

## **The risk management of ALG II**

### **A qualitative analysis of the progress of German social assistance for working-age persons towards Active Inclusion from the perspective of life-course policy**

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**Abstract:**

Against the background of increasing importance of social assistance for working-age persons in Germany (“*Arbeitslosengeld II*”, ALG II) (Hinrichs 2010; Bahle et al. 2011) this paper presents the current state of progress of ALG II towards “active inclusion” (AI). Using the theoretical assumptions of the life-course approach (Kohli 1985; Leisering 2003; Settersten 2005; Elder 2009) this paper furthermore argues to determine ALG II as active life-course policy that functions as ‘risk management’ aiming to stabilise individual life-courses of persons at risk of poverty. This is in particular useful because the concept of AI emphasise a ‘time and action’ orientation of social assistance. Thus, the specific national-level implementation of the concept of AI in Germany which proposes to design social assistance as a combination of sufficient income provision, active labour market policies (ALMP) and a broad access to quality services reflects a certain type of ‘risk management’. By assessing the progress towards AI this paper shows how ALG II as ‘risk management’ targets the life-courses of individual beneficiaries in order to produce integration (biographical continuity) in terms of permanent independence from benefit receipt. Moreover, the role of the individual beneficiary who is requested to cooperate is taken into account by looking at the normative modeling of ALG II (conditionality; “threat of status loss”).

On the basis of document analysis and the analysis of 15 expert interviews with relevant policy makers involved in the national governance and provision of ALG II the paper investigates the extent and the ways ALG II is designed according to the principles of active

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inclusion. It will describe to which extent minimum income provision, ALMP and social services are integrated and how the collaboration of different administrative levels and public and private actors is organised.

Although the transfer-based ALG II focused in the last years on the activation of its beneficiaries, the link to quality services locally provided by public-private actors is weak, especially due to frictions between different administrative levels and domains. Furthermore, the emphasis of ALMP on work-first type labour market integration as well as “creaming and parking” effects lead to a two-fold situation: on the one hand, persons with multiple barriers to employment who form a solid base of long-term beneficiaries; on the other hand, a high turnover of persons closest to the labour market getting into instable employments and then back into ALG II receipt. All in all, ALG II set focus on the “demanding” element while neglecting the “enabling” element. Therefore, ALG II as risk management is weak regarding integration and continuity of life-courses of individual beneficiaries, but it provides a strong normative modeling that addresses the biographical self-interpretation and the development of coping strategies of the beneficiary. Overall, this paper contributes to the on-going discussion on social assistance and its impact on combating poverty by analysing social assistance as life-course policy.

### **Literature:**

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