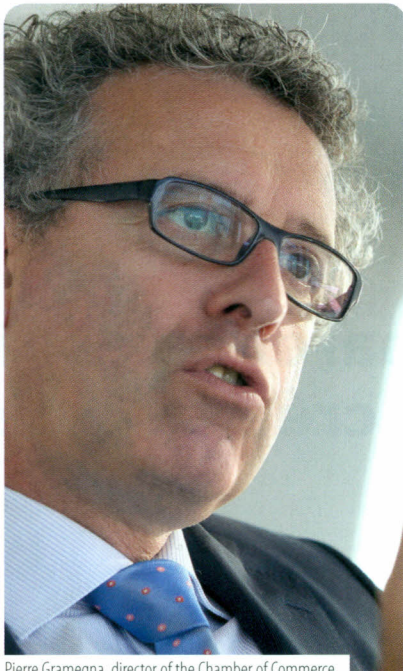


# ADEM reform: An unemployment solution fit for purpose?

**The reform of the employment administration ADEM is a noble endeavour. Currently it is little more than an administrator of state benefits that companies routinely ignore when searching for new employees. The aim is for an agency focussed on offering appropriate career counselling for job-seekers and a reliable source of candidates for employers. Given Luxembourg's paradoxical situation of record unemployment while the workforce is rising, the ADEM needed more than a new coat of paint.**

There is broad support for these ambitious goals of the new legislation reforming ADEM that resulted five years after the OECD carried out a detailed evaluation of the system. One of the most discussed and widely accepted elements of the reform is a simple change of nomenclature. The people formerly known as 'placeurs,' will, under the new legislation, henceforth be referred to as a 'professional counsellor'. The idea is that the job will now involve spending more time working with the unemployed person. But it's the details that give rise to a difference of emphasis.

## A change of name



Pierre Gramegna, director of the Chamber of Commerce

Pierre Gramegna, the Chamber of Commerce's director, sees the main challenge for ADEM as rebuilding its relationship with companies found in the Chamber's membership lists. "If ADEM is not able to build a better relationship with companies then our tackling of the unemployment issue is not going to improve," he remarked.

The chamber makes three main observations of the ADEM reform, after

noting that much of the changes are as yet invisible due to much of it being implemented in Grand Ducal regulations. The main issue is the simple fact that there were too few employees at ADEM. One calculation Gramegna cited was that, considering that job-seekers had to meet with their ADEM counsellor regularly, the meetings could only last a couple of minutes each. The chamber endorses the reform's increase in ADEM staff, but points out that it will still have a much higher job seeker/counsellor ratio than in France and other neighbouring countries, limiting the counsellors' ability to counsel job-seekers.

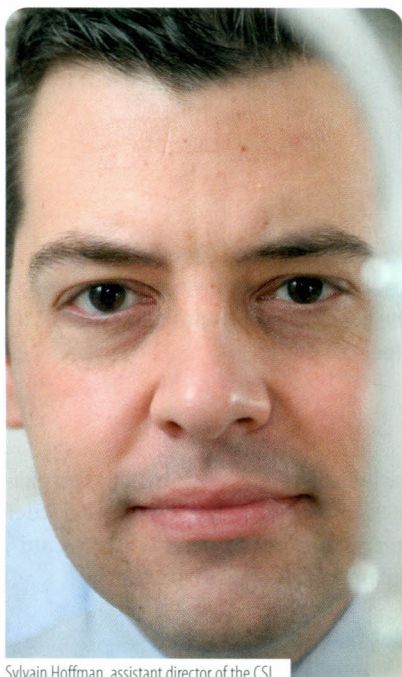
## Quality not just quantity

The chamber's second observation is that the quality of ADEM's professional counsellors is as important as the quantity. "To be good they need to understand the needs of companies," he said. Luxembourg's unemployment situation is made more serious by the over-representation of people who are not sufficiently qualified for the needs of the economy. "The role of professional counsellors is definitely to seek the right training, the right internship and the right re-orientation for the job-seeker."

Finally, he says that ADEM needs to beef up its information technology in order to cope with the flood of job-seekers it's currently faced with, and also to meet "the expectation of companies and the people about the speed with which you can deal with all of this information."

## Failure to sanction

While the Chamber represents the employers' view of the reform, over at the Employees Chamber (CSL), Assistant Director Sylvain Hoffmann agrees with the chamber on several of these points such as the need for more staff, and the difficulty in evaluating the new legislation due to the role of as-yet-undefined Grand-ducal regulations.



Sylvain Hoffman, assistant director of the CSL

He points out, however, that the reform fails to sanction what he sees as systematic law-breaking by employers - who are legally obliged to report job openings to ADEM. "ADEM can't do its job of placing the unemployed because companies don't report openings," he said. While there are sanctions available ADEM doesn't apply them. The CSL argues that this should be compared to the wide range of penalties regularly applied against job-seekers who fail to respect appointments or other obligations. "The reform doesn't do a good job in balancing the obligations of employers versus job-seekers."

### Against abstract profiling

The CSL also critiques the reform's inclusion of the practice of profiling job-seekers, and slotting them into different categories. "What we object to is that they do this profiling without talking to the job-seekers or even looking at their qualifications," said Hoffmann. He also objected to the new ADEM law's support for including a person's parental status in this evaluation, as well as failing to allow experience to be recognised as a substitute for formal qualifications.

The employee group also argues that the surveillance committee set up to oversee ADEM's functioning should have strong union and employer representation and that its opinions

should be binding. Another area is the lack of any initiative to strengthen job maintenance measures. "It's much more effective to keep a person in a job they know, than to find another job for an unemployed person," said Hoffmann.

### An ambivalent role

The twin responsibilities of the professional counsellors raises concerns with the CSL, which considers it an "ambivalent role", raising concerns about increased surveillance and sanctioning of job-seekers. Gramegna of the Chamber of Commons said he understands this objection, and would be open to separating the roles. "I don't think that's the way it works," he said. "I think the counselling and the exchange so far has been insufficient", he said, describing it as an overly formal relationship. "We have to get away from that."

Overall, Gramegna, argued that job-seekers should be delighted with the reform. "What is more terrible than the situation in which they have recently found themselves, where the professional counsellors had only one minute for them? Is that promising for a job-seeker? I don't think so." As for companies' failure to post jobs, he sees it as a chicken and egg issue. If companies start to hear that ADEM is delivering better service, then they are more likely to cooperate with it, he argued. "If there's more time for job-seekers with professional counsellors, and if they listen to the needs of the companies, word will spread and you will have more companies working with ADEM" Which will in turn improve ADEM's operation and results, he said.

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Text: Mike Gordon

Photos: Steve Eastwood