

**MUTUAL LEARNING PROGRAMME:
HOST COUNTRY DISCUSSION PAPER - LUXEMBOURG**

Tailor-made training programmes

Peer Review on Tailor-made training programmes
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1 QUICK SUMMARY

This paper has been prepared for a Peer Review within the framework of the Mutual Learning Programme. It provides information on the policy example of the Host Country for the Peer Review – in this case, Luxembourg. For information on the views of the countries participating in the Peer Review, please refer to the relevant Peer Review Comments Papers.

Tailor-made training measures as a form of active labour market policy respond to an identification process that highlights a lack of qualified workforce in a particular economic activity sector, federation or company. Current tailor-made measures for unemployed individuals as an efficient way to tackle unemployment can be characterised by their rather heterogeneous, flexible, multi-faceted and small-scale nature. Because of their flexibility, they can be applied transversely to nearly every economic sector, company or business federation that diagnoses a particular need for more highly skilled workers in the context of company expansion or general economic growth.

In Luxembourg, the background that led to the design of tailored training measures can be traced back to the 1996 Comité de coordination tripartite (Tripartite Coordination Committee) negotiations. They were shaped at a time when Luxembourg's employment rate was still well below the rate the country has witnessed more recently and when, on a wider scale, the European Union launched its first efforts to bring its national employment policies under a coordinated European umbrella. Luxembourg's 1998 National Action Plan (PAN), subsequently put into law by the February 12 1998 law on the implementation of the 1998 National Action Plan, also led to the setting up of measures via a range of legislative texts stipulating far-reaching employment policies.¹

Due to the interaction of private (i.e. companies, federations, etc.) and governmental agencies or departments dealing with vocational training or employment, tailor-made training measures have required the informal cooperation and strong effort of many actors. Generally speaking, the architecture of tailor-made training measures for unemployed people rests upon the following main pillars: as soon as a lack of skilled workers is identified either by companies, a particular business federation or an economic activity sector, the basic skills required are defined and the Administration pour l'Emploi, the ADEM (National Employment Agency)² proceeds to a pre-selection of possible candidates from their list of registered jobseekers who are able to commence a work-based, business-orientated training scheme and/or an internship in a company in which the shortage has been pinpointed.

Concerning the structure of this discussion paper, a first section provides a more general look at Luxembourg's labour market situation. It helps to explain the context in which tailor-made measures have evolved and succinctly analyses why they have become an essential and to a large extent successful tool to tackle unemployment and offer new perspectives for hard-to-place unemployed people. In the next section, we explore with the help of recent available data and selected examples the results of the analysed measures as well as the difficulties encountered in implementation. The more recent Tremplin pour l'emploi (Springboard to a job) pilot scheme in Luxembourg's fast-evolving fund management industry is going to serve as a good case study example of a flexible tailor-made measure designed for hard-to-place unemployed people. An assessment is also made of the potential impact of the economic crisis on the success of such measures.

¹Internet: <http://www.legilux.public.lu/leg/a/archives/1999/0013/1999A01901.html>

²Internet: www.adem.lu

2 LABOUR MARKET SITUATION IN THE HOST COUNTRY

2.1. General figures

Luxembourg's economy has known above-average growth rates in recent years. Economic growth was accompanied by an increase in employment of 5,5% in 2007 after a temporary decline in the 2001-2003 period. However, despite continuous economic growth in the past (notably catalysed by a fast-growing financial sector), both employment growth and the unemployment rate have been influenced more recently by the financial crisis as well as a deteriorating international economic environment.

Employment growth peaked in the first quarter of 2008 and has slowed down more recently.³ Over the third semester of 2008, Luxembourg's GDP witnessed a shift from an initially anticipated 1% GDP growth to a zero growth scenario according to the Service Central de la Statistique et des Etudes économiques, the STATEC⁴ (National Statistical Institute of Luxembourg), which is due to a considerable slowing down of economic growth.

Table 1 Unemployment in Europe (Source: Eurostat)

	2002	2003	2004	2005	2006	2007	2008	2009
EU27	8.9	9.0	9.0	8.9	8.2	7.1	7.0	7,6
Belgium	7.5	8.2	8.4	8.5	8.3	7.5	7.0	
Bulgaria	18.2	13.7	12.1	10.1	9.0	6.9	5.6	
Czech Republic	7.3	7.8	8.3	7.9	7.2	5.3	4.4	
Denmark	4.6	5.4	5.5	4.8	3.9	3.8	3.3	
Germany	8.4	9.3	9.8	10.7	9.8	8.4	7.3	
Estonia	10.3	10.0	9.7	7.9	5.9	4.7	5.5	
Ireland	4.5	4.7	4.5	4.4	4.5	4.6	6.3	
Greece	10.3	9.7	10.5	9.9	8.9	8.3	7.7	
Spain	11.1	11.1	10.6	9.2	8.5	8.3	11.3	
France	8.6	9.0	9.3	9.2	9.2	8.3	7.8	
Italy	8.6	8.5	8.1	7.7	6.8	6.1	6.8	
Cyprus	3.6	4.1	4.7	5.3	4.6	4.0	3.8	
Latvia	12.2	10.5	10.4	8.9	6.8	6.0	7.5	
Lithuania	13.5	12.5	11.4	8.3	5.6	4.3	5.8	
Luxembourg	2.6	3.8	5.0	4.6	4.6	4.1	4.9	5,5
Hungary	5.8	5.9	6.1	7.2	7.5	7.4	7.8	
Malta	7.5	7.6	7.4	7.2	7.1	6.4	5.9	
Netherlands	2.8	3.7	4.6	4.7	3.9	3.2	2.8	
Austria	4.2	4.3	4.9	5.2	4.8	4.4	3.8	
Poland	20.0	19.7	19.0	17.8	13.9	9.6	7.1	
Portugal	5.1	6.4	6.7	7.7	7.8	8.1	7.7	

³Internet:
http://www.statistiques.public.lu/fr/publications/series/noteConjoncture/english_version/PDF_2_2008.pdf

⁴Internet: www.statec.lu

Romania	8.6	7.0	8.1	7.2	7.3	6.4	5.8	
Slovenia	6.3	6.7	6.3	6.5	6.0	4.9	4.4	
Slovakia	18.7	17.6	18.2	16.3	13.4	11.1	9.5	
Finland	9.1	9.0	8.8	8.4	7.7	6.9	6.4	
Sweden	4.9	5.6	6.3	7.4	7.0	6.1	6.2	
United Kingdom	5.1	5.0	4.7	4.8	5.4	5.3	5.6	

As far as Luxembourg's unemployment rate is concerned, it increased from 2.3% in 2001 and 4% in December 2008 to 5,5% in January 2009 with an increase in the number of unemployed people (1287), soaring to a total of 15.579 in January 2009.⁵ In spite of this significant increase, Luxembourg's unemployment rate is well below the EU average rate (Table 1).

2.2. General Labour market characteristics

Situated in the middle of the Grande Région (Greater Region) comprising the Saarland, the Rhineland Palatinate, the Wallonia and Lorraine regions, Luxembourg's labour market is of a peculiar nature. In fact, one of the main characteristics has been the large number of cross-border workers as the national labour market could not satisfactorily respond to the high demand of qualified workers that a booming economy has required over the years. As a consequence of Luxembourg's economic growth and the availability of a qualified workforce in neighbouring countries of the Greater Region, enterprises have taken massive recourse to cross-border workers.

Cross-border workers have also been attracted by a considerable expansion of some economic sectors such as the financial sector, the telecommunications or property sectors. Besides the attractiveness of Luxembourg's labour market, which goes in tandem with a strong per capita gross domestic product (81.000 Euros in 2003), attractive salaries and a considerable unemployment rate of 9,8% (without Luxembourg) in the Greater Region, another vital phenomenon has become visible: as a young and qualified workforce from neighbouring countries of the Greater Region has entered Luxembourg's labour market because of the afore-mentioned reasons, these bordering regions have progressively experienced a lack of qualified workers in some economic sectors.⁶

Currently, with the financial crisis hitting Luxembourg's economy and augmenting the unemployment rate (5,5% in January 2009), the unemployment rate of cross-border workers has also increased.⁷

At the same time, as the STATEC pointed out in a 2008 report on unemployment in Luxembourg, 71,7% of newly created jobs were occupied by cross-border workers in 2007. The number of cross-border workers increased from 126221 in 2006 to 138716 in January 2009, compared to a total of 358474 (beginning of 2009) of salaried workers in Luxembourg.⁸

⁵Comité de conjoncture (National Conjoncture Committee), available on: <http://www.cdc.public.lu/actualites/index.html>

⁶See « Frontaliers et marché de l'emploi transfrontalier dans la grande Région », in Les Cahiers transfrontaliers d'EURES, Luxembourg Nr.1/2006, available on: <http://www.eureslux.org/>

⁷An article can be found in the "Le Républicain-Lorrain" at internet: http://www.republicain-lorrain.fr/fr/GRDC_URWeb_Detail.aspx?iCategorieRedactionnelle=75&iURWeb=335791

⁸Service central de la statistique et des études économiques, *Note de conjoncture* 1/2008. Internet: <http://www.statec.public.lu/fr/index.html> et <http://www.adem.public.lu/>

Another key element of Luxembourg's labour market is a high unemployment rate among young people as well as a relatively still high, though decreasing number of early-school leavers. In spite of a recent decrease, 6,1% of the 20-24 and 5,8% of the 25-29 years old were unemployed in 2006 (with an UE average of for the 15-24 of 17,4⁹). A study carried out by the STATEC (2007)¹⁰ on the situation of young people came to the conclusion that a good level of qualifications is required to be successful on Luxembourg's labour market. On average, as the study points out, it would take 6 months for a young person to find a job.

2.3. Recent government initiatives to tackle unemployment

On a global and long-term level, Luxembourg's Government has initiated a panoply of reforms, notably as far as the primary and professional education systems are concerned¹¹ (i.e. the creation of the University of Luxembourg¹² in 2003, the reform of the primary education, the reform of the professional education system). These reforms in the field of education and research are designed to anticipate and develop new future skills and increase young people's opportunities to succeed on Luxembourg's labour market. The educational reforms are generally based on the acquisition of competences and lifelong learning in the sense that a pedagogical system has been developed that structures in a coherent and flexible way the different levels of education. At the same time, the revamping of the educational and professional system has given new impetus to a concept that is above all rooted in a symbiosis of school and real-life work experience.

In addition to a couple of significant employment measures stipulated by the 2006 law on employment measures¹³ (i.e. for the young), the recent crisis led the Government to elaborate new initiatives to palliate the crisis' effects on employment.

The measure that is of particular interest to the topic under review concerns the second modification of the "part-time unemployment"¹⁴ bill that was put forward on March 6 2009 by the governmental "Plan de Soutien à la Conjoncture: Lutter contre les effets de la crise - préparer l'après-crise"¹⁵ ("Supporting Conjunction Plan: Fight against the effects of the crisis – prepare the time after the crisis"). Luxembourg's Government initiated an up-to-date second modification of the February 17 2009 law¹⁶ that increases the amount of unemployment allowance paid from currently 80% of their salary to 90% for those salaried workers in a part-time unemployment measure.¹⁷ The condition is that they take part in a training scheme at the same time. In spite of the fact that no indications of what these training schemes will look like have yet been published, it is likely that tailor-made training courses emerge again as being efficient, notably because part-time unemployment concerns a variety of enterprises in a multitude of economic sectors.

⁹Internet: <http://ec.europa.eu/social/BlobServlet?docId=545&langId=en>

¹⁰See « Les jeunes face au marché du travail », Bulletin du STATEC No 7, STATEC publications, 2007.

¹¹See Ministère de l'Education nationale et de la Formation professionnelle (Ministry of Education and Vocational training) for details on educational reforms, Internet: <http://www.men.public.lu/>.

¹²Internet: <http://www.wen.uni.lu/>

¹³Loi du 22 décembre 2006 promouvant le maintien dans l'emploi et définissant des mesures spéciales en matière de sécurité sociale et de politique de l'environnement et portant modification du Code de Travail (Décembre 22 2006 law promoting to maintain people in jobs and define special measures in terms of social security and environmental politics and modifying the Code of Work), Internet: (http://www.gouvernement.lu/dossiers/social_emploi/5611/index.html).

¹⁴See Internet : <http://www.cc.lu/merkur.php?type=chro&id=13>

¹⁵Internet : http://www.gouvernement.lu/salle_presse/actualite/2009/03-mars/06-plan/index.html

¹⁶Loi du 17 février 2009 portant modification de l'article L-511-12 du Code de Travail – prise en charge de l'indemnité de compensation patronale par l'Etat et flexibilisation de la période de référence.

¹⁷Internet: http://www.gouvernement.lu/salle_presse/communiques/2009/01-janvier/23-travail/index.html

Table 2 Repartition of the young according to their economic situation (Source: STATEC: Survey¹⁸ on unemployment in Luxembourg, 2007)

Age	With a job (%)	Unemployed (%)	Disability/Illness (%)	Pupil/Student (%)	With family responsibility (%)
15-19	5.7	3.0	1.0	89.7	0.1
20-24	41.7	6.1	0.4	47.9	1.9
25-29	80.1	5.8	0.2	8.5	4.2
Total	43.6	5.0	0.5	47.5	2.1

3 POLICY MEASURE

The following sections of the discussion paper analyse the main objectives of tailor-made training measures, the target groups and actors involved as well as the existing financial and legal framework. Special attention is paid to the Springboard to a job program.

3.1. The objectives, general guidelines and target groups of the policy

The main objectives of tailor-made training measures are twofold: on the one hand, the problem of a lack of qualifications in a particular business sector or company is addressed to by setting up and delivering a specially conceived training programme whose mission it is to match unemployed individuals' basic competences with those required by an employer. Yet, on the other hand, it is often the case that the demand for skills and competences does not match supply and it is at this level when tailor-made measures can be successfully applied to fill skills gaps.

As far as qualified unemployed people are concerned, it is often the case that their qualification does not sufficiently fit a companies' or sector's competence requirements. In that respect, tailor-made measures reveal their legitimacy as designed training schemes or apprenticeships fill an existing qualification and competence gap. Further, tailor-made measures constitute an opportunity for unemployed people to be again reintegrated into the labour market by being re-orientated towards a new professional sector that experiences, as already mentioned, a lack of qualified workforce. Consequently, the measures help to some extent to tackle unemployment.

In order to respond to the need of a particular company, federation or sector, the measures are tailor-made in the sense that they incorporate both an individually set-up training scheme as well as a final internship with a company.

As there is currently no overall established framework, tailor-made measures are usually based on a cooperation agreement, covering the details of the cooperation and the financial aspects. It signed by the ministries in charge and the companies involved.¹⁹ In the agreement, the different ingredients of the practical training and the theoretical courses are emphasised.

As a matter of fact, the practical implementation of tailor-made measures presupposes a partnership, a strong commitment and close cooperation between different actors. Whereas the basic concept remains valid for all tailor-made measures, the agreements vary in their content and offer, as a result, a large degree of flexibility.

¹⁸Internet:

http://www.statistiques.public.lu/fr/publications/conjoncture/bulletinStatec/2007/07_07_jeunes/07_07_jeunes.pdf

¹⁹See Section 3.3.

Tailor-made measures for unemployed people are implemented according to the following premises: as soon as a company, federation or economic activity sector has identified a lack of qualified workers and a basic qualification framework, the Administration de l'emploi (National Employment Agency) proceeds to consult its lists of registered unemployed people in order to identify eligible candidates. Candidates and the enterprise in question will then be given the opportunity to get to know each other in more detail through a presentation before a final selection of candidates takes place. The selected candidates are given the opportunity to start a work-based apprenticeship designed by possible future employers.

According to the experts of the informal working group ADEM/SFP²⁰ (established since 1995) that includes members of the National Employment Agency and the Service de la Formation professionnelle (Vocational Training Office) of the Ministère de l'Éducation et de la Formation Professionnelle (Ministry of Education and Vocational training), three basic types of training schemes are currently available (Table 3):

- “Qualifying” complementary training schemes that are exclusively set up for a company's professional requirements. The training constitutes a means of reinserting the unemployed into the labour market.
- “Pool” training schemes that address a demand of a particular sector without an exact list of employers. No guarantee for a participant to be hired afterwards is given.
- Specific training courses destined to augment the employability and competitiveness of unemployed people. A wide range of skills can be imparted.

Various examples of tailor-made training schemes in different business sectors as well as their results are presented in section 4 of this discussion paper.

Table 3 Number of training per year according to the three previously mentioned categories²¹

Type of formation	2005	2006	2007	2008
“Qualifying” complementary training	12	8	11	13
“Pool” training	10	5	6	5
Employability augmenting training	5	12	14	14
Other training	3	7	5	4
Total	39	32	36	36

3.1.1 CASE STUDY²²

The Springboard to a job pilot-scheme, organised in 3 consecutive groups from 2007 onwards (see Table 5) illustrates some of the above-mentioned points. This example of a tailor-made training measure that was initiated and coordinated by the service provider KNEIP Communications S.A.²³

²⁰See « Rapport d'activité de l'année 2008 du groupe de travail à caractère informel ADEM/SFP, Ministère de l'Éducation et de la Formation professionnelle.

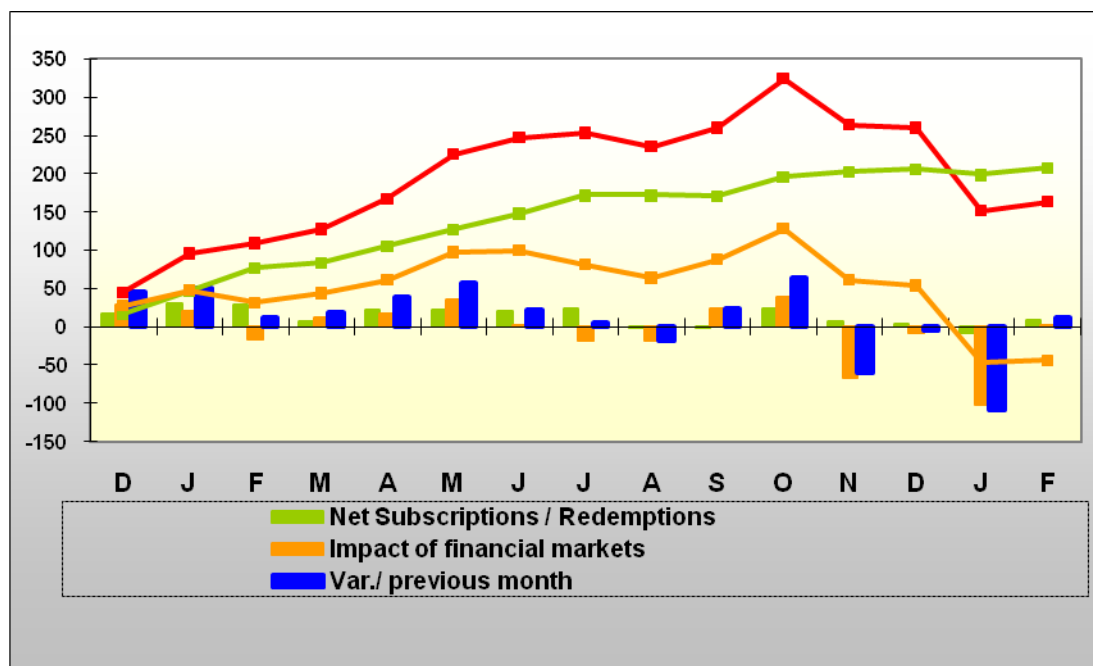
²¹Idem, p. 1.

²²The more technical information that is part of this case study section has been obtained from interviews carried out with the different partners of the program.

²³Internet: <http://www.kneip.com/>

(with the cooperation of partners like the State Street Bank²⁴) has responded to an identified need of a lack of qualified staff within Luxembourg's continuously growing fund management industry. In the fund management industry, there is no specific university curriculum. Figure 1 underlines the growth that the investment fund industry has witnessed over the last months. The Association Luxembourgeoise des Fonds d'Investissements²⁵, the ALFI (Association of the Luxembourg Fund Industry) concluded that there were 1000 vacancies in the fund management industry in 2008.

Figure 1 Growth factors in Luxembourg's investments funds (in billions of Euros, Dec. 2006-Feb. 2009)



In order to counteract this skill shortage, the sector has been actively looking for qualified people, mainly in the field of general accountancy or economics, as well as with an excellent level of written and oral English language competences. Both the ALFI and the Institut de Formation Bancaire²⁶, the IFBL (Luxembourg Institute of Bank Training) set up a certified tailor-made training programme aiming towards the ALFI UCI Junior Accountant certification. The training scheme has been addressed at both newcomers with no prior knowledge of the fund management industry or career changers with a more restrictive post-graduate degree and registered at the ADEM (for the first phase of the initiative) and the ANPE-Lorraine²⁷ (for the second and third phase), the Lorraine employment centre (for the second and third phase).

After a pre-selection of a pool of candidates responding to the validated profile and based on those candidates that were identified by the Employment agencies ADEM and ANPE took place, candidates took part in an information meeting in the presence of a couple of INFBL trainers and KNEIP agents. Individual recruitment interviews of 10 minutes (i.e. numerical test, language skills tests...) then took place to select candidates. Preference lists were established where both companies from the fund management sector and candidates indicated their preferred future partner. Finally, the matching procedure between the candidates and the companies was carried out by KNEIP and the IFBL. As far as target groups are concerned, the educational level of those registered by the ADEM or the ANPE

²⁴Internet: <http://www.statestreet.lu/en/index.html>

²⁵Internet: <http://www.alfi.lu/>

²⁶Internet: <http://www.ifbl.lu/>

²⁷Internet: <http://www.anpe.fr/region/lorraine/index.html>

varied from baccalaureate to hard-to-place unemployed with more restrictive university degrees (i.e. Arts). A good oral command of English and German was seen as an asset, while the candidates were also required to show a strong motivation as well as being meticulous and stress resistant. Candidates selected from the ANPE employment agency had to show their willingness to come to Luxembourg for the training and the internship.

However, tailor-made measures do not only target the qualified unemployed with a baccalaureate or a university degree. It is especially the case that tailor-made company training-schemes (i.e. a receptionist training course) address unemployed people with no university degree at all or a first cycle in the primary or secondary education. Whereas the Springboard to a job initiative has had recourse to a ready-made package programme set up and organised by the INFBL, a lot of companies (i.e. the supermarket chain CACTUS²⁸) outsourced (with the help of the National Employment Agency) the training by inviting an external specialist to deliver a 3 or 10-day tailor-made in-house training programme. In other cases, a cooperation convention (see 3.3.) details the content of the training-scheme. When not imparted in-house by a trainer, courses are usually taken at the Centre national de formation professionnelle continue, the CNFPC²⁹ (National Institute for the Development of Continuous Vocational Training), in cooperation with the company in question.

Another tailor-made measure was for instance the Goodyear initiative (March 2008) that provided a training scheme aimed for future production agents. The pre-selection procedure was similar with tests and interviews carried out by the Goodyear team. Two evaluations take place after 3 and 6 months and the participant received a fixed-term contract, in case of a vacancy, after 12 months of practical training.

As the 2008 report of the informal ADEM/SFP working group underlines, most of the tailor-made measures do not last longer than three months. At any stage of the measure, the participant is free to leave the programme and the company is also able to terminate its participation. Contrary to the Springboard to a job programme that includes the presence of a mentor to guide the participants through the training, there is currently no mentoring available for participants on the Goodyear scheme. However, if problems should arise, it is the informal working group of ADEM and SFP members that usually intervenes.

Table 4 Springboard to job theoretical and practical training

Theoretical training	Practical training
400 hours training 6 weeks of training towards the ALFI UCI accountant certification with tailor-made, company-orientated modules (module on the actors, activities and assets of Luxembourg's financial sector, module on the fundamental principles of short-term interest rates...) 5-week English business language program preparing for the Test of English for International Communication (TOEIC³⁰) Excel interpersonal and soft skills course units (communication, teamwork...)	160 hours 4-week (extended to 7 weeks in the third phase of the program) internship, with the option to be hired Mentoring: regular exchange between the mentor (of one of the partners involved) and the participant of the measure

²⁸Internet: <http://www.cactus.lu/page.asp?id=129&langue=FR>

²⁹Internet: <http://www.cnfpc.lu/>

³⁰Internet: <http://www.fr.toeic.eu/>

3.2. The legal and financial provisions to implement tailor-made measures

There is no explicit legislation covering tailor-made measures. However, financial provisions can be applied in the context of the L-5231-1 article of Luxembourg's Code de Travail (Code of Work)³¹. Financial means are finally provided by the Fonds pour l'Emploi (Employment Fund), a special fund administered by the Ministère du Travail et de l'Emploi (Ministry of Work and Employment) that stipulates (art. 2)³² that the Employment Fund comprises a section covering the promotion of training-based initiatives. In practice, financial provisions are generally covered both by the Government (expenses for the theoretical courses) and the company (internship, equipment etc.).

During the training-scheme set-up by the Centre National de Formation Professionnelle Continue³³ (National Institute for the Development of Continuous Vocational Training), the CNFPC, in cooperation with the company or business sector, the participant keeps the status of an unemployed individual. In that case, it is underlined in the cooperation agreement that the 1995 tripartite agreements make sure that the participant does still receive unemployment benefits. A training allowance is paid to those participants who do not benefit from an unemployment allowance.

As far as the Springboard to a job programme is concerned, candidates have continued to receive their unemployment benefits while the firms sponsored the candidates' internship with an amount of more or less 2000 Euros³⁴ per internship. For the companies offering internships to unemployed people, the internship is generally regarded as a fruitful investment while they further assume a social mission to tackle unemployment. For the participants, it is also an opportunity to be reinserted into the labour market in a way which allows them to become familiar with the working environment of a company and acquire new competences that are valuable on the labour market.

3.3. Institutional arrangements, actors and procedures of implementation

As far as the organisation of the different training schemes is concerned, the following procedures are utilised:

- Pre-selection of potential candidates by the Service de placement (Placement Office) of the National Employment Agency in collaboration of consultants of the same agency. Potential candidates are then summoned to an ADEM information seminar.
- Selection of candidates admitted to a training course in collaboration with the company.
- Definition of the training content in collaboration with the company or business sector.
- Definition of the duration of the training course with the enterprise.
- A monitoring committee composed of members from the ministerial Service de la Formation Professionnelle (Vocational Training Office) of the Ministère de l'Education et de la Formation professionnelle, the Ministère du Travail et de l'Emploi (Ministry of Work and Employment), the National Employment Agency ADEM, the enterprise as well as the Centre National de Formation Professionnelle Continue, the CNFPC (National Institute for the Development of Continuous Vocational Training) can intervene if problems should arise.

As already briefly mentioned before, tailor-made measures are implemented through flexible cooperation agreements between companies or sectors and both the Ministry of Work and Employment and the Ministry of Education and Vocational Training. The candidate can not influence the content of the agreement. Agreements can vary in their content according to the sector or the company, as there is no general framework for the content of these agreements. This means that they

³¹The entire Code of Work is available on:
http://www.legilux.public.lu/leg/textescoordonnes/codes/code_travail/Code_du_Travail.pdf

³²Internet: <http://www.legilux.public.lu/leg/a/archives/1987/0037/a037.pdf#page=2>

³³Internet: <http://www.cnfpc.lu/>

³⁴Information stem from a KNEIP PowerPoint presentation on the Springboard to job program.

can provide a large degree of flexibility and detail the mutual responsibilities, the financial provisions as well as the content of the training. During the internship or training schemes, the participants are registered as trainees at the Centre National de Formation Professionnelle Continue (National Institute for the Development of Continuous Vocational Training). Part of the Springboard to a job initiative was a Déclaration d'intention d'embauche (Declaration of Intent to hire), a moral commitment of the employer to guide the unemployed through the training with the intention to finally recruit the candidate. However, such a declaration does not guarantee that the candidate will obtain employment with the company when the internship ends. Those who finish their internship are usually hired, if not via CDD or CDI, through the 2006 employment law measures, including:

- Stage de Réinsertion professionnelle, SR (Practical Training for the unemployed receiving a theoretical and practical training in an enterprise).
- Contract d'Appui Emploi (Employment Support Contract)
- Contract d'Initiation à l'emploi, CIE (Employment Initiation Contract)

Alternatively, they can be recruited on an open-ended or fixed-term contract at the end of their internship (Contract à durée indéterminée, or CDI; or Contrat à durée déterminée, or CDD).

However, the targeted training within the company is not always a successful stepping stone into open ended or fixed-term employment: there are cases when the participant becomes the victim of the economic situation of a company as it is the case with the current crisis. Furthermore, tailor-made measures do not only presume the implication of actors in the field of employment and vocational training, but also whole sectors or single companies. An often informal partnership between governmental agencies as well as a strong commitment of the partners is therefore of vital importance to contribute to the success of the measures. In addition to the companies that have identified a particular need of qualified stuff (i.e. CACTUS³⁵, GROUP4S³⁶, GOODYEAR³⁷...) or sectors³⁸, ministries or official governmental agencies include:

- The ADEM, the National Employment Agency
- The CNFPC, the National Institute for the Development of Continuous Vocational Training under the supervision of the Ministry of Education and Vocational training.
- The MEN-FP, the Ministry of Education and Vocational Training
- The MTE, Luxembourg's Ministry of Work and Employment

4 RESULTS

Tailor-made training measures for unemployed individuals have been among the most successful and efficient active labour market policy instruments in Luxembourg. As the 2008 results show, tailor-made training measures are very promising in the sense that they achieve to reintegrate a large number of unemployed individuals either into open ended or fixed term employment, or into another employment measure as set out above. It is evident that there is still a number of participants (or candidates during the selection process) abandoning the measure. It is difficult to assess the reasons why candidates decide to abandon the measures.

A closer look at the 2008 results illustrates that each of the tailor-made measures resulted in a considerable number of open-ended employment contracts. But, importantly, it is vital that an analysis of such small-scale pilot-schemes or measures takes into account the scale, the small number of

³⁵National supermarket chain, <http://www.cactus.lu/page.asp?id=129&langue=FR>

³⁶A company offering the transfer and processing of cash processing, <http://www.g4s.com/fra/lu>

³⁷International tire production company, <http://www.goodyear.com/>

³⁸Fédération National des Hôteliers, Restaurateurs et Cafetiers (Luxembourg's National Federation of Hoteliers, Restaurant and Coffee House Owners, <http://www.horesca.lu/fr/pageaccueil>).

participants, and the length of the training as well as the proportion when faced with the general context of Luxembourg's still low unemployment rate. Furthermore, tailor-made measures co-exist with other unemployment measures (i.e. regional measures).

As far as the Springboard to a job initiative is concerned, it has been reported by the actors in charge that more than 80% of the participants in the three groups have been recruited by companies in the fund management industry.

Table 5 Springboard to a job results (2008-2009)³⁹

Training + Internship	Number of candidates starting training	Number of candidates Finishing the training	Number of ALFI UCI Junior Accountants	Number of transfer agents	Number of CDI	Number of CDD	Number of participating companies (offering internship)/ Number of Mentors
Group 1: 5/11/2007- 28/02/2008	14	14	12	14	8	5	9/11
Group 2: 3/03/2008- 27/06/2008	15	15	15	15	2	11	9/13
Group 3: 12/11/2008- 20/04/2009	13	13	N/A yet	N/A yet	N/A yet	N/A yet	7/12
Total	42	42	27	29	10	16	25/36

One of the fundamental assets of tailor-made measures is the access to new competences. The majority of the training schemes offer general course units mingled with specialised modules (ranging from business English or employment law units to teamwork or fork-lift operator training units). Another asset revolves around the general acquisition of knowledge and work experience, boosting career prospects. Even if a participant is for whatever reason not offered an open ended contract at the end of the internship, the knowledge and acquired competences help to make the candidates more competitive on the labour market by enhancing their general employability. In the long run, participants are likely to be recruited by a different employer after the completion of a measure.

Table 6 General overview of results (2008)

Total number of participants in tailor-made measures	306
Open-ended employment contract (CDI – Contract à durée indéterminée)	43
Fixed-term contract (CDD – Contract à durée déterminée)	1

³⁹Results based on KNEIP information.

Self-employed status	1
Number of candidates abandoning the training-schemes	70
Participants starting again with their studies	2

The following tables represent a selection of tailor-made complementary “qualifying” measures.

Table 7 Company-based results (2008)

Company: Group4S ⁴⁰ Starting Date: December 2008 Duration: 10 weeks	Training: Security agent	Results: 8 candidates pre-selected by the company 8 candidates having started the training 8 participants having finished the training 5 participants received a CIE 2 participants received a SR 1 participant obtained a CDI
Company: Group4S Starting Date: April 2008 Duration: 10 weeks	Training: Security agent	Results: 8 candidates pre-selected by the company 8 candidates having started the training 8 participants having finished the training 4 participants received a CIE 2 participants received a SR 1 participant obtained a CDI
Company: Euro-Composites ⁴¹ Starting date: October 2007 Duration: 14 weeks	Training: N/A	Results: 8 candidates pre-selected by the company 7 candidates having started the training 5 participants having finished the training 2 participants received a CIE 1 participant received a SR 1 participant obtained a CDI
Company: Goodyear Starting date: April 2008 Duration: 10 weeks	Training: Assembly line worker	Results: 11 candidates pre-selected by the company 11 candidates having started the

⁴⁰<http://www.g4s.com/fra/lu>

⁴¹<http://www.euro-composites.com/en/Seiten/default.html>

		training 10 participants having finished the training 8 participants received a CIE 1 participant obtained a CDI
Company: Cactus Starting date: June 2008 Duration: 1 week	Training: N/A	Results: 9 candidates pre-selected by the company 8 candidates having started the training 8 participants having finished the training 1 participant received a CIE 2 participants obtained a CDI
Company: Hair Concept⁴² Starting date: May 2008 Duration: 4 weeks	Training: N/A	Results: 6 candidates pre-selected by the company 6 candidates having started the training 5 participants having finished the training 4 participants hired by the company 1 participant hired by a different company

The following table gives a few examples of tailor-made “pool” measures:

Table 8 Selection of “pool” sector-based measures (2008)

Sector: Industry	Training: Assembly line worker (Industry)	Results: 13 candidates pre-selected by the company 9 candidates having started the training 6 participants having finished the training
Sector: Construction sector Starting date: April 2008 Duration: 13 weeks	Training: Initiation to construction	Results: 8 candidates pre-selected by the company 8 candidates having started the training 7 participants having finished the training 2 participants received a CIE 3 participants received a SR 2 participants obtained a CDI

⁴²<http://www.hairconcept.lu/>

Sector: Horesca Starting date: December 2007 Duration: 11 weeks	Training: Reception	Results: 11 candidates pre-selected by the company 10 candidates having started the training 10 participants having finished the training 4 participants received a CIE 5 participants obtained a CDI
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The third series of tailor-made measures aimed to increase the employability of unemployed individuals and covered for instance ICT training courses and modules on how to be successfully hired on the labour market. Table 10 offers a selection of training units.

Table 9 Employability training results (2008)

Training: General training Starting date: January 2008 Duration: 4 weeks	Training: How to be successfully hired	Results: 15 candidates pre-selected by the company 14 candidates having started the training 3 participants having finished the training 1 participants received a CIE 2 participant obtained a CDI
Training: General training Starting date: April 2008 Duration: 13 weeks	Training: Initiation to informatics	Results: 13 candidates pre-selected by the company 13 candidates having started the training 9 participants having finished the training 1 participant starting a new measure 1 participant starting an employment measure 2 participants obtained a CDI

5 DIFFICULTIES AND CONSTRAINTS

Difficulties and constraints have been hard to assess as official studies or evaluations are scarce. One of the key assets of specifically designed training measures is that they provide a good opportunity to re-orientate unemployed individuals towards new areas of work where a particular shortage has been identified. The number of open-ended/fixed-term or other employment contracts resulting from such measures is promising.

Yet, one fundamental question is still open to debate and concerns the repercussions of the current financial crisis on the motivation of companies to participate and co-operate in such measures in the same way as they have done so far. Companies have been forced into revising their recruitment

policies and the question arises whether tailor-made training measures can work efficiently and produce satisfactory results in times of a difficult economic environment. It remains to be seen whether current results can be replicated in 2009 and 2010. Alternatively, it is likely that new skills or a new process of adaptation of existing skills will be identified again in the future and tailor-made training instruments can be applied to deal with unemployment.

An indication of future trends may be given by the 2008 report of the ADEM/SFP informal working group has enumerated some of the measures that were launched in 2008 and are ongoing. The number of participants in complementary as well as pool measures is similar to the numbers taking part in such measures in the earlier part of the year as mentioned in the above section. However, faced with the crisis, there are some indications that opportunities to enter open-ended or fixed-term contracts at the end of their training period may not be available to all (or any) participants. It is difficult to assess if the financial crisis will have repercussions on the success of tailor-made training measures as well.

The 2008 results also indicate a high number of participants abandoning the different training schemes. However, the reasons why participants decide to give up and leave are manifold and no evaluation is available.

At this level, it is important to underline that the closeness of partnerships and the commitment of companies and other actors will be of vital importance to the future development of the measures, especially when it comes to the financial aspects of tailor-made or company-based initiatives. As far as the Springboard to a job measure is concerned, it has sometimes been argued that a 4 or 7-week internship is too short to provide a more in-depth overview of the company's departments and missions. Although it is not possible to generalise as it depends on the participant, the training does not replace the 3 or 4 year degree in finance, accountancy or economics. This can also be true for linguistic (especially English language) competences.

6 SUCCESS FACTORS AND TRANSFERABILITY

If there is demand, tailor-made training measures for unemployed individuals are transferable to every economic sector or company. This is largely due to the flexibility of the measures through cooperation agreements and the strong partnership as well as general willingness to co-operate that exists between governmental agencies and private partners. At this level, the manageability of actors involved is a Luxembourg-specific asset as the country has a long tradition of dialogue and what is often referred to as the "Luxembourg model"⁴³ in which social partners are closely incorporated into the decision process via tripartite negotiations.⁴⁴ Not only are training classes small so that participants can usually get the personal attention they need, but the length of training schemes are whereas time-limited and internships are practice-orientated. As regards the financing of the measures, it is the Employment Fund that guarantees the allocation of the necessary budget.

Besides the flexibility and the tailor-made, business-orientated character of the measures, another important aspect is the straightforward nature of the procedure as the cooperation agreement specifies the details of the training and the cooperation between the company and the ministry of Work and Employment and the ministry of Education and Vocational training.

The Springboard to a job programme has encapsulated most of the necessary ingredients of a successful measure: an initial demand of qualified sector-specific workers, a tailor-made curriculum to adapt participants' existing competences to the needs of a sector, a willingness to provide financial

⁴³See Internet: <http://www.eurofound.europa.eu/eiro/2008/07/articles/lu0807049i.htm> or Mario Hirsch (2008), « Organisierte Interessen, Kammern und Tripartite », in Lorig W. et Hirsch M. (eds.), *Das politische System Luxemburgs: Eine Einführung* (Wiesbaden: VS Verlag).

⁴⁴For a detailed study, also see Franz Clément *Les Relations professionnelles au Luxembourg* (Differdange: Publications EURES, 2006).

means, internships and cooperation between partners and governmental agencies in the field of vocational training and employment as well as governmental and private financial provisions.

There is another positive aspect worth considering: tailor-made measures allow a large degree of self-initiative in the sense that they enable companies to take the initiative as soon as a lack of skilled staff is identified. In that case, tailor-made training schemes can be repeatedly applied.

Moreover, tailor-made training measures for unemployed individuals are strongly backed by the Government. This is illustrated by the fact that the minister of Work and Employment participated in a press conference in December 2008 during which Springboard to a job the project scheme was presented.⁴⁵

⁴⁵Internet: http://www.gouvernement.lu/salle_presse/actualite/2008/02-fevrier/12-biltgen/index.html

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ANNEX 2: SUMMARY TABLE

Labour market situation in the Host Country
Importance of the financial centre as a catalyst for growth Large cross-border employment New recent governmental initiatives in the field of employment
Key features of the policy measure
Identification of a lack of skilled workforce in a company, business sector or federation Tailor-made, business-orientated training and internship Cooperation/partnership of private and governmental agencies Self-financing by companies (internship) added to available financing via the Employment Fund Implementation in practice through cooperation conventions
Results
High percentage of CDI, CDD or other contracts when compared to the scope of the measures and the length of the training schemes Reintegration of unemployed people into the labour market Opportunity for unemployed people to acquire valuable new competences and skills Increase of employability and competitiveness for unemployed people on the labour market
Difficulties and constraints
Cooperation between actors must be guaranteed Willingness to engage in a moral commitment and business investment Possible crisis-related reconsideration of recruitment policies by companies Impact of financial crisis on tailor-made measures difficult to assess
Success factors and transferability
Flexibility and tailor-made character of the program enables a large degree of transferability to other business sectors or companies Small number of candidates and a short length of training schemes Flexibility in terms of candidates and qualifications required to enter the program Cooperation between actors, strong commitment as well as moral obligation to help tackling unemployment Strong political backing