

The activation of social assistance clients in Switzerland

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Abstract

Switzerland's social security system reflects the country's federal structure. Social insurance schemes (invalidity and unemployment insurance) are controlled by the federal level. Social assistance, instead, is regulated and financed by the municipalities or by the cantons. This rather peculiar institutional set up has turned out to be a formidable obstacle to efforts going in the direction of more activation in social assistance. In fact, in spite of a sharp rise in caseloads, no significant reform has so far been adopted. This is in contrast to both what has happened in other western European countries and, within Switzerland, in other social security schemes which have all been reformed towards more activation. In this paper, we present the limited measures that have been proposed and sometimes adopted in response to the increase in social assistance caseload. We understand the lack of a more fundamental reorientation as a consequence of the federalist structure of the country and of the lack of incentives for political entrepreneurs to pick up the issue at the federal level.

Introduction¹

Since the mid-1990s, European welfare states have been undergoing a major transformation that can be succinctly described as an “activation turn”. Gradually, schemes that had been designed primarily with an income replacing function have been turned into services that promote labour market re-entry. This is the case both across programmes and across countries.

Social assistance, defined in terms of a last resort cash benefit scheme available on a means-tested basis, is definitely part of this trend. While often countries have started the activation turn by targeting groups that are closer to the labour market, most notably unemployment insurance clients, social assistance is part of this trend. Today, in countries as diverse as the UK, Germany, France, Denmark, Sweden or the Netherlands, SA clients are expected to be available for work and supported in their efforts through various tools (Clasen and Clegg 2011; Bonoli 2013; Künzel 2012).

In many countries, particularly in federal ones, the issue of activation in social assistance is strongly connected to the debate on the organisational set up of social security. In fact, SA is often a matter of municipal responsibility. In federal countries, where the lower tiers of government enjoy a relatively high degree of autonomy, a generalised activation turn of social assistance claimants is more difficult to be engineered solely from above. In addition, in most countries, the task of providing placement and labour market services to job seekers has traditionally been performed by the Public employment services (PES). As a result, it may be rational to promote more or less strong forms of collaboration and integration between SA and employment services. Finally, the involvement of different levels of government in the delivery of social security may encourage actors to play cost shifting games, i.e. move hard-to-place clients on other schemes (Overbye et al 2010).

¹ This paper is based on research carried out by Giuliano Bonoli, Cyrielle Champion and Regula Schlanser, in the context of the project “Redefining the internal boundaries of European welfare states”, financed by the Swiss science foundation (project No. 126528).

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Introduction

The issue of how to coordinate social security schemes came up in most European countries in recent years. However, it clearly proved most problematic in federal ones. Germany is probably the best example in this respect. Before 2005 the activation of SA claimants was basically a task for the municipalities, with rather little involvement of the PES. In general, placement and labour market services for SA clients were underdeveloped and only few were registered with the local PES (Goerne 2012). After a short-lived experiment based on collaboration (the MoZArT pilot), Germany adopted a more far-reaching structural reform (Hartz IV) that resulted in the development of a new set of institutions, the Jobcentres, that are in charge of the activation of long-term unemployed people and social assistance clients deemed capable of working at least 3 hours per day (Fleckenstein 2008; Hassel and Schiller 2010).

In this paper we look at the reorientation of social assistance towards activation in Switzerland. Although outside the EU, Switzerland has followed the continent-wide trend by clearly adopting a pro-employment orientation in its social policies since the mid-1990s (Bonoli and Häusermann 2011). In 1995 unemployment insurance was reformed and much more emphasis was put on activation. Invalidity insurance followed suit a few years later, with a series of reforms clearly geared towards giving a higher priority to labour market participation and a lower one to cash benefits.

Switzerland is also a strongly federal country, with territorial units (the Cantons) enjoying a very large degree of autonomy. The municipalities, which are often responsible for social assistance, may also dispose of a large room for manoeuvre. In this context, the development of activation in social assistance has been considerably slower, in spite of the fact that since the early 1990s the number of SA claimants has been almost constantly on the increase (see

figure 1 below). Arguably, like in Germany before the Hartz IV reform, the high degree of municipal involvement and the fragmented nature of the social security system are proving a formidable obstacle to an activation turn within the last resort safety net. Unlike in Germany, however, very few voices have called for a structural reform or indeed for any other way to strengthen the activation dimension of SA across the country. As a result, the activation turn is progressing unevenly, with some larger cities being somewhat more advanced in this respect. Overall, however, SA remains mostly an income replacement scheme that sometimes promotes social integration through subsidised community jobs.

How do we explain the absence of both a generalised activation turn in SA and of a structural reform that would make this possible? While lower problem pressure may help to account for the divergence between Germany and Switzerland, we believe that the reasons behind the absence of reform lie more in the political arena. A structural reform of the highly federal Swiss welfare state constitutes a major risk for any political entrepreneur. Impinging on cantonal sovereignty is often considered as inappropriate by large sections of the electorate. At the same time, both the political and economic benefits of an activation oriented reform of SA remain uncertain. The result is that most political actors favour a “low risk” strategy in the shape of interagency collaboration as a solution to promote stronger labour market participation for SA clients.

The paper begins with a short description of the broad Swiss social security system and of social assistance. It shows the increase in the caseload that has taken place since the early 1990s. It then moves on to look at the policy responses adopted or proposed, first directly by social assistance institutions, then jointly with other schemes in the context of interagency collaboration, and finally in terms of more far-reaching reform proposals. In the concluding part, we try to explain the reasons behind the lack of a clear activation turn in Swiss social assistance.

Social security in Switzerland

The Swiss welfare state can be described as a liberal-conservative multi-tiered welfare state (see Bonoli 1997; Obinger 1998; Armingeon et al. 2004). In a typical conservative fashion, the bulk of social expenditure has traditionally been assigned to income replacement programmes, mostly old age pensions. Provision against invalidity and short term unemployment is also generous by international standards. On the other hand, services for families (childcare), for older people and active labour market policies have traditionally played a minor role. It is only in recent years that we witness a clear reorientation of the Swiss welfare state putting more emphasis on these programmes.

Swiss social policy displays also liberal features, as the private sector plays an important role in the provision of social programmes. Health insurance is compulsory for all residents and provided by private commercial insurers (though they are not allowed to make profits with the compulsory part of the insurance cover). The old age and invalidity pensions system, relies extensively on compulsory occupational provision, and can be described as a multipillar system. In addition, the labour market is relatively unregulated. The scope of employment protection legislation is very limited. In matters of labour law, Switzerland is closer to the UK and the US than it is to its continental neighbours.

The federal structure of the state has resulted in a highly fragmented multi-tiered welfare state. The big spending programmes (old age and invalidity pensions, health insurance, and unemployment benefit) are controlled by the federal level though the lower tiers of government play an important role in the implementation of these schemes. This is the case with both unemployment and invalidity insurance, for which each canton runs its own dedicated service, in charge of the implementation of the relevant federal laws. This situation may create conflicts of interest, as cantonal bodies are expected to respond to expectations of both the federal level and their own cantonal government.

In addition, the cantons and the municipalities play an even bigger role in some key fields of social policy, most importantly family policy, and social assistance. Family benefits are a matter of cantonal sovereignty, federal law prescribing only minimum requirements. Childcare services are also decided upon and managed at the cantonal and municipal level, with very limited intervention from the federal level.

Social assistance

Similarly, social assistance is entirely regulated and controlled at the cantonal level. In addition, many cantons allow large room for manoeuvre to the municipalities, making the scheme extremely diverse across the country. Federal level involvement in social assistance is virtually inexistent. It is limited to an article in the Federal constitution which entitles every resident to a minimum subsistence income, and *de facto* forces cantons to run social assistance schemes. A bigger role is played by a professional association, the Swiss Conference for Social Assistance (SKOS/CSIAS). It publishes guidelines on how to run social assistance, including the appropriate benefit levels. Those guidelines are not binding, but are generally followed more or less strictly by a majority of the cantons. The result is that decisions that are *de facto* extremely important in shaping social assistance are taken by an unelected body. The membership of SKOS/CSIAS is rather broad, and includes cantonal social assistance offices, the social services of many large municipalities, about 150 non-governmental organisations, the federal offices involved in social issues and other associations and public bodies with an interest in social assistance. Altogether, SKOS/CSIAS has about 1000 members. It is a brilliant example of the extreme weakness of the federal state highlighted by Crouch when he argued that the process of state building in Switzerland was never completed (Crouch 1986).

Pre-modern principles in the organisation of social assistance have survived until the present day in some cantons. For example, in many German speaking cantons, decisions on eligibility are made by “social assistance commissions”. These are bodies made up of citizens, usually designated by municipalities, who decide on eligibility and on access to labour market or social integration programmes. In cantons that operate under a “social commission” regime, social workers make proposals which need to be accepted by these commissions. In addition, in many cantons, social assistance benefits are considered as loans, which must be repaid once the client’s situation gets better.

These features of the Swiss social assistance regime constitute undoubtedly a strong pressure on clients to avoid or to leave social assistance as soon as possible. These pressures may have contributed to keep social assistance caseloads low in the past and in to the present day in rural areas, where the effect of social control may still be rather strong and caseloads have remained low. However, in general, they have not prevented a massive increase in reciprocity since the early 1990s.

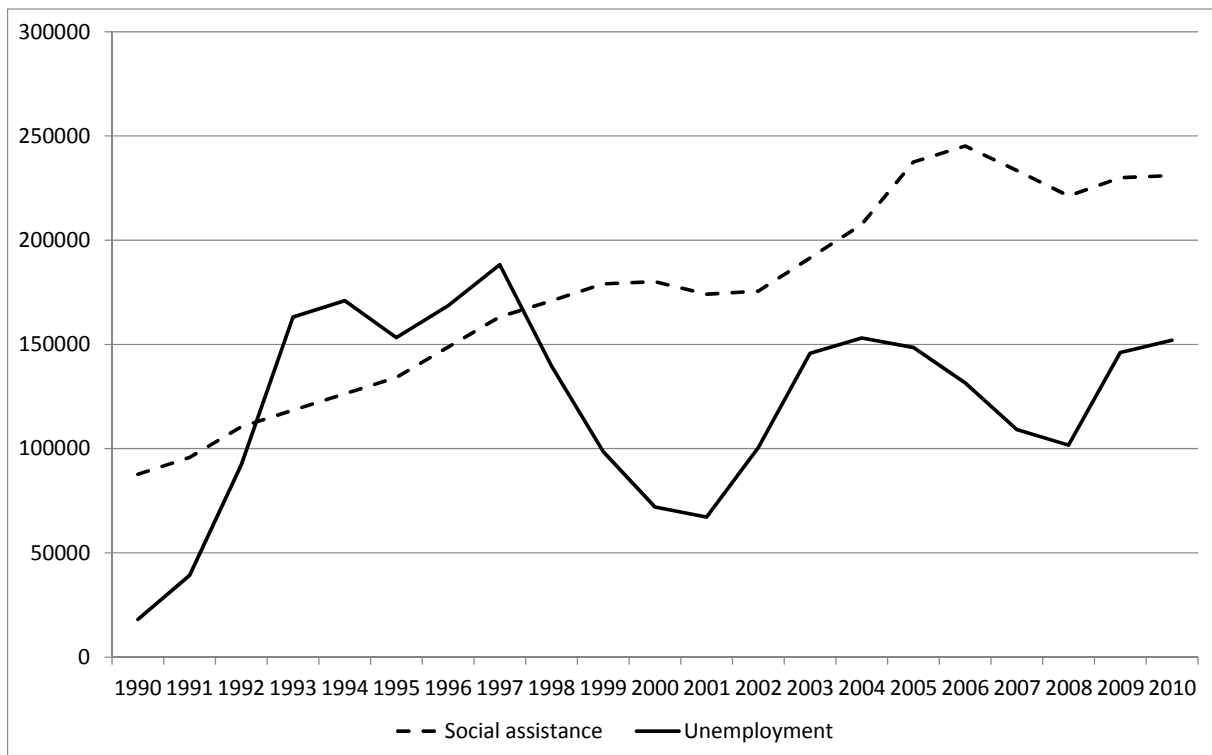
One reason for this can be seen in that benefit levels are relatively high when compared to wages. As already mentioned, benefit levels vary across cantons. However, SKOS/CSIAS guidelines are usually followed relatively closely, which means that variation is moderate. According to these, the income package of a SA client is made up of various components: a sum for living expenses, rent, health insurance, additional occasional payments, and an “integration supplement”, paid if the person accepts to participate in social integration or labour market programmes. As an example, in the city of Lausanne a family of four can count on a monthly benefit of around 68% of the median net wage². About 30% of all employees and 10% of full-time employees, have net wages lower than this amount (data for 2010³). Since 2011 SKOS/CSIAS recommends that the sum for living expenses be indexed in line with inflation and 50% of the increase in wages. This is the indexation method used for the basic old age pensions and for invalidity insurance, however, there is no general indexation rule concerning wages.

Following the recession of the 1990s, which in Switzerland resulted in the first unemployment hike after World War II, social assistance caseloads increased sharply. This development has impacted on public budgets at the cantonal and at the municipal level. As seen in figure 1, the increase in SA caseload is only weakly related to the evolution of the labour market. In general, increases in unemployment produce increases in SA caseloads, with a time lag. However, when unemployment declines, SA caseloads stabilise or decline only modestly. This development reminds the well-known phenomenon of hysteresis, observed in unemployment figures. In the Swiss case, hysteresis is more visible among SA clients.

² The benefit (CHF 3,735, equal to EUR 3,100) includes living expenses and rent. On top of that, clients receive free health insurance and are eligible for smaller occasional payments.

³ Source: http://www.bfs.admin.ch/bfs/portal/fr/index/themen/03/04/blank/data/01/06_01.html, visited on 24.05.2012

Figure 1: Number of unemployed and caseloads of social assistance, 1990-2010



Source: Champion 2011; OFS. Note that the figures of SA and unemployment are not really comparable, since in the SA caseloads are included whole families.

The increase in SA caseloads has been picked up in political debates at the cantonal level, often in conjunction with populist arguments concerning abuses and overrepresentation of immigrants among SA clients. Since it is regulated at cantonal level, social assistance has traditionally been kept out of national debates. It is only recently that the issue has been discussed in the federal parliament, partly as a result of the development of interagency collaboration and partly as a result of political pressures for greater federal level involvement in this field (see below). In general, however, the increase in SA caseload has failed to gain much prominence at the federal level, in contrast to a similar development which has taken place in the field of invalidity insurance and that has resulted in a rapid series of far reaching reforms (Bertozzi et al 2008; Champion 2011). Also the rather intransparent system of regulation of social assistance, with key, non-binding but influential decisions taken by an unelected body as attracted surprisingly little attention in national debates.

Responding to the increase in caseloads

The development depicted in figure 1, a massive increase in SA caseload since 1990 has resulted in a number of policy responses, which have somewhat changed over time. It is nonetheless difficult to identify a clear sequence, because different policies were developed in different parts of the country at different times, so that many of the strategies described below coexisted most of the time. The order of the presentation reflects a trend rather than a precise chronology.

Job creation programmes and cost shifting

In many cantons, the initial response to the fast increase in the unemployment rate in the early 1990s was to set up job creation programmes. These were meant to provide unemployed people who could not find a new job during the 18 months duration of unemployment insurance and would as a result have no other option than to rely on social assistance. Typically, clients would receive a contribution-paying job in the public or in the non-profit sector, lasting just enough to entitle the claimant to a new 18-month period of unemployment insurance. These interventions had various objectives: to reduce the hardship experienced by long term unemployed people who were as a result able to avoid the stigma of social assistance, but also to shift costs upwards to the federal level. In fact, while social assistance is entirely financed by the cantons and the municipalities, unemployment insurance is paid for by the federal level.

It is impossible to know the extent of these practices. In some cantons, job creation programmes with an explicit objective to recreate an entitlement to unemployment insurance were implemented rather openly. This was the case, for example, of Geneva, which ran a job-guarantee scheme for unemployed people unable to re-enter the labour market during the 18-months duration of unemployment insurance benefit. This scheme was considered by labour economists as one key reason behind the bad performance of Geneva in terms of its unemployment rate (Flückiger and Vassiliev 2002). It was also a source of constant tension between Geneva and the federal government. The scheme was abandoned in 2009 after much pressure from the federal authorities. Other cantons developed similar practices, but in a less visible way. Neuchâtel, for example rather than guaranteeing a 12 months employment developed a means-tested job creation scheme where jobs were limited to 6 months, but renewable. There too, jobs in the public sector and in non-profit organisations were used to put jobless people back onto unemployment insurance, so as to avoid them ending up on social assistance.

It is a certainty that many other cantons and municipalities used the cost shifting strategy in order to avoid financial responsibility for the long term unemployed. The overall financial impact of these practices, however, is difficult to ascertain. The federal Government estimated their cost for the unemployment insurance scheme at 90 million Swiss francs per annum (Conseil fédéral 2008: 7046). In reality, the cost was probably higher. Evaluation studies carried out in Switzerland (Flückiger and Vassiliev 2002, Bonoli et al 2008; Bonoli et al 2011) and the data reported in figure 1 suggest that this strategy was rather helpless in containing the long term upward trend in SA caseloads.

The 2005 SKOS/CSIAS guidelines

The change in the role played by social assistance in society had an impact also on the guidelines produced by SKOS/CSIAS. These guidelines are revised periodically, and in 1998 was introduced the notion of a “re-integration agreement” to be signed by the client and the social service (Champion 2012:61). More innovation, however, was to come with the 2005 revision. On that occasion was introduced an earnings disregard of between 400 and 700 CHF per month (330 – 580 EUR). In addition, the new guidelines recommended the payment of an “integration supplement” for clients ready to participate in social integration or labour market programmes. The 2005 guidelines recommended also the introduction of sanctions in the shape of a reduction of up to 15% of the benefit for up to 12 months.

These recommendations were transposed into cantonal legislation to different degrees. Earning disregards have been generalised, but towards the lower end of the recommendation. Integration supplements have not been implemented everywhere, while sanctions exist in all cantons (Pfister 2009; Bonoli and Champion 2012).

The 2005 guidelines are considered by many as a watershed in the recent history of social assistance, marking the beginning of an era of activation. In reality, if one looks closer at the guidelines and more in general at the production of documents and recommendations of SKOS/CSIAS, it is clear that the role of social assistance remains understood in terms of promoting social integration as much as (if not more than) promoting labour market participation. The fact that a “social integration supplement” is recommended for individuals who participate in such programmes is a case in point. In addition, very little in the 2005 guidelines is about moving clients back into employment. True, the earnings disregard is supposed to make work pay more for SA clients, but the guidelines contain no indication, for example, on what are the most promising interventions for different publics, or how best to support clients in the job search efforts, how to collaborate with the PES, how to contract placement services, and so forth.

Innovation from below

In parallel with these developments, many cantons and municipalities, typically larger towns, have developed sometimes creative ways to promote labour market participation of SA claimants. Some larger municipalities have set up their own placement service for SA claimants. The fragmentation of the system makes it impossible to have a clear overview in this respect. A survey carried out by CSIAS/SKOS in 20 different localities found that about a quarter had developed such tools (Pfister 2009). Other innovations adopted have stirred up debates at the national level. This is the case of the city of Zurich, which in the early 2000s has set up a scheme of “part-wage jobs” (*Teillohnjobs*). The city finances permanent jobs created by non-profit making associations (with some limitations, also by commercial companies) which must be taken up by SA clients. The claimant is paid a salary which corresponds to his/her productivity, and is topped up with the subsidy, so as to reach a level close to a low labour market wage. The subsidy is not time-limited, though its amount is reviewed regularly. On average, participants are expected to finance around 50% of their total wage though their productivity. A similar programme has been in operation in Geneva since 2009 (Marmy 2012).

Overall, however, the available information suggests that on balance, the majority of social assistance offices continue to see themselves as responsible first for social integration. The SKOS/CSIAS survey mentioned above found that most of the programmes that were available to SA claimants were job creation schemes. Out of 20 offices surveyed, only 6 had a “coaching” programme which could include job search activities, and only three provided time-limited subsidies to employers (Pfister 2009). A more recent survey we carried out at the cantonal level found similar results (Bonoli and Champion 2012)⁴. Most of what cantons and municipalities do when they provide services to SA claimants has a strong social reintegration dimension and is relatively weakly oriented toward finding market employment.

⁴ The survey was carried out by Giuliano Bonoli, Cyrielle Champion and Regula Schlanser in 2011. We contacted all the 26 cantons with a questionnaire enquiring about the access of SA claimants to placement and labour market services. Only one canton refused to participate in the survey, so that we have information on 25 cantons.

In addition, only a small minority of clients has access to such programmes. Exact figures are not available, but different estimates put the proportion of SA claimants who has access to social integration or labour market programmes at between 8 and 15% of adult claimants without jobs (Bonoli and Champion 2012). In contrast, about 30% of unemployment insurance clients have access to such measures (Erb 2010).

The impression one gets from the limited information available on what goes on in the Swiss social assistance system is that the activation turn has progressed slowly and unevenly. Unfortunately, the lack of reliable information prevents us from having a precise picture of the extent to which social assistance claimants have access to labour market services. However, it is clear that there are substantial variations across cantons and municipalities. These are partly related to their size, the size of their caseload, and their urban vs. rural setting. A more precise empirical knowledge is nonetheless needed in order to test such hypotheses.

Collaboration among agencies

A more active approach in SA policy does not necessarily have to rely on SA infrastructures only. In fact, within the Swiss social security system, placement and labour market services are available elsewhere. This is the case in particular of unemployment insurance and invalidity insurance. In a parallel development to the account made above on SA policy, both unemployment and invalidity insurance have been reformed several times and have significantly strengthened their activation dimension (Champion 2011). In fact, in Switzerland, the debate on activation within social assistance is often dominated by (and perhaps confused with) concerns on how to improve collaboration among the different agencies. The implicit assumption is that better results in activation can be achieved by pooling the know-how that is available in the different agencies.

We discuss the issue of collaboration in two steps. First we focus on attempts to institutionalise interagency collaboration. These attempts involve all three main social security schemes (i.e. social assistance, unemployment and invalidity insurance). They tend to focus on small numbers of clients who confront multiple problems, often including health problems. Second, we look at how one specific type of collaboration, between SA and the PES, is actually playing out in the real world.

Interagency collaboration

As already mentioned, the discussion on the activation of SA clients has been intertwined within a broader policy debate on interagency collaboration. By this label are meant initiatives taken at different levels of government in order to improve relationships between delivery agencies of unemployment insurance, social assistance, and disability insurance so as to offer better support to clients combining several problems (for instance, health or other problems in addition to joblessness). The notion of “interagency collaboration” was put forward in a joint declaration of two outfits representing cantonal ministries of social and economic affairs (CDEP and CDAS 2001). Their objective was to promote a common strategy between delivery agencies in order to reduce delays at the intersection of two delivery agencies, develop customer-friendly administrative procedures, and support social and labour market

integration. To achieve these objectives, collaboration was to take place at various stages, such as client assessments and profiling, the determination of appropriate activation measures, activities of placement and follow-up, and finally in the development of networks of employers.

From the very beginning, inter-agency cooperation was conceived as a minimalistic and pragmatic form of coordination (Gächter 2006). The intention was to tackle the fragmentation of the social security system by developing a “human” type of cooperation taking place at delivery level, between personal advisors. In the background, there was a clear imperative behind these early initiatives: to modify as little as possible the existing system. For instance, the introduction of an additional tier or organisation (such as a new one-stop-shop) were to be avoided (Groupe national de coordination CII 2004). In addition, given the absence of a federal competence in the field of social assistance, the cantons had to be free to decide whether and how to develop interagency collaboration (Gächter 2006).

Since the early 2000s several Cantons developed their own projects of inter-agency cooperation. A national coordination group was set up in order to facilitate exchanges of experiences between the Cantons, but in fact a large variety of projects of inter-agency cooperation were developed across the Cantons. For instance, some projects involved only two delivery agencies, some focused on administrative procedures, while others on activation measures (Groupe national de coordination CII 2004).

A slightly more ambitious collaboration initiative was launched in 2005 under the name of MAMAC⁵. This project originated from a common request by the inter-cantonal associations of the three delivery agencies, but the project was led by the Federal government. Its key elements were the development of a tripartite cooperation framework targeted at beneficiaries with health problems and based on early detection, a tripartite assessment and definition of a reintegration plan that was mandatory for the three delivery agencies (Champion Céline 2008).

With the project MAMAC, inter-agency cooperation moved a step forward in the direction of more institutionalisation and formalisation. This was not only due to its more formalised conceptualisation and its binding character for the participating agencies, but also because it gave several Cantons the opportunity to embark on inter-agency cooperation for the first time. Initially planned to be implemented as a pilot-project in a limited number of Cantons, it eventually attracted the attention of 16 Cantons (out of 26). What is certain is that during its lifetime (2005-2010) the MAMAC pilot generated a lot of expectations, with regard to its capacity to deliver a real improvement in terms of activating social security claimants in general and SA clients in particular. The latter, in fact, were those who were most at risk to be excluded from access to placement and labour market services in the absence of cooperation.

An evaluation of the MAMAC pilot was published in 2010. It showed that expectations had been too high. The evaluation came to the main conclusion that, despite a good appreciation by the clients and personal advisors, CII-MAMAC did not lead to higher rates of labour market integration nor did it reduce welfare expenditures. Moreover, in procedural terms, the evaluation concluded that collaboration procedures were too complex (Egger, et al 2010).

However, despite these disappointing results both in terms of labour market integration and simplified procedures, the Federal government decided to pursue the road of inter-agency

⁵ MAMAC stands for ‚Medizinisch-Arbeitsmarktliche Assessments mit Case Management‘

cooperation and further develop it. It set up two national coordination groups and a permanent but small federal office in charge with redefining the future objectives and principles of inter-agency cooperation. These groups started operating in 2011, but have so far (mid-2012) only met a couple of times. How do we explain this surprising outcome of an unsuccessful pilot? According to some commentators, the then Minister of social affairs, Didier Burkhalter, of the Liberal party (FDP-PLR), came under pressure from parliament to develop a national strategy to tackle poverty in Switzerland (Interview, executive at the Ministry of economic affairs). Strengthening and improving collaboration turned out to be a convenient way of responding to parliamentary pressures for more to be done in the fight against poverty (*24 Heures* 2010; Interviews of two social assistance representatives).

These new initiatives were met with mixed reactions from the actors of social assistance and from some members of left-wing political parties. They welcomed the broad political signal sent out by the Federal government, to develop inter-agency cooperation, as this was the first time that the Federal government showed some commitment in the field of coordination. Furthermore, the creation of national groups of coordination (in which representatives of social assistance are involved) was seen as an encouraging opportunity to find more far-reaching solutions to tackle the fragmentation of the welfare state (Interviews, social assistance representative 1 and 2).

On the other hand, some regretted that more ambitious and definitive decisions on the future of inter-agency cooperation had not been taken from the results of the pilot-project MAMAC (Interview, Social Democratic member of parliament). From its beginning onwards, inter-agency cooperation has constantly suffered from an important problem: its temporary character and permanent restructuring. As suggested by Nadai et al. (2010), though some evolution is necessary for improvement, too much of it could also prove detrimental in the long term, notably by undermining its own fundamentals: the individual engagement of personal advisers.

Collaboration with the PES

Opportunities for collaboration exist also outside the remit of formal interagency collaboration agreements or frameworks. Since 1995, a network of PES regulated and financed by the federal government provides placement and labour market services throughout the country. The main clientele of the PES are unemployment insurance claimants, however, the service is available free of charge to any resident who is looking for a job. This, of course, includes SA claimants. For this reasons, many cantons have explored opportunities for collaboration between SA and the PES in the activation of SA clients.

While the basic placement service provided by the PES is available to anyone deemed suitable for placement, access to labour market programmes is more tightly regulated. Only unemployment insurance claimants have access to the full range of federal programmes. Other jobseekers such as SA claimants may have access to a reduced range or to none of the federal programmes (Bonoli and Champion 2012). As a result, some cantons have set up a range of programmes that are accessible to SA claimants. These are entirely financed by the canton. In the early days of high unemployment, many of these programmes were simply meant to allow long term unemployed people to regain entitlement to federal unemployment insurance. However, more recently, some cantons have broadened the range of programmes

available to include some of the standard tools of activation, such as short training courses, job search programmes and job subsidies.

According to our survey (for details see fn 4 above), access to labour market services for SA claimants via the PES remains patchy. Job creation schemes are available in 7 cantons out of 25; 6 cantons offer training programmes, 7 cantons provide job search schemes and 8 cantons can help SA claimants with a job subsidy. Access to programmes via the PES is more frequent in the French speaking part of the country. One reason for this may be the fact that in French speaking cantons, the cantonal level plays a bigger role in social assistance than in most of the German speaking part of the country. In many German speaking cantons, social assistance is strongly shaped at the municipal level, a feature that may make it difficult to collaborate with the cantonal authorities responsible for the running of the PES at the regional level.

The preliminary condition for SA claimants to have access to labour market programmes through PES is to be registered with them. It is as a result important to know how many of them do actually register. There is currently no precise and reliable estimate of this number. The federal statistical office estimates the proportion of adult claimants who are without a job and are not in education who are registered with the PES at 26%. The figure increases to 49% if calculated on the basis of only those who are considered, by the SA offices, to be capable of finding work. We asked this question in our survey and obtained figures from only 6 cantons. Even this very small sample suggests that there are huge cantonal variations in the number of SA claimants who register with the PES. The proportions go from 8% (Glaris) to 47% (Vaud) of jobless adult claimants. To an extent, the fact of registering with the regional placement office seems to depend on the availability of canton-financed measures.

In our survey, a few respondents from the social services expressed doubts with regard to the adequacy of PES to provide assistance to SA claimants. Some felt that SA claimants would be considered with a lower priority. Others mentioned the fact that SA claimants tend to be less motivated and as a result are often excluded from the employment services. It is intriguing that these arguments are very similar to those that were made in Germany in the run up to the adoption of the Harz IV reforms (Hassel and Schiller 2010; Goerne 2012).

The limits of collaboration

Initially, inter-agency cooperation had been welcomed by all actors. The Federal government saw in it an opportunity to improve the system without extending on its reach. On the other hand, the actors from social assistance welcomed the idea as necessary first step towards bigger changes (CDEP and CDAS 2001). However, the progressive extension and formalisation of inter-agency cooperation went hand in hand with a growing scepticism about its capacity to solve the fundamental problems related to the fragmentation of the Swiss social security system. Paradoxically, it was not so much the development of the inter-agency cooperation *per se* that triggered that scepticism, but developments within federal insurance-based programmes.

In fact, in parallel with the development of inter-agency collaboration, the Federal government was pursuing a cost-containment agenda in the two main federal insurance programmes: invalidity and unemployment insurance. Reforms adopted in this context included a more restrictive application of the medical criteria that give access to invalidity insurance and stricter contribution requirements for some categories of unemployed people.

The expected result of these federal reforms was an upward impact on SA caseloads at the cantonal/municipal levels. Representatives of social assistance institutions began to feel that collaboration was made difficult by the cost shifting game played by federal authorities.

In 2006, the CSIAS/SKOS devoted its annual meeting to the topic ‘The 5th revision of the disability insurance law and inter-agency cooperation: Opportunities and risks for social assistance’. The general conclusion that came out of the discussions was a relatively pessimistic one. It was the acknowledgment that inter-agency cooperation was unable to reduce cost shifting patterns from federal insurance-based programmes to social assistance. Yet, unless social assistance underwent a complete reorganisation, inter-agency cooperation seemed the least bad alternative for social assistance. As a senior social assistance actor put it as a conclusion:

“At the end of the day, you are perhaps thinking that inter-agency cooperation is impossible. I agree with you, while adding: It’s certainly impossible, but without inter-agency cooperation, social assistance is even more impossible.” (Darioli 2006: 1)

The lack of “in house” placement and labour market services makes SA more dependent on interagency collaboration than other institutions. However, it should be noted that the collaboration initiatives that were institutionalised, such as MAMAC, were by definition limited to small numbers of clients with multiple problems. In this respect, they were inadequate solutions to provide the needed placement and labour market services to the bulk of SA claimants. Very few cantons have attempted institutionalised forms of collaboration which would involve large numbers of non-working SA claimants.

The available evidence, including evaluation studies contracted by the Federal government, information obtained from cantonal social assistance offices, data concerning access to employment services for SA claimants suggest that collaboration as a strategy is largely insufficient to bring appropriate activation services to the bulk of SA claimants. Yet, very few voices have called for a more radical overhaul of the social security systems. These are briefly discussed next.

A more profound structural reform?

The first proposal implying some form of redrawing of the architecture of social security revolved around the idea of a federal law on social assistance. Towards the mid-2000s, at the request of the main intercantonal organisations representing social assistance, including the CSIAS/SKOS, discussions started within the Social security commission of the National Council (Lower chamber of parliament) as to the possibility to create a framework federal law on social assistance. In general, framework laws are used in matters of strong cantonal sovereignty, and leave large room for manoeuvre to cantons while at the same time imposing some minimum requirements. Yet, after 2 years of discussions, the idea was dropped in 2006 when the majority of the Commission rejected it. The argument put forward was that social assistance had to remain a competence of the Cantons, especially since inter-agency cooperation involving social assistance was being developed (CSSS-CN 2006). The rejection marked the end of any concrete discussions on social assistance in the Federal parliament.

Parliamentary interventions for major restructuring

Around the mid-2000s a number of parliamentary interventions were made, raising the issue of fragmentation of the social security system. Most of them were clearly rejected by the Federal Council and in Parliament without any major debate. However, one of them, known as the “Rossini” initiative⁶, proved more influential, partly because of its timing and partly because of its specific form (i.e. a parliamentary initiative⁷) that forced the Social Security Commission to discuss it. The initiative was of a radical nature. It asked Parliament to prepare a reform aimed at reorganising the existing federal insurance-based programmes and some cantonal schemes into four broad schemes: old age, health care, loss of income and integration, and family (Services du Parlement 2007).

Submitted in 2007, the parliamentary initiative was eventually dismissed by the Commission of Social Security in 2008 after two rounds of discussions and hearings with external experts. Despite the support of Social-Democratic Party and the Green Party, the initiative was then also rejected in Parliament by a clear majority.

The arguments put forward against the initiative highlighted the many obstacles that such a major reorganization had to come through to be seen as feasible in MPs’ minds. When explaining their vote to their colleagues in Parliament, members of the Social Security Commission emphasised two types of obstacles: 1) The absence of a clear consensus on the necessity to embark on a major change in the way social security is organised. The majority of the commission agreed that the fragmentation of the social security system had become problematic in several respects, resulting in overlaps, lacunae and inefficiencies. At the same time, doubts were expressed about whether those problems were acute enough to embark on a radical overhaul of the system; 2) the very low chances for such a reform to succeed given the institutional constraints of the Swiss political system.

Therefore, the general position of the Commission was that the initiative was most likely to turn into a lengthy and uncertain process subject to multiple compromises due to the multiple kinds of opposition to overcome. To the question of the potential gains, a Christian-Democrat MP and member of the Commission summarised very well the position of the majority of Commission:

“Theoretically, yes [there are potential gains]. But no one really believes it, because we fear that this turns into a gargantuan exercise which eventually ends up in an even more complex system than it is now. It works now. We can change it, hoping that it will be optimised, but whether it will be really better is uncertain. It risks destroying the functioning of individual entities; it risks destroying the practical know-how at the delivery level. All those working in the offices, their knowledge, all that will be destroyed and newly reorganised. And then, you have such a big thing, and will it work better? We don’t really see the necessity, and we have no confidence in a better result. So, let’s leave the system as it is now.” (Interview, Christian-Democratic member of parliament)

Ultimately, the perspective of having to overcome all those obstacles led the Commission to dismiss the initiative. Interestingly, however, the Rossini initiative had some unexpected consequences. Indeed, against expectations, the initiative obtained some cross-party support within the Commission on Social Security, and allowed its members to become more sensitive to some problems generated by the fragmentation of the Swiss social security system. This was visible in the fact that a second round of discussion was scheduled after the

⁶ The initiative was filed by the Social democratic MP Stéphane Rossini.

⁷ A parliamentary initiative explicitly asks the Parliament, and not the government, to prepare a reform bill. Consequently, any parliamentary initiative is subjected to a mandatory examination by the corresponding parliamentary commission.

first one, and also in the tone adopted in the Commission's report to Parliament (Interview, Social-Democratic member of parliament). Though the report clearly pointed to the complexity of implementing the initiative, it also clearly stated that the majority of the commission was in favour of an examination and certain reorientation of the social security system (Bulletin official du Conseil National, 05.03.2009: 150). Finally, a last sign of the cross-party sympathy could be seen in the fact that, at the same time as discussions took place within the Commission, two political parties located at the opposites on the left-right axis, the Social-Democratic Party (SP-PS) and the Swiss People's Party (SVP-UDC), put the reorganisation of the social security system as a long-term objective of their social programmes (Services du Parlement 2007, SVP Schweiz 2008, PS Suisse 2010). This was directly related to discussions carried out within the Commission, as the members of the Commission in both parties also happened to be closely involved in the definition of the social policy programme of their respective political party (Interview, Social-Democratic member of parliament and Swiss People's Party member of parliament)

However, the awareness of the fragmentation-induced problems in Parliament remained largely circumscribed to the Commission of Social Security. As some members of the commission confessed, the issue of coordination remained largely overlooked by the vast majority of MPs not specialising in social security affairs. In fact, in Parliament, the fragmentation of social security was never considered a political problem (Interviews, Social-Democratic, Christian Democratic and Swiss People's Party members of parliament). Likewise, the discussions have not much altered the position of the government on the matter.

Two developments may help to account for the failure of the fragmentation issue to make it to the centre-stage of political debate. First, the end of the 2000s saw a reversal in the upward trend in the number of disability insurance claimants, and possibly the stabilisation of that on SA. More generally the good economic climate since the mid-2000s, only briefly disrupted by the crisis in 2009, made social assistance caseloads a less pressing issue. The second development was the publication in 2009 of a report on beneficiaries' flows between unemployment insurance, disability insurance and social assistance (Fluder et al 2009). The aim of the report, contracted by the Federal government, was to give some objectivity to the criticisms about cost shifting strategies dominating the reform process at federal level. Though controversial on several aspects, the results were interpreted by the Federal government as proof that cost shifting strategies had affected only a minority of beneficiaries and did, therefore, not constitute a massive phenomenon' (Fluder et al. 2009: Vorwort des BSV).

Discussion and conclusion

Switzerland has witnessed nearly a constant increase in the caseload of social assistance since the recession of the early 1990s. During the last twenty years, the number of clients has more than doubled, to reach around 3% of the population in 2010. This development, in spite of an overall orientation towards retrenchment and activation in social policy, has failed so far to spur any significant reform at the national level. Why?

Federalism accounts for much of the lack of inaction. Social assistance being a cantonal / municipal competence, federal involvement in this field is complicated and problematic. However, if federalism does constitute an obstacle to activation-oriented reforms, very few

have argued in favour of a more direct involvement of the Federal level of government in shaping social assistance policy. These could have been seen as a precondition for introducing activation in the social assistance system.

Second, the fragmented character of the Swiss welfare state has pushed the debate towards coordination and collaboration. The result is that the issue of activation and access to appropriate placement and labour market services for the bulk of non-working SA clients has somewhat fallen out of the centre-stage. The debate on coordination, however, is a highly technical one, unable to motivate political entrepreneurs and voters alike. As a member of the Federal Parliament put it:

“Political parties will put the issue [of the fragmentation of the social security system] high on their political programmes only if there is a high potential for electoral gains. But this is not a current concern in the population. Look at the five largest concerns. Nowhere can you see that this is a concern, even stated in simpler terms, such as the lack of transparency which could be an indicator for the absence of harmonisation. Their major concerns are unemployment, increasing health insurance premiums, immigration, and insecurity. So, no, at the moment, I don’t see any potential for electoral gains for this issue” (Interview, Liberal-Radical member of parliament).

In fact, not only are coordination and structural reforms technical matters. They are also high risk areas of political intervention. Championing structural reforms, may upset subtle federalist equilibria, and result in political damage for its proponents. Most of the admittedly weak impetus for structural reform came from the left. However, after the few failed attempts described above, even the left seems uninterested.

Perhaps more surprising is the absence of active involvement of the populist right, which would have an easy target in the rise in social assistance caseloads. As a matter of fact, other schemes which have witnessed proportionally lower increases in caseloads, such as invalidity insurance, have been more or less under constant attack from the populist right. Why do they not exploit this opportunity? Federalism is the likely explanation. In fact, the right-populist Swiss People’s Party (SVP-UDC) is also a staunch supporter of cantonal sovereignty. Championing a structural reform that aimed at eventually reducing social assistance caseloads would run against the strong attachment this party has to federalism and to local social sovereignty.

Finally, as shown above, the Federal government has also shied away from the problem, by emphasising its support for collaboration, in spite of very little evidence being available to support this route. This can be seen as low risk strategy, in the sense that promoting collaboration is unlikely to hurt many interests, while at the same time giving the impression that something is being done. For the time being, given the overall favourable economic situation enjoyed by the country, the strategy seems, at least politically, to be viable. A downturn impacting simultaneously SA caseloads and cantonal budgets could change things dramatically.

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Interviews

No	Interviewed person	Date conducted
1	Executive at the Ministry of economic affairs	01.09.2011
2	Social assistance representative 1	18.08.2011
3	Social assistance representative 2	22.08.2011
4	Social-Democratic member of parliament	26.08.2011
5	Christian-Democratic member of parliament	15.09.2011
6	Liberal-Radical member of parliament	18.08.2011
7	Swiss People's Party member of parliament	21.09.2011