



Schweizerische Eidgenossenschaft
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Federal Department of Economic Affairs (FDEA)
State Secretariat for Economic Affairs SECO
Labour Directorate

Unemployment insurance Switzerland

Decentralisation as key factor for success



Content

- Key figures about Switzerland
- 1995: new unemployment insurance law
- Management system – paradigm shift, objectives & indicators
- Labour market authorities at federal and cantonal level
- Agreement between cantonal governments and federal ministry
- Principle of subsidiarity
- Management of resources
- SWOT

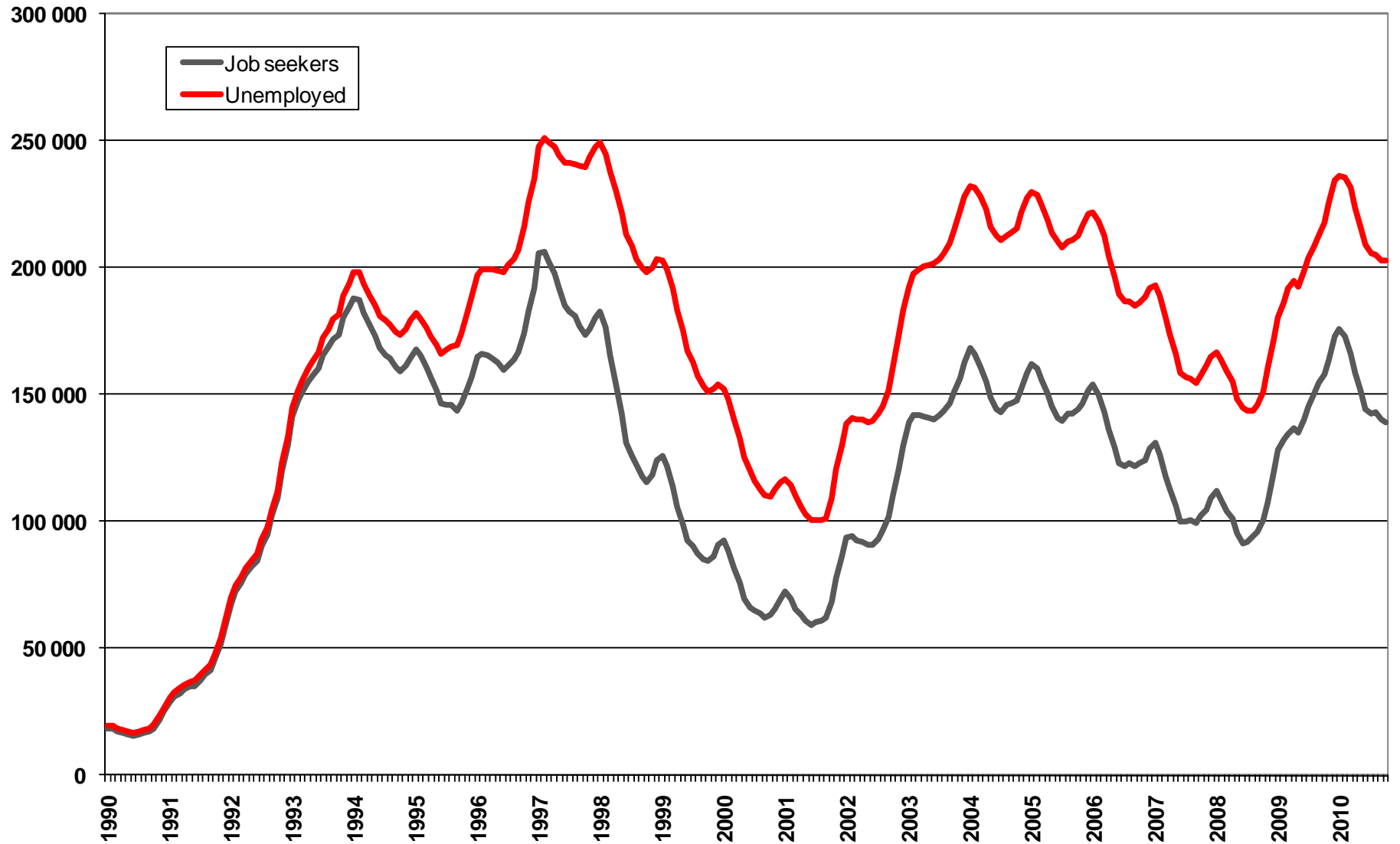


Key figures about Switzerland (year 2010)

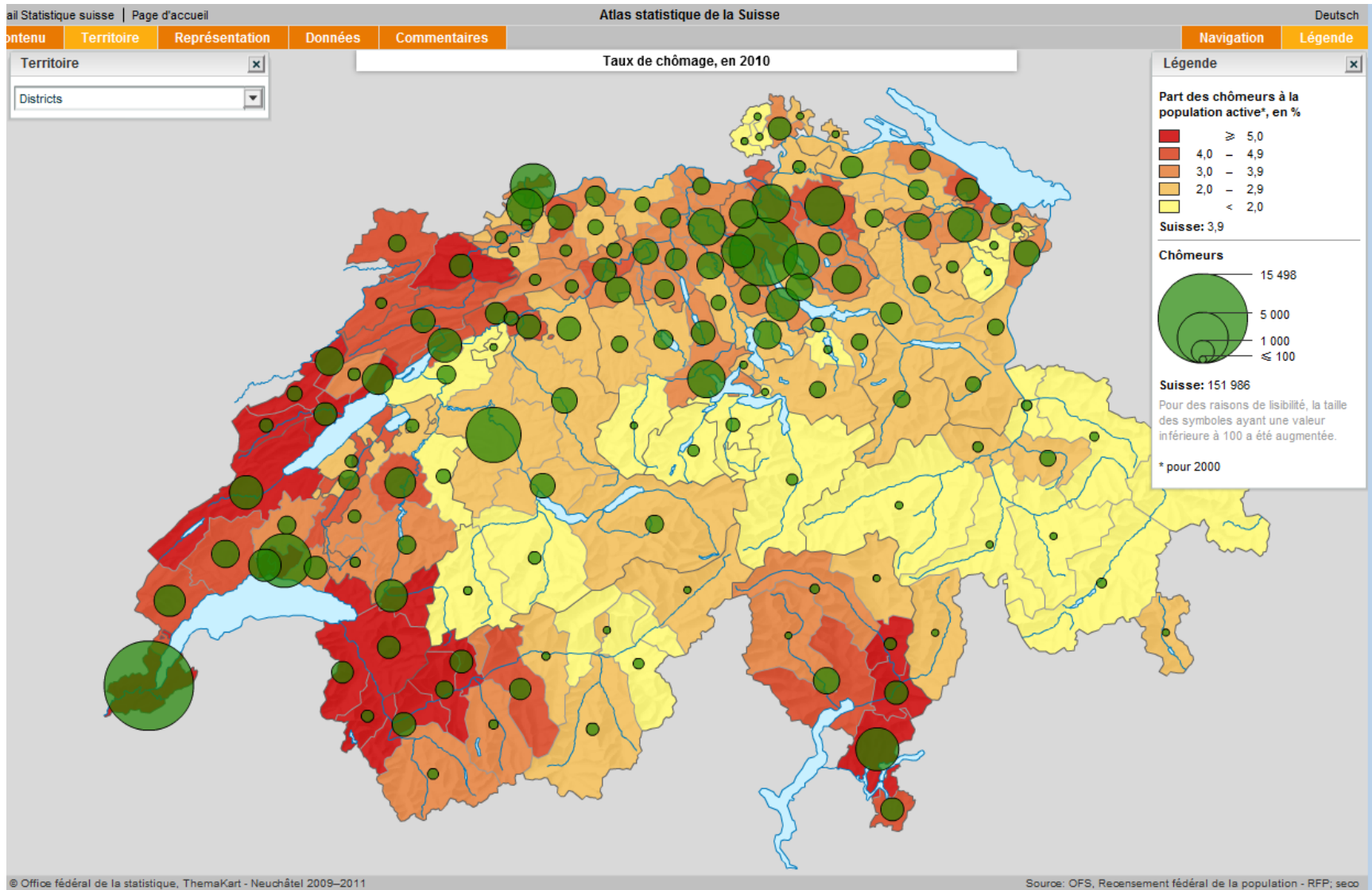
- **Population:** 7,8 million, 22% of whom are foreign nationals
- **Capital city:** Berne
- **National languages:** German (64%), French (20,5%), Italian (6%), Rumantsch (0,5%), other (9%)
- **Net activity rate (15 - 64 age range):** 82,6%
- **Unemployment rate (February 2011):** 3,6%
- **Structure:**
 - primary sector 3,7%
 - secondary sector 23,0%
 - tertiary sector 73,3%



Job-seekers and unemployed since 1990



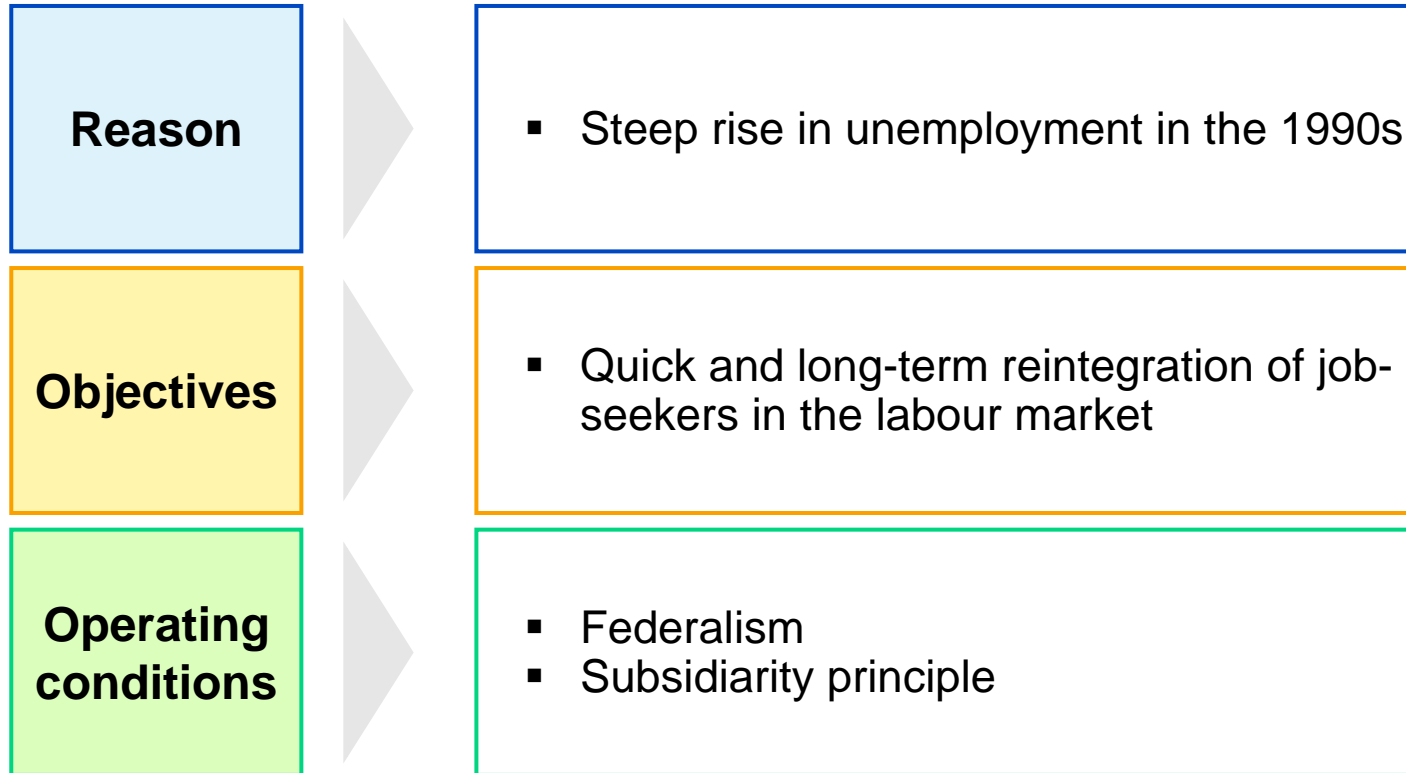
Unemployment rate 2010



Decentralized PES: The municipal option

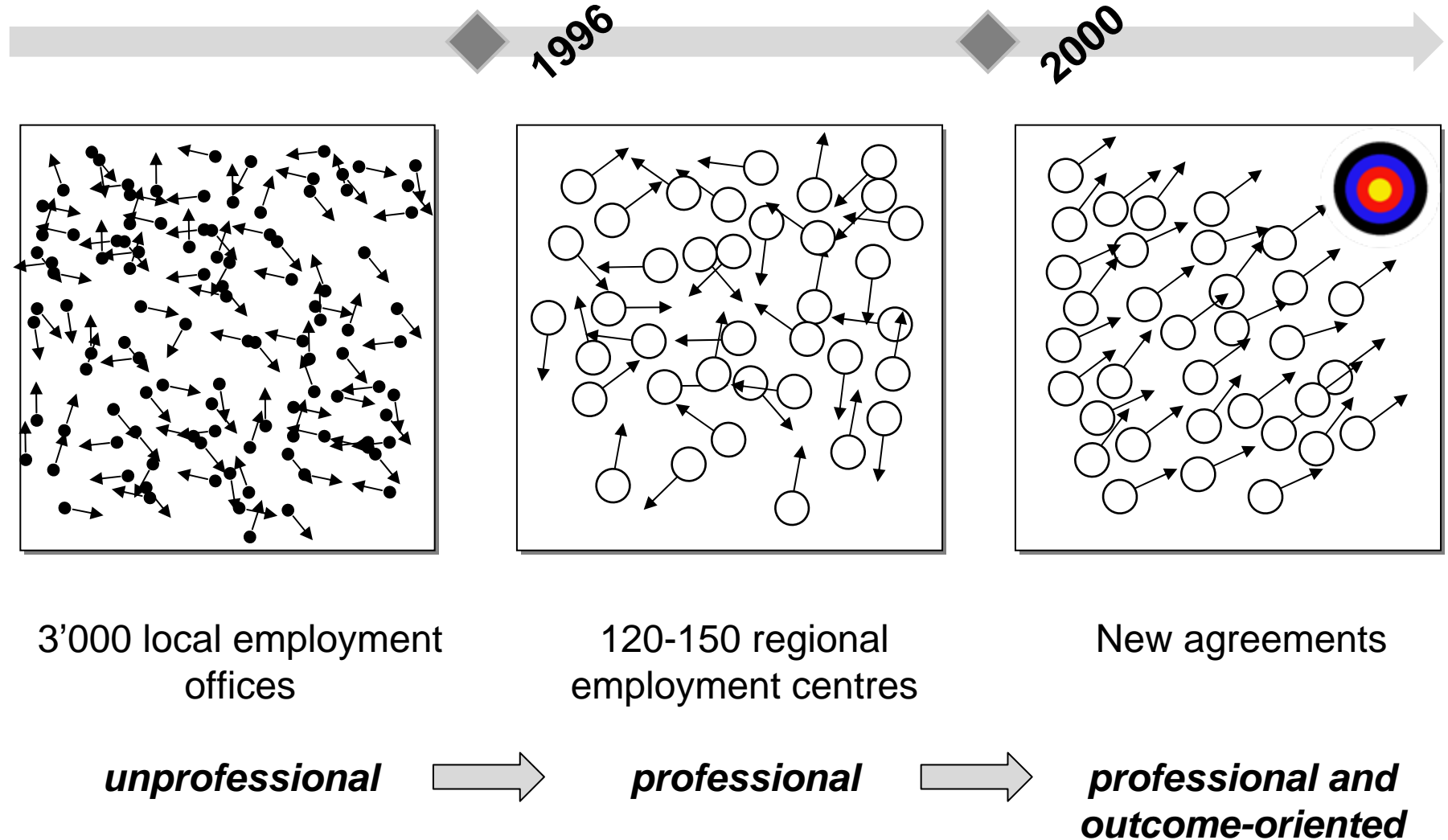


1995: new unemployment insurance law



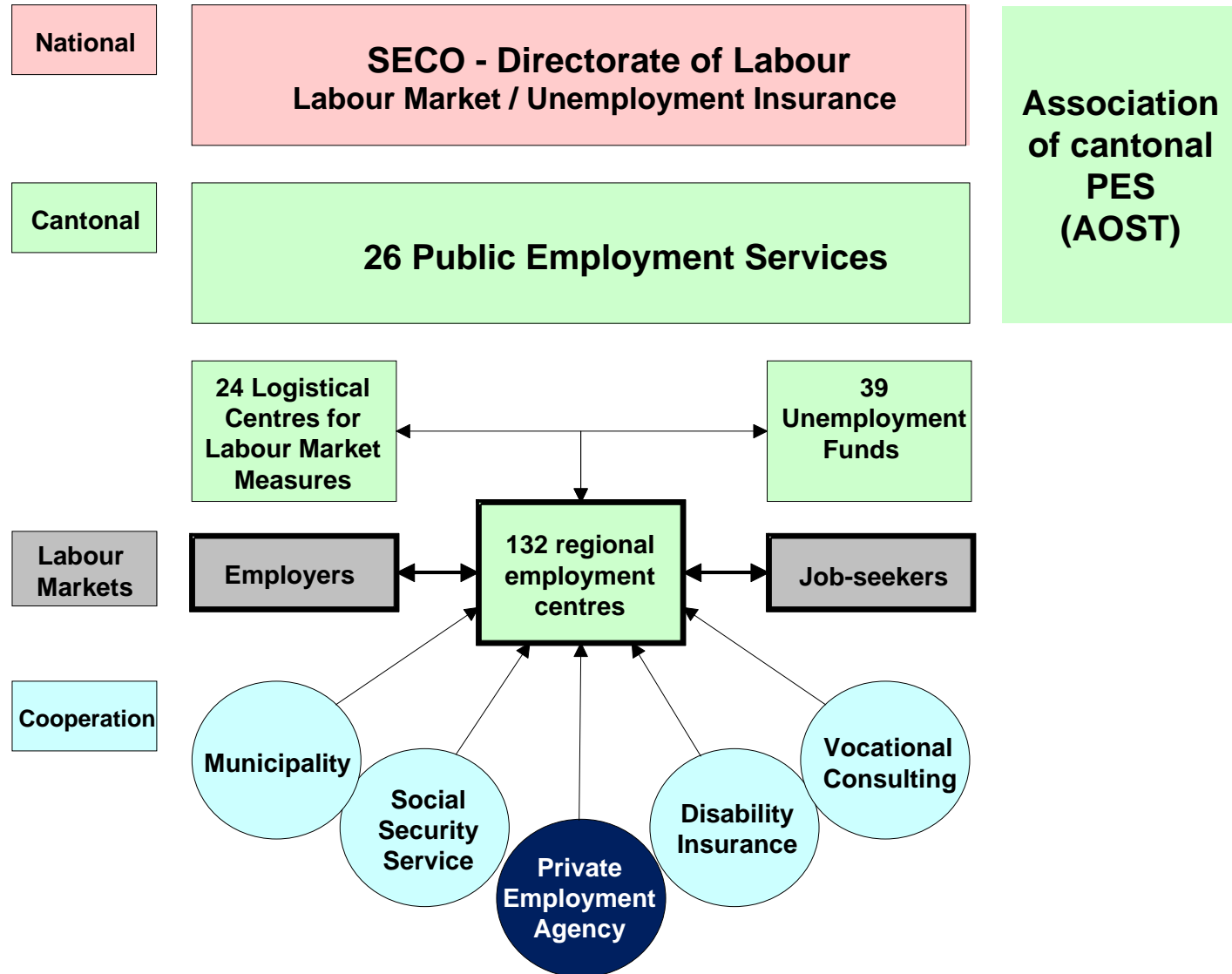


Management system – paradigm shift



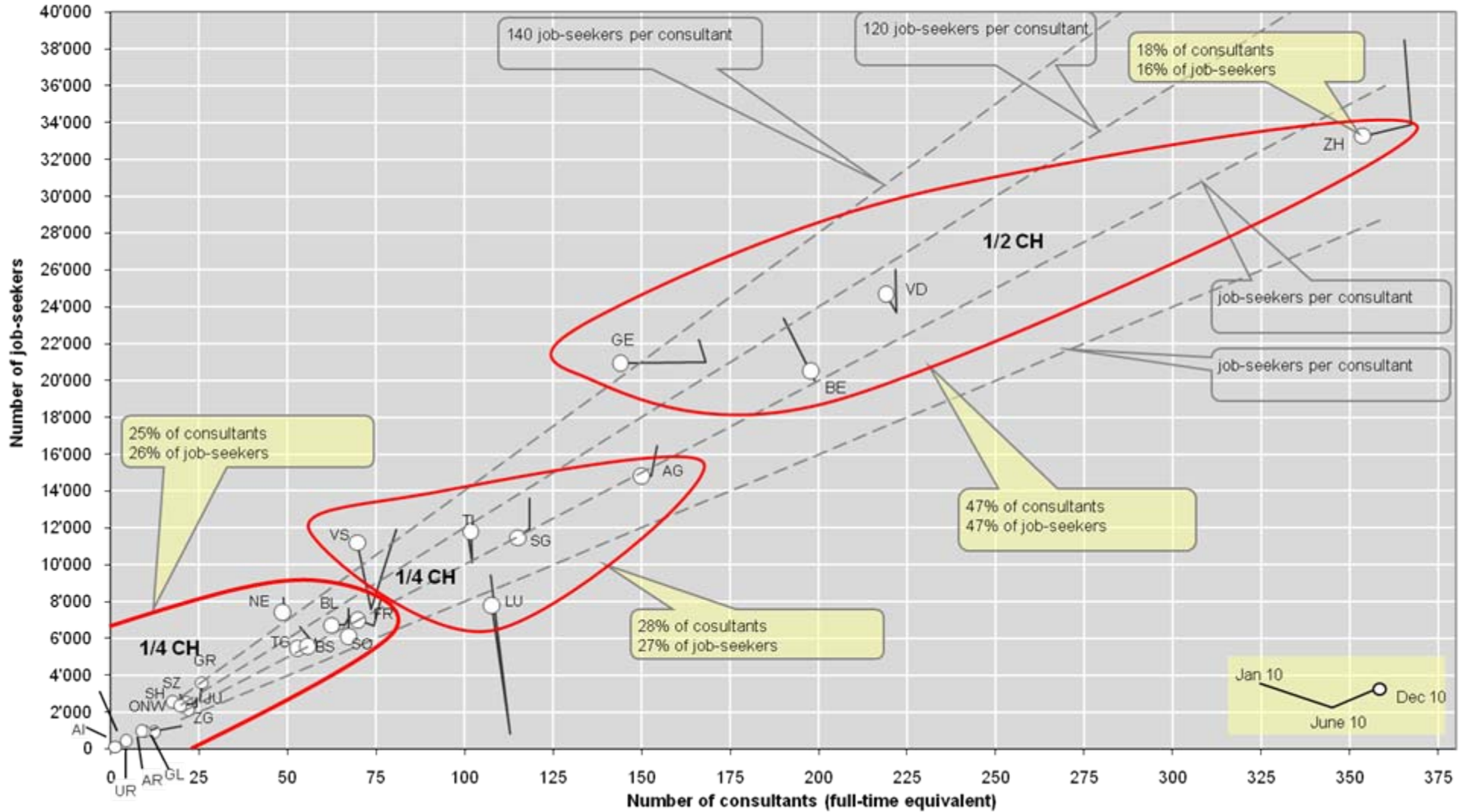


Labour market authorities in Switzerland





Importance of cantons: number of job-seekers and consultants January, june and december 2010



Decentralized PES: The municipal option

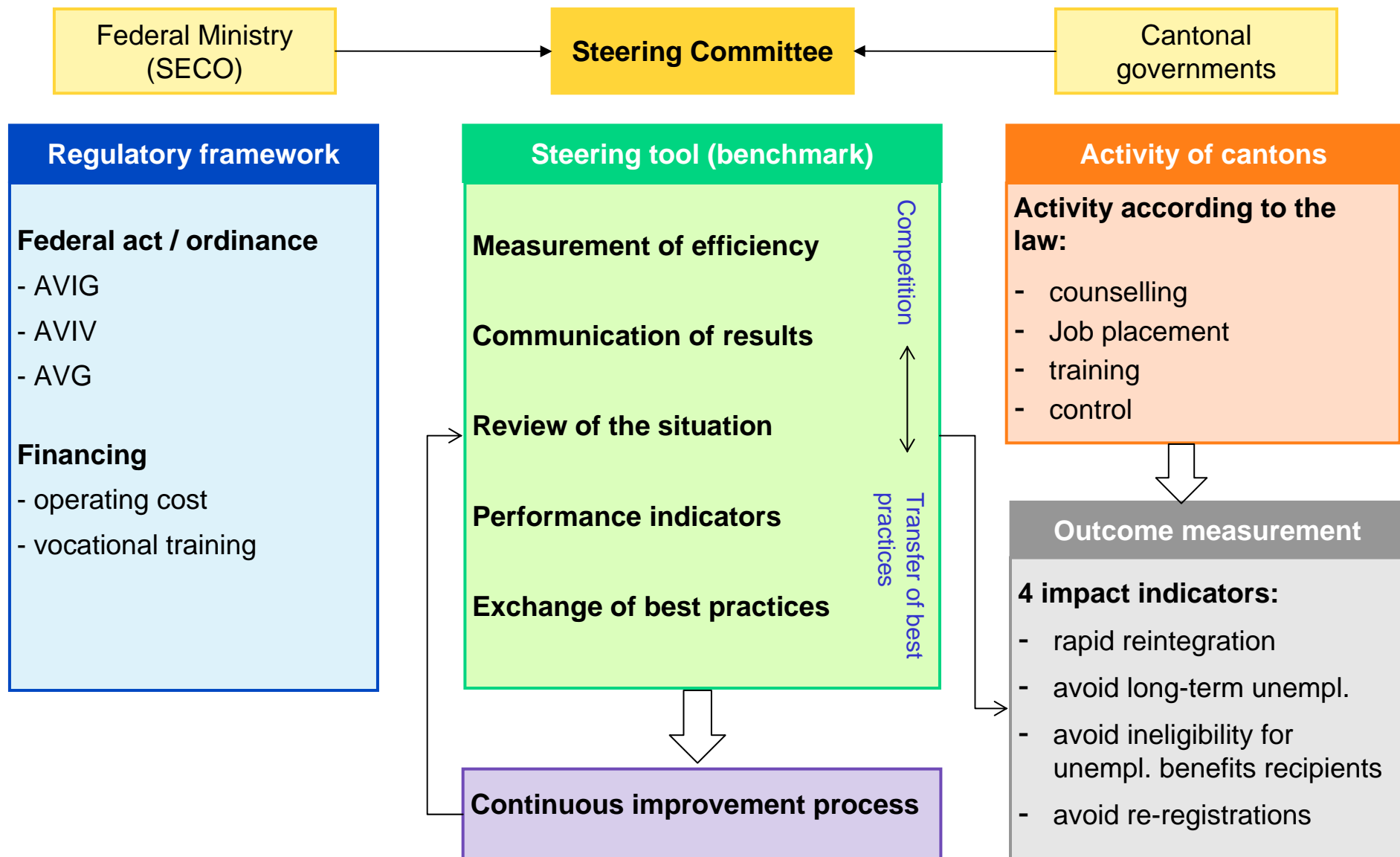


Objectives of the Swiss unemployment insurance





Agreement between cantonal governments and federal ministry



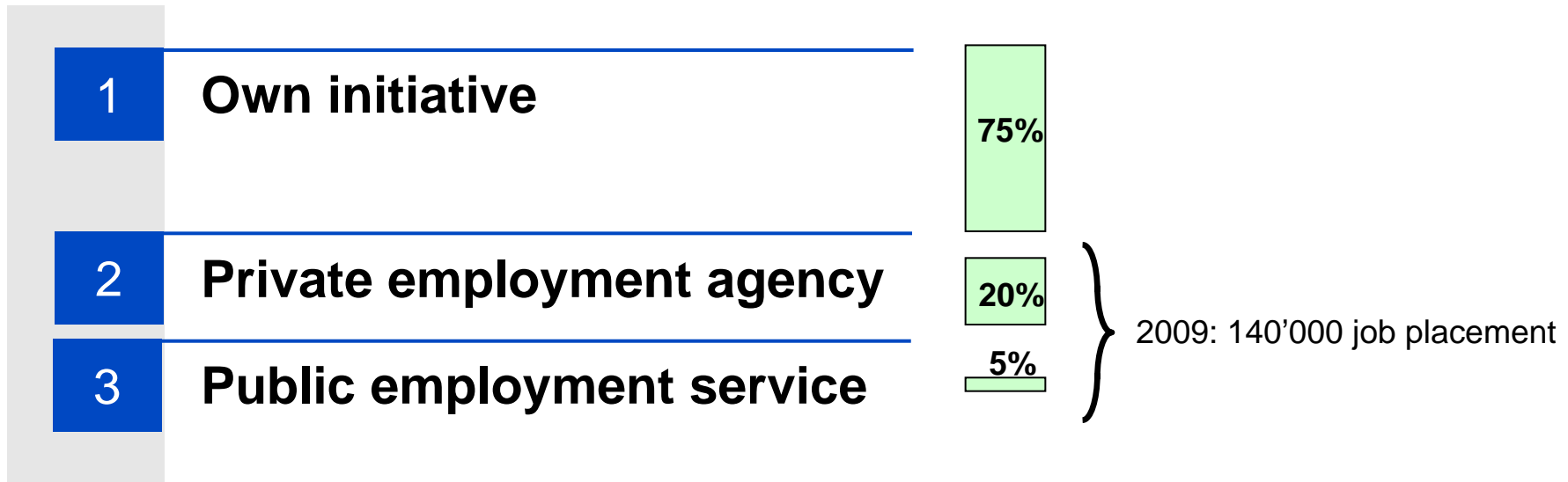


Objectives and indicators

	Objectives	Indicator	Weight.
1	Rapid reintegration	Avg. no. of benefit days drawn by former beneficiaries.	50%
2	Prevent/reduce long-term unemployment	Entrants to long-term unemployment divided by the # of persons who entered a new framework period 13 months earlier.	20%
3	Prevent/reduce exhaustion of benefits	# of exhaustions of benefits in the reporting month, divided by the # of persons who entered a new framework period 2 years earlier.	20%
4	Prevent/reduce re-registrations	Proportion of benefit recipients who re-register within 4 months.	10%
	Rapid and sustainable reintegration	Global indicator	100%



Principle of subsidiarity



- Around 4'844 private employment agencies and temporary employment agencies handle most of the placement in Switzerland (about 80%)
- Regional Employment Centres account for about 20% of placement in the market



Management of resources

Within the budget...

1

Hiring of PES counselors

2

Outsourcing to private employment agencies

1. Hiring of PES counselors depends on economic situation: high/low unemployment: staff increase/decrease with PES
2. Coaching measures for long-term unemployed to provide skills resources and motivation to return to work.



SWOT

Strengths

- **Decentralized responsibility**
 - Innovation stimulus
 - Stimulus of adaptation to regional and local needs
 - Stimulus to flexible use of resources
- **Steering system**
 - Stimulus of reaching only few objectives
 - Stimulus of cooperating closely with private placement agencies

Weaknesses

Decentralized responsibility

- Innovation depends on good organization of exchange of good practices and of the desire of the heads of cantonal offices to innovate
- Cantonal differences in procedures lead to differences in the execution of national law

Opportunities

- **Central IT platform**
 - Stimulus to adapt cantonal procedures

Threats

- **Steering system**
 - Rapid reinsertion is more likely than sustainable integration