Activation, Public Employment Services and their Clients: The Role of Social Class in a Continental Welfare State

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Abstract

This article fills a gap in the existing literature by investigating how public employment service (PES) staff actually deal with their clients under a continental regime of activation. The results reported here are based on interviews both with PES staff and their unemployed clients in Germany. We argue that due to its Bismarckian origins as an insurance-based system of ‘unemployment protection’, Germany’s system of unemployment compensation is attractive not only for the marginalized, but also for core workers. As a result, PES staff deal with clients from very heterogeneous class backgrounds. We demonstrate that social class is a significant factor in client outcomes, and that earlier research has perhaps overemphasized the role of frontline staff as ‘street-level bureaucrats’. While staff do have considerable power, the result of the encounters between the administration and clients also depends on the capabilities of the clients, which, in turn, are strongly related to social class.

Keywords

Activation; Unemployment; Public employment service; Welfare administration clients; Germany

Activation in a Continental Welfare Regime

Policies of workfare and activation have increased the demands made on the unemployed. Unemployed people are expected to develop more initiative, to take their fate into their own hands and to hold themselves responsible for finding a way out of unemployment; in short, ‘to adopt new subject positions as active, responsible, worker citizens’ (Newman 2007: 371) in order to become less ‘passive’ and thus less dependent on the payments and services of the welfare state. It would be wrong, however, to conclude that the role of welfare state administrations has diminished; rather, the contrary might be true. Whereas traditional administrative functions such as the payment of benefits,
job placement or the provision of measures such as training have been retained in most cases, other functions that often used to be in the background, such as counselling and supervising clients, have become paramount. Activation, like workfare, arguably combines neo-liberal and paternalistic elements (Schram 2012). These policies are not about leaving clients alone: typically, public employment or welfare service staff meet their clients on a regular basis, and these meetings are designed, and indeed used, to both counsel and monitor clients.

These developments have triggered a sizable body of studies on welfare administrations which deal with unemployed people. Nearly all of these concern workfare in the USA and other countries of the ‘liberal welfare state’ type (following the definition of Esping-Andersen 1990). The main results of these studies are perhaps best summarized by Peck, who concludes from his own investigation that ‘(w)orkfarism is centrally concerned with the resocialization of workers for the flexible labor markets of today’ (Peck 2001: 57–8). This and other studies (e.g. Miller 1991; Soss et al. 2011) show how welfare administration staff, particularly the ‘street-level bureaucrats’ (Lipsky 1980), convince the unemployed that it is necessary to prefer waged work, regardless of what kind, for what wages and under what conditions, to living on benefits. They also describe the strict regime of rules imposed on the clients, which not only encompasses regular meetings with the administration staff and the detailed documentation of their efforts to find work, but also everyday behaviour (such as wearing proper clothing) and the impression clients make on prospective employers.1

This is part of a tradition of research that typically depicts encounters between welfare administrations and their clients as asymmetric: the administration serves as a people-processing – and frequently people-changing – organization where clients are assessed and categorized, with frontline workers exercising considerable discretion in this process (Lipsky 1980; Hasenfeld 1992). Clients more often than not have little say in staff-client encounters, and as they typically come from lower-class backgrounds and command few resources, they know little about their rights and how to claim them (Handler 2005). While a few clients receive preferential treatment through processes of creaming, i.e. selection of the most ‘promising’ cases, most welfare clients remain powerless and dependent on the decisions of the administration.

In contrast, there is surprisingly little research on how administrations actually deal with their clients (and vice versa) from other countries, particularly those that may be described as ‘continental’ or ‘conservative’ (Esping-Andersen 1990) welfare states. This article aims at broadening the scope of research about welfare administrations and their unemployed clients by looking at Germany as a case of what one might term a ‘continental’ variety of activation.2 While activation, albeit belatedly, has become an important pillar of German labour market policies (Bonoli 2010), it can hardly be compared to the workfare system of ‘liberal’ welfare states. In the liberal states, workfare was and is directed mainly at the poor. In Germany, it was grafted onto a system of unemployment protection which, while it has undergone many changes, retains much of its Bismarckian origin (Clasen and
Goerne 2011). The insurance-based Unemployment Benefit I offers rather high replacement rates and is attractive not only for marginal groups but also for unemployed core workers (Clasen and Clegg 2006: 545), even if the status of these workers has been jeopardized by the recent reforms (Betzelt and Bothfeld 2011). At the same time, the principle of activation, while scaled down in comparison to the USA, the UK or Denmark, applies to the latter group as much as to any other group of unemployed people. It follows that frontline workers in German employment agencies and Jobcenters deal with a rather heterogeneous group of unemployed. The question thus arises whether this heterogeneity is reflected in differential treatment. While some studies have provided valuable insights into staff-client interactions (Baethge-Kinsky et al. 2007; Hielscher and Ochs 2009; Schütz et al. 2011), they were restricted to assessments of these interactions in terms of ‘services’ and ‘quality of communication’, neglecting questions of how differences in negotiations and client outcomes are influenced by clients’ social background and the way staff deal with it.

This article addresses this question, arguing particularly that social class is an important element determining both administrative procedures and outcomes in Germany’s new regime of activating the unemployed. It should be clear that by focussing on social class we do not deny the importance of other differences and inequalities, notably those resulting from gender, ethnicity/nationality or age. Yet our research shows that class differences may be particularly prominent, and hence they are the main focus of this article.

Our findings are based on open-ended, qualitative interviews with a considerable number both of public employment service (PES) staff members and of unemployed people throughout Germany. We consider this dual focus to be a particular strength of our research, as many previous studies concentrate mainly on administrations and their staff, thus neglecting the perspective of the clients. Most of this research depicts clients as an amorphous mass subject to categorization by frontline workers; from this mass a few ‘positive cases’ are selected by way of creaming, which typically occurs to meet programme goals. Some research has been more attentive to which categorizations of clients street-level bureaucrats actually use, and it is particularly interesting to note that such categorizations, while often based on complex mixtures of client attributes (as perceived, or construed, by staff), may also reflect elements of social class (Wright 2003; Rosenthal and Peccei 2006). This research, however, does not make clear to what extent such categorizations actually result in the differential treatment of clients. Clients, furthermore, should not be considered as objects of administrative decisions only. To varying degrees, they participate in what is going on in administrations and may play a more active role than is often suggested. Our focus on differences between clients, particularly in terms of class, is enhanced by our separate interviews with them. Our research thus provides a useful correction to studies that focus on staff only.

In the following, we first outline the most prominent features of the labour market policies that were put into effect in Germany in the years 2003–05 (the so-called Hartz reforms), including major reforms of the PES organization. Next, we briefly present our methods and data and clarify the notion of social
class we apply. We then proceed to the presentation of our main findings and investigate at which points and in what precise ways preferential treatment of some clients (and neglect of others) occurs, thus giving a better picture of the institutional processes, strategies and structures on the one hand, and differences in client behaviour on the other, which lead to heterogeneous outcomes for clients. We conclude with an extensive discussion.

The (New) Power of Germany’s Labour Administration

The following account of the transformation of Germany’s labour market policies is necessarily limited in scope. It focuses on those elements which are relevant for an understanding of the analyses that follow, in particular the new elements of activation and the organizational reform of the PES. In contrast, we will say very little about the reformed unemployment benefit system. More details can be found in Ludwig-Mayerhofer (2005) or Kemmerling and Bruttel (2006).

Increased activation of the unemployed is reflected in a number a features. Generally, in order to receive benefits the unemployed not only have to be ready to accept suitable jobs they are offered (with the definition of suitability having been tightened during the reforms), but they are also obliged to actively seek and apply for jobs. To ensure compliance with this requirement, they have to sign an Integration Agreement (Eingliederungsvereinbarung) which sets forth their duties as well as any measures the PES may have to offer them. A violation of duties can lead to sanctions in the form of partial or (in the case of repeated violations) complete withdrawal of benefits for a certain period. Under Social Code II (Sozialgesetzbuch II, SGB II), which regulates the rights and duties of those unemployed who are not entitled to social insurance-based Unemployment Benefit I according Social Code III (Sozialgesetzbuch III, SGB III), the unemployed may also be required to work in job schemes (so-called 1-Euro-Jobs for which they receive compensation of €1 [up to a maximum of €2] per hour on top of their tax-financed Unemployment Benefit II to cover possible additional expenses, e.g. for travel to work) for a period of six months.

Activation is not restricted to increased demands on the unemployed, however. Indeed, both the government and the Social Code state that the maxim of activation is ‘providing support and making demands’ (Fördern und Fordern). ‘Providing support’ entails such measures as wage subsidies for employers who hire an unemployed person with limited prospects of finding a job, as well as subsidies for travel to work or relocation for clients who have found a job beyond the maximum travel-to-work area they are normally required to accept. In addition, training schemes for the unemployed are available; however, longer re-training measures (aimed at helping the unemployed to thoroughly overhaul their skills or even to acquire new qualifications) have been cut back considerably (Schmid 2006) in favour of short training measures, often in the form of job application courses where the unemployed learn the latest application techniques recommended by personnel consultants. If a particular job seeker is granted a longer training measure, he or she often will receive a training voucher (Bildungsgutschein) to be used at
a training institution of his or her own choice; likewise, access to job placement outside the PES is made available through vouchers to be redeemed at private job placement agencies.

Analyses of the organizational reform of Germany’s PES typically highlight the changes in the management and governance of the Federal Employment Agency (FEA) (see, e.g. Seeleib-Kaiser and Fleckenstein 2007) and the complicated mix of federal and municipal legal competencies which led to the introduction of new administrations, the so-called Jobcenters, to serve the recipients of tax-financed Unemployment Benefit II (a flat-rate benefit supposed to cover basic needs of the unemployed plus their dependents). In most cases, these Jobcenters are run by consortia (Arbeitsgemeinschaften) of the FEA and the municipalities, with a smaller number run by the municipalities alone. In contrast, recipients of insurance-based Unemployment Benefit I (the ‘Bismarckian’ element) receive benefits and services from local employment agencies which are branches of the FEA. But as the FEA has sole responsibility for the local employment agencies and is influential in the majority of Jobcenters, many features of the everyday practices are similar in both types of administration. It is particularly these features of everyday operations which reflect the decisive changes implemented by the FEA, but tend to be overlooked by research which focuses on changes in the law and official regulations only.

The pre-reform Federal Employment Office (Bundesanstalt für Arbeit) operated according to the principle of ‘all services from a single source’: placement officers were responsible both for providing support services to the unemployed as well as for job placements and also collected the data required for the payment of unemployment benefits. The new regime comes down on the side of differentiation: personal advisers are solely responsible for individually advising and providing support to clients; other special groups (called ‘teams’) of staff are responsible for the payment of benefits or for contacts with employers. The latter group, the employer liaison officers (Arbeitgebervermittler), have access to the data on the applicants stored in the (now completely computerized) system and suggest candidates to the employers; apart from that, clients are supposed to apply for job openings actively and on their own initiative. They are expected to search for these openings on their own with the personal advisers possibly assisting them, but only during their meetings with the clients.

Furthermore, the new organization model is aimed at increasing the standardization of the administration’s activities. In order to achieve this, clients are formally categorized, by means of computerized profiling, into so-called customer groups. The categories reflect the labour market prospects of the unemployed (both in terms of the skills and qualifications they have to offer and the demand these skills meet in the local or regional labour market), their motivation, and possible barriers to employment such as personal problems (e.g. alcohol or bad health) (see Oschmansky 2011). While the number and types of categories have changed since our study was conducted, the basic idea remains in place. For instance, unemployed people with a ‘market profile’, i.e. those with good prospects and high motivation, are to receive little support (apart from job placement), as they are supposed to be able to help
themselves; those unemployed thought to exhibit insufficient motivation are to be supervised more closely; other types of unemployed are to be given access to those measures that fit them best, with the meaning of ‘fit’ being determined to some extent by the category to which they are allocated.

At the same time, the influence such categorizations have on the measures offered to unemployed people should not be overestimated. The type and number of measures depend also on the allocation of resources, which is constantly changing either due to explicit shifts in policy or due to less visible decisions about how to best spend available monies.

Data and Methods

Our findings are primarily based on face-to-face interviews conducted in 2005 and 2006 in 11 FEA districts (our aim was to represent as broadly as possible the spread of regional labour market opportunities) with a total of 58 unemployed people and 67 personal advisers, with approximately half of each group in employment agencies according to Social Code III and the other half in Jobcenters according to Social Code II. In both groups, an approximately equal number of interviews were conducted with women and men. The unemployed were selected predominantly from the ‘prime working age’ group of 30 to 40; our study thus does not allow for the analysis of age-related differences which certainly exist. By contrast, PES staff were recruited from all age groups in order to include a wide range of job experience. In addition, we conducted many informal interviews with experts in the field and consulted documents and statistics from the FEA and other sources. The formal interviews with the unemployed focussed on their training and job history, how they had become unemployed, their experiences with the employment administration, their present activities, and how they viewed their current situation and their prospects for the future; many of the clients were re-interviewed about a year later, either via a brief telephone interview or face-to-face. The interviews with the personal advisers (conducted only at one point in time) addressed their work situation (e.g. their workload), their perception and assessment of the organizational reform and, lastly, how they deal with their clients, both in terms of formal labour market measures and informal (counselling, monitoring, supervising) services. In the following, we mostly do not differentiate between staff and their clients under the two Social Codes, i.e. between what happens in employment agencies and in the Jobcenters. Many legal details notwithstanding, both the organizational set-up and most of the ‘providing support’ measures are shared by both types of administrations, at least in the case of the majority of Jobcenters which are run by the consortia. Results that pertain only to one type of agency (e.g. concerning 1-Euro-jobs which are available only under Social Code II) are easily identified by the nature of the measure under discussion.

Before we continue, a few words are in order about the notion of social class deployed here. We understand social class, in line with a scheme widely used in current sociology, as being defined by ‘broadly similar market and work situations’ (Erikson et al. 1979: 416). This means that class differences may, but do not necessarily, imply differences in prestige or socio-economic status.
Members of different classes rather aspire to different types of occupations, which in turn entail differences in ‘market situation’ (i.e. the supply and demand of occupations in the labour market) and the skills and knowledge associated with different types of occupations. The differences in skills, knowledge and occupational experience may also be reflected in differences of occupational habitus (Heinz 2008: 485, following, of course, Bourdieu). In this article, we distinguish mainly between the ‘service class’ or ‘professionals’ (more specifically, lower-grade professionals in the sense of Erikson et al.’s [1979: 420] class II, such as higher-grade technicians, managers in small businesses or supervisers), ‘routine non-manual’ (or ‘white collar’) job-seekers (class III) and ‘skilled’ or ‘semi-/unskilled manual’ workers (class V and VI). Members of class I (such as managers or proprietors of large establishments), class IV (self-employed) and class VII (agricultural workers) are absent from our sample of unemployed persons for various reasons. Clearly, differences of social status may be expected particularly between professionals and members of the other classes. In contrast, the difference between classes III and V/VI is less one of a clear-cut social hierarchy than one of working conditions; it also reflects occupational segregation by gender as some class III occupations (such as office clerk) are dominated by women, whereas particularly skilled manual occupations are largely held by men.

Personal Advisers und Unemployed Clients in the New Activation Regime

We now turn to the practical effects of the labour administration reforms and the activation regime described above.

Dealing with the administration

When the unemployed first make contact with the labour administration, they are confronted with bureaucratic requirements and rules; for example they have to find out which department of the administration is responsible for which requirements or who can be contacted how (e.g. agencies and many Jobcenters can be reached by phone only via call centres), and they have to attend to documents or complex written information. Their ability to master this situation varies widely. Professionals overwhelmingly possess the necessary skills, and some of them even professed to be the better bureaucrats by telling stories like the following:

‘And they also didn’t want the copy of my income tax card. I tried. They didn’t want it. I had made nice and neat copies of everything, had it all with me in duplicate. And the first thing that happened was that when I got my letter of confirmation, the information was wrong that would have been on my card.’

Among the other classes it is especially the non-manual workers who are at an advantage. One unemployed office clerk, for instance, stated in reference to filling out forms: ‘I like doing things like that [chuckles]. I’m used to it from work’. The complex applications for benefits and the copious paperwork involved
are not an intimidating or discouraging obstacle for clients like her; they do not require in-depth guidance from their personal advisers in order to understand integration allowances and vocational training programmes, and can thus more clearly formulate their questions or concerns.

Other clients, however, particularly semi-skilled or unskilled manual workers, are often out of their depth when it comes to ‘bumf’ as well as to the complexity of benefits and other services. Some even have a hard time grasping the new set-up of the labour administration. One client described her first experience with the employment agency and what happened when she submitted her application for benefits and wanted to speak with her personal adviser:

‘He says to me: We don’t have anything to do with that, we’re the benefit department. I’m like, what? And he’s like, yeah, you need an appointment with your personal adviser. I’m like, what, you can’t just send me from this room to the next? And he’s like, no, I can leave the lady a note and she’ll call you or send you an appointment.’

This client was used to more informal types of support and assistance. At the same time, this group of clients sometimes feels left alone when they have to deal with measures requiring a large degree of independence. The same client talked about her experience when her personal adviser offered her a voucher for private placement:

‘So then she sent me home with a voucher, and to this day I don’t know what to do with it. She couldn’t give me any addresses because that would be unfair competition. She said I have to look them up myself, and I said, I wouldn’t even know where to look.’

Obviously, vouchers – which are sometimes praised for shifting ‘control from frontline staff to the client as an individual purchaser’ (Sol 2010: 353) – can be too challenging for some lower-class clients, particularly those from manual occupations. This client’s experience of administration staff refusing to provide explanations or assistance is not unique, however. The problem of a gap of occupational *habitus* between manual workers and administrative staff is nonetheless rarely bridged since it remains unarticulated in the interactions between them. The administration staff tend to assume that clients know the ‘rules of the game’, which makes it very difficult for the latter group to address difficulties they may have in dealing with the demands made of them. But even if they did know the rules of the game, clients from this group sometimes did not receive the help they needed:

‘I couldn’t figure out the application, so I went in and brought my application ’cause maybe they should be helping me, huh? So I went to see [a staff member] and wanted to turn in my application, and said there are still a few things missing that I was meant to fill out, could she please help me, and she said, where would we be if everyone asked for help like that.’

The feeling of being out of place and of not being able to ‘make heads or tails of things’ in some cases leads to a defensive attitude or to resistance.
Some manual workers are also not comfortable using computers. Since, however, the labour administration advertises all vacancies in a computerized search system, the ‘Virtual Labour Market’, computer literacy is important for the job search in the new regime. An unemployed joiner, whose personal adviser sent him to the internet to look for job openings, complained in the interview:

‘I can use the old computers with the big keys I guess [laughs], or back then I could, back when they used to have them, but now in the age of the internet everyone’s switching to internet of course, but me, I’m not interested in that at all [. . .]. I can turn on a computer but that’s about it.’

Although this client articulates his defensiveness in a rather confident manner, his words also betray a crisis of legitimation. He knows that using the internet is considered normal in this day and age, which makes him someone who has ‘missed the boat’ – including in the eyes of the labour administration. For unemployed from so-called low-knowledge occupations, it may be more of an effort to reveal their deficits than to withdraw. In situations like this, it is not uncommon for these clients to seek help from family members or friends, whether it be with using computers or having someone to accompany them to the employment agency for ‘mental support’ and thus greater security. Not everyone, however, can draw on social networks as a resource in this way.

**Job placement and job search**

Job placement as the core responsibility of the labour administration is today largely based on the computerized matching of the profiles of vacant positions and unemployed or job-seeking clients. The separation between personal advisers who work with the unemployed and employer liaison officers who are in contact with the companies means that the latter do not personally know the applicants. This may lead to the privileging of those clients with the formally highest qualifications.

Our interviews show, however, that members of professional occupations sometimes have the experience that the PES does not do justice to the complexity of their professions. They report, for instance, that they are presented with job openings which do not correspond to their specific skills. But even if they criticize the PES for this (in the words of one client from this group: ‘It’s just a huge bureaucracy that doesn’t get a thing done, to put it bluntly’), the unemployed from these professions also know that vacancies in their fields are often filled in other ways anyway:

‘She [the placement officer] will never be able to work her way through the kind of complex search that would be necessary in my case. Plus she only looks in the offers the companies provide and I know that the companies don’t even send them to the employment office anymore. They’ve given up on them too.’

Sure enough, the client who made this observation found a job on his own initiative shortly after the interview was conducted.
The ability to find jobs on their own initiative is less pronounced in semi-skilled and unskilled workers who are disadvantaged by the new automatic matching of profiles. This is criticized by those personal advisers who would like to see this group given greater consideration for job placements. Many in fact describe themselves as ‘citizen agents’ (Maynard-Moody and Musheno 2000) who want to help their clients find employment, particularly those with low job opportunities. In the past they were able to help this group by using their direct contacts with employers, whom they could sometimes convince to consider the applications of motivated unemployed with lower formal qualifications. The matching of profiles in the current system however no longer allows for the consideration of ‘soft’ factors:

‘Before when I saw that someone was looking for a waitress, unskilled, then I would look and see, who do I have, I knew what people looked like, knew their backgrounds, and I would think, hey, she could be a good fit. But now with the matching [. . .], if my customer isn’t a waitress, then I can’t find any waitress positions for her, so it makes everything a bit harder, more complicated.’

Personal advisers are no longer meant to be in direct contact with employers either. Some of them report, however, that they still occasionally make use of such contacts; for instance, when they are dealing with older clients whose chances are diminished by automated matching. In such cases they might contact a company directly to recommend a particular client, ‘maybe even on my own initiative, if there’s an employer I have a good relationship with’. Since it is actually only the employer liaison officers who are permitted to contact companies, however, most personal advisers we interviewed limited themselves to perhaps looking for appropriate job openings for clients, who, however, must apply themselves.

This is confirmed by many of the semi-skilled and unskilled unemployed we interviewed, who associate a visit with the labour administration with ‘always having to stay at the bottom’. These are the words of an unemployed woman who has been struggling along for years in precarious employment, moving back and forth between unemployment and the low-wage sector. She receives job offers, if at all, only on her rare visits to the employment agency (‘it’s always kitchen help’). In return, hardly anything is demanded of her, apart from categorical reminders of the necessity of initiating her own job-search activities (‘nothing really, just that I’m supposed to look myself’). This is how she sums up her experience:

‘It’s actually more that, how can I put it, that they just keep tabs on me, that they’re just managing me, and that when I get called in it’s just a matter of showing my face and that’s it, because usually they say to just look on the computer, oh we don’t have anything for you, and then that’s that.’

Also significant in this context is that the PES is now pushing notions of how clients should search for jobs and present themselves to potential employers. In addition to using the Virtual Labour Market, the unemployed are expected to present themselves in writing according to the current standards.
recommended by job search consultants specializing in commercial and service-sector professions, an expectation that was reported by many personal advisers and is enforced in job search training courses. This neglects informal ways of making contact with potential employers which, according to several of the unemployed we interviewed, continue to be common and thus more likely to meet with success in some fields, for example skilled labour in rural areas.7

Such notions of the ‘proper’ way of applying for jobs have also become norms enforceable by sanctions, as clients are obliged to provide written proof of their efforts to find work. Thus one of our interviewees, who was previously employed in construction and food service, was sanctioned, like other unemployed manual workers in our sample, for not being able to provide written proof as he had contacted prospective employers by phone or inquired about work face to face rather than with written job applications, which he viewed as a waste of time. His personal adviser, he felt, did not recognize his efforts and his willingness to work: ‘Yeah, well, we don’t believe you. You have to have it in writing.’ [. . .] They treat you like you can’t be trusted at all’. Even if only few of the unemployed we interviewed had experienced sanctioning, those who did usually incurred the penalty for applying for a job in a way deemed ‘improper’.

We should mention that some of the unskilled clients, notably those with severe personal handicaps, reported that particularly in the Jobcenters personal advisers were quite responsive to their circumstances. Yet when it came to job offers, these clients were in no better position than their counterparts in the employment agencies.

‘Providing support’ measures

Personal advisers are able to provide services which are intended to assist ‘weaker’ clients to transition into employment, such as wage subsidies or training measures. Such training measures can also be provided by employers, in which case the unemployed continue to draw benefits while being trained on the job. While unemployed people with a market profile are supposed to be barred from such measures, in practice personal advisers can circumvent this. They have some leeway in the categorization of clients, which they are particularly keen to exercise when it helps attain the goal of securing work. One personal adviser described this process of ‘redifferentiation’ quite openly:

‘I make my customers fit anyway. If I’m dealing with a market customer and he says, Hey I could work a trial week at this company, and he really wants to do it, I can’t just say, Sorry, you’re a market customer, you don’t get training measures, you have to be hired as a regular employee. Instead it’s hey presto and he’s a guidance customer. Real simple.’

This behaviour can be seen as a clear case of creaming. It happens here as in other situations because the placement officers are under great pressure to succeed: the number of unemployed transitioning into the labour market is the most important indicator used to measure their performance. The upshot
is that unemployed with good qualifications receive additional services to which they are not entitled according to the rules of customer segmentation.

Longer qualifying measures would be particularly useful for unemployed from the routine non-manual occupations, as many of them state themselves. But since funding for further training was significantly cut back with the Hartz reforms, many unemployed with qualification deficits tend to be accorded wage subsidies and short training measures. Yet, what counts in an occupational labour market like the German one is professional certification, while a good job record alone does little to improve employment prospects. As one unemployed office clerk we interviewed observed: ‘I may have a fantastic reference from my old company, but no certification and there are computer skills I just don’t have. […] So [I] don’t even have the chance of being invited for an interview and stuff like that’. When she became unemployed, this client quickly and on her own initiative inquired at the Chamber of Commerce and Industry about how to acquire the certification she needed. At the employment agency, however, her motivation and desire to improve her job chances as quickly as possible were, much to her frustration, met with a refusal:

‘It costs a little something. […] So I was full of enthusiasm and told her [the personal adviser] all of that and she sat there and listened to me for half an hour and just looked at me the whole time, and then she just went like this, I’m not kidding, she just shook her head.’

Clients like this woman take the maxim of ‘activation’ seriously, but on their own terms (seeking support for vocational or further training) and not those of the labour market policy of activation – with the result that they often do not receive the support they feel they need. Some unemployed from routine non-manual occupations reported that they pay for training measures out of their own pocket. ‘Yeah well I’m getting some training now, umm, in, I’m paying for it myself, in computers. I got my European Computer Driving License, which basically proves that I know how to use current office software’.

‘Making demands’ measures

A privileging of unemployed people from the professions not only takes place in terms of ‘providing support’ but also in terms of measures in the ‘demand’ category. These include the integration agreements, which record clients’ duties in detail. In the case of highly qualified unemployed, however, personal advisers have their doubts about this practice. To quote one adviser:

‘Last week I had a fifty-five year-old executive here, and, well, I do think in that case, how can I put it, that it’s a little inappropriate to sign an integration agreement with him, because he basically knows what he can do; he knows all the job boards, he knows how to apply for a position […] He looked at me in complete disbelief and said, You can’t be serious. We’re not in kindergarten.’

Several of our interviewees made similar statements. The personal advisers see the format itself as well as the fixed content as not doing justice to their
clients, so they tend to be reluctant to draw up integration agreements. Respect for people that are at the top of the social and labour market hierarchy thus may lead to this group of unemployed being better protected from the current impositions of labour market policy than those who are lower in status. This is also true for job schemes, which typically involve simple, unskilled tasks. Although (or because) job schemes are meant to have a disciplinary function, some personal advisers consider them inappropriate for higher status clients: ‘I don’t think it’s particularly appropriate to send someone with a degree in engineering for example, someone highly qualified, to sweep the streets, . . . It’s also somewhat humiliating for them as a person’. The fact that the same activity could be humiliating for many other unemployed is not considered here, as the discrepancy between their social status and what they are asked to do is not seen to be as great.

Inequalities beyond class?

What role do other client characteristics play, notably ethnicity and gender, in how they are treated by PES staff? As for the former, the number of clients in our sample of a non-German ethnic background is too small to warrant any conclusions; the very few clients from this group we interviewed did not indicate any specific problems. Also, our interviews with staff revealed no manifest bias (in contrast to some of the unemployed who, when asked about what should be done to combat unemployment, suggested that ‘the foreigners’ should leave Germany to create job vacancies for Germans). However, the clients of non-German ethnicity we interviewed had a good command of German, and we may assume that those with low language skills may encounter problems similar to those of unskilled manual workers in dealing with the administration or paperwork, and concerning ‘proper’ ways of applying for jobs and providing the pertinent documentation. At the same time, some of the personal advisers mentioned that their institution offered language courses specifically designed for people whose first language is not German, and in a few agencies or Jobcenters there seemed to be individual advisers or teams who were specifically assigned the task of dealing with non-Germans. Such provisions could be evidence that the PES is, to a certain degree, aware of the problems people of non-German ethnicity are facing.

Concerning gender, our data contain no signs of direct discrimination either, be it explicit or implicit, which may result both from the fact that many personal advisers are women and that traditional gender stereotypes are very much on the wane in Germany. As it is much more common for women to be trained and to work in clerical jobs than it is for men, the former even reported fewer difficulties with administrative issues than the men in our sample did. But problems of work-family reconciliation made themselves felt when it came to job offers and job search, and in Germany, as nearly everywhere else, it is predominantly mothers – in contrast to fathers – who bear the main responsibility for care work. Some mothers reported that their situation was little appreciated by their personal adviser, whereas others felt that the pressure normally exerted by the PES concerning job search was mitigated in their cases on account of their family situation (the same held true for a single father
in our sample). But no one reported having received positive support, such as help searching for childcare facilities that might allow for longer working hours or job offers that were specifically suited to working parents. We must note that the situation of mothers often has to be considered in conjunction with their occupational position. Professionals or other service workers were more often able to arrange for flexible working hours or work at home. In contrast, menial jobs often include shift work or working nights. Hence, particularly unskilled mothers reported that their options were limited to taking part-time jobs below the 20 hours per week limit, jobs that typically offer no careers prospects and lack adequate benefits.

**Conclusion**

In this article we examined the interaction between the labour administration and unemployed clients in a country where the labour administration deals with a very heterogeneous pool of clients. This raises the question as to whether differences between clients, especially in terms of class, are reproduced in and by the labour administration.

Our study shows that unemployed clients actually do receive differential treatment by the administration. In some cases we discovered instances of creaming as it is described in the literature. But inequality occurs at numerous points in the encounters between the labour administration and clients, and these are certainly not always – in fact not even predominantly – related to the discretionary treatment of clients by frontline workers. Inequality begins the moment clients get in touch with the administration, since their class affiliation equips them in very different ways to deal with complicated applications and the structures of a differentiated administration (which is not always responsive to the quite diverse needs of the unemployed), and culminates in sanctioning.

All in all, clients with different class affiliations encounter the labour administration in different ways. Unemployed people with a professional background are more likely to look down on the ‘incompetent’ administration, on staff who are less qualified than themselves and have only superficial knowledge of the skills needed in highly specialized occupations. Lower-class clients, particularly those from unskilled manual occupations, approach the administration with mixed feelings of fear and hope, which amount to ‘looking up’ to the administration. While they are happy to take advantage of the measures offered to them, such as employer subsidies or short training programmes, they have a harder time with other measures requiring greater independence (placement or training vouchers are obvious examples) and their difficulties in dealing with administrative procedures often put them at a disadvantage. Lastly, middle-class clients, particularly from routine non-manual occupations, try to meet the staff on an equal footing, especially given that their caseworkers have similar qualifications to their own and that they have an affinity for administrative procedures. This also means, however, that these clients suffer the greatest disappointment when the administration does not oblige their wishes, for example when they are denied measures to maintain or improve their rapidly changing qualifications. To sum up, while many
clients exercise some agency vis-à-vis the administration, there are enormous differences between clients in this respect (Wright 2012), and the roots of these differences can largely be traced back to their class position.

One might argue that a number of observations we made, such as regarding affinity to bureaucratic procedures (or the lack of it), job search activities considered appropriate (or not) by the PES, or a greater or lesser need of (re-)training may be explained solely by the occupational group to which clients belong and that therefore a notion of social class, which implies vertical differentiation, is not necessary (or perhaps even inadequate) to account for different outcomes in client-administration encounters. In response to such objections, we would like to point out, first, that these occupational differences, while not always immediately related to vertical superordination or subordination, are based in other differences such as education and training which often do have important implications in this respect (e.g. the educational requirements for some occupations may offer the incumbents of these occupations better opportunities for mobility than for other occupations). Second, and more importantly, we have seen that vertical aspects may come into play in very direct ways, both when looking at the stance from which unemployed people approach the administration (with professionals often looking down on PES staff whereas manual workers, particularly from the unskilled group, perceive staff as superior) and the way staff display deference to professionals for whom they feel measures such as integration agreements or low-skill 1-Euro-jobs are inadequate.

Are the results reported in this article really the consequence of the fact that our research was conducted in a continental welfare state where labour administrations to a considerable degree deal with core workers, in contrast, for example to welfare states of the liberal type? Without genuinely comparative research, any answer must of course remain tentative. On the one hand, the studies from the USA we cited in the introduction, and many others, seem to show convincingly that the welfare administrations investigated indeed deal predominantly with poor lower-class clients, and this, together with the strong ‘workfare’ orientation of these administrations, may explain the findings that clients typically are quite powerless. On the other hand, the literature on street-level bureaucracies from its start has been characterized by what may be described as a ‘pro-institution bias’. For instance, Lipsky (1980: 59), while conceding that clients may have ‘some resources with which to affect a relationship with street-level bureaucrats’, concludes that ‘(t)he relationship is primarily determined by the priorities and preferences’ (Lipsky 1980: 59) of the latter. To this day, this stance seems to inform research on welfare administrations. Dubois, for example, who investigated the French caisses d’allocations familiales which serve a rather heterogeneous clientele (Dubois 2010: 30), nevertheless describes the relationship between the administration and its clients as ‘structurally asymmetric’ (Dubois 2010: 53; our translation) and only very rarely addresses situations in which staff encounter clients from the upper classes (Dubois 2010: 34–5, 118–20).

Raising the possibility of such a bias is, of course, not meant to imply that the results of other studies need to be completely revised. Indeed, as long as clients of welfare or employment agencies are ‘nonvoluntary’ (Lipsky 1980: 54) due to
the agencies’ provision of services and benefits people cannot obtain elsewhere, client-administration relations retain an asymmetric core. Yet, at least in the context investigated in this article, clients’ dependence on the agencies’ services and benefits varies enormously, as do their abilities to cope with the administration. Looking at staff-client encounters not only from the perspective of frontline workers but also from that of the clients has helped us to highlight these differences between disparate groups of clients. But even where client groups are less heterogeneous, we believe that viewing clients not solely through the lens of the administration but giving them ‘voice’ independently from staff may enhance our knowledge about what is going on in administrations.

Nevertheless, the question arises as to what policies might be implemented to reduce class bias on the part of the administration and above all to make the administration ‘accessible’ to clients from lower classes. The PES management’s answer to this question most likely would be that the standardization of services introduced by client categorization is a powerful instrument against any kind of bias (apart from the very discrimination introduced by the categorization itself, we might add). But, as we have seen, client categorization by itself is not sufficient if it is not combined with active support for those clients who are in a weak position vis-à-vis the administration. Second, as the categorization of clients can to some extent be manipulated by the personal advisers, it is unlikely that categorization can achieve standardized treatment in the first place. Third, some of the standardization measures which have been introduced, such as the requirement to apply for jobs in writing, clearly are to the disadvantage of some clients. Hence, in our opinion, a possible way forward should focus on the professionalization of PES staff. Professionalization would include creating awareness of the possible biases, explicit or implicit, inherent in the way staff deal with clients; it would also mean training staff to be more sensitive to the specific needs of clients, to increase their ability to ‘take the perspective of the other’. In addition, the agencies and Jobcenters could actively encourage clients to disclose any insecurities they might feel vis-à-vis bureaucratic procedures and offer them more help than they now seem to receive.

On a more general level, the current orientation of the German PES would have to be reconsidered. It emphasizes ‘efficiency’, which not only is the rationale underlying client categorization, standardization and the concomitant accounting practices, but also requires bringing the unemployed back to work (which certainly is what most of them want) with as little support and as little investment in their human capital as possible (which neglects the needs of many). This orientation not only leaves those with fewer skills powerless in dealing with the administration, it also serves to maintain or possibly even widen the class gap in the labour market, as it amounts to forcing those with bad labour market prospects into the lowest echelons of the job hierarchy. For the time being, however, chances for a re-orientation of the PES are rather low.

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Notes

1. Another, smaller, strand of research concerning activation, mostly from the UK, can be summarized as focussing on institutional inertia. These researchers have emphasized deficits in implementation, that is, the fact that policies are not carried out in the way or to the extent that they were planned. This is attributed to overworked staff due to high caseloads as well as staff resistance to change (Blackmore 2001). A similar story is told by Wright (2001, 2003) who investigated JobCentres introduced by the Blair government’s New Deal and found that staff overstretched by numerous reforms showed little willingness to give up old routines.

2. This is not meant to imply that a single activation regime exists which is typical for all continental welfare states (Barbier 2013; Barbier and Ludwig-Mayerhofer 2004). But if there is no single continental activation regime, activation in these countries nevertheless seems to differ in a number of respects from both the liberal and social-democratic regimes.

3. Lack of entitlement to insurance-based Unemployment Benefit I may be due either to not having paid social insurance contributions for a sufficiently long period or to Unemployment Benefit I having run out, which typically is the case after a maximum of 12 months (except for people aged 55 or older).

4. Actually, the name ‘Jobcenter’ (American spelling) was not introduced into the law until a couple of years after the first round of the Hartz reforms. Prior to that, a considerable number of these administrative bodies were simply termed ‘ARGE’ (i.e. Arbeitsgemeinschaft, or consortium) if run by the FEA and the municipality. We use ‘Jobcenter’ in this article as it is now the officially established name and can be applied both to Arbeitsgemeinschaften and to those Jobcenters which operate under the sole responsibility of the municipalities.

5. Even before the Hartz reforms, the labour administration began referring to the unemployed (but also to employers) as ‘customers’, in accordance with New Public Management terminology. This is in line with developments elsewhere (see, e.g. Rosenthal and Peccei 2006: 1639), as is standardized categorization (Caswell et al. 2010).

6. Members of class I, even if unemployed (which is rare enough), seldom register with the PES; those of class IV cannot contribute to social insurance in Germany and therefore are excluded from Unemployment Benefit I; and class VII has nearly disappeared in many post-industrial societies.

7. This is likely connected to a further change in the organizational regime of the labour administration: placement officers are no longer responsible for specific occupations, but are assigned clients according to their place of residence and, if this group has to be broken down further, according to the first letter of their last name.

References


