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Waking up to the Reality of Welfare Recipiency?

Migrants in Germany's Minimum Income
Benefit System ("Hartz IV")

Presentation for the 60th International Study
Congress of AWR

"Migration as a Challenge for the Social Welfare State"
Berlin, September 30 / October 1, 2010

The 'Hartz' reforms

- 'Modern Employment Services':
 - more service orientation towards jobseekers and clients
 - better profiling of jobseekers' competencies and needs for help
 - better targeting of interventions
 - more rapid job placements, services closer to the labour market
- merging of Unemployment Assistance and Social Assistance for able-bodied adults (2005) into a uniform minimum income benefit scheme:
 - 'enabling and demanding' = more intensive and consistent activation of the long-term unemployed
 - unintended creation of a 'second tier' of public employment service ('consortia' and 'licensed municipalities' = 'jobcentres')
- major argument gaps in the Hartz reform discourse:
 - poor health as a barrier against employment
 - migrant background as characteristic of a relevant proportion of the target population

The project "Effects of the minimum income benefit scheme on clients with migrant backgrounds"

- commissioned by Ministry for Labour and Social Affairs (2006)
- focused on migrants in the minimum income benefit scheme (not on unemployment insurance; not on migrants in general)
- research consortium comprising 5 institutes and 1 legal expert
- empirical research from 2007 to 2009:
 - case studies of 25 client families with migrant backgrounds
 - analyses of administrative data and representative surveys of IAB
 - 'migrants' modules' added to 'Hartz IV' evaluation customer and jobcentre surveys
 - 16 jobcentre case studies

Who is eligible for 'Minimum Income Benefits for Jobseekers' (SGB II)?

- age 15 to 65
- in need of financial support
- not eligible for other means of social security (namely, social insurance type benefits)
- physically able and **legally allowed** to work
 - German nationals
 - **resident** EU citizens
 - EU and third country citizens who have entered the country for the purpose of job search and have not previously worked in Germany **excluded during the first three months**
 - 'legally allowed to work': **possibility** or reality of work permit?
- **asylum seekers referred to different (and lower) provision**
- **illegal immigrants excluded**
- **Hybrid status of SGB II in European legal perspective: social assistance (poverty relief) or labour market related benefit?**

Definition of 'migrant background'

- non-nationals (no German citizenship)
- nationals born abroad with at least one parent also born abroad
- nationals born in Germany with at least one parent born abroad and dominant family language not German

nationality		own country of birth		parents' country of birth		family language other than German	benefit recipients with migrant backgrounds total
non-German	18.0	A	15.5	A*	15.5	11.3	
				G**	>0.0 ⁺	>0,0 ⁺	
		G	2.5	A*	0.2	>0.0 ⁺	
				G**	2.3	1.3	
German	82.0	A	10.0	A*	9.8	5.6	
				G**	0.2	-	
		G	72.0	A*	8.7	0.8	
				G**	63.2	-	
total	100.0	100.0		99.9	19.0	28,6	

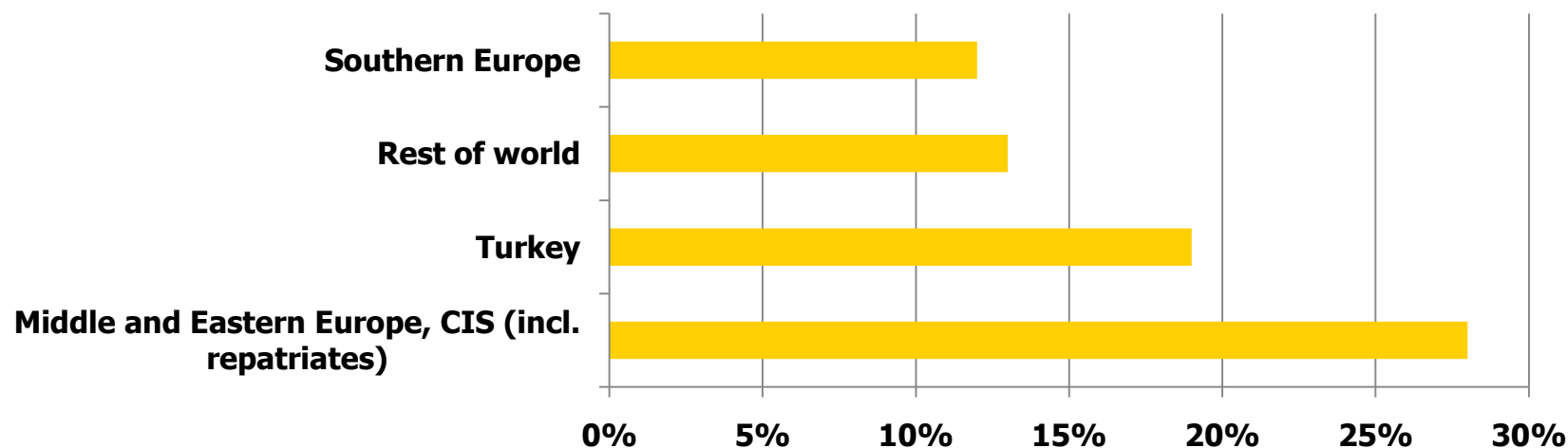
A – abroad, G – Germany; * - at least one parent born abroad, ** - both parents born in Germany, + value based on < 30 cases and ≤ 0.05 per cent; - values missing due to questionnaire filtering

Source: customer telephone survey, extrapolated for the whole of Germany, own calculations

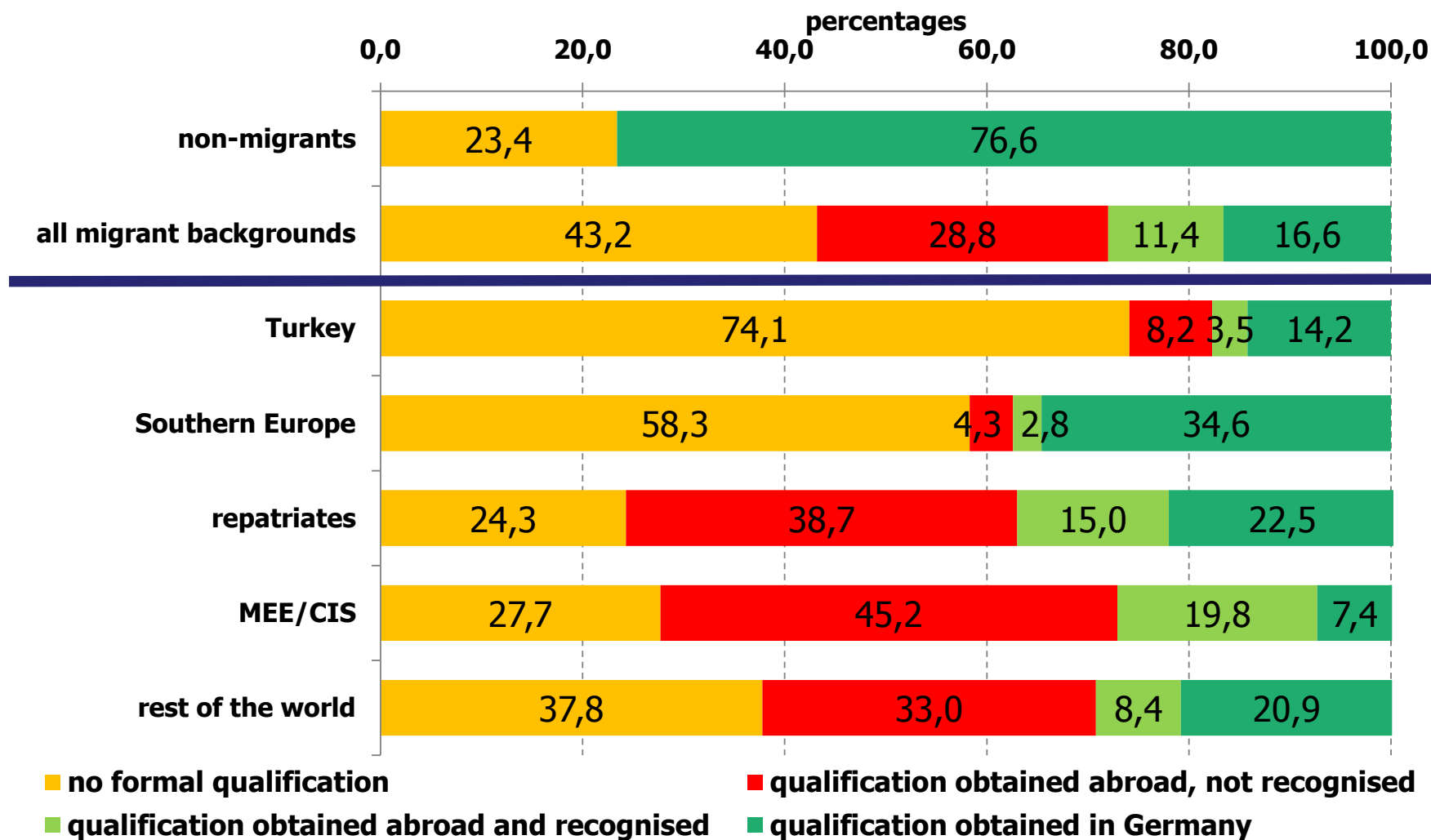
Groups of origin / benefit reciprocity rates

nationality / region of origin	non-Germans	born abroad*	family language other than German**	benefit recipients with migrant backgrounds total
Turkey	28.3	20.5	27.5	23.0
Southern Europe	16.0	7.9	9.7	10.9
ethnic German repatriates	0.7 ⁺	18.7	16.1	16.5
middle and Eastern Europe / CIS	35.5	33.8	32.5	30.2
rest of the world	19.6	19.1	14.2	19.4
total	100.1	100.0	100.0	100.0

reciprocity rates

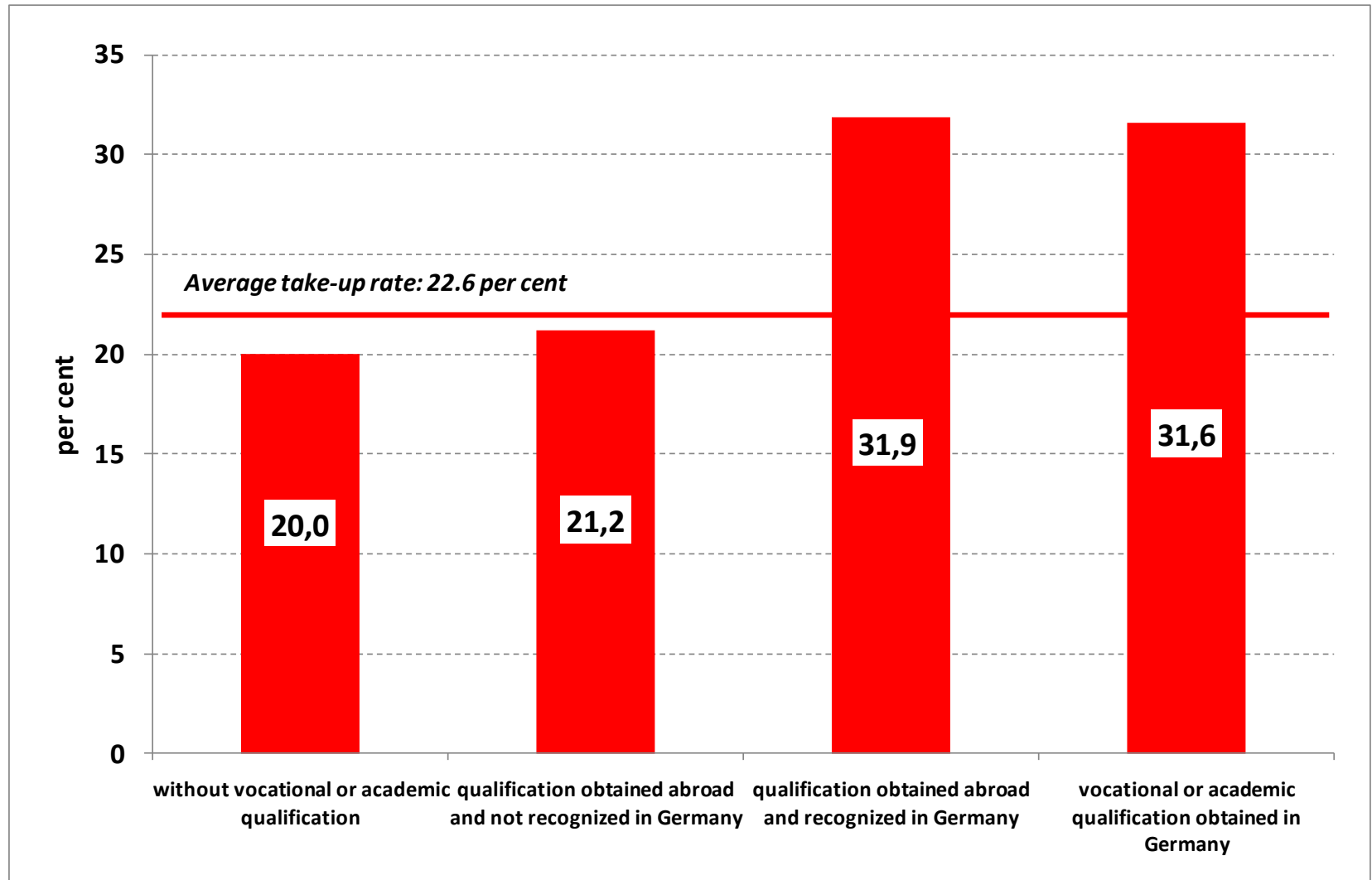


Vocational and academic degrees



Source: customer telephone survey, extrapolated for the whole of Germany, own calculations

Effects of non-recognition of degrees



How are jobcentres prepared for dealing with clients of migrant backgrounds?

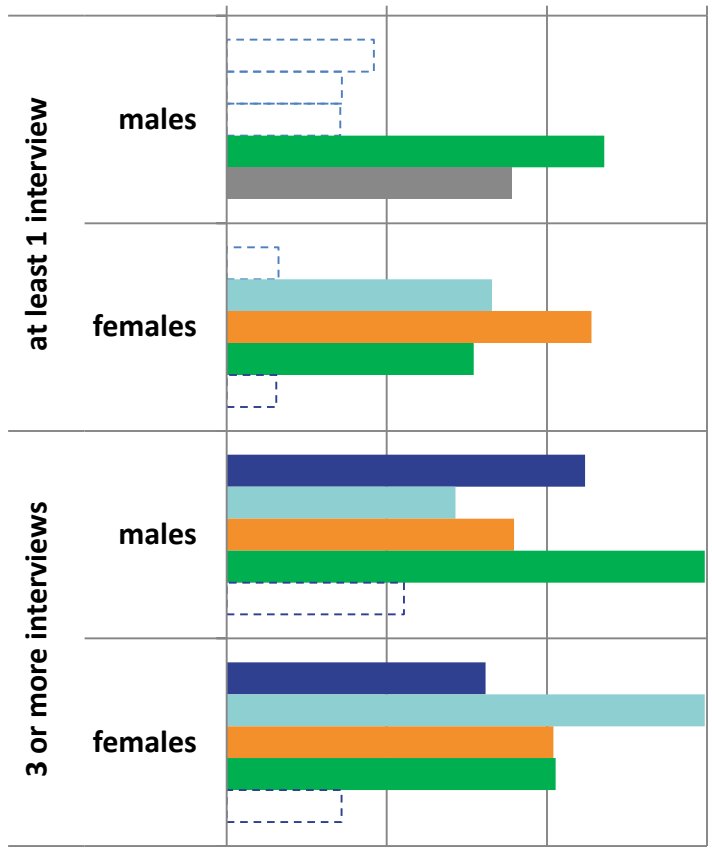
- statistically, only nationality is known ⇒ no monitoring with regard to migrant background
- until 2008 nationality not used as a monitoring variable
- fundamental philosophy: equal treatment and non-discrimination – 'positive action' virtually unknown in German administrations
- 'migrants' commissaries' in jobcentres only with co-ordinating and information-brokering functions, often only informal, in most cases in addition to normal caseload
- jobcentres not responsible for recognition of vocational and academic qualifications; too complicated for frontline staff to understand
- percentage of frontline-staff with migrant background unknown, estimated at only 3%
- "Diversity" as staff policy mentioned in headquarter documents but unknown on the ground
- trainings in 'intercultural competency' increasingly sought for and frequented by jobcentre staff

'Activation' of migrants compared to non-migrants ('0' baseline)

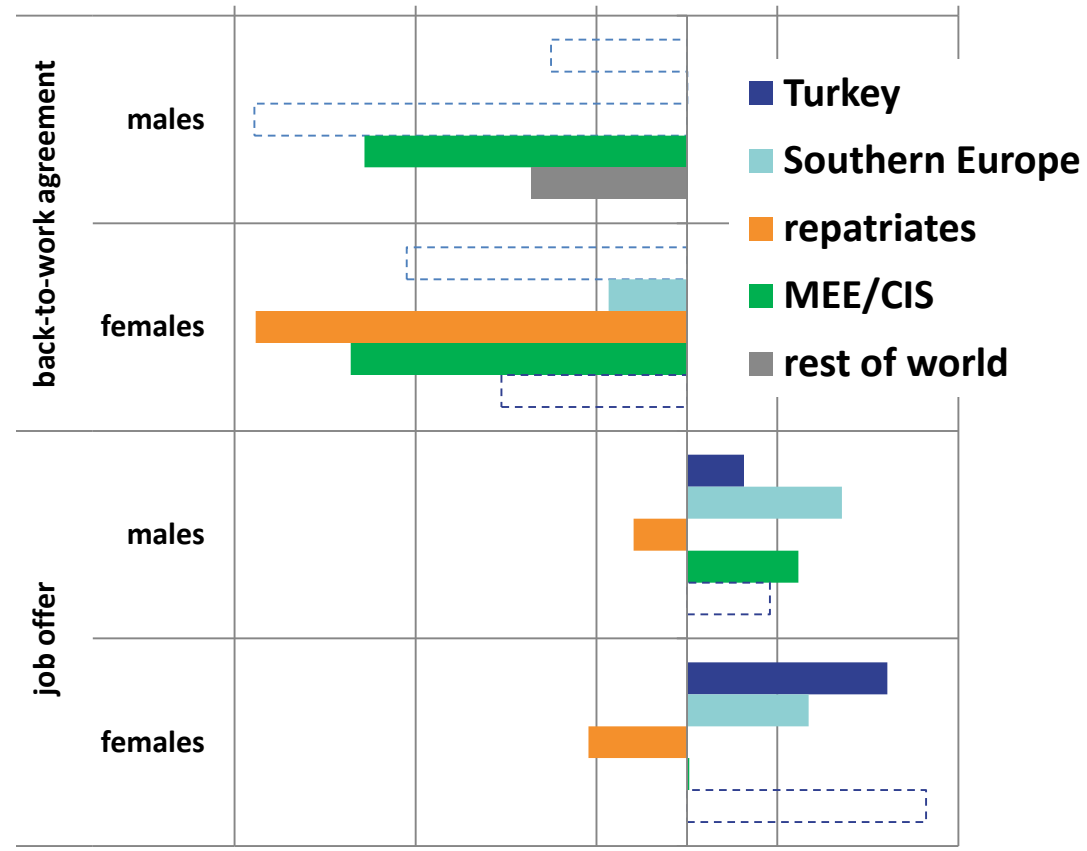
Counselling interviews

'back to work' agreements and job offers

0,00 0,10 0,20 0,30



-0,50 -0,30 -0,10 0,10 0,30



Source: customer telephone survey, own calculations, socio-demographic characteristics controlled

Sanctions: threatening, Imposing, and non-acceptance by clients (migrants compared to non-migrants)
(+ significantly more, – significantly less frequent)

	Turkey		Southern Europe		repatriates		CEE/CIS		rest of world	
	M	F	M	F	M	F	M	F	M	F
threatened with sanction	+					--	--	--		
sanction imposed	+	+		+	+	--	--		+	
"sanction unjustified"							--	--		--

Source: customer telephone survey, own calculations, socio-demographic and contextual characteristics controlled:

- age
- child under 3
- lone parent? single?
- in schooling or vocational training?
- skills level
- regional labour market situation

Selection from policy recommendations

- define overcoming of disadvantages resulting from migrant background as a legal target
- develop a pro-active human resource diversity policy
- make migrants' ombudsmen mandatory for jobcentres with above-average share of clients with migrant backgrounds
- extend the Hartz reforms' alleged service orientation to migrants' language barriers
- Jobcentres should play more active roles
 - in 'steering' migrant clients into the appropriate language courses
 - in case management with regard to recognition of qualifications
- using experience from 'Perspective 50plus' programme: launch Federal Programme "Regional Alliances for Employment and Vocational Training for Jobseekers with Migrant Background"

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Arbeitsmarktintegration und
Integrationspolitik – zur notwendigen
Verknüpfung zweier Politikfelder

Eine Untersuchung über 201 EU-Länderpolitikfelder mit
Migrationshintergrund

 Nomos