education programs until 2016. Federal funding therefore averages about USD 100 per CTE student per year. In 2004 it was estimated that 5% of CTE expenditures were federal funds (Dortsch, 2012).

Kuczera and Field (2013) estimate total funding for postsecondary CTE in 2007-08 as USD 67.9 billion, which includes USD 30.8 billion in Federal student aid and state and institutional grants to students, USD 14.3 billion in State and local appropriations to public 2-year institutions, and federal funding of USD 0.5 billion of funding through Trade Adjustment Assistance, USD 0.5 billion through WIA and USD 0.4 billion through the Perkins Act.

States distribute 63% of Perkins Act funds on average to secondary rather than postsecondary education providers (Dortsch, 2012), so the USD 0.4 billion estimate is consistent with figures over USD 1 billion for the total Perkins Act allocation. Although some of the Perkins Act funds can be spent on state “leadership activities” and administration, most of the funds are distributed at local education area (LEA) level according to two formulae:

- For secondary-level providers, based 30% on the total population in their local educational area (relative to the population in all LEAs) and70% on the population living below the poverty level in LEA (relative to population below poverty level in all LEAs).
- For postsecondary-level providers, proportional to the number of federal Pell Grant recipients enrolled in each provider’s CTE programmes.

The Perkins Act funding for secondary level providers is out of the usual scope of the LMP database, because secondary-level participants have not yet entered the labour market, and because (except in Category 1) it targets a group that is considered disadvantaged rather than identifiable individuals. Against this background, it seems that at most 37% (the postsecondary share) rather than 75% of Perkins Act expenditure is in scope for the LMP database. And it could be less, because not all of the postsecondary CTE is in scope.

The formula for postsecondary providers implies that a postsecondary CTE student with a Pell Grant brings additional Perkins Act funding to their provider. So the Perkins Act funding of attached to a participant will be in scope for the LMP database if the Pell Grant funding itself is in scope.

The reported data do not include *Pell Grants*. For CTE participants, the main criteria for Pell Grant funding are to have a high school diploma (or equivalent), to enrol in a career certificate programme and to demonstrate financial need. Financial need is assessed primarily on the basis of the student's federal (Inland Revenue Service) income tax transcript for the prior year (or two years earlier). Students aged less than 25 and not married are considered dependent on their parents so that financial need is assessed based also on parental income tax transcripts (https://studentaid.ed.gov/sa/fafsa/filling-out/dependency).

Mikelson and Nightingale (2004) estimate that in 2002, the Pell Grant component of federal spending on job training was about USD 1500m, probably slightly more than federal spending on job training through Department of Labor programmes (although their data do not include Job Corps expenditure on basic education, pre-training or social skills). This suggests that, although a large proportion of the expenditure currently reported in Category 2 delivers employment services which should instead be reported in Category 1, a large amount of Pell Grant expenditure should be added to Category 2.

Baum et al. (2013) report

Although the Pell Grant program was designed with the needs of young people from low-income families in mind, it has grown to serve as the primary source of grant funds for adults seeking to enhance their workforce skills... The Pell program provided about $17 billion to 4.1 million adults over the age of 24 in 2010-11... Among undergraduate students pursuing an associate degree in 2007-08, 39 percent of those over the age of 24 were in an occupational or technical program.

Annual Pell Grant expenditure supporting older adult participants in occupational and technical programmes was therefore around USD 7 billion by FY 2011. The increase as compared with the Mikelson-Nightingale estimate for Pell Grant funding of job training in 2002, approximately USD 1.5 billion, may partly reflect conceptual differences but it seems to be largely a real trend. Total Pell Grant expenditure nearly tripled from USD 13 billion in FY 2002 to USD 37 billion in FY 2011, and within the total an increasing share of recipients are considered to be independent of their parents (Baum et al., 2013).

The general background suggests that it may be reasonable to treat this as in scope for the LMP database (see also Box A1). The inclusion of this fraction of Pell Grant expenditure in the LMP data would increase Category 2 total expenditure in the early 2010s to around 0.08% of GDP, around the level reported by Canada, although still well below the EU-median level of around 0.2% of GDP.

Pell Grant recipients aged 25 and over who were in an occupational or technical programme at some point in the current year (Box A1 suggests that most "targeted career preparation" courses are at least a year in length, but courses delivering 600 "clock hours" over as little as 15 weeks may be federally approved) are likely to total over 1% of the US labour force (39% of the 4.1m adults cited above, in a total labour force of 150m). European countries report Category 2 participation rates mainly in the range of 0.5% to 2.5% of the labour force, but the higher figures tend to arise from programmes with low expenditure ratios (e.g. exemptions from social security contributions for hiring on a training contract). US rates of participation in labour market training, if (older) Pell Grant recipients are included, are not necessarily lower than those reported by European countries.

Categories 4 to 7

In Category 4 the main programme reported is the *Work Opportunity Tax Credit*. Employers can apply for the tax credit when they hire workers from one of eight target groups, including recipients of TANF for 9 months or more and recipients of Food Stamps for 6 months or more, and Supplemental Security Income (a disability benefit) (www.doleta.gov/business/incentives/opptax/eligible.cfm). The tax credit is USD 2400 in most cases (increased to USD 4000 for recipients of TANF for 18-months and up to USD 9600 for disabled veterans). The USD 2400 payment is calculated as 40% of the first USD 6000 paid in wages over a year, and is conditional on the hired person working at least 400 hours in the year. "Conditional Certification" is issued by local job placement and social workers, and sent to the State Department of Labor's WOTC Unit which then gives the employer tax credit certificates to be submitted to the Internal Revenue Service (IRS) (https://dwd.wisconsin.gov/jobservice/taxcredit/wotc.htm).

In Category 5 the line *Vocational Rehabilitation for Veterans* represents nearly a quarter of the category total. The Vocational Rehabilitation and Employment (VR&E) Program of the Department of Veterans Affairs funds a wide range of services for veterans with service-connected disabilities and disability-related employment handicaps. For example the veteran or family members supporting a disabled veteran can receive Education and Career Counseling (see www.benefits.va.gov/VOCREHAB/edu_voc_counseling.asp), Readjustment Counseling (see www.vetcenter.va.gov), and Training. In principle the counselling activities should be reported in Category 1, and the training should be reported in Category 2.

Box A5. **Labour market training and Pell Grants in the United States**

In the United States, contrasting with most other OECD countries, a large proportion of participants in Career and Technical Education (CTE) are aged 25 or more. Nelson (2013) reports that 44% of Pell Grant recipients are aged 25 or more, and DOE (2014, Exhibit 2.14) reports that 55% of those seeking a CTE certificate below a bachelor's degree level are aged 25 or more. Kuczera and Field (2013) explain the background:

..relatively few students in upper secondary education (high school) follow vocational programs targeted on a particular profession or occupation…. Most targeted career preparation therefore takes place at postsecondary level, in programs which would be one or two years in length if they were pursued full-time, but in practice are often undertaken part-time. It includes two-year associate degrees mainly in community colleges, certificates of less than two years also earned in community colleges and in many for-profit training institutions… industry-recognized certifications – typically delivered through an examination organized by an industry or profession, and (in much smaller numbers) apprenticeships… Many high school graduates work for some years – and sometimes enter and leave a number of postsecondary programs. While much postsecondary provision is for adults, and very often those adults are working while studying, the provision is in most cases designed to secure a first job in a given career, rather than to provide upskilling for those already working in the profession.

..the US performs relatively well in reintegrating young people at risk in the labor market... compared to some European countries, fewer young people get completely left behind, or else end up poorly integrated into the youth labor market... The postsecondary and labor market arrangements may therefore have strengths in compensating for weaknesses in basic schooling in the US by international standards. It may also work for those adults who want to or have to retrain in mid-career. But openness to later education and training might also be seen more negatively. The transition from high school to a postsecondary CTE program often takes 10 years or more. So for those who are just "slow" to work through this transition, the opportunity cost is around a decade of lower productivity. This contrasts with countries where extensive apprenticeship systems for those who do not go to university mean that young people aged 17-19 are engaged in increasingly skilled work for progressively increasing wages, and by their early 20s are commonly fully skilled in their target occupation.

In the case of adults aged 25 or more, Pell Grants are targeted on low individual income. Since this age group will usually be in the labour market, low income status will often be an identifier of labour market disadvantage. In this case, Pell Grants arguably support an LMP type of action for an (approximately-identified) LMP target group, so that the corresponding expenditure can be treated as in scope for the LMP database.

The OECD LMP data include VR&E actual expenditure, as reported in Anon (2015) and VA budget submission documents (www.va.gov/budget/products.asp), under the headings of "VR&E Books, Tuition, Supplies, Fees" and "VR&E Subsistence Allowance", where the latter is about 40% of the total. The reported expenditure appears to include the funding of Independent Living Services, which are for veterans who are currently unable to pursue an employment goal and "are limited to those required to improve independence at home and in the community" and cannot last more than 24 months (www.benefits.va.gov/vocrehab/independent_living.asp). This expenditure is out of scope for the LMP database, but it appears to be small. The "discretionary costs" of the VR&E program, "which cover VR&E staff, counseling from such staff, and other expenses" (Anon, 2015), are not included in this line, but they may be included instead in the Category 1 line *Veterans employment and training*.

An LMP database note for the line *Other vocational rehabilitation* explains that the basic State grants program provides federal matching funds to state vocational rehabilitation agencies to assist individuals with physical or mental impairments to become gainfully employed. It is estimated that Federal funds make up approximately 80% of total state expenditures under this program. Anon (2014) specifies that the federal share is 78.7% with the state providing the remaining 21.3%, and reports Funding for Vocational Rehabilitation State Grants from FY 2003 to FY 2015. This funding averages 78.8% of the amounts reported in the LMP database, so the amounts reported in the LMP database clearly to include separate state funding, in this case.

Anon (2014) explains that the Vocational Rehabilitation (VR) state grants program was reauthorized by the Workforce Innovation and Opportunity Act (WIOA) of 2014. WIOA designates the major formula grants authorized by the legislation (including VR state grants) as core programs. All WIOA core programs are aligned and coordinated through a unified state plan and monitored by a common set of performance accountability indicators. To be eligible for VR services, an individual must have a disability that constitutes or results in a substantial impediment to employment. After an individual is determined to be eligible for VR services, the client works with VR personnel to develop an individualized plan for employment (IPE). The IPE describes the client's employment objective and how the VR agency will provide or coordinate services to achieve it. (The IPE already played a central role in rehabilitation prior to the WIOA; see Hager and Sheldon, 2006.) VR services can include (but are not limited to) counseling, job search and placement assistance, training and education, and post-employment support services. States may also use their VR funds for outreach and other services to employers, and statute requires that at least 15% of each state's VR grant be allocated to pre-employment transition services for students with disabilities. This is evidence that the line *Other vocational rehabilitation* includes a range of types of action, not only the Category 5 type of action.

In Category 6, the line *Senior Community Employment* reports expenditure on the Senior Community Service Employment Program (SCSEP). SCSEP, managed by the American Association of Retired Persons (AARP) (www.aarp.org/aarp-foundation/our-work/income/scsep/):

> *is the nation's oldest program to help low-income, unemployed individuals aged 55+ find work. AARP Foundation first matches eligible older job seekers with local nonprofits and public agencies so they can increase skills and build self-confidence, while earning a modest income. Based on their employment interests and goals, participants may also receive supportive services and skills training through an educational institution. Their SCSEP experience most often leads to permanent employment.*

Kogan et al. (2012) found tension between the objective of helping SCSEP participants move from their community-service positions to unsubsidized employment and the objective of serving the "most-in-need" among the older worker population, who by definition have the most difficulty finding unsubsidized employment. Most projects offered very limited training outside of host agency placements. Budget cutbacks in the public and non-profit sectors had reduced the capacity of host agencies to hire SCSEP participants. Also, SCSEP projects found it difficult to draw on the resources of American Job Centers to support participants in finding jobs. Total programme duration for participants exceeded 36 months for about 15% of participants, with median of 13.4 months.

Forty-six percent of SCSEP exiters who were available for employment entered unsubsidized employment, but this was often because they were hired by the host agency as regular staff. Participants were very satisfied with their community service assignments and host agencies, and those who entered unsubsidised employment often became stable long-term employees. At the same time SCSEP staff perceived that many American Job Center staff were reluctant to engage older workers in intensive services and used SCSEP as the default referral for older workers. Since SCSEP does not have the capacity to service more than a tiny percentage of older workers with employment barriers, Kogan et al. (2012) called for greater pooling of SCSEP expertise and resources with American Job Centers. This background tends to confirm that SCSEP expenditure primarily acts as Category 6 *Direct job creation* rather than Category 1.1 *Placement and related services*.

The line *Food Stamp Employment and Training* is reported in Category 6. However the expenditure is distributed across several types of action, and the main type of action involved varies by target group, across states and through time:

- SNAP recipients who are fit for employment, aged 16 and less than 60, and are not caring for a child aged under 6 (and not exempt for certain other reasons) are subject to work requirements. This means that they must engage in job search, job search training, or “work activities”, which include workfare, actual work experience, education programmes that directly enhance employability and self-employment programmes, if the state offers these activities (Gragg and Pawling, 2012).

- SNAP recipients who are subject to work requirements and aged over 18 and less than 50, and not living in a household with any child, called ABAWDs (able-bodied adults without dependents), are only entitled to SNAP for 3 months in every 36 months, except for months in which they document 80 hours of participation in an acceptable work activity (these are the activities mentioned above, except for job search or job search training only; therefore, they include education that enhances employability, a Category 2 action, and self-employment programmes, a Category 7 action).

- All SNAP recipients may engage in voluntary employment and training (E&T) programmes.

In 2014, SNAP had 45.9m participants, of whom 21.0m were non-elderly adults. Of these, 7.0m were work registrants, of which 4.7m were ABAWDs (adults age 18 to 49 without disabilities in childless households) and the remaining 14.0m were exempt from work registration due to disability or another reason. The 7.0m SNAP work registrants represent several times the number of UI recipients registered for work (2m to 2.5m in recent years). Among the SNAP work registrants, 4.0m were nonparticipants in E&T, 2.9m were mandatory E&T participants and 0.2m were voluntary participants (USDA, 2014, Tables A.23 and A.25).

This background information might be consistent with workfare and actual work experience (Category 6) representing half or more of the total SNAP E&T expenditure. However, according to Lower-Basch (2014) the expenditure is in fact mainly on job-search or other “low-intensity” services (Category 1):

> *The SNAP E&T program includes two main types of funding: 100 percent federal funds and 50 percent federal reimbursement funds. Each state receives a capped allotment of 100 percent federal funds to provide SNAP E&T services (other than participant reimbursements) each year. Each state receives a share of the total funds appropriated ($79 million in FY 2014), based on a formula that takes into account the number of SNAP recipients who could potentially participate in E&T services. This allotment is very low compared to the total number of potentially eligible SNAP recipients. In many*

states, the allotment is entirely consumed by job search activities and referrals to education and training that are funded from other sources…

..states that pledge to provide work activities to all recipients facing disqualification due to the time limit can qualify for a share of additional SNAP E&T funding. However, even with this funding, SNAP E&T funding is extremely limited compared to the number of SNAP recipients who could potentially be eligible for services. States that have committed to serving all ABAWDs facing the time limit have typically provided low-intensity services in order to be able to offer a slot to all recipients facing the time limit.

The nonelderly, non-exempt recipients registered for work (7.0m in 2014) represent over 1/7 of all SNAP recipients which (assuming they have slightly larger than average households) could represent roughly 1/6 of the USD 80 billion expenditure on SNAP benefits. This group is likely to also account for most of the USD 400 million expenditure on E&T reported in the LMP database. The "active" expenditure therefore represents about 1/30th of the passive expenditure, for its main target group.

Although recent evidence indicates that only a low share of the expenditure in the line *Food Stamp Employment and Training* represents expenditure of the type Category 6 *Direct job creation*, the share appears to have been higher in the past:

- Rules at first required State agencies to serve as many mandatory participants as possible to meet performance standards imposed by law. Eventually, performance requirements were eliminated by Congress and State agencies were given much more latitude to determine which mandatory recipients they would serve in E&T. There is not a general requirement on state agencies to operate a mandatory programmes and "if the available funding or services are limited, State agencies tend to give preference to more motivated volunteers. Today, a few State agencies, such as Wisconsin, Arkansas, Alabama, and Oklahoma, serve only volunteers."(USDA, 2009).

- NSC (2014) reports that "States are not required to assign any participants for mandatory E&T. However, earlier versions of the program included performance measures that were intended to focus state efforts on this population, and mandatory participants still make up around 90 percent of total E&T participants nationally."

- Gragg and Pawling (2012) explain that "States not only decide which populations to serve (for example, parents in families with children or unemployed childless adults) but also what types of employment and training activities to provide from a list of allowable activities. At one time, most SNAP E&T funds could only be used to support individuals subject to time limits on the receipt of SNAP benefits. Those programs traditionally relied heavily on job search, "job clubs," or other light-touch employment services. Many jurisdictions offered "work placements," where participants were assigned to do volunteer work that simulated employment circumstances. These programs enabled states to serve a large number of individuals; however, their effectiveness has been questioned, particularly in light of the significant barriers faced by many SNAP participants… a growing number of states have recognized the importance of using SNAP E&T to connect SNAP participants with meaningful education and training opportunities, enabling them to obtain industry-recognized degrees and credentials with real value in the labor market."

The federal work requirement for nonelderly adult SNAP recipients is in principle relaxed when and where labour market conditions are poor. The federal time limit for ABAWDs can be waived in a jurisdiction with an unemployment rate above 10 percent, or a rate 20 percent higher than the national average, or in certain other local labour market circumstances (www.fns.usda.gov/snap/able-bodied-adults-without-dependents-abawds). However, in 2014 many states with unemployment rates well below 10% continued to apply a waiver (Melchior, 2014). Zenger and Sheffield (2016) report: "Since 2009, nearly all states have been able to waive the modest food stamp work requirement. But these waivers have gradually been expiring, and as of April 1, more states are once again required to enforce the modest food stamp work requirement." ABAWD SNAP recipients in Maine were advised in 2014 that the ABAWD work requirements would no longer be waived and the three-month time-limit would begin if they were not working, participating in a work program for 20 hours per week or doing community service for roughly six hours per week, or in vocational training (Rector et al., 2016).

Where work requirements are applied, actual rates of participation in workfare programmes often remain low. In the 1994 Illinois "Earnfare" programme the number of work slots was limited but the state did not usually fill them all (Botsko et al., 2001). Of the sixteen states without any waivers from work requirements in 2016, only two – Delaware and Texas – offer work slots to everyone (Shaw and Hooker, 2016). After Maine rescinded the waiver, the ABAWD population on Food Stamps rapidly dropped from 13 000 to 2 000 and participation in community service was far lower than expected (Rector et al., 2016). An increasing number of states coordinate services and eligibility requirements for Food Stamps and TANF (TWC, 2016; ACT, 2016), and in these cases Food Stamp E&T is likely to involve a range of services similar to *TANF Work Activities* (described below), where the rate of participation in work experience is fairly low.

LMP database guidelines call for unemployment benefits paid to participants in Category 2 to 7 Measures - but not participants in Category 1 Services - to be reported in Category 2 to 7, treating these benefits as equivalent to training allowances. In FY 2010 nearly 2.6 million individuals participated in SNAP E&T (Gregg and Pawling, 2012), but probably only a fraction of them participated in a Category 2 to 7 (full-time or substantial part-time) measure, and for only part of the year. Stern (2015) states that SNAP E&T participation in an average month was 166 000 (in 2013). Rector et al. (2016) state that ABAWDs receive an average SNAP benefit of USD 169 per month. If all individuals participating in SNAP E&T in a given month could be counted as participants in a Category 2 to 7 measure (which is probably not the case), expenditure on SNAP benefits paid to Category 2 to 7 SNAP E&T participants would be around USD 300m per year, which is slightly less the USD 400m cost of the SNAP E&T services.

Further considerations here are that SNAP payments to voluntary participants should not be counted in Categories 2 to 7 (because in this case the SNAP benefit is not acting as an unemployment benefit); on the other hand, when a SNAP recipient subject to work requirements is referred to "education and training that are funded from other sources" (see above), the education and training services (if they are publicly funded) should in principle be counted.

Stern (2015) reports that SNAP E&T funding in 2013 totalled USD 511m, of which only USD 305m were federal funds and USD 207m were state matching funds. A large proportion of the federal funding is conditional on state matching funding (the federal government pays a 50% subsidy for qualifying state expenditure). The LMP database reports lower total expenditure, USD 440m in FY 2013. A possible explanation for this is that part of the "state matching" funds are from philanthropic and other private funds (Gragg and Pawling, 2012); the LMP database might be including only the state matching funds that are public expenditure.

The line *Recovery Act – Green Job Training* is also reported in Category 6 but - as the name suggests – its action seems to have been mainly in Category 2 *Training*. This measure typically trained participants in construction and manufacturing, incorporating green elements (such as teaching weatherization in a carpentry training programme), often with an emphasis on lifting disadvantaged populations out of poverty, with elements of soft skills and follow-up assistance after placement. The training was in some cases initiated without a full assessment of the demand for green jobs, and job placements were well below target (although employment outcome data were unreliable)(Pesek, 2010; GAO, 2013). Also, this measure did not directly subsidise employers to hire Green Job trainees (although Recovery Act funding at the time funded renewable energy initiatives).

The line *TANF Work Activities* represents expenditure in the area of Categories 1 to 7 which could not be fully broken down across those Categories, and therefore is reported as a "mixed" measure. As background:

- In 1996 the single-parent benefit AFDC (Assistance for Families with Dependent Children) was replaced by TANF (Temporary Assistance for Needy Families). Under AFDC the federal government reimbursed to states approximately 50% of their expenditure on cash assistance. Under TANF, since 1996 states have received a block grant which they can use for cash assistance for needy families, activities to promote work, and activities to reduce the incidence of out-of-wedlock pregnancies and promote marriage and two-parent families. The block grant is subject to a "maintenance of effort" (MOE) requirement which requires that states continue to spend at least 75% of the amount they did prior to welfare reform on services for needy families.

- Due largely to falling TANF caseloads, basic assistance payments (payments to cover the cost of food, clothing, shelter, utilities, etc.) fell from 71% of TANF/MOE total spending in 1997 to 25% in FY 2015. Work activities represent only a limited proportion, around 10%, of the other expenditure. A large proportion of total TANF/MOE expenditure is now in the areas of child-care and pre-kindergarten education, state-level earned income tax credits, pregnancy prevention, family, mental health, drug abuse and disability services, child welfare services and administration (Lower-Basch, 2016; ACF, 2016). These types of expenditure are, correctly, not reported in the OECD LMP database.

In most years, expenditure on *TANF Work Activities* has been 10%-15% of total Category 1 to 7 expenditure, and in FY 2015 it was about 30% of expenditure on TANF basic assistance (income support payments, not reported in Category 8). The expenditure reported as *TANF Work Activities* includes payments to employers to help cover their wage and training costs (wage subsidies) but does not include basic assistance payments to individuals who are participating in work experience activities (ACF, 2016).

Although the line *TANF Work Activities* is treated as a mixed measure (with no breakdown of data across categories) in the LMP database, for many of the years FY 2002 to FY 2015 subcategories called "Subsidized Employment" and "Education and Training", are identified in national official statistics (i.e. in earlier issues in the series of ACF, 2016). On this basis, the Category 4 and the Category 2 components of *TANF Work Activities* could be broken out.

- Expenditure on TANF Education and Training has been fairly steady from year to year, although after reaching nearly USD 500m in FY 2003 it declined to around USD 350m in years FY 2009 to FY 2015.
- Expenditure on TANF Work Subsidies/Subsidised Employment averaged less than USD 100m until FY 2009, jumped to USD 1050m in FY 2010, and then fell back to USD 490m in FY 2011 and around USD 150m subsequently. The sharp peak in FY 2010 arose as states in FY 2010 could access funding from the TANF Emergency Fund established under the 2009 Recovery Act (ARRA). When this fund expired on September 30, 2010, states had placed more than a quarter of a million people in subsidized jobs, making this the largest subsidized employment initiative in the country since the 1970s. The subsidies were administered mainly by state TANF agencies. Although most of the participants were TANF clients, states could use their allocation from the TANF Emergency Fund to subsidise the hiring of other target groups. A few states targeted other groups, mainly UI recipients, but the other groups were more reluctant to take the subsidised jobs and TANF clients still accounted for about half the final participation (Farrell et al., 2011).

The remaining expenditure within *TANF Work Activities*, which is called “Additional Work Activities” in recent reports, represents over 75% of the total. It consists mainly of job search and related services (Category 1) and work experience activities and community services (Category 6) (ACF, 2016), but most of it is likely to be in Category 1:

- Holzer (2002) reported “Only 40,000 Temporary Assistance to Needy Families (TANF) recipients are enrolled in work experience programs nationwide in any given month, and four states (Illinois, New Jersey, New York, and Ohio) account for about two-thirds of total enrollment. Most states have chosen to use TANF funds for other purposes, such as child care or other work supports, rather than for job creation.” Pavetti et al. (2008) report “Although some policymakers anticipated that states would create large unpaid work experience or community service programs when PRWORA was enacted, only a few states did so…” but they add “In order to provide TANF recipients with more income and hasten the movement to a permanent unsubsidized job, some states and local welfare offices have created new or have expanded already existing paid work programs.” Falk (2012, Figure 4) gives for FY 2009 a detailed breakdown, by type of participation, of TANF Work-Eligible individuals in families that are included in the state work participation rates. Of these 1.2 million individuals, 26.4% were in unsubsidised employment, 8.5% in job search and readiness, 9.5% in vocational education and training (5.9% in Vocational Education and Training. 2.3% in Job Skill Training, and 1.3% in Education Directly related to Employment). 6.4% were in job-creation measures (4.1% in Work Experience, 2.3% in Community Service), not counting Subsidised Public Employment (0.5%) and On-the-Job Training (0.1%). This is similar to the average over FY 2000 to FY 2008 reported by Anderson et al. (2013). It implies that about 50 000 are reported as participants in Work Experience, close to the 40 000 figure in Holzer (2002). On this basis, expenditure on the Category 6 *Direct job creation* component of *TANF Work Activities* in recent years is likely to be similar to expenditure on the Category 2 *Training* component, i.e. about one sixth of the total.
- If the Category 6 *Direct job creation* component of *TANF Work Activities* in recent years is about one sixth of the total, over half the expenditure on *TANF Work Activities* remains in the area of Category 1 *PES and administration*. Such a high share can be consistent with the fact (noted above) that only 8.5% of the individuals included in the state work participation rates are in the category of “job search and readiness”, because significant restrictions apply to reporting individuals in this category. Lower-Basch (2017) explains that “Barrier removal activities such as mental health services and substance abuse treatment are only countable toward the work participation rate as part of ‘job search/job readiness,’ which is only countable for a few weeks per year”. Another factor is that Category 1 *PES and administration* includes activities other than “job search and readiness”, such as vacancy acquisition, case management, follow-up support, implementation of sanctions, feedback from/to service providers and updating of client records.

Category 8

In Category 8 *Out-of-work income maintenance and support*, the line *Unemployment insurance* includes over 98% of reported Category 8 expenditure except in FY 2009 and FY 2010. This line includes Regular Benefits (UC, funded at state level), which are ongoing, and Emergency Unemployment Compensation (EUC08) and Extended Benefits (EB) which were federally funded until the 4th quarter of 2013, as reported in Whittaker and Isaacs (2016), Table 3. These three components were sequential, i.e. a given individual received first Regular Benefits, then EUC08, then EB. EUC08 and EB extended the potential duration of unemployment insurance (unemployment compensation) payments from the usual 26 weeks (Regular Benefits) to a total of 99 weeks in some states, and about 90 weeks in the average state, by late 2009. Whittaker and Isaacs (2016), Table 3, reports expenditure on *Unemployment Insurance* with slightly different timing as compared with line in the OECD LMP database: about USD 2 billion less in FY 2009 and USD 2 billion more in FY 2011, but these discrepancies remain minor relative to the sums involved.

The line *Federal Additional Unemployment Compensation* represents the cost of a supplement of USD 25 per week that was paid to individuals with an ongoing entitlement to any type of unemployment benefit from February 2009 to May 2010, or was paid to early December 2010 for individuals who began receiving unemployment benefit before June 2010 (Whittaker and Isaacs, 2016).

The LMP methodology includes in the concept of "Transfers to individuals" reduced taxes and reduced social contributions. Significant further expenditure of this type, arising mainly in FY 2009 and FY 2010, arguably should be included in Category 8:

- The first USD 2400 of unemployment benefits received in 2009 (in the 2009 tax year, which is the same as the calendar year) were exempt from federal income tax. The cost of this exemption was estimated ex ante as USD 4.7 billion (JCT, 2011). Data presented by Whittaker (2015) suggest the actual cost may have been lower. About USD 29 billion of unemployment compensation was not reported (USD 2 400 per tax return, across 12 million returns) and in 2005 taxes on benefits were an estimated 11% of the amount of benefits received, which suggests that the total cost of the USD 2 400 exemption was closer to USD 3 billion .
- Health insurance premiums paid by unemployment benefit recipients were reduced by a 65% subsidy for up to 15 months after lay-off.
    - The subsidy allowed users to maintain employer health insurance (COBRA continuation) coverage by paying 35% of the health insurance premium (generally by sending a cheque to their former employer) rather than the usual 100% to 102% of the premium (US Treasury, 2010). The subsidy was available to workers who lost their jobs from September 2008 to May 2010 inclusive, a period of 21 months (Berk et al., 2015) but with payments continuing into 2011. Its ex post cost was estimated as USD 34 billion (www.workforce.com/2011/03/16/analysis-cobra-premium-subsidy-cost-u-s-government-34-billion; JCT, 2011). Basic benefit payments (Regular benefits, EUC08 and EB, not including FAC) to individuals who lost their jobs from September 2008 to May 2010 inclusive will have totalled about USD 230 billion, so the COBRA subsidy added about 15% to basic benefit amounts on average. However, only 39% of UI claimants were eligible for the COBRA subsidy (Berk et al., 2015), so the subsidy was worth probably 30%-40% of basic benefit payments for its users: it reduced the annual COBRA health premium paid by a typical New Jersey family by nearly USD 9 000 (US Treasury, 2010).
    - Only workers who were involuntarily laid off from a job with employer group health insurance qualified for the COBRA continuation coverage subsidy. If they took another job that provided employer health insurance, the COBRA subsidy terminated, and in this case the subsidy acted like an unemployment benefit. But if the worker took another job without employer health insurance, the COBRA subsidy could continue (JCT, 2011). In this second case the subsidy could be equated to a publicly-funded severance payment (a payment conditional on involuntary layoff, but not conditional on ongoing unemployment status, reportable in Category 8.4 *Redundancy compensation*). Alternatively, the payments before rehiring could be reported as Category 8.1.1 *Unemployment insurance* with the (temporarily) continued payments after rehiring reported in Category 4.1 *Recruitment incentives*: the possibility of retaining the COBRA subsidy in principle improved the incentive to return to work.

The Category 8 line *Trade adjustment assistance* was about two-thirds of the combined (Category 2 plus Category 8) expenditure on *Trade adjustment assistance*. Its share was about 71% up to FY 2008, fell to 21% in FY 2009, and recovered to 45% in FY 2014 and 50% in FY 2015. The expenditure data in this line for FY 2002 to FY 2011 approximately match the sum of Trade Readjustment Allowance (TRA, Total Outlays) and Reeemployment Trade Adjustment Assistance (a wage supplement for workers affected by trade who are re-employed at a lower wage), as reported by Collins (2012). TRA is an income support payment for TAA-certified workers who are enrolled in an eligible training programme and who have exhausted unemployment insurance (UI) benefit. TRA is equal to the worker's final UI benefit and workers may receive UI and TRA for a combined total of 117 weeks, or 130 weeks under certain circumstances. TRA expenditure fell sharply in FY 2009 because most participants in TAA training were covered by extended UI benefits, and these displaced entitlements to TRA. This line is allocated to Category 8.1.2 *Unemployment assistance*, but because the payment is conditional on prior employment status and involuntary layoff it might better be reported in Category 8.1.1 *Unemployment insurance.*

The line *Short time compensation* (STC) is also in the United States called work sharing, but note that "work sharing" more generally refers to a situation where two part-time workers replace one full-time worker, and in the LMP database, Category 4.3.2 *Job sharing* refers to subsidies for hiring an unemployed worker as one of the two part-time workers in such an arrangement. This line in the US data has a footnote specifying that it provides for 100% reimbursement of benefit costs paid by states for up to 3 years. This refers to the Short-Time Compensation (STC) provisions of the Middle Class Tax Relief and Job Creation Act of 2012, which provided 100% Federal reimbursement of certain state STC benefit costs (at a cost of USD 266.7m) and authorised about USD 100m in grants for implementation or improved administration of STC, although the grants actually totalled USD 46m) (DOLETA, 2016). These two components represent federal funding of USD 313m, whereas the LMP database line *Short time compensation* reports, from FY 2012 to 2015, total expenditure of USD 419m. The source and nature of this discrepancy has not been identified.

Between 1978 and 1994, 18 states enacted provisions for paying STC from regular UI funds (Whittaker, 2016). DOLETA (2016, Figure 2.4) shows the "Annual amount of STC compensation benefits paid, 1986-2015" peaking at USD 100m in 2002 and USD 500m in 2009. Wentworth et al. (2014) report (based on the same data) that "Work-Sharing Benefits Paid as % of Regular UI Benefits Paid" were 0.2% in 2002 and 0.6% in 2009, which implies state expenditure of about USD 80m in 2002 and USD 450m in 2009. It should be noted that the LMP database line *Short-time compensation* includes only federal expenditure. State expenditure on STC might be reported in the general line *Unemployment Insurance*, not separately identified.

No expenditure is reported in Category 8.3 *Part-time unemployment benefits*, which is defined as "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". O'Leary (1997) reported, for the control group in an experiment in Washington State in 1994-95, that 13% of weeks where UI was paid were weeks with declared earnings, and the UI benefits paid during those weeks were 5.5% of total UI benefit paid. According to unpublished national data for the 1990s and 2000s, about 9% of UI benefit weeks involved a partial payment, and the partial UI payments represented about 6 percent of total UI payments (advice from Christopher O'Leary, Upjohn Institute). However, in most OECD countries a significant proportion of all benefit weeks or benefit months are combined with some earnings or involve a partial benefit payment due to earnings, but this is not usually reported as a part-time unemployment benefit. Category 8.3 is in practice only used for situations where a part-time beneficiary status is formally recognised and special rules apply to it (e.g. modified availability-for-work requirements or specific time limits on part-time unemployment benefit payments). Arguably the LMP database methodology should be revised to reflect this practice, i.e. situations where certain weeks or months of the benefit payment are combined with some earnings, or where the regular payment is reduced due to earnings, should only be reported in Category 8.3 when where a part-time status is formally recognised and the benefit payment is then subject to some significantly different rules.

Unemployment insurance benefits are usually conditional on availability for full-time work. Under the federal UI Modernization initiative of 2009, one step states could take to qualify for incentive payments was to adopt a "part-time work provision" permitting unemployed people who are otherwise eligible, based upon a history of part-time work, to receive UI benefits while seeking only part-time work (Mastri et al., 2016).

The LMP database methodology currently does not recognise this concept of "part-time unemployment benefit". Denmark however allows part-time workers to make contributions as part-time workers in which case they can, if laid off, claim benefit while seeking only part-time work, and identifies this as a Category 8.3 intervention (although it does not report data for it: about 1% of all members of a UI fund make part-time insurance contributions, see www.dst.dk/pubfile/22256/labour, Table 208).

Expenditure in Category 8 *Out-of-work income maintenance and support* should in principle include all cash benefits and social insurance contributions that are paid conditional on availability for work. In the United States, the main benefits of this type that are not currently reported in the LMP data appear to be:

- **TANF cash assistance payments to adult recipients.** In FY 2013, TANF basic assistance payments totalled USD 8.7 billion (see earlier issues in the series of ACF, 2016). 38% of TANF cash assistance families were child-only cases and the average TANF cash assistance family had 2.5 recipients of which 1.8 were children and 0.7 were adults. These adults do not include SSI recipients (i.e. adults on a disability benefit)(Falk, 2016). Depending on the definition used (in some states the adult recipient in a child-only case may be required to participate in work activities; in some states a work-related sanction does not cancel the child element of the payment, etc.) perhaps half the TANF cash assistance total is comparable with the lone parent benefits that do not require availability for work (and are not included in the LMP database) in other OECD countries.

- **SNAP benefits paid to nonelderly, work-registered adults**. These appear to account for roughly 1/6 of the USD 80 billion expenditure on SNAP benefits, i.e. roughly USD 13 billion (see the discussion above of the line *Food Stamp Employment and Training*).

According to these rough estimates, the expenditure on SNAP and TANF cash benefits that act like a (means-tested) unemployment assistance benefit totalled over a quarter of expenditure on *Unemployment Insurance* in FY 2013 and probably over a half in FY 2015. These estimates may seem rather low, but (except for short-time work and public redundancy compensation schemes), Category 8 only includes out-of-work income maintenance and support when the recipient is "capable of working and available for work but is unable to find suitable employment", and "normally" the entitlement is "conditional on the beneficiary actively seeking work". In the 1980s and 1990s, on average across a sample of 16 OECD countries, about two-thirds of all working-age recipients of an income-replacement benefit were on an early retirement, survivors', incapacity, sickness, maternity, parental or care benefit (OECD, 2003). Similarly, often less than half the caseload of a non-categorical social assistance benefit is effectively unemployed in stock terms (although the unemployed share can be much higher in flow terms).

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Table A.1. **LMP expenditure in national currency, Switzerland**

ID	Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
		Switzerland													Switzerland			
		Expenditure in millions of CHF																
		Single years													Average of the years with data			
1	**ADMINISTRATION ET SPE (y compris coûts d'administration de l'indemnisation)**	**489**	**557**	**597**	**615**	**615**	**597**	**579**	**643**	**689**	**677**	**666**	**674**	**686**	**565**	**597**	**669**	**680**
1.1	Orientation professionnelle	3	5	5	5	3	2	3	3	2	2	2	2	2	5	3	2	2
1.2	Administrations des allocations de chômage	169	191	200	205	205	206	196	215	224	224	226	233	232	191	202	222	233
1.3	Placement (les dépenses pour la logistique des mesures actives y sont incluses)	317	361	393	405	407	389	380	425	463	451	438	439	452	369	392	444	446
2	**FORMATION PROFESSIONNELLE**	**924**	**1212**	**1355**	**1306**	**1106**	**970**	**892**	**1052**	**1215**	**1031**	**1004**	**1049**	**1075**	**1199**	**989**	**1075**	**1062**
2	Participation financière des cantons au MMT	45	0	0	0	0	0	1	1	0	0	0	0	0	11	0	0	0
2.1	Mesures de formation	441	660	716	657	525	433	391	466	507	429	405	428	420	619	450	452	424
2.1	Entreprises d'entraînement	28	41	50	50	49	45	37	40	70	55	34	29	26	42	44	50	27
2.1	Programmes d'emplois temporaires	355	441	488	480	407	377	356	426	499	421	442	464	495	441	380	447	479
2.1	Semestres de motivation	39	45	61	70	77	77	75	76	79	77	73	76	81	54	76	76	78
2.2	Stage de formation	4	6	9	10	9	8	8	13	25	21	19	21	23	7	8	20	22
2.2	Allocations de formation	4	5	7	9	9	9	8	8	9	11	12	13	14	6	9	10	13
2.2	Stages professionnels	7	14	24	30	30	21	16	22	26	17	17	18	18	19	22	21	18
4	**INCITATIONS À L'EMPLOI**	188	290	367	382	372	323	285	351	446	383	365	406	431	307	327	386	418
4.1	Contribution aux frais de déplacement quotidien et de séjour hebdomadaires	2	3	4	4	4	3	3	2	3	2	2	1	1	3	3	2	1
4.1	Allocations d'initiation au travail	18	30	37	38	37	29	26	29	45	38	39	46	49	31	31	38	48
4.1	Gain intermédiaire	169	257	327	340	331	291	256	320	398	343	325	358	380	273	293	347	369
5	**EMPLOI PROTÉGÉ ET RÉADAPTATION**	**914**	**978**	**1062**	**1052**	**1044**	**1066**	**1128**	**1196**	**1256**	**1316**	**1322**	**1407**	**1450**	**1002**	**1079**	**1273**	**1428**
5.1	Subventions exploitations centres	367	397	413	398	389	405	400	396	397	404	406	411	412	394	398	401	411
5.2	Mesures professionnelles (Mesures d'ordre professionnel; Mesures de réinsertion (dés 2008); Mesures d'intervention précoce(dés 2008)	293	319	336	362	374	381	423	471	506	544	563	619	641	327	393	521	630
5.2	Indemnités journalières qui concerne uniquement les mesures professionnelles (fromation professionnelle initiale, reclassement, attente d'emploi, mise au courant, mesure d'intégration (dés 2008); Mesures d'intervention précoce(dés 2008)	253	263	314	293	281	279	305	328	352	368	354	377	397	281	288	351	387
7	**AIDES À LA CRÉATION D'ENTREPRISE**	**21**	**32**	**46**	**40**	**33**	**29**	**27**	**29**	**36**	**31**	**26**	**28**	**28**	**35**	**30**	**30**	**28**
7	Encouragement d'une activité indépendante	21	32	46	40	33	29	27	29	36	31	26	28	28	35	30	30	28
8	**MAINTIEN ET SOUTIEN DU REVENU EN CAS D'ABSENCE D'EMPLOI**	**3321**	**4670**	**4651**	**4291**	**3712**	**3020**	**2706**	**5001**	**4506**	**3135**	**3477**	**3995**	**3947**	**4233**	**3146**	**4030**	**3971**
8.1	non repartie entre 8.1.1. et 8.1.2.: Versements à d'autres pays (frontaliers)	280	242	197	201	211	240	257	90	0	0	4	186	227	230	236	24	207
8.1	non repartie entre 8.1.1. et 8.1.2.: Versements à d'autres pays (permis de courte durée)	23	20	22	21	27	37	30	12	4	3	1	1	2	22	31	5	2
8.1.1	Indemnités de chômage liées à l'âge	2754	4118	4272	3894	3364	2712	2347	3653	4005	2995	3167	3586	3615	3760	2808	3455	3600
8.2	Indemnité en cas de réduction de l'horaire de travail	177	200	89	54	22	11	33	1149	387	98	161	122	43	130	22	449	82
8.2	Indemnité en cas d'intempéries	27	48	46	103	77	17	30	68	83	17	107	67	28	56	41	69	48
8.5	Indemnité en cas d'insolvabilité	60	42	25	18	11	3	9	29	27	22	37	33	32	36	8	29	33
100	**TOTAL**	**5857**	**7738**	**8079**	**7686**	**6882**	**6005**	**5616**	**8272**	**8148**	**6573**	**6860**	**7558**	**7616**	**7340**	**6167**	**7463**	**7587**

Table A.2. LMP **expenditure in national currency, Australia**

		Australia													Australia			
	Fiscal year commencing	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
ID	Category	Expenditure in millions of AUD																
		Single years													Average of the years with data			
1	**PES AND ADMINISTRATION (including benefit administration)**	**1360**	**1595**	**2025**	**2080**	**2041**	**1979**	**1987**	**2501**	**2619**	**2574**	**2436**	**2457**	**2738**	**2034**	**2002**	**2532**	**2597**
1.1	Job Placement (formerly Job Network)	x	70	91	85	86	79	60	60	x	x	x	x	x	82	75	60	..
1.1	Job Search Assistance/Australian Job Search	6	x	x	x	20	x	x	x	x	x	x	x	x	6	20	..	..
1.1	Job Matching	83	x	x	x	x	x	x	x	x	x	x	x	x	83	..	..	..
1.1	Intensive Support	x	820	1213	1072	989	971	981	x	x	x	x	x	x	1035	980	..	..
1.1	Job Search Training	39	x	x	x	x	x	x	x	x	x	x	x	x	39	..	..	..
1.1	Intensive Assistance/Intensive Support	540	x	x	x	x	x	x	x	x	x	x	4	x	540	..	..	4
1.1	Project Contracting/Harvest Labour Services	3	4	4	4	5	4	5	2	4	4	4	x	5	4	5	4	5
1.1	Personal Support Program	27	37	50	64	82	98	107	x	x	x	x	x	x	44	96	..	..
1.1	Job Placement Employment and Training	19	19	19	20	20	21	20	x	x	x	x	x	x	19	20	..	..
1.1	JobSearch Facilities	3	4	4	4	3	27	20	6	6	6	6	5	6	4	17	6	6
1.1	State/Territory Expenditure	25	20	27	24	26	31	55	46	47	52	..	..	..	24	37	48	..
1.1	Stream Services 1-4	x	x	x	x	x	x	x	1263	1441	1367	1152	1096	1222	..	..	1306	1159
1.1	Innovation Fund	x	x	x	x	x	x	x	9	12	13	x	x	x	..	..	11	..
1.1	Employer Brokers	x	x	x	x	x	x	x	1	2	0	x	x	x	..	..	1	..
1.1	Australian Apprenticeships Access Program	9	10	11	15	21	23	24	35	24	20	23	23	4	11	23	26	14
1.1	Community Development Programme	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	129	235	..	..	..	182
1.2	PSP Administration	3	3	3	3	2	2	x	x	x	x	x	x	x	3	2	..	..
1.2	NSA Administration	248	280	296	345	352	311	359	688	712	749	896	900	897	292	341	761	898
1.3	DEEWR Labour Market Programme Policy Services (AR Table 7.1 - output group 7.1)	19	19	19	27	26	20	21	x	x	x	x	x	x	21	22	..	..
1.3	DEEWR Labour Market Programme Management (AR Table 7.1 - output group 7.2 & AR Table 8.1 output group 8)	313	310	286	418	409	392	335	x	x	x	x	x	x	332	379	..	..
1.3	DEEWR Labour Market Program Service Delivery	x	x	x	x	x	x	x	391	371	363	355	x	x	..	..	370	..
1.3	DE, DSS and DPMC expenses on employment services, disability employment services, indigenous employment and remote jobs	x	x	x	x	x	x	x	x	x	x	x	300	369	..	..	..	335
1.3	State/Territory Expenditure	25	0	1	0	0	0	0	0	0	0	0	0	0	7	0	0	0
2	**TRAINING**	**76**	**80**	**93**	**95**	**75**	**108**	**387**	**348**	**343**	**362**	**101**	**100**	**132**	**86**	**190**	**288**	**116**
2.1	Skills for Education and Employment (formerly Language, Literacy and Numeracy Program)	41	38	43	46	46	64	68	86	78	87	101	111	126	42	59	88	118
2.1	State/Territory Expenditure	12	7	8	15	12	10	28	22	25	24	..	..	..	10	17	23	..
2.1	Basic IT Enabling Skills for Older Workers	6	6	6	6	x	x	x	x	x	x	x	x	x	6	..	..	..
2.1	Productivity Places Program (Job Seekers Element)	x	x	x	x	x	12	267	212	209	222	x	x	x	..	139	214	..
2.2	State/Territory Expenditure	0	6	12	1	0	1	1	5	6	8	..	..	..	5	1	6	..
2.3	Return to Work/Transition to Work	11	12	12	12	x	x	x	x	x	x	x	x	x	12	..	..	..
2.3	State/Territory Expenditure	7	12	13	16	16	22	22	24	25	21	..	..	..	12	20	23	..
2.4	Special support for apprenticeship	0	0	0	0	0	0	0	0	1	0	0	0	6	0	0	0	3
2.4	Disabled Australian Apprentice Wage Support (DAAWS)	x	x	x	x	x	x	x	x	x	x	x	x	6	..	..	..	6
2.4	State/Territory Expenditure (In Scope)	..	..	..	..	..	..	..	..	1	0	0	0	0	..	..	0	0
4	**EMPLOYMENT INCENTIVES**	**77**	**105**	**93**	**99**	**90**	**123**	**131**	**150**	**168**	**189**	**194**	**112**	**86**	**94**	**115**	**175**	**99**
4.1	Jobs, Land and Economy Program (JLEP) under the Indigenous Advancement Strategy (IAS) (former TAP/IEP)	58	83	69	78	71	109	117	139	148	157	155	96	85	72	99	150	90
4.1	State/Territory Expenditure	18	22	24	21	19	14	14	10	8	7	..	..	..	21	16	9	..
4.2	Cyclone Yasi Wage Assistance	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	x	12	13	x	x	x	..	..	12	..
4.2	Wage Connect Subsidy	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	x	x	10	38	15	x	..	..	24	15
4.2	Connecting People with Jobs	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	x	0	2	1	1	x	..	..	1	1
4.2	Move to Work	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	1	..	..	..	1
5	**REHABILITATION**	**384**	**424**	**466**	**518**	**571**	**676**	**980**	**893**	**958**	**1078**	**1020**	**966**	**1016**	**448**	**742**	**987**	**991**
5	Mixed 5.1 5.2 Disability Services Program	15	16	x	x	x	x	x	x	x	x	x	x	x	16	..	..	..
5.1	Disability Employment Network	135	152	166	201	217	271	317	274	x	x	x	x	x	163	268	274	..
5.1	Employer Incentives	x	x	8	10	17	17	20	22	29	38	32	29	32	9	18	30	31
5.1	Disability Employment Services - Employment Support Services (DES-ESS)	x	x	x	x	x	x	x	123	419	483	423	417	455	..	..	362	436
5.1	Australian Disability Enterprises (ADEs) (formerly Disability Services Program, sheltered)	116	123	154	166	171	189	207	208	215	226	228	218	225	140	189	219	221
5.1	State/Territory Expenditure	0	0	1	0	0	0	0	0	0	0	..	..	..	0	0	0	..
5.2	Vocational Rehabilitation Services	118	132	137	141	166	198	218	162	x	x	x	x	X	132	194	162	..
5.2	Disability Employment Services - Disability Management Services (DES-DMS)	x	x	x	x	x	x	x	104	295	331	337	302	304	..	..	267	303
5.2	State/Territory Expenditure	0	0	1	0	0	0	218	0	x	x	..	..	..	0	73	0	..
6	**DIRECT JOB CREATION**	**698**	**730**	**768**	**767**	**705**	**599**	**559**	**508**	**438**	**307**	**182**	**50**	**39**	**741**	**621**	**359**	**45**
6	Work for the Dole	151	174	168	155	116	144	134	x	x	x	x	x	9	162	131	..	9
6	Measures for Indigenous Australians (CDEP)	484	507	525	537	517	364	372	362	285	249	182	50	30	513	418	269	40
6	State/Territory Expenditure	37	23	47	48	46	66	27	34	41	41	..	..	..	39	46	39	..
6	Green Corps Programs	24	24	24	25	24	25	26	x	x	x	x	x	x	24	25	..	..
6	Voluntary Work Initiative	2	3	4	2	3	x	x	x	x	x	x	x	x	3	3	..	..
6	National Green Jobs Corps	x	x	x	x	x	x	x	13	40	17	x	x	x	..	..	23	..
6	Jobs Fund	x	x	x	x	x	x	x	99	72	x	x	x	x	..	..	86	..
7	**START-UP INCENTIVES**	**91**	**86**	**89**	**94**	**103**	**102**	**100**	**95**	**92**	**98**	**127**	**101**	**106**	**90**	**102**	**103**	**104**
7	New Enterprise Incentive Scheme (f1) (NEIS)	74	74	76	80	80	85	85	73	75	75	97	101	106	76	83	80	104
7	Measures for Indigenous Australians (BDP)	18	12	13	14	23	17	15	14	10	15	18	0	0	14	19	14	0
7	Measures for Indigenous Australians (EDI and	x	x	x	x	x	x	x	8	7	8	12	0	0	..	..	9	0
8	**OUT-OF-WORK INCOME MAINTENANCE AND SUPPORT**	**6191**	**6028**	**5719**	**5447**	**5262**	**4804**	**5594**	**7043**	**7047**	**7558**	**8682**	**10095**	**11019**	**5846**	**5220**	**7582**	**10557**
8.1.2	Newstart Allowance	4831	4755	4627	4528	4494	4181	4886	6137	6149	6600	7492	8814	9618	4685	4520	6595	9216
8.1.2	Youth Allowance (Other)	519	522	503	536	482	452	551	715	708	744	915	1075	1083	520	495	770	1079
8.1.2	Mature Age Allowance	381	373	259	163	88	29	1	x	x	x	x	x	x	294	39	..	..
8.1.2	Partner Allowance (Benefit only)	351	314	223	162	122	80	56	37	25	18	13	9	6	262	86	23	7
8.4	State/Territory Expenditure	9	0	0	8	3	0	0	0	14	0	0	0	0	4	1	3	0
8.5	FEG/GEERS/SEESA/EESS	100	64	107	50	73	62	100	154	151	196	262	197	312	80	78	191	255
100	**TOTAL**	**8877**	**9049**	**9253**	**9102**	**8849**	**8391**	**9739**	**11538**	**11664**	**12164**	**12742**	**13880**	**15136**	**9070**	**8993**	**12027**	**14508**

x Expenditure included in another data line n.r. not relevant .. Missing, zero or less than 0.5 of the smallest unit displayed

Table A.3. LMP **expenditure in national currency, New Zealand**

		New Zealand													New Zealand			
	Fiscal year commencing	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
ID	Category	Expenditure in millions of NZD																
		Single years													Average of the years with data			
1	**PES AND ADMINISTRATION (including benefit administration)**	**135**	**165**	**176**	**181**	**188**	**195**	**199**	**219**	**218**	**176**	**206**	**205**	**401**	**158**	**194**	**205**	**303**
1.1	Student (trainee) job search	3	3	4	4	4	4	4	4	4	4	3	3	3	3	4	4	3
1.1	Financial assistance for job search and starting work	8	8	7	6	8	16	16	29	36	22	20	25	16	7	13	27	20
1.1	Targeted job search and assessment assistance	21	23	25	27	22	7	7	7	13	28	23	29	35	24	12	18	32
1.1	Improving Employment Outcomes	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	121	258	..	..	..	189
1.1	Improving Work Readiness	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	9	53	..	..	..	31
1.1	Employment	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	18	..	..	..	18
1.1	Careers Guidance and Counselling	3	2	3	3	3	1	1	2	1	0	0	0	0	3	2	1	0
1.1	Employment Service/Department of Work and Income - work services outputs	69	99	105	108	118	131	135	140	147	105	141	n.r.	n.r.	95	128	133	..
1.3	Skill New Zealand	11	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	11	..	..	..
1.3	Tertiary Education Commission - Targeted Training Programmes	8	17	17	19	20	21	21	21	3	3	3	3	3	15	21	8	3
1.3	Vocational Guidance/Careers Advice	12	13	15	15	14	17	17	16	15	15	14	15	15	13	16	15	15
2	**TRAINING**	**214**	**231**	**232**	**228**	**236**	**244**	**254**	**224**	**212**	**234**	**258**	**285**	**247**	**226**	**245**	**232**	**266**
2.1	Youth Training	61	61	62	62	64	63	72	66	60	32	x	x	x	62	66	53	..
2.1	Skill Enhancement	8	7	7	6	4	5	4	0	x	x	x	x	x	7	4	0	..
2.1	Youth Guarantee	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	53	93	101	110	..	..	73	106
2.1	Services for Young People	n.r.	n.r.	n.r.	7	7	7	8	8	8	n.r.	n.r.	n.r.	n.r.	7	7	8	..
2.1	Outward Bound	1	0	0	x	x	x	x	x	x	x	x	x	x	0	..	..	..
2.1	Training Incentive Allowance	37	42	36	32	29	27	30	19	9	6	5	6	3	37	29	10	4
2.1	Ngati Awa Service Academy	0	1	1	1	0	0	0	1	1	x	x	x	x	0	0	1	..
2.1	Foundation Focussed Learning Opportunities (FFTO)	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	69	47	46	46	n.r.	..	..	54	46
2.2	Job Plus on the job training	0	3	2	2	2	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	2	2	..	..
2.2	Training and development targeted (to youth or other target groups)	4	8	9	8	4	1	0	0	0	0	0	0	x	7	2	0	0
2.2	Training in partnership with industry	1	1	2	4	8	8	8	7	7	9	15	13	11	2	8	9	12
2.2	Work Experience	2	2	1	1	1	1	1	1	1	0	0	0	0	2	1	0	0
2.2	Cadetships Initiative	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	1	2	4	4	..	..	2	4
2.3	Gateway	3	5	6	10	12	15	19	20	20	20	18	18	19	6	15	20	19
2.3	Training Opportunities Programmes (TOPS)	92	97	96	90	93	96	92	88	x	n.r.	n.r.	n.r.	n.r.	94	94	88	..
2.3	Work Confidence (non-youth)	6	6	8	2	6	1	0	1	12	11	8	9	9	6	3	8	9
2.3	Work Confidence - youth	x	x	x	n.r.	n.r.	n.r.	n.r.	n.r.	x	3	2	1	2	..	..	2	2
2.3	Youth Transitions Service	n.r.	n.r.	2	5	7	8	10	12	12	12	0	0	x	3	8	9	0
2.3	Skills/Vocational Training Initiatives	x	x	x	x	x	13	10	1	0	0	0	0	x	..	11	0	0
2.3	Course Participation Assistance	n.r.	n.r.	n.r.	n.r.	0	1	1	2	2	2	2	2	2	..	1	2	2
2.3	Life Skills for Work	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	1	1	x	x	x	..	..	1	..
2.3	Training for Work	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	11	26	28	34	33	..	..	22	33
2.3	Youth Services	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	25	33	35	..	..	25	34
2.3	Trades Academies	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	8	11	14	15	..	..	10	15
2.3	Maori Pacific Trades Training	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	3	5	..	..	..	4
4	**EMPLOYMENT INCENTIVES**	**54**	**53**	**44**	**37**	**36**	**23**	**20**	**32**	**31**	**31**	**23**	**30**	**36**	**47**	**26**	**29**	**33**
4.1	Job Plus wage subsidy	48	46	35	26	24	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	39	24	..	..
4.1	Job Connection wage subsidy	3	2	2	5	3	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	3	3	..	..
4.1	Skill Investment Wage Subsidy	n.r.	n.r.	n.r.	n.r.	1	20	17	11	8	18	4	0	x	..	13	10	0
4.1	Job Opportunities	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	18	20	11	1	0	n.r.	..	..	12	0
4.1	Jobs for a local	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	0	2	0	0	n.r.	..	..	1	0
4.1	Job Streams (FlexiWage)	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	18	29	27	..	..	18	28
4.1	Work Bonus	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	8	..	..	..	8
4.2	In Work Support	3	3	4	3	4	3	2	1	1	1	0	1	1	3	3	1	1
4.2	Transition to Work Assistance	0	2	3	3	3	0	0	0	0	0	0	0	x	2	1	0	0
4.2	Jobs with a Future	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	0	1	2	0	0	n.r.	n.r.	..	0	1	..
4.2	Job Support	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	0	1	x	x	x	x	n.r.	..	0	1	..
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	**59**	**63**	**82**	**87**	**87**	**95**	**98**	**98**	**101**	**106**	**107**	**107**	**107**	**73**	**93**	**103**	**107**
5.1	Employment placement (formerly Workbridge)	9	10	11	11	10	11	11	10	11	11	11	11	11	10	10	11	11
5.1	Supported employment	6	7	8	8	11	13	13	13	13	13	14	13	13	7	12	13	13
5.1	Mainstream	4	4	4	5	5	4	3	4	4	4	4	4	4	4	4	4	4
5.1	Support Funds	x	x	x	x	x	x	x	x	x	x	9	9	9	..	..	9	9
5.1	Employment support for people with disabilities	3	3	5	8	7	7	7	8	8	9	x	x	x	5	7	8	..
5.1	Support to people with disabilities (self-employment, open employment)	0	0	0	0	0	0	1	0	0	0	x	x	x	0	1	0	..
5.1	Sheltered workshops	5	6	7	7	6	6	7	6	6	6	6	6	6	6	6	6	6
5.2	Vocational activities/community participation	28	29	42	41	39	45	47	47	49	50	50	50	50	35	44	49	50
5.2	Funding for identified school leavers with very high needs	3	3	4	6	5	7	9	9	11	13	14	15	15	4	7	12	15
5.2	Training support (disability services)	2	2	2	2	2	2	1	1	1	1	x	x	x	2	2	1	..
6	**DIRECT JOB CREATION**	**2**	**12**	**12**	**5**	**4**	**3**	**3**	**38**	**18**	**7**	**1**	**0**	**2**	**8**	**3**	**16**	**1**
6	Taskforce Green	0	11	11	4	4	3	3	2	2	3	1	0	2	7	3	2	1
6	Community Taskforce/Community Work/Activity in the Community	2	1	1	1	n.r.	n.r.	n.r.	n.r.	n.r.	0	0	0	0	1	..	0	0
6	Community Max	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	36	16	3	0	n.r.	n.r.	..	..	14	..
7	**START-UP INCENTIVES**	**37**	**32**	**22**	**19**	**15**	**17**	**16**	**11**	**5**	**3**	**1**	**2**	**0**	**27**	**16**	**5**	**1**
7	Community Employment	22	18	9	9	7	11	10	6	4	0	0	1	x	14	9	3	1
7	Community Employment Wage Subsidies	1	1	0	0	x	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	1	..	..	..
7	Enterprise Allowance	11	11	10	7	6	5	5	3	1	2	0	n.r.	n.r.	10	5	2	..
7	Business Advice and Training Grant	1	1	1	1	1	0	0	0	0	0	0	0	0	1	0	0	0
7	Self-Employment Initatives	2	2	2	2	2	1	1	1	1	1	0	0	0	2	1	1	0
8	**OUT-OF-WORK INCOME MAINTENANCE AND SUPPORT**	**1381**	**1190**	**852**	**730**	**629**	**471**	**568**	**950**	**1157**	**896**	**846**	**1005**	**954**	**1039**	**556**	**962**	**979**
8.1.2	Unemployment Benefit	1315	1122	788	666	553	402	487	866	879	822	752	27	n.r.	973	481	829	27
8.1.2	Independent Youth Benefit	26	24	21	18	16	13	16	19	16	12	2	n.r.	n.r.	22	15	12	..
8.1.2	Youth Payments/Young Parent Payments	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	32	39	42	..	..	32	40
8.1.2	Jobseeker Support - Work Ready	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	937	912	..	..	..	924
8.1.2	Training Benefits	40	44	43	46	59	56	65	65	59	62	60	2	x	43	60	61	2
8.2	Earthquake Support	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	203	n.r.	n.r.	n.r.	n.r.	..	..	203	..
100	**TOTAL**	**1881**	**1746**	**1421**	**1288**	**1194**	**1048**	**1158**	**1573**	**1742**	**1452**	**1441**	**1634**	**1747**	**1584**	**1133**	**1552**	**1691**

x Expenditure included in another data line n.r. not relevant .. Missing, zero or less than 0.5 of the smallest unit displayed

Table A.4. **LMP expenditure in national currency, Canada**

		Canada													Canada			
	Fiscal year commencing	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
ID	Category	Expenditure in millions of CAD																
		Single years													Average of the years with data			
1	**PES AND ADMINISTRATION (including benefit administration)**	**2282**	**2407**	**2422**	**2248**	**2207**	**2159**	**2062**	**2121**	**2294**	**2012**	**1907**	**1904**	**1998**	**2340**	**2143**	**2084**	**1951**
1-mixed	Canada Job Fund (CJF)	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	235	..	..	..	235
1-mixed	LMA (share allocated to Cat 1)	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	92	152	145	102	104	106	n.r.	..	92	126	106
1.1	Employment service (LMDA)	491	503	498	503	544	557	566	606	764	566	579	594	630	499	556	629	612
1.2	Unemployment Insurance/EI Income Benefits	570	514	554	561	463	464	526	553	559	558	470	446	427	550	485	535	437
1.3	Service Delivery Support	349	544	492	278	239	316	85	0	0	0	0	0	0	416	214	0	0
1.3	Corporate Services (includes finance and admin, HR, Communications)	359	303	354	484	500	340	345	406	416	376	344	385	313	375	395	385	349
1.3	Human Resources Investment excl. Learning and Homelessness (2002-03 and 2003-04)	389	421	413	313	332	314	266	205	197	197	196	165	167	384	304	199	166
1.3	Research & Innovations	34	32	19	18	18	19	17	15	9	9	24	17	35	26	18	14	26
1.3	LMDA Prov/Territorial Administrative Costs (transfer regions only)	91	92	92	92	111	150	164	184	204	204	191	191	191	91	142	196	191
2	**TRAINING**	**1160**	**1081**	**1139**	**1157**	**1202**	**1264**	**1546**	**2203**	**2158**	**1721**	**1563**	**1602**	**1440**	**1134**	**1337**	**1911**	**1521**
2-mixed	CJF	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	233	..	..	..	233
2-mixed	LMA (share allocated to Cat 2)	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	276	455	435	305	311	318	n.r.	..	276	376	318
2.1	Skills Development (LMDA)	942	874	930	919	960	960	956	1371	1249	1001	915	954	908	916	959	1134	931
2.1	Other & SLMI Grants & Contr. Regions (Consolided Revenue Fund CRF)	7	13	19	26	16	16	19	33	77	71	2	2	0	16	17	46	1
2.2	Youth Service Canada	42	28	1	0	0	0	0	0	0	0	0	0	0	18	0	0	0
2.2	Youth Internship (School/Community-Based/Sectoral)	76	45	3	1	0	0	0	0	0	0	0	0	0	31	0	0	0
2.2	Youth Skills Link	0	28	84	111	122	141	140	132	165	126	113	98	68	56	134	134	83
2.2	Youth Career Focus	0	2	11	6	10	12	11	10	23	13	12	26	25	5	11	15	26
2.4	Summer Career Placement	94	92	91	93	94	104	91	106	107	104	108	107	106	92	96	106	106
2.4	Workplace Based training	x	x	x	x	1	31	53	96	103	100	102	97	99	..	28	100	98
4	**EMPLOYMENT INCENTIVES**	**108**	**111**	**105**	**97**	**95**	**91**	**87**	**98**	**76**	**64**	**68**	**81**	**104**	**102**	**91**	**76**	**92**
4.1	Targeted wage subsidies (LMDA)	108	111	105	97	95	91	87	98	76	64	68	81	104	105	91	76	92
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	**211**	**210**	**236**	**243**	**243**	**244**	**245**	**244**	**244**	**244**	**244**	**246**	**257**	**225**	**244**	**244**	**252**
5.1	Opportunities fund for persons with disabilities (mixed measures)	22	20	24	24	25	25	27	26	26	26	26	28	35	22	26	26	32
5.2	Labour Market Agreements for Persons with Disabilities (former EAPD; VRDP)	189	189	212	220	218	218	218	218	218	218	218	218	222	203	218	218	220
6	**DIRECT JOB CREATION**	**328**	**309**	**281**	**259**	**256**	**253**	**258**	**293**	**287**	**251**	**245**	**209**	**196**	**294**	**256**	**269**	**202**
6	Job creation partnership (LMDA)	79	85	79	60	61	49	49	59	41	32	24	28	34	76	53	39	31
6	Kativik	8	9	10	11	12	12	12	12	12	12	12	12	12	9	12	12	12
6	Labour Market Partnership	240	214	192	188	183	192	196	222	233	207	208	168	150	209	190	218	159
7	**START-UP INCENTIVES**	**134**	**139**	**154**	**146**	**144**	**140**	**136**	**147**	**124**	**120**	**114**	**111**	**103**	**143**	**140**	**126**	**107**
7	Self-employment assistance	134	139	154	146	144	140	136	147	124	120	114	111	103	143	140	126	107
8	**OUT-OF-WORK INCOME MAINTENANCE AND SUPPORT**	**9008**	**9486**	**8993**	**8709**	**8714**	**8661**	**10421**	**15089**	**13321**	**11520**	**10792**	**10778**	**11180**	**9049**	**9265**	**12681**	**10979**
8.1.1	Regular Benefits	8676	9122	8669	8411	8446	8381	10102	14529	12959	11221	10504	10498	10886	8719	8976	12303	10692
8.1.2	Fishing Benefits	309	337	313	285	260	265	264	259	254	266	263	259	276	311	263	261	268
8.1.3	Work Sharing (UIDU Sec. 24)	23	27	11	13	8	15	55	300	108	34	26	21	18	19	26	117	20
9	**EARLY RETIREMENT**	**10**	**15**	**6**	**4**	**0**	**5**	**23**	**18**	**51**	**40**	**40**	**32**	**20**	**9**	**9**	**37**	**26**
9.2	POWA/FOWAP/Older Workers Pilot project	9	14	6	4	0	5	23	18	51	40	40	32	20	8	9	37	26
9.2	Labour Adjustment Benefits (Statutories)	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**MIXED MEASURES**	**343**	**351**	**331**	**339**	**330**	**334**	**330**	**344**	**340**	**295**	**325**	**357**	**321**	**341**	**331**	**326**	**339**
10.1	Aboriginal Labour Market Programing	343	351	331	339	330	334	330	344	340	295	325	357	321	341	331	326	339
100	**TOTAL**	**13584**	**14109**	**13666**	**13201**	**13190**	**13150**	**15108**	**20557**	**18895**	**16267**	**15298**	**15320**	**15618**	**13640**	**13816**	**17754**	**15469**

n.r. not relevant .. Missing, zero or less than 0.5 of the smallest unit displayed

Table A.5. **LMP expenditure in national currency, United States**

ID	Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
		United States													United States			
	Fiscal year commencing	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2002-05	2006-08	2009-12	2013-14
ID	Category	Expenditure in millions of USD																
		Single years													Average of the years with data			
1	**PES AND ADMINISTRATION (including benefit administration)**	**4326**	**4266**	**3845**	**3620**	**3689**	**3744**	**5185**	**6645**	**6294**	**6037**	**5429**	**4652**	**3928**	**4014**	**4206**	**6101**	**4290**
1.1	Employment services	933	968	x	x	x	x	x	x	x	x	x	x	x	951	..	..	..
1.1	*Grants to States*	x	x	781	750	729	703	705	680	703	701	664	664	641	766	712	687	653
1.1	*ES national activities*	x	x	43	33	34	32	76	21	21	11	20	20	20	38	47	18	20
1.1	*American job centers (former One-stop career centers)*	x	x	111	76	103	68	50	39	63	29	59	40	69	94	74	48	55
1.1	*Work incentives grants*	x	x	18	28	30	18	18	1	0	0	0	0	0	23	22	0	0
1.1	*Reimbursable program*	x	x	11	20	1	2	10	1	10	10	4	2	1	16	4	6	2
1.1	*Recovery Act grants*	x	x	x	x	x	x	400	0	x	x	x	x	x	..	400	0	..
1.1	Veterans employment and training	187	192	194	193	223	228	238	210	210	212	214	232	232	192	230	212	232
1.1	Prisoner reentry initiative	x	55	x	x	x	x	x	x	x	x	x	x	x	55	..	..	..
1.1	Ex-offender activities	x	x	x	20	71	63	86	96	98	85	80	76	91	20	73	90	84
1.1	Foreign labor certification	x	x	x	x	x	x	51	52	66	65	62	62	62	..	51	61	62
1.2	State UI Administration	3201	3051	2687	2500	2498	2630	3551	4927	4017	4673	4326	3556	2812	2860	2893	4486	3184
1.2	UI benefit modernization	x	x	x	x	x	x	x	618	1106	251	x	x	x	..	..	658	..
1.3	Welfare to work grants	5	x	x	x	x	x	x	x	x	x	x	x	x	5	..	..	..
2	**TRAINING**	**6319**	**6174**	**6177**	**6292**	**6426**	**6335**	**10021**	**7248**	**6314**	**6667**	**6039**	**6350**	**6218**	**6241**	**7594**	**6567**	**6284**
2.1	Trade adjustment assistance	222	258	259	259	260	260	685	685	426	575	534	306	236	250	402	555	271
2.1	NAFTA training	37	25	x	x	x	x	x	x	x	x	x	x	x	31	..	..	..
2.1	Job Corps	1423	1438	1521	1599	1609	1558	1656	1611	1777	1774	1718	1984	1751	1495	1608	1720	1868
2.1	Recovery Act Job Corps	x	x	x	x	x	x	148	102	0	0	0	0	0	..	148	26	0
2.1	Youth activities	995	997	987	942	943	984	1036	994	946	902	856	898	906	980	988	925	902
2.1	Recovery Act Youth Employment & training	x	x	x	x	x	x	1182	0	0	0	0	0	0	..	1182	0	0
2.1	Community-based training centers	x	x	x	124	125	123	x	x	x	x	x	x	x	124	124	..	..
2.1	Community Pathways / Community college	x	x	x	x	x	x	125	0	0	0	0	0	0	..	125	0	0
2.2	Natives, migrants and seasonal farm workers	133	141	131	134	135	133	129	140	137	137	126	129	128	135	132	135	129
2.3	Adult employment and training - JTPA II A	895	895	891	857	864	827	862	862	766	773	731	766	775	885	851	783	771
2.3	Recovery Act Adult employment and training	x	x	x	x	x	x	495	0	0	0	0	0	0	..	495	0	0
2.3	Employment training for dislocated workers - JTPA III	1501	1474	1493	1410	1377	1319	1333	1452	1279	1242	1166	1227	1240	1470	1343	1285	1234
2.3	Recovery Act dislocated worker programs	x	x	x	x	x	x	1268	165	0	0	0	0	0	..	1268	41	0
2.3	Youth Build	x	x	x	58	50	59	70	102	80	80	78	80	85	58	60	85	83
2.3	Recovery Act Youth build	x	x	x	x	x	x	48	2	0	0	0	0	0	..	48	1	0
2.3	High Growth Job Training Initiative	x	x	x	23	111	134	114	248	19	343	25	117	249	23	120	159	183
2.3	Recovery Act-High Growth Job Training Initiative	x	x	x	x	x	x	x	14	0	0	0	0	0	..	..	4	0
2.3	Workforce Innovation & Regional Development	x	x	x	x	66	65	0	0	0	0	0	0	0	..	44	0	0
2.3	Vocational education	888	902	895	886	886	873	870	871	844	841	805	843	848	893	876	840	846
2.3	Youth opportunity grants	225	44	x	x	x	x	x	x	x	x	x	x	x	135	..	..	..
2.3	Green Jobs Initiative	x	x	x	x	x	x	x	x	40	0	0	0	0	..	..	13	0
4	**EMPLOYMENT INCENTIVES**	**490**	**340**	**310**	**360**	**450**	**570**	**946**	**1164**	**1154**	**1171**	**935**	**988**	**750**	**375**	**655**	**1106**	**869**
4.1	Work Opportunity Tax credit	430	280	250	280	370	490	870	1110	1110	1130	900	950	720	310	577	1063	835
4.1	Welfare to work Tax credit	60	60	60	80	80	80	50	20	0	0	0	0	0	65	70	5	0
4.1	Wage insurance demonstration	x	x	x	x	x	x	26	34	44	41	35	38	30	..	26	39	34
5	**SUPPORTED EMPLOYMENT AND REHABILITATION**	**3670**	**3772**	**3760**	**3766**	**4114**	**4208**	**5114**	**4623**	**4541**	**4726**	**4662**	**4843**	**4975**	**3742**	**4479**	**4638**	**4909**
5.2	Vocational rehabilitation for veterans	504	542	465	566	568	616	723	760	759	944	931	1061	1143	519	636	849	1102
5.2	Other vocational rehabilitation	3166	3230	3295	3200	3546	3592	4391	3863	3782	3782	3731	3782	3832	3223	3843	3790	3807
6	**DIRECT JOB CREATION**	**745**	**706**	**744**	**755**	**795**	**855**	**1075**	**1659**	**808**	**834**	**797**	**840**	**814**	**738**	**908**	**1025**	**827**
6	Senior community employment	442	439	437	432	484	504	708	820	454	500	429	440	384	438	565	551	412
6	Food stamp employment and training	303	267	307	323	311	351	367	344	354	334	368	400	430	300	343	350	415
6	Recovery Act - Green Job training	x	x	x	x	x	x	x	495	0	0	0	0	0	..	..	124	0
8	**OUT-OF-WORK INCOME MAINTENANCE AND SUPPORT**	**55019**	**43197**	**33026**	**31724**	**33319**	**43564**	**121634**	**157620**	**114419**	**88823**	**67091**	**41436**	**32214**	**40742**	**66172**	**106988**	**36825**
8.1.1	Unemployment insurance	54620	42634	32380	31186	32753	42918	114736	145500	112751	88520	66713	40983	31939	40205	63469	103371	36461
8.1.1	Federal Additional Unemployment Compensation	0	0	0	0	0	0	6704	11861	1426	2	16	3	1	0	2235	3326	2
8.1.2	Trade adjustment assistance	348	538	646	538	566	628	178	256	234	239	187	260	241	518	457	229	251
8.1.2	Disaster unemployment assistance	x	x	x	x	x	18	16	3	8	10	28	1	2	..	17	12	2
8.1.2	NAFTA benefits	51	25	x	x	x	x	x	x	x	x	x	x	x	38	..	..	..
8.2	Short time compensation	0	0	0	0	0	0	0	0	0	52	147	189	31	0	0	50	110
10	**MIXED MEASURES**	**2533**	**2114**	**2131**	**2311**	**2419**	**2491**	**2400**	**2578**	**2648**	**2136**	**2033**	**2116**	**2168**	**2272**	**2437**	**2349**	**2142**
10.1	TANF work activities	2533	2114	2131	2311	2419	2491	2400	2578	2648	2136	2033	2116	2168	2272	2437	2349	2142
100	**TOTAL**	**73102**	**60569**	**49993**	**48828**	**51212**	**61767**	**146375**	**181537**	**136178**	**110394**	**86986**	**61225**	**51067**	**58123**	**86451**	**128774**	**56146**

x Zero, not relevant or expenditure included in another data line .. Missing, zero or less than 0.5 of the smallest unit displayed