

## **Business and welfare:**

# **Employers' organisations and labour market policies in the EU<sup>1</sup>**

### *Policy paper*

***BAWEU Project No. VS/2020/0141***

Adam Šumichrast, Lucia Kováčová and Marta Kahancová

Central European Labour Studies Institute

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#### ***Key findings***

- Labour market policies embrace various types of measures, including the reinforcement of work incentives, employment assistance, unemployment benefit system, support to the unemployed, and investment in human capital.
- Different types and levels of employer involvement in labour market policies and related labour market reforms are observed in all of the studied countries. These include, i. e., reforms from job security to employment security (the Netherlands), debates on the basic income (Italy), the source of funding for tackling unemployment (Slovakia), unemployment in the context of social assistance and atypical work (Germany) and a cost-effective approach to employment support schemes (Denmark).
- Employers are predominantly concerned with proactive policies seeking to increase employment (and with the relationship to other stakeholders in this process), for example measures in counselling and job-search assistance, reduction of unemployment and job creation schemes, and subsidies to employers for creating jobs e.g., for disadvantaged groups
- Employers increasingly show positive attitude towards employing vulnerable groups, such as persons with disabilities
- In the context of unemployment policies, employers emphasise the flexibilization of employment contracts and working time
- The BAWEU Employers' Survey findings show that companies of all sizes maintain that governments should take a relatively high share of responsibility in caring for the unemployed

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<sup>1</sup> This policy paper is part of the research project [BAWEU-Business and welfare. Preferences and collective action in Europe](#) (Project No. VS/2020/0141, funded by the European Union). The project explored employers' welfare preferences and their political action, including interactions with trade unions and governments in the EU with a special focus on Denmark, Germany, Italy, Netherlands, and Slovakia.

## *Introduction*

The success of the European Social Model strongly depends on social dialogue, thus, interaction and cooperation between the representatives of the workforce, business companies, and the state apparatus. Policy making occurs under influence of various policy actors, including the representatives of labour and business. One of the policies that are pivotal for the inclusive and sustainable growth and present a crucial part of the social dialogue, are labour market policies that have a considerable impact on the quality of people's working lives.

This policy brief acknowledges attitudes and involvement of employers, both via employers' associations as well as at the individual level, in labour market policies (LMP) in five countries including Denmark, Germany, Italy, the Netherlands, and Slovakia. The report covers two types of LMP:

- Active labour market policies (ALMP) refer to policy measures to facilitate employment of persons outside of the labour market, integration of persons with various forms of disability and vulnerability, facilitation of work for newcomers to the labour market, measures to address early retirement, and provide assistance to the unemployed. Additionally, the report also provides a set of policy recommendations on how to strengthen capacities of employers' organisations in shaping ALMP via their initiatives, articulation of their interests to the EU-level, as well as via social dialogue with trade unions and governments.
- Passive labour market policies (PLMP), aiming at protecting individuals if not participating in the labour market, particularly through public expenditure, such as unemployment benefit schemes.

Additional definitions of ALMP are provided by the OECD and the European Commission. OECD defines ALMP as “*active labour market programmes include all social expenditure (other than education) which is aimed at the improvement of the beneficiaries' prospect of finding gainful employment or to otherwise increase their earnings capacity.*”<sup>2</sup> The European Commission's approach to the ALMP adds that **ALMPs range from institutional and workplace training offers over indirect employment incentives (job retainment, job-sharing, recruitment subsidy) to the setting up of sheltered and supported employment or to the provision of direct job creation (public work schemes) and start-up incentives.**<sup>3</sup> ALMPs help ensure that the unemployed return to employment as fast as possible and in the best possible job match, by providing them with the support they need to successfully re-enter the labour market.

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<sup>2</sup> Glossary of statistical terms: <https://stats.oecd.org/glossary/detail.asp?ID=28>

<sup>3</sup> European semester thematic factsheet. Active labour market policies. Available at: [www.ec.europa.eu/info/sites/default/files/european-semester\\_thematic-factsheet\\_active-labour-market-policies\\_en\\_0.pdf](http://www.ec.europa.eu/info/sites/default/files/european-semester_thematic-factsheet_active-labour-market-policies_en_0.pdf)

While PLMP mostly focus on the system of unemployment benefits, ALMP embraces a broader set of activation measures. Following the European Commission’s analysis, ALMP where employers are likely to show interest and shape these policies include the following three measures:<sup>4</sup>

**Counselling and job-search assistance:** useful mainly for short-term unemployed, but they may still play a valuable role beyond this if they form part of an individualised or 'tailor-made' approach to support for the unemployed. The individualisation of support includes advice combined with a range of potential types of support, including job-search assistance, 'motivation' courses and social support, according to the assessed needs of the jobseeker.

**Subsidies to employers:** typically targeted at the most disadvantaged groups; such measures can play an important role in positively influencing the attitudes of employers towards the long-term unemployed, by bringing the two groups in contact with each other and by providing an opportunity for employers to 'test' prospective employees at lower than full-wage costs.

**Direct employment and job-creation schemes:** targeted mostly at the medium- and longer term unemployed to avoid perverse employment effects on the short-term unemployed, for example where participants who might otherwise have found 'real' jobs are kept off the labour market while they are participating in the scheme. These schemes are also typically more stable and long-lasting to ensure their efficiency and cost effectiveness.

Alternatively, ALMP can be divided into four areas (see Table 1), following their main purpose.

Table 1: Type of active and passive labour market policies

Type	Objective	Tools
<b>Incentive reinforcement</b>	Strengthen positive and negative work incentives for people on benefit	<ul style="list-style-type: none"> <li>• Tax credits, in work benefits</li> <li>• time limits on reciprocity</li> <li>• benefit reductions</li> <li>• benefit conditionality</li> <li>• sanctions</li> </ul>
<b>Employment assistance</b>	Remove obstacle to employment and facilitate (re-)entry into the labour market	<ul style="list-style-type: none"> <li>• placement services</li> <li>• job subsidies</li> <li>• counselling</li> <li>• job search programmes</li> </ul>

<sup>4</sup> European semester thematic factsheet. Active labour market policies. Available at: [www.ec.europa.eu/info/sites/default/files/european-semester\\_thematic-factsheet\\_active-labour-market-policies\\_en\\_0.pdf](http://www.ec.europa.eu/info/sites/default/files/european-semester_thematic-factsheet_active-labour-market-policies_en_0.pdf)

<b>Occupation</b>	Keep jobless people occupied; limit human capital depletion during unemployment	<ul style="list-style-type: none"> <li>• job creation schemes in the public sector</li> <li>• non employment related training programmes</li> </ul>
<b>Human Capital Investment</b>	Improve the chances of finding employment by upskilling jobless people	<ul style="list-style-type: none"> <li>• basic education</li> <li>• vocational training</li> </ul>

Source: Bonoli (2010).

**Methodology**

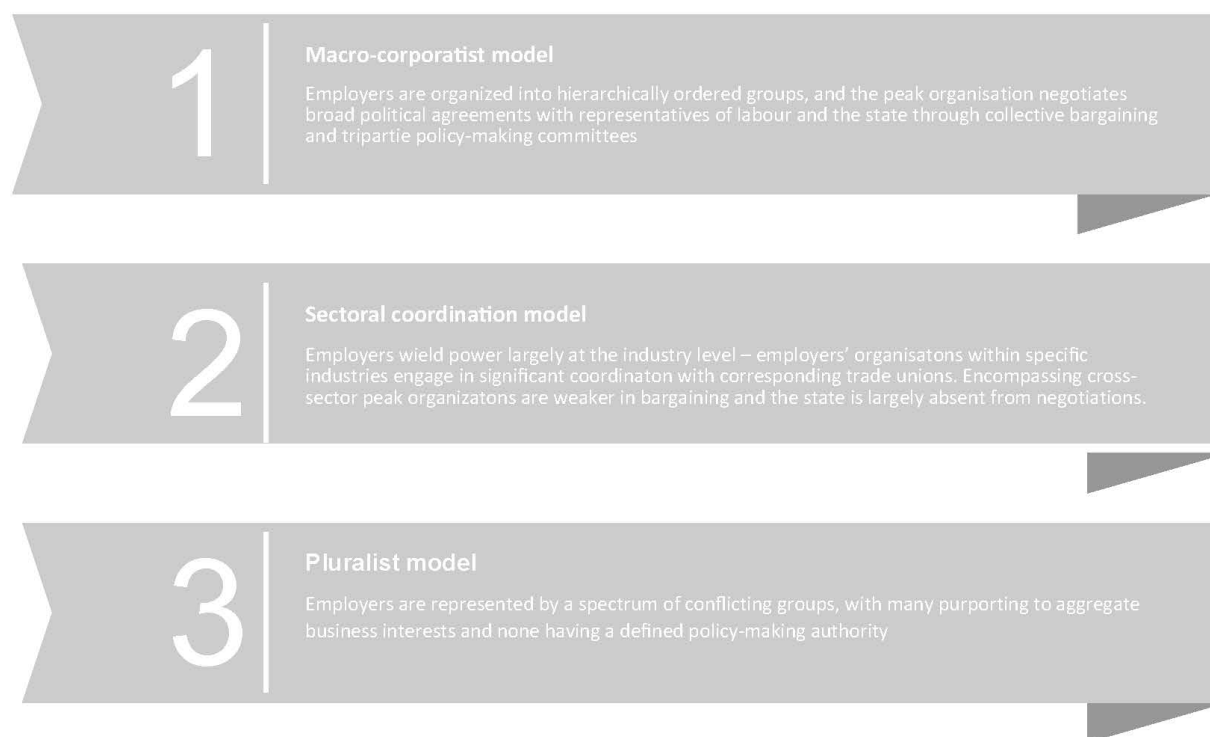
Available policy literature has questions whether, in order to activate the unemployed, public spending needed to shift from PLMP to active interventions (Pignatti and van Belle 2018, OECD 1994). However, according to others, suggested that active and passive policies should be seen as two essential components of a broader social protection system (ILO 2012). Therefore, this report considers both types of LMP, with a distinction of employers’ action vis-à-vis these policies at the national level, and at the organizational level. The BAWEU project explored employers’ attitudes towards social policy and found that at the level of individual employers, ALMPs are perceived as directly affecting the functioning of employers. Therefore, ALMPs were subject to data collection via a survey targeting individual employers in 5 studied EU Member States. In addition, the project was interested in collecting and analyzing data on the preferences and actions of employers’ associations at the national level. Here, qualitative data from 5 country studies show that employers’ associations demonstrated certain attitudes to PLMPs, namely, to unemployment policies.

Data available for this report thus allow a combined analysis of ALMPs at the level of surveyed employers, and PLMPs at the level of preferences of organized interests of employers via employers’ associations in 6 EU Member States. The BAWEU employers’ survey has been implemented in 2021-2022, while the qualitative data on employers’ associations’ preferences refer to a period since 2008. **As a result, this policy paper** benefits from the possibility of presenting findings on labour market policies in the broader sense, across countries, and also across active and passive measures.

Emphasis in this report is placed on, **employers’ strategies to engage in the policy making process over ALMP policies (at the individual level) and PLMP policies (at the level of employers’ associations), and the way how employers interact with other key stakeholders in their policy engagement.** The report also provides a set of policy recommendations for employers’ organisations and their awareness and engagement in shaping ALMP via social dialogue.

To understand the context in which employers' attitudes towards ALMPs are formed, Martin and Swank (2008, 2013) presented a **typology of employers based on their involvement in policy making**. The typology distinguishes between organizations according to their position in policy making. This position in turn closely relates to interaction with other players. Each model's strength depends also on how many organizations join employers' organisations (see Figure 1).

*Figure 1: Typology of employer involvement in policy making*



*Source: Martin and Swank (2008, 2013).*

Findings presented in this policy paper are based on **(1) the desk research, (2) qualitative interviews in five EU Member States**, conducted between November 2021 and June 2022)<sup>5</sup> with the representatives of social partners and (mainly employers and employers' organisations) in all five countries, and **(3) an online survey** (May 2021 – February 2022) that was carried out in all five countries among the representatives of business companies with a special focus on medium-

<sup>5</sup> Interviews in five EU Member States were concluded between December 2021 and June 2022. The number of interviewees is as follows: Denmark: 13; Germany: 9; Italy: 17; Netherlands: 19; Slovakia: 15). See Colombo and Califano (2022), Mailand (2022), Pokorná (2022), Peveling et al. (2022) and Tros (2022) for detailed country reports.

sized and large companies with more than 250 employees across all the economic sectors. In total, we obtained 380 responses for all five countries in the sample<sup>6</sup>.

**All countries in the sample are characterised with employers' organisation density above EU27-average, except for Slovakia (50.3%), while the highest employers' density can be observed in the Netherlands and Italy** (see Table 2). Collective bargaining coverage in the studied countries is also above the EU27 average, except for Slovakia with a 25% bargaining coverage. In this regard, the union density is exceptionally low in Slovakia and Germany, while in Denmark (67.5%) the density is the highest one among these countries.

*Table 2: Foundations of collective bargaining in five EU Member States (2018) (%)*

Country	Employer organization density*	Trade union density**	Collective bargaining coverage
Denmark	68.3	67.5	82
Germany	67.9	16.6	54
Italy	78.3	32.6	100
Netherlands	85	16.5	76.7
Slovakia	50.3	11.3	25
EU27 average	54,1 <sup>7</sup>	25,4 <sup>8</sup>	53,5 <sup>9</sup>

\* Refers to employees in firms organized in employer organizations as a proportion of all employees.

\*\* Refers to the proportion of employees who are member of a trade union among all employees

Source: OECD/AIAS ICTWSS Database (<https://www.oecd.org/employment/ictwss-database.htm>)

**High unemployment rates as such are not a major problem in any of the selected countries.** Only Italy, which has the third highest unemployment rate among EU countries after Spain and Greece (see Table 3), is above the EU average. Slovakia has a slightly higher unemployment rate compared to the other countries, caused by long-term unemployment, which is still widespread especially in certain regions.

<sup>6</sup> The country structure of the dataset is as follows: Denmark (49 responses), Germany (116), Italy (110), Netherlands (29), Slovakia (76). As for the company size: 0-249 employees (105 responses); 250-499 (182); 500-999 (56); 1000+ (44).

<sup>7</sup> For France, Greece and Romania the numbers from 2017 were used; for Bulgaria, Lithuania and Slovenia from 2016; for Belgium, Croatia and Portugal from 2014.

<sup>8</sup> For Bulgaria, Cyprus, France, Greece, Poland and Portugal the union density numbers from 2016 were used; from Slovenia from 2015, for Hungary from 2012, Malta w/ data.

<sup>9</sup> For Finland, Greece, Ireland, Poland, Romania and Slovenia numbers from 2017 were used; for Cyprus, Malta, and Slovakia from 2016, for Poland from 2015, for Croatia from 2014.

Table 3: Unemployment rate in 2021

Country	Unemployment rate (percentage)
Denmark	5,075
Germany	3,575
Italy	9,558
Netherlands	4,225
Slovak Republic	6,825
European Union – 27 countries	7,050

### Findings

Based on the Martin and Swank (2008, 2013) typology, Table 4 summarizes the findings from national studies conducted across 5 EU Member States. The findings show diversity across these countries between a macro-corporatist model, through sectoral coordination models to a case where tripartite dialogue lacks real impact on policy making and is supplemented by other, more direct, forms of influence, often based on political bargaining and trade-offs.

Table 4: Level of employer's involvement in shaping LMPs across 5 EU Member States

Country	Model of employers' policy influence	Level of employers' involvement in ALMP and PLMP
Denmark	Macro-corporatist model	<b>Sector-level as the main dominant one</b> (sectoral level collective agreements as a framework agreement with minimum requirements while company level collective agreements provide further details) and regional tripartite bodies related to ALMP
Germany	Sectoral coordination model	<b>Collective agreements mainly on the sectoral level</b> (wage committees that are associated with the extension of sectoral agreements)
Italy	Sectoral coordination model	<b>Tripartite collective bargaining:</b> National Council for Economic Affairs and Labour and sector-level bipartite bodies
Netherlands	Macro corporatist model with high sectoral coordination	<b>Social dialogue and negotiations in</b> in Socio-Economic Council (tripartite) and (Labour Foundation (bipartite) at the national level (with impact on governmental policies), together with stable collective bargaining at mostly sectoral level
Slovakia	Façade corporatism	<b>Formal tripartite consultations and commenting on the proposed legislation, serving as an advisory board</b> without binding impact on legislation. Real impact occurs through decentralized lobbying and political bargaining

Source: Authors' interpretation based on Martin and Swank (2008, 2013) and national findings summarized in the BAWEU national reports (Colombo and Califano 2022, Mailand 2022, Peveling et al. 2022, Pokorná 2022 and Tros 2022).

- *Individual employers and ALMP*

Various countries have adopted ALMPs to integrate the unemployed as well as persons facing barriers at being integrated into the workforce. **The most disadvantaged groups in the labour market are targeted by ALMPs, which include employability programs, job placement programs, and policies tailored to their needs (e.g., persons with disabilities).** A growing number of ALMP providers are putting greater emphasis on employer involvement in such programs and providing jobs to those out of work and disadvantaged in the labour market in recent years. Employers' involvement increases the chances of successful policy implementation. Regarding the motivation of employers to participate in ALMPs, it appears that an important factor is that they are members of employers' associations at the national level. This coordination may explain the differences between countries in terms of employers' participation in ALMPs. For example, Denmark is a country that is considered to be a pioneer of ALMPs (Valizade et al. 2022).

A related factor is **collective bargaining, which could increase the likelihood of employer participation in designing and implementing ALMPs.** Trade unions are by default in favour of increasing the employment rate and shifting those that are unemployed into the labour market with a tailored employment protection. Trade unions (as well as government) can develop pressure on employers in relation to policy instruments, similar to the case of socially responsible employment. Additionally, when employers and unions are directly involved in the design and delivery of ALMPs, either through bargaining at national level or through collective agreements, ALMPs may become a default recruitment channel. Subsequently, by fostering employee collective voice, employers may be able to deepen their involvement in shaping ALMPs, particularly when they operate funded programs that provide sustainable employment (Valizade et al. 2022).

**In the Netherlands, the labour market reform, including measures related to tackling unemployment, is one of the most urgent social policy fields for employers.** In Italy, employers do not ascribe neither the highest, nor the lowest priority to ALMPs. In general, **Italian employers are in favour of active, not passive labour market policies, which is a similar approach to the other researched countries.** ALMPs also resonate as an important topic with employers in Denmark. Employers have especially focused on securing sufficient labour supply through ALMP. Employers are often critical to the performances of the public employment service, but have nevertheless been critical to recent cuts in the spending on ALMP. ALMP spending in Denmark is the highest in EU. Danish employers enjoy important roles within ALMPs.

- *Employers' associations and PLMPs*

Research conducted in 2020-2022 within the BAWEU project showed that the issue of unemployment policy enjoys a high priority among European employers. **Germany has implemented a wide-scare reform at the beginning of 2000s, referred to as the Hartz laws/reforms.** In result of this reform, **unemployment benefits were merged with social**



**assistance, the duration of unemployment benefits was reduced, and employment protection for temporary workers was deregulated, thus encouraging atypical employment.**

A general approach by employers' associations vis-à-vis PLMP is advocating a reform of the unemployment benefit system from a passive to an active form, as well as transitions from unemployment towards employment. Since the last two decades, employers in the Netherlands are discussing change of the financial incentives for those on benefits towards more activation in searching and accepting new jobs. Also, **the reforms mentioned in Germany implied that they were effectively shifting unemployed workers from the unemployment insurance programme to the unemployment assistance programme.**

**In Slovakia, employers' representatives demand the efficient use of funds to tackle unemployment.** There is a strong focus on retraining provided by public employment service and on introducing lifelong learning as a new tool. Slovakia ranks last in the EU when it comes to lifelong learning.

**In Italy, there is still a debate on the basic income, which was in fact a reform of labour market policies.** This basic income is, in fact, designed to be far from conditionality-free. It contains a number of strict conditionalities for gaining access to the income, as demanded by business associations in several parliamentary audits. The conditionalities relate to the obligation to accept job offers and to participate in training.

The reform to unemployment benefits from 2010 was agreed in Denmark's Liberal-led government without any consultations with the social partners. The **Danish reform increased the employment threshold for receiving unemployment benefit from six months to 1 year and to shorten the maximum benefit period from 4 to 2 years.** This step sparked strong criticism both peak-level trade union movements. Unsurprisingly, **Danish employers' organizations favouring ALMP and cost-containment welcomed the reform.** It is clear that the labour market policy issue of most interest to the employer organisations interviewed was labour supply, namely in the context of the problems in getting sufficient with qualified labour. Employers' organizations, especially large ones, acknowledge that unemployment benefits play a crucial role in the Danish flexicurity model, but strongly support the notion of 'make work pay.' According to this principle, **unemployment benefits should be clearly lower than the minimum wage.** However, the BAWEU employers' survey shows that the most common response in Denmark was to give the unemployed more time to improve their skills, while there is little support for increasing spending on training or any of the other possible responses.

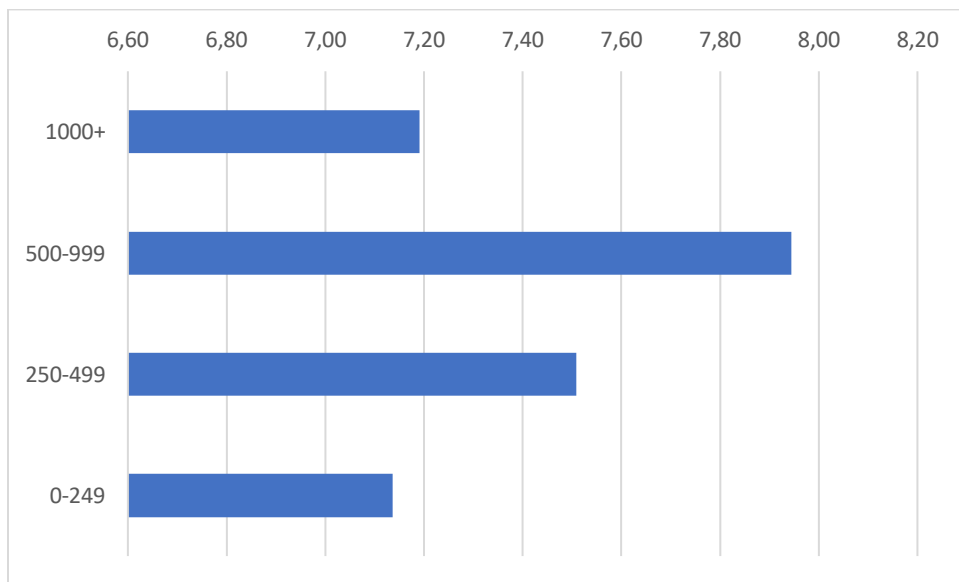
Finally, in the **Netherlands, employers aim to a labour market transformation 'from job-security towards employment-security.'** The new focus should be on **job mobility, lifelong learning and solutions for social insurance in retirement.** Employers are also pursuing a lower administrative burden for employers to make it less risky, less regulated and less costly. It may be noted that in the Netherlands many workers are excluded from unemployment benefits. An important rule is that the unemployed must have worked at least 26 weeks in the last 36 weeks to

be eligible for benefits. This threshold makes access to unemployment benefits difficult for the large and growing number of a-typical workers in the Netherlands. Many workers with short-term contracts or contracts with temporary employment agencies have unstable careers.

### *Key policy priorities and strategies of employers*

Policy priorities and strategies of individual employers, based on the BAWEU survey, evolve around several key policy issues, which are reviewed below. First, employers were asked to what extent they see the government should take responsibility of caring for the unemployed. Figure 2 shows the employers' perception on the importance of tackling unemployment via government initiatives. In general, **companies of all sizes perceive that the governments should take a relatively high share of responsibility in caring for the unemployed.** This attitude is most pronounced among larger companies (with 500 to 999 employees) and SMEs (250 to 499 employees).

*Figure 2: Employers' perceptions on the extent of responsibility that the government should take in ensuring a reasonable standard of living for the unemployed by company size (N=262)*

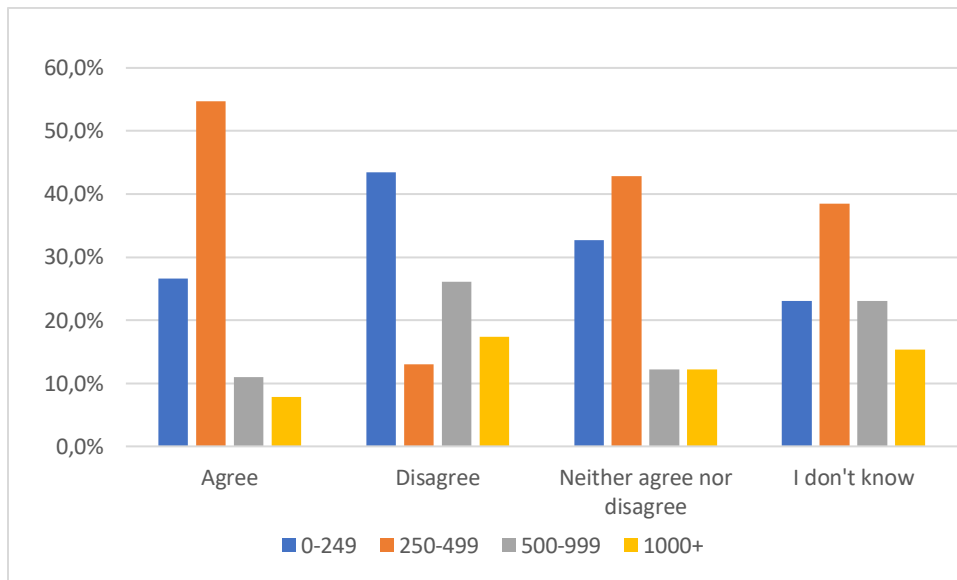


*Source: BAWEU employers' survey 2021-2022. Question: There can be different views on what the responsibilities of governments should or should not be. For each of the tasks please tell me on a score of 0-10 how much responsibility your company thinks governments should have. 0 means it should not be governments' responsibility at all and 10 means it should be entirely governments' responsibility.*

Second, regarding preferences to allow the unemployed more time for upskilling and developing qualifications, Figure 3 shows that over 50% of medium-sized employers (with 250 to 500 employees) tends to agree that the unemployed should be allowed more time to improve their

skills. In contrast, over 40% of small companies (below 249 employees) disagrees with this statement.

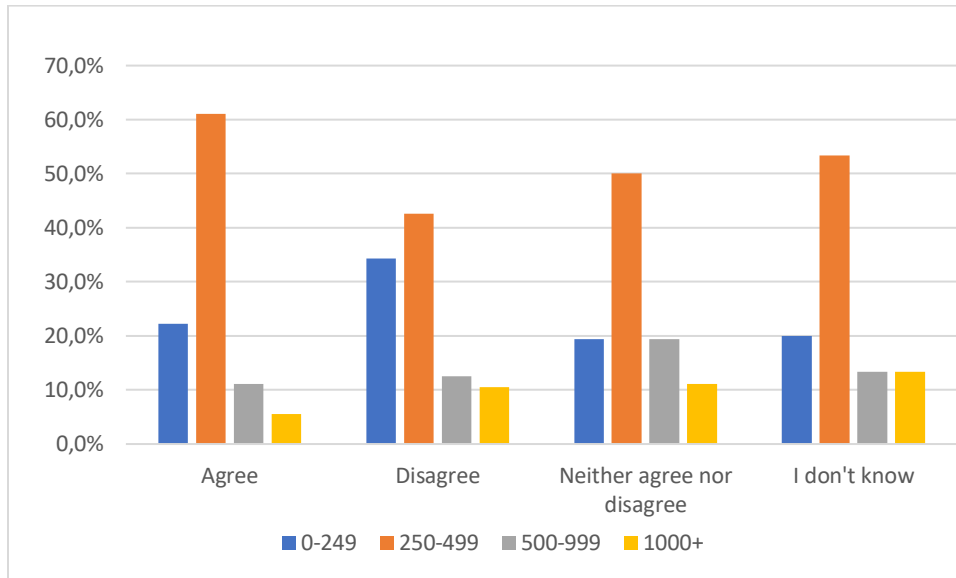
*Figure 3 – Companies' agreement with the statement give to the unemployed more time and opportunities to improve their qualification before they are required to accept a job (N=213)*



*Source: BAWEU employers' survey 2021-2022. Question: To what extent does your company agree or disagree with the following statements in relation to what governments in your country should do?*

Third, when considering employers' agreement with the statement on **cutting back spending on education and families in order to be able to finance more spending on old age pensions and unemployment benefits**, Figure 4 shows that 60% of medium-sized organizations (with 250-499 employees) agrees with this statement, while about 34% of small companies (up to 249 employees) does not agree with this statement.

Figure 4 Agreement of employers with the statement on cutting back spending on education and families in order to be able to finance more spending on old age pensions and unemployment benefits (N=213)



Source: BAWEU employers' survey 2021-2022. Question: To what extent does your company agree or disagree with the following statements in relation to what governments in your country should do?

Finally, the BAWEU project gathered evidence on preferences of employers vis-à-vis employment policies of persons with disabilities. **Employers across the studied countries agree that the government should develop labour market policies that facilitate a successful labour market integration of persons with disabilities, and those that strike a work-life balance.** In turn, the findings suggest that companies are requesting/lobbying for the government to revise its policy agenda, less considering social security transfers and improving services to disadvantaged groups exposed to unemployment instead.

**In the Netherlands, in 2013 social partners and the government reached a national agreement to create 125.000 jobs for jobseekers with disabilities during the period 2016-2026.** It is accepted that the involvement of employers is a crucial factor for the success of policies relating to the participation of disabled people in the labour market. This shows some willingness of 'social investment' in activating labour market policies from the side of employers. Also trade unions seeks stimulating job creation and other employment programmes for special vulnerable groups in the labour market.

**In Denmark, reforms to labour market policies in the post-2008 period** targeted the unemployed in general, but also some more specific groups, including people with various forms of health conditions and disabilities. However, since the turn of the century, **the 'work first**

**approach' has influenced policies in the sense that job search in Denmark, including early interventions, sanctions and initiatives to make work pay have come to the fore in the form of benefit reductions for dedicated groups in the labour market.** In the 2010s, the activation regime, including the 'work first' elements, was extended so that people with various forms of health conditions and disability also faced activation requirements and reduced their benefit levels.

Finally, a relevant policy area identified by employers participating in the BAWEU employers' survey and interviews is the **flexibility of employment contracts and working time.** In recent years, German employers' associations continued in their demand for more flexibility in working time and a 40-hour week. Recently, different **agreements have been reached at the sectoral level, which offer workers to choose between a wage rise or reduced working time.** However, employers' associations continue to show discontent as the current regulations have "fallen out of time." On the one hand, there are jobs where people want work substantially more hours than they are legally allowed to and thus, continuously break the law (e.g., high service sector). On the other side, associations are calling for a flexibilization of working time, not their extension. Evidence on contract flexibility is also available from the Netherlands: here, employers strive to simplify the excessive amount of different legal constructions in labour contracts. Open-ended employment contracts should be reserved for 'structural work.' A fixed-term employment contract, as well as temporary agency work, should be used in case of fluctuating workers or in case of increased temporary demand for labour.

### *Interaction and coordination of policy priorities between employers' organisations, individual employers and other stakeholders*

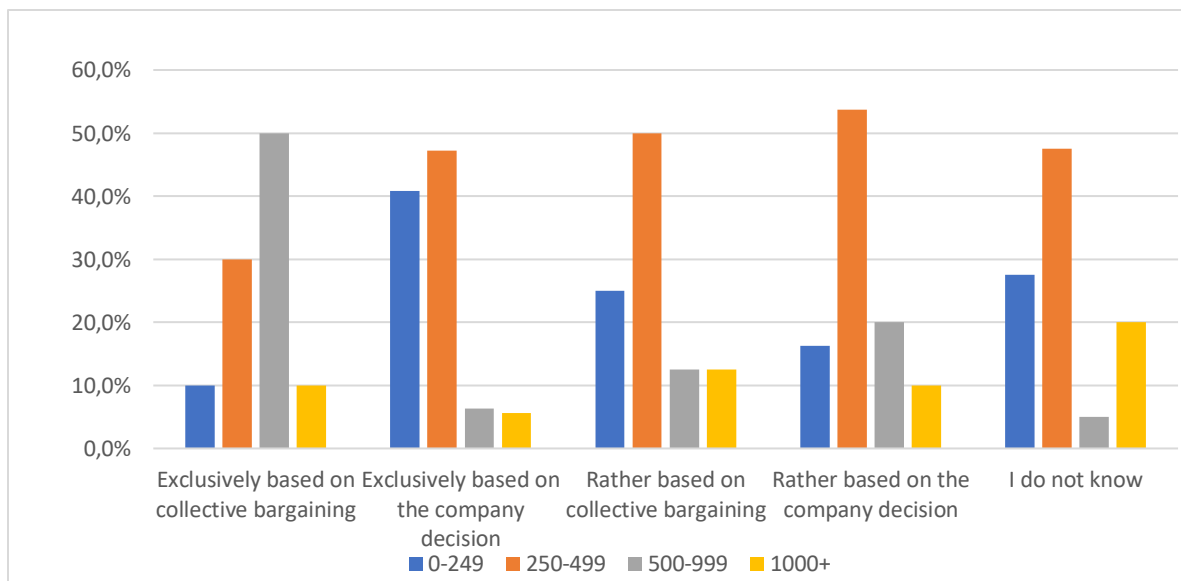
Besides particular attitudes in various policy areas, the BAWEU employers' survey also explored the articulation of employers' interests vis-a-vis employers' associations in dedicated policy areas. The survey shows that **employers from across the five EU Member States do not consider their company to be extensively involved in the policy discussions of employers' associations. Those firms that are involved are mostly concerned with issues of vocational education and training and active labour market policy.**

There is a fundamental disagreement between employers and trade unions on their approach to governmental social policies, including unemployment policies. While unions stand for a universal welfare provision, including safety nets for the unemployed (the current situation regarding the Covid-19 pandemic just highlighted this problem), **employers prioritize cost-saving policy measures or active, specifically targeted, labour market policies.** Another aspect is the **polarized discussion between more 'security' (desired by trade unions) versus more 'flexibility' (wished by employers).** Regarding unemployment policies, the basic parameters are set in national legislation and programmes and partial adjustments can be determined in the framework of collective bargaining. This is particularly true for the Netherlands.

**In Denmark, both employers’ organizations and trade unions have important roles in ALMP through their ad-hoc involvement in reforms and representation in tripartite councils at national as well as at regional-local levels.** However, their role is mostly limited to lobbying and consultation, although they at the regional level possess some decision-making power. **Collective agreements play a limited role in ensuring income security in the context of social protection for unemployment in that, until recently, very few collective agreements included severance payments, for instance in the financial sector.** However, after 2007 the manufacturing sector introduced severance payments, which then spread to other private sector collective agreements. In today's private sector, most collective agreements include severance payments based on seniority and starting after three years of employment. However, severance payments remain limited in scope and depth. Also, for non-manual workers, severance pay continues to be limited. Therefore, a more widespread development has been a tendency for employees to sign-up to additional unemployment insurance schemes, administered by the trade unions, which top-up the standard scheme.

Figure 5 shows that **special contributions paid into voluntary unemployment benefit schemes are rather decided at the management level in smaller firms (0-249 and 250-499), while in larger companies (500-999 and 1000+) it is more a matter of collective bargaining processes.**

*Figure 5 – How premiums paid to voluntary (not compulsory) unemployment allowances schemes have been decided by company size (N=288)*



Source: BAWEU employers’ survey 2021-2022. Question: Does your company provide to employees one or more of the following benefits?

*Conclusions*

The BAWEU research project investigated private sector employers' attitudes and preferences towards active labour market policies, the articulation of employers' interests in ALMP themes via employers' associations to policy makers, employers' attitudes vis-à-vis trade union preferences on unemployment policies, and employers' preferences in ALMP-related reform measures. The empirical study covered five EU Member States (Denmark, Germany, Italy, the Netherlands and Slovakia) with different welfare state and industrial relations traditions. The following conclusions can be derived from the analysis:

- Across different EU Member States, employers' involvement in shaping ALMP and related labour market reforms differs, while also converging around certain themes that employers share across countries.
- The key challenges that employers address within ALMP include, i. e., reforms from job security to employment security (the Netherlands), debates on the basic income (Italy), the source of funding for tackling unemployment (Slovakia), unemployment in the context of social assistance and atypical work (Germany) and a cost-effective approach to employment support schemes (Denmark).
- Employers are predominantly concerned with proactive policies seeking the increase of employment and with the relationship to other stakeholders in this process. For example, in the Netherlands the articulation of employers' interests to national employers' association has moved from job stability to employment stability, counting in some flexible shifts between jobs, while staying in employment without the need to shift to unemployment status for a considerable time period.

#### *Recommendations for EOs at the EU level*

- Facilitate exchange of information and expand the knowledge of employers' organisations in the EU Member States about priorities in ALMP and explore opportunities to coordinate these priorities across the EU Member States.
- Produce regular surveys on employers' priorities on reducing unemployment, seeking flexibilization of employment and reduction of working time, methods of national policy influence across all the EU Member States, and ways of articulating the national employers' interests to the EU-level of policy making.
- Use the outcomes of national surveys to develop an EU-level and EU-wide employer preference regarding job creation schemes, and support EU-level

regulations in this regard. Job creation schemes as a policy tool help addressing a challenge that employers face across the EU – labour and skills shortages.

- Cooperate with trade unions at the national and EU levels and seek consensus for a joint preference of a certain type of ALMP policy and consider articulating this joint interest to EU-level policy makers with the outlook of declaring EU-wide values and EU-level regulation on work and unemployment.
- Provide trainings for member organisations of EU-level employers’ associations to align national and EU-level priorities of employers in ALMP and thereby to increase their bargaining power in policy impact. This knowledge may be then forwarded to the member organisations by formulating sector-specific or occupation-specific guidelines on employment flexibility and job creation schemes. This process can facilitate a stronger role of social dialogue in determining employability, employment security and greater labour market integration of vulnerable workers, including young workers, migrants, women, workers with disabilities, and those seeking flexible work while securing decent living and working conditions.
- Consider EU-level priorities based on the diverse inputs on Member States’ evidence on employer preferences and the modes of their policy influence. Acknowledge diverse policy interests not only across the Member States, but also across sectors and companies of different sizes as well as the specific positions of multinationals (operating simultaneously in various policy frameworks).
- Facilitate peer review sessions for national employers’ federations from peers in other EU Member States to develop and articulate feasible ALMP vis-à-vis national legislative bodies, trade unions and other stakeholders.

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