APPENDICES

PROMOTING INVESTMENT AND INCREASING EMPLOYMENT AMONG THE ECONOMICALLY INACTIVE – A REVIEW OF BEST PRACTICE

Report to the Department of Enterprise, Trade and Investment, Northern Ireland

Final Report
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Appendix 1. Australia

- There are no specific schemes found that tie FDI and the employment of economically inactive groups.
- There are however, a range of work experience projects and employment incentives that could indirectly support this.
- Incentives for investment are in the main controlled at the state/territory level and can be discretionary.
- Activation programmes are geared towards addressing labour shortages, skills shortages and increasing the employability of the long term unemployed.

Promoting Investment

The Australian Government welcomes FDI. There are no foreign exchange controls and "capital flows, profit remittances, capital repatriation, transfer of royalties and trade related payments remain largely free from regulation"\(^1\). However, some investments (for example those involving a total investment of $10 million or more) require the Foreign Investment Review Board’s (FIRB) approval\(^2\).

The participant outlined the type of foreign investment that is currently locating in Australia: in 2007 FDI stocks were greatest in mining, manufacturing, the wholesale and retail trade, and finance and insurance. The participant felt that there were likely to be employment opportunities for economically inactive groups in these industries; although there are no national level activation policies that link investment to the employment of economically inactive groups. It must also be acknowledged that there are no strategies to encourage investment from sectors that offer opportunities to the economically inactive. State/territory governments may have policies to link investment and the employment of economically inactive groups, but, the participant outlined that these were related to public investment.

The Australian Trade Commission (Austrade) facilitates and promotes foreign investment to Australia and acts as the first point of contact for investment inquiries and advice. They provide information on the business environment, market intelligence, prefeasibility studies, advice about potential locations and partners, and advice on government programs and the approval process\(^3\).

Austrade also administers the Export Market Development Grants (EMDG) scheme which is designed to encourage small and medium size enterprises to become established exporters. The scheme has helped manufacturing, communication services and property and business services\(^4\), which the participant felt were likely to offer low entry level job opportunities.

From examining the websites of several state/territory economic development agencies it appears that most incentives for investment are controlled at the state/territory level and are discretionary. For example Queensland’s development agency, Invest Queensland states: “Financial incentive schemes
are one form of strategic assistance your organisation may be able to access. All incentives are discretionary and are aimed at contestable project. However, the participant outlined that there are a large number of initiatives that operate at the national or state/territory level which are rolled out by a range of stakeholders. For example, Major Project Facilitation (MPF) is available from the Department of Infrastructure, Transport, Regional Development and Local Government for projects that will increase productivity growth. The New South Wales government has implemented programs to generate employment opportunities in regions affected by structural change or with relatively high unemployment rates. The Payroll Tax Incentive Scheme (PTIS) for example, provides a payroll tax rebate for 5-years to firms that invest in areas with high levels of unemployment.

The existence of incentives at a state/territory level could effect regional development. The participant felt that they have the potential of creating distortions in that they may increase labour opportunities in some regions but not in others. There are also no guarantees that an enterprise will remain in a region and continue to provide the same level of employment in the long term. The participant also cited a 2002 speech by the Chairman of the Productivity Commission which highlighted that “provision of investment incentives might have little influence on a firm’s ultimate decision, wasting taxpayer’s money on firms who would have located in the jurisdiction without a subsidy.”

**Linking Employment of the Inactive and Investment**

On 1 July 2009 a new employment service, Job Services Australia, was introduced. Job Services Australia draws together seven separate programmes, such as Job Network, to provide a one-stop shop which aims to meet the needs of both jobseekers and employers. The new system means to provide sustainable employment; encourage skills development; meet the needs of local employers; ensure that training opportunities are accessible to jobseekers; and provide early interventions. A range of for-profit and not-for-profit organisations deliver employment services as part of Job Services Australia.

Unemployment has been low in Australia when compared to other OECD countries during the past decade. This has resulted in the development of programmes designed to address labour shortages and/or skills shortages rather than programmes to decrease levels of unemployment. Up until 08 February 2010 the Migration Occupations in Demand List (MODL) played a part in the Australian visa application process. It has now been revoked. However, concerns about labour shortages, skills shortages and increasing employability still direct labour market activation policies. For example:

- The Productivity Place Program (PPP) delivers training that meets the needs of industry. The Australian Government has funded 711000 places over 5-years under its Skilling Australia for the Future initiative. State and territory governments are responsible for its delivery.
- Since July 2009 the Australian Government has provided Structural Adjustment Places (SAP) through the PPP for those who have been made
redundant as a result of the economic crisis. This training is available through employers and other representatives to ensure that these workers have the skills needed to find new employment\textsuperscript{15} \textsuperscript{16}.

- There are also a range of work experience programmes for jobseekers who have been unemployed for over 12-months\textsuperscript{17}. These include amongst others:
  - Work for the Dole - provided by not-for-profit organisations and local, state, territory or Australian Government agencies\textsuperscript{18}. The participant cited a 2009 Department of Education, Employment and Workplace Relations Report\textsuperscript{19} that highlighted that for the year to June 2009 there were positive outcomes for 37.4\% for Work on the Dole participants: 11.2\% were in full-time employment, 16.5\% in part-time employment and 12.1\% were participating in further education and training.
  - Unpaid Work Experience placement activities allow jobseekers to get workplace experience\textsuperscript{20}.
  - Work in a social enterprise (paid or unpaid) helps jobseekers to get skills and address barriers to employment\textsuperscript{21}.

- There are a variety of Australian Apprenticeships schemes, some listed below, open to all jobseekers of working age\textsuperscript{22}. There are also incentives open to employers.
  - Australian Apprenticeships Access Program is for those who face barriers in finding skilled employment\textsuperscript{23} \textsuperscript{24}.
  - Australian Apprenticeships Incentives Program is a financial incentive for employers who take on and train Australian Apprentices\textsuperscript{25}. There are also completion incentives\textsuperscript{26}.
  - Rural and Regional Skill Shortages Incentive for the employment of an apprentice in a skills shortage trade in a rural area\textsuperscript{27}.

- There are Wage Subsidies for employers who consider employing a person with a disability, who faces barriers to employment or who are long term unemployed. These subsidies cover the wages for the first few months of employment\textsuperscript{28} \textsuperscript{29}.

The participant highlighted that evaluations of wage subsidies have generally regarded them as effective for disadvantaged jobseekers. However, they may be subject to substitution and displacement effects. The benefits to jobseekers of the work experience can also be limited. The participant drew attention to the fact that only a small number of places are available and there is strong competition for places. As a result employers will impose screening criteria that could disadvantage the economically inactive. For example, applicants must have completed Year 12 (final year of secondary education).

As can be seen there is no direct link between the investment agency and the employment agency linked to job creation for the economically inactive. The participant felt that a coordinated strategy “would enhance labour market efficiency and assist in addressing skill shortages”. However, there would need to be coordinated cooperation between a range of stakeholders in order to make this affective and to balance the different needs of the investment agencies and the employment agencies.
Targeting Sectors

Incentives available for target sectors include: research and development tax concessions; the Pharmaceuticals Partnerships Program (P3); Venture capital tax concessions; Invest Australia Supported Skills (IASS) program; the Green Car Innovation Fund (GCIF); the Tradex Scheme; and the Retooling for Climate Change program\(^30\).

The New Enterprise Incentive Scheme (NEIS) supports jobseekers that set up their own business. 18,900 training places are available through the PPP over the next 3-years for Certificate III in Micro Business Operations or the Certificate IV in Small Business Management\(^31\) \(^32\).

The participant outlined that in Australia contact centres offered good opportunities for the long term unemployed because of the number of low entry positions available. It was also stressed that the often casual or part-time nature of the work meant that it was suitable for those facing barriers to employment and the long term unemployed. However the participant highlighted that the stringent performance requirements of contact centre work could generate high stress levels in employees. Contact centres are discussed more fully in chapter 4 of the main report and appendix 12.
Appendix 2. Belgium (Flanders)

- Although there is no specific tie between investment and initiatives to promote the employment of the economically inactive, there do appear to be some links between the agencies responsible for these issues. The Flanders Investment and Trade website, in much detail, outlines the incentives available from the employment service VDAB.
- However, our findings do question the degree to which these links work in practice as some participants were not aware that the employment of the economically inactive was tied to investment.
- There are a series of social security reductions which encourage the employment of the long term unemployed and disadvantaged groups.

Promoting Investment

Belgium has two distinct development agencies for the two major regions of Flanders and Wallonia. Flanders Investment and Trade promotes business and investment in Flanders by assisting potential investors with site selection; guidance on the grants and incentives available; legal advice; and identification of business opportunities.

A series of incentives and grants are available to potential investors:

- Tax breaks for research and development (R&D) personnel
- Growth Premiums and tax incentives
- Cash grants for those investing in tangible fixed assets
- Companies hiring those with a university or a Master's degree to work on R&D projects can "claim partial exemptions from advance payments on wages".

Provincial governments also offer incentives. A participant outlined that the Province of West Flanders provides support for firms and investment. The make-up of employment in investment is not usually an issue and there is no attempt to attract those who offer opportunities to inactive groups. Rather as one participant outlined, Belgium is marketed by highlighting the 'Notional interest deduction' and the highly educated workforce.

Linking Employment of the Inactive and Investment

The Federal Government and the Regions both have responsibility for employment. The Federal Government is concerned with ensuring employment can thrive through social security and labour law; whereas access and participation though the support and training of jobseekers is the responsibility of the regions. The Flemish Employment and Vocational training service (VDAB) is the employment agency in Flanders and offers the following services for jobseekers:

- A database of vacancies and jobseeker CVs
- Job guidance for those facing barriers to employment
Training

There are a series of schemes designed to help jobseekers get back into work and to encourage employers to hire those who may be facing barriers to employment. One participant outlined that investors can benefit from reduced labour costs as can any other company in Flanders.

- A participant stated that one of the most effective incentives were the state subsidised ‘dienstencheques’ (translated as ‘household cheques’) which encourage the employment of the low skilled in order to provide household services such as cleaning for company employees. Social security contributions to encourage employers to take on additional employees.
- The Activa plan offers social security exemptions to employers who take on the long term unemployed by offering employers fixed social security exemptions and compensation for the wages. Employment/activation programmes such as Activa have been found to be more successful than those trying to only restore social security rights. The level of these benefits carries a time limit and is determined by the characteristics of the jobseeker;
  - The Activa Plan Plus is aimed at employers located in areas with high levels of unemployment. The Activa Plan Prevention and Security Personnel is aimed at municipalities that have closed a security agreement with the Ministry of Foreign Affairs. Activa Start provides employees with €350 per month for a maximum of 6-months. This can be deducted by their employer from their net wage. Employees must be under 26-years, have low education levels and must have been registered jobseekers with VDAB. An individual can be involved with this scheme and other social security reduction schemes.
- Premiums are available for companies that hire older workers.
- Training grants are available to support investment and new jobs. Training can be provided by an employer at reduced cost so that jobseekers that do not have all the skills required can be recruited. The employee must be recruited full-time after the training.
- Transition programmes are profession specific and are created by public sector employers to help the long term unemployed increase their employability.
- A participant outlined a new scheme, the ‘Win-Win Plan’ which has been introduced in the wake of the economic crisis to provide exceptional advantages for enterprises that employ low skilled or long term unemployed workers. The plan is focused on job seekers under 26 years of age, unemployment benefit claimants who are over 50 years of age, and those who have claimed unemployment benefit for 1-2 years. Those employed under this scheme may receive an allowance of up to €1,100 per month which can be deducted by their employer from their net salary. Employers may also benefit from reduced social security contributions.
There is a website, www.aandeslag.be, where employers can calculate what benefits they will be entitled to if they hire a certain unemployed person. Jobseekers can also see if they are eligible for subsidies (note this website is only available in Dutch, French and German. The French version was consulted in this instance). Website users are asked to enter some of the following information:

- Summary profile of the employer: which sector is the employer in?
- Summary profile of the employee/jobseeker: what is your current situation? How long have you been in this situation? In what position would you like to work in (already work in)? What type of measures are you interested in? In which region would you like to work? What is your highest level of education? What is your date of birth? Do you have a disability?
- Detailed Employer Profile: How many people work in your enterprise? In what state is the employer's company?
- Detailed Employee Profile: Are you undertaking training recognised by VDAB? Are you receiving a CPAS benefit? Are you registered with VDAB? What are your current work hours? Which region do you live in? Under which mode of work will you be working? What will be your status (employee, worker, state employee)?

The participant outlined that training for those in work is also provided by private organisations such as Syntra West (Brugges). They mainly provide evening courses for those in work, which are subsidised by the government for those requiring basic level qualifications (e.g. a trainee may pay €300 per annum with the rest paid by the state). No examples of linking such training and investment were recalled by the participant.

There are however some links between the VDAB and Flanders Investment and Trade. Flanders Investment and Trade website outlines that in order to find employees:

“The simplest and least expensive method is to contact the Flemish Employment Agency (VDAB), which is well regarded by the Flemish business community. This official government agency can contact individuals listed on its extensive database and refer candidates for potential employment. There is no charge for these services. The VDAB can also assist with training candidates to acquire skills for which there is a shortage in the labor market or with training those who are unemployed”.

The participant outlined that Flanders Investment and Trade in conjunction with the VDAB had several subsidies available for businesses that create new jobs. Some of the labour market activation policies, the social security reductions available to employers who hire the long term unemployed and the employer services provided by VDAB are outlined on the Flanders Investment and Trade website.
Targeting Sectors

Unemployed people wishing to set up in business are generally (85%) supported by UNIZO (an organisation for the self-employed and small and medium enterprises (SMEs))\(^5\). There is a token membership fee of around €100 and individuals get advice for example plus perhaps services such as secretarial services. The participant outlined that there are also business incubators (generally limited to 2-3 years) which are operated by separate, but co-ordinated, organisations. Larger firms tend to be supported by the Chambers of Commerce.

A participant also outlined the role of ‘insertion companies’. These companies employ low skilled individuals and receive a 2-year subsidy for labour costs such as training.
Appendix 3. Denmark

- There are no specific schemes that tie FDI and the employment of economically inactive groups. There are however, a small number of incentives that could indirectly support this.
- There are not many incentives for investment. These are controlled at national level.
- Activation programmes are geared towards addressing labour and skills shortages by matching supply and demand of education and skills, and decreasing the number of economically inactive individuals.

Promoting Investment

The total stock of foreign direct investment (FDI) in Denmark was 39% of the GDP, according to the Danish Central Bank\(^59\).

Invest in Denmark is part of the Danish Trades Council and it is situated within the Danish Ministry of Foreign Affairs. They advertise themselves as offering potential investors "a customised one-stop-shop service - free of charge and with full confidentiality"\(^60\).

Invest in Denmark mentions the ideal condition for investors that Denmark offer, some of those important to this study are:

- Highly skilled workforce and a flexible labour market.
- Danish employer pays virtually no social security contribution
- A company tax rate of 25% and expatriates can benefit from a special tax regime
- A range of corporate forms enabling investors to tailor the investment to business needs and activities

Danish trade and investment policies are very liberal and encourage foreign investment. Denmark grants national treatment to foreign investments, with the aim to increase FDI. According to the 2008 business environment survey from the Economist Intelligence Unit\(^61\), Denmark has retained its position as the most attractive nation for foreign investment scoring top marks in:

- The political and institutional environment,
- Macroeconomic stability,
- Policy towards private enterprise
- Foreign investment policy
- Financing and infrastructure

There seems to be no direct subsidies to individual business in Denmark\(^62\). However in order to deal with regional disparities, industrial and demographic development financial grants are given. Those are primarily given to small and medium enterprises undertaking new or expanding existing grant qualifying activities within these geographic areas.
Within certain industries or business sectors grants are made available for product development and research. Favourable loans or guarantees for commercial bank loans may also be obtained from Vækstfonden (a Danish state investment fund) for research into, and development of, new or improved products, production methods or services or business concepts including the creation of international competence and expertise.

There are also a number of incentives to companies coming to Denmark, although they are not related with the employment of economically inactive groups:

- There is the possibility to access a special tax regime for foreign key personnel researchers and key employees (specialists and top management)
- The local Jobcentres, as part of the process of establishing a new company or branch office, can provide amongst other things, assistance in recruiting labour and retraining of the employed staff such as:
  - Searching for qualified personnel with specific qualifications
  - Selection of qualified personnel
  - Development of training programmes in order to obtain particular qualifications
  - Training of personnel in specific job functions

Search and selection of personnel is normally free of charge and the training would also be if it is considered an instrument for re-qualifications of the labour force of the region.

- There are other incentives for financial assistance such as certain grants and subsidised loans available from EU agencies and a number of different sources of finance.

**Linking Employment of the Inactive and Investment**

Denmark has a high activity rate and very low unemployment levels. Due to this low rate of unemployment Denmark needs to attract more people to participate in the labour market. The current recession has seen the level of unemployment almost double but according to the participants the level is still low when compared to other European countries. The reason for this low rate of inactivity according some stakeholders is two fold: the Danish labour market model and the good business cycles that Denmark has had for the last 15-years.

The Danish labour market has been described as the 'golden triangle' with the 3-corners the flexible and mobile labour market, the generous welfare schemes and the active labour market policy. This is often described as flexicurity. There are a number of nation wide policies that form the flexicurity system. These are:

- Decentralised collective bargaining, which leaves most issues to be decided at the workplace level, seems to play an important role in
flexicurity. Although there are variations the main characteristic is the flexibility of hiring and firing employees.

- High expenditure in active labour market policies (ALMP), based on a ‘right and duty’ of those unemployed to take part in activation, with a strong life long learning system with a well developed and to a large extent vocational further education and training system. The IMD\textsuperscript{71} ranks Denmark first in terms of priority of employee training\textsuperscript{72}.

- A generous social security. Although Mainland argues that income security due to replacement rates for those insured and reduced benefits for those uninsured, questions the generosity of the system\textsuperscript{73}.

There does not seem to be many labour incentives to foreign or domestic companies investing in Denmark. Even so, there are a number of wage subsidies to companies that aim to increase the integration of economically inactive groups into the labour market. There are a number of subsidies that companies can access. “In 2002, about 18% of private sector firms and nearly half of all public sector organizations had one or more employees in some form of subsidized employment”\textsuperscript{74}.

- Companies can get subsidies when employing an unemployed person in job training or when employees are participating in job rotation. When an employee is temporarily absent the position can be replaced (job rotation) by a substitute registered by the local job centre (maximum grant €8 per hour for a maximum of 1-year).\textsuperscript{75}

- Wage subsidy schemes for the disabled which are adjustable to the work ability of the disabled person.\textsuperscript{76}

- Flexjobs are subsidised jobs for the long term disabled. There are special working conditions such as reduced working hours and restricted job demands. The partial wage subsidy is unlimited and the amount relates to the reduction of the working capacity. According to the Ministry of Finance since its introduction in 2005 the number of applications for disability has fallen\textsuperscript{77}.

A study by Holt finds that the more contact there was with the municipality and job placement bureau, the more likely was the firm to have subsidised employees\textsuperscript{78}.

There is not obligation in law for companies to employ people from certain groups. Nevertheless interviews with participants hinted that in some municipalities the public authorities contact process requires companies successful in the tendering process to provide a number of apprenticeships for people in the local area. According to the participants in general the idea of introducing quotas and forcing companies to contract from certain economically inactive groups does not seem the best idea. A voluntary process, through subsidies or other incentives, is preferred. Some participants said that some kind of employment compulsion would not stop companies from coming to Denmark, as the incentives to invest in Denmark are not based on the direct cost of employment but mainly on labour market flexibility and low social security contributions. Nevertheless the idea of companies
having social corporate responsibility was welcome, and it seems that this is already a characteristic of the Danish labour market model.

**Targeting Sectors**

Denmark is among the world's leaders in industries such as information technology, life sciences, energy technology, and shipping\(^{79}\). Contact centres offer opportunities for the economically inactive. This is discussed more fully in appendix 12 and in chapter 4 of the main report.
Appendix 4. Finland

Business and employment services are locally provided by the same organisation.

Finland has a series of initiatives to help encourage the economically inactive to find work. However, our research did not find any direct links between investment promotion and job creation for inactive groups.

Promoting Investment

Finland is open to foreign investment but “does not "positively" discriminate in favour of foreign-owned firms”\textsuperscript{60}. Rather the economic and social conditions are seen to act as an incentive to potential investors. Invest in Finland is the government agency which promotes foreign investment and is under the remit of the Ministry of Employment and the Economy. They assist companies by offering the following services\textsuperscript{81}:

- Data collection
- Opportunity analysis
- Entry alternatives
- Networking Location management
- Setting up a business

Business development and employment is linked at a local level. Employment and Economic Development Centres (T&E Centres) existed throughout the regions of Finland. These centres provided:

- Development services for businesses and entrepreneurs
- Specialist services for each phase of the corporate life-cycle
- Financing for investments which improve the competitiveness of businesses and that could have an important impact on employment, internationalisation, productivity or improved local business structure
- Employment activities career planning; an internet service; finding workers for enterprises which need temporary labour; and an information service

Since 01 January 2010, under the Reform Project for Regional State Administration (ALKU), the roles, duties and divisions of the regional authorities have changed. The Employment and Economic Development Centres (T&E Centres) have been phased out and have been replaced by the Regional State Administrative Agencies (AVI) and the Centres for Economic Development, Transport and the Environment (ELY) with the aim of increasing the statutory powers of the regional authorities\textsuperscript{82}.

The responsibilities of the Centres for Economic Development, Transport and the Environment (ELY) are most relevant here as they “promote entrepreneurship, labour market functioning...and are in charge of functions related to labour force immigration” amongst other things\textsuperscript{83}. They are within the administrative sector of the Ministry of Employment and the Economy and there 15 of these centres in Finland\textsuperscript{84}.
Linking Employment of the Inactive and Investment

Cases of unemployment are addressed early on and efforts are made to prevent structural unemployment and exclusion. However, the OECD has recommended that activation measures should be implemented earlier during periods of unemployment. There are hiring and training initiatives that encourage enterprises to take on the economically inactive:

- Temporary agency work services are provided by the Employment and Economic Development Offices.
- The employment offices can offer discretionary subsidies and support to employers who hire unemployed jobseekers.
- The intermediate labour market (ILM) offers job opportunities to those that face barriers to employment with the aim of increasing skills and labour market status.
- Social enterprises can be granted subsidies to help fund hiring an individual who is economically inactive.
- The Job Alternation Leave System allows an employee to be exempt from work for a fixed period. During this time the employer must hire an unemployed jobseeker.
- Joint purchase training is available which enable employers to take on a worker even if they do not have all the skills required for the job.

Targeting Sectors

R&D incentives are available to enterprises developing innovative projects. Additionally employment offices can provide funds for entrepreneurs to set up businesses. These entrepreneurs are also offered entrepreneurship training.
Appendix 5. Germany

- There are a number of incentives which are defined by the type of industry as well as by the form of investment, size of the company and location. The level of incentive given is determined by a set of criteria. However, labour-related incentives do not depend on such factors.
- Employment agencies use various schemes to address skill mismatches, unemployment and employment growth that could be used by new investors.
- Germany’s investment agency acts as a one-stop shop for prospective investors and offers investors the opportunity to look at the incentives available, including labour incentives.

Promoting Investment

R&D is considered to be amongst the most important areas for the development of the German economy, and as such there are numerous incentives and support for investments in this area. The National Reform Programme in 2008 aimed to invest 3% of the GDP in R&D by 2010, as well as making available additional funding.\(^{96}\)

In terms of the Government’s high-tech strategy it will continue to promote the powerful innovation clusters. The initiative “Kompetenznetze Germany” currently combines over 100 Competence Clusters, 9 branches in 8 regions. More than 6,000 SMEs are cooperating in these networks along with universities, research institutions and large companies. Environmental technologies are seen as a necessity due to the ecological situation and also as a strategic competitive factor.\(^{97}\)

As stated in the German Constitution the policies of economic growth are a shared responsibility between the Federal Government and the 16 states. Therefore there are departments for Economic Policy not only in the Federal Government, but also at state level

According to the Ministry of Economics and Technology, Germany is the world leading export country, and exports account for one third of their GDP.\(^{98}\) Germany Trade and Invest is the federal foreign trade and investment promotion agency of the Federal Republic of Germany. It was formed on January 2009 through the merger of the German Office for Foreign Trade and the Invest in Germany.\(^{99}\)

Its website is very informative and easy to navigate. It provides prospective investors with a one-stop shop of information about the investment process (strategy, evaluation, and decision and investment). It offers investors the opportunity to look at the incentives available at different stages of the investment process. Incentives are available at the national and federal level. The incentives, which apply to both domestic and foreign investment, fall into 2-groups:
Promoting Investment and Increasing Employment among the Economically Inactive

- Investment incentive packages with different measures to reimburse investment costs (cash incentives; interest-reduced loans; and public guaranties)
- Operational incentives packages which subsidise expenditures after the investment has been settled (labour-related incentives; and R&D incentives).

Both of these incentives types are used in various programmes. Each programme is defined by industry, as well as, by the form of investment. Each has a set of criteria which determines incentive levels. The labour-related incentives do not depend on factors such as size, sector or location, although it can be adjusted by local authorities according to the investor’s needs. The highest levels of incentive are given to SMEs, according to EU classification, and some programs may even target SMEs.

- The level of incentive is determined also by the location of the investment; with less economically developed regions giving the highest levels of incentive and some programmes target ‘incentive regions’. The Investment Allowance incentive programmes are part of the cash incentives for investment. There are loans given by state development banks.
- Regional promotion is set out by the Government in the NRP (2008) Investment Allowance which is a special incentive programme created to promote investment activities in Eastern Germany.
- There are numerous incentives and financial support for R&D projects, which reflects the importance given to this area by the German Government, for example through the High-Tech Strategy.
- Individual incentive programmes and federal state regulations can also determine the incentive levels.

Germany also has a system of public banks, which are used to carry out employment growth policies, by giving loans, funding, etc. These public banks are on the national (KFW-Bank), state (Landesbanken) and regional (county or city) levels (Sparkassen).

In order to increase the attractiveness of Germany as an investment location the Federal Government reduced the tax burden on domestic companies and the corporation tax rate (to 15 percent), together with the statutory rate for the assessment of trade tax (to 3.5 percent). The Federal Government also aims to reduce unnecessary bureaucracy over the years. Generally speaking, businesses in Germany have to register with the commercial register and the trade register (the local trade office of the municipality in which the business is located). The application for entry into the commercial register must be submitted by a German notary in certified and electronic form. Although in 2007 an electronic company register was introduced, companies still have to file notarised registrations with the commercial register.
Promoting Investment and Increasing Employment among the Economically Inactive

Linking Employment of the Inactive and Investment

There are a number of wage subsidies for companies that aim to increase the integration of economically inactive groups into the labour market and extend training support. Germany Trade and Invest details the main groups of labour related incentives offered by Germany's Federal Employment Agency and the German states that business wanting to establish in Germany can access. The incentives are independent of company size, industry sector, or investment project location and can be adjusted to the needs of the investor by local authorities who carry them out.

The four main groups of labour incentives are:

- **Programmes focusing on recruitment support** which helps investors to identify prospective employees and supports recruitment activities. These are free of charge to the investor.
- **Training support** provides appropriate training for prospective employees, which can be covered by up to 100% by regional programme managing authorities.
- **Wage subsidies** which help with the integration of jobseekers experiencing difficulties securing jobs. These are given for long term employment contracts
  - Up to 50% of wage costs including social benefits for a period of up to 12-months.
  - Up to 70% of wage costs, for a period of up to 12-months if hiring a long-term unemployed person with disabilities or who are older.
- **On-the-job training of up to 50% of all training costs**

Work related incentive programmes are typically managed by the local Job Centres, which also administer the relevant funding budgets. Accordingly, the available labour-related incentives and their specific design may vary from municipality to municipality (programmes can be carried out and adjusted according to the investor’s needs).

The “Kombilohn” (combination of wage and subsidies) models are also used to help those on benefits to take work that pays below the level of unemployment benefits. The participant outlined how these models were one of a series of changes in labour market policy in 2002 when the emphasis was increasingly placed on directly promoting regular employment opportunities. A series of national and regional Kombilohn were introduced but the majority were not effective in bringing the inactive back into employment and the participant stated that many were no longer in place.

The Kombilohn have experienced high drop out rates: 56% in 2005 for the Hamburg Model and 40-50% for the Mainzer Model. Data regarding the Mainzer Model has shown that those dropping out the scheme are not doing so to take up a better paid job. It has been shown that in-work benefits may reduce wage satisfaction and employees may leave schemes as employers.
are not seen to be fulfilling the norms of reciprocity\textsuperscript{106}. The participant for the German case study did also point to a series of other evaluations of the Kombilohn\textsuperscript{107 108 109 110 111}. However, these reports are not available in English and were not considered by the current authors.

However, the Hamburg Model has been successful overall and unlike other models is still in place with around 10,000 people take part each year. The participant felt that the Hamburg Model had been successful for 4 reasons:

1. The employers receive a subsidy of €250 per month. Other models only offered an employee subsidy.
2. The employee only has to be in receipt of unemployment benefit and does not have to meet any other criteria.
3. The application process is easy and not bureaucratic.
4. The employee can receive a training grant of up to €2000.

The Hamburg Model is discussed more fully in the main report (see chapter 3).

**Targeting Sectors**

One of the cash incentives available through the investment programmes is targeted to entrepreneurs. This is a loan given by the German KfW Banking Group, which is the nationally operating development bank of the Federal Republic of Germany. According to Caliendo (2008)\textsuperscript{112} the number of business start-ups has increased almost ten fold in 10-years from 1994 to 2004.

Two schemes have been replaced by the new start-up subsidy program: ‘Bridging allowance’ (BA) which pays recipients the same amount that they would have received through unemployment benefits for a period of 6-months (plus a lump sum of roughly 70\% to cover social security contributions); and the ‘start-up subsidy’ (SUS) which runs for 3-years, paying a lump sum of €600 per month for the first year, €360 per month for the second, and €240 per month for the third\textsuperscript{113}. 
Appendix 6. The Netherlands

- Our research did not uncover any large scale links between the Ministry of Economic Affairs and the Ministry of Social Affairs.
- Investment agencies do try to encourage job creation by investors but this is at the higher end of the labour market.
- There are some interesting, but locally based, initiatives to offer opportunities in contact centres to those who face barriers to employment.

Promoting Investment

Foreign investment is very important for the Dutch economy as although domestic enterprises have a larger presence, foreign controlled companies employ a significant share of the workforce: 15% in 2007\textsuperscript{114}. Foreign controlled companies also pay higher wages: 15% more than domestically controlled companies\textsuperscript{115}.

There are a series of nationally and locally based development agencies that can assist investors. The Netherlands Foreign Investment Agency (NFIA) assists foreign investors on behalf of the Ministry of Economic Affairs. The NFIA provides information and practical assistance; arranging fact finding trips; and assisting with site selection amongst other things\textsuperscript{116}. The Holland Business House, a foundation of Dutch companies who have knowledge of doing business in the Netherlands, also acts as a one-stop shop for potential investors\textsuperscript{117}.

Regional agencies act as lead agents in working with business firms that are investigating the possibility of establishing a presence in the Netherlands. These agencies that can assist and provide incentives to investors:

- The Investment and Development Agency for the Northern Netherlands (NOM) will provide capital (and therefore become a shareholder) for new and innovative businesses\textsuperscript{118}.
- Oost NV (Development Agency East Netherlands) seeks to attract foreign investors and will help establish cooperative networks\textsuperscript{119}.
- The Flevoland Development Agency OMFL works alongside NFIA and helps potential investors\textsuperscript{120}.
- The Brabant Development Agency (BOM) assists foreign investors by providing information and helping with negotiations. They also finance innovative companies and start ups with loans of up to €1.8 million through BOM Venture Capital. BOM Restructuring Industrial Areas “initiates, manages and finances projects related to the restructuring of old industrial estates in the province”\textsuperscript{121}.
- In the south-east of the Netherlands the Contact Center Academy Limburg helps the development of the contact centre industry in the region by providing education and training for new and existing staff\textsuperscript{122}\textsuperscript{123}.
- One participant also outlined that some municipalities would open up international schools in their region for the children of those working for international investors.

There are a range of incentives, including tax reductions for certain kinds of investment\textsuperscript{124} \textsuperscript{125} \textsuperscript{126} \textsuperscript{127} \textsuperscript{128} and initiatives to enable highly skilled foreign employees to work or visit the Netherlands\textsuperscript{129} \textsuperscript{130}. There is a low dividend tax\textsuperscript{131} and there may be a reduction of the taxable profit of energy saving investments/assets\textsuperscript{132}.

One incentive is linked to expanding the economy (and increasing employment) in certain regions. Regional Investment Project Grants (BSRI) offer subsidies to companies that invest in core zones with the aim of strengthening these economically weak regions. These regions are in the north and in the south-eastern province of Limburg\textsuperscript{133} \textsuperscript{134}. However, the focus of these incentives is not on the employment of the economically inactive. As one participant summarised, “there is a focus on employment but not on employment of disadvantaged groups. That’s I think is an important thing to add”.

Our research did not uncover any links between the Ministry of Economic Affairs (responsible for investment) and the Ministry of Social Affairs (responsible for employment and labour market issues) related to getting inactive people into jobs in new investment. One participant felt that this was because the investment agencies were focused on the higher end of the labour market, and the employment services at the opposite end. Importantly it was outlined that the investment agencies were focused on attracting industries that needed highly skilled workers and that industries usually open to those with low skills were now locating in other European countries because the labour costs were so high in the Netherlands. Another participant felt that the ‘cultures’ of the departments were different and that those responsible for investment would be concerned that if they required investors to take on certain groups that they “will go to another city”.

Another participant felt that this lack of communication and common policy between the ministries was pervasive at a provincial and local level as well as the national level. However, all the participants were keen to stress that it cannot be claimed that there is no contact at all. One participant felt that, operationally, the investment and employment agencies should be separate, but that they would both benefit by being aware of each others work and collaborating at some level. Another participant agreed but stated that: “I don’t see that there’s much political push to realise that”. One participant did feel that in future there might be more connections because of the declining numbers of workers due to an ageing population. Increasing the numbers in the workforce would need the input from a range of Ministries.

**Linking Employment of the Inactive and Investment**

The Netherlands takes the comprehensive approach with the aim of preventing people joining the ranks of the long term unemployed\textsuperscript{135}. The
groups targeted in the comprehensive approach include people who have recently become unemployed and the long term unemployed. The government’s aim is to offer all unemployed people a place in a labour reintegration or social activation programme before they are classified as long term unemployed. The comprehensive approach is implemented by local authorities and the social security agency, the Uitvoeringsinstituut Werknemersverzekeringen (UWV)\textsuperscript{136}.

Up until 01 January 2009 Centres for Work and Income acted as one-stop-shops where clients could apply for work and social benefits. They have now been merged with the UWV to create UWV WERKbedrijf centres which provide employment services and information for employers and jobseekers. These centres also assist those who are entitled to benefits\textsuperscript{137}–\textsuperscript{138}. One participant outlined that these changes were primarily concerned with changing service delivery and making the system less bureaucratic: clients now could access employment and benefits services in the same centres.

As a result of the implementation of the SUWI Act 2002 (Work and Income Implementation Structure Act) the Dutch social assistance and employment service has become decentralised and increasingly privatised\textsuperscript{139}. Over 650 reintegration companies provide services on behalf of the UWV to those who have found it very difficult to find employment. They provide training and other services\textsuperscript{140}. A participant outlined that the UWV only had a small share in the recruitment market and employers often approached private recruitment agencies as they had higher skilled clients. Efforts by the UWV to regain a larger share in the labour market have caused some tension.

There are incentives available to employers to encourage them to employ economically inactive groups:

- Companies that employ job-seekers aged 55-years and over will be compensated if the employee cannot work due to illness within 5-years on their employment\textsuperscript{141}.
- Training subsidies are available to companies that cannot find staff with the skills they require. The subsidy pays for the employee to receive training\textsuperscript{142}.
- Wage cost subsidies (WVA) offer an education tax reduction (WVOW) to employers. To be eligible employees must be earning less than €20,882 per annum and attending lower to intermediate vocational education; a special program in higher vocational education; or be paid by their employer to conduct research before they obtain their degree\textsuperscript{143}.
- At the provincial level, in Friesland ventures between businesses and knowledge institutes can receive subsidies for schemes that create jobs or provide training for disadvantaged groups\textsuperscript{144}.
- The UWV WERKbedrijf can also help individuals find work if they know in advance that they will lose their job i.e. before they are unemployed\textsuperscript{145}.

Three participants drew attention to the use of social return clauses in the Netherlands. These have been used, primarily in tenders from municipalities, to increase the employment opportunities available to the long term...
unemployed over the last 12 years. One participant outlined that there are 2 types of clauses: the ‘carrot’ model is used when a contract has already been sealed but the municipality may still approach their contractors to see if they can help create opportunities for the long term unemployed. In the ‘stick’ model there is a clause in the contract that requires the contractor to spend 5% of their budget on recruiting the long term unemployed or providing work placements for individuals undertaking certain types of training. Other ways of including a social return clause are to only open tenders to social enterprises or to evaluate the social benefits of bids. A contractor is only exempt from the clause if they present a good enough reason of why it is impossible for them to meet the conditions. It is primarily large companies that are affected by social return clauses as they are mainly included in contracts of over €225,000.

The participant outlined a number of issues that have to be addressed in order to make a social return successful. Municipalities may have to rethink the way in which they work and how they manage the tendering process. They also have to ensure that they are able to match suitable candidates to the positions opened up by the social return clauses. Most importantly social return clauses are only suitable for tenders that are likely to offer low skill job opportunities. Contractors also need information and guidance to help allay any fears that they might have about using social return clauses. A participant from the Netherlands did identify that there were some reports and evaluations on the social return clauses. However, none were available in English and were not considered by the authors of the report.

In sum it can be argued from the evidence presented that in the Netherlands although (financial) incentives are available to employers to make it easier for them to employ the long term unemployed and economically inactive, these are not linked to policy related to new investment. Incentives are more targeted to those who have already invested in the Netherlands. One respondent commented that “the effect in lower costs etcetera are afterwards, are after the investment, you know not with the, I think it’s not an issue with the, in the decision taken by the investors to invest in the, in well some place”

**Targeting Sectors**

Research and innovation are encouraged. The Research and Development (Promotion) Act (Wet bevordering speur- en ontwikkelingswerk, or WBSO) is designed to promote R&D work through a tax deduction of wage costs. The Peak in the Delta programme aims to encourage regional innovation in sectors that will provide regional advantages in 6 regions. “Examples include incentives for businesses supporting the logistics sector in the area around Rotterdam, and support for the food and nutrition sector in the south-eastern provinces. A maximum of 50% of eligible cost can be subsidised by a co-financing municipality or province”.

As the previous section highlighted there are efforts to attract more contact centres to the Netherlands, for example through Contact Center Academy Limburg. Nonetheless, our research did not uncover any wide reaching
schemes to encourage the employment of the economically inactive in contact centres. There are some local schemes.

A participant outlined how there were now efforts to attract contact centres to regions which have experienced deindustrialisation as they offered low entry and low skill positions. It was outlined that:

“If a company comes to our city we welcome each and everyone, but certain areas like these contact centres or other low entry companies are preferred because they offer a greater potential for jobs on entry level”.

Another participant was also aware of a project in the north of the Netherlands where 40 unemployed people were offered job training and a guaranteed position in a contact centre after this training. There were “other initiatives for disadvantaged people who can work from their homes to do some contact centre work”. A third participant identified a contact centre in the south of the Netherlands which hired those who had disabilities and people from disadvantaged groups. The premises had been adapted to meet the needs of the workers and it was stressed that this was a commercially successful enterprise.

However, a participant did draw attention to the fact that contact centres primarily aim to recruit students, housewives and early school leavers. These workers were happy to work part time. It was felt that the unemployed often needed full time work in order to earn enough to support their families.
Appendix 7. New Zealand

- There is interagency cooperation between the investment agencies and the employment agencies at national and regional levels.
- ‘No weight’ is given to the employment of disadvantaged workers by the investment agencies. The goal is to attract high income generators in particular.
- There are various schemes to address labour shortages and employment growth that could be used by new investors.

Promoting Investment

While New Zealand has weathered the global recession well, one participant outlined that Investment New Zealand still feels that the country is underperforming as an investment destination. There does not seem to be any evidence of more FDI in the present climate. New Zealand faces issues in attracting foreign investors for a number of reasons:

- It has a small economy and market;
- It is geographically distant from world markets;
- There are resource constraints;
- There are no government investment incentives

Although the New Zealand government welcomes foreign investment and has a facilitative investment regime, it offers few incentives. “Stable, low inflation and a relatively-open economy are viewed as the strongest incentives for investment.” There are no restrictions on the movement of funds into or out of New Zealand. The New Zealand government has adopted a Limited partnership framework, based on a model adopted in Delaware in the US, where the restrictions on businesses are limited. Government consent is only required in a limited number of cases.

Investment New Zealand is the unit within New Zealand Trade and Enterprise (the government national economic development agency) charged with promoting investment in the country. Investment New Zealand acts as a one-stop shop. The services provided include access to investment specialists; analysis of market information; feasibility studies; and pre-investment site visits. One participant outlined the Investment New Zealand services that have been particularly effective: support such as the ‘Escalator Service’ which provides capital raising advice and assistance and the International Growth Fund seem to be the most effective forms of support. Innovation support is also provided.

There is some interagency cooperation in New Zealand. The Ministry of Economic Development (which sets New Zealand Trade and Enterprise’s programme) and the Department of Labour have promoted a programme of inter-agency cooperation and communication. The result of this work is the “2008 Regional Economic Development Resource Roadmap.” More information can be found in chapter 3, section 3.3 of the main report.

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However, one participant felt that Investment New Zealand should not be involved in getting inactive people into employment as this was seen as a task for Work and Income only. Other respondents from agencies at the national, regional and local levels agreed. In New Zealand there is a clear institutional separation at all levels between attracting investment and bringing inactive into the labour force. In FDI attraction, ‘no weight’ is given to the employment of disadvantaged workers by the various stakeholders responsible for attracting investment as:

- It would deter FDI
- There is a focus on indigenous investment which helps growth through internationalisation
- The distribution of jobs, to the disadvantaged is seen clearly as the role of Ministry of Social Development
- In some sectors they need higher quality labour and those, for instance with an dependency (alcohol or drugs) may not be suitable for certain industries
- There may be displacement of lower skilled by the inactive, if there is a policy to favour the latter

**Linking Employment of the Inactive and Investment**

Work and Income provides employment services, financial help and in-work support. They act as a one-stop shop and liaise with other government agencies, employers and the local community. They have 140 service centres, 5 contact centres and a central processing unit\(^{164}\).

The participants were not aware of Work and Income or the Department of Labour engaging with employers to facilitate the recruitment of economically inactive groups, specifically related to new investment. However, the following schemes deal with labour shortages and employment growth, and could be used by new investors.

They provide funding for training or for job creation:

- Straight-2-work is a pre-employment training strategy available to all jobseekers to ensure that (potential) employees have the skills to meet industry demands. It ensures that shortages are met and that employers get employees who have undertaken entry-level training and who will receive career support\(^{165}\). One participant outlined that two sectors which are currently supported are the training of care givers and workers in the horticulture industry. The training process has 5-stages: assessment and selection; training; job placement; career support; and career planning\(^{166}\).
- Enterprising Communities Grants fund non-profit community projects that provide jobs and training for local people. There were no new grants from July 2009\(^{167}\)\(^{168}\).
One participant also outlined 2-national level schemes that link investment and the activation of younger economically inactive groups: Community Max which aims to subsidise community groups to employ youth for 6-months and Job Ops which provides a subsidy to assist employers struggling to employ staff in entry level positions (aimed at 16-24 year old welfare beneficiaries) ($3000 is provided per worker at the commencement, followed by a subsequent $2000 after 6-months work has been completed). Both schemes will expire in June 2010.

Evidence from employment programme evaluations has shown that opportunity creation programmes are most effective in getting job seekers off benefits. This is followed by matching and capacity building programmes such as work experience. Work experience becomes more effective when used alongside wage subsidies.

Partnerships are made between the employment services and industry:

- Industry Partnerships are developed to meet employer demands for (skilled) labour and to respond to local employment opportunities. They ensure that industry, government and employers work together. Partnerships are established with employers and/or employer groups such as national industry associations; chambers of commerce; and large retail chains. The participants were not aware of any foreign investors being involved.
- Mayors Taskforce for Jobs is a network of mayors which addresses work and training issues faced by those under 25-years of age. The Taskforce was set up in 2000.

One participant highlighted that there are some links between Investment New Zealand and Work and Income particularly in terms of the needs of export companies and the identified need to provide enterprise training for owners and managers of small businesses. The Enterprise Training programme was cited as a good example of the 2-agencies working well together. In the case of new firms setting up, Ministry of Social Development work brokers can also make contact to help them set up and see if they can help address labour needs. Investment New Zealand also promotes training offered by Work and Income to investors in order to meet their skills needs.

Targeting Sectors

The participants outlined strategies to attract particular sectors at a regional level. Grow Wellington (the largest economic development agency in New Zealand) is concerned with attracting and encouraging investment but gives no notice to employing the disadvantaged. The participants outlined that they did 3-things which affected labour supply: growing participation rates; immigration; and retaining people in education. Another participant highlighted that the strategies are particularly targeted at attracting high wealth generators. One participant outlined how Otago Forward, in the Otago region, is a combined councils’ initiative focused on attracting high wealth
generators, not sectors likely to be accessible to the economically inactive. Likewise at a local level councils may be active, but again may be focused on high wealth generators. One participant noted that there is however, no specific regional strategy to attract investment as firms are targeted on the base of their productivity and wealth generating capacity.

Support is provided for entrepreneurs. The Enterprise Allowance is a grant that helps unemployed jobseekers set up their own business. To be eligible to receive the allowance an individual or their spouse must be in receipt of government assistance; be a citizen or permanent resident of New Zealand; be long term unemployed; and not be bankrupt. The business must be based and operate in New Zealand.
Appendix 8. Slovenia

- Our research did not identify any incentives that directly link investment and the employment of inactive groups and the long term unemployed. However, there are incentives which link investment to job creation and encourage the employment of economically inactive groups.
- The aim of the Slovenian Operational Programme of the European Social Fund 2007-2013 is to promote entrepreneurship and the employability of the economically inactive.

Promoting Investment

There are few restrictions on foreign investors and they have the same rights as domestic companies. Foreign investors may invest in most industries although there are limits on investment in the banking industry; the insurance industry; and military supply.

JAPTI (also known as Invest Slovenia) is the agency for Entrepreneurship and Foreign Investments. This one department promotes Slovenia to potential foreign investors as well as supporting Slovenian entrepreneurs and businesses. Free of charge JAPTI provides:

- “Information on legislation, taxes and incentive
- Information on industrial sites and local suppliers
- Links with industry and local authorities
- Organisation of fact-finding missions, business and investment conferences and trade shows

The Slovenian Government provides incentives for investors who create jobs. The FDI Cost-Sharing Grant Scheme, in place since 2000, provides funds for investors who will create new jobs. Investment projects in manufacturing, strategic services and R&D can receive co-financing. Foreign investors must meet two criteria: firstly, a minimum investment value and secondly, demonstrate the number of new jobs created.

- Investments of €1 million in manufacturing must create at least 25 new jobs
- Investments of €0.5 million in strategic services must create at least 10 new jobs
- Investments of €0.5 million in R&D must create at least 5 new jobs

These jobs and projects must remain in Slovenia for no less than 5-years (3-years for smaller enterprises). Municipalities also offer incentives but these “are negotiated on a case-by-case basis”.

Linking Employment of the Inactive and Investment

The Employment Service of Slovenia (ESS) works on behalf of the Ministry of Labour, Family and Social Affairs to provide employment and unemployment
activities. Services are delivered locally, regionally and through a head office. Their basic activities, relevant to this study, include providing:

- Employment matching services and employment guidance
- Career orientation
- Unemployment insurance
- Active employment policy programmes and measures.
- Training, support and funding to increase the employability of the unemployed
- The participant discussed the Programme for Unemployed Education, organised by the Ministry of Labour, Family and Social Affairs and Ministry of Education and Sport in cooperation with social partners, which offers the unemployed the opportunity to gain a primary, secondary and/or tertiary education
- The participant also identified on-the-job training, work experience training programmes and other educational/training programmes. It was also noted that employers do not influence the content of formal education. It is only through work based training for example that they can ensure that their skills needs are met.

The participant outlined that the ESS provides incentives to employers who take on the economically inactive. These incentives are available through public tenders:

- co-funding of new positions
- reimbursement of part of the costs of maintaining positions
- loans for investments in new production capacities,
- co-funding the full employment for employees engaged in seasonal activities
- funding training for new employees.

The ESS also engages with employers through a job brokering service provided on behalf of the Ministry of Labour, Family and Social Affairs. Vacancies are also advertised on the ESS website. There are also strategies that encourage the employment of persons who face barriers to work. Allowances are available to employers who hire persons with a disability. The ESS also provides training services for employers who hire jobseekers who do not have all the skills required for the position. Other training schemes include on-the-job training; work trials; and Programme 5000 where clients can get accredited qualifications.

The ESS cooperates with the European Social Fund. The aim of the Slovenian Operational Programme of the European Social Fund 2007-2013 is to “invest in people, thereby enhancing innovation, employability and economic growth, and thus ensuring high employment, social inclusion, and the reduction of regional disparities – leading to a higher standard of living”. This is to be achieved by promoting entrepreneurship and the employability of the economically inactive for example.
Slovenia addresses unemployment primarily at a national level. The participant outlined that the municipalities are often too small or financially too weak to direct policy. However, municipalities have been responsible for regional Public Works programmes which are primarily situated with employers in the not-for-profit sector. The municipalities fund part of the wage costs; any travel undertaken by the employee in order to get to work; and the meals taken by the employee during working hours. The aim of the programme is to motivate the economically inactive and to maintain and/or develop their skills. The participant also outlined that the municipalities also have within their jurisdiction “concern for the economic development of municipality”. As such they may fund education and training and co-fund new employment opportunities for example.

The participant outlined the existence of Labour Funds which may be set up by government, a company or a trade union for example. These funds are designed to help those who are made redundant to find work and to improve their employment opportunities.

**Targeting Sectors**

As the first section illustrated certain industries are targeted through the FDI Cost-Sharing Grant Scheme.

Self employment is also promoted through employment policy. From April 2010 the ESS will launch a self employment programme to offer subsidies for the unemployed and those about to lose their jobs in order that they can become self employed. The subsidy will be €4500\(^2\).
Appendix 9. Spain - Basque Country

- Our research did not identify any incentives that directly link investment and the employment of inactive groups.
- There are incentives which link investment to job creation and encourage the employment of economically inactive groups.
- Integration of disabled people into the labour market is established as an obligation for companies by law 13/1982 Legislation LISMI. For other economically inactive groups integration is pursued by, amongst other schemes, the intermediate labour market enterprises.

Promoting Investment

The Society for the Industrial Promotion and Reconversion' (SPRI) promote investment. It was created by the Basque Government in 1981 with the objective of promoting and helping the creation of a competitive industry network. SPRI is a Basque Government public society within the Industry and Innovation Department. One of its main aims is to promote the Basque Country as an attractive place for investment and the establishment of foreign and domestic companies.

The operative structures are defined according to the needs that economic policy establishes. Currently SPRI work in four strategic lines: innovation, internationalisation, promotion of enterprises and infrastructure. As one participant stressed “the SPRI was set as public limited company in order increase agility and avoid bureaucracy”.

According to SPRI there is no investment department or agency within the Industry Department. However, the SPRI has an international department and the attraction of investment has been done through this. In the Basque Country, according to the participants interviewed, there has been a focus traditionally on internationalisation, supporting domestic industries to export or to expand internationally. At local level there are a number of agencies that help prospective investors at different levels during the process.

The participants stated that SPRI provides potential investors with information regarding a package of incentives that their investment could get (not only regionally, but nationally and at European level). These include employment assistance. SPRI cooperates with other agencies (agencies that deal with the land, the Department of Employment for labour issues, and industrial clusters) to help investors to get the information they need or the links they are looking for. They also accompany investors through the different institutions they have to go through. The SPRI gives them overall information and will refer them to specific agencies for more in-depth information. To the eyes of the investors they are the one-stop-shop but they will refer as required.

According to the participants the Basque Country cannot compete in terms of wage level or subventions, so the competitive advantage is in the industrial weight of the region. The industrial concentration in the Basque Country is
very important. Industrial clusters have been created and there is an aim to develop strategic and high technology sectors.

In the Basque Country there have traditionally been a number of incentives and support for the creation or development of businesses, including amongst others incentives to investment and employment growth in the industrial, commercial and tourism sectors; aid to R&D and to the development of new products and high-tech business; and help with internationalisation\textsuperscript{206}. On the SPRI website, under the section ‘aids’, 2-programmes are outlined under the subsection ‘embark’\textsuperscript{207}: Barnekintzaile and Ekintzaile. However, neither of them focuses on labour incentives.

Under the Department for Industry and Innovation there is some information about the help and subventions available to companies. Again, none of them focus directly on employment creation, or on the attraction of foreign companies. There are some that target internationalisation (to help the export capacity of industries in the Basque Country). There are also a few that encourage the creation of business in specific sectors such as science and technology\textsuperscript{208}.

**Linking Employment of the Inactive and Investment**

Under the Department for Employment and Social Affairs in the Basque Country there are a number of assistance measures and subventions to encourage the employment of various groups\textsuperscript{209}:

- Disadvantaged groups that suffer barriers to access the labour market
- The unemployed and receiving social aid
- Measures aiming to achieve a work-life balance
- Assistance to measures to share working time and take over contracts
- Assistance employment and training project

Currently there are 11 schemes to support the social economy, cooperatives, and industrial societies: 10 that foment employment and formation; 7 to support families with work-life balance, childcare and adult care responsibilities; 5 that foment social inclusion; and 1 for social and labour innovation.

According to participants the focus of SPRI is on FDI that ties with the industrial policy. Their aim is to increase the GDP, reduce unemployment and increase the quality of life. Also mentioned was the fact that the SPRI does not have competencies on employment issues, but collaboration with the Department of Employment takes place when there are issues to be dealt with. Participants said that in the past there had been ‘joint tables’ for specific issues, such as youth unemployment, where the different social actors, including SPRI or the Department of Industry, sat and collaborated in tackling the problem. Within the SPRI board of directors sits a representative from the Department of Employment, as well as a representative from the Department of Industry and employers’ representatives, local banks and local councils. If a
problem was identified by SPRI, participants said that they have the ability to develop a programme to address the issue.

According to REAS (the Alternative and Solidarity Economy Network of Euskadi) more participation by the Department of Industry to involve private industry in labour inclusion would be beneficial. Any programme of social corporate responsibility has been dealt with by the Department of Employment.

**Targeting Sectors**

SPRI aims to attract high technology rather than sectors that may offer opportunities to the economically inactive. As one participant stressed at the time of high unemployment in the 1980s SPRI would attract “anything that moved” but since unemployment has reduced, the strategy has been focused on specific strategic sectors, such as automotive sectors.

In 1997 REAS Euskadi, part of the social economy was created. REAS is a network of more than 60 businesses and social entities in the Basque Country that encourage an economy that serves the people and the environment. They have various areas of work including: supporting the creation of enterprises that will integrate those excluded from the labour market (ILM enterprises); and dialogue with public institutions regarding social and labour market inclusion, social affairs and social and solidarity economy issues.

According to the website Social Catalogue there are a total of 64 social enterprises in the Basque Country. Of which 45 are ILM enterprises (with other two to be recognised as such) that generate over 600 direct jobs, 400 of them in the ILM enterprises, with 63% of them employing people who are excluded or at risk of exclusion.

ILM enterprises are defined as “productive structures of goods or services that have as aim the inclusion to the labour market of disadvantage groups or that are excluded, and that those firms undertake personal programmes of insertion through an adequate process of learning that takes into account the achievement of social skills, employment skills, basis learning, labour qualification and knowledge that allow them to improve their employability.”

A study conducted by the Spanish Federation of Social Economy (Fedel) in 2005 found that the ILM enterprises were cost effective considering the financial outflows by each worker and the saving incurred for each worker now in work.

Social Clauses are defined as the inclusion of aspect of social policy in the process of public procurement and specifically the promotion of employment for people socially excluded or at risk of exclusion with the objective to facilitate their social and labour inclusion. These are promoted by REAS as a tool for the inclusion of disadvantaged groups in the labour market. They have a double objective:
to open the market to ILM enterprises by way of public contracts, which in turn generate employment for the economically inactive

- to ensure that ‘ordinary’ business socially responsible, taking into account or making it a requirement that they employ disadvantaged people who are excluded or at risk of exclusion from the labour market\(^{214}\).

In terms of the first objective this could be achieved at various stages during the public tendering and contract, by including ‘Social Clauses’:

- during tendering as a requisite for the consideration in the tender
- during the selection process as part of the evaluation of companies (a system of points)
- in the execution phase, as a criterion of obligation.

The first two imply a selection and the last one requires compulsion. This last one involves ‘ordinary’ business and imposes corporate responsibility on them. There is also the option of ‘protected market’ as occurs in the Catalan Generalitat, whose public bodies have to set aside 20% of their contracts for ILM enterprises. According to a participant the idea of the Social Clauses was to create a similar situation to that of the LISMI, which reserves 2% of vacancies in any company which has more than 50 employees\(^{215}\).

Under the Department for Industry and Innovation and the Department for Employment and Social Affairs there is also some assistance that foments self-employment.
Appendix 10. US - Nebraska

- Our research did not identify any direct links between investment and the creation of jobs for the economically inactive.
- The Nebraska Advantage Package is the main incentive to investment and is structured around the amount being invested in the State and the job creation. There are also specific employment incentives for businesses who hire the economically inactive.
- Concerns have been raised about the value jobs created through the incentive schemes as they do not always provide a living wage and the benefits provided to workers may be limited.

Promoting Investment

There are no identified policies at either a federal or state level that directly tie investment and the employment of economically inactive workers. However, there are policies that indirectly benefit these groups.

There are federal level incentives which are often implemented at the state level. The participant drew attention to the ‘Enterprise Zones’ programme which encourages investment in rural areas or areas which have high level of poverty and unemployment\textsuperscript{216}. ‘New Market Tax Credits’ are targeted at investments in low income communities\textsuperscript{217}. Similarly ‘Community Development Block Grants’ provide tax credits for investments in certain areas that create employment opportunities for low and middle income and unemployed workers\textsuperscript{218}.

The Nebraska Department of Economic Development (NDED) promotes investment in the state. It is also responsible for community and rural Development and travel and tourism\textsuperscript{219}. The Nebraska Advantage Package is the main incentive to investment. There are 6-tiers structured around the amount being invested in the State and the number of new jobs created:

- **“Tier 1) Nebraska Small Business Advantage – $ 1 million of new investment and 10 new jobs”** – Qualifying businesses under this tier are eligible for a refund of $\frac{1}{2}$ of the sales tax paid for qualified capital purchases at the project, the full sliding scale wage credit of 3,4,5 or 6% depending on wage level, and a 3% investment tax credit.
- **Tier 2) $3 million of new investment and 30 new jobs** – This tier qualifies for refund of all sales taxes for capital purchases at the project, the sliding scale wage credit and a 10% investment credit.
- **Tier 3) Jobs only tier** – For the creation of 30 new jobs, the company receives the sliding scale wage credit. No capital investment is required.
- **Tier 4) $10 million in investment and 100 new jobs** – In addition to the sales tax refund, jobs credit, and the investment credit, qualifying businesses under this tier receive a personal property tax exemption on turbine-powered aircraft, personal computer systems, agricultural product processing machinery and personal property used in a distribution facility for up to 10 years.
- **Tier 5)** Investment only tier – Requires $30 million in new investment and no new jobs. Companies receive a refund of all sales taxes paid on capital purchases with the project.

- **Super Tier 6)** $10 million in investment and 75 new jobs OR $100 million in investment and 50 new jobs – Any business activity other than retail qualifies. Refund of all sales tax on projects capital purchases, 10% job credit on new employee “compensation”—wage thresholds per new position are the greater of 200% of the county average wage OR 150% of the Neb. average wage, 15% investment credit, and personal property tax exemption for all personal property at the project for up to 10 years.  

The Nebraska Customized Job Training Advantage provides employee training assistance to businesses that maintain, expand and diversify the state’s economic base and, in the process, retain and create quality jobs for Nebraska residents. It provides grants of $800-4,000 per qualified new job. The criteria considered in applications to the programme include the type of industry and its economic impact in the area of the project; the wage rate of the position; the location (for example is it in a high poverty area); and the fringe benefits to employees. The participant outlined that there could be collaboration between NDED and the Nebraska Department of Labor (NDOL) in order to help identify potential trainees in schemes such as this. However, this pool could include the short term unemployed, the employed and new entrants to the labour market, as well as the economically inactive.

Nebraska Rural Advantage offers incentives to businesses located in high poverty rural areas. The participant felt that this programme had limited success because funding was capped each year and this limit was often reached very early on. Some local economic development agencies also offer incentives to invest in their area. For example Fillimore County offers the Geneva LB840 Funds for businesses expanding or locating in the county.

The participant highlighted concerns that these policies do not always lead to net increases in economic activity as enterprises benefiting from incentives may displace unsubsidised businesses. Additionally it has been found that, in a study using Nebraska as a case study, the returns to subsidised investment are greater in lower unemployment and higher income areas. This suggests that tax incentives reinforce pre-existing economic differences across areas.

Concerns have also been raised about the value of the jobs created by the Nebraska Advantage Package to the economically inactive. The participant highlighted that the NDED incentives often had minimum wage requirements which meant that they were not likely to be used for low-entry or low-skill workers. Most tiers of the Nebraska Advantage Package only give credits on wages that are at least 60% of the Nebraska average wage. Appleseed, a non-profit organisation which aims to amongst other things to “promote self-sufficiency for Nebraska’s working poor families”, conversely argues that the jobs created through the Nebraska Advantage Package do not always provide a living wage. They also feel that the benefits provided to workers...
Promoting Investment and Increasing Employment among the Economically Inactive

may be limited and that some workers are not provided with enough training opportunities. They also draw attention to the fact that although unemployment levels are low, 22.4% of jobs in Nebraska are in occupations that pay below the poverty line.

Linking Employment of the Inactive and Investment

NDOL assists jobs seekers, the unemployed and employers in the state. There are some specific incentives for businesses who hire the economically inactive.

- The Work Opportunity Tax Credit is provided by the Nebraska Department of Labor for employers who hire individuals who have found it difficult to find employment in the past. These employees should not have worked for the company in the past.
- The local/county development agencies also support the hiring of the economically inactive. For example Northeast Nebraska Economic Development District’s Business Loans programme has the objective of creating jobs for the unemployed and the under-unemployed.

Those who are on unemployment benefit can apply to join the Approved Training Programme. The programme allows jobseekers to increase their skills. It is not intended to allow individuals to get a bachelor’s or higher degree, and participants must not already have skills that make them competitive in the labour market Those taking part in the programme still receive benefits.

The participant felt that NDED should not be responsible for helping find employment for the economically inactive. This was NDOL’s responsibility although other parts of government, such as education, and the not-for-profit sector could help them with this work as barriers to work are varied. For example they may be a result of poor education and child care responsibilities. Additionally investors may decide not to explore opportunities in Nebraska if they were forced to spend time in high unemployment areas which may not necessarily match their business needs.

Nebraska may be facing a shortage of workers in some areas in the future. The population is declining in rural areas as often people move to the urban areas. However, often highly educated and younger workers in urban areas are leaving for other parts of the country. The participant therefore felt that the population of highly educated and younger workers was not large enough to meet current and future labour demand. The participant outlined some schemes to encourage workers to move to parts of Nebraska. The Norfolk Area Recruiters try to draw former and new residents to the area. Similarly a scheme in Columbus tries to draw industrial workers from states experiencing high levels of unemployment in the sector.
Targeting Sectors

The participant outlined that the incentives offered by NDED are open to a variety of sectors. However, the NDED website states that there are a series of target industries which it wishes to attract to the State. These industries have high growth potential; pay high wages; and make large investments. The target industries are: transportation, warehousing and distribution logistics; bioscience and technology; processed foods; information services and data centres.
Appendix 11. Northern Ireland and Great Britain

Appendix 11 was greatly contributed to by Anne E. Green, Institute for Employment Research, University of Warwick.

- Tie-ins between investment and employment of the economically inactive are generally not supported because of the cost and associated bureaucracy.
- Attempts have been made at a local level to make links between major regeneration projects and new jobs for the economically inactive.
- Self employment is now seen as one route to activate the economically inactive.
- The sectors targeted by investment agencies tend to employ workers with high skills levels.

Promoting Investment

There are some regional examples of ties between investment and employment of economically inactive groups. Furness Enterprises provides ‘one-stop shop’ services companies wishing to invest or expand their existing business in Barrow-in-Furness, in the north west of England. They can help identify available financial assistance, arrange visits to the area, make available meeting rooms in their offices and provide after care services. Barrow-in-Furness is one of the UK’s last remaining ‘Assisted Areas’ and Furness Enterprises can provide guidance on the range of discretionary grants which are available to promote economic development and increase levels of employment in the area.

- Grants for business investment and job creation which are available to all business locating to the Furness ‘Assisted Area’ until December 2013. Large firms can receive up to 15% of the project costs and small firms up to 35%.
- Locally funded grants offering £1000 - 5000 for each job created
- Funding for the recruitment of the long term unemployed

Furness Enterprise also supports individuals who are long term unemployed to find work. For example the Job Access programme helps increase the employability of local residents and encourage companies to employ them by helping individuals to up or re-skill; providing support funds; and offering guidance and advice services. They also match jobseekers to employment opportunities for example through drop in session run in deprived areas of Barrow-in-Furness. Business development is also encouraged in wards where there are the highest levels of unemployment through the Working Neighbourhoods Funds. Furness Enterprise also supports entrepreneurship by running free business development programmes and sessions to allow people to access business councillors and coaches.
However terms of establishing tie-ins between investment and employment of the economically inactive, the majority of the participants in Northern Ireland (NI) were against this approach, although some mentioned that policy incentives could be feasible. The reasons cited were that tie-ins would increase the cost and red tape for businesses, limiting their competitive advantage and decreasing the appeal to invest in NI. It was mentioned that if tie-ins were to be in place the government would have to help with the cost of pre-employment training, training during employment and ongoing support for this specific group and also with mobility costs.

The participants pointed out that firms investing in NI who receive government incentives must make a ‘best endeavour’, as stated in the contract, to hire at least 10% of the workforce from the long term unemployed. Nevertheless the clause was said to be unenforceable. One participant said that imposing quotas did not seem the way forward, instead the aim should be to support the economically inactive through training so they were more competitive at the recruitment stage. It was also pointed out that these tie-ins could create tensions within the employment and development policy community.

Linking Employment of the Inactive and Investment

There are some local and regional examples of ties between investment and employment of economically inactive groups. Given the relative lack of footloose international investment, attention at local level in Great Britain (GB) has more recently tended to focus on attempts to make links with major regeneration projects, new retail centres etc., in order to facilitate consideration of the economically inactive for new jobs. It is argued that these same techniques may be applied in future to other investment projects – including investment projects from outside GB. The examples given here relate mainly to activities which do not encompass our definition of investment, but are included to illustrate mechanisms to engage the inactive that might be usefully be applied to cases of investment.

At the forefront of such recent attempts in GB are Local Employment Partnerships (LEPs). These have been described as “a deal between Government and business to tackle the increasing recruitment and skills challenges of our labour market and economy”\(^{247}\). They are agreements between employers (initially large retailers, but subsequently other employers also) to work in partnership with Jobcentre Plus to help the long-term unemployed and economically inactive back to work, through one or more of:

- work trials;
- helping in the design of pre-employment training programmes that meet employers’ needs, and in turn guaranteeing interviews to long-term benefit claimants who complete this training;
- encouraging their employees to mentor long-term benefit claimants; and
- reviewing application processes to ensure that local benefit claimants are not inadvertently excluded.
One example of a successful LEP is the Aston Tesco in north-west Birmingham. The store opened in Aston (a deprived area with a large ethnic minority population) in 2008, with a workforce made up largely of local people. The different stages of the project were as follows:

1. Initially Jobcentre Plus wrote to 10,000 residents of north-west Birmingham. The existing local infrastructure of Access to Employment Groups and voluntary and community organisations were briefed about the project and they also helped to bring the opportunities to the attention of local residents. Eight Community Open Days generated a good deal of interest. Over 2,000 people completed Expression of Interest forms and over 1,500 individuals undertook initial assessments.

2. Those who undertook initial assessments were sifted on the basis of a candidate ‘scoring matrix’ according to their basic skills, employment status, disability, benefits and people living in the most deprived areas. From this exercise over 360 candidates were put forward for pre-interview awareness training. Of those undertaking such training 40% received job offers.

3. A further 240 individuals were selected to attend Tesco Open Days without the need for pre-interview training. Other individuals were referred directly via local partner organisations.

4. Individuals selected for conditional job offers received further training over a period of six weeks.

5. In total 209 individuals were employed by Tesco. (On the basis of the data collected on these individuals they may be disaggregated by benefit type, ethnic group and local area.)

Another example of a retail redevelopment is the Work Highcross project in Leicester:

The Highcross scheme comprised the redevelopment of Leicester's existing Shires shopping centre, and the creation of an extension to the mall, including 30,000 square metres of new retail units. It opened September 2008 and is anchored by a new John Lewis store. The city centre scheme, developed by Hammerson PLC and Hermes, has resulted in over 2000 (estimated) new jobs within the new retail and hospitality units.

'Work Highcross' (this is a partnership comprising Hammersons, Leicester City Council, Jobcentre Plus and the Learning and Skills Council) sought to meet the recruitment and training needs of retail and hospitality sector employers and provide the local community with access to new employment opportunities. The CSP and partners developed a retail routeway to provide a journey from client engagement to employment. This routeway comprised of three key elements:

- engagement and registration;
- case-loading and pre-employment support;
- outcomes and further support.

Involvement with the project was 'sold' as a sound commercial proposition and
a 'practical way to engage with Corporate Social Responsibility'. The project’s unique selling point was 'brand fit'; i.e. that any candidates would fully understand the importance of the brand of their potential employer and have complimentary personal attributes (although this could develop into some employers only choosing people whose appearance or other attributes 'fitted'). Guaranteed interviews were presented to employers as a low-risk way of becoming involved. It was pointed out that: 'Employers didn't have to employ anyone'. The Pathfinder has been able to offer over 730 guaranteed interviews from 32 retailers. More than 40% of the new businesses based in the Highcross scheme have offered guaranteed interviews. The John Lewis Partnership alone has provided 250 guaranteed interviews.

Employer feedback has suggested that the quality of candidates has been high. SMEs in particular have benefited in terms of savings associated with the recruitment process. Employers have used the support to recruit from non-traditional groups, (though the reluctance of employers to recruit candidates with a disability has been a significant issue) and some have set aside established recruitment processes to consider Work Highcross candidates.

However, Voluntary Action Leicester has been publicly critical of the scheme, arguing that CS subsided recruitment (at a time when recruitment would not have been difficult) for Highcross, and that those furthest from the labour market have received little benefit. There is also the question as to the extent to which the scheme has raised false expectations. It could never hope to place all those undergoing retail training into employment; 22% of those who completed the training moved into work at Highcross.

In Northern Ireland DELNI operates a number of schemes to promote the employment of disadvantaged groups:

- The job brokerage service offered to DELNI clients through the Jobs and Benefits Offices and JobCentre Online.
- Employers Online allows employers to submit details of job vacancies electronically.
- The Employer Service DELNI can offer inward investors services such as recruitment assistance, provided that they are willing to engage with DELNI's (unemployed and inactive) clients.
- The Steps to Work Employer Subsidy provides a 26-week package of assistance for employers who recruit eligible workers. It should be noted that this subsidy follows the employee, and does not support particular posts.
- The Bridge to Employment scheme provide customised training in conjunction with employers to equip unemployed, and in particular, long term unemployed, people with the skills necessary to compete for new employment opportunities with that particular employer on an equal basis with others.
- Training for Success helps young people aged 16 - 18 (up to 24 years for those requiring additional support) and provides training to give them the tools and skills they need to get a job.
• Steps to Work offers a flexible menu of work related activities that can be tailored to suit a client's employment needs\textsuperscript{254}.

**Furness Enterprises** provides ‘one-stop shop’ services companies wishing to invest or expand their existing business in Barrow-in-Furness, in the northwest of England. They can help identify available financial assistance, arrangement visits to the area, make available meeting rooms in their offices and provide after care services\textsuperscript{255}. Barrow-in-Furness is one of the UK’s last remaining ‘Assisted Areas’ and Furness Enterprises can provide guidance on the range of discretionary grants which are available to promote economic development and increase levels of employment in the area\textsuperscript{256} \textsuperscript{257}. These include 3 types of grant specifically linked to job creation\textsuperscript{258}:

• Grants for business investment and job creation which are available to all business locating to the Furness ‘Assisted Area’ until December 2013. Large firms can receive up to 15\% of the project costs and small firms up to 35\%.
• Locally funded grants offering £1000 -5000 for each job created
• Funding for the recruitment of the long term unemployed

Furness Enterprise also supports individuals who are long term unemployed to find work. For example the Job Access programme helps increase the employability of local residents and encourage companies to employ them by helping individuals to up or re-skill; providing support funds; and offering guidance and advice services\textsuperscript{259} \textsuperscript{260} \textsuperscript{261} \textsuperscript{262}. They also match jobseekers to employment opportunities for example through drop in session run in deprived areas of Barrow-in Furness\textsuperscript{263}. Business development is also encouraged in wards where there are the highest levels of unemployment through the Working Neighbourhoods Funds\textsuperscript{264}. Furness Enterprise also supports entrepreneurship by running free business development programmes and sessions to allow people to access business councillors and coaches\textsuperscript{265} \textsuperscript{266}.

**Key features of successful initiatives to help the economically inactive into employment** include:

• A partnership approach at local level, but a single point of contact with the employer
• Outreach to disadvantaged groups in particular areas
• Pre-interview awareness training
• Job-matching and Pre-employment training – to help prepare individuals for specific jobs
• Support in employment.

**Targeting Sectors**

For some economically inactive individuals one route into work could be self-employment – although it should be noted that this is unlikely to be a plausible option for all. One example of support for those who are currently non-
employed to enter self-employment is provided by the example of a ‘test trading’ project initiated using Deprived Area Funding and partnership support by Rhyl City Strategy in North Wales. Rhyl City Strategy is one of fifteen City Strategy Pathfinder areas across Great Britain where particular attention is being focused on tackling worklessness in disadvantaged areas. The City Strategy is based on the idea that local partners can deliver more if they combine their efforts behind shared priorities and are given more freedom to tailor services in response to local need.

The rationale behind ‘test trading’ is that some people who have been out of work for some time may be fearful of starting their own business due to perceived risks regarding income. ‘Test trading’ helps to overcome this barrier by allowing individuals to remain claiming out-of-work benefits during their first 26 weeks of trading (with the agreement of Jobcentre Plus). The lead partner in the ‘test trading’ project is Denbighshire Enterprise Agency. Individuals interested in running their own business come along to an initial session where they test their ideas, before deciding whether to go on a ‘Being your Own Boss’ course. Those selected to take part in the project receive mentoring and support, a start-up grant and regular networking events.

Certain industries may also offer opportunities for the economically inactive. Tourism, hospitality, catering, construction and agriculture were the sectors mentioned by the participants where economically inactive groups are mostly employed. However, in terms of which sectors should be targeted to employ this group, it was said that retail, hospitality and catering are not the best as they tend to have a replacement impact rather than additionality. The business service industry was said to be a good area for activation as it creates additionality in the economy. The participants cited Belfast’s inexpensive office space as offering an international competitive advantage. Nevertheless, it was stressed that investment that creates high-end jobs is still good for the economically inactive; as for every 100 jobs there will be 3-5 low-end jobs in support. NI, for the past couple of decades, has been working to attract financial, information technologies, and advanced engineering industries in the pursuit of high value added jobs with high skill requirements that pay high wages. Similar trends can be observed in many other areas of the world.
Appendix 12. Targeting Sectors

- Investment agencies target certain sectors when trying to attract investment. However, these sectors do not always offer low entry positions or jobs suitable for the inactive.
- Contact centres have potential in offering job opportunities to the economically inactive.
- It is important that training programmes for the economically inactive are shaped to meet the skills needs of industry.

A summary of this appendix is in chapter 4 of the main report.

Introduction

This chapter examines why, and if, investment from certain sectors is targeted by investment agencies; and the potential for these sectors to provide employment for the economically inactive. It is demonstrated that the sectors currently targeted may not necessarily have positions that are accessible to the economically inactive. Nevertheless it is argued that contact centres could offer one route into work for the economically inactive.

Target Sectors

Investment agencies will often try to attract specific sectors to their country/region. This section highlights that these sectors may not necessarily offer entry level positions or be those sectors that the employment agencies work with.

“We look at...investments that tie with the industrial policy, our aim is to increase the GDP and to lower the level of unemployment and increase the standard of living. And the tools for employment are part of the department of employment ... I think the issue is more educate them [those economically inactive] to increase their employability to incorporate them in a natural way not forcing them” (participant, Basque Country).

Sectors targeted by countries vary according to countries strategic interest. Generally the focus is on high-tech and R&D activities. Environmental technologies, biotechnologies, nanotechnology were some of the sectors mentioned by the participants. According to a participant New Zealand focuses in high wealth generators sectors. Participants in NI cited that they worked to attract financial, information technologies, and advanced engineering industries in the pursuit of high value added jobs with high skill requirements that pay high wages. Countries like the Basque Country, Denmark and Germany try to promote industrial cluster to achieve competitive advantage. The initiative “Kompetenznetze Germany” currently combines over 100 Competence Clusters, 9 branches in 8 regions. More than 6,000 SMEs are cooperating in these networks with universities, research institutions and large companies.
Sectors Targeted by Investment Agencies

In some countries the investment agencies directly target specific sectors by offering them incentives only open to them. In other cases although there are not incentives directly linked to specific industries, development agencies seek to attract strategic companies by other means.

The incentives given are:

(a) Tax reduction of wage cost –
- In the Netherlands the Research and Development (Promotion) Act (WBSO) is designed to promote R&D work. Belgium offers tax breaks for R&D personnel\(^\text{267}\) and also for companies hiring those with a university or a Master’s degree to work on R&D projects can “claim partial exemptions from advance payments on wages”\(^\text{268}\). In Australia there are tax concessions for research and development\(^\text{269}\).

(b) Providing capital –
- In the Netherlands, the Investment and Development Agency for the Northern Netherlands (NOM) will support innovative businesses in the region\(^\text{270}\).

(c) Providing loans –
- The Brabant Development Agency (BOM) in the Netherlands supports innovative companies\(^\text{271}\).

(d) Subsidies –
- In the Netherlands were the ‘Peaks in the Delta’ (PID) programme stimulates regional innovation projects in business areas that provide, or should provide, important regional advantages, or ‘peaks’\(^\text{272}\).

(e) Grants –
- In Slovenia investment projects in manufacturing, strategic services and R&D can receive co-financing. In order to be eligible, foreign investors must make a minimum investment and be able to demonstrate the number of new jobs created\(^\text{273} \text{274} \text{275}\).
- In Denmark sectors grants are made available for product development and research within certain industries or business. Favourable loans or guarantees for commercial bank loans may also be obtained from Vækstfonden (a Danish state investment fund) for research into and development of new or improved products, production methods or services or business concepts including the creation of international competence and expertise\(^\text{276}\).

As this list demonstrates, and as did chapter 2 in the main report, there is no evidence of investment agencies purposefully attracting sectors that are likely to be accessible to economically inactive groups. These sectors require in the main a high-skilled workforce, although every investment would have spill over effects. A participant in Flanders neatly summarised that the make-up of employment in investment is not usually an issue and there is no attempt to attract those employing the inactive\(^\text{277}\). However participants in NI did stress
that in creating high-end jobs, a small number of low-end jobs in support would also be created.

**Sectors Targeted by Other Agencies**

As demonstrated in chapter 3 employment agencies will work with employers who offer opportunities to those who are long term unemployed or face barriers to employment. Participants in Denmark mentioned that it is easier to get big employers on board regarding employment schemes, and a big cleaning company and fast food chain were mentioned on a few occasions.

Social enterprises and the third sector have also promoted the inclusion of those who face barriers to employment in the labour market. In the Basque Country most of the ILM enterprises are found in the environmental sector in industries such as waste, recycling, gardening and forestry. There are also enterprise in hospitality and catering, cleaning and maintenance, personal services and residences, and small construction.

However, this study cannot identify if there are any ‘typical’ industries that enter into these partnerships. Nevertheless looking at the experience of Denmark and the Basque Country it seems that agencies will target low skill sectors for the inclusion of the economically inactive. One participant in the Basque Country stated that there should be an aim to integrate the economically inactive in other than low-skill jobs.

This study found that neither employment agencies nor social enterprises focus on targeting companies or activities which will increase the exporting capacity of a country’s/region’s economy.

**Contact Centres**

Contact centres seem to be an ideal workplace for economically inactive groups, due to as one of our participants in the Basque Country stressed the versatile and multi-faceted nature of the work in a contact centre which allows employees to work in many other different sectors, and acquire a set of skills which are of medium complexity. In Australia a participant mentioned that contact centres offered good opportunities for the long term unemployed because of the number of low entry positions available, and the often casual or part-time nature of the work meant that it was suitable for those facing barriers to employment and the long term unemployed.

This section explores the role of contact centres as potential employers of the economically inactive and draws attention to issues that need to be addressed if this is to be successful. This section has been sourced from the Russell Sage Foundation Case Studies of Job Quality in Advanced Economies, Low-Wage Work series, the study from Cabras (2008) and from stakeholders in the Basque Country, the Netherlands and Australia.
Examples of Contact Centre Initiatives

In the Basque Country the inclusion of economically inactive groups has been done through intermediate labour market enterprises which offer jobs to disadvantage groups (see section 3.5). According to participants ILM enterprises are a successful way of helping disadvantage groups to access the labour market. Gizarlin\textsuperscript{282}, an ILM contact centre enterprise, works mainly with women with family responsibilities that have exited the labour market or have never accessed it and are economically inactive.

“If a company comes to our city we welcome each and everyone, but certain areas like these contact centres or other low entry companies are preferred because they offer a greater potential for jobs on entry level” (participant, the Netherlands).

In the Netherlands there are efforts to attract more contact centres. However, our research did not uncover any wide reaching schemes to encourage the employment of the economically inactive in contact centres. Nevertheless there are some local schemes:

- The Contact Center Academy Limburg which helps with the development of the contact centre industry in the region by providing education and training for new and existing staff\textsuperscript{283}. A participant outlined that on completion of the programme new staff are guaranteed a position of a minimum of 1-year in that organisation. There is cooperation with the employment services in identifying potential students.
- Another participant was also aware of a project in the north of the Netherlands where 40 unemployed people were offered job training and a guaranteed position in a contact centre after this training. There were “even other initiatives for disadvantaged people who can work from their homes to do some contact centre work so I think there is an opportunity for these people in low entry jobs you could say”.

Limitations of Contact Centre Work

Contact centre job characteristics and conditions could raise some issues on whether it is advisable and practical to target this sector. A participant in the Basque Country saw as necessary to reform the ‘collective labour agreement’ for the industry in terms of salaries and in Australia a participant highlighted that the stringent performance requirements of contact centre work that could generate high stress levels in employees.

- In general it seems that sector conditions (including pay, type of contract, hours of work, etc.) are not always attractive. This is not the case throughout the sector, and working conditions can be determined by the type of contact centre activity, the labour market situation, the economic strategy, the market situation and legislative environment.
- General criticism of contact centre work in terms of it being repetitive and routine, stressful, with low job discretion, lack of progression, seem to be a constant. These job characteristics together with job conditions tend to
produce a high workforce turnover (which could impact amongst other in output quality.

- There seems to be a constant tension within the sector trying to balance demand insecurities and labour force security and agency workers seem to be vital in order to match staffing levels to demand fluctuation.

**Enhancing Contact Centre Work**

Due to those limitations there are some issues that need to be considered by industry, employers and employment agencies if job opportunities in contact centres are going to be accessible to the economically inactive. According to a participant in the ILM contact centre enterprise (see 3.5.1) in the Basque Country, people working there and going into the ordinary labour market, did not find jobs in contact centres, primarily due to jobs conditions.

Improved conditions in contact centres have been in some cases a result of regulation. In other changes aimed to increase workforce retention. The measures below have been or are being implemented in some contact centres in Denmark and the Netherland:

- Offering shift preference schemes and reducing the number of those working ‘rotating shifts’ to the minimum necessary, perhaps using as in de Netherlands a co-operation model between independent contact centres, temporary work agencies (TWA) and in-house contact centres of a ‘value chain’.
- Offering training, which helps with activities related to the job but which also has as an aim to develop job progression.
- Introducing a pay grade matrix. In the case of Denmark this is link to a contact centre agent curricula in the Danish vocational education and training system and to a ‘contact centre professional’ profile in the Netherlands with five job levels reflecting skills and autonomy levels.
- Reducing job segmentation;
- Considering location as an important factor in attracting labour.
- Reducing reliability in monitoring and increasing partnership working with employees.
- Increasing autonomy and competence development.
- A shift to a focus on quality rather than cost could also improve job conditions in general (a shift that can be seen in the contact centre sector in Denmark).

These changes are necessary not only to secure a more stable workforce, by decreasing labour turnover and increasing workforce wellbeing, but also to secure a supply of workforce in situations where unemployment is low.

**Self-employment**

Recently there has been a turn to encouraging self employment as a way to reduce unemployment. There are cash incentives targeted to supporting
Promoting Investment and Increasing Employment among the Economically Inactive

and encouraging entrepreneurs in most of the case study countries. In some case these incentives are given through loans given by banks as in Germany; through the department for industry or related agencies as in the Basque Country; through the department/ministry of economy or related agencies as in the Netherlands; or through the department of employment or related agencies as in Slovenia.

<table>
<thead>
<tr>
<th>Entrepreneurship Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the Basque country not only there are incentives to self-employment but according to the study participants it is a strategic economic aim to increase the culture of entrepreneurship amongst the population and particularly amongst the youth because although “we have a well educated population they don’t have that entrepreneurial spirit, sometimes the good life is a handicap”.</td>
</tr>
</tbody>
</table>

In New Zealand, Belgium, and Slovenia entrepreneur assistance seems particularly targeted to those that are unemployed and want to become self-employed.

- In Slovenia subsidies are available for the unemployed and those about to lose their jobs.\(^{285}\)
- In New Zealand the Enterprise Allowance helps unemployed jobseekers set up their own business.\(^{286}\)
- In Australia the New Enterprise Incentive Scheme (NEIS) supports jobseekers that set up their own business, with training available through the Productivity Place Program.\(^{287}\)
- In Germany allowances and subsidies are targeted to entrepreneurs.
- Additionally in the Basque Country the policies are fomented more at a local level rather than coming from the government.
- In GB a ‘test trading’ project has been used in North Wales. ‘Test trading’ helps to overcome barriers of fear of the perceived risks regarding income by allowing individuals to remain claiming out-of-work benefits during their first 26 weeks of trading.

The importance of education and skills

In all countries in this study increasing the skills and education of the population is commonly seen as a vital factor in economic growth and as an important path into labour market inclusion.

Training to Address Skills Needs and Increase Employability

Besides the training incentives to employers discussed in chapter 3, there are some other initiatives that encourage education and training:

- In Australia the Productivity Place Program (PPP) delivers training that meets the needs of industry. The Australian Government has funded 711000 places over 5-years under its Skilling Australia for the Future...
initiative. State and territory governments are responsible for its delivery. Since July 2009 it has provided Structural Adjustment Places (SAP) through the program for those who have been made redundant as a result of the economic crisis. This training is available through employers and other representatives to ensure that these workers have the skills needed to find new employment.

- In Slovenia the employment agency also provides training services for employers who hire jobseekers who do not have all the skills required for the position.

- A pre-employment training strategy in New Zealand called Straight-2-work is available to all jobseekers to ensure that (potential) employees have the skills to meet industry demands.

- In Nebraska those who are on unemployment benefit can apply to join the Approved Training Programme while still receiving benefits.

- In Belgium transition programs are profession specific and are created by public sector employers to help the long term unemployed increase their employability.

- The importance of education is reflected in the Active Labour Market Policies to get people employed in contact centres. In Denmark, where the level of unemployment is low and there are labour and skills shortages education schemes are common. Denmark’s has a strong and well develop system of training, vocational further education and live long learning, as well as being one of the EU member states where most employees receive further education and training, and where public expenditure on continuous training is at the highest.

Apprenticeships (discussed in detail in chapter 3 section 3.2.3) may also be promoted. However the German apprenticeship system, which has traditionally been considered as one of the main contributors to the country’s economic success, has been under some pressure due to the mismatch between demand and supply and the increasingly flexible market. Even during the recession some countries support, encourage and protect apprenticeships: in Denmark because of the recession the government are simulating the environment of a company until a real one is sourced.

Investment agencies focus on attracting strategic and high-tech sectors which in most cases will employ high-skill workforce (see chapter 2). ALMPs aimed at the economically inactive focus in most cases on education and training for low-skill or entry level jobs. A respondent in the Basque Country stressed that to direct this group of people towards that kind of training all the time does not seem right. In Denmark they a ‘job rotation’, which according to participants is used to train people for entry jobs and to those who want give them the opportunity to train up: “for those that we can bring up the ladder we do that through job rotation for example” (participant, Denmark)
Work experience

Jobseekers can also be offered opportunities to gain skills while on a job experience scheme. This study identified that Australia in particular had a wide range of work experience initiatives available to jobseekers that have been unemployed for over 12-months. These include:

- Work for the Dole - provided by not-for-profit organisations, local, state, territory or Australian Government agencies.
- Unpaid Work Experience placement activities allow jobseekers to get workplace experience.
- Work in a social enterprise (paid or unpaid) helps jobseekers to get skills and address barriers to employment. Through the Green Corps jobseekers undertake activities that contribute to Australia’s natural environment and cultural heritage.
- Paid part-time or casual employment is admissible “as long as they are earning at least the minimum hourly wage, or equivalent, for the required number of hours”.
- Voluntary Work activities allow jobseekers to get experience through placements in the community sector.
- Drought Force activities act to support local farms, thus allowing people to remain in their local area and build the skills of the population. If jobseekers spend more than 60-hours per fortnight doing this work they are not required to search for employment, but they must meet regularly with their Job Services Australia provider.

Participants in Denmark mentioned the shift in activation policies from training and education to training and education linked to a job (while training or at the end). This shift according to participants has been based in studies that show that “the best way to bring these groups back to the labour market is that they are close to the enterprise” (participant, Denmark). In most cases employers are supported by wage subsidies or they do not have any cost at all.

Summary

In summary, this chapter has highlighted that investment agencies often target certain sectors when promoting the investment opportunities in their country/region. However the sectors targeted often require a highly skilled workforce and as such do not always offer opportunities to the economically inactive. The contact centre sector is seen as a potential employer for the economically inactive but certain conditions may need to be addressed to ensure successful integration into the workforce. Whichever industries are targeted it needs to be ensured that the labour force has the skills required, and this chapter has highlighted a series of training schemes which do this.
Appendix 13. Comparative Statistics (completed early in the study)

MACROECONOMIC

Table 1 – Macroeconomic and background indicators (2007)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita</th>
<th>Real GDP Growth (annual %)</th>
<th>Population levels (thousands)</th>
<th>Population growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>34 957</td>
<td>2.55916851</td>
<td>60 975.36</td>
<td>0.64041421</td>
</tr>
<tr>
<td>Belgium</td>
<td>34 665</td>
<td>2.94340922</td>
<td>10 625.3</td>
<td>0.73701455</td>
</tr>
<tr>
<td>Denmark</td>
<td>36 326</td>
<td>1.69264542</td>
<td>5 457.415</td>
<td>0.42041988</td>
</tr>
<tr>
<td>Finland</td>
<td>35 346</td>
<td>4.20270838</td>
<td>5 288.719</td>
<td>0.42635522</td>
</tr>
<tr>
<td>Germany</td>
<td>34 683</td>
<td>2.46541827</td>
<td>82 247.02</td>
<td>-0.15712015</td>
</tr>
<tr>
<td>Netherlands</td>
<td>39 593</td>
<td>3.61311575</td>
<td>16 381.69</td>
<td>0.21772778</td>
</tr>
<tr>
<td>Slovenia</td>
<td>26 557</td>
<td>3.56340243</td>
<td>44 873.57</td>
<td>1.82746123</td>
</tr>
<tr>
<td>Spain</td>
<td>31 469</td>
<td>6.79639063</td>
<td>2 010.129</td>
<td>0.23521351</td>
</tr>
<tr>
<td>Australia</td>
<td>46 434</td>
<td>3.08699744</td>
<td>4 228.3</td>
<td>1.04430531</td>
</tr>
<tr>
<td>New Zealand</td>
<td>27 019</td>
<td>2.13686794</td>
<td>301 279.6</td>
<td>0.95066921</td>
</tr>
</tbody>
</table>


Note that these data were gathered at the start of the project, before the effects of the recession were known.

LABOUR MARKET

Table 2 - Labour Force statistics % (2007 and 2008)

<table>
<thead>
<tr>
<th>Country</th>
<th>Labour Force Participation1</th>
<th>Employment to population ratio2</th>
<th>Total unemployment3</th>
<th>Inactivity4</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>76.3</td>
<td>76.3</td>
<td>56.4</td>
<td>56.3</td>
</tr>
<tr>
<td>Belgium</td>
<td>66.1</td>
<td>66.2</td>
<td>46.2</td>
<td>46.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>79.7</td>
<td>79.6</td>
<td>60.3</td>
<td>60.3</td>
</tr>
<tr>
<td>Finland</td>
<td>74.9</td>
<td>74.9</td>
<td>54.6</td>
<td>54.7</td>
</tr>
<tr>
<td>Germany</td>
<td>74.9</td>
<td>75.4</td>
<td>50.9</td>
<td>51.7</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>76.3</td>
<td>76.5</td>
<td>58.9</td>
<td>59.3</td>
</tr>
<tr>
<td>Slovenia</td>
<td>70.4</td>
<td>70.5</td>
<td>54.0</td>
<td>54.1</td>
</tr>
<tr>
<td>Spain</td>
<td>70.9</td>
<td>71.5</td>
<td>50.0</td>
<td>48.6</td>
</tr>
<tr>
<td>Australia</td>
<td>75.7</td>
<td>75.9</td>
<td>59.3</td>
<td>59.4</td>
</tr>
<tr>
<td>New Zealand</td>
<td>77.5</td>
<td>77.6</td>
<td>62.9</td>
<td>62.7</td>
</tr>
<tr>
<td>USA</td>
<td>74.6</td>
<td>74.4</td>
<td>60.1</td>
<td>59.2</td>
</tr>
</tbody>
</table>

1 – Labour force participation for aged 15-64 / Source: ILO estimates – EAPEP Database, 5th edition
2 – Employment to population ratio for those aged 15 or over / Source: ILO estimates – Trends estimation model
3 – Rate of unemployment from the total Labour Force
4 – Source for 2007 data: Australia, Finland, the Netherlands, New Zealand, Slovenia, Spain and US - Household or labour force survey from LABORSTA. / Source: Belgium, Denmark, Germany, and UK - European Labour Force Survey (Eurostat)
Promoting Investment and Increasing Employment among the Economically Inactive

Source for 2008 data: Australia, New Zealand, Slovenia, and US - Household or labour force survey from LABORSTA. / Source: Belgium, Denmark, Finland, Germany, the Netherlands, Spain and UK - European Labour Force Survey (Eurostat)


Table 3 – Employment, Unemployment and Activity rates for working age population 1 % (2007 & 2009)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate</td>
<td>74.2</td>
<td>73.7</td>
<td>74.3</td>
<td>74.0</td>
<td>71.0</td>
<td>70.4</td>
<td>75.7</td>
<td>75.4</td>
<td>69.4</td>
<td>68.4</td>
</tr>
<tr>
<td>- of which employees</td>
<td>64.4</td>
<td>64.2</td>
<td>64.4</td>
<td>64.2</td>
<td>61.9</td>
<td>61.1</td>
<td>67.6</td>
<td>67.4</td>
<td>57.8</td>
<td>57.6</td>
</tr>
<tr>
<td>- of which self employed</td>
<td>9.3</td>
<td>9.1</td>
<td>9.5</td>
<td>9.3</td>
<td>8.6</td>
<td>8.8</td>
<td>7.7</td>
<td>7.6</td>
<td>10.5</td>
<td>9.7</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>5.5</td>
<td>6.4</td>
<td>5.5</td>
<td>6.4</td>
<td>5.5</td>
<td>7.1</td>
<td>5.4</td>
<td>5.5</td>
<td>4.8</td>
<td>4.9</td>
</tr>
<tr>
<td>Economically inactive</td>
<td>21.6</td>
<td>21.3</td>
<td>21.3</td>
<td>21.0</td>
<td>24.9</td>
<td>24.2</td>
<td>20.0</td>
<td>20.3</td>
<td>27.1</td>
<td>28.1</td>
</tr>
<tr>
<td>- of which want a job</td>
<td>5.4</td>
<td>5.5</td>
<td>5.4</td>
<td>5.5</td>
<td>5.5</td>
<td>6.3</td>
<td>5.7</td>
<td>5.7</td>
<td>4.2</td>
<td>3.9</td>
</tr>
<tr>
<td>- of which do not want a job</td>
<td>16.2</td>
<td>15.7</td>
<td>15.9</td>
<td>15.4</td>
<td>19.4</td>
<td>17.9</td>
<td>14.2</td>
<td>14.6</td>
<td>22.9</td>
<td>24.2</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey (Jan-Mar 2007 and Jan-Mar 2009)

1 – Working age population: men aged 16-64 and women aged 16-59.

**Note**: ILO estimates of Inactivity Rate (Table 2) for the UK is 2.1 per cent points higher than the data from the Annual Population Survey (APS) in Table 5 above. Note that data from ILO includes men and women aged 15-64 while data from the APS includes men aged 16-64 and women aged 16-59.

Table 4 – Employment by sector % (2007)

<table>
<thead>
<tr>
<th>Employment by sector</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
<th>Not defined</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK 4</td>
<td>1.4</td>
<td>22.3</td>
<td>76.0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>1.8</td>
<td>24.4</td>
<td>73.0</td>
<td>0.7</td>
<td>100</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.9</td>
<td>23.2</td>
<td>73.7</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Finland 3</td>
<td>4.5</td>
<td>25.5</td>
<td>69.7</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>2.2</td>
<td>29.8</td>
<td>67.9</td>
<td>0.1</td>
<td>100</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>3.0</td>
<td>19.1</td>
<td>73.2</td>
<td>4.7</td>
<td>100</td>
</tr>
<tr>
<td>Slovenia</td>
<td>10.2</td>
<td>34.2</td>
<td>54.7</td>
<td>0.1</td>
<td>100</td>
</tr>
<tr>
<td>Spain</td>
<td>4.5</td>
<td>29.3</td>
<td>66.2</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Australia 2</td>
<td>3.4</td>
<td>21.2</td>
<td>75.1</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>New Zealand 4</td>
<td>7.2</td>
<td>21.9</td>
<td>70.5</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>USA 2,4</td>
<td>1.4</td>
<td>20.6</td>
<td>78.0</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Australia, Finland, New Zealand, Slovenia, UK, and US - Household or labour force survey from LABORSTA. / Source: Belgium, Denmark, Germany, the Netherlands, Spain - European Labour Force Survey (Eurostat)

1 – Data for total population aged 15 or over unless otherwise stated
2 – Data covers only civilian population
3 – Data covers aged 15-74
4 – Data covers those aged 16 or over

Employment Research Institute, Edinburgh Napier University

55
<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-primary (or less than 1 year)</th>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
<th>Not defined</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK³</td>
<td>37.3</td>
<td>47.7</td>
<td>14.3</td>
<td>0.7</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denmark⁴</td>
<td>35.9</td>
<td>35.1</td>
<td>23.0</td>
<td>6.0</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Finland⁵</td>
<td>35.5</td>
<td>45.9</td>
<td>18.6</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>33.1</td>
<td>56.3</td>
<td>10.6</td>
<td></td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>The Netherlands⁶</td>
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<td>41.3</td>
<td>39.7</td>
<td>17.0</td>
<td>100</td>
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<td>Slovenia</td>
<td>25.0</td>
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<td>12.5</td>
<td></td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>Spain⁷</td>
<td>1.2</td>
<td>54.8</td>
<td>23.6</td>
<td>20.4</td>
<td>100</td>
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<tr>
<td>Australia</td>
<td>48.0</td>
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<td></td>
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<td>New Zealand⁸</td>
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<td>3.6</td>
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<tr>
<td>USA⁹,¹⁰</td>
<td>18.7</td>
<td>35.5</td>
<td>45.7</td>
<td></td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Household or labour force survey from LABORSTA
1 – Data for total population for those aged 15 or over unless otherwise stated
2 – Data covers the civilian population
3 – Data covers aged 16-64
4 – Data covers aged 15-66
5 – Data covers aged 15-74
6 – Data covers aged 15-64
7 – Data covers aged 16 or over
8 – Data covers aged 25 or over
## INVESTMENT

Table 6 - Direct Investment Inflows by Sector in US dollars (2006)

<table>
<thead>
<tr>
<th>Sector</th>
<th>UK</th>
<th>Bel</th>
<th>Den</th>
<th>Fin</th>
<th>Ger</th>
<th>NL</th>
<th>Spa</th>
<th>Aus</th>
<th>NZ</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRICULTURE AND FISHING</td>
<td>129</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>6</td>
<td>-88</td>
<td>-27</td>
<td>579</td>
<td>264</td>
</tr>
<tr>
<td>MINING AND QUARRYING</td>
<td>24917</td>
<td>-371</td>
<td>39</td>
<td>19</td>
<td>-1389</td>
<td>-12801</td>
<td>65804</td>
<td>12801</td>
<td>270</td>
<td></td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>13528</td>
<td>-380</td>
<td>1084</td>
<td>10769</td>
<td>-129</td>
<td>4783</td>
<td>8604</td>
<td>-160</td>
<td>8604</td>
<td></td>
</tr>
<tr>
<td>ELECTRICITY, GAS AND WATER</td>
<td>-21656</td>
<td>-64</td>
<td>-468</td>
<td>417</td>
<td>-405</td>
<td>-160</td>
<td>-3317</td>
<td>-160</td>
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</tr>
<tr>
<td>CONSTRUCTION</td>
<td>3841</td>
<td>62</td>
<td>132</td>
<td>93</td>
<td>-79</td>
<td>599</td>
<td>3030</td>
<td>-160</td>
<td>3030</td>
<td></td>
</tr>
<tr>
<td>TRADE AND REPAIRS</td>
<td>13822</td>
<td>2792</td>
<td>566</td>
<td>1102</td>
<td>3645</td>
<td>3294</td>
<td>24600</td>
<td>3294</td>
<td>24600</td>
<td></td>
</tr>
<tr>
<td>TOTAL SERVICES</td>
<td>126102</td>
<td>4155</td>
<td>4489</td>
<td>23606</td>
<td>9984</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- HOTELS AND RESTAURANTS</td>
<td>-1305</td>
<td>35</td>
<td>127</td>
<td>-164</td>
<td>-177</td>
<td>-187</td>
<td>352</td>
<td>-187</td>
<td>352</td>
<td></td>
</tr>
<tr>
<td>- TRANSPORTS, STORAGE AND COMMUNICATION</td>
<td>68968</td>
<td>97</td>
<td>694</td>
<td>-977</td>
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<td>1426</td>
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<td>46367</td>
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<td>13287</td>
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<td>-417</td>
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<td>18851</td>
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<td>- OTHER SERVICES</td>
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<td>-</td>
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<td>Not allocated (reported)</td>
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<td>-</td>
<td>410</td>
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<tr>
<td>SUB-TOTAL</td>
<td>147716</td>
<td>3625</td>
<td>5276</td>
<td>42887</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Private purchases and sales of real estate</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td></td>
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<tr>
<td>TOTAL</td>
<td>147716</td>
<td>62292</td>
<td>3625</td>
<td>5302</td>
<td>42887</td>
<td>7987</td>
<td>20026</td>
<td>25668</td>
<td>8015</td>
<td>175394</td>
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</table>

Source: OECD International Direct Investment Statistics (statistics for OECD countries on international direct investment inflows by industrial sector, according to the International Standard Industrial Classification Rev. 3 secondary level classification)

Appendix 14. Websites Used

The following websites are recommended for research on foreign direct investment and the employment of economically inactive groups in the 10 case study countries. Please note that these websites were accessed between January and March 2010. Please also be aware that this is not a definitive list, merely a selection of the numerous websites that are available. Not all the websites are available in English and the English versions do not always contain as much information as the other versions.

### Australia

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Web link</th>
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<tbody>
<tr>
<td>AusIndustry</td>
<td><a href="http://www.ausindustry.gov.au">http://www.ausindustry.gov.au</a></td>
</tr>
<tr>
<td>Austrade (Australian Trade Commission)</td>
<td><a href="http://www.austrade.gov.au">http://www.austrade.gov.au</a></td>
</tr>
<tr>
<td>Australian Apprenticeships</td>
<td><a href="http://australianapprenticeships.gov.au">http://australianapprenticeships.gov.au</a></td>
</tr>
<tr>
<td>Australian Government’s Social Inclusion Agenda</td>
<td><a href="http://www.socialinclusion.gov.au">http://www.socialinclusion.gov.au</a></td>
</tr>
<tr>
<td>Centre Link</td>
<td><a href="http://www.centrelink.gov.au">http://www.centrelink.gov.au</a></td>
</tr>
<tr>
<td>Department of Education, Employment and Workplace Relations</td>
<td><a href="http://www.deewr.gov.au">http://www.deewr.gov.au</a></td>
</tr>
<tr>
<td>Department of Foreign Affairs and Trade</td>
<td><a href="http://www.dfat.gov.au">http://www.dfat.gov.au</a></td>
</tr>
<tr>
<td>Department of Immigration and Citizenship</td>
<td><a href="http://www.immi.gov.au">http://www.immi.gov.au</a></td>
</tr>
<tr>
<td>Employment and Workplace Relations Services for Australians</td>
<td><a href="http://www.workplace.gov.au">http://www.workplace.gov.au</a></td>
</tr>
<tr>
<td>Foreign Investment Review Board</td>
<td><a href="http://www.firb.gov.au">http://www.firb.gov.au</a></td>
</tr>
<tr>
<td>Job Access</td>
<td><a href="http://www.jobaccess.gov.au">http://www.jobaccess.gov.au</a></td>
</tr>
<tr>
<td>Keep Australia Working</td>
<td><a href="http://www.keepaustraliaworking.gov.au">http://www.keepaustraliaworking.gov.au</a></td>
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</table>

### Belgium (Flanders)

<table>
<thead>
<tr>
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<th>Web link</th>
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<tbody>
<tr>
<td>ACTIRIS</td>
<td><a href="http://www.actiris.be">http://www.actiris.be</a></td>
</tr>
<tr>
<td>Agency for Innovation by Science and Technology</td>
<td><a href="http://www.iwt.be">http://www.iwt.be</a></td>
</tr>
<tr>
<td>Agentschap Ondernemen (Enterprise Agency)</td>
<td><a href="http://ae.vlaanderen.be">http://ae.vlaanderen.be</a></td>
</tr>
<tr>
<td>Federal Public Service for Social Integration</td>
<td><a href="http://www.mi-is.be">http://www.mi-is.be</a></td>
</tr>
<tr>
<td>Flanders Portal Site</td>
<td><a href="http://www.flanders.be">http://www.flanders.be</a></td>
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</tbody>
</table>
## Promoting Investment and Increasing Employment among the Economically Inactive

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Web link</th>
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<tbody>
<tr>
<td>FOREM</td>
<td><a href="http://www.leforem.be/">http://www.leforem.be/</a></td>
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<tr>
<td>Invest in Belgium</td>
<td><a href="http://www.invest.belgium.be/">http://www.invest.belgium.be/</a></td>
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<tr>
<td>Invest in Flanders</td>
<td><a href="http://www.investinflanders.com">http://www.investinflanders.com</a></td>
</tr>
<tr>
<td>National Employment Office</td>
<td><a href="http://www.rva.be">http://www.rva.be</a></td>
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</table>

### Denmark

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Web link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Foreign Affairs in Denmark</td>
<td><a href="http://www.um.dk">http://www.um.dk</a></td>
</tr>
<tr>
<td>Invest in Denmark</td>
<td><a href="http://www.investindk.dk">http://www.investindk.dk</a></td>
</tr>
<tr>
<td>Ministry of Employment</td>
<td><a href="http://uk.bm.dk/">http://uk.bm.dk/</a></td>
</tr>
<tr>
<td>Work in Denmark</td>
<td><a href="https://www.workindenmark.dk/">https://www.workindenmark.dk/</a></td>
</tr>
<tr>
<td>Copenhagen Capacity</td>
<td><a href="http://www.copcap.com/">http://www.copcap.com/</a></td>
</tr>
<tr>
<td>Confederation of Danish Industry</td>
<td><a href="http://di.dk/English/DIPosition/Pages/Position.aspx">http://di.dk/English/DIPosition/Pages/Position.aspx</a></td>
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### Finland

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Web link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Chamber of Commerce</td>
<td><a href="http://www.keskuskauppakamari.fi">http://www.keskuskauppakamari.fi</a></td>
</tr>
<tr>
<td>Enterprise Finland</td>
<td><a href="http://www.yrityssuomi.fi">http://www.yrityssuomi.fi</a></td>
</tr>
<tr>
<td>Invest in Finland</td>
<td><a href="http://www.investinfinland.fi">http://www.investinfinland.fi</a></td>
</tr>
<tr>
<td>KELA</td>
<td><a href="http://www.kela.fi/in/internet/english.nsf">http://www.kela.fi/in/internet/english.nsf</a></td>
</tr>
<tr>
<td>Ministry of Employment and the Economy</td>
<td><a href="http://www.tem.fi/?l=en">http://www.tem.fi/?l=en</a></td>
</tr>
<tr>
<td>Ministry of Labour</td>
<td><a href="http://www.mol.fi">http://www.mol.fi</a></td>
</tr>
<tr>
<td>Ministry of Social Affairs and Health</td>
<td><a href="http://www.stm.fi/en/">http://www.stm.fi/en/</a></td>
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### Germany

<table>
<thead>
<tr>
<th>Organisation</th>
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<tbody>
<tr>
<td>Germany Trade and Invest</td>
<td><a href="http://www.gtai.com/web_en/homepage">http://www.gtai.com/web_en/homepage</a></td>
</tr>
<tr>
<td>Point of Single Contact, Hamburg</td>
<td><a href="http://welcome.hamburg.de/english/noft/2002462/point-of-single-contact.html">http://welcome.hamburg.de/english/noft/2002462/point-of-single-contact.html</a></td>
</tr>
<tr>
<td>Hamburg Business Development Corporation</td>
<td><a href="http://www.hamburg-economy.de/index_en.html">http://www.hamburg-economy.de/index_en.html</a></td>
</tr>
<tr>
<td>Hamburg Department of Economy and Labour</td>
<td><a href="http://www.hamburg.de/bwa">http://www.hamburg.de/bwa</a></td>
</tr>
</tbody>
</table>

**Employment Research Institute, Edinburgh Napier University**
### The Netherlands

<table>
<thead>
<tr>
<th>Organisation</th>
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<tr>
<td>Council for Work and Income</td>
<td><a href="http://www.rwi.nl">http://www.rwi.nl</a></td>
</tr>
<tr>
<td>Ministry of Economic Affairs</td>
<td><a href="http://www.ez.nl/english/">http://www.ez.nl/english/</a> Organisation/</td>
</tr>
<tr>
<td>Ministry of Social Affairs &amp; Employment</td>
<td><a href="http://english.szw.nl/">http://english.szw.nl/</a></td>
</tr>
<tr>
<td>Netherlands Foreign Investment Agency</td>
<td><a href="http://www.nfia.nl/">http://www.nfia.nl/</a></td>
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<tr>
<td>NL EVD International</td>
<td><a href="http://www.hollandtrade.com">http://www.hollandtrade.com</a></td>
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<tr>
<td>Sociale Verzekeringbank (SVB)</td>
<td><a href="http://www.svb.nl/int/en/index.jsp">http://www.svb.nl/int/en/index.jsp</a></td>
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<tr>
<td>UWV</td>
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### New Zealand

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<th>Organisation</th>
<th>Web link</th>
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</thead>
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<td>Department of Labour</td>
<td><a href="http://www.dol.govt.nz">http://www.dol.govt.nz</a></td>
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<tr>
<td>Economic Development Agencies New Zealand</td>
<td><a href="http://www.edanz.org.nz">http://www.edanz.org.nz</a></td>
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<tr>
<td>Investment New Zealand</td>
<td><a href="http://www.investmentnz.govt">http://www.investmentnz.govt</a></td>
</tr>
<tr>
<td>Mayors Taskforce for Jobs</td>
<td><a href="http://www.mayorstaskforceforjobs.co.nz">http://www.mayorstaskforceforjobs.co.nz</a></td>
</tr>
<tr>
<td>Ministry of Economic Development</td>
<td><a href="http://www.med.govt.nz">http://www.med.govt.nz</a></td>
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<tr>
<td>Ministry of Foreign Affairs and Trade</td>
<td><a href="http://www.mfat.govt.nz">http://www.mfat.govt.nz</a></td>
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<tr>
<td>Ministry of Social Development</td>
<td><a href="http://www.msd.govt.nz">http://www.msd.govt.nz</a></td>
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<tr>
<td>New Zealand Trade and Enterprise</td>
<td><a href="http://www.nzte.govt.nz">http://www.nzte.govt.nz</a></td>
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<td>The Overseas Investment Office</td>
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<td>Work and Income</td>
<td><a href="http://www.workandincome.govt.nz">http://www.workandincome.govt.nz</a></td>
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### Slovenia

<table>
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<td>Chamber of Commerce and Industry</td>
<td><a href="http://eng.gzs.si/slo">http://eng.gzs.si/slo</a></td>
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<tr>
<td>Institute of Macroeconomic Analysis and Development</td>
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<tr>
<td>Invest Slovenia</td>
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<tr>
<td>Ministry of Labour, Family and Social Affairs</td>
<td><a href="http://www.mddsz.gov.si/en">http://www.mddsz.gov.si/en</a></td>
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<td>Public Agency for Entrepreneurship and Foreign Investment (JAPTI)</td>
<td><a href="http://japti.si">http://japti.si</a></td>
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</table>
### Spain (the Basque Country)

<table>
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<tr>
<td>Department of Employment and Social Affairs</td>
<td><a href="http://www.juslan.ejgv.euskadi.net/r45-473/es/">http://www.juslan.ejgv.euskadi.net/r45-473/es/</a></td>
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<tr>
<td>Society for the industrial promotion and reformation (SPRI)</td>
<td><a href="https://www.spri.es/aNS/web/es/index.jsp">https://www.spri.es/aNS/web/es/index.jsp</a></td>
</tr>
<tr>
<td>Invest in Spain</td>
<td><a href="http://www.investinspain.org">http://www.investinspain.org</a></td>
</tr>
<tr>
<td>Employment Portal</td>
<td><a href="http://www.lanbide.net">http://www.lanbide.net</a></td>
</tr>
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<td>REAS Euskadi – Alternative and Solidarity Economy Network of Euskadi</td>
<td><a href="http://www.economiasolidaria.org/redes/reas_euskadi">http://www.economiasolidaria.org/redes/reas_euskadi</a></td>
</tr>
<tr>
<td>EQUAL Project LAMEGI</td>
<td><a href="http://www.lamegi.org">http://www.lamegi.org</a></td>
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<tr>
<td>Insertion and Solidarity Enterprises</td>
<td><a href="http://www.catalogosocial.net">http://www.catalogosocial.net</a></td>
</tr>
<tr>
<td>GIZARLINE, Community Telecommunication S.L.</td>
<td><a href="http://www.gizarline.com">http://www.gizarline.com</a></td>
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<tr>
<td>Eustat: Basque Institute of Statistics</td>
<td><a href="http://www.eustat.es">http://www.eustat.es</a></td>
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### US (Nebraska)

<table>
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<tr>
<td>Nebraska Department of Economic Development</td>
<td><a href="http://www.neded.org">http://www.neded.org</a></td>
</tr>
<tr>
<td>Nebraska Department of Labor</td>
<td><a href="http://www.dol.nebraska.gov">http://www.dol.nebraska.gov</a></td>
</tr>
<tr>
<td>Nebraska Ticket to Work</td>
<td><a href="http://nebraskatickettowork.com">http://nebraskatickettowork.com</a></td>
</tr>
<tr>
<td>University of Nebraska Kearney, Statistics About Nebraska</td>
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<tr>
<td>US Department of Commerce, Bureau of Economic Analysis</td>
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</table>
Appendix 15. Case Study Participants & Acknowledgements

**Main Case Studies**

This table outlines the sectors that the participants who assisted us with the in-depth case study research were located in.

<table>
<thead>
<tr>
<th>MAIN CASE STUDIES</th>
<th>Denmark</th>
<th>Germany</th>
<th>Netherlands</th>
<th>New Zealand</th>
<th>Spain</th>
<th>Northern Ireland and Great Britain</th>
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<tbody>
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<td>X</td>
<td>X</td>
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<td>X</td>
</tr>
<tr>
<td>Employment agency/social security</td>
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<td>X</td>
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<td>Jobcentre or PES</td>
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<td>X</td>
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<td>Workers Confederation</td>
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<td>Enterprise</td>
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</table>
**Mini Case Studies**

Assistance was also received in the mini case studies.

<table>
<thead>
<tr>
<th></th>
<th>AUSTRALIA</th>
<th>BELGIUM - FLANDERS</th>
<th>SLOVENIA</th>
<th>US - NEBRASKA</th>
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</tr>
<tr>
<td>Academic/ research</td>
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<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Regional Government</td>
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**Acknowledgements:**

This study reflects the view of the authors and only the authors are responsible for any mistake or inaccuracy. However, we would like to acknowledge all the participants that completed questionnaires, were interviewed and/or help us in many other different ways. Their help and knowledge was invaluable for the report. Some asked for confidentiality but we would like to thank all those who helped including:

**Australia** – Bill Mitchell, Centre for Full Employment and Equity, University of Newcastle.

**Belgium** – Ilse Van Houtteghem, West Flanders Province.

**Denmark** – We would like to thank all those who took part in the interviews for dedicating their time and effort. For confidentiality reasons we do not name the government, trades unions and employer organisation participants.

**Germany** – Susanne Koch, Institute for Employment Research, Nuremberg; Rolf Keil, Dept. for Labour, Family and Health, Hessen.

**Netherlands** – Prof Els Sol, University of Amsterdam especially for providing us with contact details of individuals in key organisations. We would also like to thank all those who took part in the interviews for dedicating their time and effort. For confidentiality reasons we do not name the participants.

**New Zealand** – Etienne Nel, Department of Geography, University of Otago; Teresa Stevenson; Ministry of Social Development; Ministry of Economic Development; NZ Trade and Enterprise, Dunedin; Venture Southland.

**Slovenia** – Larisa Dražumerič Istenič, University of Lubijana.

**Spain (Basque Country)** – Maria Angeles Diez, Profesora Titular de Universidad, De Almudena blanco Beitia, Director of Gizarline (Community Telecommunications).Carlos Askunze Elizaga, Coordinator of REAS Euskadi. Iñaki Tellechea and Leire Intxausti, Internationalization Department, SPRI

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*Employment Research Institute, Edinburgh Napier University*

US (Nebraska) – Eric Thompson, Bureau of Business Research University of Nebraska-Lincoln.
References

Please note that all these web links were accessed between January and July 2010.


Promoting Investment and Increasing Employment among the Economically Inactive


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