

Activating Unemployed and Disabled People
Teachings from the Swiss Experience

Jean-Michel Bonvin*
Emilie Rosenstein**

Draft paper for the International Conference

“Activation” policies on the fringes of society: a challenge for European welfare states

Organized by the “Institute for Employment Research (IAB)” and the “Political
Sociology” Section of the German Sociological Association

Nuremberg, May 15-16, 2008

* Professor, University of Applied Sciences Western Switzerland - jmbonvin@eesp.ch

** Research Fellow, University of Applied Sciences Western Switzerland – erosenstein@eesp.ch

1. Introduction

From the mid-nineties on, in Switzerland as in all other OECD countries, recommodification of the benefit recipients is increasingly seen as the best way to achieve their social integration. Social policies are turned into social integration policies, the ultimate objective of which is to exploit more fully the recipients' working capacity and to limit public expenses via the diminution of benefits paid. In the Swiss system of social protection, this pattern of activation takes place mainly in two social insurances, i.e. unemployment and disability insurance, where the share of expenditure devoted to active measures has considerably increased (from 197.3 to 423.6 million euros between 2000 and 2005 in the unemployment insurance, from 172.7 to 230.3 million euros in the disability insurance – OFS, 2006).

All along this period, Switzerland has developed its own model of activation based on a complex combination of flexible labour markets (esp. with a low level of protection against dismissal and very modest provisions in terms of wage and working time regulation, thus leaving space for a high degree of flexibility), rather high material security for those outside the labour market (quite generous cash benefits for unemployed and disabled people) and increasingly strict conditionalities imposed on them in terms of appropriate behaviour with regard to job search and acceptance of labour market programmes (widely aimed at improving training levels and employability). Thus, the Swiss model of activation is based on a framework combining influences of the workfare model (i.e. strict conditions and heavy sanctioning if these are not respected), elements of the human capital approach (active labour market programmes focusing on improving employability), as well as some aspects of Amartya Sen's capability theory (esp. with regard to the ambition to improve the opportunity freedom of the beneficiaries vis-à-vis the labour market). Thus, the Swiss way of activation displays an original mix between the liberal, social-democrat and conservative models identified in the welfare literature, and its analysis offers interesting insights and teachings for the reflection conducted at EU level about activation. In this paper, the main features of Swiss social integration policies will be evidenced on the basis of the two major and pioneer programmes in the field of activation: unemployment and disability insurance (both branches are organized along federal directives uniformly applying to the whole Swiss territory).

Our paper will pursue a twofold objective. First, we will analyse the specificities of these two models of activation (on one side professional insertion in the unemployment insurance, on the other side medical rehabilitation in the disability insurance) as they stand out from the policies and administrative directives designed at federal level (and many times fully revised during the last ten years). In particular, we will assess what kind of responsibility and what balance between individual and social responsibility are promoted via the unemployment and disability insurance. Our analytical framework will be based on the capability approach of responsibility (Sen, 1999, Bonvin, 2008) that will be shortly described in the beginning of this first section. Second, we will investigate how these models are actually implemented at local level, i.e. what active programmes or measures are developed and what criteria (sex, age, qualification, previous profession, etc.) are relevant when it comes to allotting specific measures to determined target groups. Our main focus will not be efficiency in professional reintegration (which is barely measurable with the available data), but the issue of equality of opportunity (or access to ALMPs and cash benefits), that will be specifically investigated with regard to the two criteria of gender and age. The conclusion will synthesise the main teachings of the paper with respect to the two issues of responsibility and equality. The results presented here are based on two integrated research projects funded by the European Commission under Framework Programmes 5 and 6: the Eurocap project (2002-6) and the ongoing Capright project (2007-10).

2. Context and goals: why were activation programs introduced?

2.1 *The capability approach of responsibility*

The capability approach insists on that the promotion of responsibility relies on two preconditions: adequate means and power to act on one side, real freedom to choose one's way of living on the other one. In Sen's language:

“Without the substantive freedom and capability to do something, a person cannot be responsible for doing it. But actually having the freedom and capability to do something does impose on the person the duty to consider whether to do it or not, and this does involve individual responsibility. In this sense, freedom is both necessary and sufficient for responsibility.” (Sen, 1999: 284, emphasis added).

In the field of social integration policies, the enhancement of the capacity to act, or empowerment, entails taking into account two key dimensions:

- a) what *resources* are made available to recipients? Are they sufficient in amount and duration? What conditions are recipients subject to? What target groups are eligible for those benefits?, etc.
- b) what *opportunities* are made available? In what quantity and quality? With what objectives (quick or long-lasting return to employment, employability, occupation, etc.)? On what conditions (presence of sticks and/or carrots, etc.)? For what target groups (how are beneficiaries assessed and selected)?, etc.

In actual social integration policies in different countries, these two issues of resources and opportunities are tackled in a great variety of ways. Indeed, if activation always implies a higher focus on individual responsibility, this may coincide either with more extended collective interventions or with the retreat of the state. And this variety within the field of ALMPs indicates a significant diversity in the ways to conceive the balance between individual and collective responsibility. In the perspective of the capability approach, a high level of resources and a great variety of activation programmes aiming at providing appropriate solutions for all target groups qualify as more capability-friendly than their opposite, i.e. few resources and very specified activation schemes. Besides, the way these two issues are framed, determines to a large extent the balance between collective and individual responsibility and the version of the enabling state that will prevail in the end (Gilbert, 2004). If equipped with appropriate resources and opportunities, beneficiaries may rightly be considered as accountable for their actions; in contrast, public policies marked by retrenchment offer poor resources and opportunities, and requirements imposed on beneficiaries to behave responsibly appear as much more questionable.

The following sections will assess the Swiss unemployment and disability insurances against this framework.

2.2 *The unemployment insurance*

In Switzerland, the unemployment insurance (LACI or AC later on) has been compulsory from 1984. It provides benefits in case of employment loss (with specific provisions for bankruptcy cases), shortened working hours or temporary inactivity due to weather conditions. All persons in gainful employment are obliged to contribute to the unemployment insurance scheme. At its introduction in 1984, the aim of the federal law on unemployment insurance was to provide replacement benefits to people who were temporarily jobless. Benefit eligibility was (and still is) conditional upon job loss, active job search and previous contribution to the unemployment insurance fund. The Confederation, which finances the system, is responsible for guaranteeing a fair treatment to the unemployed in all cantons and to ensure the uniform application of the law. To this purpose, administrative directives are designed, specifying how the executive bodies should implement the law.

In the nineties, unemployment rates rose significantly – even though unemployment remained relatively low by European standards – from 0.5% in 1990 to 4.7% in 1994. Consequently, the LACI got under economic pressure (unemployment expenditure passed from 307.5 to 3'265.6 million Euros between 1990 and 1995), and the law was revised in 1995, through the introduction of active labour market programmes. From that time on, activation is used to counterbalance the negative incentives stemming from rather long and quasi-unconditional benefit entitlements. Recommodification of recipients is seen as the best way to achieve social integration. This also involved individualising social integration policies. It transformed the relationship between individuals and unemployment services towards stressing individual responsibility.

In this context, a range of services oriented toward activation were introduced. Such active measures, called labour market measures (MMT), could take three different forms: training measures (courses, training enterprises and traineeships), employment measures (subsidized temporary jobs in the public or the private sector) and specific measures (e.g. support in developing an independent activity). At the organisational level, the reform of the LACI in 1996 introduced a new actor: the regional placement offices (RPO), managed by the cantons. The RPO's main objective is to re-integrate job seekers into the labour market as fast and as durably as possible. The RPO advisers are in charge of assessing skills and fixing objectives. Each unemployed has an adviser and has to attend once a month an advice and control meeting. This trend toward activation and individualisation coincides with the emergence of new public management (NPM) tools, developed by the State Secretariat for Economic Affairs (SECO) to ensure the management of the RPOs at national level and to evaluate the quality and efficiency of the MMT.

From 1996 to 2001, the unemployment rate gradually decreased. But, between 2001 and 2006, it grew from 1.8% to 3.3%, reaching a peak of 3.9% in 2004. Thus, the LACI was reformed a second time in 2003 to balance the AC budget by reducing the maximum number of daily allowances.

2.3 The disability insurance

From its implementation in 1959, the disability insurance (AI) is a compulsory insurance for all people domiciled in Switzerland with a gainful activity. It aims at guaranteeing, through rehabilitation programmes or through payment of pensions or daily allowances, the means of a decent existence for disabled people (whatever the cause of their disability: accident, illness, etc.). The federal law on disability insurance (LAI) insists on 3 necessary dimensions: health impairment, long-term reduction of the earning capacity and a causal link between the two. Thus, an earning incapacity due to other causes than health impairment or a health impairment with no impact on the earning capacity do not open eligibility to the disability benefits. As a result, the definition of disability does not involve any precise medical content.

The first mission of the AI is to favour the rehabilitation of disabled people, so that they are able to provide for their needs by themselves, and thus lead a life as independent as possible. The AI also allocates in-kind benefits intended to promote rehabilitation (e.g. medical, training or occupational measures, placement services, supply of appliances, specialised education). It is in charge of the organisation, execution and payment of all such rehabilitation measures. To this purpose, AI agents design rehabilitation projects with firms, private and public schools, professional training centres, etc. During this phase, recipients are supervised by an AI agent and entitled to daily cash benefits. Eligibility for an AI pension applies only when rehabilitation has proved impossible. The amount of the pension is then calculated on the basis of the earning loss (full or partial) generated by the disability. Thus, professional integration prevails over the payment of pensions.

Since the 3rd revision of the LAI in 1992, each canton has its own disability agency, which investigates all the claims submitted to them. They examine eligibility for benefits, determine

and monitor rehabilitation measures, evaluate the degree of disability, and make decisions on all benefit-related matters. To do so, the OAI gets all necessary information about the claimant's health condition and, if necessary, about his activity. They are helped in this by the newly set up (from 2005) Regional Medical Services (SMR), that are responsible for carrying out any medical examinations required by the AI system. Thus, all claimants must undergo a medical examination to determine the damage to their health and the impact on their activities. The implementation of SMR reflects the will to adopt a strict medical approach to assess claimants.

Between 2000 and 2006, the ratio of AI beneficiaries¹ passed from 7.1% to 6.8% with a peak of 7.6% in 2002. All along this period, AI costs kept on rising, mainly due to the increasing number of AI pension recipients (from 355'096 in 1998 to 492'221 in 2006), that can be accounted for to some extent by the increase in diagnosed psychiatric trouble. Indeed, the number of individual pensions allocated because of mental impairment increased from 52'047 in 1998 to 97'344 in 2007 (+ 7.2% every year). At the same time, the percentage of pensions allocated for psychiatric reasons grew from 29% to 38% of the beneficiaries. This tendency is particularly significant among young AI beneficiaries. According to the OECD, in 2004, about 80% of the AI beneficiaries between 20 and 34 year-olds were affected by a mental disorder. (OCDE, 2006: 72). The focus on a stricter medical assessment explicitly aims at reducing this number.

As a consequence of the increasing number of pensions paid, the AI global expenditure rose from 3'583.1 in 1990 to 7'162.5 million euros in 2006 and during this period, the amount allocated to pensions increased from 1'292.8 to 3'749.6 million euros. Thus, the LAI was revised several times in the last years to balance the AI budget deficit. Those reforms were organised around a limitation of AI expenditure and on a renewed emphasis on rehabilitation (instead of pensions and the so called "passive" benefits). Thus, AI policies increasingly turned into social integration policies, the ultimate objective of which is to activate people, exploit more fully their working capacity and limit public expenses via the diminution of benefits paid. Thus, activation was seen as a way to decrease AI costs. In this context, the 5th revision of the disability insurance was introduced in 2007, centred on an additional investment (about 312.5 million euros a year) in rehabilitation measures and on the introduction of new active measures. The aims of this reform are a) to cut AI expenditure via a 20% reduction in the number of new pension recipients, b) to remove negative incentives with regard to rehabilitation and c) make a substantial contribution to improve the financial health of the system through more restrictive measures. The main reform was the introduction of so-called "early-stage detection and intervention" allowing AI agents to intervene within the firm and prevent the job loss. Such measures can be seen as a way of empowering the individuals by allowing them to improve or maintain their working capacity and, thus, keep their job.

As Tables 1 and 2 show, the number of beneficiaries and the global expenditure of AC and AI remained significant throughout the period despite the successive reforms (for the AC, the fluctuations observed have more to do with the economic conjuncture than with the legislative reforms).

T.1 AC and AI beneficiaries

	2000	2001	2002	2003	2004	2005	2006
Employment seekers	124'633	109'423	149'609	206'491	220'508	217'154	197'414
AI (0-64 years)	366'686	387'814	403'372	419'222	427'112	434'928	424'665

Sources: SECO, 2008 and OFAS, 2007.

¹ Calculated on the basis of the entire insured population.

T.2 Comparison of the global expenditures of the AC and the AI (in million Euro)

	2000	2001	2002	2003	2004	2005	2006
AC (15-65 years)	2'196.4	2'104.2	3'086.4	4'190.9	4'420.9	4'176.8	3'713.8
AI (0-64 years)	5'448.7	5'910.2	6'227.7	6'661.2	6'935.3	7'225.8	7'162.4

Source: OFAS, 2007.

This context justifies the reforms to balance the AC and AI budget and debt (at the end of 2007, the AC debt amounted to 3 billion euros while the AI debt exceeded 7.1 billion). Indeed, activation was introduced in both AC and AI systems because of financial pressures. In this sense, the aim of active policies is firstly to reduce expenditure and to balance the insurance budget in order to ensure its durability. As a result, during the last years, the AC and AI investments into actives measures has steadily grown. As Table 3 shows, the AC investments into MMT nearly doubled between 2000 and 2006. Over the same time interval, the AI expenditures dedicated to professional training measures have globally increased, but to a lesser extent.

T.3 Comparison of AC and AI active expenditures (in million Euro)

	2000	2001	2002	2003	2004	2005	2006
AC	197.3	193.5	262.9	365.6	427.2	423.6	372.5
AI	43.3	52.5	58.2	64.6	65.6	68.9	67.1

Source: OFAS, 2007.

Let's turn to the analysis of the content of those activation programs, the means proposed to activate the beneficiaries, and the kind of responsibility sharing between the individual and the collectivity.

3. AC and AI measures: the content of activation

3.1 AC active measures

In the AC, the number of participants in MMT (cf. Table 4) and the unemployment rate evolve in a parallel way. Indeed, between 2000 and 2006, the highest rate of participation in MMT was registered in 2004 and 2005, as unemployment reached its peak over this period. The rest of the section focuses on training measures, which represent about 60% of the MMT in 1998 and exceeds 70% in 2003 (Bieri et al., 2004).

T.4 Evolution of the number of participants in MMT

	2000	2001	2002	2003	2004	2005	2006
AC (15-65 years)	76'824	68'095	92'996	130'798	146'377	144'725	128'501

Source: SECO, various years.

Training measures are aimed to adapt the job-seekers' qualifications to the labour market requirements. In this sense, three different types of training measures are proposed: training courses, training enterprises and traineeships. First, training courses mainly consist in recycling measures and in further training programs, that are allocated to unemployed people insofar as they can improve their chances of reintegration into the labour market. In 2006, the

most frequently attributed courses were basic programs focused on methodologies aimed at improving chances of getting employed (how to write a CV or a good appointment letter - 36'392 participants vs. 15'571 in 2000), language courses (20'501 participants compared to 13'216 in 2000), courses focusing on personality (17'355 participants compared to 5'345 in 2000) and the general computer courses (12'795 participants). Second, training enterprises are proposed to help unemployed people by providing them a practical experience, according to the principle of « learning by doing ». Third, traineeships consist of three months of subsidised placements in enterprises of the private sector or in public administrations. The aim of those traineeships is to help unemployed people to fill gaps in their skills by improving their professional competencies, also according to the principle of « learning by doing ».

As it was shown by Bieri et al., between 1998 and 2003, participation in training courses increased from 57.7% to 71% in all MMT (by contrast, over the period, participation in training enterprises (less than 2%) and traineeships (0.5%) is marginal – cf. Bieri et al., 2004). Thus employability seems to feature as a main concern in the AC active programmes. However the content of the programs (focusing either on developing job search skills or providing very basic knowledge, rather than on enhancing competencies and knowledge in a specific field) shows that such training courses are rather aimed at quick reintegration into the labour market. Indeed, very few programmes allow for ambitious and in-depth training, and quick-fix remedies aiming at enhancing job search skills and filling up the most obvious knowledge gaps are privileged. Thus, the collective efforts towards developing employability are quite modest; beyond that threshold, the aim of enhancing competencies and qualifications is interpreted as a matter of individual responsibility. In Gazier's terms (1999), Switzerland offers a modest contribution in terms of interactive employability and considers that job-seekers' training is first and foremost a field for initiative employability (i.e. asking individuals to become self-entrepreneurs).

3.2 AI active measures

The recent reforms of the LAI were oriented toward reinforcing the rehabilitation of disabled people. As evidenced in Table 5, the number of professional training measures (which are but a small part of all rehabilitation measures) increased between 2001 and 2007.

T.5 Evolution of the number of professional training measures²

	2000	2001	2002	2003	2004	2005	2006	2007
AI (15-65 year-olds)	6'761	7'695	8'831	9'634	9'781	9'862	9'811	9'983

Own calculation on the basis of data provided by the OFAS.

There are three main types of professional training measures. First of all, training measures comprising both reclassification programs (apprenticeship, basic training, specialized courses, re-education in the same occupation, rehabilitation in another area, etc.) and further training measures. Reclassification measures aim at safeguarding or improving the earning capacity of a claimant. The objective is to allow the recipient to find another activity with an equivalent income. The AI covers all costs related to the professional reclassification. Besides, since 2004, the AI also pays for further training measures.

Second, different employment measures are also available, such as:

- “retraining-to-work” or traineeships (helping the claimants to find an appropriate job into the labour market, through an active support: advice to write applications and prepare themselves for job interviews);

² Initial training measures are excluded from the calculation, because they do not necessarily match with an activation purpose.

- placement services and professional counselling³ (this has been developed in the 5th LAI revision). The AI placement office also advises and actively follows the employer when a job must be found for a disabled person. Thus, advice, information and support to the employer are part of these placing measures.

Third, the AI also pays for measures aiming at professional integration of disabled people – unable to reintegrate the first labour market because of their impairment – in the protected sector.

Among these programs, the most frequently attributed are the reclassification measures with 6'407 measures allocated in 2007 (especially at the apprenticeship level with 2'380 measures financed by the AI), while the further training measures were marginally attributed. During the same year, 3'358 employment measures were allocated and only 146 measures were dedicated to the employment in the protected sector.

The situation will significantly change with the introduction of the 5th revision of the LAI and its many innovations. The first of these innovations is the implementation of preventive means such as early detection and intervention. Within the framework of the early detection, each person incapable of work for 4 weeks or more or who experiences repeated short absences, can report himself or be reported to the AI. This involves collaboration between the employer and the OAI, and an active follow-up of the interested person. Regarding the content, the early intervention tools (workplace adaptation, training courses, vocational guidance, socio-professional rehabilitation and occupational measures) are not distinct from the “usual” rehabilitation measures. But they can be quickly implemented, without a long preliminary instruction (even before having submitted an AI-pension request), they are easily available, limited in time and cost little (in the mean 3'000 euros, at most 12'500), they don't lead to the payment of cash benefits and are not a right.

The second innovation of the 5th LAI revision consists in the reinsertion measures. These measures have been created for people with psychological trouble. Two types of measures exist, i.e. socio-professional rehabilitation (habituation to the work process, basic social skills) and occupational measures (a transition job before rehabilitation measures can start).

The last innovation of the 5th LAI revision is addressed to employers: either a job subsidy paid to the employer who hires a person with health problems (during maximum 180 days), or a compensation granted to an employer offering disabled employees the possibility to stay within the firm and carry out reinsertion measures.

These innovations are aimed at reinforcing the focus on activation and increase the number of people who can reintegrate the labour market and, thus, decrease the number of pension claimants. As in the AC, the focus is on professional reintegration, but with means that display a greater variety in at least two respects: prevention (active measures can be set up within the firm) and long-lasting programmes (in reclassification programmes, more means are provided towards a more ambitious version of employability). However, early intervention programmes are limited to 6 months and it may turn out that they privilege quick-fix remedies in much the same way as AC programmes. But after only three months of implementation, it is much too early to jump to such conclusions.

3.3 Benefit conditionality

Activation is implemented to reduce social protection expenditure, more accurately passive expenditure. This goal can be reached via different strategies that have a different impact on

³ By contrast with most professional training measures, placement services, professional counselling and traineeships are mostly provided by the AI agents, without contracting out these services. Yet, published statistics are based on the bills paid by the AI to external institutions. Thus, statistical data concerning these three measures are underestimated. This underestimation doesn't strongly impact on the allocation of measures according to gender (but there is an important difference when traineeships in 2000 and 2001 are compared according to age. This must be taken into account in the interpretation of T.17 and T.18 below).

the meaning of activation and responsibility. With respect to AC and AI strategies, two kinds of conditionalities can be identified: one aiming to limit access to benefits, the other conveying a restrictive definition of target groups.

Concerning access to unemployment benefits, the recent changes in the LACI reveal a decrease of the resources allocated to unemployed people. On the one hand, this is shown by the reduction of redistributed resources, in cash or in kind. For example, in 1993, financial benefits got cut down, passing from a universal replacement rate of 80% to a variable rate going from 80% to 70%, according to the type of beneficiary. The evolution of the benefit duration shows a similar trend. As reforms go forward, the maximum number of daily allowances tends to be reduced. Since 2003, the maximum number of daily allowances is fixed at 400 for people under 55 (instead of a previous 520).

Eligibility conditions are also hardened with a view to reducing social expenditure devoted to unemployment. This takes place in two main ways. First, the legislative reforms led to limiting the access to unemployment insurance. For example, the contribution period increased, from six months in the early nineties to 12 months in 2003. The access to unemployment benefits for people in charge of children followed a similar pattern. While the LACI in 1996 stipulated that the period during which insured individuals devoted themselves to the education of their children aged less than 16 counted as a period of payment, it was decided in 2003 that people in charge of children aged less than 10 would be entitled to benefits under the same conditions as before (i.e. having worked for at least a year in the last four years). Second, legislative revisions deeply changed the conditions to maintain eligibility via the introduction of active measures. Thus, benefits are more and more conditional upon participation to active measures. For instance, since 2003, the definition of job readiness (a condition to be entitled to unemployment benefits) implies the obligation to take part in the integration measures decided by the RPOs. A refusal to submit to those measures can lead to benefit suspensions. And the motives and duration of sanctions imposed on people not fulfilling the requirements in terms of job search or “insertion effort” have been extended. For example, in the early nineties, benefit suspension could reach a maximum of 40 days. Since 1996, this ceiling raised to 60 days. Moreover, whereas control interviews have become less frequent over the period (due to the increase of unemployed people and of the local agents’ workload), controlling devices tend to be more intrusive. Since 2002, the law stipulates that the unemployed people can be reached by the regional employment agencies within one day.

The recent revisions of the LAI also reveal a restriction of the resources allocated to disabled people through a stricter definition of the AI benefits and of the AI target groups, i.e. strengthening the eligibility conditions and the conditions to maintain eligibility.

On the one hand, to diminish social expenditure, the Federal Council has clearly mentioned his will to reduce the number of pensions via the 5th revision of the LAI. More precisely, the objective is to decrease by 20% the number of new pensions (reference year: 2003). The long-term goal is to reduce, until 2025, the global number of pensions by 18%, which represents approximately 55’000 pensions. Besides, some benefits and allowances were suppressed.

On the other hand, eligibility conditions have been strengthened, especially for passive benefits. First, daily allowances were suppressed for recipients who had no employment record before the occurrence of their disability. Second, granting conditions were also hardened, as illustrated by the extension of the minimal contribution period to the AVS/AI in order to be entitled to a pension (from one year to 3 years since 2008 – but protection clauses are provided for people who became disabled before 15). Third, conditionality of resources has been reinforced via more rigorous instruction phases, coming with stricter evaluation criteria (medical examination operated by the SMR, evaluation of working capacity, etc.).

Besides, the conditions to maintain eligibility for AI benefits also became stricter. In the last LAI revision, the obligation to cooperate of the disabled people has been strengthened. In

other words, he must actively participate in and submit to the rehabilitation measures proposed by the insurance, insofar as the measures are reasonably practicable. In this sense, stricter criteria have been adopted to determine if the rehabilitation measures are reasonably practicable or not. The recipient must do everything he can in order to improve his earning capacity or his capacity to achieve everyday tasks. If the recipient doesn't fulfil those requirements, he is asked to comply as soon as possible. If he still doesn't, the OAI can decide to suppress its services, in cash or in kind.

The fight against fraud is also a key point in the 5th LAI revision which introduced new means and tools dedicated to this purpose. First, the OAI is allowed to call upon experts in the fight against fraud. On the one hand, those experts are in charge of training the OAI agents and making them aware of frauds. On the other hand, the experts have to follow the suspect cases to submit them to a professional examination. Second, the OAI have to create new surveillance bodies that are allowed to access every document – including the residence and working permits of the recipients – and to collect all necessary information. If necessary, the expert starts further investigations to collect information and juridical proofs. For this, he can proceed to secret inquiries, unexpected visits at home or at work.

3.4 Individual and social responsibility

Activation has been implemented through a new definition of the AC and AI intervention methods. Those changes led to redefine the balance of responsibility between individuals and social protection systems. In terms of employment, responsibility lies on recipients – insofar as they are asked to comply with the insurance requirements and conditions – and on the AC and AI agents⁴. But, in both cases, the tendency goes towards emphasising individual responsibility at the expenses of social responsibility: more accurately, the very task of public agents more and more consists in fostering individual responsibility via an increased use of pressure and sanctions. This is particularly the case in the AC where individuals, even if they are not responsible for their unemployment, undergo strong pressures so that they adapt their behaviour to the labour market requirements. Concerning the AI, the extension of the duty to collaborate (or the possibility to be reported to the OAI even against one's own will) can also be read in terms of reinforcement of individual responsibility. Also, the reinforced benefit conditionality in the two programmes reveals a major change in the way to envisage social responsibility as a tool for developing (or imposing) individual responsibility.

However, the implementation of activation also implies the development of a wide infrastructure and an important range of new organisational and interventional methods. The 5th revision of the LAI in particular designed new resources to accentuate the role and the mission of the AI as a welfare agent and by extension, the social responsibility of the AI, notably regarding the empowerment and the improvement of the recipients' working capacity. Moreover, early detection measures are available for individuals even before they place an AI request and consequently, before the instruction of their request. Thus, the AI is now responsible for a new public comprising the people potentially concerned with the early detection process. This is relevant, in spite of the fact that the AI responsibility comes only after the responsibility of the insured people themselves. As the law states, "the Confederation and the cantons commit themselves, in addition to the individual responsibility and the private initiative, so that each individual enjoys appropriate healthcare." (Art. 41, Federal Constitution of the Swiss Confederation, 2008).

In both cases, activation conveys a significant extension of social responsibility in terms of empowerment, but this takes place at the expense of the "real freedom" side of responsibility: indeed, if people have more possibilities to be empowered, the content and definition of empowerment is to a large extent left in the hands of the AC and AI public agents. Thus,

⁴ There is no obligation to hire disabled people in the Swiss legislation.

when assessed against the capability approach of responsibility, the Swiss model of activation seems to focus on one side of responsibility (namely empowerment) at the expense of the other one (freedom to choose). This is particularly obvious in the case of the LACI, while the LAI, due to its recent adoption of activation tools, is still in the middle of the road.

Let us now turn to the issue of equality. Are AC and AI active programmes equitably allocated according to gender and age criteria? Or do they reproduce, or even reinforce, social discriminations along these two criteria? The next section strives to tackle this issue.

4. Gender and age in the unemployment and disability insurance

4.1 Gender in the AC and AI

Comparing the ratio men/women registered at the AC (Table 6) and the ratio men /women participating to AC training measures (Table 7), we observe that women more often participate to training measures.

T.6 Percentage of unemployed people registered at the AC, by gender (annual average)

	2000	2001	2002	2003	2004	2005	2006
Men	52.5%	52.7%	55.6%	56.0%	54.6%	53.1%	51.8%
Women	47.5%	47.3%	44.4%	44.0%	45.4%	46.9%	48.2%

Source: SECO, various years.

T.7 Percentage of unemployed people in AC training measures, by gender

	2000	2001	2002	2003	2004	2005	2006
Men	47.7%	46.9%	51.0%	52.7%	50.5%	48.7%	47.3%
Women	52.3%	53.1%	49.0%	47.3%	49.5%	51.3%	52.7%

Own calculation on the basis of data provided by the SECO.

Among the AC major training measures, in 2006, the attribution of basic skills courses and of courses focusing on personality development is quite egalitarian in terms of gender. But language courses are more often attributed to women (60%), just like general computer lessons (66%). These four categories amount to 75% of the training measures allotted in 2006. Among the remaining 25%, measures characterised by gender discriminations encompass programs focussed on technical and handcrafted work (86% of men), on the social and health sector (83% of women), trade and sales (77% of women), and specialized computer courses (77% of men). In these last cases, AC active measures tend to reproduce labour market gender segmentation. Indeed, as is shown by the Swiss labour force survey (ESPA), in 2006, professions in the technical and computing domain were mostly held by men (355'000 men against only 39'000 women). On the contrary, the health sector employs a majority of women (595'000 women against 281'000 men).

As we can see in Table 8, the access to AI benefits is also influenced by the claimant's gender. Though the gap is slowly decreasing, the proportion of women receiving AI benefits is systematically inferior to that of men, thus reflecting the lowest status of women's earning capacity (still often considered as a complementary wage).

T.8 Percentage of AI beneficiaries in relation to the entire insured population, by gender

	2000	2001	2002	2003	2004	2005	2006
Men	8.00%	8.30%	8.50%	7.60%	7.70%	7.80%	7.50%
Women	6.10%	6.50%	6.70%	6.10%	6.20%	6.30%	6.10%

Source: OFAS, 2007.

Looking at the professional training measures in the AI, we notice that every year and for every single measure, the attribution is more frequent for men than for women⁵. Measures with the highest gender gap in 2007 are reclassification measures (up to 73%⁶ were assigned to men). If we consider the 4 major professional training measures (representing 89% of this category), we observe that those measures are assigned to men in 71% cases. Globally, the evolution of the professional training measures assignment between 2000 and 2007 shows a tendency toward diminishing those gender differences, but a substantial gap remains.

With regard to the distribution of pensions, we also observe an overrepresentation of men. Thus, the AI gender gap isn't only related to active measures.

T.9 Percentage of beneficiaries of AI pension, by gender

	2000	2003	2007
Men	61%	58%	56%
Women	39%	42%	44%

Source: OFAS, 2007.

T.10 Percentage of beneficiaries of AI professional training measures

	2000	2003	2007
Men	71%	69%	67%
Women	29%	31%	33%

Own calculation, on the basis of data provided by the OFAS.

Nevertheless, comparing table T.9 and T.10, we notice that the gender gap is much higher when it comes to the access to active measures (though it should be noticed that both professional training measures and pensions converge toward a more egalitarian distribution of AI benefits). Though the gap is slowly decreasing, the AI still contributes to reproducing a patriarchal division of labour (by focusing more on male than on female empowerment).

4.2 In terms of age

Age is a major factor in the unemployment insurance. Indeed, some unemployment benefits and programs are organised around this criteria, e.g. the measures dedicated to young unemployed as the motivation semesters (SEMO) or specific programs for unemployed between 15 and 20 without prior job training. Age can also determine access to and duration of cash benefits as in the case of people over 55. Table 11 shows the evolution of the distribution of unemployed people in three age groups, and Table 12 the evolution of the distribution of beneficiaries of AC training measures along the same three age groups.

⁵ Except for measures aiming at professional integration in the protected sector in 2007 (51.4% of those measures were attributed to women).

⁶ According to the superior training level and 72.3% according to apprenticeship training level.

T.11 *Percentage of unemployed people registered at the AC, according to three age groups*

	2000	2001	2002	2003	2004	2005	2006
15-24	14.1%	14.6%	16.3%	17.9%	18.5%	18.9%	18.1%
25-49	63.7%	64.4%	64.4%	63.4%	62.0%	60.8%	60.3%
50-65	22.3%	21.0%	19.2%	18.6%	19.5%	20.3%	21.6%

Source: SECO, various years.

T.12 *Percentage of beneficiaries of AC training measures, according to three age groups*

	2000	2001	2002	2003	2004	2005	2006
15-24	3.3%	2.7%	2.8%	4.3%	3.8%	4.1%	4.1%
25-49	74.5%	75.1%	76.7%	77.2%	76.9%	74.8%	73.3%
50-65	22.2%	22.2%	20.5%	18.5%	19.3%	21.1%	22.5%

Own calculation on the basis of data provided by the SECO.

The vast majority of unemployed people are between 25 and 49. But the increase of the unemployment rate between 2000 and 2005 has affected proportionally less this age group than the others. The older age group represents approximately 20% of unemployed people registered to the AC, and the young are about 18% of the unemployed people.

Comparing the number of unemployed registered to the AC and the number of beneficiaries of AC training measures, we notice that training measures are designed mainly for people between 25 and 49 year-olds. Actives measures are marginal among the youngest.

If we look at the distribution of the major training measures over the 3 age groups in 2006, the most frequently assigned measures for young unemployed were the basic programs (20% of beneficiaries), training enterprises (23%) and traineeships (24%). But these last two measures represent respectively 3.2% and 1.2% of the training measures accorded in 2006. The 25-49 age group received 62% of the basic programs, 75% of the language courses and 62% of the courses focusing on personality development and of the general computer lessons. Besides, this age group is also strongly represented in less frequently attributed measures like self-employment programs (73%), specialized computer courses (75%), hotel and restaurant business (73%), and basic skills courses (73%). The 50-65 age group is more represented in the general computing lessons (31%).

Age is also a central factor to analyse the AI system because age influences the risk of experiencing an incapacitating accident or illness. Moreover, age determines to a large extent the chance of reintegrating the labour market. Thus, age has a strong impact on the attribution of training measures as the following table illustrates.

T.13 *Evolution of the number of AI professional training measures, according to 3 age groups*

	2000	2001	2002	2003	2004	2005	2006	2007
15-24	729	874	1'023	1'251	1'359	1'509	1'498	1'547
25-49	5'528	6'197	6'914	7'305	7'327	7'205	7'078	7'010
50-65	504	624	894	1'078	1'095	1'148	1'235	1'426
Total	6'761	7'695	8'831	9'634	9'781	9'862	9'811	9'983

Own calculation on the basis of data provided by the OFAS.

T.14 *Evolution of the percentage of AI professional training measures, according to 3 age groups*

	2000	2001	2002	2003	2004	2005	2006	2007
15-24	11%	11%	12%	13%	14%	15%	15%	15%
25-49	82%	81%	78%	76%	75%	73%	72%	70%
50-65	7%	8%	10%	11%	11%	12%	13%	14%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Own calculation on the basis of data provided by the OFAS.

As a rule, there is an overall tendency to the activation of AI beneficiaries. For example, the number of professional training measures accorded to disabled people between 50 and 65 has constantly increased between 2000 and 2007 and it tends to reach the level of the young handicapped. Moreover, the proportion of young beneficiaries of professional training measures has also increased during the same period. Nevertheless, as it is the case for AC, the AI professional training measures are mostly dedicated to disabled people between 25 and 49. As for the distribution of measures between the age groups, we observe that the programs where the young disabled people mostly represented are employment measures (35.1% in traineeships and 36.5%⁷ in professional counselling). Disabled people between 25 and 49 are mostly represented in training measures. It is indeed among this age group that we find the majority of reclassification measures (up to 90.1% at the superior training level) and further training programs (76.6%, though this result isn't strongly significant because this type of measure, introduced in 2004, is still quite marginal). They are also over-represented in some employment measures (72.4% of re-training programs). Finally, the older disabled are poorly represented in the training measures. By contrast, they are well represented in programs aiming at professional integration in the protected sector (31.5%) and employment measures (28.9% of placement services, 21.7% of re-training measures and 19.8% of professional counselling measures⁸). However, between 2000 and 2007, within each professional training measure, the proportion of old beneficiaries has increased.

In addition, the comparison of the allocation of professional training measures with the allocation of pensions in 2006 shows an important difference between young and old disabled people. Indeed, those two age groups have a quasi equal access to active measures⁹, but the younger show a probability of receiving an AI pension 30fold lower than their elder counterparts (see Table 15). This shows that the model of activation has a differentiated impact on the access to cash benefits, according to the age group. Access to pensions (i.e. unconditional cash passive benefits) is nearly forbidden for the youngest disabled, whereas it is still open for the two other age groups, and especially for the oldest. Thus, age discriminations on the labour market are still reproduced to a great extent, even though recent reforms display a new ambition to counteract the long-term exclusion of older people from the labour market (as the figures in Table 14 show, active programmes are increasingly available to young and old disabled, and less and less reserved to the 25-49 age group).

⁷ This result isn't very significant because of the low rate of professional counselling measures (4%) among the professional training measures accorded in 2007.

⁸ Those data aren't really significant because of the low percentage of placement service measures (2%), re-training measures (1.5%) and professional counselling measures (4%) among the professional training measures accorded in 2007 (see also footnote 3 above).

⁹ This low level of professional training measures accorded to young disabled people is related to the fact that initial training measures were excluded from our analysis because they do not correspond to an activation policy.

T.15 *Comparison between beneficiaries of pensions and professional training measures in 2006*

	Pensions		Active Measures	
15-24	4'245	2%	1'498	15%
25-49	84'404	40%	7'078	72%
50-64	124'315	58%	1'235	13%
Total	212'964	100%	9'811	100%

Source: OFAS, 2007 and own calculation on the basis of OFAS data.

5. Conclusion

The Swiss model of activation is characterised by an original combination of the liberal, social-democratic and conservative models of welfare (Esping-Andersen, 1999). With regard to the “empowerment” side of responsibility, Switzerland combines: a) workfare dimensions characteristic of the liberal model (with a strong resort to sanctions and pressures and a tendency to lower cash benefits) and b) a wide array of available ALMPs in the line of the social-democratic model (however with less ambitious objectives focusing on a quick return to the labour market rather than on a long-term development of competencies or qualifications). And just like these two models, Switzerland displays little concern for the “freedom to choose” side of responsibility. Hence, the Swiss approach of responsibility takes some steps towards the capability view, but still remains in the middle of the road (in the case of the AC, one could even say that the insistence on empowerment takes place at the expense of the “freedom to choose” side of responsibility, while the AI case is much more unclear in this respect). This also coincides with a rather imbalanced distribution of responsibility between individuals and public bodies.

With respect to equality, Switzerland is characterised by a tendency to reproduce inequalities and discriminations based on age and gender, which is a feature of the conservative model of welfare. Indeed, in Switzerland, women and old people still have a more difficult access to active labour market programmes, which in the former case tends to reproduce the patriarchal division of labour (characteristic of continental welfare states and labour markets), and in the latter case confirms the conservative trend towards in-activating old unemployed and disabled people.

To sum up, empowerment is quite developed in Switzerland but is available more easily for men and for people aged between 25 and 49, while for the other categories access to activation remains more difficult. This also means that “freedom to choose” is higher for those categories which are to a lesser extent submitted to activation programmes and their constraints. In the last analysis, then, Switzerland is characterised by the failure to connect the two dimensions of responsibility: for male and for people between 25 and 49, access to empowerment (i.e. resources and opportunities) is easier but this often implies restrictions in terms of freedom to choose; by contrast, women and older people are not empowered to the same extent (at least with respect to ALMPs; as a consequence their activation lies more on their own responsibility), but they enjoy more (mainly formal) freedom to choose. The challenge faced by Swiss social integration policies is thus to reconcile these two dimensions for all target groups.

References

Bieri, O., Müller, F. and Balthasar A. (2004) *Enquête sur la professionnalisation des mesures de marché du travail (MMT) depuis 1997*, Interface, Institut für Politikstudien, Luzern.

Bonvin, J.-M. (2008) 'Activation policies, new modes of governance and the issue of responsibility', forthcoming in *Social Policy and Society*.

Bonvin, J.-M., Badan, P. and Moachon, E. (2006) *From local Agencies to Macroeconomic Instruments (Policies, Indicators) and Discourses: Rapport final de l'équipe suisse du Programme de Recherche Européen EUROCAP*, Genève.

Esping-Andersen, G. (1999), *Social Foundations of Postindustrial Economies*, Oxford, Oxford University Press.

Gazier, B. (ed.) (1999) *Employability: concepts and policies, report 1998*, Luxembourg, European Employment Observatory Research Network, European Commission.

Gilbert, N. (2004) *Transformation of the welfare state: the silent surrender of public responsibility*, Oxford, Oxford University Press.

OECD (2006) *Sickness, Disability and Work: Breaking the Barriers (Vol.1) NORWAY, POLAND AND SWITZERLAND*, OECD Publishing.

OFAS (2007) *Statistiques de l'AI 2007*, Berne.

OFAS (2007) *Statistiques de l'AI 2007, Tableaux détaillés*, Berne.

OFAS (2007) *Statistiques des assurances sociales suisses 2007*, Berne.

OFS (2008) *Swiss Labour Force Survey (ESPA)*, Neuchâtel.

SECO (2008) *La situation sur le marché du travail, février 2008*, Berne.

Sen, A. K. (1999), *Development as Freedom*, Oxford, Oxford University Press.