

The System of Basic Protection SGB II in Germany. Historical Background, Structure, Process, and Current Developments

1. Introductory Remark

The Korean Labour Institute (KLI) has asked the author to give some explanations on the background of the SGB-2-basic-protection scheme in Germany, its management system and its current state of development by the end of 2021. With the kind permission of KLI these remarks are made available to anyone interested in the topic.

2. Role of federal and regional government

When putting into force the Social Law 2 (basic protection for jobseekers) in 2005 one of the main intentions of the legislator has been to create some discretion in the way the law is implemented on the ground. So, at least in general, it is up to the local jobcenters to decide on service design, the methodologies applied and resources allocated, e. g. staff, budget for active measures etc. But nevertheless, there are converging practices in many respects, due to the "gravitation" of the logic of the subject of the service.

As you have stated correctly, there are two models of jobcenters in Germany -

- 1) jobcenters as a joint entity of the regional branch (Agentur für Arbeit) of the Federal Institute for Employment (Bundesanstalt für Arbeit) and the local authorities of cities and counties (JE)¹.
- 2) jobcenters as agencies of municipalities (on the level of cities and counties) (in the following: MJC).

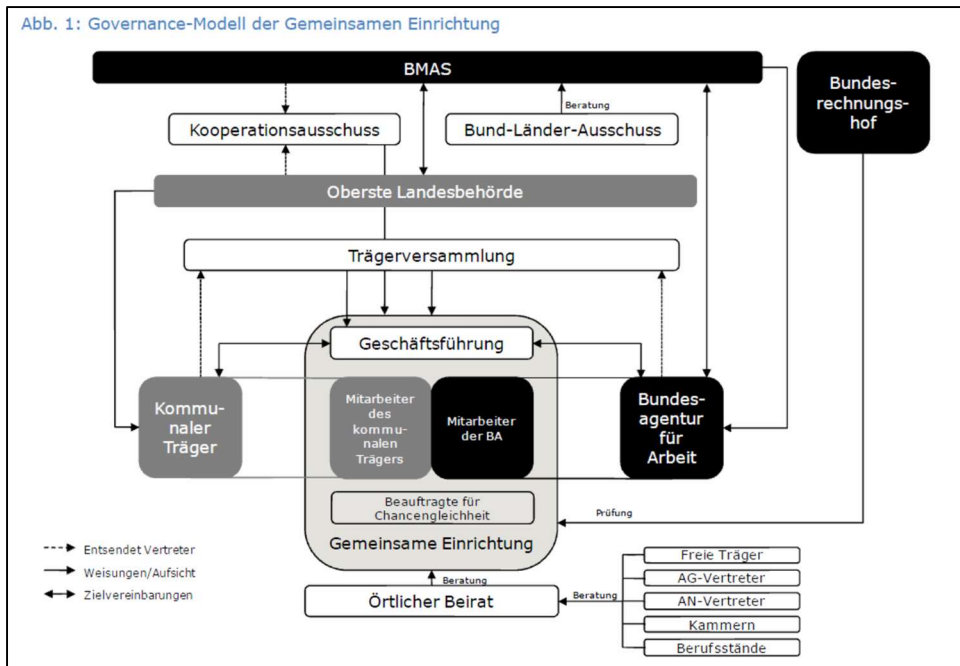
I have tried to explain that in my presentation in the workshop and the international conference in Seoul, December 2018. For your notice I attach my presentation and further on an article I have prepared for KLI in 2014.

In both cases the governance structure is complex.

The governance structure of JE looks like this:

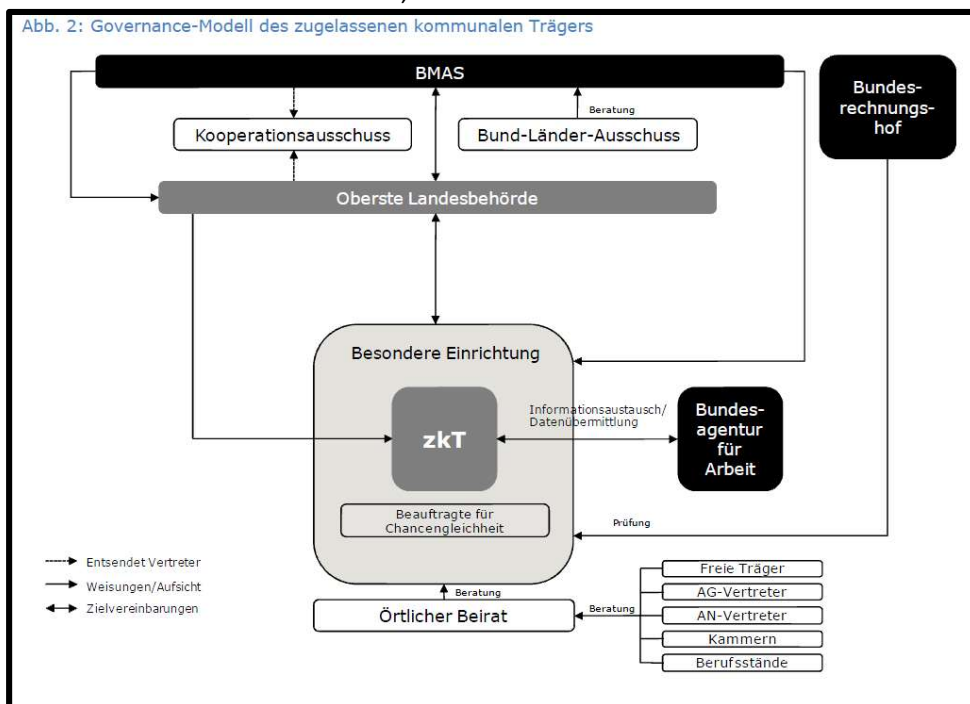
¹ Until 2010 this model has been termed ARGE (Arbeitsgemeinschaft = consortium); since 2011 the label is „gemeinsame Einrichtung“ (gE = joint entity or joint establishment).

Abb. 1: Governance-Modell der Gemeinsamen Einrichtung



Governance-structure of model 2, MJC:

Abb. 2: Governance-Modell des zugelassenen kommunalen Trägers



BMAS = Bundesministerium für Arbeit und Soziales, Federal Ministry for Labour

Oberste Landesbehörde = Ministries at the state (Länder-) level

Geschäftsführung = Jobcenter-Management, CEO

Trägerversammlung = Board of JE, representing the „Agentur für Arbeit“ (local branch of the federal institute) and the municipality.

Örtlicher Beirat = Local advisory board, including representatives of employers, unions, NGO's active in the field of social policy and the delivery of social services.

Kommunaler Träger = aggregate category for the role of municipalities in the process of enactment of the law

Bundesagentur für Arbeit = Federal Institute for Employment

As there is a shared responsibility for the jobcenters (JE) of the federal institute (BA) and the municipalities, both sides have, in principle, the right to intervene into the ways of delivery of the particular services for which they carry responsibility (see the overview in the presentation attached). The

BA e. g. can give directions on how to organize the employment services, the municipalities may prescribe the standards of the delivery of housing assistance or complementary social services like debt counselling, child care etc.

In practice it is by large the management which makes the decision on these issues. But anyway, it is accountable to the „Trägerversammlung“ and should be able to justify its decisions. As you know, there is a quite strict performance measurement. So, if the numbers are turning „sour“, the management has to face tough questions.

The same applies for MJC. Here the municipalities have more room for manoeuvre in exercising stricter control on the jobcenter. It depends on the local situation, how they make use of it. Me, as a CEO of a MJC, could act quite autonomous, because our performance was okay and I had the trust of the local government. But if I hadn't delivered, the mayor would have had all options to intervene into the process of management and give detailed instructions.

As you have already pointed out, the service process contains a variety of stages and elements, all of which are crucial for the ultimate success of the service.

For the JE the BA has established a system of guidelines, which cover nearly all topics, the services have to deal with. These guidelines are published on the intranet of BA (which is accessible for JE). Attached you find under the file-name „FW §-16“ an example of these guidelines. This one is about services and measures supporting placement and skills training.

Each guideline of the BA is subject to an approval by the BMAS, to avoid any interference with existing rules.

As you see on the chart above, for the MJC the ministries of the Länder are in charge of supervision. The Länder have the right to give binding legal interpretations and instruct the MJC to follow them. They have done so during the Corona-crisis. But, in normal times interventions from the side of the Länder are rare, since they stick to the principles of local self-government and decentralized decision making by the MJC.

The state of process-design among the MJC varies. There are only a very few minimum standards which have to be met by all jobcenters, e. g. the maximum time needed for a decision on benefits for a particular applicant. Within in MainArbeit, the jobcentre of the City of Offenbach, a MJC, we had implemented a very detailed framework of internal rules and quality standards from the beginning. Our jobcentre also has been and is subject to an external audit of the quality management every year. This is according the ISO 9001-standard, which you may know.

As part of this we sketched out „landscapes“ of key-processes, e. g. processes of assessing applications for benefits and their management, processes of placement and counselling services etc. You will find these process-landscapes attached. We can go into them in more detail, if needed. I could also provide a translation into English, if you are interested.

Further on we have enacted appr. 40 guidelines with detailed instructions for all key processes, also containing key information on the legal basis and instructions for using our IT with respect to issue, e. g. correct documentation, data-base-input etc. We also make use of the guidelines of the BA if applicable.

The models of cooperation between federal government, state-governments, local authorities, the federal institute for employment and the jobcenters has been successful so far, even if it seems to be quite complex. But this complexity is an expression of the complexity of inclusive integration- and employment services, and – not the least – it is a reference to the multi-level governance system of Germany and the complexity of its welfare state.

3. General employment service process from a recipient perspective and recent interests

General employment service process: see above. It has to be considered that one of the priorities of SGB II (laid down in §3) is the integration into paid work as fast as possible but also as sustainable and lasting as possible. Each case should be assessed individually with regard to the need of support and to the priorities of actions to be taken. For immigrants e. g. language training may be the first step, for lone mothers child-care may be first to be solved before starting with job-search and/or skills training. Each case may be different, but of course there are „types“ or classes of clients, which can be subsumed under certain categories.

These are:

„information clients“ – simply needing information on job openings, able to do job search by themselves, using the job-data-base of the jobcenter or other means, e. g. job-robots, accessible on the web.

„market clients“ – job-intermediation, assisted job-search

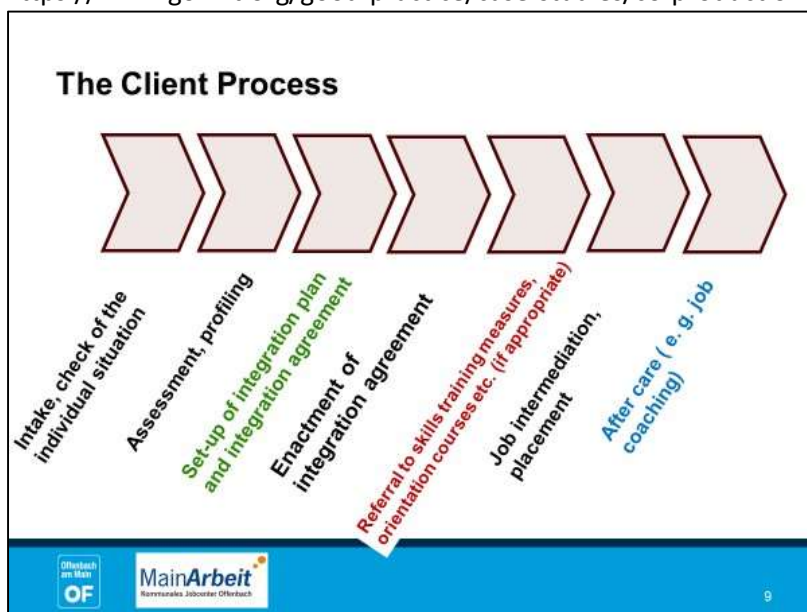
„clients in need of in-depth counselling“ – in need of a careful assessment of individual potentials and deficits, of re-orientation, of support in overcoming hurdles in the integration-process

„clients in need of in-depth support“ – clients multiple obstacles with regard to participation in the labour market, e. g. psycho-social problems, health problems, incapacities etc.; many of those clients are referred to a case-manager, who will coordinate and monitor the different actions to be taken.

Usually it takes one or more in-depth interviews until a case can be assigned to one of these categories. There should always be a certain flexibility in re-categorizing clients, if the initial diagnosis has to be revised due to new findings, changes in the individual situation or individual developments.

The main stages of the client-process are the following.

<https://www.govint.org/good-practice/case-studies/co-productionlabs-of-offenbach/>



Written guidelines: see above, there are detailed guidelines for each step of the process.

Specific service elements: digitalisation and remote counselling are the main issues currently. Basic tools have been implemented already. More ambitious approaches (chatbots, AI-based interactive applications) are still under development. But things move fast in this area.

The quality of counselling (staff skills, attitude, methodology) is still an important issue (I am organizing a national conference on this issue, which will take place 1-2 February, see www.sgb-ii.net).

Another emerging issue is co-production, i. e. an approach to get clients more actively involved in the design and planning of services. I have conducted a pilot-project on this (see <https://www.govint.org/good-practice/case-studies/co-productionlabs-of-offenbach/> , more can be provided if needed).

A more fundamental discussion ongoing is on the priorities of within the service process and the design of services. I am very much in favour of further developing the activation approach towards empowerment and capability-building (Amartya Sen has provided the theoretical framework for this). Further on, a major debate in Germany is about how to enhance skills training within SGB II, which is still lacking reach and scope. It is not about budget. We have to rethink the presuppositions of the support-strategy fundamentally (see e. g.

[https://www.researchgate.net/publication/347910198 Kann das SGB II zur Fachkräftesicherung beitragen](https://www.researchgate.net/publication/347910198_Kann_das_SGB_II_zur_Fachkräftesicherung_beitragen)).

4. Performance Management System for the ALGII program and jobcenter

General information

There is a well-established system for performance measurement within the system of SGB II and for the jobcenters as operative units of implementation. I have approached this topic in my presentation to the KEIS-conference December 2018 as well as in papers written for KLI in 2014, which I attach to my message.

There are levels of performance measurement to be distinguished according to the levels of governance:

1. The top governance level (Federal Government, Länder)
2. The intermediate level (local authorities)
3. The management of specific jobcenters

A system of key-performance indicators is agreed upon in the joint committees of federal Government and Länder ("Kooperationsausschuss", "Bund-Länder-Ausschuss", see the charts above).

These key indicators (currently: integration-rate (rate of persons placed in regular jobs), development of expenditures for "passive" allowances (as a proxy for the development of neediness), reduction of the number of long-term-receivers of SGB-II-benefits) are used to specify the performance agreements ("Zielvereinbarung", literally: agreement on objectives) are negotiated for every year between BMAS (federal government) and BA (for the part of JE-type) and Länder (for the part of MJC-type) as well as for agreement between BA and JE or between Länder and municipalities resp. MJC-type jobcenters. The Länder as well as the BA is free to amend own indicators. In Hessen for instance additional indicators are integration-rate of women, the rate of transition into fully accredited vocational training among youths (apprenticeships), and the sustainability of integrations (measured as the rate of clients continually in employment for at least 6 months after integration).

To reach the annual agreements on performance and results a classical 2-stream-process is established.

1. Beginning in October the jobcenter-management is starting to reflect on the objectives of the following year. It sends its suggestions (or "offer") to the next level (JE to the local branch of the BA, MJC to the state ministry). Usually these suggestions will be evaluated and revised during the

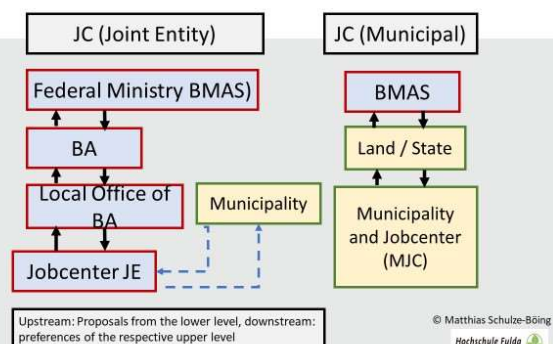
process. In case of the JE the municipality is loosely attached to the process, i. e. it can define own objectives and negotiate these with the jobcenter management. But this is only optional.

2. The regional offices of BA and the state ministries aggregate these suggestions on their respective level and start negotiations with the headquarter of BA or – in case of the Länder – directly with the federal ministry
3. There is a third step only for JE-strand with negotiations between the top-management of BA and the federal ministry.
4. The federal ministry sets objectives for BA and Länder
5. BA and Länder set objectives for the operational units (jobcenters) within their respective domain.
6. The jobcenter is setting its priorities according to these objectives.

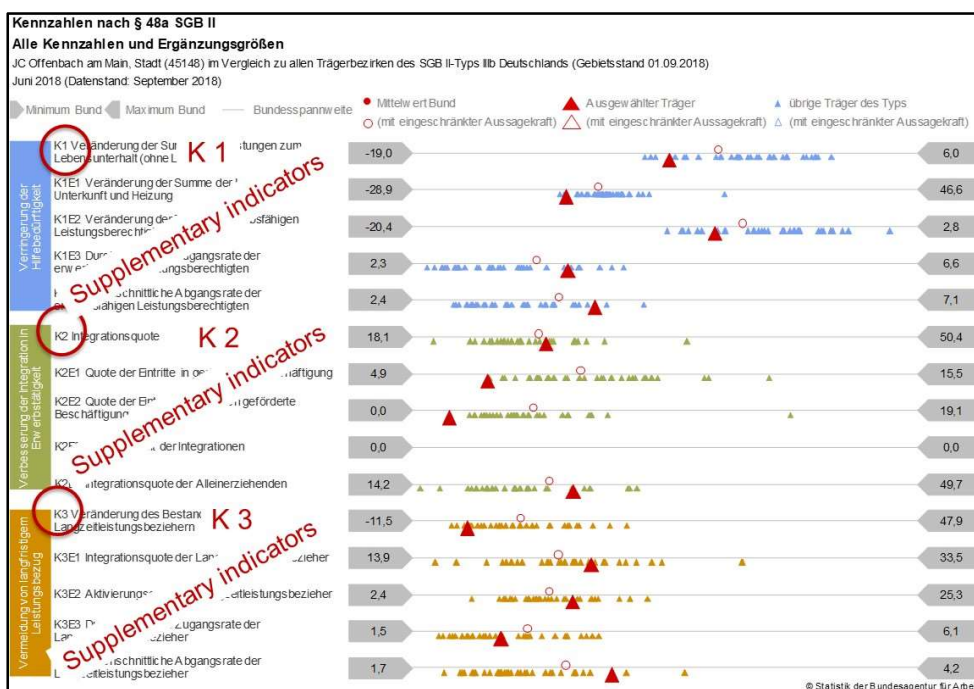
Performance Measurement

- Nationwide system
- Reference to clusters of regions / cities with similar economic and social conditions
- Three key indicators:
 - Change of „passive“ expenditures (indicator K1)
 - Integration-rates (indicator K2)
 - Change of number of long-term-receivers (K3)
- Supplementary indicators

Annual Agreement on Objectives and Results



The performance measurement serves also as a basis for a binding nationwide benchmarking. To allow for this the jobcenters are clustered according the regional conditions of economic development, social structure, demographics, employment, and the labour market. Currently there are 15 clusters, within each of which the related jobcenters are benchmarked against each other. Below you see a chart displaying the results for one month to a particular jobcenter, where the red triangle is indicating the own position on the scale of measurements (tending to the right or left should not be confused with “good” or “bad” performance; it depends on the indicator). The small circle is indicating the national average for each indicator.



Presentation of data

These data-analysis is provided each month. So the management of the jobcenters, the governing bodies not to forget the public, since the analysis tool is freely available on the internet, are quite well-informed about the state of affairs. As a consequence the SGB-II-system can be regarded as one of the most transparent and accountable systems of the delivery of public services not only in Germany but, to my knowledge, throughout Europe.

Additional to this general system of performance measurement you find internal systems of performance measurement (as part of controlling) within jobcenters. But there is no general rule with regard to the design and application of these systems. Never the less the JE-type of jobcenters employs a variety of indicators supplementary to the general system of indicators, for which data are fed in by the data warehouse of the BA. Subjects covered by these are e. g. contact-density, activation-rates for certain target groups but also financial indicators. For the MJC the internal systems applied vary and are subject to discretionary decisions by the local management (and eventually the local governance structure). I will present the system of MainArbeit, MJC for the City of Offenbach later, which is a bit more sophisticated than the usual internal controlling systems of JE-type jobcenters.

Service standards

As to service-standards, a number of minimum service standards has been established, e. g. time needed to decide on an application for benefits, time from application to first interview, contact density etc. These standards are also subject to the annual agreements between BA and jobcenters resp. between Länder and jobcenters.

Labour market statistics

Additional to this there is a great variety of statistics on the labour market, active and passive labour market policies and the basic protection system under SGB II available, which are provided by the statistical service of the BA (which acts as an independent agency not subordinated to directions from the top management of BA, see <https://statistik.arbeitsagentur.de/>). These statistics also can be sources of performance measurement on each level of control of the SGB-II-system.

Local systems of controlling and performance-measurement

The MainArbeit-jobcenter (MJC) has developed a complex system of internal measurements and controls which covers all operational areas of the organisation. A list of topics will be made available to you (version in German language). The data are entered into this by a Business-Intelligence-Tool, which has been modified user-specific and implemented in 2014. A feature of this system, having proofed extremely valuable, is the "Team-Portrait", which is displaying relevant data to each operational team every months and which also contains some elements of internal benchmarking (two examples attached, one for a job-counselling and job-placement-team the other for a team responsible for the administration of benefits).

Evaluation and labour market research

The system of SGB II has been implemented by the legislator as a law, having to be adapted and improved continuously ("Lernendes Gesetz"). As a consequence evaluation has always been of key importance. After the initial implementation a systematic evaluation had been conducted by a variety of research institutes with the main-purpose of gathering evidence for the comparison of the two models of jobcenter governance (see above). The result was, that both models can function well evenly. The crucial success-factor seemed to be not the model by itself but the quality of local management and local operations.

The national institute for labour-market research IAB (see www.iab.de) is conducting a lot of research on the topics of SGB II. To make longitudinal data available the IAB further on has set up a panel on labour market and social protection (Panel Arbeitsmarkt und soziale Sicherung (PASS), see <https://www.iab.de/124/section.aspx/Bereichsnummer/73>) which provides in-depth data on the development of the field and the outcomes of policies. A big number of the institute's publications are covering issues of SGB II (see <https://www.iab.de/en/publikationen.aspx>), many of them also available in English language.

Evaluation of measures of active labour market policies and service providers

The evaluation of “active” measures is a core area of reporting within the official labour market statistics. The data are accessible to everyone. Area-specific or target-group-specific data in more detail can be provided on demand by the offices for statistical services within the BA to everyone.

Most data are accessible on the webpages of BA. See

<https://statistik.arbeitsagentur.de/DE/Navigation/Statistiken/Fachstatistiken/Foerderung-und-berufliche-Rehabilitation/Ueberblick/Ueberblick-Nav.html> The tables provide input-data like number of entries, number of participants, instruments applied, costs etc., each of which in a breakdown to national, regional or local levels. Further on they provide data on outcomes. Two main-indicators for outcome are worth mentioning:

- The so-called remainder-rate (measuring the rate of participants not unemployed 6 month after leaving a measure, e. g. a training measure);
- The integration-rate (measuring the rate participants in standard employment 6 month after leaving a measure)

The first indicator is a weak success-indicator since leaving unemployment can have other causes than entering employment. The second indicator can be regarded as a strong proof of success. But it may be, that the goal of certain measures is not the integration into employment, e. g. orientation courses or activation measures like work-schemes for very disadvantaged clients. So, as always, a wise interpretation of data is crucial to make them an effective tool for management.

5. Special Population Groups that jobcenters care for

The approach taken by German jobcenters seem to be similar to that taken by policies in the Rep. of Korea. The aim to deliver services as tailor-made as possible, addressing the specific need of each group of clients.

As you have read above, for some of these target groups specific performance indicators are designed in order to draw the operational management to these groups and control for results of specific policies.

Some target groups are determined by the overall policy approach in Germany, e. g. long-term-receivers of benefits, lone parents, youths and elderly jobseekers 50plus. Some other target groups are approached by local discretionary policies, e. g. individuals or families with an immigration background in regions with high rate of immigrants and arrivals from abroad, clients with specific skills shortages or clients with specific obstacles to overcome like psychosocial problems, indebtedness or drug-abuse. Since 2016 due to the arrival of a wave of refugees, these are another important target groups (I have conducted a European pilot on accelerating the integration process, see attachment).

I will include some presentations in English language given at conferences dealing with target-group-specific approaches in my message.

As I have explained above, the SGB II is well prepared to deliver “holistic” services, because it is also including services complementary to employment services like child-care, psycho-social counselling, and debt-counselling. In the Land of Hessen I am now starting to conduct a state-wide network of projects developing some sort of family approaches, which try to look at families at supporting (or hindering) systems with regard to skills training and job-placement. This seems to be of particular importance, when it comes to immigrant families belonging to ethnic minorities like Sinti and Roma (gypsy-minorities) or families with diverse cultural backgrounds adhering to traditional role models etc. very recently MainArbeit-jobcenter has won a call of the European Commission to develop something similar in a transnational dimension. This will be done together with partner in Hungary, Slovakia and Slovenia. The evaluation will be carried out by the Budapest-institute. I will also be in charge to coordinate this venture. If you are interested, I can provide you with the application for the EU-funding, where you can read more about this approach.

At the KEIS-conference December 2018 I have also given a presentation in the local management of school-to-work (or school-to-vocational training)-transition, which I include in this message as well.

6. Multi-Stakeholder Governance, diverging interests, and containment of latent conflicts

The Hartz-reforms as a “game changer”

Given all evidence available the “Hartz-Reforms” and particularly the introduction of the basic protection and activation scheme (SGB II) can be regarded as successful. Unemployment in Germany has been reduced nearly by half from 2005 to the end of the second decade of the 21st century. The SGB-II-system has introduced a new cooperative way of working in employment services and the system also has proved successful in addressing those farthest from the labour market, e. g. lone mothers, long-term unemployed, the elderly etc. Not the least the system has contributed very much to strengthen the resilience of the German welfare state, which has faced serious challenges during the financial crisis 2008-2009, the refugee crisis 2015-2016 and lastly the Covid-19-pandemic. Further on, the introduction of the new scheme has opened up new perspectives for innovation and holistic policy approaches. The potential of this strategy is far from being fully exploited yet.

Looking back on the 17 years since its introduction the SGB II has stimulated a new style of policies, overcoming at least in parts the segregation of policy areas, silo mentalities and the lack of coordination and cooperation between central and local government. Another important effect of the system is, that it has taken heavy financial burdens from the municipalities most affected by structural change and economic decline.

To mention just a few social innovations, which have been stimulated by the SGB II-system and multi-stakeholder structure:

- New strategies to integrate the elderly into employment (“employment pacts 50 plus”)
- A new design of youth guarantee-policies (“Jugendberufsagenturen” – youth integration agencies as joint ventures /consortia of jobcenters, employment agencies, municipal departments for youth welfare, schools and others)
- The lone-parent strategy
- The integration strategy for intra-EU-immigrants and extra-EU-refugees

And most recently

- The creation of a “social employment sector” for those with very low or without any probability of being reintegrated into regular employment
- The integration of health, rehabilitation and employment services.

As to the multi-stakeholder approach, taking both, the federal institute for employment and the municipalities, on board, politics were driven by three main motivations:

1. The new system merged social assistance and unemployment benefits for the long-term unemployed; further on it has integrated assistance / basic protection, employment services and social work. Last not least the financial burdens have been shared by central government and local authorities. It was a natural consequence to integrate municipalities in the governance structures as well as in the operational implementation.
2. Integration of competencies of employment services on a nationwide level (job intermediation across regions and local territories) on the one hand and the expertise of municipal and local social services to deal with complex cases, the most vulnerable groups and the systemic interaction of community- and family-structures and individuals. The idea was a bit of “combining the best of two worlds”. The federal government was of the firm opinion, that the federal institute didn’t have the capacities and the competencies to deliver those integrated services

properly alone. A far-reaching partnership between the federal institute and local authorities was the logical choice in that situation.

3. A third motivation was to ensure that local authorities continue to have strong stakes in the fight against unemployment, which should not be left to central government alone. The potential of local and regional government to maintain and create jobs, secure social cohesion and link labour market issues with other policy fields like urban development, education, housing etc. was regarded as important for any national strategy. The local authorities should have financial stakes in the system in order to parallel the interests of central and local government in this respect.

To understand this strategy fully it is also necessary to reflect on the specific governance structure of Germany, which is a federalist state with a long tradition of decentral decision making and a strong emphasis on local self-government.

To get local authorities and local government actively involved I would recommend a multidimensional strategy:

- Raising awareness of the potential of the local level in fighting unemployment, securing social cohesion and making the labour market more efficient (this is also the focus of the “acting locally for employment”-approaches of the EU, OECD and – in some respect – World-Bank policy recommendations).
- Create “ownership” of local authorities in getting them involved not only in the implementation but also the design of policies.
- Give stakes and (financial) responsibility to local authorities in order to incentivise active participation.
- Build capacities for integrated services on the local level (management, staff-training, support of strategy development)
- Start strong partnerships between the local representatives of central state authorities and local authorities. Both sides have to move and change their mindset. The central authorities have to “go local”, the local authorities have to adapt to general service standards, cross-regional / national policy -coordination, and a unified methodology of performance measurement. Transparency and accountability sometimes are challenges for local government as well.
- Stimulate competition among municipalities via benchmarking, display of good practices and strict rules of accountability.
- Not to forget the “standard-tools” of motivation – celebrate success together, withstand the temptation to blame the other side in case of failure.
- Don’t see conflict as something pathological, but as a catalyst of moving forward (I am aware, that this may be very “European” statement)

Of course, each of these recommendations needs a thorough elaboration and discussion. I can give only some hints at this point. Anyway, it is a process of years. And there is always a risk of setbacks. Of course, there are always conflicting interests. But it is worth to take up the challenge, because cooperative governance is the best way to address the problems of more and more complex societies in a fast changing world.

Conflict resolution

As with peaking numbers of unemployment and poor performance of Germany’s employment and labour market policies in comparative data within the EU or OECD made the need of fundamental reform more and more visible in the years 1997-2001, the debate focused on the transition from “active” to “activating” policies but as well on repositioning of the responsibility for work integration policies. Inspired by a rediscovery of the potentials of the regional and local level in the aftermath of studies by Piore/Sabel 1986, the “Glocalisation”-paradigm and a mistrust in the capability of centralist policy approaches, a growing number of politicians were advocating a shift towards the local level. The US welfare reforms under President Bill Clinton and the enactment of the “Personal Responsibility and Work Opportunities Act” in 1996 and some similar approaches in UK, Australia and other western countries were seen at least in some respects as models for the German reform agenda. Especially the

implementation of the welfare reform in the US-state of Wisconsin (W2 – “Wisconsin Works”) was inspiring to some outstanding German politicians like Olaf Koch, then Prime Minister of the state of Hessen. In line with a number of experts (among these the author of this paper) he was very much in favour of handing over the responsibility for a new type of integrated services to the local authorities, as they were regarded as most suitable to deliver these services and most accountable for quality services compared with big, centralized, and technocratic organisations like the federal institute for employment (BA) with its staff of 100.000 and the mindset of a powerful monopolistic provider of services. At the turn of century the reputation of the BA had suffered from the “Statistik-Skandal” (scandal of manipulated statistics on job placements). Generally speaking the BA had the image of a bureaucratic behemoth, which will not be capable of fine tuning tailor-made services to a diverse and vulnerable clientele.

Opposed to that was the mainstream Social-Democratic approach of placing the responsibility of the services at the BA after a fundamental reform, which was supported by the unions and – of course – the BA itself.

As the German federalist system of governance always needs a certain consensus between the Länder-states and central government, the opposing views of the Länder of which the majority was in favour of shifting the responsibility to the local authorities (and the influential association of counties) and federal government was threatening to block any movement in the reform-process. A last-minute-consensus was found by the end 2003, making the joint-entity-model (gE, see above) the standard model for the delivery of services and at the same time allow for a limited number of municipalities to take the control fully with a clause for experimentation in the new law, being put into force 2005.

Many commentators regarded the gE-model as sort of “mission impossible”, because the mindset, the culture, the technology and many other features of the partners couldn’t be more different as between municipalities and the BA. But, to the surprise of many, the new model didn’t work so bad. There were high expectations of the public and there was a high pressure to deliver the assistance scheme and the related services in time, so there was not much room for internal debates and conflicts between the partners. Sceptical pragmatism was the attitude of most actors on the ground. The big “clash of cultures” between staff seconded from the municipalities and staff seconded from BA didn’t occur, although there was some diversity in capacities, work attitudes and experiences among the staff which needed careful management by the newly appointed directors of the jobcenters. The top management of BA got very clear signals from the government that obstructing the implementation of the new model (which they never really liked) would not be accepted. The federal ministry together with the ministries for social affairs at the Länder were quite busy to resolve conflicts among the partners (the regional branches of BA and its directors on the one side and mayors, county-directors etc. on the other) as early as possible. Another element of containing conflicts was to strengthen the position of the jobcenter-directors. The BMAS (the federal ministry of labour and social affairs) for instance was very sympathetic towards the foundation of a national network of jobcenter-directors, of which the author of this paper has been the chair for most of the time.

On the operational level it was a challenge to integrate the staff, seconded from both partners. The strategies taken were different. In the jobcenter of the City of Offenbach it was the formation of teams, mixing staff from both “tribes” from the first day on, which proofed to be very effective in creating team-spirit and a new organisational identity. Strong leadership and an emphasis on the identity of the new organisation and its distinct mission were helpful as well.

7. Appendix

Performance Management Jobcenters Germany - Matrix of Indicators and Measures					
	Performance-Indicators			Quality-Indicators	
Objectives	Reduction of Dependency	Integration into Employment	Prevention of Longterm-Dependency	Quality of Results	Quality of Process
Measure	Expenditures for benefits (livelihood)	Integration-Rate	Stock of longterm-receivers of benefits (>23 month's)	Index of Customer-Satisfaction	Variety of Measures
Complementary Measures	Expenditures for housing assistance	Rate of transitions into marginal part-time employment (<15 hrs. per week)	Integration-Rate of Longterm Receivers	Questionnaire with 45 Items covering measures for clients satisfaction with various aspects of services; 2 surveys conducted each year (CATI)	Duration of Procession an Application for Benefits
	Stock of clients (jobseekers)	Rate of Transition into job-creation schemes	Acitvation-Rate of Longterm-Receivers		Time from first contact to intitial interview (under 25)
	Inflow-rate of clients (jobseekers)	Continuous employment after integration (measure of sustainability)	Average inflow-rate of longterm-receivers		Time from first contact to intitial interview (25 plus)
	Outflow-rate of clients (jobseekers)	Integration-rate of lone-parents	Average outflow-rate of longterm-receivers		Frequeny of contacts to client
Additional Measures	Clients with working income	Stock of longterm-receivers (>4 years)			Rate of appeals and court-appeals against decisions
	Rate of completed certified training				Time for processing appeals
	Rate of youths not in apprenticeship				Rate of accepted appeals
	Average costs of training and support-schemes per participant				Management of cases after completion of training measures
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Calculation of the key indicators

All performance measures are standardized and having been agreed upon in the joint committee of federal government and Länder.

The calculation of the three key indicators is as follows:

Decrease of neediness (SPL): $SPL = (PL\ t_1 - PL\ t_0) / PL\ t_0 * 100$

where

PL is the total of approved benefits ("passive" benefits for livelihood) over 12 months

t₁ is the 12 months period of reference

t₀ is the 12 months period prior to that

Integration Rate (INT): $INT = \text{Int} / \text{eLb (av)} * 100$

where

Int is the number of clients placed in employment with compulsory social security or self employed on serious economic basis (which is only a small minority) over 12 months

eLb (av) is the average number of jobseekers over 12 months

Reducing long-term dependency (LZB):

$LZB = (\text{Lzb } t_1 - \text{Lzb } t_0) / \text{Lzb } t_0 * 100$

where

Lzb is the number long-term-receivers of benefits, measured as clients, which received benefits for at least 21 months within a period of 24 months

t_1 is the 12 months period of reference

t_0 is the 12 months period prior to that

The formal classification of clients

The formal classification of four groups of clients (focus on either information or counselling, assistance or individual support) has been implemented as a general scheme of classification, related with typical strategies of intervention and certain tools (e. g. digital self-information platform, face-to-face or virtual counselling, measures of active labour market policy, case management). But there is no binding rule to apply this classification in a standard form. It can be applied as a strict mode of control in the service process on the one hand and as a loose method of structuring a caseload on the other, leaving the choice of the appropriate instruments and procedures to the operational staff – and many variants in between.

Outreach programmes

There is a diversity of local projects and practices to outreach for certain target groups, not only the long-term unemployed, but lone mothers, youths, families with a immigrant background as well. One way of outreach is to collaborate with neighbourhood-centers, community organizers and the like. Sometimes clients will be visited at home, if they agree to this. But it has to be mentioned, that clients are obliged to show up in the jobcenter if invited for an interview or a counselling session. No-show can be sanctioned with a reduction of the monthly payments.

Guidelines of BA

As I have already stated, there is no handbook for the operation of jobcenters but a variety of guidelines addressing specific issues. I have already sent some of them. The content is most often very specific and to understand it, a very deep knowledge of the law, the rules for its enactment and not the least the technical procedures of the IT-systems applied is needed. I would estimate the total number of files with those guidelines at 500-700 with some 10000 pages or even more. If you could specify a bit more, which fields of work are of greatest interest, I can check and try to put together a selection.