

Unemployment Compensation Systems - A Cross-Country Comparison -

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Dr. Heinz Werner, Werner Winkler^{)}*

Unemployment Compensation Systems

A Cross-Country Comparison

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1 Introduction

The debate about striking a balance between social security and the labour market has received increasing attention from the public and social scientists in recent years.¹ Such interest has been stirred both by prolonged mass and long-term unemployment in many European countries and by the “mirror image” of the obvious shift in favour of the labour market, primarily in the United States and the United Kingdom but also in some continental European countries such as the Netherlands or Denmark.² Differences in labour market performance have given rise to the suspicion that institutional rigidity in the form of labour regulations, high non-wage labour costs, and possible false incentives provided by the social benefit schemes can inhibit employment. This paper is intended to help clarify that issue with regard to one part of the social security system, the unemployment compensation systems, by comparing such systems in several countries and providing comments. Seven of these countries are members of the European Union. Due to their unusual institutional aspects, Switzerland, the United States and Canada have also been included in the comparison.

Financial benefits for the unemployed are intended to provide (partial) compensation for lost income during a period of involuntary unemployment. In macroeconomic terms, such a system represents an “automatic stabiliser” that supports demand during economic downturns. For recipients, it primarily provides an income to help them through a period without earnings while also allowing them to take the time to look for a job without having to accept the first one that comes along. That improves the quality of reintegration and provides a better fit between the jobseeker’s profile and the requirements of the vacant position. Over the long term this can have positive effects on the stability of employment and on income, which is beneficial for the national economy.³

However, the positive effects of the social safety net in the event of unemployment can be detrimental for the labour market. Generous support for the unemployed can raise the level of the “reservation wage” below which an unemployed person is unwilling to accept a new job. That prolongs the period of unemployment, which in turn can cause it to become entrenched. The consequence is long-term unemployment. To prevent this, countries with comparatively high earnings replacement rates have included activation mechanisms (incentives and sanctions) for the unemployed in their unemployment compensation systems.

Payment of unemployment benefit is part of the overall social security system. In that respect, it is often impossible to understand the payment of unemployment benefits/assistance without a knowledge of the respective social security system. For example, some countries have a transitional phase (similar to unemployment assistance in Germany) before income support (welfare) is paid, while others do not. That phase or the subsequent income support is often accompanied by supplemental benefits (such as a housing benefit) or family allowances or exceptional arrangements that make comparison difficult. This report is limited to a comparison of systems in which benefits are directly linked to the onset of unemployment. It does not cover welfare systems that provide a livelihood in the event of unemployment (and indigence) in a number of countries.

¹ See, e.g., B. Jens Alber and Jürgen Kohl (2001): *Arbeitsmarkt- und Sozialstaat*, Wiesbaden.

² Ulrich Walwei, Heinz Werner, Ingeborg König (2001), *Lessons We Can Learn from Other Countries*, IAB Labour Market Research Topics, No. 44.

³ On the effects of passive and active labour market policies on labour market performance, cf. W. Eichhorst, S. Profit, E. Thode (2001): *Benchmarking Deutschland: Arbeitsmarkt und Beschäftigung*, p. 195 ff.

In light of the discussion in Germany about reorganising insurance-based and needs-based unemployment benefits, it appears helpful to contrast and compare unemployment compensation systems in other countries. What are the differences, what are the similarities, and where do trends converge? To facilitate a comparison of the systems, the main characteristics were distilled out and contrasted: the financing schemes, qualifying periods, and the level and duration of unemployment compensation. Sanction mechanisms (such as ineligibility periods) and activation measures (such as the requirement to participate in employment and training programmes) are explored to the extent that they are part of the unemployment compensation system (such as compensatory payments for lower-paid temporary employment in Switzerland [*Zwischenverdienst*]).

The concept of unemployment and how it is measured is discussed first, followed by an overview of the connection between active and passive labour market policies (unemployment compensation) and a comparison of criteria for the payment of benefits. That gives the reader a quick overview of the range of selected criteria in the comparison of countries and clarifies similarities and differences. The *country summaries* provide a synopsis of the details for each country based on the selected list of criteria. That allows the reader to obtain information on the various systems for the payment of benefits in the event of unemployment.

2 The concept of unemployment in the international context

Because the payment of compensation and unemployment are closely related, a few remarks will be made about the concept of unemployment. The number of people registered as unemployed with the employment offices is not necessarily the same as the official jobless figures in each country.

According to the criteria of the International Labour Organisation (ILO),⁴ the unemployed comprise all persons above a specified age (generally 15 years and up) who during the reference period were:

- (1) without work, i.e., were not in paid employment or self-employment
- (2) currently available for work, i.e. were available for paid employment or self-employment during the reference period (generally two weeks)
- (3) seeking work, i.e., had taken specific steps in a specified recent period (generally four weeks) to seek paid employment or self-employment. The specific steps may include registration at a public or private employment exchange; application to employers; checking at worksites, farms, factory gates, market or other assembly places; placing or answering newspaper advertisements; etc.

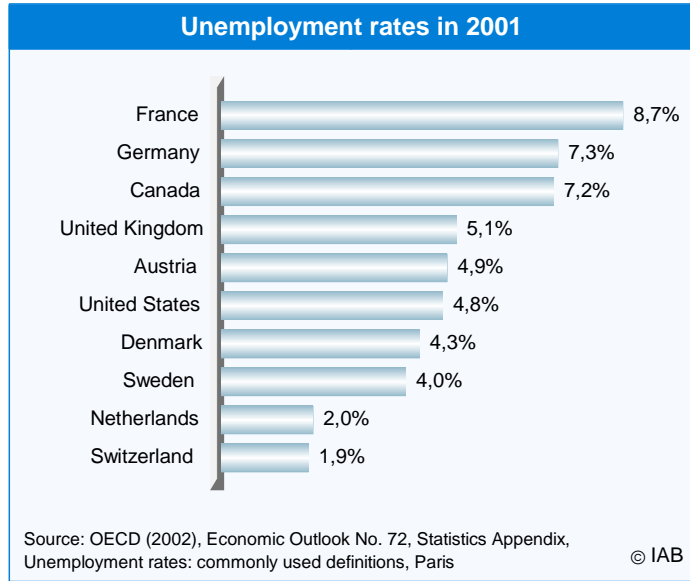
This definition applies generally but was primarily developed for surveys. Representative surveys to determine unemployment levels exist in most countries. Such surveys are the most important source of information in many countries (such as the U.S., Japan, and Sweden) and are conducted monthly there. Registrations with local employment offices also provide a basis for determining unemployment. Both procedures have advantages and disadvantages. Representative surveys cover all segments of the population, including people who are not looking for work through an employment office. Such representative surveys are preferred when making international comparisons. People who apply to employment offices expect an advantage from doing so – in the form of benefits, qualifying periods, or successful placement. That means that applying to an employment office is strongly dependent on the legal structure of the support system for the unemployed. It also means that recording unemployment

⁴ International Labour Office (2000): Current International Recommendations on Labour Statistics, Geneva, p. 25

using surveys or applications to employment offices does not necessarily lead to identical results.⁵

The definition of the term “unemployment” gives the individual countries a certain amount of leeway in interpreting the criteria for “registered unemployment”. For example, such flexibility applies to availability for the general labour market, the type and intensity of the job search, the minimum number of hours to be worked every week in the job being sought, or the number of hours that a person can work while still remaining registered as a job-seeker.⁶

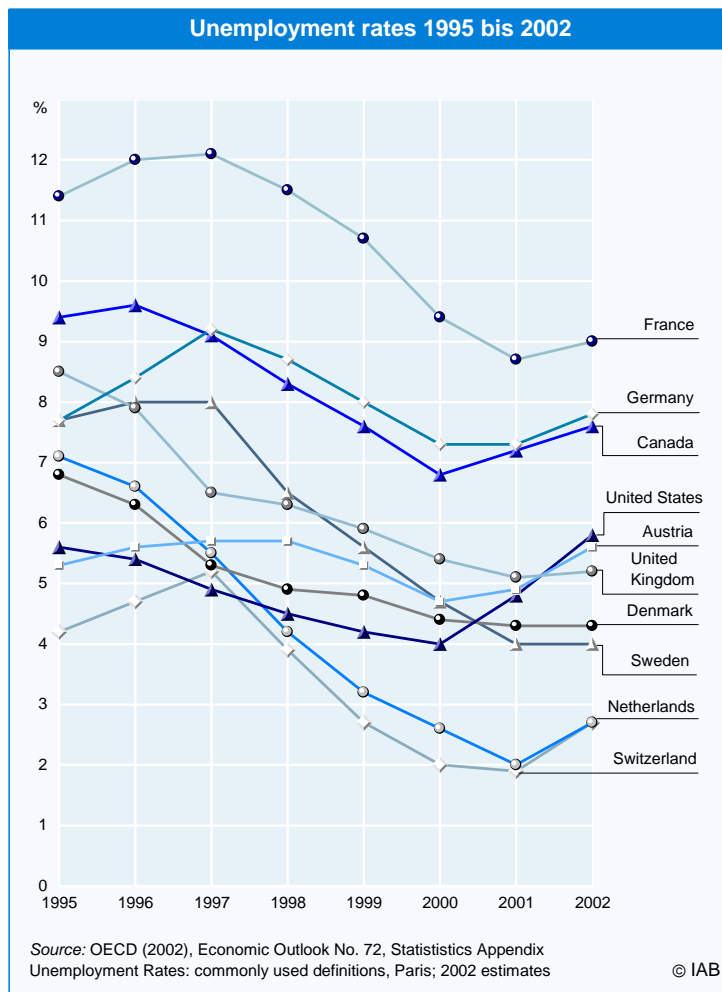
Figure 1



The extent to which the countries covered by this report are affected by unemployment can be shown using unemployment rates that are calculated according to uniform criteria (*Figure 1*).

The unemployment rates in the countries in this report are still very different. It is noteworthy that according to the OECD the annual average unemployment rate in Sweden has been cut in half from 8% to 4% over the past five years (1996-2001) (cf. *Figure 2*).

Figure 2



During the same period, the rate in Switzerland dropped from 4.7% to 1.9%, partially as a result of reorganising the labour administration and introducing “regional job placement centres”. The front-runner in this comparison is the Netherlands, where the unemployment rate has declined from 6.6% to 2% over the past five years.⁷

⁵ For example, the unemployment rate of Bundesagentur für Arbeit, which is based on registration numbers, is about 20% higher than the rates documented by EUROSTAT, the statistical office of the European Communities, which are based on the results of surveys.

⁶ However, this would not correspond to the international definition of joblessness. Every person who engages in paid activity for at least one hour per week is considered to be gainfully employed and is no longer counted as unemployed.

⁷ Ulrich Walwei, Heinz Werner (2003): Development of employment and labour market institutions – the employment-policy success of the Netherlands. In: Blien, Uwe, den Butter, Frank A.G. (eds.): Labour participation and unemployment: a comparison of developments and institutions in Germany and the Netherlands, The Hague: pp 61-84, Series Scientific Council for Government Policy. Working Document no. 133.

Because this report is concerned with systems for the payment of support in the event of unemployment, reference is again made to the differences in recording and counting unemployment. The two graphs comparing unemployment are based on representative surveys, so they are not necessarily the same as registered unemployment, which is highly influenced by rules and regulations. The presentations below indicate that unemployment compensation systems and their legal structures differ greatly from one country to another.

3 Passive and active labour market policies

Active and passive labour market policies overlap in some areas. The aim of active labour market policies is primarily to solve mismatch problems. An effort is made to strike a balance between the supply of labour (jobseekers) and demand for labour (jobs). These problems can occur due to discrepancies among regions or related to qualifications or are manifested in certain groups such as young people, ethnic minorities, or people with a low level of qualification. Passive labour market policies are understood to mean providing an income so that a person can get through a period without work. Passive labour market policies therefore primarily comprise earnings replacement benefits in the event of unemployment.

Unemployment and the efforts to combat it through active and passive measures are not independent of each other. They overlap and are interlinked in very different ways. Several important examples are provided below. Documented unemployment is reduced by the extent to which people participate in active labour market programmes. Another interconnection between active and passive labour market policies exists when continued payment of unemployment compensation requires participation in a training course or taking up state-subsidised employment (such as a job for which wage cost subsidies are paid). It is problematic when participation in a programme like subsidised employment is accepted as a prerequisite for again receiving an unemployment benefit. That can lead to the so-called “revolving-door effect” - programme – receipt of benefits – programme, etc. The “concept of activation” also blurs the line between active measures and the payment of earnings replacement benefits. Activation of the unemployed begins with incentives to increase individual initiative and the intensity of the job search. The intention – in conjunction with intensive placement efforts – is to reduce the period of time during which people receive unemployment benefits. Examples include reintegration premiums paid to people who are out of work and immediately accept a job (quick end to the payment of benefits), sanctions for people who do not take up reasonable employment, documenting the job search, and individual integration plans and the accompanying advisory services that “insist on performance”.

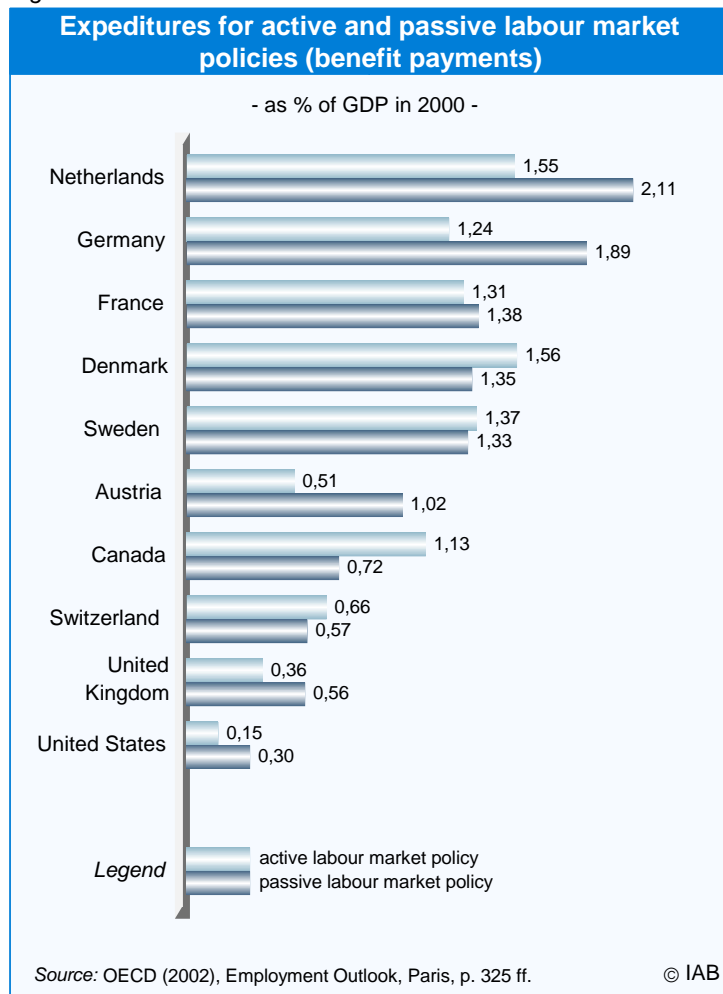
The way in which labour market policies are financed is not uniform. Active and passive policies can be paid for from the general state budget, earmarked tax revenues, or social insurance contributions. In organisational terms, the two policies can be conducted separately or together. Mixed forms are usually found in actual practice.⁸ The German system is more centralised than those in other countries. For the most part, the active and passive sides of labour market policies are integrated in Bundesagentur für Arbeit. It is also striking that except for Austria and Switzerland, Germany is the only country where active and passive labour market policies are primarily financed by contributions.

⁸ Cf. W. Eichhorst, S. Profit, E. Thode (2001): *Benchmarking Deutschland: Arbeitsmarkt und Beschäftigung*, Berlin, Heidelberg, New York, p. 200 ff.

Figure 3 summarises the weight of active and passive labour market policies (unemployment compensation). It shows spending by the countries considered here for unemployment benefits/assistance and their spending for active labour market policies as a percentage of gross domestic product (GDP). The lowest levels are found in the United States. The Netherlands is at the upper end of the scale. Generally speaking – as expected – there is a certain positive correlation between the unemployment rate and the level of expenditures for it. However, that is not always the case, as shown by the example of the Netherlands, where the level of the earnings replacement ratio is very high.

Unemployment is influenced by both the passive side of labour market policies and the amount and distribution of active measures. People in active policy programmes such as those to improve qualifications or promote job creation are generally no longer counted among the unemployed.

Figure 3



4 Criteria for receiving unemployment compensation

4.1 Objective and subjective availability for the general labour market

Objective availability means that the registered unemployed person is fit for work, in other words that he or she can and may take up employment under the usual conditions of the general labour market. With regard to his or her suitability, health status, and physical abilities, s/he must be able to take a job (s/he “can” do so). Legal grounds such as lack of a work permit, limitations pursuant to protective provisions (protection of mothers or young people in the work place), or the lack of a required driver’s license should not prevent him or her from taking a job (s/he “may” do so).

The **subjective** aspect of availability involves the jobseeker’s wish to take up reasonable employment (s/he “wants” to do so). The trend of making the receipt of benefits subject to active participation in the job search can be observed in almost every country. The “active job search” has therefore become an integral part of availability. It includes “personal efforts” by the jobseeker to find an appropriate position. Greater emphasis is placed on the fact that it is primarily the task of the unemployed person to make an effort to achieve his/her own vocational reintegration.

Personal efforts must be aimed at finding any reasonable employment covered by social security, including self-employment where applicable. This includes checking help-wanted advertisements in media such as newspapers and specialised publications, Internet employment exchanges, and radio; using job information services provided by public employment services; submitting applications on one's own initiative; attending so-called "labour market exchanges"; and using private employment agencies.

The personal efforts that can be expected in a specific case depend on each unemployed person's personality, her/his qualifications, achievement potential, the length of unemployment, and the realistic possibility of reintegration into the labour market.

Almost all public employment services require documentation of individual efforts in the form of traceable, verifiable information and records. In addition, an end shall be put to the pervasive view that it is solely up to the employment service to find a solution for the case.

4.2 Type of system and financing

Unemployment insurance is mandatory in most countries; it is voluntary only in Sweden and Denmark, where about 90% of the people concerned belong to an unemployment insurance fund. Self-employed people in those two countries can also obtain voluntary unemployment insurance.

Most unemployment benefits in the European countries covered in this report are financed by contributions paid by insured workers and their employers. Tax revenues are also needed to cover deficits.

Workers and their employers pay equal contributions in Germany, Austria, and Switzerland, while employers pay a larger share in France, the Netherlands, and Canada. Workers in Denmark pay the whole contribution to the "labour market fund" (*Arbejdsmarkedsfonden*),⁹ as well as an additional annual lump sum to cover the costs incurred for earnings replacement benefits. Employers in Sweden pay the entire contribution, while in Great Britain by employers and employees a global contribution must be paid to the National Insurance, which includes unemployment protection.

After entitlement to the unemployment benefit expires in France, the Netherlands, Austria, Sweden, and the United Kingdom, an additional earnings replacement benefit is paid which is comparable to the principle of German unemployment assistance [*Arbeitslosenhilfe*]. It is generally financed from tax revenues.

There is an unusual procedure in the United States, where only employers are included in financing within the framework of an "experience rating". The individual contribution rate of each employer is calculated at the end of each year for the next year using two quotients, the "benefit ratio" and the "replenishment rate":

➤ **Benefit ratio:** For example, if an employer has paid unemployment insurance contributions for its entire staff totalling \$40,000 in one year and if unemployment benefits totalling \$800 were paid for employees dismissed from the company, the benefit ratio for the following year is 2% (800 : 40,000). However, this applies only when the employer dismissed the worker for economic reasons (this therefore corresponds to Germany's *betriebsbedingte Kündigung*).

⁹ Some earnings replacement benefits in the event of unemployment and active labour market programmes are financed from this labour market fund.

➤ **Replenishment rate:** The earnings replacement benefit is not charged to the employer if the employer is not responsible for termination, for example in the case of a person who stops working for health reasons or if jobs are lost as a result of cutbacks due to trade agreements or natural disasters. The resulting expenditures by the unemployment insurance system are spread among all premium payers in the state; in other words, they are “socialised”. The resulting uniform calculated national quotient (in this fictitious example 1.4) that is provided to the employment services’ as a basis for their calculations is the replenishment rate.

To calculate the company’s contribution rate for the following year, the benefit ratio is multiplied by the replenishment rate. In this example ($2\% \times 1.4$), the employer would therefore have to pay a rate of 2.8% of its wages and salaries for unemployment insurance. The contribution rate is subject to a ceiling in the individual states. For example, in 2000 the maximum was 5.5% in Alabama, 7.0% in Washington, D.C., and as high as 10% in Tennessee.

A worker is generally not entitled to benefits if he or she was responsible for the loss of his or her job (resignation or violation of a contract).

When employee dismissals increase, the companies incur greater non-wage labour costs. Companies that dismiss few if any employees are “rewarded” by lower contribution rates. One negative is that a system of this type could limit streamlining through layoffs. The ability to select employees to fill jobs according to purely economic aspects can be “bought” only by higher contributions.

4.3 Qualifying periods for unemployment compensation

To be able to receive unemployment benefits, contributions from the wage or salary must have been paid into the system that pays the benefit for a certain length of time before the occurrence of unemployment (qualifying period). The necessary “minimum qualifying periods” for payment of unemployment support are provided in simplified form in the *Summary* below. The details and any particularities can be found in the country summaries.

Qualifying periods of employment with contribution payments before entitlement	
Denmark	52 weeks during the last 3 years
Germany	12 months during the last 3 years
France	4 months during the last 18 months
Canada	420 to 700 hrs. during the last year (staged according to regional unemployment rates)
Netherlands	26 weeks during the last 39 weeks and during the last 5 years minimum of 4 years with over 52 paid working days
Austria	1 year during the last 2 years
Sweden	Minimum of 6 months of 70 hrs./month
Switzerland	6 months during the last 2 years
United States	6 months during the last year; a certain minimum wage must have been earned
United Kingdom	Minimum contribution paid in during the last 2 tax years

Source: Author's illustration

4.4 Duration of unemployment compensation

There is often an exclusion period (waiting period) between the time the job is lost and payment of the unemployment benefit, which can be up to two weeks long depending on the country. Consequently, no benefits are paid for a brief transitional period. There is no such waiting period in Denmark, Germany, the Netherlands, Austria, and the United States, but the other countries in this report all have one.

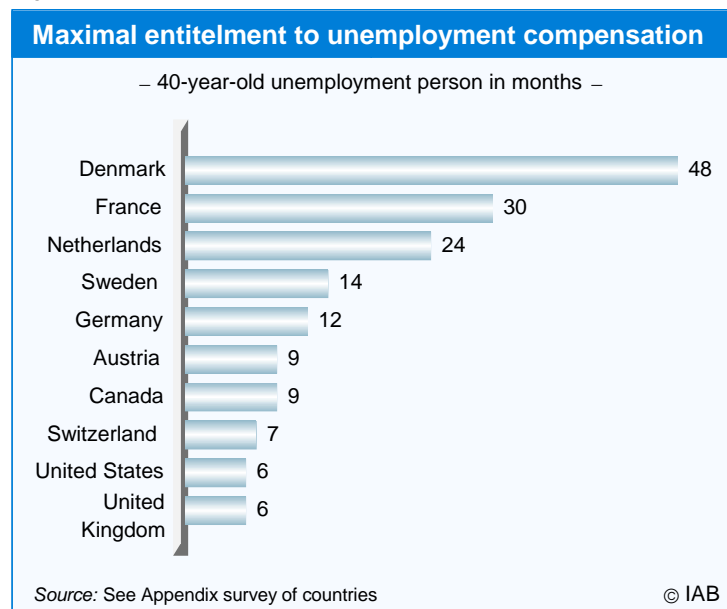
Payment of contributions beyond the minimum qualifying period affects the duration of the entitlement to a benefit in some countries, prolonging the time during which a benefit is received (Germany, France, Canada, the Netherlands, and Austria).

People above a certain age may receive benefits for a longer time in Denmark, Germany, France, the Netherlands, Austria, Sweden, and Switzerland. The main intention of this is to facilitate the transition to an old-age pension.

Figure 4 shows the duration of the maximum possible entitlement to the unemployment benefit in the countries covered by this report based on the example of a 40-year-old unemployed man who has worked during the qualifying period, taking into account the maximum employment periods subject to payment of contributions within the applicable period. Marital status and the number of children or other dependants do not affect the duration of payments.

The aforementioned concept of activation also influences the duration of unemployment compensation. For example, after the first year of unemployment benefits, recipients in Denmark are required to participate in labour market programmes to promote integration into the first labour market. In Switzerland, after expiration of the entitlement to unemployment compensation (the so-called “normal” daily benefit [*Tag-geld*] is a form of “passive unemployment compensation”), so-called “special” daily benefits (“active unemployment compensation”) in the same amount can be paid for up to two years only if the person participates in labour market programmes. If a person in Switzerland accepts a job that pays less than his or her unemployment compensation, the unemployment insurance fund pays a compensatory benefit based on the difference between the earnings from that job [*Zwischenverdienst*] and the amount the person earned before becoming unemployed during the first 12 months of such employment¹⁰ (*see country summary*).

Figure 4



¹⁰ Werner Winkler (2002): Zwischenverdienst in der Schweiz – Aktivierungsinstrument und Niedriglohn-subvention, in IAB-Materialien no.3/2002 pp.12-13

4.5 Amount of the benefit

The amount of benefits is almost always determined by the last income that was earned, although the benefit rates – as percentages of the last income earned – differ in the various countries. With the exception of Denmark, France, and Sweden, people with dependants are paid a higher benefit rate or supplementary allowances are paid.

In the United Kingdom, there is a flat-rate benefit independent of actual income for the contribution-based jobseeker's allowance and the income-based jobseeker's allowance which takes available income into account. Additional flat-rate amounts for dependants are paid only for the income-based jobseeker's allowance. Uniform flat-rate unemployment assistance is also paid in France and Sweden. Flat-rate payments in the Netherlands are based on the legal minimum wage.

Unemployment assistance in the countries covered by this report is generally paid only in the case of indigence. The level of the benefit is reduced by income that must be offset or by the reasonable liquidation of assets.

To calculate the level of benefits, the countries in this report use different periods of time during which remuneration must have been received for work done. For example, Austria uses pay over the entire last or next-to-last calendar year, Canada uses pay over the last 26 weeks, and Switzerland uses the pay received during the last month before a person becomes unemployed.

There are also differences in the level of benefits paid in each country based on the last pay received. **Figure 5** compares the percentages of the last pay received and taken into account (for an unemployed person without a dependent spouse or children or other dependants). For the sake of uniform presentation, it does not reflect the fact that the level of the earnings replacement benefit is generally subject to so-called contribution assessment ceilings and maximum benefit rates.

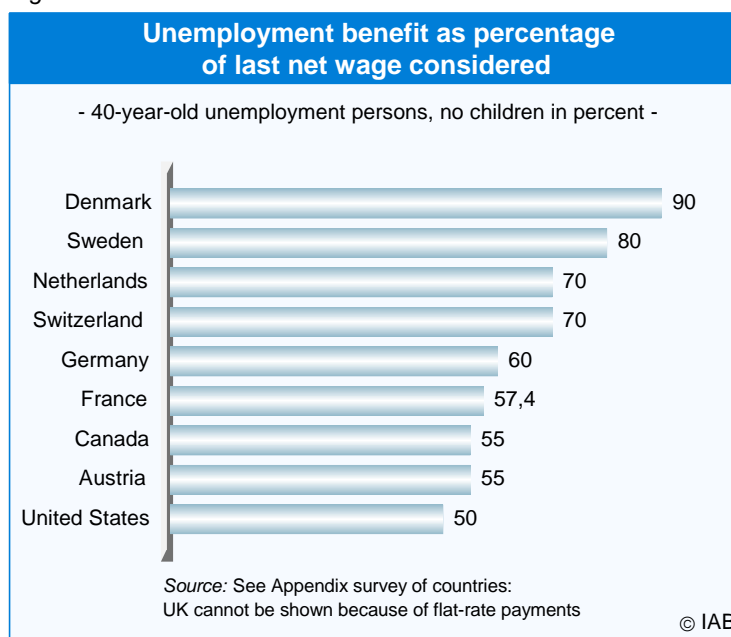
For example, no unemployment insurance contributions are withheld in Germany (former West Germany)

for income exceeding €5,100 gross monthly. That provides a ceiling for the benefit rate, limiting it to €340.48 weekly. The maximum weekly compensation-based unemployment benefit is limited to €325 in Sweden and €394 in Denmark.

Benefit rates have a degressive structure only in France, where benefits are generally cut by 15% after four months of unemployment compensation.

It is impossible to show the numerous fine points and particularities in detail in the diagram. They are contained in the individual country summaries.

Figure 5



Taxation and social transfers also affect evaluation of the level of benefits. Applicable legislation in the individual countries shows percentages of the unemployment benefit (level of benefits) based on the last pay that was received (earnings used for assessment). However, those are generally not equivalent to the actual net earnings replacement rate.

The OECD has calculated the net earnings replacement rates during the first month for a 40-year-old industrial worker with average earnings in the countries included in this report¹¹ (*Figure 6*). For families with children, single parents, and the long-term unemployed, a low level of taxation and social transfers such as the housing allowance, family allowances, or supplemental social welfare benefits would have to be included. In addition to the unemployed single person, *Figure 6* also shows the net earnings replacement rates for a married unemployed person with two children. Social transfers are included.

Figure 6



A comparison of *Figure 5* and *Figure 6* is of interest. The sequence in which countries are listed according to the level of their unemployment benefit is changed by taking into account taxation and family allowances. Denmark and Sweden, the leaders in terms of the level of benefits paid when looking solely at the share of the relevant earnings (percentage), are in the middle when the comparison is based on the net payment, while the Netherlands and Switzerland move to the top. Germany is located in the middle in both cases. If the “generosity” or “strictness” of a system is to be conclusively rated, the duration of unemployment would also have to be taken into account.

4.6 Sanctions

Sanctions are primarily intended to ensure that benefits are not claimed without justification. They apply to both unemployment benefits and unemployment assistance, which does not represent an insurance benefit. In the countries considered here, the earnings replacement benefit is temporarily or permanently suspended if:

¹¹ OECD, Benefits and Wages, p. 33, Paris 2002

- An employment relationship is terminated by the worker without good cause
- Behaviour in violation of the employment contract was the reason for dismissing the worker
- Reasonable work was refused
- No jobseeking activities are proved or
- The unemployed person refuses to participate in a labour market programme

To protect the community of insured persons, the legal consequence of such behaviour in most countries is a so-called “ineligibility period” during which entitlement to a benefit is suspended. Repetition of the above may be subject to complete suspension of benefits.

For example, in the case of resignation without grounds, such an ineligibility period lasts four weeks in Austria, eight weeks in Sweden, 12 weeks in Germany, and up to 26 weeks in the United Kingdom, at the discretion of the labour administration. The amount of the benefit paid in the Netherlands is cut in half for 26 weeks if a worker resigns without good cause, while in the U.S. a person responsible for his or her own unemployment is not entitled to any benefit at all.

5 Conclusion

The comparison shows that although the basic elements have a great deal in common, there are broad variations in the specifics of the social security systems in the event of unemployment. Those differences in the individual countries can also be used to stimulate discussion in Germany. Reference is again made at this juncture to several noteworthy aspects:

- The systems can be financed to different extents by employers and workers. In some cases the system is financed only by employers. That is the case in the United States, where the amount of the contribution that must be paid varies with the frequency of dismissals (experience rating).
- There is no uniform state unemployment insurance system in Denmark and Sweden, which instead have a series of insurance funds in which membership is voluntary for workers. In some countries, “basic protection” is provided if the requirements for qualifying periods have not been fulfilled or – as is possible in Sweden – a person is not a member of an unemployment fund.
- Only a small portion of the countries have a second level of support for the unemployed after expiration of their entitlement to the unemployment benefit (this is known as unemployment assistance in Germany).
- In Canada, the qualification period and the payment of benefits vary according to region, depending on the regional unemployment level.
- In most countries, the level of the unemployment benefit that is paid is determined by the level of the wage or salary that was earned. In contrast, only flat-rate benefits are paid in Great Britain. In France, the level of support declines as the length of unemployment increases.
- The Swiss unemployment insurance system pays compensation if an unemployed person takes a job that pays less than the unemployment benefit [*Zwischenverdienst*]. Combined with earnings from the “temporary” position, the total income will be greater than the unemployment benefit.
- Looking at the unemployment compensation systems over time, there is generally no major cutback in benefits. However, criteria for what can reasonably be expected and possibilities for imposing sanctions have been made stricter. Qualification periods have been tightened in some cases. This has been linked

to stronger “activation” of the unemployed, who are now required to make more individual efforts. For example, the active job search must be appropriately documented. There are also sanctions for failure to participate in a qualification programme or take a subsidized job.¹²

The political discussion continues to concentrate on the level and duration of unemployment support. However, there can be no ideal, generally-applicable form of unemployment compensation. The system for payment of unemployment benefits reflects the traditional and historical background, societal priorities, and economic strength of each country.

That is made particularly clear by comparing the Anglo-Saxon countries and the continental European countries. Payment of an unemployment benefit in the United States and the United Kingdom – like social welfare in Germany – is only a type of minimum protection to provide a temporary guarantee of mere subsistence. That results in considerable pressure to find a new job, if necessary one that pays less. On the other hand, a temporary “inferior” job need not stigmatise anyone who is looking for work. In contrast, unemployment insurance in continental Europe can maintain an approximately comparable standard of living, at least temporarily.

Numerous studies have investigated the way in which paying unemployment benefit influences the level of joblessness. The International Labour Organisation compared many of those studies and drew conclusions from them in its World Labour Report for 2000.¹³ According to it, the duration of payments has a certain influence on how long people remain unemployed.¹⁴ In contrast, the connection between the level of wage replacement payments and the unemployment rate is much less pronounced. Victor Steiner has come to similar conclusions for Germany.¹⁵ To have a noticeable effect on the level of unemployment, there would have to be a massive reduction in unemployment support.¹⁶ In addition to the level and duration of unemployment support, other structural features play a role, such as qualifying periods, criteria for reasonability and how they are implemented in practice, documentation of a job search, and sanctions. It is also important whether participation in active labour market programmes restores the entitlement to unemployment benefits.

¹² Cf. Ulrich Walwei (2002): Aktivieren durch Fördern und Fordern – internationale Erfahrungen und Ansätze in Deutschland, in: IAB-Werkstattbericht no. 9/2002, p. 11 ff.

¹³ International Labour Office (2000): World Labour Report 2000, Geneva, p. 147 ff. and Vincenzo Spiezia (2000): The effects of benefits on unemployment and wages: A comparison of unemployment compensation systems, in: International Labour Review, no. 1.

¹⁴ A recent study confirms this for Austria as well: Rafael Lalive, Josef Zweimüller (2002), IZA, Benefit entitlement and unemployment duration: The role of policy endogeneity, IZA Discussion Paper no. 492, www.iza.org.

¹⁵ Victor Steiner (1997): Extended benefit-entitlement periods and the duration of unemployment in West Germany, ZEW Discussion Papers, no. 14, www.zew.de.

¹⁶ This is illustrated, for example, by the study by S. Scarpetta (1997): Assessing the role of labour market policies and institutional settings on unemployment: A cross-country study, OECD Economic Studies, no. 26. The Danish Finance Ministry also refers in an analysis of structural unemployment in selected EU countries to the fact that the unemployment insurance system explains only a small fraction of structural unemployment and that other factors such as the wage formation process or the situation of the labour market may play a more important role. Ministry of Finance (1999): The Danish Economy – A Medium Term Economic Survey, Copenhagen, www.fm.dk. This study also states that in addition to the level and duration of unemployment support, other characteristics of the systems such as qualification periods, criteria for reasonability, and sanctions must be included in the investigation.

6 Country summaries

6.1 Denmark	
Legal basis	Act of 24 March 1970 in the latest version
Competent authority	<p>Arbejdsministeriet (Ministry of Labour) Direktoratet for Arbejdsløshedsforsikringen (unemployment insurance directorate) - Government supervision, issues instructions for the administration of unemployment insurance.</p> <p>37 unemployment insurance funds These are private organizations of employed or self-employed persons closely related to the trade unions or other professional associations. Union or similar memberships are not required to belong to an unemployment insurance fund. Any new unemployment insurance fund must have at least 5,000 members.</p>
Basic principle	<p>Voluntary insurance Unemployment benefits for insured members for a limited period and related to earnings. 90 % of all Danish labour are voluntary members of unemployment insurance funds.</p>
Sources of funding	<p>Labour market contributions (also including from persons not insured): Employed and self-employed persons pay a flat rate of 8% of their wages or profits into the labour market fund (<i>Arbejdsmarkedets-fonden</i>). The labour market contributions are made available to the unemployment insurance funds, the health insurance funds, and the disability insurance funds.</p> <p>Membership contributions: Employed and self-employed persons pay an annually fixed flat rate based on the statutory maximum rate for the daily benefit rate, which currently amounts to 4.8 times. Deficits will be covered by tax money.</p>
Insured persons	<p>All of the following persons aged 18 to 63 may join an unemployment insurance fund:</p> <p>Employees Self-employed persons Person in public office (e.g. members of parliament) Persons with a minimum of 18 months of vocational training if they join the fund within 2 weeks after the completion of training.</p>
Conditions for entitlement	<p>Involuntary unemployment Objective and subjective availability for the labour market Active job search Personal registration as unemployed Actual residence in Denmark</p>
Qualifying period	At least 52 weeks of employment with contribution payments during the last 3 years and minimum membership duration of 1 year in the respective unemployment insurance fund .

Waiting period	The waiting period for self-employed persons is 4 weeks ; No waiting periods for any other groups
Calculation	Average earnings over the last 12 weeks before a person becomes unemployed.
Level of the benefit	90 % of the reference wage, maximum 394 Euro per week (as on 1 January 2001). Benefit paid out for 5 days per week. Under certain conditions entitlement to 82 % of the maximum rate independent of the reference wage. For young unemployed people after 18 months of training or military service the maximum rate is Euro 323 (as at 1 January 2001). The maximum benefits roughly correspond to the average wage level of the lower income groups. No family supplement or any other supplements are paid.
Duration of payment of benefits	Up to four years, two 'phases' of unemployment are distinguished: First phase up to 1 year. Second phase up to 3 years. In the second phase recipients are required to participate in active labour market programmes (e.g. training, subsidized employment) to promote the integration into the first labour market. Unemployed people under 25 : First phase shortened to 6 months , extension of the second phase to 3.5 years . Unemployed people over 55: Second phase may be extended until they complete 60 years, if the requirements for early retirement are complied with then. The benefits are annually adjusted according to the general adjustment factor for social welfare payments.
Sanctions	Payment of benefits is stopped (suspended), if <ul style="list-style-type: none"> – a person terminated employment twice within 12 months or such termination was caused by their personal behaviour. – reasonable employment was refused twice within 12 months without cause. If this happens repeatedly the person might be excluded from the unemployment insurance fund .
Other	The benefit payments are taxable in full . Due to consolidation measures the benefit period has been shortened in recent years . In 1995 benefits could generally be paid for up to seven years (first phase 4 years, second phase 3 years). The only requirement was compliance with the qualifying period for the receipt of unemployment benefits of 26 weeks (now 52 weeks) during the last 3 years. Persons aged 16 to 65 could join an unemployment insurance fund. In 1995 there was no waiting period for self-employed persons. Until the end of 1999 benefits could be received for a maximum of five years.

6.2 Germany	
Legal basis	Sozialgesetzbuch III (Third volume of the Social Code - SGB III) of 24 March 1997 in the latest version
Competent authority	Bundesministerium für Wirtschaft und Arbeit (BMW - Federal Ministry for Economics and Employment) (since 22 October 2002). Legal supervision of the Bundesagentur für Arbeit. Bundesagentur für Arbeit 10 regional employment offices (Regionaldirektionen) 181 local employment offices and their branches (Agenturen für Arbeit)
Basic principle	Mandatory social security system for employees. Earnings-related benefit payments of limited duration as Arbeitslosengeld (unemployment compensation). Earnings-related benefit as Arbeitslosenhilfe (unemployment assistance) in case of indigence after Arbeitslosengeld has ran out.
Sources of funding	Insured persons pay contributions amounting to 6.5% of income from employment subject to the payment of social security contributions; both employees and employers pay 3.25 % thereof. The income threshold is Euro 5,100 per month in the Western Federal Laender and Euro 4,250 in the East. Arbeitslosenhilfe is funded by tax money . The Federation pays subsidies to cover any deficits .
Insured persons	Employees working a minimum of 15 hrs. per week earning over Euro 400 per month.
Conditions for entitlement	Arbeitslosengeld and Arbeitslosenhilfe : Involuntary unemployment Objective and subjective availability for the labour market Active job search Personal registration as unemployed For Arbeitslosenhilfe in addition: indigence
Qualifying period	Employment subject to the payment of contributions for a minimum of 12 months during a reference period of 3 years before a person becomes unemployed. Arbeitslosenhilfe : Receipt of Arbeitslosengeld during the last year.
Waiting period	None
Calculation	Average earnings over the last 52 weeks before a person becomes entitled to receive Arbeitslosengeld.

<p>Level of the benefit</p>	<p>Arbeitslosengeld: Unemployed persons with children: 67% of the net wage Unemployed persons without children: 60% of the net wage</p> <p>Arbeitslosenhilfe: Unemployed persons with children: 57% of the net wage Unemployed persons without children: 53% of the net wage</p> <p>Payment is preceded by a means test, i.e. other types of income and property of the recipient, his/her spouse or partner are considered.</p> <p>The rates paid out differ depending on the unemployed person's classification for wage tax.</p>																								
<p>Duration of payment of benefits</p>	<p>Arbeitslosengeld: The duration of the payment of benefits depends on the length of the employment during which contributions were paid as well as on age:</p> <table border="1" data-bbox="432 792 1402 987"> <tr> <td>e.g.:</td> <td>Employment period</td> <td>Age</td> <td>Entitlement to benefits for</td> </tr> <tr> <td></td> <td>12 months</td> <td></td> <td>6 months</td> </tr> <tr> <td></td> <td>24 months</td> <td></td> <td>12 months</td> </tr> <tr> <td></td> <td>36 months</td> <td>45 years</td> <td>18 months</td> </tr> <tr> <td></td> <td>44 months</td> <td>47 years</td> <td>22 months</td> </tr> <tr> <td></td> <td>64 months</td> <td>57 years</td> <td>32 months</td> </tr> </table> <p>Arbeitslosenhilfe: Benefits can be granted without time-limit, conditions for entitlement are re-examined yearly.</p>	e.g.:	Employment period	Age	Entitlement to benefits for		12 months		6 months		24 months		12 months		36 months	45 years	18 months		44 months	47 years	22 months		64 months	57 years	32 months
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<p>Sanctions</p>	<p>An ineligibility period of 12 weeks applies, if the unemployed person resigned from an employment without cause or such termination was caused by their behaviour in violation of the employment contract.</p> <p>The days of the ineligibility period are deducted from those of the eligibility period.</p> <p>Signing an agreement to terminate the employment and the refusal to attend employment policy programmes or dropping out of them is sanctioned by an ineligibility period as well.</p> <p>The entitlement to benefits lapses, if the unemployed person's behaviour caused ineligibility periods of 24 weeks in total after the entitlement arose.</p>																								
<p>Other</p>	<p>Both forms of benefits are neither subject to taxation nor to social security payments. The <i>Bundesagentur für Arbeit</i> pays the contributions to the old age pension, health and long-term care insurance funds for the benefit recipients. Consideration of additional incomes.</p> <p>The government decided to shorten the payment period in particular for older employees. Arbeitslosenhilfe and social welfare payments are to be merged; payments shall be at a flat rate corresponding to the level of social welfare payments.</p>																								

6.3 France	
Legal basis	Code du travail (Labour Code) Agreement of 31 December 1958 Agreement of 01 January 2001
Competent authority	Ministère de l'Emploi et de la Solidarité (Ministry of Employment and Solidarity) National, regional level: UNEDIC (Union nationale pour l'emploi dans l'industrie et le commerce - National association for employment in industry and commerce). Local level: ASSEDIC (Association pour l'emploi dans l'industrie et le commerce).
Basic principle	Mandatory social security system for employees. 1. Earnings-related benefit payments of limited duration assurance chômage (unemployment insurance). 2. Welfare system with flat rate payments (régime de solidarité). Distinction between allocation de solidarité spécifique , after claims to assurance chômage have been exhausted (long-term unemployed persons) and allocation d'insertion for certain groups of persons.
Sources of funding	Contributions to the unemployment insurance fund for assurance chômage . Contribution rate on 1 January 2002: 5.6 % of gross wages (employer 3.6 %, employee 2 %) Tax funds for régime de solidarité .
Insured persons	Assurance chômage (unemployment insurance): all employees Régime de solidarité : Unemployed persons whose claims to assurance chômage have been exhausted and certain groups of persons (released prisoners, political refugees, asylum seekers, victims of occupational accidents or illnesses).
Conditions for entitlement	Assurance chômage and régime de solidarité : Involuntary unemployment – Objective and subjective availability for the labour market – Active job search – Personal registration as unemployed – No seasonal unemployment – Generally under than 60 , if contributions have been paid for the periods required for the entitlement to old age pension; otherwise up to a maximum age of 65 years. – If, when the age of 60 has been completed, the insurance period is not long enough to result in the payment of 50 % of the full old age pension rate, benefits will be continued until either the eligibility periods or the age of 65 have been reached. Régime de solidarité : in addition to the above requirements: indigence .

Qualifying period	A minimum of 4 months (122 days) of employment subject to the payment of contributions over the last 18 months before a person becomes unemployed.
Waiting period	Assurance chômage: 7 days Régime desolidarité: no waiting period
Calculation	Assurance chômage: According to the level of the wage subject to the payment of contributions during the last 12 months before the claim arose. On this basis an average daily rate is calculated . The benefits amount to 75% of the daily rate calculated on the basis of the previous wage, up to a maximum of four times the monthly threshold for social security (Euro 9.116 on 1 January 2001). Régime de solidarité: Flat rate benefits unrelated to previous earnings; means test
Level of the benefit (Benefit rates as on 1 January, 2001)	Assurance chômage: 40.4 % of the calculated daily rate + Euro 9.56 / daily <u>or</u> 57.4 % of the calculated daily rate , if more favourable. Minimum rate: Euro 23 daily Degressive benefit rate: Generally the full benefit rate is cut by approx. 15% or 17 % after 4 months . In case of longer previous employment subject to the payment of contributions and for older age groups degression starts later , in the most favourable case (age above 55, 27 months of employment in the last 3 years) by about 8% after 27 months. Guaranteed minimum benefit of Euro 17/daily. Persons over 52 receive Euro 21/day under certain conditions. Régime de solidarité consists of - allocation de solidarité spécifique and - allocation d'insertion Allocation de solidarité spécifique is paid after the claims to assurance chômage have been exhausted , specifically in the case of long-term unemployed persons. Flat-rate benefit: Euro 13 daily Euro 19/day after completing 55 or 57 years of age. Certain groups of persons (released prisoners, political refugees, asylum seekers, victims of occupational accidents or illnesses) receive allocation d'insertion . Flat-rate benefit: Euro 9.23 daily A means test is applied before régime de solidarité is granted. No family supplements or any other supplements are paid together with assurance chômage and régime de solidarité. Benefit rate is adjusted once yearly.

<p>Duration of payment of benefits</p>	<p>Assurance chômage: The duration of the payment of benefits depends on the length of the previous employment during which contributions were paid as well as on age and varies between a minimum length of 4 months and a maximum length of 60 months.</p> <p>Régime de solidarité: Allocation de solidarité spécifique: unlimited duration, eligibility is verified every half-year. Allocation d'insertion: maximum 1 year</p>
<p>Sanctions</p>	<p>Temporary or permanent payment stop if</p> <ul style="list-style-type: none"> - the unemployed person resigned from an employment without cause or such termination was caused by his/her behaviour in violation of the employment contract. - reasonable employment was refused without cause - no jobseeking activities are proved.
<p>Other</p> <p>„Le Pare“</p>	<p>Assurance chômage and régime de solidarité: Secondary income is considered for the payment of benefits. The benefit payments are taxable if certain limits for the net income are exceeded. Benefit recipients that are bona fide residents of France pay a general social security contribution of 6.2% and a contribution towards social debt of 0.5% of the earnings replacement benefits. Benefit recipients that are not bona fide residents of France pay 2.8%.</p> <p>A new programme to support the return to work (Le Pare, Plan d'Aide au Retour à l'Emploi) was initiated in 2001. For this an agreement between the unemployed person and the public employment services, the French ANPE is required. The agreement includes actions to help the benefit recipients to return to work on the first labour market faster; such as allowances for training, mobility or subsidies to employers. There are higher requirements for active job search and initiative on the part of the jobseeker.</p> <p>Anybody who wants to participate in 'Le Pare' must have been employed subject to the payment of contributions for at least 4 months during the last 18 months prior to unemployment, he or she may not have resigned without cause (otherwise a 4 months waiting period applies) and must renew the unemployment registration every month. The earnings replacement benefits are not degressive for the participants in this programme.</p>

6.4 Canada																
Legal basis	Employment Insurance Act (1996)															
Competent authority	Human Resources Development Canada - HRDC 320 Local Human Resources Development of Canada (HRDC) offices.															
Basic principle	Mandatory social security system for employees with earnings-related benefits. Regular benefits are paid for a limited period and related to earnings.															
Sources of funding	Contributions to the unemployment insurance fund Employees pay a contribution of 2.2 % , their employers 3.08 % of the relevant earnings (premium rate) up to an annual income of Can.\$ 39,000 (approx. Euro 24,000).															
Insured persons	Employees (Special arrangements for independent fishermen)															
Conditions for entitlement	Involuntary unemployment Objective and subjective availability for the labour market															
Qualifying period	During the last 52 weeks before a person becomes unemployed he or she must have worked subject to the payment of contributions between 420 and 700 hours depending on the regional unemployment rate. e.g.: <table style="margin-left: 40px;"> <tr> <td>Unemployment rate</td> <td>0 %</td> <td>6 %</td> <td>→</td> <td>700 hours</td> </tr> <tr> <td>Unemployment rate</td> <td>9,1 %</td> <td>10 %</td> <td>→</td> <td>560 hours</td> </tr> <tr> <td>Unemployment rate</td> <td>13 %</td> <td>and other</td> <td>→</td> <td>420 hours</td> </tr> </table>	Unemployment rate	0 %	6 %	→	700 hours	Unemployment rate	9,1 %	10 %	→	560 hours	Unemployment rate	13 %	and other	→	420 hours
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Waiting period	2 weeks															
Calculation	Average income over the last 26 weeks before a person becomes unemployed															
Level of the benefit	55% of the income during the last 26 weeks up to a maximum of Can. \$ 413 per week <i>Calculation:</i> <ol style="list-style-type: none"> 1. Earnings during the last 26 weeks 2. Number of weeks actually worked during this period. 3. A so-called 'minimum divisor' is allocated for the unemployment rate of a specific region z. B.: <table style="margin-left: 40px;"> <tr> <td>unemployment rate</td> <td>0 %</td> <td>6 %</td> <td>→</td> <td>minimum divisor 22</td> </tr> <tr> <td>unemployment rate</td> <td>8,1 %</td> <td>9 %</td> <td>→</td> <td>minimum divisor 19</td> </tr> <tr> <td>unemployment rate</td> <td>13,1 %</td> <td>and over</td> <td>→</td> <td>minimum divisor 14</td> </tr> </table> 	unemployment rate	0 %	6 %	→	minimum divisor 22	unemployment rate	8,1 %	9 %	→	minimum divisor 19	unemployment rate	13,1 %	and over	→	minimum divisor 14
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	<p>1. The income is divided by the number of weeks actually worked or by the minimum divisor. The higher of these becomes the divisor.</p> <p>2. The weekly benefit rate amounts 55% thereof. (1 Can. \$ = Euro 0.62)</p> <p><i>e.g.:</i> 26 weeks worked, \$ 10.400 earned, minimum divisor 14 $\\$ 10.400 : 26 \times 55 \% = \\$ 220$</p> <p>12 weeks worked, \$ 3.600 earned, minimum divisor 14 $\\$ 3.600 : 14 \times 55 \% = \\$ 141$</p> <p>Low income families (annual family income less than Can. \$ 25,921) that receive Canada Child Tax Benefit may apply for a family supplement.</p>															
<p>Duration of payment of benefits</p>	<p>Payments for 14 to 45 weeks.</p> <p>The number of weeks with entitlement to benefits depends on the unemployment rate in the respective region at the time of application and the number of hours worked during the relevant period</p> <p><i>e.g.:</i></p> <table border="0" data-bbox="432 815 1246 976"> <thead> <tr> <th>hours</th> <th>unemployment rate</th> <th>weeks</th> </tr> </thead> <tbody> <tr> <td>420 – 454 Std.,</td> <td>over 13% – 14 % →</td> <td>26</td> </tr> <tr> <td>700 – 734 Std.,</td> <td>6 % and less →</td> <td>14</td> </tr> <tr> <td>1.470 – 1.504 Std.,</td> <td>over 8% – 9% →</td> <td>32</td> </tr> <tr> <td>1.820 and over,</td> <td>over 16% →</td> <td>45</td> </tr> </tbody> </table>	hours	unemployment rate	weeks	420 – 454 Std.,	over 13% – 14 % →	26	700 – 734 Std.,	6 % and less →	14	1.470 – 1.504 Std.,	over 8% – 9% →	32	1.820 and over,	over 16% →	45
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<p>Sanctions</p>	<p>Employees losing their job through their own fault i.e. termination of employment without cause or termination by the employer for violation of the contract, are ineligible.</p> <p>An ineligibility period of 7 - 12 weeks applies, if no jobseeking activities are documented,</p> <ul style="list-style-type: none"> – claimants do not report to the office as required, – the unemployed person refuses to attend or drops out of training or reintegration schemes and job training. 															
<p>Other</p>	<p>Additional income exceeding Can. \$ 50 weekly or 25% of the weekly benefit rate, is fully considered.</p> <p>There is a close interrelationship with the Income Tax Act.</p> <p>If the annual net income exceeds Can. \$ 48,750 (Euro 30,000) 30% of the income above this limit or all of the unemployment compensation received during the respective tax year must be paid back. This is verified at the time the annual income tax return is made. First time payments of unemployment benefit are excepted therefrom.</p>															

6.5 Netherlands	
Legal basis	Werkloosheidswet (WW - Act on Benefits during Unemployment)
Competent authority	<p>Ministerie van Sociale Zaken en Werkgelegenheid (Ministry of Social Affairs and Employment) – responsible for the social security insurance organization–</p> <p>CWI (Centrum voor Werk en Inkomen) – for basic services (public law) - gate keeper function - nationwide 6 CWI districts, 131 CWI (centres for employment and income) – responsible for job placement and application for earnings replacement benefits.</p> <p>UWV (Uitvoeringsinstituut Werknemersverzekeringen) – Administration of employee insurances (one part of which is unemployment insurance).</p> <p>The services of the following organizations have been separated from those of job placement as such:</p> <p>KLIQ – responsible for vocational reintegration (private law) CV – responsible for vocational initial and further training FACENT – responsible for technical support ESF – responsible for programmes under the European Social Fund</p>
Basic principle	<p>Mandatory social security system for employees.</p> <p>Earnings-related benefit payments of limited duration consisting of:</p> <ol style="list-style-type: none"> 1. Kortdurende uitkering (short-term benefits) 2. Loongerelateerde uitkering (earnings-related benefits) 3. Vervolguitkering (follow-up benefit)
Sources of funding	<p>Funded by contributions paid by the insured persons consisting of two elements:</p> <ol style="list-style-type: none"> 1. Contributions to the general unemployment fund (Algemeen werkloosheidsfonds, Awf). The contribution rate is 8.9% of the earnings relevant for the calculation of contributions. Of these employers pay 5.25%, employees 3.65 %. 2. Contribution to the fund for dismissal indemnity (Wachtgeldfonds – Wgf). Contributions are paid only by the employers and vary for each sector, ranging from 0.07% of the earnings subject to the payment of contributions in the insurance industry to 2.78% in the cultural sector. <p>The income threshold is Euro 153 per day; incomes up to Euro 53 per day are exempted from contribution payments.</p>
Insured persons	All employees up to the age of 65
Conditions for entitlement	<p>Involuntary unemployment Objective and subjective availability for the labour market Registration as unemployed with the CWI</p>

Qualifying period	<ol style="list-style-type: none"> Short-term benefits (kortdurende uitkering): A minimum of 26 weeks of paid work during the last 39 weeks (26 week rule). Earnings-related benefits (loongerelateerde uitkering) and Follow-up benefit (vervolguitkering): The unemployed person must provide proof of over 52 paid working days for at least 4 years out of the last 5 years (4 of 5 rule) <u>and</u> satisfy the 26 week rule.
Waiting period	None
Level of the benefits	<ol style="list-style-type: none"> Short-term benefits (kortdurende uitkering): 70% of the legal minimum wage (independent of previous earnings). Earnings-related benefits (loongerelateerde uitkering) 70% of the previous earnings; ceiling Euro 153 daily (01 Jan. 2001) Follow-up benefit (vervolguitkering): 70% of the legal minimum wage or 70% of the last earnings, if lower (e.g. in case of part time work). <p>If these benefits are lower than the social minimum, allowances can be applied for under the Act on Surcharge Benefits (Toeslagenwet, TW) after a means test. The maximum rates are:</p> <p>30 % of the minimum wage for married people or persons living in a partnership similar to marriage,</p> <p>27 % of the minimum wage for single parents,</p> <p>21 % of the minimum wage for single persons (for young people under 23 the rates are lower).</p> <p>Adjustment on 01 January and 01 July in accordance to the average development of the wages.</p>
Duration of payment of benefits	<ol style="list-style-type: none"> Short-term benefits (kortdurende uitkering): 6 months Earnings-related benefits (loongerelateerde uitkering): The benefit rate depends on the number of years during the last 5 years with over 52 paid working days per year (A) and the number of years completed after the 18th birthday up to the beginning of this 5 year period (B). The total of A + B constitutes the so-called employment history. According to the length of this employment history the length of the benefit entitlement period is between 6 and 60 months. <i>e.g.:</i> A + B = up to 4 years : 6 months A + B = 15 – 20 years : 18 months A + B = 40 + x years : 60 months Follow-up benefit (vervolguitkering): Generally 2 years; if a person becomes unemployed after he or she is 57 ½ years old, this benefit continues until he or she has completed 65 years.

Sanctions	<p>If the unemployed person resigned from an employment without cause or such termination was caused by his or her behaviour in violation of the employment contract this has a negative impact on the payment of benefits.</p> <p>The same is true when an adequate, reasonable job or the attendance of a labour market policy scheme is refused without major reason.</p> <p>In this case the benefits are cut from 70% to 35% of the minimum wage or previous earnings (partial cut) for 26 weeks or they might be cancelled altogether (total cut).</p>
Other	<p>Benefit rates are reduced by secondary income or social welfare payments for transition to old age pension and early retirement.</p> <p>Social security contributions are deducted.</p> <p>Taxes must be paid when a certain minimum income is exceeded.</p>

6.6 Austria

Legal basis	<p>Arbeitslosenversicherungsgesetz (ALVG - Unemployment Insurance Act) of 14 November 1977 in the latest version.</p> <p>Sonderunterstützungsgesetz (SUG - Special Support Act) of 30 November 1973 in the latest version.</p>
Competent authority	<p>Bundesministerium für Arbeit und Wirtschaft (Federal Ministry for Labour and Economics)</p> <p>Federal office of Arbeitsmarktservice (AMS)</p> <p>9 AMS offices in the Laender</p> <p>AMS regional offices (127)</p>
Basic principle	<p>Mandatory social security system for employees.</p> <p>Earnings-related benefit payments of limited duration as Arbeitslosengeld (unemployment compensation).</p> <p>Earnings-related benefit as Notstandshilfe (unemployment assistance) after Arbeitslosengeld has been exhausted in case of indigence.</p>
Sources of funding	<p>Insured persons pay contributions amounting to 6% of income from employment subject to the payment of social security contributions; both employees and employers pay 3 % thereof.</p> <p>The income threshold is Euro 3,270 per month.</p>
Insured persons	<p>Employees whose wage exceeds Euro 301.54 per month, below which the employment is considered 'marginal'.</p>
Conditions for entitlement	<p>Arbeitslosengeld and Notstandshilfe:</p> <p>Involuntary unemployment</p> <p>Objective and subjective availability for the labour market</p> <p>Personal registration as unemployed with the AMS</p> <p>For Notstandshilfe in addition: indigence</p>

Qualifying period	<p>At least 52 weeks of employment with contribution payments during the last 2 years before unemployment. In case of repeated applications 28 weeks of employment subject to the payment of contributions within the last year before application.</p> <p>Special rules for young people under 25: If AMS cannot find a job or a training for persons under 25 within 4 weeks they must have worked only 28 weeks in the last year before unemployment.</p>
Waiting period	None
Calculation	<p>Average wage for the calendar year before last when applying between 1 January and 30 June of a calendar year; average wage for the last full calendar year when applying between 1 July and 31 December of a calendar year;</p> <p>Special payments subject to contributions such as holiday or Christmas bonus are considered as well.</p> <p>The income threshold is Euro 3,270 per month.</p>
Level of the benefit	<p>Arbeitslosengeld The base rate amounts to 55% of the previous net income as calculated. If the amount calculated for unemployment compensation falls short of the Ausgleichszulagenrichtsatz (levelling allowance reference rate) of Euro 630.92 per month it is topped up by the so-called 'Ergänzungsbetrag' (supplement).</p> <p>Family supplements are paid for dependants for whose support the recipient is mainly responsible (Euro 0.97 per day) such as spouse, partner, children, grandchildren. The allowance is only paid for spouse or partner, if there are children or grandchildren for which it is also paid;</p> <ul style="list-style-type: none"> however, not more than 60 % of the daily net income, if there is no entitlement to family supplement. – not more than 80 % of the daily net income, if there is an entitlement to family supplement. <p>Additional income from minor employment (up to Euro 301.54 per month) does not reduce the entitlement to benefits. If earnings are higher there is no entitlement to Arbeitslosengeld.</p> <p>Notstandshilfe 95% of the base rate previously granted for Arbeitslosengeld, if this does not exceed the Ausgleichszulagenrichtsatz (Euro 630.92 per month); in all other cases: 92% of the base rate previously granted for Arbeitslosengeld. Family supplements as for Arbeitslosengeld.</p> <p>Payment is preceded by a means test, i.e. other types of income of the recipient, his/her spouse or partner are considered, after certain exemptions. The exemptions increase for all persons for whose support the recipient is mainly responsible.</p> <p>Exemptions:</p> <ul style="list-style-type: none"> under the age of 50: Euro 435 per month for spouse/partner + Euro 217.50 for supported persons over the age of 50: Euro 870 per month for spouse/partner + Euro 435 for supported persons over the age of 55: Euro 1,305 per month for spouse/partner + Euro 652.50 for supported persons <p>The income threshold and all relevant amounts for unemployment insurance (exemptions, Notstandshilfe, limit for marginal employment, Ausgleichszulagenrichtsatz and the like) for Arbeitslosengeld and Notstandshilfe are raised annually.</p>

<p>Duration of payment of benefits</p>	<p>Arbeitslosengeld Generally 20 weeks. Prolongation up to a maximum of 52 weeks for people aged over 50 according to age and the length of the previous employment during which contributions were paid. Special arrangements for older employees while the benefit system of the old age pension funds is transformed: Temporarily the length of the payment period has been extended to 78 weeks.</p> <p>Notstandshilfe No time limit. Granted for 52 weeks, followed by renewed verification of eligibility, in particular of indigence.</p>
<p>Sanctions</p>	<p>An ineligibility period of 4 weeks applies, if the unemployed person resigned from an employment without cause or such termination was caused by their behaviour in violation of the employment contract. The days of the ineligibility period are <u>not</u> deducted from those of the eligibility period. Signing an agreement to terminate the employment is not sanctioned by an ineligibility period.</p> <p>An ineligibility period of 6 weeks applies, if the unemployed person refuses a reasonable job without cause; in case of a repeated refusal within one year after the beginning of the unemployment the ineligibility period is 8 weeks. The days of the ineligibility period are deducted from those of the eligibility period.</p>
<p>Other</p>	<p>Both forms of benefits are neither subject to taxation nor to social security payments.</p> <p>Until 2000 Arbeitslosengeld was calculated on the basis of the income from paid work subject to contributions of the last 26 weeks before the onset of unemployment.</p> <p>Since then the Arbeitslosengeld is calculated on the basis of the relevant wage subject to the payment of contributions registered with the Hauptverband der Österreichischen Sozialversicherungsträger (Main Association of the Austrian Social Security Funds) and serves as the 'annual calculation basis' (see Calculation).</p> <p>This resulted in „savings“ for the unemployment insurance fund, because the calculation is based on a wage of a more distant past which is usually lower than that of the most recent 26 weeks before the onset of unemployment.</p> <p>Prior to 01 January 2001 the qualifying periods for new applications amounted to only 26 weeks of employment subject to contributions in the year before filing a claim.</p>

6.7 Sweden	
Legal basis	<p>Lag om arbetslöshetsförsäkring (Unemployment Insurance Act) of 29 May 1997 in the latest version;</p> <p>Unemployment Insurance Funds Act of 29 May 1997. Both acts including the regulations of 13 November 1997 in the latest version;</p>
Competent authority	<p>Näringsdepartementet (Ministry of Industry, Employment and Transport)</p> <p>Arbetsmarknadsstyrelsen (Public Employment Service)</p> <p>38 unemployment insurance funds (arbetslöshetskassor) for different industries and occupations and 1 unemployment insurance fund independent of industry and occupation</p>
Basic principle	<p>Voluntary social security system for employees and self-employed persons</p> <ul style="list-style-type: none"> - Grundförsäkring (basic protection) for those who are not members of an unemployment insurance fund. - Inkomstbortfallsförsäkring (income-related unemployment compensation) for members of the unemployment insurance funds. <p>Over 80% of all employees are members of an unemployment insurance fund.</p>
Sources of funding	<p>Employers pay 5.84% of the average gross income of their workforce, self-employed persons 3.3% of their profits.</p> <p>Special financing contribution paid by the members of the different unemployment insurance funds for income-related benefits.</p> <p>Partial funding of both security systems with government subsidies.</p>
Insured persons	<p>Employees and self-employed persons up to the age of 65 for both types of security systems.</p>
Conditions for entitlement	<p>In general</p> <ul style="list-style-type: none"> - Involuntary unemployment - Objective and subjective availability for the labour market (benefit recipient must e.g. be willing and able to accept reasonable employment of a minimum of 3 hrs daily and 17 hrs weekly). - Registration as unemployed with the national employment service <p>Basic protection</p> <p>Minimum age 20 years</p> <ul style="list-style-type: none"> - No membership or less than 20 months membership in an unemployment insurance fund. <p>Income-related unemployment benefits</p> <ul style="list-style-type: none"> - No less than 12 months membership in an unemployment insurance fund.

Qualifying period	<ul style="list-style-type: none"> - A minimum of 6 months of employment or self-employment for no less than 70 hrs/month before a person becomes unemployed. <li style="padding-left: 20px;">or - A minimum of 6 months (minimum 450 hrs) of employment or self-employment, no less than 45 hrs. in each of the last 12 months (rule of economic activity). - Within 10 months after completion of vocational training no less than 90 days of gainful employment (training rule). <p>For both security systems either the rule of economic activity or that of training must be met.</p>
Waiting period	5 days
Calculation	<p>Basic protection: Uniform daily rate independent of income</p> <p>Income-related unemployment benefits: For employees the wages received during the qualifying period. On this basis an average daily rate is calculated.</p> <p>For self-employed persons the taxable income of the last 3 years. The ceiling is Euro 1,795 per month or Euro 82 per day (on 01 February 2001)</p>
Level of the benefit	<p>Basic protection Euro 27 daily (as at 01 Feb 2001) If the jobless person is only available for a part-time job this flat rate is reduced proportionally.</p> <p>Income-related unemployment benefits: 80% of the calculated daily rate of the previous average wages, up to a maximum of Euro 65 daily (as on 01 Feb. 2001).</p> <p>No social status-related elements such as family supplements or any other supplements are included in either of these types of benefits. Amount of benefits is determined by the parliament.</p>
Duration of payment of benefits	<p>Both types of benefits are paid out for 5 working days/week (5 day basis).</p> <p>prior to completion of the age of 57: 300 days (60 weeks) after completion of the age of 57: 450 days (90 weeks)</p>
Sanctions	<p>An ineligibility period of 8 weeks (40 days) applies, if the unemployed person resigned from an employment without cause.</p> <p>An ineligibility period of 12 weeks (60 days) applies, if a reasonable job is rejected. The ineligibility periods are shorter, if the rejected job was of limited duration.</p>
Other	<p>Basic protection and income-related unemployment benefits are taxed; no social security contributions have to be paid, though.</p> <p>In 1995 the entitlement to income-related unemployment compensation for up to 450 days applied already as of age 55 (now as of 57).</p> <p>In 1995 basic protection was paid only up to 150 days up to the age of 55, between the age of 55 and 59 up to 300 days and only after completing the age of 60 for a maximum of 450 days.</p> <p>The qualifying periods were shorter, only 5 months of employment had to be proved for both types of benefits.</p>

6.8 Switzerland

Legal basis	Arbeitslosenversicherungsgesetz (AVIG - Unemployment Insurance Act) Arbeitslosenversicherungsverordnung (AVIV - Unemployment Insurance Regulation)
Competent authority	Staatssekretariat für Wirtschaft (SECO - Ministry of Economics), Employment Directorate Regional (public) and recognized private unemployment insurance funds , usually of the social partners - 44 unemployment insurance funds in total.
Basic principle	Mandatory social security system for employees. Earnings-related benefit payments of limited duration as Arbeitslosenentschädigung (ALE - unemployment compensation).
Sources of funding	Contributions paid by the insured persons. The contribution rate is 2.5% of the wages relevant for the calculation of contributions; employers and employees pay one half each of these (1.25 % each). Any deficits are covered by tax money .
Insured persons	Employees
Conditions for entitlement	Involuntary unemployment Objective and subjective availability for the labour market Personal registration as unemployed Active job search Minimum loss of 2 working days and loss of wages Residence in Switzerland Active age (after the end of compulsory education to the beginning of the retirement age)
Qualifying period	At least 6 months of employment with contribution payments during the last 2 years before entitlement. In case of renewed unemployment within 3 years after the eligibility period for benefits a minimum contribution payment period of 12 months must be proved.
Waiting period	5 days if full-time employment only, if wages exceed SFr. 3,000 per month . If children are supported the amount increases by SFr 1,000 for the first child and by SFr 500 for any additional child.
Calculation	Wages in the last month before a person becomes unemployed .
Level of the benefit	70% of the wages insured 80% of the wages insured, if children are supported or if the insured wages exceed SFr 3,526 per month.
Duration of payment of benefits	Age-related daily benefits can be claimed as follows: <ul style="list-style-type: none"> 150 days up to the completion of the age of 50 – 250 days after the completion of the age of 50 – 400 days after the completion of the age of 60 – 520 days if a disability pension or accident pension is applied for or received. The unemployment compensation is paid out in the form of daily rates. 5 daily rates , including for public holidays are paid for one week .

<p>Sanctions</p>	<p>Payment of benefits is stopped for up to 60 days, depending on the seriousness of the fault, if</p> <p>the unemployment is the person's own fault (termination of employment without cause or termination by the employer for violation of a contract),</p> <ul style="list-style-type: none"> – the unemployed person fails to make sufficient efforts to find reasonable employment or cannot submit tangible proof of his efforts to find work; every month about 6 to 8 specific search efforts are expected, – refusal to accept a reasonable job that he or she has been offered. – refusal to attend labour market policy schemes or dropping out of them without major reason. – violation of the obligations to provide information and to report, making untruthful statements. <p>Anybody who received ALE in the planning phase before starting to work as a self-employed person and does not start to work as such after the planning phase due to his or her own fault will be sanctioned with an ineligibility period of up to 25 days.</p>												
<p>Other</p> <p>Zwischenverdienst (compensatory benefit)</p>	<p>Social security contributions will be deducted from ALE.</p> <p>If a job is accepted that pays less than a person's ALE, the unemployment insurance fund pays a compensatory benefit so that this and the earnings from that 'temporary' job together exceed the ALE.</p> <p><i>e.g.:</i></p> <table style="margin-left: 20px;"> <tr> <td>Insured wages :</td> <td>SFr. 5,000</td> <td></td> </tr> <tr> <td>ALE:</td> <td>SFr. 4,000</td> <td>(80 % of insured wages)</td> </tr> <tr> <td>Zwischenverdienst:</td> <td>SFr. 3,000</td> <td>(less than ALE)</td> </tr> <tr> <td>Compensation::</td> <td>SFr. 1,600</td> <td>(Insured wages – Zwischenverdienst x benefit rate 80 %).</td> </tr> </table> <p>The entitlement to the Zwischenverdienst is limited to the first 12 months of such employment.</p> <p>For insured persons supporting children and insured persons over 45 years old the maximum period is 2 years.</p> <p>The times during which Zwischenverdienst is earned constitute new contribution periods counting towards the qualifying period.</p>	Insured wages :	SFr. 5,000		ALE:	SFr. 4,000	(80 % of insured wages)	Zwischenverdienst:	SFr. 3,000	(less than ALE)	Compensation::	SFr. 1,600	(Insured wages – Zwischenverdienst x benefit rate 80 %).
Insured wages :	SFr. 5,000												
ALE:	SFr. 4,000	(80 % of insured wages)											
Zwischenverdienst:	SFr. 3,000	(less than ALE)											
Compensation::	SFr. 1,600	(Insured wages – Zwischenverdienst x benefit rate 80 %).											

6.9 U.S.A.	
Legal basis	The rules for unemployment compensation in the United States are not uniform . There is a different scheme in each of the states . Payment of earnings replacement benefits (unemployment insurance or unemployment compensation benefits) are exemplified by the rules applicable in Washington D.C. .
Competent authority	US Department of Labor Department of Employment Services One-Stop-Career-Center
Basic principle	Mandatory social security system for employees with earnings-related benefits.
Sources of funding	Funded by contributions which are only payable by the employers . The amount of contributions is linked to the number of earlier dismissals from the company by the so-called 'experience rating'. Contributions between 1.6% and 7.00% of premiums gross wage payments - experience rating (see Other). Revenue from federal taxes for the administration of the insurance schemes. Only in Alaska, New Jersey and Pennsylvania the employees must contribute as well.
Insured persons	Employees Special arrangements for U.S. military veterans.
Conditions for entitlement	Involuntary unemployment Objective and subjective availability for the labour market active job search must be appropriately documented: – two employer contacts or job interviews per week plus – other efforts. Proof of such efforts must be submitted to the One-Stop-Career-Centers on request and at certain intervals.
Qualifying period	No qualifying periods in <i>strictu sensu</i> . A certain income must have been earned in each quarter over the last 52 weeks (4 quarters) (see calculation).
Waiting period	None
Calculation	There is a so-called base period of 4 quarters (one year) before the entitlement arises: Application filed in Jan./Feb./Mar → base period to September 30 for 1 year retroactively Application filed April/May/June → base period to December 31 for 1 year retroactively Application filed July/Aug./Sep. → base period to March 31 for 1 year retroactively Application filed Oct./Nov./Dec. → base period to June 30 for 1 year retroactively During two of the last four quarters earning of the following wages/salaries: – a minimum of \$ 1,300 during one of the 4 quarters – a total of at least \$ 1,950 in two of the last 4 quarters. The calculation is based on the quarter that is most favourable for the applicant .

Level of the benefit	<p>Between \$ 50 and \$ 309 per week based on the wages for the most favourable of the last four quarters.</p> <p>The amount is based on a benefit table (approx. 50% of the payroll).</p> <p>Small allowances (\$5 up to max. \$20 weekly) for dependent family members without income of their own.</p> <p>All secondary incomes and payments similar to annuities are considered.</p>
Duration of payment of benefits	<p>26 weeks in Washington D.C.</p> <p>Temporary additional or extended benefits:</p> <p>During periods of high unemployment payments may be extended by 13 weeks.</p> <p>Currently all states adopted the programme Temporary Extended Unemployment Compensation (TEUC) which prolongs the payment of benefits to up to 13 weeks.</p> <p>The funds are provided by the government.</p>
Sanctions	<p>Employees losing their job through their own fault are not eligible for benefits.</p> <p>Payment of benefits is immediately stopped, if</p> <ul style="list-style-type: none"> - no jobseeking activities are proved, - claimants do not report to the office as required, - the unemployed person refuses to attend or drops out of training or reintegration schemes and job training. <p>Employers can formally object against the payment of benefits, if they think that the employment had been terminated due to the employee's fault (e.g. behaviour in violation of the contract, worker's termination).</p>
Other Experience Rating	<p>Generally the requirements for which job can be regarded as reasonable are much stricter in the USA and are accepted by the employees as well.</p> <p>In general, Americans will accept 'inferior interim employment' until they find a new job in a suitable occupation. This lowers the spending of the unemployment insurance fund and accordingly also its administration expenses.</p> <p>Taxes must be paid on unemployment benefits, but no social security contributions.</p> <p>A worker is generally not entitled to benefits if he or she was responsible for the loss of his or her job.</p> <p>If this does not apply, i.e. if the dismissal was caused by the employer, the employment services must decide whether the unemployment benefits will be charged to the employer or allocated to all contribution payers. This type of 'socialization' will e.g. take place, if the employee terminates his/her job for health reasons, jobs are lost as a result of cutbacks due to trade agreements or natural disasters.</p> <p>The contribution rate is calculated differently for each company based on the number of dismissals and the amount of the unemployment benefits to be paid for which the employer is responsible under this definition. In Washington D.C. this is between 1.6% and 7.00% of the company's total payroll.</p>

6.10 United Kingdom	
Legal basis	Social Security Contributions and Benefits Act of 1992 Jobseekers Act of 1995
Competent authority	Department for Work and Pensions Employment Service through its JobCentres Plus Benefits Agencies
Basic principle	Mandatory social security system for employees and certain groups of self-employed persons. Contribution-based jobseeker's allowance Flat rate benefits unrelated to previous earnings - contribution funded. Income-based jobseeker's allowance. Flat rate benefits unrelated to previous earnings, funded from tax money in case of indigence
Sources of funding	The following earning-related lump-sum contributions are collected for the public social security scheme (sickness, maternity, disability, old-age, provisions for surviving dependants, and unemployment): For weekly wages exceeding Euro 106 the employee's share amounts to 10% ; lower wages are exempted from contributions. For weekly wages exceeding Euro 133 the employer's share amounts to 12.2% ; lower wages are exempted from contributions. Employers that are members of a recognized company pension scheme pay lower contribution rates.
Insured persons	All employees between the ages of 16 to 65; certain groups of self-employed persons. Married women that opted-out of the insurance scheme prior to April 1977 are not covered.
Conditions for entitlement	Contribution-based jobseeker's allowance Involuntary unemployment – Objective and subjective availability for the labour market – Active job search – Not more than 16 hrs. paid work per week For income-based jobseeker's allowance additionally: Usual residence in the United Kingdom – Means test – No benefits, if the partner works more than 24 hrs./week Special rules for young people under 18.
Qualifying period	Contribution-based jobseeker's allowance A minimum of 25 contributions at the minimum rate applicable for the respective year must have been paid during one of the last two tax years (April to March) prior to the calendar year in which the claim is filed and – at least fifty times the applicable minimum rate must have been contributed for both tax years in total. Income-based jobseeker's allowance: No qualifying periods
Waiting period	3 days

Calculation	Contribution-based and income-based jobseeker's allowance Both flat rate benefits, i.e. independent of previous earnings.								
Level of the benefit	<p>(Amounts converted from GBP to Euro - at the rate of 1 Euro = 0.6315 GBP)</p> <p>Contribution-based jobseeker's allowance Age 16-17 years: 51,5 Euro/week no family supplements or any other supplements Age 18-24 years: 67.6 Euro/week 25 years + over: 85.4 Euro/week</p> <p>Income-based jobseeker's allowance: Benefit level depends on available income and property as well as on the family situation and obligations to provide maintenance. (no property in excess of 12,668 Euro or of 19,000 Euro if over 60).</p> <p>Examples if no income or property is to be considered (Maximum rates which may be reduced, including to 0 after consideration of relevant income or property):</p> <table data-bbox="432 808 1294 969"> <tr> <td>Unmarried:</td> <td>Rates as for contribution-based</td> </tr> <tr> <td>Married, one partner under 18, one partner 18-24:</td> <td>67,6 Euro / week</td> </tr> <tr> <td>Both partners over 18:</td> <td>134,1 Euro / week</td> </tr> <tr> <td>Single parent over 18:</td> <td>85,4 Euro / week</td> </tr> </table> <p>Higher rates are paid in case of family ties with obligations to provide maintenance (for spouse, children, foster children) or disability. Due to such allowances income-based benefits may be higher than contribution-based benefits. In these cases the difference may be granted in addition after a means test. Consideration of additional incomes. Annual adjustment of benefits by Parliament, generally in line with the development of prices.</p>	Unmarried:	Rates as for contribution-based	Married, one partner under 18, one partner 18-24:	67,6 Euro / week	Both partners over 18:	134,1 Euro / week	Single parent over 18:	85,4 Euro / week
Unmarried:	Rates as for contribution-based								
Married, one partner under 18, one partner 18-24:	67,6 Euro / week								
Both partners over 18:	134,1 Euro / week								
Single parent over 18:	85,4 Euro / week								
Duration of payment of benefits	<p>Contribution-based: 182 days per incidence of unemployment. Income-based: unlimited duration as long as requirements are met. Women receive benefits until they complete the age of 60, men receive benefits until they complete the age of 65 (thereafter they are entitled to old-age pensions).</p>								
Sanctions	<p>An ineligibility period of up to 26 weeks is pronounced, if</p> <ul style="list-style-type: none"> - the unemployment is the person's own fault (termination of employment without cause or termination by the employer for violation of a contract) or if - reasonable employment offered is not accepted. <p>Lack of cooperation with the employment administration may lead to a two week stoppage of benefits, if this happens repeatedly payments may be discontinued for a maximum of four weeks within one year.</p>								
Other	<p>Contribution-based: taxable Income-based: not taxable</p> <p>No social security contributions have to be paid for either of these types of benefits. Consideration of additional incomes. In 1995 the contribution-based jobseeker's allowance could be paid for 312 days (one year excluding Sundays) for any new entitlement.</p>								

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