



Innovative Social Policies for Inclusive and Resilient Labour Markets in Europe



Switzerland

National report on the labour market position of vulnerable groups

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National report on the labour market position of vulnerable groups in Switzerland

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1. Introduction

Switzerland is a small, export oriented economy, with a large financial sector. Throughout the post-war years, it has always had high employment levels and low unemployment. The country suffered a relatively serious recession in the 1990s, which resulted in unemployment rates in the region of 5%. The economy improved in the 2000s, but the unemployment rate did not go back to pre-1990s levels. In addition, the 1990s and the 2000s have seen an almost constant increase in the number of beneficiaries of invalidity insurance and social assistance, which came to a halt in the late 2000s.

Traditionally, immigration has played a very important role in the functioning of the Swiss labour market. During the post-war years foreign workers, mostly from southern Europe, made possible the industrial boom. During the oil crisis of the 1970s, they functioned as a labour market buffer, which allowed the country to maintain full employment in spite of a drop of about 10% in the volume of employment (Bonoli and Mach 2000). In more recent years, however, the country has had to abandon its restrictive immigration policy, thus limiting the buffer function played by immigrant workers.

Immigration has been playing an important role also in more recent years, especially after the signing of agreement on the Free Movement of Workers with the EU. This agreement, which allows EU nationals to take up work in Switzerland, has resulted in a major expansion of employment in the country and in higher levels of immigration. This development has contributed to economic growth in the country, but as we will see below, has also had other impacts, including on vulnerable groups.

Switzerland has, together with a few other countries like Germany or Austria, experienced a relatively limited impact of the crisis in the medium term. The unemployment rate has remained at low levels, around the 4% mark, since the early 2000s. It is a lower level than during the recession of the 1990s.

The immediate impact of the crisis was considerably more dramatic. The large bank UBS which had invested heavily in the US subprime market, had to be bailed out by the government. In 2009, GDP plummeted by 1.9%, largely as a result of a fall in export. However, this shock did not result in employment losses, largely thanks to the use of temporary unemployment benefit, a scheme similar to the German *Kurzarbeit*. In the medium term, however, the crisis has not impacted on aggregate indicators such as the unemployment or the employment rate, which have remained very favorable throughout the 2000s and early 2010s.

According to most commentators, the most salient development that is currently impacting on the labour market is thus not the crisis, at least not directly, but the free movement agreement signed with the EU, in force since 2002. While this development has largely been beneficial for the country's economy, it has probably made the labour market more competitive, increasing the risk of exclusion for vulnerable groups. This development has also generated significant tensions, which have culminated in the referendum of 9 February 2014, when a slight majority of voters has supported a proposal for capping the number of immigrants that are allowed into the country every year.

2. Statistical overview

In this section we present some key labour market indicators for the four vulnerable groups. Table 2.1 presents three key indicators for the general population, serving as a benchmark against which the situation of vulnerable groups can be compared. In international comparison, Switzerland has always had very high employment rates. This is due to various factors. One of them is presence of a large number of cross-border commuters who have an employment rate close to 100%. It should also be noted that women have a comparatively high employment rate, but that more than half work part-time, often with rather short hours.

The data presented in this statistical overview confirm that the crisis has not had a visible impact on key labour market indicators, whether in general or in relation to disadvantaged groups. However, as we will see in the rest of the report, these broad macroeconomic indicators fail to capture some developments that have arguably worsened the position of some more narrowly defined vulnerable groups.

With regard to the quality of employment, trends have also been rather stable. Temporary employment has remained stable among Swiss nationals, at around 12% of employment (see table 2.1), but has somewhat increased for foreign workers, going from 35% to 46% between 2000 and 2007 (Eurostat statistics, various years). As will be seen in section 3.3 on the situation of migrants in the pre-crisis period, this trend is for a large part related to the sharp increase in migration after the adoption of the free movement agreement with the EU in 2002. Part-time employment is also on the increase, largely because of the continued increase of female employment. It should be noted that in Switzerland, part-time and temporary employment are not good indicators of employment quality. Part-time employment is most often a choice. In 2013, only 7.1 % of part-time workers declared that they would prefer a full-time job (OFS 2014a). Many part-time workers are married women, and part-time employment is often chosen for family reasons¹. In addition, part-time employment in Switzerland does generally not correlate with indicators of disadvantage. With regard to temporary contracts, these have access to social protection like open-ended contracts (though for some rights a certain duration is needed, e.g. three months for an occupational pension). In addition, open-ended contracts can be terminated quite easily by employers, so that they are not necessarily more secure than temporary ones.

Table 2.1: Key labour market indicators for the population of working age (15-64)

	2000	2005	2010 ¹	2011	2012
Employment rate	78.3	77.2	78.6	79.3	79.4
Unemployment	2.7	4.5	4.7	4.1	4.3
Inactivity rate	19.5	19.	17.6	17.2	17
Temporary employment	11.6	12.8	13.1	12.9	12.9
Part-time employment ²	30.2	32.9	35.1	34.9	35.6

Source: Eurostat, lfsa

¹ Break in series

² Figures relating to the total labour force between 15 to 74 years old.

¹ To which extent part-time work for these women is effectively voluntary or forced because of a lack of childcare facilities is still open to debate.

Salary levels are actually a better indicator of employment quality, and here we see some evidence of change over the last decade or so. Wage inequality has increased in the 2000s. The ratio between the 9th decile and the 1 decile has gone from 2.6 to 3 between 2002 and 2012. Relative to the median wage, low wages have been somewhat lagging behind, especially in the more recent years (OFS 2014b). This may indicate a decline in the quality of low skilled employment.

As can be seen from table 2.1. not much has changed during the 2000s in terms of main labour market indicators. After 2005 we can observe a slight increase in the employment rate that is probably related to the free movement agreement with the EU, which has meant the arrival of large numbers of immigrants with very high employment rates, since their reason for migrating is to take up employment (see also table 2.3 below). This interpretation is consistent with the fact that this expansion in employment has not been matched by a corresponding decline in unemployment, suggesting that the new jobs created in the 2005-2012 period have only partly been taken up by local unemployed people.

2.1. Disabled people

Table 2.2: Labour market position of disabled and non-disabled people

	2009		2010		2011	
	Disabled	Non-disabled	Disabled	Non-disabled	Disabled	Non-disabled
Total	100	100	100	100	100	100
Employed	67.0	85.4	67.5	84.6	69.6	84.8
Unemployed	4.2	3.0	4.6	3.0	4.1	2.9
Not in the labour force	28.8	11.6	27.9	12.4	26.3	12.3

Source: Eurostat, lfsa

Note: data available only since 2009. Disabled people defined as those who reported themselves as durably affected in their health and limited in their daily activities.

Labour market indicators for disabled people are only available for the 2009-2011 period. Given this short time frame, it is difficult to provide meaningful interpretations of the data presented in table 2.2. The data suggest an increase in the employment rate of disabled people that would be consistent with the reorientation of the disability insurance scheme, which since the mid-2000s puts much more emphasis on rehabilitation (see below sections 4.1 and 5). However, a great deal of caution is required, given the short period of time under consideration.

2.2. Migrants/ foreigners

Table 2.3: Labour market position of foreign residents

	2000	2005	2010	2011	2012
Employment	74	72.2	74.2	75.4	76.1
Unemployment	5.6	8.9	8.4	7.2	7.5
Inactivity rate	na	na	na	na	na

Source: Eurostat, lfsa

In Switzerland statistics on migrants are collected only on the basis of nationality. For this reasons, in this section with distinguish between foreigners and Swiss nationals.

Labour market indicators on foreign residents suggest that their situation has improved during the 2005-2012 period. In reality, these indicators reflect a shift in the composition of the foreign working age population, determined by the arrival of large numbers of EU immigrants, coming to Switzerland in order to take up employment. This group of new immigrants, generally highly qualified, has very high employment rates and very low unemployment, and is in our view responsible for the trends seen in table 2.3. The situation of foreign nationals who were already in the country before 2000-2005 has arguably not improved as will be discussed in the following relevant sections.

2.3. Youth

Table 2.4: Labour market position of young people (aged 15-24)

	2000	2005	2010	2011	2012
Employment	65	59.9	62.5	62.9	61.7
Unemployment	5	8.8	7.9	7.7	8.4
Inactivity rate	31.6	34.3	32.1	31.8	

Source: Eurostat, lfsa

Employment rates for young people have also improved slightly since 2005, but after a sharp drop between 2000 and 2005. The strong economic recovery between 2005 and 2008, and the free movement agreement with the EU may be at least in part responsible for the increase after 2005, but it is to note that regarding the latter factor most new migrants are of prime age. Overall, the change in the employment rate remains nonetheless modest as do trends in unemployment and inactivity.

2.4. Elderly

Table 2.5: Labour market position of older people (aged 55-64)

	2000	2005	2010	2011	2012
Employment	63.3	65.1	68	69.5	70.5
Unemployment	2.7	3.7	3.5	3.3	3.1
Inactivity rate	34.9	32.4	29.5	28.2	

Source: Eurostat, lfsa

With regard to older workers, we can observe a different trend. The employment rate increases constantly throughout the period under consideration (2000-2012). This trend is probably not so much related to immigration, as migrants tend to belong to the 25-54 age group but to two other factors. First, the improvement in the economic situation and the resulting labour shortage has probably pushed companies to hold on to their older employees for longer, as implied by the overall low and stable unemployment rate. On the other hand, the 2000s have seen an overall reduction in the generosity of occupational pensions, which are the main tool used to finance early retirement. This can explain the sharp decline in the inactivity rate observed between 2000 and 2011.

Overall, tables 2.2 to 2.5 suggest that over the last decade or so, not much has changed in the position of vulnerable people. Sure, there are some modest variations, most of them related to the sharp increase in migration experience by Switzerland after the adoption of the agreement on the free movement of workers in 2002. What is probably most striking, in a European perspective, is the absence of any medium impact of the crisis on these indicators. In this respect, Switzerland is not the only country in this situation. Germany, for instance, has clearly followed a similar trajectory.

3. The pre-crisis labour market position of vulnerable groups (2000-2008)

3.1. General introduction

Economically, the pre-crisis period can be divided into two phases, including one phase of economic downturn between 2001 and 2004 and an upswing phase up to 2008. Yet, despite this first phase of economic downturn, it can be said that the Swiss labour market performed generally well throughout the pre-crisis period. First, in international comparison, Switzerland had among the highest levels of labour market participation and lowest unemployment rates in Europe, and this throughout this period. Second, during the years from 2005 to 2008, Switzerland enjoyed a particularly strong economic recovery, during which employment rose and unemployment declined considerably (Gaillard and Weber 2009).

Finally, and despite the brief economic downturn in the early years of the decade, the 2000s marked the return of Switzerland to strong economic and employment growth after the crisis of the 1990s. During this period, even the industry sector grew, which represents a quite unusual trend in a general context of deindustrialisation (Brändle and Gachet 2012). In this regard, as mentioned in the introduction of this national report, the gradual introduction of the free movement of workers since 2002 decisively contributed to this economic growth by widening the pool of high-skilled workers and allowing companies to progress and expand (interview n°1).

This general positive trend translated into a relative stable and favourable labour market situation for most categories of workers. Apart perhaps from the youth, this certainly holds true for the remaining vulnerable groups selected in this study. However, beyond these aggregate positive figures on employment, a number of developments during the pre-crisis period also indicate the emergence of a growing gap between well-integrated and very dynamic group of workers, and a small minority of people for which it becomes more and more difficult to find a stable position on the labour market.

Among these indicators, one can first mention the persistence of high levels of long-term unemployment, and the steady rise in social assistance and incapacity benefit caseloads, which both indicate a growing share of people who find it difficult to get back into work. And second, this is a small, but steady increase in insecure forms of employment like temporary, fixed-term employment or underemployment. These two trends, namely higher risks of labour market exclusion and of unstable employment relationships, hit more deeply the four vulnerable groups, and have tended to intensify with the 2008 financial and economic crisis. This section will show, however, that these developments affected the various groups under study differently. While unstable forms of employment like temporary employment affect the youth and migrants particularly strongly, the elderly and also to some extent disabled people tend to

suffer more importantly from long-term unemployment. This finding reflects different modes of labour market integration according to socio-demographic characteristics.

Yet, and even if there is a tendency towards a worse-off labour market integration for these groups, it seems that in Switzerland, it is not per se socio-demographic features that defines vulnerability on the labour market, but rather a combination of various handicaps. In particular, according to most interviewed experts, the lack of skills and vocational training is an important determinant of labour market vulnerability in Switzerland, and vulnerability considerably increases for people cumulating a low-skilled profile with age, migration, or health handicaps.

3.2. The position of the disabled on the labour market

When examining the labour market position of disabled people, we have to distinguish between people suffering from health problems without necessarily receiving benefits, and people in receipt of incapacity-related benefits which are, in Switzerland, the invalidity insurance and (work) injury insurance schemes². Of these two types of incapacity-related benefits, the invalidity insurance is by far the largest one both in terms of benefit caseloads and expenditures. Moreover, because entitlement to disability insurance pensions is conditioned on a long-term earning incapacity, it follows that labour market participation is much lower for this specific group of disabled people than for the wider category of people with health problems.

Concerning precisely this wider category of the disabled, it is to note that the Swiss statistics rely on a particularly broad definition of disability as adopted in the federal law on equal opportunities for the disabled (which came into force in 2006). According to this definition, every person is considered as disabled if she reports herself as suffering from chronic health problems hampering her in professional and daily domestic tasks. According to this broad definition, these are about 14 to 15 percent of the Swiss population of working age that can be considered as disabled (Gärtner and Flückiger 2006 : 58, OFS 2011). However, a statistical distinction can be made between moderately and severely disabled people, this second category being closer to definitions used internationally. It corresponds to 4 to 5 percent of the working-age population (OFS 2011).

It is difficult to paint a clear picture of the position of the disabled on the labour market and its evolution over the whole pre-crisis period since national statistics exist only since 2006. However, according to respondents, it seems that the situation for the wide group of disabled people has neither dramatically improved nor deteriorated over the 2000s.

Statistics for Switzerland show a very low rate of unemployment. In 2007, the proportion of disabled people of working age that was unemployed amounted 4.8% (OFS, Swiss Health Survey). Yet, unemployment figures only give a very partial picture of benefit reciprocity rates, for the main reason that a high propensity of people with severe health problems directly move from employment to incapacity benefits, without an intermediate transition through unemployment (Fluder 2009).

In fact, as compared to the non-disabled, the overall rate of inactivity has been markedly higher among the disabled, and labour market participation constantly lower (see section 2). In the first half of the 2000s, the employment rate of the disabled amounted between 50 and 60%, while it was above 80% for the non-disabled people (OECD 2006: 31). Furthermore, for

² So far there exists no mandatory sickness benefit covering income losses in Switzerland.

this group, the barriers to find a new job once out of work are particularly high (Portail SME 2008)

In spite of these important difficulties, it is generally agreed that the labour market participation of disabled people in Switzerland has remained comparatively high (OECD 2006). This high level of employment cannot certainly be explained by compulsory minimum quotas for the disabled in public and private companies, which have never existed in Switzerland. They rather suggest 'spillover effects' of the overall good labour market performance on disabled persons (OECD 2006: 30). Additionally, as explained by two respondents, the high proportion of SME is very favourable to the labour market participation of people with disabilities, as personal relationships developed between workers and their hierarchies protect workers against rapid dismissals when they are confronted with health problems.

The possibility to work part-time is another factor facilitating the labour market participation of people with disabilities. As one respondent pointed out, people often compensate their health problems by reducing their working time (interview n° 11). As a matter of fact, part-time employment has always been particularly high among the disabled people. In 2007, these were more than 45% of the disabled in employment who had a part-time job, a high share in contrast to the 30 per cent for the total active population (OFS, Swiss Health Survey). In this context, working part time can be only moderately considered as an indicator for a lower employment quality, but rather as an instrument for facilitating employment. Empirically, there is little evidence that the disabled are more likely to occupy precarious and low-quality jobs. Figures on the prevalence of atypical forms of employment among disabled and non-disabled people indicate that people with disabilities are slightly more affected by open-ended contracts, night work, and voluntary flex hours, but they are not statistically significant (OFS, SILC 2010; Interview n°2). Yet, while objective employment conditions do not seem to differ significantly among the disabled and non-disabled people, one survey showed that the disabled are subjectively more affected by job insecurity. Unlike their able-bodied colleagues, they worry more frequently about getting unemployed and not being able to find a new job (Portail SME 2008)

There is no significant difference in the labour market integration of disabled people depending on regions or gender. But there exist quite important differences in employment rates among the disabled based on the age and educational attainment. The older disabled people are and the lower their educational level, the weaker their labour market attachment is (see table 3.1).

Table 3.1: Employment rates of the disabled in Switzerland, by gender and education

		Age group			Educational attainment		
		20-34	35-49	50-64	Below secondary	Upper secondary	Tertiary
	All						
2003	66	88	69	55	54	72	81
2005	63	85	67	53	50	69	78

Source: taken from OECD 2006: 31

These correlations between disability, age and education therefore make it difficult to determine with certainty the actual vulnerability that health problems constitute on the labour market. Also, the prevalence of disabilities considerably increases with age and a low educational level. In 2007, about 60% of the disabled were between 45 and 65 years old, and

over 20% (against 13%) had no vocational training (OFS, Swiss Health Survey). This suggests that health problems do not only create vulnerability, but may be also a consequence of other vulnerabilities like age or harsh working conditions. It is therefore perhaps best suited to talk about a combination of vulnerabilities when trying to assess the labour market participation of the disabled people (interview n°2).

Finally, another possible source of variation in terms of labour market integration to be mentioned in Switzerland is the type of disability. Switzerland belongs to the countries with the highest share of mental disorders among the disability benefit claimants, and this share has constantly risen over the 2000s. By 2008, the share of mental disorders had become one major policy issue for the disability insurance scheme. However, the particular position of people with mental disorders on the labour market is difficult to assess. On the one hand, in 2007, the employment rate for people suffering from mental disorders was close to 70% (OECD 2014: 28) and was therefore not fundamentally different from the whole category of the disabled. On the other hand, respondents agreed that people with physical disabilities are less stigmatized on the labour market than people with mental disorders (interviews n° 11 and 12).

3.3. The position of migrants on the labour market

As mentioned in section 2, in Switzerland, the category of migrants has been traditionally captured statistically on the basis of the nationality only. From this perspective, Switzerland belongs to the European countries with the highest share of migrants, partly due to a long standing immigration history and partly due to a restrictive access to the Swiss citizenship³. In the early 2000s, the share of foreigners amounted about 20% of the total resident population⁴.

Table 3.2: The position of the foreign population in Switzerland

		2000	2003	2005	2007
Employment rate:	Foreigners	74	73.2	72.2	74.3
	All residents (15-64)	78.3	77.9	77.2	78.6
Unemployment:	Foreigners	5.6	8.9	8.9	7.1
	All residents (15-64)	2.7	4.2	4.5	3.7
Social assistance:	Foreigners	-	-	6.6	6.5
	All residents	-	-	3.2	3.1
Temporary employment:	Foreigners	34.8	40.2	43.4	45.7
	All residents (15-64)	11.6	12.1	12.8	12.9

Source : Eurostat, Ifsa

³ It requires a minimum of 12 years of procedures and does not envisage an automatic citizenship for children of immigrants (Liebig 2012: 6).

⁴ This percentage only concerns permanent foreigners in Switzerland. It excludes cross-border commuters and migrants with a temporary work permit.

Generally speaking, and as seen in the statistical overview, nationality is an important factor affecting the position of the migrants on the labour market (Bühlmann and Schmid Botkine 2013: 49). In international comparison, the position of foreigners in Switzerland remained generally very good throughout the pre-crisis period. Table 3.2, however, indicates a greater vulnerability on the labour market of the foreign workforce as compared to total active population during the period. Although on average, foreigners experienced almost similar levels of employment throughout the period, they were also twice as often unemployed and in receipt of social assistance. Also, they are much more frequently affected by temporary employment. As a matter of fact, since 2000, temporary employment has not stopped growing among this group (see table 3.2). According to one study published in 2010 on the development of atypical-precarious work in Switzerland, this higher proportion of temporary employment is mainly attributable to the migrants arriving with temporary work permits, who have increased in number with the free movement agreement, and to those arriving for humanitarian reasons and who face considerable difficulties entering the labour market (Ecoplan 2010). Finally, between 2000 and 2006, migrants were constantly overrepresented among low-income workers and working poors (OFS 2008). Overall, these indicators suggest a lower quality of jobs occupied by migrants in Switzerland.

However, beyond this overall picture, the position on the Swiss labour market of migrants in the first years of the 2000s varied greatly depending on factors like their status on arrival, country of origin, or educational level (Bolzman 2008).

In fact, the 2000s were marked by two major transformations in the Swiss migration policy, which have had profound consequences on the number and composition of immigrants. First, it has been the redefinition of the priorities in the migration policy, historically based on the recruitment of a low-skilled workforce, towards a highly qualified immigration. This redefinition was typically reflected in the new federal law on the integration of foreigners introduced in 2008, which clearly stipulates that priority should be given to the highly qualified migrants (Bolzman 2008: 358-359). And second, it has been the introduction of the Freedom of Movement, which removed administrative obstacles to the recruitment of European workers, therefore contributing to steady rise in the share of foreign workers in Switzerland and, at the same time, to a sharp decline of the labour migration from the non-EU countries (Bolzman 2008). Together, these two transformations brought about an important diversification of the composition of the foreign population in Switzerland, and quite diverging labour market outcomes depending on the group of migrants.

The immigrants arrived from EU-countries with the introduction of the free movement of persons typically belong to a category of migrants with very good labour market records. Usually highly qualified, or occupying jobs in branches with a high demand for labour, they tended to arrive in Switzerland already in possession of a work contract, and therefore encountered no major problem to get integrated onto the Swiss labour market. Another category of migrants with good labour market outcomes is constituted of the second-generation of immigrants who was born and Switzerland. With a few exceptions, among which the children of immigrants from Turkey or ex-Yugoslavia, this important category⁵ of migrants does not differ significantly from their Swiss counterparts with respect to their educational and labour market achievements (Fibbi 2006, Liebig 2012). From a comparative perspective, its labour market integration is actually highly favourable (OECD 2012: 6). Together, these two categories contributed much to the relative good employment performance of migrants in Switzerland in the 2000s (Leibig 2012: 14).

⁵ It constitutes about one fifth of the total foreign population (OFS: Swiss survey on population and households-STATPOP).

In contrast, some other categories of migrants were more clearly disadvantaged on the labour market. Among them, the most vulnerable categories are:

- the new immigrants originating from non-EU countries, mainly arriving in Switzerland either through the asylum or family reunification channels. In terms of qualifications, this category is extremely diverse. However, for this category labour market participation is complicated, partly due to restrictive working permits, a difficult recognition of diplomas and qualifications and also some form of statistical discrimination from employers (interviews n° 4 and 5). As a result, in the early 2000s, this population suffered from a weak employment rate and comparatively very high unemployment rates. While it represented about 35% of the foreign population living in Switzerland, it constituted over 60% of the foreign population in unemployment (OFS: Swiss labour force survey-ESPA).

Table 3.3: Employment rates by country of origin (15-64 years old)

	2003	2004	2005	2006	2007
Swiss	81.6	81.4	81.3	81.7	82.1
UE28-AELE	82.9	82.5	82.7	83.1	83.7
Non-UE	76.1	74.4	73.9	73.9	74.1

Source: OFS, Swiss labour force survey-ESPA

- Low-skilled workers, among which one also finds the generations of migrants from Southern Europe arrived before the introduction of the freedom of movement. Because this category of migrants has traditionally occupied low-skilled jobs in the manufacturing, construction, hotel industry or housekeeping, and had no or little opportunity to get qualified or promoted, it has always been overrepresented in unemployment and social assistance.
- Women, who have always tended to have lower levels of employment, for reasons related among other things to the origin and cultural tradition (immigrant women from Turkey and ex-Yugoslavia have the lowest employment rates), but also the lack of extra-familial childcare opportunities (interview n°4, Liebig: 2012).

In contrast, no large regional differences can be observed across linguistic regions or Cantons in terms of the labour market integration of migrants. While the share of migrants from low-income countries like Turkey or ex-Yugoslavia is higher in the German-speaking part of Switzerland, employment is equally slightly higher and unemployment lower in this part of the country (Liebig 2012: 13). The (small) existing regional differences thus reflect above all regional employment disparities.

3.4. The position of youth on the labour market

In Switzerland two sets of data are available to quantify unemployment or professional inactivity: one is based on the unemployment statistics of the State Secretariat for Economic Affairs (Seco), which only identifies unemployed people who are registered in a regional

placement office. However, not all unemployed people do register in such an office or stay registered once their right to unemployment benefits ceases. There is a particular high proportion of young unemployed who do not register. The other data set is based on censuses of the Federal Statistical Office, which systematically identifies unemployed people according to international norms (Weber, 2010). Hence, it is the latter which allows crosscountry comparisons and which is more adapted for the analysis of the labour market position of youth in Switzerland.

As a general trend since the beginning of the 1990s, youth unemployment has increased in Switzerland. Despite this deterioration, the activity rate of youth in Switzerland is very high in international comparison and Switzerland registers one of the lowest rates in Europe of young people without employment (Weber 2007). For instance, while Swiss youth unemployment was 7.1% in 2007, the average rate for OECD countries was 12% (OECD, 2010). However, it has to be noted that in Switzerland, contrary to other countries, youth in apprenticeship are registered as in employment, hence they increase the labour market participation rate for this group (Sheldon, 2009 b).

Due to the rising youth unemployment level and a shortage of apprenticeship posts in the 1990s, an interviewee highlights that at the beginning of the 2000s a specific focus has been put on youth at the federal level (Interview n°1). Consequently, measures like personal coaching and labour market insertion support for youth have been developed. An important change, according to another respondent, came with the new law on vocational training, which came in force in 2004 and which finally eased the tensions between offer and demand of apprenticeship posts.

Youth unemployment rate is usually higher than the general unemployment rate. As in other countries, a main explanation for this fact in Switzerland is that the majority of young people go from education to work when they are between 15 and 24 years old. In fact, this transition represents a vulnerable point for youth, as, for several reasons, it engenders a higher risk of unemployment (Weber, 2007). However, youth is also a very dynamic group in terms of unemployment: the risk to be unemployed is higher for young people than the general active population, but the average time spent in unemployment is shorter. Indeed, an interviewee points out that this group is vulnerable at the very beginning, while searching for their first job, but once they have been integrated into the labour market, they are not so vulnerable anymore. Another interviewed person confirms that this group is more likely to be hired than other vulnerable groups (e.g. older workers).

Besides unemployment, another indicator for the difficulties of youth entering the labour market is the very high prevalence of temporary employment among this category of workers. While the proportion of temporary employment amounted about 12% of the total labour force between 2000 and 2007, it was approaching 50% for the youth aged between 15 and 24 years old (Eurostat data, *lfsa_etgpan*)⁶. While it is true that temporary employment in Switzerland is often transitory and most young people manage to find a stable position within the three years after graduation (SMM-Stellenmarkt-monitor.ch 2010), this high proportion of temporary work points to the problem of job insecurity among youth (see section 4.3).

⁶ Eurostat takes a very large definition of temporary employment, as it considers as temporary any time-limited job or a job which will terminate if certain objective criteria are met, such as completion of an assignment or return of the employee who was temporarily replaced.

Table 3.4: Prevalence of temporary employment, 2000-2007 (in % of the relevant category of workers)

	2000	2003	2005	2007
General population (15-74)	11.6	12.1	12.8	12.9
Youth (15-24)	47	47.7	49.6	50.3

Source: Eurostat, lfsa

The difficulties of accessing the labour market for youth are accentuated when the economy is not doing well, as employers tend to not hire new workforce, which is detrimental in particular for young people in search of their first job. Indeed, youth unemployment is more sensitive to the economic situation than the general unemployment rate, hence, in periods of economic downturn young people are particularly hit (Weber, 2007). In fact, as shown in table 3.4, during the economic downturn of 2001-2004, youth unemployment increased rapidly, growing by 2,5% in two years, reaching 8,5% in 2003, while in the same period the general population's unemployment rate grew by 1,7%. In 2006, when the good economic situation gained also the labour market, unemployment started to decrease, with youth unemployment decreasing faster than the general unemployment rate. However youth unemployment stayed much higher than the lower rates of the beginning of the 2000s.

Table 3.5: Youth and general population unemployment rate in Switzerland, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007
General Population	2,7	2,5	3	4,2	4,4	4,5	4,1	3,7
Youth (15-24)	5	5,6	5,6	8,5	7,7	8,8	7,7	7,1

Source: Eurostat, lfsa

There are some differences within this group. According to an interviewed person, youth unemployment is accentuated in regions where the employment situation is worse, in particular in border Cantons. This could be explained through the availability of qualified, experienced and cheap workforce represented by the cross-border commuters, who compete with the local youth. Moreover education plays an important role in the labour market integration of young people. Generally speaking, while the transition is difficult for all young people, once integrated on the labour market, youth with tertiary education tend to have the best chances (interview n°9). For youth choosing the dual vocational training system, integration on the labour market is generally easier. However, an initial difficulty may be detected in finding an apprenticeship post, which affects particularly certain groups of foreigners, demonstrating a persistent discrimination against them (interview n°8).

Finally, several respondents point out that labour market access is the most difficult for unqualified youth. An interviewed person points out that they belong at once to two different groups under focus: youth and unqualified workers. Another interviewee agrees saying that obstacles to the entry into the labour market are particularly high for those without completed training or secondary school diploma. One reason for this is that the number of low-skilled jobs have been considerably reduced due to the growth of the service sector, which requires more qualifications compared to jobs in the secondary sector (Sheldon, 2006). This confirms what has been said in the introduction: the combination of certain factors negatively affects the labour market position of a person. According to a respondent, lacking professional education

has a very negative effect on the labour market position of all workers, as a consequence, this factor further increases the difficulties of young people accessing the labour market.

3.5. The position of elder workers on the labour market

Due to demographic changes and the entire baby-boomers generation aged more than 50 years nowadays, the landscape has changed substantially in many European countries over the past decade. As a consequence of the unbalance between the numerous elder workers leaving the labour market and the few young workers entering the labour market, tensions on the labour market are expected. However, according to a respondent, while problems of labour shortage are becoming an important issue, they are not yet priority in Switzerland and more attention should be devoted to it.

Concerning the labour market position of seniors (55-64 years), Switzerland presents a quite good picture compared to the average of the EU15 and to the other vulnerable groups in the country. Indeed, the employment rate of older workers is high compared to other European countries (Seco, 2005). It has even increased over the period in consideration, mainly due to a substantial increase in the female activity rate, favoured by the increase of their retirement age in 2001 and 2005, the development of part-time employment facilitating the labour market access and the tertiarization of the economy (Murier, 2012). At the same time, even though it has slightly increased during the period in consideration, the unemployment rate remained very low, even lower than the one for the general population, and is low compared to the other vulnerable groups. Moreover it fluctuates much less over the years compared to the unemployment rate of migrants and youth in Switzerland.

Temporary employment is also very low and lower than EU15 average. In fact, older workers in employment enjoy among the most favorable employment conditions, both in terms of job security and wages. On the other hand, senior's part-time employment is quite high compared to the general population, migrants, youth and to the EU-15 average. It has even increased over the period in consideration. It is particularly widespread among older women, as the proportion of women in full-time employment decreases sharply with age (Bühlmann et al. 2013). To some extent, part-time employment can be explained by the high number of weekly working hours, which rarely amounts less than 40 hours a week. Other important reasons to explain part-time work is a flexible transition to retirement (Swiss social report 2012) and the increased female senior's participation which, as mentioned above, has been favoured by a facilitated access to the labour market through part-time employment (Murier, 2012).

Moreover, the inactivity rate of this group is much higher than the one of the general population, presenting similar figures to the inactivity rate of youth. However, it is much lower than in other European countries. Indeed, as Switzerland never promoted early retirement on a large scale, it has always kept comparatively low inactivity rates for the elderly. However, since the 1990s, early retirement is increasing in Switzerland as well (Seco, 2005). Indeed, inactivity rates have decreased from 2000 on, but not as much as in the EU15. According to Egger *et al.* (2008), more than 50% of the inactive people aged between 50 and 65 years who are not looking for a job is due to early retirement, personal or family reasons. For another 30% it is for health reasons.

Nevertheless, the main problem for this group is long-term unemployment: while elder workers in Switzerland are very active on the labour market and face a small risk of unemployment, if they do lose their job they are confronted with a high risk of long-term unemployment as it is very difficult for them to reenter the labour market. An explanation for this according to some respondents and confirmed by the Seco (2005), is that employers often

discriminate seniors, considering them, for instance, too expensive, less flexible and capable to learn, incapable to adapt, not open and dynamic enough and unmotivated. Another major problem to the reinsertion of senior workers is, according to a respondent, health problems. Moreover, as for any worker, education plays an important role. Indeed, while in Switzerland seniors have good qualifications compared to the international situation, the younger generations entering the Swiss labour market are on average better educated (Seco, 2005). This makes the competition with younger workers even harder. Additionally, senior workers are often much less mobile compared to younger workers, mainly due to family reasons, which limits geographically their potential labour market (Seco, 2005).

It has also to be considered that older workers' educational qualifications are often outdated by the numerous changes on the labour market, as the rapid technological change speeds up the knowledge devaluation. Indeed, competencies and skills of older workers (e.g. informatics and linguistic knowledge) often do not satisfy the labour market requirements anymore. This is especially the case for lower educated seniors. Staying up to date is therefore essential for senior workers in case they lose their jobs, in order to keep up with the changing qualification requirements coming from the continuing technological progress. However, the investment in trainings is unequal across sectors, age groups and can vary according to the size of a company. For instance, according to the Seco (2005), continued training is highest for workers in the age range 40 to 49 and, while service companies often offer trainings until the retirement age, in the construction sector the offers concern almost exclusively the companies' management.

Egger *et al.* (2007) point out that the reinsertion of senior workers varies depending on the profession, the qualifications and the former salary, with better chances of reintegration the higher the qualifications and the former salary. An interviewee highlighted the fact that while in certain sector age is not such a problem and it can be easily overcome by adapting the workplaces and promoting training, in others, for instance in catering, it constitutes a major problem (interview n°8). Moreover, in some sectors adaptability is rendered difficult by harmful working schedules and environment.

The chances of reinsertion for senior workers vary therefore significantly within this group, according to different factors. Additionally, with age the risk of cumulating factors with a negative influence, such as low or inadequate education and health problems, increases for the whole group. This further affects senior's reinsertion chances.

4. The crisis, policies in the crisis and the effect on the vulnerable groups

In Switzerland, the financial and economic crisis has had a violent, but short-lived impact on the economic situation of the country. 2009 was marked by a profound recession that caused the strongest decline of the GDP since 1975 (SECO 2012: 9) and a rapid peak in unemployment. The crisis also marked a temporary reduction of migration inflows from the EU countries. In 2010, however, the Swiss economy was already recovering and the situation on the Swiss labour market improving.

In spite of this short, but sharp economic deterioration, it is difficult to isolate the particular effects of the financial and economic crisis on the Swiss labour market. 2007 and 2008 also coincided with the free movement of persons coming fully into force and a sharp appreciation

of the Swiss franc, which affected the export-oriented industries and the retail sector in border regions particularly hard (SECO 2013). This conjunction of factors therefore makes it difficult to attribute particular changes on the Swiss labour market since 2008 to the sole economic and financial crisis.

The crisis was not without any policy consequences, however. Its rapidity and depth quickly prompted the Swiss federal government to adopt a series of stabilisation measures in a three-step programme. The measures included financial support to stimulate the economy, which proved particularly favourable to the industry and tourism sectors (SECO 2012: 16), the prolongation of short-time work compensations (*Kurzarbeit*) for companies in difficulty from 12 to 24 months, and a targeted extension of active labour market programmes for the long-term and young unemployed. Except for these groups, the measures adopted by the federal government to counteract the effects of the crisis did not specifically target any other vulnerable group, however. Moreover, due to the early economic recovery, the use of these specific active labour market measures remained limited.

As will be shown in the remainder of this section, the position of the four selected groups between 2008 and 2013 has been only marginally affected by the economic downturn and the policy responses adopted to minimise its effects. Apart from the sudden labour market deterioration in 2008 and 2009, the position of the various groups on the labour market has not changed radically. Respondents and studies tend to show a growing vulnerability of young people entering the labour market since 2008. If anything, however, it is rather an accentuation or illustration of already existing trends that can be observed since 2008 (SECO et al. 2013). Some institutional changes to the unemployment and disability insurance schemes have also contributed to the observed changes.

4.1. The position of the disabled on the labour market

Looking at the labour market outcomes of the broader category of disabled people, it appears that no major change has occurred between the pre-crisis and post-crisis period. According to several respondents, neither the crisis nor the free movement of people have had a major impact on the labour market situation of people with disabilities. In addition, although the issue of the labour market integration of disabled people belonged to the priority issues in labour market policy during the period of employment growth that characterised the pre-crisis years (Gaillard and Weber 2009: 21), the crisis have somewhat evicted the issue from the top priorities in labour market policy. The stabilisation measures adopted by the federal government between 2008 and 2010 did not include any specific measure targeted at people with disabilities, which has been interpreted as a sign that the government did not look at the disabled people as a priority group that needed specific labour market support (interview n°11).

As a matter of fact, despite a persisting higher proportion of inactive people as compared to the non-disabled people, employment rates have not declined suddenly, but have remained relatively stable. Between 2009 and 2011, employment levels have even increased for the group of severely disabled people, from 49 to 59 percent, whereas inactivity rates were reduced from 46 to 38 percent during the same period (OFS: Statistics on Income and Living Conditions-SILC).

For the time being, it is statistically impossible to determine whether this trend for the severely disabled people reflects a significant improvement in labour market outcomes of the disabled, and what can explain these figures (interview n° 2).

But rather than a spill-over effect of the rapid economic recovery since 2010, it seems more likely that these better labour market outcomes among the severely disabled, which are also more likely to receive disability benefits, are the consequence of institutional changes that were made to the disability insurance scheme in 2008. Following the steady increase in disability benefit caseloads and new claimants in the first years of the 2000s, a reform was introduced in 2008 that completely reoriented the scheme towards employment promotion. Measures were introduced to promote job retention and return to work whenever possible, and access to long-term pensions was restricted to those deemed as permanently unable to work for health reasons (Champion 2011). Following this reform, the number of new benefit claimants and the number of people in receipt of disability pensions declined considerably between 2009 and 2012 (OFAS 2013). In this context, one can imagine that the reform equally helps explain the observed reduction in the number of inactive people with severe disabilities.

More generally speaking, even though national figures indicate a stabilisation or even an improvement of the labour market position of people with disabilities, some Cantonal authorities expressed some concerns that the situation had become harder for people with health problems since 2008. Albeit not proven empirically, these authorities have noted an exacerbated competition between cross-border commuters and vulnerable groups, and growing difficulties of labour market integration for vulnerable jobseekers, including those with health problems, that they partly explain as the consequence of the rapidly increasing number of cross-border commuters since 2008 under the combined effects of the crisis and the strong Swiss franc (SECO 2013).

4.2. The position of migrants on the labour market

If considered at the aggregate level, the labour market position of migrants in Switzerland has not changed much over the 2000s. Looking solely at developments in the employment level, it could be even argued that the situation has somewhat improved since 2008. Between 2008 and 2012, this category of population has experienced a slightly higher than average employment growth (Eurostat data, SECO et al. 2013).

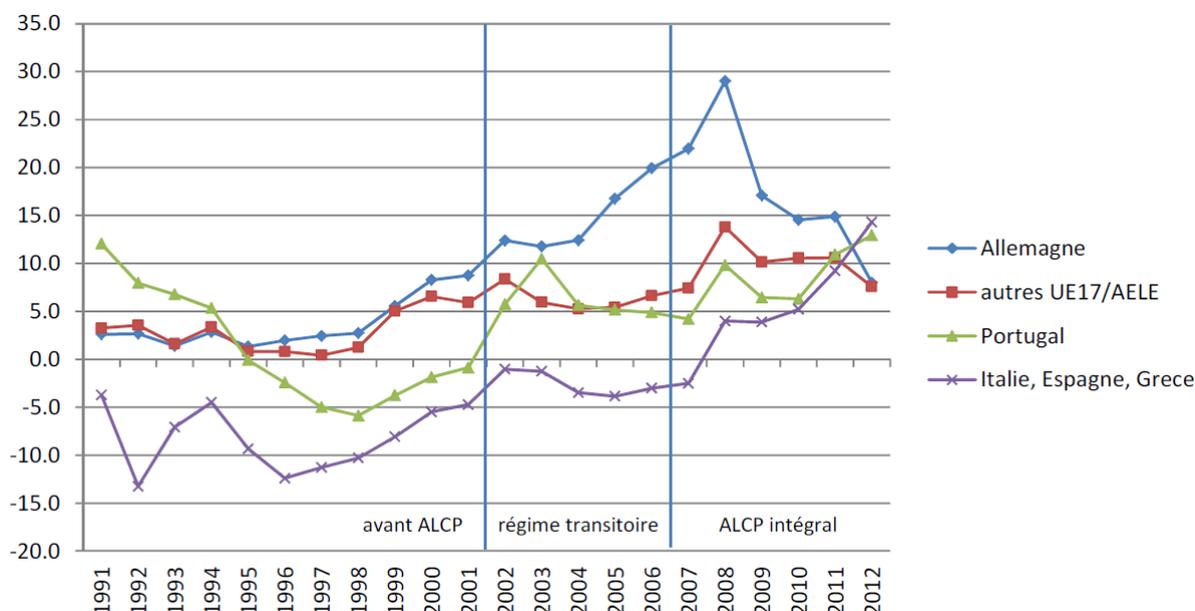
This relative improvement of the situation for migrants in terms of employment is to be seen against the background of a considerable transformation of the labour immigration in Switzerland since 2008. During this period, and after a temporary decline in 2009 due to the financial crisis, the immigration from the EU increased sharply, just as the number of people arriving from the Southern European countries (Portugal, Spain, Italy, Greece). In 2012, migrants from Portugal and other Southern European countries even exceeded the number of new immigrants from Germany and other EU-27 countries (Figure 4.1). These changes in the recent immigration can be understood as a joint product of the good situation of the Swiss economy and persisting low labour market outcomes in other European countries (SECO et al. 2013: 37-38). As such, they certainly constitute one of the most visible, though indirect, impacts of the 2008 financial and economic crisis in Switzerland.

Changes in the composition of the labour immigration also partly explain the overall good labour market outcomes of the foreign population in Switzerland at the aggregate level. Because the new cohorts of EU-immigrants have tended to have higher educational levels (53 % against 34% for the Swiss active population in 2012; SECO et al. 2013: 35), and to get jobs in sectors in expansion and offering good employment opportunities (like the construction or public administrations), they have contributed much to the relative growth of employment observed among migrants in Switzerland in the last years (SECO et al. 2013).

However, this overall positive picture also masks the persistence of greater difficulties of labour market integration for this group.

First, despite overall good employment records, migrants remain more vulnerable to the risk of unemployment on average, in part because they are on average more likely to have no other vocational training than mandatory school, and because they are over-represented in the industrial sector, which is also particularly sensitive to economic fluctuations (OFS 2013). Moreover, as pointed out above, they are also more likely to face less favourable employment conditions than Swiss workers, at least when taking temporary and wages into considerations.

Table 4.1: Annual net immigration of permanent foreigners by nationality, in thousands



Source: taken from SECO et al. (2013): 17

Second, it appears that some categories of migrants have not benefitted from the same employment growth as the new cohorts of EU-migrants. These are typically non-EU migrants arrived for humanitarian or family reasons, who, unlike their EU-counterparts, have experienced a slight employment decline between 2007 and 2012 (SECO et al 2013: 34). In part, this weaker employment outcome can be explained by a growing gap between a labour demand increasingly looking for highly qualified workers, and a population of non-EU migrants having usually arrived from Turkey and ex-Yugoslavia with a weak labour market attachment and low educational background. But they can be also attributable to higher administrative obstacles to work for this specific category of migrants. In 2008, Switzerland has adopted a new legislation on the integration of foreigners that has tried to facilitate the labour market integration of some of the most fragile categories of migrants. For instance, new measures were adopted to ease the employment of refugees temporarily admitted. However, it is still comparatively more difficult for employers to hire humanitarian migrants, and the overall impact of the reform on this category of migrants is still difficult to evaluate (interviews n° 5 and 7). No other specific labour market programme exists or has been developed for the non-EU migrants with a weak labour market attachment.

Finally, some respondents have also stressed an aggravated competition between the recent EU- migrants benefiting from the freedom of movement and the earlier cohorts of low-

qualified EU migrants, resulting in a comparatively more fragile labour market position of this latter group. However, they also noted that this competition was limited to certain sectors like the construction sectors where there was a high use of the possibility for posted work (interview n° 4). What is more, empirically, such phenomena of competition have never been proven. For instance, a recent study by Favre, Lalive and Zweimüller (2013) has examined the impact of the freedom of movement between 2002 and 2010 on the native-born population and earlier generations of EU and non EU migrants. They note some negative effects on the unemployment rate of the native-born population, and a small, but significant negative effect on the employment levels of highly qualified people born in CH⁷. As regards earlier generations of migrants, they could find no major impact, except for the employment levels of earlier generations of highly qualified migrants. This therefore tends to contradict the hypothesis of major eviction effects between the new cohorts of EU-migrants and old generations of low-qualified migrants.

4.3. The position of youth on the labour market

As youth are very sensitive to economic variations, there was a big focus on this group before and during the peak of the economic and financial crisis (interview n° 1). As a consequence, measures had been taken in order to favour labour market integration of youth, help those unable to find a job after education, and stabilize the offer of apprenticeship places (Weber, 2010). As a matter of fact one of the main fears was to face another apprenticeship posts crisis, which happened during the 1990s. However, the crisis did not hit youth as badly as expected, which is confirmed by the fact that there was very little demand for the crisis measures.

The labour market position of young people has therefore not changed significantly due to the economic and financial crisis. Also compared to neighboring countries, Swiss youth has suffered much less due to this crisis. For instance, according to an interviewed person, while other European countries face very high unemployment rates for academics, unemployment after University stayed a marginal problem for youth in Switzerland: it remains a stable fact that young people with tertiary education have better chances on the Swiss labour market. Indeed, according to another interviewee, youth unemployment is not a problem in Switzerland: “We don’t have such a thing as the risk of a lost generation as many other countries have”. It has become more difficult to get a job in the right sector for a person, but youth is still able to find a job.

However, while the overall Swiss labour market is experiencing a rather good situation over the past decade, this development does not hold for youth. In contrast to the general picture, their situation on the labour market has gradually deteriorated over the past decade. Especially the situation of low educated youth has worsened, as the unemployment rate of young people without upper secondary education has increased substantially: from 13% in 1999, to 30% in 2010 (OECD, 2014). Moreover, young people terminating training, experience greater difficulties to enter the labour market now than it was the case at the early 2000s. The profession entry barometer⁸ shows a clear trend in this direction. While rising obstacles to labour market entry can be observed already in the first half of the 2000s, the trend has accelerated in the second half of the decade. Additionally, what the not so dramatic youth

⁷ However, this negative effect is only marginal, since the position of this group has remained highly favourable compared to other groups, with employment levels exceeding 90%).

⁸The barometer, established each autumn, registers the arrival on the labour market of youth after vocational training: <http://www.stellenmarktmonitor.uzh.ch/cooperations/BBT-Berufsforschung.html>, last visit: 28.02 '14.

unemployment rates hide, is a sharp increase in the number of young people claiming not only for social assistance, but also invalidity benefits due to psychological reasons (OECD, 2014). This clearly shows that the problem for youth is broader than simply unemployment.

As a matter of fact, a growing problem concerning youth seems to be increasing job insecurity. Another interviewee notes that forms of atypical employment have been increasing over the last years, following an international tendency in this direction due to neoliberal politics and, more generally, to globalization. In particular, the so called “internship generation” has become a problem in Switzerland starting from mid-2000. Indeed, compared to its European neighbours, temporary employment is very high in Switzerland for youth. Eurostat figures show that since 2006, more than one out of two young people have been employed on a temporary basis (see also section 3.4). An interviewee also points out that for highly qualified youth, problems tend to focus on the quality of jobs obtained after education, with an important increase in non-standard, precarious jobs⁹ and an outbreak of internships. This is very likely connected to the aforementioned harder access to first job experience, which pushes young people to accept precarious job contracts as a way to enter the labour market, hoping for an improvement in their situation once they are integrated.

Indeed, lack of experience is becoming one of the main problems for this group (Sacchi and Salvisberg 2011). In this respect, problems of insertion on the labour market concern more and more also the qualified youth, and not anymore only the less qualified. According to one respondent, Switzerland is confronted by the paradox of an increase in the average education level, while youth without working experience, even though highly educated, face increasing hardship in terms of finding a first job (interview n°3). Indeed, according to the profession entry barometer, the number of job offers not requiring previous experience has considerably decreased over the past years, even though this fact does not appear explicitly in job offers (SMM-Stellenmarkt-Monitor.ch 2012). Employers are more and more reluctant to hire young people without experience and, if they can choose, they will prefer those with experience. Therefore it seems that it is not so much a problem of education while rather a problem of experience which can explain the current difficulties of the insertion on the labour market for young people. On the other hand, in respect to this increasing problem, youth who chose the dual vocational training system are somewhat better off. As this education system intertwines theory and practice closely linked to the chosen profession, it allows the young person to gain valuable working experience while still in education.

A factor which, according to several respondents, has had a bigger influence on this group’s labour market position instead of the economic and financial crisis is the free movement of people. The opinions collected during the interviews are however diverse concerning this issue. For instance, several made the point that the profiles of immigrants have become more similar to the Swiss ones as the free movement of people attracted highly qualified and often experienced people from European countries, who compete with the inexperienced local youth on the labour market. Another interviewee agrees that an increase in the supply of highly skilled workers makes the labour market access of young people without experience more difficult. However she says that it is difficult to say that the free movement agreement negatively affects the employment prospects of young people. Similarly, another respondent recognizes the danger of such an effect, however in her opinion employers for the moment still look first on the local labour market for recruitment; it will become a problem once they stop doing so. Lastly, another interviewed person, while recognizing its possibility, underlines that such an effect has not been confirmed statistically.

⁹ Part-time and some time-limited contracts centered on particular projects are not included in precarious forms of employment.

It sounds however reasonable, that the availability of a large pool of highly qualified and experienced people may actually be more attractive to employers than a young person who needs to do working experience. However, according to a respondent, the increase in job insecurity has been a tendency over many years. Hence it cannot be linked to the crisis of 2008 nor to the free movement of people, which may have accentuated the situation, the problem however set forth before the agreement came fully into force.

A major institutional change influencing youth's position on the labour market was the 4th revision of the law on unemployment insurance in 2011. Indeed, this revision considerably limited the access and the duration of unemployment benefits for young people. According to two interviewed people, this has further increased youth's vulnerability and job insecurity. On the one hand, the reform has had the effect of transferring young people from the unemployment to the social assistance and invalidity insurance benefits, while on the other, it takes them out of the statistics on registered unemployment, as less young people register in placement offices due to the changes (interviews n° 9 &10).

Finally, a few more factors need to be mentioned, which may positively influence the labour market position of youth. These are notably:

- The existence of a dual vocational training system, which combines on-the-job and theoretical training, and is generally considered to ease the difficult transition from education to work. This could partly explain the good performance of the German part of Switzerland with regards to youth employment, as the dual vocational training system is more widespread in this part of the country.
- The company size: having an economy centered on Small and Medium-sized Enterprises as it is the case in Switzerland is beneficial for apprenticeships as these firms tend to hire more apprentices. In contrast, large companies, as well as international enterprises, are less inclined to offer apprenticeships.
- The sector is also important for the development of apprenticeships and the position of youth as new service sectors (health, social services) are less likely to offer apprenticeships.

4.4. The position of elder workers on the labour market

Between the early 2000s and the post-crisis years, the most important change as regards to the older workers has been their rising number among the total active population due to the population ageing and the baby-boom generation approaching the retirement age. In 2010, 18 out of 100 people were aged between 55 and 65 years old, while they were still 15 ten years ago (Murier 2012: 2010). For this reason, the employment of elderly people has gained in prominence in the political and economic debate (Murier 2012), as proven by the various employment initiatives for seniors launched by the federal government and social partners.

However, so far, this demographic transformation has had no major influence on the labour market position of the older workers. Similarly, their labour market position has been only marginally affected by the financial and economic crisis. In fact, in 2010, the employment rate of older workers amounted more than 70%. Compared to the situation prevailing in the early 2000s, this represented a 5 percentage point higher, which is mainly due to women remaining longer in employment for reasons related to the increase of the female retirement age, and the development of part-time work, but also to a less attractive access to early retirement (Murier 2012, see also section 2). Unemployment has remained in general low, even though once unemployed, older workers still face the highest difficulties to get back into work. Finally, while part-time work has been on the rise in the last few years, it has not affected the overall good levels of job security and quality faced by this category of workers. Hence the specific

pattern of labour market vulnerability among the elderly has not changed dramatically. The employment of elderly, both in quantitative and qualitative terms, seems to have been more influenced by institutional changes and structural changes on the Swiss economy than by the financial and economic crisis.

According to certain sources, the position of older workers on the labour market has deteriorated over the past recent years, due to a lower propensity to flexibility and occupational mobility. It is true that older workers above 50 years have lower employment-related flexibility and are less willing to move to get a job than younger generations (Murier 2012).

However, the structural changes on the labour market, the computerisation of work and the generalisation of IT equipment in private households have facilitated the adaptability and labour market integration of older workers. In this respect, there still exist some important disparities depending on the economic sector and working conditions (interview n° 8).

In the same vein, it seems that the situation of older workers still largely depends on the individual qualifications, the economic branch, and also the prevalence of health problems. Older workers with low qualifications tend to suffer more often from health problems, and they also tend to work in sectors facing hardest work conditions (interviews n° 2 and 5). It is this combination of elements that more particularly defines labour market vulnerability among seniors.

5. Factors affecting the position of vulnerable groups

In this paper, both on the basis of the analysis of macroeconomic data and expert interviews, we have shown that the crisis has had a very limited direct impact in the medium term. The impact was more substantial in the very short term, but some five years after the onset of the crisis most labour market indicators are as good as they were before it. Commonly cited reasons for this overall good performance of the Swiss labour market are institutional and socio-economic factors like the dual vocational training system, or an diversified economy centered on Small and Medium-sized Enterprises and with a strong industrial, export-oriented sector (e.g. Straubhaar and Werner 2003, Brändle-Schlegel and Gachet 2012).

Yet, our analysis has also shown that while macro-economic indicators depict a rosy picture, vulnerable group have not necessarily seen their situation improve, quite the contrary. According to several experts, the free movement agreement signed with the EU (in force since 2002) has resulted in a more competitive labour market. Attracted by high salaries and job opportunities, highly productive workers from neighbouring countries enter into competition with local candidates. In this competition, the more vulnerable ones tend to be left out and are at risk of exclusion. The competition with foreign workers has been exacerbated by the crisis, which has reduced job opportunities in neighbouring and Southern European countries like France or Italy, resulting in heightened competition from these two countries. To some extent, in this respect one can identify an indirect impact of the crisis.

Few econometric studies have confirmed the existence of important phenomena of competition and substitution between the Swiss and foreign workforce due to the introduction of the free movement of Workers. In particular, they found little impact of the free movement agreement on the employment levels and unemployment of vulnerable groups (Favre et al. 2013). They found, however, some evidence on downwards pressure on wages, especially for

highly qualified young workers and foreign, low-skilled workers with more than 35 years of professional experience in Switzerland. These findings tend to corroborate the analysis made above on a certain deterioration of employment opportunities and conditions for the most vulnerable groups of workers due to the free movement of workers. Finally, the free movement agreement has also gone together with a greater job insecurity of new migrants from the EU, as the number of them arriving on the Swiss labour market with temporary work contracts has not stopped increasing over the last years (Observatoire Romand et Tessinois de l'Emploi 2011).

Then, an additional important determinant of the position of vulnerable people is the political decisions that have shaped key social policies over the last few years. It is now widely acknowledged that institutional factors like the dual vocational training system and an economy centered on Small and Medium-sized Enterprises contribute much to the overall good performance of the Swiss labour market. In the past few years, changes For instance, a change in orientation of invalidity insurance may have contributed to the increase in the employment rate of disabled people. Reforms of invalidity insurance adopted in the 1990s have strengthened the activation dimension of the programme. For example, much emphasis is now placed on keeping people in employment when they encounter health related labour market problems. In addition, more funds are available for helping individuals with health problems who do not qualify for a disability pension. These efforts (together with a stricter application of the medical criteria that determine access to benefits) have resulted in a slight decrease in the caseload of invalidity insurance since 2006 (Bonoli and Champion 2014). They may also contribute to explain the slight increase in the employment rate of disabled people. The recent reform of the unemployment insurance, introduced in 2011, will certainly also have important effects on the position of youth on the labour market. Rather than improving employment levels as for the reform of disability insurance, the most recent reform of unemployment insurance, which has severely restricted access to and duration of unemployment benefits to young people, will probably contribute to a growing risk of labour market exclusion among youth. However, it is still too early to evaluate its effective impact.

Third, many of the experts we spoke to, have highlighted the fact that when it comes to vulnerability it is often the accumulation of disadvantages that results in an increased risk of social exclusion. It is, for instance, low educated immigrants, or older disabled people who are facing the greatest difficulties in succeeding in the labour market. Individuals who face vulnerability in one domain only, still have good chances to remain part of mainstream society.

List of interviewed experts

Representatives of federal government

- 1 Senior research officer in labour market policy, State Secretariat for Economic Affairs-SECO, *04 February 2014*
- 2 Senior research officer, Federal Office of Statistics, *06 February 2014*

Academics

- 3 Research director, University Observatory of Employment, University of Geneva, *23 January 2014*
- 4 Professor, University of Applied Sciences in Social Work, Geneva, *29 January 2014*
- 5 Research associate, Swiss Forum of Migrations, *03 February 2014*
- 6 Professor for labour economics and industrial organization, University of Basel, *24 February 2014*

Representatives of employer organizations and labour unions

- 7 Head of Section, Travail.Suisse, *27 January 2014*
- 8 Member of the Direction, Swiss Employers' Association, *04 February 2014*
- 9 Member of the National Secretary, Swiss Federation of Trade Unions, *03 February 2014*
- 10 Two members of the National Secretary, UNIA, *25 February 2014*

Representatives of NGOs defending the rights of vulnerable groups

- 11 Deputy General Secretary, AGILE-Swiss aid organisation for disability, *27 January 2014*
- 12 Two members of the Association for the defense of unemployment of the city of Neuchâtel-ADCN, *10 February 2014*

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