



Innovative Social Policies for Inclusive and Resilient Labour Markets in Europe



Identifying Policy Innovations Increasing Labour Market Resilience and Inclusion of Vulnerable Groups

National Report - Switzerland

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A. PART ONE

1. Main features of the Swiss labour market and social policies

Switzerland is a small federal state located in the middle of Continental Europe, but which has always been sceptical about the European project. While not officially member of the European Union, it maintains close relationships with the EU, notably through bilateral agreements. It has gradually introduced the free movement of persons since 2002.

Between 2000 and 2012, its population has grown from 7.2 to 8.0 million people. Migration accounted much for this population growth. At the end of 2012, foreign citizens were about 1.9 million, which amounted about 24 per cent of the total resident population in Switzerland. About two thirds of them came from an EU27/EFTA country (OFS 2013). As mentioned in the introduction of the WP2 report for Switzerland, immigration has contributed much to the economic growth of the country in recent. It has also played an important role in mitigating population ageing and increasing birth rates.

According to Mach and Trampusch (2011: 14-19) social and employment policies in Switzerland have been shaped by three important institutional and political features. This is first the *constrained policy capacity of the central state* resulting from the federalist structure of the state and instruments of direct democracy; second, a strong *reliance on self-regulation* by private actors in various social and economic domains, including industrial relations, social policies and vocational training, and third, this is the political *dominance of bourgeois parties and business organisations*. Trade unions and the political left, even if having always been part of the federal government since the 1940s, have never been able to assume a leading role at the federal level (Mach and Trampusch 2011: 17).

These three features have profoundly marked the Swiss system of labour market regulation and social protection. As far as labour market regulation is concerned, Switzerland is characterised by a liberal-conservative regulation of employment protection and working time, which combines a weak legal framework and sector-based collective agreements negotiated on a bipartite basis, either at federal or Cantonal level (Emmeneger 2011). In Switzerland, there exists no national regulation on minimum wages and working time. These aspects are typically negotiated in the sector-based collective agreements. However, collective agreements only cover half of the workforce (a large part of them being employed in the traditional industry and construction sectors), and not all collective agreements set minimum wages for their sector. In addition, collective agreements have never played any major role for job security regulation and protection against dismissals¹ (Emmeneger 2011: 234, Oesch 2011). The long recession of the 1990s, which marked the end of a long period of economic prosperity, increased pressures for a further liberalization and decentralisation of labour market regulation. This neo-liberal trend resulted in the weakening of collective bargaining, with a shift in bargaining from the sector to the company level and the entry of working time flexibilisation in collective agreements (Oesch 2011: 90).

¹ The federal legislation (Code of Obligations) lays down some restrictions on dismissals

Like labour market regulation, the Swiss system of social protection is a hybrid case. Though borrowing much from the Continental-conservative welfare model, it retains some important liberal traits, notably as regards the significant role played by private organisations in the administration of social insurance schemes (Obinger 1998, Armingeon 2001). As a typical Conservative welfare regime, social protection is predominantly provided through social insurance schemes, at least at federal level, and the bulk of social expenditure is devoted to income replacement schemes like old age pensions, disability or unemployment insurance (Bonoli and Häusermann 2011). In international comparison, these cash benefits offer a relatively generous social protection. In cases when they fail to support people's needs, they can be complemented by a series of means-tested flat-rate benefits. The most important one is certainly social assistance, which acts as a last-resort benefit scheme for all those who cannot provide for themselves and who are not entitled to any of income replacement schemes. Finally, in-kind services to families, elderly and active labour market policies have traditionally remained underdeveloped.

Due to the constrained role of the federal state, but also to the opposition of business interests to welfare expansion, the development of the Swiss welfare state took place slowly and in a piecemeal fashion. As a matter of fact, important traces of this heritage were still visible in the Swiss social protection system of the new millennium. These were first the persistence of significant loopholes, notably in family and sickness benefits. For instance, a mandatory paid maternity leave scheme was not introduced at federal level until 2005, and a comprehensive sickness benefit offering income compensation allowances due to sickness still does not exist. Then, the Cantons still assume extensive responsibilities in the provision and administration of social protection. According to the principle of executive federalism, the Cantons remain responsible for implementing federal social insurance programmes (Battaglini et al. 2007). Furthermore, important fields of the Swiss welfare system, like childcare services or social assistance still fall under the sole jurisdiction of the Cantons. In social assistance, however, it is worth noting the existence of one supra-cantonal organisation, the Swiss Conference of Welfare Organisations (SKOS/CSIAS) to achieve a certain harmonisation of Cantonal social assistance programmes through national guidelines. Although the guidelines are not binding as such, the SKOS/CSIAS has been so far quite successful in achieving its harmonisation function (Champion 2011).

The three above-mentioned features have also certainly influenced the adoption and conception of policy innovation in the past decade. In federal parliamentary debates on social policy reforms, the dominance of bourgeois parties have certainly contributed to the strong emphasis put on cost containment when reforming existing insurance-based schemes. As will be seen below, cost containment has remained one important driver for reforming the Swiss social protection system throughout the decade. On the other hand, the dominance of bourgeois parties may also partly help explain the rather cautious stance adopted by federal authorities on state interventionism in social policy and (when relevant) labour market regulation. For this reason, in family policy, many initiatives adopted in the 2000s, like a mandatory paid maternity leave or child allowances, only gained momentum under the pressure of popular initiatives. In the same vein, in recent years, several initiatives calling some federal regulation in social assistance were rapidly dismissed by bourgeois parties opposed to any greater federal involvement in social matters. These few examples suggest that bourgeois parties have had some influence on the content of policy innovations at federal level. When pro-active measures

were adopted like for instance in disability insurance or in the vocational training system, this often resulted from political compromises (see section 3.3) or as a means to relieve social expenditures through employment promotion. Finally, business organisations have been traditionally very influential in collective agreements, trade unions having been forced to many concessions in the 2000s in spite of a renewal of collective bargaining in labour market regulation during this time (Emmeneger 2011: 136)

2. Labour market situation in the 2000s

As mentioned in WP2 national report, Switzerland has secured good labour market outcomes in the 2000s by international standards, with high employment levels and low unemployment. Of course, Switzerland was not immune to the financial and economic crisis. Its impact has been quite dramatic in 2008 and 2009. UBS, the largest bank of the country only avoided bankrupt owing to a massive bail-out from the state, and 2009 was marked by the most abrupt decline of the GDP since 1975 combine with a rapid peak in unemployment. However, the Swiss labour market and economy recovered rapidly. In fact, Switzerland has together with a few European countries, experienced a very limited impact of the crisis in the medium term.

The very good general labour market performance of Switzerland hides a certain number of problems, which have tended to aggravate over the 2000s. This is first the growing difficulties experienced by young people to get integrated on to the labour market. Following a mismatch crisis on the apprenticeship market that dominates the Swiss vocational training system, as well as a temporary decline in the proportion of youth having completed their upper secondary training, a federal law on vocational training was introduced in 2004 which developed the set of available resources and programmes in order to achieve the goal of 95% of the youth under 25 years old with an upper secondary education degree by 2015. Since then, the situation on the apprenticeship market has stabilised and the share youth without completed training at age 25 has slightly declined from 9 to 6% (SEFRI 2013). However, in spite of this, youth unemployment (following the ILO definition) remains one of the highest in Switzerland, and the number of youth withdrawing from the labour market and relying on social assistance or disability insurance has grown substantially (see section 4.3 of WP2 national report). Young people are also much more often affected by temporary employment. Currently, more than one out two young people aged between 15 to 24 are employed on a temporary basis (see sections 3.4 and 4.3 of national report for WP2)

Risks of job insecurity and labour market exclusion have equally worsened for other vulnerable categories of workers, like elder workers, low-qualified workers or first-generation EU migrants who came from Southern European countries to work in low-qualified jobs (for more on the situation of each group, see national report for WP2).

As regards wage levels, a widespread fear was that the arrival of European workers following the introduction of the free movement of persons would create downwards pressures on national wages. According to recent econometric studies, such fears have not materialised. The impact of the free movement agreement on actual wages has remained low and restricted to some privileged groups of workers. One notable exception is the foreign, low-qualified workers

with more than 35 years of work experience, who experienced a significant reduction in wages following the introduction of the free movement agreement (see e.g. Asensio et al. 2013, Favre et al. 2013).

This notwithstanding, there are indications that wage inequalities have grown in Switzerland, as wages in the lowest income decile have not increased as much as in the median and highest income deciles (see WP2 national report, section 2). Furthermore, if there has been little evidence of downward pressures on wages and employment due to the free movement agreement, the fear of deteriorated employment and living conditions has persisted among large sections of the population, resulting in early 2014 in the acceptance of the right-wing popular initiative against massive immigration.

3. Trends in innovation

In Switzerland, the innovations that have been introduced in direct response to the crisis have been rare. As pointed out below, social innovations in Switzerland, even if introduced in the post-crisis period, have been mostly adopted to address other societal, economic and institutional challenges, like the introduction of the free movement of people, pressures to address institutional gaps, notably in family policy, or to facilitate labour market participation. One exception in this regard is probably the latest unemployment insurance reforms which came into force in 2011 and that can be considered as a relatively direct response to the crisis. Even though officially launched before the 2008 financial crisis, the political debates around the reform were nevertheless heavily influenced by the crisis and the consecutive sharp increase in unemployment. In addition, having in mind the innovation triangle, it appears that reforms have mostly addressed actors' behaviour. There have been cases of institutional innovations, most notably in the fields of labour market regulation and employment protection, just as a few interaction-related instruments have been developed to promote inter-agency cooperation (the various 'CII' initiatives) and strengthen central control over implementation agencies (in disability insurance notably). However, as compared to actors-oriented innovations, these last two types of innovations tend to remain limited in number and scope. Most of them have a temporary (cf innovations in labour market regulation), or non-binding/regional character (as in the case of initiatives of inter-agency collaboration-CII).

3.1. Content

Generally speaking, it can be said that throughout the 2000s, policy changes in Switzerland have mainly focused on income protection. In this context, one important driver for reforming the Swiss system of social protection has been **cost containment**. In particular, two types of social benefits were affected by this trend. These were the disability insurance and unemployment insurance benefit schemes, which underwent several reforms over the past decade. Although these reforms usually took the shape of reform packages (see section 3.2. on modernising compromises) and included several elements of modernisation as regards activation and social rights, they were still primarily driven by the objective of returning to a balanced budget in the short to medium term. As a result, major components have been about tightening benefit entitlement, resulting in partial transfers of benefit reciprocity to other benefit schemes like social assistance. For example, the system of disability pensions was fully revised in 2004 as

part of the 4th reform of the federal law on disability insurance (LAI), to introduce a new partial disability pension and abolish supplements for spouse. Then, in 2008 as part of the 5th LAI reform, contribution and medical requirements were made stricter in order to restrict benefit eligibility. A same trend can be observed in unemployment insurance (LACI), as restrictions to entitlement rules were operated both in the 2003 and 2011 unemployment insurance reforms. An exception of this can be found in the possibility for the federal government to grant extended UI benefits to regions with high unemployment rates.

This notwithstanding, several changes and innovations have aimed to a modernisation of labour market and social policies and expansion of social rights. In this respect, one can at least distinguish between five trends of policy innovations, which are listed and developed below.

TABLE 3.1. LIST OF POLICY CHANGES DIRECTED AT COST CONTAINMENT, SWITZERLAND

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Unemployment</i>		
Tightened entitlement rules for UI benefits (3 rd LACI revision)	x	
Possibility to temporarily raise the maximum UI benefit duration in regions with high unemployment rates (3 rd LACI revision)	x	
Abolition of the possibility to requalify for UI after participation in ALMPs (3 rd and 4 th LACI revisions)	x	x
Entitlement to UI more closely linked to work history (4 th LACI revision)		x
<i>Disability</i>		
Revised system of disability pensions (4 th LAI revision)	x	
Tightened eligibility criteria for disability pensions (5 th LAI revision)		x

LACI: Federal law on unemployment insurance

LAI: federal law on disability insurance

UI: Unemployment insurance

DI: Disability insurance

¹ The revision came into force in 2008, however, it was adopted by Parliament earlier, in 2005.

3.1.1. Trend 1: extension of labour market regulations

One first innovation trend has been a relative **extension of labour market regulations** in low-skilled, highly competitive sectors. Innovations of this kind have mostly emerged in relationship with the introduction of the free movement agreement, and the fear of heightened competition between Swiss and European workers and downwards pressures on wages and employment conditions. To prevent such pressures, the introduction of the free movement of people was

accompanied with the introduction of some flanking measures. These measures included facilitated procedures for the extension of national or regional collective agreements and the introduction of a law on posted workers obliging foreign employers to comply with wages and employment conditions applying in Switzerland. Over the years, the flanking measures to the free movement agreement have helped revitalise collective bargaining in Switzerland, which had severely suffered from conflicting positions between unions and employers' associations since the 1990s (Oesch 2012). In recent years, major collective agreements were renewed and new ones introduced, like the collective agreement on temporary work agency employment. Signed in 2011, it has become the largest collective agreement in terms of the number of workers covered. In the same vein, new (temporary) federal and Cantonal legislations were adopted to introduce minimum wages in low-protected sectors, like the domestic sector and the retail trade sectors (Cantons of Geneva and Tessin). However:

- In spite of this, the proportion of the workforce covered by collective agreements is still among the lowest in Europe (about 49%). In particular, women working in the service sector are still comparatively poorly protected.
- The possibility for extending collective agreements to the whole sector at national or Cantonal level has remained restrictive and was used rather sparingly.
- Over the decade, the content of collective agreements has moved closer to employers' preferences (Emmeneger 2011: 136)
- As will be seen in the sections below, some of these innovations are confronted to important implementation gaps, partly due to insufficient/difficult state control, significantly weakening their impact.

TABLE 3.2. LIST OF INNOVATIONS IN LABOUR MARKET REGULATIONS AND COLLECTIVE AGREEMENTS IN SWITZERLAND

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Free Movement Agreement</i>		
Flanking measures in connection with the introduction of the Agreement on the Free Movement of Persons	x	
Activation of the safeguarding clause on work permits (as made possible in the free movement agreement)		x
<i>Collective agreements/ Labour market regulation</i>		
1 st national collective agreement on temporary work agency employment		x
Federal act establishing minimum wages in the domestic sector		x
Standard working contract establishing minimum wages in the retail trade sector, Cantons of Geneva and Tessin		x
Chèques emplois: Employment vouchers (in Latin Cantons)	x	

3.1.2. Trend 2: targeted expansion of social rights to foster labour market participation

A second innovation trend focused on expanding social rights to foster labour market participation of vulnerable groups. Typically, family policy has been one domain of the Swiss welfare state which experienced considerable expansion in the 2000s (Bonoli and Häusermann 2011: 195-196). Yet, this development has to be seen against the background of important shortcomings in this domain, since, prior to 2000s, almost nothing existed at federal level and family policy had remained very limited and heterogeneous across the Cantons and municipalities (Dafflon 2003, Bonoli and Häusermann 2011). Innovations in this field included the introduction of a mandatory maternity insurance scheme in 2005, the introduction of harmonised child allowances in 2009 and the launch of a federal subsidy programme in favour of children day care facilities between 2003 and 2015. All these innovations sought to fill in major gaps in the Swiss social protection system as well as to promote reconciliation between work and family life and female labour market participation.

TABLE 3.3. LIST OF INNOVATIONS AIMED TO EXPANDING SOCIAL RIGHTS TO FOSTER LABOUR MARKET PARTICIPATION

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Family Policies</i>		
Childcare vouchers (city of Lucerne)		x
Federal law on mandatory child allowances		x
Federal law on financial support for children day care facilities	x	
Federal law on mandatory paid maternity leave scheme	x	
Supplementary means-tested benefits for working poor families with children		x
<i>Education</i>		
Federal act on vocational and professional training (VPETA)	x	
Validation of skills acquired through experience (art. 33 of VPETA)	x	
Federal professional certification (an innovation of VPETA)	x	
<i>Equal opportunities policies</i>		
Pilot project “Compensatory measures to make full use of the potential of migrants”		x
Equal salary label	x	
Reduced administrative barriers to labour access for F permits (part of new federal law on foreigners)		x (in 2008) ¹
<i>Fiscal policies</i>		
Federal law on tax relief in favour of families with children		x

<i>Pensions</i>	
1 st revision of the federal law on occupational pensions (expanding coverage of atypical workers)	x
<i>Equal opportunities</i>	
Profile-establisher	x

¹ Like for the 5th LAI revision, the reform came into force in 2008, but was actually adopted by Parliament earlier.

In other policy fields, innovations that can be seen as belonging to this trend are the first revision of the law on occupational pensions, which expanded coverage of atypical workers (like part-time workers and women with children), as well as two new laws on vocational training (2004) and on the integration of foreign residents (2008) that were clearly driven by the objective to improve the rights and measures available to youth and migrants to facilitate labour market participation. In fact, in as much as they all refer to measures that seek to remove obstacles to employment or promote training and education, these innovations can be seen as reflecting an emerging trend towards social investment in the Swiss welfare state.

3.1.3. Trend 3: Activation

Besides these two innovation trends, namely relative expansion of labour market regulations and of social rights, a third prominent innovation trend has been about **activation**. In this regard, new instruments have been developed in all major benefit schemes that cater for jobless people in Switzerland, i.e. unemployment insurance, social assistance and disability insurance. Both the human capital investment and incentive-based strategies of activation have been pursued.

Human capital investment instruments of activation can be first found in disability insurance. The latest disability insurance reforms have indeed considerably developed the portfolio of active labour market measures available to people with disabilities, including vocational rehabilitation measures specifically designed for people with mental health problems or early intervention measures. In social assistance, that is fully regulated at Cantonal level in Switzerland, some Cantons have proved fairly innovative in their conception of activation instruments, even if on average, social assistance has not experienced the same clear-cut activation turn as disability or unemployment insurances (Bonoli and Champion 2013). In the Canton of Vaud, the FORJAD programme, a programme supporting young adults (aged 18-25) on social assistance to start and complete a vocational training programme, constitutes one such innovative human capital investment instruments. The solidarity jobs programmes established by the Canton of GE and the city of Zürich, which offer time-unlimited subsidised jobs, provide two other examples of innovative activation strategies in social assistance, even though the strategy they rely on is closer to occupation than human capital development (cf Bonoli 2013).

TABLE 3.4 THE ACTIVATION TREND: LIST OF HUMAN CAPITAL INVESTMENT INSTRUMENTS

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Social assistance</i>		
Forjad, Canton of Vaud	x	
Solidarity jobs, Canton of Geneva		x
Teillohnjobs, City of Zürich	x	
<i>Disability</i>		
Vocational rehabilitation measures for disabled benefit claimants with mental health problems (“integration measures”, part of the 5 th LAI revision)		x (in 2008)
New set of early intervention instruments for new disability benefit claimants (part of the 5 th LAI revision)		x (in 2008)

This said, it remains that *incentive-based innovations* in activation have probably outnumbered human capital investment innovations over the past decade. In all three largest benefit schemes for jobless people that are UI, SA and DI, a variety of changes have been made in direction of greater work incentives. They range from the abolition of the notion of suitable jobs for the young unemployed under 30 years old (as part of the latest UI reform), to the introduction of various financial incentives and sanctions in social assistance (as part of the 2005 total revision of the CSIAS social assistance guidelines), and to new wage subsidies and trial employment periods to employers hiring people on disability benefits.

TABLE 3.5. THE ACTIVATION TREND: LIST OF INCENTIVE-BASED INSTRUMENTS

Policy group and policy	Pre-crisis (before 2008)	Post-crisis (2008 and later)
<i>Unemployment</i>		
Abolition of the principle of status maintenance for young unemployed below 30 years old (part of the 4 th LACI revision)		x
Reduction and redefinition of federal spending on ALMPs for people in receipt of UI		x
<i>Disability</i>		
Invalidity insurance revision 6a: reinsertion measures for invalidity benefit recipients		x
Improved employment and placement services within Cantonal disability offices (part of the 4 th LAI revision)	x	
Allowances for care expenses for disabled persons participating in active labour market programmes	x	
Wage subsidies to employers hiring people on disability benefits (part of the 5 th LAI revision)		x (in 2008)
Reduced social assistance benefits, to be compensated by integration supplements during participation in active	x	

labour market programmes (part of the 2005 revision of CSIAS' guidelines)		
Earning disregards in social assistance (part of the 2005 revision of CSIAS' guidelines)	x	
Stricter financial sanctions in social assistance part of the 2005 revision of CSIAS' guidelines)	x	
Programme "Passage" (one-month public employment as a condition for receiving social assistance)	x	

3.1.4. Trend 4: Risk prevention

A fourth, albeit more marginal, trend in innovations that can be observed in Switzerland is risk prevention. Over the past decade, there have been indeed a limited number of innovations directed at this objective. Regarding risk prevention, this is for instance the establishment of various early intervention measures to rapidly identify sick people at risk of becoming disabled and provide them with support to remain in employment or take up a new job.

At another level, one can also mention a few programmes introduced with the aim to prevent the risk of getting unemployed or dependent on social assistance. This is for instance the 'Case Management Vocational Training' programme which targets youth in difficulty. Sponsored by the federal state, it supports youth in their transition from school to vocational training as a way to prevent them from registering as unemployed. Another example of innovation directed at unemployment prevention is found in the various Cantonal means-tested benefit schemes specifically introduced for low-income families in order to encourage them to remain in employment and avoid them having to claim for social assistance. In order to pursue this objective, some of them even reimburse childcare expenditures. This having been highlighted, it remains that the main instrument of unemployment prevention in Switzerland still consists of temporary unemployment benefits (*Kurzarbeit*) which have existed since the introduction of the federal law on unemployment insurance in 1982.

TABLE 3.6. INNOVATIONS DIRECTED AT RISK PREVENTION IN SWITZERLAND

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Disability</i>		
New set of early intervention instruments for sick people and new disability benefit claimants		x
<i>Unemployment</i>		
Case Management Vocational Training		x
Supplementary means-tested benefits for working-poor families with children, Cantons of Geneva, Solothurn and Vaud		x

3.1.5. Trend 5: New governance mechanisms, multi-level coordination

In Switzerland, private actors and lower tiers of governments have always been major actors in the provision of income protection and employment support services. As a result, as regards new forms of governance structures, a particular focus in the 2000s has been on addressing the issue of multi-level coordination, either by establishing regional competence centres (as in the case of integration competence centres for migrants), or encouraging inter-agency collaboration (as for employment and active labour market services). Recently, in order to evaluate a harder form of coordination, a small-scale regional pilot project has been initiated, which brings together the employment-related services of PES, social assistance and disability insurance offices and establishes one single work-focused gateway (the so-called *Pforte Arbeitsmarkt*). An evaluation is planned in 2015, but due to political and administrative obstacles, it is very unlikely that this integrated delivery model will be extended nationally in the short to medium term.

Besides multi-level coordination, a few other governance-related changes aimed to strengthen central control and streamline the implementation of disability insurance in a context of steadily rising benefit caseloads. Compared to unemployment insurance, which was subjected to a comprehensive set of management-by-objectives rules in the 1990s, Cantonal disability offices still enjoyed a relatively large room for manoeuvre in the early 2000s in the way they implemented disability insurance. One of the aims of the 3rd LAI revision was therefore to enforce greater compliance with the law and create a new outcome-oriented culture within Cantonal disability offices.

Overall, however, it can be said that governance changes, like risk prevention, have remained somewhat marginal innovation trends in Switzerland as compared to the other three trends highlighted above.

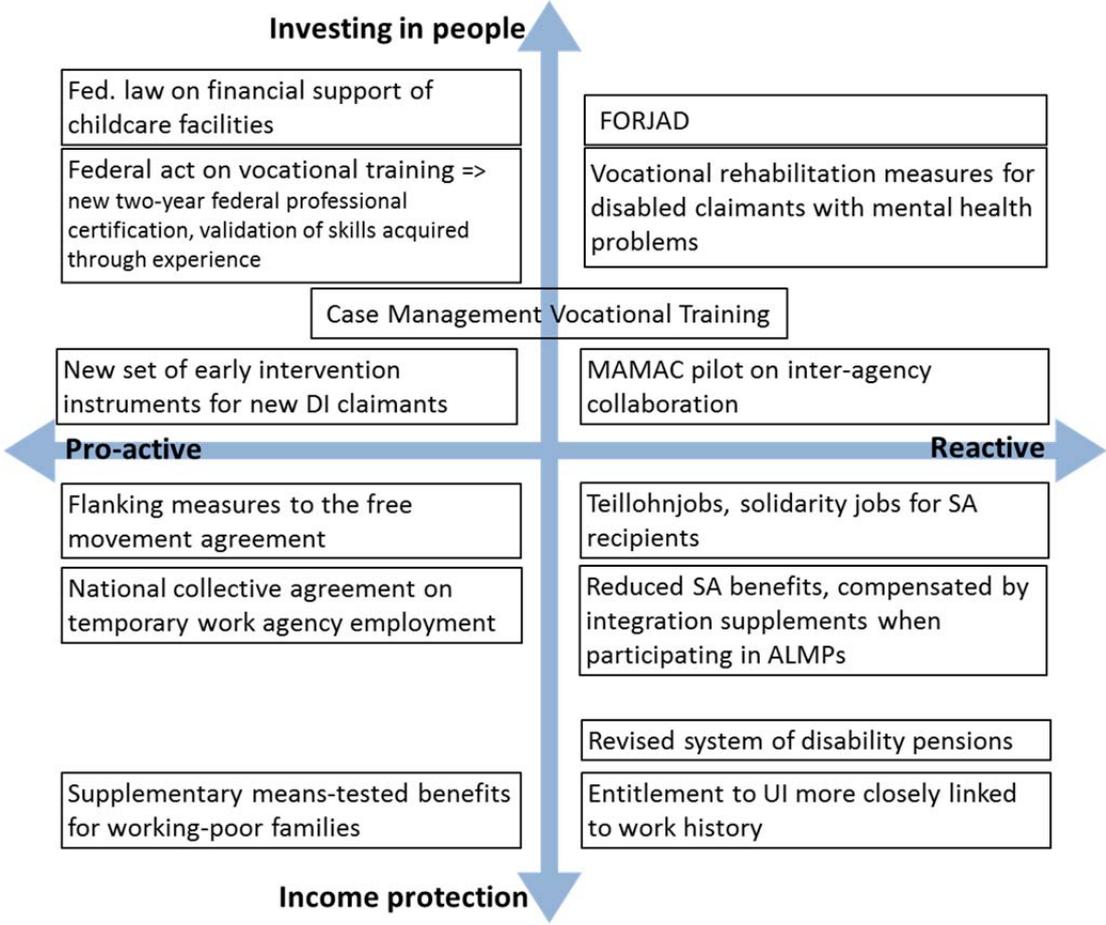
TABLE 3.7: LIST OF INNOVATIONS ESTABLISHING NEW GOVERNANCE STRUCTURES AND MECHANISMS, SWITZERLAND

Policy group and policy	Pre-crisis (before 2008) ¹	Post-crisis (2008 and later) ¹
<i>Multi-level coordination</i>		
Creation of integration competence centres for migrants		x
MAMAC pilot project on interagency collaboration between regional Public Employment Services, social assistance offices and Cantonal disability offices	x	
IIZ+/CII+: Procedure of interagency collaboration disability offices and private actors involved ahead of disability benefits	x	
Pilot project 'Gateway Labour Market' ('Pforte Arbeitsmarkt', Canton of Aargau)		x
<i>Management tools</i>		
New management-by-objectives and control system of Cantonal disability offices	x	

Establishment of Regional Medical Services to provide disability offices with neutral medical assessments	x	
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3.2. Mapping Swiss innovations on a two-dimensional scale based on the concept of resilience

Based on the two-dimensional scale of policy innovations developed in the Belgium national report, one can mention a few examples of Swiss innovations for each of the four clusters (note that the list below is not exhaustive).



3.3. Forms/sources of innovations

Beyond general innovations trends, one can basically distinguish between three major forms (or sources) of innovations in Switzerland that point to the origins of innovations. These three sources are, at federal level, the instruments of direct democracy (or more precisely, the popular initiative) and the political strategy of modernising compromises, and finally Cantonal initiatives. Of course, not all innovations have emerged from these three channels of innovation. However, many of them did, demonstrating that the same institutional settings that are commonly referred to as obstructing policy changes in Switzerland may also constitute major sources of innovations. As a matter of fact, several recent developments in family policy (e.g. paid maternity leave, mandatory child allowances) were spurred on by popular initiatives. As for modernising compromises, they refer to a political strategy used to avoid political blockades and find consensus between the leftist and bourgeois parties on debated reforms, and consisting in combining into broad reform packages elements that suit both political sides (Bonoli 2000). In the 2000s, innovations arising from political strategies of modernising compromises were particularly visible in disability insurance, with the considerable development of active labour market programmes to compensate for a more restrictive access to disability pensions.

Finally, the federalist structure of the state and the extensive powers of Cantons in social policies constitute a third important source of policy innovation in Switzerland. Cantons and municipalities have always been important innovative actors in social and labour market policies. Over the past decade, several important innovations were first initiated by one Canton, and then have spread to other Cantons and made their way into the federal political discussions. In activation policy, these were notably the establishment of subsidised solidarity jobs in Canton of Geneva² or the FORJAD programme (see below part 2), or in family policy, the introduction of means-tested benefits targeted at working poor families and childcare vouchers as a new means to finance and support the supply in childcare facilities.

3.4. Actors

As can be seen from this above classification of Swiss policy innovations by content and sources, the various types and forms of innovation identified for Switzerland pursue quite different objectives and involve various actors. If the federal state remains a powerful actor in initiating reforms in labour market policies, the Cantons and municipalities are also central actors in experimenting and innovating with social policies. To some extent, it could be said that the most innovative changes that were made over the past ten years took place at this level. In contrast, many of the innovations found at federal level were somehow imposed to the federal institutions, either through popular initiative (this was the case of the maternity insurance or child allowances), or through political strategies to find cross-party consensus (reforms of the disability insurance scheme or unemployment insurance). Finally, in the areas that have been traditionally the competence of Cantons, the central state has often circumscribed its participation to subsidizing local or regional innovative programmes and encouraging diffusion of best practices. These were typically the case of the federal programme on the financial aid for children day care facilities or pilot projects on inter-agency coordination, including the project of

² Another often cited example of subsidised solidarity jobs is the *Teillohnjobs* implemented by the city of Zürich

single gateway to the labour market (*Pforte Arbeitsmarkt*) and the so-called programme 'Case Management Vocational Training'.

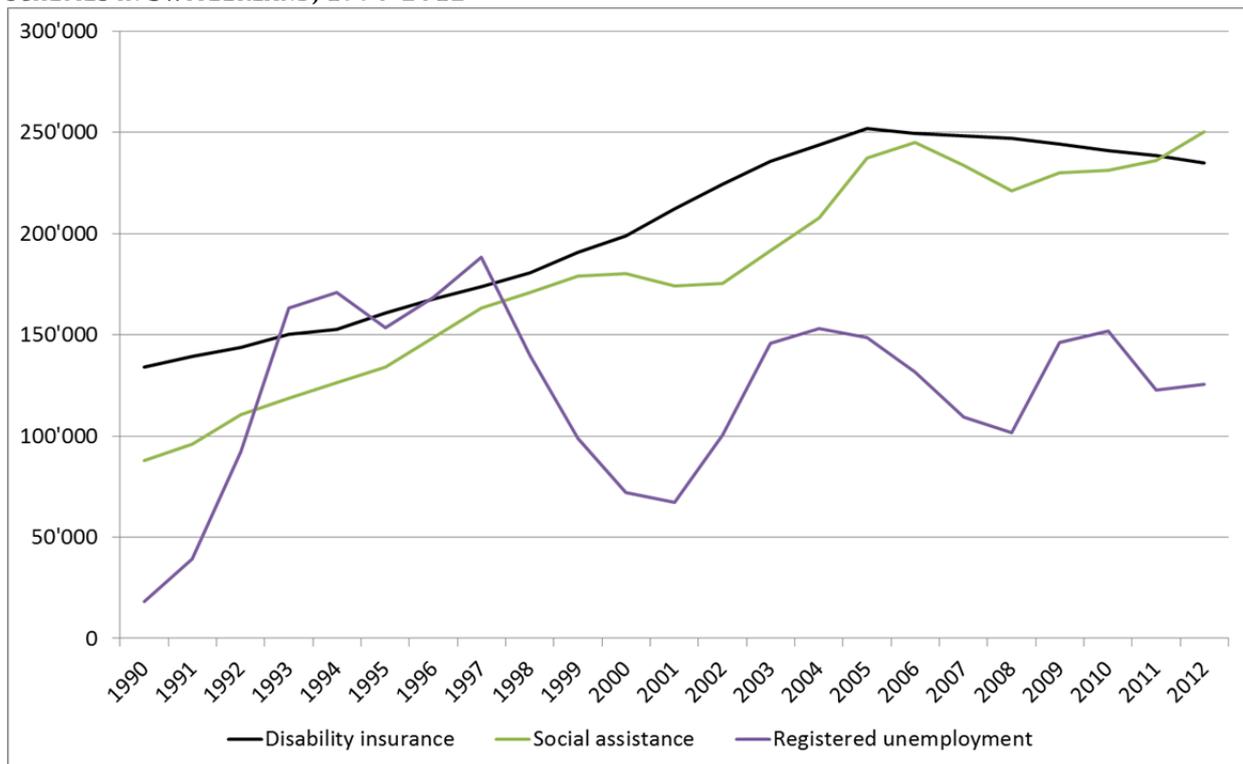
3.5. Measure effectiveness

The effectiveness of the various innovations remains mixed. On the one hand, it is true that there have been some improvements in the employment protection of some categories of workers with precarious jobs. This is best illustrated by the first national collective agreement on temporary work agency employment, which is now the largest agreement in terms of the number of workers covered. On the other hand, the effectiveness of measures adopted to improve employment and wage protection was also severely undermined by the lack of financial and human resources to ensure an effective implementation (CPA 2011).

In the same vein, innovations in family or educational policies have definitely expanded women's social rights as well as qualification opportunities. However, there is so far little evidence for a significant impact of these measures on social outcomes like the proportion of youth with a vocational training degree, children's poverty or female labour market participation.

Finally, the latest unemployment and disability insurance reform seem to have achieved their objective of reducing the number of new benefit claimants. It is particularly visible for disability insurance, with the reduction by 50% of the number of new benefit claimants between 2003 and 2012 (FSIO 2013). In the same vein, registered youth unemployment has also experienced a significant decline since 2001 when the 4th unemployment insurance reform came into force. This reform which aimed to make benefit receipt more directly dependent upon social contributions, introduced several restrictions to the rights of young unemployed (Champion 2011). One side-effect of these reforms is however the transfer of responsibilities from federal insurance-based programmes to the Cantonal social assistance programmes, with potential negative effects on the risk of social and labour market exclusion. Evidence of direct transfers from unemployment and disability insurance to social assistance is difficult to establish empirically. However, the steady rise of social assistance benefit caseloads since the 1990s, even in periods of economic recovery, seems to corroborate the existence of benefit transfers across the various benefit schemes for jobless people of working age (cf figure A.1).

FIGURE A.1: DEVELOPMENT OF CASELOADS FOR THE THREE LARGEST INCOME REPLACEMENT BENEFIT SCHEMES IN SWITZERLAND, 1990-2012



Source: Federal Office of Statistics, Federal Office of Social Insurance, SECO

4. Factors impacting labour market resilience

Innovations introduced in Switzerland in the fields of social and labour market policies since the early 2000s have only moderately impacted on the resilience of the Swiss labour market. Admittedly, institutional reforms in the disability and unemployment insurance benefit schemes have had some influence on the position of vulnerable groups. However, and as developed in the national report for WP2, the concrete impact of these innovations varied. While in disability insurance, the development of new active labour market programmes seems to have improved the chances of labour market integration of disabled people, the most recent unemployment insurance reform (4th revision of the federal law on unemployment insurance, implemented in 2011) seems to further weaken the labour market position of youth.

Then, as regards some of the major structural reforms that took place in the past ten years, it is often too soon to observe significant effects on the labour market. This is typically the case of the innovations introduced in the framework of the 2004 federal law on vocational training, which have had so far only moderate impact on the qualification and employment levels of young adults aged 25. In fact, the first cohort of young people who have benefitted from these innovations is only getting 25 years old now.

In a similar vein, problems of implementation such as delays in the setting up of new organisational structures or lack of financial and human resources have proved important

obstacles to achieving the intended outcomes of some important innovations in social and employment policies. Implementation problems were particularly important in the enforcement of flanking measures to the free movement agreement and minimum wages in the personal service sector. Hence, for various reasons, it seems that the various innovations adopted in the 2000s could only explain a small part of Switzerland's early recovery from the recession in 2010.

In fact, experts having analysed the rapid economic and labour market recovery of Switzerland after the 2008 financial and economic crisis tend to agree that the resilience of the Swiss labour market is best explained as a combination of several specific institutional and socio-economic characteristics that is typical of Switzerland (see above section 1, Mach and Trampusch 2011). Among them, liberal economic and financial policies are commonly cited to explain the Swiss economic success story. However, another factor pertains to the existence of a diversified economic structure centred on Small and Medium Enterprises and organised around several very competitive, export-oriented industries (Mach and Trampusch 2011). This economic diversity allows for a great flexibility and capacity of resilience. When one major industry experiences major problems (like the watchmaking industry or banking sector in recent years) then other industries can take over and sustain economic growth (Arnal 2011). In the past years, the ability of the Swiss industry to turn to the emerging East Asian economies also contributed much to a rapid restoration of export growth in spite of the strong appreciation of the Swiss franc (OECD 2011)

Then, the use of temporary unemployment benefits, a scheme similar to the German *Kurzarbeit* introduced in Switzerland in the 1980s, as well as the use of temporary agency work have been important institutional buffers during the latest financial and economic crisis. Temporary agency work, which minimises hiring risks for employers, has indeed increased sharply among new entrants into the Swiss labour market like youth and new migrants. Finally, a temporary reduction in immigration has also helped contain the effects of the crisis on employment level. This procyclical effect of immigration has been however weaker than it had already been in the past. While net immigration of foreign workers declined by one third in 2009, it nevertheless remained positive throughout the crisis in 2009 (Weber 2010).

Like the procyclical nature of immigration, most of the abovementioned factors, combined together, have already largely contributed to explain the peculiar economic and employment success of Switzerland until the late 1990s. Hence, the recipe for the Swiss success does not seem to have changed much. Rather, it tends to highlight some 'path dependency' effects in the capacity of Switzerland to weather economic crises, even if Switzerland has arguably undergone some major changes since the economic crisis of the 1990s, including the degradation of its financial and economic situation (Mach and Trampusch 2011).

5. Challenges for innovative policies contributing to labour market resilience and labour market inclusion

It is certainly difficult to analyse in this report the factors and challenges affecting the way innovative policies impact on labour market resilience and inclusion. Two broad challenges to an effective impact of innovations on labour market resilience and inclusion may be however

highlighted. As pointed out in the previous section, the first concerns implementation gaps that may severely limit the effective impact of an innovation. For example, flanking measures have had effectively only limited impact on wages and working conditions due their partial and unequal implementation. Sanctions have been rarely used and controls have mostly concentrated on posted workers and on a few economic sectors (those traditionally best regulated). Similarly, there seems to be a major gap between intended and effective outcomes of the new federal regulation ensuring minimum wages as well as better employment protection to domestic workers. While legally speaking, the regulation applies to all domestic workers, it was discovered in 2012 that 16% of private employers who were controlled did not respect the minimum wage.

The second challenge is related to the fact that many of the most promising innovations adopted so far suffer from what could be called the ‘too small to matter’ syndrome. Indeed, many human capital investment-driven, or pro-active innovations that were identified in this project were actually Cantonal initiatives (e.g. FORJAD, supplementary means-tested benefits for working-poor families), or small-scale pilot-projects (cf. MAMAC project of inter-agency collaboration), which can in practice have only moderate labour market impacts at national level.

Finally, on a different level, a last challenge in Switzerland may be pointed out, which is the difficulties for policy-makers to think of policy changes and innovations in social and labour market policies in a global way. At least at federal level, the policy-making approach is still largely segmented, occulting potential negative impacts of some particular reforms on concomitant policy fields. This was particularly true of reforms in unemployment insurance and disability insurance, which have partly succeeded in reducing benefit caseloads by transferring risks and responsibilities onto other benefit schemes.

B. PART TWO

1. Practical aspects

Our main selection criterion in choosing the innovations to insert in the database was the importance of its (potential) impact on the population or on the specific targeted groups. Therefore, we mainly focused on important innovations at the federal level, likely to have a big, nationwide impact. We also added some innovations with a smaller scope, in particular cantonal ones but also some local measures, when these seemed to be of particular interest or particularly innovative. The main difficulty we encountered in documenting the selected innovations was to find specific data concerning the outcomes of the measures, which sometimes was even impossible.

Concerning budgets, we noted the values both in Swiss Francs (CHF) and Euros, with a change rate of 1.2155 CHF per Euro (change rate of the Swiss Central Bank of the 14th of April 2014). Sometimes it was also difficult to find data concerning the budget of a measure. In particular, when the innovation's main aim was to contain costs, we noted, when this information was available, the expected cost containment through the measure in the field devoted to the budget.

2. Overview of Swiss innovations in chronological order

Innovation name	1. Programme 'Passage': One-month public employment as a condition for receiving social assistance
Period	2003
Trends	Incentive-based activation
Short description	The programme was introduced in the city of Winterthur (ZH) in 2003 in order to avoid misuses and restrict access to social assistance (gate-keeping effect). Based on the principle 'Work over welfare', it obliges any able-bodied jobless claimant (and without caring responsibilities) to take part in a four-week public employment programme as a condition to receive social assistance. During the programme, people receive a small income to cover basic needs.
Impact	The programme manages to lower dependence on social assistance and increase employment rates among the affected population. About half of the people assigned to public employment programmes eventually withdraw their claim for social assistance benefits, while about 10 percent of those assigned to the programme find a job during the programme

Innovation name	2. Tightened entitlement rules for unemployment insurance (UI) benefits
Period	2003
Trends	Cost containment
Short description	<p>The changes were introduced as part of the 3rd revision of the federal law on unemployment insurance (below abbreviated LACI revision) in order to restrict access to unemployment insurance benefits. They operated at two levels:</p> <ul style="list-style-type: none"> - First, the minimum contribution period to be eligible to UI is raised from 6 to 12 months (within a two-year period before unemployment) for all the unemployed, except for people exempted from contributions like parents raising their children or graduates. - Second, the maximum benefit duration is reduced from 520 to 400 daily allowances (i.e. from about 24 to 18 months), except for the unemployed above 55 years old or in receipt of disability benefits.
Impact	<p>There were two main expected outcomes: declining unemployment rates, and the shortening of average benefit duration. However, the actual impact of the reform on these two points is difficult to evaluate empirically due to structural and economic effects. According to one econometric study (Steiger 2005), however, the reduction in maximum benefit duration did not increase the chances to find a job earlier, but instead led to a higher likelihood to exit unemployment insurance without finding a job</p>

Innovation name	3. Possibility to temporarily raise the maximum unemployment benefit duration in regions with high unemployment rates
Period	2003
Trends	« « Cost containment » » (expansionary measure in compensation for other cutbacks)
Short description	<p>The federal state is given the possibility to prolong the maximum duration of unemployment insurance (UI) from 400 to 520 daily allowances (from approx. 18 to 24 months) in Cantons experiencing unemployment rates above five percent. The prolongation takes place at the request of the Cantons, and is contingent upon Cantonal financial participation (20% of the total expenditures).</p> <p>This possibility was introduced with the 3rd revision of the law on unemployment insurance which came into force in 2003, but again abolished in 2011 in the framework of the 4th revision of unemployment insurance. In 2004, the federal government introduced the possibility to limit regional prolongations to the unemployed above 50 years old.</p>
Impact	<p>In recipient regions, the measure tended to increase the long-term unemployment rate, but it also allowed to delay exits from the unemployment insurance scheme (earnings-related, funded at federal level) to social assistance (flat-rate, funded at Cantonal and municipal level). At another level, it appeared that the measure created inequalities of treatment between the unemployed of</p>

different Cantons, as not all Cantons that could benefit from the measure effectively asked for it (SECO 2006)

Innovation name	4. Federal Law on financial support for children day care facilities
Period	1 st of February 2003 for a limited duration of 8 years. Extended for 5 years in 2010, the program will be granted until the 31 st of January 2015.
Trends	Expansion of social rights
Short description	This law aims to encourage the creation of extra-familial child care places in order to allow parents to better reconcile family and work or study. To achieve this, federal subsidies are awarded to selected private or public daily childcare, shared child accommodation and after-school facilities. The supported institutions can be either new or already existing ones which significantly increased the number of places they offer, however priority is given to new institutions. The newly created institutions should be sustainable on the long run: they should be able to demonstrate to dispose of funding for the following 6 years, in order to exist also after the end of the federal support.
Impact	2'431 requests have been registered over the time span, creating 43'255 new childcare places, which corresponds to an increase of about 87% of the estimated supply. This has allowed many parents to better reconcile family and work, as without childcare facilities about half of interviewed parents stated that they would have had to put a term or considerably reduce their workload. Another important aspect is the long term effect achieved by the program: 98% of the preschool childcare facilities and 95% of afterschool care facilities continue to exist after the end of the subsidization period. However, an evaluation shows that after 11 years of the measure, the need for child care facilities is still high: only in the 11 th year, 318 new requests for new facilities have been registered, and at the moment of writing the report (state up to the 1 st of February 2014), 227 other requests had still to be evaluated, while numerous were continuing to come in. The new requests were so numerous that a priority order had to be established (in force since the 1 st of January 2013) in order to best allocate and distribute in a geographically equilibrated way the financial resources, unable to meet all the requests. This, together with the successes of the program, has motivated a Member of Parliament to submit a parliamentary initiative in favour of the maintenance of the program also after the 31 st of January 2015.

Innovation name	5. Abolition of the possibility to requalify for UI after participation in ALMPs
Period	2003 & 2011
Trends	Cost containment
Short description	The changes were introduced as part of the 3 rd and 4 th LACI revisions.

Since 2003, participating in contributory public employment programmes financed out of the federal unemployment insurance funds over a sufficiently long period does not any longer allow for requalifying to unemployment insurance benefits.

Since 2011, the principle has been extended to contributory public employment programmes financed out of Cantonal (or municipal) funds, and offered to those having exhausted their right to unemployment insurance, and in receipt of Cantonal assistance-based schemes.

Impact The measures have probably contributed to reduce unemployment insurance caseloads, but no concrete figure exists, and it is unknown whether the changes have increased chances to find employment and get out of social benefits. They have nonetheless most probably reduced the number of long-term unemployed experiencing repeated periods on unemployment insurance.

Finally, in some Cantons, the 2011 reform has forced authorities to reorganize their systems of active labour market programmes for the long-term unemployed in a more effective way. For instance, Geneva, a Canton well-known for its misuses of public employment programmes, replaced these programmes by the so-called 'solidarity jobs' (cf respective table for more on this particular innovation).

Innovation name	6. Federal Law on vocational training
Period	1 st of January 2004
Trends	Expansion of social rights
Short description	The federal law on vocational training is an open framework law which lays the foundations of a global promotion of vocational training and favours life-long learning. It takes into account the transformations of the professional world and allows new developments. It aims at reinforcing the dual vocational training and its link to practice and to the labour market. This is pursued through several innovations on different levels, such as the educational offers, innovations and funding.
Impact	No exact data has been found, however it is likely to believe that the law has had an impact on encouraging lifelong learning.

Innovation name	7. Validation of skills acquired through experience
Period	1 st of January 2004
Trends	Expansion of social rights
Short description	In addition to vocational training, a diploma recognized by the confederation can be obtained also through personal experiences, acquired privately or

professionally, which are recognized as a way of acquiring operational competencies relevant for the chosen profession. This innovation stems from the new federal law on vocational training (art. 33). It aims at encouraging life-long learning and increase labour market opportunities of low skilled people (without upper secondary education) by formally recognizing their experiences through a diploma.

Impact It is hard to assess the impact of this innovation, however it is likely to believe that it has had an impact on fostering lifelong learning and learning workplaces, as well as on increased recognition of skills and competences of people with little formal education, increasing their chances on the labour market.

Innovation name	8. Flanking measures in connection with the introduction of the Free Movement Agreement
Period	2004
Trends	Labour market regulation and collective agreements
Short description	<p>The flanking measures aimed to prevent any abusive undercutting of Swiss wages and employment conditions. They include measures in the three main following area:</p> <ul style="list-style-type: none"> - Law on posted workers, which oblige foreign employers who transfer workers to Switzerland to comply with the wages and employment conditions applying in Switzerland (Law on posted workers). Possibility to apply financial sanctions to foreign and Swiss employers practicing abusive conditions. Since 2013, in the construction sector, sub-contracting employers can also be held responsible for the wage and employment conditions offered by the sub-contracted companies. - Legal extension of collective agreements: In the event of abusive practices, the Federal Council can decide to extend the legal validity of collective agreements to all employers and employees operating in a given sector in Switzerland. - Increased means of control: Introduction of tripartite commissions (employers, unions and state) at federal and Cantonal levels to observe developments on the labour market and ensure compliance with usual wages and employment conditions. Since 2006, appointment of additional labour inspectors to verify employment conditions and communicate abuses
Impact	<p>Until 2009, the number of extended collective agreements defining minimum wages increased from 31 to 69, resulting in an expansion of the number of employees covered by extended collective agreements from 400'000 to 700'000 (OFS 2012). The impact on wages and working conditions has been severely downplayed by a partial and unequal implementation of measures. Measures like sanctions have been rarely used and controls have mostly concentrated on posted workers and on a few economic sectors (those traditionally best regulated). In fact, it could be said that the measures reinforced new dualisms, since controls have concentrated on the small proportion of the workforce already well protected by collective agreements, whereas the majority of the</p>

workforce not or little defended by social partners has largely remained excluded from the controls.

Innovation name	9. Revised system of disability pensions
Period	2004
Trends	Cost containment
Short description	<p>With the 4th revision of the law on disability insurance (below abbreviated LAI revision), a new partial disability pension was introduced, and pension supplements for spouses were abolished. Before 2004, a person with a working incapacity of 66% or more could receive a full pension. From 2004 on, it receives a $\frac{3}{4}$ disability pension.</p> <p>The new system of pensions therefore comprises four types of pensions:</p> <ul style="list-style-type: none"> - A $\frac{1}{4}$ disability pension for a working incapacity between 40 and 50% - A $\frac{1}{2}$ disability pension for a working incapacity between 50 and 60% - A $\frac{3}{4}$ disability pension for a working incapacity between 60 and 70% - A full pension for working incapacity of at least 70%
Impact	One impact has been lower incomes for new recipients of disability pensions, as the reduced pension level is only partially compensated by income gained from taking up small part-time jobs

Innovation name	10. Improved employment and job placement services within Cantonal disability offices
Period	2004
Trends	Incentive-based activation
Short description	<p>As part of the 4th LAI revision, Cantonal disability offices were given new means to provide disabled job seekers with specialized job placement assistance. Previously, job placement for this target group was mainly performed by the Public Employment Services (thereafter PES).</p>
Impact	<p>Between 2004 and 2006, 160 job advisors were hired across Switzerland to provide job-search assistance to disabled jobseekers as well as specific advice to employers. Since 2004, the employment rate of people with disabilities has improved on average, it still largely depends on external factors like the regional economic structure (OECD 2006: 83; OFAS: Evaluation du placement dans l'AI 2008: 5).</p>

Innovation name	11. Chèques emploi: Employment vouchers
Period	2004 for the first Cantonal initiative in the 2000s
Trends	Labour market regulation and collective agreements
Short description	The innovation was introduced in all Latin Cantons. It fights against informal labour by facilitating the access to social rights of workers in the personal service sector. Different not-for-profit organizations of the different cantons take in charge the administrative procedure to announce domestic workers to the competent authorities and facilitate the calculation of social contributions and their payment.
Impact	Overall, the programme offers better social protection coverage for female domestic workers. There may be, however, some unintended impacts on earnings as in certain cases, the employer decides to lower the wage of their employees in order to compensate for increased social contributions.

Innovation name	12. Federal Law on equality for persons with disabilities (LHand)
Period	2004
Trends	Expansion of social rights
Short description	The law aims at preventing, reducing and eliminating discrimination against people with disabilities. It empowers them as they are now in the position of demanding respect of their rights in numerous domains, instead of hoping for goodwill. It promotes conditions which help them to be independent; consequently it pays a lot of attention to the position of disabled on the labour market, supporting the creation of programmes and pilot projects in favour of their professional integration. To promote these rights, a new federal bureau has been created, which monitors the developments, encourages the promotion of equal rights for people with disabilities and sensitizes the population.
Impact	People with disabilities are empowered as they can ask for respect of their rights and can actively fight against discrimination, with a possible compensation of up to 4'114 Euros (5'000 CHF). Moreover, infrastructure is better adapted to special needs (especially concerning public transports) and there is encouragement to better adapt workplaces.

Innovation name	13. Equal salary Label
Period	Created in 2005, after a pilot phase, the label is open to any company only since June 2010.
Trends	Expansion of social rights

Short description This label is given to enterprises that pay an equal salary to their female employees compared to their male colleagues. Any company or organization (public, semi-public or private), employing over 50 people, of which at least 10 women, may apply for certification. The companies are free to determine their salary policy as long as it is coherent, equitable between women and men and properly documented. The label lasts for three years, during which the companies have to undergo two monitoring audits to ensure the company respects the recommendations for improvement set by the auditors. Through the label companies/organizations are able to prove, without publicly divulging confidential information, that they apply a fair wage policy between women and men, which is good for business and good for the people who work there, reinforcing staff motivation and supporting marketing and recruitments. Generally, it enhances the enterprises' image. Its aim is to increase knowledge about discrimination and wage inequality, ensure the long-term existence and quality of the certification process and to promote it to companies and organizations both on a national and international level.

Impact For the moment not as much enterprises as wished for have shown interest in the label (about 30 enterprises have been labeled so far), which limits the project's impact on equalizing salaries between men and women. However it is likely to believe that the number will increase in the future, as the label is still rather new and unknown.

Innovation name 14. Federal law on mandatory paid maternity leave scheme

Period 1st of July 2005

Trends Expansion of social rights

Short description The federal act on compensation for loss of income by reason of service has been extended to reason of maternity. In addition to people serving in the army, the extension of the federal act assures sufficient resources also to new mothers who have had to interrupt work. Women are entitled to a mandatory maternity leave of at least 14 weeks at 80% of their wages, but no more than 196 CHF – 161,25 Euros - daily allowances. The schemes are financed by social contributions from employers and employees, each paying 0,5% of the salary. Cantons are free to decide to give higher allowances, for a longer period and to introduce adoption allowances.

Eligibility criteria: working women (employed, self-employed or in unemployment – previously receiving unemployment, health or disability benefits), insured under the AHV for at least nine months and who have worked for at least five months prior the birth.

Impact Approximately 70% of women giving birth meet the eligibility criteria of maternity allowances and benefit from them. It is estimated that the majority of recipients take up the maximum length of paid leave.

Innovation name	15. Establishment of Regional Medical Services to help determine disability benefit entitlement
Period	2005
Trends	New governance structure
Short description	<p>The reform was introduced as part of the 4th LAI revision, and implemented from 2005. Prior to 2005, Switzerland relied heavily on GPs' medical assessment to determine entitlement to disability pensions. Disability offices themselves had only limited medical expertise. Yet, in a context marked by the rapid and steady rise of disability benefit caseloads, GP's proximity with patients and their lack of knowledge in the disability insurance scheme became increasingly seen as two factors contributing to the rise of disability benefit caseloads.</p> <p>In 2005, 10 Regional Medical Services were established as medical competence centres and employed about 230 full-time equivalent employees. Their introduction aimed to expand medical expertise available within disability insurance, reduce GPs' room for manoeuvre, and provide disability offices with neutral medical support to verify GP's medical assessments and improve the overall quality and homogeneity of work incapacity assessments.</p>
Impact	The introduction of Regional Medical Services has probably contributed to the observed steady decline in the number of new recipients of disability pensions since 2004, even though its concrete impact is difficult to assess empirically.

Innovation name	16. IIZ+/CII+: procedure of inter-agency collaboration between disability offices and actors involved ahead of disability benefits
Period	2005
Trends	Risk prevention, new governance structure
Short description	<p>The procedure of inter-agency collaboration IIZ/CII+ between disability offices and private insurers involved ahead of disability benefits was first introduced in 2005 and further developed in 2008. Centred on the early rehabilitation of sick people at risk of becoming disabled, it concerns, beyond Cantonal disability offices, private health care, accident and sickness insurers covering for loss of earnings, as well as occupational pensions funds (all of them being private institutions).</p> <p>Collaboration is binding for all signatory insurers. It regulates the early identification of sick people at risk of becoming disabled and the procedures to follow to register relevant persons with disability offices. In some cases, the collaboration procedure allows for private insurers to conduct initial basic assessments of disability benefit entitlement.</p>

Impact No specific figure could be found on the impact of the collaborative procedure, but like early intervention measures introduced in 2008 in disability insurance (see table below), the procedure apparently manages to increase job retention and diminish risks of being laid-off in case of sickness

Innovation name	17. Reduced social assistance benefits, to be compensated by integration supplements during participation in ALMPs
Period	2005
Trends	Incentive-based activation
Short description	<p>The innovation was introduced in 2005 as part of the revision of the guidelines of the Swiss Conference for Social Assistance (SKOS/CSIAS). The revision recommended to lower social assistance benefit levels and to compensate this reduction in benefit levels by financial supplements for participating in active labour market programmes. According to the SKOS/CSIAS guidelines, financial integration supplements can amount between 100 and 300 CHF/month – between 82,27 and 246,81 Euros/month.</p> <p>The guidelines issued by the CSIAS are not binding as such. However, most Cantons, which keep full responsibility for social assistance in Switzerland, have translated this recommendation into their legislation. The introduction of financial supplements rewarding individual efforts has transformed social assistance from a system oriented towards individual needs to a system rewarding individual integration efforts</p>
Impact	<p>The reform has lowered the average income available to social assistance recipients as in practice, only a minority (25-70% depending on the Cantons) of them receive the integration supplement. More generally, the reform was criticised for contributing to lower the national poverty threshold since in Switzerland, it is precisely defined on the basis of the guidelines issued by the SKOS/CSIAS.</p>

Innovation name	18. Earning disregards in social assistance
Period	2005
Trends	Incentive-based activation
Short description	<p>In 2005, the guidelines issued by the Swiss Conference for Social Assistance (SKOS/CSIAS) were revised, introducing a system of earnings disregards in social assistance to encourage social assistance benefit recipients to take up work or increase their revenues. The objective was to minimize the so-called ‘threshold effect’, i.e. an effective decline in available income due to a reduction/suppression of social benefits and renewed taxation after taking up a job again.</p> <p>According to the 2005 CSIAS guidelines, earnings disregards can amount between</p>

400 and 600 CHF/month – between 329,1 and 493,6 Euros/month.

Impact Earnings disregards have effectively improved the net available income of employed people/households on social assistance in 10 examined Cantons (CISAS 2008). However, they have not managed to significantly improve the employment rate of able-bodied social assistance recipients, which has remained stable at about 28% between 2005 and 2012 (OFS- Statistiques de l'aide sociale).

Innovation name	19. Stricter financial sanctions in social assistance
Period	2005
Trends	Incentive-based activation
Short description	In 2005, the guidelines on social assistance issued by the Swiss Conference of for Social Assistance (CSIAS) were revised, introducing stricter financial sanctions in case of non-compliance or refusal to accept jobs deemed as suitable or to take part in active measures. Since 2005, according to the recommendations made by the CSIAS, sanctions can go up to 15% of monthly benefits.
Impact	In practice, the impact has been limited since the implementation of sanctions largely depends on caseworkers' own appreciation. Legally speaking, however, the reform has implied the de facto abolition of the unconditional right to a minimum living allowance as social assistance benefits can now be partially or even fully cut in cases of non-compliance.

Innovation name	20. Federal Professional Certification (<i>Attestation Fédérale Professionnelle – AFP</i>)
Period	The federal professional certifications are introduced by profession. The first are in force since 2005.
Trends	Expansion of social rights
Short description	The federal professional certification is a two year program with a nationally recognized professional degree, targeted at people with more practical aptitudes who are not ready to achieve a federal certificate of competence. It replaces the pre-vocational training, which did not lead to a recognized diploma. The federal professional certification is a bit more restrictive than the pre-vocational training, due to more demanding theoretical training and a final exam. However, thanks to the nationwide recognized diploma, it facilitates the labour market integration and enables the subsequent transition to vocational training leading to a federal certificate of competence.
Impact	Through the recognized diploma, the concerned persons' professional skills are better recognized, thus facilitating their access to the labour market. However no exact data have been found to assess the actual impact.

Innovation name	21. MAMAC pilot project on inter-agency collaboration between regional PES, social assistance offices and Cantonal disability offices
Period	2005-2010
Trends	New governance structure (multi-level coordination)
Short description	<p>In 2005, a pilot project of inter-agency cooperation, the so-called MAMAC (stands for Medizinisch-Arbeitsmarktliche Assessments mit Case Management) project, was set up in order to promote and formalize practices of inter-agency cooperation between regional PES, social assistance offices and Cantonal disability offices. According to the general concept, collaboration within the MAMAC project was restricted to the sole category of new benefit claimants with complex needs and were to follow a strict procedure composed of a tripartite assessment of the claimant's employability, and of the elaboration of a binding agreement specifying the appropriate labour market programmes to offer during one year as well as the agency responsible for the follow-up and funding of ALMPs during this time (Champion Céline 2008).</p> <p>From the outset, the MAMAC project was conceived as a time-limited pilot project, which ran until 2010. Because in Switzerland, the federal state has no power to intervene on social assistance matters, Cantons were left free to decide whether they wished to set-up a MAMAC collaboration project. Altogether, 16 Cantons embarked on the project</p>
Impact	<p>Against initial expectations, the project did not yield significant results in terms of overall labour market participation, mainly because of the very low number of people who benefitted from it (about 1000 people over the whole period). For the same reason, it did not manage to reduce the average benefit duration and to prevent long-term unemployment either. However, it allows for a better mutual understanding and collaboration between street-level practitioners.</p>

Innovation name	22. First revision of the federal law on occupational pensions (BVG/LPP)
Period	2006
Trends	Expansion of social rights
Short description	<p>The objective of the 1st BVG/LPP revision was to adapt the law on occupational pensions to increasing life expectancy and to improve coverage of atypical workers, especially part-time employees. Because of an access threshold to compulsory affiliation for second pillar pensions, many part-time workers, mostly women with children, were excluded from compulsory occupational pension coverage.</p> <p>The access threshold was reduced from approx. 24,000 CHF – 19'745 Euros - to approx. 18,000 CHF- 14'809 Euros - per year. This allowed the inclusion in the</p>

system of many part-time workers.

At the same time, the conversion rate (rate used to convert the accumulated capital into an annuity) was lowered from 7.2% to 6.8%.

Impact The reform improved pension coverage for part-time workers, particularly women with young children.

Innovation name	23. New management-by-objectives and control system of Cantonal disability offices
Period	2006
Trends	New governance mechanism
Short description	<p>In the wake of the 4th revision of the federal law on disability insurance, the control of the performance of Cantonal disability offices by the Federal Social Insurance Office (FSIO) has been strengthened.</p> <p>While prior to 2006, control over cantonal procedures took place every three year, it now takes place annually. In addition, a new monitoring and reporting system has been established, which includes the definition of annual target based on a set of outcome-oriented indicators, and a strengthened competition between Cantonal disability offices for outcomes. The overall objective was to reorient the support offered by Cantonal disability offices towards employment promotion (OECD 2006: 125).</p>
Impact	According to one director of a Cantonal disability office, the support offered to disability benefit claimants is now more strongly focused on employment promotion.

Innovation name	24. FORJAD
Period	2006 as a pilot project, institutionalised since 2009
Trends	Activation through human capital investment
Short description	<p>A particularly important and innovative cantonal measure is the FORJAD program, implemented in the Canton of Vaud. The measure mainly aims at the professional reinsertion of young adults on social assistance aged between 18 and 25 years, through a certifying vocational training. Cantonal authorities were pushed to take action by the worrisome contextual framework in which the measure takes place: since the beginning of the years 2000 they observed a deterioration of the situation of young adults, testified by the growing number of this age group as social assistance beneficiaries. More than 75% of these young adults relying on social assistance have no professional education, which is considered a key factor explaining the increase in the share of young adults relying on social assistance (Müller <i>et al.</i>2009). As this limits to a great extent the likelihood of their professional reinsertion, it also considerably increases the risk</p>

of their durable dependence on social assistance and of turning the problem structural (Spagnolo, 2013).

As a reaction to this situation, FORJAD was launched in 2006, as a pilot project. An important feature of the project is the thoroughly accompanying framework which is offered to the participants: from the preparatory phase, through the entire education phase and thereafter through the job placement phase (however the FORJAD program only concerns the education phase). Moreover, the personalized guidance is offered on a multiple level: professional, educational, personal and social. This is important as most young adults at the benefit of social assistance have to deal with several difficulties (Spagnolo, 2013).

Impact

Since the start of the program 545 (65%) young adults achieved a diploma through the program. Concerning the education type, most of the participants chose an apprenticeship (about 80%), while the others chose education in a public or private professional school, or in institutions mandated by the Cantonal social security service (service de prévoyance et d'aide sociale). It has been noted that young adults choosing an apprenticeship have a success rate of about 80%, which is higher than the success rate of the other groups. This is mainly explained by the fact that those who follow an education in an institution usually have a more difficult profile (Müller et al 2009).

After the encouraging results observed with the first two cohorts of participants, the Cantonal government decided in spring 2009 to transform FORJAD from a pilot project into a permanent program. An important change which came along with transforming the program into a permanent one concerns financial aspects: while in its pilot phase the project was jointly financed by the Economic and Social affairs Departments, transforming it into a permanent program required the cantonal government to harmonize social assistance and scholarship levels. Indeed, the unbalance between benefits from scholarships (which were very low at the time) compared to those from social assistance were discouraging young adults to go for education instead of claiming for social assistance. Starting from 2009, young adults participating in the FORJAD program benefit from a scholarship which guarantees them sufficient revenue to live and take in charge the expenses related to their education. In practical terms, this means that since the change in 2009, the participants are taken in charge by the scholarship fund, instead of social assistance which was previously granting the participants a minimum income. This also engenders an important change in their status, as they go from "assisted" to "learner", thus suddenly enjoying a more positive image (Müller et al 2009).

Innovation name	25. Profile-establisher – determining and acknowledging competencies
Period	2006
Trends	Expansion of social rights
Short description	This innovation, implemented in the Canton of Zug, aims at helping women (and men), who have been caring for their families, to valorize their informally acquired knowledge and competencies. Competencies acquired through domestic and family economy/work are validated and made visible through a professional federal exam, conferring a federal diploma. The profile-establisher determines the state of a person's professional knowledge (in particular housewives) and, if necessary, determines what additional qualifications are still needed in order to reach the desired basic or advanced education considered necessary for the aspired job. This project supports persons who have been looking after their families and houses for a long time and want to take up (again) or change profession, going into the direction of jobs related to domestic and family-care activities (socio-educative assistant, in charge of a play-group, domestic economy related jobs, farmer, specialized hotel employee, nursing, ...).
Impact	It is hard to assess the impact of this innovation and its extent. However it can be said that it has helped the recognition of housewives' informally acquired competencies and skills, increasing their chances in the moment they wished to get back into work.

Innovation name	26. « Teillohnjobs » : share-salary jobs
Period	2006
Trends	Activation through human capital investment
Short description	This measure of the city of Zürich employs people in social assistance in little paid jobs, complementing the earnings through social assistance. The jobs are offered either directly by the city or by private partners. The aim is to allow the participants to make a part of their earnings themselves, relieving social assistance, and to facilitate a future reintegration into the labour market for most of them. Eligibility criteria: people in social assistance in the city of Zürich, Swiss citizens or entitled to a work permit, who are able to work for at least 50% but not placeable at the moment.
Impact	Other than alleviating social assistance, the measure has allowed, up to 2012, 25 to 35% of participants to find a job on the first labour market after participating to the program.

Innovation name	27. « <i>Emplois de solidarité</i> »: solidarity jobs
Period	1 st of February 2008
Trends	Activation through human capital investment
Short description	<p>Solidarity jobs are paid jobs in not-for-profit organizations for unemployed people who are no longer eligible for unemployment benefits. They give the participants the opportunity to work and sometimes to attend courses instead of being in social assistance. The salaries are to a great extent subsidised by the government of the canton of Geneva, where this measure is implemented. The objective on the long term is to allow people to find a job on the first labour market.</p> <p>The personal advisor of the PES has to propose the person who comes to an end of its right to unemployment benefits for a solidarity job, considering various factors, e.g. motivation. Moreover, the offer focuses on people who face greater difficulties to find a job due to age (55 years and more), education (no education recognized in Switzerland), employment records (fractioned, little qualifying) or family situation (single-parent family, person living alone, etc.).</p> <p>General eligibility criteria: the person has to live in the canton of Geneva; must have received unemployment benefits; must not have participated to a cantonal reinsertion measure; must not have been sanctioned for more than 30 days by the unemployment insurance; must not hold a N, B or student permit; must not be in the process of applying for invalidity insurance; must not be in the process of opening a new right to unemployment benefits.</p>
Impact	<p>Between February 2008 and September 2009, out of 304 participants, 7 have been reintegrated on the first labour market. No more recent data has been found.</p> <p>Besides failing to help people back onto the first labour market, the programme has been strongly criticized for several reasons. First of all, wages are often very low and sometimes not enough to live on. Moreover, despite the formal encouragement by authorities to offer trainings to the participants, very little training opportunities are offered by the partner not-for-profit organizations. Other critiques concern the type of jobs, which often are unpleasant and not rightly equipped. An additional aim of the project is to allow participants in possession of a not-recognized education to gain a recognized certification, however not much impact has been achieved so far in this matter either.</p>

Innovation name	28. Tightened eligibility criteria for disability pensions
Period	2008
Trends	Cost containment

Short description	The measure was introduced as part of the 5 th LAI revision for cost containment reasons. It was twofold: <ul style="list-style-type: none"> - Minimum contribution requirements to be entitled to disability pensions were raised from one to three years. However, under certain circumstances, for non-active claimants, caring periods and contributions from spouses can still compensate wage contributions. - Stricter medical criteria: disability pensions are now granted only to people whose work incapacity (whether for physical or mental illness conditions) can be clearly attributable to health problems, and only if health problems can be objectively detected (this excludes a subjective perception of health problems)
Impact	The measure helped to further reduce the number of new disability benefit claims, but did not result in higher labour market participation. Instead, the tightening of access to disability benefits has led to an increased dependence on family support and other forms of social protection like social assistance.

Innovation name	29. Integration competence centers
Period	1 st of January 2008
Trends	Multilevel coordination
Short description	The competence centers act as a contact point and an information platform for migrants, employers, schools, authorities, organizations competent in integration matters and other institutions. They are their main interlocutor and aim to help migrants to rapidly make their way in their new environment. To do so, the competence centers act in close collaboration with the ordinary structures, e.g. schools, professional orientation services, or health services. These centers stem from the new federal law on foreigners (art. 57.3), which puts great emphasis on the integration of foreigners and on equality of opportunity in education and on the labour market. Indeed, the centers aim to promote equal opportunities of migrants in terms of access to ordinary structures allowing participation to cultural, social and professional life.
Impact	No exact data have been found, however it is very likely that the centers have been able to facilitate the labour market integration of some migrants as well as helping them to receive a better recognition of their competencies, skills and educational levels.

Innovation name	30. Reduced administrative barriers to labour market access for persons admitted on a temporary basis
Period	1 st of January 2008
Trends	Expansion of social rights
Short description	This innovation, stemming from the new federal law on foreigners, aims at diminishing administrative barriers to employers hiring people admitted on a temporary basis (holding an F permit), allowing for a diminished structural

hindrance concerning this group's integration on the labour market.

Impact The actual impact is very small, as not many more people holding an F permit accessed the labour market after this law came into force. In fact, administrative obstacles to hire persons coming from the EU are still by far less important than those hiring a person holding an F permit, which limits the impact of this law.

Innovation name	31. New set of early intervention instruments for new disability benefit claimants
Period	2008
Trends	Human-investment based activation
Short description	<p>The set of early intervention instruments was introduced as part of the 5th LAI revision in order to sustain the principle 'rehabilitation before pension', encourage early registration of people with health problems, and secure job retention whenever possible. They included:</p> <ul style="list-style-type: none"> - An early identification procedure, allowing for a low-threshold registration of persons at risk of becoming disabled either at their own request or at the request of their employers, acquaintances or relevant social insurers. It primarily concerns people absent from work for health reasons for at least 30 days or for shorter, but repeated time periods - Several early intervention programmes targeted at every new benefit claimant with a potential for labour market integration. The measures, which take the form of short-term labour market programmes, are intended to help maintain the person at her workplace or find her a new job. They typically include measures of workplace adaptation, vocational guidance or placement activities, and generally last for 6 months. Participation in early intervention programmes does not entitle to financial income support. - Entitlement to disability pension starts at the shortest six months after the benefit claim. The intention with the introduction of this waiting period was to encourage people with health problems to submit their benefit claim as soon as possible.
Impact	<p>Sick and disabled people are more frequently employed when they first get into contact with disability offices (68% against 60% before the reform), and they are also more likely to get a job after participating in early intervention measures. However, the instruments have also created some new dualisms, as low-qualified people tend to benefit less frequently from early intervention measures</p>

Innovation name	32. Vocational rehabilitation measures for disabled benefit claimants with mental health problems (the so-called 'integration measures')
Period	2008
Trends	Human-investment based activation
Short description	<p>The measures were introduced in 2008 as part of the 5th revision of the federal law on disability insurance. Their objective was to progressively prepare disabled claimants with mental health problems to return into work by offering low-</p>

threshold labour market programmes. Specifically designed for people with mental health problems, 'integration measures' include job training measures (progressive acclimatisation and endurance to work) and employment measures in the public or private sector.

They can be allocated to persons presenting a working incapacity of 50% for at least 6 months, but who can work at least 2 hours a day, four days per week. The maximal duration is 12 months, with the possibility to prolong for another 12-month period.

Impact There has been no significant effect on the labour market participation of mentally ill people, given the very low participation rates in these measures.

Innovation name	33. Wage subsidies to employers hiring people on disability benefits
Period	2008
Trends	Incentive-based activation
Short description	The wage subsidy has been introduced in 2008 as part of the 5 th revision of the federal law on disability insurance It is allocated to compensate for a reduced productivity of disabled people during the first months of employment. The subsidy is paid to employers for a maximum of 180 days (6 months). It can amount up to the total monthly wage but cannot exceed the level of disability allowances.
Impact	Until now, there have been very limited effects on the employment of disabled people given the limited use of wage subsidies

Innovation name	34. Allowances for care expenses for disabled parents participating in ALMPs
Period	2008
Trends	Incentive-based activation
Short description	The allowances were introduced as part of the 5 th revision of the federal law on disability insurance in order to encourage the labour market re-integration of disabled people. As of 2008, disabled people with caring responsibilities and without gainful employment can claim for caring allowances to compensate for additional caring expenses when they participate in active labour market programmes. Are eligible all those in charge of dependent children and other direct relatives. The maximum amount of caring allowances is set by the Federal Council
Impact	The caring allowance aims to improve employment prospects for disabled people, but empirical evidence of this impact is still failing. However, it seems that the

measure has effectively reduced obstacles to participate in labour market programmes for disabled people with care responsibilities.

Innovation name	35. Case Management Vocational Training
Period	2008-2011: implementation phase (totally financed by the federal government) 2012-2015:consolidation phase (financed by the federal government and the cantons together) The aim is however to institutionalize the program in the cantons.
Trends	Risk prevention
Short description	Case Management Vocational Training is a procedure offering different measures to young people who show a serious risk of not being integrated into the labour market. It aims at identifying as early as possible young adults who are at risk or who face social or learning difficulties and support them in their transition from school to vocational training. As a new form of inter-agency collaboration, it also aims to find cross-cutting solutions. This program is a measure to attain the objective of raising the number of young adults holding an upper secondary education degree from 90% to 95%, jointly agreed by the confederation, the cantons and the organizations of the world of work.
Impact	In 2010 the objective of raising the number of young adults holding an upper secondary education degree from 90% to 95% has almost been achieved for youth born in Switzerland, but not for youth who have not entirely followed the education system in Switzerland, as numerous did not achieve an upper secondary education diploma. Consequently, a special focus was put on youth with migration background thereafter.

Innovation name	36. Childcare vouchers
Period	1 st of April 2009
Trends	Expansion of social rights
Short description	Childcare vouchers give right to place a child in a daily child care center of the family's choice. With these vouchers, the system has shifted from an object-financing (the childcare facilities) to a subject-financing (the families). The vouchers were first implemented in the city of Lucerne as a pilot project. The system was introduced thanks to a federal contribution as part of the federal law on children daycare facilities introduced in 2003. The main objective is to allow better reconciliation of work and family, avoiding parents to exit the labour market and their dependence on social assistance. Shifting the financing from daycare facilities to families, public authorities also wished to see an impact in

terms of quality, prices and quantity of the offer, as a result of concurrence, as with the vouchers parents are able to choose the facility in which they would like to place their children, instead of placing them where they get a place.

Impact In 2010 and 2011 61% of all children of the city of Lucerne who were in childcare facilities benefitted from a voucher. Through these, many families, in particular low-income families, were able to reconcile work and family, staying in employment instead of giving up their job in order to look after the children and relying on social assistance. About ¾ of the families benefitting from a voucher had a rather low to low income. Indeed, through the system of financing directly the families it has been possible to better control for those who benefit from the system (through the eligibility criteria defining a maximal household salary) and if necessary decide whether to channel the resources towards the lower income families only, or the middle incomes as well.

Innovation name	37. Federal law on mandatory child allowances
Period	1 st of January 2009
Trends	Expansion of social rights
Short description	This law aims at the national harmonization of child allowances: it fixes the right to a monthly allowance for every child in any canton and its minimal amount. Cantons are free to decide to give a higher allowance, as well as to introduce birth and adoption allowances. The allowances are paid to all employees, self-employed (since the 1 st of January 2013) and not-working people with low revenue. People working in the agricultural sector are covered by another law (Federal law on family allowances in agriculture).
Impact	Universal coverage of child allowances, including self-employed, and minimal mandatory allocation at the federal level. In 2012, 958'600 people could benefit from 1'679'300 allocations.

Innovation name	38. Supplementary means-tested benefits for working poor families with children
Period	Solothurn : 2010-2014 (may be extended); Vaud : 2011 ; Geneva : 2012 ;
Trends	Expansion of social rights
Short description	The innovation has been implemented in the cantons of Geneva, Solothurn, Vaud and Ticino, who however adopted it before 2000, hence Ticino is left out here. The measure offers financial support to low-income families, guaranteeing a minimum living wage. The main aim is to encourage their labour market participation and avoid them to rely on social assistance. The entitled families have also right to health insurance subsidy and reimbursement of care expenses for children.

Main eligibility criteria: 1. Unable to cover vital needs through working salary 2. Living in the same household with children under a certain age 3. Living in the Canton since: a certain number of years.

Impact Too early to assess the concrete impact

Innovation name	39. Federal law on tax relief in favour of families with children
Period	1 st of January 2011
Trends	Expansion of social rights
Short description	The purpose of the reform is to allow to better reconciling work and family and to enhance horizontal fiscal equity: taxpayers with identic economic capacity must bear the same tax burden. On the one hand horizontal fiscal equity is established between couples with children and those without, as families are entitled to a tax deduction of 250 CHF – 205,66 Euros - per child. On the other hand, horizontal fiscal equity is established between families with children (under the age of 14 and living in the same household) who look after them themselves or who have not the possibility to look after them because of work or education. A maximal amount of 100'000 CHF – 82'270,67 Euros - for children assisted by a third party can be deducted from taxes.
Impact	No data

Innovation name	40. Entitlement to UI more closely linked to work
Period	2011
Trends	Cost containment
Short description	The change was introduced as part of the 4 th LACI revision. It consisted of 3 main components: <ul style="list-style-type: none"> - Different contributory periods entitle to different benefit durations. In 2011, the minimum contribution period necessary to be entitled to 400 daily allowances (about 18 months) was raised from 12 to 18 months. A 12-month contribution period only entitles to 260 daily allowances (about 12 months). Those above 55 years old or in receipt of invalidity benefits can still claim the maximum benefit duration of 520 daily allowances (about 24 months), but only if they have contributed for 22 months at least. - Entitlement has also been restricted for the young unemployed under 25 years old (without caring responsibilities), who can now be entitled to no more than 200 daily allowances, irrespective of their contribution period. - Finally, for the unemployed previously exempted from contribution requirements (e.g. graduates, or homemakers with caring responsibilities), the benefit period has been reduced from a maximum of 260 to 90 daily allowances (12 to 4 months). At the same time, a special waiting period of 120 days (6 months) has been introduced, during which those unemployed have to

be registered with the PES and have to fulfil their job search requirements like any other registered unemployed.

Impact Although it is difficult to isolate the effect of the 2011 LACI revision, the reform seems to have contributed to exclude a large number of young unemployed (15-24) from unemployment protection. As one indication for this, the rate of registered unemployment has declined substantially for this category of unemployed since 2011, to achieve a level close to the average registered unemployment rate (3.2% against 2.9% in 2012-SECO-unemployment statistics), whereas the youth ILO unemployment rate, which also includes non-registered jobseekers, has instead increased during this time period, to achieve 8.4% in 2012(Eurostat).

Innovation name	41. Abolition of the principle of status maintenance for young unemployed below 30 years old
Period	2011
Trends	Incentive-based activation
Short description	The innovation was introduced as part of the 4 th LACI revision, which redefined the notion of suitable employment for young unemployed under 30 years old. This category of unemployed can now be forced to accept jobs that do not match their educational level and previous work experience if required by the PES. The objective was to encourage young people to take up work as early as possible, in order to, at the aggregate level, reduce youth unemployment, which was persistently higher than the average unemployment rate in the 2000s.
Impact	In theory, the measure means a weaker recognition of skills and competences for young unemployed, as this group may be now forced to accept any job, irrespective of their educational levels and competences. In practice, however, the importance of this outcome largely depends on the way the measure is effectively implemented by PES personal advisors.

Innovation name	42. Reduction of federal spending on ALMPs for people in receipt of unemployment insurance
Period	2011
Trends	Incentive-based activation
Short description	In 2011, the mode of financing of ALMPs was changed as aprt of the 4 th LACI revision, passing from a maximum lump-sum amount paid for every unemployed person to a dynamic funding mode contingent upon Cantonal average unemployment rates. For Cantons in charge of implementing ALMPs, this new funding mode can imply a reduction of expenditure on ALMPs by up to 50%, especially in Cantons with high unemployment rates. As a counterpart, budget caps have been abolished for certain categories of ALMPs, like wage subsidies to employers hiring older unemployed or self-

employment support, in order to encourage the use of these particular programmes.

Impact Theoretically, the change in the funding mode of ALMPs improves the chances of older unemployed to get back into work. However, its effective impact on the social inclusion of older workers seems so far limited, as wage subsidies remain rather rarely used as compared to other training or public employment programmes.

Innovation name	43. Federal act establishing national minimum wages in the domestic sector
Period	2011-2014 (possible prolongation up to 2016)
Trends	Labour market regulation and collective agreements
Short description	In 2011, following the extension of Free movement of people to EU8 countries and persisting pressures on wages in this sector, the Federal government adopted a federal act establishing minimum wages in the domestic economy. Besides stipulating a minimum wage, the federal act also determines the scope of domestic activities (this includes caring services), and exceptions to the minimum wage (au-pair youth, workers employed for less than 5 weekly hours, etc.). As defined in the federal act, the gross minimum hourly wage amounts from 18.20 to 22 CHF – 14,97 to 18,10 Euros - depending on the employees' work experience and vocational level.
Impact	The new federal regulation ensures minimum wages as well as better employment protection to domestic workers employed for at least 5 hours a week in a private households. While legally speaking, the regulation applies to all domestic workers, in 2012, it appeared that 16% of private employers who were controlled did not respect the minimum wage

Innovation name	44. Invalidation insurance revision 6a: Reintegration measures for invalidity benefit recipients
Period	2012
Trends	Human-investment based activation
Short description	The measures were introduced as part of the 6a th LAI revision, which focused on the labour market reinsertion of long-term benefits recipients. Through this revision, the following two measures have been introduced: <ul style="list-style-type: none"> - Job placement on a trial basis for employers hiring disability benefit recipients, in order to reduce risks for employers to hire disabled people. The measure lasts for a maximum of six months (180 days) and is aimed to allow employers to test the competences of a person in receipt of disability benefits. Concretely, for the first six months of employment, no formal working contract is established (but other labour regulations have to be respected), while the disabled person continues to receive her pension or

	<p>daily allowances (Art. 18a, LAI)</p> <ul style="list-style-type: none"> - Transitory compensation benefits for recipients of disability pensions experiencing a reduction or abolition of their pension benefits due to employment. In order to improve incentives for disabled people in receipt of disability pensions to return to work, transitory compensation benefits have been introduced for those who experienced a reduction or abolition of their pension benefits after taking up a new job or increasing their working time. The person is entitled to compensatory benefits if she presents a working incapacity of at least 50% for more than 30 days during the first three years after the reduction or abolition of the pension. The compensation amounts the same as the former pension in case of pension abolition, or the difference between the new and former pension in case of pension reduction. It lasts until the right to pension is re-evaluated or working incapacity gets below the threshold of 50% (cf Articles 32 and 33, LAI).
Impact	<p>The reform principally aims at increasing the labour market participation of people with disabilities, however given the short time horizon, no exact data have been found on labour market integration rates. Organizations active in the protection of people with disabilities claim that the revision will increase the number of people who have no longer right to benefits, while not having achieved real labour market integration either.</p>

Innovation name	45. Activation of the safeguarding clause as made it possible by the free movement agreement
Period	2012-2014
Trends	Labour market regulation and collective agreements
Short description	<p>Temporary restriction of the total number of B permits issued each year for active people arriving from the EU8, and since May 2013, also from EU17. The restriction applies for European nationals arriving in Switzerland with a working contract of at least one year or self-employed wishing to settle in Switzerland. The general objective was to reduce the number of new migrants from the EU and minimize the negative effects of the Free Movement of People in terms of labour market competition, infrastructure and housing.</p>
Impact	<p>The clause has effectively only minor impact on the Swiss labour market, as new migrants from the EU can continue to be hired on the basis of short-term work permits. The impact is therefore mainly symbolic. However, for new EU migrants hired on the basis of short-term work permits, it means a certain deterioration of work conditions.</p>

Innovation name	46. First national collective agreement on temporary work agency employment
Period	2012-2015
Trends	Labour market regulations and collective agreements

Short description The collective agreement for temporary employment sets, among other things, rules for the calculation of wages (including vacations and holidays), the number of regular weekly working hours and overtime pay. With the collective agreement, the temporary staff experiences improved working conditions in many respects. For the first time, it introduces

- minimum hourly wages depending on educational level and geographical regions (from 14.81 to 23.59 CHF/hour – from 12,19 to 19,41 Euros),
- a mandatory income protection insurance in case of sickness (60 days for short-term missions of up to 13 weeks 720 days for all other missions)
- Harmonized access to occupational pensions
- The possibility to attend lifelong training by means of a specific contribution from both employers and employees (respectively 0.30 and 0.70 per cent of gross wages).

The collective agreement applies to sectors where no other collective agreement exists. In sectors where collective agreements exist, temporary employees are now subjected to these agreements. The collective agreement has been made binding across the whole country.

Impact The most important impacts are to be seen in terms of earnings, and working hours. Minimum wages are guaranteed for all temporary work agency employees, and in sectors where collective agreements exist, similar wages apply as for permanent workers. Working hours are better regulated. Finally, the collective agreement allows for better access to lifelong training and pension coverage.

Innovation name	47. Pilot project 'Gateway Labour Market' (Pforte Arbeitsmarkt)
Period	2012-2015
Trends	New governance structure
Short description	In one region of the Canton of Aargau, one job center has been created that brings the regional PES, social assistance and disability offices together under one single roof and establishes one single work-focused gateway for people claiming either unemployment insurance, social assistance or disability benefits. The creation of the single gateway has gone together with a reorganization of the individual support offered to benefit claimants based on their employability rather than benefit status, the integration of all portfolios of ALMPs, and the creation of one specific employer service. To keep the focus on work, the task of benefit payment remains performed separately outside the new job center.
Impact	Since the creation of the single work-focused gateway, all benefit claimants can have access to the same work-related support and programmes, irrespective of their benefit status. In terms of job quantity, more job vacancies have been announced to the job center, but one unintended impact has been an increased number of new disability benefit claims

Innovation name	48. 'Standard working contract' establishing minimum wages in the retail trade sector
Period	2013
Trends	Labour market regulations and collective agreements
Short description	<p>In 2013, following the extension of the Agreement on the Free movement of People, race-to-the-bottom pressures on wages in the retail trade sector and the absence/non-renewal of collective agreements, the governments of two border Cantons (Geneva and Tessin) established a standard working contract determining mandatory minimum wages in the retail trade sector.</p> <p>The two Cantonal acts define the scope of activities concerned, and stipulate minimum wages in the retail trade sector. The actual minimum wages differ in the two Cantons. However, in both cases, different levels of minimum wages apply depending on qualifications and work experience. In the Canton of Geneva, the act also sets minimum wages for apprentices and employees hired on a fixed-term basis.</p>
Impact	<p>The introduction of the standard working contract guarantees minimum wages for all retail trade workers of the Cantons. However, in the Canton of Geneva at least, the new act did not prevent a large proportion of retail trade workers from experiencing a <i>de facto</i> degradation of their employment conditions due the non-renewal of the previous collective agreement, which also regulated employment conditions.</p>
Innovation name	49. Pilot project « Compensatory measures to make full use of the potential of migrants »
Period	2013-2018
Trends	Expansion of social rights
Short description	<p>This pilot project, promoted by the federal migration office, aims at an equivalent professional integration for high qualified humanitarian migrants. Facilitating the process of recognition of diplomas and competences acquired outside of Switzerland and the access to further training if needed, the project aims at increasing their chances to be correctly integrated in the labour market and to exercise a profession adequate to their level of education and/or their professional experience acquired in another country. The federal migration office launched a call to propose suitable projects. The call concerned big organizations with the responsibility of taking care of humanitarian migrants.</p>
Impact	<p>Too early to analyze any impact on the aim of achieving a more suitable labour market participation of highly qualified humanitarian migrants.</p>

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