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# **Obligatory programmes for newcomers – empowerment or intrusion?**

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# 1 Introduction

Over the past ten years it has been thoroughly documented that refugees and other immigrants are poorly integrated in the Norwegian labour market, and that many also have tenuous contact with ethnic Norwegians. The poor connections to the labour market result in comprehensive and long-lasting dependency on social benefits. This situation persists, in spite of a rather generous integration policy. Considerable means are spent each year, on language training, labour market programmes and other qualification activities. Still, the main goals of the Norwegian integration policy - financial autonomy, self-reliance and participation in Norwegian society - are far from attainment.

This situation has given rise to criticism of integration activities, but also to innovation. The criticism that has been heard may be summarized in two main arguments. First, it is claimed that the Norwegian assistance system leads to clientification, i.e. that the assistance in itself contributes to making refugees less able to manage on their own. Second, the quality, continuity and intensity of the qualification programmes are not good enough.

In 1999 new methods were tried out in the integration activities in 16 Norwegian municipalities. These projects were designed to address the shortcomings listed above. Continuity and intensity would be improved through the establishment of full-day

programmes and closer cooperation between the various agencies participating in the qualification activities. The clientification aspects of the assistance system would be mitigated mainly by introducing paid qualification as an alternative to social benefits, and income would be tied to participation in qualification programmes. Newly arrived refugees rarely have alternative income sources to social benefits, and this system therefore imposed a strong incentive to take part in the qualification programmes.

One of the major objections that has been raised to the programmes, has been that the economic incentives are so strong that participation is in fact compulsory, and that the employment of such means towards people who are in an extremely difficult life situation, is illegitimate. This paper summarizes some central findings from the evaluation of the project activities, i.e. what methods work, the problems that have arisen during their implementation, and the ethical issues that are raised. A crucial question is whether a clear distinction can be made between integration methods that are empowering, and methods that entail an illegitimate intrusion into the immigrant's lives.

## **2 Research questions and method**

The main goals of this paper are

- 1) To present a theoretical framework for the relevance of economic incentives in qualification programmes for newcomers

- 2) To present empirical evidence of the efficiency of economic incentives in such programmes
- 3) To identify conditions that influences the efficiency of economic incentives
- 4) To debate if and how such methods can be implemented in an ethically acceptable manner.

The paper is to a great extent based on findings made by Djuve and Pettersen (1997) and Djuve et al (2001). The first report presents good practice projects from Sweden, The Netherlands and USA, and summarizes their similarities. The latter report presents an extensive evaluation of pilot projects carried out in 16 local municipalities in Norway over the period from 1998 till 2000. Effectiveness was measured by checking language progress, examining the transition to working life and regular education, and studying the participants' own perceptions of whether the introductory programme has made it easier for them to find employment and/or to obtain general access to the Norwegian society. Qualitative and quantitative methods were used based on three data sets. Data set no. 1 consists of comprehensive interviews with 147 participants. Data set no. 2 consists of project reports containing information on 304 participants' skills and qualifications, and detailed information on the type of qualification measures each participant has participated in. Reporting was done on standardized forms. Data set no. 3 consists of qualitative interviews with project employees and the cooperating agencies. There were two rounds of interviews to capture changes while the project was in progress.

### **3 Integration policy in Norway – from welfare to workfare**

Newly arrived immigrants – and especially refugees – normally lack the possibility to provide for themselves. In Norway they are entitled to social benefits, the same way Norwegian citizens are. Traditionally, immigrants have not been put under any obligation to participate in language training or other qualification activities<sup>1</sup>.

Social assistance is not intended to be a long-term income source. However, in the 1990-ies, statistical evidence showed that large groups of immigrants had developed a more or less permanent dependency (Djuve and Hagen, 1995, Hagen, 1997). All though the size of the benefits were generous enough to ensure a more or less acceptable level of living, long-term absence from working life, lack of language skills and isolation from the Norwegian society obviously had significant negative effects on their quality of life. The figures gave rise to an increasing criticism of the integration regime, both from politicians and researchers. Integration authorities were accused of reducing resourceful immigrants into passive clients (Wikan, 1995), the integration methods were described as inefficient (Djuve and Hagen (1995)), and the capacity of the social welfare offices to properly assist refugees was questioned (Lien, 1986, Djuve and Hagen, 1995).

The increasing critique of the social welfare system in Norway coincided with a changing social policy landscape in several European countries. The concern that social

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<sup>1</sup> Some municipalities have exercised their legal right to condition social benefits on participation in language training. In practice, these conditions are rarely put in effect.

assistance, especially when employed over time, discourages initiative and foster dependency lead the social policy in these countries towards “workfare” rather than welfare. By “workfare” we refer to programmes requiring people to work in jobs established or authorised by public authorities, or participate in work-related activities as a condition for receiving social assistance. The term is imported from America, where such programmes have been in operation since the early 1980s (Walker 1991).

In the late 90-ies, the Norwegian National Assembly decided to establish pilot projects in order to try out new methods of integration. In the pilot projects, social assistance was (at least to some extent) made contingent on participation in qualification activities. The national assembly resolution also specified a set of components that should be included in the pilot projects. The measures can be summarized as follows:

- 1) One contact point or one contact person in the social assistance-system for every participant
- 2) Frequent contact and follow-up with the participants
- 3) Full-day programmes that includes work training as well as language training
- 4) Thoroughly mapping of each participants background to enable an individual design of qualification plans
- 5) Cooperation between the local municipalities and the local employment offices in the implementation of the programmes.

### **Theoretical framework**

The tendency that social assistance fosters dependency to the social service system is often referred to as clientification processes. Several theories have been forwarded in

order to explain the phenomena. Bane and Elwood (1994) offers three explanatory models:

1: *Rational Choice models* suggests that individuals examine the options they face, evaluate them according to their tastes and preferences, and then select the option that brings them the greatest utility or satisfaction. Accordingly, long-term welfare use should be seen as the result of a series of reasoned choices. This model embodies the *resource model*, which ascribes welfare dependency to a lack of adequate qualifications and resources for the labour market. People with small resources have fewer opportunities, and hence they are more likely to remain on welfare. Both the characteristics of the welfare system and the outside opportunities will influence the choices that are made. People who face low welfare rates, high wage rates and low day-care costs would be expected to choose work.

2: *Expectancy models* emphasize that people's experiences affect their confidence and motivation. Their actions are motivated by the expectancy for a desired outcome, but if they fail repeatedly, they might lose motivation. When people lose a sense of control of their lives, they are more likely to become dependent on the social welfare system. They cease to believe that they can get off of welfare. It is well known from social psychology that when people experience that their actions have no or little effect on a desired outcome, they tend to enter a state of apathy, often referred to as "learned helplessness" (Seligman, 1975). The relevance of expectancy models is of course closely linked to the characteristics of the social assistance system. In this perspective, qualification programs that enforce obligations and compulsory participation will have a positive effect (Mead,

1997). The positive effect hinges however on the programmes ability to make explicit the connection between the participants actions and the outcome.

3: *Cultural models* emphasize that values, preferences and expectations differ widely between groups. Typically, theories of “culture of poverty” argue that people in such cultures reject commonly accepted values. Attitudes towards being dependent of social welfare are of course of special interest. Concentration of dependent people in certain geographical areas, as well as social and cultural heritage, are believed to be central to this perspective. In our context, it must be fair to say that it is less than likely that all newly arrived immigrants would share the same work ethics, or that they would come with the same internalised distaste for dependency that we expect the majority of Norwegians to share. On the other hand, many immigrants have high hopes for their future economic careers. Refugees often have a long history of coping with economic and other hardships, and are eager to establish themselves economically. In other words, there is no reason to believe that immigrants in general have a taste for welfare dependency, but we would expect that attitudes towards such dependency differ widely between groups and individuals, at least during the first period of their stay in the new country. A study of refugees in Oslo indicated considerable variation in attitudes towards welfare dependency between ethnic groups (Djuve and Hagen, 1995).

Bane and Elwood present these models as alternative models, and claim that they offer different predictions on welfare duration. In my opinion, the models can be treated as complementary. Bane and Elwood state that traditional choice theory does not consider

changes in preferences (when acquiring the welfare-habit) or lack of motivation in the first place. In my opinion, lack of motivation can be considered as part of the individual's tastes and preferences. Alternatively, if the lack of motivation is due to that the individual has little hope that she can influence her future, her choice of doing nothing is rational, given the available information. Changes in preferences are not really relevant at the moment the choice is made: It is the person's preferences *at the moment of choosing* that will be decisive. Rational choice theory is however poorly fit to explain the psychological processes behind each individual's tastes and preferences. In this aspect the expectancy theory and the theories of culture obviously have a lot more to offer.

The three theories combined suggest that dependency is affected by economic factors (does work pay), perceived control over a desired outcome and attitudes towards being on welfare. Individual resources, such as language skills, education and work-experience affect people's opportunities in the labour market, and hence also affect welfare dependency. Furthermore, long time dependency can in itself be a hindrance for getting off of welfare, as it diminishes people's self-esteem and weakens their belief in that they can influence their situation. In other words, in order to avoid dependency, welfare benefits should not be high enough to compete with market wages, long-term dependency should be avoided, the effects of individuals actions (on their life situation) should be made distinct and persons should not be allowed to choose welfare over work even if they don't mind welfare dependency.

This has some implications for how integration programmes for newcomers should be modelled, if they are to be an alternative to welfare benefits: First, the

financial consequences of choosing not to participate ought to be noticeable. This will encourage participation, as well as establishing a link between actions and outcome. Second, the pay should not exceed market wages. If it does, it will keep the participants from exiting the program. (This requirement is obviously problematic when market wages are low, especially for families with numerous children). Third, the program should support the participant's sense of control, giving them positive experiences from schooling and working life. This is of course a major challenge, and there is no blueprint for success in this area. And fourth, maybe needless to say, they should supply high quality qualification.

#### **4: Some empirical evidence: Paid qualification**

The 16 pilot-projects that were carried out in Norwegian municipalities in the period 1998-2000 were all designed to be an alternative to traditional welfare benefits. The target group for the projects was refugees arrived in Norway within the past five years. Participation in the projects was not obligatory in a strict sense, but was made a condition for (full) economic support. The gravity of the economic consequences of non-participation was both communicated and implemented in different ways in the 16 projects, resulting in that some participants felt that they had little choice, while others left the project, knowing that the (short-term) economic consequences would be minor or none. In most cases, the financial consequences of dropout or non-attendance were moderate. Norwegian law on social welfare ensures everyone a minimum income, and

the willingness to punish families financially, particularly families with children, is generally low in most local municipalities.

Both the participants and employees in the projects emphasize the positive importance of establishing the provision of an income as a genuine alternative to social benefits. Many of the participants reported that they felt that receiving social benefits was a sign of failure, and they emphasized the motivating effect of earning money as opposed to being issued money. 80 percent of the participants described the link between program participation and economic benefits as fair. Those who did not find the obligation to attend to the program as fair pointed out that the information about the system was poor, the rules were implemented arbitrarily, or that the quality of the qualification was unsatisfactory.

Some projects chose a model where participants were offered higher benefits than the norm for social benefits, others kept the original norm and reduced the payments if participants dropped out or was absent from class. We did not find any difference in the motivating effects of positive and negative economic incentives. In fact, the distinction between negative and positive financial incentives – punishment or reward – has generally proven to be eliminated in practice. Even though the project managers all agree in their depiction of the scheme, which rewards participants for participation, the participants are quite consistent in their feeling that they are being docked for absenteeism. This is regardless of whether the benefits basically are higher, equal to or lower than the norm for social benefits.

Not all projects succeeded in establishing an income source that comprised a real alternative to social welfare. The greatest problem encountered by the projects involving

alternative income provision was that alternatives to social benefits are basically taxable, and hence appreciably more expensive for the local authorities. If the relationship between a participant and the local authority must be considered as an employer-employee relationship, a number of rights will be triggered for the participants along with a number of responsibilities for the local authority. This is probably why the solutions that were chosen in most pilot projects resembled social benefits quite closely, even though most of the involved parties agreed that this was less than optimal. Thus, in the evaluation it was difficult to trace the effect of alternative income provision, understood as clearly distinguished from social benefits. On the other hand, the threat of deductions for non-attendance, or wages according to performance and input, was an element in 13 of the 16 pilot projects.

#### **The effect on absence, participation in work and language progress**

Economic incentives seem to have a positive effect on the attendance to the qualification programmes: The absenteeism of participants from the qualification programme is greater in the three municipalities that do not offer credible incentives in the form of deductions from financial benefits. As only three municipalities failed to, or chose not to, practice deductions, we must nevertheless be careful in reaching any definitive conclusion on the impact of deductions. (There may be other reasons why the three projects have high absenteeism rates). It is also a methodical problem that the information given to the participants about the regulations for deductions differed between projects and contact-persons. For the threat of deduction to be *credible and appropriate*, participants must be familiar with and understand the provisions for absenteeism and also experience that unacceptable absenteeism will be countered with

financial penalties. Moreover, we do not find positive effects of deductions on the participants' probability of gaining regular employment or improving Norwegian language skills. By withdrawing financial benefits it is apparently possible to reduce absenteeism, but this in itself is no guarantee that the participants will benefit more from the qualification programme (at least not in the short term). Conversely, it is more likely that participants will find a paying job if they have been in a project that has combined the use of financial incentives with close follow-up. *Financial penalties alone are thus not sufficient to attain results. Only when financial incentives are combined with close follow-up do we find that this measure helps to make it easier for participants to find employment.*

Another finding worth mentioning is that several project-employees pointed out that in some cases, the projects had economic incentives *not* to enter the labour market. The economic benefits from the projects (alone or in combination with additional social assistance) were sometimes significantly higher than market wages, making it less attractive for the participants to seek employment. This is especially the case for parents with many children, as the benefits are higher for large families. We did not have data to test this statistically.

### **Economic incentives do not work alone**

Economic incentives can make people participate, but incentives alone do not lead to language skills or employment. Close and comprehensive follow up of the participants have proven a central element in order to achieve these goals. We have measured close follow up in two different ways in our analysis:

One measure is based on that regular meetings between the individual participant and the contact point have been held during the qualification programme: During these meetings any problems may be discussed and attempts can be made to resolve them. Another measure we have used is whether the project employees personally notify participants before any deductions are made in the financial benefits that are paid, when undocumented absenteeism occurs. We found that elements of close follow-up have a positive effect on all the three aspects of living conditions that the integration activities aim to improve: Norwegian language skills, participation in the working world and social networks.

**One contact point- facilitates close follow up**

All the projects have established *one contact point* for each refugee, and according to the project managers, this has proven to be successful. Traditionally, refugees have had to relate to a number of departments and offices that do not always cooperate well. With one contact point, the refugees are spared from the experience of being bounced around the system, and the contact person gets to know much more about each of the refugees she or he is dealing with. This in turn makes it easier to provide an individually adapted qualification programme. The positive aspect of this approach is also reflected in the participants' relationship to the contact persons, who they generally describe as accessible and respectful.

Close follow-up may be implemented in a number of ways, and there are pitfalls. One project evaluated their follow-up as being too close, taking too much responsibility away from the participants. In other cases, the refugees felt that the follow-up was illegitimate and controlling. To prevent close follow-up from becoming a distorted

image of the intention, it is thus important to not lose the balance between follow-up and invasion of privacy and, between follow-up and taking over responsibility. Both violate one of the fundamental intentions behind the proposed introductory programme, to create a connection between the participant's own efforts and own life situation. Close follow-up should help to establish such a connection, not contribute to its removal. This is illustrated also by the fact that programmes that made participants responsible for keeping their own attendance records increased the probability that participants would find employment.

#### **Program composition**

Information regarding the content of individual qualification programmes is fairly incomplete from the pilot projects. The strongest finding is that work-training has a positive effect on the participants likelihood of finding employment. We also find, not very surprisingly, that the number of persons who have passed a Norwegian language test is higher among those who have had many Norwegian classes.

## **5 Ethical implications**

The new methods in integration activities have two major ethical implications. First, good and efficient methods in integration activities will contribute to preventing refugees from falling into passive and unhealthy careers as long-term welfare clients. Hence, the methods may help alleviate a situation that is unfortunate both ethically and in other ways. On the other hand, there is reason to bear in mind that refugees are in a very vulnerable situation psychologically, economically and juridical. Many of them are

seriously traumatized. In addition, life in Norway can be challenging. They are not Norwegian nationals, they have often been settled in parts of Norway against their own wishes (Djuve and Kavli 2000), they are dependent on public welfare schemes, and they may be subjected to financial penalties if they do not participate in qualification programmes. Furthermore, they have little knowledge about the Norwegian system and their rights, and they basically do not speak the Norwegian language.

This is a situation where the distribution of power is extremely imbalanced; making it vital that power is not abused. We have found examples that in our opinion border on such abuse. Some projects force participants into signing "contracts" that only lay down obligations for the participants, not for the local authorities. One local authority throws participants out of the project if they are on sick leave for more than 14 days. A third local authority rejects participants' self-certified sick leave if they have been observed "out on the town" the evening before they became sick. A fourth local authority "forces" participants to take part in work training that does not contribute to language development, or contact with regular working life, nor does it provide instruction in a profession that is relevant for the refugee's qualification plan. Abuse may thus be connected partly to the regulations themselves, and partly to how the project employees interpret and implement them.

The large variations in the content and quality of the qualification programmes among municipalities and within one and the same municipality also lead to great differences in the way refugees with similar needs are treated. This undermines the due process of law for refugees, as the settlement municipality has a high degree of impact on the quality of the qualification programme. Variations within one municipality also

make it difficult to legitimise the use of penalties when other refugees in the same municipality receive social benefits with requirements for participation in qualification programmes.

## **6 Conclusion**

The theoretical framework for the paper concluded in some implications for how integration programmes for newcomers should be modelled. Here, I will shortly relate the findings to the four implications mentioned:

1) The financial consequences of choosing not to participate ought to be noticeable.

Our analysis shows that economic incentives had a positive effect on program-attendance. However, in order to have an effect on language skills, labour-force participation and social integration, economic incentives need to be used in combination with close follow-up of the participants (and obviously a good quality of the contents of the program).

2) The pay should not exceed market wages.

We did not have data to statistically test the effect of negative economic incentives to enter the labour force. Several project-employees do however point out that high welfare benefits for large families makes it difficult to motivate the parents for working life.

3) The program should support the participant's sense of control, giving them positive experiences from schooling and working life.

Creating a link between participation in qualification activities was an element in all the projects we studied. In order to fully evaluate the effect of this element we would need comparative data from projects with no such link. It is however of great interest that 80 percent of the participants described the link as fair. Those who did not find the obligation to attend to the program as fair, pointed out that the information about the system was poor, the rules were implemented arbitrarily, or that the quality of the qualification was unsatisfactory. The positive effects of making the participants responsible for their own attendance-lists and paying their own bills also indicates that it is important to let the participants keep as much responsibility as possible for their own life situation. The positive effects of work-practice can be interpreted in several ways, the experience of mastering a work-situation in Norway is one of them.

4) The program should supply high quality qualification.

Our information on each element of the pilot projects is not detailed enough to thoroughly evaluate the quality of each program. One important finding is the above mentioned positive effect of work-practice. Quality is also an important incentive for participation.

In other words, our findings support all four implications for the shaping of integration programmes.

This does by no means implicate that the pilot projects have solved every problem related to refugee integration. Even though the methods that have been tested appear to be efficient in them selves, the variation in the quality of the programmes is a signal of the pressing need for quality assurance. This is important, not least because obligatory participation in introductory programmes of widely varying quality is ethically problematic. If the programmes have a poor quality, and it is virtually impossible to withdraw from them, the participants will feel that they are demeaning. On the other hand, it is equally ethically problematic to abstain from using economic incentives or even compulsion, if these methods can prevent that large groups of immigrants remain economically and socially marginalized.

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