

Social protection for the unemployed: Sweden

National report to the XVII World Congress of Labour Law and

Social Security, Montevideo, Uruguay, 3-5 September 2003

Kerstin Ahlberg

ARBETSLIVSRAPPORT NR 2002:16

ISSN 1401-2928 <http://www.niwl.se/>

Department for Labour Market and Work Organisation
Head of Department: Lars Magnusson



Contents:

A. Constitutional and legal framework	1
B. Severance pay	3
C. Protection provided by an unemployment insurance scheme	4
D. Non contributory benefits for unemployed wage-earners	8
E. Employment promotion policies	8
Appendix: Questionnaire	11

Social protection for the unemployed:

SWEDEN

National report to the XVII World Congress of Labour Law and Social Security,
Montevideo, Uruguay, 3 –5 September 2003

By Kerstin Ahlberg, LLD h. c., National Institute for Working Life

A. Constitutional and legal framework

1.

The Swedish Constitution does not mention the word unemployment. However, Chapter 1 article 2(2) of the Constitution, says:

“The personal, economic and cultural welfare of the individual shall be fundamental aims of public activity. In particular, it shall be incumbent upon the public administration to secure the right to work, housing and education, and to promote social care and social security and a good living environment.”

This declaration actually illustrates what has been the Swedish approach to unemployment since the 1930's: It should not exist, and it is a state responsibility to fight unemployment by means of an active labour market policy. Thus, the social protection of the unemployed in Sweden consists not only of economic benefits paid to them, equally important are various measures, in particular training and other skill-enhancing activities, aimed at helping them to keep their jobs or to find new employment if they are made redundant.¹

The overall legislative framework for the unemployment insurance is the Unemployment insurance act (SFS1997:238). Here you will find the provisions on the personal scope of the insurance, the various types of unemployment benefits and the general conditions for entitlement to those benefits. The act is supplemented by a Government regulation (SFS 1997:835) that lays down the size of the benefits and specifies the conditions for entitlement to benefits for persons who have part-time employment or undergo some kind of education or training while they are unemployed. This regulation in turn is supplemented by even more specific implementing provisions issued by the National Labour Market Board, for example on what types of jobs a person has to accept in order to receive unemployment benefits.

The Employment policy programmes act (SFS 2000:625) contains general provisions on the measures aiming at helping individual workers to find or maintain employment. This act too is supplemented by more detailed implementing provisions issued by the Government and the National Labour Market Board respectively.

There are also a number of collective agreements that are relevant in this context. Particularly interesting are what you could call the redundancy support agreements. Their object is to facilitate organisational change in a way that satisfies the interests of both employers and employees.

The oldest is the Redundancy programme agreement (Omställningsavtalet) between the Federation of Salaried Employees in Industry and Services (PTK) and the largest confederation for private employers, Confederation of Swedish Enterprise (Svenskt

¹ Workers do not always see this as a favour. In certain cases, they have to participate in activities aimed at improving their chances to return to the labour market in order to retain their right to economic benefits. Some of these activities have been criticised for being meaningless and conceived as disciplinary measures to maintain commitment to the work ethic, rather than a help to the individual.

Näringsliv, earlier SAF). It covers white-collar workers in the private sector. The agreement is based on a preventive approach partly similar to that of the government labour market policy, and provides for a number of instruments that can be used to mitigate the effects of company restructuring for the affected workers. The Council for Redundancy Support and Advice (Restart) established through the agreement, helps the employer and the company trade union branch to analyse the situation, encouraging them to think not only of the present problems but also of the future needs of the company. If it is just a temporary downswing for example, it could be better to make use of the time by giving the workers further training. If, however, the employer decides to dismiss some of its employees, strong efforts are made to help them to find new employment, to start businesses of their own or to begin studying. All workers are allocated a personal consultant who helps them to map out their competence and interests and to investigate how these can be matched to the needs of the labour market. In certain cases, workers are afforded economic benefits that supplement the benefits from the public unemployment insurance, or as a compensation for loss of income if they accept a lesser paid new job. In other cases, workers are granted economic support for setting up their own business or for further education.

A similar agreement is the Job Security Agreement (Trygghetsavtalet), concluded by the National Agency for Government Employers and its opposite parties on the trade union side. It covers all state employees.

Five smaller organisations for private employers have also concluded redundancy support agreements.

However, the majority of blue-collar workers in the private sector are not covered by any equivalent to the agreements above, but by a traditional insurance providing severance pay (AGB), established through collective agreement between the Swedish Trade Union Confederation (LO) and the Confederation of Swedish Enterprise. This is explained by the fact that, at least until recently, the Government labour market policy has been better adapted to the needs of blue-collar workers.² However, in 2002 the two organisations started to negotiate in order to conclude a redundancy support agreement.³

2.

Sweden has ratified the following international standards relevant for this report:

- ❑ The European code of social security signed at Strasbourg on 16 April 1964
- ❑ ILO Convention (No 168) concerning Employment Promotion and Protection against Unemployment
- ❑ ILO Convention (No 159) concerning Vocational Rehabilitation and Employment (Disabled Persons)
- ❑ ILO Convention (No 157) concerning the Establishment of an International System for the Maintenance of Rights in Social Security
- ❑ ILO Convention (No 122) concerning Employment Policy
- ❑ ILO Convention (No 102) concerning Minimum Standards of Social Security
- ❑ ILO Convention (No 88) concerning the Organisation of the Employment Service
- ❑ ILO Convention (8) concerning Unemployment Indemnity (Shipwreck)
- ❑ ILO Convention (2) concerning Unemployment

² Omställningsavtal Ett aktivare stöd till uppsagda, SOU 2002:59, p 16

³ ibidem, p 189

B. Severance pay

3.

With one minor exception, (see AGB-insurance below) severance pay, in the strict sense of the word, is paid only if a period of unemployment follows the termination of an employment. Consequently, the main purpose of severance pay is to provide income relief for the workers whose employment has been terminated.

4.

There is no statutory obligation for the employer to pay a severance payment directly to the employee.

Local authorities and county councils are obliged to pay a severance pay directly to their employees according to a collective agreement, AGF-KL. The conditions for eligibility are that the worker has an open-ended employment contract, has worked for the employer for at least 36 months and has reached the age of 25 when he or she is given notice of termination.

5.

More often, workers get severance pay from funds, established through collective agreements such as the AGB-insurance and the Redundancy programme agreement (see above). Common features are that they are financed from contributions paid by the employers and administered by a limited company or a foundation set up by the parties to the collective agreement. The workers covered cannot withdraw money from the funds if they are still employed. (Another matter is that some of the redundancy support funds can contribute to the financing of a worker's training if this can help him or her to get another job by the same employer instead of being made redundant. However, this is no individual right for the worker, but a benefit that is granted on an *ad hoc*-basis.) The payments due are guaranteed by the funds even if the employer has not paid its contributions.

The conditions upon which payments are made vary. Some examples:

The AGB-insurance, which was created in 1965, covers blue-collar workers in private companies affiliated to the Confederation of Swedish Enterprise and bound by collective agreements. Private employers not bound by collective agreements can also take out an AGB-insurance for their blue-collar workers.

Severance pay from the AGB-insurance is payable in two situations:

1.) The worker's employment has been terminated due to a lasting reduction of the company's workforce. The conditions are that he or she has been employed for at least seven years by the same employer up to the year of dismissal, *or* has reached the age of 40 and has been employed for at least three years. The size of the benefit depends on how old the worker is. In all cases, the sum is modest. However, it is payable irrespective of whether the worker finds new employment or not.

2.) The worker works in a sector (e.g. building, construction, painting and shipping) where fixed-term contracts are the normal type of employment contract and has been unable to get employment in the sector for six months. The conditions are that he or she has reached the age of 40, has been employed in the same sector for at least three years and is available to the employment services. The benefit is minimum SEK 3,000 and maximum SEK 27,000 (plus SEK 12,000 extra if the worker is over 60 years old) and depends on how long the unemployment lasts.

The *Council for Redundancy Support and Advice* was established 1974, when the forerunner to today's Redundancy programme agreement was concluded. The agreement covers white-collar workers with open-ended contracts in private companies affiliated to the Confederation of Swedish Enterprise and bound by collective agreements. Companies that are not members of the confederation can also join the council, provided they are bound by collective agreements of a certain quality.

To be eligible for severance pay according to this agreement, the employee must have reached the age of 40 and been employed for five consecutive years. The benefit is normally calculated so as to supplement the worker's unemployment benefit up to 75 per cent of his or her wage before termination of employment. It is payable for a maximum period of 18 – 30 months, depending on how old the worker is.

The equivalent for the state sector, *the Job Foundation*, was established in 1990 when the Job Security Agreement was concluded. It provides for more generous benefits than the Redundancy programme agreement. All state employees with open-ended employment contracts are eligible for severance pay and other benefits, irrespective of their age and period of employment. Employees who have been employed on fixed-term contracts for five years or more are, within certain limits, also eligible for severance pay. It supplements the unemployment benefit so that the worker is guaranteed an income of 80 per cent of his or her earlier salary.

Several other individual rights and benefits are guaranteed under this agreement. Examples are extended periods of notice (to give the worker a better chance to find a solution before becoming unemployed) and generous income supplements for those who take new jobs that are lesser paid (full compensation for two years and 50 per cent compensation for the following two years).

C. Protection provided by an unemployment insurance scheme

6.

The first general unemployment insurance scheme in Sweden was created in 1934.⁴ It was a "Ghent-system", that is to say voluntary, controlled by the trade unions, but regulated by legislation and (partly) financed by the state. The benefits were earnings-related. In the 1960s the scope of the insurance was widened to cover the self-employed, and unemployment insurance funds were set up by their business organisations. 1974, a flat rate cash support for those who were not covered by the union-controlled schemes was introduced.⁵ It was administered by the National Labour Market Board.

In 1997, the unemployment insurance was subject to a major reform. The two parallel systems were replaced by a single, general insurance. It is compulsory in the sense that all workers are covered, but it is voluntary in the sense that everyone is free to choose if he or she should have a flat-rate basic protection only, or pay contributions to an unemployment insurance fund and be eligible for earnings-related benefits. A novelty was that an independent fund was created in order to meet the wishes of those who, for reasons of principle, do not want to join unemployment insurance funds controlled by trade unions (or business organisations).

The new scheme was subject to several changes in 2001. Smaller modifications will certainly continue to come, but for the time being no major reform seems to be considered.

⁴ Esping-Andersen, G & Korpi, W: From Poor Relief to Institutional Welfare States: The Development of Scandinavian Social Policy in Erikson, R & Hansen, E & Ringen, S & Uusitalo, H: The Scandinavian Model Welfare states and welfare research, M.E. Sharpe, Inc, London 1987, p 44 – 45

⁵ *ibidem*, p 48

8.

The contingency of unemployment is defined in the *travaux préparatoires* to the Unemployment Insurance Act. A person is unemployed when he or she, due to shortage of work, cannot perform work for another person or carry out business activities for himself or herself.⁶ The person in question must not receive any income from gainful employment. For example, a worker who receives layoff pay is not unemployed. A more narrow definition, referred to as *open* unemployment, is used for statistic purposes. Only persons who are without employment, of working age (i.e. 16 – 64 years) and actively seek employment fall under this definition. Consequently, persons who participate in any of the employment policy programmes are not registered as unemployed, since they are not actively seeking work as long as the programme lasts.

The insurance covers all categories of employees (including civil servants) and self-employed persons of working age. However, those under the age of 20 are only eligible for benefits if they are members of an unemployment insurance fund. There are specific provisions for self-employed and fishermen.

The general rule is that the insurance does not protect persons seeking their first job. The worker must have been employed for at least six months before he or she is entitled to unemployment benefits. However, students (including secondary school students) who make themselves available to the employment services when they have finished full time studies are entitled to benefits after 90 days, even if they have not fulfilled this condition. In practice, this exception has great importance, since most young people today pass secondary school.

The insurance covers partial unemployment for persons who work involuntary part-time as well as for persons casually employed by the hour and workers in sectors with regular seasonal unemployment.

9.

Seen from an international perspective, Sweden has had very low unemployment rates during the post-war period, until the beginning of the 1990s. Today, unemployment has decreased again, although not as far as before the rise. In 2001 the overall rate of *open* unemployment was 4 per cent of the working population. In addition, fully 2 percent were engaged in various employment policy programmes. Although partial unemployment is covered by the insurance, it is not included in the unemployment rate figures, but defined as “underemployment”.

252 918 workers, or 71,1 per cent of those registered as unemployed or underemployed, were in receipt of unemployment benefits on 31 December 2001. The minimum benefit was SEK 270 per full day (the benefit for part-time unemployed is reduced proportionally) and the maximum SEK 680 a day. The average earnings-related benefit actually paid was SEK 544 a day, and the average flat-rate benefit SEK 255 a day. On average, a worker whose unemployment came to an end on 31 March 2002 had been in receipt of unemployment benefits for 106 compensation days.

10.

Both the basic flat rate insurance and the earnings-related insurance are administered by the unemployment insurance funds, which are private institutions. However, their activities are governed by detailed legislation and controlled by the state. All except one are attached to a national trade union or business organisation. Consequently, there are separate, yet centralised, unemployment funds for metalworkers, nurses, fishermen etc.

⁶ Kontrakt för arbete Rättvisa och tydliga regler i arbetslöshetsförsäkringen, Ds 1999:58, p 45 – 46

The scheme is financed by a combination of government funds and workers' membership subscriptions. However, the latter cover only a very small part of the costs.⁷ The membership subscriptions are fixed at a flat rate by each fund, and amount to around SEK 100 per month.

11.

The insurance consists of two parts: a basic insurance which covers all, and a complementary earnings-related insurance, which is voluntary.

- A basic qualifying condition which must be met in order to be eligible for any of these benefits is that the worker has been employed for at least six months during a reference period of twelve months immediately before becoming unemployed. In addition, he or she must have worked at least 70 hours during each of these six months or 450 hours in total and not less than 45 hours per month.

To be eligible for earnings-related benefits the worker has to meet additional qualifying conditions.

- First, he or she has to be a member of an unemployment insurance fund, which in itself presupposes that certain conditions are met. To become a member, the worker must have been employed for at least 17 hours per week for at least four weeks, and still be employed to the same extent.
- After the worker has joined the unemployment insurance fund, it still takes twelve months before he or she is eligible for earnings-related benefits.

General qualifying conditions are:

- that the worker is unprevented from accepting employment for at least three hours each working day and, on the average, at least 17 hours per week
- is prepared to accept suitable employment
- is regularly registered as a job-seeker by the public employment service
- contributes to the preparation of an individual action plan together with the public employment service
- and actively seeks suitable employment.

There is a waiting period of five days before benefits are payable. The benefit from the basic insurance is now SEK 380 a day five days a week for workers who have worked full-time. The earnings-related benefit is 80 per cent of the workers previous income, up to a certain limit. Thus, the maximum benefit is SEK 730 a day for the first 100 days of unemployment, and SEK 680 a day after that.

According to the principal rule benefits are paid for maximum 300 days (five days a week). However, this period can be prolonged with another 300 days if the worker is still unemployed, and the public employment services does not think that he or she should be offered to participate in an employment policy programme.

The worker is suspended from benefits for 45 – 60 days (which equals to nine – twelve “normal” weeks) if unemployment is self-inflicted, that is to say if the worker has left his or her job without just cause, or has been dismissed because of undue behaviour.

Should the worker refuse an offer of suitable employment without just cause, the benefit is reduced. The same applies if the worker, without explicitly rejecting an offer, has behaved in a way that has made the employer refrain from hiring him or her. If it happens more than

⁷ In 1998 workers' contributions covered slightly more than one tenth of the costs, Ds 1999:58, p 55

twice, the worker is suspended from benefits until he or she has afresh qualified for benefits through work. In this context, employment is regarded as suitable if four conditions are met:

- The offer must be reasonable with regard to the workers qualifications and other personal circumstances.
- The terms of employment must be consistent with the applicable collective agreements.
- The work must not be subject to industrial action.
- The working conditions must be consistent with the legislation on health and safety at the workplace

Benefits from the unemployment insurance are not paid to workers when they participate in employment policy programmes. Instead, they are entitled to another government funded benefit which is called activity support (if they are not paid by an employer which can be the case). Workers who decline an offer to participate, or discontinues their participation in a programme which the Employment service deems suitable, risk to lose their right to unemployment benefits or activity support.

Under certain conditions, workers can go to another EU or EEA member state for three months in order to seek employment, and still retain their entitlement to unemployment benefits. It is however not transferable to countries outside the EU/EEA.

A worker who has attempted to obtain benefits fraudulently is refused benefits for at least 130 days, and until he or she has fulfilled a new work condition.

Except for non-recurrent amounts, the unemployment benefits are co-ordinated with other earnings intended to compensate workers for loss of earnings caused by the termination of their employment, so that nobody gets more than 80 percent compensation.

Since the state has to be neutral in cases of industrial conflict, unemployment benefits are not paid to workers on strike (the trade unions have large strike funds).

A worker who is dissatisfied with the decision of the unemployment insurance funds can appeal to the administrative courts.

12.

The Swedish unemployment insurance has been under constant debate since the beginning of the 1990s. A main point of criticism has been that it was too generous, as workers could qualify for almost indefinite periods of compensation by participating in various employment policy programmes. Thus, the critics argued, there were no real incentives stimulating them to find new jobs. The object of the reform of 2001 was to stress that the purpose of the insurance is to help the unemployed to adjust their lives to new circumstances and to find new ways to support themselves, not to offer them a life-time income guarantee.

On the other hand, the value of the earnings-related benefits has been undermined as the upper limit was not raised for several years. Thus, in 2001 only a minority of the workers actually received 80 per cent of their previous income, and in practice, the voluntary insurance too tended to be a flat-rate insurance, albeit on a higher level than the basic insurance. On 1 July 2002 the maximum daily benefit was raised for the first time since 1997. The ideal solution would be to link the maximum benefit to index. However, as long as the insurance is financed mainly by government funds, this is not considered to be feasible.⁸

⁸ Kontrakt för arbete Rättvisa och tydliga regler i arbetslöshetsförsäkringen, Ds 1999:58, p 212 – 213

13.

As stated above under 8., the insurance covers partial unemployment for persons who work involuntary part-time as well as for workers in sectors with regular seasonal unemployment.

With one minor exception, workers who are temporarily suspended of their employment are not eligible for benefits.

Persons who work involuntary part-time are eligible for benefits provided that they had longer working hours in their previous employment. Their right to benefits is reconsidered every six months.

D. Non contributory benefits for unemployed wage-earners

15.

The ultimate safety-net for unemployed wage-earners who, for any reason, cannot receive unemployment benefits is the Social Services Act (SFS 2001:453), according to which persons who have no other means of subsistence are entitled to social benefits from the municipalities for themselves and their families, to guarantee them “a fair standard of living”.

16 – 18.

The social security health care system as well as the Social Services Act covers all persons living in Sweden, irrespective of whether they work or are unemployed, or whether they are wage-earners or not. The only family allowance that exists in Sweden is the general child allowance. It is not means-tested, and is paid until the child has reached the age of 16.

E. Employment promotion policies

19.

The public Employment Service has a nation-wide coverage with over 400 employment offices. It co-operates with the public employment services of the EU and EEA countries.

Its task is to help employers to find the right manpower as well as to help job seekers to find employment. The General Vacancy Registration Act (SFS 1976:157) obliges employers to report vacancies to the Employment Service. The vacancies are announced free of charge both in printed publications and in on-line databases, where employers and workers can search directly via the Internet.

Persons who are in receipt of unemployment benefits have to stay in personal contact with the Employment Service. Individual action plans are drawn up for those who do not find job within a certain time. The action plan is an agreement between the Employment Service and the job seeker that describes what measures shall be taken – for example job seeker activities, training, work practice etcetera – in order to get him or her back in employment.

Private employment agencies were not allowed in Sweden until 1993. Today there are around 400 temporary work and recruitment companies. They recruit mostly from among those who already have an employment. In 1997, only 10 per cent of their workers had been unemployed before they started to work for the temporary agency.⁹ As there were indications that agency work might be a suitable means of integrating foreigners into the labour market, the National

⁹ Temporary agency work in the European Union, European Foundation for the Improvement of Living and Working Conditions, Dublin 2002, p 59

Labour Market Board carried out an experiment in co-operation with a temporary work agency. The expectations were however not fulfilled.¹⁰

20.

A wide range of employment policy measures exist. Their nature and their extent are constantly reviewed in line with the developments on the labour market, and it would take us too far to describe them all. Some are directed towards the employers, such as subsidies when they hire persons who have been long-term unemployed or persons with a reduced work capacity. Others are directed towards the workers themselves, such as vocational training or financial support for entrepreneurial start-ups. Certain programmes are designed specifically for young workers, older workers, long-term unemployed persons or persons with occupational disabilities. Today, all have a general geographic coverage.

21.

Vocational training is one of the corner stones of Swedish labour market policy since the 1970s.¹¹ Here too, some programmes are directed towards the individual workers and others towards the employers.

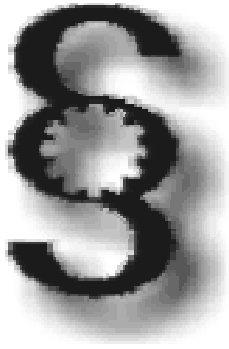
Workers over the age of 20 (or younger if they are disabled) who are, or risk to become, unemployed can be offered training which improves their chances to keep or find a job. In recent years courses in technique and computer science, manufacture, service and medical health care have dominated, but this is constantly adjusted to the changes in the labour market. The training programmes have a general scope and are not targeted on specific categories of workers. What type of training a specific worker is offered depends on his or her individual needs and qualifications.

In redundancy situations, employers can be granted a subsidy if they pay for the training of their employees so that their chances to keep employment or to find new jobs are enhanced. The same type of subsidy can be paid to employers who hire long-term unemployed persons to replace employees who participate in training.

Workers who decline an offer to take part in employment training, risk their entitlement to unemployment benefits.

¹⁰ Behrens, L & Delander, L & Månsson, J & Nyberg, E: Utvärdering av Pilotprojektet för arbetslösa invandrare Ett försök med samverkan mellan bemanningsföretag och arbetsförmedling, Rapport från Växjö universitet, Ura 2002:6

¹¹ Esping-Andersen, G & Korpi, W: From Poor Relief to Institutional Welfare States: The Development of Scandinavian Social Policy in Erikson, R & Hansen, E & Ringen, S & Uusitalo, H: The Scandinavian Model Welfare states and welfare research, M.E. Sharpe, Inc, London 1987, p 61



International Society for Labour Law
and Social Security
Société internationale de droit du travail
et de la sécurité sociale
Sociedad Internacional de Derecho del
Trabajo y de la Seguridad Social

Case postale 500
CH-1211 Genève 22
(Switzerland - Suisse)
Tel. 41.22.799.69.61
Fax. 41.22.799.82.66
<http://www.ilo.org/isllss>

XVII WORLD CONGRESS OF LABOUR LAW AND SOCIAL SECURITY

Montevideo, Uruguay, 3-5 September 2003

Questionnaire for the preparation of national reports

Theme III

Social protection for the unemployed

Dear colleagues,

This questionnaire aims at providing guidance in the preparation of national reports on theme III of this Congress: Social protection for the unemployed. Your replies will help the general reporters to prepare the comparative report on this subject, which will be submitted to the Congress.

I expect that you will rapidly designate the colleagues who will be responsible in each country to reply to this questionnaire and communicate their names and postal and e-mail addresses to me. I hope that the replies to the questionnaire will reach me not later than **31st August 2002**, so that the general reporters will have enough time to prepare their reports and have them translated into all the working languages of the Congress. I would appreciate if the replies to the questionnaires are e-mailed to me <bronstein@ilo.org> in MS Word or WordPerfect format.

This questionnaire intends to take into account the wide variety of legal systems and industrial relations practices of many countries in the world. Please, note that you only have to reply to those questions that correspond to your own legal and industrial relations background.

In advance, many thanks for your kind cooperation.

Arturo Bronstein
Acting Secretary General

President / Président
Roger BLANPAIN
Klein Dalenstraat 46
B-3020 WINKSELE/HERENT
(Belgium/Belgique)
E-mail: roger.blanpain@cer-leuven.be

Acting Secretary-General / Secrétaire général a.i.
Arturo BRONSTEIN
ILO - BIT
Case postale 500
CH-1211 GENEVE 22
(Switzerland/Suisse)
E-mail: bronstein@ilo.org

Treasurer / Trésorière
Irene Petronella ASSCHER-VONK
Catholic University Nijmegen
Faculty of Law
Th. Van Aquinostraat 6
NL-6526 GHD NIJMEGEN
(Netherlands/Pays Bas)
E-mail: I.Asscher@jur.kun.nl

A. Constitutional and legal framework

1. Please provide information on the overall legal system that set the legal framework for the social protection of unemployed workers in your country, including:
 - (a) Constitutional provisions;
 - (b) National laws and regulations;
 - (c) Collective agreements.
2. Please indicate the international standards ratified by your country that address the issues included in this theme.

B. Income relief provided by severance pay paid by the employer or out of a fund made up of contributions paid by the employer or both the employer or the worker

3. To what extent, is it considered in your country, that one or the main purpose of severance pay is to provide income relief to workers whose employment has been terminated?
4. Is the employer obliged to pay, directly to the employee, a severance payment upon termination of the employment of the latter? If he/she is obliged to make such payment:
 - (a) What are the conditions for eligibility to severance pay (e.g. a regular contract of employment, years of service, age, other)?
 - (b) How is severance pay calculated?
 - (c) Can it be refused, and if it can, on what grounds?
 - (d) Is severance pay protected in case of insolvency of the employer, and if it is, through which machinery?
5. Do redundancy funds exist in your country (i.e. funds that are financed out of contributions paid by the employer or the worker, or both, and are administratively, financially and legally independent of the employer), that take up the payment of a severance allowance upon the termination of the contract of employment? If such funds exist, please give information on the following:
 - (a) Year of creation;
 - (b) Coverage, (e.g. all categories of workers, or only certain branches of economy);
 - (c) How these funds are financed and administered;
 - (d) What payments are made out of these funds, and upon which conditions?
 - (e) Can the worker withdraw part or the totality of the money accrued in the fund even if he or she is still employed? If such a case is possible, please explain the conditions that will be met for the worker to request an advance withdrawal of his/her benefit;
 - (f) Are payments that are to be made out of these funds guaranteed in case the employer or the worker has not paid the contributions that are due?

C. Protection provided by an unemployment insurance scheme

6. Has your country implemented an unemployment insurance scheme to protect unemployed workers?

If it has, please:

- (a) Indicate when it was created;
- (b) Has it been created by law or through negotiations between the social partners?
- (c) Is it a compulsory or a voluntary scheme?
- (d) Since its creation, has it undergone major reforms?
- (e) Is your country considering a possible reform of its unemployment insurance?
- (f) If there are more than one unemployment insurance schemes, please give details about the different schemes existing in your country.

If your country does not have an unemployment insurance scheme, please:

- (a) Indicate whether it has envisaged or it is considering to adopt such a scheme;
- (b) If not, please state the reasons that have been given for not establishing such a scheme (e.g. cost, financial, administrative, political or practical considerations).

7. Coverage

- (a) How is the contingency of *unemployment* defined under your country's unemployment insurance scheme?
- (b) Does the scheme protect all salaried workers, or are certain categories of workers excluded from its scope? (e.g. civil servants, home workers, apprentices, domestic helpers, young workers under a prescribed age, seasonal workers, agricultural workers, seamen, fishermen, occasional workers, members of the employer's family). Please give details;
- (c) Does your country's scheme protect workers who are seeking their first job?
- (d) Is partial unemployment protected under this scheme? If it is, how is "partial unemployment" defined? (e.g. temporary suspension of employment, or temporary reduction in the hours of work, involuntary part-time employment; please also see question 13, below).

8. If data is available, please give information on

- i. The overall rate of unemployment in your country;
- ii. The number of workers that on (say) 31st December 2001 were in receipt of unemployment benefits, and the percentage they represented of the total number of workers registered as unemployed;
- iii. The maximum, minimum and average amount of unemployment benefits that were paid on (say) 31st December 2001;
- iv. The average duration of the unemployment benefits that have been paid by the unemployment insurance over a given period (say, 2000-2001).

9. Organisation of the unemployment insurance

- (a) Does the Government administer the unemployment insurance, or it is a semi-public or private institution?
- (b) Is it a centralized institution, or it is administered on a regional, state, provincial or local basis;
- (c) If unemployment insurance is not a centralized institution, are coverage, conditions for eligibility and amount and duration of the benefits the same for the whole country or do they vary from one region (province, state, etc) to another?
- (d) How is the scheme financed? (e.g. by public funds only, by contributions paid by both the employers and the workers, or by a combination of public funds and workers' and employers' contributions?). If it is funded by contributions, please indicate how these contributions are fixed (e.g. a flat rate (how much?) or a percentage (how much?) of the workers' wages?).

10. Unemployment benefits

- (a) What qualifying conditions must be met for the worker to be eligible for unemployment benefit? e.g:
 - i. A qualifying period of affiliation and contributions paid to the unemployment insurance scheme (please give details);
 - ii. The worker has involuntarily lost his or her job;
 - iii. The worker is regularly registered as a job-seeker;
 - iv. A waiting period during which unemployment benefits are not paid;
 - v. Other (please indicate)
- (b) When unemployment benefits are provided in the form of periodic payments;
 - i. Are they based on the amount of previous contributions paid into the unemployment fund, based on previous earnings or based on a fixed flat rate?
 - ii. If they are based on previous contributions or previous earnings, at what rate are they fixed?

- iii. Is there a minimum or maximum limit for the amount of the unemployment benefit?
- iv. Is there a maximum period during which the unemployment benefit is paid? If such a maximum exists, how it is fixed?

(c) Can the unemployment benefit be refused, reduced, suspended or withdrawn when the worker:

- i. Has voluntarily contributed to the termination of his or her employment?
- ii. Has voluntarily, or without just cause, left his or her job?
- iii. Has, without a valid reason, refused an offer of suitable employment? (In such cases please explain how the term "suitable employment" is defined);
- iv. Has failed, without just cause, to use the facilities available for placement, vocational guidance, training, retraining or redeployment in suitable work?
- v. Has left the country?
- vi. Has attempted to obtain benefits fraudulently; is in receipt of any other earnings (e.g. a severance payment), the principal purpose of which is to contribute towards compensating him/her for the loss of earnings suffered because of his/her employment having been terminated?
- vii. Is on strike?

Please indicate any other ground to refuse, suspend or withdraw the payment of an unemployment benefit.

(d) Can an unemployment benefit be refused, reduced or suspended when, on leaving his/her employment, a worker has received compensation from his/her employer substantially equal to his/her loss of earnings for a certain period? If so, please explain how this rule operates.

(e) What appeal procedures are available for the unemployed worker to challenge a decision to refuse, suspend or withdraw the payment of an unemployment benefit?

11. Shortcomings of the unemployment insurance scheme:

Please indicate what the major problems are that undermine the efficiency of your country's unemployment insurance (e.g. insufficient coverage, insufficient information on the users' rights, insufficient or poor administrative infrastructure to receive and process the applications for benefits, delays, very low amount of benefits, too short periods during which the unemployment benefits are paid, abuses from the applicants).

12. Partial unemployment.

Please provide information on how the workers are protected in the instance of:

- (a) Temporary suspension of their employment;
- (b) Involuntary part-time work.

D. Non contributory benefits for unemployed wage-earners

13. If your country does not have an unemployment insurance scheme, please indicate what programmes do exist in your country to provide relief, in cash or in kind, to unemployed wage-earners who are out of work:

- i. At national level;
- ii. At sectoral, regional, provincial or local level.

14. If your country does have an unemployment insurance scheme, please indicate what programmes exist in your country (at national, regional, provincial or local level) to provide relief, in cash or in kind, to:

- i. Unemployed wage-earners who are not eligible for unemployment benefits;
- ii. Unemployed wage-earners whose unemployment benefits can no longer be paid under the unemployment insurance scheme.

E. Other

15. Medical care of unemployed workers and their dependents: Please indicate whether unemployed workers are eligible for health protection:
- i. Under the social security health care system, or
 - ii. Any other national, provincial or local scheme, whether contributory or not.
16. Family allowances for the unemployed: please indicate whether unemployed workers are entitled to family allowances.
17. Protection of non-wage earners: Please indicate whether your country has implemented any scheme to provide income relief to non-wage earners who are out of work (for example, a minimum guaranteed income scheme).

F. Employment promotion policies

18. Has your country implemented policies to promote employment and to help job seekers to find suitable employment? If it has, please refer to the following questions?
- (a) Public employment service: Has your country organized a public employment service, which helps job seekers to find suitable employment? If it has, please describe briefly how it operates;
 - (b) Private employment agencies: Has your country a network of private employment agencies (including temporary work agencies) that help jobseekers find employment. If it has, please describe briefly how they operate?
19. Active labour market policies:
- (a) Please provide any available information about the measures implemented in your country to help create productive employment for unemployed workers, such as:
 - i. Public works;
 - ii. Measures to promote employment: tax relief, rebates in social security contributions, direct public subsidies;
 - iii. Retraining of workers affected by the suppression of jobs;
 - iv. Assistance to unemployed people for the creation of enterprises.
 - (b) Have these programmes
 - i. A general coverage?
 - ii. A regional coverage?
 - iii. A sectoral coverage?
 - (c) Has your country implemented job creation programmes in favour of particularly vulnerable categories of workers, such as:
 - i. Women workers?
 - ii. Young workers?
 - iii. Older workers?
 - iv. Long-term unemployed people?
 - v. Disabled Workers?
 - vi. Veterans?
 - vii. National and ethnic minorities?
 - viii. Other? (please give details)

20. Training for employment

- (a) Please, indicate the relationship that may exist in your country between employment promotion programs and vocational training programs and policies, for example:
 - i. Retraining programs for workers that have been affected by job suppressions ;
 - ii. Training programs for unemployed job seekers ;

iii. Other.

(b) Is participation in a training program a pre-condition for an unemployed worker to be eligible to an unemployment benefit?

(c) Has your country formulated or implemented training programs specifically targetted on certain vulnerable categories of workers, such a women workers, young workers, older workers, disabled workers, migrant workers, and national or ethnical minorities?

21. Other: Please provide any other information that might be relevant for the preparation of the general report.

January 2, 2002