

Ethnic diversity, social policy and the Scandinavian welfare states: Similar or different policy responses?

Breidahl, Karen Nielsen

Publication date:
2011

Document Version
Accepted author manuscript, peer reviewed version

[Link to publication from Aalborg University](#)

Citation for published version (APA):
Breidahl, K. N. (2011). *Ethnic diversity, social policy and the Scandinavian welfare states: Similar or different policy responses?*. Paper presented at UK Social Policy Association Annual Conference, University of Lincoln, United Kingdom.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal -

Take down policy

If you believe that this document breaches copyright please contact us at vbn@aub.aau.dk providing details, and we will remove access to the work immediately and investigate your claim.

Ethnic diversity, social policy and the Scandinavian welfare states: Similar or different policy responses?

By Karen N. Breidahl, PhD Student, Centre for Comparative Welfare Studies, Aalborg University

Paper prepared to the UK Social Policy Association Annual Conference: University of Lincoln, 4-6 July 2011

Abstract

It is widely acknowledged that immigration – and integration policies in the Scandinavian countries differ in several ways: Denmark is known for its very harsh tone and many rigorous rules, while Sweden is often idealized as a country founded on diversity, pluralism and equality. What has in particular been in focus in previous research is the rhetorical level (how the political elite in the three countries ‘talk’ about immigration and integration issues) and the political climate. From this literature it appears striking, how different issues of immigration and integration policy have been political debated and discursively constructed in Sweden and Denmark. But the question is whether these differences also holds true at the practical policy level (output)?

At the other hand, when it comes to welfare policies, and the institutional and political structure of the three Scandinavian welfare states in general, the existence of a distinct ‘Scandinavian welfare model’ is widely acknowledged and all three countries are in general seen as very ambiguous when it comes to living up to ideals about solidarity, universalism, equality and redistribution. But is this fairly harmonic picture of a Scandinavian welfare model downsized, when we are dealing with immigrants?

The paper sheds light on these two rather broad questions by examining recent reforms of income maintenance schemes in Denmark, Norway and Sweden specifically targeted at newly arrived immigrants as well as long-term receivers of social assistance with an immigrant background during the last 20 years (1990-2010). To which extent to we see similarities versus differences and what are the implications of these reforms?

1. Introduction

How does the Scandinavian universal welfare states (the Danish, Norwegian and Swedish) react when they are confronted with increasing ethnic diversity and what characterize the immigrant policies which have been launched as a 'policy response' to the postwar immigration waves? Do we see the same reactions due to the fact, that the three countries historically and currently share a number of welfare state features or do we see movements in different directions? These are some of the questions which have been raised during recent years within previous research and which this paper will follow up on.

On the one hand, when it comes to welfare policies, and the institutional and political structure of the three Scandinavian welfare states in general, the existence of a distinct 'Scandinavian welfare model' is widely acknowledged. All three countries are in general seen as very ambiguous when it comes to living up to ideals about solidarity, universalism, equality and redistribution (e.g. Brochmann and Hagelund, 2010) and '*...the Scandinavian countries stand out as both "strong welfare states" and "strong work societies"*' (Kildal, 2003: 10). These goals have been pursued through relatively high social protection and generous benefits, high minimum wages and a compressed wage-structure, universalistic largely tax-financed welfare state arrangements, a high degree of public involvement, strong involvement of labour unions and comprehensive work/family policies. And finally the impacts of these welfare states have enjoyed an international reputation for, among other things, their comparatively high level of redistribution; comparatively high employment rates among men and women and high degree of gender equality. However, what comparative welfare state research more or less have neglected is the ethnic/racial dimension and the situation of migrants (Morissens & Sainsbury, 2005: 637) and a pressing question is therefore, *whether the fairly harmonic picture of a Scandinavian welfare model, which is characterised by nearly full employment, generous welfare benefits and ambiguous principles of equality are downsized when we are dealing with immigrants?*

On the other hand, when it comes to immigration and integration policies it is a common notion that the Scandinavian countries differ in several ways. Especially Denmark and Sweden are known for two different things: Denmark is known for its very harsh tone and many rigorous rules, while Sweden is often idealized as a country founded on diversity, pluralism and equality (e.g. Jørgensen, 2006; Hedetoft et al, 2006). What has in particular been in focus within this research field is the rhetorical level, defined as how the political elite in the three countries 'talk' about immigration and integration issues (e.g. Jørgensen, 2006; Holm, 2007; Hagelund, 2002), the political climate e.g. the party competition (Green-Pedersen & Krogstrup, 2008; Dahlström & Esaiasson, 2009), the policy objectives and underlying principles of immigrant policy and how these objectives and principles are substantiated and discursively constructed (e.g. Borevi, 2002; Hagelund, 2002). From this literature it appears striking, how different issues of immigration and integration policy have been political debated and discursively constructed in Sweden and Denmark, but the question is, *whether these differences also holds true at the practical policy level and when these policy objectives and political motives are 'translated into practice' (output)?*

Hence, from organizational theory we have learned that there can be inconsistency between '*what is said and what is done*' within an organization (Meyer & Rowan, 1977) and inconsistency between rhetoric and discourses on the one hand and the practical policy level on the other is also

what some immigrant researchers in a Scandinavian context have pointed out (e.g. Dahlström, 2004; Hedetoft, 2006; Brochmann & Hagelund, 2010). Hence, in a comparison of the relation between immigration and the welfare state in Denmark, Norway and Sweden the conclusion is that the three countries – in particular Denmark and Sweden – justify their immigrant policy in very different ways but that: *'It is not certain that the ideals in the integration policy-discourse also are reflected in the practical policies'* (Brochmann & Hagelund, 2010: 354 (my own translation) (for a related discussion see also Olwig, 2010).

In this paper the relation between the Scandinavian welfare states (Denmark, Norway and Sweden) and the 'immigrant dimension' is examined more deeply. The paper intends to address the shortcomings within previous research by going into depth with a welfare policy field which in all three countries to a large extent has been confronted with immigrants – income maintenance schemes towards social assistance receivers with an immigrant background and newly arrived immigrants. More precisely, the paper raises the question *to which degree we see differences and similarities between Denmark, Norway and Sweden in recent active reforms of income maintenance schemes specifically targeted at newly arrived immigrants and long-term receivers of social assistance with an immigrant background respectively, during the last 20 years (1990-2010).*

Reforms of income maintenance schemes have for several years been an integrated part of the active labour market reforms, which have been introduced in many European countries in the course of the 1990s and the 2000s. These policies oblige the unemployed to participate in activation programmes in return for unemployment benefits or social assistance, redefining the relationship between rights and duties for unemployed people. In particular concerns related to the passive nature of social assistance schemes have been at stake, where some of the concerns have centred on whether generous benefit levels generate disincentives and poverty traps. What we have seen in continuation hereof is therefore, that social assistance has been subject to cutbacks in several European countries during recent years and closer related to active participation and 'work for benefit' measures (Palme et al. 2009).

The moral virtues of work and the Protestant ethic have for several years also been central elements in the Nordic work ethic and in the promotion of the work-line (Johansson & Hvinden 2007: 57), and the focus on active participation among unemployed people is not new – especially not in Sweden and Norway. What is new is the extensive strong focus on active participation for social assistance recipients. In continuation hereof, the labour market in Denmark, Norway and Sweden regarded as one of the main venues for successful integration of Immigrants and 'financial independency' is highlighted as a key success criterion in the integration debate. To reach this goal has proven to be a rather challenging task and in all three countries immigrants (as well as young people in the age 18-24 year) are – and has for many years been - strongly over-represented among recipients of social assistance (Johansson & Hvinden, 2007: 56). The strong over-representation of immigrants in the social assistance schemes became an important topic in the 1980s and 1990s (Brochmann & Hagelund, 2010) and during the last 20 years 'extraordinary' measures, which act as a supplement or an alternative to the social assistance schemes, have been introduced. The former are a special benefit for newly arrived immigrants, which we go more into depth with below: Before the Introduction allowance was launched many newly arrived

immigrants became social assistance recipients from day one and these new measures therefore replaced the ordinary social assistance systems in the three countries.

Reforms of Income maintenance schemes can promote unemployed peoples (re)integration on the labour market in several ways; among other things by 1) Strengthen the financial incentive to find employment by reducing the income benefit level and to '*make work pay*' by preventing social protection schemes from creating disincentives to work and by 2) Redefining the relationship between rights and duties by introducing a closer link between income maintenance schemes and employment-promoting measures (Johansson & Hvinden, 2007). 3) We also have to take into account that governance and *operational reforms* in the areas of income protection can transform employment policies towards work-first (Larsen, 2009) e.g. by standardizing or de-standardizing rates for payment; reduce or increase the local autonomy and discretion among frontline workers in the municipalities etc. The latter also relates to the distinction between universalism and targeting in the design of social security programmes.

What we will go more into depth with below is which of the instruments which have been used in the three countries. It has among several scholars been a common notion that the specific institutional and normative features of the Nordic countries are also reflected in their activation policies (Johansson and Hvinden, 2007, p. 53; Ferrera and Hemerijck, 2003) but is it also the case when we are dealing with immigrants or do we have to do we see 'extraordinary' policy responses?

The paper does not provide any clear cut answers to these questions but provide – in some instance – a more nuanced picture. But overall, Denmark stands out by being the only country where it is obvious that the idea of equality conflicts with the diversity argument.

The generic term 'immigrants' covers a broad group of different categories: Labour migrants (or economic immigrants), refugees, asylum seekers, family members, undocumented immigrants and so on. By immigrants, this paper refers to persons (born outside Denmark) who have come into the country to live there permanently and have a permanent legal residence status. By focusing on newly arrived immigrants and long-term receivers of social assistance with an immigrant background the paper examines policies towards some of the most vulnerable immigrant groups with the most marginal position on the labour market in the three countries.

Denmark, Norway and Sweden in many ways share a parallel history of migration (Olwig, 2011). Until the 1960s and 1970s the three countries were dominated by emigration and in these years they experienced a great increase in import of temporary labour. As a consequence of the economic slowdown in the 1970s the import of temporary labour stopped but it did not stop the inflow of migrants. On the contrary, many of the temporary workers settled permanently and flows of immigrants and asylum seekers continued to enter Europe (Givens, 2007: 67-68). Even though we see more or less a parallel history of migration in the three countries, the number of foreign-born in Sweden is around twice as high as in Denmark and Norway. Hence in 2008 the share of foreign born in Sweden was 13,9 percent, in Denmark 7,3 percent and in Norway 10,3 percent (OECD, 2010: 299).

The next section analyses the active reforms of income maintenance schemes which have been introduced in order to integrate the selected immigrant groups on the labour market in the period

1990-2010 in Norway, Sweden and Denmark, while the third section discuss whether the basic normative principle of the Scandinavian countries – equality – has been challenged by these reforms. The last section sums up the findings.

2. 1990-2010: The incorporation of the ethnic dimension into welfare state policies

When comparing active reforms of income maintenance schemes for immigrants in the Scandinavian countries it is important to bear in mind, that although the three countries share some of the same characteristics, activation policies differ in some important respects - in particular their social assistance schemes (see also Gough, 2001).

Social assistance in all the three countries are administrated by the municipalities, but the way they do this and the scope for local and professional discretion varies considerably: The degree of discretion is largest in Norway and Sweden, and lowest in Denmark (Johansson & Hvinden, 2007: 56).

The social assistance scheme in Denmark is the most centralised and the government has created standardized rates for payment and specified into detail when and how municipalities have to apply sanctions towards social assistance recipients in case of illegal absence (Johansson & Hvinden, 2007: 61, 63). According to Johansson & Hvinden (2007: 61) *'Only the Norwegian social assistance has retained most of its traditional characteristics, as a system based on local self-determination and, at best, locally agreed-on rates for social assistance payments'*.

Since 1998 Sweden has worked with minimum economic standards for the social assistance level (norms), which serves as guidelines for the social worker who decides the actual size of the benefits. Applying incentives and sanctions in Sweden – as well as in Norway – is compared to Denmark more open to local and professional discretion (Johansson & Hvinden, 2007: 63)

2.1. Norway: From local discretion to standardized rates for payment

The over-representation of immigrants among social assistance recipients in Norway, and the risk of welfare dependency and clientification was seriously highlighted as a crucial problem in a government white paper named *'Concerning immigration and the multicultural Norway'* from 1997 (St. meld. 1996-97).

In response to these concerns a cross-ministerial working-group was settled in the spring 1999 in order to explore how the relationship between active participation and public income support could be improved in order to avoid clientification etc. and what they proposed was a special introduction benefit for newly arrived immigrants.

Afterwards, the government decided to introduce a special benefit for newly arrived immigrants (St.meld. 1998/1999, 50) and a so-called Introduction law commission was set up and commissioned to review and submit proposals concerning a new legislation concerning economic support for newly arrived immigrants.

In 2001 the commission submitted their proposals (NOU, 2001:20) and in 2004 a new Introduction law and an universal Introduction allowance for newly arrived immigrants, which lasts up to two years, were introduced, which were supposed to stimulate and motivate the target group to remain in the programme, and at the same time promote the transition to active participation in the labour market (Ot.prp, 2002/03: 28). Upon completing the program, immigrants become a part of the ordinary social security system and subject to the same rules as Norwegian nationals.

What is interesting about the Norwegian case is that the administrative framework related to the Introduction allowance in many ways differed from the administrative framework related to the Norwegian social assistance scheme in general, which newly arrived immigrants were subject to in advance.

The Introduction allowance is a fixed-rate benefit with standardized rates for payment and has more a character of a universal benefit¹, where the social assistance in Norway to a great extent is means-tested and the degree of local autonomy high. Furthermore, the Introduction is equal for everyone regardless of place of residence and conditioned upon active participation in activities. This means, that in event of absence, which is not due to illness or other compelling welfare reasons, and for which permission has not been given, the benefit is reduced correspondingly.

According to the administrative framework related to the social assistance scheme in Norway, the municipalities were also before the Introduction allowance was launched in 2004, entitled to use sanctions in the event of non-attendance in an activation program, but as mentioned, it was largely up to local and professional discretion to use sanctions. The practice varied, therefore, from municipality to municipality and economic sanctions were often not taken into use (reference).

As mentioned, the ambition with the Introduction allowance introduced in 2004 was, to get people out of the social assistance system and to fight clientification (Ot.prp, 2002/03: 28). Clientification and the over-representation of immigrants among long-term receivers of social assistance were also in 1997 highlighted a main problem, which the existing social assistance system was unable to handle.

According to Rune Solberg (Interview, May 2010), civil servant in the Ministry of Labour in Norway and a member of the Introduction law commission, it was necessary to go one step further than the existing social assistance system, which is why the Introduction allowance in Norway in many ways follows the same line as the Danish variant (which we will come back to below).

The means-tested character of the social assistance benefit was up for discussion in the preparatory work in the Introduction law commission. Because the social assistance scheme in Norway was (and still are) means-tested, the level of benefit some families received could easily become very high, among other things because many immigrants were in need of extra support for housing, children etc. In addition to this it was emphasised by the government as very important that the Introduction allowance could serve as an alternative to regular social assistance

¹ Nor will benefits be reduced on account of any child support received.

(Ot.prp, 2002/03: 28) and it was emphasised as important that the introduction benefit was not too high and not too low.

In 2004, when the Introduction programme and the Introduction allowance, was finally launched the allowance was set to be equivalent to twice the Basic amount from the National Insurance Scheme (for full participation in a programme)². The benefit level was not estimated lower or higher than the benefit level newly arrived immigrants was entitled to in advance (before 2004) and benefit towards newly arrived was therefore not de facto reduced like in Denmark (which we will come back to below). But due to the means tested character of the social assistance benefit, it is not possible to make an exact and direct comparison of the benefit level before and after.

The standardized rates for payment, which stems from the Introduction programmes, have giving rise to new initiatives in the general social assistance system in Norway and to new income maintenance measures targeted at long-term receivers of social assistance with an immigrant background. Hence, in 2005 a pilot project *New Chance* (Ny Sjance) was introduced, which is a program targeted at immigrants who have stayed in the country for two years or more who have failed to gain a foothold on the labour market. This program is more or less a replica of the methods used in the Introduction program and the special benefit attached to this program is also fixed-rated, standardised, at the same level as the introduction allowance, and the benefit level is reduced correspondingly in the event of illegal absent.³

2.2 Sweden: From rights to duties

Also in Sweden the question about 'welfare dependency' among immigrants has been up for discussion for several years, which in 2010 resulted in more or less the same policy response as in Norway.

In addition to a new settlement policy – The 'Across Sweden strategy' - an 18 months Introduction period was launched in 1985 by which the responsibility for the reception and integration of refugees were moved from the Swedish Labour Market Board to the Swedish immigration board. At the same time a strict settlement policy was introduced. The reform entailed that immigrants by default were placed on welfare for an introductory period of about 18 months. The 1985-reform has afterwards been subject to a lot of criticism - among other things because the labour market orientation was weakened and the reform was accused for leading to clientisation and welfare dependency (Edin et al. 2004).

In 1993 a Swedish version of the introduction allowance was launched which meant that the municipalities were encouraged to grant individuals participating in an introduction programme an Introduction allowance rather than social assistance. The objective of the Introduction allowance was to emphasize the special character of the allowance granted during the first time period in Sweden. The first version of the Swedish Introduction programmes were voluntary for as well the

² Participants under 25 years of age receive 2/3 of the benefit.

³ Also the so called Qualification Programme, and the related qualification benefit for long-term recipients of social assistance for persons with substantially reduced working capacities and earning abilities, launched in a government paper in 2007 (St.meld.nr. 9 2006-2007:15-17), share several features with the Introduction program and the Introduction allowance.

municipalities as for the newcomers, and the Introduction allowance therefore only served as an alternative to social assistance and not as a replacement. Also, the size of the introduction allowance as well as whether absence from active participation should be punished were up to local and professional discretion in the municipalities. Up until 2010 the administrative framework for delivering the introduction allowance was, therefore, much less decentralized than in Norway and Denmark, and rights for the newcomers have been substantially more important than duties (Djuve & Kavli, 2007).

In some municipalities the amount was the same as regular social assistance, while other municipalities could choose an allowance, which was the equivalent of minimum wage. Because the implementation of the introduction allowance varied from municipality to municipality, it is difficult to obtain a comprehensive overview of the different levels provided in the period. Nevertheless, an investigation of the municipalities from 2007 finds, that in roughly 40 per cent of the municipalities, the introduction allowance is equal to the regular social assistance. In addition to this, a study from 2000 found that in 60 per cent of the municipalities who had taken the law into use, the level of the introduction allowance was higher than the social assistance level (Integrationsverket, 2007).

Upon completing the program, immigrants became, like in Norway, transferred to the ordinary social security system and were therefore subject to the same rules as Swedish nationals.

Before the Introduction allowance was introduced in 1993, a working group was set up in 1991 to examine and discuss alternative income sources for newly arrived immigrants. An important theme in this discussion was the autonomy of the municipalities (Proposition 1991/92: 174). Different alternatives were up for discussion, among other things a standardized rate for payment (a fixed-rate benefit regardless of place of residence). At that time the members of the workgroup assessed that a standardized rate of payment in all the municipalities would be too detail-regulating and might assist in an erosion of the autonomy of the municipalities (Proposition 1991/92:172). The kind of Introduction allowance the workgroup ended up suggesting to the government was instead the more voluntary version introduced above. The local discretion was maintained and the Introduction allowance did not break with the administrative framework related to the social assistance scheme in Sweden.

Since 1993 the Introduction allowance and the Introduction programme was often accused of being ineffective (e.g. Proposition 1997/98: 16; Skr. 2001/02: 129) and in 2001 a commission was set up with the remit to review the reception and integration of newly arrived immigrants as a whole. In 2003 the commission submitted their proposals, which among other things concerned an introduction allowance characterised by standardized rates for payment and conditional to active participation. At that time there was no political response to these proposals. However, after the liberal government came into office in 2006, the question about the effort and income sources provided for newly arrived immigrants was again put on the agenda. In 2007 a commission was set up with the remit to review and submit proposals concerning responsibility, design, and financing of refugee reception and other initiatives for newly arrived refugees and people otherwise in need of protection and their relatives. In June 2008 the commission finished their work (SOU 2008, 58). The commission submitted several proposals: One of them was to introduce

an individual introduction allowance (i.e. not dependent on the aggregate income of the household) and standardized (SOU 2008, 58: 32).

Afterwards, in November 2009, the Swedish government presented a proposition (Proposition 2009/10, 60), which was based on many of the proposals the commission submitted in 2008, and a government reform named – *'Labour market introduction of newly arrived immigrants – individual responsibility with professional support'* was implemented in December 2010.

The Introduction allowance, which was launched as a part of this reform, in many ways follows the same line and considerations as the Introduction allowance in Norway. More precisely what the Swedish government was introducing was: *'A new benefit that is the same for everyone regardless of where in the country one lives is paid to new arrivals when they actively participates in introduction activities'* (Government Offices of Sweden, December 2009). Again – like in Norway – an important consideration which was that it could serve as an alternative to regular social assistance and that the benefit level therefore neither was not too high and not too low compared to social assistance level in general.

Therefore, an Introduction allowance for newly arrived immigrants which differ from the administrative framework related to the social assistance scheme was in 2010 also introduced in Sweden. Like in Norway, the Introduction allowance was universal and fixed-rated, where the social assistance in Sweden to a great extent is means-tested (however to a lesser degree than in Norway).

2.3. Denmark: Economic incentives in forefront

In Denmark, several active reforms of income maintenance schemes have occurred since the late 1990s in order to incorporate immigrants at the labour market: Hence, measures targeted at newly arrived immigrants and long-term receivers of social assistance with an immigrant background have been introduced and adapted by either introducing a closer link between income maintenance schemes and employment-promoting measures or by reducing the benefit level in order to 'make work pay'.

In particular since 2001 social assistance beneficiaries with an immigrant background have been a prioritized target group and compared to general employment policies, economic sanctions and incentives particularly targeting immigrants have become substantially more important. Below we will analyze in more depth the first national Integration law from 1998, the law on immigration from 2002 and the programme 'A New Chance for All' from 2006, as these policies have been the most far-reaching ones. A third reform 'More people to work' from 2002, which will not be explored more deeply below, is also worth mentioning. It reduced social assistance in a number of situations for persons receiving social assistance in consecutive 6 months. The initiative is a general social policy element but in reality the majority of those affected were immigrants (Andersen, 2007).

The introduction allowance and the start-assistance

In 1998 the first national Integration law was introduced under the Social Democratic government. In December 1994 a so-called Integration Commission was set up with the remit to review existing integration policies and submit proposals in order to formulate a comprehensive integration policy. The commission delivered its report in 1997 (Ministry of the Interior, 1997). The commission did not suggest benefit reductions for newly arrived immigrants (Jønnson and Petersen, 2010, p. 190), but the bill which was introduced, established the 'introduction allowance', which was considerably lower than the ordinary social assistance level – by 50 percent (Ejrnæs, 2001).

Benefit reductions for newly arrived immigrants were up for discussion in other central documents in the 1990s. Hence, in 1997 unemployment among immigrants as a 'structural welfare state problem' was highlighted in a report 'Outline of the Danish Economy' from the Ministry of economic affairs (Ministry of Economic affairs, 1997; Necef, 2001). A selective adjustment of certain public benefits in order to strengthen the financial incentives to find employment among immigrants was recommended.

This introduction allowance was criticised, among others from the UNHCR (*Office of the United Nations High Commissioner for Refugees*), which saw it as discriminating. Therefore, the government withdrew the introduction allowance in late 1999, but the formal argument was that increased financial incentives did not improve employment among newly arrived immigrants, and that the public cost saving therefore was limited (Ejrnæs, 2001).

As mentioned, in November 2001 a Liberal-Conservative government, with help from their right wing supporting party the *Danish Peoples Party*, of which a key concern is immigration, won the election and assumed office. In 2002 the law on immigration was introduced, which included, besides restricted rules for immigration, the so-called '*start assistance*' or '*introduction allowance*' (paid amount is the same) which replaced social assistance for newly arrived immigrants. This time it was not withdrawn and was not subject to criticism because it was also aimed at citizens with a Danish background who had stayed outside the country for 7 years or more and had come back.

This start assistance is some 35-50 percent lower than ordinary social assistance, depending on family situation (reductions being lowest for people with children) (Andersen, 2007a; Hansen and Hansen, 2004). Whilst Danish social assistance is comparatively generous, the start assistance and introduction allowance schemes are among the *least* generous schemes in North Western Europe (Hansen, 2006). Introduction allowance is paid to people admitted to the country for the first three years if they participate in an introduction programme. Afterwards people will receive 'start assistance' for the next four years. The benefit level is therefore the same during all seven years. For immigrants coming to Denmark after July 1st 2006, the transition from start assistance to social assistance after seven years requires that the recipients have had an ordinary full-time employment for two and a half within the past eight years.

The administrative framework of the Introduction allowance (and the start assistance) is mostly the same as for social assistance. Hence, both are characterised by standardized rates for

payment, where the exact rate depends on factors such as material status, number of children, property etc.

The 300-hour rule

The reform '*A New Chance for All*' from 2005 included several aspects; the most controversial was the so called '300-hour rule', which was formally introduced in 2006 and came into force in April 2007. The reform stated that recipients of welfare benefits who are married lose the right to welfare payments if they work less than 300 hours during a two year period⁴. Before a person loses her or his benefits, the legislation requires that the person in question receives a warning half a year beforehand so the person has the possibility to find a job in the meantime.

The rule was formally implemented by April 2007 and in 2008, the working hour requirement was increased to 450 hours and the legislation was modified in order to also include married recipients of social assistance no matter whether one of them was in employment. The rule applies to four out of five 'matching groups'⁵ – except those where 'no job functions are possible at all'. 450 hours of work only covers regular employment and excludes jobs with wage subsidy, practical training, active participation in certain activities and so on.

The 300/450-hour rule applies to everybody regardless of citizenship or ethnicity but in practice it is primarily targeting immigrants – in particular immigrant women, which was also underscored in the official reform-documents from the Minister of Employment (The Danish Government, 2005). An overview of the effect of the 300-hour rule confirms this intention (Bach and Larsen, 2008).

The rule is very controversial due to the fact that it contains strong work requirements and economic sanctions and that it is used for testing whether immigrant women are actually available for the labour market. Moreover, moral and more paternalistic arguments have been highlighted. Hence, it is clear that the notion of 'housewife-mentality' and the ambition to increase gender equality among immigrants figured as core arguments for legitimizing of the 300-hour rule when it was introduced. Every time the Danish Minister of Employment was confronted with the necessity of the rule, he stressed the 'housewife-mentality' as the main factor which prevented immigrant women from working. Therefore, the crucial factors emphasized are traditional values, cultural elements, and patriarchal family views, which do not appreciate woman participating on the labour market (Breidahl, 2011).

The administrative framework of the 300-hour rule does not differ much from the administrative framework of the Danish social assistance scheme. For example with both we have to do with standardized rates for payment, where the exact rate depends on factors such as material status, number of children, property etc.

⁴ In the first year, from 1.4.2007 – 1.4.2008, the requirement was 150 hours ordinary work, within the last year.

⁵ Match group 1) Good match with the labour market, Match group 2) Good match, a few qualifications missing, Match group 3) Partial match, some relevant qualifications, Match group 4) Low match, only very limited job functions are available and match group 5) No match, no job functions

3. Do we see a break with the 'equality' principle?

As mentioned, some of the common institutional features of the Scandinavian countries are relatively high social protection, a strong tradition for social rights and the three countries are in general seen as being very ambitious when it comes to living up to ideals about solidarity, universalism, equality and redistribution (Brochmann and Hagelund, 2010).

When it comes to integrating immigrants on the labour market the ultimate goal in Denmark, Norway and Sweden is 'equality' and full participation on the labour market. But the countries differ when it comes to the *means* introduced in order to reach this goal. Hence, what appears from above is that even though the social security provision provided for newly arrived immigrants and for social assistance recipients with an immigrant background has also been up for discussion in Sweden and Norway, it is only Denmark which has moved away from some of the basic principles in the Scandinavian welfare state such as income security and equality. Hence, during the years the Norwegian and Swedish politicians have also discussed the problems of the large group of immigrants receiving social security benefits and their weak connection to the labour market. But these considerations were not concerned with the *level* of social security provision but rather conditionality, the relation between rights and duties and the problems related to the means-tested character of the social assistance schemes in the two countries.

The active reforms of income maintenance programmes in Denmark in order to integrate immigrants on the labour market do not only stand out from Sweden and Norway but differ also from the 'active line' in Denmark in general. Hence, as compared to general employment policies in Denmark, economic sanctions and incentives particularly targeting immigrants have become substantially more important since 2001, when the Liberal–Conservative government came into power, and in general social assistance beneficiaries with an immigrant background have been a prioritized target group since 2001 (e.g. Breidahl, 2011).

One could argue that the reforms in Denmark are only minor due to the fact that only a small group outside the labour market are subject to these measures and because we have not seen a decrease in the generous protection for the main part of the unemployed (e.g. Andersen & Pedersen, 2007). Nevertheless, taking the characteristics of the Danish welfare model and Danish labour market policy into account as well as the underlying normative principles behind the Danish welfare state - social rights, economic equality and protection of a certain level of living – these changes are remarkable.

However, one should not forget that the increased focus on the labour market situation of immigrants (as a result of the prospect of economic sanctions, immigrants as target groups were given high priority and so on) may have had a positive impact on labour market participation and in general, the employment figures for immigrants (and, in particular, female immigrants from non-western countries) have improved during recent years (Breidahl, 2011 forthcoming). But in general it is the most socio-economically advantaged persons who have obtained employment as a consequence of the lower benefit level – the causal effect of lowering public income transfer on job-finding rate and employment is not non-existent but on the other hand, not remarkable either (for example, Hansen and Hansen, 2004; Ministry of Employment, 2005; Huynh et al., 2007; Rosholm and Vejlin, 2010; Bach and Larsen, 2008; Breidahl, 2011).

What we also have to take into account is that immigrants and descendents (maybe as a consequence of these benefit-reductions) are highly over-represented among persons facing long-term poverty in Denmark and, in general, the number of persons facing long-term poverty in the period 2001–7 has increased considerably (AE, 2009b). More precisely, the share of the whole population which was facing long-term poverty in 2007 was at 0.6 per cent (without students), while the share of immigrants from less developed countries facing long-term poverty the same year was 5.4 per cent. Also, descendents of immigrants were highly over-represented among the poor (4.2 per cent in 2007) (AE, 2009a). In addition to this, calculations point out that, in 2006, around two-thirds of the persons receiving the start assistance were living in poverty and that one-third of the recipients were living in long-term poverty⁶ (AE, 2009b).

It is well-documented that poverty among immigrants in the 1980s and 1990s was higher in Denmark than in Sweden⁷ (Blume et al. 2005), but do these conclusions also holds for the 2000s? Is poverty among immigrants still higher in Denmark than in Sweden (and what about Norway), and has the differences erased or rather reinforced due to policy changes in Denmark since 2001? (cf. Section 3).

It is tempting to draw the conclusion, that poverty among immigrants still is much higher in Denmark than in Sweden, but unfortunately, no comparative studies concerning this issue have been conducted during recent years. But unlike in Denmark benefit reduction substantially targeted at immigrants have not been introduced in Sweden and Norway.

What has in particular been at stake in previous research about the relation between ethnic diversity and the welfare state is the impact of immigration on the welfare state as such, e.g. the size of the welfare state and public support for the welfare state (see e.g. Banting and Kymlicka, 2006; Alesina and Glaeser, 2004; Crepaz and Damron, 2009; Larsen, 2010; Bay and Pedersen, 2006). However, what we have seen during recent years – not only in Denmark but in many European countries - is not a downscaling of the welfare state in general but rather tendencies towards welfare chauvinism, dualisation and a 'welfare state light' for immigrants. Hence, we have seen reductions of social rights particularly affecting immigrants which have encroached upon their specific status of social citizenship (e.g. Sainsbury, 2006). Therefore, it is important to distinguish between the impact of immigration and ethnic diversity on the welfare state in general and the impact of the part of the welfare state which immigrants are entitled to and confronted with.

⁶ Poverty is defined as the number of persons who have an income that is lower than the half of the medium income. To be long-term poor a person must be defined as poor for at least three years (AE, 2009b).

⁷ Unfortunately, no studies comparing Denmark, Sweden and Norway have been conducted.

4. Conclusion and outlook

The paper has examined to which extent we have to do with similarities or differences in the active reforms of income maintenance schemes introduced in the three Scandinavian countries during the last 20 years (1990-2010) in order to incorporate newly arrived immigrants as well as long-term receivers of social assistance with an immigrant background on the labour market.

The paper has not provided any clear cut answers to these questions but instead provided – in some instance – a more nuanced picture. Hence, when we consider active reforms of the income maintenance schemes targeted at immigrants we see differences as well as similarities and tendencies to as well convergence and divergence.

However, Denmark stands out by being the only country where it is obvious that the idea of equality conflicts with the diversity argument. Hence, the most remarkable difference between Denmark, Norway and Sweden concerns the generosity of social assistance for immigrants. Thus, since 2002 Denmark has repeatedly reduced the benefit level provided for immigrants – which has not been the case in Norway in Sweden. At first for newly arrived immigrants as a part of the introduction of the start assistance and introduction allowance, and later by reducing social assistance in a number of situations, and in the form of requirements to couples receiving social assistance to work 300 (now 450) hours.

The similarities and tendencies towards convergence first of all concern the relation between rights and duties, where we in all three countries have seen that a closer link between income maintenance schemes and employment-promoting measures has been launched. And in both Denmark and Norway, extraordinary measures targeted at long-term recipients of social assistance with an immigrant background have been introduced during recent years.

The analysis gives the impression that we have to do with an interesting pattern, where institutional preconditions sometimes prevail when new measures targeted at immigrants are to be introduced (like in Sweden in the early 1990s), while countries at other times totally break with existing institutions, practices and principles (like the benefit reductions in Denmark and the Introduction allowance in Norway). However, in all three countries some of the active reforms of income maintenance measures targeted at immigrants stand out from the policies targeted at social assistance receivers in general within each country.

In Norway and Sweden the Introduction allowance stands out from the administrative framework when it comes to the degree of local discretion in the municipalities in deciding rates for payment. Furthermore, the design of the social security provision for newly arrived immigrants has become less means-tested and more universal.

For a long period Sweden stood out by being the only country, where it was voluntary for newly arrived immigrants to participate in an Introduction programme as a prerequisite for receiving Introduction allowance. But in December 2010, a reform of the Introduction allowance (and the efforts for newly arrived immigrants in general) was initiated, which meant that a closer link

between income maintenance schemes and employment-promoting measures now also have been strengthened towards newly arrived immigrants in Sweden.

In Denmark it is in particular when it comes to the benefit level and the 'equality principle' that policies targeted at immigrants stand out. In a welfare state perspective this difference is remarkable considering that Denmark, opposed to Sweden and Norway, has moved away from some of the basic principles in the Scandinavian welfare state such as income security and generous benefits.

A pressing question is, whether we are also – when we consider the Danish welfare state as a whole and not only activation reforms – more generally are seeing tendencies towards the development of a dual welfare state and a general undermining of immigrants' social rights?

The picture becomes more nuanced when we consider the Danish welfare state as a whole. Most welfare arrangements, including those for immigrants, remain tax-financed, universal and unrelated to the person's contribution record; they include, among other arrangements, disability pensions, health care and elderly care) (Andersen, 2007). However, several proposals concerning downscaling immigrants' social rights for their first 15 years of residence in Denmark within a number of welfare arrangements was up for serious consideration prior to the negotiations over the state budget in November 2010. Many of them were not adopted, but a cross-ministerial working group was settled in order shed more light on this topic and immigrant's social rights concerning child benefit and pension for refugees were downscaled.

Also in Norway a commission has been settled in May 2009 – *A Welfare - and Immigration committee* - in order to explore the consequences of immigration and increased mobility on the Norwegian welfare model. One of the questions which are raised in the committee is whether the universal character of the welfare state promotes or prevents immigrants' participation on the labour market. In the summer 2011 the committee is expected to submit their proposals.

References

- Alesine, A. & E. L. Glaeser (2004) *Fighting Poverty in the US and Europe: A World of Difference* (Oxford: Oxford University Press).
- Andersen, Jørgen Goul (2007), *Restricting Access to Social Protection for Immigrants in the Danish Welfare State*, *Benefit*, 4, 3, xx-xx.
- Andersen, Jørgen Goul & Pedersen, Jacob J. (2007), *Continuity and change in Danish active labour market policy: 1990-2007 - The battlefield between activation and workfare*: CCWS Working Paper No. 2007-54
- Arbejderbevægelsens Erhvervsråd (2009a) *Hver 7. Indvandrer lever i fattigdom* (Notat 1. april 2009).
- Arbejderbevægelsens Erhvervsråd (2009b) *Indvandrere hårdest ramt af længerevarende fattigdom* (11. december 2009).
- Bach, Henning Bjerregård & Larsen, Brian (2008). *300-timers reglen. Betydningen af 300-timers reglen for gifte kontanthjælpsmodtagere*: Socialforskningsinstituttet.
- Banting, K & Kymlicka, W (ed.) (2006) *Multiculturalism and the welfare state: Recognition and Redistribution in Contemporary Democracies* (Oxford University Press).
- Blume, K.; Gustafsson, B.; Pedersen, P. J. & Verner, M. (2005) *At the Lower End of the Table: Determinants of Poverty among Immigrants to Denmark and Sweden*: IZA Discussion Papers.
- Borevi, Karin (2002). *Välfärdsstaten i det mångkulturella samhället*: PhD thesis.
- Breidahl, Karen N. (2011) "Social security provision targeted at immigrants – a forerunner for the general change of Scandinavian equal citizenship? A Danish case study" in S. Betzelt and S. Bothfelt (ed.), *Activation and labour market reforms in Europe: Challenges to Social Citizenship*: Palgrave Macmillan.
- Brochmann, Grete & Hagelund, Anniken (red.) (2010). *Velferdens grenser: Innvandringspolitikk og velferdsstat i Skandinavia 1945-2010*: Universitetsforlaget
- Crepaz, M. M. L. & R. Damron (2009) 'Constructing Tolerance: How the Welfare State Shapes Attitudes About Immigrants', *Comparative Political Studies*, Vol. 43, No. 3, 437-463.
- Dahlström, Carl (2004). *Nästan välkomna. Invandrapolitikens retorik och praktik*. Göteborg: Göteborg Studies in Politics 87.
- Dahlström, Carl & Esaiasson, Peter (2009) *The Immigration Issue and Anti-Immigrant Party Success. Is Sweden the Odd Case Out?* QoG Working Paper series 2009:30
- Djuve, Anne Britt & Kavli, Hanne Cecilie (2007). *Integrering i Danmark, Sverige og Norge. Felles utfordringer – like løsninger?*: TemaNord 2007:575

Edin, Per-Anders; Fredriksson, Peter & Åslund, Oluf (2004): "Settlement policies and the economic success of immigrants", Population Economics, Vol 17, pp. 133-155

Ejrnæs, Morten (2001): Integrationsloven – en case, der illustrerer etniske minoriteters usikre medborgerstatus. AMID Working Paper Serie 1/2001

Ferrera, M. and Hemerijck, A. (2003), Recalibrating Europe's welfare regimes. In J. Zeitlin and D. M. Trubek (eds), Governing Work and Welfare in a New Economy, Oxford: Oxford University Press.

Givens, Terri E. (2007) Immigrant integration in Europe: empirical research: Annual Review of Political Science; 2007, Vol. 10, p67-83, 17p

Green-Pedersen, C. & Jesper Krogstrup (2008). "Immigration as a political issue in Denmark and Sweden", European Journal of Political Research, 47, 5, 610-635.

Gough, Ian (2001). Social assistance Regimes: A cluster. Journal of European Social policy, Vol. 11, No 2

Hagelund, Anikken (2002): The Importance of Being Decent Political Discourse on Immigration in Norway 1970-2002: PhD thesis

Hansen, H (2006). From asylum seeker to refugee to family reunification: Welfare payments in these situations in various Western Countries, Copenhagen: The Rockwool Foundation Research Unit.

Hansen, Finn Kenneth & Hansen, Henning (2004) Starthjælp og introduktionsydelse – hvordan virker ydelserne: CASA, Center for Alternativ Samfundsanalyse

Hedetoft, Ulf; "Divergens eller konvergens? Perspektiver i den dansk-svenske sammenstilling" - publiceret i Bortom stereotyperne? Indvandrerne og integration i Danmark og Sverige; Makadam förlag 2006

Holm, Lærke (2007). Folketinget og Udlændingepolitikken - diskurser om naturaliserede, indvandrere og flygtninge 1973 – 2002: PhD thesis

Huynh, D. T.; T. Tranæs and M. L. Schultz-Nielsen (2007) Employment effects of Reducing welfare to Refugees (Study Paper No. 15, Rockwool Foundation Research Unit).

Integrationsverket (2007) Ett förlorat år. En studie och analys av insatser och resultat under introduktionens förste 12 månader: Integrationsverkets stancilserie 2007:05

Kildal, N. (2003) *The Welfare State: Three Normative Tensions*. Stein Rokkan centre for social studies: Working Paper No. 9

Larsen, Flemming (2009) Operationelle reformer som drivkraft for forandring: Kommunale jobcentre som det gode eksempel? Samfundsøkonomen, No. 5

Johansson, Håkan & Hvinden, Bjørn (2007). "Nordic Activation reforms in a European context: a distinct universalistic model?" In Hvinden, Bjørn & Johansson, Håkan (red): Citizenship in Nordic

Welfare States: Dynamics of choice, duties and participation in a changing Europa: Routledge, pp. 53-66.

Jønsson, Heidi Vad & Petersen, Klaus (2010). "Del 3: Den nationale velfærdsstat møder verden" in G. Brochmann & A. Hagelund (red.), *Velferdens grænser*: Universitetsforlaget, pp. 131-209

Jørgensen, Martin Bak (2006b) "Dansk realisme og svensk naivitet? En analyse af den danske og svenske integrationspolitik" – in "Bortom stereotypene? Indvandrerne og integration i Danmark og Sverige; Makadam förlag 2006

Larsen, C. A. (2010) Ethnic Heterogeneity and Public Support for Welfare Policies: Is the 'black' American Experience resembled in Britain, Sweden, and Denmark? (CCWS Working paper. No. 2010-68).

Meyer, John W. & Brian Rowan (1977), "Institutional Organizations: Formal Structure as Myth and Ceremony", i *American Journal of Sociology* 83:340-363.

Morissens, A. & Sainsbury, D. (2005) 'Migrants' Social Rights, Ethnicity and Welfare Regimes', *Journal of Social Policy*, Vol. 34, No. 4, 637–660.

Necef, M. Ū. (2001) 'Indvandring, den nationale stat og velfærdsstaten' in P. Seeberg (ed.) *Ubekvemme udfordringer* (Odense Universitetsforlag).

OECD (2010) *International Migration outlook*.

Olwig, K.F (2011) 'Integration': Migrants and refugees between Scandinavian welfare societies and family relations, *Journal of Ethnic and Migration Studies*, Volume 37, Issue 2, February 2011, Pages 179-196

Palme, Joakim; Nelson, Kenneth; Sjöberg, Ola & Minas, Renate (2009): *European Social Models, Protection and Inclusion*. Research Report, Institute for futures studies

Rosholm, M. & R. Vejlin (2010) 'Reducing income transfers to refugee immigrants: Does start-help help you start?', *Labour Economics*, Vol. 17, No. 1, 258-275.

D. Sainsbury (2006) 'Immigrants' social rights in comparative perspective: welfare regimes, forms of immigration and immigration policy regimes', *Journal of European Social Policy*, Vol. 16, No. 3, 229-244.

Public documents:

Denmark:

Ministry of Employment (2005) *Afrapportering fra arbejdsgruppen om indsamling af oplysninger om virkning af introduktionsydelse på start-hjælpsniveau/starthjælp*

The Danish Government (2005), *En ny chance til alle: Regeringens integrationsoplæg*, København.

Ministry of the Interior (Indenrigsministeriet) (1997): *Integration - betænkning afgivet af det af indenrigsministeren nedsatte Integrationsudvalg*. Betænkning nr. 1337. København 1997.

Ministry of Economic Affairs (1997): Økonomisk oversigt 1997. December 1997. København.

Sweden:

Proposition (1991/92:172): om introduktionsersättning till flyktingar och andra utlänningar

SOU (2008:58): Egenansvar – med professionellt stöd: Betänkande av Utredningen om nyanländas Arbetsmarknadsetablering. Statens offentliga utredningar.

Prop. 1997/98:16, *Sverige, framtiden och mångfalden – från invandrarpolitik till integrationspolitik*

Prop. 2009/10:60, Nyanlända invandrares arbetsmarknadsetablering - egenansvar med professionellt stöd

Regeringens skrivelse 2001/02:129 Integrationspolitik för 2000-talet.

Norway:

St. Meld. (1996/97, 17): Om innvandring og det flerkulturelle Norge. Kommunal og Arbeidsdepartementet.

St.meld. nr. 50 (1998-99) Utjamningsmeldinga: Om fordeling av inntekt og levekår i Norge

St. Meld. (2006/07: 9): Arbeid, velferd og inkludering. Arbeids- og inkluderingsdepartementet

NOU (2001:20): Lov om introduksjonsordning for nyankomne innvandrere (Introduksjonsloven)

Ot.prp (2002/03:20): Om lov om introduksjonsordning for nyankomne innvandrere(introduksjonsloven)