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Abstract

Since the rise of the activation paradigm in the 1990s, the duty to work without a wage has become widespread in European social assistance legislation. This paper investigates in a precise way the extent to which the duty to work without a wage follows the legal logic of a contractual relationship and how this duty is related to the fundamental right to an adequate standard of living. A comparison between German, Dutch and British social assistance legislation shows that the duty to work without a wage increasingly takes the form of a reciprocity requirement. That is, instead of re-integrating into regular paid work, recipients of social assistance are required to show that they are worthy of attaining basic social rights, not only by improving their capability to work but, above all, by showing a willingness to work. It concludes that the duty to work without a wage enhances governmental control over recipients of social assistance rather than improving their employability and notes that, in this respect, the Dutch social assistance regime seems to be stricter than the German and British ones.

Keywords: Social assistance; workfare; legal comparison; activation policies; social rights
1. Introduction

Since the 1990s an increasing number of European welfare states can be characterized by the activation paradigm. Comparative social policy studies have shown that this new paradigm of social policy has induced a shift from a solidaristic (and passive) welfare state towards an active and enabling welfare state whose main goal is the re-integration of welfare recipients into paid employment (Van Berkel et al., 2011; Betzelt and Bothfeld, 2011; Serrano Pascual and Magnusson, 2007; Stendahl et al., 2008). Some have applauded the rise of this new paradigm, as it aims to improve the employability of welfare claimants, while still guaranteeing a minimum level of protection (Hemerijck, 2013). However, others have asserted that we are seeing a process of convergence to a workfare approach (Handler, 2003, 2009; Jessop, 2002) which, amongst other things, changes the role of the state from a guarantor of social rights to the regulator of individual’s rights (Betzelt and Bothfeld, 2011; Serrano Pascual and Magnusson, 2007). Legal scholars have pointed in particular at the changed contractual relationship between the welfare claimant and the governmental agency. Whether these contracts are called a ‘re-integration agreement’ or a ‘claimant commitment’, they first and foremost entail that the right to safety net benefits is conditional on the behaviour of the recipient of social assistance (Eichenhofer, 2013). However, according to some legal scholars, the image of the contract does not match reality. Then, whereas theoretically, the contract is founded on the idea of the rational self-determining agent who voluntarily enters the contract on equal terms with the other party, the ‘re-integration agreement’ and the ‘claimant commitment are based on asymmetric power relations (Freedland and King, 2003).

The central aim of this paper is to determine how the duty to work without a wage in social assistance legislation formally restructures (basic) social rights in the contractual relationship between recipients of social assistance and governmental agencies in three European welfare states: Germany, the Netherlands and the UK. Usually analyses of activation policies are pursued from a socio-economic perspective, answering questions about the (side) effects of a certain rule or policies. In this approach questions belonging to a more legal perspective, like legitimisation, legal logic and fundamental rights have been neglected. Departing from a legal perspective this paper investigates in a precise way to what extent the duty to work without a wage follows the
legal logic of a contractual relationship and how this duty is related to the fundamental right on an adequate standard of living or social assistance as it has been laid down in inter alia art. 11 ICESR, art. 13 ESC and Art. 34 (3) of the Charter of the Fundamental Rights of the EU. As such, this analysis will also shed light on the aforementioned views on the activation paradigm: the approach that stresses the impact of social investments on the employability of recipients of social assistance versus the approach that stresses the emergence of the controlling state. The analysis will further be helpful for the formulation of some issues for a future rights based research agenda.

This paper is organized in the following way. In section 2 by briefly examining different kinds of activation policies in Europe I justify the choice for Germany, the Netherlands and the UK. Sections 3 and 4 present the results of the legal comparative study. Section 5 analyses the results of this study. Finally, section 6 presents a social-legal research agenda on the duty to work without a wage for the future.

2. Comparing social assistance activation policies in Europe

Comparisons between national social policies of European welfare states are commonly based on Esping-Anderson’s three worlds of welfare capitalism (1990), which describes three different types of welfare state. First, a liberal regime that is based on utilitarian market principles. Entitlements to social benefits are targeted, needs-based and means-tested and the replacement rates are low. Second, a social democratic or universalistic regime that is citizenship-based and where entitlements to social benefits are universal and replacement rates are generous. Third, the Bismarckian or conservative regime, which is based on an employment-related social insurance and usually premised on the conventional male-breadwinner family.

Some scholars have argued that Esping-Anderson’s classification is not suitable for the analysis of activation policies, because the regime types do not reflect the diversity of activation policies that have been adopted by member states (Lødemel and Trickey, 2001, Van Berkel, 2011). Nevertheless, as it comes to the implementation of activation policies, researchers tend to distinguish between two main types, which mirror Esping-Anderson’s first two types of welfare regimes: on the one hand a universalistic type (representing the Scandinavian countries), which combine high benefits, universal welfare provisions and active policy instruments, and on the other hand, a liberal type, representing countries such as the UK and Ireland. In these latter
countries benefits are much lower and social assistance as a last resort is relatively important. The liberal type shares its emphasis on activation measures with the universalistic type. However, whereas the universalistic type emphasizes incentives and social investments – also called the ‘carrot approach’ – the liberal type instead predominantly deploys strict sanctions to ‘activate’ welfare dependants – ‘the stick approach’ (Larsen, 2005; Barbier and Knut, 2010).

This dichotomy is not unproblematic. First, even universalistic type countries, renowned for their human capital investment policies, increasingly base their activation policies on the stick approach. As a matter of fact, the duty to work without a wage often possesses both stick and carrot elements. That is, on the one hand, this duty aims at human capital investments, preparing people to enter the regular labour market. On the other hand, the duty to work without a wage is implemented to prevent people from applying for social benefits, or to create an incentive for welfare beneficiaries to find a regular job as soon as possible (Van Berkel, 2006). A second reason why the dichotomist classification is problematic is that it fails to categorize countries belonging to Esping-Andersen’s Bismarckian or conservative regime, such as Germany, Belgium and France. According to Barbier and Knut (2010), it remains to be seen if these countries will develop into a third ideal-type.

Regarding the shortcomings of this Esping-Andersen based classification system for a comparative analysis of activation measures in social assistance legislation, I propose to use the classification of Cantillon and Van Mechelen (2011). These authors have divided the social assistance legislation of 27 EU countries into four groups with respect to the degree to which active labour market policies are pursued (Cantillon and Van Mechelen, 2011):³

1. countries, such as Estonia and Lithuania, where national social assistance regulations are neither activated nor sanctioned;
2. countries, such as the UK and Romania, where social assistance policies combine strong financial incentives with strict sanctions;

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² With respect to Denmark see Jorgenson (2009).
³ Only Croatia, which became part of the EU in 2013, is not included in this study.
(3) countries, such as the Netherlands and Denmark, which have integrated large numbers of recipients of social assistance into activation programmes and which tend to impose a relatively high number of sanctions;

(4) countries, such as Belgium, Austria and Germany, where the numbers of recipients of social assistance targeted are substantially lower than in the Netherlands or Denmark, despite this fourth group’s use of activation measures.

The countries selected for this study represent the second, third and fourth groups (i.e. the UK, the Netherlands and Germany).4

There are also other reasons which justify the selection of these countries. For example, all selected countries intensified their activation policies between the late 1990s and 2005. As a result of these reforms these countries have either introduced or extended the possibility to work without a wage in social assistance legislation, such as the new deal in the UK (1998), the Hartz reforms in Germany (2003-2005) and the Work and Welfare Act (‘WWB’) in the Netherlands (2004). Yet as will be shown there is some variation with respect to the implementation of the duty to work without a wage.

3. A legal comparison of the duty to work without a wage, as imposed on recipients of social assistance in Germany, the Netherlands and the UK

Social assistance legislation comes under different names. Following Bieback (2009), I define social assistance legislation as those provisions that regulate need-related (cash) benefits. In all investigated countries the recipient of social assistance who is obliged to work without a wage engages in some kind of contractual relations with a governmental agency. There is some variation in the way the relationship between the recipient of social assistance and the governmental agency is structured. The Netherlands has the highest degree of decentralization, which means that rules on reintegration, sanctions, etc. have been delegated to the municipal

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4 Note that regarding the selected countries, the classification of Cantillon and van Mechelen does not necessarily differ much from Esping Anderson’s classification. Studies updating Esping Anderson’s classification in order to take account of activation polices also categorize these countries into separate welfare regimes (Powell and Barrientos, 2004; Sapir, 2006). These studies classify Germany as a corporatist regime, the Netherlands as a universalistic regime, and the UK as a liberal regime.
level where local officials enjoy some degree of discretion on reintegration measures and sanctions (Eleveld and Van Vliet, 2013). In Germany and the UK, social assistance and activation programmes are much more centralized. German social assistance schemes are usually operated jointly by the Federal Employment Agency and the municipalities, and, as in the Netherlands, officials enjoy some degree of discretion (Becker and Von Hardenberg 2010). The UK allows the lowest degree of administrative discretion. Even judges have little scope to develop law, given the very prescriptive nature of much of the social legislation (Harris 2010). The Department for Work and Pensions (‘DWP’) is responsible for activating recipients of social assistance, with implementation by the Jobcentre Plus and via external contracted provision.

In this section I discuss different legal aspects of the obligation to work without a wage in social assistance legislation in Germany, the Netherlands and the UK: first, the legal basis of the duty to work without a wage in national social assistance legislations, including its contract form (3.1); second, the personal scope of application (3.2); third, the maximum length of the duty to work without a wage (3.3); and fourth, the shift from re-integration to civic obligation (3.4). The next section (4) is entirely dedicated to a central aspect of the contractual relationship between the recipient of social assistance and the governmental agency, namely the sanctions for non-compliance with the duty to work without a wage.

3.1. The legal basis of the obligation to work without a wage

The Netherlands currently has the most straightforward social assistance scheme, which operates under the Work and Welfare Act (‘WWB’). Alongside this scheme there is a special statutory scheme (‘WAJONG’) that provides social assistance to young people with a disability, which I do not address in any further detail in this paper. From 1 January 2015 these schemes will be integrated into a single, comprehensive scheme (the ‘Participation Act’). The obligation to work without pay is firstly regulated under Article 9(1b) of the WBB, which obliges beneficiaries to participate in an employment programme if this is offered to them as part of their reintegration plan. Under Article 10a of the WWB, a municipality can also oblige certain beneficiaries to perform work activities in ‘participation placements’. Lastly, Article 9(1c) of the WWB stipulates that beneficiaries can be obliged to perform non-remunerated activities that serve the community.
Germany has two separate social assistance schemes: Social Code II (‘SGB II’) and Social Code XII (‘SGB XII’). These reflect the earlier distinctions between the non-deserving poor (i.e. those able to work) and the deserving poor (i.e. those unable to work) (Eichenhofer, 2008). In this paper I focus on SGB II, which applies to employable people and their partners. Article 16d(1) of the SGB II stipulates that claimants can be obliged to participate in Arbeitsgelegenheiten in der Mehraufwandsvariante’ (i.e. work opportunities). These work opportunities entail what are referred to as ‘one euro jobs’, which means that claimants work for between 1 and 2 euros an hour.

The UK has various different social assistance schemes, including the Jobseeker’s Allowance (‘JSA’), the Employment and Support Allowance (‘ESA’), Income Support (‘IS’), Housing Benefits (‘HB’) and Universal Credit (‘UC’). In this paper I refer only to UC as this scheme is due to replace the other income-based benefits by 2017. The UC scheme is regulated in the Welfare Reform Act 2012 (‘WRA 2012’) and the UC regulations 2013. Welfare claimants can be obliged to participate in ‘work preparation programmes’ under Article 16(3d) WRA 2012, while also being subject to some specific regulations under the Mandatory Work Activity programme.

All legislatures regulate some form of contractual structure in which social assistance recipients have to agree to perform labour activities. These reintegration agreements (Germany), reintegration plans (the Netherlands) and claimant commitments (the UK) generally record the requirements placed upon a claimant in return for payment of the claimant’s allowances. They usually also stipulate what happens if the claimant does not comply with these requirements. It should be noted that Germany and the UK formulate the requirement to sign an agreement more imperatively than the Netherlands, where the WWB states that a claimant can be required to sign a reintegration plan. In the UK the right to receive benefit is conditional upon the claimant’s signing of a commitment, while the German SGB II obliges the Job Centre to enter into a reintegration agreement with the claimant.

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5 Note that contribution-based JSA and ESA will exist alongside UC from 2017.
6 However, claimants under 27 must sign a reintegration plan.
7 Art. 14(1) WRA 2012. A claimant who refuses to accept the commitment will not be entitled to UC. However, according to the Explanatory Memorandum for the Social Security Advocacy Committee (12 June 2012), claimants
3.2 Personal scope

The spread of the activation paradigm across Europe has involved the targeting of new groups, such as disabled people and lone parents, as “the undeserving poor” (Harris and Wikeley, 2007; Stendahl, 2008). This tendency is also evident in the social assistance legislation and practices in Germany, the Netherlands and the UK. For example, at the start of the financial crisis, the four largest cities in the Netherlands imposed the duty to work without a wage on recipients of social assistance who were previously classified as not being able to re-integrate in regular paid work within a period of five years (Divosa, 2008; Divosa, 2009). Still, there is some variation between the investigated countries with respect to the personal scope of the duty to work without a wage.

In principle, all social assistance claimants in the investigated countries aged 18 or older are required to work.\(^9\) The German law adds an extra condition in that the person eligible for the worker status must be employable; in other words, the social assistance recipient must not be unable to work within a foreseeable period. In addition, the claimant must be able to be employed for at least three hours a day. The various national legislations also allow some exemptions from the obligation to perform labour activities without a wage. The most important of these exemptions applies to people whose capability to work is limited for physical, psychological or mental reasons.\(^{10}\) Under the new Participation Act, however, only welfare beneficiaries who are fully and permanently incapacitated will be exempted from the obligation to work without a wage. This is much stricter than the criteria currently applied and the criteria applied in Germany and the UK.\(^{11}\)

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8 Art. 15 SGB II. Note that, under this Article, if there is no ‘Eingliederungsvereinbarung’ (i.e. reintegration agreement), the job centre should issue a ‘Verwaltungsakt’ (i.e. administrative decision). According to the Federal Social Court, the reintegration agreement or administrative decision should provide clear information on the work the claimant has to perform, the location where the work is to take place, the time and date when the activities will start, the duration in terms of the number and distribution of weekly hours and the amount of the compensation. (BSG 16 December 2008 B 4 AS 60/07 R.).

9 Art. 9(1) WWB; Art. 7 SGB II; Art. 9 UC Regulations. Note that, under the UC Regulations, 16 and 17-year-old claimants can also get UC if they are not in education.

10 For details of the German regulation, see Art. 10(1) SGB II. For details of the British regulation, see Art. 9 UC Regulations 2013. Under current Dutch Art. 9(2) WWB the municipality may exempt social assistance beneficiaries from the duty to work without a wage if there are urgent reasons. Claimants with a limited capability to work often invoke Art. 9(2) WWB. In 2013 30 per cent of the social assistance beneficiaries were exempted from the duty to work under the WWB.

11 See art. 9 (5) Participation Act.
Recipients of social assistance performing care duties are exempted from the worker status to some degree in each country’s legislation. There is some variation with respect to the exemption of persons caring for young children. In the UK, UC claimants who are responsible for a child under the age of five cannot be obliged to work without a wage.\footnote{Arts. 19 and 20 WRA 2012 and Arts. 89 and 91 UC Regulations 2013.} In Germany, parents responsible for a child under three are entirely exempted from the worker status.\footnote{The term ‘responsible parent’ refers both to a lone parent and to the person in a couple who has been nominated by the couple as being responsible for the child. For the definition of ‘responsible parent’ in British law, see Art. 19(6) WRA.} Under the Dutch WWB it is, to a certain extent, at the discretion of the municipality if lone parents are temporarily exempted from their participation in re-integration activities such as the duty to work without a wage.\footnote{Art. 9(2) WWB. The legislator has narrowed this leeway for municipalities by words like ‘only under strict conditions’ and ‘insofar the limitations cannot be solved by childcare services’.} This implies that lone parents with new-borns can be obliged, in theory, to perform this duty. On the basis of the Participation Act lone parents with young children will – at the discretion of the municipality - only be exempted from the duty to perform a civic job (see section 3.5).\footnote{See art. 9(2) and article 9(7) Participation Act.} They cannot be exempted from their participation in re-integration activities. Yet, compared to Germany and the UK more caregivers of young children are obliged to work without a wage.

There is also a difference between on the one hand Germany and the UK and the Netherlands on the other hand as it comes to obligation to work without a wage of other caregivers. Then, in contrast to the Dutch WWB, the German and British regulations exempt recipients of social assistance who are responsible for caring for other dependants from the obligation to work without a wage.\footnote{Art. 10(1) point 4 SGB II, Art. 19(2b) WRA and Art. 89(1c) UC Regulations.} The British legislation also explicitly (temporarily) exempts other groups from this obligation, such as pregnant claimants, adopters, foster parents and students.\footnote{Art. 89 UC Regulations.} Claimants who have a minimum-wage job for at least 16 hours a week, and whose earnings are not sufficient to meet their day-to-day costs of living, are also exempted from the obligation to work without a wage. In the Netherlands, by contrast, it is not unusual for recipients of social assistance to have to work without a wage in addition to holding a regular job (FNV 2012).

### 3.3 The length

\footnote{Arts. 19 and 20 WRA 2012 and Arts. 89 and 91 UC Regulations 2013.}
In Germany the obligation to accept ‘one euro jobs’ may be imposed on recipients of social assistance for a maximum of two years within a five-year period.\footnote{Art. 16(d)(6) SGB II.} This limitation in time was introduced by an amendment that was implemented on 1 April 2012 in order to prevent long-term participation in ‘one euro jobs’ and to emphasize the priority of regular jobs.\footnote{Drucksache 17/6277, p. 116.} The maximum of two years is substantially longer than the maximum of three months during which claimants could be required to participate in work programmes before the introduction of Hartz IV in 2005. Although the German legislation does not stipulate the number of hours that a claimant can be required to work in a ‘one euro job’, a maximum of 30 hours a week seems to be common (Hohmeyer and Jozwiak, 2008; Jäger and Thomé, 2013) and has also been allowed by the courts.\footnote{BSG 16 December 2008 B 4 AS 60/07 R.}

In the Netherlands it is up to the municipalities to decide what kind of employment programmes to offer. Initially it was only possible to oblige social assistance claimants to work under Article 9(1b) \textit{WWB} which imposed a general obligation on social assistance claimants to cooperate with a reintegration programme. Usually these placements did not last for longer than six months and sought to achieve quick reintegration into regular employment. The fear that longer work project placements might confer employment rights on welfare beneficiaries prompted the government in 2008 to introduce Article 10a \textit{WWB}. This allows municipalities to oblige recipients of social assistance to work without a wage in ‘participation placements’ for up to four years. Participation placements are designed for recipients of social assistance whose chances of finding a regular job are relatively low and who need more time to prepare themselves for the labour market.\footnote{Parliamentary Papers 30 650 No. 3.} Recipients of social assistance who fail to find a regular job after a six-month placement under Article 9(1b) can be required to work in a participation placement for a further four years.\footnote{Art. 10a(3) \textit{WWB}.} As a result, recipients of social assistance can be obliged to work without a wage for four and a half year. In practice, claimants are commonly required to work without a wage for between 16 and 36 hours a week (FNV, 2013; Kok and Houkes, 2011).

The best-known ‘work preparation programmes’ in the UK are the Work Programme and the Mandatory Work Activity scheme. The Work Programme started in April 2011 and is designed...
to assist claimants at risk of becoming long-term unemployed. Under the programme, private providers help claimants to get back into work by providing job search support, skills training and work placements designed to benefit the community.\(^{23}\) Claimants aged 25 or older can be obliged to enter a Work Programme after being unemployed for twelve months. The Work Programme is for a maximum of two years.

The other new programme, the Mandatory Work Activity scheme, was also introduced in 2011. This scheme provides four weeks of work (or work-related activity) for up to 30 hours a week and is “aimed at those who require extra support to help them re-focus their approach to job search and gain work-related disciplines”, such as “attending on time and every day, following instructions, working in teams” and so on.\(^ {24}\)

The new scheme, the Community Work Placements Programme, is targeted at claimants who have been unemployed for three years. It is no coincidence that this scheme has started on 28 April 2014, two years after the launch of the Work Programme, which has a maximum length of two years. The Community Work Placements Programme is designed for claimants whose key barriers to work are their lack of work experience, lack of motivation or both. Public, private and volunteer organizations will place claimants in work for 30 hours a week for up to 26 weeks (DWP 2013). Hence, in the UK the recipient of social assistance can be obliged to work without a wage for a period up to two years and 30 weeks, which is substantially longer than the six months of wage subsidy provided under Tony Blair’s New Deal programme of 1998.\(^ {25}\)

In fact, all investigated countries have extended the length of the duty to work without a wage fairly recent. The question can be raised whether this extension has improved the chances of finding a stable regular job? Scant research does not provide evidence of the re-integration into paid employment because of a long-term obligation to work without a wage (Crisp and Fletcher, 2008).\(^ {26}\) The duty to work without a wage only seems to have a positive effect on the re-

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\(^{23}\) Jobseeker’s Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013/276, Art. 3(8).

\(^{24}\) Explanatory Memorandum to the Jobseeker’s Allowance (Mandatory Work Activity Scheme) Regulations 2011, points 2 and 7.3. See also Art. 2(1) of the Jobseeker’s Allowance (Mandatory Work Activity Scheme) Regulations 2011 (2011/688).

\(^{25}\) Claimants who are seriously disadvantaged in the labour market, including those who have recently received incapacity benefit, may be required to enter the Work Programme after three months of unemployment (Work Programme Provider Guidance, Chapter 2, Annex A, updated 26 November 2012).

\(^{26}\) Research in the Netherlands has shown that the regional labour market is more effective for re-integration into regular paid employment than municipal re-integration policies (Edzes, 2010).
integration of men into regular employment at the very start of the programme (the ‘stick effect’), and between weeks 10 and 25 of unemployment (Graversen and Van Ours, 2008, Pedersen et al, 2012). There also seems to be a group of welfare beneficiaries that constantly moves between poorly paid jobs and a welfare situation (Bruttel and Sol, 2006; Eichorst and Konle-Seidl, 2008). In Dutch policy language persons belonging to this group are called ‘flex beneficiaries’ (Divosa monitor, 2008 and 2009). In Section 5 I will further reflect on this issue.

### 3.4 Reciprocity

In 2012 the Dutch government introduced the ‘civil community job’ in social assistance legislation. According to the government, the civil job entails a ‘civic obligation in return for the solidarity people receive from the community’. As the government contended, the principle of reciprocity is more appropriate in a more participative society in which everyone contributes according to his or her ability and where citizens take responsibility not only for their own lives, but also for the society in which they live. Hence, the primary goal of civil community jobs is not to reintegrate claimants into regular jobs, but instead to get them to do something in return for their allowances. According to the Participation Act all municipalities will be obliged to develop municipal policy on civil community jobs. The Participation Act imposes a few conditions on the obligation to perform civil community jobs: (1) the performance of civil community jobs should not impede the re-integration of the recipient of social assistance in regular jobs; (2) the length of these activities should be limited; (3) the municipalities are required to take individual circumstances into account in case they impose the obligation to perform civil community jobs. That is, the recipient of social assistance should be physically, psychologically and mentally capable of performing this job. The municipality does not, however, need to take account of recipients of social assistance’ previous work experience.

Despite the fact that the German and British have not implemented the civic obligation into their social assistance legislation, legal and political changes indicate that also in these countries, the duty to perform work without a wage does not exclusively serve the goal of re-integration in a

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27 Art. 9(1c) WWB.
29 Parliamentary Papers, 2013-14, 33801, No. 3.
30 Art. 7 (3) Participation Act.
31 The Court of Breda has ruled that a 32-hour working week is too long for such jobs (Court of Breda, 25 February 2013, LJN BZ 5171).
regular job anymore. For example, whereas the aim of the German ‘one euro jobs’ is to increase employability and opportunities to participate in the regular labour market,\textsuperscript{32} a recent amendment revoked a clause that required ‘one euro jobs’ to contribute to improving claimants’ professional knowledge and skills.\textsuperscript{33} We also find evidence for a turn to a civic obligation in the parliamentary history. In 2008, for example, the German government argued, in response to questions from the left-wing opposition, that the goal of ‘one euro jobs’ was not only to reintegrate the unemployed into regular jobs, but that performing ‘one euro jobs’ also served as an act of reciprocity by welfare beneficiaries towards the community.\textsuperscript{34} In addition, in 2011 the German Parliament started a petition requiring employable welfare recipients to perform public labour activities in return for their allowances, while imposing sanctions on those refusing to participate or failing to turn up on time.\textsuperscript{35} At the same time the responsible Minister, Von der Leyen (CDU), stated that the unemployed should be expected to do something in return for their monthly allowance funded by taxpayers.\textsuperscript{36}

We find a comparable trend in the UK. The Mandatory Work Activity Provider Guidance, for example, states that “A community benefit placement must be of benefit to the community over and above the benefit of providing a placement to the individual”.\textsuperscript{37} In addition, according to the government’s guidance on Mandatory Work Activity, “There is no work experience element for the MWA scheme, instead there is a work placement for community benefit”.\textsuperscript{38} This suggests that that a reciprocal act by the claimant towards the community is even more important than the extent to which the work placement contributes to the claimant’s chances of finding a regular job. This turn to reciprocity is confirmed in the new political discourse. For instance, in 2008 the Conservatives who were still in the opposite that time, argued that they would ‘not allow anyone claiming Jobseekers Allowances over a long period to do nothing’(Conservative Party, 2008, p. 34). And in 2013, Chancellor, George Osborne, announcing the new Community Work Placements Programme, reiterated the language used by the Conservative Party five years earlier,

\textsuperscript{32} Drucksache 17/622, p. 115.  
\textsuperscript{33} Amendment of Art. 3(2) SGB II of 1 April 2012.  
\textsuperscript{34} DB 16/8934.  
\textsuperscript{35} Petition 16634.  
\textsuperscript{36} Frankfurter Allgemeine, 20 January 2010.  
\textsuperscript{37} These words are in bold type in the Mandatory Work Activity Provider Guidance, Chapter 1, Annex 1, A1.3.  
\textsuperscript{38} Advice for Decision Making, Chapter K3, K3037.
arguing that “There is no option of doing nothing for our benefits, no something-for-nothing anymore”. 39

4. Sanctions

In the contractual relationship between the recipient of social assistance and the governmental agency sanctions have a central place. If the recipient of social assistance fails to do her part of the agreement (i.e. to work without a wage), the governmental agency may also refrain from her part of the agreement (i.e. to pay benefits). In all countries studied, sanctions can be imposed on recipients of social assistance who do not show up for work, who arrive late or who otherwise misbehave at their designated place of work. Usually this means that their allowances will be cut. In this section I compare the amount of the sanction, the implemented hardship clauses and the effect of a sanction in the amount of the benefit.

4.1 The amount of the sanction

The German and British legislators have laid down the sanctions in formal law. Sanctions can be imposed on recipients of social assistance in Germany if they refuse to perform reasonable labour activities (i.e. ‘one euro jobs’) without a good reason. 40 The sanction amounts to a three-month reduction of their allowances by 30 per cent for a first failure to work, with any second or third failure being punished by cuts for three months of 60 per cent and 100 per cent respectively. 41

In the UK, a low-level sanction can be imposed if a claimant fails to meet a work preparation requirement, such as participation in the Work Programme, without good reason. 42 The sanction of a cut of 100 per cent in the allowance can be imposed for an indefinite number of days, starting on the date the sanctionable action took place and ending no earlier than the date on which the claimant fulfills the condition. A fixed-period sanction of between 7 and 28 days may also be imposed. Higher fixed-period sanctions apply if a claimant fails to meet a Mandatory Work Activity without good reason. In that case a higher-level sanction of 100 per cent may be

39 Speech by Chancellor Osborne, 30 September 2013.
40 Art. 31(1) SGB II.
41 Art. 32a(1) and 31b(1) SGB II. The sanctions are slightly different for welfare beneficiaries under 25.
42 Art. 27 WRA 2012.
imposed for 91 days. In the event of a second failure to comply, a reduction may be applied for 182 days.43

In the Netherlands the municipality reduces the benefits in accordance with its municipal regulations.44 Municipal regulations usually allow allowances to be cut by 20 per cent for one month in the event of a minor failure, but the reduction may rise to 100 per cent. Although the Central Appeals Tribunal (‘CRvB’), which is the highest appeal court in the Netherlands for social security cases, has forbidden the imposition of indefinite sanctions, it has nevertheless allowed a sanction of 100 per cent for seven months.45 The proposed legislative amendments reduce much of the municipal discretion in this respect. From 1 January 2015, municipalities will be obliged to reduce allowances by 100 per cent for one month if social assistance claimants do not comply with reintegration duties.46 In case of recidivism the allowances may be reduced by 100 per cent for three months.47 The municipal sanction system with respect to the civic obligation will not be altered.

4.2 Hardship regulations

In some cases, imposed sanctions can be softened by hardship regulations. In Germany, for example, beneficiaries whose allowances are cut by more than 30 per cent can apply for supplementary benefit in kind. Although it is up to the Job Centre to decide whether to grant this benefit, it is obliged to grant it if the household includes minor children.48

In the UK, beneficiaries upon whom sanctions have been imposed may claim hardship payments (which are usually recoverable) if they cannot meet their immediate and most basic and essential needs or those of a child for whom they are responsible and providing the claimant (now) meets all work-related requirements.49 In addition, the sanction may also be reduced by 40 per cent in certain situations, such as if the sanctioned person is responsible for providing care.50 The DWP

43 Art. 26 WRA 2012.
44 Art. 18(2) WWB.
46 See Art. 18(5) Participation Act.
47 See Art. 18(6), 18(7) and 18(8) Participation Act.
48 Art. 31a(3) SGB II.
49 Art. 28 WRA; Art. 116(2) and (3) UC Regulations and Art. 16(d 2 b-d) and (3) SS (LB) Regulations.
50 A 40 per cent reduction can also be granted in the event of pregnancy (in the final eleven weeks of pregnancy) and childbirth (in the first fifteen weeks after childbirth) and if the claimant has adopted a child in the previous twelve months (Art. 111(1) UC Regulations).
may also visit claimants considered vulnerable, such as those with a mental health condition or a learning disability before applying a sanction, in order to establish whether there was a good reason for the failure to comply.

Under the Dutch *WWB*, sanctioned recipients of social assistance can claim hardship payments only in very exceptional circumstances. In practice, these kinds of claims hardly even succeed. For example, recently, in a case where the municipality imposed a sanction of 100 per cent during six months, the Central Appeals Tribunal dismissed an appeal on a general hardship clause, notwithstanding the presence of dependent children, major debt problems and imminent eviction. Nonetheless, the new Participation Act contains hardship clauses similar to those in the German and British regulations. For example, according to these amendments, a municipality may revise the 100 per cent cut before the sanction period has ended, if the beneficiary now complies with the mandatory activities. The municipality can also decide to reduce the sanction in the event of urgent reasons, such as further marginalization, debt problems and evictions. And, like the German and British legislation, special attention has to be paid to family interests in case sanctions are imposed.

### 4.3 the effect of a sanction in the amount of the benefit

It is important to notice that the effect of a sanction of 100 per cent is not the same for all investigated countries. That is, for a full understanding of the possible impact of sanctions, we need to take a closer look at the composition of the allowances. Social assistance allowances in the Netherlands comprise a single monthly sum, the amount of which depends on the composition of the household. The German and British allowances, on the other hand, contain differing elements. Whereas in the Netherlands the sanction is imposed on the total monthly sum received, the sanctions in Germany and the UK are imposed only on the cost of living allowance (Germany) or the standard allowances (UK). In the case of Germany this means that sanctioned recipients of social assistance retain their entitlement to *inter alia* allowances for

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51 Art. 16 *WWB*.
53 Art. 18(7) *Participation Act*.
54 Art. 18(6) *Participation Act*. See also the Parliamentary Papers 2013-14, 33801, No.3.
55 Art. 18(8) *Participation Act*.
56 Art. 31a(1) *SGB II* and Art. 20 *SGB II*.
57 Art. 111(1) UC Regulations.
women who are more than 12 weeks pregnant, extra allowances for lone parents, allowances for reasonable costs of rent and heating, and extra allowances for children under sixteen who are living in the household. In the UK, sanctioned recipients of social assistance retain their entitlement to additional allowances for children and housing costs.

The differences between the systems can be illustrated by the example of a workable, unemployed lone parent with two children aged seven and nine in the household. For the purposes of the example, we will assume that the person pays monthly rent of €350 with heating costs of €100 a month. If this person receives a 100 per cent sanction because of refusing to attend a designated work project, the sanction hits hardest in the Netherlands, where the total allowance received will reduce by 69 per cent (from €1338.61 to €412.14). This is much higher than in Britain, where the reduction will be 25 per cent (from €1484.15 to €1112.60), and Germany, where the reduction will amount to only 21 per cent of the total allowance (from €1847.52 to 1465.52). The relative reduction depends, first of all, on factors as the number and age of children living in the household. In addition, as table 1 demonstrates, the height of the rent also slightly reduces the differences between the countries.

Table 1 Reduction of total allowance after 100 per cent sanction

<table>
<thead>
<tr>
<th>Rent</th>
<th>Germany</th>
<th>the Netherlands</th>
<th>The United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>€200</td>
<td>23%</td>
<td>77 %</td>
<td>28%</td>
</tr>
<tr>
<td>€350</td>
<td>21%</td>
<td>69 %</td>
<td>25%</td>
</tr>
<tr>
<td>€500</td>
<td>19%</td>
<td>64 %</td>
<td>23 %</td>
</tr>
</tbody>
</table>

5. Conclusion

58 Art. 21(2) SGB II.
59 Art. 22 SGB II.
60 Art. 23 SGB II.
61 Housing costs are fully subsidized, providing the rent is reasonable and the house is not too large.
63 For Germany and the United Kingdom I assumed that a rent of €500,- was considered reasonable, since this is a condition for receiving rent subsidy.
The analysis in Sections 3 and 4 has shown that the contractual relationship between recipient of social assistance and government agencies in Germany, the Netherlands and the UK has been restructured in important ways. First, the personal scope of the programmes has been extended as a result of which more and more people with a long distance to the labour market are subjected to the contractual duty to work without a wage. Second, there is a tendency to extend the length of the programmes to work without a wage, as a result of which recipients of social assistance can be obliged to perform work activities without receiving wage for consecutive years. At the same time, evidence from empirical research raises doubts whether this extension positively effects the chances of finding a regular paid job. In fact, the first and the second trend are in line with a third trend, according to which the duty increasingly takes the form of a reciprocity requirement. That is, instead of re-integrating in regular paid work, the recipient of social assistance is more and more expected to do something in return for her benefits. This probably explains why the extension of the personal scope and the length of the obligation to work without a wage has not met much resistance.

The shift to reciprocity also reveals the increased significance of the contract: in order to receive benefits recipients of social assistance are required first to show that they are worthy of attaining basic social rights, not only by improving their capability to work but, above all, by showing a willingness to work. However, instead of reflecting the contractual norms of consent and voluntariness, this contract is characterized by the imbalance of power relations: if the recipient of social assistance refuses to fulfil her part of the contract she either loses her safety net benefits or faces a sanction that amounts to a temporary loss of these benefits. Thus this leaves the recipient of social assistance with no choice than to comply with the duty to work without a wage. Only in cases where recipients of social assistance obtain regular paid jobs will they be able to enter a contractual relationship with the government/state on fairly equal terms. Until they reach that stage they are in fact “virtual citizens” who are “in an active state of becoming full citizens” (Schinkel, 2010; Schram, 2010). Indeed, recipients of social assistance, especially those who are required to work without a wage, are bound to be treated differently from “full citizens”, which means *inter alia* that their social rights are constantly at risk of being curtailed. In conclusion, the shift to reciprocity has increased the significance of the idea of the contract in the duty to work without a wage. Importantly, this idea of the contract does not follow the legal logic of a contractual relationship in which parties enter the contract voluntarily and on equal
terms. Instead, recipients of social assistance are at risk of losing fundamental rights. Not only because they may lose access to the fundamental right on an adequate standard of living or social assistance, but also because, being treated as second class citizens, they risk losing access to other basic (social) rights as well. Both points will be further addressed in the agenda for future research (section 6). If we return to the two views outlined in the introduction, this analysis seems to endorse the view that the new contractual relationship first and foremost reinforces control mechanisms, which enhance the role of the state as the regulator of the behaviour of welfare claimants. What about the other view, which stresses the positive effects of social investment and the improvement of employability of recipients of social assistance? There are two issues I would like to discuss in this respect. First, the shift from re-integration to reciprocity already shows that the duty to work without a wage is not necessarily related to the enhancement of the human capital of recipients of social assistance. Second, the question can be raised as to whether people really need more than four years of ‘on the job training’ before they are able to perform (very) low skilled jobs. And likewise should the ‘flex beneficiary’ who moves between low skilled jobs and social benefits, be ‘retrained’ every time for the same low skilled jobs?

Of course this analysis does not provide hard conclusions with respect to the extent to which the duty to work without a wage enhances the human capital of recipients of social assistance. To address this issue properly we will need more empirical evidence that provides answers to questions such as:

1. What is the (structural) effect of the duty to work without a wage on the employment rate? Due to the fact that these studies need a control group, there are not many (European) studies available measuring structural effects, in particular with respect to the effects of long-term obligations to work without a wage.

2. What is the education and work experience of the recipients of social assistance who are obliged to work without a wage, and to what extent do these characteristics match the content of the work programme?64

Anyway, it is clear that in the Netherlands the restructuring of the contract between the recipient of social assistance and the government agency has not resulted in increased (financial) efforts of

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64 Inquiries of the largest Dutch labour union have revealed that the imposition of the duty to work without a wage on social assistance beneficiary with fairly recent job experience is not unusual (FNV, 2012; FNV, 2013).
the government to enhance the employability of the recipients of social assistance. Instead, since the introduction of the *WWB* the expenditures for active labour market policies have constantly dropped (Eleveld and Van Vliet, 2013).

Finally, in case the conclusion is right that the duty to work without a wage enhances governmental control over recipients of social assistance instead of improving their employability, the Dutch social assistance regime seems to be stricter than those in the other two countries. This is remarkable regarding what might be expected from the classification used by Cantillon and Van Mechelen (2011). The Dutch legislation, then, not only allows long-term work programmes to start earlier than in the UK, but also allows for longer programmes and longer working weeks, with fewer exemptions from the obligation to work without a wage. In addition, the sanctions in the Netherlands are relatively high, and the Netherlands is the only country that has introduced civic jobs that are not specifically intended to help claimants to enter the labour market.

### 6. Outlook

It was not possible to cover all legal issues with respect to the contractual duty to work without a wage in social assistance legislation. Therefore in this section I want to design a future agenda for social-legal research on the duty to work without a wage. In my opinion this agenda should at least address the following issues:

1. *The question to what extent the duty to work without a wage can be found in breach with the prohibition on compulsory labour Article 4 ECHR and ILO Convention 29.* This question is interesting, in particular from the perspective of the contract. The metaphor of the contract, then, does not hold, if recipients of social assistance are in fact obliged to perform certain labour activities.

2. *The formal employment rights of the recipient of social assistance who is obliged to work without a wage.* Employment rights are often justified because of the unequal bargaining position of employees (Davidov and Langille, 2011). Along these lines it could be argued

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65 For Dutch ruling see: *CRvB* 8 February 2010, LJN BL 1093; RSV 2010/79. For British ruling see: [2012] EWHC 2292 (Admin), [2013] EWCA Civ. 66, [2013] UKSC 68. For German ruling see: Arts. 12(2) and (3) of the German Constitution. See *BSG*, 16 December 2008 B 4 AS 60/07 *SozR* 4-4200 para. 16 No. 4, *BSG* 13 April 2011 B 14 AS 101/10 R *SozR* 4-2000 para. 16 No. 8. Also see the article by Vonk in this issue.
that recipients of social assistance should be entitled to even more protective rules, because the contractual position of recipients of social assistance is more vulnerable compared to the contractual position of employees. However the reverse is the case. Legal research can pinpoint gaps in protective rights between on the one hand employees and on the other hand recipients of social assistance.

3. *The employment protection of the recipient of social assistance in practice*. Even though recipients of social assistance may formally enjoy some (employment) rights, it is not at all clear to what extent these rights are enforced on the work floor. Social legal (ethnographic) research can be helpful for mapping the extent to which formal legal rights are enforced in practice.

4. *The use of ‘good reason’ clauses and hardship clauses*. As far as access to social rights is concerned, hardship clauses would seem to help ensure sufficient levels of income for sanctioned recipients of social assistance, particularly if children are involved. However, further legal research is needed to establish what counts as a ‘good’ reason and how hardship clauses are interpreted by the court.

5. *The effect of invoking fundamental social rights*. The question I would like to answer here is whether fundamental social rights are able to provide a counterweight to misbalanced contractual relations between recipients of social assistance and governmental agencies.

I believe these are the five core issues for future social legal research on the duty to work without a wage in social assistance legislation. Together with two socio-economic research questions mentioned in Section 5, I have provided a list of at least seven subjects for future research. It is important to notice though that it is impossible to protect the position of working recipients of social assistance by formal legal rules only. There will always remain a margin of discretion within which recipients of social assistance who are obliged to work without a wage are in fact at the mercy of both the governmental agency and/or the ‘employer’. As mentioned before (see point 3), ethnographic research can be helpful to map the social social-legal position of these recipients of social assistance.
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