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PRESENTATION OF THE DATA

This deliverable contains all the Workpackage 1 country reports (France, Germany, Italy, Poland, Sweden, and Switzerland). The general aim of this workpackage is to capture the institutional political opportunity structure that can impact on the integration and well-being of precarious workers and the unemployed at the local level. A special attention is given to the policies and institutions that are specifically related to local governance. In particular, 30 main indicators have been defined in order to grasp a wide range of various aspects of the institutional political opportunity structure that can have an effect on integration and well-being of precarious workers and the unemployed.

For each country, treatment of data is introduced through a “national scenario” of ca. 3,000 words (5/6 pages). This national scenario consists of five main components. After a brief account to justify the choice of the city, the first component deals with the political context. Teams here provide information on the political and party system at the national and sub-national levels, including a) the analysis of balance of power in terms of executive vs. legislative and b) the analysis electoral systems in terms of majoritarian vs. proportional. The second component focuses on the model of welfare state in relation to unemployment. This treatment draws upon a same theoretical background with the aim to identify the model which is the best fit the city. The third component deals with the model of industrial relations. In this case, we need to look at ongoing balances between different types of conflict management across work and capital in our cities, taking into account most recent changes and debates. The fourth component focuses on youth unemployment politics, accounting for various features such as regional and local diversities, diffusion across age categories, ethnicity, gender and disabilities. We also provide more extensive information on main responsibilities (state-centred vs. co-managed with social partners). Lastly, the fifth component focuses on the role of the family vis-à-vis young (unemployed) people, thus tackling questions of dependence vs. autonomy. Here analysis also deals with diachronic changes as regards young people leaving with their parents.

Following the national scenario, a detailed discussion of each indicator aims to grasp the impact of the political context on the political integration and well-being of precarious workers and the unemployed. In particular, we evaluate five main dimensions of this political context, translating them into a systematic series of indicators that can be appraised along the continuum between +1 and -1 in line with previous work on indicators of conceptions of citizenship. The five dimensions are: (1) the unemployment regulations; (2) the labour market regulations; (3) the general political opportunity structure; (4) the specific opportunity structure for the unemployed; and (5) the context of related issue-fields. In particular, the first dimension refers to the *continuum* inclusion/exclusion (with +1 being inclusion and -1 exclusion). The second dimension refers to the continuum flexibility/rigidity (with +1 being flexibility and -1 rigidity). The third, fourth, and fifth dimensions refer to the continuum open/closed in terms of general political context, specific political context, and relevant issue-fields (with +1 being open context and -1 being closed context).

Although the general basis of our analysis is the city level, we need to gather systematic information at other levels when this is a relevant level of policy-making. In particular, each indicator will be assessed with a quantitative scoring (+1/0/-1): this score will be assessed always at the level of our cities, or otherwise at the national level only if information for the city is unavailable. As regards qualitative analysis, we need to collect systematic information both at the national and any other relevant sub-national level every time the latter differ substantially from city level. Thus, national, regional and other intermediary levels will be taken into consideration whenever relevant to describe the indicators. We acknowledge the existence of a multi-level exogenous political context that is grounded on national and sub-national bases, even if our quantitative analysis is only based, as a rule, on local scores. In so doing, we assume that the unemployed are placed under the political influence of a specific context made of (first of all) local impacts, as well as impacts being exercised from successive levels. As regards the time frame, we code data for 2008, or alternatively, for the most recent year where information is available. When relevant, analysis also deals with diachronic trends.

There are two main steps for analysis: (1) collecting information to describe each city across the selected indicators; (2) standardising information along the continuum -1 to +1 for comparative purposes. The first step is qualitative in its nature, providing the kind of strong basis on which the second quantitative step is grounded. In particular, the narrative is focused on the information precisely demanded for each indicator. Qualitative treatment of indicators allows for translating them into an interval measure along the 3-point scales. As regards the normative dimension that may be built into the operationalisation of indicators, this can be translated into hypotheses to be tested empirically in successive scientific papers. Beside a large volume of institutional indicators (usually referring to legislation and public policies), we also include some indicators that target informal aspects for each of our five dimensions of opportunities. The main aim is to unveil the effect of hidden constraints or facilitations that may be operating behind the façade of laws and public decisions. For example, the number of people that receive sanctions for abusing the benefit system will give us an indication of the true application of the formal provision: a strong force of sanction in the rhetoric of law may well be counterbalanced by its weak implementation.

LIST OF INDICATORS AND SCORING

I. UNEMPLOYMENT REGULATIONS

<i>Indicator</i>	<i>Information to be found</i>	<i>Operationalisation</i>
1	Formal pre-requisites for obtaining social provisions <i>(conditions to obtain insurance compensations)</i>	<i>(-1=FT workers only with long periods of contributions; 0= Inclusive with benefits linked to contributions but open to mothers, students, etc.; +1=Universal with no requirements)</i>
2	Level of coverage <i>(amount compared to the minimum/average salary + duration)</i>	<i>(-1=little amount and little duration; 0= little amount combined with long duration or vice versa; +1=substantial amount for a long duration)</i>
3	Extension of coverage <i>(who is insured or compensated)</i>	<i>(-1=insiders workers in a 'male breadwinner fashion'; 0= open to outsiders but with restrictions; +1=completely open to non-standardized workers, youth and women returning to the labour market)</i>
4	Shifting to Social Aid <i>(means-testing and amount)</i>	<i>(-1=uneasy shift, means-tested and poor benefits; 0= combinations means tested/rich amount or universal/poor amount; +1=easy shifting with rich amounts)</i>
5	Role played by private and public employment agencies <i>(combinations of number of people using these services and duration of their unemployment)</i>	<i>(number/duration/collaboration try to combine the three elements: -1= 0= +1=)</i>
6	'Counter-provisions' and sanctions <i>(length, intensity)</i>	<i>(-1=strong and long sanctions; 0=combination of strength without length and vice versa; +1= short and light sanctions)</i>

7	People receiving unemployment benefits	<p>Absolute figure + Percentage on the total number of registered unemployed</p> <p><i>(-1=less than...; 0=between...; +1=more than...)</i></p>
8	People receiving sanctions for 'abusing' the benefits' system	<p>Absolute figure + Percentage on the total number of abusing cases</p> <p><i>(-1=less than...; 0=between...; +1=more than...)</i></p>

II. LABOUR MARKET REGULATIONS

<i>Indicator</i>	<i>Information to be found</i>	<i>Operationalisation</i>
9	Regulations for dismissals <i>(focusing on combinations of conditions and compensations)</i>	<i>(-1= hard conditions and high compensations; 0= easy conditions and high compensations relative to salary, or alternatively hard conditions and low compensations relative to salary; +1= easy conditions and low compensations relative to salary)</i>
10	Temporary Work	<i>(-1=very limited; 0= some role; +1=well developed)</i>
11	Role of unions in the benefit system	<i>(-1=no role; 0= some co-sharing responsibilities with other actors; +1=extensive responsibilities)</i>
12	Unions protection of workers	<i>(-1=scarce protection for full-time workers; 0= extensive protection of full-time workers; +1=protection all workers, both insiders and outsiders)</i>
13	'Flexible' workers	Absolute figure + Percentage of fixed term contracts on total contracts and by age <i>(-1=less than...; 0=between...; +1=more than...)</i>

III. GENERAL POS

<i>Indicator</i>	<i>Information to be found</i>	<i>Operationalisation</i>
14	Referenda at the local level	<i>(-1= no possibility of referendum; 0= only consultative referendum; +1=binding referendum)</i>
15	Number of (consultative or binding) referenda held over the past 5 years <i>(Local level)</i>	Absolute figure
16	Citizen assemblies	<i>(-1= none; 0= only consultative; +1=powers of decision-making)</i>
17	Degree of state decentralization	Lijphart's score
18	Decentralization at the local level: sub-local public structures with political powers <i>(District level, neighbourhood level)</i>	<i>(-1= none; 0= limited powers, low budget, only a role of implementation and no role in the definition of local policies; +1= greater powers, specifically in charge of some sectors of public policies (definition and implementation), involvement in the definition of the whole city 's local policies)</i>

IV. UNEMPLOYED-SPECIFIC OPPORTUNITY STRUCTURE

<i>Indicator</i>	<i>Information to be found</i>	<i>Operationalisation</i>
19	Power of city in terms of unemployment policy elaboration and implementation	<i>(-1= all power at the national level; 0= some powers, budget, and role; +1= balance of powers between national and local governments)</i>
20	Local spending for passive and active measures per unemployed	Figure in Euro
21	Public information and support services for the unemployed	<i>(-1=none; 0= little developed; +1=well-developed)</i>
22	Inclusion of organisations of the unemployed in unemployment policies	<i>(-1= no role for unemployed organisations; 0= consultative functions in phase of formulation and/or implementation; +1=clear role of decision-making and/or strong discretion during implementation)</i>
23	Inclusion of other civil society organisations in unemployment policies	<i>(-1= no role for unemployed organisations; 0= consultative functions in phase of formulation and/or implementation; +1=clear role of decision-making and/or strong discretion during implementation)</i>

V. OPPORTUNITIES: RELATED ISSUE-FIELDS

<i>Indicator</i>	<i>Information to be found</i>	<i>Operationalisation</i>
24	Adaptation of education offer to the labour market situation	<i>(-1= no adaptation since the early 1990s; 0= some limited ad hoc adaptation; +1=regular adaptations)</i>
25	Public support for elderly services	<i>(-1= none; 0= limited; +1=generous)</i>
26	Public support for young people to leave alone <i>(combinations of amounts and addressees)</i>	<i>(-1= none; 0= good financial support addressed to the family, or alternatively low individual financial support; +1=generous individual financial support)</i>
27	Child support <i>(combinations of length and amounts)</i>	<i>(-1= low amounts and time; 0= low amounts with high length and vice versa; +1=high amounts until the end of studies)</i>
28	Externalisation of child-care	<i>(-1= incentives for women who stay home with their children; 0= limited signs of externalisation; +1=fully developed and financed public child-care)</i>
29	Measures tackling recruitment discrimination of ethnic and geographical forms	<i>(-1= no measures; 0= some limited ad hoc measure based on private business choice; +1=public and extensive interventions to fight against recruitment discrimination)</i>
30	Establishment of measures tackling recruitment discrimination based on disabilities <i>(looking at public work and private business)</i>	<i>(-1=weak or no interventions; 0= some interventions in public and/or private work; +1=stronger interventions applied to both public work and private business)</i>

INTRODUCTORY NATIONAL SCENARIO – SWITZERLAND

Jasmine Lorenzini and Amanda Gavilanes

Introduction

Geneva is the second biggest city in Switzerland, behind Zürich, and is an international city host of international organizations. On the variables which are most interesting for our study: Geneva is the city with the highest rate of unemployment in Switzerland. But it is also a city that has a high rate of tertiary sector activity and this is true since the 1980, in 1985 the services already represented 79% of employment, now the rate is up to 84% (2005). In the industry, employment is concentrated in construction, the biggest branch in the secondary sector, chemistry and watch industry. Both chemistry and watch industry are growing, but construction is slowing down. Thanks to the growing number of jobs in the services, women's employment has grown during the last decade. Parallel to the development of women's employment the number of part time jobs is also increasing.

We chose Geneva mainly for one reason, since Switzerland benefits from a very low rate of unemployment; we needed the city with the highest rate of unemployment in order to be able to have a sampling population and to be able to make comparisons with the other countries in the study. For the same reason we are enlarging the sampling frame to the larger geopolitical unit which is the canton. We would not be able to have a large enough sample on the city unit in Switzerland. Moreover, since the cantons are the political units in charge of the unemployment offices it makes sense to use this larger unit.

In November 2008, there were 107'652 registered unemployed in Switzerland, that represents a rate of 2.7% of unemployment. Whereas in Geneva the number of unemployed for the same period was 12'556, that means the unemployment rate was 5.7%, which represents the highest local rate of unemployment in Switzerland. When comparing Switzerland level of youth unemployment and Geneva youth unemployment, during the same period, statistics show a similar trend. There are 42'022 of young unemployed in Switzerland and 5'080 in Geneva, youth unemployment represent respectively 39% for Switzerland and 40% for Geneva of the overall unemployment. Regarding precarious employment the statistics for the second semester of 2008 on fixed-term contracts lasting less than 6 months and on call work, show that the share is higher among the Swiss workers with a rate of 7% than among the workers of Geneva where the rate is 3%.

I. Political context

Mainly characterised by direct democracy, Switzerland counts « at least six very important institutions: 1) decentralised real federalism; 2) active referendum democracy at federal and cantonal levels; 3) a seven headed presidency (directorial system); 4) *la formule magique* (permanent grand coalition); 5) hidden corporatism (or quasi-corporatism); 6) a highly independent central bank; 7) neutrality in international politics (Lane 2001 : 2). In this part, we will exclusively focus on the importance of decentralised federalism and referenda at the

federal and cantonal level to explain the processes of elaboration and implementation of unemployment policies. These elements will help us describe and explain the specificity of the Swiss political opportunity structure concerning unemployment.

The Swiss State is composed of three main structures: the Confederation, the cantons and the communes. The decentralized structure of the State confers a very broad autonomy to the cantons, which are competent for police, education and health services. Mainly, they are in charge of the implementation of all federal policies and are competent to elaborate policies when the Confederation does not legislate on a specific topic, as long as it does not contradict the principles of the Federal Constitution. This particular role played by the cantons allows us to understand the central place that the Geneva canton plays in the field of unemployment and in the regulation of the labour market. In fact, the *Loi en matière de chômage* (LMC) aims to implement the *Loi fédérale sur le chômage* (LACI) by enacting the different modalities of functioning – e.g. the length and amounts of unemployment benefits.

Referenda are considered as being a participation modality “from below” because it “allows a group of citizens to attempt to overrule an existing decision” (Papadopoulos 2001: 36). As they are part of the main instruments of direct democracy, along with popular initiatives and petitions, they are binding for Swiss authorities. The possibility to hold them against cantonal or federal laws allows the citizens and the civil society organisations to play an active role in policy elaboration and implementation through signatures collection and law amendments. If we take the case of the unemployment policy in Geneva, we can observe that the unemployed and civil society organisations mobilized against the new legislation in 2006-2007 and held a referendum to keep the *Emplois Temporaires Cantonaux* (ETC), which consisted to ensure a job to long-term unemployed that were about to lose their right to unemployment benefits.

Thus, these two institutions of the Swiss State can easily contribute to summarize the complexity of the elaboration and implementation of all public policies. This specific political opportunity structure is called “enforcement or implementation federalism” by Kriesi (1995) “because planning and general projects are made by the federal administration whereas cantons are in charge of the implementation of detailed projects” (Kriesi 1995: 58).

II. Model of welfare state with relation to unemployment

Armingeon (2001) qualifies Switzerland as a continental European welfare state with a liberal face. This statement sets the Swiss welfare state in a different position than traditional classifications which consider Switzerland as a liberal or residual model as regards to Esping-Andersen elements of classification. There are many reasons for the Swiss welfare state specificities: on the one hand reasons related to Swiss institutional structures which slowed down the introduction of social security, on the other hand societal preferences towards little state intervention. The institutions which affected the social security introduction and reforms are the Swiss federalism, direct democracy, and the balance of power between left and right. But at the same time, due to delay in the adoption of social security schemes Switzerland benefitted from the expertise of other countries in the selection and implementation of welfare measures. These elements show the difficulties related to classifying the Swiss welfare state, but we can call it a continental corporatist model with some Liberal and federalist principles (Ebbinghaus 1998).

The Swiss welfare state is adapted to a high employment rate situation among all the population and also a high level of flexibility among workers, with a limited public sector employment. Public spending is directed towards employment support and gives little financial assistance alone. There are a number of activation policies related to unemployment and social aid in order to limit welfare state dependency; they also limit the creation of a public sector to be financed by the State.

In so doing the Swiss welfare state articulates the continental European logic and the liberal logic, offering compulsory insurance related to contributions, but with insurance schemes that can be managed by private partners and with high administrative control for those receiving benefits.

It is also important to note that, in the case of Switzerland, the welfare state is not uniform across regional units. Here we will specify features of Geneva, which can be classified as a social democratic model (Armingeon et al. 2004). Geneva offers an extensive social security and a high level of defamilialization with a progressive system of taxation and high redistributivity. On the employment and education dimensions, which can also be related to the conception of the welfare state, Geneva offers a large share of public employment, sustaining women paid work and integration in the labor market of women with children. The canton also has high spending in education and a high share of trained young people.

The Swiss welfare state, as other European countries, faces questions related to the "new social risks" due to the tertiarization of employment and more generally the labor market transformation – unemployment raise, flexibility, and the development of employment precarity and working poor – and to changing family structures – divorce, mono-parentality, women employment. The social security schemes should move towards the inclusion of more measures preventing social exclusion, offering extended family services, professional integration and training or re-training (Bertozzi et al. 2005). The analysis of the Swiss welfare state in relation to these "new social risks" shows that the state offers little protection and is not prepared to face and respond to these new sources of economic and work insecurity (Bertozzi et al. 2005). The protection is still oriented towards the male-breadwinner and takes little account of new social structures and changes in the family and labor market. As many of the European welfare states, the Swiss is non-egalitarian and offers little protection for women, young people, and low-skilled workers.

III. Model of industrial relations

The Swiss labor market is made of a high employment rate, with a low level of unemployment and a high share of women employment, even while having young children, due to the high share of part-time employment among women. The employment rate of the overall Swiss population is 66%, with a higher level for men (73%) than women (59%), and the unemployment rate is 3.4% in 2008¹.

The Swiss labor market can be seen as a special case as explained by Bonoli and Mach (2001) due to its ability to limit wage inequality, as well as the expansion of the public sector, while maintaining a high level of employment ratio². Bonoli and Mach attribute this performance to a process of work sharing which is mainly related to women part-time employment. We could add to this explanation that the pre-eminence of male labor in order to provide a living is also an important element in understanding the development of low paid job in the service and care sector taken by women. Other authors, for instance Falter and Fluckiger (2004), present the growing importance of "working poor" due to the increase in the relative importance of these low-paid jobs in the Swiss labor market.

Some specification can be given for the labor market in Geneva. Geneva has a labor market characterized by a high level of tertiary sector jobs and qualified working population. But it is

¹ Data source: ESPA 2008.

² This is in contradiction with the idea that there is a trade-off between high employment rate and wage inequalities due to the increase in the service sector. So that governments have to deal with the "trilemma" of earning equality, full employment, and balanced budget (Bonoli and Mach 2001).

interesting to note that Geneva has, at the same time, the highest level of highly qualified workers and one of the lowest levels of apprenticeship in Switzerland (Perret et al. 2007). Furthermore there is a share of the working population which has no labor market qualification. Geneva as a boarder canton also has a high share of foreign workers, both residents and persons who live across the boarder. These foreign workers often have low levels of qualification, except for those working in the NGOs and International Organizations, and work in construction or services with precarious contracts and low wages.

The Swiss model of industrial relations can be classified according to Crouch's typology revised and presented by Ebbinghaus (1998) as a model of "Continental Social Partnership" (16). A model based on corporatism and self-regulation, with quite strong power in the hands of association, the State intervention in labor relations are moderate. The State "defines the collective bargaining rights" and "leaves crucial self-regulatory functions to the social partners" (Ebbinghaus 1998:16). Although, related to the power of the associations, it is important to note that many social cleavages (such as language or religion) cross-cut these associations.

In fact, Swiss industrial relations faced great changes during the 1990s due to economic recession, raise in unemployment, and changing labor market structures (Mach and Oesch 2003). There was then a move towards more decentralized collective bargaining, which was already organized within sector and further increased decentralization through a move to the firm or plant level. The decentralization sustained by employers associations reduced the power of labor unions and permitted changes in the wage setting process – lesser adaptation to the increase in the cost of living and individualization of wage negotiation and setting (Mach and Oesch 2003).

This description of the Swiss industrial relations does not take into account variations across sectors, which Mach and Oesch (2003) have shown to be important. Depending on whether the sector is exposed to international competition or rather Swiss oriented affected both the employer and worker strategies and collective bargaining. The same remark is true relative to the workers skills and the employers need for stable and qualified workforce, these elements affect the strategies of collective bargaining. So the Swiss model of corporatism can be seen as a model which is no longer uniform and varies across economic sectors (Mach and Oesch 2003).

When analyzing the impact of the EU on Swiss corporatism, we find similar results; the EU effect on Swiss corporatism is differentiated across sectors. EU influence can lead to more tripartite concertation and national level bargaining which include the employers, the labor, and government in order to be united in front of the EU. This strategy is used in order to participate in EU negotiations without facing the risk of a referendum which renders non applicable decisions negotiated on the supranational level (Afonso 2009).

IV. Youth unemployment politics

As presented earlier, changes occurred in the 1980s and 1990s which led to a more expanded and generous welfare state, closer to the European continental model (Armingeon 2001). These changes affected in particular the unemployment scheme which became compulsory only in 1982³ due to the specificities of both the Swiss labor market and the political system.

Swiss labor market was protected from massive unemployment in the crisis of the 1970s thanks to protective mechanisms related to the composition of the labor market. The high

³ RS 837, LACI – Loi fédérale sur l'assurance chômage obligatoire et l'indemnité en cas d'insolvabilité.

number of foreign workers, the pregnancy of short-term permit of stay for foreigners, and the peculiarity of women paid work permitted to deal with unemployment by favoring the exit from the labor market of both foreigners and women (Bonoli and Mach 2001). The use of numerical flexibility and the absence of a compulsory law on unemployment insurance guaranteed low levels of unemployment both in statistics and in reality. The Swiss political system also slowed the extension of the unemployment insurance coverage. The introduction of compulsory unemployment insurance was left to the cantonal level. The federal level only proposed allocation for unemployment schemes which were recognized by the federal government and workers were affiliated on a free basis (Bertozzi et al. 2005). Only during the 1980s was introduced a federal compulsory unemployment scheme, and in 1984 the federal law on unemployment insurance was implemented⁴.

The unemployment law was implemented in a context of low unemployment and soon had to be adapted to the changing social context. In 1990, higher unemployment rate, increase in long-term unemployment, and changing mentalities coupled with increasing unemployment fear led to a modification of the LACI. Nevertheless the changes were limited and only addressed a matter of procedure related to unemployment simplification and reduced the share of contributions to be paid by employers.

The second revision of the unemployment law in 1995 had to enter thoroughly in reforming the LACI, especially addressing to issues: on the one hand abuses and control of the unemployed, and on the other hand integration measures. These two aspects appear as contradictory and in opposition, but were part of the same revision and were implemented successively in 1996 and 1997. It is important to note that the cantons are in charge of implementing this federal law and have a relevant margin of action in the orientation they give to their unemployment system. Perret et al. (2007) show how the cantons can implement a more control-oriented unemployment scheme or a more integration-oriented one.

The third revision of the unemployment insurance in 2001 and 2002 limited the generosity of the scheme. The period of contribution was extended from 6 months to 12 months, the maximal duration of benefits reduced from 520 days to 400 days, the contribution by workers reduced from 3 to 2% of their wages and the solidarity contribution paid by higher wage earners was suppressed (Afonso 2009). These modifications also included an increased importance of the activation measures and a move toward strong workfare unemployment insurance.

At the moment, the Federal Council (Swiss national executive) charged a group of experts with the task to propose the footsteps for the fourth revision of the LACI. The report is based on the necessity to face the increased debt of the unemployment insurance and to insure its long-term sustainability. Overall the experts recommend a reductive access to unemployment benefit, especially for those who were exonerated from the obligation to contribute and an adaption of the duration of benefits to the length of the period of contribution. These measures are meant to increase the insurance-base dimension of the LACI in order to reduce its cost. The Federal Council adopted a partial revision of the LACI and prepared a message for the parliament. There will probably be a referendum and national vote on this reform; all the same the Federal Council expects this reform to be implemented in 2011.

This said on the national level, we will present the implementation of the unemployment law in Geneva. The canton of Geneva implemented the LACI in an integration-oriented manner (Perret et al. 2007). Geneva has always been progressive in its relation to unemployment: in

⁴ 837 LACI – Loi fédérale sur l'assurance-chômage obligatoire et l'indemnité en cas d'insolvabilité

1932 the canton already proposed a cantonal compulsory unemployment scheme (Perret et al. 2007:142) and later on, once a federal compulsory unemployment scheme was adopted, Geneva adopted measures to complement the benefits offered by the federal law (Perret et al. 2007:143). But the 1990s reforms of the unemployment law led to a reduction of the integrative capacity of the Geneva unemployment system. For instance they were forced to redefine their usage of the work re-entry allocation which were often used by public institutions to provide jobs to long-term unemployed; by doing so, they offered unemployed the possibility to acquire new rights to unemployment benefits.

In order to present the youth unemployment situation it is important to make a brief description of the school and training system. We will present the role of vocational training and the transition process from training to employment in order to present unemployment in a dynamic way which permits to understand better the specific situation of youth with regards to both unemployment and the labor market.

The Swiss training system offers the opportunity to acquire qualification either from school (secondary and third level education) or from direct participation in the labor market supported by formal training sessions (apprenticeship/vocational training). This system favors a rapid entry in the labor market and the acquisition of employment qualifications, but there are some problems related to apprenticeship: the lack of sufficient apprenticeship positions compared to the demand⁵; the concentration of apprenticeship in the industrial sector and its low development in the services; and access to vocational training and higher levels of education are structured along divisions of sex, nationality: both birth place and migratory background⁶, and social background: parents level of education and socio-economic status (Meyer 2006).

Apart from the question of transition from school to labor market, it is important to note that even if access to unemployment is limited to specific groups of youth (those who already worked for 12 months in the last to year or those who completed their education and have a diploma⁷) we see variation in unemployment levels related to not only level of education, but also to nationality. Fibbi et al. (2006) find discrimination against foreign youth in access to labor market. This discrimination affects both non-naturalized youth and naturalized youth, even if more frequently those who did not acquire the Swiss nationality. Fibbi et al. also find evidence that discriminations are stronger against those who hold a non-European nationality.

Unemployment measures addressed to youth are oriented towards the acquisition of new skills, further qualification, and improvement of their curriculum through employment experiences or additional courses. These pertain to the active measures and are addressing both integration and control of their ability and especially willingness to find employment. Youth unemployment is sensible to changes in the overall trend of employment in two directions: for dismissal and re-entry in the labor market, youngsters are the first to loose jobs as well as the first to be hired again. So the most important dimension of unemployment is to maintain or improve their employability.

⁵ There is a shortage of apprenticeship positions and one out of three youngsters seeking to engage in vocational training has to wait one year before finding a position (Meyer 2006).

⁶ For a discussion of these differences see Fibbi et al. (2006).

⁷ Fabrice Plomb (2001) refers to this as the institutional recognition of youth unemployment. Plomb notes that the access to unemployment sets criteria difficult to reach for specific groups of youth, therefore he states that youth unemployment when related to official statistics is only referring to the count of young unemployed recognised by the unemployment scheme – the structure made of law, institutions and state.

INSTITUTIONAL INDICATORS – SWITZERLAND

I. The unemployment

1.	Formal pre-requisite for obtaining social provisions (conditions to obtain insurance compensation)	Score: 0
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Legal conditions to obtain insurance compensations:

Every person living in Switzerland, who had a paid job with a salary of more than 500 CHF, have lost their job, are actively looking for a job, are ready to be placed, and have paid unemployment insurance for 12 months during the last 2 years, have a right to unemployment benefits. The one-year payment of unemployment insurance during the last 2 years can be realized during one full year or with interruptions, it can also be related to part-time work.

These legal conditions imply that the unemployed has to accept some conditions: committing to the acceptance of any decent employment proposed, accepting to take part in training opportunities, being available for a job in a maximum period of one week, for parents this also means being able to prove they have day-care possibilities available (in fact this is more often asked only to mothers), providing proofs of job search, and taking part in job and career advisement.

Some exceptions exist for the payment of contributions. The civil servants, army servants, people being sick or injured, having a maternity leave, being in training or school, divorced, widow, or people no longer recognized as invalid can receive unemployment benefits without contributions.

Foreigners are treated as Swiss people for as long as they have a valid permit of stay.

Formal procedure:

Unemployed have to register in the locality where they live (City desk) and at the local ORP and present the following documents: identity card; insurance fees card; permit of stay for foreigners; proof of work search form (the unemployed has to start searching a new job as soon as he/she receives the dismissal notification); last employment contract and dismissal letter; work certificate and curriculum with copies of diplomas; passport photo; and certificate of unemployment from other EU or AELE if already receiving benefits from them. The day they register they are also introduced to the unemployment procedure through a course of introduction to "unemployment, status, procedures, rights and obligations". At the end of the session, they receive an appointment for a first meeting with the official in charge of their dossier.

Then the unemployed chose one among the unemployment benefit payment desk (either public or the ones managed by the unions) and wait for the confirmation of their right to

unemployment benefit. They dispose of 3 months to do all the formalities; if they wait longer they risk sanctions. Once they receive the confirmation they enter in contact with the official in charge of their dossier at the ORP and deliver all documents (unemployment benefit demand; confirmation of the right to unemployment benefit; work certificate for the last two years; the form attesting the payment of unemployment insurance) to the unemployment benefit payment desk. Once completed the administrative procedure, the unemployed start receiving unemployment benefits.

During the unemployment benefit period, the unemployed is asked to attend once a month a meeting with his or her ORP counselor. The ORP counselor helps in the job search, plans the unemployed basic training if necessary, controls for the job search, and makes sure the unemployed is not abusing the system. Unemployed have to be reachable by phone or postal letter within one day.

2.	Level of coverage (amount compared to the minimum /average salary + duration)	Score: +1
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Daily compensations represent either 80% or 70% of the insured wage. The insured wage is the last month pay except for salaries with a high level of fluctuation; in this case it will be the average wage of the last 6 months. Unemployed receive around 21.7 daily compensations per month (daily compensations are related to the number of working days in the month). Compensations are paid for salary between 500 CHF and a maximum amount of 10'500 CHF in Geneva.

- 19 CHF daily compensation (with minimum insured wage) - 400 CHF/month
- 339 CHF daily compensation (with a maximum insured wage) - 7'350 CHF/month

The calculation of daily compensations takes into account the family situation and the insured wage, for people who have a family or receive less than 140 CHF as a daily compensation; they receive 80% of their insured wage. All others receive 70%, except those who were freed from contributions who receive only determined daily compensations.

- 153 CHF for HES or tertiary education – 3'320 CHF/month;
- 127 CHF for apprentice – 2'756 CHF/month;
- 102 CHF for all other who are older than 20 years old – 2'213 CHF/month;
- 40 CHF for those who are younger – 868 CHF/month.

Moreover it is reduced by 50% when the unemployed is less than 25 years old, has no dependent children, and was freed from the obligation to contribute (Students; Trainees; Apprentice; Sick or Diseased; Maternity).

The maximum duration of unemployment benefits is calculated according to age and duration of contributions:

- For 12 months of contributions: the maximum number of "daily compensations" is 400 – equal to 18 months.
- For people older than 55 and with more than 18 months of contributions: the maximum number of "daily compensations" is 520 – equal to 24 months.
- For people with invalidity rent or accident rent with more than 18 months of contributions: the maximum number of "daily compensations" is 520.
- For people who were freed from the contributions: the maximum number of "daily compensations" is 260.

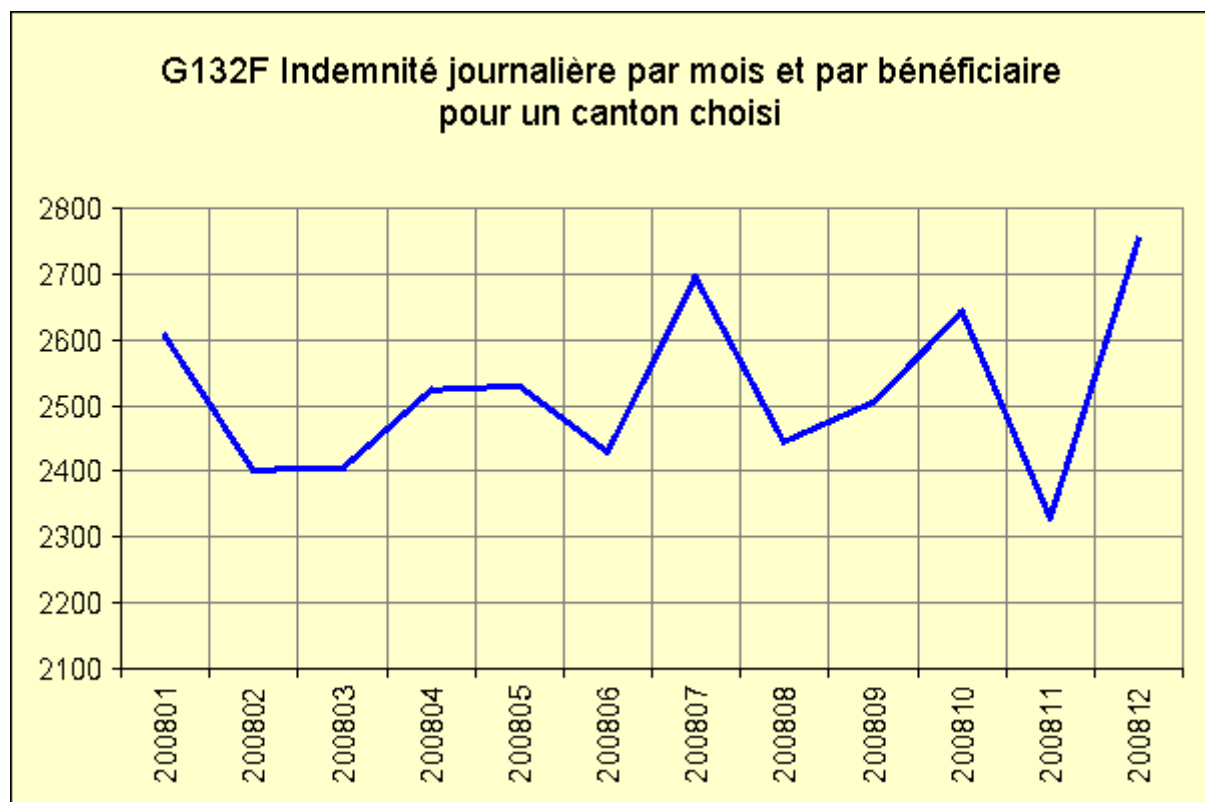
The Federal Council can increase the number of "daily compensations" with additional 120 for duration of six month, this is a measure taken in periods of high unemployment rate when asked by a canton. The Federal Council can also increase the "daily compensations" for people who lost their job in the four years preceding their retirement by 120.

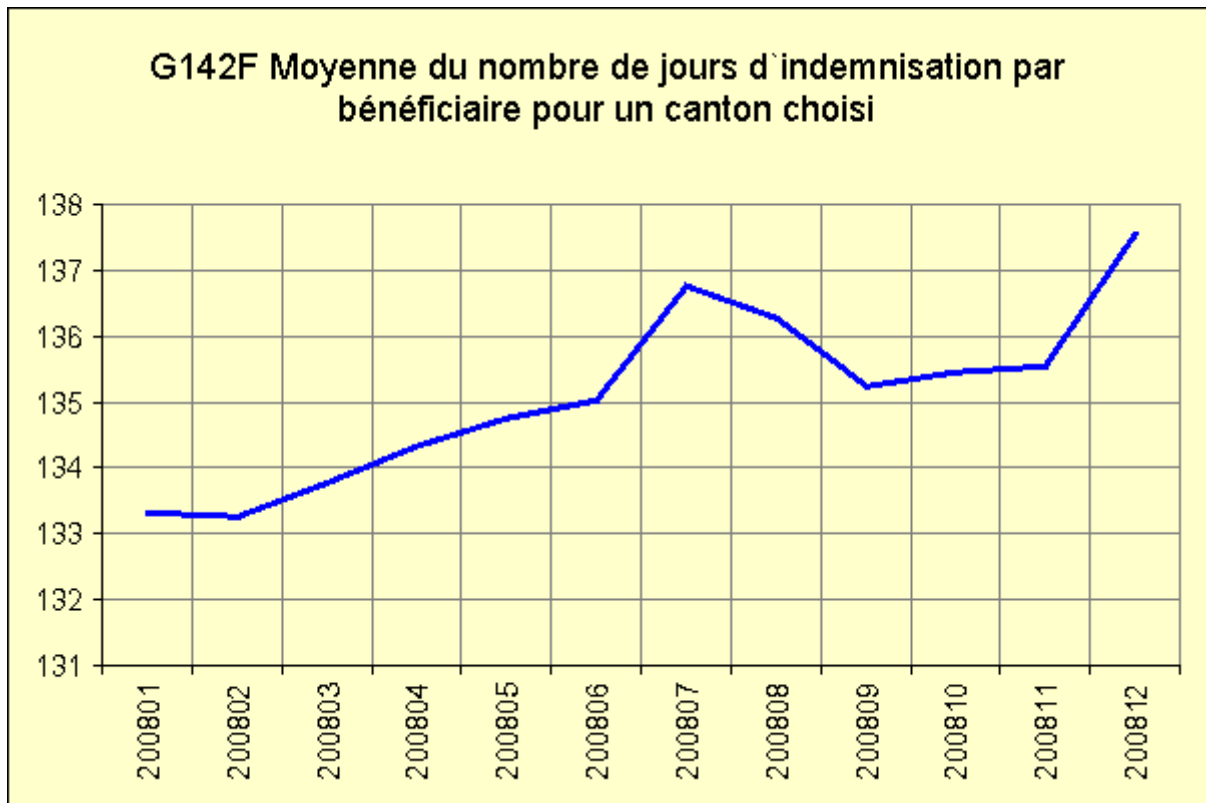
The unemployment benefit can be extended on a cantonal basis when the federal unemployment benefit period ends. But this is a special measure and the unemployed have no right to it, it is only meant for very specific cases. This measure is labeled the cantonal employment and training program and is limited to a 6 months period for those unemployed younger than 55 years old and 12 months for those older. The financial contribution is based on previous unemployment benefit but cannot exceed 4'500 CHF.

Level of coverage/ amount compared to minimum and average salary and duration:

- Median wage: 5'500 CHF (earned in 22 working days)
- Low wage: 3'000 CHF
- Mean unemployment benefit: 3'413 CHF
- Mean unemployment benefit for young unemployed (18-34 years old): 2'937 CHF

Moreover, it is important to note that unemployment benefit is considered as a wage, so there are deductions related to employment insurances to be paid such as AVS/APG (old age pension), LAA (accident insurance), LPP (old age pension) for the national level and in the local one PCM (earning loss insurance), Maternity insurance, and taxes have to be deducted as well. As for the employed, the employer (which in this case is the unemployment insurance) partly takes charge of the "accident insurance" (SUVA), the unemployed pays 2.91% of his or her unemployment benefits for the SUVA and the unemployment insurance pays for the rest.





3.	Extension of coverage (who is ensured or compensated)	Score: 0
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The attribution of unemployment benefits is not only linked to employment; it also takes into account intermediary situations such as school, training, maternity, child education, and sickness or injured persons. For child education, the parent who is in charge of a child younger than 10 years old has an extended period for claiming benefit in relation with his or her contribution period which counts for the activation of unemployment benefits (instead of 2 years, his or her contribution can have been paid during the last 4 years).

Atypical employment situation create disadvantages for workers with regards to unemployment benefits: part-time workers have low insured wage and therefore they receive low unemployment benefits. This can be a source of discrimination against women who represent the main share of part-time workers. But they have access to unemployment benefit, whereas temporary workers do not always benefit from unemployment insurance. Temporary work does not count as a period of unemployment insurance contribution and does not open unemployment benefit possibilities. Only those temporary workers who benefit from fixed-term contracts lasting more than three months start paying unemployment insurance and when they succeed in contributing for 12 months or more in a period of two years they can claim unemployment benefits.

Internships which are part of training do not contribute to unemployment benefit rights. Weather they are realized during or after the theoretical part of training. This is the case for lawyer internship or social assistant internship for instance. Unemployed doing internships proposed by the unemployment office are paid by unemployment benefit, but these internships do not lead to a renewal of benefit rights. Internships with low paid taken to stay out of unemployment are considered as intermediary earning by the unemployment office and beneficiary can receive par of their unemployment compensations.

Foreigners are considered as Swiss resident for the period during which they had a valid permit of stay.

- Permit C: same rights as Swiss people, but the insurance does not take charge of the cost of translation for the foreign certificate or diploma.
- Permit B: access to all measures except for the independent allowances, only in exceptional case can the allowance for independent activity be given to permit B holders.
- Permit G (Frontaliers): receive their unemployment benefits from their country of residence.
- Permit N (Asylum seekers): they can benefit from unemployment compensation if they worked during 12 months already and they can obtain a work permit if they find a job. They can be offered jobs in sectors where foreigners and non qualified workers are employed (art. 7 OLE).

The unemployment insurance in Switzerland does not help foreigners improve their training or match their training and experience acquired in their homeland to Swiss criteria and to a job in Switzerland which corresponds to it. Only their Swiss work experiences are taken into account.

4.	Shifting to Social Aid (means-testing and amount)	Score: +1
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At the end of the unemployment benefit period, people who are still unemployed can either shift to social aid or invalidity rent (AI). But with regards to invalidity rent, it is a controversial aspect, since legally the shift is not an option: invalidity is decided by medical conditions and certification of work incapacity. But even so in practice it can be seen as an alternative to social aid for those who no longer benefit from unemployment.

The local institution Hospice General is in charge of the social aid and legal background (LASI – Law on individual social aid). The LASI aims at preventing social exclusion and offers possibilities of professional and social insertion. The law provides financial help to those who cannot fulfill their needs by their own means; the beneficiary signs an individual contract of social aid (CASI). The CASI is signed between the beneficiary and the Hospice General, in the contract you find the project of social and professional integration and the instruments used to achieve this goal. The contract is renewed and up-dated every six months. The social aid beneficiary can enter the employment programs of the unemployment office as well. The aim is still to reinforce their training and abilities to work.

The law on Invalidity rent (LAI) –aims at compensating economic effects of the incapacity to work. Some authors mention the use of invalidity rent as a way of exit for the unemployed who no longer have a right to unemployment benefits but did not re-enter the labor market (Bertozzi et Bonvin), but it's difficult to articulate numbers around this measure which is rather unofficial and related to the street-level bureaucracy and not directly to institutional arrangements.

For those unemployed who reached the end of their unemployment benefit and face financial difficulties the canton of Geneva proposes some measures: they can ask for the Minimal cantonal insertion wage of social aid (RMCAS). And those who cannot benefit from the RMCAS can ask financial help from their local social and health action center or the Hospice General.

Minimal cantonal insertion income (RMCAS): unemployed who reached the end of their rights to unemployment benefits can ask for the RMCAS. This measure is taken in Geneva for a year (renewable) for unemployed who do not receive other allowances at the national or local level. The beneficiaries have to be registered as unemployed in the local offices. The help concerns financial liquidity, home and insurance fees, and other momentary needs (for health for instance). And the person who receives the RMCAS engages in social or environmental work, training, or re-insertion internship for at least 20 hours per week. The help can also be related to the creation of a personal project and the development of an independent business. In this case the beneficiary receives 10'000 CHF.

The amount of RMCAS is:

- 1'353.10 CHF/month for a single person
- 1'975.50 CHF/month for a household of two (*1.46)
- 2'543.80 CHF/month for a household of three (*1.88)
- 2'976.80 CHF/month for a household of four (*2.20)

This minimal wage can be completed by allowances: for housing, for health insurance, dental expenses, glasses expenses, and various other insurances.

Public assistance: this social aid is meant as a last resort for those living in Geneva who have no rights to other social aids – local, cantonal, or national. The Hospice General is in charge of this help and demands have to be addressed directly to this public institution.

At the end of 2007, 1'370 unemployed reached the end of their unemployment benefit and shifted to the Minimal cantonal insertion income (RMCAS).

5.	Role played by private and public employment agencies (combination of number of people using these services and duration of their unemployment)	Score: 0
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On the national level, the LACI states that public funding, through unemployment insurance, for training measures are available for the training programs that are proposed by workers group, employers, municipalities, cantons as well as by public or private initiatives. The main condition for those organizations to receive public funding is to offer a training program in line with the goals of the unemployment law, given by expert and professional training staff, and open to every participant in the age and experience required. The unemployment insurance contributes to those training programs by paying for organizational expenditures and reimbursing participant fees.

The LACI also allows for cooperation between the ORP and private institutions in order to realize their assignment. But the Federal law on employment service and service renting states that the State can help financially only those private organizations which are: either worker association, working countrywide, and executing placement activities in accordance with the SECO; or organizations working on behalf of foreign based associations which due to foreign law have to work for free; and finally organizations which work for bilateral or multilateral agreements – especially related to the exchange of internship. And the financial contribution of the State cannot exceed 30% of the exploitation budget of the organization.

At the local level, public placement agencies (ORP) are charged by the LACI of the unemployment procedures: the ORP give advice to the unemployed, try to place them, and help them make a career evaluation and plan. The ORP also have to control the employment adaptation to the unemployed profile.

Therefore in accordance with the federal law, the ORP can cooperate with private placement agencies. In Geneva there is one private agency: The Maison Hestia. Maison Hestia is a private enterprise seeking to give employment options to long-term unemployed which are not subsidized jobs and Maison Hestia has a partnership with the OCE of Geneva in order to realize that goal. The Maison Hestia proceeds by seeking enterprises which are willing to engage long-term unemployed and puts them in contact with long-term unemployed. The Maison Hestia collaborates in so doing with the ORP, it takes account of the ORP training and classifying process which already achieved in order to contact the unemployed with the expected profile. The Maison Hestia works in the placement of long-term unemployed as well as beneficiaries of the RMCAS. They prospect work in the enterprises and try to place the people which are under the unemployment insurance or RMCAS, they only work to provide employment, all administrative matters are taken care by the ORP and Hospice General. The Maison Hestia is successful in doing so but at higher costs than the ORP. It is financed by public funds and only works for specific unemployed or RMCAS beneficiaries selected by the ORP and/or the Hospice General.

When the Maison Hestia was tested, it resulted in a higher rate for the placement of long-term unemployed through the Maison Hestia (53% success in placement compared to 36% for the ORP). The cost of these placements is 40.3% higher than within the ORP, but part of it is compensated by the higher job-entry rate through the Maison Hestia placement program. The success of the Maison Hestia is due to: the placement is the only task of the Maison Hestia that means the counselors are more specialized in placement and do not waste time in administrative work; the counselors also have lesser unemployed to take charge of. Finally, Maison Hestia works on consolidating relations with the enterprises in Geneva and finding out job opportunities, it benefits from a large number of enterprises which work with them and are confident with the skills of the unemployed Maison Hestia is trying to place. (The study on the Maison Hestia was realized in 2006 on a random sampling of long-term unemployed).

In November 2008, the Maison Hestia took charge of 200 long-term unemployed. During the year 2008, the level of participation was 32.8%. In November 2008, 78 young long-term unemployed were taken charge of by the Maison Hestia.

6.	"Counter-provisions" and sanctions (length and intensity)	Score: -1
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The LACI states rights and obligation for the unemployed receiving unemployment benefits. These obligations include: to do everything one can to stay as short as possible in the unemployment situation; this also means actively look for a job, including outside of one's professional field; and finally be able to prove the active search. Unemployed are controlled by the municipality - they need to be present and live in the municipality where they are registered; and by the ORP - unemployed have to be reachable in one day (by phone or post). Finally they have to accept any decent employment proposed by the unemployment office, and take part in the proposed training sessions and counseling.

The central element in the counter-provision is: having the ability to work. The ability to work comprises different obligations for the unemployed and especially two dimensions. The objective ability: to have a valid permit of work; to have the capacity to work and not be impeded to do it for reasons of health, schedules, child rearing. For unemployed with children and who are currently looking after them, the ORP can ask for a proof that they have options for child day-care and are able to be placed within the due period of time. And the subjective ability: to be willing to work and be actively looking for a job.

Here it is important to note that the criteria for a job to be considered decent have been tightened: the acceptable amount of commuting hours per day is 4 and jobs with lower qualifications or wages have to be accepted, for salary the limit is set at 70% of the former wage (Maeder and Nadai 2009). This element increases the sanctioning power of the officials in charge of unemployment.

Some obligations are stated in more practical terms by the cantonal employment office (OCE): the unemployed has to fill some employment search sheets – which also comprises training attestation, intermediary earning notification, or medical certificate – and turn them in at the end of every month, between the 25 and the 5 of the next month. After this period of time, the unemployed who did not turn in the employment search sheets receives a letter stating that he or she has 5 more workable days starting from the day of reception of the letter to collect and bring in the needed papers or explain the non-rendition of those papers. After this delay if nothing has been done, the unemployed faces a provisory suspension of the unemployment benefit. Furthermore, the employment search deposited after cannot be taken into account. Unemployed being sanctioned two months in a row will have further sanctions.

The LACI also allows for sanctions. The sanctions consist of suspension of the compensations payment. These sanctions are implemented whenever the unemployed:

- He or she is out of work by his/her fault
- Did not take employer compensation
- Is not doing everything he or she can reasonably ask for in order to find a job
- Does not respond to the control obligations, refuses a decent work, is not following or as stopped taking part in insertion or training measures
- Has given false information or not provided all asked information
- Obtained or tried to obtain unduly the compensation
- Obtained compensation in order to realize an independent project and never finally mounted the project

The suspension from the provisions is only related to the present period of compensation and the duration of the sanction depends on the gravity of the fault. But the sanction cannot exceed 60 days and the amount is deducted from the total number of compensation days. The sanctions can be decided by the unemployment benefit payment desk in the case of specific fault and by the ORP for other faults. Whenever the unemployment benefit payment desk does not suspend the payment, the cantonal authority has to do so. The sanction is accounted for in days and the number of days of sanction varies according to the gravity of the fault: 1-15 days for a minor fault; 16-30 days for medium one; and 31 to 60 days for an important fault. Important fault can be: quitting a job without valid reasons or refusal of a decent employment.

Maeder and Nadai (2009) note that the Swiss unemployment structures turn to sanctioning measures often relatively speaking. In the international comparisons, it appears that the use of sanctions is more frequent in Switzerland due to its multipurpose use: turning down a job offer, refusing training or integration measures, and administrative misbehavior lead to sanctioning.

7.	People receiving unemployment benefits	Score: +1
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National Level, data for November 2008 (SECO):

Unemployment situation	Number	Rate
Job-seekers	160'144	
Registered unemployed	107'652	2.7
Long-term registered unemployed	14'533	
Unemployed who reached the end of their rights to un. benefits	1'328	
Young registered unemployed – age group 15-24 years old	17'894	3.2
Young registered unemployed – age group 20-34 years old	42'022	

→ 67% of all job seekers benefit from unemployment compensation in Switzerland.

Local Level, data for November 2008 (SECO):

12'556 unemployed were registered in Geneva, 11.7% of the national unemployed are in Geneva. That represents the third highest share after Zürich 17.1% and Vaud 12.3% and the highest local rate 5.7%. And 70% of all job seekers benefit from unemployment compensation in Geneva.

Local Level, data for November 2008 (OCE - Geneva):

Age category	Unemployment situation	Number
18-34 years old	Unemployed	5'080
	Active measures	734
	Long-term unemployed	756
	Active measures for long-term unemployed	75
	Job-seeker with unemployment benefit	5'580
	Job-seeker overall (including all groups)	6'707
All age categories	Unemployed	12'556
	Active measures	1'602
	Long-term unemployed	2'964
	Active measures for long-term unemployed	225
	Job-seeker with unemployment benefit	13'732
	Job-seekers (including all groups)	17'893

$6'707 - 5'580 = 1'127$ young job-seekers do not receive unemployment benefit. This means that **17% of young job-seekers do not receive unemployment benefits.**

$17'893 - 13'732 = 4'161$ job seekers (all age categories) do not receive unemployment benefit. For all job-seekers the share of persons not receiving unemployment benefits is higher, **23% of job-seekers do not receive unemployment benefits.**

46% of all active measures are held by unemployed aged 18 to 34.

10% of all active measures are held by long-term unemployed aged 18 to 34.

8.	People receiving sanctions for “abusing” the benefits’ system	Score: 0
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Local Level, data for November 2008 (OCE):

Age categories	Total sanction for 2008
18-34 years old	360
All age categories	630

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: 0
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At the national level, the conditions of dismissals are regulated by the "code des obligations" (CO: Federal Law supplementing the Swiss Civil Law Code of March 30, 1911). The CO states that each party can put an end to the employment contract whenever they wish to. The other part can ask a written motivation for the dismissal and the duration of work after the notification of the rupture of contract is as follows: during the initial trial period the time limit is 7 days; during the first year of employment the time limit is 1 month; then it is 2 months from the second to the ninth year; and 3 months after 10 years. For temporary workers, dismissals notification has to be given 2 days before dismissal during the first 3 months; 7 days before dismissal during the 4th to 6th months; 1 month before after the 7th month.

The CO also states the conditions of unfair dismissal. The **leave notification is unfair** when:

- The reason of the dismissal is related to the personality of the employee, except when this affects the job quality.
- The dismissal is related to the exercise of a constitutional right, except when it contradicts an employment agreement in the job contract.
- The dismissal is meant to impede the other part to claim due elements related the employment contract.
- The dismissal is related to claims from the other part over due elements related to the employment contract.
- The dismissal is related to the other part serving in civil service, military service.

And the **dismissal is unfair** when:

- It is due to union membership or union activities.
- When the worker is elected in the union, workers delegate, or member of the enterprise commission.
- Without respecting the procedure related to collective dismissals (consultancy procedure).

The dismissal cannot be given during the following periods:

- Civil or military service (4 weeks before and after)
- Period of incapacity to work due to sickness or accident (30 days during the 1st year; 90 days during the 2nd to 5th year; 180 days after from the 6th year on)
- Maternity and maternity leave (the 16 weeks following birth)
- When serving abroad for the federal authority with the employers permission

Moreover, the conditions for dismissal are regulated by collective work agreements (CCT: convention collective de travail) and there are actually 611 CCT in the public and private sector, covering more or less one third of all employment but only 34% of women (2005 OFS).

The dismissal procedure includes: calculating the proportion of paid holiday taken or left by/for the employee; the number of supplementary hours of work; gratification by the employer; indemnity for lasting work relationship (the worker is more than 50 years old and

worked for more than 20 years for the same employer). But the indemnity for dismissal is vary rarely paid due to the introduction of LPP contributions by the employer whenever their share of contribution is higher than that of the employee that can be taken as a dismissal indemnity. When the employer is bankrupt, the employee receives work or unpaid salaries indemnities from the unemployment insurance, but only once the bankruptcy is officially declared by the court.

The CO also states procedures for collective dismissal. In Switzerland the dismissal of 10 or more workers in firms with 20-99 employees; 10% or more in firms with 100-299; 30 or more in firms with 300+ employees are considered collective dismissals. And there is an obligation to inform and consult with Works Council or trade union delegation. For collective dismissal the procedure is the following: the employer has to make a consultation with employee delegation or employee, and offers them the opportunity to propose alternative plans. Collective work agreements frequently contain procedural elements for consultation and social plan related to collective dismissals. The CO does not state selection criteria or legal requirements. Moreover the employer has to give all employees a written communication mentioning the cause of collective dismissal, the total number of person dismissed, the number of workers normally employed, and the time span of dismissals. The OCE receives a copy as well.

The part who failed to assume its contract obligation has to pay indemnities: the judge decides of the amount of it, but not more than 6 months salary and 2 months in case of collective dismissal.

10.	Temporary work	Score: 1
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The regulation of temporary work is done by the Federal law on employment service and service renting (LSE). Employers of temporary workers have to obtain an official authorization in order to provide and rent workers, this authorization is delivered by the cantonal work office (OCE). Another authorization is needed when the rent is made in foreign countries; this one is delivered by the SECO. And the renting and working of foreign recruited workers is not allowed in Switzerland.

The LSE states that temporary workers have to benefit from a written contract which respects the "Conventions Collective de Travail" (CCT – Collective Work Agreement) in the area of work and the temporary workers receive extra payments for training obligations or other expenses covered by the CCT (payment is due on a prorata basis of working hours and duration).

The LSE statements are completed by the ordinance on employment service and employment renting (OSE: Ordonnance du 16 janvier 1991 sur le service de l'emploi et la location de services) which gives more precise elements on the implementation of the LSE. The OSE states that the salary of temporary workers cannot be inferior to the average salary in the company; supplement have to be paid for night work or week-end; holidays are paid pro-rata; and 13th salary as well; pay for sickness, disease, accident, invalidity, military service, birth, death, etc. have to be paid; the employer contributes to health insurance fees. When a CCT exists in the sector, branch, or firm the employee benefits from the same advantages as the open-ended contract workers; this regards especially salary and training allowances. The contract has to be written in order to protect the fixed term and temporary workers. The contract cannot be extended orally.

One important element related to temporary work is the payment of insurance fees which is covered by the Federal law on insurance fees (LPP). The LPP states that workers with a fixed term contract lasting less than 3 months do not pay insurance fees, and neither does their employer, but those who have a contract for more than 3 months or when the contract is renewed for a longer period then both worker and employer pay insurance fees. For those workers who are engaged by a temporary agency, they are considered employee of the agency locating their services. So the agency pays for the insurance fees (the employer part) and workers pay their part as well. This is true when the worker as an open-ended contract or a fixed term contract for more than 3 months with the temporary agency, or when the workers works for the same temporary agency for missions that are not following immediately one another (but are not separated by more than 2 weeks) and sum up to more than 3 months. The use of missions and 2 weeks interruptions in order to escape from the obligation of paying insurance fees is punished by the law.

2007 (ORTE December 2008)

Temporary workers in Geneva (2007)	Number
Women	9'480
Men	17'111
Swiss	8'523
Foreigners	18'068
Temporary workers (overall)	26'592

The number of temporary workers in Geneva increased by 8% from 2006 to 2007.

2008 (ESPA for Geneva)

Temporary workers in Geneva (2008)	Number	
Temporary workers 15-39 years old	10'300	
Temporary workers (all age groups)	17'400	
Per sector of activity	Primary sector	-
	Secondary sector	4'400
	Third sector	12'800

Share of temporary jobs in Switzerland and Geneva relative to the total amount of jobs

	Switzerland	Geneva
Total amount of jobs	3'950'000	261'000
Total amount of temporary jobs	-	17'400
% of temporary jobs	%	7%

11.	Role of unions in the benefit system	Score: 0
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In Switzerland, unions are in charge of some of the unemployment benefit payment desk and participate actively in the unemployment benefit system. The assignment of unemployment benefit payment desk is to register the unemployment, to control their rights to benefit, to pay the benefits, and also to impose sanctions when the unemployed is not fulfilling his or her

obligations. We can summarize the role of the unemployment benefit payment desk as follows:

- Verification of the right to unemployment benefit
- Verification of the circumstances of dismissal
- Payment of the monthly allowances
- Advice concerning unemployment insurance
- Payment of the active labor market measures decided by the ORP

The unemployment benefit payment desk also offer some help to unemployed for other tasks: providing information and advice on unemployment law and procedures and also more generally on social policies. Unions also propose services: unemployment benefit payment desk; placement help; training courses or placement activities.

At the local level, the unions also play a role in the local implementation of the federal law on unemployment. The federal law on unemployment (LACI) is quite precise and explicit in terms of unemployment treatment by the canton, leaving little margin of action for them. The text is clear on who will be responsible for the application of the law and how unemployment has to be treated – both with social insertion measures and with control and sanctioning for the abusers. But even so local actors play a role in the transposition of the federal law – in terms of content and organization. And the law was not implemented in such a homogeneous way as the federal law proposed to do. There can be a variation across cantons on the types of actors taking part in the network of implementation and especially on the strength and role accorded to unions.

In Geneva unions are quite strong and since unemployment protection groups are weak and only few of them exist in Switzerland, unions developed a large understanding of workers and include unemployed in the labor force they defend. Unions are considered important political actors and are invited to participate in the decision making process. They also have important allies and relay in the parliament. So they were able to collaborate in Geneva to the implementation of the LACI with the result that the Geneva unemployment policy implementation is considered "partial with focus on insertion measures rather than sanctioning" (Monica Battaglini and Olivier Giraud 2004).

The Labor Unions also take part in the tripartite commission responsible of the evaluation of the ORP activities. But their role and implication varies across cantons especially due to the centrality of their interest: focused on workers or unemployed. Their willingness to cooperate in the creation of jobs for the activation measures that will be proposed to unemployed in order to increase their integration is low. Most of the unions see these measures as a way to create "subsidized low wages, temporary work" on the margins of the labor market which have an overall negative effect on employment conditions. (Bertozzi and Bonvin 2001)

Concerning their role in the unemployment benefit payment desk, in Geneva, 4 unions (Unia, SIT-Genève, SPP/Comedia, SYNA) are in charge of one of the unemployment benefit payment desk which manage the financial aspects of unemployment and payment of the allowances or compensations.

12.	Unions protection of workers	Score: 0
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In Switzerland unions play an important role in the decision and law-making processes since they are invited to participate in the debates (pre-parliamentary phase and commissions). There participation is due to the existence of the referendum option available for those who do not agree with a specific legislation. At the national and local level, the labor unions participate in the law-making process related to employment and labor market regulation

even though they are overall rather weak and fragmented (Compston 1994). Concerning the level of affiliation, it is relatively low in Switzerland: around 20% (at the most 30%).

Unionized workers		Number (OFS)	Affiliation rate ⁸
Affiliated workers		767'263	22
Overall			24
Per sex	Women		18
	Men		27
Per sector	Public sector		38
	Private sector		18

The USS – Union Syndicale Suisse – historically close to the socialist party is the main confederation of unions with almost half of the affiliated workers. In 2006 the USS has 379'956 members and the main unions forming the USS are: FOBB (Syndicat du bâtiment et du bois → SIB Syndicat industrie et bâtiment) and FTMH (syndicat de l'industrie, de la construction et des services). But all the unions lost most of their members during the 1990 due to deep economic change, massive unemployment, and recession.

The change had already begun in the 1970 with the process of deindustrialization and tertiaryisation of the economy, the massive entrance of women in the labor market and the increased qualification of the employee restricted the union applicants. But since the overall employment increase covered the difference and effectives remained high in the unions, there was no willingness to integrate new workers categories. Only in the 1990 with the crisis and the diminution of union membership that it became clear they needed to integrate other types of workers. Furthermore, they had to increase the cooperation between unions. In the same period, the work relation became more tensed and the unions needed to reinforce by making stronger alliances between them in order to face the more conflictive collective negotiations and the neoliberal turn started by the patronat. So the unions became more politicized and ready to enter conflict, they had to look for new answers.

The Unia project was created in order to respond to the above mentioned difficulties, the main aim was to be more effective in the protection of workers and especially be able to protect those pertaining to sectors without or with very low unionization from the third sector: hotels, restaurants, insurances, retail, etc. The Unia project was successful and reached 19'000 members mostly women in 2005. The main goals were achieved: covering the third sector and increasing women and white collar affiliations.

The level of wage inequalities is quite high – on a scale ranging from 2.3 (Sweden) to 4.7 (USA) Switzerland is around 3.2 on the level of wage inequalities based on the following calculation (High salary/low salary).

⁸ Data for the year 1999, from the Swiss Household Panel, presented in Oesch (2008).

13.	Flexible workers	Score:1
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SECO (ESPA 2002 - Switzerland):

Precarious employment	Number
Precarious jobs	152'000
Potentially precarious jobs	453'000

The flexible workers in Switzerland are present in the following categories (SECO):

Flexible employment	%
On call work	38
Determinate contract	21
Home employment without minimum number of hours	16
Façade or fake independence (only one employer)	13
Temporary work	4

ESPA (Enquête sur la population active 2008 – Switzerland)

Type of work contract:	15-39 years old		All age groups		Total
	Men	Women	Men	Women	
Open-ended contract (CDI)	721'000	653'000	1'618'000	1'450'000	3'068'000
Determinate length contract +3 years (CDD)	10'000	9'000	27'000	17'000	44'000
Fixed-term contract 6 months to 3 years (CDD)	38'000	54'000	51'000	71'000	122'000
Fixed-term contract -6 months (CDD)	21'000	22'000	30'000	29'000	59'000
On call work	45'000	67'000	83'000	146'000	229'000
Fixed term contracts (less than 3 years)	104'000	143'000	164'000	246'000	410'000

At the local level (ESPA for Geneva 2008, 2nd semester)

Type of work contract:	15-39 years old	All age groups
Open-ended contract (CDI)	74'400	163'600
Fixed-term contract less than 6 months	3'400	3'800
Fixed-term contract between 6 months and 3 years	11'700	16'500
Fixed-term contract 3 years and more	3'000	5'300
Fixed term contracts (less than 3 years)	15'100	20'300

Share of flexible jobs in Switzerland and Geneva relative to the total amount of jobs

	Switzerland	Geneva
Total amount of jobs	3'950'000	261'000
Total amount of flexible jobs	410'000	20'300
% of flexible jobs	10 %	8 %

III. General Opportunity Structure

14.	Referenda at the local level	Score: +1
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In Switzerland Swiss population has three main ways to express his political choices: initiative, referendum and the petition. These three possibilities do exist at the federal, cantonal and communal level. In this paper, we will focus mainly on initiatives and referendums. This particularity of the Swiss political system is the direct democracy, which binds authorities to the popular decisions.

All Geneva's citizens of 18 years old and more have the right to vote, to elect their representatives at the Parliament, at the State Council, at the Administrative Council and the magistrates at the judicial power, to pronounce themselves against or in favour of a legislative text (referendum) and to propose the drafting or the elaboration of a bill (initiative).

In the canton of Geneva, referendum can be hold against a law voted by the High Council under the condition 7000 signatures of Swiss citizens are collected within 40 days since the law official publication. Regarding the popular initiative at the cantonal level (and even at the communal level⁹) the right to propose projects of laws by citizens (cantonal initiatives) exists. This means that if citizens want a new law they have to collect 10'000 signatures of residents who have voting rights within 4 months and the initiative can be submitted to the high council of the canton of Geneva.

15.	Number of (consultative or binding) referenda held over the past 5 years (Local Level)	Score: 1
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Number of referenda held in the canton of Geneva over the past 5 years: 20¹⁰. Citizens held almost half of them; the other half was compulsory referenda, which were required for changes in the constitution.

16.	Citizen assemblies	Score: 0
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In Switzerland, at the local level, *communes* are free to decide how they want to organize their legislative and executive powers. As for the legislative power, they can decide to form a

⁹ But conditions that apply are different from the cantonal level. A communal initiative can be initiate both by citizens and by foreigners residing in Switzerland for at least eight years and three months in their commune. The number of signatures required depends on the size of the commune. For instance, 30% of voters if 500 inhabitants at most, 20% for communes of 501 to 5000 voters, 10% for communes from 5001 to 30000 voters. Geneva city requires 4000 voters to valid the initiative.

¹⁰ You can find this information at http://www.ge.ch/legislation/referendum/f/ref_table.html

Parliament or Citizen assemblies. In 2005, 82% of the communes had citizen assemblies meanwhile 18% had a Parliament (Horber-Papazian, 2004: 238).

Citizen assemblies can be mostly found in the German part of Switzerland – where the *Landsgemeinde* are an example of the diversity of these assemblies’ structures – while Parliaments are mostly found in the Latin part of Switzerland, which includes the Italian speaking and the French speaking parts. Nevertheless, there is a correlation between the choice of the legislative formal organisation and the size of the *communes*. The smallest the commune is the more it would be inclined to form a citizen assembly. The cantons of Geneva and Neuchâtel are the two exceptions of this model, as they only know communal Parliaments.

17.	Degree of state decentralization	Score: +1
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According to Lijphart’s scale of degrees of federalism and decentralisation, Switzerland obtains 5.0. (Lijphart 1999 : 189)

18.	Decentralization at the local level: sub-local public structures (at the level of district, neighbourhood) with political powers	Score: +1
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Swiss federalism gives broad autonomy to Swiss cantons. The general policies are enacted at the federal level. The Constitution defines the degree of competence of each level of the state – federal, cantonal, communal. Consequently, the cantons are sovereign in different topics as long as the Constitution doesn’t provide otherwise. So, each canton has a proper constitution and political rights may vary from one canton to another and even from one commune to another. Cantons have important prerogatives regarding education, health, welfare, judiciary organisation, police or transports.

The Republic and canton of Geneva comprises 45 sub-local structures called communes. All these communes have as the canton their own elected administrative and legislative authorities. Thus, each administrative and legislative level can contribute to the policy elaboration and implementation processes and are considered as being autonomous.

IV. Unemployed-specific Opportunity Structure

19.	Power of the city in terms of unemployment policy elaboration and implementation	Score: +1
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According to Linder and Vatter, we can argue that « Despite growing responsibilities over the last decades, the central government controls only about one-third of public revenue and expenditure. In contrast, the cantons and the communes control for about two-thirds of public financial and personnel resources, are the main responsible actors in a wide range of policy programmes, and play a prominent role in implementing most federal programmes » (Linder, Vatter 2001 : 96-97).

Therefore, Swiss cantons play an essential role in both the elaboration and implementation of unemployment policies. Firstly, because the representation of the cantons at the Chamber of States allows them to influence the elaboration of the law – in terms of length, amount, targeted people, and coverage - and secondly because of the competences given from the Confederation to the local authorities in terms of defining the ways in which the measures would be implemented. Yet, the communes are only competent in implementing the unemployment policy as they legally depend on the cantons.

20.	Local spending for passive and active measures per unemployed	Score: +1
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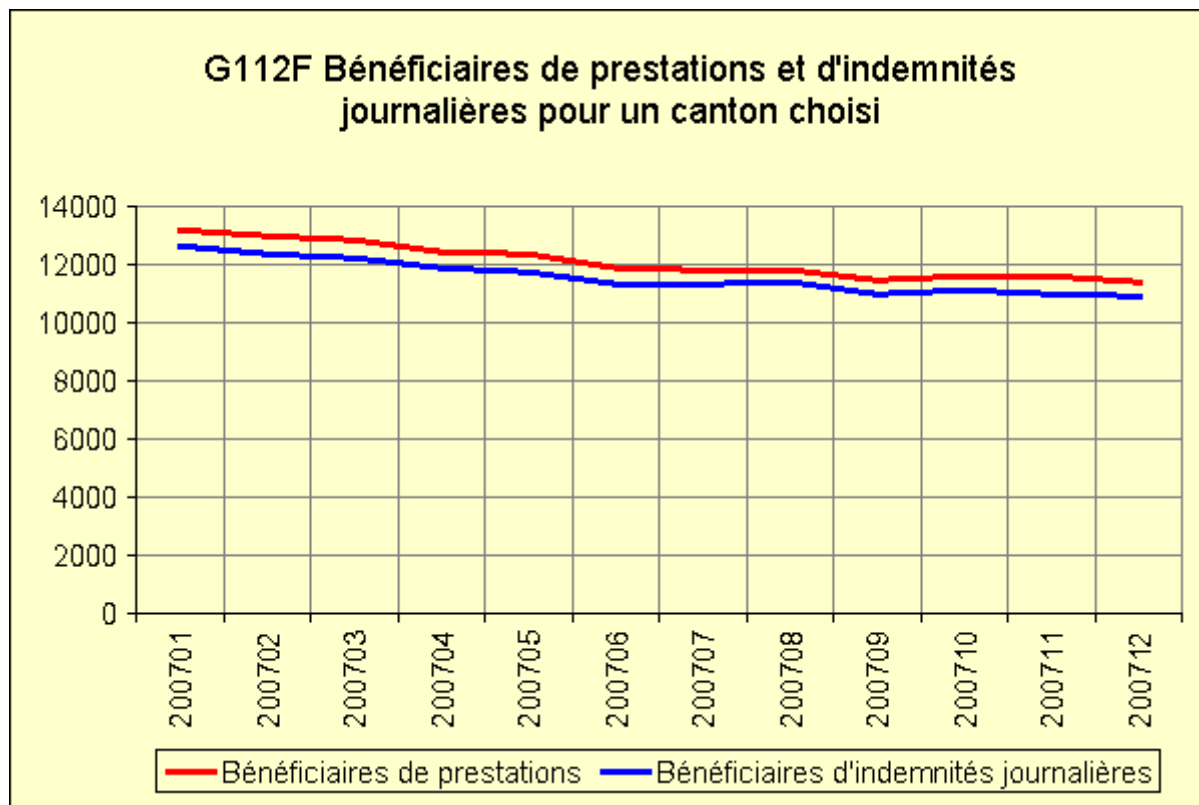
Geneva unemployment budget 2007 (budget 2008 not available yet)

Training measures: Euro 21'055'350
 Employment measures: Euro 4'026'523
 Special measures: Euro 3'744'345

Total: Euro 28'826'218

Total amount of unemployed for the year 2007:

	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Full-time unemployed	13428	13401	12925	12584	12064	11634	11362	11370	11655	11855	11708	11439
Part-time unemployed	1888	1827	1763	1744	1725	1666	1633	1594	1611	1599	1549	1486
Total	15316	15228	14688	14328	13789	13300	12995	12964	13266	13454	13257	12925



Mean number of unemployed per month: 13'793

Active measures:

Budget for one month: Euros 2'402'184

Budget per unemployed per month: Euros 174

Passive measures:

Mean unemployment benefit per month: Euros 2'275

Total budget per unemployed:

Budget per unemployed for one month: Euros 2'449

Budget per unemployed for one year: Euros 29'388

21.	Public information and support services for the unemployed	Score: +1
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National and local institutions dealing with unemployment:

- SECO: State department of economy is in charge of all federal issues related to economic politics
- DSE: Department of solidarity and employment in Geneva is in charge of the cantonal policies related to employment and social aid.
- OCE: Cantonal employment office is in charge of controlling the implementation and respect of the federal and cantonal labor law. This includes assessing the respect of the law for open-ended contract, as well as fixed term or temporary workers, and dismissal procedures. The OCE is also in charge of unemployment law and provides services to the unemployed – both placement and counter-provisions.

- ORP: Regional placement offices are support centers for the unemployed and job-seekers. They are specialized in labor market issues, placement, and unemployment. They are also in touch with employers. They provide services related to job seeking, employment opportunities, training programs, career advisement.
- Hospice General: is the office in charge of implementing the social policies of the canton in Geneva. They also deal with unemployed reaching the end of their unemployment benefits.
- CAS: Centers of social action present in different areas of the city; they offer information and support related to all unemployment official administrative work.

Most of the information related to unemployment is available on the internet. The local and national institutions presented above have website which offer the information needed on unemployment law and procedures. They address practical issues related to unemployment and explain their rights and obligations to the unemployed. They also present the addresses of the offices in charge of unemployment issues and links to other institutions as well as to the law. Some information on unemployment is also available through the labor unions. Unia, one of the main unions in Switzerland, provides information on unemployment law and procedures, and also a guide for young unemployed through its website. Finally we found a guide on unemployment created by an unemployed association and financed by cantonal public funding through the Departments of social affairs and employment.

The most important support services for the unemployed are the ORP; there are 130 offices in Switzerland, and 7 offices in Geneva. They offer services such as counseling, advisement on job seeking, job opportunities, training opportunities, and practical administrative procedures related to unemployment. And they collaborate with the unemployment benefit payment desk which deals with the unemployment benefits and are mainly in charge of paying the unemployment benefits. There are 6 different ones in Geneva, both public and private ones, and the unemployed can choose the one they will be affiliated to.

The *Hospice Général* offers information, help, and support for the unemployed reaching the end of their benefits. The Hospice General also supervises the Insertion income for long-term unemployed (RMCAS). Moreover the canton of Geneva finances Centers of social action (CAS) located in different areas of the city, which offer proximity services and information to the citizens. The social workers inform and help unemployed, for instance filling application forms or administrative procedures; orient towards others services; provide information or documents related to social insurance and security.

The services of employment measures are in charge of integration and employment. These services propose measures oriented towards the integration of unemployed (training, internship, temporary employment programs) and try to improve the skills and placement capacity (employability) of the unemployed in order for them to re-enter the labor market. They also analyze the labor market in order to assure a strict correspondence between labor market demand and offer. The service of cantonal measures (SMC) is in charge of the unemployed reaching the end of their benefit period. The SMC provides counselors helping the unemployed in his or her re-entry in the labor market and prepare them to the end of their unemployment benefits. The SMC is also in charge of the cantonal benefits in case of health problems. Service of solidarity employment (SEdS) is in charge of the labor market integration of unemployed reaching the end of their benefits and facing difficulties to re-enter the labor market. They provide jobs in sector with low profits, but high importance for society. The canton pays part of the salary.

22.	Inclusion of organisations of the unemployed in unemployment policies	Score: 0
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The direct democracy, which is the main characteristic of the Swiss political system gives the civil society a powerful instrument to influence and take part to the formulation of unemployment policies. In Geneva, for example, the new legislation on unemployment was subjected to referendum because of the main changes that Geneva's labour market specificity and its highest unemployment rate of all Switzerland.

The specificity of this cantonal law consisted in a longer benefit (18 months) and the possibility to work for the cantonal administration for one year (Emplois Temporaires Cantonaux) in order to extend the right to the unemployment benefit for another year. The role played by unemployed organisations during this campaign consisted in trying to keep this specificity so that unemployed people could still benefit from an extended coverage. Moreover, this organisations play an important part in informing the unemployed of their rights.

23.	Inclusion of other civil society organisations in unemployment policies	Score: +1
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The role played by other civil society organisations in unemployment policies is complementary of the one played by unemployed organisations. Civil society organisations, such as organisations related to the labour market and social services are in charge of the implementation of reinsertion measures, for example. Trade unions are also involved as they are responsible for distributing the allowances and benefits to the unemployed.

V. Opportunities: related issue-fields

24.	Adaptation of education offer to the labour market situation	Score: 0
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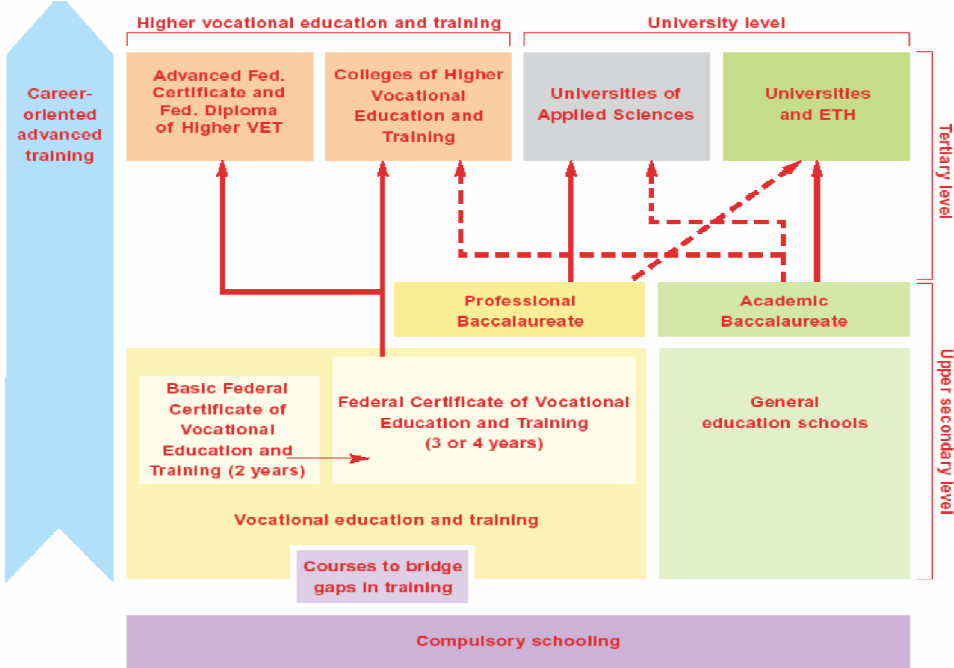
The Swiss educational system is quite complex. There are two main paths:

1. The first path consists in vocational training & apprenticeship. This pathway is quite popular among young people ending compulsory school at the age of 15.
2. The second path consists in general education schools and leads to university level.

The main issue concerning education in Switzerland is related to the lack of apprenticeships for young people. This is mainly caused by the need of adaptation of this specific market. Most of the youngsters looking for a job, are interested in an apprenticeship in the service sector whereas there are more available places in the industrial sector. Therefore, the State and the Canton decided to intervene to help creating and maintaining apprenticeships places. Civil society organizations' play, therefore, an important role in organizing the market of apprenticeships – e.g. *La Cité des métiers*, etc.

Young people wishing to find an apprenticeship in Geneva can consult *la bourse genevoise des places d'apprentissage* on orientation.ch. On this web site, it is possible to find all job available in the other Swiss cantons.

Figure 1 Schematic overview of the Swiss educational system



25.	Public support for elderly services	Score: 0
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In Switzerland, the State provides financial support to retired people from the age of 65 on. This financial support goes from 1'105frs to 2'210frs per person and per month. Complementary allowances can also be claimed to cover vital needs, if there isn't any kind of personal retirement saving (called *3ème pillier*) and don't have to exceed the amounts written down in the table below.

The canton of Geneva, as all other Swiss cantons, is in charge of the implementation of this policy. Therefore, there is a public institution called *l'Office Cantonal des Personnes âgées* (OCPA), which is in charge of elderly issues and is related to l'Hospice Général. This institution calculates and gives benefits to elderly and retired people according to a main criterion, the level of income. As long as the applicant can prove that this income level fits with this scale, he can obtain funding for his health insurance, house rent, transport, etc.

Therefore, the OCPA offers two kinds of public support:

- Health and care services: the OCPA provides lists and addresses medical establishments, nurses, and day care companies if people asks for help in order to find home support for elderly people living at home and/ or needing special care.
- Financial support: this kind of support is given to elderly and retired people according to their level of income. Here is the table showing us the income levels¹¹

	PCF*		PCC°	
	dès le 01.01.2009	(précédemment)	dès le 01.01.2009	(précédemment)
personne seule	18'720 F	(18'140 F)	24'906 F	(24'134 F)
couple	28'080 F	(27'210 F)	37'359 F	(36'201 F)
enfant à charge	9'780 F	(9'480 F)	12'453 F	(12'067 F)

* PCF : prestations complémentaires fédérales

° PCC : prestations complémentaires cantonales

¹¹ http://www.ge.ch/personnes_agees/prestations-complementaires-nouveautes-archives.asp?id=2009

26.	Public support for young people to live alone (combinations of amounts and addressees)	Score: 0
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There isn't any formal "for young people to live alone neither at the national nor at the local level. Nevertheless, there are several other existing allowances, which can be claimed by youngsters who can prove a relevant level of income. See the indicator 28 related to child support.

27.	Child support (combinations of length and amounts)	Score: 0
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In 2006, the federal law on family support was accepted. It is called « Loi fédérale sur les allocations familiales » (LAFam). This federal law tends to harmonise the payment of the child supports' benefit across Switzerland. There are two kinds of benefits:

Child support benefit: given to the parents from their child's birth until he reaches its 16th birthday. Amount : 200 CHF.

- *Allocation pour formation professionnelle, which aims to cover the educational needs from their 16th birthday until they are 25 years old. It can be given to the parents, if they are in charge of the youngster until he or she reaches his-her 18th birthday. After that, the allowance is given to the youngster him/herself. Amount : 250 CHF.*

As for the elderly support services, child support is also submitted to income restrictions. The Swiss model is not universal. It is related to the household level of income.

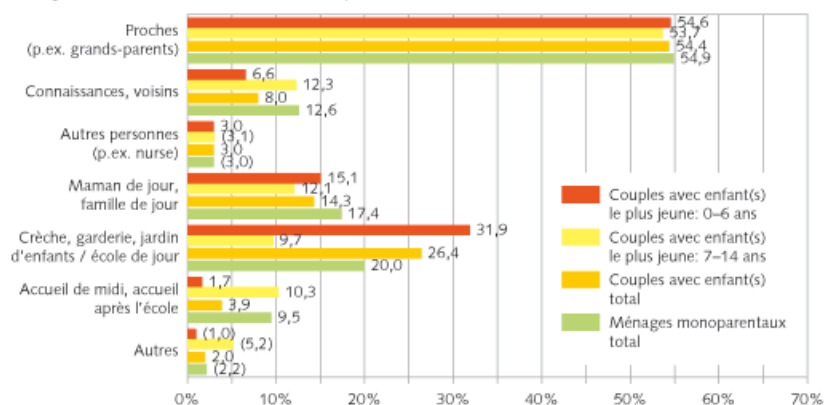
28.	Externalisation of child care	Score: 0
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The structure of childcare can be considered as mainly traditional in Switzerland. In fact, most of the households use familial support, such as grandparents, to take care of the children during the day. Other people are also involved in this structure of informal/familial day care. Nevertheless, it is interesting to note that there is a lack in formal structures of day care, such as those that can be offered by the employers. The three following tables confirm this tendency.

The main problem is that there aren't enough places in these institutions to cover the families' needs. Moreover, these day care structures are, most of the time really expensive and families with more than one child cannot afford it, unless they have a very high income level.

Proportion de ménages ayant recours à l'accueil extrafamilial des enfants, en 2008 selon la forme d'accueil

Ménages avec enfant(s) de moins de 15 ans uniquement



Source: ESPA

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Proportion de ménages ayant recours à l'accueil extrafamilial des enfants, en 2008 selon la durée d'accueil



Source: ESPA

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Number of daycare structures for 1'000 children aged below 7 years old

	1985	1991	1995	1998	2001	2005
Switzerland	1.0	1.1	1.3	1.8	2.2	2.8
Lake Lemman region	1.1	1.1	1.6	2.9	3.1	3.7
Mittelland region	0.7	0.8	1.1	1.2	1.6	2.2
North-Western Switzerland	1.0	1.0	0.9	1.2	1.6	2.2
Zurich	2.5	2.8	2.8	3.7	4.6	5.6
Eastern Switzerland	0.4	0.4	0.6	0.7	0.8	1.2
Central Switzerland	0.4	0.4	0.5	0.7	0.8	1.0
Ticino	0.3	0.3	1.0	0.8	1.1	1.1

Source: Recensement des entreprises (RE) et Statistique de l'état annuel de la population (ESPOP)

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29.	Measures tackling recruitment discrimination of ethnic and geographical forms, that is, targeting either the individual or group dimension (positive discrimination)	Score: 0
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In Switzerland, there aren't really specific measures tackling recruitment discrimination of ethnic and geographical forms neither for the individual nor for the group dimension at the cantonal level. Nevertheless, in the public sector there is a percentage of jobs within the federal administration, which are "reserved" for the Latin population (French and Italian speaking).

30.	Establishment of measures tackling recruitment discrimination based on disabilities (looking at public work and private business)	Score: -1
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According to the cantonal law, there aren't any formal measures such as affirmative action or quotas, to ensure the recruitment of disable people in public and / or private enterprises. The law only encourages these institutions to hire and help disabled people. The State can also contribute to help disabled people to find a job through l'Hospice Général and The Office Cantonal de l'Assurance Invalidité (OCAI) – *Cantonal Office for disablement issues*.

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INTRODUCTORY NATIONAL SCENARIO - GERMANY

Christian Lahusen and Bettina Grimmer

Introduction – the choice of Cologne

With about 1 million inhabitants, Cologne is the fourth-largest German city and the largest city in North-Rhine Westphalia. Traditionally, Cologne is a garrison town, a commercial town, a diocesan town, and an administrative centre. Hence, although industry played an important role during the 19th and 20th century, the city has never been completely dependent on it. Today, Cologne is an important media centre and a major cultural centre of the Rhineland. Still, the city has some economic problems and a relatively high unemployment rate due to the consequences of de-industrialisation of the last decades. In 2008, the average unemployment rate was 10.8% (7.8% nationwide), which is, especially for Western Germany (6.4% average) considerably high. Youth unemployment is also relatively high in Cologne: whereas it was 7.1% in Germany and 5.7% in the Western part, 8.1% of the inhabitants of Cologne aged fewer than 25 were unemployed.

In order to reduce the high unemployment rate, Cologne developed various local policies. It was already in the mid 70s, when the city founded some organisations targeting at qualification of unemployed youth by providing employment measures. In the early 80s, the first social movement groups on unemployment were brought into being. Some of them have grown to unemployment centres, which are still important civil society actors in terms of providing services like social counselling and doing lobbying for the unemployed. In the late 90s, before the Hartz laws came into effect, which lead to grave changes of German labour market and unemployment politics, the city developed the “role model of Cologne”. Cologne was one of the first cities founding a consortium of the local labour office and the municipality in order to strengthen the link between the long-term unemployed (former social aid beneficiaries) and the labour market. This model has now been introduced nationwide. In the course of the changing policies towards activation, lower benefits and more commitments for the unemployed, diverse social movement and protest groups emerged, that are nowadays part of a broad network of civil society organisations working on this issue field.

Until now, unemployment has remained one of the most important problems of the city and is frequently negotiated in local politics. Each of the five parties represented in the city council dedicated some space in their electoral programmes to ideas how to reduce unemployment especially at the local level. During the last period, there was one member in the council who was a candidate for a social movement organisation fighting for the rights of the unemployed and against the Hartz laws. Moreover, since several years, there is a local working group (Bündnis für Arbeit) fostering Cologne’s economic location attractiveness.

I. Political context

Germany has a multiparty system. There are 5 different parties represented in the *Bundestag* (the national parliament), CDU/CSU (conservative party), SPD (social democrats), FDP (liberal party), Bündnis 90/Grüne (green party), and Die Linke (socialist party). All of them are

also represented in the *Bundesrat* (the second chamber which is constituted by the federal lands). The national parliament is elected by the people. It elects the *Bundeskanzler* (chancellor), who appoints the *Bundesregierung* (national government). Usually, the parties have to form coalitions in order to have a majority in the parliament. No party has ever had the absolute majority. Currently there is a grand coalition consisting of CDU/CSU and SPD. The members of the government, the ministers, are also members of the parliament. Hence, there is no strict separation between the executive (*Bundesregierung*) and the legislative (*Bundestag*). The government has the possibility to make proposals for laws in the parliament. The parliament is able to dispose the chancellor with an absolute majority. In this case, the political parties have to form a new coalition and elect a new chancellor, or the people have to elect for a parliament again. The parliament is not allowed to remove a minister, but only the entire government. It has to decide about the national budget and about every law on the national level. The *Bundesrat* (representation of the lands) plays another important role in the process of legislation. In many cases (more specifically: always if a national law will affect the land's level), the *Bundesrat* has to agree to proposals for laws. It represents the 16 *Bundesländer* (federal lands) on the national level and is constituted by the lands' governments. Thus, every member of the *Bundesrat* is part of the executive as well (on the land's level), but is also a member of the legislative organ on the regional and the national level. If majorities are different in the national parliament and the *Bundesrat* (conservative vs. left majority, which tends to be a rule), proposals for laws may be blocked. In such cases, a mediation committee will be convoked. For a change of the constitution, the *Bundestag* needs a majority greater than two-thirds, but even then, some of the articles in the constitution remain. The Federal constitutional Court is in an outstanding position within the legislation process, since it examines many laws and sends it back to the parliament with concrete proposals and guidelines.

Cologne has a multiparty system, too. There are 7 parties represented in the *Rat* (city council): CDU (conservative party), SPD (social democrats), Die Grünen (green party), Die Linke.Köln (socialists), Pro Köln (right-wing movement), and Kölner Bürger Bündnis (a non-party citizen group). Currently, the government is constituted by a coalition of social democrats and green party; the mayor is a member of the social democrats. The people elect the members of the city council and the mayor separately. The mayor is the chairman of the city council, and she or he is able to make decisions in urgent cases instead of the council. The council has the possibility to revise these decisions at a later date. Further, the council controls the administration department of which the mayor is the head. Hence, she or he is head of the legislative and the executive power at the same time.

The German electoral system has a combined majoritarian und proportional representation. In 299 separate electoral districts, people elect one candidate with a simple majority directly. The electoral districts all have the same number of inhabitants. The second half of the *Bundestag* is elected by proportional representation. To become a member of parliament, a party has to get at least 5% of all proportional representation votes or have at least 3 directly elected candidates. The *Bundestag* elects the chancellor by absolute majority.

In Cologne, the electoral system is a mixture of majoritarian and proportional representation as well. The city is divided into 45 electoral districts. In each district one candidate will be elected with simple majority. The electoral districts all have the same number of inhabitants. The other 45 members of the city council are elected by proportional vote. The mayor will be elected separately and directly.

II. The German welfare model in relation to unemployment

According to Esping-Andersen (1990), the German welfare state in general relies on the conservative model: Social rights are employment-related, welfare provision consists of

transfer payments, and benefits from the social insurance are contribution-related. This is also true for the unemployment issue field. The principle of subsidiarity is considered more important than state intervention (Sachße 2003).

Social assistance is provided by the unemployment insurance (that was introduced first in 1927), which is an individual insurance. Hence, unemployment benefits are related to length and amount of contribution payment. The contributions are paid by both employer and employee to equal parts – that leads to relatively high wage costs for the employers. In Germany, 51% of the social expenses are paid by contributions; the remaining half is paid by the state (Ebbinghaus 1998: 13).

Therefore, the tax financed social aid (i.e. social assistance not related to the social insurance) is only supposed to close gaps in the insurance system and protect outsiders who have not paid insurance contributions. Thus, the German welfare model is strongly employment-related (Gallie/Paugam 2000). By relating unemployment benefits to individual contributions, the social system makes class cleavages permanent. The principle of status preservation leads to the exclusion of outsiders, who obtain only a minimum social aid.

German employment regulations are fairly exclusive as well (Heidenreich 2004), since the labour market traditionally had provided mainly standard full-time jobs with low flexibility in the classical male breadwinner fashion (Julkunen/Malmberg-Heimonen 2003). German labour market politics do not aim at a high employment rate, but on high productivity by a high education level and high wages. Consequently, the integration of “outsiders” like women and elderly people is relatively low. In 2008, the employment rate (employments liable to the social insurance) was 50%. 47% of women and 55% of men were employed (Bundesagentur für Arbeit 2009a). While in Eastern Germany, there is no gender gap concerning employment, in Western Germany, the employment rate for men was about 10% higher than for women. One third of women worked part-time, whereas only 5% of men did so. Among those employed in low-paid jobs not liable to the social insurance (earning less than 400€ per month), 67% were female.

However, contrary to the traditional labour market regulations, flexible work has become more and more important. Official numbers show that this population has increased over the past several decades in the German case. On the one hand, unemployment reached substantial proportions of the working population during the 1990s, with the highest unemployment rates of about 9.9% in 1997. On the other hand, the share of precarious employment has increased since the 1980s in the wake of the growing flexibility of labour markets, which has been adopted as an official goal of successive German governments (Countouris 2007: 87-105) and the subsequent de-standardisation of labour (e.g., part-time and fixed-term employment, on-call work). Policy initiatives since the 1980s were interested in raising the social acceptance of atypical employment by committing the legislator and the social partners (employers’ associations and unions) to stabilise the legal status and factual working conditions (Countouris, 2007: 121). In the early 2000s, the Hartz laws made some further efforts towards a more flexible labour market and de-standardisation of employment situations in order to strengthen the competitiveness of the German economy. The legal framework was changed for facilitating temporary work and part-time jobs not liable to the social insurance; further, subsidies for self-employment were introduced. In 2007, 25% of the overall working population were in a non-standard employment situation. The number of those employments had increased about 20% since 2001 (Statistisches Bundesamt 2008).

The Hartz laws did not only lead to a more flexible labour market; unemployment politics were reformed substantially as well. In general, the reforms followed the welfare-to-work idea. Changes related mainly to stricter regulations in means-testing and the introduction of an obligatory agreement governing the integration into the labour market for long-term unemployed. Those agreements come along with the obligation to take up any job that is

considered appropriate by the labour agency. Further, sanctions were tightened. These hard conditions for the unemployed accompany low benefits on the one hand (351€ per month for cost of living for a single person), and an enlarged offer of activation measures on the other hand. The motto of the new social laws is "Support and Demand". "Means-tested social assistance is limited to the needy and provides only flat-rate benefits which should provide enough incentives to seek income from work." What Ebbinghaus (1998: 10) stated for the liberal welfare model in the late 90s, holds true for the current German situation.

Another change affects the organisation of the labour agency. Labour offices and municipalities (who were formerly responsible for social aid) formed consortia in order to strengthen the link between the long-term unemployed and the labour market. But still, the unemployed are divided into two classes: the "insiders" obtaining type I unemployment benefits from the social insurance relating to their former income and the "outsiders" obtaining type II unemployment benefits, which are characterised by hard conditions and poor benefits.

After all, to sum up, the Hartz laws brought some liberal elements into the German welfare model, but with respect to the dual system of social assistance, it may still be mainly characterised as conservative.

III. The model of industrial relations

German industrial relations are characterised by social partnership of employers' federations and labour unions (Ebbinghaus/Visser 1997, Ebbinghaus 1998). Social partnership is a special form of the corporatist model of industrial relations described by Crouch (1993): Interest organisation is encompassing and focused on long-term interests, while the state acts as a mediator. But compared to the Nordic model (Kjellberg 2002), the role of the social partners is even stronger (Ebbinghaus/Visser 1997). These are organised as centralised, hierarchic federations. Due to their role in bargaining labour agreements, the social partners are also actors in fighting unemployment: they have to find a balance between appropriate wages on the one hand and the possibilities for employers providing new jobs on the other hand.

The most important level of bargaining is the sector level. The social partners make collective agreements that concern the specific sector and are valid nationwide for all organised employers. Details and special regulations are decided in cooperation of company management and works council. According to the principle of tariff autonomy, the state keeps out of collective bargaining.

Collective agreements are obligatory for all employers that are organised in an employers' federation. By law, they are only mandatory for employees that are members of a union, but since they are obligatory for organised employers, they are in effect for all of their employees, while union members working for independent employers are not protected. This leads to the fact that non-organised employees are in a free-riding position by benefiting from wage agreements. The federation of German employers does not publish figures concerning the degree of membership. But according to recent estimations, in Western Germany, 75% of employers (employing 80% of the total number of employees) are organised in a federation. In Eastern Germany, the rate is much lower (Bäcker et al. 2008: 252). Recently, new regulations eased the exit from collective agreements for employers. Under some conditions, they may renounce taking part in bargaining, and collective agreements do not affect them. Hence, the coverage rate of wage agreements has been decreasing during the last years. Currently,

collective agreements protect about 64% of the employees.¹² At the same time, the labour unions have been losing more and more members for the last 30 years (but membership rates among employees have always been lower than the degree of organisation of employers). While in the early 80s, about one third of employees were union members, the rate decreased to one fifth in 2004 (Biebeler/Lesch 2006). Men are more often unionised than women: constantly over the last decades, about two thirds of union members were male.

Decreasing union membership and low coverage rates on the one hand, and economic problems on the other hand, make whole-sector agreements more and more difficult and lead towards a decentralisation of bargaining (Ebbinghaus/Visser 1997: 342). So, plant bargaining gets increasingly important. On the company level, there is a dual structure of employee's representation. Apart from union representatives, there are legal works councils elected by all employees. The fact that members of the works council do not have to be unionised creates problems for the unions when companies commit to bargain company agreements. Works councils are included in the following issues (Ebbinghaus/Visser 1997: 363):

- Organisation of work
- Investment policies
- Consultative functions in restructuring of the company
- Changes of working hours
- Agreement on wage groups, piece rates and working regulations
- Implementation of whole-sector labour agreements.

Hence, social partnership is still dominating German industrial relations. But there is tendency towards plant bargaining.

IV. Unemployment politics focused on youth

As mentioned above, the Hartz reforms have lead to major changes of unemployment politics in Germany. Most young unemployed are not able to benefit from type I unemployment compensations, because they have not paid insurance contributions. So, youngsters are one of the main "outsider" groups dependent on type II benefits. In order to fight youth unemployment, the type II unemployment law (SGB II) contains some sections with varying regulations for beneficiaries aged fewer than 25.

The social law stipulates that every unemployed aged under 25 is to be placed into a job, job opportunity or qualification measure immediately. For this reason, many youngsters take part in a qualification or employment measure in order to keep their benefits being paid. There are some special measures aiming for the qualification of young unemployed. These measures are obligatory, but their effectiveness is a controversial issue. Because of a lack of positions in these measures, the youngsters are often not free to decide what kind of measure they want to take part in, but have to take up anything that is proposed to them in order to avoid sanctions, even if it is not in accordance with their own ideas. When participating in an activation measure, they obtain additional to their type II unemployment benefits 1–1.50 € per working hour. The measures are provided by public and private agencies that are subsidised by the municipalities. The labour agency pays the expenses for these measures. But taking part in an activation measure is not a rule for young unemployed. Currently, about one third of young people aged less than 25 obtaining type II unemployment

¹² www.worker-participation.eu/de/layout/set/print/national_industrial_relations/across_europe/collective_bargaining_1

benefits are integrated in an activation measure (Bundesagentur für Arbeit 2009b). The other two thirds are without employment and officially unemployed.

The conditions for young unemployed obtaining type II unemployment benefits are even stronger than for older people. Youngsters aged under 25 obtain solely 80% of the ordinary payment, which is maximum 280.80 € per month for cost of living – even if they are living alone. Further, sanctions are stronger for young people. If they miss their obligations for the first time, cost of living payment is reduced to zero. Instead of money, they obtain only food coupons. In general, young type II unemployment beneficiaries should live with their parents. They obtain only housing allowances if there are severe reasons for living alone.

Hence, unemployment politics focused on young people aim for qualification and employment in a very strict way. Benefits are lower and sanctions are harder than for older unemployed and needy persons. Young people aged between 25 and 34 are considered as adults – there are no specific regulations for them.

V. The Role of the family vis-à-vis young people

According to the principle of subsidiarity, the family is considered the major institution in giving help to its members. The German state intervenes only if the family is not able to support its members. This is also true for adult children: the family is responsible for them up to the age of 25, and sometimes even longer. Until 2007, parents obtained child allowances up to the child's age of 27; now the age has been reduced to 25. Nevertheless, among young people aged 26-30, 20% of men and 40% of women were dependent on financial assistance from their family in Western Germany (Dommermuth 2008: 77). As mentioned above, young unemployed obtain only housing subsidies for an own place if it is not reasonable for them to live with their parents.

Dommermuth (2008: 85ff) distinguishes two dimensions in the process of adolescence: the way to financial independence on the one hand and the way to social independence on the other hand. The age of the first employment may be used as an indicator for financial independence. In Western Germany, the median age of taking up the first employment was 22 in 2001 (Dommermuth 2008: 86). Social independence may be operationalised by the age of moving out from the parents. The median age moving out was 22.4 for men and 20.8 for women in 2001. The age of young people moving out has increased during the last decades. According to the Family Report of the German government, in 1972, 20% of people aged 25 lived with their parents, while in 2007, 29% did so (BMFSFJ 2009: 41).

Concerning social assistance and education subsidies, the family is means-tested (Dommermuth 2008: 66). So, the major principle of youth politics is not autonomy and development independent from the family background of the young people, but only the solution of social problems and the closing of gaps in the system of subsidiarity.

INSTITUTIONAL INDICATORS – GERMANY

I. The unemployment

1.	Formal pre-requisite for obtaining social provisions (conditions to obtain insurance compensation)	Score: -1
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The unemployment insurance as a part of the social insurance is an obligatory insurance for employees who work either more than 50 days per year or earn more than 400 € per month. The eligibility to obtain benefits from the insurance (type I unemployment compensations) is generally related to the duration of paying the contributions, but there are some more additional requirements (see indicator 6: sanctions). Since there is no protection of qualification in Germany, the unemployed has to take up any job that is considered “appropriate” and “reasonable” by the labour agency, otherwise the payment is omitted for several weeks.

A person who is willing to receive unemployment compensations must be unemployed. Unemployed are persons who:

- do not have an employment,
- are looking for an employment liable to insurance deductions and are available for the placement efforts by the labour agency, and
- are registered unemployed

People taking part in activation measures are *not* defined as unemployed.

In addition to being unemployed, the person must have paid contributions to the insurance. During the last 24 months, she or he must have had an employment liable to insurance deductions for at least 12 months.

Further, she or he has to be registered as a job seeker three months before the recent employment ends (by dismissal or expiration of a fixed-term contract). In the case of a near-term dismissal, she or he must be registered within three days. A delay leads to an omission for one week.

A person who resigns from a job will not receive unemployment compensations during the first 12 weeks of unemployment (in special cases down to 3 weeks). This is also true if the person is responsible for her or his dismissal by disregarding the employment contract.

2.	Level of coverage (amount compared to the minimum /average salary + duration)	Score: 0
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Duration

The duration of payment of unemployed compensations are related to the duration of an employment liable to insurance deductions within the last 24 months: A person who

- has been employed for less than 12 months obtains nothing,
- has been employed for at least 12 months obtains compensations for 6 months,
- has been employed for at least 16 months obtains compensations for 8 months,
- has been employed for at least 20 months obtains compensations for 10 months,
- has been employed for 24 months obtains compensations for 12 months.

This means 12 months are the maximum duration, which is granted to people who have been permanently employed during the last 24 months.

There is one exception from that rule: persons who are 50 years or older and have been permanently employed during the last years obtain compensations for more than 12 months, at the age of 58 they obtain compensations for up to 24 months.

Amount

The amount of the unemployment benefits is related to the average gross income of the last 12 months, which is offset maximum 5,200€ per month. The year gross income is divided by 365 in order to obtain the daily gross income. Subtracting income tax, social insurance contributions (21%) and solidarity tax yields the net day income. Multiplied with 30, this is the monthly amount (even if the month has 31 days, so the calculated year has only 360 days). Hence, the monthly amount is a little bit less than the former month net income.

Unemployed who have at least one child to support obtain 67% of that monthly amount. All other unemployed (without children) obtain 60% of their monthly amount.

Therefore it is not possible to compare the amount of unemployment benefits with the minimum or average salary in the German case, because it is related to the individual contributions. The maximum amount is 1.879,50 €. In case it is lower than the poverty level it can be amended by some additional type II unemployment compensations (see indicator 6).

It is possible for every person obtaining type I unemployment compensations to earn up to 165 € per month without paying deductions.

3.	Extension of coverage (who is ensured or compensated)	Score: -1
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Only persons who have had an employment liable to the social insurance for at least 12 months during the last two years are eligible to obtain type I unemployment benefits. Those who are not eligible, obtain type II unemployment compensations (former social aid, see indicator 6).

Since the maximum duration of coverage is one year, there are no persons obtaining type I unemployment benefits among the group of the long-term unemployed aged 18-34.

Hence, the extension of coverage is very restrictive. As the eligibility is related to the conditions of the social insurance, it is only accessible for insiders in terms of the male breadwinner model. People who have side-jobs or other precarious employment situations (more precisely: people who have not been working more than 12 months in the past two years or who have earned less than 400 € per month) are not covered by the social insurance. This is also true for persons going back to the labour market after parental leave. All those outsiders are dependent on type II unemployment benefits.

4.	Shifting to Social Aid (means-testing and amount)	Score: 0
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In the course of the Hartz reforms in 2004/2005, the model of social aid has been restructured in Germany. Social aid, which is paid by the social welfare department of the municipalities, is not longer reserved for all needy people, but only for those who are not able to work (because of a disability). Those who are able to work at least three hours a day are considered employable needy. They can obtain type II unemployment benefits, which are a little lower than social aid and linked to certain commitments by the applicant. The benefits are still paid by the municipality to some extent, but executed by the *ARGE*, the consortium of the municipality and the local labour office.

Persons who are **long-term unemployed** according to our definition (unemployed for longer than one year and looking for a job) do not obtain type I unemployment compensations (because those are only paid up to one year), but type II unemployment compensations.

In order to obtain the benefits, the employable needy has to **apply** for them, the payment starts from the date of application. The process takes usually several weeks – if it takes longer than three months, the applicant has the right to sue. Those applications are ordinarily allowed for 6 months, in some cases for 12 months. After that period, a new application must be filed and is considered again.

Formal criteria for claiming type II unemployment benefits are the following:

- being aged between 15 and 64 years (formal age of employability)
- being employable (able to work at least 3 hours a day – exception: having a child under three years or doing home care for an affiliated or member of the household)
- being needy (financial evaluation required, the income of the partner is offset, even if not married)
- having one's main residence in the FRG

Persons passing studies or a vocational training (being enrolled at any school or university) are not eligible to obtain type II unemployment benefits.

Employable needy who are aged **fewer than 25** shall be placed immediately into a job, job opportunity or qualification measure. Hence, by law it is not possible to be under 25 years old and long-term unemployed. However, there are in fact about 4,000 long-term unemployed people under 25 in Cologne because there are not enough activation measures to observe that rule.

Type II unemployment benefits consist of payments for an appropriate accommodation, water, heating, and cost of living. The **amount** of the former relates to the real expenditures, for cost of living there is a fix sum of 351€ per month for a single person. Employable partners and relatives living in the same household obtain additional 80% of this sum. Children who are younger than 14 years obtain an additional 60% (per child), the ones who are 14 years or older obtain an additional 80%. Young people aged under 25 obtain only 80% as well, even if they live without their parents. It is one of the characteristics of the new Hartz law that it is treating young people age under 25 very strictly (even the sanctions are harder, see indicator 6).

Obtaining a higher sum than 351€ is only possible for parents and disabled people:

Pregnant women obtain 117%, persons with up to three children aged under 18 obtain 136%. Persons with more children obtain 100%+12% per child up to a maximum of 160%. Disabled people who are employable obtain 135%.

There is one rule which eases the **shifting** from type I to type II unemployment compensations: Persons who have received type I compensations and are now dependent on type II benefits can obtain an extra pay. This is related to the difference between type I

and type II benefits per month. During the first year, they obtain two thirds of that difference (but maximum 160€), during the second year one third of that difference (but maximum 80€). From the beginning of the third year (which is the fourth year of unemployment), there is no more extra payment.

5.	Role played by private and public employment agencies (combination of number of people using these services and duration of their unemployment)	Score: +1
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There are approx. 30 private working agencies in Cologne. Both larger and smaller agencies do not want to indicate their placement, mostly due to the fact that such data are not maintained. But concerning the placement of long-term unemployed, the following may be observed:

The consortium of the local labour agency and the municipality (*ARGE*) is responsible for the long-term unemployed. In 2007, the *ARGE* Cologne succeeded to bring 2.3% of the long-term unemployed into work. The average placement rate of the *ARGE* itself is 3.4%. Due to the fact that this rate is very low, there are some attempts to externalise the placement of the long-term unemployed.

The *ARGE* disburses bonuses, in the form of placement vouchers, to private working agencies when a placement has been successfully executed. But there is no statistic kept about placement vouchers, which are honoured phased on success. Thus, we do not know how many long-term unemployed were successfully placed by private agencies. According to the person in charge at the *ARGE*, private employment agencies do not play a significant role in placing long-term unemployed (because the placement bonuses are not profitable enough for the agencies in most of the cases).

Consequently, the municipality of Cologne created another instrument in order to bring the long-term unemployed into work: the public private partnership programme: *JobBörsen* (job exchanges). These are consortia of different public charities, associations and private employment agencies operating by order of the *ARGE*. By cooperating with employers in the specific quarter and counselling for beneficiaries of type II unemployment compensations individually and in situ, the aim of the job exchanges is to improve job placement of long-term unemployed and to integrate them permanently into the labour market. However it is primarily financed by the *ARGE*, there is a multitude of supporting organizations that are also embedded within this programme. Unfortunately the consortium did refuse to give us figures concerning the placement rate and duration, due to the complexity of filtering this data.

According to the statement of rehabilitation of the *ARGE*, in 2007, 4'234 (52.7%) long-term unemployed made use of an external placement agency (which is quite a lot). As we do not have figures, we have to go along with the qualitative statement of the person in charge at the *ARGE*, who confirmed that most of those long-term unemployed made use of the services of the public private partnership programme, and the amount of persons using independent private agencies is very low.

Consequently, although there are different attempts of externalisation, private agencies do not play an important role in placing long-term unemployed in Cologne; mainly the public private partnership programme.

6.	“Counter-provisions” and sanctions (length and intensity)	Score: -1
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Persons obtaining unemployment benefits (no matter which type) are forced by law to accept every kind of job, job opportunity or activation measure that is considered “appropriate” and “reasonable”, even if it is not according to their qualification. Otherwise, the payment is omitted or reduced.

Type I unemployment benefits:

If the unemployed does not behave cooperatively, the payment can be omitted¹³. This is true if:

1. The unemployed has resigned from her or his former job or is responsible for her or his dismissal by disregarding the employment contract (12 weeks omitted, in special cases down to 3 weeks),
2. The unemployed does not take a job or a qualification measure proposed by the agency (3 weeks for the first time, 6 weeks for the second time, otherwise 12 weeks omitted),
3. The unemployed does not make adequate efforts (2 weeks omitted)
4. The unemployed does not report to the agency (1 week omitted)

Type II unemployed benefits:

Every applicant has to conclude an ***agreement governing her or his integration into the labour market***. This is an obligatory contract between the ARGE and the unemployed regulating individual benefits and commitments.

The benefits payment is reduced (and every extra payment is cancelled) if the person refuses:

- To conclude her or his individual integration agreement (see above),
- To undertake the commitments in the integration agreement,
- to take a job, job opportunity or activation measure which is considered appropriate by the agency

or if she or he abandons a measure without any legitimate reason.

For the first time, the payment is reduced by 30%, for the second time within one year by 60%, for the third time or more within one year by 100%.

If the person does not keep an appointment with an external partner (like employment agencies, physicians etc.) without any legitimate reason, the payment is reduced by 10%.

For young people aged between 15 and 24 years, the sanctions are even harder: If they miss the above-mentioned obligations for the first time, payment is reduced to zero (apart from the money for accommodation, water and heating). For the second time, the payment is reduced by 100%, including the money for housing. Instead of money, they obtain only food coupons.

In general, the period of reduced payment is 3 months. For young people aged fewer than 25, the period can be reduced down to 6 weeks, if the labour agency considers this appropriate. After that period, the payment goes on without another application.

¹³ Omitted means: The unemployed obtains nothing for a certain period. The duration of eligibility is shortened according to the omission period.

7.	People receiving unemployment benefits	Score: +1
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Figures for Cologne, February 2009:

Total number of type I unemployed (less than 12 months, eligible for social insurance compensations or not “needy”):	13’058
Type I unemployment beneficiaries:	10’123
Coverage rate of type I unemployment benefits:	77.5%
Total number of type II unemployed (LTU or “needy”, regardless of social insurance)	40’815
Type II unemployment beneficiaries:	39’354
Coverage rate of type II unemployment benefits:	96.4%
Total number of unemployed:	53’873
Total number of unemployment beneficiaries (regardless of type):	49’477
Total coverage rate of unemployment benefits	91.8%

8.	People receiving sanctions for “abusing” the benefits’ system	Score: 0
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Abusing the benefit system does not lead to the kind of sanctions described in indicator 6. If a person has obtained too high benefits, she or he is means-tested again and has to pay the money back. Abusing the system is a criminal offence and is prosecuted. The person is punished by a fine, which varies depending on the level of the abuse. In serious offences, the person gets a criminal record.

For 2008, the rate of unemployment beneficiaries proven for guilty having abused the system was about 2% in Germany. There is no data for the local level.

For disregarding the agreement governing the integration into the labour market, 2.2% of type II unemployment beneficiaries were currently sanctioned on average in Cologne in 2008 (the labour agency does not record data on how many people received sanctions within one year, but only how many are currently sanctioned each month). Considering the fact that sanctions take, as a rule, three months, one can estimate that about 9% of type II unemployment beneficiaries in Cologne received sanctions in 2008.

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: 0
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Conditions

There are two types of dismissals: ordinary and extraordinary ones. A person can only be dismissed extraordinarily, i.e. without considering the notice period, if there is an important reason, like: grave insult, causeless refusal to work, theft, and sexual harassment. An ordinary dismissal is only possible for one of the following reasons:

- **Operational reasons:** Here, a certain selection method is necessary. The employer has to select the employee who will have, due to her or his social situation, the least disadvantages caused by the dismissal. Criteria for that "social selection" are: duration of employment, age, alimony obligations, and degree of disability.
- **Behavioural reasons:** As a rule, it is necessary that the employee has already obtained a reminder for a former mistake. A dismissal should be only realised in case of a further mistake.
- **Personal reasons:** In case of illness, the employer has to account for considerable times absent due to the illness.

Further, a person must not be dismissed for her or his engagement in a works council and not in case of acquisition.

Moreover, there are some aspects of dismissal protection in a broader sense. This is:

- The dismissal must be available in written form,
- An extraordinary dismissal becomes operative soonest two weeks after getting knowledge about its reason,
- The works council must be involved in the dismissal process.

For some groups there are special protections:

- Expectant mothers until 4 months after childbirth must not be dismissed,
- Disabled people may solely be dismissed with acceptance of the Equal Employment Opportunity Commission,
- An ordinary dismissal is impossible for: apprentices after probation time, parents in parental leave, persons in military or alternative service, members or candidates of the works council or personnel board, representatives of youth, apprentices or disabled people.

In general, dismissal protection is only effective for persons who are employed for more than 6 months and for companies that have at least 10 employees with full-time contracts.

Compensations

Compensations have only to be paid in case of an operational dismissal. If the dismissed employee renounces his or her right to claim, she or he is eligible to obtain compensations from the employer. The amount is related to the duration of employment: it is 0.5 monthly incomes per year of employment, a duration more than 6 months is rounded up to one year.

Notice periods

Notice periods are also related to the duration of employment: they vary between 4 weeks (only 2 weeks during the first 6 months of employment) and seven months.

10.	Temporary work	Score: 0
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In Germany, there is a law regulating temporary work since 1972 (*Arbeitnehmerüberlassungsgesetz*), before it was not legal. Basically, employment agencies (companies hiring employees and placing them temporarily into work at firms which currently need workers) may operate after having applied for permission at the federal labour agency. Only about 1% of those applications are refused (mostly for formal reasons). There is one exception for the construction sector: Here, temporary work is illegal for tasks that are normally fulfilled by workers (workers in a narrow sense), but there are certain exceptions. Hence, temporary work is generally legal in Germany and gets more and more important (see figures below).

This is not only for economic, but also for political reasons. The Hartz reforms, which have not only lead to certain changes in the area of unemployment policies but also aimed at reforming the whole labour market, have facilitated temporary work in order to strengthen it as an element of flexible work. Thus, since 2004 the number of temporary workers increases continuously, although it is still, compared to some other European countries, relatively low.

Development of temporary work among total employment:

Year	Germany	Cologne
2004	342'250 (1.3%)	7'527 (1.7%)
2005	380'435 (1.5%)	8'244 (1.9%)
2006	512'109 (1.9%)	10'202 (2.3%)
2007	639'033 (2.3%)	12'331 (2.8%)
2008	700'281 (2.5%)	13'730 (3.0%)

11.	Role of unions in the benefit system	Score: 0
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In Germany, the unions do mainly lobbying for the employees. They fight for higher wages, better conditions of employment, more employee participation, reduction of working hours and more apprenticeship training positions. They negotiate wage agreements with the employer federations, often by organising demonstrations and strikes.

In companies with more than 2000 employees, the unions have the right to supply board representatives. Currently, about one third of the members of the national parliament are unionised (in the 70s and early 80s even more than 50% of them). Moreover, the unions are represented in the broadcasting councils.

On the local level, the federation of German unions is represented in:

- Working teams with employers in the fields of further education, labour market policy, and issues concerning the regional economy,
- The advisory board of the consortium of the labour agency and the municipality of Cologne,
- Several working groups on regional development,
- The administration committee of the local labour agency
- The committee of economy issues of the city council

Hence, unions in Germany, as well as in Cologne, do not play any executive role in the benefit system, but have strong representative and bargaining functions.

12.	Unions protection of workers	Score: +1
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The unions protect only their members. The protection concerns the following areas:

- Legal protection
- Labour agreements
- Support on strikes
- Qualification and further education offers
- Special accidental insurances
- Special allowances (e.g. for travelling or services)

Although the wage/labour agreements for different kinds of sectors including all regulations are reserved for union members, they are practically applied for all employees. This means that the non-members are in a free-riding position.

Every person may become a union member regardless of her or his job status (full-time worker, part-time worker, precarious, unemployed, retiree...).

Thus, union protection is not related to the job status, which means that even outsiders are protected if they are union members.

But in fact, only employers who are members of the employer's federation have to apply wage agreements. Nowadays, more and more companies are leaving the employer's federation in order to be able to ignore labour agreements. Currently, the coverage rate of wage agreements is 64%.

13.	Flexible workers	Score:0
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Fixed-term contracts

In Germany, fixed-term contracts have become more and more common during the last years. In 1995, 7.8% of all contracts were terminated, in 2003 12.2% and **in 2008 14.9%** (see figures below). Since the national labour agency does not collect data on fixed-term contracts, we do not have figures for the local level.

Mainly young people work based on fixed-term contracts (2008, numbers in 1'000):

Age group total employees permanent contract fixed-term contract %

15-20	1'337	264	1'063	79.5
20-25	3'002	1'536	1'455	48.5
25-30	3'365	2'635	722	24.5
30-35	3'370	2'945	419	12.4
35-40	4'439	4'087	347	7.8
40-45	5'266	4'912	349	6.6
45-50	4'523	4'275	243	5.4
50-55	3'871	3'680	186	4.8
55-60	3'021	2'882	136	4.5
60-65	1'125	1'073	50	4.4
65+	289	268	20	6.9
Total	33'606	28'556	4'991	14.9

The numbers of fixed-term contracts among young employees have increased significantly during the last 10 years. In 1995, only 31.5% of young employees aged 15-20 had a fixed term contract, only 20.9% of the age group 20-25, and only 10% of the age group 25-30.

On-call work

In Germany, on-call work is considered as a special form of part-time work. There is no data focusing especially on those workers. They are included (depending on their minimal working hours by contract) in the statistics on part-time workers.

Part-time work

Cologne (Germany)

Year	total employees	part time	%	% working less than 18h/week among PT workers
2008	456'912	78'505	17.2 (18.2)	21.6 (19.6)
2006	434'341	70'892	16.3 (17.2)	23.5 (19.0)
2004	439'882	66'227	15.1 (16.3)	25.4 (19.7)
2002	466'453	66'389	14.3 (15.4)	25.9 (20.5)
2000	457'872	59'988	13.1 (14.1)	23.9 (18.0)

In Cologne, as well as in Germany in general, part time work becomes increasingly important. In 2008, 17.2% of all employees worked part-time, whereas in 2000 13.1% did so. This is slightly less than on the national level. The percentage of employees working less than 18 hours/week among the part-time workers has been constant over the last years. In Cologne, there are more people having contracts with few working hours than on the national level.

III. General Opportunity Structure

14.	Referenda at the local level	Score: +1
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There are two different ways a referendum can be initialised. Either the city council decides by a 2/3 majority that a referendum takes place, or the citizens bring in a petition. The petition must include the signatures of at least 3% of the inhabitants. Further, they have to name the grounds for the referendum and give a proposal how to cover the expenses. If a referendum aims at cancelling a decision of the city council, the citizens have to bring in the petition within six weeks after the decision has been published (if the decision is not published: three months after the day the decision has been taken).

The question asked by the referendum has to be answered by yes or no.

The decision of the referendum is binding (like a city council's decision). During the next two years, it can only be cancelled by a new referendum that is imposed by the city council.

There are some issues on which a referendum is illegal:

- The internal organisation of the municipality's administration
- The organisation of the municipality's political system
- The local budget¹⁴
- Issues on which a special administrative procedure is necessary (i.e. traffic and transportation issues, litter, water and some environmental issues)
- Legally binding land-use plans
- Issues beyond the competences of the city council
- Litigations
- Applications pursuing an aim that does not conform with the laws or conventions
- Issues on which there was a referendum within the last two years

15.	Number of (consultative or binding) referenda held over the past 5 years (Local Level)	Score: -1
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During the past 5 years, there were several petitions brought in by citizens in Cologne. But each of them failed because of legal reasons. So, the number of referenda held over the past 5 years is 0.

¹⁴ However, the municipality of Cologne allows a certain sum of money for a "citizen's budget". This means that the citizens may decide on what a part of the local budget should be spent.

16.	Citizen assemblies	Score: 0
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The city council is obliged to inform the citizens of its decisions. Concerning important decisions targeting the development of a certain district, the mayor can convoke a citizen assembly. This is not possible for decisions related to the whole city.

The mayor has to announce the date and place in the certain district where the citizen assembly takes place. He is the head of the assembly, and he shall include some of the most important councillors and members of committees on special issues who were involved in the decision-making process.

During the assembly, the citizens may ask questions and discuss with the politicians. But there are no resolutions passed. If the citizens like to cancel the decision introduced by the mayor during the assembly, they have to bring a petition for a referendum in the city council. They have no right to convoke a citizen assembly.

17.	Degree of state decentralization	Score: +1
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Lijphart's score for Germany (index of federalism, 1971-96): 5.0

18.	Decentralization at the local level: sub-local public structures (at the level of district, neighbourhood) with political powers	Score: 0
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The city of Cologne has 86 quarters, which are integrated into 9 districts. Each district has its own district council consisting of 19 members. They represent the interests of their inhabitants, settle matters concerning the district and make decisions within their competences. They have the right of initiative on district-related affairs. District councils may not form committees.

The district council makes decisions on matters that do not considerably outreach the district's borders. It is entitled to be heard on every important question that affects the district. The district council performs its tasks by using the budget that is provided by the city council. A part of that money may be used independently; most of it is earmarked.

The competences of the district council are as follows:

- Representation of the district, information on district policies, administration of citizen's petitions,
- Leasing/renting of public properties within the district up to the sum of 100'000€ (for higher amounts, the city council is responsible),
- Traffic routeing and traffic regulations, as long as it is not important for the whole city,
- Supporting of public institutions like schools, NGOs, civic centres, sports grounds, monuments, and public events
- Maintenance and of public places (parks, squares) and their naming

Hence, Cologne's district councils have limited powers: they are mainly administrative institutions with a limited competence of self-governing, they dispose of limited budgets and do not have an influence on the whole city's local policies.

IV. Unemployed-specific Opportunity Structure

19.	Power of the city in terms of unemployment policy elaboration and implementation	Score: 0
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In the issue field of unemployment and labour market politics, the German municipalities' power is very limited.

The social law is regulated on the national level and is valid for the whole country. In terms of passive measures, the municipality has only executive functions. Responsibility for the payment of type II unemployment benefit housing allowances is the only competence the municipality has. In order to do that, it forms a consortium with the local labour agency, which is part of the national labour agency (that is directly subordinated to the federal ministry of labour and social affairs). The municipality has no competence of making decisions on passive labour market policies.

Concerning active politics, implementation is the municipality's major role as well. It has to execute active policies that are formulated on the national level. In addition to this, the social law offers opportunities for the municipalities to create their own active measures and to provide further services like social counselling etc., on a voluntary basis. Examples for these city specific measures and supplies in Cologne are the following:

- A model of employment subsidies for people that are considered "hard to integrate into the labour market" (long-term unemployed, people with disabilities etc.)
- Support for NGOs providing employment measures
- The JobBörsen (job exchanges) for long-term unemployed working in the neighbourhoods
- Support for the unemployment centres and other NGOs doing social counselling for the unemployed

20.	Local spending for passive and active measures per unemployed	Score: +1
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In 2007, the average number of unemployed in Cologne was 60'189. The state spent 141'396'200 € on active and 208'916'300 € on passive measures on the local level.

This is **2'349.20 € for active** and **3'470.49 € for passive** measures per unemployed during one year.

21.	Public information and support services for the unemployed	Score: +1
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Public services for the unemployed: Agentur für Arbeit, ARGE and JobBörsen

As in every German city, the public local labour agency (*Agentur für Arbeit Köln*) is responsible for the unemployed people. There are three offices of the labour agency in Cologne, one in the city centre and two in outlying districts (Porz and Mühlheim, which are also known as some of the most deprived areas).

The labour agency is only responsible for those unemployed who obtain benefits from the social insurance (type I unemployment compensations; *Arbeitslosengeld I*) (which are paid by the social insurance). Long-term unemployed and people who are not eligible for unemployment compensations but able to work obtain type II unemployment compensations (*Arbeitslosengeld II*, former social aid) (which is tax-financed).

In the course of the Hartz reforms in 2005 the municipality of Cologne and the labour agency of Cologne founded a consortium (*Arbeitsgemeinschaft: ARGE*), which is now responsible for beneficiaries receiving type II unemployment compensations in order to strengthen their link to the labour market.¹⁵ There are seven offices in the different districts and two additional offices solely serving unemployed under the age of 25.

Furthermore, there are 17 *JobBörsen* (job exchanges) in different quarters of the Cologne area, some of them especially for women or immigrants. These are consortia of different public charities, associations and private employment agencies (public private partnerships) operating by order of the ARGE. By cooperating with employers in the specific neighbourhood and counselling for beneficiaries of type II unemployment compensations individually and in situ, the aim of the job exchanges is to improve job placement of long-term unemployed and to integrate them permanently into the labour market.

For social counselling, there are eight unemployment centres in Cologne, which are (at least to some extent) financed by the municipality: *Kölner Arbeitslosenzentrum (KALZ)*, *Engagiert in Chorweiler (ECHO)*, *Vingster Treff*, *ABC Höhenhaus*, *Frauen gegen Erwerbslosigkeit, Veedel e.V.* and *Lindweiler Treff*. Since they are, in a broader sense, civil society organisations and important actors lobbying for the unemployed in the city, all of them are included in the mapping for the organisational survey.

Public information for the unemployed

Municipality of Cologne:

There is no general information for unemployed on the website, only two references:

- A list of contacts for obtaining unemployment compensations and social aid:

www.stadt-koeln.de/2/soziales/02391/

- Description of the career counselling services of the labour agency:

www.stadt-koeln.de/buergerservice/themen/schule-bildung/berufsberatung-der-agentur-fuer-arbeit/

Labour agency:

- The local labour agency does not host a website of its own, there is however a page on the website of the national labour agency (see below) containing merely contact data for different issues and groups (unemployed, job seekers, students etc.):

www.arbeitsagentur.de/nn_11386/Navigation/Dienststellen/RD-NRW/Koeln/Koeln-Nav.html

¹⁵ Before that, the consortium in Cologne already existed in the form of a pilot project called JobCenter, which has become a role model for many German cities.

- The national labour agency website provides a lot of information, recent news, and brochures on specific issues (but of course not for the local level):

www.arbeitsagentur.de

Deutscher Gewerkschaftsbund Köln (local office of the federation of German unions) (providing some good information for the unemployed):

http://www.region-koeln.dgb.de/Themen/ALGII/index_html?-C=

More detailed information is available by brochures and flyers at the local labour agency. You have to ask for them at the information desk.

22.	Inclusion of organisations of the unemployed in unemployment policies	Score: 0
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Elaboration of unemployment policies

In Cologne, most relevant unemployment policies are elaborated in the city council's committee on social affairs and senior citizens. Unemployed, representations of unemployed or organisations dealing with unemployment as a major field of activity are not involved there in a formal way.

Over the last decades, the most important decisions concerning unemployment policies were made in the late 90s, when the "role model of Cologne" (*Kölner Modell*) was invented. Cologne was one of the first cities founding a consortium of the local labour office and the municipality in order to strengthen the link between the long-term unemployed (former social aid beneficiaries) and the labour market. During that process the local authorities talked to the civil society unemployed organisations (mainly the unemployed centres), but by debating behind closed doors with each single organisation. So the organisations were not able to participate in an active way. They rather accepted the new policies (that disfranchised the unemployed in some respects) although they did not support them, because they are dependent on the public moneys. One interviewee said, in terms of unemployment, the local authorities act upon the principle "divide and rule".

The head of the committee on social affairs esteems those unemployment centres for "doing a good job" in terms of counselling but does not see them as political actors in any way. In his opinion, there is no civil society of the unemployed. He does not even know about the existence of social movement organisations and their activities in the city (which are, of course, more radical than the 'dependent' unemployed centres), or at least, pretends not to do so.

Implementation of unemployment policies

The advisory board of the consortium of the municipality and the local labour office (*ARGE*) is the body implementing the most important policy decisions in terms of unemployment at the local level. It is constituted by altogether 43 members in a decision-making capacity; two of them are representatives of unemployment centres. However, those are not unemployed themselves, but social workers doing counselling for the unemployed.

Besides the consortium (*ARGE*), the job exchanges play an important role implementing unemployment policies by counselling and placing especially long-term unemployed. They are a consortium of public charities, associations and unemployment centres on the one hand and private employment agencies on the other hand (public private partnerships).

Some of the unemployed centres have, apart from their civil society work and their social counselling, established job exchanges in their districts, which are now part of those centres.

23.	Inclusion of other civil society organisations in unemployment policies	Score: +1
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Elaboration of unemployment policies

The city council’s committee on social affairs and senior citizens is constituted by members of the parties that are represented in the city council.

Further, members of the grand confederations of German welfare organisations take part in a consultative capacity. This is:

- Charitable Organisation of the Protestant Church (*Diakonisches Werk*): 2 seats,
- German *Caritas* Association: 2 seats,
- Workers’ Welfare Federation (*Arbeiterwohlfahrt*): 2 seats,
- German Red Cross: 2 seats,
- Synagogue Community (2 seats),
- Welfare Association for all Sections of society (*Der Paritätische*): 1 seat.

Moreover, there are some consultative “qualified citizens” in the social committee. They are proposed by certain advisory committees and working groups on the municipality level:

- 2 persons proposed by the representation of senior citizens (*Seniorenvertretung*),
- 2 persons proposed by the integration council (*Integrationsrat*),
- 2 persons proposed by the local working group on lesbians, gays and transgender,
- 1 person proposed by the local working group on disability policies.

Thus, civil society is included in the policy-making process in a consultative capacity.

Implementation of unemployment policies

Charities, trade unions and employer’s federations are as well included in the advisory board of the consortium of the municipality and the local labour office (*ARGE*) with a decision-making capacity. Further, some charities are actively engaged in implementing unemployment policies by running job exchanges.

V. Opportunities: related issue-fields

24.	Adaptation of education offer to the labour market situation	Score: +1
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In the German dual system of vocational training, the education offer is directly related to the labour market: The company looks for a trainee for any job position, train her or him for 3 years and hires her or him as an assistant afterwards.

However, during the last years, companies offered less and less apprenticeship training positions. Hence, there are more and more young people visiting schools without being associated to a company or looking for a job without having served an apprenticeship.

In order to counteract this tendency, the national government made a pact with the German trade associations in 2004. This pact aimed to procure a training position for every young person who is able and willing to serve an apprenticeship.

In 2007, the rate of apprenticeship positions had increased about 8%, but that was still not enough. Therefore, a second pact was made for the period of 2007-2010. The two parties agreed upon the following:

The private companies will:

- procure 60'000 additional apprenticeship training positions per year,
- procure 40'000 additional practical training positions per year,
- and will make 30'000 additional companies engage in procuring apprenticeship positions.

The government will:

- increase the public subsidies for the employment of deprived youth,
- provide at least 7% of apprenticeship training positions at the public administration,
- finance the 40'000 practical training positions for three years.

The national labour agency will:

- continue subsidizing external apprenticeships
- reserve 7'500 external apprenticeship positions for immigrants,
- continue providing qualification measures for young unemployed.

25.	Public support for elderly services	Score: 0
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In general, the need for nursing care is compensated by the care insurance. This is part of the health insurance, which is, unlike the unemployment insurance, not related to an employment. In Germany, every person is liable to pay contributions to the health insurance. Hence, everybody is covered by the nursing care insurance.

In case of need, the nursing care benefits are spent on day care institutions and ambulant nursing services (so-called welfare centres). Those services are, as a rule, provided by the

public charity federations (like Caritas, Diakonie, Worker's Welfare, Red Cross etc.). They are subsidised by the state and operate not for profit. A lot of people work there on a voluntary basis. Traditionally, the welfare federations are the main field of civil society in Germany. Apart from nursing care, many charity federations provide meeting places and special activities (like dancing, gaming) for elderly people.

About half of the nursing and/or retirement homes are public in Germany. Most of them are run by charity federations, about 20% of the public homes are held by municipalities. Due to low insurance benefits and subsidies and rising costs, there is a permanent lack of personnel at the public homes. Thus, in most cases, the care situation in public homes is insufficient.

The other half of the nursing/retirement homes is private-owned and very expensive. Here, the service is much better, but the costs are such high that they are not covered by the nursing care insurance, which leads to the fact that only those make use of them who can afford it.

26.	Public support for young people to live alone (combinations of amounts and addressees)	Score: 0
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There is no special measure supporting young people that live alone. However, they may obtain public subsidies if they belong to a specific group of needy persons. Each of the type of payment is addressed directly to the needy person, not to the family.

Unemployed – unemployment benefits

Young unemployed who have paid contributions to the unemployment insurance obtain type I unemployment benefits. Young unemployed under 25 years who are not eligible for insurance-based benefits but needy, should live with their parents according to the national law. The family is means-tested, and only if it is not possible to support the child, she or he will obtain a reduced rate of type II unemployment benefits. Besides her or his type II unemployment benefits (280€/month as a rule), she or he obtains only subsidies for housing and heating if there are grave reasons, like:

- social reasons (if the parents mistreat them, are alcohol or drug addicted) or
- if they are included in an activation measure or job opportunity that is too far away.

Even if young unemployed live alone and obtain housing subsidies, they get only 80% of the unemployment benefit's standard rate. At the age of 25, they obtain the full rate of 351€/month.

Hence, if there are grave reasons, the municipality pays for an own (appropriate)¹⁶ accommodation like it does for every type II unemployment beneficiary.

Students – education subsidies (BAföG)

Students (attending school, university or serving an apprenticeship) who do not have an income and whose parents are not able to support the education (family is means-tested) obtain education subsidies. The amount is up to 643 € per month for cost of living and housing (students living with their parents obtain less money). The subsidies are a mixture of public transfer payments and an interest-free credit, so a part of it has to be paid back. The subsidies are only paid as long as the education requires formally.

¹⁶ Up to 50 sqm for a single person, the rent should not deviate significantly from the local rent index.

Other needy persons – housing subsidies

People who are needy but do not obtain neither unemployment benefits nor education subsidies (e.g. because they do not want to file an application or need too much time for their studies), may obtain housing subsidies. This is an allowance for housing and living costs. For young people aged fewer than 25, the family is means-tested. The average payment per household is 140 € per month.

Besides of those group-related measures, every child under age 25 who is in education obtains child allowances, which is, as a rule, 164 € per month. The child allowances are addressed to the parents and are not considered as income for the child, but for the parent.

27.	Child support (combinations of length and amounts)	Score: +1
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Child credit is paid to parents 12-14 months after the birth or adoption of a child and is related to the net income of the parent applying for the benefits. Parents, who have been unemployed before, obtain a fix amount of 300€ (additional to their unemployment benefits).

On the national level, the states spend about 4 billion € on child support per year, 2/3 of that is paid in form of income-related subsidies and 1/3 in form of social assistance (the fix amount of 300€).

Amount

The income-related child support covers 67% of the former monthly net income, but not more than 1800€ per month. A parent who has earned less than 1000€, obtains more than 67%. For each 2€ under the limit of 1000, the covering rate increases 0.1%. Hence, a person who has earned 340€ or less obtains 100% of her or his former income.

A parent obtaining child support is not allowed to work more than 30 hours a week. Someone who earns less than 2700€ per month by such a part-time employment obtains 67% of the loss of earnings, but minimum 300€. A person earning more than 2700€ obtains a fix amount of 300€.

If the parent has another child under 3 years or two other children under 6 years, the child support is increased by 10% or at least 75€.

In the case of a multiple birth, the parent obtains 300€ for each additional child.

Parents that are insured based on the statutory health insurance do not have to pay contributions while obtaining child credit.

Duration

The maximum duration is 12 months for one person and 14 months if both of the parents take parental leave. This is an incentive for fathers to engage in the care of their child. The times may be divided between the parents in any combination. Both of them may even take parental leave and obtain child credit at the same time (e.g. during seven months, both of the parents obtain child credit). It is most common that the mother claims child credit for 12 months, in some cases the father will claim the two additional months.

Single parents may obtain child credit for 14 months, but only if the mother was employed before the birth or adoption.

Child credit may also be extended up to 24/28 months if the parents claim only half of the amount they are entitled to.

In addition to child credit, parents obtain **child allowances**. This is a fix amount, regardless of the parent's income. Child allowances are paid as long as the child is in education, maximum up to the age of 25. The amount is 164 €/month for the first and the second child, 170 €/ month for the third child and 195 €/month for every further child.

28.	Externalisation of child care	Score: +1
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National level

In 2006, 86.5% of children age 3-6 were sent to day care institutions, but only 13.8% of the parents used day care possibilities for children under three years (8% in Western and 40% in Eastern Germany).

In 2005, the law for development of day care came into effect. According to this, the capacity of day care institutions shall be enlarged up to 230'000 additional places for children aged less than 3 years.

Thereupon, conservative politicians claimed for a measure supporting parents that do not use day care offerings and keep their children at home (e.g. as a care benefit for children age 1-3 not sent to day care institutions). In 2008, the government agreed on the introduction of such a care benefit in 2013. However, depends on the new government whether this idea will be implemented.

Regional level

The federal lands are responsible for the implementation of the law for development of day care. In North-Rhine Westphalia, the number of places for children aged under 3 shall be increased from 16'000 (2007) to 90'000 (2010). About one third of the day care institutions shall be transformed into family centres. The land is willing to increase the expenditures on day care from 819 million € (2007) to 1.09 billion € (2010). The additional institutions offering day care may be public or private.

The day care fees are related to the parent's income. The municipalities decide on the amount.

Local level

In 2008, the municipality of Cologne spent 3'573'200€ on external child-care (especially in the deprived areas) and additional 4'672'000 on the development of external care for children under 3 years.

The day care fees are related to the additional income of both parents if they live together. For single-parent families they are related to the income of the parent that lives with the child.

Up to a yearly net income of 12'271 €, day care is free.

Depending on the income the fees are:

- Up to 341.07€/month for children aged 0-3
- Up to 256.36€/month for children aged 3-6 (before they go to school)
- Up to 164.96€/month for children going to afternoon care after school
- Up to 150.00€/month for children going to all-day school

29.	Measures tackling recruitment discrimination of ethnic and geographical forms, that is, targeting either the individual or group dimension (positive discrimination)	Score: 0
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The national non-discrimination law allows for affirmative action, but there are no further regulations. The national government has started a campaign fostering diversity management in public and private enterprises. This measure goes along with a national entrepreneurial initiative of diversity in the workplace.

In Cologne, 10 large companies and 9 small and medium-sized enterprises signed a charter admitting to implement diversity as an important credo of their employment policies. Amongst them, there is the municipality of Cologne and the regional broadcasting corporation.

In the course of the national campaign, there was a competition on exemplary integration of immigrants. The Cologne Ford factory won the national competition (having an immigrant rate of 40%), the Cologne Lufthansa ranked second.

Hence, there is no public intervention to fight against recruitment discrimination, but some measures based on private business' choice.

30.	Establishment of measures tackling recruitment discrimination based on disabilities (looking at public work and private business)	Score: 0
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According to the law, public as well as private enterprises that have 20 or more employees have to reserve 5% of their job positions for severely disabled people. If they hire a severely disabled person that is very hard to integrate into the company, they can reduce the further obligatory positions reserved.

As long as a company does not employ enough severely disabled persons to fulfil the quota, it has to pay deductions. Those deductions are paid into a fund which subsidises measures aiming for the integration of severely disabled people into the labour market.

Each company that employs 5 or more severely disabled persons based on fixed-term contracts is obligated to have a representative body for disabled employees. This body agrees on further measures concerning the integration of disabled persons in the company. Those may be further quotas, agreements on apprenticeship positions for disabled people or on part-time work etc. Moreover, the representative body is included in the recruitment process.

In the public sector, employers are obliged to invite every severely disabled job applicant for an interview. Otherwise she or he must give substantial grounds.

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Laws

- SGB II – Social law, second book. Concerning type II unemployment and social assistance for the employable needy.
- SGB III – Social law, third book. Concerning type I unemployment (social insurance-related) and "active work subsidies"

INTRODUCTORY NATIONAL SCENARIO - ITALY

Simone Baglioni, Matteo Bassoli, Paolo Graziano and Lorenzo Mosca

With the exception of health care, the Italian system of social protection is not organised according to one universal criterion. For each branch, in particular for pensions, there is one special administration which is responsible for the collection of contributions and the provision of benefits. In the past, the implementation of legislation and supervisory activities were assumed by two Ministries, the Ministry of Labour and Social Protection (*Ministero del Lavoro e della Previdenza Sociale*) and the Ministry of Social Solidarity (*Ministero della Solidarietà Sociale*). The Berlusconi IV Government (in charge from May 2008) has merged the two Ministries in one – the Ministry of Labour, Health and Social Solidarity.

The case of Turin has been selected because it represents one of most important formerly industrialized cities in Italy which over the past twenty years has been experiencing major unemployment problems, in particular with respect to the young population. This was due to the important dismissals in the manufacture and the more general crisis of the Italian big industry. Moreover, Turin was selected also for its tradition of strong social fabric made of civil society associations, trade unions and political parties, grown up in both the most important Italian political cultures: the Catholic and the Communist one.

I. The Political Context

Over the past 15 years, the territorial allocation of powers in Italy has gone through a significant change. Before 1993, very limited budgetary autonomy was guaranteed to the municipalities, whereas with the introduction of a municipal tax on real estate (which in many municipalities covered almost 50% of the total revenues until 2008) provided much more opportunities for the formulation and implementation of local policies disjointed from the national policy goals. Municipalities in Italy currently have major responsibilities in environmental policies (often through public or public-private utility companies), local development, housing, social assistance, tourism, 'law and order' or local police and culture. The autonomy is however rather limited since in many of the above mentioned fields the municipal power is shared with other public authorities (Provinces, Regions, State). A recent constitutional Law – Law 3/2001 and an even more recent Law (Law 42/2009) have provided even more responsibilities to local authorities although the institution which gained more power is not the municipality but rather the Region. Nevertheless, the municipalities now have significant power in both policy formulation and implementation – at least with respect to the past.

Furthermore, the Italian party system has traditionally – until the early '90s – been a multiparty system (or, in Sartori's words a 'polarized pluralism' system). From the early '90s, however, several electoral reforms and party changes have made Italy much more similar to a bipolar system since two big parties (currently *Partito democratico* and *Popolo della libertà*) have emerged as the pivotal party actors although they still need allies in order to rule. Also

at the local level the system can be labelled as a 'bipolar system' in the making since in almost every big municipality the main competition is between a *Partito Democratico* candidate and a *Popolo della libertà* one. And also in Torino this has been the case in 2006, the year of the last municipal elections.

Also with respect to the balance of powers between the legislative and the executive over the past 15 years there has been a relevant change. Whereas before the early nineties, Italy could be easily defined as a parliamentary regime, today it is still formally parliamentary but the government has much more power than in the past. Surely it is not formally a 'presidential' regime, nor a semi-presidential but it could be labelled as a semi-parliamentary regime since the government has *de facto* an increasing political power also over the parliament, in particular thanks to the use of special governmental decrees (*decreto-legge*) and the increase in the call for confidence votes in order to limit the parliamentary autonomy. Finally, at the national level, the current electoral system can be defined as a proportional system with threshold and majority premium. Here are the details.

For elections to the Chamber of Deputies, each elector casts one vote for a party list. These lists are closed, so electors cannot choose individual candidates in or alter the order of such lists. 617 out of 630 Chamber seats are distributed at the national level according to the Hare-Niemeyer PR method among: coalitions that obtain at least ten percent of the votes and which include at least one party that obtains two percent of the vote or more; political parties that obtain at least four percent of the vote, running individually or as part of a coalition that obtains less than ten percent of the vote; and parties representing recognized linguistic minorities that obtain at least twenty percent of the vote in their corresponding regions. Chamber seats awarded to a coalition are in turn proportionally allocated among constituent parties that have obtained at least two percent of the vote; however, this requirement is waived for the coalition party with the largest number of votes among those polling fewer than two percent.

The new Chamber system provides for a nationwide majority premium: if the coalition that obtains a majority of votes initially receives less than fifty-five percent of the seats filled in Italy proper (340 out of 618), its number of seats is increased to 340. In this case the remaining 277 seats – the autonomous region Valle d'Aosta continues to elect one deputy in a single-member constituency - are apportioned among the other qualifying coalitions and individual parties.

Italian citizens residing abroad elect the remaining twelve deputies. These seats, which are grouped in four regions - Europe (including the entire Russian Federation and Turkey), South America, North and Central America, and the rest of the world - are also distributed according to the Hare-Niemeyer PR method.

For elections to the Senate, electors vote for a closed party list in eighteen of Italy's twenty regions. Senate seats in these regions are apportioned by the Hare-Niemeyer PR method among coalitions that receive at least twenty percent of the vote and which include at least one party that receives three percent of the vote or more, as well as parties that receive at least eight percent of the vote, running individually or within a coalition that receives less than twenty percent of the vote. Senate seats awarded to a coalition are in turn proportionally allocated among constituent parties that have received at least three percent of the vote.

The new Senate system also features a regional majority premium: if the coalition that obtains a majority of votes in a given region is initially allocated less than fifty-five percent of the seats filled in the region, its number of seats is increased to no less than fifty-five percent of the region's total, and the remaining seats are distributed among the other qualifying coalitions and individual parties. However, no regional majority prize is awarded in Molise, which elects only two senators.

Valle d'Aosta continues to elect one senator in a single-member constituency, and Trentino-Alto Adige continues using the previous Senate electoral system, in compliance with a 1991 law that established six single-member Senate seats in the autonomous region, equally distributed between Italian-speaking Trento (Trent) province and German-speaking Bolzano (Südtirol) province. Finally, six senators are chosen by Italian citizens residing abroad; these seats are filled in the same manner as the corresponding seats in the Chamber of Deputies.

II. The Welfare State Model

More in general, the Italian model of welfare state has been centered on the role of the family as an agent of social protection (Ferrera, 1996) and the overall welfare is particularly centered on pension expenditure and much less on covering other social risks (*OECD (2004a)*). Especially in comparative terms, the Italian anomaly is particularly striking (*Eurostat database*)

Although there has been an interesting debate regarding the endurance of the Southern model (Bonoli, 1997; Kautto, 2002; Bambra, 2007) there still is significant evidence of the persistence of a Southern model at least with respect to the overall public expenditure on social policy (which differentiates Italy especially from the Scandinavian model), the relevance of social assistance (limited coverage and no public national minimum income scheme) and overall target of the welfare state (not the individual but rather the family). This is particularly true with respect to employment policy (see Jessoula, Madama and Graziano, forthcoming).

III. The Industrial Relations Model

The Italian IR-systems can be considered as an example of the continental system, although it has some peculiar traits such as the 'tripartite' *concertation* system where the state, trade unions and business associations were the key players. In the past 15 years, especially the centre-left governments have used tripartite concertation before drafting important welfare state reforms (if not promoting formal codecision mechanisms, the centre-left governments have always negotiated trade unions support for welfare state reforms), whereas the centre-right governments have stressed the importance of *social dialogue*: the centre-right governments have promoted consultations with the social partners but have always made clear that the final decision was a governmental one.

The Italian union density is over the EU average: 34% in Italy, compared to an EU average of 25% (source: ETUI, 2006). The main peculiarity of the Italian union system, however, is that unions are very strong in the representation of pensioners interests: if we look at the most recent Italian data (2007), we see the key common feature of the Italian trade unions is that they protect full-time workers, whereas the representation of 'outsiders' is rather weak (see also Jessoula, Madama and Graziano, forthcoming). The most important business association is CONFINDUSTRIA which gathers primarily big companies, whereas small and medium enterprises are also represented by API and CONFAPI – although their representativeness is still very weak if compared to CONFINDUSTRIA. Also the State is a fairly relevant employer, since – according to recent OECD data (2007) – 13.5% of the labour force is employed by the public sector, in line with other 'continental' countries but below the public employment of Scandinavian countries.

In Ebbinghaus terms, indeed the Italian model can still be characterized as a good example of the “Latin subsidiaristic welfare states and polarized labor relations” (Ebbinghaus, 1998: 24) since the main industrial relation cleavage is political, the union density is relatively high and labour conflicts (measured by working days lost by strike) is also relatively high.

IV. Youth Unemployment and Unemployment politics

With respect to employment and social inclusion policies, the past years have been particularly interesting since several reforms have been approved and implemented. The following table summarizes the major reforms concerning unemployment and inclusion policies.

Law no. 223/1991: - introduction of a new unemployment benefit scheme: *indennità di mobilità* (mobility allowance) targeted to dismissed workers already covered by the *Cassa Integrazione Guadagni Straordinaria* (extraordinary short term compensation benefit targeted primarily on workers of big firms mainly in the industrial sector). It provides generous benefits (replacement rate: 80%) for 12 months (extendable to 48 months with a consequent reduction of the replacement rate of the subsidy). Emphasis should be put on the following laws:

Law no. 236/1993: ordinary unemployment benefit: replacement rate increased to 25% of previous wages, but duration (six months) and eligibility requirements (at least two years of insurance seniority and contributions paid for at least 52 weeks in the two years prior to unemployment) unchanged.

Law no. 451/1994: - ordinary unemployment benefit: replacement rate increased to 30% of previous wages, but duration (six months) and eligibility requirements (at least two years of insurance seniority and contributions paid for at least 52 weeks in the two years prior to unemployment) unchanged.

Law no. 196/1997: - introduction of new flexible measures of labour contracts (i.e. temporary work) and expansion of previously existing flexible measures (part-time, apprenticeship and continuous collaboration contracts). Furthermore, a reorganisation (i.e. re-launch) of vocational training is regulated by the Law.

Law no. 388/2000 (2001 budget law): - ordinary unemployment benefit: replacement rate increased to 40% of previous wages; duration increased to nine months for workers aged 50 and over (it remained six months for the under-50); eligibility requirements (at least two years of insurance seniority and contributions paid for at least 52 weeks in the two years prior to unemployment) unchanged.

Law no. 30/2003 and L. Decree 276/2003: - introduction of new flexible contracts (project, job on call, etc.) and further promotion of part-time contracts.

Law no. 80/2005: - ordinary unemployment benefit: replacement rate increased to 50% of previous wage for the first six months (40% for the following three months and 30% for the remaining months), duration increased to seven months for workers under-50 and to ten months for workers over-50, eligibility requirements unchanged.

Law no. 247/2007 (2008 budget law): - ordinary unemployment benefit: duration increased to eight months for the under-50 and twelve months for the over-50, replacement rate increased to 60% of previous wage for the first six months (50% for the following two months in the case of the under-50 and 50% for the following three months and 40% for three months in

the case of over-50), eligibility requirements unchanged - unemployment benefit with reduced eligibility (*indennità di disoccupazione a requisiti ridotti*): replacement rate increased to 35% of previous year daily average wage for the first 120 days, 40% for the following, maximum duration increased to 180 days, eligibility requirements unchanged (at least two years of insurance seniority and at least 78 days of work in the year).

The main consequence of the reforms has been to 'loosen' up the employment protection legislation (OECD online labour market programmes database).

No specific policies targeted on the young people have been approved at the national level recently, in particular with respect to employment and social inclusion. Young people have joined the labour force either as 'atypical' workers or as 'standard' workers (especially for non qualified jobs). The following table provides some information on the evolution of atypical contracts in Italy over the past years.

V. The Italian Family Regime

Also with respect to family policies Italy has been often characterized as a crucial example of a Southern model (Gauthier, 2002). In particular, the Italian regime is characterized by:

- a. A high degree of fragmentation along occupational lines and an unbalanced mix of universal and private services and benefits;
- b. Low levels of cash support which leads to high levels of child poverty;
- c. Low level of support for working parents (in particular if measured with respect to duration of maternity leave, duration of total leave and the provision of cash benefits during the maternity leave).

Nevertheless, if we look at the role of the family in the overall provision of welfare state benefits (Ferrera, 1996), we do realize that within the Southern welfare state (and in particular in Italy) the family offers social protection both via intergenerational cash transfers (for example, parents and grandparents who provide at least 'pocket-money' to young people often until their late twenties) or via service provision (the most 'classic' example is housing opportunities since according to estimates based on recent ECHP data eight out of 10 Italians aged under 30 still live at home, and the average age for moving out is 36). Therefore, the Italian family – unlike in non-Southern European countries – is a 'social protection dispenser' whereas family policies are fragmented and poorly funded.

INSTITUTIONAL INDICATORS - ITALY

I. The unemployment

1.	Formal pre-requisites for obtaining social provisions/ conditions to obtain insurance compensations	Score: -1
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Every unemployed has to register at the closest '*centro per l'impiego*' (employment centers) in order to qualify as an 'unemployed'. In some specific cases (part-time unemployment, i.e. temporary reduction of work in large and medium-sized companies due to a conjunctural economic downturn or other specific reasons), workers may be covered by ordinary earnings supplement benefits (*Cassa integrazione guadagni ordinaria --CIGO*) or extraordinary earnings supplement benefits (*Cassa integrazione guadagni straordinaria --CIGS*).

All salaried workers (i.e. with a permanent or fixed term regular contract) can apply for the *ordinary unemployment benefit* program; for the *special unemployment benefits*, the workers (or ex-workers) have to be employed in the construction industry; for the mobility allowance (*indennità di mobilità*), all salaried workers (with the exception of those working in the construction industry) can apply but only if they have already qualified for the extraordinary earnings supplement.

For the *special unemployment benefits* the layoff has to be connected to the cessation of activity, completion of work, cuts in personnel, recession, etc. The qualifying period also varies. For *ordinary unemployment benefit*, the worker has to be insured for at least two years and have at least 52 weekly contributions during the last two years. For *special unemployment benefits*, the worker needs to have ten monthly contributions of 43 weekly contributions during the past two years in the construction industry. For the *mobility allowance*, at least 12 months of insurance, of which at least 6 months of effective work.

2.	Level of coverage/ amount compared to minimum and average salary and duration	Score: -1
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The earnings taken as a maximum (2008) are the following:

- Ordinary unemployment benefits: 1,773.19 euros
- Special unemployment benefits: no ceiling
- Mobility allowance: 1,773.19 euros

The duration of the programs and the rates of the benefits are the following (2008):

- *Ordinary unemployment benefits*: 50% (for the first 6 months, 40% for the 7th) of the average pay received during the last three months with a monthly ceiling of 816.92 euros for earnings inferior to 1,773.19 euros and of 985.10 euros for earnings equal or superior to 1,773.19 euros.

- *Special unemployment benefits*: 80% of previous earnings with a monthly ceiling of 983.54 euros for earnings below 1,773.19 and of 1,182.12 for earnings beyond or equal to 1,733.19.
- *Ordinary earnings supplement benefits* (technically, not an unemployment benefit): 80% of previous wage with a maximum duration of 12 months or 24 months in parts of the Italian territory (i.e. the southern regions), with the same ceilings as for the ordinary unemployment benefit scheme.
- *Extraordinary earnings supplement benefits* (technically, not an unemployment benefit): 80% of previous wage with a maximum duration of 12 months or 24 months under specific conditions, with the same ceilings as for the ordinary unemployment benefit scheme.
- *Mobility allowance*: for the first year 100% of the extraordinary earnings supplement scheme, for the following months 80% (maximum duration 2 years as a whole), with the same ceilings as for the ordinary unemployment benefit scheme. Maximum duration (for ex-workers over 50 years of age and in southern regions): 48 months.

There also are other special measures for agricultural workers which are quite relevant with respect to the number of overall beneficiaries (see point 11) but which – since 1/1/2008 – cover up to a maximum of 40% of the average daily allowance for a period of maximum 182 working days.

The Law 247/2007 (see Table 2) has, among other minor changes, increased the coverage of the ordinary unemployment benefits. More in detail, the duration has increased to eight months for the under-50 and twelve months for the over-50, replacement rate increased to 60% of previous wage for the first six months (50% for the following two months in the case of the under-50 and 50% for the following three months and 40% for three months in the case of over-50), whereas the eligibility requirements have remained unchanged.

No coverage is provided to those workers who have ‘atypical contracts’ (such as the *contratti a progetto*), with a limited exception in connection to the current recession: the government has approved the ‘anti-crisis’ Law 2/2009 which provides up to 20% of the previous gross annual salary for those workers with an ‘atypical contract’ (*contratto a progetto*) with a maximum ceiling of 2,600 euros.

3.	Extension of coverage/ who is insured or compensated	Score: -1
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The attribution of unemployment benefits is only linked to employment/unemployment status.

4.	Shifting to Social aid/ means-testing and amount	Score: -1
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The unemployment compensation system is mainly organized at the national level, and since there currently is no minimum wage scheme at the national level there is no possible shift to social aid/means-testing social measures at the national level. Although there are some local means-tested policies (mainly at the provincial and municipal level) aimed at combating social exclusion, there is no any possible shift since the schemes are managed by different institutional actors and requirements vary from city to city.

5.	Role played by public and private employment agencies	Score: - 1
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Until 1997 (with the Law 196) no private agencies were allowed in the Italian system neither at the national level, nor at the local level. Since 1997 numerous temporary work agencies have opened (about 70 agencies are currently active in Italy and they are spread everywhere). Also with respect to vocational training courses, until the second half of the '90s a limited number of regions allowed private organizations to operate in the field. Therefore, the system was almost exclusively public with respect to both labor placement and employment services. Due to the lack of efficiency of the system, an important reform of the Employment services centers occurred and during the second half of the '90s many regions started to externalize vocational training courses and several temporary work agencies offered also other employment services to unemployed.

The local level situation reflects the national one. Since 1997, the role of private agencies has expanded although not in a very coordinated way with respect to the local employment offices. At the provincial level, there has been an attempt to better coordinate public and private employment services, but no institutionalized form of cooperation has been created. Therefore, today the key role in providing 'standard' employment services (job placement, counseling, etc.) is still played by reformed public employment services, whereas vocational training is coordinated at the regional level and assured by both public and private organizations.

It is extremely difficult to 'grade' this item since no clear and undisputable indicator can be found. Nevertheless, if we compare the overall Italian situation and its local specificity in the province of Turin, it is possible to state that the integration of public and private employment services is still in its initial phase – although clearly developing.

6.	Counter-provisions and sanctions (length and intensity)	Score: NL 1
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Due to the limited provision of unemployment benefits in the Italian case (see previous points), there are no sanctions with respect to the unemployed who are entitled of an unemployment benefit. If we look at the Ordinary and Extraordinary Earnings Supplement benefit of the Mobility Allowance one – the real core of the Italian unemployment benefit system – we see that no sanction is corresponded to those who do not work. But this is not surprising, since those who benefit from the above mentioned measures 'technically' are not unemployed, therefore they are waiting for their respective companies to 're-hire' them as soon as the conjunctural crisis is over. Typically, there is only one requirement for taking part in vocational training programs, i.e. to be registered as an unemployed at one of the public employment services centers.

At the local level, since no basic income or unemployment benefit is guaranteed, there is no sanction due to the lack of support measures.

7.	People receiving unemployment benefits	Score: NL -1
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The total number of unemployed in Italy at the end of 2008 was 1,775 million people (Source: ISTAT – National Statistics Institute). The unemployment rate (end of 2008) was 7.1%.

As far as the beneficiaries go, the following figures provide information regarding the various benefits at the national level (2001-2006):

	2001	2006
Ordinary Earnings Supplement Benefit	52,366	65,237
Extraordinary Earnings Supplement Benefit	35,155	71,892
Mobility Allowance	86,465	100,617
Special unemployment benefit (construction workers)	6,032	744
Ordinary benefit for construction workers	16,380	26,308
Agricultural unemployment benefits	326,895	397,152
Other special benefits	876	10,875
<i>Total beneficiaries</i>	524,170	672,828

Source: Italian Labor Ministry, *Rapporto di Monitoraggio*, 2008.

The 2006 number of unemployed people in Italy was 1,673,000. It is not very accurate to compare the two sets of data (since the sources are quite different and, as already explained previously, the Ordinary and Extraordinary Supplement Benefits beneficiaries are technically not considered to be unemployed), but if we take the percentage as a (very) gross indicator of coverage, then we can estimate figures with respect to 2006 – the latest available data with respect to beneficiaries: $672,828/1,673,000 = 40.2\%$.

If we do not count the Ordinary and Extraordinary Supplement Benefits beneficiaries, the 2006 numbers are the following: $535,699/1,673,000 = 32\%$.

Probably the most appropriate calculation to do is the following: overall beneficiaries/total unemployed + Ordinary and Extraordinary Supplement Benefits beneficiaries, i.e. $672,828/(1,673,000+137,129) = 672,828/1,810,129=37.2\%$. In any case, the percentage of unemployed is rather limited, especially if compared to other European countries.

At the local level (Province, not municipal since comparable data are not available at the municipal level), the unemployment situation is quite different. The average number of unemployed (2007) was 47,000, whereas the unemployment rate was 4.7% – lower than the national average of 2007 which was 6.1%. Due to the unavailability of data, it is possible only to compare the overall unemployed figure in the Province of Turin in 2008 (47,000) with the number of people involved in the Ordinary and Extraordinary Supplement Benefits schemes (although, as already discussed, it is rather inappropriate, it does provide a very gross indicator of the number of people who are ‘protected’ from the risk of being unemployed). In 2008 the total number of people involved in the Province of Turin in the Ordinary and Extraordinary Supplement Benefits schemes was 6,047, i.e. 13% of the total unemployed population. But, again, the local figures have to be taken with (great) caution.

8.	People receiving sanctions for abusing the benefit system	Score: NA
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The only sanction (i.e. the loss of benefits) regards the untruthfulness of the unemployment declaration – i.e. people stating that they are unemployed without being it. No data available.

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: 0
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Limitations on the employer's freedom to dismiss were introduced by Act 604 (1966) for companies employing more than 35 people and extended to all organizations by Act 108 in 1990. As far as fixed-term contracts are concerned, termination is automatic at the end of the specified duration or at the completion of the specified task (sec. 2, Act 230). Nevertheless, the employer may terminate the contract earlier for "just cause" (sec. 2119, CC).

Termination of a contract of indefinite duration by the employer (sec. 1, Act 604), on the other hand, is only possible for a "justified reason" and provided that the notice period is respected (sec. 2118, CC). Collective agreements frequently list the grounds for dismissal. Termination without grounds is limited to trial periods, domestic workers, employees who have reached retirement age and directors. For all dismissals an employer must make a severance payment (*trattamento di fine rapporto*).

Neither Act 604 nor Act 108 contain very precise definitions of just cause or justified motive. However, there is a body of case law which helps to clarify these concepts. "Just cause", in broad terms, requires very grave conduct which, when evaluated both subjectively and objectively, constitutes a serious and irremediable breach of the contract of employment (sec. 2119, CC). Whether such a breach has occurred would normally have to be determined ultimately by a court, taking all relevant factors into account. Justified reason is defined as the obvious failure of the employee to fulfill contractual obligations; or reasons inherent in the production process, the organization of work or the smooth running of the undertaking (sec. 3, Act 604). Any dismissal will be deemed automatically unfair unless it is for just cause or justified motive, and the correct procedures have been followed. The burden of proof lies with the employer.

According to the existing laws, there are a number of provisions protecting individual categories of employees, which will render their dismissal automatically unfair; for example, dismissal on the grounds of political opinion, trade union membership, sex, race, language or religious affiliation will automatically be unfair, and members of workers' committees may not be dismissed or transferred for one year following the cessation of their duties on the committee without the authorization of the relevant regional trade union organization. Discriminatory dismissals (sec. 3, Act 108) are considered null and void. Reinstatement of these workers is mandated by law. This law also applies to directors and domestic workers. Dismissal on the grounds of pregnancy, if the dismissal takes place between the conception and the end of the female employee's statutory period of absence on confinement leave or unpaid leave, until the child reaches one year of age, is specifically prohibited. Dismissal on the grounds of marriage is also prohibited. Protection against unfair dismissal of managerial employees is regulated by collective agreements.

Law 223/1991 on collective dismissals applies to all employees except managers in firms employing more than 15 people (five employees in the agricultural sector). All dismissals in firms of fewer than 15 employees are regulated by the law on individual dismissals even if they take place together. A collective dismissal is defined as a change in employment levels caused by a reduction in, or change of, activity involving five or more employees in a single unit of production over a period of 120 days or five employees in several units belonging to a

single employer within a province. The law also covers job losses in firms which cease doing business entirely.

There is an emerging dualization in the Italian system (for further details, see the national introduction to the report). More in particular, whereas the ‘standard’ workers (in large companies) are strongly defended, all the others are poorly protected (in particular, those who have a temporary or atypical contract). Even those who work in small companies (see table below) are not strongly protected. Therefore, an overall assessment of the Italian situation is quite complex, since we could score – 1 with respect to ‘atypical’ workers and + 1 for standard workers. If only one answer is allowed, then the score would be 0.

10.	Temporary work	Score: -1 -1
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As already mentioned, the Law 196/1997 also deals with the restriction on temporary work and regulates temporary work agencies, which previously were not allowed. The use of temporary work is permitted, but only in limited instances, such as the replacement of absent workers and where permitted by collective agreements. The Law also identifies a number of cases in which temporary work is prohibited, including:

- Dangerous work;
- Replacing workers on strike;
- In firms ‘shedding’ labor where the employees hold the same qualifications as those to be recruited on a temporary basis.

Other forms of temporary work (such as “Work-training” contracts) are also permitted for young workers who also receive training, for duration of up to two years. Probationary periods must be specified in writing. Service under probation is added to the employee’s length of service once the contract is made permanent. Probationary periods can last between 12 days and six months, depending on the job level.

In 2007, almost 600,000 workers were involved in temporary contracts (more precisely, 594,744 – source: *Assolavoro*), of which 57% were male workers and 43% female workers. If we consider the total work-force (2007) the ratio is almost 1% (more precisely, 0.91%). More in detail, 76.9% of temporary workers were Italians, 2.1% were of an EU origin and 21% of a non-EU origin. The age distribution is the following:

Italian Nationality	
Below 24 years of age	116,855 (25.56%)
25-29 years of age	106,340 (23.26%)
30-34 years of age	88,144 (19.28%)
35-39 years of age	57,742 (12.63%)
40-49 years of age	65,605 (14.35%)
50-64 years of age	21,533 (4.71%)
Over 65 years of age	960 (0.21%)
<i>Total Italian workers 457,180</i>	

EU Nationality	
Under 24 years of age	1,611 (12.84%)
25-29 years of age	3,028 (24.3%)
30-34 years of age	2,722 (21.9%)
35-39 years of age	2,062 (16.3%)
40-49 years of age	2,468 (19.7%)

50-64 years of age 644 (5.3%)
 Over 65 years of age 14 (0.11%)
Total workers of EU nationality 12,549

Non-EU Nationality
 Under 24 years of age 18,940 (15.15%)
 25-29 years of age 23,603 (18.8%)
 30-34 years of age 28,091 (22.7%)
 35-39 years of age 24,190 (19.5%)
 40-49 years of age 25,141 (20.1%)
 50-64 years of age 5,038 (4.3%)
 Over 65 years of age 13 (0.01%)
Total workers of non-EU nationality 125,015

At the local level, the only available data is at the regional level: in *Piedmont* in 2007 65,841 workers had temporary contracts, representing 1.27% of the working population.

11.	Role of unions in the benefit system	Score: 0
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The role of the trade unions in the benefit system is relevant in reaching agreements on the ordinary and extraordinary earnings supplement benefits (and, indirectly, also for the mobility allowance scheme) since, there is a formal consultancy role played by the trade unions before the request for the benefit is made to the relevant offices (INPS). Furthermore, in the overall management of INPS, there is an institution (*consiglio di vigilanza e indirizzo*) which formally plays a supervision role on the activity of the Institute and therefore may be relevant in the overall design of the implementation of the unemployment benefit system. However, no specific role is played formally in the implementation or management of the measure. For all the other unemployment benefits, unions play no formalized role.

12.	Unions protection of workers	Score: 0
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The Italian union density is over the EU average: 34% in Italy, compared to an EU average of 25% (source: ETUI, 2006). The main peculiarity of the Italian union system, however, is that unions are very strong in the representation of pensioners' interests: if we look at the most recent Italian data (2007), we see the following numbers with respect to the three most important Italian trade unions:

	Members (workers)	Members (pensioners)	Total
CGIL	2,613,093	2,991,648	5,604,741
CISL	2,240,043	2,186,994	4,427,037
UIL	1,496,074	564,835	2,060,909
<i>Total</i>	<i>6,349,210</i>	<i>5,743,477</i>	<i>12,092,687</i>

Source: websites of the three trade unions (last access: May 16 2009)

Together with these 'leading' trade unions, we should also consider at least two other 'leftist' trade unions (CUB and COBAS) which have around 1,500,000 members (detailed data not available) and the 'rightist' trade union UGL which declares to have over 2,000,000 members

– although there are several doubts on the reliability on this data since membership data are not made public (but this is something which applies to all unions).

The key common feature of the Italian trade unions is that they protect full-time workers, whereas the representation of ‘outsiders’ is rather weak (Jessoula, Madama and Graziano, 2008).

13.	Flexible workers	Score: NL 0 LL -1
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Over the past years there has been a significant debate in Italy over the definition of flexible or precarious workers (see Sacchi and others, 2009; Jessoula, Madama and Graziano, 2008). The following table shows the overall increase of the ‘atypical’ or flexible workers in Italy from 1993 to 2006.

Percentage of "atypical" or flexible contracts in Italy

	1993	1998	2003	2006
Permanent, part-time	3.2	4.7	6.3	7.9
Fixed-term contracts	6.1	8.6	9.9	9.5
TOTAL	9.3	13.3	16.2	17.4

Source: ISTAT

According to the Ministry of Labor (which, using other definitions, considers the ‘flexible’ workers to represent only 13.4% of the total workers), almost 90% of the ‘flexible’ workers did not choose the ‘atypical’ form of contract since they had no other possible choice (Rapporto di monitoraggio, p. 99).

In absolute terms, the ‘flexible’ workers are almost 3,000,000 (2008 data), according to other sources almost 3,400,000 (IRES-CGIL). In comparative terms, the Italian situation is not very different from some other countries (see following table with the available data) and from the EU-15 average; the peculiar aspect with respect to Italian ‘flexible’ workers is that they have a very limited (if not inexistent) social protection. As already mentioned in the discussion of previous indicators, the overall unemployment benefit system in Italy is still designed in order to protect ‘standard’ (or ‘insiders’) workers.

	1995	2000	2007
Italy	10,9	12,7	13,2
France	12.2	15.4	14.3
Germany	10.4	12.7	15.6
Portugal	10.0	19.9	22.4
EU-15	11.5	13.7	14.8

Source: Italian Labor Ministry, *Rapporto di Monitoraggio*, 2008.

If we look at the age distribution, it is particularly striking that the ‘flexible’ workers are concentrated among young people (aged 15-24) and less in the 25-49 or over 50 years of age categories. Unfortunately, we do not have disaggregated data with respect to other categories (for example, 25-39), but some studies (CGIA, 2009) and trade union sources (IRES-CGIL, 2009) show that the ‘fixed-term’ contract starts to become less diffused only for workers above 40 years of age, and it is particularly intense with respect to the ‘*collaborazione a progetto*’ contract in the 25-34 category.

Limited (and different) information on the local level is available. The only available data at the provincial level is provided by ISTAT which however has another category: 'independent workers' (which includes also employers and autonomous workers). According to these data, in 2007 the overall situation in Turin was the following: of 957,000 workers, 228,000 were independent (23.8%) and 729,000 (76.2%) were 'dependent' workers. No age distribution data is available at the provincial level. Therefore, we can estimate that less than 25% of the workers in 2007 had flexible (i.e. fixed term) contracts in the Province of Turin.

III. General Opportunity Structure

14.	Referenda at the local level	Score: +1
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The Statute of the Municipality of Turin allows two types of referendum: art. 15 allows a consultative referenda, whereas art. 16 allows abrogative referenda. Furthermore, the Statute (art. 14) allows 'popular initiatives' which are policy proposal which can be made by the citizens to the legislative body of the municipality (*Consiglio comunale*). More in detail:

Art. 14 of the Statute states that citizens (at least 1,500, 5,000 in case of initiatives aimed at the modification of the municipal Statute) may propose to the municipal legislative body (*Consiglio comunale*) a 'popular initiative' regarding the policy fields for which the Municipality is responsible.

If we consider that the voting population in Turin is (2006 data) 736,892, the ratio percentage of voting citizens required for the proposal of 'popular initiatives' is 0.002% in general and 0.007% for Statute amendment proposals.

Art. 15 of the Statute states that consultative referenda are permitted with respect to the issues on which the municipal legislative body has authority, with the exception of local taxes and tariffs which are regulated by national or regional legislation. The referendum is adopted by the absolute majority of the counselors.

Art. 16 of the Statute states that abrogative referenda are allowed when at least 20,000 citizens ask for it (via petition subscription). The abrogation allowed can be either partial or total. Abrogative referenda are not allowed in the following fields:

- Municipal decisions on Statutes of institutions which are different from the Municipality itself;
- Budgetary decisions (i.e. provisional or final budget decisions);
- Local taxes and tariffs;
- Administrative regulation

15.	Number of (consultative or binding) referenda held over the past five years (local level)	Absolute figure: 0
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None.

16.	Citizens Assemblies	Score: -1
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The Statute of the Municipality of Turin does not regulate any 'citizen assembly'. Regular petition signed up by citizens can be addressed to the legislative body (*Consiglio comunale*) but no formal 'citizen assembly' is foreseen by the Statute.

If we expand the notion of 'citizen assembly', then the most important citizen assembly would be the Turin Social Forum, made of over 50 civil society associations which deal however mainly with non municipal issues – with the exception of immigration (and, to a certain extent, social inclusion) policies. However, the Turin Social Forum 'technically' is not a Citizen assembly since it is primarily made of associations and not individual citizens. Furthermore, the Turin Social Forum is not active anymore.

17.	Degree of state decentralization	Score: - 1
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Over the past 15 years, the territorial allocation of powers in Italy has gone through a significant change. Before 1993, very limited budgetary autonomy was guaranteed to the municipalities, whereas the introduction of the *Imposta Comunale sugli Immobili* (ICI), a municipal tax on real estate (which in many municipalities covered almost 50% of the total revenues until 2008), provided much more opportunities for the formulation and implementation of local policies disjointed from the national policy goals.

Municipalities in Italy currently have major responsibilities in environmental policies (often through public or public-private utility companies), local development, housing, social assistance, tourism, 'law and order' or local police and culture. The autonomy is however rather limited since in many of the above mentioned fields the municipal power is shared with other public authorities (Province, Regions, State).

A recent constitutional Law – Law 3/2001 and an even more recent Law (Law 42/2009) – have provided even more responsibilities to local authorities although the institution which gained more power is not the municipality but rather the Region. Nevertheless, the municipalities now have significant power in both policy formulation and implementation – at least with respect to the past.

In fact, if we take recent data following Lijphart's criteria (Vatter, 2009) we see that Italy scores relatively low both with respect to the degree of fiscal decentralization (only 5,4% of the total tax revenues are raised at the local level) and constitutional arrangements (Italy scores 1,5 out of 5 available points).

18.	Decentralization at the local level	Score: 0
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Turin is divided into 10 'sub-municipalities' (*circoscrizioni*) which, according to the Statute of the Municipality of Turin have direct and delegated functions. With respect to direct functions, the *circoscrizioni* have programming competencies in social assistance, cultural, sports, education and local (i.e. within the *circoscrizione*) infrastructural policies. These are the most relevant competences in the hands of the submunicipal administrative units. The delegated

functions may be occasionally allocated by the municipality but such competencies always have a temporary basis.

IV. *Unemployed-specific Opportunity Structure*

19.	Power of the city in terms of employment policy formulation and implementation	Score: - 1
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The employment policy structure in Italy is drawn in such a way that municipalities have no competencies in neither the formulation nor the implementation of employment policy measures. The municipal focus is social assistance.

20.	Local spending for active and passive measures per unemployed	Score: - 1
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See previous point. No municipal spending for active or passive measures.

21.	Public information and support services for the unemployed	Score: 0
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The only information provided at the local level regards vocational training services. Although the municipalities are quite marginal in the provision of information, they often have (as in the case of Turin) an office dedicated to employment issues (*Centro Lavoro Torino*). In fact, at the national level over the past years, following the prescriptions of the European Employment Strategy and using primarily the European Social Fund, vocational training measures have increased enormously – but the allocation of resources lies primarily in the hands of provincial and national offices. In general, local public information at the municipal level is residual to other more relevant sources of information available at the provincial, regional and national level.

22.	Inclusion of organizations of the unemployed in unemployment policies	Score: - 1
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No unemployed associations have been registered so far in the case of Turin. In the past, there have been only some organizations of precarious workers which were primarily engaged in sectorial negotiations aimed at the “stabilisation” of their job. Currently, none of the once existing associations of precarious people seem to still be active. More information will probably be available once all the interviews will have been conducted.

23.	Inclusion of civil society for the implementation of unemployment policies	Score: -1
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At the national level the inclusion of civil society in the formulation and implementation of unemployment policies is limited to the most important trade unions (CGIL, CISL, UIL and, more recently, UGL which is 'closer' to the current center-right government).

At the local level the trade unions are the main actors involved, too. However, they have always played a crucial role primarily in the negotiations connected to the ordinary and extraordinary earnings supplement benefit. The role played by other local civil society actors is very limited, at least with respect to the formulation of the (limited) policies formulated at the local level. Only at the regional and provincial level, and with respect to vocational training policies, non trade unions organizations play a 'consultative' role and play (indirectly) a marginal role in the implementation of vocational training measures.

Also according to the preliminary findings of our interviews, the available information shows an overall limited role played by civil society organizations in the case of Turin – especially if we single out the trade unions.

V. *Opportunities: related issue-fields*

24.	Adaptation of education offer to the labor market situation	Score: 0
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From the early '90s vocational training has gone through a radical change with respect to the education courses offered which are currently more in line with the labor market situation. Until the early '90s, the (limited) courses offered were not in line with the labor market situation (Isfol, 2004; Regini, 2008; Unioncamere, 2008). From the early nineties on, the national and regional governments – following the European Union prescriptions – have differentiated greatly the overall education offer although the 'updating' is rarely led by an overall continuous (i.e. yearly or so) analysis of the needs of the labor market but is more related to the EU programming (currently, the programme of European Social Fund spending goes from 2007 to 2013). For example, very limited attention is paid to the annual data provided by Unioncamere (the national association of the local chambers of commerce) which monitor the labor market situation also with respect to the jobs type needed. In other terms, due to the EU multi-annual programming and its implementation at the local level, there is a limited attention paid to yearly changes in the needs of the labor markets. Although the vocational training system is characterized by annual 'call for applications' with respect to the courses offered by public or private vocational training services providers, there is an overall limited constant adaptation to the needs of the labor market.

Furthermore, it is virtually impossible to distinguish the local (i.e. regional and provincial) level from the national one since the coordinating activities of the national and regional governments are quite binding also for the provinces.

25.	Public support for elderly services	Score: +1
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The territorial allocation of powers in Italy is such that – unlike other policy fields – there is a clear division of labor among the State and the municipalities. The State provides financial support via the pension system, whereas the municipalities provide 'everyday' support via the provision of social services for the elderly.

At the national level, the Italian situation is clearly favorable to (standard) workers who retire since traditionally the retirement conditions were quite generous. It is not by chance that within the overall social expenditure, pension expenditure covers still today almost 60%. From the '90s on, several reforms took place in Italy (Immergut and others, 2007; Jessoula, 2009) and in the future the pension generosity will be severely reduced for all workers (and in particular for 'atypical' or precarious workers).

At the local level, the main focus of the municipalities is to provide social services to the elderly in need via seniors homes and financial support. Here following are the main services provided at the municipal level (Source: Comune di Torino, 2006).

Financial support: in 2002 (last data currently available) the elderly supported financially were 2,417 and the 'dependent' elderly (*non autosufficienti*) receiving extra support were 940.

Delivered meals: in cases of need, the municipality organizes a 'meal delivery at home' service which in 2002 was guaranteed to 756 seniors.

Elderly assistance: another form of public support at the municipal level is represented by the so called '*affidamento*' (i.e. care services provided by individuals or civil society organizations). In this case, individuals or associations visit the elderly and help them out with respect to their daily needs. In 2002, 970 people benefited from this service whereas 2,925 elderly received also health care services.

Online rescue services: in cases of emergencies, online rescue services were provided by municipal social services office. In 2002, 1,155 online rescue services were delivered.

The overall contribution of civil society non profit organizations in the provision of various services to the elderly summed up to over 6,000 services in 2002.

26.	Public support for young people to leave alone.	Score: -1
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There is no such policy neither at the national level nor at the local one.

27.	Child support (combinations of length and amounts)	Score: 0
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It is quite difficult to provide a coherent account of Italian child support policies since the Italian case is characterized by measures which do not have a clear focus on 'child support' (Trifiletti and Turi, 1996; Saraceno, 1997). Nevertheless, the issue has become increasingly relevant also in the Italian political agenda.

The main provisions are at the national level (implemented by INPS and municipalities), although in cases of need municipalities may adopt specific 'child support' policies (typically aimed at financial support of families). The main policy provision is the income tax deduction (*detrazioni d'imposta per figli a carico*) currently regulated by Law 80/2003 and Law. 296/2006 in cases of dependent children (until the age of 18). The deduction depends on the wage of the parents and therefore is clearly progressive but it usually does not exceed 800 euros (900 euros per child if under 3 years of age + 200 euros per child if the family has more than 3 children). Over 10 million Italian families have benefited from this measure during past years. The second national most important policy provision is the so called 'family cheque' (*assegni al nucleo familiare*) which are means-tested and vary in function of the number of children (from 137,5 euros monthly with one child and the overall family annual gross wage below 12,500 euros, to 625 with 5 children). Furthermore, there is also a residual policy provision regarding families with more than 3 children under 18 years of age which equals 128,89 euros per months (13 months). Finally, since 2004 there is the so called 'bonus bebè' for all those children born in families with an annual gross wage inferior to 50,000 euros.

At the local level, the municipality of Turin is responsible for the implementation of the *assegni al nucleo familiare* and offers non financial support to children in need of support.

28.	Externalisation of child-care	Score: -1
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Child care services are organized primarily at the municipal level, although in the past years both the regions and the central government has intervened indirectly by offering incentives for the creation of private day nursery school and kindergartens and bonuses for mothers that decide to stay home with their kids. Although until elementary school in Italy children may stay home, over 80% of the children from 3 to 5 years of age go to kindergartens, whereas a much more limited number of children go to day nursery schools. About 57% of the kindergartens are state run, 14% are run by the municipalities and the remaining 30% is run by private organizations (especially by private religious associations; ISTAT, 2001). With regards to the day nursery, the situation is much more complicated because it depends very much on the capacity of the municipalities to provide funds for local day nurseries. It is estimated that only 6% of the children from 0 to 3 years of age go to nursery schools. The 1971 Law (Law 1044/1971) which established specific quantitative goals was never truly implemented. In Turin there currently are 49 public nursery schools and 46 private nursery schools. There also are other forms of public supports to mothers such as ‘baby parking’ which offer limited services that however may be very useful for mothers.

Furthermore, there are no state (or municipal in the case of Turin) incentives - with the exceptions of the so called ‘bonus bebè’ and maternity leave benefits - towards mothers who decide to stay at home with the child rather than going back to work. Although there also is a special *assegno di maternità* (maternity benefit) which goes beyond the parental leave benefit (and can be accessed only by those mothers who have not benefited from parental leaves) which can be issued either by the State or by the municipality and consists in maximum total benefit of 1,472.60 euros.

29.	Measures tackling recruitment discrimination of ethnic and geographical forms	Score: 0
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There virtually is no policy – neither at the national nor local level – specifically aimed at the contrast of job discrimination. Nevertheless, there are some companies which have established internal procedures against discrimination (especially with respect to immigrants; see AFL, 2006). This maybe less striking if we consider the employment and unemployment figures of immigrants in Italy at the national level: in 2006 the overall figures for immigrants with respect to total employment and unemployment rate were 67.3% and 8.6% respectively, whereas the figures with respect to the same rates for Italian nationals were 57.9% and 6.7% (ISTAT, 2006).

30.	Establishment of measures tackling recruitment discrimination based on disabilities (looking at public work and private business)	Score: -1
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According to ISTAT (2002), the employment rate of disabled people is less than 20%, whereas the overall total employment rate for the same year was 55.8%; also, the unemployment rate was 9.7% whereas the total unemployment rate was 8.7%. The national Laws 104/92, 68/99 and 328/2000 provide some measures for the inclusion of disabled people in the labor market. In particular, the Law 68/99 is explicitly aimed at the labor inclusion of disabled people. Art. 3 of the Law 68/99 clearly states that companies with more than 15 employees have to hire disabled people with the following percentages:

- if the company has between 15 and 35 employees, at least one employee has to be disabled;
- if the company has between 36 and 50 employees, at least two disabled people have to be employed;
- over 50 employees, 7% of the overall number of employees have to be disabled.

The Law regards both public and private companies. Following the national Law, at the regional level a specific fund has been created (*Fondo regionale per l'occupazione dei disabili*) which currently manages about 12 million euros for measures of support to the job placement services offered by the provincial employment services centers. In 2007, in the Province of Turin there were 13,369 disabled people and the available funds for targeted employment services was 250,000 euros on a yearly basis.

Therefore, to sum up, the main measures at both national and local level regard the labor inclusion of disabled in companies (both public and private) and a specific funding of vocational training and employment services activities at the regional/provincial level. If we look at the most recent EU disability action plan (2008-2009) we may conclude that Italy is in line with the EU minimum standards of labor inclusion of the disabled since only limited funds and public policies have addressed the phenomenon.

No specific policy aimed at the labor inclusion of disabled people has been registered in the case of Turin. It is not all that surprising since the most relevant regulations are national and the residual functions are played by the Provincial employment centers. The only existing measure (2005) is a municipal regulation (*Regolamento*) which guarantees that at least 3% of the total contracts signed by the municipality with third parties is signed with disabled people or with companies which employ disabled people. The municipal regulation also supports the inclusion of specific clauses favourable to the disabled in the 'outsourcing' contracts made by the municipality (in particular, with respect of special social cooperatives which facilitate the labor inclusion of disabled people).

INTRODUCTORY NATIONAL SCENARIO - FRANCE

Didier Chabanet, Manlio Cinalli and Christophe Fay

I. Political context

France is a Republic. The President of the Republic is elected for five years in the direct universal suffrage. He names the Prime Minister. On proposition of the Prime Minister, he names the other members of the government. The Government defines and leads the politic of the State. The president chairs the cabinet and promulgates the laws in the fortnight of the transmission to the government of the definitively adopted text. The law is voted by the Parliament. The Parliament includes the National Assembly and the Senate. The deputies in the National Assembly are elected in the direct universal suffrage. The Senate is elected in the indirect vote and assures the representation of the local entities of the Republic.

Traditionally France is a centralized country. Nevertheless, since the 1980s, several laws of decentralization came to strengthen the missions and the skills of local entities. France knows several types of local entities: municipalities (more than 36000), departments (100), regions (26), overseas territories. Communities appropriate freely by elected councils and in the statutory conditions. They settle by their considerations the affairs of their competence. They contribute with the State to the administration and to the land settlement, to the economic and social, sanitary, cultural and scientific development, as well as to the environmental protection and to the living environment. The municipalities, the departments and the regions constitute the institutional executive of the participation of the citizens in the local life and guarantee the expression of its variety. No level of community has supervision on the other one.

The institutions of governance of France are defined by the Constitution, more specifically by the current constitution, being that of the Fifth Republic. The Constitution has been modified several times since the start of the Fifth Republic, most recently in July 2008, when the French "Congress" (A joint convention of the two chambers of Parliament) approved - by 1 vote over the 60% majority required - constitutional changes proposed by President Sarkozy.

The fifth republic was established in 1958, and was largely the work of General de Gaulle - its first president, and Michel Debré his prime minister. It has been amended 17 times. Though the French constitution is parliamentary, it gave relatively extensive powers to the executive (President and Ministers) compared to other western democracies.

The head of state and head of the executive is the President, elected by universal suffrage. Originally, a president of the Fifth Republic was elected for a 7-year term (*le septennat*), renewable any number of times. Since 2002 the President has been elected for a 5-year term (*le quinquennat*). Among proposals put forward by the current president, Nicolas Sarkozy, is one to limit the maximum number of terms to two. The President, who is also supreme commander of the military, determines policy with the aid of his Council of Ministers (*Conseil des ministres*). The residence of the President of the French Republic is the Elysée Palace (*le palais de l'Elysée*) in Paris. The President appoints a prime minister (currently

François Fillon), who forms a government. The residence of the French Prime Minister is at Matignon House (*l'Hôtel Matignon*) in Paris.

In theory ministers are chosen by the Prime Minister; in practice unless the President and the PM are from different sides of the political spectrum (a system known as *la cohabitation*), Prime Minister and president work together to form a government. The President must approve the appointment of government ministers. The cabinet, *le Conseil des ministres*, meets on a weekly basis, and is presided over by the president. Ministers determine policy and put new legislation before Parliament in the form of bills (*projets de loi*); within the framework of existing law, they apply policy through decrees (*décrets*).

The French parliament is made up of two houses or chambers. The lower and principal house of parliament is the *Assemblée nationale*, or national assembly; the second chamber is the *Sénat* or Senate. Members of Parliament, called *Députés*, are elected by universal suffrage, in general elections (*élections législatives*) that take place every five years. Senators are elected by "grand electors", who are mostly other local elected representatives. The electoral system for parliamentary elections involves two rounds; a candidate can be elected on the first round by obtaining an absolute majority of votes cast. The second round is a runoff between two or more candidates, usually two.

While the Minister of Justice, *le Garde des Sceaux*, has powers over the running of the justice system and public prosecutors, the judiciary is strongly independent of the executive and legislative branches. The official handbook of French civil law is the *Code Civil*. New bills (*projets de loi*), proposed by government, and new private members bills (*propositions de loi*) must be approved by both chambers, before becoming law. However, by virtue of Article 49.3 of the French constitution, a government can override parliamentary opposition and pass a law without a parliamentary vote. This does not happen frequently, and in the framework of constitutional amendments, president Sarkozy has proposed reducing the possibility of using 49.3.

In 2009, France is governed by Conservatives. The main political parties are: On the right: The Popular Union Movement (UMP - *Union pour un Mouvement Populaire*), of which Nicolas Sarkozy was leader before becoming President. The UMP has a majority in the National Assembly. Centre right: the New Centre (*Nouveau Centre*). On the left: the Socialist party (*Parti Socialiste*, PS) - the main opposition party, The Democratic Movement (*Mouvement Démocratique*, MoDem), The French Communist Party (*parti Communiste Français* - PCF) and The Green Party (*Les Verts*). France also has some surprisingly resilient extremist parties on the left and on the right, including the Revolutionary Communist League (*Ligue communiste révolutionnaire*) and the Workers' Party (*Lutte ouvrière*), and the National Front (*Front National*).

II. Model of welfare state

The French welfare state is a mixed system combining elements of various organizational models: it lies between the Beveridge and Bismarck models, with insurance funds and strong state intervention, and relies both on wage related contributions and general taxation. The present social security system, including statutory health insurance, officially came into being with the Ordinance of 4 October 1945 which aimed to cover all the so-called 'social risks'. A reform of the organization of social security took place in 1967. It was separated into four branches: health insurance (which represents the largest share of expenditures devoted to social protection), pensions, family allowances, and insurance for work-related accidents and occupational illnesses. The provision of social security was aimed primarily at workers and their

families. The principle of expanding coverage to the whole population was put into practice only in stages.

The founders of the social security system, inspired by the Beveridge report, wanted to create a single system guaranteeing uniform rights for all. However, this goal could not be achieved due to opposition from certain socio-professional groups who already benefited from insurance coverage that had more favorable terms and who succeeded in maintaining their particular schemes (civil servants, in particular). Therefore, the social security system is characterized by a high degree of occupational fragmentation while the largest scheme covers private sector employees.

Management of the boards of health insurance funds has traditionally been shared between the state and the "social partners" (representatives of employees and employers appointed by trade unions). With the funds running ever increasing deficits throughout the nineties this balance has been shifting towards increasing state intervention, particularly since the issue of cost-containment has figured prominently on the political agenda. However, many of the measures taken to reduce expenditure growth have so far been ineffective.

Against a background of slow economic growth and spreading unemployment, the health system has undergone significant changes: one of the most important took place in 2000 in the form of the Universal Health Coverage Act (CMU) which establishes universal health coverage on the basis of residence in France. The CMU Act further shifted the balance of the insurance system away from a work-based system. The objective of equality has prevailed over cost containment as the CMU explicitly aims to increase access for people on low incomes who are exempt from paying contributions.

The pension branch also underwent significant changes: in 1993, the Government decided on a reduction of benefits in the scheme covering private sector employees. Two years later, an attempt at cutting pensions for public sector employees resulted in a massive protest movement which forced the right-wing Government to withdraw their plans. Under the pressure of workers' trade unions, the Government also set up an 'Old Age Solidarity Fund', financed through general taxation. This fund has since taken on the financial responsibility for providing minimum pensions and non-contributory means-tested benefits.

Contrary to the pension system, the family policy branch of the Social security system has been immune to cutbacks in provision and no retrenchment measures have been implemented. This mirrors the salience of family-related issues in the social and political agenda. This also reflects the fact that the family branch and its large network of Local Allowance Funds (CAFs) are responsible for the management of welfare state provisions.

The family branch is a transfer-heavy system which aims at reducing social inequalities and fighting against poverty: for instance they provide more than one million households with the Minimum Income Benefit (RMI) introduced in 1988. France has a long-standing and 'explicit' family policy that is overseen by government institutions and the subject of official reports produced annually. The 'family' as such is legally recognized as an institution that plays an important role in the maintenance of social cohesion. The appointment of a Minister responsible for family issues further demonstrates the importance given to this issue.

Unemployment protection changed considerably in France over the course of the 1990s. Not only were unemployment benefits quite radically restructured, but there was also a seemingly more significant shift with respect to the instruments of unemployment

protection, seen in an increasing emphasis on 'active' measures for labor market integration and reintegration relative to the 'passive' provision of income maintenance. The development of unemployment policy in France since 1990, then, certainly does not seem to conform to predictions of straightforward policy stasis or inertia.

Though French unemployment benefits remained 'theoretically' generous, and investment for every percentage point of unemployment held up at least relatively well, over the 1990s the effort of formal benefit-based protection of the unemployed became considerably more concentrated on a small proportion of the unemployed population alone. Though this is clearly not a story of radical retrenchment, it is not one of simple *status quo* maintenance either.

Between its creation in the late 1950s and the end of the 1970s, the UNEDIC system gradually became more encompassing and generous. On occasions, benefit rights were even opened to groups who had never contributed to the system. This was possible not least because of the low unemployment and generally healthy balance of the UNEDIC coffers. Even with a very low contribution rate, the 'golden age' risk of unemployment could be comprehensively covered out of contributory resources alone.

The auto-financing of a generous system however became less and less viable as unemployment rose rapidly in the 1970s. With employers, in particular, becoming increasingly reticent about further increases in contribution rates, the idea of calling on general fiscal resources became more popular among the social partners. They shared, however, a common concern to ensure that UNEDIC remained a *paritaire* institution, under their joint and unimpeded control. Though the government agreed in 1979 to subsidize UNEDIC without a change in the existing managerial framework, this arrangement would quickly provoke tensions. In the early 1980s, the social partners repeatedly accused the government of failing to adjust its participation to the context of still rapidly increasing unemployment, while the government objected that it could not be expected to contribute more to a system over which it exercised so little control. Even when the first Mitterrand government *did* put new resources on the table, moreover, the social partners – and particularly the unions – were always wary that this in fact masked an attempt by the government to increase its managerial leverage.

In November 1982, the employers however announced that they would accept no further 'little increases' in the contribution rate, and suspended their co-operation in the unemployment insurance system. For the *paritaire* system to survive, they argued, a new division of costs and responsibilities between the social partners and the state in unemployment provision had to be found. The CNPF (*Conseil National du Patronat Français*, now called the MEDEF), proposed to distinguish between insurance expenditures, for employees having worked and contributed, the responsibility of the social partners, and elsewhere solidarity expenditures for other job seekers who no longer had rights in the insurance regime or those who, not justifying a period of work, could not pretend to them.

It was at this point that the only recently unified French unemployment protection system was separated into the *régime d'assurance*, financed and managed by the social partners, and the *régime de solidarité*, financed and managed by the state. The former offered the more generous benefits, and could only be accessed by those with solid contributory records.

While the UNEDIC contribution rate was increased by 0.8%, benefits were simultaneously restructured and cut. In the place of the three pre-existing benefits, a 'single degressive benefit' (*allocation unique dégressive* – AUD) was introduced. 'Degressivity' was a mechanism whereby benefits would be reduced by a certain

percentage every four months, declining more rapidly the younger the beneficiary, and was presented in some quarters as a form of 'activation'. In reality, it coalesced with other measures – such as the sharp reduction in the maximum periods of compensation for those with short contribution histories to greatly reduce benefit entitlement. Simultaneously, the eligibility requirements were considerably tightened for each compensation *filiale*, and especially for minimum benefits, which changed from 3 months contribution to 4 months contribution in the 8 months preceding unemployment.

These measures, which were reinforced in 1993, above all made the first tier of unemployment protection yet more exclusive. In a context of rising unemployment, they resulted in a considerable fall (-7%) in the beneficiary rate of unemployment insurance between the periods 1991-1993 and 1994-1996. This decline in coverage was not only proportional: although unemployment rose between 1993 and 1994, the number of people receiving unemployment insurance on the 31st December actually fell in absolute terms over the same period, from around 2.1 million in 1993 to just under 1.9 million in 1994. Under difficult economic circumstances, the principal method for restoring the financial integrity of the *paritaire* unemployment insurance regime was – in 1992 as 1983-4 - the 'eviction' of those with limited contribution histories.

Many French *insertion* and employment programmes have thus been organized in the public or voluntary sectors, at one remove from the competitive labor market. They also appear to have often been carefully designed precisely with the aim of not undermining established employment norms. In both these respects, the *Nouveaux Services- Emploi Jeunes* (NSEJ) programme introduced under the Socialist Jospin government in 1997 is perhaps most illustrative, having offered some 350,000 young people with few qualifications contracts of employment in the public or voluntary sectors at the minimum wage and for a period of 5 years. The NSEJ programme indeed seems far more suggestive of a Keynesian 'employer of last resort' logic than a liberal 'workfare' one.

The NSEJ programme – which has now been wound down - is however far from typical of French active policies of recent years. Many of the special subsidized contracts (*contrats aidés*) that have been developed as part of recent French employment policy could, in fact, be used in the competitive sector. And whether in the private or public sectors, many of these special contracts have at times also contained provisions, often justified by granting their signatories 'trainee' status, for conditions of employment and remuneration that are derogatory to labor law and collective agreements governing normal employment. Though many such contracts were 'moralized' at the start of the 1990s under pressure from the unions, notably by granting participants employee status and indexing their remuneration to the minimum wage, most remain short-term and part-time contracts, and their expansion has been a major contributing factor in the development of in-work poverty and growing employment precariousness in France in recent years.

Turning to the ratio of 'active' to 'passive' labor market policies helps us to summarize the noteworthy changes in French unemployment policy in the 1990s. The rapid increase in the French activity ratio between 1991 and 1996 is the combined result of an increase in the investment in active measures and the reduction in the investment in unemployment protection that occurred over the same period. Differently put, in the first half of the 1990s a quite new division of labor between active and passive instruments of unemployment policy emerged in France, and this division of labor remained relatively stable (in a period of further growth in expenditure) in the second half of the 1990s.

In sum, there has been a substantial change in the profile of unemployment policy in France since the beginning of the 1990s. Unemployment benefits have been increasingly closely targeted on a section of the unemployed, while unemployment policy

as a whole has witnessed a considerable 'active turn'. Investment in labor market policy has risen, but has become – at least for sections of the unemployed population – considerably less centered on objective rights to income maintenance than previously.

III. Model of industrial relations

Industrial relations climate

- Freedom of association guaranteed by law/constitution?** Yes (in constitution).
- Collective agreements?** Yes - multilevel agreements covering 90% of workforce.
- Proportion of workforce in trade unions:** 8%
- Legal protection from discrimination against union members?** Yes.
- Unions have right to strike?** Yes - and they use it frequently.

Legal employment framework

- Minimum working age:** 16 (but limitations until 18).
- Statutory minimum wage?** Yes.
- Standard workweek:** 35 hours (overtime limited to 220 hours per year).
- Minimum annual holiday entitlement:** 25 days (often extended through collective agreement) + public holidays.

*** Trade Unions**

In membership terms the French trade union movement is one of the weakest in Europe with only 8% of employees in unions. It is divided into a number of rival confederations, competing for membership. (The main confederations are the CGT, CFDT, FO, CFTC and CFE-CGC). There are also other union groupings, such as the FSU, UNSA, and Solidaires. They have significant influence, but they do not at present have the legal status of the five "representative" confederations, although in specific cases they can ask a court to accord them "representative" status. The representative status of the confederations has remained unchanged since 1966. But two reports to government in 2006 have suggested that there could be new means of determining whether a union is representative, at least at company and industry level. Together with changes in the law governing collective bargaining already passed, this might mean a new approach in the future. Despite low membership and apparent division French trade unions have strong support in elections for employee representatives and are able to mobilize French workers to great effect. French trade unionism is much stronger in the public sector, where around 15% of employees are in unions, than in the private sector, where the figure is only 5%. Despite their weakness in terms of membership, French trade unions have been able to mobilize their members for mass action, and, on occasion, change government policy. The most recent example was forcing the government to withdraw its plans for a new employment contract for young workers in 2006.

*** Collective Bargaining**

Collective bargaining can take place at least three levels: at the national level covering all employees; at the industry level which can involve national, regional or local bargaining; and at company or plant level. The framework for collective bargaining has been changed by new legislation, approved in April 2004. In essence, this makes it easier for company agreements to diverge from industry level agreements. In the past, company level agreements could only improve on the industry level agreement by which the company was covered. The new legislation also makes it more difficult for an agreement to be signed by one union in the face

of opposition from the others. However, as yet there is no clear evidence that this has led to substantial changes.

National level agreements for the whole economy often provide a framework for some major area of policy, and are sometimes followed by legislation to give legal force to what has been concluded. The position of national level bargaining has been enhanced by the new legislation, passed at the start of 2007, which commits the government to attempting to get a national level collective agreement before introducing legislation in the area of employment. Industry level bargaining is the most important level for collective bargaining, in terms of numbers covered and for unions and employers' organizations that have already signed an agreement on pay there is an obligation to negotiate annually on pay rates, and every five years on job classifications. However, some of the agreements signed have only limited importance in determining pay as many of the rates they set are below the national minimum wage, which then supersedes them. The government has recently been encouraging the negotiation of new industry level agreements. Despite this in October 2006, there were still 84 industrial or service sectors whose agreements had minimum rates below the national minimum wage.

At company level there is also a requirement for the employer to negotiate annually on pay, working time and working conditions, and in contrast to the obligation at industry level, this is backed up by penalties in case of non-compliance. However, there is no obligation to reach an agreement, and often the employer will listen to the unions' demands and then fix pay and conditions unilaterally. Recent legislation potentially allows company level agreements to diverge from the industry agreement in areas where this is not specifically prohibited by the industry agreement, with the exception of a number of key issues such as minimum pay rates where divergence is prohibited.

Overall, the obligation to negotiate and the fact that government often extends the terms of industry level agreements to all employers mean that formal collective bargaining coverage is very high. A study by the ministry of labor's research arm DARES estimated collective bargaining coverage at 93.4% in 1997 and there are no indications that the figure has fallen since then. However, a later DARES study emphasizes that negotiated general pay increases are only part of the picture for most French employees. In 2004, only 34% of those whose pay went up depended on a general increase; 49% saw their pay increase because of a combination of a general increase and individualized pay rise, and 17% depended entirely on an individualized pay rise.

*** Workplace Representation**

France has a complex system of employee representation at workplace level, through both the unions and structures directly elected by the whole of the workforce. Where trade unions are present, the key figure will be the trade union delegate. Trade union representation begins with the fact that each "nationally representative trade union" can set up a trade union section, which brings together its members at the workplace and has specific legal rights. In addition in medium and larger workplaces, unions have the right to a trade union delegate (DS), who has a role both within the union and in defending an advancing the interests of all employees. Where present, unions have a powerful position, with sole rights to negotiate and to nominate candidates to the works council – in the first round.

The representation of the whole of the workforce on most issues is provided by two separate elected bodies, which have specific legal rights and duties. These are the employee delegates (DP) and the works council – either at company level or at plant level. Normally the employee delegates and the works council are separate, though the same individuals can be elected to both. However, in companies with fewer than 200 employees, the employer can decide that there should be no separate works council and that the employee delegates

should also undertake the functions of the works council. In addition, there is a separate committee which deals with health and safety issues (CHSCT) and individual workers have “the right of expression” about their working conditions. The exact form in which this right is organized is left to local negotiations with the unions, but might involve occasional meetings of groups of workers with their supervisors.

Where trade unions are present they play a crucial coordinating role and the trade union delegate is a key figure. However, because of the low level of union membership many medium and smaller companies operate without a trade union presence. Trade union sections can be set up irrespective of the number of union members or employees, and because of the structure of French trade unionism there will often be several trade union sections in the company.

In companies or plants with more than 50 employees, each trade union with a trade union section in the workplace has the right to appoint a trade union delegate. Figures from the ministry of labor’s research arm DARES, published in September 2006, show that 63% of workplaces of this size make use of this right. The multi-union structure in France means that there will often be more than one trade union delegate, even in medium sized companies. The DARES figures also show that in 2004-005, 70% of workplaces with more than 200 employees had two or more trade union delegates.

IV. Youth unemployment

At the center of the French situation are internal labor markets in which jobs and skills are highly firm-specific and initial entry into the workforce is often characterized by fits and starts, with entry into the job market taking place at a limited number of entry points. It is not uncommon for young people to move from one short-term entry-level position to another, acquiring skills along the way, until a permanent job is secured. The French education system has traditionally had a stronger emphasis on general skills rather than specialized vocational training and apprenticeships, though apprenticeship has made somewhat of comeback in the past decade with some 350,000 young apprentices in the system by 2005. Hovering at over 20 percent, youth unemployment in France has been among the highest in the EU-15, and is seen as reflective of the country’s overall problem of low labor utilization and high structural unemployment in the general population. Atypical contracts are common for young French workers, with approximately one in five employees under 26 working in a temporary or short-term arrangement in 1997. Large-scale youth unemployment and underemployment have had significant effects both on young people’s transition experiences and state policy responses.

The amount of time young people are spending in education has risen dramatically while at the same time the percentage of youth participating in the labor force has declined significantly. Between 1975 and 1994 the percentage of 15 to 19 year-olds in school rose from 70.9 percent to 91.9 percent, while rates for 20-24 year olds increased from 15.8 percent to 43 percent. During the same period, the percentage of 15-19 year olds participating in the labor force dropped from 27.1 percent to 6.7 percent and 20 -24 year olds saw their participation rates decline from 74.6 percent to 51.9 percent. Some scholars argue that lower rates of economic growth over the past thirty years have served to create “a dramatic multi-dimensional fracture générationelle” since the late 1970s. They point to the large redistribution of earnings and incomes between age groups over the past thirty years. In 1977, for example, the earning gap between those French aged 30-35 and 50-55 was 15 percent, but today it is 40 percent; while young people’s wages have stagnated in the past thirty years, the wages of older generations have grown by 20 percent or more. The country’s stubbornly high youth unemployment rates have also brought about large scale interventions

by the state in the youth labor market and by 2005, more than one million young people were participating in a state-funded labor insertion program. Indeed, with nearly 40 percent of all enrollees in state employment programs under 26, it is not an exaggeration to say that the problem of unemployment in France is largely a youth problem, at least from the standpoint of public policy.

We can place youth insertion schemes initiated by successive governments in recent years into one of three categories. The first and largest category consists of policies designed to improve access to the private sector jobs. Some of these schemes, such as the Youth in Enterprise Contracts (*Contrats Jeune en entreprise* - CJE) implemented in summer 2002, adhered to the older tradition of state-subsidized jobs without training and were designed to improve the recruitment of specific categories of young people, including the long-term unemployed and those lacking qualifications. Others schemes, however, have alternated between work experience and training. The Social Cohesion Act of January 2005, for example, established the professionalized contract (*contrat de professionnalisation*), which combines training for qualification with work experience in a company that receives, in turn, an exemption from state social security contributions up to the equivalent of the minimum wage. The second type of French insertion policies emphasizes the insertion of young people into jobs that were perceived to have a socially beneficial function. The New Youth Employment Service Jobs program (*Nouveaux services emplois jeunes programme* - NSEJ), which lasted from 1997 until 2002, sought to place young workers under 26 in long-term (five years) employment in such areas as social mediation, the environment, and personal services. Although the program was designed for unemployed young people with few qualifications in demand in the private economy, almost 80 percent of the 350,000 jobs created by the scheme (mainly as teaching assistants and police officers) had qualifications higher or equal to the baccalauréat. The Social Cohesion Act 2005 provided for a Work Guidance Contract (*contrat d'accompagnement dans l'emploi*) that similarly aims to recruit young unemployed people in the non-market sector for a maximum period of two years and a minimum working week of 20 hours. The third group of measures is aimed at providing assistance for young people facing particularly challenging employment situations, such as those who come from disadvantaged family conditions or have no qualifications at all. The Access to Employment Trajectories program (*Trajectoire d'Accès à l'Emploi* - TRACE) established under the Anti-Exclusion Act of July 1998 excluded young French under 26, the program offered guidance aimed at finding work for a period of up to 24 months (with the goal of finding a permanent skilled job) and combined training and occupational qualifications and financial support for the young person through a job access grant. In many ways, France has bucked the larger supply side trend in trend in European youth unemployment policy approaches. While some schemes, including TRACE and the *contrat de professionnalisation*, clearly have activation elements, others, such as the NSEJ program and the CJE rely on more traditional measures designed to increasing demand, often in sectors identified the state (such as services) perceived to be underdeveloped. This reflects a French discourse that has retained much from those of the Golden Age. Defining unemployment as the result of a simple lack of jobs has persisted in the policy discourse, as has the emphasis on encouraging more work places in the policy responses.

The discourse also a link between unemployment and social disadvantage and a conception of the individual unemployed youth as part of a disadvantaged group whose reintegration into employment (society) is the responsibility of the state. The focus on programs such TRACE and NSEJ on boosting the inclusion of those with perceived difficulties or few qualifications. Here there are appears to be a significant mismatch between discourse and reality – while those young people with disadvantaged backgrounds are often at a higher risk for unemployment, they no longer the only ones who need “reintegration,” as evidenced by the relatively high qualification levels of NSEJ participants. Employers, unions, and the government oversee the dual system, which combines workplace training with vocational

schooling and TRACE was replaced in 2002 by the Integration into Social Life Contract (*Contrat d'insertion dans la vie sociale* – CIVIS). Although it was ultimately withdrawn, the First Employment Contract responsible for the 2006 protests was clearly located in the established discursive tradition that envisioned unemployment as a function of too few jobs.

V. Family

France has a long tradition of family policy. The State tends to stand in for families with the aim of social equality as well as pro-natalism. French family policy is the result of the centuries-long political will of an early-formed central state to affirm itself against the power of the Catholic church. By regulating the family sphere, the Republican state sought to beat the Church on its preferred ground and affirm its own power. The family policy that was finally implemented after the Second World War was a compromise between a Catholic vision of the family and more progressive ideals of social equality. For example, the entire policy was based on the male breadwinner and female caregiver pattern, but the development of kindergartens, introduced at the same time, was meant to promote equal opportunities among French children. Family policy has always been a tool for regulating women's place between the private and work spheres, and has been connected with employment policy.

Current French family policy is a result of a compromise between various political trends. The yearly *Conférence de la famille* is the place where new family policy measures are set out. Extensive dialogue with family movement associations, social protection bodies, union and management elected representatives, and experts precedes this conference. Religious institutions play a minor role. The intervention of the State in the private sphere has long been accepted as legitimate. The State is perceived as the main stakeholder responsible for children. The consensus on the importance of the family and State intervention goes beyond the political divide between right and left. However, there are divergences. Left-wing parties consider that family policy should be directed towards the poorest and adapt to changes in the family and behaviour. Considerations of gender equality have recently been advanced. Right-wing parties exhibit their pro-natalist views more openly. Family policy should allow women to both raise their children and have more children. Moreover, right-wing parties argue for universal coverage for family policy, which should be distinguished from social policy. Current concerns have shifted gradually from the number of births to reconciling work and family. Family policy is designed to encourage mothers' 'free choice' to continue to work or to stop working to raise their children. The idea is that women should not be penalized, whatever their choice, and that public policies should help women to have their desired number of children.

France has a rather generous and diversified family benefit system. Public expenditure on the family is quite high. According to Eurostat data, it was 2.8% of GDP in 2003, which is higher than the EU-25 average (2.1%). However, the Eurostat nomenclature does not take into account all benefits for families (such as the *quotient familial* or early schooling). Including fiscal support for families, the State contribution is estimated to be 3.6% of the GDP. Hence, France may be seen as the European country with the most substantial family policy. The originality of French family is that it mixes pro-birth objectives and objectives of family assistance.

INSTITUTIONAL INDICATORS - FRANCE

I. The unemployment

1.	Formal pre-requisite for obtaining social provisions (conditions to obtain insurance compensation)	Score: 0
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The ASSEDIC pays a substitute income, named "allocation d'aide au retour à l'emploi" (ARE), to unemployed workers in accordance with their age and the duration of their affiliation.

Benefits for return to work are paid to workers who are involuntarily unemployed and fulfill some conditions:

➤ **Contributions' duration**

You should have worked for at least 6 months during the past 22 months (professional training is sometimes considered as paid work).

➤ **Involuntary job loss**

Payout right concerns:

- Dismissed workers, even though dismissal is owing to serious fault,
- Workers who had a forward contract, once it has expired.
- Workers whose contracts have been breached in consequence of an agreement.

Therefore unemployment shall be involuntary. Thus, resignations do not entitle to payout. However, in some cases Assedic considers resignations to be legitimate and the unemployed person can benefit from the payout.

Moreover, if resignation is considered to be illegitimate unemployed worker can take advantage from unemployment benefits if he/she is not reintegrated within 121 days and if he/she fulfills aptitude conditions and is actively looking for a job.

The job-seeker shall expressly apply at the joint Assedic committee which decides on the basis of the application to grant a subsidy from the 122th day.

- **Age**

Workers shall have less than 60 years old to benefit from a subsidy. However, 60 to 65 years old unemployed workers can ask for it if they do not fulfill the conditions for drawing a full pension.

- **Physical aptitude**

Unemployed workers shall be physically able to practise. If he/she has a disability pension, he/she can apply for an unemployment benefit if he/she fulfills physical aptitude condition.

- **Registration as « job-seeker »**

Unemployed workers shall enrol as "job-seeker" to have the subsidy paid.

- Active employment seeking

This condition refers to an actual and continued job seeking.

2.	Level of coverage (amount compared to the minimum /average salary + duration)	Score: +1
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In France the level of coverage is appraised in accordance with the definition of an amount which is the daily reference wage (« salaire journalier de référence »). It is calculated on the basis of monthly wage earned by the worker when he/she was employed. The level of ARE's (Aide au Retour à l'Emploi) compensation is :

10,93 € + 40,4 % of daily reference wage
ou 57,4 % of daily reference wage.

Minimum : 26,66€ a day, within the limits of 75% of daily reference wage

Maximum : 57,4 % of daily reference wage

For a person on minimum wage : 26,66 € X 30 = 799.8 € per month, i.e. 75% of the guaranteed minimum wage.

GARANTEED MINIMUM WAGE

Hourly gross rate: 8,71€ for 35h (gross) :1 321,02€a month (gross)

The duration of compensation

Total duration on compensation depends on the length of the unemployment insurance subscription:

The expiration of the employment contract shall date back to the 12 months preceding the enrolment as job-seeker.

This period can be extended for those who had benefited from a parental leave for educational reasons at the expiration of their employment contract .

ARE is assigned for a period of X days renewable (from 18 January 2006, decree n°2006-188 of 21/02/06 on durations of compensation. JO of 22/02/06), that is :

- ▶ 6 months during the last 22 months : the duration of compensation is 7 months
- ▶ 12 months during the last 20 months : the duration of compensation is 12 months
- ▶ 16 months during the last 26 months : the duration of compensation is 23 months
- 50 years old (or older) wage earners enrolled 27 months during the last 36 months : the duration of compensation is 36 months

3.	Extension of coverage (who is ensured or compensated)	Score: +1
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Old workers

Workers shall have less than 60 years old to benefit from allowance. However, unemployed people from 60 to 65 years old may ask for it if they do not fulfil the conditions for drawing a pension **à taux plein**.

Temporary workers

As a matter of principle, once the job seeker finds an occupation ARE's payment is interrupted. However, if he/she has an occasional or reduced job (regularly declared), he/she

can continue benefiting from ARE (totally or partially) for 15 months if he/she fulfils some conditions. The 15 months' limit cannot be applied to 50 years old (or olde) job. Some particular clauses are applied to people with other forms of social aid. Job-seekers who work occasionally for less than 110 hours per month continue having ARE paid , provided that :

► he/she starts again a paid job with a monthly wage not higher than 70% of monthly gross incomes allowing for ARE's amount determination.

► he/she maintains one or more paid activities, after the loss of a part of them, which represent a monthly income not higher than 70% of monthly gross incomes earned before that loss.

Businessmen

Job seekers who are collecting ARE when they set up or resume an enterprise can continue benefiting from the subsidy until they start effectively their new activity, that is when they register at the Registry of Commerce or at the Trade Directory.

If they did not benefit from a specific Assedic's aid aimed at the setting up or resuming of an enterprise, the combination of incomes and are is possible if incomes resulting from professional activities are not higher than 70 % of the salary on which were calculated unemployment subsidies. Then, after 15 months (this limit does not concern people who are 50 years old or older) unemployment subsidies cease being paid. However, if the new activity is given up, unemployment subsidies can be paid again if the person enrolls as job seeker in effective time.

4.	Shifting to Social Aid (means-testing and amount)	Score: +1
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Art L.262-1 : Every resident in France whose incomes, as provided by clauses L.262-10 and L.262-12, are lower than the guaranteed minimum wage as defined in clause L.262-2, who is older than 25 years old or has one or more children, and who is willing to participate to the activities aimed at his professional insertion is entitled to the "Revenu Minimum d'Insertion".

RMI (avant abattement du forfait logement)

Couple, or single + 1 child :	671, 87 €
single +2, or couple +1:	806, 24€
single + 3 :	969,89 €
Couple +2 :	969,89 €
single +4 :	1146,23 €
Couple +3 :	1146,23 €

Each additional individual (after the third one) : 179,16 €

If RMI is lower than 15,09 €, it is not paid monthly. These little amounts are thus combined and are paid at the beginning of each period of months or even at the end of the year.

SOCIAL SECURITY CMU

Settlement: free subscription: plafond of yearly fiscal income of 8644 € a year, from 01 October 2007 to 30 September 2008 (Source : Site de la CMU)

Complementary :

Plafond of yearly income

single person:	606,00€
2 persons :	909,00€
3 persons :	1 090,83€
4 persons :	1 272,58€

For each additional individual (after the fifth one) : 242,42€

5.	Role played by private and public employment agencies (combination of number of people using these services and duration of their unemployment)	Score: +1
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Since the 2005 Borloo law private agencies have obtained the right to employ under both temporary and permanent contracts. In some way, they are now direct competitors of ANPE. There are 7000 agencies in 2008.

6.	“Counter-provisions” and sanctions (length and intensity)	Score: 0
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There are different situations under which unemployment benefits can be reduced or suspended altogether. Amongst these reasons, we find that the beneficiary cannot refuse twice a « reasonable offer of employment » and false declaration. Once the decision of suspension/reduction is taken, there are only little margins to change it (for example, strict deadline for complaining procedures). Radiation from job-seekers list often follows withdrawal of benefits.

7.	People receiving unemployment benefits	Score: +1
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The number of people targeted by unemployment insurance was 2,42 millions in July 2009 according to figures by Pôle emploi. There is a substantial parity between number of men and women, but these latter are more likely to see their request for benefits to be rejected.

Lyon population: 470 000. Unemployment rate: 9% with same percentages of insured people (43%)¹⁷.

¹⁷Sources : http://www.anpe.fr/IMG/pdf/0904_chiffres_chomage2.pdf ; <http://www.journaldunet.com/economie/expliquez-moi/villes-chomage-faible/9.shtml>

8.	People receiving sanctions for “abusing” the benefits’ system	Score: 0
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In 2008 a new law has been approved to reinforce authorities’ control and potential sanction of those unemployed who refuse a job offer.

➤ ANPE :

According to ANPE, there were 9400 administrative radiations in 2006, to which one should add up 32 000 non-renewal and 23300 radiations for « other reasons ».

➤ ASSEDIC :

According to the Unedic report (*Les Echos*, 26 January 2007), 24 800 sanctions have been established in 2006.

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: -1
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Firing procedure

Compulsory steps:

- Workers need to be notified that they will be called to a formal interview. This interview will be held at least 5 days after a worker's reception of same letter.
- Interview: this can be held in the place of work or in the place where the central administration is constituted. A counsellor from representative institutions of firm can assist the employee facing firing.
- A formal letter of firing needs to be sent at least 10 days after the interview.

Compensations:

Workers who have been fired with a « good reason » have right to a compensation of at least 6 months wage, to which every other usual compensation will be added. This rule cannot be applied when the worker has been working for less than 2 years or if the firm has less than 11 employees. In this case the judge will establish the compensation (which could amount to much less than a sum equal to 6-months wage).

The « indemnité légale »:

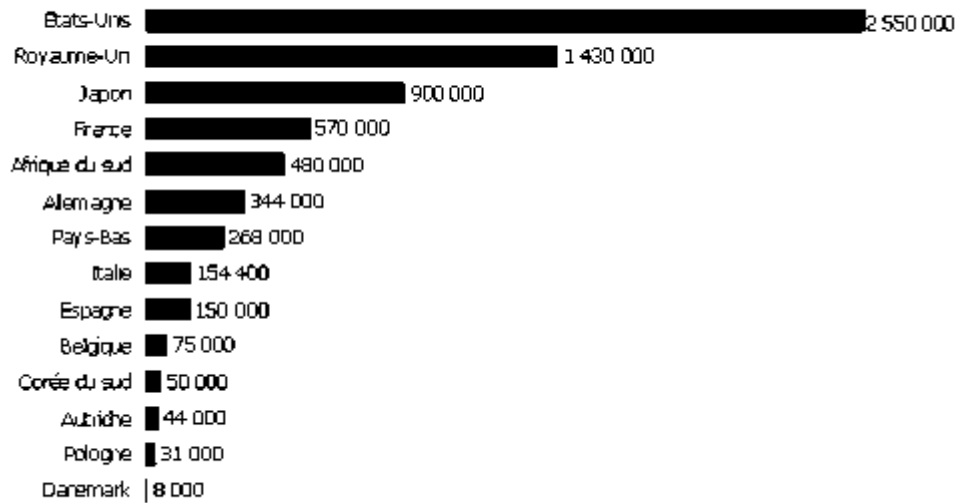
The employer gives this compensation to the employees for personal or economic reason.

Example: for a wage of 1200 € and over 5 years employment, compensation amounts to :
 $(1/5 \times 1200) \times 5 = 1200 \text{ €}$

10.	Temporary work	Score: 0
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France is amongst main labour market of temporary work. In France there are over 560,000 people working every day through forms of temporary contract.

En nombre d'emplois équivalent temps plein (2004)



Source : Confédération Internationale des Entreprises de Travail Temporaire

Overall proportion of temporary work on whole active population amounts to 2,1%.

11.	Role of unions in the benefit system	Score: +1
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The Unedic has managed for a long time the whole system of insurance unemployment (up till 2008). The CGT has its own unemployment committee.

12.	Unions protection of workers	Score: 0
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French law gives unions major exclusive powers such as:

- Finalize a collective contract. a convention ou un accord collectif du travail ;
- Set a trade union section within firms.
- Have a crucial say in occasion of firms elections

13.	Flexible workers	Score:0
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CDI : 19.8 millions (77.3%)

CDD : 3 millions (dont apprentis et intérimaires) (11.7%)

Population active occupée totale : 25, 6 millions

III. *General Opportunity Structure*

14.	Referenda at the local level	Score: -1
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The Constitutional Law of March 28, 2003 on the decentralized organization of the French Republic, supplemented by the general code of local authorities, provides the following rules:

- **Petition:** The electors of each local authority may, by exercising the right of petition, request the inclusion of a particular issue on the agenda of the deliberative assembly or a local authority (of course within its field of competence). Voters in each local authority are concerned at the commune, department, and region level. The law stipulates that 20% of registered voters in the municipalities and 10% in the departments and regions should sign the petition.

- **Referendum:** Any local authority could initiate a referendum by resolution of its general assembly. Deliberative Projects should concern the jurisdiction of a local authority. The general code of local authorities stipulates that “the project subject to local referendum is adopted if at least half of registered voters took part in the poll and if it meets the majority of the voters” (in this case, a quorum of participation does not exist). By the combination of the right of petition and local referenda, the latter is closed to a referendum on popular initiative. But we can not really talk about such a referendum in that the initiative remains the prerogative of the local assembly, the only obligation being to deliberate.

- **The municipal consultations:** in limited circumstances and under strict conditions, the council or any body of inter-municipal cooperation could consult voters. The law of February 6, 1992 organizes the use of municipal consultation. The decision to consult (or not) is on the hand of the City Council (‘Conseil municipal’), at the request either of the mayor or of a third of Councillors in ‘communes’ over 3500 inhabitants (half of Councillors in ‘communes’ less than 3500 inhabitants). The field of consultation is wide enough but should concern the competences of local authorities: for instance, urban development, or transport projects. The use of consultation is not possible during the campaign preceding elections. Consultations on the same subject must be separated by a period of 2 years, and any consultation must be separated by a period of one year from the previous.

15.	Number of (consultative or binding) referenda held over the past 5 years (Local Level)	Score: -1
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No referendum was held in the past 5 years.

16.	Citizen assemblies	Score: +1
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The actions implemented by the City of Lyon regarding local or ‘grassroots’ democracy are the following:

- The **neighbourhood councils** (‘les conseils de quartier’): it is a new tool of consultation for local democracy created by the Law on local democracy (‘démocratie de proximité’) voted on

February 27, 2002 by the national Parliament. There are currently 34 neighbourhood councils in Lyon. Conceived as a forum of information and a public consultation at the local level, they depend on the districts ('arrondissements'). Any person residing or working in a given 'quartier' can participate in these councils. To join, one must be aged over 16, and live or work in the area. Associations can also be part of a neighbourhood council. The same possibility is offered to institutional representatives of economic groups. The Council is chaired or co-chaired by a citizen, elected or appointed by the board of the council, and / or an assistant district ('adjoint d'arrondissement') designated by the borough Mayor ('Maire d'arrondissement'). An office - drawn, elected or appointed among the volunteers inhabitants – is responsible for the daily life of the council and sets the agenda for plenary Council meetings. Each borough Mayor has a budget devoted to the functioning of the Councils. Plenary meetings are held once or four times a year.

- **The Youth City Council of Lyon** ('Le Conseil Municipal des Jeunes de la Ville de Lyon'): its aim is to give young people a voice and raise awareness for a collective approach and involvement in terms of citizenship in the city.
- **The Council for Foreign Lyonnais Residents** ('Le Conseil des Résidents Etrangers Lyonnais' (CREL): it is a place of reflection and proposals allowing foreign populations living in Lyon to contribute to the daily life of the city.
- **The extra-municipal committees** ('Les Commissions extra-municipales'): These committees bring together local politicians and representatives of the population, designated according to their fame, qualifications or professional capability. The issues they cover are quite diverse (early childhood, accessibility for handicapped people, risk behaviour, family, education, etc.).
- **The extra-municipal Commission on accessibility** ('La Commission extra-municipale d'accessibilité'): Created some twenty years ago by the City of Lyon, this committee brings together many disability groups, institutional partners, elected officials and experts, a hundred people in total. The last sessions were devoted to the question of integration at school for children with disabilities, employment, or access to culture.
- **The Initiative Committee and Consultation District** ('Le Comité d'Initiative et de Consultation d'Arrondissement') aims at promoting the participation of associations in municipal life. Used as a consultation tool, it is also a place of involvement and sharing of work experience for local associations. The meetings are public, but only associations registered may participate to the debate. Each 3 months, the CICA participates, with a consultative voice, to the discussions of the borough Council.

17.	Degree of state decentralization	Score: -1
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France is generally considered as a archetypal unitary state. The country differs from other Western democracies by the large powers devoted to the central government, despite the development of the decentralization process particularly since the 1980s. The successive French constitutions have always specified and underline the fact that the Republic is "one and indivisible", which confirms its unitary character. However, the current constitution acknowledges the decentralization, giving powers to local authorities and a special status to New Caledonia, Corsica, or French Polynesia. It was not until 1982 that a genuine policy of decentralization was born. The Constitutional Law of March 28, 2003 relating to the decentralized organization of the Republic seems to complete an old and long process that puts an end to the tradition of centralization of France. The text recognizes irreversibly the

role of local authorities by including in its Article I the principle that “the organization of the Republic is decentralized” and by deciding that the regions now appear - alongside the Municipalities, the departments and the overseas communities (‘collectivités d’Outre-mer’) among the local territories (‘collectivités territoriales’) listed in the Constitution of the French Republic.

18.	Decentralization at the local level: sub-local public structures (at the level of district, neighbourhood) with political powers	Score: 0
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For the Municipalities, the state does not delegate representatives with general skills, such as ‘Préfets’ for the Departments and Regions. The Mayor has a double role: it is both an agent of the State and an agent of the municipality, considered as a separate administrative structure of the central administration, which must support the interests of the population for a specific territory. His authority comes from the fact that he is elected by the council during the first board meeting following the elections. The powers and competencies of the municipalities are the same regardless of their size. They have a general purpose established by the Law of April 5, 1884: “The council is in charge, by its deliberations, of the affairs of the town”. If the ‘Commune’ is the territory which was least affected by decentralization, however its missions have been expanded. We can distinguish traditional skills (in part related to the function of state representative), including:

- Social action (managing of nurseries, kindergartens, residence for the elderly);
- Teaching activities and education;
- Maintenance of municipal roads;
- Development of infrastructure (social housing, business parks, etc.);
- Protection of public order through police powers devoted to the Mayor.

The decentralized responsibilities cover:

- Urban development;
- Teaching activities;
- Economic action. Since the Law of February 27, 2002 on local democracy, local authorities and departments may participate in the financing of subsidies to enterprises;
- Ports and airfields;
- Housing;
- Health (since the Law of August 13, 2004, municipalities may exercise responsibilities for the policy reversal of the unhealthiness in the habitat, as an experiment for four years);
- Social action (the municipality has a complementary role of the Department regarding social community centers (‘centres communaux d’action sociale’). Municipalities analyze social needs of the population and intervenes in requests for social or medical aid. Moreover, the Department may, by agreement, entrust all or part of the management fund devoted to help young people to one or more municipalities;
- Culture.

IV. *Unemployed-specific Opportunity Structure*

19.	Power of the city in terms of unemployment policy elaboration and implementation	Score: 0
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The conditions for compensation and unemployment coverage are national. This level of action remains largely dominant. It should be noted that regional variations in long-term unemployment are limited. Variations tend rather to emerge between countries, because of different (un)employment national policies.

However, the heterogeneity of the unemployed and the diversity of local labour markets put the State in the growing need to individualize care for job seekers and to adapt its response to specific local contexts. A process of “territorialization” has thus been increased in recent years, to the point that we can start to discuss today about a local management of employment. Basically, one can distinguish the policies of state intervention which prioritize categories in order to facilitate their conversion or their “employability”. These policies are called “specific” to the extent that they target categories identified in relation with the difficulties they face in trying to gain qualifications or employment: young people without qualifications, long-term unemployed, social beneficiaries, disabled workers, etc.. At the same time, local authorities foster and support more and more projects of job carried by local actors. If the law gives little powers to municipalities in the area of employment, there is nevertheless, since 2003, a right to experiment defined by the decentralization law, that allows local authorities to derogate to national arrangements if they wish, especially in social and economic domains.

In this context, the competencies of the municipalities concern primarily actions of proximity; they have recently been extended to the economic and social fields, where they were long limited to financial aid to companies creating jobs and to various helps to families in need. The ‘Commune’ has become an important player in the policy against unemployment and social exclusion, and an active agent of economic restructuring and development. A management model of local government in the field of (un)employment was then gradually set up, following a double logic: a managerial logic, since local authorities are increasingly looking for leeway to cope with cyclical moves in terms of needed manpower, and a logic of social or professional integration through the use of public policies supporting employment at the local level.

20.	Local spending for passive and active measures per unemployed	Score: 0
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None.

21.	Public information and support services for the unemployed	Score: +1
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To promote employment and training, the City of Lyon has set up several priorities:

- Facilitate the efforts of Lyons (job seekers, employees and entrepreneurs);
- Implementing a Local Plan for Integration and Employment ('Plan Local pour l'Insertion et l'Emploi' - PLIE), to support institutions which accommodate and assist people most in need regarding job research and training.
- Promote equality of opportunity ('l'égalité des chances'), being careful that all actions in the field of (un)employment comply the principle of equal treatment.
- Expand the implementation of inserting clauses ('clauses d'insertion') in public market ('marchés publics'), to make effective the actual link between urban development and employment.

To fulfil these missions, and in synergy with the main institutional partners and associations, the City of Lyon has initiated the creation of the House Employment and Training (Maison de l'Emploi et de la Formation - MDEF). Open in Lyon since 1st September 2008, the MDEF is a common gate open on all services related to employment, training, individualized job research activities, recruitment assistance and creation of business. It aims at making an active stand in terms of employment and development, to better guide and inform people looking for a job, to help employers in their recruitment, to develop entrepreneurship, in sum to coordinate interventions related to employment, social integration and training.

MDEF has four main objectives:

- Simplifying the course of job seekers, with an unique gateway to answer all their questions;
- Provide specific support to people in need, especially in disadvantaged suburbs;
- Advising and support companies in managing their human resources;
- Establish a job observatory ('Observatoire de l'Emploi'), gathering economic and social data from various agencies and or partners.

MDEF develops practical services for three target audiences:

- Job seekers (personalized assistance for people looking for an employment; linking with local employers; help in using Internet with access to an "Internet-based job"; information on business activities; assistance in training and qualification);
- Employees (advice, assistance and support for training);
- Enterprises (Assistance and support for recruitment, linking with local jobseekers; advice and assistance in human resource management or entrepreneurship).

22.	Inclusion of organisations of the unemployed in unemployment policies	Score: -1
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To our knowledge, no organization of unemployed is consulted by the city of Lyon in the implementation of employment policies and the fight against unemployment, even for advisory advices.

23.	Inclusion of other civil society organisations in unemployment policies	Score: +1
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Following the recommendations of an audit conducted by the association “Accompagnement et Emploi”, the Platform for Employment (‘Plateforme pour l’Emploi’) was established by the City of Lyon at the end of 2003. The objective of this platform is to encourage the employment by conducting a mediation between active job seekers and companies. This system, financed by the City of Lyon, complements existing organizations on employment issues. An agreement between the City of Lyon, the ANPE, the Mission Locale and ALLIES-PLIE was signed in February 2004. Its purpose is to reinforce complementarity and cooperation between different agencies trying to improve the employability of people in social difficulties. A Charter of engagement has been elaborated by the City of Lyon and signed by business companies involved in the Plateforme.

The Plateforme is made to better the coordination between various institutional actors and to improve the ‘readability’ of the offer of inclusion at the local level. Thus, a map of actors active in employment policies and integration in Lyon has been developed. There are now 200 private and public structures whose purpose is employment and employability in Lyon, among which 70 are conventioned under the Platform.

In the same vein, the creation of a House of Employment and Training (‘Maison de l’Emploi et de la Formation’), meeting the objectives of the planning Law for the social cohesion (‘loi de programmation pour la cohésion sociale’) of January 18, 2005, aims to ensure a stronger partnership of actors in the public sector but also representatives of civil society. Implemented as a public interest group (‘Groupement d’Intérêt Public’), the objective is to share and to put in common resources, and to articulate local public policies (the Plateforme is part of the House of Employment and Training (‘Maison de l’Emploi et de la Formation’), the latter being in contact with hundreds of associations in the region of Lyon.)¹⁸.

¹⁸ <http://www.mdef-lyon.fr/spip.php?page=domaine>.

V. *Opportunities: related issue-fields*

24.	Adaptation of education offer to the labour market situation	Score: +1
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At the local level, the question is a non-sense because the French educational system is national.

With the rise of youth unemployment, the problem has become a central issue. Two responses have been made in term of training: increasing the general level of education and improving the articulation between the training system and the production system, for instance through professional development training and support for alternating courses. Concern for the adequacy of specialized training with the labor market has given a little blurred, even if it has reappeared in the late 1990s when shortages of labor have been felt in some sectors, such as the industry. From a very general point of view, the employability of youth is a problem still pregnant as evidenced by the high level of unemployment among people under 25 years old.

We may assume that the role of the school system is both to sort (classify) and train (equip people of productive capacity). If we enter into details, one must distinguish between general education - the more selective - and work – based on professional skills more directly productive. Many studies highlight the fact that too many youth are oriented towards general education, which is the most prestigious, while the labor market requires, at least in some areas, highly skilled manual workers. At the same time, the knowledge society that the EU calls for, encourage more and more people to continue their training. In addition, the conditions under which training is delivered may not have been sufficiently weighed. This primarily concerns the University, which has to cope with a considerable influx of new students, but without having the means to carry them until the DEUG, or a higher degree. It is a problem of financial resources, but also a problem of orientation: are students encouraged to move towards sectors experiencing real opportunities? Have Universities an efficient mechanism for monitoring their students ?

Overall, many analysts agree that there should be a closer cooperation between schools and the 'world of work'. From this point of view, one should be able to evaluate the effectiveness of the growing professionalization of diplomas in France during the last 20 years - including the emergence of professional diplomas (licence, master, to name a few).

In France, the evaluation of training measures have mainly concentrated on youths. This almost exclusive focus on assessment largely reflects the concerns of governments which have always preferred measures incorporating a large wheel of training activities as a way to solve youth unemployment. Devices for young people, such as alternating or learning formations, are well structured and therefore easier to isolate statistically. Indeed, "learning contracts and qualification" ('contrats d'apprentissage et de qualification') were the subject of many studies. They almost universally converge on the finding of a fairly clear effectiveness of such measures. Several studies have compared the future of apprentices ('apprentis') and students from vocational schools ('lycées professionnels ') that receive the same diplomas. The first integrate faster the labor market. A similar conclusion emerges from the evaluations of qualification contract ('contrat de qualification'). The beneficiaries are inserted more rapidly

than the non-beneficiaries young unemployed, and employment is more often stable and not subsidized by the state. Thus, it seems that to perform a real job in a company brings a real added value for the integration.

25.	Public support for elderly services	Score: +1
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Several series of measures in favour of elderly people have been implemented by the city of Lyon. The latter has 23 residences for people over 60, or under 60 but being exempted by the CDAPH (Commission on Human Rights and the Autonomy of the Disabled – ‘Commission des Droits et de l’Autonomie des Personnes Handicapées’). With no medical facilities, these structures are adapted for valid people, able to perform acts of daily life. The housing is individual and can therefore keep all the services of home support. However, the collective structure allows daily monitoring for safety, or personalized assistance if necessary. To facilitate the mixing and inter generational exchange, residences for seniors in the City of Lyon also welcome students.

Because they can not cook (or because going to the restaurant is a pleasure), the City of Lyon is also committed to provide a supply of food for any person (accompanied or not) over 60 years and who desires - occasionally or daily – to have a lunch outside. Furthermore, the Gerontology Department of the City of Lyon offers a year-round special events for people (including the elderly) living in the residences of the City of Lyon. Other specific measures are planned:

- Domestic help, or care;
- Transportation. In the 8th district (‘arrondissement’), Mobiséniors is a transport service for elderly people who want to move from home to a place of rendezvous (there is a small financial contribution, according to income);
- Prevention and health (SOS Maltreatment - ‘SOS Maltraitance’), with a national emergency call against the abuse of elderly and disabled people. A local agency ‘RhônAlma’ also offers a hotline);
- An heat wave plan (‘plan canicule’) exists to support isolated seniors during the summer);
- Operation “Good Neighbours”;
- The Helpline (‘téléassistance’). By signing a contract with a provider, this service allows Seniors living in their home to stay in constant contact with a 24/24 central phoning, and trigger an emergency response if necessary).

26.	Public support for young people to live alone (combinations of amounts and addressees)	Score: +1
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Public interventions targeting youth between 16 to 25 years result from a process of gradual adjustment of provisions that fall within various public policies: education policy, employment policy, family policy, tax policy, welfare policy, housing policy, etc. During the decade 1990 - 2000, the amount of grants have more than doubled (from 480 million € to 1.15 billion €); spending related to employment and employability increase from 4 billion € to 7.9. For the only 18-25 years old, the spending can be estimated at around 31.57 billion €, spread into five major items: education expenditure (16 billion €), employment and professional inclusion (7.9 billion), aid to the family (4.4 billion €), aid to the students (1.7 billion), housing subsidies (1.4 billion).

These measures are made to empower young people, and are characterized by different philosophies in terms of freedom of choice:

- Awards ('bourses') are paid to individual young people and are subject to means-tested parents;
- Family benefits ('prestations familiales') are paid to families (some tested, some not). Young adults may (or not) reside with their parents, but they lose entitlement to benefits if they become beneficiaries of a housing assistance ('aide au logement');
- Employment aids ('aides à l'emploi') follow different criteria (duration of unemployment, level of qualification) and are unrelated to the resources of parents or youth. They are indeed incompatible with the awards.

The system of public interventions towards young people has obvious loopholes that penalize some of them in terms of their autonomy. Thus, the current system of aids does not take into account the evolution and dynamics of individual situations (overlapping statutes, or shifting from one status to another). The lack of guarantee of resources open to youth under 25 must also be emphasized. This is a French specificity compared to European neighbours. The fear of 'freezing', or reinforcing youth exclusion supports this choice. Even if their number is very limited in France, situations of great insecurity of youth people without any means of subsistence, without family support, far removed from the labour market, remains without adequate response.

27.	Child support (combinations of length and amounts)	Score: +1
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In 1999, France has 3.7 million people below the poverty threshold (50% of median income), among whom more than one million children. Some 300,000 children live below the threshold of 40% of median income, representing 2.2% of those under age 18. Since the decentralization law of July 22, 1983, the Child Welfare ('la protection de l'enfance') has been entrusted to the Departments, which are responsible for organizing social assistance to children ('l'aide sociale à l'enfance' - ASE). The departments also manage the RMI or the Solidarity Fund for Housing ('Fonds de Solidarité pour le Logement' - FSL). The departmental action must however fit into a broader national context. The chain of responsibility which underpins the management of the most vulnerable involves other public authorities, first and foremost the State, and actors such as associations and family allowances ('caisses d'allocations familiales'). If the multiplicity of actors has advantages in terms of expanding national coverage, the consequent relative segmentation makes the coordination of social intervention difficult. Social housing highlights the confusion of powers in public action for children most vulnerable. Thus, if the FSL has been decentralized to Departments, the allocation of social housing is shared between the Prefectures (the State), municipalities and public housing agencies (HLM). The CAF ('Caisses d'Allocation Familiales') distribute the Custom Housing Allowance ('Allocations Personnalisées au Logement' - APL), while the State pilot urban regeneration initiatives through the National Agency for Urban Renewal ('Agence nationale pour la rénovation urbaine' - ANRU) and is still responsible for emergency shelter (like in the case of the asylum seekers).

Regarding the scope of public policy, the French system of welfare and child protection is generally not specified. Most policies towards families have an universalist vocation: child allowances are granted without any means; the income limits applied to the maternity grant ('prime à la naissance') and the basic allowance for the Home Benefit for young child ('Prestation d'accueil du jeune enfant' - PAJE) are not targeted measures ('prestations ciblées').

French family policy includes solidarity incomes ('prestations de solidarité ') for the poorest

and benefits in terms of resources (family supplement, housing allowance, school allowance, etc.). According to the equivalence scale of INSEE, 10.5% of household income should be provided to families to ensure the same standard of living than people without children.

From 1992 to 2005, family allowances have lost 3% in purchase power, and 10% compared to net average wage. The API for one child was worth 100% of the SMIC in 1980, against 70% now. In the long term, the degradation is even clearer. To obtain the relative level of 1954, benefits for two children should be of 457 € per month, and are 113 €. Thus, the redistributive character of the French family system is declining...

The additional disposable income ('supplément de revenu disponible') induced by the presence of children is not proportional to the income. In percentage terms, it is decreasing with the level of income: the cost of two children was cover up to 95% for a family living with the RMI, and 14% for families earning 10 times the minimum wage (SMIC). Families with children always have a standard of living much lower than couples: if one compares families earning 5 times the SMIC, the loss of living is 16% with one child, 21% with two children, and 28% with three children.

In 2007, the family allowances ('caisses d'allocations familiales') cover the following benefits:

- **Birth, adoption, and child care** (provision of care for young children, divided into four parts: prime at birth (or adoption); basic allowance; supplement for free choice of childcare; complement for free choice of activity).
- **Children:** family allowances, family supplement; daily allowance of parental presence;
- **School:** special allowance at the beginning of the year;
- **Housing:** personalized aid, moving allowance;
- **Aid for Youth:** allocation of student facility, bank loan for young people;
- **Aid for isolated or separated parent:** lone parent allocation, family support allowance;
- **Child or adult with a disability:** education allowance for disabled child, benefits for disabled adults
- **Insertion:** subsistence benefit (RMI); premium return to work.

28.	Externalisation of child care	Score: +1
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The Contract Childhood ('Contrat Enfance') concluded in 2001 with the Family Allowances Fund ('Caisse d'Allocations Familiales') for a period of 5 years and extended to 31/12/2006 has allowed the City of Lyon to benefit from a national funding. The cost of creating for a place in nursery is approximately 40 000 €. The cost of one hour of functioning is estimated at 9.35 € / hour (2007 figures), which is about 14 230 euro per year. In this hour of functioning:

- Parents financing is 1.49 € on average (14.87%);
- Participation of the CAF ('Caisse d'Allocations Familiales') is 3.96 € on average (42.37%);
- Other contributors: 0.01 € (0.10%);
- Participation of the City of Lyon is 3.89 € on average (41.63%)

Two types of care exist: a permanent one (defined by a contract) and an occasional one (calculated on the basis of the number of actual hours of attendance). For both of them, the price depends on resources, the number of dependent children and possibly the presence of a child with disabilities. The scale is set by the 'Caisse d'Allocation Familiale'. For the year 2009, the threshold of resources considered and recommended by the CNAF is between 6 876 € annually (Floor) and 53 400 € annually (ceiling). Minimum and maximum participation per hour (1st January 2009 figures) are:

	1 child	2 children	3 children	4 children and more
Hourly rate	0.06 %	0.05 %	0.04 %	0.03 %
Participation hourly minimum	0,34 €	0,29 €	0,23 €	0.17 €
Participation hourly maximum	2,67 €	2,23 €	1,78 €	1,34 €

Different types of place are available:

- Child care ('Crèche ou halte-garderie'): these structures admit children from several months to 4 years, under the responsibility of a specialized personnel. These institutions combine a regular and a casual host. A regular reception is planned for children under 4 years. These are bookable seats. The duration (days and hours involved) is determined jointly with parents and is under contract. A casual reception is planned for children under 6 years. The place is punctual, and no booking can be planned. Payment is made according to the length of stay of the child. In the context of these two types of stay, an extra-schooled care can be offered to the families, on Wednesdays and during holidays for children already enrolled.
- Nurseries and 'halte-garderie' with a parental management: they are born in the 1970s. These are small voluntary organizations run by parents, with the support of qualified personnel in "infancy" ('petite enfance'). They offer a collective host combining regular and occasional home for children aged between 2 ½ months and 4 years. Parents participate to the functioning of the structure (eg. administration, treasury, shopping, meals preparation, etc.) and provide care for children during approximately half day per week.
- The micro-nurseries ('micro-crèches'): These are collective childcare for young children created on an experimental basis. The functioning is flexible compared to those applied in the childcare group of higher capacity. Here, the capacity is limited to 9 children under 6 years. People welcoming the children need to have certified skills in the field of childcare, and 5 years of experience as an 'assistante maternelle agréée'.
- Some structures are managed by an association. It may be an association formed solely for this purpose, or an association involved in other sectors of activity (eg. the French Red Cross). Private institutions are not subsidized by the city of Lyon, except certain places open to neighbourhood residents like, hospital nursery 'crèche hospitalière', or nursery business ('crèche d'entreprise').
- Homecare by an independent childminder. This professional must undergo a mandatory training. An official agreement sets the number of children the childminder is allowed to host. The childminder is monitored and controlled by the General Council ('Conseil Général'). Reception conditions of the child (hours, wages, healthcare, etc ...) are negotiated between parents and childminders. Employing a maternal assistant opens rights for assistance for children born after January 2004: the complement of the Free Choice Method of Guard Benefit Home of Young Children ('Complément du Libre Choix du Mode de Garde de la Prestation d'Accueil du Jeune Enfant' - PAJE).
- The services for familial care ('les services d'accueil familial'): the child is greeted by a childminder at home. The maternal assistant is hired and paid by an Institutional employer (association or municipality). There is no contractual relationship between the parents and the childminder, but between a manager (association or municipality) and the parents. The functioning costs of a familial child care ('crèche familiale') are similar to that of a collective structure.

29.	Measures tackling recruitment discrimination of ethnic and geographical forms, that is, targeting either the individual or group dimension (positive discrimination)	Score: +1
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Affirmative action ('discrimination positive') is at the heart of the political debate in France, especially since Nicolas Sarkozy has supported the adoption of such measures to reform the French social model. The main arguments to support affirmative action are the followings:

- Economic argument: control of social deficits, and the need to limit the tax burden imposed a greater focus and a greater selectivity in the allocation of resources for the poorest.
- Argument for the failure of public policies conducted for 20 years by successive political majorities to reduce inequalities because of their insufficiently selective and discriminating dimensions.
- Need for a pro-active action: for example, to advance equal opportunities for access to 'Grandes écoles', Patrick Weil, director of research at the CNRS, proposes the admission in preparatory classes ('classes préparatoires') of 7 to 8% of the best Students from all schools, including those situated in disadvantages suburbs. He said this could have a strong effect on the social mix of the society.

We can combine the arguments of opponents to affirmative action around three main themes:

- A limited effectiveness: for instance, in the United States, the affirmative action have failed to eradicate poverty among the black population.
- Perverse effects: affirmative action turns against the people it is supposed to help in instilling doubt about the level of their performance and quality of their competence, or even stigmatizing the population concerned.
- A severe sprain to the principle of equality of opportunity, which threatens the French social pact: highlighting the criterion of origin instead of the criterion of merit and talents, positive discrimination may be seen as a preferential treatment, particularly for access to selective streams of university and colleges. Some, including members of the middle classes, may well be considered as victims of "reverse discrimination" ('discrimination à rebours'), paying for past injustices they are not responsible for.

Can policies for reducing inequalities conducted in France be conceived as positive discrimination? Some measures taken over the past two years suggest that, in the exceptions to the principle of equal treatment for access to the welfare state, or to selective courses in higher education:

Targeting of certain social benefits in favour of deprived and poor people;

- Ranking of the most disadvantaged areas, which are labelled zone of priority education ('zones d'éducation prioritaire'), with an additional educational resources and special tax benefits for companies that settled there;
- Sciences Po establishing a special procedure for recruitment of students from secondary schools in priority education zones.

However, unlike the United States or India - where affirmative action is explicitly based on personal and indelible characters of each individual (ethnicity or religion, caste origin) - France recognizes only socioeconomic or territorial inequalities and refuse any reference to the ethnicity of people or groups in demographic statistics. The controversy started with the appointment in 2004 of a Prefect "coming from immigration" and presented as a "Muslim" - highlighting the difficulty of France to consider the question of equality in terms of positive discrimination in the way Anglo-Saxon countries do.

The legislative and public measures:

- 1981: creation of priority education zones (ZEP), in order to provide more resources in terms of teaching positions in schools where a high number of students in great difficulty are concentrated.
- Law of July 10, 1987, to promote the employment of disabled people (in the public sector, at least 6% of the employment should be attributed to them).
- Law of November 14, 1996, creating special urban zones ('zones franches urbaines'), benefiting from significant tax measures to promote their development.
- Law of July 8, 1999, on equality between men and women to promote gender balance in politics.
- Law of November 16, 2001, on the fight against discriminations.
- Law of 30 December 2004, establishing the High Authority against Discrimination and for Equality ('Haute autorité de lutte contre les discriminations et pour l'égalité' - HALDE) to which the status of independent administrative authority is attributed. The HALDE may be used by any person victim of discrimination in his daily life (access to housing, employment, etc.).
- Law of February 11, 2005, for equal rights and opportunities, participation and citizenship of disabled people.
- January 2006: draft law on equal opportunities which includes the creation of a national agency for social cohesion and equal opportunities ('Agence nationale pour la cohésion sociale et l'égalité des chances'), with the establishment of 6 prefects in charge of equal opportunities, and power penalty given to the HALDE against individuals or companies found guilty of discrimination.
- Law of 23 February 2006, on equal pay in order to remove within 5 years the wage gap between men and women (currently 20% less for women for an equivalent position).

In Lyon, a "Diversity Charter" ('Charte de la Diversité') was signed recently in the presence of the Mayor of the City and the Minister for the Promotion of Equal Opportunities, Azouz Begag. Its objective is to encourage French companies to respect non-discrimination in hiring, training and career advancement of their employees, and making it a strategic focus. Moreover, the Mayor of Lyon has proposed to create an assistant position ('poste d'adjoint') in charge of Employment and Equal Opportunities. Educational policies, employment and welfare are officially "underpinned by the need to promote non-discrimination". Some of the projects proposed by Gerard Collomb and his team are the followings:

- The establishment of "3D agencies" (Diversity-Dynamic-Diploma), in cooperation with the ANPE;
- The decentralization of the platform "Emploi" in priority neighbourhoods of the 7th, 8th and 9th arrondissement to promote local recruitment;
- The mobilization of the 25 enterprises which registered the Charter of Diversity, so they can speak more directly to the unemployed from priority neighbourhoods.

30.	Establishment of measures tackling recruitment discrimination based on disabilities (looking at public work and private business)	Score: 0
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The law on equal rights and opportunities ('loi pour l'égalité des droits et des chances'), participation and citizenship of disabled people (February 11, 2005) came into force. This text is the expression of the will of President Jacques Chirac, who made the integration of disabled persons one of his priority. This law substantially modifies their protection by ensuring that handicapped people have the freedom to choose their life plan, thanks to a financial compensation for their disability. Furthermore, it aims to promote their effective

participation by improving the conditions of access not only to school children and youth, but also to the use of collective transportation, leisure, etc.

Disability covers any limitation or restriction of participation in social life due to a substantial alteration - lasting or permanent - of one or more physical, sensory, mental, or cognitive capacity. A major problem for disabled people is the (low) level of their resources. Two levels of resources are provided: those intended to offset the consequences of disability and income drawn from their work.

The law creates a right to compensation for disability, by creating a new benefit, the provision of compensation ('la prestation de compensation'). With this innovation, the policy for disabled people moves away from the scope of assistance in which it was confined for years. Open to persons residing regularly in France (including the DOM and Saint Pierre and Miquelon), the allowance is paid both to people living at home or in a social or medical institution (a hospital for instance). Eligible people must have over 20 years, not exceeding 60 years and present an absolute difficulty ('une difficulté absolue') in realization or achieving an activity. These difficulties must be definitive for an expected period of at least 1 year. This benefit is supposed to help to cover expenses related to a need for a human assistance, technical aids, housing or vehicles arrangement, but also for the acquisition and maintenance of animal aid ('aides animalières'), or any special or exceptional needs.

The amount varies, depending on the type of expenditure and the resources of the person. For example, the maximum amount granted for technical aids can not exceed 3 960 € over 3 years, and 10 000 € over 10 years for a housing, 5 000 € for a vehicle and the additional costs for transportation, and 3 000 € over 5 years for animal aid.

Moreover, the law obliges each Department to create a "House of Disabled People" ('Maison des personnes handicapées'). Its mission is to:

- welcome, inform, assist and advise people with disabilities and their families;
- educate all citizens on disability;
- establish and organize the functioning of a multidisciplinary team in charge of the evaluation of the needs of the disabled people, in relation with the Committee on rights and autonomy of disabled people ('commission des droits et de l'autonomie des personnes handicapées');
- assist people with disabilities and their families after the announcement and during the evolution of the disability, to help formulate the project life;
- ensure implementation of decisions taken by the Committee on rights and autonomy.

The allowance for disabled adult (AAH) now guarantees a minimum level of resources. Until now assigned (or suspended) on the basis of income earned elsewhere (rent, wages ...), AAH can now be combined with personal resources of the applicant and, where appropriate, those of his spouse (cohabitant or partner in a PACS), within a threshold depending on family status.

Any child or young person with a disability or a disabling disorder of health must be enrolled in a school closest to home. He may - if his needs require a special training in an appropriate institution - be placed elsewhere with the consent of his parents. To receive such a personalized education, every young person is subject to an assessment of his skills by a multidisciplinary team. When mainstream schooling has been decided by the Committee on rights and autonomy of disabled people, but when the conditions of access are practically impossible, the extra cost of transportation to a more away establishment are the responsibility of the local authority in charge of the development of local accessibility. For the exams, arrangements are scheduled. There may be additional time given to the candidate, the presence of an assistant, the provision of adequate equipment, or the use of personal equipment of the candidate.

The measures facilitating integration through employment have been modified whatever the sector of activity: private, public, mainstream, protected. The principle of non-discrimination has been reaffirmed on many levels. The trade unions representing employers and employees have an obligation to negotiate, once every 3 years in a given branch, and every year in a company, on conditions of employment and job retention for disabled people. Employers must, in addition, implement appropriate measures to enable them “to get a job or retain employment commensurate with their qualifications, and to improve their training”.

INTRODUCTORY NATIONAL SCENARIO – SWEDEN

Jennifer Hobbins, Birgitta Eriksson and Tuula Bergqvist

Introduction

Seat of the county government, capital of the diocese of Karlstad and chief town in the municipality, the city of Karlstad is the centre of the county of Värmland. The municipality of Karlstad is one of the 25 largest in Sweden (out of 95) with its 84 000 inhabitants, and is situated in south-west Sweden, between Oslo and Stockholm, on the delta of Klarälven at the north shore of Vänern, the biggest lake in the country. Since Värmland mainly consists of forest, forestry, wood processing and paper manufacturing play a central role in the county's trade and industry, and today, Värmland is one of the leading provinces in the world within paper and pulp industry. Paper, IT and services are the dominating branches in the Karlstad region, which is following the Swedish average on most areas such as unemployment figures (7 per cent in Värmland compared to 6 per cent in the whole country) and social allowance quite closely, but has a smaller share of inhabitants born in a foreign country compared to the national average. Around 150 000 people live in this region.

Basic statistics of unemployment and precariousness

During the first half of 2009, the relative unemployment figure in Sweden was 9.1 per cent among job seekers aged 15-74 years. The unemployment figure was, during the same period, similar for men (9.4 per cent) and women (8.8 per cent). Among unemployed born in other countries, the unemployment figure was 16.4 per cent compared to 7.8 per cent among native Swedish unemployed. Youth unemployment rates, concerning unemployed aged 15-24, increased even more, with 3.9 percentage points, to 29.0 per cent (SCB 2009a). At the beginning of 2008, the labour market situation started to deteriorate, which made unemployment rates among young people increase, especially among unemployed young people from foreign countries, whose relative unemployment figure was 31.8 per cent. During the first months of 2009, 13 per cent of the unemployed aged 15-24 had been unemployed for more than 26 weeks, which is the definition of long term unemployment used in Labour Force Surveys (SCB 2009b). In Värmland, the relative unemployment figure for unemployed aged 15-74 was 9.4 per cent in the second quarter 2009.

As for precarious workers, 31,3 per cent of all the employees in Sweden have a fixed term employment. In Värmland, the figures are somewhat lower: 22,3 per cent (SCB 2009c).

Importance given to unemployment/precariousness in the political agenda: on the national level and on the local level

High and increasing figures make unemployment a societal problem that is given high priority on political agendas at all levels. Particularly the development of the alarming youth unemployment figures are being watched over. At national level, the Swedish government has an explicit vision, where the most important aim of the government is to enable citizens to take responsibility for their own lives by "supporting themselves by working". The government hopes to contribute to that by "making it worthwhile to work, to encourage more

employers to take on new employees, and to induce more companies to start up, stay and grow in Sweden” (Finansdepartementet 2009).

In Karlstad, a left-wing political coalition is in governmental majority. The first point of its political statement regards work and entrepreneurship and stresses the importance of creating more jobs. The local governments, the municipalities, are legally responsible for major part of the local environment, such as social services, childcare and preschools, geriatric care, support for the physically and intellectually disabled, primary and secondary education, planning and building issues and health and environmental protection. In their budget, the Swedish government allocates a certain amount of money to various items of expenditure, such as migration, education, international development assistance and contribution to the municipalities. The government now needs to allocate a larger sum to the municipalities, since their expenses have increased dramatically in the past year (Finansdepartementet 2009).

The growing spending primarily arises from the more strict application of sick-listing rules of the Swedish Social Insurance Office, whose own experts now are entitled to declare sick-listed people as recovered or well enough not to be full-time sick-listed. Since many of the previously sick-listed actually are unable to work, or have a low employability for other reasons, they will not get a job. As a consequence of this, instead of receiving sickness benefit from the Swedish Social Insurance Fund, they now depend on social allowance, which is the responsibility of the municipality. Another increasing item of expenditure arises from deteriorated unemployment insurance and the fact that labour market measures along with the compensations belonging to them have been cut down.

I. Political context

Electoral system

Sweden is a constitutional monarchy, governed as a parliamentary and representative democracy by a government, led by a Prime Minister. The power is executed on three levels: a national, a regional and a local level. At a supranational level, the European Union has gained an increasing significance in Swedish legislation since the entry into the EU in 1995. Every four years, elections are held at all three governmental levels. At the parliamentary elections, only Swedish citizens older than 18 years and resident in the country may vote. At the municipal and county council elections, also citizens of EU member states, Norway and Iceland registered as resident in Sweden older than 18 years are eligible to vote. Non-Swedish citizens from other countries must have been registered as resident in Sweden for more than three consecutive years before Election Day to be eligible to vote in municipal and county council elections.

Political system and configuration of power

Since the 1930s, Sweden has been governed mainly by the Socialist party. Since 2006, Sweden is run by a right-wing coalition government consisting of the Swedish Conservative Party (*m*), the Liberal Party (*fp*), the Swedish Christian Democrats (*kd*) and the Centre Party (*c*). The Swedish people are represented by the Swedish parliament (*Riksdagen*), which has legislative powers. In the parliament, all political parties reaching at least 4 per cent of the votes are represented proportional. The government is assisted in its work by the Government Offices, comprising a number of ministries, and some 300 central government agencies and public administrations.

Sweden is divided into 21 counties, of which Värmland is one. Political tasks at this regional level are undertaken on the one hand by the county councils, whose decision-makers are

directly elected by the people of the county and, on the other, by the county administrative boards which are government bodies in the counties.

At local level, the country has 290 municipalities. Karlstad with surroundings forms one. Each municipality has an elected assembly, the municipal council, which is the highest decision-making body, and furthermore appoints the municipal executive board, which leads the daily work. The political parties in the municipal council are represented proportionally to the election. In Karlstad, the Social Democratic Party (*s*), the Left Party (*v*) and the Environmental Party (*mp*) are in political majority by a narrow margin over the conservative parties being the Swedish Conservative Party (*m*), the Centre Party (*c*), the Liberal Party (*fp*) and the Swedish Christian Democrats (*kd*), also represented in the Swedish parliament.

II. The Swedish welfare model in relation to unemployment

One of the most well-known definitions of the welfare state was made by Asa Briggs (1961), who stated that the welfare state's organized political power is used to influence the distributive processes in society, i.e. processes that give guarantees in case of loss of income, social care and health care, and support meeting different kinds of social problems. Esping-Andersen (1990) sketches three different categories of welfare regimes: the liberal, the conservative and the social democrat welfare states. In the liberal welfare state, the state is only responsible for a residual safety net for those not covered by private insurances, and the benefits are small and subjected to a means test. USA, Canada and Australia are typical liberal welfare states. In conservative welfare states, benefits are income-related. Some researchers have suggested a distinction between a Central European conservative model and a South European conservative one with more modest benefits. The social democrat welfare state is primarily based on equal benefits for all citizens. Policies prioritizing full employment are often regarded as a characterizing feature. Often, equal benefits are supplemented by income related benefits as in the conservative model. Sweden and the other Nordic countries are typical social democrat welfare states, although the Swedish right-wing government aims at a more conservative-liberal vision.

During the 20th century, at the price of the world's highest tax burden, Sweden built up what is often referred to as the world's most generous general social welfare system. Here, elements as child care, schools free of charge (since tax-financed), health care, pensions, elder care, social services and various economic security systems are included in the social system. Some benefits are income related as for example sickness benefits, holiday compensations, parents' allowance and supplementary pension. The use of these benefits as well as the range of the benefits require a financial activity that normally takes place through wage earning. Wage labour is therefore the norm in the Swedish welfare state.

Unemployment politics

Gainful employment is also considered as a source of meaningful activities, social identity and a sense of community. The centrality of employment is shown in the public debate on the problems of modern society and the struggle for full employment is given high priority. Sweden invests a large amount of economic and personal resources in an active labour market policy, which aims at maintaining as many persons as possible in the labour market (Nordenmark 1999).

At national level, the Ministry of Employment is responsible for labour market policies and working life and is divided into four divisions, where for instance the division for Labour

Market Policy is responsible for the development of labour market policy, which involves employment services, labour market policy programmes and initiatives for disabled people. This division is also responsible for the European Social Fund in Sweden. The Ministry of Employment is also responsible for nine administrative agencies, which, on their part, are in charge of the daily work with public administration. One of them is the Swedish Public Employment Service. Like the agencies' objectives and guidelines, the allocations of resources are determined by the Government.

The Swedish Employment Service is divided into 68 labour market regions and there are 325 local offices around the country. At local level, Labour Market and Social Services is the administrative authority responsible for the municipal assignments concerning labour market policy, and cooperates with the Employment Service regarding various employment policy programmes. The authority also offers different alternatives for persons far away from the labour market. The public unemployment agency also collaborates with several private organisations.

Sweden has had uniquely low unemployment rates from the 1950s until the 1990s. During this period, before 1992, the unemployment rates never exceeded 4 per cent. However, during the 1990s Sweden went through dramatic changes of the labour market situation. The unemployment rates rose to around 8 per cent, a figure that was near the OECD average (Nordenmark 1999). In 2005, the employment rate was 7,5 per cent (Cook 2008).

General information on unemployment insurance

The Swedish unemployment insurance consists of a universal basic insurance and a voluntary loss of income insurance. Unemployment benefit is provided to anyone who meets the basic conditions and a work condition. Anyone over twenty can obtain unemployment benefit under the basic insurance. In order to obtain unemployment benefit under the loss of income insurance, it is necessary to have been a member of an Unemployment Insurance Fund for at least one year and to have fulfilled the work condition during that time. The Unemployment Insurance Funds decide on entitlement to unemployment benefit.

According to the IAF (Inspection of the unemployment insurances), in total 327 613 received unemployment benefits in 2008, of which 37 197 people received the basic insurance and 296 387 received the optional loss of income insurance. One of the basic conditions for receiving unemployment benefits is to be a registered job seeker at the Swedish Employment Service. A considerable share of those receiving unemployment benefits are registered as part time unemployed or temporarily on-call workers. In 2008, 55 per cent of the registered job seekers were full time unemployed, 20 per cent were part time unemployed and 25 per cent were on-call workers. Among the full time unemployed, 51 per cent received unemployment benefits whereas the corresponding shares among the on-call workers was 58 per cent and among the part time unemployed 63 per cent.

III. The model of industrial relations

When comparing IR-systems in different countries, a common distinction is between a Nordic, a continental and an Anglo-Saxon IR-system (Kjellberg 2002). Characteristics of the Nordic model, to which Sweden belongs, are the collective agreements with focus on cooperation and party regulation rather than state regulation. The collective agreements are written agreements between employers' associations (or employers) and trade unions regarding employees' terms, and regulate the conditions of employment and other aspects of employer/employee relations. The labour market consists not only of employers and employees, though, but also of trade unions, employers' associations and the state (Parnes

1968). The Swedish labour market can not be fully understood without considering both the organizations on the labour market and the state.

Sweden has a high degree of union density. About 80 per cent of the wage earners are members of a trade union. Another feature of the Swedish labour market is that the relationship between the unions and the employers is characterized by cooperation and negotiation rather than confrontation. This is due to the fact that the parties are of equal strength (Kjellberg 2002). Compared to the situation in many other countries, the Swedish trade unions have reached many of their goals. There is no doubt that this is an important reason for the high level of membership in the Swedish trade unions. In the same way as the employees are organized in trade unions, many of the employers are organized in associations for private or public employers. Here too, the level of membership is high: about 75-80 per cent of the employees are working in organizations linked to an employer's association.

The state is a big employer. However, the state also plays an important role when there are conflicts on the labour market, and is, through the Ministry of Employment, responsible for the labour market policy. This policy has three main tasks: to channel work to the unemployed and labour force to the employers, to combat recruitment problems and finally to take initiatives to help those who have difficulties obtaining work in the regular labour market.

IV. Unemployment politics focused on youth

Government policies help those who are particularly detached from the labour market, as is the case for many young people. Youth labour market programmes have been used in different ways on a wide-scale basis since the early 1990s (Cook 2008). Youth unemployment is also combated by measures like lower payroll taxes for young people, a special job guarantee including a more rapid reduction of income-related compensation, and an initiative for apprenticeship and vocational training. Since 2007, employers taking on a person aged 20 to 24 will pay a lower rate of social security contributions.

In 2007, a job guarantee was introduced for young people aged between 16 and 24. This involves intensified follow-up and support for young people seeking work. For those who despite these efforts still do not find a job, active matching efforts are combined with augmented measures, such as work placement, education and training. There are also apprenticeship programmes and advanced vocational training.

Until now, the duration of unemployment among young people has been rather short. The average time of unemployment in 2007 was 12 weeks for young people aged 15–24, compared with 32 weeks for people aged 25–54 and 45 weeks for people between 55 and 74 years of age. To get a foothold in the labour market is often difficult for young people due to limited work experience and relatively high payroll taxes. To facilitate the entrance into the labour market, the Swedish Government has introduced personal coaching from the first day of unemployment, Job Guarantee, a programme aiming to offer young job seekers employment after three months of unemployment and lowered payroll taxes for young employed. In addition to hampering factors like job seekers' limited work experience on one hand and high payroll taxes on the other, when young people leave school after upper secondary, they often are left with skills that do not match the requirements and needs of the labour market. For the following two years, 2010 och 2011, the Swedish Government is planning major investments in their autumn budget proposal in order to enlarge the educational programmes' places with 23000 a year to combat the educational mismatch between unemployed and the requests of the labour market. The municipal education for adults, *Komvux*, for those who need to complete their nine-year

compulsory or the upper secondary school will expand with 10000 places a year during this period, vocational training will offer 3000 more and there will be 10000 more places for higher education. The Government also proposes to increase the number of places in vocational training courses for unemployed who have not graduated from upper secondary school but who are highly motivated to study for 1000 people during 2010.

(www.sweden.gov.se)

Age is an important factor when it comes to unemployment benefits. In 2008, 22 per cent of registered job seekers receiving unemployment benefits were younger than 25 years, and 50 per cent were between 25 and 34 years old. In the county of Värmland in total 61 per cent of the jobseekers received unemployment benefits. The municipality of Karlstad spent 1 305 177 EUR (14,5 million SEK) on Public Employment Service programmes for unemployed aged 18-34 years in 2008.

Unemployed, who have been a member of an Unemployment Insurance Fund for at least one year and who have fulfilled the work condition during that time, receive unemployment insurance. Unemployed who have not been a member or not fulfilled the working condition get social allowance. The municipality of Karlstad spent, in 2008, 4 050 550 EUR (45 million SEK) on social aid for unemployed aged 18-34 years.

V. Role of the family vis-à-vis young people

When young people in Sweden are asked to define adulthood, two categories of elements appear. On one hand there are subjective factors dealing with identity and responsibility, and on the other hand there are material factors like becoming a parent or having your own housing. The most important indicator of adulthood, though, deals with the importance of supporting oneself. According to the Children and Parents Code, the parental supporting liability ends when children attain their majority, which in Sweden is at 18 (SFS 1949:381). Still, 56 per cent of young people aged 16 to 29 receive financial help from their parents or other close relatives (Ungdomsstyrelsen 2007). Young people, still living with their parents, who cannot support themselves may also apply for social allowance (Socialstyrelsen 2003).

Most young people in Sweden move out from their parents' homes at the age of 20 to 22 years. Young adults aged 18-28 (with or without children and with a low income) can apply for a housing allowance. The amount of allowance depends on housing costs, housing space, household income and number of children. It is paid as a provisional allowance based on the applicant's estimation of her or his income for that year. The following year, the Social Insurance Office compares the applicant's statement with information about the fixed assess for taxes of the year the allowance was paid (Försäkringskassan 2009). If the total income of the year exceeds the estimation and the applicant does not report the change in order to let the Social Insurance Office readjust the amount of allowance, a difficult situation may come up especially for precarious workers and unemployed who have no possibility of knowing in advance how much they will earn.

The ambition to equalize the differences between social classes has enjoyed strong support among the Swedish social democratic tradition. For that reason, means-tested allowances such as housing and social allowance do not involve the applicant's family but supports the individual. Consequently, the role of the family is not of crucial importance for the independence of young people in Sweden. Instead, differences concerning the social background of the individual are, to a large extent, compensated (Dommermuth 2008).

INSTITUTIONAL INDICATORS - SWEDEN

II. The unemployment

1.	Formal pre-requisites for obtaining social provisions/ conditions to obtain insurance compensations	Score: 1
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General information on unemployment insurance

Swedish unemployment insurance consists of a universal basic insurance and a voluntary loss of income insurance (*inkomstbortfallsförsäkring*). Unemployment benefit is provided to anyone who meets the basic conditions (*grundvillkor*) and a work condition (*arbetsvillkoret*). Anyone over twenty can obtain unemployment benefit under the basic insurance. In order to obtain unemployment benefit under the loss of income insurance, it is *necessary to have been a member of an Unemployment Insurance Fund for at least one year and to have fulfilled the work condition during that time*. The Unemployment Insurance Funds decide on entitlement to unemployment benefit.

Basic conditions

In order to obtain unemployment benefit, it is necessary that the applicant be entirely or partly unemployed, be fit for work and available for work for at least three hours per day and at least 17 hours per week, be prepared to accept an offer of suitable work, be registered as a job seeker at the Public Employment Service (Arbetsförmedlingen) and cooperate in drawing up an individual back-to-work plan in consultation with the Public Employment Service. The job seeker should also be actively seeking work

Work condition

Anyone who, in the 12 months immediately preceding unemployment, has worked for at least six months and at least 80 hours in every calendar month, or who has worked for at least 480 hours during six consecutive calendar months and at least 50 hours in every single one of those months, meets the work condition.

The work condition's criteria is flexible in order to include also i.e. precarious workers and/or women who after parental leave have difficulties in (re)entering the labour market. There is a waiting period (*karensvillkor*) of seven days from the commencement of unemployment before the allowance becomes payable, though, for both forms of benefit (the universal basic and the voluntary loss of income insurance). Until 2007 there was a "Student Condition", *studerandevillkor*, an exception from the work condition allowing graduates to enter Unemployment Insurance Funds and thereby being able to claim insurance. That exception has been taken away which means that many young graduates will not qualify for membership in an Unemployment Insurance Fund. Instead they will receive unemployment benefits from the Alfa-kassan, a complementary Unemployment Insurance Fund that pays the basic amount also to those not being members of an Insurance Fund. The amount is considerably lower than the amount from regular Insurance Funds.

2.	Level of coverage/ amount compared to minimum and average salary and duration	Score: 1
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In the region of Värmland, Gävleborg and Dalarna the average monthly salary is 23,800 SEK (ca 2380 Euro) of which 22,000 SEK (ca 2200 Euro) for women and 25,500 SEK (ca 2550 Euro) for men.

In comparison, the monthly average salary is 25,800 SEK (ca 2580 Euro) in the whole country; 23,500 SEK (ca 2350 Euro) for women and 28,000 for men (ca 2800 Euro). As we see, the average salary in our region is 2,000 SEK (ca 200 Euro) lower than in the whole country. In Stockholm the average salary is 28,600 SEK (ca 2860 Euro), of which 25,500 SEK (ca 2550 Euro) for women and 31,500 SEK (ca 3150 Euro) for men.

Unemployment benefit

The Unemployment Insurance Funds decide on entitlement to unemployment benefit and the unemployment benefits are taxable. Anyone granted unemployment benefit can receive a fixed daily amount of SEK 320, (ca 29 Euro). Those who are entitled to income-related compensation can receive 80 per cent of their previous income for 200 compensation days. After this the compensation is lowered to 70 per cent. The maximum amount is always SEK 680 (ca 61 Euro) per compensation day. Unemployment compensation is taxable income. The size of the fixed daily amount is affected by the unemployed has had periods of illness or if she/he has been at home taking care of sick children before unemployment. The consequence may be a smaller amount.

Period of benefit

Anyone who meets the conditions for receiving unemployment benefit may draw benefit for a maximum of 300 benefit days. Parents to children under 18 years may draw benefit for an additional 150 benefit days. Unemployment benefit is payable only after the applicant has been unemployed for seven days, which is called a waiting period (*karensdagar*). There is only one waiting period for every benefit period (of 300 days).

Unemployment benefit funds: one example

To illustrate the unemployment benefit funds, we will let Jane Doe, or, as she is called in Sweden, Anna Andersson, state an example. She comes from the region of Värmland, has an average monthly income of 22,000 SEK, which corresponds to 1 970 Euro, and is a member of the unemployment benefit fund of the Municipal Employees' Union (*Svenska kommunalarbetareförbundets arbetslöshetskassa*), which is one of the largest unemployment benefit funds and has about 510,000 members.

The average subscription fee is 551 SEK (ca 55 Euro) a month, but depends on your salary and what region you live in. With an income like Anna's, she will pay 49 SEK per month (about Euros), of which 90 SEK are for the unemployment insurance, 130 SEK are an unemployment fee, 81 SEK are for a comprehensive household insurance, 112 SEK are for the local office and 132 SEK are for central activities. When she becomes unemployed and has fulfilled both the basic and the work conditions, her daily salary will be counted as follows: 22 000 SEK divided by 22 (working days per month) is 1000 SEK daily salary. The first 200 days of her compensation period, which is in total 300 days, she will receive 80 per cent of her daily income. In Anna Anderssons' case, it is a gross income of 680 SEK (about 61 Euro), since that is the maximum level of compensation. This means 14960 SEK per month (roughly 10500 SEK after having paid the taxes, corresponding to 940 Euro). The following 100 days, she will have a gross income of 70 per cent of her daily income, which still is 680 SEK (the maximum level).

In comparison, the Alfa-kassan, the Unemployment Insurance Fund open also for those not having qualified for membership in regular Insurance Funds, pays an amount of 287 SEK per day, corresponding to 6314 SEK (564 Euro) per month (taxable income) for 22 days per month. This is the amount i.e. university graduates receive.

3.	Extension of coverage/ who is insured or compensated	Score: 0
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There are 32 Unemployment Insurance Funds in Sweden, all specialized in different trades or occupations. The Unemployment Insurance Fund fees and employers' fees finance the unemployment benefits. The membership fees fund around 45-50 per cent of the total costs for the Unemployment Insurance. Anyone who is a member of an Unemployment Insurance Fond and has fulfilled the working condition gets compensation.

The way the 'working condition' is formulated (need to work at least *six months and at least 80 hours in every calendar month during the 12 months before unemployment or at least 480 hours during six consecutive months and at least 50 hours in every of those months*) it is supposed to cover a) part time workers and b) flexible workers who have been on call or had a short fixed term contract. This is a part of the government policy to include women (of whom many work part time).

Young job seekers (18-25 years) who are *not* entitled to unemployment benefit five days a week (full time) participate in a program called "Jobbgaranti för ungdomar" (Young Persons Job Guarantee). The coverage depends on whether they have a final certificate from upper secondary school or not. Those who do have the certificate receive an amount equivalent to the study grant divided by five, approx. 125 kr, (ca 12,50 Euro), a day. Those without a final certificate, 18-20 years, study grant divided by 22, approx. 47 kr (ca 4,70 Euro) a day. The "development benefit" (the coverage they receive) is not a taxable income.

4.	Shifting to Social aid/ means-testing and amount	Score: 1
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In order to obtain social allowance, the applicant must be registered at the Public Employment Service, be actively looking for a job and show that she or he is available for work. This means accepting jobs or employability measures that are offered. Employability measures may consist of employability training, work experience, work rehabilitation measures and Swedish language classes for immigrants (*Svenska för invandrare, SFI*). Measures provided by the municipality may also be classed as employability measures. The primary requirement is that the applicant looks for, and accepts, a suitable full-time job. If a full-time job cannot be found immediately, a suitable part-time job shall be applied for and accepted until a full-time job is found. Also jobs outside the professional field or geographical area in which the applicant previously worked shall be applied for.

The Social Services can also set a special requirement on young unemployed people that they are to take part in work experience or other knowledge building activities. This applies to a) young people under 25 years old, b) people over 25 with a special need of knowledge-building activities and c) students who need social assistance during a break from their studies.

The Social Services may grant support for upkeep and for other items that are needed for a reasonable standard of living. This is called *income support* and consists of a standard (the national standard) plus reasonable costs for other common needs such as housing and

household electricity. Items not included in income support are *other living expenses*. These are things that are not part of income support but which are necessary. The national standard includes expenses for food, clothes and shoes, leisure and play, health and hygiene, insurance of children and young people, consumables, and a daily newspaper, telephone and TV licence fee. If there are special reasons, the Social Services can decide in individual cases to calculate costs at a higher or lower level than the national standard. The national standard is based on calculations from the National Council for Consumer Affairs.

Income support also includes *reasonable expenses* for housing, household electricity, work-related travel, home contents insurance and membership fees for a trade union and unemployment benefit fund. What is calculated for these needs is assessed individually, but the usual procedure is to count the applicants' actual expenses if they are reasonable. "Reasonable expenses" means costs at a plausible level.

Single adults receive 2640 SEK, which corresponds to 237 Euro, and live-in partners receive 4770 SEK, ca 430 Euro, a week.

5.	Role played by public and private employment agencies	Score: 0
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The Public Employment Service collaborates with several private ones. The unemployed have to be registered as job seekers at the Public Unemployment Service to participate in projects/programs of collaboration between the Public Employment Service and a private employment agency. The duration of unemployment is very varying depending on i.e. work experience of the job seeker.

One example from Karlstad: Adecco has a program in cooperation with the local unemployment office and work with unemployed who have just lost their job. They get a personal coach who works actively with them during 4 months, and after that they get support when needed but the job seeking is up to the unemployed. This 'transposition program' has around 200 persons participating and the duration of their unemployment has been about 6 months but the time is increasing because of the growing number of people loosing their job.

Private employment agencies are also used by persons who already have a job but want to change career or want a "better job". These persons are not necessarily registered at the public employment agency.

The time one person, in total, has been a registered job seeker or participated in a Public Employment Service program with financial Activity Support, varies among different groups of job seekers. In aggregate, during 2008 a 38 per cent of the persons having been unemployed for less than three months, 42 per cent were unemployed for three months up to one year, 11 per cent were unemployed for one to two years and 9 per cent had been unemployed for more than two years.

The Public Employment Service is without a doubt the most important actor for unemployed in Sweden.

6.	Counter-provisions and sanctions (length and intensity)	Score: -1
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Registered unemployed are obliged to accept an offered job or labour market policy measurement. Unemployed, who decline an offered job, refuse to apply for a job that the unemployment agency decides to match your job seeking profile or who decline the offer of participation of a Public Employment Service program will be reported to the unemployment benefit fund, who then will enquire into why the unemployed has not applied as advised. The unemployment benefit fund then tries the unemployed's right to unemployment benefit. If the unemployed does not have very good reasons for not seeking or for refusing the offer of a job, she or he faces the risk that the unemployment insurance fund will decide on reduction or suspension of the benefit. It is the employer who decides whether the unemployed is suitable for the job, irrespective of her or his previous experience.

The daily cash benefit may be reduced over a period of 40 days of benefit. The period of the reduction has to be completed within 180 calendar days. On the first occasion of refusal the daily cash benefit is reduced by 25 per cent. If the unemployed refuses an offer a second time during the same period of benefit, the daily benefit is reduced by 50 per cent. In the event of a third refusal within the same period of benefit the right to benefit is suspended.

Young unemployed who reject an allotment to the Job guarantee for young job seekers have no right to claim economic compensation at continued unemployment.

Unemployed who supply incorrect or misleading information, deliberately or by gross negligence, suspension from the unemployment insurance fund may be considered or the unemployed may be denied the right to benefit. If benefit is refused, the unemployed will lose a minimum of 130 days of benefit. In addition the unemployed will be required to be gainfully employed for at least 80 days before she or he can obtain benefit again. The unemployed also becomes liable to repay what may have been paid on incorrect grounds.

7.	People receiving unemployment benefits	Score: +1
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According to the IAF (*Inspektionen för arbetslöshetsförsäkringen*, Inspection of the unemployment insurances) in total 327 613 received unemployment benefits during 2008, of which 37 197 persons received the basic insurance and 296 387 received the optional loss of income insurance unemployment insurances.

One of the basic conditions for receiving unemployment benefits is to be a registered job seeker at the Public Employment Service. A considerable share of those receiving unemployment benefits are registered as part time unemployed or temporarily on-call workers. During 2008 55 per cent of the registered job seekers were full time unemployed, 20 per cent were part time unemployed and 25 per cent were on-call workers. Among the full time unemployed 51% received unemployment benefits whereas the corresponding share among the on-call workers was 58 per cent and among the part time unemployed 63 per cent

The low measure of job seekers not receiving unemployment benefits is partly due to the resources of the Public Employment Service programmes mainly being used for persons who used to receive unemployment benefits but whose period of benefit is over. This means that the Public Employment Service programmes are more of a prolongation of the financial security provided by the unemployment insurances rather than an offer to job seekers not

receiving unemployment benefits, i.e. job seekers who did not fulfil the work condition and therefore have not qualified for a membership of an unemployment insurance fund.

Age is an important factor when it comes to unemployment benefits. In 2008, 22 per cent of the registered job seekers who received unemployment benefits were younger than 25 years, and 50 per cent were between 25 and 34 years old. In the county of Värmland there were, in total, 61% of the jobseekers who received unemployment benefits, of which 55 per cent were full time unemployed, 69 per cent part time unemployed and 66 per cent on call workers.

8.	People receiving sanctions for abusing the benefit system	Score: 1
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In total 327 613 persons received unemployment benefits during 2008, of which 37 197 persons received the basic insurance and 296 387 received the optional loss of income insurance unemployment insurances.

One example from the unemployment benefit fund of the Municipal Employees (Kommunalarbetarnas arbetslöshetskassa) who, in 2008, had 510.000 members, of which 28.788 persons received unemployment benefits: there were 58 affairs of sanctions which concerned, in total, 2.6 millions SEK. 43 of the 58 persons were suspended (can apply for new membership the following month but will not receive benefits for at least one year) and 13 were dispossessed of benefits days (they will not receive benefits for at least 130 days).

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: 0
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The Employment Protection Act, *Lag* (1982:80) *om anställningsskydd*, determines the rules on the termination of contracts of employment. In Sweden, a termination of a contract of employment has to be founded on just cause. A notice of dismissal must be given, in writing, by the employer, and must indicate what action the employee needs to take if she or he does not accept the dismissal. If the employee wants to declare the termination invalid this has to be done within two weeks.

When someone receives notice, the collective agreements and the Employment Protection Act are in force. During the negotiations, the employer has to be able to show that the dismissal was on just cause, which implies either redundancy or personal reasons. The most common reason for dismissal is a low profitability, and therefore the company reduces the staff. 'Personal reason' implies a serious misconduct, such as theft, disloyal competition or refusal to comply with a lawful order.

When a place of work needs to notice employees, there is an order of priority, *turordningsregler*, saying that the last to be employed is the first to be noticed. When two persons were employed at the same time, the younger person is noticed before the elder. One exception from the order is if an employee does not have the qualifications needed for the remaining tasks. In that case, the employee will be noticed in spite of a long period of service. The trade union can also agree locally on exceptions from the order of priority of the Employment Protection Act.

The notice period elapses when the termination comes into effect. According to the Employment Protection Act (Section 11) the notice period is at least one month. If the place of work has a collective agreement, there may be other rules. An employee who has been given notice is entitled to retain pay and other employment benefits during the period of notice (even if she or he is transferred to other tasks), and is also, during the period of notice, entitled to reasonable leave of absence from the employment with full employment benefits in order to visit an employment agency or otherwise seek work. If an employee receives notice due to shortage of work during parental leave, the period of notice starts when she or he partially or fully goes back to work.

There are also several different Security Councils, *Trygghetsråd*, that, amongst other things, offer adjustment support and partial financial support to individuals in order to 'promote a more secure working life.' In case of notice, individuals may receive severance pay and personal support to get a new job.

10.	Temporary work	Score: 0
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The main rule is that an employment is an indefinite term employment, which is usually called a permanent job. If an employment is temporary, the employer and the employee need

to agree on that and make a written contract, otherwise it is considered as permanent. Temporary employments are only allowed under certain circumstances.

The Employment Protection Act (SFS 1982:80, *Lag om anställningsskydd*) states the conditions for a fixed term contract of employment. It may be concluded for a general fixed term, a temporary substitute or a seasonal employment, and also if the employee has reached the age of 67. The law also states that if a person has been employed for a period of five years by an employer either for a general fixed-term employment for in aggregate more than two years, or as a substitute for in aggregate more than two years, the employment is transformed into an indefinite-term employment.

During 2008, 3,454,200 people had a permanent job in Sweden, and 660,700 persons had a temporary work. 98,700 persons had a permanent job in the county of Värmland, and 18,400 persons had a temporary work.

(http://www.scb.se/Statistik/AM/AM0401/2008A01G/AKU2008_1574.xls#Tab19!A1)

11.	Role of unions in the benefit system	Score: 0
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Putting pressure on the employers or their organisations demanding advantages and improved conditions for their members, trade unions achieve member utility, in an indirect way. Trade unions also interact directly with central and local authorities aiming influence on political decisions but also when conducting negotiations with the authorities as employers. Through contact with media or publicity campaigns, they try to influence the public opinion. Throughout the whole policy process, trade unions are involved to a varying extent. By commissions and referrals, the Government influenced can be influenced. Likewise, the Parliament can be influenced through MP' being members. As for the Public Administrations, trade unions can try to influence by way of board representation or reference groups. There are also strong links between certain trade unions and political parties, such as the Swedish Trade Union Confederation (*Landsorganisationen – LO*) and the Social Democrat Party, who, in 1889, actually was formed by blue-collar workers' trade unions, and in which, until 1987, individual trade union members automatically became members when entering a LO union. (Larsson & Bäck 2008)

Lobbying for the trade union's aims and visions as well as negotiating to reach a collective agreement is the main activity but the trade unions also take an important part in the benefit system. Being responsible for the unemployment insurance, they also administer part of the social insurance system.

12.	Unions protections of workers	Score: 0
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Swedish unions have a long history of involvement in the welfare and security of workers. Through negotiations with the employer and, when necessary, strikes, the unions fight for a reasonable salary, good terms of employment and working environment, education and the possibility of personal development. The results of the negotiations lead to a collective agreement between unions and employers and form the basis of "the Swedish Model", in which the basic conditions in each sector are determined by the trade unions and the employers. Some trade unions who originate from the social democratic tradition also struggle for a democratic and equalized society where their members have influence at their work place as well as in society in general.

The benefits of a collective agreement include:

- Clear and common rules and regulations governing pay, working hours, overtime, holidays and training
- Legal assistance when job related problems
- The right to remuneration in connection with overtime, travel and unsocial working hours
- The right to negotiate on salary and that the real salary increases every year
- The right to receive information and the opportunity to influence working conditions
- Better remuneration in connection with parental leave, long-term illness and holidays
- A guaranteed occupational pension insurance scheme that increases the potential for a good pension
- Offers for courses and further education
- Membership benefit insurances such as householders' comprehensive insurance or accident insurance are often either included in the monthly subscription fee or offered to a reduced price
- Special benefits of e.g. raising a loan with favourable conditions or buying electricity, train tickets or renting the union's holiday cottages to a reduced price. These offers vary between different unions.

Swedish unions focus on employment and connected issues. Even though the member's employment situation has no influence on her or his membership, the main emphasis is on (keeping an) employment and improving the employment conditions, and therefore primarily concerns the employed members. When a collective agreement on e.g. wage levels or a rise in wages is reached, the new wages do not necessarily include the nonunionised workers.

13.	Flexible workers	Score: 0
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The number of fixed-term contracts is high in specific age groups. The percentage of employees with a fixed term contract is striking for young people aged 15-19, who often have a summer job during the semester holidays, and for the age group over 65 years. When it comes to people aged 20-24 years, the percentage of fixed term contracts is as high as 44 per cent . These figures are partly due to the fact that this age group includes many students, of whom many have a job on the side.

The figures below show the number of people in different age groups and their level of connection to the labour market during the second quarter of 2009 in Sweden. 'Total employees' also includes self-employed.

Age group	Permanent contract	Fixed-term contract	Total employees	Fixed term % of total
15-19 år	30,3	107	141,5	76%
20-24 år	187,1	155,9	352,5	44%
25-34 år	712,6	161,3	930,5	17%
35-44 år	928	88,9	1135	8%
45-54 år	831	62,1	1014,9	6%
55-64 år	686,9	42,8	844,7	5%
65-74 år	34,6	19,4	105,6	18%
Total 15-74 years	3410,5	637,5	4524,7	14%

(www.scb.se)

In the county of Värmland, 17% of all employed (including the self-employed) were on a fixed-term contract during 2009 (www.scb.se). There is no data available divided into age groups on the local level.

III. General Opportunity Structure

14.	Referenda at the local level	Score: 0
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In Sweden, there have been six referenda since 1922, all of them non-binding. They dealt with subjects as different as prohibiting alcoholic beverages, inauguration of a general supplementary pension, on which side of the road to drive, the use of nuclear power, membership of the European Union (in 1994) and on introducing the common currency, the euro (in 2003). In most cases, the political parties have promised to follow the outcome even though the referenda were not binding.

At the municipality and county council levels, referenda can only be non-binding. Most of the referenda at the local levels dealt with the breaking up of the local government into two or more independent units (Larsson & Bäck 2008).

15.	Number of referenda held over the past five years	Score: -1
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In Karlstad, there have been no referenda held over the past five years. In 2002, at the same time as the general elections, there was one held concerning the freedom of choice regarding childcare.

16.	Citizen assemblies	Score: -1
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There are no citizen assemblies in the traditional sense, but in most municipalities the Swedish citizens have the possibility to take political initiatives through 'citizens' proposals' (*medborgar-förslag*). These political initiatives are similar to private member's bills (Larsson & Bäck 2008).

17.	Degree of state decentralization – Lijphart's score	Score: 0
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According to Lijphart (1999), Sweden's score on the scale for degrees of federalism and decentralization is 2.0, which indicates that Sweden is a unitary and decentralized country.

18.	Degree of decentralization at the local level: sub-local structures (at the level of district, neighbourhood) with political powers	Score: -1
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The municipality of Karlstad, which includes the populated areas surrounding the city, has around 84 000 inhabitants. The political powers lay within the representative democratic system of the local authorities.

IV. Unemployed-specific Opportunity Structure

19.	Power of city in terms of unemployment policy elaboration and implementation	Score: +1
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The Instrument of Government (*Regeringsformen*) states that “Swedish democracy is founded on the free formation of opinion and on universal and equal suffrage. It shall be realised through a representative and parliamentary policy and through local self-government.”

Local government, one of the pillars of Swedish democracy, enjoys constitutional protection but the Government steers local governments and intervenes with their activities to a varying degree in different areas. For instance, the Local Government Act (*Kommunallagen*) contains detailed regulations for how local governmental activities. More important as a steering tool of the state than the legal regulations is the economic control. Revenues for local authorities mainly arise from local income taxes, but also from combined general grants and task-specific central state grants, who directly steer the local government sector. Furthermore, task allocations and to which extent the local government is to be responsible for the public sector is another important instrument of control (Larsson & Bäck 2008). One example of that is the *Ädelreform*, which transferred the responsibility for certain parts of the care of elderly and disabled people from the county councils to the municipalities in the early 1990s.

Thus, the freedom of action of local authorities are extensive but there are tendencies to pull in a more centralized direction.

20.	Local spending for passive and active measures per unemployed	Score: 1
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The budget for unemployed arise, in the Swedish case, from two different parts: the Public Employment Service, which is a governmental authority and covers the vast majority of all unemployed, and the local authorities, who work with unemployed depending on social allowance because they, for various reasons, have not been members of an insurance fund.

Active measures:

Employers who employ a person with an impaired capacity for work can be compensated economically through *wage compensation* (*lönebidrag*). The purpose of employment with wage compensation is to make it easier for persons with an impaired capacity for work, which refers to disabilities but also other reasons for low employability, to get a job. The Public Employment Service is in charge of handling and deciding on the size of the economic compensation and on the duration of the period with compensation. The duration of wage compensation is maximum four years. The size of the economic compensation depends on the employee’s wage costs and on her or his capacity for work.

(<http://www.ams.se/admin/documents/faktablad/lonbid.pdf>)

Public Employment Service programmes are programmes providing some form of work and subsidised pay for participants, such as the Special Recruitment Incentive, Entry Recruitment Incentive and Recruitment Incentive for Long-Term Sick listed, Wage Subsidy (persons with disability), Sheltered Public Employment, Development Employment and Security Employment. These programmes have, on average, 99000 participants every month in the whole country, including the disabled participants.

There are also several different kinds of support for persons with an impaired capacity for work and, in addition to that, support services such as investigations about the social situation of the unemployed or removal allowances. Programmes providing some form of work and subsidised pay for persons with disability are Wage Subsidy, Sheltered Public employment, Development Employment and Security Employment. Around 69000 people participate in these programmes every month.

Programmes providing Activity Support for participants are Employment Training, Apprentice Jobs, Work Experience, Trial Opportunities, Start-up Grants, Vocationally Oriented Projects, Job and Development Programme*, Young Persons Job Guarantee*, youth incentives in the form of Youth Guarantee and Municipal Youth Programme, and preparatory activities. Preparatory activities are: counselling and placement activities, In-depth Assessment and Counselling, Employability Rehabilitation Programme, and Preparatory Training Courses. Around 59000 people participate in these programmes every month in the whole country.

The local Public Employment Service office in Karlstad spent, on average, 854 Euro (8970 SEK) per participant on education and activity support, 1304 Euro (13700 SEK) per participant on the Job and Development programme and 1053 Euro (11060 SEK) per employed on wage subsidies during 2008.

Passive measures:

Unemployed who have been a member of an Unemployment Insurance Fund for at least one year and have fulfilled the work condition during that time receive unemployment insurance. Unemployed who have not been a member/not fulfilled the working condition get social allowance, which is the responsibility of the municipality. With some exceptions, unemployed depending on social allowance are registered at the municipal Jobcentre, *Jobbcenter*, which is part of the Labour Market and Social Services Administration. This is the municipal tool for issues concerning the labour market and targets primarily those who receive social allowance (see Ind. 4: applicant [for social allowance] must be registered at the Public Employment Service, be actively looking for a job and show that she or he is available for work. This means accepting jobs or employability measures that are offered.), but also unemployed whose case is administered through cooperation agreement between Jobcentre and the Public Employment Service and, to some extent, refugees and immigrants entering the Swedish society after having finished the introductory Swedish course, *Svenska För Invandrare*. Jobcentre offers their participants an occupation within four weeks. They collaborate with the Public Employment centre, the Social Insurance Office, public administration, other organisations and the trade and industry.

The accounting system does not allow exact figures, but a qualified estimation based on the number of registered people in the Jobcentre and the average compensation shows that the Jobcentre spent around 6,3 million Euro (66 million SEK), which is on average 670 Euro (7000 SEK) a month per unemployed in 2008.

21.	Public information and support services for the unemployed	Score: +1
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The national and local institutions dealing with unemployment are:

- The Ministry of Employment; divided into three divisions: one for Labour Market Policy, one for Labour Law and Work Environment and one for Research and Analysis. The division for Labour Market Policy is responsible for the development of labour market policy. This work involves employment services, labour market policy programmes and initiatives for disabled people. This Division is also responsible for the European Social Fund in Sweden.
- The Swedish Employment Service, Arbetsförmedlingen, is one of the agencies responsible for the day-to-day operations of public administration directly under the Ministry of Employment. "Arbetsförmedlingen" is the Swedish term for "job placement", the function of providing jobseekers with employment, and also the name of the public Employment Service, which is divided into 68 labour market regions and 325 local offices in Sweden.
- Arbetsmarknads- och socialförvaltningen is, on the local level, the administrative authority responsible for the municipal assignments concerning labour market policy and cooperates with the Employment Service regarding various employment policy programmes. The authority also offers different alternatives for persons far away from the labour market.

Most of the information related to unemployment can be found on the internet. The website of the Swedish Employment Service is by far the most popular job seeking website and provides the jobseekers, as well as employers, with information and tools. The Employment Service can also be contacted by telephone services and at the local jobcentre. At the telephone services, which are open almost around the clock seven days a week, employment officers do more or less exactly the same work as at the local jobcentres.

Other useful information for unemployed can be found on some unions' websites concerning i.e. laws on dismissal, whereas other unions focus on employment and ameliorated conditions for the employed and provide only information about unemployment insurance.

There are also several for profit organizations with local agencies and web sites. Many of them cooperate with the local employment office in different programs. The information on those programs is not available on the internet.

22.	Inclusion of organisations of the unemployed in unemployed policies	Score: -1
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There are no unemployed associations registered in the municipality of Värmland.

23.	Inclusion of other civil society for the implementation of unemployed policies	Score: -1
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The *concept* of "civil society" is not established in Swedish political discourse. It is still a controversial and contested concept, loaded with rather conservative connotations. It was

first in the 1980's and 1990's the concept was introduced. It was mainly introduced by right wing think tanks like "Timbro". Discussions about the concept of civil society tend to be rare on the left wing or in the centre of the political spectrum. Nevertheless, the *phenomenon* of civil society exists in the Swedish society even though the universalistic welfare model in Sweden gives little significance to the role of the civil society in formulations of unemployment policies. Sweden has indeed a vital civil society, but the Swedish welfare model leaves not much room for this dimension of society in the formulation of unemployment policies, or other policies. The civil society in Sweden can therefore be seen as rather non-political. The Swedish civil society consists to a large extent of either religious movements/organizations (especially protestant revival movements or "free churches") or leisure-oriented organizations (mainly sport-oriented).

Concerning the implementation of unemployment policies, the minor role of civil society is a fact since there are too few civil organizations with a political agenda.

V. Opportunities: related issue-fields

24.	Adaptation of education offer to the labour market situation	Score: +1
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In the past year, the number of places in educational programmes increased marginally. For the following two years, 2010 och 2011, the Swedish Government is planning major investments in their autumn budget proposal in order to enlarge the educational programmes' places with 23000 a year. The municipal education for adults, *Komvux*, for those who need to complete their nine-year compulsory or the upper secondary school will expand with 10000 places a year during this period, vocational training will offer 3000 more and there will be 10000 more places for higher education.

The Government also proposes to increase the number of places in vocational training courses for unemployed who have not graduated from upper secondary school but who are highly motivated to study for 1000 people during 2010.

(<http://www.regeringen.se/content/1/c6/13/05/35/9f557a41.pdf>)

25.	Public support for elderly services	Score: +1
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The total cost of elderly care in Sweden in 2005 was SEK 80.3 billion. Only 4 percent of the financing came from patients' charges. Approximately three-quarters of health and medical care costs are financed out of tax revenue. Government grants cover about 20 percent. The health care for elderly and disabled patients provided in ordinary homes or special housing is mainly financed through municipal taxes. Patients' fees cover just over 3 percent of the total cost of health and medical care provision. About 90 percent of all elderly care is provided by the municipalities (2005). Some have contracted out their elderly care services. In certain areas, the elderly are allowed to choose whether they want their home help or special housing to be managed by public or private operators.

The aim of municipal care provision is to ensure that older people and those with disabilities are able to live normal, independent lives. This includes living in their own homes for as long as possible. There, they have access to support of various kinds, whether they live in rented accommodation or in a house of their own. This support includes meals delivered to the home, help with cleaning and shopping, safety alarms and a transportation service. The elderly are also offered health and social care, provided either by the municipal home-help services or by the home medical care service.

94 percent of all Swedes over 65 years of age still live in regular flats or houses. In the case of people with impaired mobility, the municipalities offer to adapt their homes to their needs. When older buildings are refurbished, some of the flats are adapted specifically to the needs and preferences of the elderly. Older people with disabilities can apply to the local municipality for home adaptation grants, the aim being to enable them to continue living there. The municipality pays the entire cost if the grant is approved, regardless of the financial status of the applicant. There is no ceiling to the adaptation grant sum. In 2005, the

average cost for adapting a home to the needs of a disabled person was SEK 13,200. Just over 16 percent of the country's inhabitants over 80 years of age live in special housing where staff are on duty day and night. Such housing is needs-assessed and distributed by the municipalities.

When an older person is no longer able to cope with the demands of everyday life, she or he can apply for assistance from the municipal home-help services. The extent of such care is subject to assessment. The elderly and disabled also qualify for transportation services in taxis or specially adapted vehicles. Such services are available to those who are unable to travel by regular public transport.

26.	Public support for young people to live alone	Score: +1
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Most young people in Sweden move out from their parents' homes at the age of 20 to 22 years. Unless there are special reasons, they do not receive any public support for moving out.

Young adults aged 18-28 who have a housing of their own can apply for a housing allowance. The amount of allowance depends on housing costs, housing space, household income and number of children. It is paid as a provisional allowance based on the applicant's estimation of her or his income for that year. The following year, the Social Insurance Office compares the applicant's statement with information about the fixed assess for taxes of the year the allowance was paid (Försäkringskassan 2009). If the total income of the year exceeds the estimation and the applicant does not report the change in order to let the Social Insurance Office readjust the amount of allowance, a difficult situation may come up especially for precarious workers and unemployed who have no possibility of knowing in advance how much they will earn.

27.	Child support	Score: +1
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The most important child and family cash benefit in Sweden is the basic child allowance of 950 SEK per month to all children under the age of 16 years. For children over 16 years attending secondary school the child allowance is extended. Furthermore, there is a monthly supplement for families with three or more children. For children attending upper secondary school, there are student grants of 950 SEK/month. Households with children have the possibility to get means-tested housing allowances and maintenance support is paid by the Social Insurance for a child with parents who are separated.

28.	Externalisation of child-care	Score: +1
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Sweden is characterized by a large externalisation of childcare. External childcare exists at several levels.

Pre-schools are open to children from one to five years of age. Municipalities have an obligation to provide pre-schooling for children whose parents work or study. Pre-schools are, with the exception of bank holidays, open all year round, five days a week. Children whose parents are unemployed or on parental leave (with younger siblings) are entitled to at least 15 hours of pre-school per week.

Parents or guardians may opt to place their children in family day-care homes, where a family child minder receives children in their own home. The open pre-school is another form of pre-school where parents/guardians or child minders of young children, together with trained pre-school staff, educate children. No advance registration is required at open pre-school.

In the autumn of 2005, 77.3 percent of all children between the ages of one and five were registered in pre-school and 6.1 percent in family day-care homes. Municipalities run most pre-schools, but 25 percent are run as independent schools, of which just under half are parent co-operatives. Children at independent pre-schools make up 16.7 percent of pre-school children. Since July 2006, independent pre-schools do not require a permit from the Swedish National Agency for Education.

Since 2005, many municipalities have fixed the monthly fee for these schools at no more than three, two and one percent, respectively, of parents'/guardians' monthly income for the first, second and third child, respectively. If a child attends pre-school less than 15 hours per week, it is free of charge.

Children between 6 and 12 years of age, in pre-school class or compulsory school, are offered day care before and after school hours. Day care can be an after-school center, a family day-care home or an open after-school program. Day-care fees for school children must not exceed two percent of parents'/guardians' gross income.

29.	Measures tackling recruitment discrimination of ethnic and geographical forms	Score: +1
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The existing Swedish integration policy is focused on newly arrived immigrants' conditions and establishment in society; compensation to municipalities for refugee reception, the promotion of integration and possibilities for Swedish citizenship. Starting in 2009, urban development will also be included in integration policy. Integration issues touch on many different policy areas, and initiatives are being taken in, for example, labour market and educational policy as well as anti-discrimination policy. The policy is primarily directed at general measures that reduce exclusion in the Swedish society. Measures targeted at immigrants as a group are only to be taken during a limited time after arrival in Sweden.

Several reforms have been implemented to increase immigrant participation in the labour market. This mainly applies to step-in jobs and so called "new start jobs", the job and development guarantee and the job guarantee for young people. Initiatives are also being taken to provide continuing professional development for SFI ("Swedish for foreigners") teachers, to improve professional assessment and validation of foreign qualifications and to provide supplementary higher education.

Work on urban development aims at finding effective methods for overcoming exclusion in urban areas where there is high unemployment and other social problems. The Government is in the process of signing local development agreements for over thirty urban areas with some twenty municipalities.

<http://www.sweden.gov.se/sb/d/2188/a/19443>

30.	Establishment of measures tackling recruitment discrimination based on disabilities (public work and private businesses)	Score: +1
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For disabled persons, there are several different kinds of support services, such as investigations about the social situation of the unemployed or removal allowances. Programmes providing work and subsidised pay for persons with disability are Wage Subsidy, Sheltered Public employment, Job and Development Employment and Security Employment. Around 69000 people participate in these programmes every month.

Employers who employ a person with an impaired capacity for work can be compensated economically through wage compensation (*lönebidrag*). The unemployment agency is in charge of handling and deciding on the size of the economic compensation and on the duration of the period with compensation.

The duration of wage compensation is maximum four years. The size of the economic compensation depends on the employee's wage costs and on her or his capacity for work. (<http://www.ams.se/admin/documents/faktablad/lonbid.pdf>)

Besides the active measures mentioned above the state helps disabled people via the state-owned company "Samhall". The most important goal of this company is to offer opportunities for unemployed disabled person who have difficulties to get "ordinary" jobs; but Samhall functions also as a kind of profit-seeking capitalist type of company producing various forms of products. (<http://www.samhall.se/>) In 2008, Samhall had 20,996 employees of which 19,383 were in the core assignment and 292 in labour market measures. An additional 410 persons were in traineeships covered by the Job and Development Guarantee.

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www.sweden.gov.se

Laws

SFS 1949:381, 7 kap. 1 § Föräldrabalken (The Children and Parents Code)

INTRODUCTORY NATIONAL SCENARIO - POLAND

Slawomir Nowotny, Maria Theiss, Ewa Bacia and Kaja Sztandar-Sztanderska

Kielce is a city situated in the middle of Poland between the capital city of Warsaw and other big cities like Cracow, Katowice, Łódź. As the capital of the Swietokrzyskie Province is economic, administrative, educational and cultural centre. Once an important centre of limestone mining, one of the oldest industrial zone, Kielce is now the second Polish trade fairs market, centre of construction industry and building materials production. Roman Catholic Diocese of Kielce is a part of the Archdiocese of Cracow, one of the most important in Polish Church (late Pope John Paul II was before Archbishop of Cracow). In 1816 the first Polish technical university was founded in Kielce (then moved to Warsaw became the Warsaw University of Technology. Today Kielce hosts more than ten academic schools and several high schools. Kielce is the 16th biggest Polish city with population of 205.902 (2007). The city is an administrative unit in terms of labour market policy (carried locally by the City Labour Office). The unemployment rate in Kielce amounts at 9,8%, below the whole country's rate of 11,1%.

I. Political context

The Polish political system has features of parliament-cabinet system, however relatively strong position of the President leads to an open discussion in Poland whether the system could be interpreted as an semi-presidential. Such a discrepancy has been extraordinarily visible since conservative Law and Justice (Prawo i Sprawiedliwość) has become an parliamentary opposition, while its member – Lech Kaczyński is the President of Poland. Acts of Parliament have been systematically vetoed by President (whereby there is no parliamentary majority able to vote down such a veto), there is no consensus on the division of competencies between President and Prime Minister in the foreign policy (resulting with debates who should represent Poland at European summits) and there are animosities concerning such posts as self-defence minister or ambassadors, as the powers of President and Prime Minister seem to be overlapping in these spheres. In the current political debate the issues of necessary changes in the Constitution are raised.

Polish party system has been very unstable during last several years. Some researchers of the Polish political scene claim that after 1989 party system in Poland has not established, yet: in 2007 only one of the parties that had been active in 1991 continued to exist (the agrar party – PSL), between 1991 and 2007 there was neither repetition of the parliamentary coalition nor two government's of the same political background (Markowski, 2007). Polish General Electoral Survey show that apart from low voting turnout (54% in 2007) there is a vast instability of preferences of Polish electorate: between parliamentary elections in 2001 and 2005 63% of voters changed their political preferences (voted on other party than previously), whereby 28% radically changed their preferences (interblock volatility: from 'left' parties into 'right' parties and vice versa) (ibid.).

There is a multiparty system in Poland. However, since the last parliamentary election in 2007 the party system in Poland has tended toward a bipolar system with two biggest

parties: the liberal party – Platforma Obywatelska – The Civic Platform (the biggest parliamentary coalition party, establishing Polish government with Prime Minister Donald Tusk) and the conservative party – Prawo i Sprawiedliwość – Law and Justice (the biggest parliamentary opposition party, as well as President Lech Kaczyński's party). It is noticeable that despite the public discourse contrasting before elections in 2007, as it was called “the liberal Poland” (Civic Platform supporters) with “the solidary Poland” (Law and Justice supporters), the ideological distance between those two parties is relatively short. Both have rather conservative worldviews with comparable attitudes towards bioethical issues, family's role and the discrimination problems. The block of socialdemocratic parties is internally fragmented, antagonised, and it lacks of significant political power.

The electoral system (both for Parliament and local government) has changed significantly in the recent years. At the national level there has been replacement of so called “national lists” and the mixed electoral system to Sejm with proportional system, as well as: the implementation of thresholds, replacement of Sainte-League method with d'Hondt method and the change of voting districts. With the reform in 1998 the number of gminas (communes, cities) where proportional system is employed rose - instead gminas up to 40 000 citizens, currently it applies only to gminas up to 20 000 (in gminas below 20 000 inhabitants there is majoritarian electoral system). Other changes were the implementation of 5% threshold and the substitution of Sainte-Lague method of votes distribution with d'Hondt method. In 2002 the direct election of local executive was launched (instead of assigning the executive by the city council as it was the case under previous system).

The local council (rada miejska) in Kielce consists of 28 seats. After the 2006 election the following parties and voting committees are in Kielce's council:

- KW Prawo i Sprawiedliwość (Law and Justice – the conservatives): 10 seats,
- Komitet Wyborczy Wyborców Porozumienie Samorządowe W. Lubawski (Local electoral committee supporting city's president): 6 seats,
- Platforma Obywatelska RP (Civic Platform – the liberal party): 6 seats,
- KKW SLD+SDPL+PD+UP (Socialdemocrats' coalition): 6 seats.

Kielce is the only region's capital city in Poland with conservatives' (PiS) majority in the local council. Kielce's leading party formed a coalition (having together the absolute majority) with Komitet Wyborczy Wyborców Porozumienie Samorządowe W. Lubawski – the local electoral committee supporting the city's president.

II. Model of welfare state with relation to unemployment

The construction of the Polish welfare state in the recent several years has been a very diverse and inconsequent process. There has been no accepted direction for change and some reforms stood out as emergency solutions in a period of rapid social transformation. In the early 1990s Polish social policy measures have been generous and protective (eg the universal unemployment benefit was launched), whereas in the last years activating and controlling measures are introduced in social security system (for example in terms of labour market policy, social assistance, and protection of disabled people). The discrepancy between pro-social or populist catchphrases in the political debate concerning social policy and the process of commercialiation of social services as well as ‘privatization’ of social risks is apparent.

Thus, the *in statu nascendi* Polish welfare state model is described as “paternalistic-market hybrid” (Książkowski 2004). The internal diversity of Polish social policy model (in terms of G. Esping-Andersen) is also conveyed (Golinowska 2009: 253). Comparing with universal measures and social assistance, it is the social insurance system that best defended itself during the years of transformation in Poland. The old-age pension system, the disability

pension system, the healthcare system bases on the insurance method. Moreover, in 1991 a reform was introduced to make the pension system more akin to a system of insurance. Since the early 1990s the scope of means-tested measures in social security system has increased (family assistance and housing assistance apart from previously means-tested social assistance), while total expenditures for social protection have been decreasing (Golinowska 2009: 231).

The need for unemployment policies developed in the 1990s as a response to the emergence of mass unemployment which accompanied the political and economic transformation to market economy. State reformers had not expected such scale of unemployment and had not prepared any strategy for social and labour market policy beforehand. Initially, social and labour market policies reforms aimed primarily at softening social effects of unemployment and ensuring social support for political and economic transformation. Generous passive policies, such as early retirement programmes, unemployment benefit, disability pension, were introduced. The access criteria to unemployment benefit and the level of entitlement were successively restricted from 1991 onwards. Because of long-term and massive unemployment and low level of support for unemployed people in a frame of labour market policies, many people made use of retirement schemes, which are criticised by Polish experts for being a cause of low employment rate (51% in IV quarter of 2008 , 59,3% for men, 43,5% for women). Recently, the government introduced restrictions concerning early retirement programmes and developed activation programmes for people aged more than 50 years old.

In terms of models, the welfare state with relation to unemployment is closer to the residual or liberal welfare regime, as constructed by Esping-Andersen or Titmuss (Standing 1996, Vaughan-Whitehead 2003, Spieser 2009), with a liberal approach to activation (to use Barbier's typology (2001). Passive policies are limited to the most needy, with only provision of benefits of last resort. The labour market and social policies are characterised by a disciplinary and stigmatising approach, conditionality of access to social protection on the "job readiness" of its recipients. Active policies were underdeveloped until 2005, because of lack of financial resources. After then, ALMPs have been made available to bigger numbers; yet, what dominates are short-term, low cost programmes adapted to unemployed who are easily employable, rather than to long-term unemployed or people with multiple problems (Liwiński and Sztanderska, 2006).

Main characteristics of the welfare state with relation to unemployment are:

- Very low, flat-rate unemployment benefit, low level of social assistance addressed to unemployed, means-tested;
- Low level of coverage (only 18% of registered unemployed were entitled to unemployment benefit), the main reason for registering as unemployed is the access to free healthcare;
- Growing control and sanctioning of unemployed people (workfare model);
- Relatively high proportion of expenditures on ALMP compared to PLMP since 2005 and increasing financial incentives to participate in activation programmes;
- A multiplicity of measures promoting the qualifications for unemployed, but not many of them are used in practice;
- Poor organisation of labour offices, i.e. main public institutions responsible for implementation of LMP in terms of staff shortage, low quality of case management, and type of support which is not tailored to individual needs (Wóycicka *et al.*, 2008);
- Insufficient cooperation of public institutions of labour market and social policy with civil society actors and private sector (Rogaczewska and Tyrowicz, 2006);
- Lack of flexibility in adjusting of education offer to the labour market situation;
- Insufficient protection for foreigners and disabled people against discrimination in the labour market;

III. Model of industrial relations

The Polish model of collective bargaining is highly decentralised and trade unions suffer from decreasing density. The most important level of collective bargaining is the company, but 65% employees work in enterprises, where there is no trade union protection. The state plays a significant role in setting norms for industrial relations. Labour code – the essential act in this domain – provides detailed regulations and prescriptions. Despite a significant deregulation of labour relations, legal norms are often infringed and circumvented, which is a serious problem, especially because of a long waiting periods for labour court verdicts (Portet, 2006).

There are 3 national trade unions centres in the Trilateral Commission at the national level (komisja trójstronna): Solidarity (NSZZ Solidarność), OPZZ, Forum Związków Zawodowych. The Trilateral Commission's competences are limited to two areas: 1) defining indicators of increase of wages in enterprises and public sector 2) participation in works on state budget. The Commission can also provide its opinion on important economic and social questions. During previous years, many crucial negotiations took place outside the Trilateral Commission. Two main trade unions – Solidarity and OPZZ – were closely connected with different political forces and they alternated their support for governments. OPZZ supported postcommunist governments and Solidarity supported parties originating from the opposition to communism. Some researchers criticized trade unions for over-politicised strategies (Ost 2007) and expressed their doubts whether they were actually playing a role of representatives of labour force economic interests (Kozek 2003). Facing the economic crisis, the Trilateral Commission has been more active in recent times. Trade unions and employers' organizations are working together on a number of crisis measures.

Membership

Since 1991 the number of trade union members has been decreasing. According to results of representative researches conducted by the polling institute Public Opinion Research Center (CBOS), union members constituted 19% of adult population in 1991, 11% in 1995, 9% in 2000, 6% in 2007 and 8% in 2008 (CBOS 2008). They constituted 28% of hired workers in 1991, 20% in 2000, 14% in 2007 and 17% in 2008. Membership is rare among young employees (less than 0.5% among hired workers aged 18-24 and 8% among employees aged 25-34). Approximately 35% employees work in enterprises, where there is at least one trade union (data for 2007) (CBOS 2007), but less than a half of them is its member. Membership is lower in private companies (3% of employees) and higher in public sector (35%) or in enterprises that are partially state-owned (15%). It increases with size of company: 5% of employees are trade unionists in companies with less than 50 workers, 18% in companies hiring between 50 and 249, 31% with more than 249 employees (CBOS 2009b). Membership rate is highest in following sectors: education, science and health care (25%), transport and communication (22%), mining and industry (21%). The proportion of union members among workers is the lowest in commerce and services (4%) (CBOS 2009b).

Workers protection

Trade unions activity seems to be quite a controversial subject, that divides public opinion. 44% of adult Poles consider their activity as generally advantageous for the country, while 33% think the opposite and 23% find difficult to have a clear view (CBOS 2009). During the last years the appraisal of trade unions has improved, for example, in 2000, 32% Poles found it advantageous and 39% disadvantageous (CBOS 2009). Evaluation of trade unions efficiency as regards protection of workers' interests is rather negative, but improving. Almost half of adult Poles judge their activities as inefficient (11% of responses very inefficient, 38% rather inefficient), while less than one out of three considers it efficient (31% rather efficient, only 1% as very efficient; 26% chose option "difficult to say") (CBOS 2007, 2009). The proportion of workers evaluating the efficiency positively has increased by 8% during last year. The assessment of trade unions' efficiency is not considerably better among

employees, who had a contact with a trade union, because there is at least one such organisation at their workplace: 32% employees of such enterprises do not see any results of unions activity, 43% think that they try hard, but they rarely succeed, only 18% consider them efficient and think that the staff own them a lot (CBOS 2007). Unionist themselves are also critical towards unions' efficiency: 48% find their organisation inefficient (66% in 2007) (CBOS 2007, 2009). Almost half of adult Poles think that trade unions should have more significant impact on political decisions (CBOS 2007). In Kielce, trade unions attempt to intervene in response to individual dismissals, provided that a worker has an open-ended contract. Precarious workers are not the object of their intervention, since they have no legal competences. During collective dismissals they represent both standard and precarious workers, but they limit their action to what is doable by focusing on improvement of dismissal conditions.

Role of unions in social and labour market policy

In Poland trade unions do not play an important role in the domain of social and labour market policy, neither at the stage of its planning nor implementation. Together with employers' organizations, they are present in consultative and advisory bodies (called employment councils) at different administrative levels (central, regional – voivodship, sub-regional – powiat). Despite a wide range of advisory competences, impact of these bodies was so far limited, also because their opinions are not binding. In Kielce, the cooperation with the Powiat Labour Office, main public organization responsible for implementation of LMP in the frame of employment council, is considered more as formality than a practice. The most important activities of trade unions in the domain of LMP in Kielce is the Work Club held by the Solidarity Union (NZSS Solidarność). It offers retraining programmes, job placement as well as psychological support.

IV. Youth unemployment politics

A high level of unemployment among youth is regarded as a principal problem concerning unemployment in Poland. In December 2008, 304 553 unemployed people aged less than 25 years old were registered in Polish labour offices, which constituted 21% of all unemployed. In Kielce and surrounding rural unemployed from this age group constituted 19% of all registered unemployed in the end of 2008. This group has been a target of special government programmes since 1998 (e. g. the "Graduate", the "First job"). These latter provided specific measures dedicated for young graduates, such as internships, trainings, job counselling etc.

V. Family

Family plays an important role as a source of support for unemployed people because of the strong Catholic tradition in France, and the limited scope and scarcity of public support for the unemployed. According to results of representative researches conducted by the polling institute Public Opinion Research Center CBOS, 75% of unemployed declare that their main source of maintenance is the support of family members (CBOS 2007b). This shows the extensive dependence of young people, particularly if unemployed, on their families, following the example of countries belonging to the Mediterranean model (Bison, Esping-Andersen 2000). This is not considered to be problematic in the public debate; nor is it the object of much scientific interest. Indeed, only very little systematic data is available on this aspect.

INSTITUTIONAL INDICATORS - POLAND

I. The unemployment

1.	Formal pre-requisites for obtaining social provisions/ conditions to obtain insurance compensations	Score: -1
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Unemployment benefit

To receive this benefit an unemployed person has to register in a Poviast Labour Office. If for him or her there is no job offer (including subsidised employment) or no training offer and he or she meets several access criteria, then he or she will be granted unemployment benefit. Entitlement criteria:

- a) unemployed person has worked on the basis of work contract or any other contract for at least 365 days during the last 18 months, earning at least a minimum salary (what excludes people, who worked part-time in low paid sectors)
- b) during this work period unemployed person and his/her employer have covered all foreseen contributions (also contributions to Labour Fund) from at least minimum salary (there are some civil contracts like a contract for a task – *umowa na dzieło* – that do not enable paying contributions)¹⁹.

The unemployed person is entitled to the benefit after:

- 7 days after registration
- 90 days after registration if during last 6 months unemployed resigned from a work himself/herself with a notice or with an agreement with his or her employer
- 180 days after registration if during last 6 months he was fired without notice because of his or her guilt
- the period for which he or she has received equivalent, gratuity or compensation.

Even though the entitlement depends on the fact of having paid contributions to Labour Fund (employers are obliged to pay 2,45% of the net salary), the unemployment benefit is not exactly insurance compensation, since there is no relation between the level of previous salary and the level of unemployment benefit, that is flat-rate.

2.	Level of coverage/ amount compared to minimum and average salary and duration	Score: -1
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Both the level and the duration of unemployment benefit are regulated by the law at the national level²⁰. Despite the fact that the entitlement to the unemployment benefit depends on

¹⁹ There are two exceptions. Contributions are not paid in case of few employers representing several disabled organisations for disabled people with a severe or moderate disability. Since the last amendment, employers do not pay contributions during 12 months for people over 50 years old, who one month before being employed were registered as unemployed.

²⁰ Act on employment promotion and labour market institutions, art. 71-73.

obligatory contributions, the unemployment benefit in Poland is flat-rate and its amount varies slightly with a period of work during which all foreseen contributions have been covered from at least minimum salary (a standard unemployment benefit for people, who have worked fulfilling this criterion between 5 and 20 years; 80% of standard unemployment benefit for those, who have worked less than 5 years and 120% of standard benefit for people with more than 20 years work experience). **In the end of 2008, a standard unemployment benefit was at the level of approximately 132 € (551,8 PLN)²¹, what stood for 49% of a minimum salary and 19% of an average salary.** Since January 2010 the unemployment benefit will be higher during first 3 months 160.18 € (717 PLN) and lower during following months 125.77 € (563 PLN)²².

Generally speaking, duration of the unemployment benefit depends on the level of unemployment in a considered sub-regional unit (poviat). In 2008 if unemployment rate was in a considered area below 125% of the average unemployed rate, the benefit was paid during 6 months²³. If it was over 125% of the average or an unemployed person was over 50 years old and had at least 20 years of work experience, the benefit was provided during 12 months. Finally, 18 months long benefit was granted in case of poviats where the unemployment rate was at least twice the average and an unemployed person had at least 20 years of work experience. It was also granted for 18 months in case of unemployed families having at least one child under 15 years old, if the spouse's right to an unemployment benefit had already expired. **Generally speaking, in 2008 in Kielce an unemployment benefit was granted for 6 months.**

Since the last amendment, there is no possibility of receiving unemployment benefit during 18 months. The unemployment benefit is granted for 6 months if the unemployment is in a considered area below 150% of the average unemployed rate. If it is over 150% of the average or an unemployed person was over 50 years old and had at least 20 years of work experience or in the family having at least one child under 15 years old, where 2 parents are unemployed and the spouse's right to an unemployment benefit had already expired.

3.	Extension of coverage/ who is insured or compensated	Score: -1
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As abovementioned, the entitlement to an unemployment benefit depends on meeting 2 access criteria: a) have worked on the basis of work contract or any other contract for at least 365 days during the last 18 months, earning at least a minimum salary b) have covered all the foreseen contributions from at least minimum salary.

First of all, this legal regulation excludes people earning not enough (less than a minimum salary). According to data from 2004, 14.3% of all workers earn less than a minimum net wage (Portet and Sztandar-Sztanderska 2007). Group at risk are women, young aged 15-24 and workers of small firms (ibid.).

Second of all, people working on a basis of short-term contracts, civil contracts or temporary workers are more vulnerable, since they risk that they will not have contributed for a required period (at least 365 days during the last 18 month). People working on a basis of a contract for task are not entitled to unemployment benefit at all, since they cannot pay contributions.

In 2008 in Kielce only 9% of registered unemployed was entitled to unemployment benefit (the end of 2008, 973 persons out of 10469). One of the reasons of this small number is a very high percentage of long-term unemployed (i.e. unemployed for over 12 months in the last 2 years), who constitute 61,33% of all registered unemployed (the

²¹ According to the exchange rate at the end of 2008.

²² According to the exchange rate the 25th April 2009.

²³Being more precise, a comparison between a local and average unemployment rate is conducted in the end of June during a preceding year.

unemployment benefit in 2008 was granted for 6 months). **In 2008 in Poland, 18% of registered unemployed was entitled to unemployment benefit.**

4.	Shifting to Social aid/ means-testing and amount	Score: -1
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Unemployed having no right to unemployment benefit (91% of registered unemployed in Kielce in 2008 and 82% of registered unemployed in Poland) can apply for temporary benefit from the Municipal Social Assistance Centre (or Municipal Family Assistance Centres).

Entitlement criteria defined at national level

The temporary benefit from this organisation is means-tested and thresholds are very low. In 2008 an unemployed person or family has to fulfil nationally defined income criterion: have less than 84.12 € (351 PLN) income per head in case of the family or less than 114.32 € (477 PLN) in case of a single household²⁴.

The amount (minimum amount defined at the national level)

In Kielce the benefit amounts to 50% of difference between income criteria for receiving benefit and the income per head in the household. This amount is a nationally defined minimum.

In 2008 in Kielce the average duration of this benefit was 7 months. The person/family is once a few months visited by a social worker, who conducts an interview in order to verify the current material situation. If they still meet the criteria, the benefit is prolonged.

In 2008, **1902 unemployed people in Kielce was granted a temporary benefit** (among them 199 aged 18-24 and 736 aged 18-34). **All unemployed receiving temporary benefit in 2008 constituted 18% of registered unemployed** at the end of 2008.

5.	Role played by public and private employment agencies	Score: +1
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Public job agency is provided for unemployed and job-seekers by the Poviats and Voivodship Labour Offices. Poviats Labour Office uses mainly local job offers, but has also offers from a whole country at their disposal, while regional office focuses on international job placement. Refusal of a proposed job offer by the Poviats Labour Office is sanctioned: an unemployed person loses a status of unemployed (and all rights related to it). Previous researches point out that the sanctioning mechanism produces perverse effects, since it makes the recruitment process more costly for employers (unemployed who are not interested by a job offer come to the employer in order to avoid sanctions so it makes a recruitment process longer and it supports a negative stereotype of unemployed person not willing to take up a job). It also results in a negative selection of job offers that are available through a job placement of the Poviats Labour Office (Wóycicka et al. 2008, Góra and Sztanderska 2006).

In 2008, in the register of the Poviats Labour Office there were 8736 job offers available for inhabitants of Kielce and surrounding rural local unit (*powiat kielecki*) (Powiatowy Urząd Pracy w Kielcach 2008:15). During the same period, 5124 unemployed from Kielce have found job by using job agency of Poviats Labour Office (Powiatowy Urząd Pracy w Kielcach 2008: 8). 88% of them started a non-subsidised employment, while only 12% subsidised employment.

There are also public job agency services provided for young people aged between 15 to 24 by the Voluntary Work Troops. In 2008, there were 1269 young unemployed and 2143 young job-seekers still learning from the region using their services. In 2008, there were 4027 job

²⁴ According to the exchange rate at the end of 2008.

offers mostly from a whole region (*woj. świętokrzyskie*) available in Voluntary Work Troops and about 1000 job offers from abroad, mostly seasonal works.

Private employment agencies are more employer-oriented. Their cooperation with public organisations is rather limited. They focus on finding an employee for an employer, rather than finding a job for a job-seeker. It is not important for them whether a job-seeker is unemployed, but whether he or she fulfils criteria defined by the employer. There are no systematic quantitative data available on their activities.

6.	Counter-provisions and sanctions (length and intensity)	Score: -1
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Sanctions are defined at the national level in the act on employment and labour market institutions. In 2008 **the main sanction was a deprivation of status of unemployed person for a period of 3 months and losing all related rights (the most important is the access to free healthcare)**. According to this regulation (art 33, ust. 4, pkt 3), it happened if an unemployed person:

- has refused without justified reason an offer of suitable employment²⁵, an offer of subsidised employment or socially useful works
- has refused without justified reason to participate in a training, internship or training in a workplace;
- has not come to the office for an obligatory appointment;
- has refused to be the object of medical or psychological examination, that is conducted in order to establish whether he or she is capable to work;
- has given up an internship, training or professional training at the workplace for his or her own fault.

The last amendment makes a period of deprivation of status of unemployed longer and dependant on the total number of refusals. The first time unemployed refuses cooperation in any of above-mentioned situations, he or she will be unregistered for 120 days, second time for 180 days, third time and more for 270 days.

In 2008 in Poland, 874934 were sanctioned, which constitutes almost 32% of all unemployed, who were unregistered during this period for various reasons (compared to 38% who were unregistered because of taking up a job).

In December 2008, 25% of people from Kielce (166 persons) who were unregistered in Poviats Labour office lost their status of unemployed person due to one of these sanctions (compared to 37% who were unregistered because of taking up employment, 249 people).

7.	People receiving unemployment benefits	Score: -1
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In Kielce 9% of registered unemployed was entitled to unemployment benefit (the end of 2008, 973 persons out of 10469). This small number is probably due to a very high percent of long-term unemployed (i.e. unemployed for over 12 months in the last 2 years), who constitute 61,33% of all registered unemployed (the unemployment benefit in 2008 was granted for 6 months). Young people (between 18 and 24 years old) are in relatively better situation since 21% receives unemployment benefit. In age bracket 25-34 this proportion is

²⁵ A suitable employment is defined according to the following criteria: 1) employment or other paid work, that is a subject of obligatory social contributions and for which an unemployed person has sufficient qualifications or professional experience or he or she might be able to perform this job after a previous training; 2) his or her health condition enables performing it; 3) the journey to the work and back home is no longer than 3 hours by means of public transport.

not favorable at all, since only 3% of these unemployed is entitled to unemployment benefit (80 out of 2969 registered people in this age group).

In Poland 18% of registered unemployed was entitled to unemployment benefit (the end of 2008, 271 269 persons out of 1 473 752).

8.	People receiving sanctions for abusing the benefit system	Score: -1
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In 2008 in Poland, 874934 were sanctioned, which constitutes almost 32% of all unemployed, who were unregistered during this period for various reasons (compared to 38% who were unregistered because of taking up a job).

In 2008, 16% of unemployed from Kielce (2177 persons) lost their status of unemployed person due to one of these sanctions.

II. The Labour Market

9.	Regulations for dismissals/ conditions and compensations	Score: ?
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At the national level, the general conditions of dismissals in case of labour contracts are regulated by the Labour Code, some employers also use civil contracts regulated by civil law in order to circumvent Labour Code regulations concerning dismissals (a civil contract can be terminated with immediate effect, no compensations are paid). There are also other regulations defined in specific acts, for instance, the act on trade unions regulates the question of dismissals of trade unionists²⁶.

Labour contracts

Each party can put an end to the labour contract with a notice period whenever they wish to, with three major exceptions. First of all, an employer cannot dismiss the worker if he or she will reach retirement age (women = 60 years old, men= 65 years old) in no more than 4 years and his or her total period of work will entitle to receive pension while reaching this age. Second of all, it is forbidden to dismiss a worker during holidays or during his or her justified absence (with a certain time limits). Finally, employer cannot dismiss pregnant woman or a parent on a maternity leave (it does not apply to a contract for a trial period for no more than 1 month). Moreover, in case of a rupture of an open-ended contract or a rupture of a contract without notice period an employer is obliged to give a written motivation for the dismissal. If the contract is open-ended, the employer is also obliged to consult its rupture with a trade union in the company.

The duration of work after the notification of the rupture of contract is as follows:

An open-ended contract

- 2 weeks if a worker has been employed for less than 6 months
- 1 month if a worker has been employed for at least 6 months and less than 3 years
- 3 months if a worker has been employed for at least 3 years (if the reason of dismissal was the bankruptcy or liquidation of the enterprise, a notice period can be shortened to a minimal period of 1 month and an employee will be paid compensation at the level of salary for the rest of the time)

A fixed-term contract (no legal limits concerning its duration)

- 2 weeks (with exception of a contract for replacing absent employee)
- 3 days in case of a contract for replacing absent employee

A contract for a trial period

- 3 days in case of a contract for a trial period for at least 2 weeks
- 1 week in case of a contract for a trial period for more than 2 weeks and less than 3 months
- 2 weeks in case of a contract for a trial period for 3 months

Temporary work

- 3 days if the contract is signed for maximum 2 weeks
- 1 week if the contract is signed for a period longer than 2 weeks.

²⁶ Without a permission of a trade union's board in a company, an employer cannot dismiss a member of the trade union or its board, if he or she is designated by name in board's resolution as authorized to represent this trade union.

Collective dismissals²⁷

In Poland the dismissal of 10 or more employees in firms with 20- 99, 10% or more in firms 100-299, 30 or more in firms with 300+ workers for reasons not related to workers in a period no longer than 30 days are considered collective dismissals. The employer is obliged to consult his or her intention of collective dismissal with trade unions or employees' representatives, in particular as regards a possibility of the avoidance of redundancies or a decrease of the number of dismissed workers, opportunities of retraining or providing dismissed workers with other employment. The employer is obliged to notify about planned collective dismissal the Poviats Labour Office, providing information on number of employed and potentially dismissed workers, reasons of dismissal, time period when redundancies will be put into practice and conducted consultation with trade unions or employees' representatives.

Compensations

In case of individual dismissals employees are paid compensations if 2 conditions are fulfilled: the enterprise employs at least 20 employees and the reason of dismissal is not related to the employee. The level of compensations is the same for people dismissed individually fulfilling abovementioned conditions as for people redundant in the frame of collective dismissals:

- One month's salary if a person has been employed for less than 2 years,
- Two months' salary if a person has been employed from 2 to 8 years,
- Three months' salary if a person has been employed for more than 8 years.

10.	Temporary work	Score: should be compared, probably 0
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Indicator (total number of temporary workers in 2007 in Poland on total number of employed, IV quarter 2007, Labour Force Survey) = 0,03

Temporary work in Poland was regulated in 2003 by a law on protection and equal treatment of temporary workers, in particular as regards health and safety issues (all information after: Portet and Sztandar-Sztanderska 2007). The act defines the conditions under which firms are allowed to use temporary work. The main restrictions are following:

- Enterprises that have performed mass redundancies during the latest 6 months cannot sign temporary contracts at all;
- A temporary worker cannot replace employees dismissed less than 3 months before (unless it was for negligence, misconduct and so on) nor replace striking workers.
- It is forbidden to employ as a temporary worker a person who was previously permanently employed in the company.

"Despite the Ministry's aim of defining temporary contracts as labour contracts, the final version of the law makes it possible to employ temporary workers on the basis of a civil contract (a contract concerning a particular task, a mandate contract). In consequence, a significant number of temporary workers remain vulnerable as civil contracts do not specify working time limits or a minimum wage and do not always entitle workers to social insurance" (Portet and Sztandar-Sztanderska 2007: 363).

²⁷ Collective dismissals are regulated by the act on special principles of terminating employment for reasons not related to employees (*Ustawa z dnia 13 marca 2003 r. o szczególnych zasadach rozwiązywania z pracownikami stosunków pracy z przyczyn niedotyczących pracowników*).

During last years there has been a dynamic growth in temporary work market. In 2004 there were, according to different estimates, from 167000 to 206665 temporary workers (Brodowski and Flaszewska, 2006, 23; Sula 2008), in 2005 - 374968, 288000 in 2006 (Towalski, Czarzasty 2008) and 486000 in 2007 (Sula 2008). There are no data on temporary work at the local level.

11.	Role of unions in the benefit system	Score: -1
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In Poland trade unions do not play an important role in the benefit system. They are not in charge of implementation of passive labour market policies, nor do they have significant influence on construction of legal frames of LMP in general. Researchers share the opinion that during last decade the question of LMP was not at the core of activities of Polish trade unions. For instance the project of the last amendment of the act on promotion and labour market institutions, introducing essential changes concerning, among others, the structure of benefit, sanctions, instruments of activation, was quickly commented by employers organisations, while “trade union organisations seem to have been far less interested in the above amendments, issuing no official statement on the matter” (Sula 2008).

The act on promotion and labour market institutions provides for functioning of Employment Councils, consultative and advisory bodies at different administrative levels (central, regional – voivodship, sub-regional – powiat). The members of Employment Councils recruit from trade unions, employers’ organisations, non-governmental organisations active in the domain of labour market, scientists, public organisations of territorial units. Despite a wide range of advisory competences (described in a box below) impact of many Employment Councils’ was so far limited, also because the fact that their opinions are not binding.

According to a trade unions’ representative in Kielce, the cooperation with the Powiat Labour Office, main public organisation responsible for implementation of LMP, is more formality than a practice and the work of Employment Councils have almost no results. Employment council in Kielce has a meeting once a quarter. In March 2009 – when the interview was conducted – the council has not held its first yearly meeting yet.

The most important activities of Trade Unions in the domain of LMP in Kielce is the Work Club held by the Solidarity Union (NZSS Solidarność). It offers retraining programmes, job placement, psychological support.

Formal competences of employment councils:
The Principal Employment Council (Naczelna Rada Zatrudnienia) gives opinion to the Minister of Labour on the following subjects of: the project of the National Action Plan on employment and periodic reports of its implementation; annual reports on expenditures from the Labour Fund and rationality of the management of this fund; projects of legal regulations. It can also inspire initiatives on full and productive employment.
Voivodship Employment Councils give their opinion to the executive authorities of voivodship (marszałek województwa) on, among others, issues of the rationality of the management of the resources from the Labour Fund, criteria of distribution of resources from the Labour Fund between sub-regional units (powiats) in a region concerned (voivodship), projects of assignments financed from resources at voivodship disposal and reports on their implementation. It evaluates types of education, vocational training and employment in voivodship and periodic reports of Voivodship Labour Office. Voivodship authorities are obliged to cooperate with the Voivodship Council while defining the regional policy of labour market and human resources development. The council can also inspire regional initiatives on full and productive employment. The Voivodship Employment Council is also responsible for

preparing periodic reports on employment for the Principal Employment Council. **Poviat Employment Councils** evaluate periodic reports of Voivodship Labour Office and give opinion on special programmes²⁸ implemented at the level of poviat. Poviat Employment Council is also responsible for preparing periodic reports on employment for the Principal Employment Council.

12.	Unions protection of workers	Score: 0
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Local level

There are no data about the unionisation at the local level. According to the interviewed trade unionist, trade union interventions concerning individual dismissals are successful in approximately 25% of cases, but they do not intervene when the precarious workers are dismissed, since there is no chance for a victory. During collective dismissals they represent both standard and precarious workers, but they limit their action to what is doable, by focusing on improvement of dismissal conditions, remitting workers' loan.

National level

The Polish model of collective bargaining is highly decentralised and trade unions suffer from decreasing density²⁹. Since 1991 the number of trade union members has been decreasing. According to results of representative researches conducted by the polling institute Public Opinion Research Center (CBOS), union members constituted 19% of adult population in 1991, 11% in 1995, 9% in 2000, 6% in 2007 and 8% in 2008 (CBOS 2008). They constituted 28% of hired workers in 1991, 20% in 2000, 14% in 2007 and 17% in 2008. **Membership is rare among young employees** (less than 0.5% among hired workers aged 18-24 and 8% among employees aged 25-34).

Approximately 35% employees work in enterprises, where there is at least one trade union (data for 2007) (CBOS 2007), but less than a half of them is its member. Membership is lower in private companies (3% of employees) and higher in public sector (35%) or in a enterprises, which are partially state-owned (15%). It increases with a size of company (5% of employees are trade unionists in companies with less than 50 workers, 18% in companies hiring between 50 and 249, 31% with more than 249 employees) (CBOS 2009b). Membership rate is highest in following sectors: education, science and health care (25%), transport and communication (22%), mining and industry (21%). The proportion of union members among workers is lowest in commerce and services (4%) (CBOS 2009b).

Evaluation of trade unions efficiency as regards protection of workers' interests is rather negative, but improving. Almost half of adult Poles judge their activities as inefficient (11% of responses very inefficient, 38% rather inefficient), while less than one out of three considers it efficient (31% rather efficient, only 1% as very efficient; 26% chose option "difficult to say") (CBOS 2007, 2009). The proportion of workers evaluating the efficiency

²⁸ Special programmes were introduced by the last amendment of the act on promotion and labour market institutions. They aim adapting professional qualifications and skills, and supporting work places. They might be addressed to a larger group of people than other active measures, not necessarily having a status of unemployed. For instance, job-seekers during termination notice period, job-seekers employed in enterprises declared bankrupt, miners receiving miners' social benefits, participants of Centre for Social Integration or individual integration programmes, reserve soldiers, farmers being the subject of the agricultural system of insurance, etc. (article 43).

²⁹Very brief description of collective bargaining model might be found at: <http://www.eurofound.europa.eu/eiro/country/Poland.htm>.

positively has increased by 8% during last year. The assessment of trade unions' efficiency is not considerably better among employees, who had a contact with a trade union, because there is at least one such organisation at their workplace: 32% employees of such enterprises do not see any results of unions activity, 43% think that they try hard, but they rarely succeed, only 18% consider them efficient and think that the staff own them a lot (CBOS 2007). Unionist themselves are also critical towards unions' efficiency: 48% find their organisation inefficient (66% in 2007) (CBOS 2007, 2009). Almost half of adult Poles think that trade unions should have more significant impact on political decisions (CBOS 2007).

13.	Flexible workers	Score: +1
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Indicator 1 (percentage of fixed term contracts on total contracts in 2008 in Poland)= 26.9%

Indicator 2 (number of fixed term contracts in 2008 in Poland)= 3351

Labour contracts

The proportion of employees working on a short-term contract has increased considerably during last two decades. In 1987 only 4,5% workers were employed on a basis of a short-term contract, in 2001 this proportion reached 12.7% ; 16.8% in 2002; 20.9% in 2003, 24% in 2004, 26.5% in 2005; 27.9% in 2006; 28.4% in 2007 and 26.9% in 2008³⁰. Popularity of fixed-term contracts among employers is due to: no maximum duration of fixed-term contract, two weeks' notice no matter the length of the contract, no obligation to give any reason for dismissal or consult trade unions if any in the enterprise concerned (Portet and Sztandar-Sztanderska 2007). Men (25.3%) work more frequently on fixed-term contracts than women (22.4%)³¹, fixed-term contracts are more widespread among young employees (15–24 years old) (63.4%) and tend to decrease with age (except post-working age groups: 28.8%) (ibid.). 47% of men and 57% of women work on fixed-term contract due to a lack of permanent contracts. 9,9% of workers have contracts for a period shorter than 6 months. The proportion of employees on fixed-term contract is:

- highest in sectors with cyclical production (small farms, construction, hotels and restaurants) or in sectors with significant staff turnover, such as retail (33.3%).
- highest in in small enterprises (38.5% in enterprises of less than 5 workers)
- three times lower in the public than in a private sector.

There are no quantitative data on flexible workers on the local level. According to trade union rough estimates, approximately 10% of workers are precarious in the region, but this group tends to increase. Fixed-term contracts are more frequent among young people. They are more vulnerable, because they start their career with a contract for a trial period (max. 3 months) and then a fixed-term contract for several years (with 2 weeks' dismissal notice), renewed several times. Fixed-term workers are reluctant to become members of trade unions, because they "are afraid of consequences", i. e. being fired. Our interviewee considers their situation as "double stress", because of no stability and no trade unions protection.

Temporary work

In 2007, there were 486 000 temporary workers in Poland (Sula 2008).

³⁰ All data from IV quarter of Labour Force Survey (BAEL, Badanie aktywności ekonomicznej ludności).

³¹ The following figures concern the fourth quarter of 2004.

Civil contracts

There are no systematic data on the range of civil contracts at the national level. Different researchers estimate that approximately 6% or 5,5% of workers are employed on the basis of civil contracts, masking regular employment (Portet 2006).

Illegal employment

Another vulnerable group are undeclared workers. According to results of research conducted in 2004 by Central Statistical Office, illegal workers constitute 9.6% of active labour force (Portet 2007). The causes of taking up undeclared work are, in first place, impossibility of finding formal work (36%) and insufficient income (26.5%), then “high insurance fees” (12%) and “employers suggesting higher pay without registering employment contract” (10,3%) (Kryńska 2007:3).

III. General Opportunity Structure

14.	Referenda at the local level	Score: 0
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According to Polish law (ustawa o referendum lokalnym) local referenda are obligatory or permitted in the following cases:

- Recall of local government (city council as well as city mayor), whereby the city council or a group of citizens (10%) may take the referendal initiative. The criterion of referendum's validity is the attendance of at least 3/5 of the number of citizens that attended the respective elections of the organ. This referendum is obligatory and binding.
- The decision on additional local tax. The criterion of referendum's validity is at least 30% turnout and at least 2/3 votes supporting the taxation. This referendum is obligatory but its being binding is a subject of juridical debate.
- The referendum "in any other issue important for the local community". Only the local government has the referendal initiative in this type of referendum. This referendum is non-obligatory and not binding. It is organized only very rarely in Poland.

15.	Number of (consultative or binding) referenda held over the past 5 years (local level)	Score: -1
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There have been no local referenda in Kielce during last 5 years.

16.	Citizen assemblies	Score: -1
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There is no institution of citizen assembly in Kielce. To some extent the inhabitants' general assembly in homeowners' cooperatives (see: point 19) may be treated as a form of CA.

17.	Degree of state decentralization	Score: 0
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Lijphart's score for Poland (index of federalism, 1971-96): 2.0.

18.	Degree of decentralization and scope of power of local structure concerning policy elaboration and implementation in the city	Score: -1
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There is no decentralization within the city (no city boroughs or districts with own prerogatives) in Kielce.

The form of decentralization and bottom-up organization in Kielce is the system of homeowners' cooperatives (HC) (spółdzielnie mieszkaniowe). There are no data on the

percentage of citizens that are cooperatives' members in Kielce. There are about 25 homeowners' cooperatives in Kielce, the biggest of which has 9 thousand members. HC are the institutions to self-organize, collectively manage the housing tenure and provide some services as running "community/ housing estate inhabitants' cultural centre" (osiedlowy dom kultury). The system of services provision by HC is Its organs are:

- general assembly of inhabitants (walne zgromadzenie) (power of setting HC goals connected to economic issues and social needs, decisions on joining the associations),
- self governing financial supervisory board (rada nadzorcza),
- management of the HC (zarząd spółdzielni) elected by general assembly and running the administrative tasks,
- housing estate board (rada osiedla) – a group of 5 -12 inhabitants representing neighbourhoods within HC. Its scope of power is contacting neighbours, defining social needs and problems, proposals setting and consulting HC general assembly resolution projects.

IV. Unemployed-specific Opportunity Structure

19.	Power of city in terms of unemployment policy elaboration and implementation	Score: 0
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According to Polish law (Ustawa o promocji zatrudnienia i instytucjach rynku pracy, art 9) within competencies of local (powiat, which in case of Kielce – equals city) government is:

- The elaboration of local ‘program of employment promotion and activation’, which is a part of local ‘program of social problems solving’,
- Managing the financial means on policies implementation received from the central Labor Fund,
- Elaborating and competing the lists of unemployed persons and unemployed benefit paying,
- Informing, running broking and advisory services to the unemployed and employment seeking persons,
- Monitoring and conducting research on local labor market,
- Organization and implementation of labor market measures,
- Applying and running ESF funded local labor market programs.

20.	Local spending for passive and active measures per unemployed	Score: -1
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Indicator 1 (the total national budget spent in Poland for LMPs per unemployed person registered at the end of 2008) = 857,61 EUR *

* This indicator is to a certain extent incorrect, because it does not refer to all unemployed, who were registered during 2008, but only to those, who were registered in the end of the year (according to available data it is impossible to take into account inflows and outflows from the unemployment).

There is no comparable data for 2008 for the city level.

Indicator 2 (the total national budget spent in Poland for LMPs/GDP)= 0,0045

In Poland LMP, both active and passive measures, are mostly financed from the Labour Fund – a special state fund, that is managed by the Ministry of Labour and Social Policy. The Ministry designates money for voivodships (regions) and poviats (subregions) (Misiąg and Tomalak 2008) responsible for LMP coordination and implementation. The Labour Fund consists mostly of employers’ contributions (2,45% of the net salary) and since recently of European Funds (mostly the European Social Fund)³². In 2007, contributions constituted 91,1% of Labour Fund, while European Funds 7,5% of it. There are also additional resources from European Funds, which are not included in the Labour Fund.

In 2008 from money granted in the frame of Labour Fund, Powiat Labour Office - responsible for implementation of LMP in the city (*Kielce – miasto na prawach powiatu*) and surrounding rural area (*powiat kielecki*) – spent 5 381 483.08 € (22 453 700 PLN) for passive labour

³² Before 2004, the important source of the Labour Fund were also the subsidies from the state budget.

market policies (36,73% of all expenditures) and 9 267 495.93 € (38 667 700 PLN) for active labour market policies (63.27% of all expenditures) (Powiatowy Urząd Pracy 2009: 18)³³.

21.	Public information and support services for the unemployed	Score: 0
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In the city of Kielce, there are four main public organisations providing services for unemployed people:

1. the Poviats Labour Office (*Powiatowy Urząd Pracy*) (since 2009 it was replaced by the Municipal Labour Office, when it comes to the municipal area)³⁴ is a public sub-regional organisation playing crucial role in implementation of LMP³⁵.
2. the Voivodship Labour Office (*Wojewódzki Urząd Pracy*), is a public regional organisation responsible mainly for programming and coordination, to a lesser extent for services for unemployed.
3. the Family Assistance Centre is a public municipal organisation, responsible for implementation of social policy.
4. the Voluntary Work Troops (*Ochotnicze Hufce Pracy*) are the regional branch of public state organisation specialised in providing services for youth, in particular for youth vulnerable to social exclusion and for unemployed under 25 years old³⁶.

MAIN PUBLIC SERVICES:

1. In the **Poviat Labour Office**³⁷, which is the organisation where jobless people register in order to be officially considered unemployed, they can obtain different types of assistance. General information concerning entitlements, based on national regulations, and available job offers can be found in the Internet but it is necessary to come directly to the office for more specific information about types of activation programmes or a period when they are organised.

Free health care: a status of unemployed entitles to a free health care.

Financial assistance: a main benefit is the **unemployment benefit**, which is low and flat-rate, but nevertheless the entitlement depends on paying previous contributions. Since 2010 the amount of benefit will be higher during first three months and then reduced³⁸. Most of training measures (trainings, internships, on-the-job trainings called 'vocational preparation in the workplace' are also accompanied by a payment of "supplementary training allowance" or "scholarships".

³³ According to the exchange rate at the end of 2008.

³⁴ In the beginning of 2009 the Poviats Labour Office (*Powiatowy Urząd Pracy w Kielcach*) was split into two different offices. The Municipal Labour Office (*Miejski Urząd Pracy w Kielcach*) is now responsible for the municipal county (city of Kielce with a status of *poviat*) and the Poviats Labour Office for the surrounding rural county (*poviat kielecki*). Municipal Labour Office has the same competences. Vulnerable groups, passive and active measures are also the same because they are nationally defined. In Poland there are three levels of the self-government administration with full autonomy and elected governing bodies. They correspond to the NUTS-V level of international statistics nomenclature: 1) gminas (municipals, NUTS V level), created in 1990, 2) poviats (translated into English as counties or districts, sub-regions, NUTS IV) and 3) voivodships (regions, NUTS II), both created in 1999.

³⁵ In Poland there are three levels of the self-government administration with full autonomy and elected governing bodies. They correspond to the NUTS-V level of international statistics nomenclature: 1) gminas (municipals, NUTS V level), created in 1990, 2) poviats (translated into English as counties or districts, sub-regions, NUTS IV) and 3) voivodships (regions, NUTS II), both created in 1999.

³⁶ The act on employment promotion and labour market institutions (2004), art. 6 ust. 3.

³⁷ Since 2009 the Municipal Labour Office.

³⁸ The act on employment promotion and labour market institutions (2004), art. 72 ust. 1.

In 2008 **main services and activation programmes** organised by the **Poviat Labour Office** in Kielce were:

- **job placement and job counselling**
- **job search workshops in a Work Club** that consist mainly of different activities aiming at providing participants with some basic skills such as writing CV, a cover letter, preparing job interview, searching job offers in Internet, etc.
- **internships** till 2009 were addressed for unemployed under 25 years old or unemployed aged between 25 and 27 years old, who had finished their tertiary education less than a year before³⁹. The unemployed person was paid an 140% of an unemployment benefit during the internship. Duration was no longer than 12 months. In 2008, **1926 young unemployed** from Kielce **participated in this form of activation**.
- **trainings** - in 2008, **925 unemployed** from Kielce **participated in this form of activation**. In 2008, they were paid supplementary training allowance at the level of 20% of unemployment benefit⁴⁰.
- **on-the-job trainings called 'vocational preparation in the workplace'** in 2008 was an instrument of activation for following vulnerable groups of unemployed (long-term unemployed; women, who have not returned to work after a birth of their child; over 50 years old; unemployed without professional qualifications, professional experience or with than secondary education; single-parents with a child under 18 years old; unemployed ex-prisoners or disabled people)⁴¹. **The idea behind is similar to internship: to make unemployed learn necessary skills during work they perform directly in the enterprise**. The unemployed person was paid an 140% of an unemployment benefit during the vocational training. In 2008, **579 unemployed** from Kielce **participated in this form of activation**.
- **business start-up subsidy** (in a maximum amount of five times of average salary)⁴², the person is obliged to run an economic activity for minimum 12 months. In 2008, **259 unemployed** from Kielce **were granted business start-up subsidy**.
- **refund of costs of equipping a workplace** (doposażenie, wyposażenie miejsca pracy) for enterprise employing an unemployed person. Small and medium enterprises were obliged to employ such person for more than 2 years (full time contract), whereas big ones for more than 3 years⁴³. **In 2008, 209 refunds were granted in Kielce**.

³⁹ In December 2008 the act on employment promotion and labour market institutions was amended. Alternations are binding since February 2009. Since then internships besides to young unemployed (under 25 years old or unemployed aged between 25 and 27 years old, who have finished their tertiary education less than a year before) have been also addressed to all other vulnerable groups defined by this law, i. e. long-term unemployed, i.e. over 12 months in the last 2 years or unemployed after accomplishing a social contract; women, who have not returned to work after a birth of their child; unemployed over 50 years old; unemployed without professional qualifications, professional experience or with less than secondary education; single-parents with a child under 18 years old; ex-prisoners, who have not found job or disabled people. Participants are now paid 120% of unemployed benefit for their participation.

⁴⁰ Since February 2009, participants are paid scholarship at the level of 120% of unemployed benefit.

⁴¹ The last amendment of the act on employment promotion and labour market institutions has distinguished different forms of vocational training, emphasising the importance of obtaining professional certificate. Participants are now paid 120% of an unemployment benefit during the vocational training. Long-term unemployed and women, who have not returned to work after a birth of their child are not entitled any more to participate in this form of activation.

⁴² Since the last amendment of this act, the maximum amount of business start-up subsidy has increased to the level of 600% of average salary (art. 46).

⁴³ The last amendment, introduced the maximum refund at the level of 6 average salary and changed the time of obligatory employment for a period of more than 24 months.

- **subsidised employment** - there are several types of subsidised employment: **intervention works, public works** and **socially useful works** in cooperation with Municipal Social Assistance Centre (or Municipal Family Centres). Generally speaking, intervention works and public works are addressed to vulnerable groups, while socially useful works to unemployed receiving assistance from social assistance and not entitled to unemployment benefit. Intervention works are organised by enterprises, public works communities, municipalities or non-governmental organisations and socially useful works by communities only (they take maximally 10 hours a week). In 2008, **60 unemployed** from Kielce **were employed in the frame of intervention works, 13 unemployed from Kielce participated in public works and 155 unemployed from Kielce and surrounding rural area (powiat kielecki) took part in socially useful works.**
2. In the **Voivodship Labour Office** unemployed can found job offers from abroad. There is also a Centre of Career Information and Planning, where job counselling and information on educational opportunities is provided. They also provide basic assistance concerning preparing a CV, a cover letter or job interview. It is not obligatory to get there and usually only a small part of unemployed come to this office, but because of that the relation between civil servants and unemployed person is usually more individualised than in the poviats labour office.
 3. **The Family Assistance Centre** provides very low, means-tested temporary benefit and other allowances (special benefit – *zasitek celowy* – for example for medicines) and different forms of in-kind support (for instance, food programmes, clothes). Long-term unemployed can also participate in activities of the Club for Social Integration, where they are offered different types of counselling (legal, psychological, job counselling). There are also special, long-term programmes combining different activities for most deprived city districts.
 4. **Voluntary Work Troops**
 - **job placement** (job offers from a region and a whole country and abroad) and **job counselling for youth (15-24 years old)** (mostly pupils, but also unemployed)
 - **trainings:** vocational trainings adapted to employers' demand and also trainings providing participants with some basic skills such as writing CV, a cover letter, preparing job interview, searching job offers in Internet, etc.

22.	Inclusion of organisations of the unemployed in unemployment policies	Score: 0
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According to Polish law (Ustawa o promocji zatrudnienia i instytucjach rynku pracy) **labour market policy bases on social dialogue and the cooperation with social partners** (art 21). There are 3 forms of such cooperation listed in the act:

- local partnerships,
- cooperation with social organizations and
- Labour Offices consultative bodies: Employment Councils (rady zatrudnienia).

City's Employment Council (Miejska Rada Zatrudnienia) in Kielce assembles: 2 local nongovernmental organizations representatives (Cartias, FRDL), 5 labour organizations members, 3 employer's associations members, 2 representatives of city's office. Board has the powers to set the opinions on Labour Offices' special employment programs; particularly on expenditures allocation, beneficiaries of the programme and its foreseen results.

However, there are **no acts neither on national nor at the local level that would be aimed at the deeper inclusion of organisations of the unemployed** (comparing to other organisations) in elaboration of unemployed policies. As stated above and in point 24 there are means to involve ngos in unemployment policy elaboration, but there is no special role of unemployment organizations in that process.

The key institution aimed at the inclusion of civil society in the formulation of unemployment policies is the regional (at the voivodship level) **trilateral commission of social dialogue – Voivodship Social Dialogue Comission** (Wojewódzka Komisja Dialogu Społecznego) (see also: point 19). Its members in Kielce are: the regional representative of the national government (Wojewoda Świętokrzyski), the representative of regional government (Marszałek Województwa Świętokrzyskiego), representation of labour organisations (NSZZ Solidarność, OPZZ, Forum Związków Zawodowych w Kielcach) and the employers' associations (KPP, PKPP – Świętokrzyski Związek Pracodawców Prywatnych, Związek Rzemiosła Polskiego – Izba Rzemieślników i Przedsiębiorców w Kielcach, Business Centre Club Związku Pracodawców – Łoży Świętokrzyskiej BCC ZP). The Commission has primarily mediatory functions (investigating and mediating in the social and economic conflicts between employers and employees, agreements setting between the members of commission concerning the reciprocal responsibilities) and the consultative functions (opinions setting on the issues within labour organizations' and employers organizations' powers, opinions setting concerning the strategy of regional development).

In 2008 the Commission gathered 10 times setting 8 “opinions”, mainly concerning the sectoral problems of agricultural production and services delivery. Opinions' contents was recognition and defining of the problems and addressing the institutions (the ministry, local governments at the various level) to undertake certain tasks referring to the problem, such as: setting the norms, negotiating with the actors, launching a certain program. One Commission session in 2008 and two in 2009 referred strictly to the local labour market and employment issues. Only one of them resulted with opinion “on the necessity of launching the all possible instruments to avoid the dismissals, including labour market support programs and special anti-crisis programs.”

23.	Inclusion of other civil society organisations in unemployment policies	Score: 0
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At the city level the **“Cooperation programme between the city of Kielce and public purpose organizations”** (Program współpracy miasta Kielce z organizacjami pozrządowymi...) is a main document regulating the possibilities to incorporate nongovernmental organizations in local social policy system. **Neither does it include unemployment issues as a cooperation subject, nor it mentions of consulting or cooperating at the stage of policy formulation.** The interviewed deputies of the city office claimed that the unemployment issues are solely the Poviats' and Labour Office issues. However, we recognized some informal ways of influencing city's social policy through organizations' lobbying on which social services should be allocated by the city to the organizations. No consultations with the organizations on social policy programmewere held in 2008 in the city, neither are they openly invited to take part in city council public sessions. There are two main forms of inclusion of civil society in the implementation of unemployment policies in Kielce:

- **Allocation of the social services provision to the organizations** acting for public purpose, according to the local “programme of cooperation of the city/Poviat with

nongovernmental organizations⁴⁴. The allocation of services provision may take a form of subletting a task (powierzenie) or subsidizing an organization (wspieranie z dotacją) (legal source: ustawa o działalności pożytku publicznego). On the Poviats level there is a possibility of subletting the tasks aimed at “promoting employment and activation of the unemployed people” (In 2008 one organization – Caritas Kielce received financial support from the Poviats (270 000 zł – 60 000 €) for the Social Integration Center). On the city level, although there is no possibility to sublet the tasks concerning unemployment issues to the civic organizations, there are such assignments as: “social and occupational reintegration of the persons ending the anti-alcoholic therapy” or “entrepreneurship training to the youth from dysfunctional families. Out of the city’s budget for the services provided by the organization only the small share was allotted for the tasks of “occupational reintegration” (2%).

- **Local partnerships** aimed at unemployment issues. In 2008 there were 3 such partnerships in Kielce running following programs:
 - “Twarzą w twarz z rynkiem pracy – model zatrudnienia przejściowego” (Face to face with labour market – the model of interim employment) designed to support the employment of persons with mental disabilities. One nongovernmental organization is a member of this partnership – Świętokrzyski Zespół Regionalny Koalicji na rzecz Zdrowia Psychicznego I Kielecki Dom Pod Fontanną.
 - “Telepraca scala rodzinę” (Teleworking brings the family together) – aimed to help women having troubles with getting back to occupational activity after the child’s birth and maternity leaves. Its members were Caritas, Centre of Vocational Training by Kielce’s Polytechnic (Politechnika Świętokrzyska) and Poviats Labour Office.
 - “Wyprowadzić na prostą” (“Finding a right way”) – aimed at social and occupational reintegration of the homeless people. Its members were St. Albert’s Association and Poviats Labour Office.

See also: p. 23 relevant here.

⁴⁴ Kielce’s Poviats is the city’s surroundings (without the city itself). Thus, the cooperation of the Poviats with nongovernmental organizations encompasses solely the organizations that are located in the city’s neighbourhood. However, in 2008, before the reform splitting the Poviats Labour Office (see remark 1 in point 1) the Poviats had subsidized the local labour market programs that were addressed to both Poviats’ and city’s inhabitants. Currently some labour market programs as “Twarzą w twarz...” are run by partnership including Poviats and its offices as well as city and its offices.

V. Opportunities: related issue-fields

24.	Adaptation of education offer to the labour market situation	Score: 0
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The last reform of the education system in Poland was carried out in 1999. Adaptation of education offer to the labour market needs was not mentioned among the most important objectives of the reform. In the opinion of managers and entrepreneurs the Polish education system is not sufficiently adjusted to economic needs. The main objections include:

- excessive specialisation, homogeneous vocational education at the above-primary level,
- weakness of bonds with economic environment, including the mismatch with regional staff demand,
- absence of a system of impartial assessment of education quality and effectiveness and of qualification standards,
- insufficient development of vocational counselling,
- lack of flexibility manifesting as weakness of bonds between individual stages and forms of education.

The most important changes introduced to vocational education in Poland in the 1990s. consisted in restricting the scale of education in vocational schools, with parallel growth in percentage of learners in secondary schools, as well as resignation of narrow specialities in favour of wide-profile education. An important change in the education system was to create a new type of school – technical lyceum – as well as to expand and enlarge the system by including a network of non-public schools thereto.

At present no special education forecasting methodology is used in Poland. Current coordination consists in: monitoring deficit and surplus occupations, concluding tripartite or bilateral training contracts, (gradual) introduction of bilateral contracts between schools and enterprises as well as survey and monitoring of careers of school graduates and graduates of skills' development courses (limited scope in Poland).

Low popularity of engineering, technical and IT study profiles, which are so important to meet the challenges of modern society and knowledge-based economy, should be mentioned as one of the problems of the Polish tertiary-level education. The system of incentives (e.g. in a form of scholarships) to apply for studies in profiles important for the economic development is underdeveloped and higher schools lack resources to ensure appropriate scientific infrastructure. Higher schools' cooperation with entrepreneurs is also underdeveloped.

Education offer of public schools in Kielce is maladjusted to the labour market needs. Too many young people acquire only general education without qualifications in specific occupation. A number of vocational schools is insufficient. Schools rarely have the resources to offer vocational counselling. However, there was a noticeable improvement in vocational education in private schools. It is becoming more specialised to meet the needs of local employers and companies. Kieleckie Centrum Edukacji i Pracy Młodzieży (The Centre for Youth Education and Work in Kielce), attached to the Voluntary Labour Corps, organises training, counselling and vocational guidance, in consultation and often in cooperation with employers. Mobile Vocational Education Centres reach individual communities (municipalities) and schools to make youth aware of areas of education that would provide

them with an opportunity of future job. Labour market recognition is still too poor. Employers rarely seek contacts with schools because - due to high unemployment rate - they do not have special problems with finding employees.

25.	Public support for elderly services	Score: 0
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We have a paradoxical situation in Poland regarding the perceived role of the state towards elderly population. On the one hand, public opinion polls suggest that governmental bodies are exclusively responsible for the situation of the elderly, and on the other hand - elderly people most often live in their children's households and receive assistance from them.

Although the elderly are economically independent (97%), 74 per cent of this population live off their pension and only several per cent live off the social assistance, slightly above 6 per cent are gainfully employed - but their living comfort is lower than in other countries. Social benefits in Poland are not high. Almost 84 per cent of their recipients are granted benefits close to or below the level of average earning in the national economy.

Institutional support for the elderly is offered via social welfare centres, day-care homes, day-care social welfare homes and social welfare homes. The network of facilities supporting elderly people is still insufficient and their offer is too poor to satisfy immense social needs. It concerns both insufficient number of available places and unsatisfactory quality of services. In spite of changes, reforms and modernisation of the Polish social welfare system after 1989, in the awareness of a man in the street the social welfare home means something tragic, determining and even ultimate. Although the standard of living in social welfare homes in Poland has recently improved, elderly persons prefer to stay with their relatives, under the care of younger members of the family.

Accommodation in social welfare homes is payable in amount of average monthly cost of maintenance. The resident - who, however, has to pay not more than 70 per cent of his or her income, first of all covers cost of accommodation. Subsequently a spouse, descendants, and possibly ascendants of the resident finance such accommodation. The costs may be also covered by a community (gmina) - in amount equal to a difference between an average cost of maintenance in the social welfare home and fees payable by the aforementioned persons. Annual expenditure connected with the cost of maintenance of social welfare homes' residents is too high for many local budgets. In result communities are not willing to place there persons with low pensions who will be able to cover only a small part of monthly cost. In effect we have a situation where only high-income people may apply for a place in the social welfare home. In practice, single persons, with low pensions, who cannot afford to cover the cost, may not count on assistance in a form of being placed in the social welfare home.

Public nursing benefits are insufficient. The nursing allowance is granted automatically to persons who reach 75 years of age. Nursing services are not organised in any special system. They have in principle a character of social welfare services, offering a payable aid of a carer, neighbours' help, voluntary services or placing in a social welfare home. A person who requires nursing but has not reached the age of 75 years may apply for such benefit if s/he has been reckoned towards the severe degree of disability by an evaluating doctor of the team for disability assessment attached to the Poviast Family Assistance Centre created by the starost.

Five social welfare homes in Kielce are inhabited by 697 persons, of which 695 receive municipal co-financing. Social welfare homes admit only chronically ill persons. A number of available places is inadequate to meet the needs. Assistance in a form of care services in 2007 covered 882 persons and 28 persons took advantage of assistance in a form of nursing services. Rehabilitation services were provided to 411 persons. A Municipal Family Assistance Centre runs three Senior's Clubs.

The total budget that the city spends for elderly services makes 10,2% of the total budget for social aims (the budget of Municipal Family Assistance Centre).

26.	Public support for young people to live alone (combinations of amounts and addressees)	Score: -1
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The Polish legislation does not contain special solutions to support youth wishing to live alone. Support for families is also low. Pursuant to the Law of 21 June 2001 *on family allowances*, the allowance is granted if:

- an income per head in a household has not exceeded within the recent three months an amount equal to 175 per cent of minimum pension in a single household or 125 per cent of minimum pension in a multi-person household and
- a permissible usable floor space of living quarters per person has not been exceeded (35m² in a single household, 40m² for a two-person household).

The allowance is determined in amount allowing to cover only basic cost of use of the living quarters (without e.g. gas or electricity bills).

In addition, the *Law on financial support for families in acquiring own accommodation* entered into force in 2006. The Law lays down the principles of granting subsidies to interest on credits awarded for the purchase of living quarters, construction and purchase of one-family house or for housing cooperative share. Subsidies are granted in amount equivalent to 50 per cent of interest. Subsidies to interest on preferential credits are exempt from personal income tax. They are addressed to spouses and single parents, however single households (without children) have been excluded from support, which as an element of family-oriented policy of the State. In 2008 the government rejected a parliamentary proposal of (inter alia) extending the scope of beneficiaries of the described Law by including single persons to the programme. The government argued that young people (from 25 to 35 years of age) are anyway a large group of persons taking credits. Credits granted to this population group in the period from January 2007 to mid-May 2008 accounted for 96 per cent of a total number of awarded preferential credits.

However, the Law includes several provisions, which restrict opportunities to take such credits. The value of transaction may not be higher than „the reconstruction value of a building“, which is announced every quarter by the Central Statistical Office for different towns, voivodships and regions. It limits opportunities to take advantage of preferential credits in large cities where accommodation prices, even on secondary market, exceed the limit. Unfortunately, also in the case of smaller towns, such as Kielce, it is difficult to find an accommodation, which would be sufficiently cheap to receive state aid for its purchase.

Paradoxically the easiest way to take advantage of the programme is to build own house. In this case a price per one square meter is dropping. The problem is that the programme "A Family on their Own" is addressed to people with average incomes who cannot afford to

build a family house. To build a house a building plot is needed and its purchase is not covered by the preferential credit. To be granted the preferential credit one must have credit capability which is assessed in the same way for any credit, whether preferential or not. Finally, actual beneficiaries of preferential credits are not the persons that the legislator wanted to support in this programme. Fairly well off people in Kielce usually cannot afford to purchase a building plot and build a house, and finding an accommodation in price permitted by the Law on *financial support for families in acquiring own accommodation* verges on the miraculous. Presently, in the period of economic crisis a small percentage of Kielce population have credit capability enabling them to buy an accommodation.

27.	Child support (combinations of length and amounts)	Score: -1
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The Polish Law on *family benefits*, which entered into force on 28 November 2003, provides for two types of benefits related to having a child:

- Family allowance and supplementary family allowance; and
- Lump-sum aid in respect of childbirth.

The family allowance is granted to a person who brings up a child if income per head in a family or income of a learning person does not exceed PLN 504 (1/6 of average monthly earning in a sector of enterprises, ca EUR 116). The allowance is payable until the child reaches the age of 18 years, or until he or she completes school education, however not longer than until he or she reaches the age of 21 years. As regards children holding a certificate of disability who continue education, the allowance period is extended to the age of 24 years. The monthly amount of the benefit is low – from PLN 44 to 65 (EUR 10 to 15), depending on the child's age (1.5-2.2% of average earning). Supplementary allowances to family allowance are granted in respect of: child birth, care of the child within the period of the parental leave, bringing up the child as a single parent, bringing up the child in multi-children family, education and rehabilitation of the disabled child, starting the school year, undertaking education outside the place of residence by the child. Around 7100 households in Kielce took advantage of family allowances and supplementary allowances in 2008.

The supplementary allowance in respect of the child birth is awarded in a lump sum of , 1000 (1/3 of average monthly earning, EUR 230). A community (gmina) council may raise amounts of supplementary family allowances by means of a resolution. The raised amount of supplementary allowances is financed from own community funds. Family benefits in Kielce have been left at a statutory level.

The family allowance and supplementary allowances are income-based. However, a lump sum aid in respect of the child birth amounting to PLN 1000, is awarded irrespective of income. This solution, commonly called „becikowe” (Polish "becik" means baby's sleeping bag), was introduced in Poland in 2006 and is often subject to criticism by experts as an element of political game, which in fact increases a number of poor people and a number of births in pathological families, and does not solve a problem of lack of money to bring up a child and provide for its future education.

As an additional support for families with children one should mention an opportunity to deduct from personal income tax an amount of PLN 1145 (EUR 263) for each child. It is a privilege for the families, whose gross monthly earnings amount at least to PLN 2400 (EUR 552) in the case of two children and PLN 3600 (EUR 827) in the case of three children.

Besides, a woman covered by sickness insurance who has born a child is granted a maternity allowance payable during a period from 18 weeks (for the first child born or

adopted) to 28 weeks (in the case of multiple birth). The allowance may be also payable to the child's father. The maternity allowance is payable at a rate of 100 per cent of average earnings or income from the recent 12 months.

Financial support provided by the Polish State in connection with childbirth and bringing up children should be regarded as small. Apart from the criticised „becikowe”, the support is provided only to poor families. Amount of support is low and period of its payment short.

28.	Externalisation of child-care	Score: -1
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The Polish legislation emphasises that parents and guardians are natural "guards" of child's interests. To be responsible for the child and his or her assets, to bring up a child - it is a special obligation of parents, resulting from their parental authority. The State and other entities play only supportive functions. They may also play substitute roles, but only when the child for various reasons is outside the direct care of parents or if the parents hurt the child (or act to his or her detriment).

Each parent in Poland may demand care of appropriate public institutions for his or her children for at least five hours a day: children aged from 0 to 3 years should be guaranteed a place in a nursery (a facility subordinated to the Ministry of Health), children aged from 3 to 6 years should be guaranteed a place in a kindergarten (a facility subordinated to the Ministry of National Education). The maximum period of care guaranteed to children in these facilities is 14 hours a day (in kindergartens 10 hours), minimum - 5 hours a day.

Services of the mentioned facilities are payable by parents. Fees are fixed on a local level (community, municipality), while supplementary payments (meals, supplementary classes) are fixed by the management of a given facility. Fees in a nursery or a kindergarten may be reduced for families in difficult financial situation, being social welfare beneficiaries. Reductions are also possible for more than one child of a given family attending the facility or for disabled children.

The system of public care is being more and more often complemented by private facilities. Of course, each child-care institution must meet defined standards.

In a hierarchy of care institutions in Poland the first place is still occupied by "an institution of a grandmother". More wealthy families hire carers / nannies for a child, who usually work in a grey sphere.

41 per cent children in Poland aged 3-5 years attend kindergartens (the lowest rate in Europe): 62 per cent in cities and only 19 per cent in rural areas. Children who mostly need it - children from poor, dysfunctional families, from underdeveloped regions of the country - most rarely are placed in a kindergarten. Availability of kindergartens in rural areas has been recently slowly increasing - but too slowly. Changes in kindergarten education were introduced in 1991. Kindergartens' financing and management was entrusted to local governments as their own task. Local governments started to close kindergartens for economic reasons. In the period from 1991 to 1999 there were liquidated 30 per cent of all kindergartens: in rural areas 38 per cent and in towns – 22 per cent of a total number.

Average expenditure on education (covered by local governments and parents) amounts to ca 0.4 per cent of GDP and is similar to EU average. Lack of flexibility in expenditure on early education and care (financing mainly traditional kindergartens, expensive in maintenance) results in a situation where so small number of children take advantage of education at this

level, and decision-makers discuss incentives for women to stay at home and resign of vocational career to take care of a child.

43 municipal kindergartens operate in Kielce. They are attended by ca 4.5 thousand children which accounts for 32 per cent of a total number of pre-school children. An offer is complemented by private kindergartens, which however demand fees exceeding financial possibilities of many parents. In effect, lack of places in municipal kindergartens reduces labour market flexibility of young parents (mainly mothers). The city runs only 4 nurseries with a total of 335 places. Parents, most often long-term unemployed mothers, take personal care of children, and a part of children may not benefit from the public care system due to the bad health condition.

29.	Measures tackling recruitment discrimination of ethnic and geographical forms, that is, targeting either the individual or group dimension (positive discrimination)	Score: -1
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Poland is still quite homogenous country from ethnical point of view. In a population census of 2002, 96.74 per cent of Polish population declared Polish nationality. However, after accession to EU, a number of foreigners and migrants has been growing in Poland.

Research on foreigners' discrimination on the labour market is difficult, because a large number of foreigners work illegally or on their own account, in small businesses mainly connected with trade and services (it relates first of all to the Vietnamese). "Black market" is favoured by high labour costs and still burdensome procedures of granting work permits to foreigners, although many positive changes have been introduced in this respect over the recent two years. Starting from 2007 EU nationals have been granted the right to work in Poland with no permit. Legal employment of Russian, Belarus and Ukrainian nationals has been also facilitated. However, many foreigners coming from the East prefer to work illegally, not paying taxes and social insurance contributions, which - paradoxically - means lack of awareness of being a victim of discrimination and is consent to such situation. Their working conditions are usually worse and wages are lower than in the case of Poles. Media occasionally raises these problems, but the mentioned cases rarely end in courts. Persons subject to discrimination do not fight for their own rights. The National Labour Inspectorate has received so far only one complaint about discrimination on grounds of ethnic origin. British subjects lodged it. Labour market discrimination of Romani and Chechen people is particularly strong.

The Polish legislation does not well protect foreigners against discrimination in employment. For example no body has been designated, as recommended by the EU Race Equality Directive, for the promotion of equal treatment of all persons without discrimination on the grounds of racial or ethnic origin. The competencies of such body would include: conducting independent surveys concerning discrimination, publishing independent reports, making recommendations and providing independent assistance to victims of discrimination. Although the Polish law in the described field defines prohibition of discrimination on grounds of ethnic origin (relevant Constitutional and Labour Code provisions), however the law is often infringed due to absence of appropriate regulations on the local level.

It proved that officially existing Romani organisation in Kielce was not available and public bodies were not able to provide any information on potential measures tackling recruitment discrimination of ethnic or geographical forms.

30.	Establishment of measures tackling recruitment discrimination based on disabilities (looking at public work and private business)	Score: -1
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Polish legislation meets the recommendations of EU Directive to eliminate the discrimination against people with disabilities in access to employment. Yet more than 80 per cent of disabled persons in Poland function outside the labour market. The binding rules on combining employment with pension lead to a benefit trap which discourages persons with disabilities to enter the labour market. Implemented programmes of financial support for employers provide for relatively higher refund of costs connected with employment of low-remunerated disabled persons, which leads to a situation where persons with disabilities are often offered low-paid jobs. Special rights of employed disabled persons discourage employers. Priorities of regional (voivodship) authorities responsible for social and vocational rehabilitation of persons with disabilities are not focused on vocational integration of these persons. Competent institutions on a regional level are separated from the labour offices. Implementation of EU standards in the Polish policy requires far-going co-operation between central administration and local governments.

Practical importance of the legislation in force which prohibits discrimination of disabled persons in employment is limited, and effectiveness of the anti-discrimination policy is low, because disabled persons rarely defend their rights (which partly results from their usually low education level), judicial proceedings are long and paid indemnities and compensations are low.

New solutions have been recently introduced to the Polish legislation to improve the labour market situation of persons with disabilities, for example provisions included in 2004 to the *Law on promotion of employment and labour market institutions* authorise non-public institutions to carry out activities supporting unemployed persons on the labour market. The role of non-governmental organisations in bridging the gap in assistance is significant, although their possibilities are limited. The improvement of labour market situation of persons with disabilities requires not only well developed legislation, but also resources ensuring its observance and change in employers' and also the disabled persons' approach to their employment. Meanwhile even ministries, local administrations, Social Insurance Institution (ZUS), Agricultural Social Insurance Institution (KRUS) and other offices, which are obliged to employ a certain percentage of persons with disabilities, prefer to plan in their budgets a sanction - e.g. PLN 20 million (- for not employing those persons, which must be transmitted to the State Fund for Rehabilitation of Disabled Persons (PFRON). In the Polish firms which employ at least 25 people 6 per cent of them should be disabled. In the other case the employer has to pay money to PFRON.

There are 5.5 million disabled persons in Poland, almost half of them in working age (which accounts for 15 per cent of a total number of working-age population), and only 546 thousand disabled persons are economically active. Four of five Polish companies do not want to employ persons with disabilities. Only 5 per cent of a total number of employers in Poland recruit disabled persons.

On 3 December 2008 a draft law on levelling up opportunities of persons with disabilities, colloquially called the "*Anti-Discrimination Law*", was submitted to the Prime Minister Donald Tusk. One of more important changes are regulations on equal treatment of persons with disabilities, in particular in the field of labour and in employment.

On a local level in Kielce two appropriated PFRON programmes were implemented in 2007 aimed to create and equip work posts for disabled persons. Within the framework of the

programme titled „Bridging the regional gap" the municipality signed seven contracts with employers who committed themselves to create a total number of 63 jobs for persons with disabilities. Employers received the refund of costs of work posts' equipment. Within the framework of the programme titled „Persons with disabilities in public service" the municipality created 8 jobs for disabled persons, trained 2 persons for work and employed 9 persons.

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CONCLUDING REMARKS

This report presented the results of our research about the variation of political and institutional opportunities for precarious and unemployed youth in the selected cases of our project (Cologne, Geneva, Karlstad, Kielce, Lyon, and Turin). There is much emphasis on analysis of both politics and policies referring to the wide range of institutional and political contexts that may potentially impact upon behaviour of political actors, in particular groups of outsiders standing against main policy elites and other political insiders. Accordingly, 30 main indicators have been defined in order to grasp a wide range of various aspects of the institutional political opportunity structure that may influence integration and well-being of young precarious and unemployed people. Special attention was focused in particular on policies and institutions that are specifically related to local governance.

Having provided a 'national scenario' for each case of our research, we have tackled the analysis of each indicator. In particular, we have allocated our indicators along five main dimensions of the political context, translating them into a systematic series of measures ranging between +1 and -1. These five dimensions are: (1) the unemployment regulations; (2) the labour market regulations; (3) the general political opportunity structure; (4) the specific opportunity structure for the unemployed; and (5) the context of related issue-fields. The first dimension has referred to the continuum inclusion/exclusion (with +1 being inclusion and -1 exclusion). The second dimension has referred to the continuum flexibility/rigidity (with +1 being flexibility and -1 rigidity). The third, fourth, and fifth dimensions have referred to the continuum open/closed in terms of general political context, specific political context, and related issue-fields (with +1 being open context and -1 being closed context).

This report represents just one piece to understand the broader macro-level conditions under which the unemployed and precarious youth, but also their own organisations and all the other actors intervening over in the same issue field, are placed. Other missing, but crucial, pieces will be added when we will crisscross our first data-set with other data referring to the meso-level of organisations mobilising in the field of unemployment and precariousness (WP2) and to the micro-level of young unemployed and precarious individuals living in the selected cases of our project (WP3 and WP4). However, some main findings already speak for themselves, thus helping us to single out a number of important points. Overall, these findings show that political opportunities for precarious and unemployed youth do not fit with a post-national model of politics. In other words, we have not found an increasing convergence amongst the various macro-level contexts which we have examined.

In fact, each dimension of the political context shows wide cross-national variations that could hardly be ignored. Thus, the analysis of unemployment regulations shows relevant differences between highly inclusive contexts such as France and Sweden and highly exclusive contexts such as Poland and Italy (with Switzerland and Germany providing an intermediate situation); the analysis of labour market regulations shows relevant differences between flexible contexts such as Switzerland and Sweden and rigid contexts such as Italy (with Poland, Germany and France providing an intermediate situation); the analysis of the general political opportunity structure shows relevant variations between high openness for Switzerland and high closure for France, Sweden and Poland (with Italy and Germany providing an intermediate situation); the analysis of unemployment-specific opportunities shows variations between high openness for Switzerland and Germany and high closure for Italy (with France, Sweden and Poland providing an intermediate situation); lastly, the analysis of opportunities in related issue-fields shows an important distinction between Sweden, France and Germany on the one hand (open) and Switzerland, Italy and Poland on the other hand (closed).