

Results 2020

# ACTIVITY-RELATED ELIGIBILITY CONDITIONS FOR RECEIVING UNEMPLOYMENT BENEFITS

Tax-benefit policies team



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# 1 Introduction

1. Unemployment benefit systems are an integral part of the social security systems of countries within and outside of the EU and OECD. Their key functions include facilitating necessary and growth-enhancing job reallocation at all stages of the economic cycle, promoting effective job-search and a suitable match between vacancies and workers, and reducing inequality and the risks of poverty for those affected by joblessness. The current COVID-19 pandemic, which led to massive numbers of dismissals, layoffs, and furloughs highlights the crucial role of unemployment benefit schemes for individual workers, for employers, and for economies at large.

2. There are, however, also concerns that unemployment benefits and related income-support measures might create obstacles to employment in some circumstances, delaying or preventing the return of out-of-work individuals to paid work (Siebert, 1997<sup>[1]</sup>). A contemporary example of these concerns is the recent debate in the U.S. Senate around potential work disincentives resulting from a temporary increase of federal unemployment benefit payments.<sup>1</sup>

3. The extent to which unemployment benefits protect against hardship and act as incentives or disincentives depends on a set of central design features. These include the level and maximum duration of payments, as well as *activity-related eligibility criteria* such as job-search and reporting requirements, individual action plans, the definition of suitable work, and sanctions for non-compliance (Fredriksson and Holmlund, 2006<sup>[2]</sup>).

4. There is, on the one hand, considerable evidence that tougher job-search requirements, a wider definition of suitable work, and a stringent enforcement of sanctions can increase the rate at which job seeking benefit claimants transition into employment and/or off benefits (Abbring, van den Berg and van Ours, 2005<sup>[3]</sup>) (Lalive, van Ours and Zweimüller, 2005<sup>[4]</sup>) (van den Berg and van der Klaauw, 2006<sup>[5]</sup>). On the other hand, harsher sanction rules by themselves do not necessarily produce higher employment (Taulbut, Mackay and McCartney, 2018<sup>[6]</sup>) (Knotz, 2020<sup>[7]</sup>); benefit claimants who return to work after being sanctioned may suffer an enduring deterioration in working conditions and job quality (van den Berg and Vikström, 2014<sup>[8]</sup>) (Arni, Lalive and van Ours, 2013<sup>[9]</sup>); and sanctioning is statistically associated with important manifestations of socio-economic disadvantage, such as food insecurity and mental health problems (Williams, 2019 [forthc.]<sup>[10]</sup>) (Loopstra et al., 2018<sup>[11]</sup>).

5. Relatedly, the ‘future of work’ debate has recently brought renewed attention to the suitability of existing social protection measures, including unemployment benefits, for workers in the ‘gig’ economy and for other forms of non-standard work, including own-account work and on-call contracts (OECD, 2019<sup>[12]</sup>) (Eichhorst et al., 2016<sup>[13]</sup>) (Abraham et al., 2019<sup>[14]</sup>). One important issue is to what extent non-standard work is considered a ‘suitable’ outcome of job-search efforts, to what extent employment service providers encourage or mandate the placement of jobseekers into these forms of employment, and whether jobseekers who actively look for non-standard employment are considered to fulfil the job-search requirements that benefit claimants need to meet. In fact, it is currently not clear whether countries’ existing benefit eligibility rules, which seek to regulate precisely these questions, do already reflect the new or evolving labour-market realities that may result from a growing availability of non-standard work.

6. Good-quality data on countries’ policy configurations is needed to understand the consequences of income-support strategies for the unemployed, and to devise responses

<sup>1</sup> See e.g. [NBC News](#), March 25, 2020.

to the challenges that result from cyclical and structural labour-market changes. Results in this report update and extend previous assessments of the strictness of unemployment benefit eligibility criteria (Venn, 2012<sup>[15]</sup>) (Langenbacher, 2015<sup>[16]</sup>) (Immervoll and Knotz, 2018<sup>[17]</sup>) (Knotz, 2018<sup>[18]</sup>). The results complement other comparative outcome and policy indicators on the generosity and accessibility of out-of-work benefits, such as trends in benefit recipient numbers (<http://oe.cd/socr>), net replacement rates, contribution or employment requirements, as well as detailed qualitative information on benefit entitlement rules (<http://oe.cd/taxBEN>). The resulting system of indicators seeks to support in-depth policy monitoring and benchmarking across countries and over time.

7. This report *updates* earlier OECD studies with policy information for 2020:

- It presents updated data on activity-related eligibility criteria (benefit registration procedures, job-search reporting requirements and monitoring procedures, the definition of suitable work, and sanction rules).
- As in (Immervoll and Knotz, 2018<sup>[17]</sup>), the data collection covers different types of benefits that may be available to the unemployed, including first-tier insurance benefits, as well as unemployment and social assistance benefits where these are relevant.
- Results are based on responses from benefit administrations and related institutions in EU and OECD member countries, and on extensive follow-up consultation with country officials.

8. In addition to the update, the report *extends* previous studies in two ways:

- First, it provides new evidence on the treatment of own-account work (solo self-employment) in the unemployment benefit system, such as any requirements for benefit claimants to seek or accept such types of employment. Where relevant and available, the report presents information for solo self-employed in general, and for those operating through an internet-based platform ('gig workers').
- Second, it presents results from a 'flash' survey of initiatives that countries have taken to adapt benefit eligibility conditions in response to the global health emergency of 2020, e.g. to make benefits more accessible during the lock-down phase.

9. The report proceeds as follows. Section 2 introduces activity-related eligibility criteria in more depth and discusses their role in the overall configuration of income-support for jobseekers. Section 3 describes the synthetic indicators used to quantify and summarise the *strictness* of eligibility criteria. Sections 4, 5 and 6 present, respectively, the most recent data on the strictness of eligibility criteria for 'tier-1' unemployment benefit programmes, for 'lower-tier' unemployment assistance programmes, and for social assistance benefits. Section 7 summarises newly collected data on eligibility conditions that may apply to independent and platform-based self-employment. Section 8 presents the results of a flash survey on responses to the COVID-19 pandemic in selected countries. The final section concludes.

## 2 Activity-related eligibility criteria as features of unemployment benefits

10. The design parameters of unemployment benefits can be broadly grouped into three categories: Their *generosity* (levels), the strictness of *entitlement criteria* (such as

employment or contribution requirements), and the strictness of *activity-related eligibility criteria*. (Immervoll and Knotz, 2018<sub>[17]</sub>) discuss the role of benefit generosity and entitlement criteria in more detail and long time series of key policy indicators are available on <http://oe.cd/TaxBEN>.

11. *Activity-related eligibility criteria* regulate the requirements that claimants need to meet in order to continue receiving a benefit, as well as any conditions for the return to employment. They include (i) requirements regarding claimants' availability for employment; (ii) job-search requirements and related monitoring procedures; and (iii) sanctions for non-compliance with any requirements. All these eligibility criteria shape the availability of unemployment benefits in practice and, hence, their potential impact on income security and work incentives. They also vary considerably across countries and over time. Eligibility criteria have undergone significant changes in essentially all advanced democracies, generally in the direction of greater strictness (Knotz, 2018<sub>[18]</sub>) (Immervoll and Knotz, 2018<sub>[17]</sub>).

12. The strictness of eligibility criteria can vary across different benefit programmes in a given country. In several countries, eligibility criteria for means-tested ('lower-tier') social or unemployment assistance programmes are as strict or even stricter as those for earnings-related ('tier-1') unemployment insurance programmes (Germany or the United Kingdom are examples). The OECD's 2018 study on unemployment benefit eligibility criteria provided evidence that this is not generally the case, however. In many countries, legal eligibility criteria differ little or not at all between different benefit schemes. There were also several countries where eligibility rules for means-tested benefits were in fact more lenient than for insurance benefits. One reason may be that "lower-tier" benefits are designed to provide support for a diverse group of benefit claimants, including those who cannot reasonably be expected to be immediately available for employment or return to work in the short term.

13. There can also be deviations between the formal rules and their actual enforcement in day-to-day practice (Grubb, 2000<sub>[19]</sub>). Enforcement can vary even between countries with the same or very similar rules, between different time periods (and despite similar statutory rules), as well as between different claimant groups. That being said, statutory rules still define the boundaries within which enforcement is legally allowed to vary and thus provide by themselves important information about the experiences of both the unemployed and caseworkers on the ground.

## **3** Measuring strictness – a synthetic indicator

14. Early efforts to measure the strictness of activity-related eligibility criteria date back to the late 1990s and early 2000s. Researchers at the Danish Ministry of Finance conducted the first expert surveys on the strictness of unemployment benefit eligibility criteria and developed synthetic indicators to be able to quantify and compare their strictness across around 20 OECD countries (Ministry of Finance Denmark, 1998<sub>[20]</sub>) (Hasselpflug, 2005<sub>[21]</sub>).

15. Starting in 2012, the OECD has continued this task, by updating the earlier information to more recent years, and by proposing modified and enriched indicators (Venn, 2012<sub>[15]</sub>) (Langenbacher, 2015<sub>[16]</sub>) (Immervoll and Knotz, 2018<sub>[17]</sub>). Others have in parallel collected similar comparative data for earlier years, and documented policy changes over a longer time period using a consistent measurement framework (Knotz, 2018<sub>[18]</sub>).

16. To date, indicators for eligibility criteria have measured the statutory strictness of eligibility rules without accounting for their operation and enforcement in practice. As policy indicators, the strictness measures presented here, as well as the underlying policy information, also relate to the strictness of statutory rules, and not to the strictness of enforcement practice (see also above).

17. As in the early work by the Danish Ministry of Finance, the indicators in this report are constructed by scoring the strictness of different eligibility criteria on numerical scales. The resulting scores for all criteria are then aggregated into a synthetic indicator of the overall strictness of eligibility criteria. The report follows the scoring procedures used by Immervoll and Knotz (2018<sup>[17]</sup>). It considers the following eligibility criteria (see also Table 3.1):

**18. Items 1 through 4: Availability requirements:** These determine how much leeway the unemployed have in selecting among available job offers without risking their eligibility to benefits.

- a. *Item 1: Availability during ALMP participation:* In some countries, countries allow claimants to restrict their availability for employment while they participate in active labour market programmes (ALMPs), while others require continuous availability.
- b. *Item 2: Requirements for occupational mobility:* Some countries allow unemployed workers to restrict their availability to work within their previous or normal occupation for at least some time, arguably to avoid mismatches in the labour market. Increasingly, however, countries require the unemployed to accept work in other occupations from the outset (Knotz, 2018<sup>[18]</sup>).
- c. *Item 3: Requirements for geographical mobility:* Unemployed workers may also be required to be geographically mobile in order to find work, for instance by commuting or even relocating.
- d. *Item 4: Other valid reasons:* Next to the mentioned reasons for refusing job offers, countries typically provide a list of other reasons for which unemployed workers can refuse work. These can include for instance ethical or religious reasons (Muslims or Hindus may for instance legitimately object to handling beef or pork) or also caring responsibilities for dependent children or frail relatives.

**19. Items 5 and 6: Job-search requirements and monitoring procedures:** Countries often specify which and how many concrete job-search actions (e.g. approaching a potential employer, writing a CV) unemployed workers have to complete in a given amount of time and how this is monitored. This is to ensure that the unemployed really are available for work and to maintain at least a satisfying degree of job-search activity.

- a. *Item 5: Frequency of job-search activities:* Many countries specify concrete intervals within which unemployed workers have to report their job-search activities whereas others do such checks on an ad-hoc basis. Few countries perform no checks.
- b. *Item 6: Documentation of job-search activities:* Some countries only require unemployed workers to confirm that they have been looking for work, if at all, whereas others require extensive documentation, including also conformation from employers that have been approached.

**20. Items 7 through 11: Sanctions:** Where unemployed workers fail to comply with any of the above-mentioned criteria and requirements, e.g. where they refuse a suitable offer of employment, they can receive a sanction. These typically take the form of temporary disqualifications from benefit receipt. In some cases, claimants lose only a part of their payments. In others, however, claimants can also lose their eligibility to benefits entirely.

- a. *Item 7: Sanctions for voluntary resignation from employment:* Unemployed persons who resigned voluntarily from their previous job or got dismissed due to own misconduct and seek to claim unemployment benefits normally receive some type of penalty. In many countries, they lose a part of their benefit payments, often multiple weeks, but many others disqualify voluntarily unemployed workers completely from receiving benefits (being involuntary unemployed is typically specified as a precondition for benefit eligibility).
- b. *Item 8: Sanctions for refusals of job offers:* Since being available for work is a condition for eligibility to unemployment benefits in all countries, unemployed workers who fail to comply with this by refusing a suitable offer of work are typically handed down a sanction. Refusing an offer of work is generally punished less harshly than voluntary unemployment, but penalties can still range from around a month to a complete disqualification from benefit receipt.
- c. *Item 9: Sanctions for repeated refusals of job offers:* Repeated refusals of suitable job offers often result in increasingly severe penalties (Knotz, 2018, p. 100<sup>[18]</sup>), in some cases such as the United Kingdom amounting to up to 156 weeks (3 years).
- d. *Item 10: Sanctions for refusals to participate in ALMPs:* Unemployed jobseekers are normally required to not only look for work but also to undertake steps that help them doing so and to collaborate with their employment service providers. Where they fail to cooperate and refuse to participate in a labour market programme that has been deemed helpful for them, they often also risk being sanctioned. Sanctions for refusals to participate in ALMPs tend to mirror those for refusals of job offers, but can also be somewhat milder.
- e. *Item 11: Sanction for repeated refusals to participate in ALMPs:* Just as in the case of repeated refusals of job offers, repeated failures to participate in ALMPs typically result in increasingly severe sanctions being imposed.

**Table 3.1. Coding framework**

Sub-indicator	Item	Score	Description
Availability requirements	Item 1: Availability during ALMP participation	1	No demands on availability for work during participation in ALMPs
		2	Participation in some ALMPs requires availability for work
		3	Participation in most ALMPs requires availability for work
		4	The unemployed should always be available for work while participating in ALMPs, but are not required to actively search for work
		5	The unemployed should always be available and actively searching for work while participating in ALMPs
	Item 2: Demands on occupational mobility	1	The unemployed can refuse job offers in other occupational areas or with lower wages indefinitely
		2	The unemployed can refuse job offers in other occupational areas or with lower wages for a limited period of 6 months or more
		3	The unemployed can refuse job offers in other occupational areas or with lower wages for a period of less than 6 months
		4	No explicit reservations, but the unemployed person's qualifications, previous remuneration and the length of their unemployment spell are taken into account
		5	The unemployed must accept all job offers that he/she is capable of doing
	Item 3: Demands on	1	No demands on geographical mobility



	geographical mobility	2	The unemployed must accept a daily commuting time of up to 2 hours per day
		3	The unemployed must accept a daily commuting time of up to 4 hours per day
		4	The unemployed must accept a daily commuting time of 4+ hours per day
		5	The unemployed must be willing to move
	Item 4: Other valid reasons for refusing job offers	1	Five valid other types of reasons for refusing jobs <sup>a</sup>
		2	-
		3	Three or four valid other types of reasons for refusing jobs <sup>a</sup>
		4	-
		5	Two or less valid other types of reasons for refusing jobs <sup>a</sup>
Job-search requirements and monitoring procedures	Item 5: Frequency of job-search monitoring	1	No checks of job-search activities
		2	Infrequent or ad-hoc checks
		3	Frequency of checks varies between unemployed persons and/or over the unemployment spell (on average less than quarterly)
		4	Regular checks of job-search activities, monthly or quarterly
		5	Weekly or fortnightly checks of job-search activities
	Item 6: Documentation of job-search activities	1	No formal requirement
		2	The person must regularly affirm that he or she has undertaken some actions to find work without specifying what these were
		3	The person must regularly affirm that he or she has undertaken some actions to find work and specify what these were (e.g. keeping a job-search diary)
		4	The person must regularly supply the name and address (or equivalent documentation) of employers that he or she has contacted
		5	The person must regularly produce declarations by employers that he or she has applied to them for work
Sanctions	Item 7: Sanctions for voluntary unemployment	1	0-4 weeks (incl benefit reductions)
		2	5-9 weeks
		3	10-14 weeks
		4	More than 14 weeks
		5	Loss of eligibility
	Item 8: Sanctions for refusing job offers	1	0-4 weeks (incl benefit reductions)
		2	5-9 weeks
		3	10-14 weeks
		4	More than 14 weeks
		5	Loss of eligibility <sup>b</sup>
	Item 9: Sanctions for repeated refusals of job offers	1	0-4 weeks (incl benefit reductions)
		2	5-9 weeks
		3	10-14 weeks
		4	More than 14 weeks
		5	Loss of eligibility <sup>b</sup>
Item 10: Sanctions for failures to participate in counseling interviews or ALMPs	1	0-4 weeks (incl benefit reductions or non-payment until compliance)	
	2	5-9 weeks	
	3	10-14 weeks	
	4	More than 14 weeks	
	5	Loss of eligibility	
Item 11: Sanctions for repeated failures to participate in counseling interviews or ALMPs	1	0-4 weeks (incl benefit reductions or non-payment until compliance)	
	2	5-9 weeks	
	3	10-14 weeks	
	4	More than 14 weeks	
	5	Loss of eligibility	

## Notes:

<sup>a</sup>. Valid reasons for refusing jobs are categorised as follows: i) Family or personal reasons (e.g. caring responsibilities; spouses' work, lack of child care, etc.); ii) Own health or disability; iii) Other working arrangements of the job (e.g. part-time, temporary contract, anti-social working hours, etc.); iv) Moral or religious reasons; and v) Job is to replace workers on strike or lockout, or working conditions are not in line with relevant (e.g. local or sectoral) collective agreements. Refusals of job offers due to the wage being lower than in a previous job, or lower than unemployment benefits, were coded under Item 4 in earlier versions of the indicator, but are now included in Item 2 (demands on occupational mobility). It is assumed that all countries require suitable jobs to have wages and working conditions consistent with legal requirements (including administrative extensions of collective agreements), that certain types of work (e.g. prostitution) are not considered generally suitable and that no unemployed should be forced to join or leave a trade union in order to take up a new job.

<sup>b</sup>. In some countries, a sanction may suspend benefit entitlement indefinitely but there may nonetheless be the possibility of renewing the right to receive benefits after a period in paid employment or training (shorter than the usual statutory qualifying period). In such cases, a score of 4.5 rather than 5 has been assigned (i.e., the sanction regime is treated as stricter than those that impose fixed-duration sanctions, but less strict than those that result in complete disqualification from benefits).

Source: (Immervoll and Knotz, 2018<sup>[17]</sup>).

21. Table 3.1 lists the coding procedures that were used to score the strictness of the individual eligibility criteria. Lower scores indicate greater leniency – giving unemployed workers more leeway in selecting among available job offers, imposing less stringent monitoring of job-search activities, and punishing infractions less harshly – whereas higher scores reflect more demanding requirements and harsher sanctions.

22. Scores for the three sub-indicators (availability requirements, job-search requirements and monitoring procedures, and sanctions) are weighted averages of the individual item scores. The three sub-indicators are, in turn, aggregated into a single overall indicator for the strictness of eligibility criteria. Aggregation weights for all indicators are listed in Table 3.2.

**Table 3.2. Aggregation and weighting rules for summary indicators**

Sub-indicator	Item	Weight in overall indicator
<i>Availability requirements</i>		0.33
	1. Availability during ALMP participation	0.08
	2. Demands on occupational mobility	0.08
	3. Demands on geographical mobility	0.08
	4. Other valid reasons for refusing job offers	0.08
<i>Job-search requirements and monitoring procedures</i>		0.33
	5. Frequency of job-search monitoring	0.17
	6. Documentation of job-search activities	0.17
<i>Sanctions</i>		0.33
	7. Sanctions for voluntary unemployment	0.11
	8. Sanctions for refusals of suitable job offers	0.06
	9. Sanctions for repeated refusals of suitable job offers	0.06
	10. Sanctions for refusals to participate in ALMPs	0.06
	11. Sanctions for repeated refusals to participate in ALMPs	0.06
<b>Sum of weights</b>		<b>1.00</b>

23. All items receive equal weights, except for item 7, which receives a “double” weight in order to achieve a balanced (equal) representation for each of the three sanction types in the “sanctions” sub-indicator. This accounts for the fact that there is only one item for the “voluntary unemployment” sanction, whereas the other two sanction types appear with two items.

### Box 3.1. Data Collection

As in previous OECD studies on the strictness of unemployment benefit eligibility criteria (Venn, 2012<sup>[15]</sup>) (Langenbucher, 2015<sup>[16]</sup>) (Immervoll and Knotz, 2018<sup>[17]</sup>), the data were collected via a semi-structured survey that was distributed to OECD delegates in the respective member states. Identical questionnaires were distributed via the European Commission to non-OECD EU-member states.

The questionnaires contained a series of requests for information on unemployment benefit registration and early placement procedures (OECD, 2007<sup>[22]</sup>) and on job-search requirements and monitoring procedures, availability requirements, and sanction rules.

As in the last round (Immervoll and Knotz, 2018<sup>[17]</sup>), countries received not only questionnaires on the configuration of these rules for ‘tier-1’ unemployment benefits (usually unemployment insurance programmes) but also additional and equally structured questionnaires on the configuration of eligibility requirements for ‘lower-tier’ social or unemployment assistance programmes.

In this round, the questionnaires included also additional new questions on the treatment of solo self-employment, and in particular the type of self-employment that is based on an internet platform or smartphone application (‘gig work’). Delegates were asked for information on whether unemployed workers would be actively referred to such types of work by employment service providers, whether looking for such work would count towards ‘actively seeking work’, and whether such work could be considered suitable.

The survey was fielded in late 2019 and early 2020 and many responses were not received before the SARS-CoV-2 outbreak became a pandemic and led to nationwide shutdowns and emergency measures in all OECD- and EU-member countries. This has affected the response rate of our survey. Four countries did not send responses to our questionnaire on the strictness of eligibility conditions for ‘tier-1’ benefits (Iceland, Ireland, Norway and Portugal); this amounted to eight countries in the case of the questionnaire on ‘lower-tier’ benefit programmes (Bulgaria, Canada, Chile, Iceland, Ireland, Portugal, Sweden and the USA), and three countries in the case of the questionnaire on ‘tier-3’ benefit programmes (Portugal, Sweden and Iceland).

Since many of the emergency measures adopted across the globe did directly or indirectly affect the administration of unemployment benefits (countries did, for instance, suspend in-person registration requirements or excused jobseekers from having to actively seek employment), a spontaneous flash-survey was fielded with requests for information on how COVID-19 has affected the administration of unemployment benefits and what other labour market measures were adopted.

## 4 The strictness of eligibility criteria for ‘tier-1’ unemployment benefits

24. This section presents the most recent data on the strictness of ‘tier-1’ unemployment benefit eligibility criteria, which in most countries refer to earnings-related unemployment insurance programmes (the exceptions being Australia and New Zealand, where the main unemployment benefit is a means-tested assistance payment). The order of presentation follows Table 3.1, i.e. starting with the strictness scores for availability requirements, followed by job-search requirements/monitoring procedures and sanctions. The overall strictness indicator is presented last.

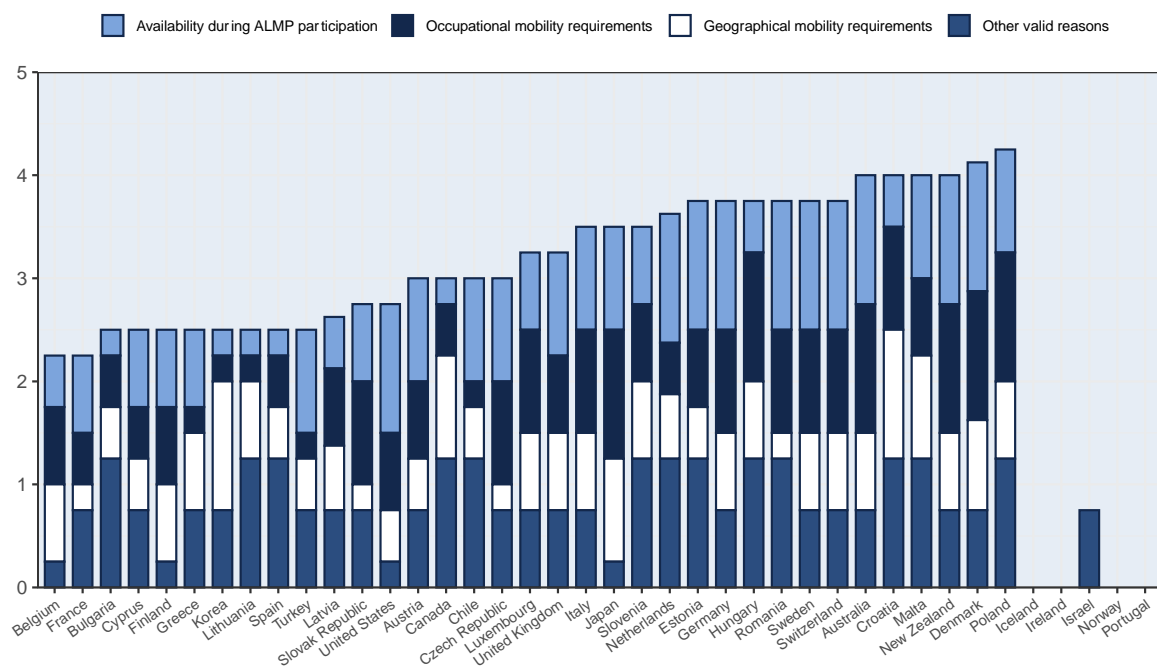
#### 4.1 Availability requirements

25. As in previous surveys, the group of countries with the strictest availability requirements includes Poland, Denmark, and New Zealand (Figure 4.1). Indeed, a strong emphasis on activating the unemployed, including by way of stricter availability requirements has been recognised as a long-standing feature of policies towards the unemployed in Denmark and New Zealand (McClelland and St. John, 2006<sup>[23]</sup>) (Goul Andersen, 2011<sup>[24]</sup>). The “middle” segment includes United Kingdom, Australia and Italy. The group with the lowest strictness scores on this item includes Belgium, France, Bulgaria, and Cyprus. In France, rules on occupational and geographical mobility have been modified as of January 1, 2019 following the introduction of Law No. 2018-771 (September 5, 2018) on the freedom to choose one’s professional future (see also the change in the overall strictness indicators in Figure 4.4)

26. Countries emphasise different types of availability criteria. Rules in Korea, for instance, employ relatively strict geographical mobility requirements, but are comparatively lenient with respect to demands on occupational mobility. The United States specify a wide-ranging list of “other” valid reasons for refusing offers of employment but require full availability for work during ALMP participation.

**Figure 4.1. The strictness of availability requirements (2020)**

Scored from 1 (most lenient) to 5 (most strict)



Note: No information on this item was received from Iceland, Ireland, Norway and Portugal. Partial information for was received for Israel.

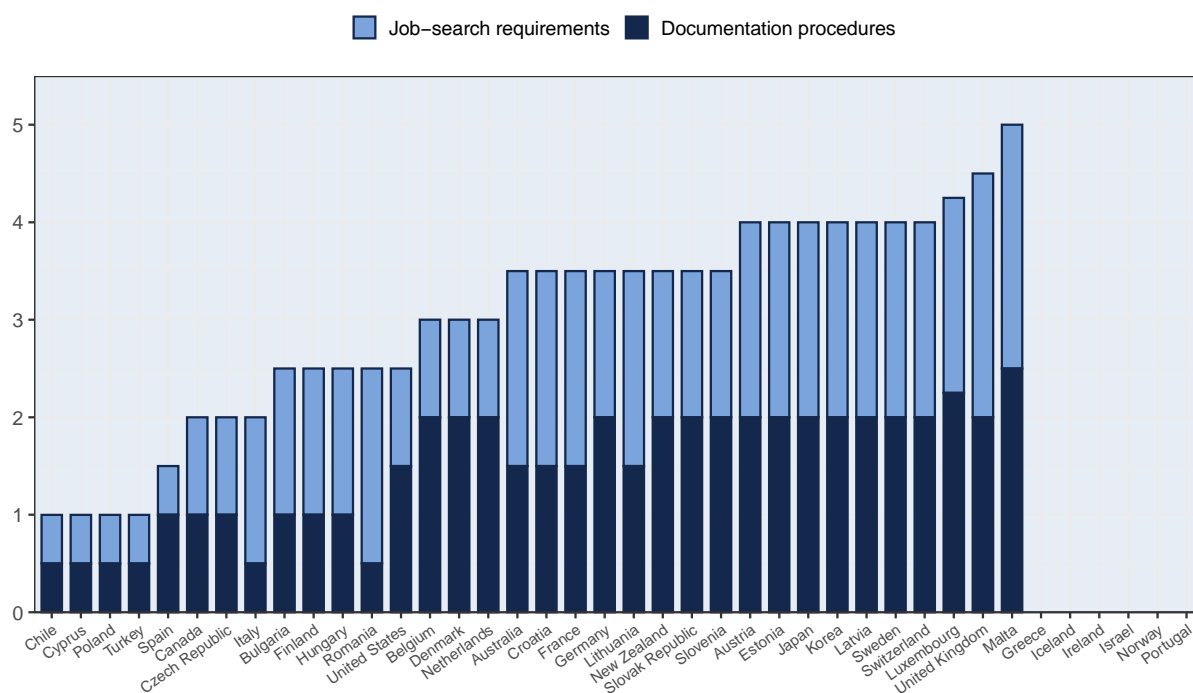
## 4.2 Job-search requirements and monitoring procedures

27. Poland – which is among the countries with the strictest availability requirements – is one of the countries with the most lenient job-search requirements and monitoring procedures (see Figure 4.2 and Annex C). A disparity between these two strictness items is also observed for Denmark, although rules on job-search requirements and monitoring are more demanding than in Poland. By contrast, Malta combines strict availability and job-search requirements. The United Kingdom assumes a middle position with respect to availability requirements but has some of the strictest job-search and monitoring procedures.

28. The overall scores for this item again hides cross-country variation in the strictness of specific rules. Some, including Romania or Italy, require frequent checks of job-search activities but operate lenient monitoring procedures. Rules in Belgium or Denmark, by contrast, are more lenient with respect to the frequency of checks but they do ask for extensive job-search documentation. However, rules are consistently strict in Malta, the United Kingdom, Luxembourg and in broader group of countries including Austria and Switzerland.

**Figure 4.2. The strictness of job-search requirements and monitoring procedures (2020)**

Scored from 1 (most lenient) to 5 (most strict)



Note: No information on this item was received from Greece, Iceland, Ireland, Israel, Norway and Portugal.

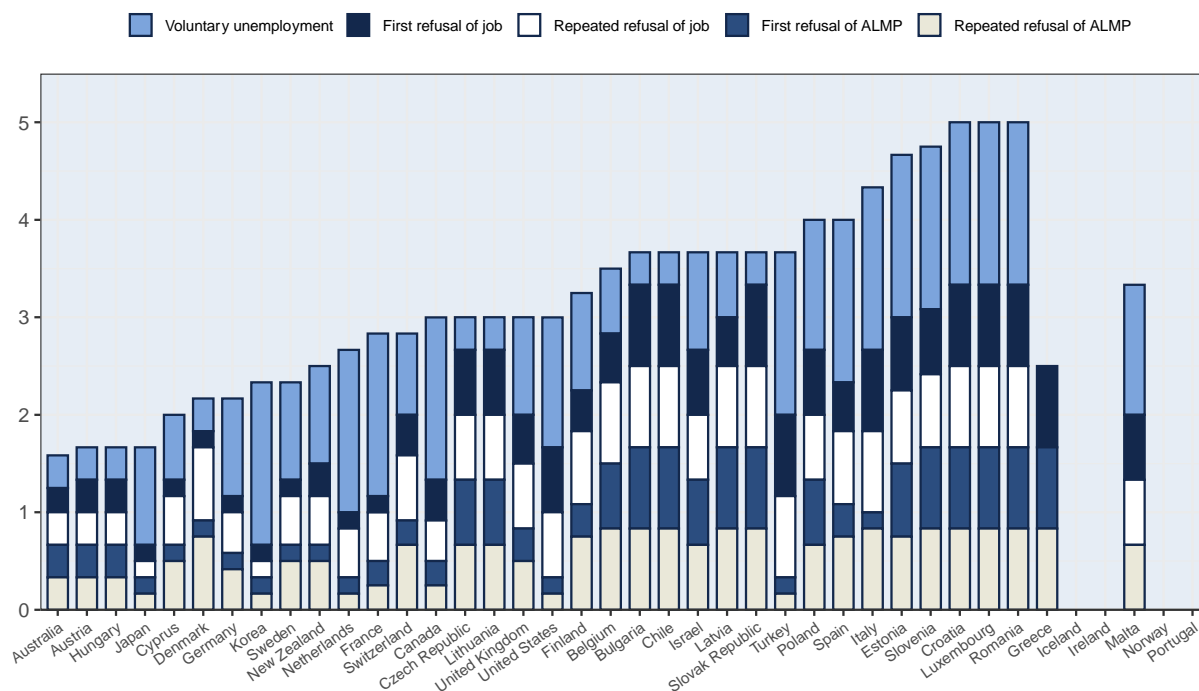
## 4.3 Sanctions

29. A group of mostly Southern and Central-/Eastern European countries (in addition to Luxembourg) impose the toughest sanctions on unemployed persons who fail to comply with their legal job-search and availability requirements (Figure 4.3).

30. ). On the other end of the spectrum, it is notable that countries with the most lenient sanction rules include those with comparatively strong labour-market performance (such as Austria, Australia, Japan and Denmark), a pattern also documented elsewhere (Knotz, 2020<sup>[7]</sup>) and consistent with findings that severe sanctioning rules *per se* are not associated with gains in employment (Taulbut, Mackay and McCartney, 2018<sup>[6]</sup>).

**Figure 4.3. The strictness of sanction rules (2020)**

Scored from 1 (most lenient) to 5 (most strict)



Note: No information on this item was received from Iceland, Ireland, Norway and Portugal. Partial information for was received for Greece.

31. Closer inspection of the different types of sanctions shows that countries tend to provide for tougher penalties for voluntary unemployment than for other types of infractions (scores for sanctions for voluntary unemployment are generally higher than for sanction for refusals of job offers or ALMPs). There is, however, some variation in how countries balance sanction rules. Japan, South Korea and the Netherlands, for instance, impose comparatively harsh sanctions for benefit claimants who are judged to be voluntarily unemployed, while rules are more lenient for those refusing job offers or participation in ALMPs. The opposite pattern holds in Bulgaria, Chile, Latvia and the Slovak Republic.

32. It should be noted that many countries specify situations in which a voluntary resignation from work can be justified and does *not* result in a sanction. Annex B provides detailed information on valid reasons for voluntary resignations in each responding country. They often include health reasons, care responsibilities for dependents, and discrimination or harassment at the workplace.

#### 4.4 Overall strictness scores

33. The group with the strictest overall scores, including a number of Central-/Eastern and Southern European countries, largely coincides with the group of countries with the

toughest sanction rules (Figure 4.4) Cyprus, Turkey, and Chile score lowest on overall strictness. Again, countries differ in how they balance the different design features as represented in the sub-indices discussed above. For instance, Chile and Poland combine tough sanctions and availability requirements with lenient job-search checks, while Austria and Japan feature strict availability and job-search requirements but comparatively lenient sanction rules.

34. Figure 4.4 also depicts the changes in the strictness of unemployment benefit eligibility criteria since the last OECD study (Immervoll and Knotz, 2018<sup>[17]</sup>), indicated via black arrows. Overall, only a minority of countries have introduced changes to their unemployment benefit eligibility conditions and the changes that were introduced in these countries do typically not result in drastic changes strictness scores. Notable reforms include the following:

- Greece, changed to availability requirements (related, in some aspects, to the reform introduced in 2018 in France as described above). Greece further clarified the obligations of the unemployed persons registered with public employment service (OAED) in its Board of Directors' Decision No. 792/20/20.03.2018 (Official Government Gazette Issue B 1236 – 04/04/2018). The decision gives further details on what is considered an “appropriate job” and what factors are taken into consideration to determine valid reasons for refusing work. Beyond factors related to geographical and occupational mobility, jobseekers can also cite working conditions which may have detrimental effect on their health as a valid reason to refuse a particular job, as well as working hours which are not consistent with caring responsibilities.
- Australia introduced a new compliance framework in July 2018 for the majority of jobseekers. This new framework reduced the strictness of sanctions for voluntary unemployment and introduced more detailed rules for the treatment of initial and repeated refusals of work and ALMP participation. New legislation also exempts clients of the ParentsNext employment service from being penalised for refusing offers of work or becoming voluntarily unemployed.<sup>2</sup>
- Slovenia introduced changes to the Labour Market Regulation Act (ZUTD-D) in 2018, effectively relaxing the strictness of sanctions for a first refusal of a job offer (Art. 129, Par. 2 of the ZUTD) as well as for subsequent refusals (Art. 129, Par. 1 of the ZUTD).
- The United States response stated that unemployment benefit claimants are generally required to be available for suitable jobs regardless of whether they participate in ALMPs or not. This represents a difference to 2017 (when unemployment benefit claimants had to be available in “most cases”) and explains the increase in the strictness score.
- The United Kingdom relaxed sanction rules. Whereas jobseekers could previously receive sanctions of 26 and 156 weeks for, respectively, a second and third refusal of a suitable job offer, the maximum is now set to 26 weeks in all cases.<sup>3</sup>

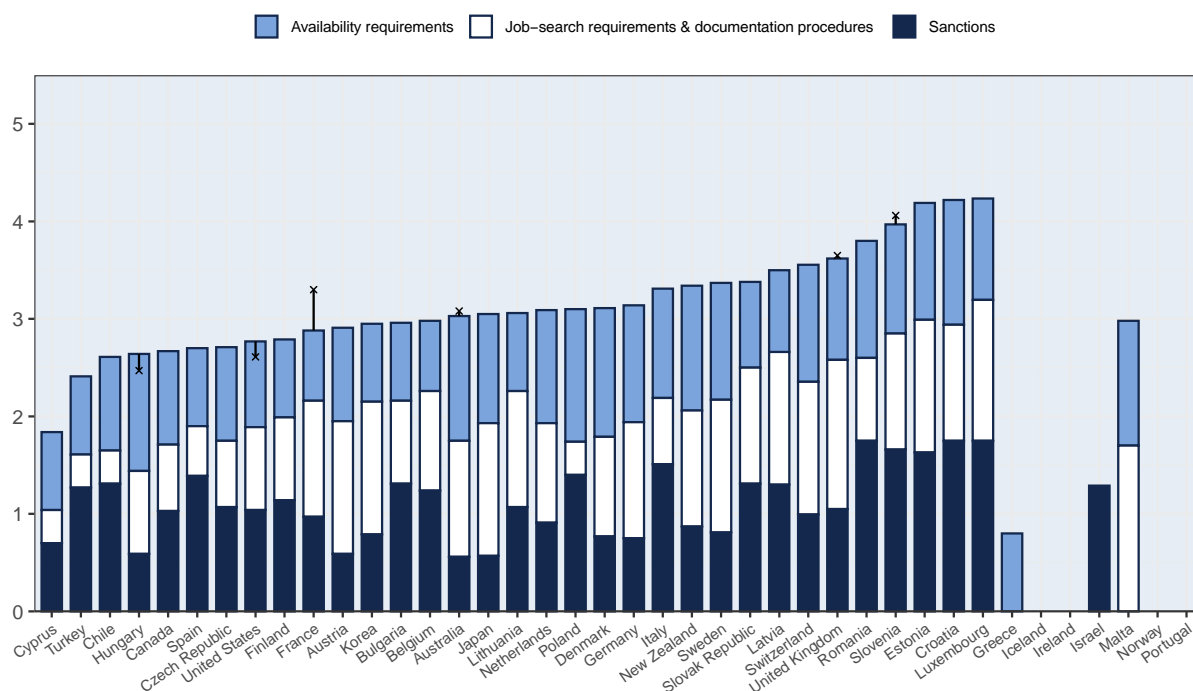
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<sup>2</sup> ParentsNext targets parents with children under 6 who plan and prepare for future study or employment.

<sup>3</sup> The United Kingdom also reported a simplification to its sanction rules for initial refusals to participate in ALMPs, which, however, does not change the strictness score. Whereas this type of infraction could previously be sanctioned by withholding benefit payments until compliance, sanctions now last for four weeks by default.

**Figure 4.4. Overall strictness scores (2020) and changes 2017 to 2020**

Scored from 1 (most lenient) to 5 (most strict)



Note: Crosses and black lines indicate previous (2017) scores and changes since then.

## 5 Benefit registration and initial placement procedures

35. As in the previous round, the questionnaire to countries also invited information on the sequencing of benefit claiming procedures and registration for job-placement. This section discusses notable changes that have occurred relative to 2017 data presented in (Immervoll and Knotz, 2018<sub>[17]</sub>). Full results are in Annex A.

- Korea introduced changes to the sequencing of benefit entitlements for daily construction workers with a revision of article 49 of the Employment Insurance Act introduced on January 15, 2019. Construction workers can now receive job-seeking benefits from the first day of reported unemployment.
- Australia introduced changes to the ordinary waiting period on 1 July 2017 (Social Services Legislation Amendment Act 2017), extending it to applicants of Parenting Payment and Youth Allowance benefits, updating the existing exemption on financial hardship and requiring ordinary waiting periods to be



served *after* certain other relevant waiting periods or preclusion periods have ended.<sup>4</sup>

- Finland shortened the waiting period prior to benefit receipt from seven to five working days (starting from January 1st, 2018).
- Sweden shortened waiting periods from seven days to six days.
- Denmark and the Slovak Republic introduced modified registration and early placement procedures. In Denmark, the previous maximum delay until first contact with employment service providers of six weeks was replaced by a rule that a minimum of four interviews must be held within the first six months after registration as unemployed. The Slovak Republic introduced a maximum delay of between six and twelve months after a claimant registered as unemployed (prior to that, there was no explicit permissible maximum delay until first contact with placement services).
- Denmark and Slovak Republic modified benefit registration procedures. The delay until first contact with job placement services is possible in 6 to 12 months after registration. Previously there was no defined delay period. In Denmark, there is no longer a fixed time frame for the first job centre interview. Instead, a minimum of four interviews must be held within the first 6 months after jobseeker registration.
- A notable development reported by several countries are increased shares of benefit claimants who register online. These include Estonia (from 13.8% in 2017 to 24.8% in 2020), Finland (from 66% in 2017 to 77% in 2020) and the United States (from 63% in 2017 to 69% in 2020).

## 6 Activity-related requirements for recipients of ‘lower-tier’ benefits

36. Most countries operate several tiers of unemployment benefits, with follow-up assistance programmes for those running out of entitlements to first-tier support. Lower-tier ‘safety-net’ programmes have become more significant as income protection schemes for workers in many countries over recent years (Clasen and Clegg, 2011<sup>[25]</sup>). Demand for safety nets may increase further as a result of ongoing labour-market transformations (e.g., if declining employment stability makes it more difficult for workers to accumulate the contributions that are needed to qualify for unemployment insurance), or if a persistent downturn following the COVID-19 pandemic leads to a growing incidence of long-term joblessness.

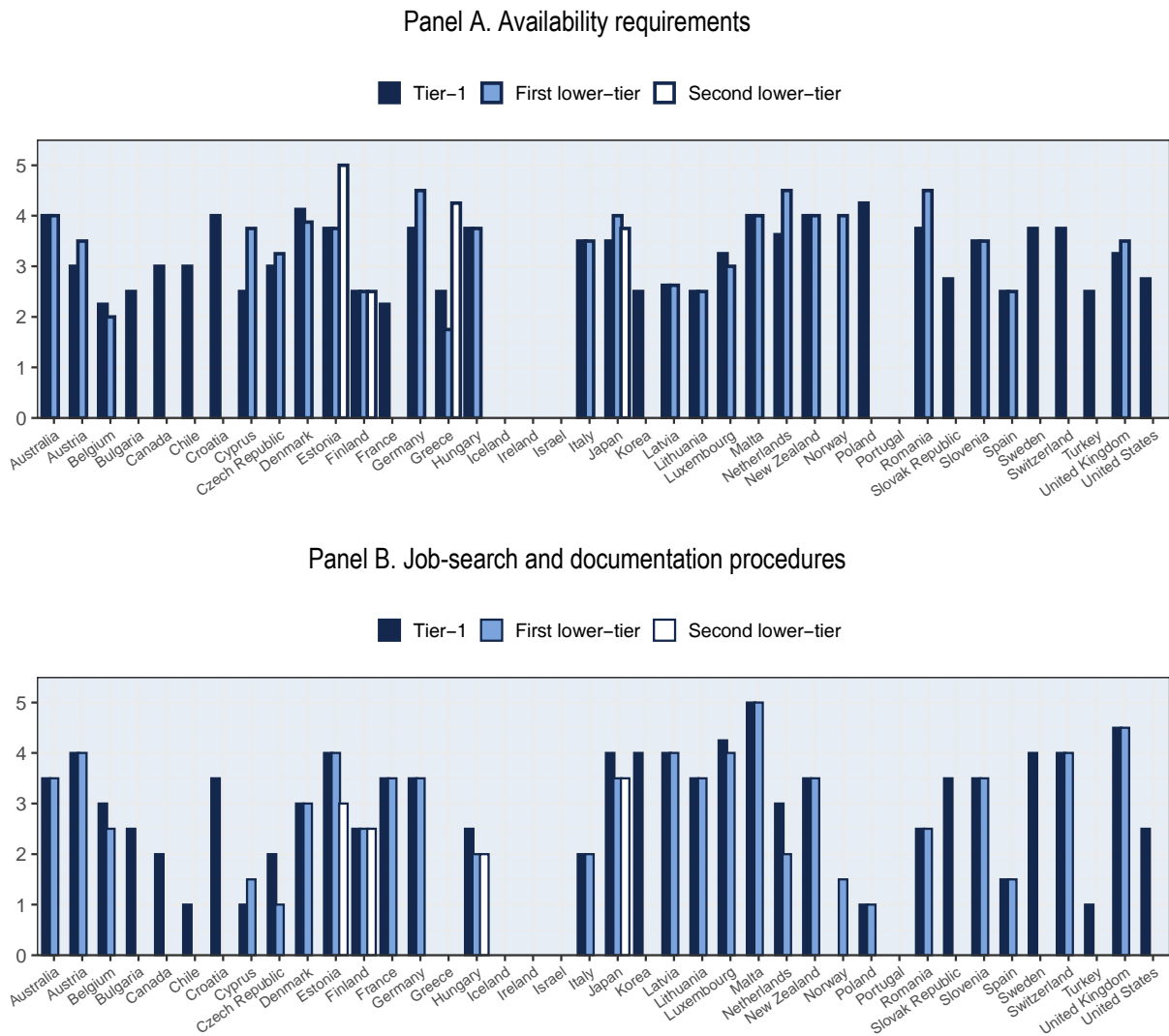
37. The four panels in Figure 6.1 present data on the strictness of eligibility rules for ‘tier-1’ and ‘lower-tier’ benefit programmes in comparison. Annex D lists national programmes in each of the categories for which data was available.

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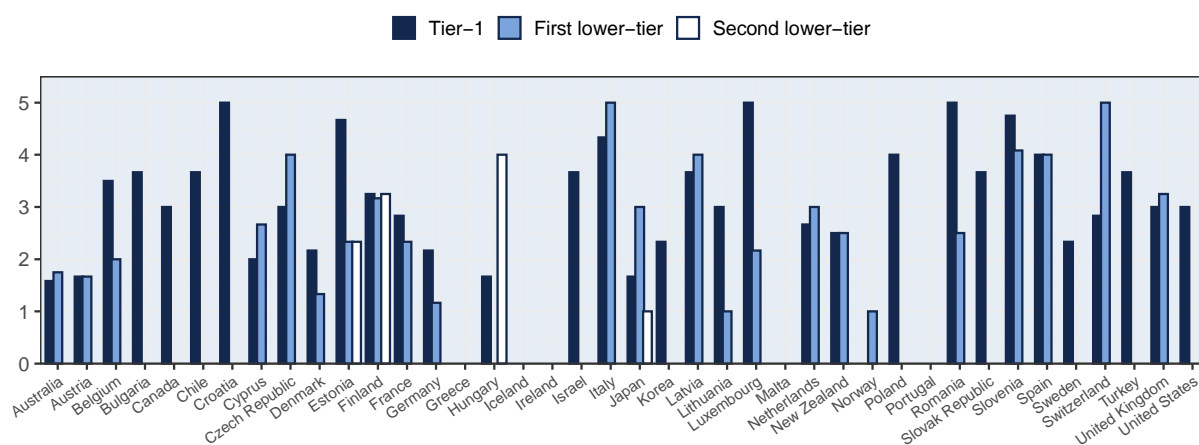
<sup>4</sup> Changes to the treatment of newly arrived residents were also introduced, extending the “newly arrived resident” waiting period for Newstart Allowance to 208 weeks for migrants granted permanent residency on or after 1 January 2019. Previous exemptions were maintained, including for humanitarian entrants and people who become a lone parent after they become an Australian resident. Waiting period for certain other payments were also extended or introduced as of January 2019.

Figure 6.1. Strictness indicators in ‘tier-1’ and ‘lower-tier’ benefit programmes in comparison

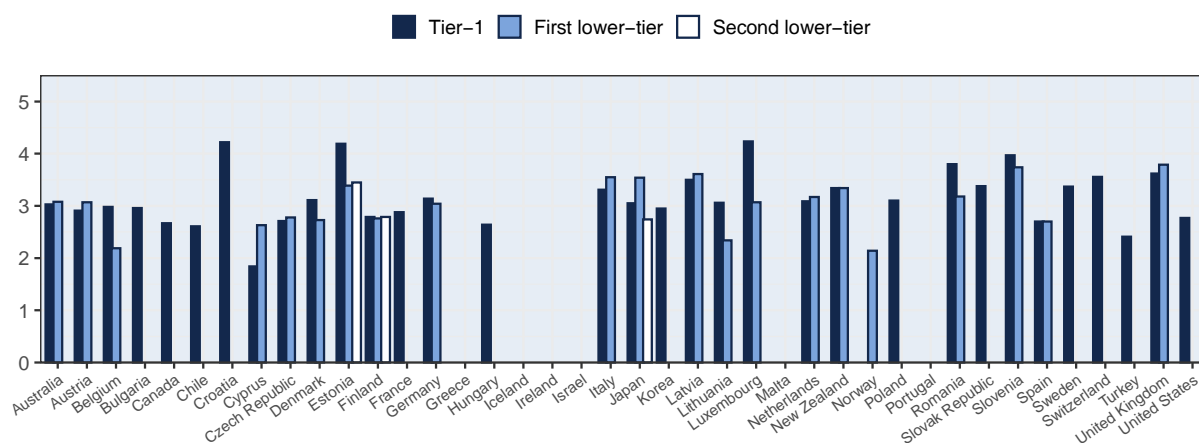
Scored from 1 (most lenient) to 5 (most strict)



Panel C. Sanctions



Panel D. Overall strictness



Note: See Annex D national programmes in each category for which data was available. "First lower-tier": No information on the configuration of eligibility criteria was received from Bulgaria, Iceland, Korea, and the United States, and only partial information was received from Canada, Chile, Croatia, France, Greece, Hungary, Ireland, Israel, Malta, Poland, Portugal, the Slovak Republic, Sweden, Switzerland, and Turkey. "Second lower-tier": Austria, Chile, Croatia, France, Iceland, Ireland, Malta, Portugal, Sweden, and Switzerland provided no information, and Greece and Hungary provided only partial information.

38. It is apparent that, in many countries, there is virtually no difference in the strictness of availability requirements imposed on claimants of 'tier-1' and 'lower-tier' benefit programmes (top panel of Figure 6.1). This finding broadly matches with results in the previous OECD study on unemployment benefit eligibility criteria (Immervoll and Knotz, 2018<sub>[17]</sub>). In Australia, Finland, Italy, Latvia, Lithuania, New Zealand, Slovenia, and Spain, the strictness scores are identical. In other countries, differences do exist, but are relatively minor (Austria, Belgium, the Czech Republic, Denmark, Hungary, Japan, Luxembourg, and the United Kingdom). Differences are more pronounced in Cyprus, and to a lesser extent, in Estonia, Germany, Greece, the Netherlands, and Romania. In most of these cases, rules are stricter for 'lower-tier' claimants. However, in Denmark, Hungary, and Luxembourg, rules are in fact more lenient for recipients of 'lower-tier' benefits.

39. A related pattern can be seen for the strictness of job-search and monitoring procedures (second panel of Figure 6.1. In fact, the similarities in the strictness of job-requirements across the different tiers of benefit programmes is even more apparent. Differences

between the 'tier-1' and 'lower-tier' benefits exist in Belgium, Denmark, Estonia, Cyprus, the Czech Republic, Hungary, Luxembourg, Malta, Japan, the Netherlands, Poland, Spain, and the United Kingdom, but their magnitudes are again mostly very small. Rules are actually somewhat stricter for 'tier-1' benefit claimants, arguably because 'lower-tier' programmes target broad range of people in need of income support, including those with significant barriers to full labour market participation, for whom active job-search may not be expected.

40. Within-country differences across benefit programmes are greater in the case of sanction rules (third panel of Figure 6.1). In many cases sanctions tend to be noticeably more lenient for claimants of 'lower-tier' benefit programmes (e.g. in Belgium, Denmark, Estonia, Germany, Lithuania, Luxembourg, Romania, and Slovenia). Indeed, sanctioning recipients of lower-tier benefits can go against the purpose of some of these programmes, which are typically means-tested and aim to secure livelihoods by covering basic needs of claimants and their families, including children. Nonetheless, a number of countries operate sanction rules that are stricter for 'lower-tier' benefit claimants than for the main unemployment benefit.. This includes Cyprus, the Czech Republic, Italy, Latvia, Netherlands, Switzerland, and United Kingdom.

41. Overall, the updated data show that, compared to first-tier benefits, countries tend to have stricter availability requirements for claimants of 'lower-tier' benefits, about equally strict rules for job-search and monitoring procedures, and often more lenient sanction rules. These differences are, however, not (or less) notable in the composite indicator: behavioural eligibility rules for 'tier-1' and 'lower-tier' programmes are about equally strict overall, with only minor differences in some countries.

## 7 Activity-related eligibility rules and independent and platform-based work

42. There has been a long-term decline in self-employment as a share of total employment across most the EU and OECD over the past four decades. Yet, as part of a general trend toward more flexible and alternative types of employment, there has been a growing incidence of certain forms of independent contract work (OECD, 2019<sup>[26]</sup>) (Kalleberg, 2009<sup>[27]</sup>) (Emmenegger et al., 2012<sup>[28]</sup>). This can include work performed by high-skilled workers, for instance work as freelance translators and IT consultants with their own independent businesses, but also precarious forms of own-account work, including dependent and false ('bogus') self-employment. Some of this growth is generated via internet platforms or smartphone applications, commonly referred to as 'gig' work.

43. The size and growth of these employment forms are still subject to some uncertainty, but it is already clear that the emergence of these new forms of employment has significant implications for the functioning of social protection systems (OECD, 2019<sup>[26]</sup>) (Bonoli, 2019<sup>[29]</sup>) (Eichhorst et al., 2016<sup>[30]</sup>) (Abraham et al., 2019<sup>[31]</sup>). One important issue concerns the treatment of solo self-employment and of 'gig' work in the administration of social protection systems: Should these workers be treated in a similar way to other self-employed? Or should they be considered as dependent employees if the content, location and schedule of their work activities are largely defined and structured by their client or platform?

44. In the context of the present report, this concerns in particular also the administration of unemployment benefits. Three key issues emerge: First, when unemployed individuals are required to actively seek gainful employment, does looking for opportunities to work as

a solo self-employed or 'gig' worker count toward this requirement? Second, is solo self-employment or 'gig' work seen as meeting the criteria of a suitable job offer that an unemployed person would have to accept? Third, do employment service providers actively refer unemployed workers to solo self-employment or 'gig' work?

45. To shed light on these emerging policy issues, this round of the OECD survey on unemployment benefit eligibility criteria included six additional items on the treatment of solo self-employment in general and platform-based self-employment specifically. The first two items inquired about whether seeking work as an independent contractor in general, or as an independent contractor, who offers web-development and layouting services via internet platforms, would count toward fulfilling applicable job-search requirements. The second two items asked whether these two types of employment would be considered suitable work for unemployment benefit claimants. The final two items asked whether employment service providers would actively refer claimants to such work.

46. Table 7.1 provides the results for 'tier-1' unemployment benefit programmes in a summary format. Overall, the data show a mixed pattern. Some countries responded that this issue is not generally relevant as employment service providers are only concerned with helping unemployed workers into *dependent* employment (e.g., Chile, Finland). Some others do consider efforts to start work as an independent contractor (in general and also via internet platforms) a valid job-search activity (Australia, Estonia, France, Italy or New Zealand) and some encourage it (Belgium, Romania). But most EU and OECD do not.

47. Country differences are smaller on the question whether solo self-employment constitutes suitable work that jobseekers have to accept when it is offered them. In many countries, such work is not considered suitable in this sense. Interestingly, and many other countries appear to leave the decision about suitability to the jobseeker, rather than specifying an explicit rule. Indeed, several countries indicated that this matter is currently not (yet) regulated in legislation. France, however, considers solo self-employment suitable, whether or not it is internet/platform based. Australia considers platform-based solo self-employment as not suitable.

48. A clear majority of countries does not actively refer unemployed workers to either solo self-employment in general, or to platform-based solo self-employment specifically. Exceptions are again France and Australia and, to some extent, Poland and Estonia.

49. The questionnaire has also included related questions about lower-tier benefits. Generally, countries apply the same rules for these programmes as for 'tier-1' unemployment benefit programmes. An exception is Luxembourg, where seeking work as a solo self-employed worker counts under some conditions toward the actively seeking work requirement in the case of 'tier-1' benefit claimants, but not for social assistance claimants.

**Table 7.1. The treatment of independent self-employment and platform-based work**

Country	Counts toward 'actively seeking work'?		Considered suitable?		Active referral by employment service?	
	Independent contract work	Platform-based work	Independent contract work	Platform-based work	Independent contract work	Platform-based work
Australia	Yes	Yes	Yes	No	Yes	Yes
Austria	No	No	Voluntary	Voluntary	No	No
Belgium	Encouraged	Encouraged	No	No	No	No
Bulgaria	..	..	..	..	..	..
Canada	No	No	Voluntary	Voluntary	No	No

Chile	Not applicable	Not applicable	Voluntary	Voluntary	No	No
Croatia	..	..	..	..	..	..
Cyprus	No	No	Yes	Yes	No	No
Czech Republic	..	..	..	..	..	..
Denmark	..	..	..	..	..	..
Estonia	Yes	Yes	Voluntary	No	Yes	No
Finland	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
France	Yes	Yes	Yes	Yes	Yes	Yes
Germany	No	No	Voluntary	Voluntary	No	No
Greece	..	..	..	..	..	..
Hungary	No	No	No	No	No	No
Iceland	..	..	..	..	..	..
Ireland	..	..	..	..	..	..
Israel	No	No	No	Not applicable	..	..
Italy	Yes	Yes	No	No	No	No
Japan	No	No	No	No	No	No
Korea	..	..	..	..	..	..
Latvia	Yes	Yes	Yes	Voluntary	No	No
Lithuania	..	..	..	..	..	..
Luxembourg	Yes (subject to conditions)	Yes (subject to conditions)	Yes (subject to conditions)	Not applicable	Not applicable	Not applicable
Malta	No	No	Voluntary	Voluntary	No	No
Netherlands	Yes (subject to conditions)	No	Voluntary	Voluntary	No	No
New Zealand	Yes	Yes	Yes (subject to conditions)	Yes (subject to conditions)	No	No
Norway	..	..	..	..	..	..
Poland	Yes	Yes	Yes (subject to conditions)	Yes (subject to conditions)	Yes (subject to conditions)	No
Portugal	..	..	..	..	..	..
Romania	Encouraged	Encouraged	Not regulated	Not regulated	No	No
Slovak Republic	..	..	..	..	..	..
Slovenia	No	No	No	Not regulated	No	No
Spain	Yes	Not regulated	Not regulated	Not regulated	No	Not applicable
Sweden	..	..	..	..	..	..
Switzerland	No	No	No	No	No	No
Turkey	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

United Kingdom	..	..	..	..	..	..
United States	No	No	Not applicable	Not applicable	Not applicable	Not applicable

## 8 Special measures adopted in response to the COVID-19 pandemic – results from a flash survey

50. As the COVID-19 pandemic is having a major impact on societies and economies around the globe, unemployment benefits are among the key policy instruments that countries employ to manage the crisis. Social distancing requirements and economic shutdowns that were imposed since the start of the pandemic have produced massive labour market dislocations and historically unprecedented increases in unemployment and temporary layoffs. This has created a sudden spike in the need for income replacement, followed by a persistently large number of new and continuing benefit claims. The rapid changes in claimant numbers, and the social distancing requirements that apply to contacts between claimants and frontline workers, have deeply affected benefit administrations and employment service providers. Where previously (as documented above) many countries had *required* unemployed workers to attend in-person meetings with their caseworkers and to actively seek direct contact with prospective employers, such activities suddenly became no longer possible.

51. Many countries have introduced temporary changes to unemployment benefit programmes and their administration in order to adapt to the pandemic. To shed light on these early measures, countries were invited to document some of these measures as part of the main survey on benefit eligibility criteria. They were asked to provide information on temporary changes made to unemployment benefit programmes in terms of *benefit generosity* (e.g. raising benefit levels or extending the statutory duration), *benefit accessibility and coverage* (e.g. by including previously uncovered self-employed workers), and *activity-related eligibility criteria* (e.g. by relaxing job-search requirements).

52. Responses were received from 18 OECD and EU countries. The key findings are presented in condensed form in Table 8.1 below, while the text points to country examples by way of illustration. In co-ordination with related stock-taking exercises by the OECD and others, it is planned to make detailed responses available via <http://oe.cd/TaxBEN> (see also the related OECD policy briefs, with summaries of [early support measures](#), and initiatives to [protecting livelihoods](#)).

53. Countries have responded to the COVID-19 pandemic through all the three levers mentioned above (generosity, accessibility/coverage, activity-related eligibility criteria):

- Spain or Austria, for instance, have **relaxed entitlement conditions** for unemployment benefits in order to extend coverage to workers with normally insufficient employment records or those on temporary layoff.
- Countries have also introduced **new programmes** to cover previously excluded groups, in particular the self-employed and others in novel work arrangements such as ‘gig workers’. A notable example is the Pandemic Unemployment Assistance (PUA) programme introduced as part

of the CARES-Act in the United States, which provides unemployment benefits to self-employed and 'gig workers' affected by the pandemic and the economic shutdown.

- Many countries have introduced **temporary changes** to the administration of unemployment benefits, including **registration procedures and eligibility criteria**. For instance, Denmark, Austria, Belgium, Finland, Latvia and Switzerland suspended job-search and monitoring procedures. Austria and Latvia reported that benefit registration procedures and other services such as ALMPs were moved online.
- Several countries increased **benefit levels**. Turkey for instance increased the levels of several benefit types, including payments to Social Assistance and Solidarity Foundations (SYDV) and social benefits paid to women. The US CARES Act included a temporary increase of unemployment insurance benefit payments by USD 600 (the Federal Pandemic Unemployment Compensation programme) and an extension of the duration of unemployment benefit payments by 13 weeks (the Pandemic Emergency Unemployment Compensation programme). Latvia has introduced related extensions.

**Table 8.1. Summary of COVID-19 emergency measures**

	Measures taken		
	Generosity	Coverage	Eligibility
Australia	..	..	..
Austria	Increased	Extended	Relaxed
Belgium	Increased	Extended	Relaxed
Bulgaria	..	..	..
Canada	..	..	..
Chile	..	..	..
Croatia	..	..	..
Cyprus	..	..	..
Czech Republic	No measures	No measures	No measures
Denmark	Increased	Extended	Relaxed
Estonia	Increased		Relaxed
Finland	Increased	Extended	Relaxed
France	..	..	..
Germany	..	..	..
Greece	..	..	..
Hungary	..	..	..
Iceland	..	..	..
Ireland	..	..	..
Israel		Extended/new programmes	
Italy	..	..	..
Japan	..	..	..
Korea	..	..	..
Latvia	Increased	New programmes	Relaxed
Lithuania		Extended/new programmes	
Luxembourg	Increased	Extended	Relaxed
Malta	..	..	..
Netherlands	Short-term work programme		
New Zealand	..	..	..
Norway	Increased	Extended	Relaxed
Poland	Increase planned		
Portugal	..	..	..



Romania	..	..	..
Slovak Republic	..	..	..
Slovenia		Extended/new programmes	
Spain		Extended/new programmes	
Sweden	..	..	..
Switzerland		Extended/new programmes	Relaxed
Turkey	Increased	Extended	Relaxed
United Kingdom	..	..	..
United States	Increased	Extended/new programmes	Relaxed

# 9 Conclusion

54. This report presented updated data on the strictness of unemployment benefit eligibility criteria in OECD and EU countries, along with new data on the treatment of non-standard forms of employment, and countries' emergency policy responses to the COVID-19 pandemic and the resulting economic crisis.

55. In the current context of weak labour markets, and as the number and composition of jobseekers evolves, this policy information can provide a useful basis for considering reform options and priorities, the current and likely future state of labour markets in the advanced economies. Indeed, current estimates and projections indicate not only a steep drop in economic activity in countries around the globe, but also a recovery that may be slower than many had hoped for (OECD, 2020<sup>[33]</sup>).

56. Countries have overwhelmingly responded by enhancing existing social protection schemes and in part also by creating new programmes to cushion the financial impact of the crisis on individual workers and their families. A particularly notable development is the increased coverage of workers in non-standard types of employment, which previously were often left uncovered by social protection systems.

57. The experiences of past economic downturns suggest, however, that this trend toward greater protection and generosity may not last. As fiscal constraints become more pressing, the initial countercyclical policies is likely to trigger a search for budgetary savings, including in the unemployment benefit system. For instance, cost-saving strategies in the past have included the introduction of tougher sanction rules for unemployment benefit claimants, e.g., in Germany (Oschmiansky, Schmid and Kull, 2003<sup>[34]</sup>), in the United Kingdom (Atkinson, 1990<sup>[35]</sup>), as well as cross-nationally over longer periods of time (Knotz, 2019<sup>[36]</sup>).<sup>5</sup>

58. Against this backdrop, it is important to monitor not only what changes are introduced but also what effects these changes have on for the unemployed and for labour market outcomes in general. For instance, some results suggest that stricter benefit sanction rules are not generally associated with improvements in labour market performance (Knotz, 2020<sup>[7]</sup>) (Taulbut, Mackay and McCartney, 2018<sup>[6]</sup>) but may have significant and long-lasting side-effects. These may include increased rates of psychological illness and material hardship among those who remain unemployed (Loopstra et al., 2018<sup>[11]</sup>) (Williams, 2019 [forthc.]<sup>[10]</sup>). Strict eligibility criteria have also been linked to negative impacts on subsequent job quality and incomes (van den Berg and Vikström, 2014<sup>[8]</sup>) (Arni, Lalive and van Ours, 2013<sup>[9]</sup>). It is hoped that the policy indicators presented in this report can contribute to revisiting these important questions, and the associated policy challenges and trade-offs.

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<sup>5</sup> See also a recent contribution in *The Atlantic* by Victor Tan Chen and Ofer Sharone (<https://www.theatlantic.com/ideas/archive/2020/04/americas-compassion-for-the-unemployed-wont-last/610243/>; last access on July 31, 2020).

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## Annex A. Benefit registration and initial placement procedures

	Sequencing of benefit entitlement and registration for placement	Waiting period	Application routes	Online registrations	Delay
	Benefit entitlement starts before (B), simultaneously with (S), or after (A) registration for placement; R=benefits can be paid retroactively back to date of loss of work	Length of waiting period (for which benefit is not paid at start of claim), if any	Possible application routes: in person (P), telephone (T), fax (F), post (W), e-mail (E), or online (O)	Share of claimants registering online	Delay until first contact with job-placement services
Australia	S	7 days, Changes reported for certain cases <sup>a)</sup>	P, W, T, O	87%	Usually 2 days (14 days max.)
Austria	S	/	T, F, W, O	About 5%	Max. 10 days
Belgium	B	/	P <sup>b)</sup>	..	No enforced maximum delay
Bulgaria	A, R	/	P, W, O	..	7 days
Canada	B	7 days	O, W	98.5%	Not applicable, direct visits not required
Chile	B	Variable, depending on timing of application	Claimants need to register for employment at PES (BNE)		Registration with BNE within 96 hours
Croatia	S, R		P, O	..	Within 15 days following registration
Cyprus	A	3 days	P	..	Same day
Czech Republic	A, R (only for the first 3 days)	/	P	..	No limit, but entitlement to benefits depends on registration
Denmark	S	/	P, O, T <sup>c)</sup>	..	No fixed time
Estonia	S	7 days	P, O	24.8%	30 days
Finland	A, R	5 days	W, O <sup>d)</sup>	77% <sup>e)</sup>	3 months
France	A	7 days	O <sup>f)</sup>	72%	3 weeks
Germany	S	/	P	..	Not applicable

	Sequencing of benefit entitlement and registration for placement	Waiting period	Application routes	Online registrations	Delay
Greece	S	6 days	P	..	May differ between the local PES (or KPA2).
Hungary	A	/	P, O	About 40%	8 days
Iceland	..	..	..	..	..
Ireland	..	..	..	..	..
Israel	not clear	5 days			
Italy	S	8 days	O	100%	No enforced maximum delay
Japan	A	7 days	P	..	Not applicable
Korea	A, S	7 days	P	..	1-4 weeks
Latvia	A	30 days (1 month)	P, O, W <sup>9)</sup>	..	Not applicable
Lithuania	A	7 days	P, O, W	5.7 %	Up to 5 days (when registering online)
Luxembourg	A, R	/	P, T, O	..	Not applicable
Malta	S	/	..	..	..
Netherlands	B, R	/	P, O	95%	No enforced maximum delay
New Zealand	B	0-14 days	P, T, O	37.5%	No enforced maximum delay
Norway	..	..	..	..	..
Poland	A	/	P, O	..	7 days
Portugal	..	..	..	..	..
Romania	S, R	/	P	..	Not applicable
Slovak Republic	S, R	/	P	..	6-12 months after registration
Slovenia	S, R	/	P, W, O	2.1%	Usually within 14 days
Spain	A, R	/	P, W, T, O <sup>h)</sup>	..	15 days after cessation of work
Sweden	S, R	6 days	P, T, O <sup>i)</sup>	70%	No enforced limit, but usually within 5 days
Switzerland	S or A	5 days	P, W	..	Immediately (first day claimant desires to receive benefits)

	Sequencing of benefit entitlement and registration for placement	Waiting period	Application routes	Online registrations	Delay
Turkey	A, R	/	P, O	21%	Not applicable, direct visits not required
United Kingdom	S	7 days	P, W, T, O	..	Not applicable
United States	B or S	7 days (most states)	P, W, T, O <sup>i)</sup>	69% <sup>k)</sup>	No later than 5 weeks

a) Changes were made for Ordinary Waiting Period rules from 1 July 2017 (Social Services Legislation Amendment Act 2017): The ordinary waiting period was extended to applicants of Parenting Payment and Youth Allowance. An existing exemption, given on the basis of severe financial hardship, will only apply if the person is also experiencing a personal financial crisis. Changes were also made to concurrency policy meaning that the ordinary waiting period is to be served after certain other relevant waiting periods or preclusion periods have ended.

b) Applications for benefit must be made in person; PES registration is possible in person, by telephone or online.

c) Applications can be made by phone in special situations.

d) Registration with the TE-offices: in person or online; Unemployment benefits: mail or online.

e) The percentage refers to the registration with Unemployment funds.

f) Since the end of 2015, all registrations are made online. Prospective claimants can, however, use free personal computers at the PES (Pôle Emploi) and, if necessary, receive help from PES employees via telephone or directly at the PES.

g) The application for receiving the benefit may be:

i) submitted at the local office of State Social insurance agency (SSIA) (approx.50-60%);

ii) submitted at the local office of SEA by applying for the status of unemployed (if social insurance period is from 1996) (approx.40%);

iii) sent in electronic form (using electronic signatures);

iv) sent by post.

The status of unemployed is mandatory prerequisite prior application for the benefit. The unemployed person has to visit SEA in person

h) Registration has to be done in person, but claimants can also apply for unemployment benefits online. In certain cases, applications can be made by phone, but only in cases like the renewal of the benefit after a period of work under certain circumstances. In exceptional cases, applications can be made by mail.

i) The Swedish PES also offers the option of PES registrations in unmanned PES offices via video link

j) A small number of claimants (less than 1%) may also apply for unemployment benefits through their employer.

k) 69% of initial claims were filed online and 73.1% of continued claims were filed online in 2018. The USA expects that these numbers will increase for 2019 as more states have moved to primarily on-line filing.

Malta	S	/	..	..	..
Netherlands	B, R	/	P, O	95%	No enforced maximum delay
New Zealand	B	0-14 days	P, T, O	37.5%	No enforced maximum delay
Norway	..	..	..	..	..
Poland	A	/	P, O	..	7 days
Portugal	..	..	..	..	..
Romania	S, R	/	P	..	Not applicable
Slovak Republic	S, R	/	P	..	6-12 months after registration
Slovenia	S, R	/	P, W, O	2.1%	Usually within 14 days
Spain	A, R	/	P, W, T, O <sup>h)</sup>	..	15 days after cessation of work
Sweden	S, R	6 days	P, T, O <sup>i)</sup>	70%	No enforced limit, but usually within 5 days



Switzerland	S or A	5 days	P, W	..	Immediately (first day claimant desires to receive benefits)
Turkey	A, R	/	P, O	21%	Not applicable, direct visits not required
United Kingdom	S	7 days	P, W, T, O	..	Not applicable
United States	B or S	7 days (most states)	P, W, T, O <sup>i)</sup>	69% <sup>k)</sup>	No later than 5 weeks

## Annex B. Valid reasons for voluntary unemployment

	1 Health reasons	2 Family/personal reasons	3 Following spouse	4 Subs. employment failed	5 New job fell through	6 Nature of work	7 Future empl. assured	8 Discrimination/harassment	9 Transport. issues	10 Skills/training	11 Business reasons	12 Ethical moral reasons
Australia	X					X	X		X	X	X	X
Austria	X	X						X	X		X	
Belgium	X	X	X	X	X	X	X	X	X	X		X
Bulgaria			X									
Canada		X	X			X	X	X				
Chile	Does not apply. There are no sanctions related to the way work is terminated.											
Croatia	X		X			X					X	
Cyprus	X	X			X	X		X	X		X	
Czech Republic	X	X	X									X
Denmark	X	X	X			X	X	X	X			
Estonia								X			X	
Finland <sup>b)</sup>	X					X		X	X			
France											X	
Germany	X	X	X	X	X		X	X	X	X	X	X
Greece	The unemployed person must be out of work involuntarily and the legislation does not acknowledge any special circumstances.											
Hungary	Does not apply. There are no sanctions related to the way work is terminated.											
Iceland	..											
Ireland	..											
Israel	X	X	X	..	..	X	..	..	X	..	..	..
Italy						X		X				
Japan	X	X	X					X	X	X		
Korea		X				X		X	X		X	
Latvia	There are no causes that could be considered as legitimate for quitting a job.											

Lithuania	Does not apply. There are no sanctions related to the way work is terminated.											
Luxembourg	X		X		X			X				
Malta	X			X								
the Netherlands	X		X	X				X				
New Zealand	X	X	X		X	X				X	X	
Norway												
Poland	X		X					X				
Portugal												
Romania	X				X							
the Slovak Republic	Does not apply. There are no sanctions related to the way work is terminated.											
Slovenia	X		X		X							
Spain	X					X		X				
Sweden	X	X	X		X			X	X			
Switzerland	X	X	X		X			X			X	
Turkey	X							X	X		X	X
the United Kingdom	Not possible to provide a list as this is case law.											
the United States	X	X	X			X	X	X			X	

- 1 **Health reasons:** The jobseeker cannot remain in his/her current type of work for health reasons (but is still available for some kinds of work);
- 2 **Family/personal reasons:** The jobseeker quits a job related to family or personal reasons (e.g. care for a child or close relative, domestic violence), therefore needs to change hours or relocate
- 3 **Following spouse:** The jobseeker needs to quit to move with a spouse who is taking up work in another part of the country; (or for young people under the age of 18 to follow their parents)
- 4 **Subsequent employment failed:** The jobseeker left a long-term job to start a new job or self-employment, but voluntarily quit during the trial period of the new job or the own business started wasn't successful; obtain better prospects with another organisation, which subsequently proved to be the wrong decision;
- 5 **New job fell through:** The jobseeker left a long-term job to start a new job, but the new job fell through (e.g. the employer terminated at the end of a trial period)
- 6 **Nature of work:** The jobseeker quit a job due to the nature of the work (e.g. seasonal work; excessive overtime; overtime which is not paid; work duties have changed significantly; employer reduced wages)
- 7 **Future employment assured:** The jobseeker quit a job because a future employment relationship is assured (often a minimum length of the new contract needs to be assured) or to take up education
- 8 **Discrimination/harassment:** The jobseeker quit a job because of discrimination, (sexual) harassment, or other serious violations of fundamental employer duties towards the employee
- 9 **Transport issues:** The jobseeker quit a job due to transport issues (e.g. following relocation of the business)

- 10 **Skills/training:** The jobseeker quit a job as it requires particular skills or qualifications that the person does not have, and appropriate training will not be provided by the employer
- 11 **Business reasons:** The jobseeker quit a job due to reasons related to the owners of the business reasons (e.g. ongoing labour dispute; imminent danger of debt overload or insolvency)
- 12 **Ethical/moral reasons:** The jobseeker quit a job as it does not any longer accord with ethical, moral or religious beliefs or other reason worthy of consideration.
  - a) "X" indicates a majority of states have some type of provision for that factor with some states provisions more restrictive than others. In all states, individuals who leave their work voluntarily must have good cause if they are not to be disqualified. Good cause may be determined if the employer is not paying for work done (in the case of uncertainty/viability of business). In the other examples, eligibility will depend on the individual's reason for quitting and efforts to work with the employer to resolve the issue or the circumstances at the time of the quit.
  - b) The list is not exhaustive.

## Annex C. Job-search requirements and monitoring procedures

Job-search requirements and monitoring procedures			
	Frequency at which the unemployed have to report their job-search activities	Number of actions to be reported	Continued availability for work (A) and job-search requirements (JS) during ALMP participation
Australia	Every month	Determined on a case-by-case basis, but general benchmark at 20 jobs in metropolitan areas	A, JS <sup>a)</sup>
Austria	Every month (on average)	Not specified	A
Belgium	At least once a year; every sixth month in case jobseekers once failed to seek work	Determined by the three regions	Determined by the three regions
Bulgaria	Depends on how long claimants have been unemployed	Not specified	No (only voluntary)
Canada	Every fortnight	Not specified	No
Chile	No check of job-search activities	Not specified	A
Croatia	Once a month (weekly meetings if extra assistance is needed, e.g. for LTU)	Not specified	A <sup>b)</sup>
Cyprus	No requirement	Not applicable	A
Czech Republic	Not regulated, but activities can be checked during visits at the PES	Variable requirements, depending on job-search plan	No
Denmark			
Estonia	At least once or twice per month	Variable requirements, depending on job-search plan	A, JS
Finland	No formal requirement, but activities can be checked	Variable requirements, depending on job-search plan	A for some ALMPs
France	Once a month (after four months of unemployment); more frequent checks for particularly disadvantaged groups	No minimum required	A, not required for those following a training for more than 40 hrs a week or for matters of organization they are not able to simultaneously occupy a position
Germany	Every 6 months during review of job-search plan; every three months for young claimants	Variable requirements, depending on job-search plan	A, JS
Greece	No requirement	Not applicable	FU
Hungary	Every 6 months during review of job-search plan	Variable requirements, depending on job-search plan	No required. Availability is only compulsory during the Public Work Scheme (PWS).
Iceland	..	..	..
Ireland	..	..	..
Israel			
Italy	Activity is checked during review of job-search plan (but no formal requirement)	Depending on job-search plan	A
Japan	Every month	More than two actions per month	A
Korea	Every month (on average)	At least once a month during the first month after initial unemployment recognition. This requirement lasts for the next 3 months. After this period, the job-seekers are required to engage in job-search actions twice a month.	No
Latvia	At least once in two months	At least three (at least one for	A for some ALMPs

		claimants in high-unemployment areas)	
Lithuania			
Luxembourg	Once a month	Not specified	A <sup>d)</sup>
Malta	Approximately every two weeks	At least five actions per fortnight	A
Netherlands	Upon request	Four activities every four weeks	A, JS <sup>e)</sup>
New Zealand	Determined on a case-by-case basis	Not specified	A, JS
Norway	..	..	..
Poland	No formal requirement, but activities can be specified in job-search plan	Variable requirements, depending on job-search plan	A
Portugal	..	..	..
Romania	On a monthly basis	No specified	A, JS
Slovak Republic	Activities are checked, but schedule determined on case-by-case basis	Not specified	A (only for the last two months in case of longer education and training programs)
Slovenia	Activities are checked, but schedule determined on case-by-case basis via job-search plan	Not specified	A, JS <sup>f)</sup>
Spain	Activities are checked, but schedule determined on case-by-case basis via job-search plan	Not specified	No
Sweden	Once a month	Variable requirements, depending on job-search plan	A, JS
Switzerland	Once a month	Variable requirements; at least 10 actions in many cantons	A, JS <sup>g)</sup>
Turkey	No requirement	Not specified	A
United Kingdom	Activities are checked, but schedule determined on case-by-case basis	Variable requirements, depending on job-search plan	A, JS <sup>h)</sup>
United States	Typically every week	Between 4 and 20 per month in most states	A regardless if they are participating in ALMP

a) There are some limited instances where jobseekers undertaking specified hours of certain approved activities are not required to undertake additional job search, e.g. jobseekers undertaking a full-time short course, are not required to undertake additional job search or other activities. However, these jobseekers remain connected with their provider, must attend appointments, and must accept suitable paid work that fits around their study commitments. Some groups, such as jobseekers who are principal carers or those with a partial capacity to work who are meeting their requirements through paid work, study or a combination of the two for at least 30 hours per fortnight, are not required to remain connected to their employment services provider or accept any offers of suitable paid work.

b) The only exception is participation in training of the unemployed organised and financed by PES. During the period of training jobseekers remain in unemployment register and are therefore available for work and placement activities.

c) If participation in/completion of a specific employability enhancement measure will most likely result in ordinary work the local job centre can decide that the unemployed person has to be available for that specific measure only.

d) Some exceptions exist for internships for young jobseekers or for professional training that is organised with a specific business where the jobseeker will be hired by the business at the end of the training.

e) Unemployed enjoying their holidays or being older than 64 years are exempted from the obligations. Also exempted are unemployed that follow a 'necessary' education, unless this education will finish within 2 months.

f) In some cases, the unemployed person and a counsellor might agree in the employment plan to exempt the unemployed person from job search. In this case, while they are participating in the ALMP, they are removed from the register of unemployed persons and registered as an ALMP participant.

g) A jobseeker ceases to be available for recruitment during the term of a course if said course requires it. All unemployment benefit recipients, including those who participate in labour market measures, are required to search for work unless they are specifically exempted. Exemptions may be made in some circumstances, including for pregnant women or new mothers on maternity leave, in the six months preceding retirement age, if the unemployed has a suitable job starting next month, if they are developing a sustainable self-employment opportunity or if they are undertaking a motivation course to help them choose a training programme.

h) Where an individual is taking part in active labour market programme, voluntary work or paid employment, the criteria for the individual is amended to take account of personal circumstances.

## Annex D. Tier-1 and lower-tier programmes

Table A D.1. Tier-1 and lower-tier benefit programmes that were included in this study

Programmes for which information on eligibility criteria was available

Country	Tier-1 programme name	First lower-tier programme name	Second lower-tier programme name
Australia	Newstart Allowance	Special Benefit	
Austria	Arbeitslosengeld	Notstandshilfe	
Belgium	Assurance chômage	Revenu de Moyens d'Existence et d'integration (MINIMEX)	
Bulgaria	Фонд "Безработица" - Обезщетение за безработица (Unemployment Fund - Unemployment Benefit)	Социално подпомагане - Месечни социални помощи (Social Aids - Monthly social allowance)	
Canada	Employment Insurance	Ontario Works	
Chile	Seguro de cesantia	Unemployment solidarity fund of unemployment insurance	
Croatia	novčana naknada za vrijeme nezaposlenosti (Financial compensation for unemployment)	zajamčena minimalna naknada (Guaranteed minimum income)	
Cyprus	ανεργιακό επίδομα (Unemployment benefit)	Ελάχιστο εγγυημένο εισόδημα (Guaranteed Minimum Income)	
Czech Republic	Podpora v nezaměstnanosti (Unemployment benefit)	Pomoc v hmotné nouzi (Assistance in Material Need)	
Denmark	Arbejdsløshedsdagpenge	Kontanthjælp	
Estonia	Töötuskindlustushüvitis (Unemployment insurance benefit)	Töötutoetus (Unemployment allowance)	Toimetulekutoetus (Subsistence Benefit)
Finland	Ansiosidonnainen työttömyyspäiväraha (Earnings-Related Unemployment Allowance)	Peruspäiväraha (Basic Unemployment Insurance)	Työmarkkinatuki (Labour Market Subsidy)
France	Allocation d'aide au retour à l'emploi (ARE)	Allocation de solidarité spécifique (ASS)	
Germany	Arbeitslosengeld I	Grundsicherung für Arbeitslose (ALG II)	
Greece	επίδομα ανεργίας (Unemployment Benefit)	Special aid after the end of payment of the unemployment allowance (Ειδικό βοήθημα μετά τη λήξη της Τακτικής Επιδοτήσεως Ανεργίας)	Επίδομα Μακροχρονίως Ανέργων (Long-Term Unemployment Allowance)
Hungary	Állaskeresési járadék (Job-seeker benefit)	Foglalkoztatást helyettesítő támogatás	Employment-Substituting Support (ESS)
Iceland	Atvinnuleysisdagpeningar	Fjárhagsaðstoð sveitarfélaga	
Ireland	Jobseekers' Benefit	Jobseeker's Allowance	Basic Supplementary Welfare Allowance (SWA)
Israel	(ימיים) אבטלה דמי (Unemployment benefits (two days))	(Income support benefi) להבטחת גמלה הכנסה	
Italy	Nuova Assicurazione Per l'Impiego (NASPI)	Reddito di Inclusion (REI)	
Japan	雇用保険・基本手当 (Employment insurance)	生活保護・生活扶助 (Livelihood protection and livelihood assistance)	Sekatsu-hogo (Social assistance)
Korea	구직급여 (Job Seeking Allowance)	국민기초생활보장제도 (National Basic Livelihood Security)	
Latvia	Bezdarbnieka pabalsts (Unemployment benefit)	garantētā minimālā ienākuma pabalsts (Guaranteed minimum income benefit)	
Lithuania	Nedarbo draudimo išmoka	Socialinė pašalpa	

	(Unemployment Social Insurance Benefit)		
Luxembourg	Indemnité de chômage	Revenu minimum garanti	
Malta	Unemployment Benefit	Unemployment Assistance	
Netherlands	Werkloosheidswet	Participatiewet	
New Zealand	Jobseeker Support	Emergency Benefit	
Norway	Dagpenger under arbeidsløshet	Økonomisk stønad	
Poland	Zasiłek dla bezrobotnych	Zasiłek okresowy	
Portugal	Subsidio de desemprego	Subsidio social de desemprego (subsídio inicial, subsequente)	Rendimento social de inserção
Romania	Indemnizatia de somaj	Schema privind venitul minim garantat: ajutorul social pentru asigurarea veniturii minim garantat	
Slovak Republic	Dávka v nezamestnanosti	Pomoc v hmotnej núdzi	
Slovenia	Zavarovanje za primer brezposelnosti	Denarna socialna pomoč	
Spain	Prestación por desempleo - Nivel Contributivo	Prestaciones por desempleo de nivel asistencial	
Sweden	Arbetslöshetsförsäkring, inkomstrelaterad	Arbetslöshetsförsäkring, grundnivå	Ekonomiskt bistånd
Switzerland	Assurance Chômage/Arbeitslosenversicherung	Assistance chômage	Aide sociale / Sozialhilfe / Assistenza sociale
Turkey	İşsizlik Ödeneği (Unemployment Insurance)	Social Assistance (Sayılı Sosyal Yardımlaşma ve Dayanışmayı Teşvik Kanunu)	
United Kingdom	Jobseeker's Benefit (Contribution based)	Income-based Jobseeker's Allowance	
United States	Unemployment Insurance	Temporary Assistance for Needy Families (TANF)	

Note: The table shows programmes for which information on eligibility criteria could be collected. It does not represent a full list of income-support programmes that may be available for the unemployed. In some cases, information for additional programmes was requested from countries but not available.