
■ Peter Bartelheimer
Managed interaction and activation
in German Public Employment Services

■ Alliances to fight poverty
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■ Backlist – Stylized facts from what evidence?

■ Qualitative research from 1998 to 2014

- Nine separate evaluation and exploration projects
- Service Work both before and after the 2003 – 2004 labour market legislation

■ Research covers all sectors of public employment services

- Unemployment agencies (Federal Employment Agency)
- Job centers (Basic Assistance für Jobseekers)
- Non-state agencies and third-party service providers
- Services to jobseekers and employers

■ Non-participating observation of casework as methodology

- 230 caseworkers, 560 jobseekers / participants involved
- 297 observed counselling and guidance / placement interviews

■ **Activation as program theory for public employment services – concepts and issues**

■ **Issues generic to public personal services**

- All casework is managed interaction
 - Interactive works meets two mandates – assignment by service organisation and commission by client
- PES casework serves three functions
 - Control of eligibility rules, support of jobseekers, resource allocation (e.g. entry into measures)

■ **Program theory specific to activating labor market policies**

- New standard explanation of voluntary unemployment: mismatch and job search frictions (e.g. high reservation wages)
- Tailored services to adapt individual search strategies to labor demand (employability as an individual responsibility)
- Income supports are disincentives (moral hazards, lock-in effects)
- Conditionality established by way of contract

■ Does program theory matter?

■ How does activation paradigm influence public employment services for jobseekers?

- Individual responsibility as an issue in service interactions
- Underlying assumptions on job search frame decisions on business process

■ How well does activation model represent the problems of transition from unemployment?

■ Activation in (inter)action – guidance and placement services

■ Co-production meets activation

- In interviews, uneasy coexistence of activation, counselling and placement
 - Activating standard sequences e.g. » bargaining«, »rights & obligations«
- Integration contracts are disruptive, redundant and legally ambiguous

■ Placement often comes without prior counseling

- Placement caseworkers are not sensitive to orientation and guidance needs

■ What if matching is not enough

- Support is generally limited to interviews – needs for assistance are not met
- More comprehensive support is offered as a specialised targeted service

■ Policy recommendations

- Guidance as a service for jobseekers in addition / prior to placement
- Drop contract fiction in favour of professional action planning
- Voluntary self-recruitment for targeted schemes – let clients do the profiling

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- **How caseworkers interpret program theory – a typology**

 - **»Action models« of caseworkers differ on two issues**
 - (A) Where to locate the problem (Goffmans »damaged object«)
 - (A1) Compliance with norms (A2) Adaptation (A3) Brokering between demand and supply (A4) Case by case
 - (B) How to organize service relationship
 - (B1) Monitoring (B2) Pedagogy (B3) Market expertise (B4) Co-productive negotiation

 - **Resulting empirical types of »action models« - different readings of activation**
 - (A1/B1) directive monitoring of compliance with rules
 - (A2/B2) push and pull towards adaptation
 - (A3/B3) Placement and recruitment specialist
 - (A4/B4) Case-specific use of service portfolio
 - (A4/B2) Broad diagnostic, narrow prescription
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■ What jobseekers value in placement and guidance

■ Factors of service context

- Time, accessibility, stable personal contact

■ Role in delivery of service

- To be respected as a person with individual rights
- Proper say in decisions, room for options

■ Service relationship

- Friendliness (default quality), open atmosphere
- Active commitment of caseworker
- (Mutual) trust

■ Professionalism

- Personal competences, leverage on labour market
- Tailored service provision (individualized casework)

■ Individual Outcome

■ Income support – to be reconsidered

■ Income supports and personal services are administered separately

- Agencies, job centers do not deliver on »one-stop service« promise
- Compliance with placement and counseling services as a condition for income maintenance and support
 - Sanctions establish a negative link between cash benefits and services

■ Effects of cash benefits – Spain and Germany

- Spain: In the absence of individualized client services income supports promote capability to leave unemployment »by default« for a limited time
- Germany: better basic assistance but activities during take-up need to conform to caseworkers' expectations

■ Policy recommendation

- Reframe income supports as a resource (»search subsidy«) in placement and guidance services

■ Activation and the business process (1)

■ Input management

- Job search assistance is often contracted out
 - External flexibility of PES workforce as a motive to » buy« rather than »make«
 - Poorly financed, standardized measures often serve to test »motivation«

■ Process management

- Rules of delivery give precedence to placement over career guidance

■ Outcome indicators are not sensitive to quality of employment

- E.g. »integration« counts and ratios

■ Specialisation of recruitment services for employers

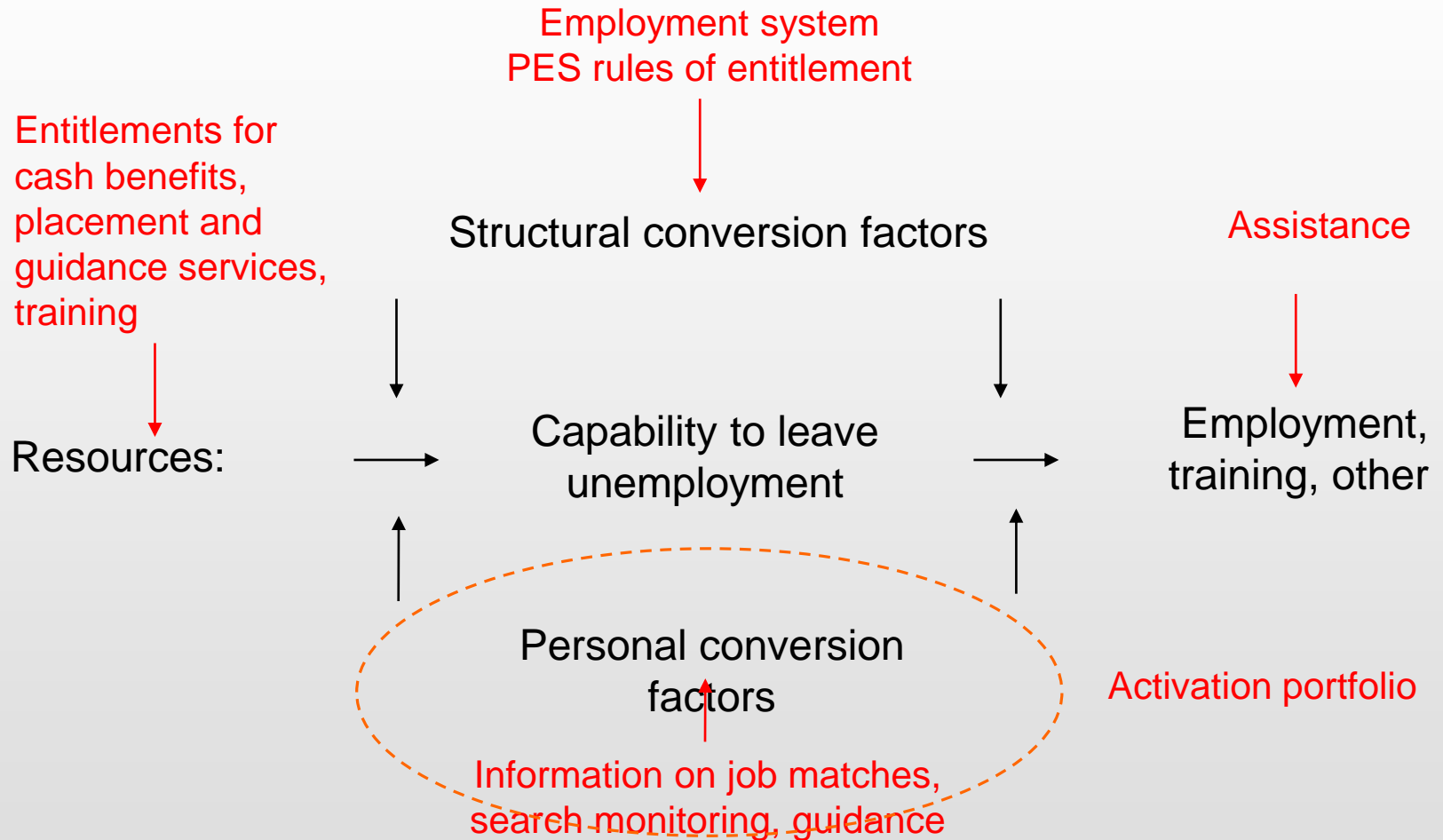
- In relations with employers, service orientation is a necessity
- Casework with jobseekers is not normally a party to recruitment process
 - »Activation without jobs« »Your job to find a job«

■ Activation and the business process (2)

■ Policy recommendations

- While Training can be contracted out, placement and guidance should remain public
- In placement and guidance services for jobseekers, caseworkers should have the option to intervene in recruitment
- Service design, management and evaluation should address input, service delivery and outcomes
 - Management by indicators *and* professional standards of attainment
 - Evidence based policies need to look into service interaction in order to understand what works
 - European Lifelong Guidance Policy Network (ELGPN) as a useful framework
 - What works for whom, in which context and by what mechanism

■ Capability to leave unemployment and intervention profile of activating programs



■ **Paradigm lost? Has activation passed its prime?**

■ **Mass produced monitoring of job search strains PES resources**

- Persistent long.term unemployment raises doubts about effectiveness
- A tendency towards more segmented client services
 - More intensive, comprehensive support for target group
 - E-channels («virtual labour market») are used for routine matching

■ **Specialisation of recruitment services for employers is less rigid**

- Financial incentives or special advisory services serve as leverage on recruitment
- Comprehensive support for disadvantaged jobseekers include intervening with employers in favour of individual jobseekers

■ **Growing doubts about the macro-economic effects**

- Is growing inequality to high a price to pay?

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- **Beyond activation – towards a new paradigm for public employment?**

 - **Offer public career guidance over the course of working life – from rhetoric towards implementation**
 - Revaluation of counseling in context of placement services
 - **Facilitate co-production by clients as a service resource**
 - The new counseling standards of the Federal Employment agency – a strategy for quality management besides performance indicators
 - **Interest to retain and rebuild PES qualification for counseling and comprehensive casework**
 - **Need for a new normative key concept**
 - Increase options for individually valuable exits from unemployment
 - Demand-driven individualized assistance in conversion
 - Use a comprehensive portfolio addressing resources, personal and labour market conversion factors and targeted assistance