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Early intervention in the fight against unemployment

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1. Preventive action

1.1. Measures targeting the labour supply

In order to introduce effective prevention policies, it is essential to identify **the population groups “at risk”** by analysing the profiles of those individuals more likely than others to become unemployed and to remain unemployed over a long period.

Analysis of the risk of becoming or remaining unemployed reveals in particular that all else being equal, the non-native population is a more vulnerable demographic group than the indigenous population. This makes the adoption of **special integration policies focusing on the foreign population** an appropriate measure. Such measures may take the form of language courses to enable immigrants to acquire sufficient mastery of the national language. Training courses should also be open to those holding only a temporary work permit, with particular emphasis on education for any of their children living with them.

In France, the reception policy for new arrivals has been a cornerstone of integration policy since the mid-2000s. In April 2003, the Interm

inisterial Integration Committee proposed a programme comprising 55 measures, the key being the integration contract for first-generation immigrants. The Act of 24 July 2006 made signature of the reception and integration contract compulsory for all newcomers from 1 January 2007 onwards. It makes civic instruction on French institutions and “Republican values” (in particular secularism and equality between men and women) compulsory and imposes language training and the assessment of vocational skills. The Act of November 2007 created a “contract for the reception and integration of families” which particularly emphasized parental responsibility for the integration of children following their arrival in France. A children’s magistrate may be called in and the payment of family benefits can be suspended if this contract is not respected.

All the analyses indicate that those who have had the benefit of adult training during their working lives, particularly when it has been orientated towards vocational skills, not only run less risk of losing their jobs but are more likely to find further employment if they are unlucky enough to become unemployed. **Policies in favour of adult training for the actively employed** should therefore be introduced, particularly for those who have the least education.

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Since 1994, under certain conditions, the Danish population has been able to benefit from training leave intended to encourage the actively employed to train and to improve their training while helping the unemployed to return to active life by enabling them to temporarily replace those undergoing training. To benefit from this system, a candidate must be at least 25 years of age and have worked for at least three years out of the previous five. Leave may be from one to 52 weeks' duration, during which time the trainee will be allocated the equivalent of the daily subsidy which he/she could have received if unemployed. The employer's consent is required for training leave, which is also open to the unemployed and the self-employed. Employers are not obliged to recruit replacements.

Studies of individual trajectories indicate that students who experienced difficulties in school or who experienced transition problems when entering the labour market run a greater risk of becoming unemployed and of experiencing more frequent episodes of unemployment. **Preventive measures** therefore need to be introduced during compulsory schooling **aimed specifically at young people experiencing difficulties at school**. Activities are needed to ease **the transition to the labour market at the end of compulsory schooling** to avoid young people who have no career project and who are excluded from training following compulsory schooling, getting trapped in inactivity or unemployment.

Taiwan has adopted special measures for young people who are two years away from the end of their compulsory education. The first measures, which focus on the development of vocational skills, are designed to incorporate training in vocational skills and qualifications within their school education in order to reinforce the link between the school and the world of work. The Taiwan State offers to cover the cost of advanced professional training for a maximum of two years for young post-graduates who have not been able to find work. Special subsidies are also provided to encourage young entrepreneurs who wish to launch their own enterprises.

Germany has introduced a model to provide assistance for those entering a profession (*Berufseinstiegsbegleitung*) in order to provide individual support for the move from general education to professional training. This model is designed to assist those students who experience the greatest difficulty in general educational establishments. Help is first provided during the last but one school year and continues until the end of the first six months of professional training or, in the event of failure, for a transition period of up to 24 months. Further assistance is provided directly for employers who take on an apprentice working towards a professional diploma (*Einstiegsqualifizierung*). Assistance is provided in the form of a monthly sum paid to the employer along with a reduction in social insurance contributions. A professional training benefit (*Berufsausbildungsbeihilfe*) is provided to cover the cost of socio-pedagogical assistance. Finally, young people experiencing difficulties at school can undertake periods of work experience of unlimited duration, thus enabling them to study for the secondary education certificate which they are finding it difficult to obtain, while at the same time preparing to enter the world of work.

In Belgium as in France, the First Job Agreement (*Convention Premier Emploi (CPE)*) enables less qualified young people to obtain a first job. The conditions for access to a CPE contract are as follows: an applicant must be under 26 years of age with low qualifications (no diploma or higher secondary education certificate). Under certain conditions, employers who recruit young workers on CPE contracts can claim flat-rate reductions in their social security contributions provided of course that they respect the legal obligations concerning the recruitment of young workers. Furthermore, and again under certain conditions, National Employment Office (*Office national de l'emploi (ONEM)*) may provide an employment benefit for the employee, which the employer can deduct from the net salary payments.

1.2. Measures targeting the demand for labour

Recourse to **partial unemployment** constitutes an effective solution for enterprises which are in a difficult financial situation, helping them to retain their employees for as long as possible and to avoid having to dismiss them. It is effective because it enables the unemployment insurance system to save on the benefits it would have had to pay if the enterprise had dismissed its employees, and on the activation measures it would have had to put in place to reintegrate those dismissed. In addition it enables the enterprise which benefits from this measure to preserve staff it has helped to train and to retain its human capital in order to be in a position to re-start production when the economic situation improves.

In France, those who benefit from reduced hours of work receive a partial unemployment benefit for an unlimited period, although the number of hours which can be compensated in this way is limited to a maximum of 1,000 hours per year. If working hours have to be reduced for a period of more than two months, an employer can negotiate an agreement with the State on long-term part-time activity (APLD). In that case employees receive compensation at an hourly rate (APLD) which is higher than the hourly benefit for partial unemployment. If the company closes, the employer can pay unemployment benefits at the hourly rate for a maximum of six consecutive weeks (42 days). Beyond that period, the employee can claim unemployment benefits from the Employment Centre (*Pôle emploi*) for three months. If activities are suspended for more than three months, the “*Préfet*” (regional government official) decides, based on the situation of the enterprise, if an employee can continue to receive partial unemployment benefits. If the decision is positive, the employee will continue to receive benefits from the Employment Centre for a maximum of three additional months (i.e. a total of six months) and the employer must initiate dismissal procedures during that period. If the decision of the *Préfet* is negative, the employment contract is considered to have come to an end. If the employment contract is terminated (at the end of three or six months), the employee will receive unemployment benefits through the Employment Centre in the same way as a normal job seeker.

Argentina developed a Programme for recovering economic productivity (*Programa de Recuperación Productiva (REPRO)*). The Programme offers workers with affiliated enterprises a fixed, monthly non-remunerative sum for a period of 12 months, designed to complete the working wage for their category. It is paid directly by the National Social Security Administration. To access this benefit, firms must provide evidence of their current crisis situation, describe their intended actions to recover from crisis and commit to maintain the same quantity of employees within the company.

Another Argentinian employment initiative is the Programme for the provision of more and better jobs for young people, which was initiated in 2008 by the Ministry of Labour, Employment and Social Security of Argentina. Its main objective is to create opportunities for social, educational and occupational integration for young people aged 18 to 24 years who have not completed the compulsory primary and/or secondary education, who are unemployed and socially vulnerable. In 2012 the programme had reached out to more than 400,000 young people throughout the country.¹

It is also important to **encourage the maintenance of the active population over the age of 50 on the labour market** rather than pushing this population group towards early retirement as in the 90s, based on the belief that this would help young people to enter the labour market. Reforms are required in this respect. This concerns in particular old age bonuses imposed on

¹ This programme won an ISSA Good Practice Award in 2012. The full description can be accessed at: www.issa.int/Observatorio/Buenas-practicas/Programa-Jovenes-con-mas-y-mejor-Trabajo.

the oldest population group in countries which have partly based their pensions system on occupational insurance. These bonuses help to increase the labour cost of seniors, discouraging enterprises from recruiting older staff or replacing older staff with younger employees.

Preventive measures also concern the **remuneration policies** adopted by enterprises. Although practices in this area cannot be changed by decree, public bodies should at least show an example. The trend today is for salaries to increase sharply based on seniority, reaching a ceiling after about 25 to 30 years. Workers aged 50 and over who have stayed in the same enterprise for a long time will thus have reached their highest salary levels. If they lose their jobs, their reserve salary will be particularly high and recruitment will be expensive for potential employers. This reduces their chances of finding further employment.

Measures are required to facilitate **phased retirement at a personal rhythm**. Adapted working hours at the end of a career and phased retirement seem to represent a possible alternative to full early retirement. Rather than financing early retirement partly or in full, the public authorities in certain countries (Finland, France and Germany, for example) have agreed to finance partial early retirement for the last five or even ten years of working life, at least for a certain period. It is also advisable to facilitate cumulation of earned income with a retirement pension, which in certain cases may be partial. This is the principle behind a 4th pillar which would enable those over 65 to receive a partial rather than a full pension, thus increasing the amount of benefits they will receive when they completely stop work.

For pensions as for other social insurance measures, it is vital to ensure better **coordination between social policies and the human resources management policies implemented by enterprises**.

Finland, where the retirement age was particularly low (with a high invalidity rate) introduced a five-year action plan in 1998 to inform and increase awareness in enterprises, among workers and the general public, on the subject of “active ageing”, adult training adapted for workers throughout their working lives, and employment (for example, measures to encourage flexible working hours, part-time work and self-employment). In just a few years, the average retirement age rose from 59 to nearly 61 and a large number of Fins aged between 60 and 65 or suffering from health problems now work part time instead of being totally inactive.

Denmark has successfully introduced an approach based on increasing awareness and motivation rather than on restrictive, legislative and authoritarian measures. The public authorities have introduced financial incentives to encourage enterprises to offer, for example, part-time time posts or special facilities to workers approaching the end of their working lives, which have met with some success. More than 60 per cent of the enterprises have adopted measures to manage the end of a career.

In the Netherlands, measures have been adopted more recently to promote the employment of workers aged over 55. The large number of those retiring at the age of 57 has dropped sharply and the average retirement age has risen from 60 to 62 years. The relevant reforms, developed with the support of the social partners, equally affect social protection and the early retirement system, which was previously extremely generous, as well as employment policy. Tax credits have been introduced as well as employment subsidies. Part-time work, which is extremely popular among all workers, is even more so at the end of a working life for both qualified and less qualified workers.

The United Kingdom stands out because of its approach based on the sensitization of employers through a Code of Conduct concerning age diversity and numerous measures of incitement to work (tax credits, employment bonuses, etc.). Several programmes have been created (New Deal 50 Plus, Age Positive, etc.) which have yielded very worthwhile results particularly in terms of increased flexibility of the age of retirement.

In France, in addition to the global reform of retirement pensions in 2003 which progressively increases the required number of years of contribution, the public authorities have encouraged adult education throughout working life, phased early retirement rather than full early retirement and the adaptation of working hours at the end of working life (2004 Act). Since 2006, fixed term contracts presenting certain advantages (concerning social contributions) are designed to encourage enterprises to recruit and retain staff over 57 years of age.

To encourage enterprises to retain their staff, it is of crucial importance to ensure that the gross cost of labour is reduced compared with the cost of other factors of production and in particular physical capital. In order to achieve this, we need to **reform the system for the financing of social insurance and unemployment insurance in particular**. Today, most countries finance their social security system from salary-based contributions. This method of finance can be criticised for several reasons. The main criticism is that this source of finance creates unjustified differences in treatment between economic sectors in favour of those which are labour-intensive. To this criticism must be added the fact that salary-based contributions tend to increase the indirect cost of labour. Enterprises which lay off staff transfer the social cost of their own decision to the others, those who retain their employees.

Financial reform is essential. It must be based on the final objective of the insurance in question. If its main aim is to cover a risk, then a contribution system should be used. If, however, the primary objective is income redistribution, a taxation system should be chosen. It is thus logical for unemployment insurance to use contributions. However, they should no longer be based on salaries as at the present time, but on the total gross added value of enterprises. Under this system, contributions would be based not only on the salary mass but also on dividends, on profit, whether distributed or not, and on interest as well as amortizements.

2. Programmes to enable more precise targeting of the beneficiaries of unemployment insurance

In order to guarantee that the **unemployed return to work as quickly as possible, a profiling system for those who become unemployed** should be introduced to allocate the most effective measures to each individual, depending on their characteristics. The United States introduced this type of approach in the nineties and was thus among the first countries to test this policy for targeting the unemployed. In Europe, Denmark and the Netherlands have also adopted this approach, joined by France in the mid 2000s. In France, the Assedic experimented with profiling in partnership with the ANPE. Statistical "profiling" of newly registered job-seekers helps to classify them in categories based on the distance separating them from the labour market immediately they find themselves out of work. The aim of this early sorting is to provide those who register with benefits adapted to their profile (choice of training, selection of job offers, etc.) and to identify those likely to become long-term unemployed.

Based on this "profiling" of the newly unemployed, **active measures adapted to each group** thus identified can be adopted in order to provide them with the most effective measures for reintegration. In order to do this, evaluation of the efficiency of the active measures which

could be adopted is indispensable. This is an exercise which faces numerous difficulties. The main one is due to the fact that such evaluations are usually based on measures allocated in a non-random way to the unemployed population, which makes it impossible to find out if it was the measure or the selection which was effective.

Analysis of the effectiveness of active measures is even more indispensable because the number and variety of these instruments has constantly increased in recent years, largely because of a perfectly legitimate desire to respond to the diverse needs of the unemployed. In 2009 in Bulgaria, for instance, there were 67 different programmes. In certain countries, the budget for active programmes in support of the labour market (APLM) was split up between so many measures that their impact became imperceptible or incoherent. In the United Kingdom and in Ireland, this dilution has become an issue of major concern. Another important problem lies in the fact that in certain countries, the APLMs answer to different ministries depending on whether the individuals concerned are unemployed, social welfare dependents, or have recently completed their training. This means a risk of wasted resources or incoherence in the implementation of active measures throughout the individual trajectories of those concerned.

However this may be, it is indispensable for these preventive measures targeting the different groups which have been identified to be fully effective, for **work to remain sufficiently attractive to induce the unemployed to accept the jobs** which are offered to them. Indeed, prospective earnings may sometimes be insufficient compared with social benefits from unemployment insurance or welfare payments to encourage those concerned to offer their services on the labour market or to go back to work after a period of unemployment. An increase in minimum salary levels is thus required to make them significantly higher than the thresholds applied in the social welfare sector.

Different solutions exist to make work more remunerative. They may consist of a **negative tax**, conditional on holding down a job, or the possibility of **partial cumulation** of unemployment benefits or a social minimum with earned income. It is also important to **raise minimum salary levels to encourage job seekers or those dependent on welfare to accept jobs** that may be offered to them.

The fight against low salaries is not justified purely on equitable grounds. It is also indispensable for reasons of economic effectiveness. Sectors with low salaries characteristically have high staff turnover rates because of their unattractive working conditions. This situation does not encourage the enterprises concerned to develop staff training activities, and tends to reduce productivity. Finally, salaries which are too low, too close to the welfare norms, reduce the effectiveness of occupational reintegration measures for the unemployed or those no longer eligible for benefits.

Many countries have responded to this problem by introducing a minimum salary, while others have used collective work agreements. In Belgium, for instance, minimum salaries are usually laid down in collective work agreements (*conventions collectives de travail (CCT)*) negotiated within the National Labour Council (*Conseil national du Travail (CNT)*) or joint committees (*commissions paritaires (CP)*). The CCTs concluded within the CNT and made compulsory (by royal decree), come just after the legal obligations laid down in the legislation while the CCTs, made compulsory by sectorial joint committees, take third place. These legal sources thus take priority over individual written employment contracts. This means that individual employment contracts must respect the highest existing norms. If the CCT of the sector defines a minimum salary, the individual job contract cannot impose a lower salary, but may fix a higher salary. Among the different CCTs, the most important are CCT 43, modified by later CCTs, and CCT 50. CCT 43, later modified by a whole series of other CCTs,

fixes the monthly minimum salary for three groups of full-time workers: euros (EUR)1,387.49 for workers aged 21, EUR1,424.31 for workers aged at least 21.5 who have worked for six months and EUR1,440.67 for workers aged at least 22 with 12 months' seniority. CCT 50 fixes a guaranteed minimum monthly income for workers aged under 21.

Reform of the tax and social systems is required to make the preventive measures for unemployed workers who have recently lost their jobs more effective and to avoid increased earnings following acceptance of a job offer being reduced to nothing as a result of increased taxation and contributions and the suppression of social benefits previously allocated to job-seekers. The real aim is to create a system with a phased reduction in social benefits in line with increases in earned income.

In order to encourage job creation for the **least qualified** who are also among the most vulnerable if they lose their jobs, **the gross cost of labour should be reduced** through a reduction in the rate of unemployment insurance contributions, or even exemption, for jobs at the bottom of the salary scale. To ensure that these measures are truly effective, it is important to avoid the “windfall” effect which may be created among enterprises. It is also important to prevent the risk of creating a low salary trap, with employers unwilling to grant pay increases which would lead towards the loss of the assistance thus provided. Complementary measures such as temporary subsidies for increased salaries must be introduced alongside reduced contributions, in order to avoid these effects.

In Spain, measures have been introduced to encourage employers to offer permanent positions to workers with at least two children by offering tax reductions and reduced social contributions or to help self-employed workers to take on employees. These measures supplement those introduced in 2006 to encourage employers to offer permanent jobs to vulnerable population groups such as young people and seniors, by reducing the social contributions of enterprises which agree to hire them for several years following their recruitment.

In Ireland, an incentives programme (Employer Job Incentives Scheme) was introduced in June 2010 which exonerated employers who created a full-time post in 2010 from payment of social contributions for twelve months. This measure represents savings of EUR3,000 for each additional employee recruited.

3. Programmes to get job-seekers back to work

Above and beyond preventive measures focusing on the supply or demand for work, it is important to examine **factors likely to influence the functioning of the market**. In particular this means examining whether placement offices are using the resources at their disposal to their best effect in order to obtain the best possible performances and also whether the measures they implement are the most efficient possible taking into account the profiles of the unemployed workers they must reintegrate.

In the European Union (EU), noticeable trends concerning the advantages and effectiveness of decentralizing employment offices and PAMT responsibilities tend to diverge. Decentralisation clearly seems to represent progress in countries such as Denmark, Germany or Spain. As part of a reform of the Danish placement office, since 2009 local authorities have thus been called upon to assume greater responsibility for providing support to the unemployed and for implementation of PAMTs, in spite of the fact that this new policy approach is seen as a threat to social dialogue.

In Germany, the Federal Employment Agency implements active and passive policies on behalf of the Federal Ministry of Labour and Social Affairs. However, like the Swiss Regional Placement Offices (*offices régionaux de placement (ORP)*), German local and regional agencies are relatively independent in the way they implement the measures laid down by the PAMT in detail. Switzerland has taken this logic a step further, leaving each ORP free to plan and introduce measures it considers useful to combat unemployment, particularly long-term unemployment, in its own region and a posteriori judging its performance based on the results achieved, this evaluation then being used to determine the resources to be allocated to each one.

Finally, in Spain the autonomous regional authorities have been responsible for implementing PAMTs since 2003, the central State retaining responsibility for the management and control of unemployment benefits. Even in the United Kingdom where the system remains highly centralised, increasing room for manoeuvre is given to the local authorities and the placement offices in the implementation of employment strategies targeting the local population. Decentralization, its advantages and disadvantages, doubtless constitutes a field of study which will need to be explored in the future. However, such analysis would have to be adapted to the different national environments which characterise the EU and we cannot expect to be able to deduce from them, general recommendations applicable to all countries.

While analysis of the efficiency of the placement offices is particularly important for improving the **efficiency of work reintegration measures, that of the active measures is equally crucial**. All the surveys indicate that faster activation, well-adapted to the profiles of those unemployed, constitutes an important prerequisite for a return to work. It also depends on the willingness of beneficiaries of unemployment benefits to accept earlier activation. In the United Kingdom, job-seekers are included more rapidly in the social welfare employment programme (Welfare to Work). In Denmark, such activation is seen as both a right and an obligation. The unemployed thus have a right to activation but are also under an obligation to make use of it, in the form of orientation and development of skills, training courses or subsidised jobs, within nine months of losing their jobs. This period is shorter (three months), for young people under the age of 30.

Active measures targeting certain groups of unemployed are also a factor in the success of the PAMTs. In the United Kingdom, job-seekers aged under 25 must join the Welfare to Work programme earlier than other unemployed groups (within six months maximum) and those who present the most unfavourable characteristics for a rapid return to work must join it immediately. In Denmark, in addition to making the youngest groups to join the activation programmes more rapidly, the authorities have adopted a measure inspired by the Dutch system, to force young people who have not completed their formal education to reintegrate the education system. The “youth efforts” initiative (*Ungeindstats*), launched in 1996, reduced unemployment benefits by half after six months and made participation in education compulsory. This policy was reviewed in 2009 in connection with the early activation policy. In particular, it made a first recruitment interview compulsory for those under the age of 30 within a month of job loss; participation in formal training is compulsory for those under the age of 25 with no qualifications. In Sweden, a special programme entitled “guaranteed employment for young people” (*Jobgaranti för ungdomar*) has been introduced for all unemployed persons under the age of 25, who benefit from a service which prepares them for occupational redeployment (help and guidance in finding a job, selecting a workshop or choosing a training course, etc.).

The fight against long term unemployment constitutes a priority which must be addressed with specific instruments, bearing in mind that the likelihood of going back to work becomes

less, all else being equal, as the period of unemployment lengthens. In Denmark, the activation programme introduced to combat long-term unemployment includes careful scrutiny of reading, writing and arithmetic skills, the allocation of additional funds to counselling networks and increased contacts with enterprises. In Sweden, the “guaranteed work and development” programme (*jobb och utvecklingsgarantin*) targets long term unemployed, and comprises three phases; the first consists of the identification of difficulties which have arisen and preparation for job interviews, the second concerns vocational training and work experience and the third concerns jobs in selected enterprises. Under certain specific conditions, recourse to private placement services can also provide a solution which favours a return to work, particularly for the long-term unemployed. In the United Kingdom, for example, private enterprises such as A4E (Action for Employment) participate in the management of the New Deal and Flexible New Deal programmes. In Spain as in Germany or Denmark, private agencies are involved in the placement of the unemployed through results-based service contracts.

To combat long-term unemployment, particularly among seniors, other measures also need to be adopted to **offset the stigmatization of which they are victims, especially through “back to work” benefits**. Partial, temporary and regressive State cover of the salaries of long-term unemployed workers is a measure which stimulates recruitment because it reduces the risk taken by enterprises, particularly if it the decision is time-limited.

This stigmatization is particularly noticeable in connection with the oldest workers, which makes it appropriate to **extend the duration of back-to-work benefits which can be allocated to employers who recruit unemployed workers over 50 years of age**. This is a measure which has been adopted in Germany for example, where the maximum duration of back-to-work benefits is 36 months for workers over 50 and only 12 months for other unemployed age groups.

The return to work of the group comprising the least qualified workers is often complicated by the lack of jobs which fit their profile; measures are therefore needed to **compensate for the gradual disappearance of this type of job whose productivity is no longer sufficient to produce salaries** which are compatible with the necessary rise in the lowest wage groups in society. These measures, specially aimed at jobless workers who are difficult to employ, have taken the form of “solidarity jobs” located on a secondary labour market. These are low-salaried jobs which have disappeared from the market because of their low productivity. To bring back these jobs, their productivity-based salaries must be complemented by subsidies which enable them to attain levels of income higher than those for which such individuals would be eligible from social welfare or unemployment benefit systems. This makes them acceptable for dependent individuals and at the same time viable for the enterprises which offer them. These low-productivity jobs must enable individuals who are a long way away from the first labour market to achieve the preliminary level of social integration indispensable for future occupational reintegration.

The **service checks** introduced in Belgium as early as 2004 are among such measures developed to **favour a return to work for less qualified workers**, in 2011 nearly 149,827 workers (the equivalent of 96,289 full-time jobs) were thus occupied i.e. 4,3 per cent of the Belgian labour market. A service cheque is in fact a payment voucher, either paper or electronic, which includes a contribution from public funds representing 2/3 of the value of the check and which enables private individuals to pay a licensed enterprise for services provided or for personal services carried out by a worker under a traditional contract with full social protection. A private individual thus pays only one third of the amount of the check and also benefits from a tax reduction of 30 per cent. Tasks which are authorized under this system are household jobs, shopping, ironing and transport for users with reduced mobility.

This scheme has enabled the creation of many additional jobs which meet obvious social needs for both individuals and families. They are mainly occupied by low qualified workers and in the long term they support the creation of profit and non-profit enterprises while reducing moonlighting. Based on the figures for the year 2011, 2,754 registered enterprises developed within the service check framework, which provided services for 834,959 users!

Among other active measures likely to accelerate vocational reintegration, we would like to mention the **contributions** provided by the unemployment insurance to set up **unemployed workers in self-employed activities**. In Germany, newly self-employed workers are eligible for a supplementary income equal to the unemployment benefit, with an additional flat-rate payment of EUR300 to cover the cost of social insurance, for the first 6 months. This benefit is not a right; it depends on a decision taken by the job centre. The aim is giving the job centre this responsibility is clearly to enable a placement officer to identify the integration tool best adapted to the profile of the applicant.

Argentina has introduced technical assistance for those who wish to start up an independent activity while at the same time guaranteeing the allocation of financial support. This is the equivalent of twice the unemployment insurance benefits still due to the job-seeker plus any appropriate family allowances, paid in one lump-sum, to encourage job-seekers to invest in the creation of an enterprise. This programme also provides support for associative networks of small producers and/or micro-enterprises.

However, all the efforts deployed by the agencies to make occupational reintegration measures more effective will lead to failure if, at the same time, those for whom they are designed refuse to play the game in connection with these prevention policies. This is why **measures of constraint and sanctions** must simultaneously be introduced for those unwilling to adopt behaviour likely to improve their chances of a return to work or who refuse a measure which could enable them to find further employment. Denmark, which has a vast panoply of active measures, has gradually adopted more rigorous conditions for the allocation of benefits. These measures of constraint include in particular restricted access to unemployment benefits (in the case for example of refusal of a job proposed by the job centre), benefits which regress over time and the obligation to submit explicit and verifiable proof of job-seeking. This policy is based on the principle that an unemployed worker has both rights and obligations. It also establishes a more direct link between passive and active unemployment measures. Finally, it constitutes an active approach to the management of a passive system of benefits.