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4 The Variety of National Debates

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Introduction

In this chapter, we discuss the specific issues that have given rise to public debates in each country during our period of observation. As we have argued, at any given point in time, the national policy-specific debates are likely to be characterized by ‘Babylonian confusion’: they focus on very different issues in different countries and their terminology varies from one country to the other, depending on the country-specific problem pressure, the country-specific policy legacy, and the stage of the issue-specific policy cycle in a given country. Political processes are generally characterized by stability and incrementalism – they incrementally develop the policy inventory that exists in a given policy domain. It is only occasionally that they enter critical periods of rapid and substantial change. The punctuated equilibrium model of policy-making takes this simple observation as its point of departure (True et al. 2007). In periods of incremental change, the specialized policy-makers who form the policy-specific subsystems are in charge. They are responsible for the routine modifications which are required every now and then in a given policy domain. During such periods, the public generally takes little notice of the policy process going on in the subsystem. In periods of crisis, however, a specific policy domain becomes a top priority of the key political leaders and policy-making shifts from the subsystem to top level politics. It is during such periods of punctuation that the public debate is most likely to become focused on the issue-specific policy process.

Against the background of the urgency of the labor-market problems in the aftermath of the ‘Great Recession,’ labor-market policies have generally entered a period in which punctuations have become more likely in all of our countries. Thus, our period of observation has been characterized by some form of punctuation in the labor-market policy domain in four of our six countries – Denmark, Germany, Italy, and the UK. In one other, Switzerland, a punctuation occurred just before the

period we have selected for investigation. During the period we covered, both France and Switzerland witnessed only low-key debates on labor-market policy issues. This is a consequence of the constraints imposed by the political agenda: while incremental processing at the policy subsystems level can occur simultaneously in parallel, the processing at the top level can take place only serially. In other words, the political agenda at the top level becomes crowded very quickly and the processing at that level can thus address only very few issues at the same time (Jones 1994). Accordingly, at any given point in time, the probability that a certain issue is processed at the top level is quite low, even if the problem related to the issue is an urgent one that preoccupies the public a good deal. Thus, the financial and economic crisis had very serious consequences for many different policy subsystems, and, depending on the country-specific problem pressures and the strategies of the national leaders, these consequences were tackled in different orders of priority at different times, and, of course, in very different ways depending on the labor-market regime of the country in question.

The public debate does not, however, reflect only the agenda of the political system. It may also be a function of the media's own agenda, which may not necessarily coincide with the political agenda. Actors not part of the formal political process may attempt to put a given issue on the policy agenda, and the best opportunity they have to do so is by attracting the attention of the media for their cause. Thus, social movements typically stage protest events in the public sphere in order to catch the attention of the media which will increase their chances to obtain access to the policy agenda. In one of our countries, Italy, it was social movements who put the issues of the debate we selected for our study on the agenda. Professional experts and public intellectuals may use the media to raise an alarm and to contribute to the public issue-specific consciousness. Moreover, the media themselves may choose to put a specific issue on their agenda, by their investigating activities, or even by explicit mobilization attempts (Walgrave and Manssens 2000, Kriesi 2004). They have, indeed, done so in one of the countries in our study – Denmark.

We have selected our country-specific public debates as a combined result of our reading of the media during the period of our study and of our discussions with labor-market experts during our first interviews. For each country, we chose the most conspicuous issue in the unemployment policy domain during the period covered. *Table 4.1* presents the issues we selected and about which we interviewed our experts during the second interview. In three countries – Denmark, Italy, and the UK – we selected two issues, because we were not sure which one of

Table 4.1 *Issues for the selected public debates, by country*

	DK	CH	DE	FR	IT	UK
Debate 1	Activation	Mass dismissals	Hartz IV	Youth unemployment	Fiat	Comprehensive spending review
Debate 2	Youth unemployment				Education reform	Universal credit

Table 4.2 *Variables determining debate characteristics*

Variables	DK	CH	DE	FR	IT	UK
Problem pressure	Medium	Low	Medium	High	High	High
Problem structure	Skills	Skills	Precarity (long-term)	Precarity (youth/long-term)	Precarity (youth)	Youth
Policy cycle	Minor recent reform	Minor recent reform	Minor reform	No reform	No reform	Major reform, ongoing
Regime type	Active flexicurity	Liberal flexicurity	Dualization	Dualization	Dualization	Deregulation
Passive benefits	++	+	-	++	+	-
Activation	++	+	+	-	-	+
Job protection	-	-	+	+	++	-

the two would become more important during the period in question. As it turned out, one of the two issues clearly dominated in Denmark and Italy, while the second British issue was in fact a sub-issue of the first, more encompassing one.

Table 4.2, which provides an overview over the country-specific problem pressure, the stage of the policy cycle in the respective countries, and their labor-market regimes, allows linking these debates to the context conditions which we have presented in the previous chapter. Table 4.3 provides two indicators for the intensity of the respective debates: the participation rate and the salience of the key issue-specific event in the period covered. The participation rate indicates the share of organizations represented by our respondents that took part in the debate. The debates are arranged according to this indicator which reaches from a high of 87 percent (for the British comprehensive

Table 4.3 *Indicators for the intensity of the issue-specific debates in fall 2010 (salience of key events and participation rates)*

Country	Debate	Event	Salience	Participation rate
UK	Spending review	Reform announcement	3.80	.87
DE	Hartz IV	Draft by government	3.50	.86
DK	Activation	Reform announcement	2.81	.81
IT	Fiat	Refusal by FIOM	3.39	.77
FR	Youth unemployment	Agreement on opening negotiations	2.80	.76
IT2	Education	Manifestations	2.89	.73
UK2	Welfare state	Universal credit	2.82	.56
DK2	Youth unemployment	Funds by EU's social foundation	2.47	.31
CH	Dismissals	Layoffs by Roche	2.61	.25

spending review) to a low of 25 percent (for the mass layoffs at a plant of Roche pharmaceuticals in Switzerland). The second indicator for the intensity of the debate measures the salience of the key issue-specific event: respondents were asked to assess the importance of these events on a scale ranging from 0 (not important at all) to 4 (extremely important). As is shown in *Table 4.3*, the two indicators are closely, although not perfectly correlated ($r=.74$). Thus, the most important event was the announcement of the Comprehensive Spending Review (CSR) by the British government on October 20, 2010, with an impressive assessment level of 3.80.

In the UK, there was clearly a period of punctuation: against the background of a high problem pressure (see *Table 4.2*), the new government had launched an encompassing reform – the Comprehensive Spending Review – which included a major overhaul of the social insurance schemes: the universal credit proposal. As is fitting for our example of a deregulation regime, this new reform proposal followed the ‘triple integration’ model and involved cutting benefits and activation according to ‘work first’ principles. Unsurprisingly, this case of punctuation gave rise to the most intense public debate. Germany also experienced a rather intense debate, which was provoked by an incremental change of the major program in the policy domain, the modification of the Hartz IV reform that had first been implemented in 2005. As we have seen in the introduction, the problem pressure was less intense in Germany, but the effects of the crisis required a modification of Hartz IV, which first and foremost involved cutting benefits once again. The fact that the public

debate in Germany focused on cutting benefits for people falling into social assistance is also quite typical for a dualization regime such as the German one.

The two Italian and one of the two Danish debates were also quite intense. All of them were put on the political agenda by challengers from below. In the Danish case, it was a media campaign that eventually succeeded in putting the issue of activation on the agenda of top-level politics, inducing the government to propose a minor reform of the activation policy – a key element of the Danish flexicurity regime. In the more important Italian case, an issue concerning the flexibilization of labor relations typical of the rigid dualization regime that characterizes Italy, it was the mobilization by the unions against Fiat industries that put the issue on the public and the political agenda. Similarly, the second Italian case also involved the mobilization by challengers, this time mainly researchers, teachers, and students who mobilized against the swingeing cuts made to the educational reform project ordered by the Berlusconi government. In this case, however, the mobilization from below only reinforced the salience of the issue that was already on the political agenda.

Finally, for different reasons, the Swiss and the French public debates on unemployment related issues during the period covered were not as intense as the debates in the other four countries. In Switzerland, just before our observation period, unemployment insurance had been the object of a direct-democratic vote – the typical Swiss version of punctuation. Although, compared to other countries, problem pressure has been low in Switzerland, as a result of the crisis the unemployment level had increased which required a restructuring of the financial situation of the unemployment insurance. As is typical for Swiss politics, once the direct-democratic vote had been decided, the issue disappeared from the public agenda and returned to the political subsystem. Since the overall problem pressure was low in Switzerland, there was no other issue ready to take its place in the unemployment policy domain. The unions tried to push the issue of mass layoffs, given that three highly publicized instances of massive layoffs occurred during the period we covered, but, as the indicators in *Table 4.3* show, it was not to be. In France, the public debate related to unemployment was dominated by the pension reform during the period we covered. This high-profile issue crowded out all the other issues in related policy domains. Meanwhile, the policy-makers in the subsystem agreed to tackle the problem of youth unemployment – an issue of particular importance in the dualized regimes of France and Italy.

We shall briefly present each one of the issues we selected in the remainder of this chapter. We follow the sequence of the regime types, beginning with the flexicurity regimes of Denmark and Switzerland, continuing with the dualization regimes and ending with the deregulation regime of the UK

Denmark: Media Campaign on Activation

In the period under investigation, the unemployment issue enjoyed high salience in the Danish public. The public attention was, however, not primarily the result of the priority of the issue-specific policy process on the policy agenda of Danish politics, but it was above all due to a media storm on the Danish activation policy, and, to a minor extent, to a public debate on the steeply increasing rate of youth unemployment. We review the two debates separately.

The activation debate was important because, as we have seen, activation policy is one of the three pillars in the Danish flexicurity model (e.g. Bredgaard et al. 2006; Emmenegger 2010a). The quality and relevance of the actual content of the activation programs has been discussed regularly in the Danish public. This was, indeed, the case just prior to the period under investigation here. During summer 2010, a host of media stories revealed that unemployed people were enrolled in bizarre courses, such as courses on analyzing the handwriting of Hitler, enabling them to find their ‘inner bird’, or to build towers of spaghetti. The media also reported that at least one person was sent on job training at a brothel. This debate on such ‘irrelevant’ and ‘meaningless’ activation prompted the Minister of Employment, Inger Støjberg, to launch an internal task force to come up with adjustments to the activation scheme – an assignment that was due in January 2011. During September 2010, the media sporadically returned to these stories and provided new examples of the meaninglessness and the counterproductive consequences of an overly bureaucratic activation regime.

In October 2010 a regular ‘media storm’ (see Wien and Elmelund-Præstekær 2009) erupted as the broadsheet paper, *Berlingske Tidende*, launched a journalistic campaign on ‘the great job circus’ (*Det store jobcirkus*). The series was triggered by a case story on the activation practice of one of Copenhagen’s major institutions situated in a street called Farvergade. The city of Copenhagen had no less than 800 uninjured unemployed assigned to the Farvergade project. Since the national law on activation prescribed a minimum of 25 hours of educational activity a week, one would have expected Farvergade to be humming

with the activity of hundreds of jobseekers at any point in time. But the journalists never met more than 40 to 50 people during their frequent visits. *Berlingske Tidende* filed an application under the act of freedom of information and revealed that Farvergade provided only one-and-a-half hours of training a week. On this basis, the newspaper concluded that not only did the unemployed not gain access to the services they were entitled to, but also that the city council had enjoyed a major economic benefit as a result of this neglect.

The reason for accusing the city of fraudulent behavior is straightforward, but requires some additional information on Danish national activation law: Since the reform of unemployment policy by the center-right government, the activation policy has been administrated and implemented by the municipalities, while the national state is obliged to reimburse 35 percent (now 30 percent) of the benefits for uninsured unemployed people (i.e. for people who are not members of an unemployment fund). To provide the municipalities with an economic incentive to get people into jobs, the state has to reimburse not only 35, but 65 percent (now down to 50 percent) of the unemployment benefits once the municipality declares that an unemployed person is activated (assuming that activation is a first step towards a permanent job). Thus, the journalists argued that the municipality of Copenhagen collected the high reimbursement rate without really doing anything for the formally activated unemployed – the activation was, in fact, fake. This interpretation was shared by a high-ranking public official in the Copenhagen unemployment administration, who not only went public with his criticisms but also filed an official complaint to the Ombudsman.

In its journalistic campaign, *Berlingske Tidende* framed the Farvergade case as a symptom of a ‘system failure’ in the national law rather than merely an instance of municipal malpractice. In the following days, the newspaper wrote stories about similar experiences in other municipalities, and the national problem frame was reinforced by giving voice to university experts, representatives from the labor unions and the employers’ organizations, the (left-wing) political opposition at the national level, and people knowing the system from within. Finally, the journalists referred the issue to the Labor Market Commission, consisting of nine independent experts, that had been earlier called upon by the government to provide advice as to how to enlarge the unsubsidized labor force: the Commission had published its final report in 2009 and had pointed to exactly the problems in the activation law revealed by the newspapers. It had proposed alternative regulations, but its proposal was not adopted by the government.

In mid-October, the Audit of the State Accounts published a report heavily criticizing another aspect of the activation policy. While the Farvergade project was supposed to activate the so-called job-ready unemployed, the Audit report concluded that the municipalities in general were performing poorly in their activation of the 'non-job-ready'. In fact, people outside the activation programs had higher chances of getting a job than those participating in such programs.

Finally, on October 19, the Minister of Employment promised to recalibrate the activation policy. As the government did not come up with concrete policy proposals, the media filled up the waiting time by pointing to even more troubles related to the activation policies. They suggested, for example, that municipalities did not activate the unemployed as quickly as prescribed by the law, or that the activation of people on sick leave paid too little attention to the conditions that had forced them out of their jobs in the first place. Moreover, the interest organization of the Danish municipalities, Local Government Denmark (KL), did not hesitate when it came to prescribing a cure-all answer. It was in the organization's declared interest to keep the activation policy at the municipal level and, accordingly, it came up with a list of elements that should be included in the activation reform from that point on – most of which were taken from the Labor Market Commission's final report.

By November 17, the government presented its own reform package, consisting of three bills (L67, L69, and L71). Besides some marginal adjustments, the key elements of these three bills included:

- reduced reimbursement rates from the state to the municipalities (L71). For the insured unemployed the rates were reduced from 50/75 percent to 30/50 percent and for the uninsured unemployed from 35/65 to 30/50 percent. The proposal was to reduce the public annual expenditures by approximately 70 million euros.
- similar reductions of the reimbursement rates for unemployed on sickness leave (L67). This was cost neutral for the municipalities collectively due to a simultaneous increase in the general subsidies from the state to the municipalities.
- delimitation of activation measures subject to the high reimbursement rate (L71). Specifically, activation via guidance and upgrading of skills especially designed for unemployed participations was no longer sufficient for the municipalities to obtain the high rate (i.e. no more courses in Hitler's handwriting or inner bird finding) – it would be possible to obtain the high rates only when activating the unemployed via formal and generally acknowledged education programs, via practical work training, or a subsidized job.

- introduction of a maximum cost (18,500 euros) of the six weeks of optional education for unemployed (L69). This initiative reduced the public annual expenditures by approximately 50 million euros. Later, when the new Social Democratic Prime Minister, Helle Thorning-Schmidt took office in fall 2011, this initiative was revoked.
- general reduction (from 2,500 to 1,800 euros) in the maximum annual cost of administration of one unemployed person's activation (L71). This was cost neutral for the municipalities collectively due to a simultaneous increase in the general subsidies from the state to the municipalities.
- some groups (not clearly defined) of sick unemployed were relieved for the demand of activation – without reduction in the reimbursement rate (L67).
- incitements for the municipalities to get unemployed on sickness leave into part time activation (L67)

All three bills were adopted by the parliament only one month after they were tabled, i.e. on December 17 – a time frame criticized by the unions for being too narrow to allow for sufficient public debate on the changes. The bills were adopted – without any substantial alterations – by the governmental coalition (i.e. the Liberals and the Conservatives), the Danish People's Party, and the Liberal Alliance. The left voted against the bills. The social liberals did, however, support L67. All changes were to be effected by January 1, 2011.

The government never really managed to frame the public debate. Instead a long list of actors seemed to agree that the government's reform did not respond properly to the problems encountered in the real world. Especially four arguments gained momentum during the debate in November and December: First, the parliamentary opposition and several specialized interest organizations (e.g. *Uddannelsesforbundet*) argued that the general reduction in reimbursement rates and the ceasing of activation of people off work due to sickness were nothing but a measure of retrenchment – it would not provide the municipalities with tools to get people into real jobs and it would only make it harder to help the weakest unemployed, i.e. people unfit for ordinary education and job training. Second, the parliamentary opposition, as well as specialized educational organizations and major labor unions (e.g. *3F*), argued that the new maximum costs of activation and education in conjunction with the incitement to activate people via temporary jobs would be counterproductive to the general ambition of the government to improve the skills of the unemployed. Third, the same actors argued that the new regulation would not put an end to economic speculation in the municipalities. In fact, the new regulation would have the same perverse effects

as the old one, because public and private employers would be tempted to lay off regular employees and hire in people in temporary or subsidized positions instead – i.e. the municipalities would still be prompted to consider economic gains rather than the best interests of the unemployed when implementing the activation policy. Finally, university researchers and Local Government Denmark (*KL*) criticized the fact that the government kept formulating the active labor-market policy without any solid empirical evidence of possible effects and that the government did not alter the detailed control regime set up to monitor the municipalities as well as the individual unemployed. The municipalities were not granted more autonomy – or trust – to design their own individual solutions and ideas to get people in permanent jobs.

In December the Ministry of Employment demanded that the municipality of Copenhagen pay back a total of 390 million kroner (52 million euros or approximately 5 percent of the annual labor-market budget in Copenhagen) because of what the ministry saw as an illegal practice in Farvergade and multiple other places. This was a historically huge demand and the city council decided in early February to file a lawsuit against the state on the matter. Before the court case began in the summer of 2011 the state's claim was reduced to 65 million kroner (9 million euros), but at the time of writing the final verdict has yet to be delivered. Ironically, the very 25-hour rule that was the main driver of *Berlingske Tidende's* journalistic campaign on the Farversgade case in particular, and the activation policy in general, was abolished by the government in early 2011 together with 45 other rules in order to 'get rid of the hassle,' as the Minister put it. These 46 instances of 'de-bureaucratization' were the result of the task force assignment mentioned above initiated by the Minister in summer 2010.

Turning to the issue of *youth unemployment*, some aspects relate to the issue of activation, but in general the unemployment issue was not as salient as the issue of activation. It is also more difficult to identify consistent streams of arguments in the coverage of youth unemployment – a lack of focus that perhaps stems from the following dilemma: on the one hand, the general issue of unemployment was, indeed, a salient issue in the period under investigation, and almost all actors agreed that the global economic downturn had the most negative consequences among the young in terms of an increasing unemployment rate. On the other hand, the media strove to put the Danish situation into a global – or at least European – perspective, and in comparison with many other countries (especially Spain, Italy, France, and Greece) the Danish youth enjoyed, as we have seen, a fairly high degree of employment.

However, even though the unemployment rate was low by international standards, it had quadrupled in just two years and the youngest generation was significantly more unemployed than any other generation. Thus, by national standards the issue of youth unemployment was important, arguably more important than the nation as such was willing to admit, as claimed by an editor at *Politiken*, a major center-left national newspaper. By the end of February 2011, the editor warned against the risk of creating yet another 'generation no-future' like the one in the 1970s. The issue did not make the front pages on a regular basis, but it was discussed to some extent during the period of investigation.

Thus, the general awareness of an increasing rate of unemployment among the young provided several labor unions with an opportunity to call for political action. However, no strong political demand was voiced to reform the active labor-market policy. The demands from various unions would merely calibrate the existing policies, and the opposition's so-called 'youth plan' presented in February 2011 did not aim at altering the fundamentals of the existing policy – it primarily promised to increase the capacity of the universities and other educational institutions. Moreover, this plan attracted only little attention and mostly negative comments.

Switzerland: The Calm After the Storm

In Switzerland, an intense debate on unemployment policy had been taking place in the weeks just before our observation period. The debate was part of the referendum campaign on a revised unemployment insurance law, on which the Swiss citizens had to vote on September 26, 2010. Such referendum campaigns are the typically Swiss version of punctuation of the routine policy process: they incite the whole country to debate the issues on the agenda of the public vote. On this particular voting day, 53 percent of Swiss citizens accepted the reform of the unemployment insurance supported by the federal government, right-wing parties, and business interest groups in a direct-democratic vote. The aim of the reform was to improve the financial situation regarding unemployment insurance. Over the previous seven years, the insurance had accumulated debts of 7.1 billion Swiss francs, since the country's average unemployment rate had proved to be higher (3.3 percent) than expected (2.5 percent). The reform was designed to tap additional revenues as well as to reduce the expenditures. Both chambers of Parliament agreed on an increase of wage contributions assumed by employers and employees from 2 to 2.2 percent. In addition, they decided to introduce a temporary 'solidarity percentage' for incomes between 126,000 and

315,000 Swiss francs. According to the Federal State Secretariat for Economic Affairs (Seco 2010), these two measures were expected to raise an additional 646 million Swiss francs per year, while cuts to benefits were expected to improve the financial situation of the insurance by another 626 million francs. Among others, these cuts included a closer linkage between the length of the contribution periods and the duration of entitlements (e.g. the unemployed qualify for daily allowances for a maximum of 18 months only if they have paid contributions for at least 18 months instead of the previous standard of 12 months), an extension of waiting periods for young people, as well as the abolishment of the possibility to extend the length of benefits in regions with high unemployment rates. In addition, time spent by unemployed people in public employment programs did not grant the right to benefit from additional benefits anymore. Labor unions and left-wing parties opposed these retrenchment measures, particularly those targeted at the young unemployed. In calling for a referendum, these actors had challenged the federal law adopted by Parliament in March 2010.

With the adoption of the law, unemployment policy largely disappeared from the public space, as the policy subsystem was now occupied with the details of the law's implementation, i.e. with the elaboration of the legal ordinance of the unemployment insurance (*Verordnung über die obligatorische Arbeitslosenversicherung und Insolvenzserschädigung*, AVIV), which had to be partially revised because of the reform adopted in the popular vote. There was little time for the elaboration of the ordinance, since the federal government announced that the revision would become effective by April 2011. In October 2010, the Federal Secretariat for Economic Affairs launched the corresponding consultation procedure (*Vernehmlassungsverfahren*). By January 2011, 83 political actors had taken the opportunity to comment on the blueprint issued by Seco. Fifteen organizations asked the federal authorities not to apply the new rules to persons who already had been unemployed. Calls for transitory measures were particularly fuelled by the circumstance that, as a result of the revised scheme, about 15,000 unemployed (roughly 10 percent of claimants) were expected to prematurely lose their entitlements by April 2011, thus leading to higher social assistance expenditures at the sub-national level. Nevertheless, the federal government stood firm. In March 2011, it decided to apply the new provisions pertaining to benefit duration to all recipients. In two respects, the government appeared more generous than the blueprint proposed by the Federal Secretariat for Economic Affairs, however. First, it refrained from raising the minimum monthly wage covered by the insurance from 500 to 800

Swiss francs. No less than 45 consulted organizations had criticized the planned increase. Second, the government agreed to double the period of employment required for the calculation of the contribution period for persons engaged in the cultural sector. In order to lobby for this change, some cultural professionals established a committee.

Public attention to the issue of unemployment was also constrained by the fact that, contrary to our other cases, Switzerland showed no obvious signs of economic weakness during our period of interest. As we have already seen in Chapter 1, its unemployment rate remained at a comparatively low level in spite of the Great Recession. The country had quickly found back to its path of prosperity.

The only employment-related topic focused on *the strength of the Swiss franc*. Its steady appreciation caused growing concern about Switzerland's international competitiveness. Somewhat ironically, the Swiss economy became a victim of its own success. The debt crises from which suffered many other countries had increased the attractiveness of the Swiss franc as a 'safe haven'. As a small, open economy, Switzerland proved to be very sensitive to currency fluctuations. The export share in relation to its gross domestic product (GDP) attains 40 percent. The European Union, and in particular Germany, are Switzerland's largest export markets. The Swiss currency had gained more than 12 percent against the euro in the previous 12 months, a development that alarmed Swiss exporters. The Swiss National Bank (SNB) had tried to curb the appreciation of the franc by buying massive amounts of euros in spring 2010, but was forced to abandon its interventions in June 2010, since it proved impossible to defend a targeted exchange rate of 1.40 SFr/euro. The SNB defended its interventions on the foreign currency market by arguing that it had at least been able to slow down the appreciation of the Swiss franc, which helped saving jobs and keeping the economy on track. In January 2011, the SNB reported an impressive loss of 26 billion francs on its foreign currency positions for 2010. Despite the fact that Swiss products and services had become much more expensive to sell abroad, most exporting companies did not cut jobs during our period of investigation.

There have been two major instances of mass dismissals, however, which were not directly related to the strength of the Swiss franc. On October 4, 2010, Alstom, a French engineering group, announced that it would cut 4,000 jobs from its power division, 750 of which were in its Swiss plant near Baden (Argovia). The company blamed the impact of the economic crisis on the coal and gas plant equipment markets. Roche, a Swiss pharmaceutical giant, planned to axe 4,800 jobs as part of a worldwide restructuring plan. The company released this

announcement on November 17, 2010, stating that some 770 positions would be lost in Switzerland. Most importantly, Roche decided to close a diabetes diagnostic center in the canton of Bern. Both episodes triggered harsh reactions from labor unions. The scope of these events remained rather limited, however. They drew some media reports, most of which remained at the local level. Given that these events were sporadic and unique in nature, they did not give rise to any coherent debate about mass dismissals. This rather surprising result was attributable to the fact that Swiss companies accepted lower prices to maintain orders from abroad. This strategy let profit margins erode, but prevented companies from suffering a drop in demand. As a result, economic activity did not slow down.

Nevertheless, it was beyond dispute that a Swiss franc that stayed strong for a considerable period would cause great damage to the economy. However, the debate on the strong Swiss franc long remained at a very low level of intensity. This began to change only when the euro fell under 1.30 Swiss francs in December 2010. Several ideas emerged as ways of preventing a further appreciation of the domestic currency. These measures included pegging the franc to the euro, selling gold, accelerating inflation, introducing negative interest rates, limiting the inflow of capital, and paying salaries to cross-border workers in euros instead of Swiss francs. The Swiss Federation of Trade Unions also proposed the reintroduction of the so-called ‘gentlemen’s agreement’ between the SNB and Swiss banks. In 1976, the latter had promised not to make use of speculative currency transactions to strengthen the Swiss currency. However, apart from labor unions, left-wing parties, and some isolated entrepreneurs and economists, no major political force called on the federal authorities to take action against the negative impacts of the strong franc.

Most importantly, the Swiss business community stuck to its notorious free market ethos. *Economiesuisse*, the most powerful business federation, called on companies to adapt to the challenge posed by the strong Swiss franc by diversifying their activities and increasing their productivity. Even *Swissmem*, the umbrella organization of export-oriented Swiss engineering and machinery industry, did not urge the government to take short-term measures. Although *Swissmem* had warned that the strong franc could result in up to 50,000 job losses, its demands focused on general economic conditions and were long term in nature, such as more money for innovation, new free-trade agreements with emerging markets, and maintaining both the flexible domestic labor market and the free movement of persons with the European Union. More pragmatically, many political actors rejected governmental measures to combat the

strong Swiss francs because the Swiss economy had escaped a deep crisis by pointing its above-average performance in terms of growth and employment.

On January 14, 2011, the State Secretariat for Economic Affairs (Seco) invited representatives of the business community and labor unions to top-level talks regarding possible policy responses to the strong Swiss franc.¹ Swiss media referred to this talk as a ‘crisis meeting’. Not surprisingly, the meeting came up with no specific measures to prevent the Swiss franc’s appreciation. A statement issued by Seco (2011) pointed out that there was no consensus on what could be done in light of the strong franc. Participants only agreed on the independence of the Swiss National Bank to steer the country’s monetary policy. After the meeting, the Federation of Swiss Trade Unions (SGB) criticized that no decision had been reached. Only on September 6, 2011, when the Swiss franc had almost reached parity with the euro, did the Swiss National Bank declare its new policy to fight against the overvaluation of the Swiss franc and to defend a minimum rate of 1.20 SFr/euro ‘with the utmost determination’.

Germany: Adjusting Hartz IV

Between September and December 2010, the relevant public debate concerning unemployment was about the Hartz IV benefit reform. The reform of the Hartz IV benefit rates had become necessary following a ruling by Germany’s highest court: On February 9, 2010, the *Federal Court* had declared the Hartz IV standard rates unconstitutional. It had instructed the federal government to render these rates more transparent and the calculation basis less arbitrary. The date set for these modifications was the end of 2010. In particular, the Constitutional Court claimed that the standard rate for children of benefit recipients should be based on their actual needs and not simply be calculated as a percentage of the standard rate for adults. Furthermore, additional earnings (Zuverdienst) should be regulated in a way that they increase incentives for recipients to accept further employment. In September and October 2010, the *government* worked out and agreed on a bill for the reform. Between October 2010 and February 2011, the debate about the reform of the Hartz IV legislation took place in the *parliamentary* arena. In this arena, the debate focused mainly on the standard benefit rate, on the so-called

¹ Amongst others, Economiesuisse, the Swiss Employers’ Association (SAV), the Association of Small Business (SGV), the Federation of Swiss Trade Unions (SGB) as well as representatives of the engineering industry, the pharmaceutical industry, the watch industry, banking, tourism, and farming took part in this meeting.

education package (Bildungspaket), additional earnings for benefit claimants (Zuverdienst), and on financial support for municipalities.

The debate was prominently covered in the media because, since its introduction in 2005, Hartz IV legislation has been an important issue. However, it was not as prominently covered as it could have been because the unemployment rates were comparatively low, which decreased the perceived importance of the problem. In addition, there were other important debates taking place at the same time such as the debates about Stuttgart 21, the Castor transports (of nuclear waste), retirement age of 67 or the 2011 budget, which crowded out the unemployment issue from the public agenda.

After the Court's decision in February 2010, the government presented a draft bill for the reform of the Hartz IV benefit rates on 26 September, and agreed on a slightly modified version on October 20. The government basically proposed a five euro increase of the Hartz IV benefits (from 359 to 364 euro), and better conditions for children of benefit recipients and for municipalities. On December 3, the Bundestag (lower house) accepted the government's bill. The agreement was mainly based on the votes from the government coalition: the Christian Democratic Union–Christian Social Union alliance (CDU/CSU) and the Free Democratic Party (FDP). On December 17, the Bundesrat (the upper house in which the states are represented) came to a different decision and rejected the bill. In this chamber, the governing coalition parties were not able to command a majority. The governing coalition would have needed votes from the opposition. The opposition (SPD, Left, Greens) argued that the bill was still unconstitutional and non-transparent. Above all, it demanded a larger increase of the benefits than the five euro increase provided by the bill, and support for poor children in general (not only for children of benefit recipients). In addition, it called for a minimum wage.

Given the disagreement between the two chambers, a mediation committee (Vermittlungsausschuss) with members from both chambers was charged with finding a solution. After several meetings, a compromise was found on February 21, 2011. Four days later, both chambers officially accepted the suggested compromise: First, a limited benefits increase of five euros was maintained and introduced with retrospective effect as of January 1, 2010. An additional increase of three euros (plus inflation) was accepted for January 1, 2012. Second, poor children (not only children from benefit recipients) were to receive additional funds for education and participation in social and cultural activities. Included in this education package were school lunches, homework tutoring, and contributions to afternoon sports clubs and music lessons. The estimated costs for the educational package were

ten euros per child per month. Third, minimum wages for temporary workers started to kick in on May 1, 2011. For approximately one million temporary workers, the minimum wage amounted to 7.6 euros an hour. Finally, municipalities received financial relief: starting on January 1, 2012, the federal government would increasingly subsidize costs of basic social assistance for retired people (*Grundsicherung im Alter*). After January 1, 2014, the federal state was to bear all the costs related to this kind of assistance. The compromise was accepted at last when the largest opposition party (SPD) also agreed to it. Thus, the governing coalition (CDU/CSU, FDP), together with the votes of the SPD, obtained a majority in the Bundesrat. The responsible minister, Ursula von der Leyen (CDU), called the agreement a joint project of the coalition and the opposition and considered it a reasonable solution. In particular, she pointed out that children and municipalities were to gain most from the agreement. She also recognized that the negotiations were hard. The Greens and the Left continued to disagree. Above all, they were concerned that the arbitrary basis for the calculation of benefits would give rise to renewed lawsuits before the Federal Constitutional Court. As a consequence, the member states (Bundesländer) where the Greens or the Left were part of the government coalition, such as Nordrhein-Westfalen, Bremen, Berlin, and Saarland, abstained from voting in the Bundesrat.

France: In the Shadow of Protest Politics

Strictly speaking, unemployment policies were not debated in any arena during our period of observation. The main reason relates to the fact that French politics focused the attention on the governmental pension reform. Accordingly, the public debate during our period of observation was dominated by the pension reform. The government proposed to raise the normal retirement age for public pensions from 65 to 67 and the anticipated retirement age from 60 to 62. As is usual in France, protests against the reform took place in the streets. United labor unions organized fourteen days of nationwide demonstrations from March 23 to November 23, 2010. The most attended events took place in September and in October 2010. According to labor unions, over two million people took to the streets in each of the seven demonstrations that occurred during these two months. In addition, there were some strike activities in the public transport sector, as well as blockades of motorways and of the access to oil refineries, leading to a serious fuel shortage. Despite this impressive mobilization, and the fact that polls taken in October revealed that a majority of the French population supported the strikes, both

chambers of Parliament approved the reform with some minor concessions. The Senate voted the law on October 26 and the National Assembly on October 27. In a final effort to stymie the proposed reform, defeated Socialist MPs appealed to the Constitutional Council. Since their plaint was rejected, President Nicolas Sarkozy promulgated the law on November 10, 2010.

One of the most striking features of the protest movement against the governmental pension reform concerned the participation of numerous students who joined the employees. They were worried that raising the retirement age would worsen their job opportunities in the French labor market. As noted in Chapter 1, the jobless rate for people under 25 years reached 24 percent in France in fall 2010 – one of the highest levels among OECD countries. Other problems include repetitive and poorly paid internships, job instability, and low incomes. Moreover, young people were being hit particularly hard by high rental costs. Some media described the youth as a ‘sacrificed generation’. Given that the challenging situation in which young people found themselves had attracted the public’s attention, it was not surprising that the *problématique* of youth unemployment remained in the public’s focus in the aftermath of the pension reform hype. The debate on youth unemployment turned out to be low key, however. Policy measures were decided in corporatist-like arrangements between the social partners.

In fall 2010, the social partners agreed on opening negotiations aimed at tackling the problem of youth unemployment. These negotiations can be traced back to a proposition expressed by François Chérèque, the leader of the reformist labor union CFDT, during a TV interview on October 25, 2010. Laurence Parisot, the president of MEDEF, the most important employers’ association, immediately accepted taking part in these negotiations. Beyond the issue of youth unemployment, the resumption of high-level talks between labor unions and employers was of importance, as the protest movement against the governmental pension reform had made such a *dialogue social* impossible. By means of bilateral meetings with union leaders, Ms. Parisot established a social agenda for 2011. Her proposition to address four themes (employment, social protection, work conditions, and industrial relations) was approved by labor unions on January 10, 2011. The only exception concerned the CGT, which as a consequence of the passage of the pension reform had decided to only selectively participate in these negotiations. With respect to the domain of employment, the social partners agreed on dealing with the problems of both the young and the elderly as well as with the convention of the

unemployment insurance scheme on which an agreement had to be reached.² The negotiations on youth unemployment took place from February to July 2011, i.e. after the end of our period of observation. Altogether, the negotiations on youth (un)employment gave rise to four agreements, dealing with access to the labor market, access to accommodation facilities, apprenticeships, and internships, as well as the maintenance of young people in the labor market. The overall costs of the corresponding provisions were estimated at 155 million euros by the social partners.

The government, for its part, focused on the promotion of apprenticeships, since it was impressed by Germany's actions regarding this issue. In a TV speech held on November 16, 2010, President Sarkozy promised to double the number of apprenticeships, mentioning a study by Dares (2010) which showed that young people who completed an apprenticeship were much more likely to find a job. The objectives of Xavier Bertrand, the Minister of Labor, proved somewhat more realistic. He declared that he wanted to see the number of apprenticeships increase from 600,000 in 2010 to 800,000 in 2015. In order to encourage companies to hire young trainees, Bertrand proposed to introduce a bonus-malus system, which was eventually adopted by Parliament in July 2011. Firms with more than 250 employees which employed at least 4 percent of apprenticeships would receive a yearly payment of 400 euros for each contract, while those that failed to attain this level would be taxed between 0.05 and 0.2 percent on their overall salary bill, depending on the exact proportion of trainees. In addition, the government decided to spend 500 million euros on the modernization of training centers.

Italy: Fiat's Threat of Delocalization

In Italy during October 2010, at the time of our observation period, there were two debates related to unemployment. First, there was an ongoing dispute between Fiat's then CEO Sergio Marchionne and the unions, above all the left-wing CIGL, about the conditions under which workers should be forced to accept to avoid delocalizing the Pomigliano and Mirafiori factories to Serbia. Second, on November 25, 2011, the education minister Mariastella Gelmini finally managed to have the Italian parliament adopt a major education reform, which led not only to major

² As for the latter, negotiations began on January 24, 2011. With some minor exceptions, social partners agreed to continue most provisions of the 2009 convention on May 6. The labor union CGT was the only organization that refused to sign the text.

cuts in the educational budget but also to layoffs of public employees and a worsening of the working conditions, especially for young researchers and teachers at the academic level. These two debates, which at first sight might seem uncorrelated, generated a broad public discussion about the country's future and a wave of mobilizations of employees, unions, students, researchers, and 'precarious' workers (*precari*).

The first debate about the Italian automobile industry, the most important international firm of which is Fiat, refers to the issue of Italian labor-market flexibilization and to the issue of industrial relations bargaining practices established since the 1980s. Italy suffers from the characteristic 'vices' of the Southern European welfare state model: stagnant employment and rising unemployment levels. Typical for continental welfare states, an especially large share of the firms' costs derives from the inflexible labor market and the high taxes on labor (Levy 1999: 240–242). The inflexibility of the Italian labor market has already led to major political reform attempts in the past. As already pointed out in Chapter 3, a first step in this direction had been taken with the introduction of the Treu Reform in 1996–1997, which introduced the possibility of temporary contracts for both the private and public sector.

In 2003, the Biagi Law went a step further in this direction by paving the way for contracts that would allow firms to opt out of the national collective agreement and determine working conditions more liberally. Marchionne's move constituted a successful attempt to avoid the tenets of such a national agreement. He proposed agreements described by the unions as an exchange of 'rights' for 'work', and this precisely in the context of the economic crisis and after a two-year period of short-term work in Fiat's plants covered by the *Cassa integrazione 'in deroga'*.³ In June 2010, after a long consultation and negotiation period, the workforce in the Pomigliano factory near Naples was requested to cast a ballot in favor of more restrictive employment conditions trying to reduce absenteeism, low productivity, labor cost, excessive coffee or lunch breaks, and strikes in order to save the factory and the jobs. The alternative proposed by Fiat was an immediate mass layoff and an industrial delocalization to Serbia. Faced with this stark option, the workers in Pomigliano eventually accepted the agreement with 63 percent of the votes, and prevented an outsourcing of the Fiat factory to Serbia. Essentially the same reforms were later also introduced in the Mirafiori

³ The Cassa Integrazione in deroga is an additional short-term work program that was introduced specifically to fight against the rising unemployment as a consequence to the economic crisis 2008.

factory near Turin. There, the workforce was called to the ballot on January 13–14, 2011, and a majority of 54 percent accepted the agreement curtailing worker's rights⁴ in exchange for the guarantee of further investments in the factory.

The Fiat proposal, which was supported by the government, also found support among two of the three most important labor unions – the metal workers' branches of CISL and UIL. However, the left-wing FIOM – the metal workers' branch of CIGL – opposed the proposal and argued that this agreement undermined the *Art. 1* of the Italian Constitution and especially the right to strike. This reference to the Constitution was used to raise a matter of principle against any regulation that might possibly constrain employees' rights. The split between the unions in this particular case revived old rivalries and put an end to a period of cooperation that had started with the advent of the left-wing Prodi government in 2006. At the same time, a series of protests and mobilizations organized mainly by the CIGL and supported by the Communist and radical left parties (Rifondazione Comunista, Sinistra Ecologia and Libertà, Italia dei Valori) took place against this 'disgraceful' trading of rights against work, which was seen as a precedent that could spread to other parts of the labor market.

This conflict about the Pomigliano contract was exacerbated and instrumentalized by the Berlusconi's government supporting Fiat's requests. Because of its disagreement with the new contract, the CGIL section FIOM was definitely excluded from industry-level representation inside Fiat factories. Fiat, on the other hand, was threatened by Confindustria, the main Italian employers' organization, that it would be expelled from the association by January 2012 if no adequate agreement were reached.

Another important labor-market policy reform, which is related to the debate on flexibilization reforms in Italy, refers to the introduction of the so-called *Collegato lavoro* (Law 183/2010) on November 24, 2010. This law applies particularly to workers in atypical contracts. Among other things, the *collegato* tried to rationalize dispute settlement procedures by reducing the period to appeal in court from 5 years to 270 days (Art. 30–31). Unions criticized this *collegato* especially because, as they saw it, the new procedures allowed employers to 'blackmail' their employees by confronting them with the choice between accepting the new clauses or quitting their job (Art. 31). Opponents from the left described

⁴ New regulations include, for instance, the reduction of pauses from 40 to 30 minutes pauses; increases in production rhythm; the possibility of using lunch breaks to avoid overtime, mandatory overtime increased by 80 hours per year.

the arbitration procedure as an attempt to bypass Art. 18 of the workers' statute, according to which the recourse to a judge in case of layoff or labor disputes is mandatory. They regarded it as especially penalizing for atypical workers, who, because of the Biagi Law, already experienced a reduction of their contractual rights. These actors claimed that the new flexibility lacked a safety net whenever a precarious work situation would lead to unemployment.

Our observation period also coincided with the final part of the (since 2008) ongoing parliamentary debate on a far-reaching restructuring of the educational system. The first part of the Gelmini Law had been introduced for primary schools in September 2009, and for secondary schools in September 2010. During our observation period, a similar reform was finally approved for university education by the Chamber of Deputies on November 25, 2010, and by the Senate on December 23, 2010. President Napolitano signed the corresponding decree on December 31. Overall, the reform introduced massive budget cuts in this policy domain.

The debate on the last part of the Gelmini reform mobilized researchers, teachers, and students who were afraid of losing their jobs and who feared for the quality of education. Some of the catchphrases used during the protest on October 16 were 'Sapere bene comune,' 'Il sapere batte la crisi,' 'Non moriremo precari,' 'Noi la crisi non la paghiamo,' 'Per il futuro, per l'Italia,' or 'Siamo tutti Brontolo' in reference to the seventh Walt Disney dwarf, Grumpy, representing the 'angry worker' (De Santis 2010). Further massive protests against the Gelmini Reform, which sometimes degenerated into violent encounters, took place in different cities and universities during November 2010. On the weekend of November 29, the main slogan was 'Io non mi fido'. Another protest was registered briefly before the debates in the Chamber of Deputies on December 22, 2010.

Overall, these debates were rather intense. They launched a general discussion about Italy's future. The conflict opposed the left's opposition to the Berlusconi government. While the government parties, and the moderate unions (CISL and UIL) supported Fiat and Minister Gelmini, CIGL and the opposition parties from the radical left opposed the educational reform and the agreements with Marchionne.

UK: Imposing Austerity

In the United Kingdom, we witnessed the debate on a major reform during our observation period, a reform that was related to unemployment in different ways: the debate on the Comprehensive Spending

Review (CSR). The British general election – by which Members of Parliament (MPs) are voted into the House of Commons – took place on May 6, 2010. After 13 years of Labour government, the first coalition government of Conservatives and Liberal Democrats, under David Cameron, was formed and formally announced on May 12. Shortly afterwards, on June 22, 2010, the new Chancellor of the Exchequer, George Osborne, held his first budget speech and announced that the new government intended to save £40 bn during the forthcoming legislative period (2010–2014). The consultation process and detail planning of the spending review then started. Osborne presented the definitive CSR proposal to the House of the Commons on October 20, 2010 (HM Treasury 2010d).

The CSR is relevant for the unemployment debate for two reasons: on the one hand, as announced by George Osborne, it entailed a massive layoff of public employees in different branches as a consequence of the overall budget reduction. On the other hand, the intended welfare spending cuts amounting to no less than £7 bn a year were to apply especially to housing facilities and childcare allowances. The Child Benefit entitlement conditions were to change from being almost universal to relying on a strict means test. For the welfare state, the spending review framed the cuts as ‘fairness for the future’ and stressed the need to reduce the welfare state dependency culture. In fact, it argued that the welfare state locked too many families into such a dependency cycle (HM Treasury 2010a: 26–27), while failing to provide chances/services, which could stimulate individual initiative and social mobility. Furthermore, the Department of Work and Pensions (DWP) stressed the need to prevent fraud or payment errors, while supporting those who were genuinely in need. This ‘fairness agenda’ implied a massive restructuring in public service delivery that was to be addressed by means of the ‘Universal Credit’ reform, which, for our purposes, can be considered an especially relevant sub-debate of the more general debate on the spending review.

Iain Duncan Smith’s speech ‘Welfare for the 21st century’ on May 27, 2010 and the corresponding white paper ‘Universal Credit: welfare that works’ further specified the government’s intentions. The ‘*Universal Credit*’ reform implied an extensive and far-reaching re-organization of the British welfare state system. By means of the so-called ‘Work Programme’ the British government intended to tighten the work-conditionality for benefit recipient and to re-introduce people into work more quickly and more efficiently. Substantial savings were expected to result from the decentralization and privatization of the benefit and service provision (HM Treasury 2010). This specific reform

project was linked to the more general debate insofar as one part of the agreed upon debt reduction within the framework of the 'Spending Review' were to be borne by the DWP by means of the 'Universal Credit' reform. The plan was to reach an overall budget reduction of 26 percent by 2015 in the Department for Work and Pensions (DWP) (HM Treasury 2010). These economies were to be achieved mainly through the elimination of fraudulent benefit claims and unnecessary benefit payments, as well as by the overall restructuring of the welfare state benefit provision system (privatization and decentralization).

From September to October 2010, the DWP gave political stakeholders the opportunity to position themselves with respect to the planned reform. The plans of the Department for Work and Pensions were then made explicit on November 11, 2010, with a second speech by MP Duncan Smith (Duncan Smith; DWP 2010⁵). This announcement was followed by violent student protests in London. The motive of these protests and clashes were mainly the increasing tuition fees and the spending cuts (Hurst/Pitel 2010). In a second step, the welfare reform bill was introduced to parliament on February 16, 2011 (HC bill 197). Some goals of the welfare reform had already been set (Watson 2010). The centerpiece of the 'Universal Credit' Reform was the so-called 'Work Programme,' which was to be introduced in summer 2011 (DWP 2010). The Work Programme aimed to reform the welfare-to-work program of the British government (DWP 2010).

The introduction of 'Universal Credit' was a far-reaching reform that included all working-age benefits in the United Kingdom. The associated debate dealt with the problems inherent in the British welfare state, which was considered to be too complex, and too prone to abuse and dependency. The dearth and poor quality of education schemes were also to be addressed via this reform. During the period covered by our study, the government expressed its intentions, while the opposition and unions waited for measures to be specified before commenting on them. During the debate in our observation period, the emphasis was put on stimulating individual responsibility and promoting work with a work-first approach, which, as broadly assessed in the literature (Trickey and Walker 2001, Taylor-Gooby and Larsen 2005, Daguerra 2007, Taylor-Gooby and Stoker 2011), was the only reasonable measure to reduce welfare dependency. Another central point was the need to contain public spending, simplify public service delivery, and eliminate benefit overlaps, increasing efficiency and transparency. Finally, it was claimed that all of

⁵ After this speech, the interested service providers were invited to tender for collaboration in the public sector. In January 2011 the tenders were published.

these measures would reduce the 'poverty trap' effect welfare benefits are held to imply.

The 'spending review' debate has been rather intense since the announced cuts were significant. With respect to welfare reform, the debate would become more intense once the details of the reorganization had been announced. At the time of our study, the reform intentions of the government were presented in a matter-of-fact manner and the opposition expressed its discontent in general terms. However, some collective actors from the left somewhat radicalized their action repertoire in light of the radical reform plans. In addition, we should mention protests by students, which occurred rather unexpectedly.

Conclusion

This detailed discussion of the national debates related to unemployment in our six countries during the period under investigation shows that only in one of our countries were these debates related to a major policy reform, a true punctuation of the routine policy process. This occurred in the UK, where the incoming government presented a major program to reform government activities, which crucially involved the reorganization of the welfare state in general, and of unemployment programs in particular. In Denmark and Germany, the labor-market policy debate was also related to policy reforms during our period, but these reforms were of a more limited scope. While not routine, they still constituted only minor modifications of the big programs that have been introduced in the past – activation policy in the Danish case, and Hartz IV in the German case. Given their more limited scope, the public debates on unemployment during the period of our investigation were less centrally focused on these two reform projects. Interestingly, while the German reform was an endogenous result of the policy process, the Danish reform was largely initiated by the mobilization of public opinion by the Danish media.

In two countries, there were no relevant unemployment-related policy debates during the period under study: in Switzerland, the referendum campaign on the reform of the unemployment insurance had taken place just before our investigation period, and the great debate on the strength of the Swiss franc and its consequences for the Swiss economy was still to come. In France, the pension reform had temporarily crowded out all other policies from the public sphere. Finally, in Italy, the major public debate on an unemployment related issue was not on public policy, but on the strategic decision of a key firm, which triggered an attempt of the unions to expand the conflict to

Table 4.4 *Aspects covered in the interviews with respect to the issue-specific debates in fall 2010, per country*

Aspects covered	DK	CH	D	F	I	UK
Events	Activation and youth	Dismissals	Hartz IV	Youth	Fiat and education	CSR and universal credit
Arguments	Activation and youth	Dismissals	Hartz IV	Youth	Fiat and education	CSR and universal credit
Discourse quality	Activation	Dismissals	Hartz IV	Youth	Fiat	Universal credit
Populism	Activation	Dismissals	Hartz IV	Youth	Fiat	Universal credit

the public sphere. The educational policy reform was only obliquely related to the issue of unemployment.

To conclude, *Table 4.4* shows the public debates about which we interviewed our policy-makers in the six countries involved in the study.