Chapter 4

The Promises of Labour:
The Practices of Activating Unemployment Policies in Switzerland¹

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Introduction

In the 1990s profound transformations took place throughout Western welfare states. The ‘caring’ or the ‘providing state’ (de Swaan 1988) has been superseded by the ‘activating’ or ‘enabling’ state (Gilbert 2002). While the former aimed at providing its citizens with a comprehensive safety net for social risks and at the same time at reducing social inequality, the latter limits its function to guaranteeing a minimal infrastructure (Vogel 2004). The state provides opportunities, but it is the responsibility of the citizens to make use of them. In popular discourse the idea of activation in social politics has been captured most concisely in the German slogan ‘Fördern und Fordern’ (foster and demand). The state fosters citizens in need by economic incentives and integration programmes and demands their active efforts to overcome their dependency on support. Recently the ‘fostering’ dimension of the activating state has been complemented by the concept of social politics as ‘social investments’ in the human capital of the population (Esping-Andersen 1999, Lessenich 2004).

Although activation has become a key term in welfare and labour market politics alike, in international comparison its contents differ widely (Handler 2003, Lødemel and Trickey 2001a, van Oorschot 2002, Walther 2003). In the realm of social assistance this maxim translates into ‘workfare’, but while workfare means the conditioning of benefits to the acceptance of jobs in some countries (for instance in the United States), in others (such as the Scandinavian states) it denotes the obligation of the state to invest its citizens with the necessary resources to compete in the labour market. Likewise, activation aiming at those entitled to unemployed ¹ This paper is based on our research project ‘The enforcement of the entrepreneurial self. The work of integration and exclusion in welfare and economy’ (see Nadai and Maeder 2006). The project was funded by the National Research Programme 51 ‘Social integration and social exclusion’ (project No. 405140-69081). We thank our research assistant Matthias Hofer, University of St Gallen, Institute of Sociology, for participating in the fieldwork and discussion.
benefits operates with a varying mixture of incentives and coercion. The aim of
our ethnographic study in the field of active labour market policies is to examine
how such policies operate on an everyday basis and to what extent such strategies
of mobilization are functional with regard to their declared goals.

The Swiss Context

Switzerland – unlike other countries – has embraced the politics of activation
not just in the realm of means-tested social assistance, but within the system of
social security insurance as well (Magnin 2005). In fact, it installed the principle
of reciprocity earlier and in an even more forceful way in unemployment
insurance than in welfare. Welfare legislation falls within the responsibility of
the 26 cantons, while local political communities have to implement those laws.
Therefore, there is no generalized workfare model in Swiss public welfare; rather
we can observe different styles of managing the poor, ranging from bureaucratic
poverty administration to more professional forms aiming to integrate clients into
the labour market by means of incentives and integration programmes (Maeder
and Nadai 2004). In contrast, unemployment insurance is regulated on a national
level. Even though there are differences in the practices of the regional employment
centres (RAV, Regionales Arbeitsvermittlungszentrum), all these offices operate
within the same legal framework of the national unemployment insurance law
(AVIG, Arbeitslosenversicherungsgesetz).

The concept of activation was introduced in the second revision of the
AVIG, which was implemented in 1996. Only parts of the new instruments of
activation were really new, though. For instance, the law had already allowed for
‘preventive measures’ such as integration programmes and training courses, but
in the context of low unemployment rates these measures had not been applied on
a large scale (Magnin 2005). A definite ‘innovation’, however, is the obligation
for the insured persons to enhance their ‘employability’ or else they lose their
benefits. ‘Employability’ has become the keyword of activating labour market
policies: the responsible citizen has the moral obligation to permanently adapt
to the ever-changing exigencies of the labour market. This applies even more to
those who have failed to live up to this demand and lost their job. The unemployed
must not just ‘passively’ collect their unemployment benefits, but are expected
to do everything they can to enhance their marketability in order to find a new
job. With this rationale they can actually be forced to participate in educational
and integration measures: if an unemployed person refuses a suggestion of her
RAV-counsellor, she is penalized by the cessation of benefits for a limited time.

The guidelines of the Swiss Welfare Conference provide a framework for
harmonizing the practice of social assistance to a certain extent. The last revisions of these
guidelines dating from 1998 and 2005 introduced and tightened activation measures for
welfare clients (Wyss 2005).
Sanctions vary according to the severity of the offence, but in international comparison Switzerland imposes sanctions frequently – not just for refusing job offers or integration measures, but also for purely administrative misbehaviour (Oschmiansky, Schmid and Kull 2003, Aeppli and Peters 1999). In addition, the criteria for acceptable jobs were tightened considerably. For instance unemployed people have to accept jobs involving as much as four hours commuting time per day or salaries as low as 70 per cent of their previous job or jobs with lower qualifications. In sum, the guiding principle of the unemployed insurance is to make its clients accept any job at any cost.

As mentioned above, one of the instruments of activating unemployment policies is a variety of educational and training schemes. By far the most important measures are individual educational and training courses, which are financed by the unemployment insurance. Roughly 35 per cent of the registered unemployed participate in some form of educational measure, while only 11 per cent are enrolled in work programmes. Among the latter, individual placements in private and public non-profit organizations are more frequent than participations in collective programmes that are operated by private institutions according to the rules of the unemployment insurance and funded by it. Since the implementation of the regional employment offices and of the various integration programmes, there have been a number of studies analysing the efficiency and effectiveness of these measures with inconclusive results (see overview in Gärtner and Flückiger 2005, Aeppli 2006). However, these studies tend to analyse the effects in a purely economic way, leaving aside the social dimensions of the programmes, and they try to measure effects but do not look into the actual workings of the programmes. Before describing the practices of the integration programmes and analysing their effects in a sociological perspective, we will briefly present our research approach and the three programmes we studied.

Research Questions and Fields

In a society that is entirely organized around paid work, being out of work has more consequences for the unemployed than just finding themselves on the demand side of the labour market. In particular, paid work is still important to maintain a sense of self-worth and to provide social recognition. Unemployment carries the potential for exclusion, social downward mobility and marginalization in nearly all spheres of life (Bude and Willisch 2006, Castel 2000, Kronauer 2002). Seen this way, one...

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3 As a consequence of regulations on temporary jobs (Zwischenverdienst), there is actually no bottom line regarding pay levels, since the unemployment insurance covers the difference between a salary below the 70 per cent margin and the benefits based on the previous job’s salary (Magnin 2005: 201).

4 Own calculations based on data provided by the section labour market statistics of the Seco (State Secretariat for Economic Affairs).
The basic task of labour market policies is also social integration in a broader sense. In the 1990s, therefore, preventing exclusion came to be seen as an important goal of unemployment and anti-poverty politics throughout Europe (Paugam 1996). This is where our research starts. We are interested in how programmes designed to integrate people function on an everyday basis for participants and staff alike: how does activation operate in practice? In what ways and by what practical actions do these programmes enhance the employability of their participants – if at all? What other and perhaps unintended effects can be observed? To answer these questions we need an inside look into the workings of the programmes. Therefore we chose the research approach of a multi-sited ethnography, theoretically framed by the question of integration and exclusion and focused on the ‘going concerns’ (Hughes 1971) of those involved.

In order to explore the organized ‘social world’ (Strauss 1984, Clarke 1991) of the unemployed and the staff of integration programmes, we conducted participant observation in three different integration programmes for the unemployed. We spent between one and two weeks in each programme. Our research design included additional formal interviews with staff and programme participants, as well as analysing official documents. Our database consists of several hundreds of pages of fieldnotes, 19 transcribed interviews, seven recorded and transcribed interactions and dozens of records of the unemployed. The three programmes are run by a public utility foundation named ‘Weichenstellung’ (translated as Switch). The first programme, called ‘Packwerk’ (= Packworks), is a workshop for roughly 50 unskilled workers. Participants do manual labour like packing samples of advertising material, separating different types of plastic for recycling purposes, producing kindling for home-fireplaces and so on. Given the kind of work provided, the workshop is organized like a small factory and is run by an administrator, a social worker, a secretary and a foreman. At the other end of the qualification scale we selected a virtual trading company, the Mercator with 22 workplaces for clerical staff with formal qualifications. Participants perform all the tasks necessary to run a trading company: accounting, purchasing, marketing, personnel work and so on. The overall rationale of this programme is to offer the participants skilled ‘jobs’ in order to preserve occupational experience while unemployed. The programme personnel come from management and counselling. Our third field, Kickstart, focuses on helping unemployed teenagers and young adults without formal qualifications to find either a job or in-firm vocational training. The programme offers counselling, schooling and internships for those who for whatever reasons are not capable of finding a vocational training job themselves. The programme starts with a personal assessment, a negotiation between the programme officers and the young person in order to formulate goals and to identify weak points in education and social competences. Depending

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5 For a methodological discussion of this approach see Nadai and Maeder (2005).
6 In Seco statistics this type of programme is counted as an educational measure. In 2004 roughly 3600 people participated in virtual firms.

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on this diagnosis the young clients receive different forms of counselling and schooling for at least one day a week while they work in a fixed-term job in the labour market. The primary goal of the programme is to help its participants find a vocational training job. If this cannot be achieved, the participant has to look for unskilled labour.\footnote{This kind of youth programme (officially called ‘Motivationssemester’) is regarded as a work programme. In 2004 almost 5,000 young people were enrolled in such a programme.}

\section*{Activation Policies in Practice}

Learning by doing is our motto. In our programme you deepen your professional knowledge in a realistic setting.

Our workshops offer varied jobs and structures corresponding to real working conditions.

Our counsellors support young people to plan their start in the world of work; our teachers prepare them for vocational school.

In this way Switch advertises its different programmes in its glossy brochures. Tailored to the presumed needs and expectations of its respective target audience, Switch promises a comprehensive package of measures to help its clients back into the labour market. After the referral by the RAV agent, a prospective participant is invited for an interview and a presentation of the programme in order to decide whether the programme suits their needs. On the other hand, Switch checks whether the candidate will fit in with the programme. At the beginning of our fieldwork we were taken along on a one-day tour of all the Switch programmes and presented with much the same information as would-be clients. However, unlike real candidates, we also got the backstage picture, i.e. the foundation’s overall philosophy. In fact, we were quite puzzled when we were first of all informed about all the things the programmes do not provide: ‘We don’t do social work, we don’t qualify people, we don’t place people with employers, we don’t do vocational counselling’ and so on and so forth. If all this is not considered to be the programmes’ task, what could it possibly be? The real \textit{raison d’être} of the Switch programmes, we learned, is to offer its participants the opportunity to work: work \textit{per se}, plain and simple, is thought to be the best way to reintegration. By remaining in the labour process, the unemployed freshen up and broaden their professional experience, they make new contacts, their days and weeks are structured – in short, they keep in touch with the world of work. This sounds compelling at first, but is it really as simple as that?
The Trouble with the Double Logic

Paragraph 64a of the AVIG stipulates that work programmes are to be operated in the public or private non-profit sector and must not compete with the for-profit economy. This legal regulation limits the scope of the programmes severely because it undermines the very concept on which they are based, namely the idea to offer work experience that comes as close to the conditions in the ‘real’ or ‘first’ labour market as possible. As a consequence of this paragraph, the programmes are actually restricted to a *simulation of the labour market*. This problem is most salient in the virtual trading company Mercator. In this training firm the participants are paid virtual salaries, buy and sell virtual goods and services from other training firms with virtual money and simulate all the necessary processes to operate a trading company. There is a personnel department, an accounting department, a sales department and a purchasing department, sales brochures are being designed, prices and shipping and handling costs are being calculated and so on. ‘Everything is normal’, staff and (some) participants assured the researchers, ‘except the goods we’re trading are virtual’. The slightly schizophrenic structure of this type of programme is mirrored in language and symbolic presentation as well. The unemployed participants are called employees and the *Switch* staff who run the programme see themselves primarily as company managers, not as counsellors for the unemployed. Official documents addressed to the outside world carry two names and logos: ‘Mercator’ is placed prominently in the heading while the reference to *Switch* and the company being an ‘educational and integration programme’ is hidden at the bottom of the documents. Sometimes the real and the virtual dimension get jumbled up, for instance when the accounting department has difficulties in separating virtual from real payments, or when the company needs employees with certain qualifications while the regional employment centre can only present candidates with an unsuitable profile. The gap between the real and the simulated world may be most acute in the virtual company. Nonetheless, the other two programmes are faced with similar problems. While participants package, strip down and assemble real goods at Packworks and the programme even works for private companies in the for-profit sector, there are still two aspects that mark a clear difference to a comparable factory. Firstly, Packworks has to hand in any profits to the Seco (State Secretariat for Economic Affairs), which is funding all the unemployment programmes. Thus, the first and foremost driving force of an enterprise, i.e. the motive of economic gain, is missing. Secondly, unlike an enterprise in the first labour market, the integration programme cannot simply select the most capable workers. Although it can and does occasionally reject candidates, it basically accepts almost anyone the RAV assigns to the programme, even persons with personal and health problems (see below). Accordingly, the required performance level is much lower than in the labour market, which in turn prompts the programme to adjust its demands.
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regarding workload, working hours, precision, etc. As a consequence, some participants find their job at Packworks much more comfortable than any job they could ever realistically hope to find outside. As one participant noticed: ‘No noise, no dirt, no stress and sitting all the time – it’s ok!’ In the youth programme Kickstart there is at first glance only a slight difference from the labour market: participants get some schooling that is not related to professional training, as would be the case in an apprenticeship. Once they have found a practical training job, however, they actually work in the real economy, albeit under different conditions than other young people. In particular, their ‘salary’ is paid by the unemployment insurance, not by the employer. Thus, their work actually has no market value. The gap between the second labour market of the integration programmes and the first in the real economy varies from programme to programme, but cannot be bridged completely. Its roots lie in the basic contradiction between the two competing logics of unemployment programmes. On the one hand the programmes intend to offer the most realistic work experience in order to demonstrate the participants’ intact employability and increase their chances in the labour market. For this purposes they would have to organize the work according to the standards of the economy, stress performance, use state-of-the-art work equipment and so on. On the other hand integration programmes are an offer for those unemployed who, for whatever reasons, have failed to find a job on their own. Logically this calls for some form of support. Therefore, the programmes would have to consider their clients’ weaknesses and adjust their standards. In this respect the competitive logic of the market collides with the care logic of social support. With the legal restraint on competition on top of that, the programmes inevitably turn into a parallel world of work, which seem somehow ‘unreal’ to the participants. This in turn creates problems of meaning, motivation and cooperation. The participants often feel that their work does not make sense, that they do not learn any marketable skills, that they do not make useful contacts and that they do not really profit from the programme. Again, those who lack a sense of meaning are not committed – sometimes to the point of refusing to cooperate. In fact, keeping up morale is one of the main problems for staff, because a few unmotivated participants may severely hamper the whole operation.

Participation and Conformity

Considering the above-mentioned list of what the programmes do not provide and the problems created by their double logic, what function can they still fulfil? We argue that above all the programmes set the stage for a kind of conformity test. By

8 At Mercator the workload is also much lighter than in a comparable company in the real economy. This is partly due to the fact that participants need time for their job search, but as an observer one cannot help but notice the slow pace of work and the relaxed atmosphere.
participating, the unemployed can demonstrate that they are still both willing and able to work just like anybody else (Nadai 2006). In public and political discourse the unemployed as a group are periodically suspected of being lazy and living on the honest citizens’ money (Oschmiansky, Schmid and Kull 2003). By accepting participation in an integration programme, the unemployed person proves that she is not a scrounger, but still shares the work ethic of the general population. At the same time, participation shows that the unemployed person is still capable of maintaining a regular work discipline. In fact, the function of conformity test was the single most important benefit the interviewed participants themselves attributed to the programmes: ‘At least employers can see that I’m not just hanging around, but I’m doing something.’ Even if they did not believe that the programme had much improved their chances of finding a job, they still hoped that programme participation had at least stopped their downward trajectory by demonstrating that they still functioned normally and could still be valuable workers and employees. On the other hand, some feared that working in an unemployment programme might constitute a sort of stigma: ‘Many people don’t know these programmes. They think this isn’t a smart thing, so if he’s in a programme, he’s probably not a smart guy.’ Therefore some people hide their participation as well as they can. One young man in Packworks informed us that not even his parents, with whom he still lived, knew that he participated in an integration programme. He did everything he could to obscure his actual ‘working place’, but was faced with an irresolvable problem: which phone number should he name in his job applications? During the working hours in Packworks the use of cell phones was not allowed. So he had to put the number of the facility, thereby risking exposure, as he suspected: ‘If an employer sees this phone number he will know it! And then he knows that he is fishing in shallow waters. And my chances for a job will surely decline. Whenever they can they take folks off the street, not the damaged people from Packworks.’ Even though this man’s fears might be exaggerated, they nevertheless inform us about the difficulties of stigma management (Goffman 1963) under such conditions. Whether prospective employers appreciate participation as an indicator of normality or, on the contrary, rate it negatively, we cannot tell. From a sociological point of view, however, the programmes not only offer the opportunity for demonstrating socially desirable behaviour – they also generate conformity to the exigencies of the employers.

Improving the Self

Generating conformity happens most effectively in formal and informal counselling and coaching activities. In these interactions we can discern a specific cultural model (Holland and Quinn 1987: 4) with three sequentially ordered main elements: exploring/assessing, improving and marketing the self. In a first step the participants have to explore their professional aspirations as well as assess their strengths and weaknesses. The underlying assumption is that work is not just
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about breadwinning but also about self-fulfilment. Moreover, the call for reflecting on one’s professional wishes implies an image of the labour market as a market of unlimited possibilities. The idea of work as a career and vehicle for self-fulfilment is clearly a middle class concept, though, which does not correspond to the experiences and options of unskilled workers. Nor, for that matter, is it really adapted to the participants of Mercator who have more formal professional qualifications, but nevertheless come mainly from the lower rungs of the professional hierarchy. In a way, exploring the self is an adequate task for the adolescent participants of Kickstart. However, here as well we can observe a constant tension in the staff’s work: on the one hand the counsellors encourage the young people to find out what their vocation might be. Yet, they often have to dampen immoderate aspirations, because many participants lack the necessary educational credentials for their dream job. The same tension between encouragement and ‘cooling out’ (Goffman 1952) becomes apparent in Mercator, while the model of exploring the self with regard to professional choices is virtually absent in Packworks. Irrespective of the specific target group the concept of the customized job actually contradicts the harsh reality of AVIG rules regarding acceptable jobs. While the programmes implicitly hold the view of work as self-fulfilment, the unemployment law clearly enforces work as breadwinning: work life is not about realizing your dreams, but about having some job at all.

The second step, improving the self, aims at enhancing employability. However, as mentioned before, the programmes do not offer any formal professional training, but basically refer to the formula ‘learning by doing’. There is some formal training in prevalent office software at Mercator and some schooling at Kickstart, but none whatsoever at Packworks. So, improving the self actually merges with the third step, marketing the self. Even though Switch staff are not allowed to directly place participants with employers, supporting the job search is an essential part of the programmes. People receive advice on what search channels to use, how to write job applications, how to follow up applications and how to behave in job interviews. Advice may be given in informal talk, in formal one-to-one coaching sessions or in role-plays. In all of this participants are once again confronted with a contradictory message. On the one hand they are taught that authenticity and individuality are decisive in getting a job: first, your application has to stand out among a mass of others. Then you have to be convinced of the company and the job to be able to project enthusiasm and convince an employer that you are the right candidate. On the other hand, the instructions the programmes offer amount to standardization of application documents and behaviour. Of course, even fulfilling all the requirements still does not guarantee a job, but the constant imperative to improve one’s employability through self-perfection induces the unemployed to perceive themselves as somehow deficient, as not ready for the labour market, as socially incompetent – in sum: as losers.
The Politics of Unemployment in Europe

The Ideal and the Real Person

One of the striking contradictions in the regulation of unemployment inheres in the contrast between the concept of the unemployed implicit in the legal frame of the AVIG and the actual situation of the unemployed. The law models the unemployed as context-free economic actors with the sole problem of being temporarily out of work. They are supposed to possess marketable skills and professional qualifications and to be socially integrated, yet free from social and familial responsibilities, therefore highly mobile and flexible. In sum, this actor is ‘the disembodied worker’ (Acker 1991) existing only in regard to the job. As such, this fictitious worker is implicitly male and, as we might extend Acker’s argument, he is also free from the marks of class or ethnicity. In reality, however, the Switch programmes are confronted with people burdened with social responsibilities and problems. Many of the participants of the three programmes studied featured at least one, but probably two or more, of the following indicators of social vulnerability: alcoholism, drug abuse, domestic violence, psychiatric diagnoses and chronic illness, traumatic migration backgrounds, severe forms of stutter and other stigmas, illiteracy, broken homes and relationships. If these factors are combined with the lack of vocational and social competencies of most Packworks and Kickstart participants, this definitively raises the question of whether the ‘therapy’ of work only is appropriate and enough. Most of the Switch staff recognize these problems because they are all too obvious in their daily work with the unemployed. However, given the dominant scheme of interpretation provided by the AVIG laws and the corresponding financial restrictions, their options are limited. Indeed we found an ongoing discussion among the staff on whether there should be some form of social work integrated into the programme. However, because of the idealized concept of the abstract worker in the AVIG laws, funding such activities is difficult. These facts act against the effective integration of those who not only lack a remunerated job but also show signs of social disintegration, social vulnerability or marginality. Three examples from our fieldwork data elaborate this point.

During our fieldwork at Packworks a typical and very instructive incident occurred: a young woman from former Yugoslavia with barely any knowledge of the German language and with no formal training except primary school showed up one morning with a bruised face. She made unclear complaints about her living situation to the supervisor of the workshop by pointing at her black eye. In a short time the supervisor, a trained social worker but not engaged in this function, found out about the situation of this young woman. She was living with her parents-in-law, together with her two children. Her husband was absent and he had left his wife and children under the strict custody of his father. This man ruled his family with an iron fist, as we could see by the proof of the woman’s black eye. A phone call to her medical doctor and the teacher of the children revealed a situation of serious domestic violence. Discarding official rules and competencies, the social worker coordinated a transfer of the woman and her children to a shelter. The
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woman was dismissed from the integration programme immediately and declared to be a case for the local welfare office. In this case it is obvious that social work interventions regarding protection from violence and further measures toward enabling this woman to decide on her own way of living must come parallel with or even prior to the labour market integration. The supervisor of Packworks acted accordingly and went as far as he could, but because the AVIG restricts social work by not paying it, he could not offer her what would have been the most sustainable intervention: to combine a prolonged, multi-faceted counselling process with the opportunity of having a time structure and a temporary escape from home that the job at Packworks provided her with.

The next example is the story of a middle-aged man who suffered from an epileptic disease. According to his medical assessment he was disabled to a degree of 50 per cent, and hence he was expected to work for the other 50 per cent. The invalidity insurance offered the former gardener a one-year training to become a domestic appliance repairman. However, he still could not find an appropriate job for several years. Instead he became what the staff calls a typical ‘programme hopper’. This label is attributed to people who migrate between all kinds of welfare state programmes. The good thing about Packworks for him was the fact that after one year of participation he would be entitled to another 400 days of unemployment benefits, but in the interview he told us that his main problem was loneliness and feeling useless. He had given up looking for a job because of the reactions to his disease.

You can absolutely forget to find a job when you tell people that you are an epileptic. They let you drop like a hot potato. It’s so humiliating for me that I don’t want to make such experiences anymore. In the past I’ve tried. I didn’t want to give up. But no one can take this if it goes on forever. And epilepsy goes on forever.

His story shows clearly how painful and damaging the continuous pressure of activation toward the labour market can be. Because the man had to live on a small invalidity pension he also gave up his apartment and was living with his 70 year old mother again. ‘That is good from the money point of view, but bad for my social life’, he concluded. ‘I just feel useless, lonely and not treated well. Even though you get a fair treatment here in Packworks and at the moment I even make some surplus money it’s not very nice to be here. Too many foreign people and only stupid work.’ Here too we can see the narrow limits of work as therapy. Obviously it is highly unlikely that this man will ever find a job. Moreover, it seems his invalidity pension is not fixed at an adequate level. It would take a fair amount of highly specialized social work to sort out his entitlements within the

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9 In Switzerland the maximum period for receiving benefits from the unemployment insurance is 400 days. Afterwards the unemployed can apply for means-tested social assistance. People over the age of 55 are entitled to a maximum of 520 days.
1 jungle of the welfare system and to develop a new and viable perspective with him. 1
2 Just as in the case of the young woman, Packworks staff recognized the problems, 2
3 but could not act accordingly. The only thing available was some sort of instant 3
4 counselling: ‘Go talk to a social worker in your community to find out about better 4
5 alternatives!’ or ‘You should engage in a sports-club to fight your social isolation!’ 5
6 and the like. Of course this is kind of counselling is inappropriate in a situation 6
7 of mental problems in combination with material deprivation and exclusion from 7
8 employment. But as the supervisor said: ‘No real social work allowed here. AVIG 8
9 does not pay for that.’
10
11 Another problem connected with the real person is moral hazard. This 10
12 phenomenon is much discussed in economic theory, which states that the existence 11
13 of a contract with an insurance might lead beneficiaries to increase their risk- 12
13 taking, or even cause adverse effects. In everyday practice this theorem melts 13
14 into a kind of test. The RAV seemingly sends people to Packworks just to test 14
15 their willingness to work. Because the RAV officers know very well what kind of 15
16 repetitive unskilled work the facility has to offer, they use it as a deterrent against 16
17 moral hazard. Here is a short ethnographic sample: Mr Muller, a highly qualified 17
18 technician who was suspected of abusing the unemployment insurance, was sent 18
19 to apply at Packworks. Shortly before he came, the RAV officer called the head 19
20 of Packworks to inform him: ‘We cannot believe that Mr Muller is really looking 20
21 for a job. A man with his qualifications always finds a job. So we want to test 21
22 him. If he accepts a job in Packworks, then he’ll be fine. But if not, we have a 22
23 reason to discipline him.’ Mr Muller appeared on time and got the usual 15 minute 23
24 instruction on what the placement had to offer: boring manual labour and factory 24
25 discipline. After the introduction he was shown around on a short site visit. When 25
26 he came back and the employee asked him if he needed more information he only 26
27 replied: ‘Thank you, I know it all now. I’ve seen hell. A person with my skills 27
28 cannot work in a place like this.’ The employee did not agree and mentioned that 28
29 Packworks was a fair offer for every jobless person and that Mr Muller should be 29
30 aware of the possibility of disciplinary measures by the unemployment insurance 30
31 if he did not accept. Mr Muller did not say much and left the scene. He did not sign 31
32 the contract offered to him and never showed up again.
33
34 Conclusion
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36 Structurally the insurance principle implies an inalienable legal claim to specified 36
37 benefits based on the prior contributions of the insured person, independently of 37
38 individual financial need. In contrast, the means-tested system of social assistance, 38
39 designed for individual emergencies, is a unilateral benefit, which constitutes an 39
40 asymmetric relation of dependency between the donor (the state) and the recipient. 40
41 Welfare always has and still does carry a touch of charity and arbitrariness. 41
42 Historically the implementation of social insurance was meant to erase exactly 42
43 this degrading effect of welfare. The politics of activation, by coupling behaviour 43
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and benefits, gradually merges the spheres of poverty and unemployment and
tends to level the distinction between social assistance and insurance once again.
Yet, this fusion is inconsistent: on the one hand the status of the recipients of
unemployment benefits is undermined, by conditioning eligibility on behaviour.
On the other hand immaterial social support, which is an integral element within
public welfare, is ruled out of measurements within the framework of AVIG, and
hence within integration programmes. While welfare laws explicitly state that
support encompasses financial and social assistance regarding personal problems,
the AVIG is focused on clients’ work-related capacities only.

As we have shown, the practices of activating labour market policies are
afflicted with an unacknowledged double logic. Above all, any measure in the
context of unemployment must aim at bringing people back into the labour market
as quickly as possible. To this end integration programmes try to offer their clients a
‘realistic’ work experience, so that participation may serve as a surrogate reference
and evidence of a person’s ability and willingness to work. Furthermore, they offer
various forms of coaching regarding job search and the application process. In this
respect programmes follow the logic of the market and stress employability. On
the other hand, referring unemployed people to an integration programme implies
the recognition that they need some support, i.e. that in some way they do not fully
meet the demands of the labour market. Therefore programmes have to take these
‘deficits’ into account and adjust their design accordingly. Moreover, AVIG rules
forbid the programmes to compete with the for-profit economy. Thus, the ban
on market competition and the contradiction between the market and the support
logic lead to an unrealistic or, as in the case of Mercator, even to an outright
virtual working world with concomitant problems of meaning, motivation and
coopera
tion.
The very existence of special programmes for the integration of unemployed
people shows that there is at least an implicit recognition of the need for support
within the AVIG. Yet, because the AVIG is based on a reductionist concept of the
person – the disembodied worker, who is at the same time a homo oeconomicus
– the market logic dominates the logic of care. Care is reduced to assistance with
the job search. However, our findings demonstrate that being out of work may
not be the most important worry unemployed people have. Often they are faced
with additional problems (health, finances, family, etc.), which may be more
urgent for them and which may actually incapacitate them in finding and holding
a job. If, for ideological reasons, these problems are neglected, the politics of
activation merely aggravate the social vulnerability of the unemployed instead of
empowering them.

Even the market logic is not pursued in a consequential way. The explicit
goal of integration programmes is to enhance the clients’ employability. Many
participants indeed lack formal credentials, sometimes even the most basic
10 Even this form of support is limited and must not extend to actually placing
someone with an employer.
educational, occupational and social skills – especially the clients of Packworks and Kickstart. In spite of such obvious deficits, providing vocational training is subordinate to the preoccupation with marketing the self: ‘marketability’ seems to be more important than ‘employability’. Training people to sell themselves in the labour market may help some of them to overcome the first obstacle, namely to be considered at all in the selection process. It cannot make up for the lack of skills in a labour market that more and more is eradicating unskilled jobs. Moreover, stressing endless self-improvement implicitly induces the unemployed exposed to such programmes to perceive themselves as deficient. If they still cannot find a job, it must be their own fault: they simply have not worked hard enough at improving their employability. Insofar as employability is conflated with actually having a job, not having a job is equated with not being employable. In this way the strategy of activation individualizes structural economic causes of workforce demand and conceptualizes them as the problem of the unemployed person. Because structural causes of unemployment are hard to manipulate by the state, the individual unemployed man or woman becomes the target of labour market politics. If they then fail the goals of activation, they are held responsible and are stigmatized as unwilling or unable to live up to the demands of employers.

The politics of activation presents itself in the guise of a contract between two equal partners. Society supports its needy members by means of financial aid and integration measures. In return the recipients of this assistance are expected to reciprocate by making an effort to overcome their dependency on financial assistance. In the context of the AVIG this effort consists of an intense job search and of enhancing one’s employability in accordance with AVIG rules and RAV counsellors’ directives. Yet, the contract model has three major flaws. First, as Magnin (2005) notes, in the case of the unemployment insurance the state is not really the legitimate partner in this contract because, unlike welfare benefits, unemployment benefits do not stem from taxes, but from the insurance premiums of the social partners (employers and employees). Second, the contract is not based on negotiations between equals: the unemployed are neither free to enter or refuse the contract at all, nor can they set the goals according to their own needs. The objectives of integration measures are always preset, namely to find and accept a job, no matter how attractive or unattractive this job may be and irrespective of any other more pressing problems the person may have (Maeder and Nadai 2005). Finally, the contract is unequal insofar as the unemployed can be sanctioned for non-compliance, whereas the state cannot be held responsible if the insured person does not find a job.11 As mentioned before, sanctions are used frequently, and in comparison with fines for other minor infractions (e.g. parking fines), these financial sanctions seem out of all proportion (Duvanel 2002). In particular, the organizations such as Switch that run integration programmes as contractors of the unemployment insurance can lose their contract if their success rates do not match the targets set by the contracting body. However, they cannot be held responsible, if individual participants do not find a job.
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1 frequency and severity of sanctions exceed the means necessary to deal with the 1 problem of moral hazard. Comparative empirical research on activating policies 2 (especially on workfare programmes) in several countries draws the conclusion 3 that these policies are generally a failure (Opielka 2005, Handler 2003). Thus, 4 this policy can only be understood in a moral framework: it is used to discipline 5 the unemployed, who are seen as violating the norm of having to earn one’s living 6 by gainful employment. As ILO expert Guy Standing (cited in Opielka 2005: 39) 7 states, ‘workfare is the ultimate policy of labour control’. 8

9 If activation is supposed to be more than coercive social policy and a ‘silent 9 surrender of public responsibility’ (Gilbert 2002), these policies need major 10 adjustments. Most of all the concerns and the needs of the unemployed must be taken 11 into account. Instead of enforcing an abstract and highly ideological conception 12 of the autonomous person, organizations working within the AVIG framework 13 have to acknowledge a realistic perspective of their clients’ situation. Therefore, 14 regional employment centres and integration programmes must first, integrate the 15 logic of care and the logic of the market, i.e. integration measures must include the 16 treatment of possible personal and social problems, if need be. We do not advocate 17 a mechanical application of social work or therapeutic measures in all cases – this 18 would only add to stigmatization. Of course not every unemployed person needs 19 help, but as relevant research shows, (long-term) unemployment often leads to 20 problems. Second, the people subject to activation must have a say in defining the 21 goals, priorities and forms of integration measures. Active cooperation of clients 22 is the cornerstone of any successful help and this can only be obtained if they are 23 involved in the decisions concerning their lives. Finally, activation measures must 24 include investments in the human capital of the unemployed. It is not enough to 25 teach them how to apply for jobs, if they lack the necessary occupational skills. 26

27 To summarize our argument: in the context of current activation politics in 28 Switzerland the unemployed people, who need assistance, instead encounter idling 29 cycles, recipes for self marketing, disciplinary action, stigmatization and unequal 30 contracts. This way they have to take the burden of individual responsibility for 31 phenomena that usually transcend their capabilities. Put the other way around: 32 the costs of a very ambivalent handling of the unemployed are accumulated 33 individually. We therefore conclude that activating strategies lead to a displacement 34 of responsibility from the welfare state to the unemployed at the expense of those, 35 who – for whatever reasons – cannot persist in the endless trials of an idealized 36 labour market. This system favours work and self-responsibility over protection 37 by the state. We seriously doubt that under the conditions described in this paper 38 the basic function of integrating the unemployed into the labour market is achieved 39 in a sustainable way.
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