
To work or not to work – Targeting capabilities in the evaluation of Public Employment Services

International Conference
Shaping the Social: Challenges for critical
social policy and the possibilities of the
Capability Approach

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- **Research issue: Do employment services increase real and valuable options to end unemployment**

 - **What the capability paradigm means for evaluation research**
 - Direct multidimensional measurement of outcomes by individual functionings
 - Need for counterfactual information on options
 - What did not happen but could have is considered part of the outcome
 - Need for individualized interventions, responsive to diversity of needs
 - Clients scope for choice as vital process quality of intervention
 - Need to distinguish selection and adaptation

 - **What has to come from the field**
 - Dimension of capability space
 - What resources and conversion factors to consider, and how they affect outcomes
 - Norms and fault lines external to capability approach
 - What unequal distribution of options calls for intervention

■ A capability view on situations of unemployment

■ Being unemployed is not a valuable function

- Unemployment spells are situations of risk in worker's trajectories
- Persistent or recurrent spells effect social exclusion

■ Sets of valuable options to exit from unemployment

- Transition to employment
 - Valued depending on economic necessity and employment orientation
- Transition to training or other unpaid activities that improve employability
- Options outside the labour market

■ Resources provided by Public Employment Services (PES)

- financial supports (cash transfers) for labour market reasons
- client services (main activity job-search related)
- »active« measures (main activity other than job-search related)

■ Personal resources (e.g. savings, other transfers, family, networks)

■ Conversion factors specific to situations of unemployment

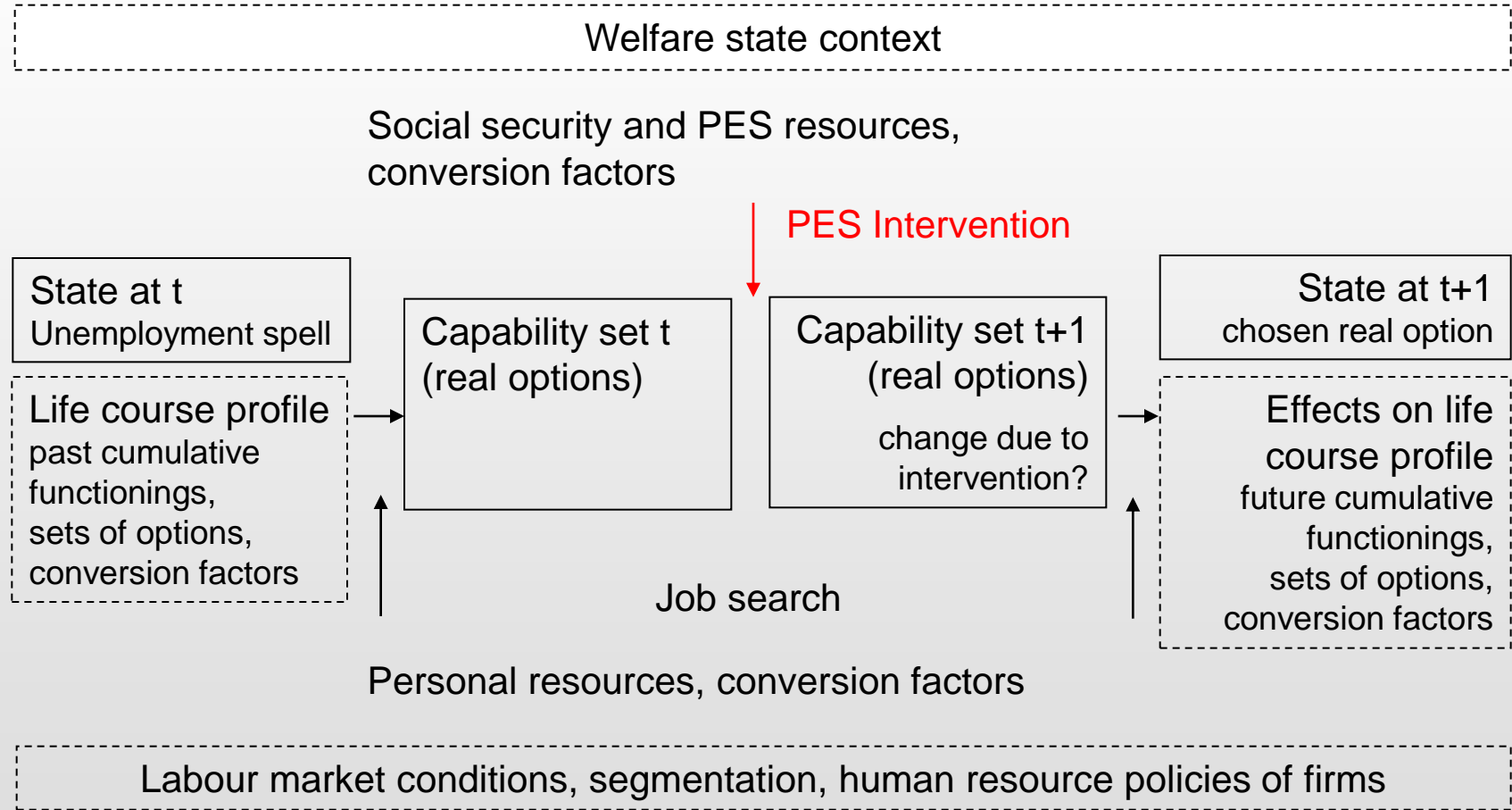
■ Personal conversion factors, e.g.

- Individual pattern of working life
 - e.g. prior education & training career, work experience, professional orientation
- family and household situation, gender arrangements for care work

■ Societal conversion factors, e.g.

- labour market conditions, e.g. segmentation patterns
- conditions of use for employment service resources
 - rules of entitlement (degree of conditionality, benefit / allowance)
 - degree of individualisation, discretionary power of case workers
 - governance of public employment service
- Public perception of unemployment

■ The issue restated as a formal model: Effects of institutional intervention on employment capabilities



■ Implications for research agenda

■ Normative individualism

- Need to evaluate *and* aggregate individual capability sets

■ Life course perspective

- Life stage and previous working live influences choices
- How value options are valued changes with duration of unemployment
- Need to account for duration and events patterns within unemployment spells

■ Importance of household context

- E.g. breadwinner model, activity of partner as reasons to value options and as factors in adaptation
- Poverty measurs as proxy for unobserved constraints

■ Firms, labour market segmentation structure capability sets

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- **Evaluation by capabilities takes a dissenting view on unemployment**

 - **Neoclassical standard interpretation of unemployment**
 - Unemployment is essentially voluntary, based on personal characteristics
 - e.g. preference for leisure, reservation wage exceeding productivity
 - Employability is maximised by individual adaption to labour demand

 - **Activation paradigm**
 - High employment rates as macroeconomic target
 - Adaptation to low-paid, non-standard employment is a desired outcome
 - Priority for earliest possible transition to paid work, regardless of quality
 - Secondary labour market segments as entry points for »outsiders«

 - **Implications for Public Employment Service**
 - Cash benefits are seen as »lock-in«, instead of »search subsidies«
 - Monitoring search activity takes precedence over placement services
 - Self-responsibility for finding a job is stipulated in integration contracts
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- **No consensus on capability as »informational basis of judgement«**

 - **Activation and capability paradigm differ on the meaning of individualised service**
 - Both paradigms call for individualised intervention
 - Capability approach calls for collective supports as precondition for agency, measuring all individually valued outcomes
 - Activation places responsibility for outcomes on individuals, defining valuable outcomes to be measured

 - **The example of sanctions**
 - In capability research, refusing a job offer serves to indicate an exercise of choice (cf. Farvaque 2005)
 - August 2011 to July 2012: record number of one million sanctions against claimants of basic security benefit for jobseekers, 38% rise from year before
 - Explanation offered by employment agency spokesperson: »More job offers due to favorable labour market – potentially more job refusals«

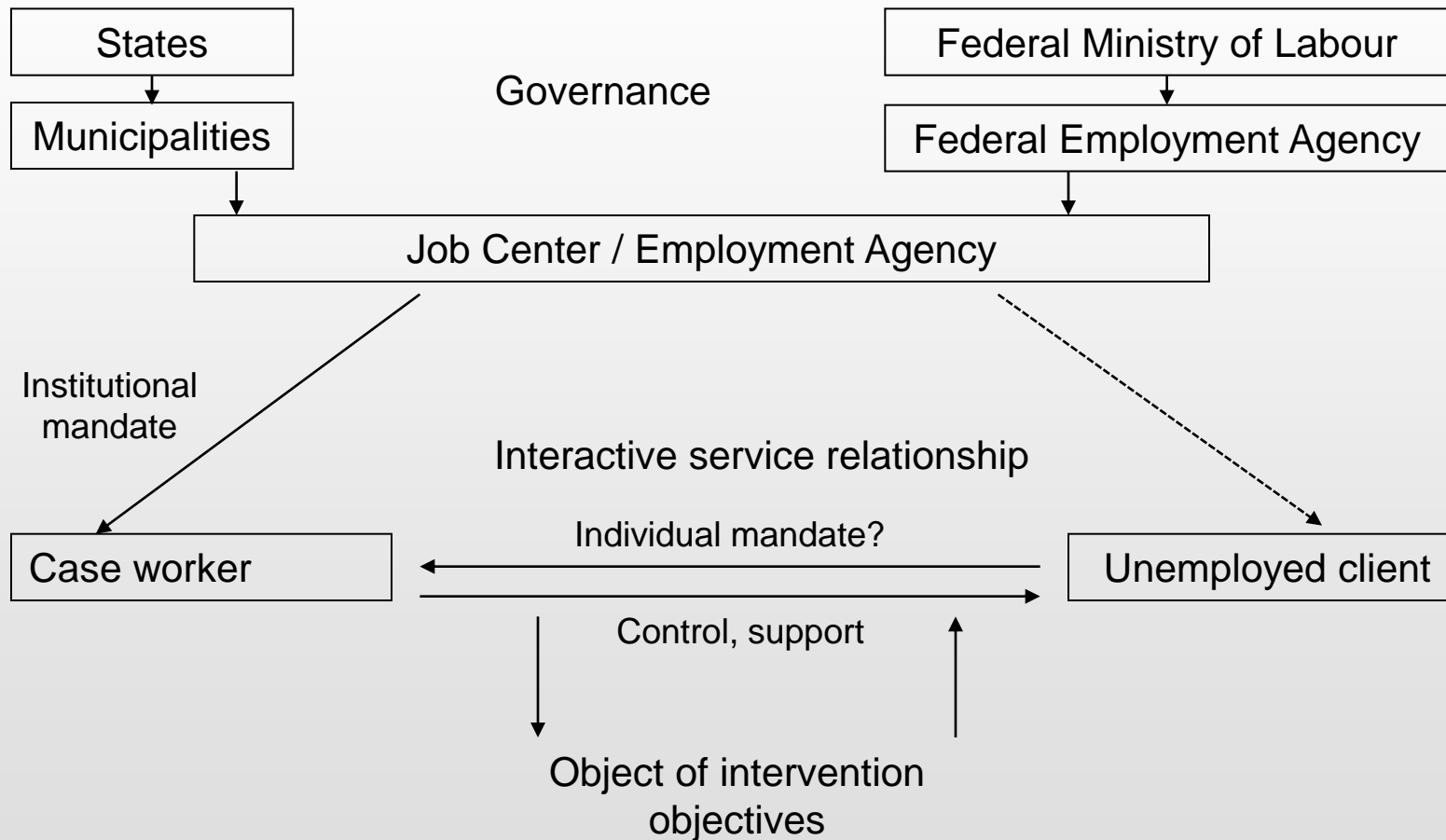
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- **Evaluating activation policies calls for a shift of focus**

 - **Employment services with low conditionality and low service intensity – focus on eligibility for benefits and measures**
 - Eligibility for cash benefits facilitates capabilities »by default«, providing time for activities recipients value individually
 - Effects of targeted interventions (training or employment measures) on options can be evaluated by comparing participants and non-participants

 - **In employment services with strong activation, client services are crucial for conversion of PES resources and for adaptation**
 - Case officers exercise discretion in defining unemployment status, assessing individual options, deciding on entitlements
 - Individual integration contracts are standard procedure
 - As all clients are treated, outcomes have to be observed at case level (no control group)

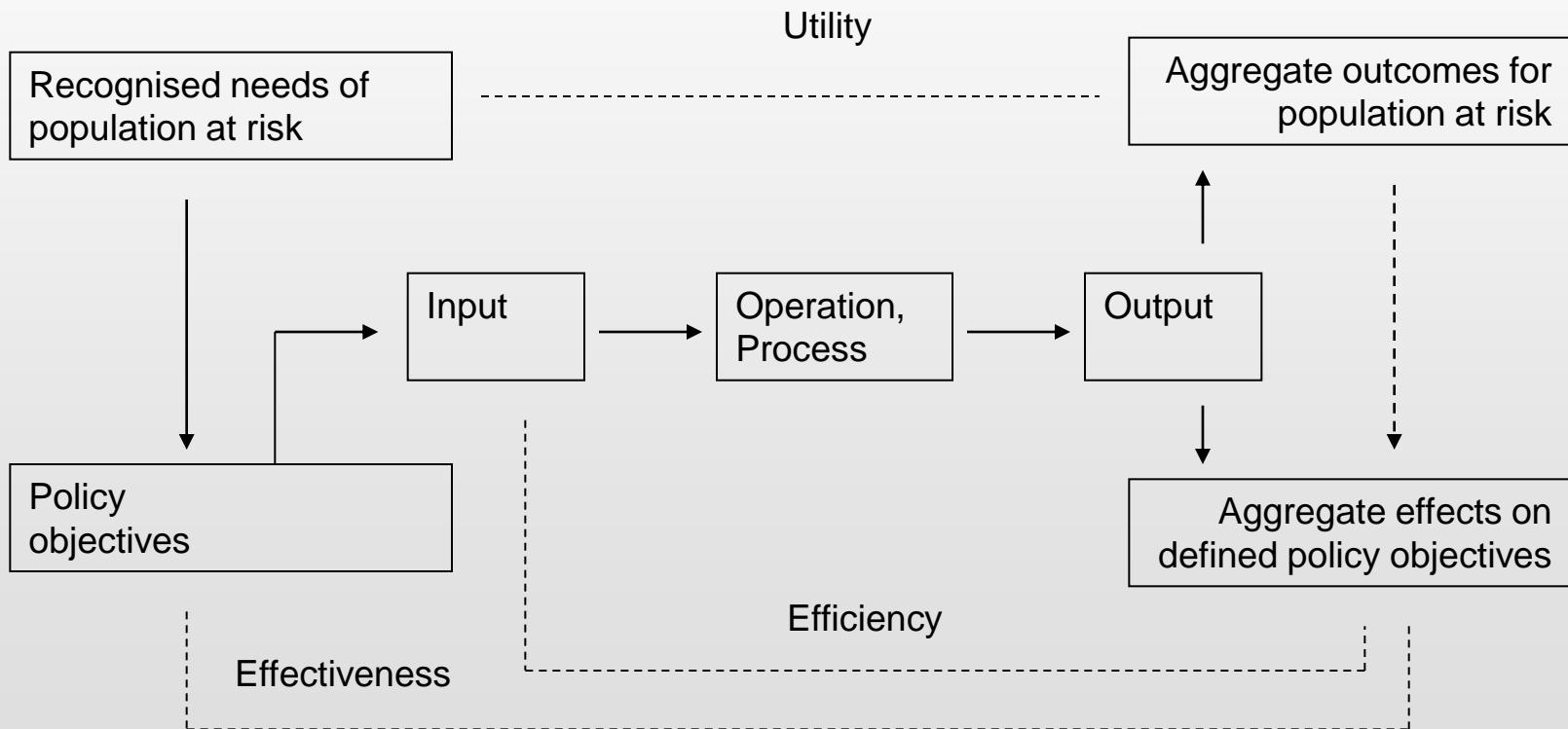
 - **Research agenda: need to reconstruct individual cases**
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■ Counseling and placement as institutionally framed interaction – three perspectives and two agents



- **The policy perspective (1) – targeting aggregate outcomes, treating process as »black box«**

- **Standard model of social policy evaluation**



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- **The policy perspective (2) – what if informational base is not »capability friendly«?**

 - **Employment policy and governance ...**
 - »construct« unemployment status
 - are »sales point« for evaluation

 - **Management by objectives targets aggregate outcomes**
 - Activation places a »moral handicap« on individually valued options
 - Policy decisions are not sensitive to diversity of needs
 - Profiling procedures (»customer segmentation«) aim at standardizing needs
 - »Contracting out« creates rigid service portfolios
 - Controlling targets are not sensitive to quality of interactions
 - Controlling attributes »institutional values« to possible outcomes
 - E.g. reduction of case load or means-tested entitlements

 - **No consensus on »capability sensitive« aggregate outcomes**
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- **PES case workers – the other agent's perspective**

 - **Service workers tend to control clients' unruly »production inputs«**
 - Service necessarily implies interaction and co-production
 - **At »front line«, case workers use formal and informal powers of discretion**
 - »Street level bureaucracy« (Lipsky 1980)
 - Individual interpretations of »dual mandate« (control *and* support)
 - Interactions between two agents: clients and case workers
 - **Case workers' professional »action models« can be more or less sensitive to employment capabilities**
 - Where do case workers look for »damaged object« (Goffman 1973) that service is to address
 - What kind of service relationship do case workers tend to create
 - **Research agenda: professional models as conversion factor**
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- **Who wants to know? How to find allies for evaluating outcomes in employment capability? (1)**

 - **Participation justice: more equality of employment chances (employability)**
 - What force to support »weak« normative positions?

 - **Employment services as a public good**
 - Non-market resources as characteristic of public sector

 - **Efficiency arguments against coercive job referral**
 - Strict activation regimes require personnel, resources
 - Service chain of placement is inherently incomplete
 - Hiring requires interaction of jobseekers and employers
 - Job search mostly through other (informal) channels
 - PES covers only part of job turnover

■ Who wants to know? How to find allies for evaluating outcomes in employment capability? (2)

■ Professionalism

- Policy and governance: sensitive to public / scientific debate on service quality
- Service orientated case workers: interactive work requires personal mandate from clients
- Placement oriented case workers: more choice means less conflict and better matches

■ Against the odds – capability research needs to establish its alternative evaluation paradigm

- Capability evaluation must be practical: solutions for aggregate measures of capability sets are crucial
- Capability evaluation has to be better equipped to meet practical problems from the field

■ Credits

■ CAPRIGHT (<http://www.capright.eu/>)

- Ressources, Rights and Capabilities: in search of social foundations for Europe, European Commission's Sixth European Framework Programme

■ Bartelheimer/Verd/Lehweß-Litzmann/Lopez-Andreu/Schmidt 2012

■ Evaluation Studies (<http://www.sofi-goettingen.de/?id=186>)

- Neue soziale Dienstleistungen nach SGB II (2005-6)
- Projekt Interne ganzheitliche Dienstleistungen zur Integration im SGB III – PINGUIN (2008-11)
- Projekt Integrieren, Mut machen, Stärken stärken – PRIMUS (2010-11)

■ Goerne 2010

- The Capability Approach in social policy analysis. Yet another concept? REC-WP 03/2010