

WORKING PAPERS

**Beating the 'unemployable'  
with a stick: The effect of  
economic incentives on  
unemployed immigrants and  
their social welfare workers**

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# **Beating the ‘unemployable’ with a stick: The effect of economic incentives on unemployed immigrants and their social welfare workers**

Anna Diop-Christensen

## ***Abstract***

This study examines the impact of a Danish policy change that intended to 'make work pay' for married immigrant women receiving social assistance. According to new regulations adopted in 2006, married social benefit recipients in jobless households were required to work 300 hours within a two year period in order to remain eligible for social assistance. In the case of non-compliance, one spouse would lose the benefit entitlements (about 18,000€ yearly). We have some evidence that the new rules did have an impact, but the central question of this paper is *how* economic incentives may influence the labour market integration of groups with low employability? In order to answer this question I pursue a qualitative research approach contrasting two theoretical explanations. One that relates to the effect on the immigrant women, and another that focuses on changes in the behaviour of social welfare workers.

The analysis suggests that the strong economic incentives did speed up job search efforts and made these women less choosy, but due to employment barriers, it was often difficult to 'transform' the increased job wish into employment. Moreover, this policy intensified the cross-pressure of social welfare workers which fostered an atmosphere of emergency and a break with past coping-behaviour. All in all this study questions the impact of economic incentives towards groups with low employability, but highlights the potential role of social welfare workers.

## ***Keywords***

Coping behaviour, economic incentives, immigrants, marginalisation, social assistance, street-level bureaucracy

# Introduction

In April 2006, the Danish government introduced a new and unusual requirement for social assistance recipients in order to ‘make work pay’. According to the new measure, married social assistance recipients in jobless households were required to work 300 hours in non-subsidized employment within a two year period in order to remain eligible for social assistance. In the case of non-compliance, one spouse would lose the benefit entitlements — about 18,000€ yearly (Rørdam, 2005). Even though the new rule in principle applied to all individuals receiving social assistance, the measure was *de facto* targeted at immigrant women from non-western countries who were largely over represented among long-term social assistance recipients (Bjerregaard Bach and Larsen, 2008; Goul Andersen, 2007).

Certainly, on the surface, the stick appeared effective as about 95% of those initially covered by the new rule remained unsanctioned; hence only 5% lost their benefit entitlements (Ankestyrelsen, 2007). Applying the logic of job search theory, the Employment Minister argued that the social assistance scheme had created disincentives for employment, but that the figures proved that the 300 hour rule had corrected the situation (Buch, 2008). According to job search theory, improving the economic incentives are namely expected to result in more intensive job search and lower reservation wage (Mortensen, 1977; for an overview see Holmlund, 1998). However, the group in question is largely beyond the intended range of applicability of job search theory as it implicitly assumes that employers are willing to hire affected jobseekers (Rosholm and Vejlin, 2010). Consequently, most studies concentrate on ‘employable’ groups (for notable exceptions see Blackaby et al., 2007; Clement, 2004; Vejlin and Rosholm, 2010).

It is therefore questionable whether conclusions from these studies can be generalised to a context like the current. If there is, *ceteris paribus*, a positive effect of strong economic incentives, it may well become neutralised by employment barriers for groups with low employability and hence lead to inactivity (Rosholm and Vejlin, 2010). As a result, one also has to be concerned about potential negative consequences such as preferences for short-sighted solutions, reduced (psychological) well-being, and further social marginalisation (see also Ervasti and

Venetoklis, 2010; Goul Andersen, 2002; Headey and Muffels, 2008; Nordenmark and Strandh, 1998; Tatsiramos, 2009).

Yet it is puzzling *why* the 300 hour rule apparently worked so well? One possible explanation is that the strong economic incentives really did work, even for this group assumed to be unemployable. However, an alternative explanation – that receives little attention in the literature – is that the new measure may have influenced the behaviour of social welfare workers. The so-called 300 hour rule is namely likely to have put social welfare workers under increasing cross-pressure. In particular, pressure from above (in this case the central government) increased as social welfare workers were required to cut benefits if clients did not comply with the clear-cut employment requirement whereas previously, they enjoyed substantial discretion to choose the appropriate instruments. The new sanction may not only have increased pressure from below (their clients), but also from within as it would normally be at odds with their own professional standards. This is likely to have triggered an atmosphere of emergency and therefore implicitly increased the resources for helping these clients (see also Lipsky, 1980).

The aim of this study is to investigate *how* the 300 hour rule impacted on the labour market integration of the target group (non-western immigrant women). What were the mediating variables? In particular, I shall try to contrast two theoretical explanations. One that relates to the effect on the immigrants themselves and another that focuses on possible changes in the behaviour of social welfare workers. This will serve to extend our knowledge in two respects. First it provides further insight about the impact of strong economic incentives for groups with low employability. Second it provides knowledge about the impact on the behaviour of street-level bureaucrats. If the latter mechanism turns out to be more important, this may intensify the search for possible equivalents, that is, other initiatives that could improve the ‘helping hand’ of social welfare workers, with less negative impacts for the unemployed. The approach is mainly qualitative and based on semi-structured interviews with some of the immigrant women that were affected as clients, and with social welfare workers in this domain.

The outline of the paper is the following: the next section provides further information about the Danish policy context and discusses the implications of the

300 hour rule for affected social assistance recipients and social welfare workers. The research approach is presented in the third section. Section four and five contain the analyses concerning the influence of the 300 hour rule on the immigrant women themselves and on the social welfare workers respectively. The conclusion in the final section is accompanied by recommendations for policy and future research.

## **The 300 hour rule and the Danish policy context**

When the 300 hour rule was introduced, only about 40% of non-western immigrant women were gainfully employed, as compared to 73% among native Danish women (Regeringen, 2005). Most non-employed immigrant women received social assistance, often on a long-term basis. Still, they had to be in regular contact with the public employment agency where social welfare workers were in charge of monitoring labour market availability and preparing an employment strategy. If the employment barriers were insufficient qualifications, the typical instrument was participation in active labour market programmes. Accordingly, when the 300 hour was introduced, a large proportion of the women participated in language courses, but also further schooling, education, or internships (Beskæftigelsesministeriet, 2005; Geerdsen et al., 2003). If health problems were the obstacle, welfare workers could initiate an unravelling of the client's case consulting the relevant experts. In case labour market integration was deemed unrealistic, the client had to be 'moved' elsewhere in the system (disability pension, flex-job etc.).

However, social welfare workers were accused of shelving the cases of the weakest immigrant women and sometimes lumping them together in activation that did not systematically target the upgrading of their skills, but that rather functioned as 'storage' (e.g. Heinesen et al., 2004; LG Insight, 2004, 2005; Regeringen, 2005; Winter, 2002). According to Lipsky (1980), such a behavioural pattern (also labelled coping-behaviour) derives from a constant feeling of insufficient resources. It is a way for street-level bureaucrats to handle the cross-pressure that they feel because of the often conflicting demands from their political and administrative superiors (top), from clients who ask for more and better service (below), and from their own professional standards (within). As a result, street-level bureaucrats tend to prioritize the *easy* or *most pressing* clients, at the expense of clients with limited employment

prospects. This also relates to the coping option referred to as *creaming*. Furthermore, social welfare workers often *standardize* clients into broad categories which are labelled with a strategy rather than seeking individualised treatment. Finally, *non-obligatory tasks* may be deferred (Lipsky, 1980).

### The 300 hour rule – part of a new integration strategy

The accession of the Liberal/Conservative minority government in 2001 signified a change in the policy towards immigrants. The new government believed that married immigrant women had too few employment incentives. The Minister of Employment also doubted: ‘... *whether all immigrants are ready to work ... some of them have chosen to organize themselves so that the husband is searching for a job while the wife stays at home... it is their choice. But this does not mean that the welfare state should finance this choice*’ (Hjort Frederiksen, 2007). This view seemed to be backed by quite a few research and consultant reports (e.g. LG Insight, 2004; Mogensen and Matthiessen eds., 2002; Velfærdskommissionen, 2005). In addition, the new government was convinced that social welfare workers enjoyed too much discretionary power and as a result, they failed to enforce availability requirements in accordance with the law (Regeringen, 2005).

It was in this spirit that the 300 hour rule was introduced as a part of the integration policy package ‘A New Chance for All’ (Regeringen, 2005). During a transition phase, recipients were requested to work only 150 hours during one year. In 2008, the employment requirements were augmented to 450 hours, and the sanctions were extended to all married couples rather than jobless households only.<sup>1</sup> Municipalities were required to identify and notify affected social assistance recipients at least six months before they risked losing their benefit entitlements. Only those without any ability to work were exempted from the 300 hour rule. Assessments was based on so-called ‘matching-groups’ which indicated to which extent qualifications could match the requirements of the labour market. At that time there were five matching-groups (by 2010, this was reduced to three). The lowest

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<sup>1</sup> By July 2011 the requirement was changed to 225 hours yearly, but this was never put into practice as the scheme was abolished by the incoming government after the election in September 2011. In the following, the label ‘300 hour rule’ applies to all variations above.

matching-group suggests a good match between the qualifications of the unemployed and the labour market demands and vice versa. Only matching-group five (and by 2010 only matching group three) was excluded. Almost 50% of the affected clients belonged to matching-group four where *‘only very limited job functions are possible’* (see also Bjerregaard Bach and Larsen, 2008; Goul Andersen, 2007). Clients could, however, be temporarily exempted during the unravelling of their case.

### Implications for the target group and social welfare workers

It is obvious that the sanctions were tough. In the extreme, a married couple with two children could lose about 1050€ net per month and are left with only 1329€ (table 1). This is substantially below the minimum budget for a family of four as defined by the Danish Council for Marginalised (The Danish Council for Marginalised, 2003). Almost regardless of definition, such families would be left in poverty and thus employment incentives increased dramatically.

**Table 1:** Example of the income cut (in Euro) for a married couple with two children

	Both spouses receive social assistance	Discontinuation of social assistance for one spouse
Social assistance	3194	1597
Tax	819	268
Total net income	2377	1329

Source: Socialrådgiveren, 2007

As regards the social welfare workers, implications were less tangible, but nonetheless likely to be essential for the execution of their job tasks. In the first place, the pressure from affected clients probably became greater due to the severe economic consequences of the 300 hour rule. Second, social welfare workers most likely felt a more intense pressure from the top. This type of legislation can be seen as an instrument of political control as it defines formal structures and procedures that later can become subject to scrutiny (McCubbins et al., 1987). In relation to the current context, social welfare workers were obliged to cut benefits if their client did not comply with the clear-cut employment requirement. Previously, the requirement



was blurry, and social welfare workers had substantial discretion to choose the instruments. Third, and perhaps more importantly, pressure from within the social welfare workers themselves probably also increased as almost everybody opposed the 300 hour rule. It appears from the hearing statement of the Association of Danish Social Welfare Workers that the new measure was at odds with their professional standards. They predicted that the new measure would only increase marginalization. Instead, further resources were called for mainly in order to upgrade the skills of the affected women (HK Kommunal & Dansk Socialrådgiverforening, 2006).<sup>2</sup>

All in all, social welfare workers may therefore have felt a more intense cross-pressure as a consequence of the 300 hour rule. In addition, whereas the cross-pressure previously was related to the alleviation of the general demands from the top, it increasingly became associated with this particular group of clients. Social welfare workers are therefore likely to have become in search of alternative coping-strategies in order to deal with this new and intensified cross-pressure (see also Sørensen, 2004). The central government did, however, leave another ‘door’ ajar by providing extra resources for the integration of immigrants to selected municipalities concurrent with the implementation of the 300 hour rule (Rambøl, 2009).

## **Research approach**

The study pursues a qualitative research approach as it is well suited for providing detailed information about the impact of the 300 hour rule. Besides, filling a questionnaire would in some cases be difficult due to the inadequate language skills of the immigrant women (see also Pernice, 1996). In-depth interviews also help us disentangle the direct effects of economic incentives on the immigrant women themselves from the indirect effect that passes through the social welfare workers.

The interviews were carried out during the implementation phase (spring/early summer 2007) and fall 2010/2011. Several participants were interviewed twice in order to capture long-term effects. The sample size (ten immigrant women and ten social welfare workers) was determined by the point at

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<sup>2</sup> This stands in stark contrast to their prevailing positive view about the policy instruments in place prior to the 300 hour rule (see Winter, 2002).

which saturation was achieved –when collection of new data does not add any additional information (Glaser and Strauss, 1967).<sup>3</sup> Rather than transcribing interviews in full length, I transcribed important parts and took additional notes.<sup>4</sup> All respondents are anonymised.

## The immigrant women

Ten in-depth interviews were conducted with immigrant women who were affected by the 300 hour rule. Contacts were established through different channels (social welfare workers, networks and immigrant organizations). I selected interviewee who originated from the greater Middle East as this group represents the vast majority of the covered social assistance recipients (Bjerregaard Bach and Larsen, 2008).<sup>5</sup> All respondents (except W4) arrived in Denmark as refugees (or as relatives to refugees). They were 25-50 years old and had two to five children below 18 years at the time of the first interview. I selected immigrant women of various profiles considering how they were affected by the legislation, given their educational level and ethnic group (see table 2).

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<sup>3</sup> The literature points to several explanations why saturation is sometimes obtained after relatively few interviews such as if the claim is narrow, the target group is homogeneous, additional data sources are used and individuals are interviewed several times (Pernice, 1996). Even after saturation was achieved, three additional interviews were conducted.

<sup>4</sup> In the end I produced a summary of each interview which will be sent to respondents in order to obtain their approval prior to publication. However, there was a few that I could not regain contact with due a move, change of phone number or job.

<sup>5</sup> According to the survey of Bjerregaard Bach and Larsen (2008), this group makes up more than 80% of the covered individuals.

**Table 2: Profiles of the interviewed immigrant women**

	W1	W2	W3	W4 <sup>6</sup>	W5	W6	W7	W8	W9	W10
Origin	Somal.	Somal.	Somal.	Maroc.	Iran	Afghan.	Afghan.	Afghan.	Leban.	Leban.
Arrival year	1996	1996	1996	1978	1998	2002	2001	2001	1990	1985
Head scarf	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	No
Children (below 18)	5	5	4	2	3	4	2	4	3	2
Educational level (country of origin)	Medical laboratory ass.	None	Primary school	-	High school	None	Primary school	Started teacher training	English at university (2 years)	NA
Lab. exp. from country of origin	8 years	None	None	None	None	None	None	None	None	NA
Danish qualifications	DLC* + activation	DLC	DLC	DLC + activation	DLC + activation	DLC	DLC + activation	DLC + activation	DLC + activation	Health care sec.
Danish labour market exp.	None	None	None	Yes	None	None	None	None	None	Yes
Activity when the 300 hour rule was introduced	DLC	DLC	DLC	Activation	DLC	DLC	Seeking jobs	9 <sup>th</sup> grade at VUC**	9 <sup>th</sup> grade at VUC	Seeking jobs
Translator needed	Yes	Yes	Yes	Yes	No	No	No	No	No	No

\*Danish Language Courses \*\*Adult Educational Centre

<sup>6</sup> I obtained the interview with W4 from Center for Alternativ Samfundsanalyse (CASA) who conducted the interview as part of a study about families receiving the lowest level of welfare (see also Muller et al., 2010).

## The social welfare workers

I also conducted in-depth interviews with ten social welfare workers and team leaders from four large municipalities. The respondents were chosen based on their experience with the 300 hour rule.

**Table 3:** Social welfare workers

	SWW1	SWW2	SWW3	SWW4	SWW5	SWW6	SWW7	SWW8	SWW9	SWW10
Gender	female	female	female	male	Male	male	female	male	female	male
Age 40+	No	No	Yes	Yes	No	Yes	-	No	-	Yes
Position	Social centre	Empl. agency	Empl. agency	Empl. agency	Team leader	Empl. agency	Empl. agency	Team leader	Head of empl. project	Social centre

Additionally, I carried out a telephone inquiry during the spring 2007 covering all Danish municipalities. In most municipalities no one or less than 10% of the covered lost their social assistance entitlements, but a few stood out owing to the large proportion that lost their benefit entitlements (table 3). I hereafter carried out a short telephone interview with social welfare workers in the four least successful municipalities and in four municipalities where nobody lost their right to receive social assistance in order to obtain further insights about what characterized successful and unsuccessful municipalities (table 4).

**Table 4:** Proportion of social assistance recipients who lost benefit entitlements in municipalities with more than 25 clients notified

	Number of municipalities
0 %	9
0,1-10 %	9
10,1-20 %	4
20,1-30 %	2
More than 30 %	1

**Source:** Based on telephone interview from April 2007

Note that only municipalities with 25 or more covered by the 300 hour rule is included in this table

## **Did the economic incentives affect motives and behaviour of the immigrant women?**

A first important issue is to clarify the employment commitment of the immigrant women prior to the 300 hour rule. Were they really available for the labour market? The short answer is that it depends on the eyes of the beholder, but if availability is interpreted in a very narrow sense probably only two of the women would qualify. In other words, only W7 and W10 were actively job searching and ready to work right away. Even though the rest expressed a desire to work they were not actively looking for a job due to participation in different activation programmes (supports that there is a lock-in effect of activation – see e.g. van Ours, 2004). This appears to be in accordance with their long-term employment plans and thus with the acceptance from their social welfare workers. Further questioning reveals that these employment plans appear to be more than idle talk, however. All interviewed women participated in activities outside their home when the 300 hour rule was introduced (see also table 2). Subsequently, a few intended to work right away; while the rest aspired to continue their education due to the belief that education was the ‘admission ticket’ to the labour market. The desire for education was particularly strong for some women. For example W5 and W9 had been offered passive benefits by their social welfare workers prior to the 300 hour rule, but instead they chose to study. *‘I went to VUC [Adult Educational Centre] I will not like to stay at home’* (W9) and W5 said: *‘...when I was at home, I am bored’*.<sup>7</sup>

The social welfare workers generally corroborate that most women were committed to work and these findings are also echoed in previous research (Bjerregaard Bach and Larsen, 2008; Christensen and Goul Andersen, 2006; Goul Andersen, 2008). Nevertheless, several mention that some women imposed strict conditions concerning working hours, dressing, appropriate type of work etc. This was – in their view – tantamount to not being fully available for the labour market: *‘...they have in a way made a choice by having six children...she has also already chosen something [to be a housewife] ... by not being flexible when it comes to changing her way of dressing. ...if she really wanted to do something here she also needs to change a little, right?’* (SWW3). Interviews with the immigrant women

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<sup>7</sup> There are often minor mistakes in the quotes as they are direct transcript translated it into English.

partly confirm this. Several women mentioned that they are unable to work during the early mornings and evenings, but for others this seemed to be less of an issue. Of course one may argue that their lack of availability is related to difficulties accessing and/or paying for childcare. Nevertheless, it is the impression that the hesitation of some women were more related to traditional family values as childcare in Denmark is typically available from the early morning until late afternoon and free of charge for low income families (see also Goul Andersen, 2007). Furthermore the husbands of most of the women were at home and available during the evenings. They, however, all rejected that these supposedly cultural barriers prevented them from working: *'There is nobody who wants to stay at home, but Danes believe that we would like to stay at home and that is not true'* (W2). When I asked whether their husband really allowed them to work, they often started laughing. According to them, such a perception is a prejudice that they were often confronted with. W7 and W8 told that the Afghan families in their circle of acquaintances generally adapted their values concerning the role of women to the Danish norms.

### Increased job search and less choosiness?

The question is whether the 300 hour rule affected the women's short-term employment commitment and thus increased job search efforts as expected from job search theory (Mortensen 1977)? There is no doubt that the new measure indeed changed the employment focus from being a distant future plan to an urgent matter. Consequently, all interviewed immigrant women engaged in active job search: *'...well, it is obvious of course that when you get penalised financially, then one of course try to mobilise all the – what is it called – creativity one can and I have of course... made a greater effort to search [for employment]'* (W1). The increased employment commitment also appears to have had a spill-over effect on the social welfare workers. From the interviews with social welfare workers it is evident that affected clients became more insisting and now asked for their help to find a job (also suggests that the pressure from affected clients became stronger; see further discussion in section five: 'Cross-pressure and break with coping-behaviour'). Their clients also used alternative job search channels more proactively (networks, ethnic employment projects and organisations etc).

Job search theory also predicts that the choice of whether to accept a job or remain unemployed depends on whether the proposed wage offer exceeds the reservation wage –the lowest wage for which an individual is willing to work. The reservation wage is therefore assumed to increase with benefit generosity (Mortensen, 1977; Holmlund, 1998). However, ‘taste for work’ relative to ‘taste for leisure’ also affects the reservation wage. Individuals with little taste for work (e.g. women with traditional family values) are assumed to need a larger bribe in order to supply their labour on the market compared to those who passionately pursue a career no matter what (see e.g. Borjas, 2005). Social welfare workers generally report that the 300 hour rule indeed resulted in less choosiness. For some immigrant women ‘... *it has been the necessary kick so that they could get out and get a job*’ (SWW2). The interviews with the immigrant women themselves also bear witness to this. Some women earned the required number of hours before the due date (W7 and W8). Others lost their benefit entitlements, but most managed to find a job relatively shortly thereafter (in cleaning, the restaurant business, and at factories). These were typically not their dream jobs, but the women accepted them due to the pressure: ‘...*it is also an annoying job, cleaning... but I have to work. So I would [have] like[d] education first if that is possible. That is great – yes, education and then afterwards job*’ (W8).

However, the interviewed women generally did not want to make choices that compromised their religious beliefs. Those who wore a headscarf refused to take it off in order to find a job more easily: ‘*I do not feel like taking my religion away because of work...*’ (W7). Most women also attached great importance to concerns of the family and even declined job offers on this account while others accepted to work during early mornings or evenings. Probably, educated women living in relatively ‘liberal’ families were more responsive to the policy, but family flexibility may also have been vitally important for their ability to reconcile family and work. For instance, W6 explained that she needed to be home during the early morning, but not necessarily her husband: ‘...*he finds other work, I come in pizzeria – we swap... he goes to other work because it is difficult for me...I not go early in the morning because I have two small children*’ (W6). The husband, however, kept his duties in the pizzeria during the evenings. Also the presence of an older daughter that could assist with the house chores appears important.

## Barriers neutralised the effect

The analysis, however, suggest that the effect of the 300 hour rule only worked for ‘... *the good ones – those who are match 1 and 2*’ (SWW2). For the weakest, the effect was often blocked by employment barriers (for equivalent findings, see Rosholm and Vejlin, 2010).<sup>8</sup> Some immigrant women appeared clueless about how to find their way to the Danish labour market: ‘...*I do not know the system and I do not know which door I should ring the bell and I have no experience and then I do not know what I [should] do?*’ (W3). For others it was more a matter of finding an employer who would be willing to hire or due to health related problems. Social welfare workers also considered some of their cases ‘...*totally hopeless almost*’ (SWW3) to the extent that they regarded it impossible to find willing employers. Yet, it was not possible for the social welfare workers to exempt these clients.

Many of the weakest clients nevertheless managed to work the required number of hours despite severe employment barriers. One may then critically ask whether it was not a matter of motivation after all, but the social welfare workers generally reject this: ‘*People get “beaten out” even if they are not capable*’. The general opinion is that the extraordinary effort from social welfare workers was often a precondition for meeting the request ‘...*otherwise even more would have “fallen”*’ (SWW3) (see further discussion in section five: ‘Cross-pressure and break with coping-behaviour’). However, after having earned the required number of hours these clients were back in the social assistance system. According to SWW6 this was usually because: ‘...*they simply are no, no, not capable and, and, and actually cannot handle the job due to physical and psychological discomforts*’.

## Side effects – ‘quick fix’, declining well-being, and marginalisation

The perspectives presented up to this point are only implicitly concerned with the potential negative consequences of strong economic incentives. However, the analysis suggests that the 300 hour rule indeed had several side effects. Both parties argue that the legislation ignored the long-term labour market integration of

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<sup>8</sup> The barriers mentioned by social welfare workers and the immigrant women are those typically pointed out in the literature (Bjerregaard Bach and Larsen, 2008).



immigrant women. Several of the interviewed immigrant women had to abandon long-term employment plans in order to work the required hours. According to social welfare workers this was, however, often only a short-term solution: ‘...*some of them of course get the chance to stay out there [on the labour market], but some of them are also those who get fired...*’ (SWW7). This was because ‘...*the 300 hour rule does not help them to keep them out there, because it is exactly that it becomes “quick fix solutions”...*’ (SWW2). Instead they asserted that it would be more efficient to upgrade their skills. W8’s experience also illustrates this. She had the ambition to get a Bachelor in Social Education, but abandoned her studies for a job in a restaurant and later in cleaning. However, due to workforce reduction she was unemployed again in 2010. This also suggests that benefits potentially produce efficiency gains as it fosters the upgrading of skills (see also Headey and Muffels, 2008). This may even be particularly important for immigrants as (host-country) education is an important determinant of successful labour market integration (e.g. Friedberg, 2000; Tranæs, 2008).

The analysis also reveals that many women encountered social and psychological distress due to the 300 hour rule (troubles concentrating, sleep deprivation and lack of energy). For instance W3 explained her feelings in the following way: ‘*I got very confused, sad - could not deal mentally with this regulation*’. Social welfare workers stressed that particularly those with reduced ability to work often became mentally unbalanced because they felt: ‘...*that there are put demands on them that they not nearly can meet*’. However, the psychological distress became even worse for families who lost their benefit entitlement and as a result faced problems paying the rent, basic groceries etc.: ‘...*to the extent that it actually can be difficult simply to have a conversation with them...*’ (SWW9). For others it also caused marital problems: ‘...*stress and lack of money that can of course cause problems at home between the husband and the wife*’ (W10). According to coping theory (Halvorsen, 1999), declining well-being may indeed occur as the individual’s ability to cope with unemployment is determined by economic resources (Conger et al., 1990; Ervasti and Venetoklis, 2010; Goul Andersen, 2002; Halvorsen, 1999; Julkunen, 2001; Nordenmark and Strandh, 1999). Ervasti and Venetoklis (2010) therefore suggest that benefits may counteract some of the negative mental and psychological consequences of unemployment. This appears to be particularly

important for the employment transition of individuals with low employability (Meyers and Houssemand, 2010).

Finally, the analysis bears witness to further marginalisation of the families who lost their benefit entitlements. W2 and W10 explained that almost nothing was left after the rent was paid. It was therefore difficult to satisfy even the basic needs of the family: *‘...less clothes because one cannot afford to buy clothes for them... it also concerns food, less food’* (W2). This of course also eliminated social and religious celebrations: *‘...my daughter could not either join all the birthdays and come with gifts, so they made up excuses and she stayed at home’* (W4). Even though these families scrimped and scraped, they felt obliged to borrow money from family and friends which made W10 very uncomfortable: *‘...in the end it becomes too much for one [to take]... you will be embarrassed... that you go and beg for money – and that is really difficult’* (see also Hansen and Hussain, 2009).

## **Cross-pressure and break with coping-behaviour**

The 300 hour rule also signified changes for the social welfare workers, but the central question is whether these changes affected the outcome of the legislation? Indeed as expected the policy intensified the cross-pressure of social welfare workers and it is evident that the cross-pressure also became more associated with this particular group of client. First of all, as evident from previous section pressure from below intensified as the clients became more insisting in receiving help from their social welfare workers. Second, pressure from within also became greater. Social welfare workers generally argued that the main issue was not the women’s willingness to work, but instead employment barriers that was largely beyond control of the affected clients. Nevertheless, social welfare workers could not always exempt such clients and it therefore resulted in great frustrations: *‘God help me, I was ill myself last week for three days because I cracked up’* (SWW10) and another said: *‘It is awful every time – it is something that makes me lie awake at night’* (SWW4). Third, pressure from the top also increased as social welfare workers felt obliged to implement these sanctions. It was clear that social welfare workers perceived a restriction in their discretionary power, but they seemed surprisingly conscientious

regarding the enforcement of the 300 hour rule: *'I definitely have clients where I sit and feel really sorry for them, but I also still have a legislation that I have to relate to and I need to act upon'* (SWW2).

### Emergency atmosphere and a break with coping-behaviour

As a consequence of the increased cross-pressure, an atmosphere of emergency emerged among social welfare workers. According to Lipsky (1980), when street-level bureaucrats 'assign' groups of clients to a so-called emergency category they implicitly bring further resources for solving these cases. Emergency procedures induce the more comprehensive treatment of the clients in question when limited resources otherwise prevent them from treating all cases fully (Lipsky, 1980).

The mobilisation of resources happened primarily at the level of the individual social welfare worker. SWW3 told the following about her considerations: *'We... relatively quickly schedule them for a meeting [to see] whether we can as soon as possible help them ... find something [a job]'*. The same social welfare worker said: *'...so there we have actually made those [clients] a priority'*. This was, however, probably partly facilitated by a mobilisation that took place at the municipal level (both at administrative and political level) and helped along by the extra funds from the central government to selected municipalities: *'It is fortunate that the Employment Centre... actually received an extra appropriation amounting to 38 million [D.kr]... in order to intensify the effort...'* (SWW5). Noticeably, several social welfare workers report that their case load declined dramatically. For instance SWW9 explained that she: *'...only has one-sixth of the cases that I... normally have'*.

All in all the mobilisation of resources appear to have contributed to a break with the widespread use of coping-behaviour (at least towards this particular group of clients). Even though these clients were considered as difficult cases they became pressing and thus assigned greater priority (a break with *creaming*). The increased attention has also resulted in greater awareness of the individual differences within the group and thus a break with *standardization*. Previously: *'...they had been somewhere there in that 'grey crowd' that somehow was on standby'* as SWW6 vividly described it.

## Social welfare workers – from barrier to helping hand

The break with coping-behaviour implied that social welfare workers became a 'helping hand' rather than a 'barrier'. From being an almost ignored group several social welfare workers and municipalities now introduced different measures that should foster their labour market integration. One type of measure taken was to allocate extra resources to the communication of the 300 hour rule so that the notification letter would not stand alone. As the covered immigrant families generally had poor Danish skills, many municipalities invited affected families for an information meeting with the participation of translators, while in others, clients were called extraordinary for individual meetings.<sup>9</sup>

Another type of measures sought to provide extra assistance with finding a job. Municipalities and not least individual social welfare workers went well beyond the service traditionally expected. Social welfare workers provided extra close supervision, increased telephone hours and in some cases contacted employers directly. Some report that they explicitly asked employers to provide jobs for these clients putting additional pressure by explaining the economic consequences. One social welfare worker told that when an employer refused he immediately asked what could be done in order to change his mind (mentoring programme, Danish courses etc.). There are also municipalities that implemented different employment programmes (e.g. 'job-clubs', mentor schemes etc.). In order to provide an extra helping hand, several municipalities reorganised their integration efforts by creating special units or assigning a key person to this specific group. This possibly also gave rise to further specialisation.

However, the analysis shows great differences across municipalities in the comprehensiveness of these supportive measures. Some municipalities adopted several measures while more passive municipalities provided no (or very limited) support. In the four municipalities where most clients lost their benefit entitlements limited support was provided. Social welfare workers reported that they were extremely busy and one told (unasked) that more clients could have been rescued if she had more time and resources on her hands. In other words, immigrants in these

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<sup>9</sup> Extra information appear to have been necessary as several women report that they did not realise the consequences of the 300 hour rule until the benefits were cut (see also Bjerregaard Bach and Larsen, 2008).

municipalities were not met by an outstretched ‘helping hand’, but had to find the way to the labour market themselves.

## Tidying up

The increased attention towards the individual and the liberation of resources also resulted in a large scale tidying up. Several social welfare workers reported that they were behind with the unravelling of these clients’ cases because it was not a mandatory and consequences were minor. It appears partly to have been a matter of economic calculations from the municipalities. One social welfare worker explained that in her municipality the so-called contact-meetings were previously given priority: ‘...*because of the subsidy rules*’ (SWW3). Besides it was often very time consuming to unravel some of these cases. SWW9 explained that: ‘...*sometimes some examinations and such things are needed and many... have really difficulties just to attend places like that or do not dare to attend... I have simply been able to go with them*’. Therefore many clients were either temporarily exempted from the 300 hour rule or permanently moved elsewhere in the social welfare system (e.g. disability pension). In other cases, affected clients were assigned to a matching-group not covered by the 300 hour rule. This tidying up (to the extent that it is rightful) can therefore also be viewed as a break with past coping-behaviour.

It is of course difficult to judge whether the tidying up always was legitimate and based on professional considerations or if it sometimes happened in order to protect a client. Many social welfare workers, however, deny (despite being anonymous) that non-factual reasons underlie their decisions. Nevertheless, in a few occasions I suspect that it was not only a matter of tidying up. SWW1 told that their team leader had inculcated that it was not acceptable if they just moved clients to matching-group five, but she said: ‘...*whether a few slipped thaaaat I neither confirm nor refute - it is a dangerous question you are asking me*’. Others confess that it was decided that nobody in their municipality should lose their benefit entitlements.

However, the 300 hour rule appears to have moved the boundaries for when social welfare workers regard it necessary to unravel a client’s case (also called ‘create resource profiles’ in technical terms). SWW3 explained that ‘... *when the situation... is that if you do not do it [create a resource profile] then they are kicked*

*out [of the social assistance system] and that you can see that it will be horrible then you start up more resource profiles, I believe'. She further expounded that problems that were previously disregarded now played a role: '... it can be people who are traumatized... who has back pain – something psychical or something else – where one say that we simply have to... get it scrutinized...' (SWW3). Due to the severe economic consequences several also mentioned the particular importance of safeguarding the legal rights of their clients.*

## Conclusion

This study examined the impact of a Danish policy change that aimed at 'making work pay' for married immigrant women receiving social assistance (the so-called 300 hour rule). The central question was to investigate how economic incentives influence the labour market integration of groups with relatively low employability. Most previous studies find (in line with job search theory) that economic incentives lead to increased job search and less choosiness (Holmlund, 1998). However, these studies mainly focus on employable jobseekers and ignored the role of social welfare workers. This paper therefore attempts to fill this gap in the literature.

The analysis suggests that the severe economic incentives indeed affected the short-term employment ambition even for this 'weak' group. The 300 hour rule therefore stimulated job search efforts and made the affected immigrant women less picky. Nevertheless, it was often problematic for these women to meet the requirements due to employment barriers (see also Rosholm and Vejlin, 2010). Consequently, this policy had unintended side effects. More specifically, the 300 hour rule interrupted long-term employment plans and caused a decline in social and psychological well-being. Worse was it, however, for families who had their income cut in half. They experienced difficulties satisfying their most basic needs (clothes, healthy food, etc.), let alone social activities. The analysis therefore also bears witness to further marginalisation.

Additionally the 300 hour rule influenced the behaviour of street-level bureaucrats. More precisely, the new rule intensified the cross-pressure of social

welfare workers from all sides (the top, down and within themselves). This fostered an atmosphere of emergency and resulted in a break with past coping-behaviour. Providing these immigrant women with an extra ‘helping hand’ appears to have been vital. Furthermore, the increased attention also gave rise to ‘tidying up’ in many municipalities and thus several immigrant women were moved elsewhere in the social welfare system.

All in all this study raises concerns about the use of economic incentives towards groups with low employability. In the current context most social welfare workers were able and willing to mobilise further resources for helping affected clients. Nevertheless, this did not happen everywhere. It is therefore possible to imagine that such a policy would most likely have resulted in further hardship and marginalisation in a situation of scarce resources. Such a drastic measure is further problematic because the affected social assistance recipients seemed willing to integrate on the labour market. Instead it is probably more efficient to search for initiatives that could improve the helping hand of social welfare workers. The interviews reveal a need for further schooling or education, but probably more importantly clear and comprehensive guidance. This includes clear communication of what is expected from them regarding their labour market integration combined with extra hand-held assistance and support. Even though improving their Danish skills is crucial, language courses should not be standing alone.

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