



Mandatory activation for recipients of social assistance in Norway

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In May 2015, new legislation was passed making participation in activation measures mandatory for all claimants of financial aid under the social assistance scheme. The measure is however not yet implemented due to disagreements over how municipalities will be compensated for potentially increased management costs.

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Description

The Norwegian welfare state is typically described as a comprehensive and universal system (Esping-Andersen 1990). The country's social assistance scheme, however, stands out as highly residual in international comparisons (e.g. Bradshaw and Terum 1997). The social assistance scheme has its historical roots in social care acts rather than social security legislation. It is based on an approach where financial aid is only one of many social care measures that can be offered. For this reason, social assistance measures include financial guidance and emergency shelter in addition to financial support. Moreover, in recent years various training measures have been linked to the social assistance scheme. The most important of these is the Qualification Programme, targeted at long-term recipients.

The social assistance scheme is discretionary, with national guidelines introduced only in 2001. It is administered and financed by the municipalities, albeit with a state grant, and municipalities have several degrees of freedom within the overarching national legislation in designing the benefit. One aspect of this has been the freedom to decide locally whether there should be an activation requirement for recipients of financial social assistance, and if so, how the requirement should be designed and who it should be

targeted at. Many municipalities, including most of the bigger cities, have used this opportunity in different ways (Prop. 39 L (2014-2015), p. 125).

In December 2014, the conservative government proposed to the Parliament that it should be mandatory for municipalities to implement activation requirements as the default option for social assistance recipients from day one. The issue was debated in the Parliament in March 2015, and the new legislation passed. The March 2015 amendment reads "there shall be an activity requirement when social assistance is awarded unless important considerations indicate otherwise", instead of "activity requirements may be set (...)". Activity requirements must be set as part of the original decision to award social assistance, and failure to comply will result in a lowering of the benefit. The new clause offers the possibility to be exempted from activation, but the use of this option is meant to be strictly limited.

The new measure is however not yet implemented. The White Paper introducing the amendment (Prop. 39 L (2014-2015):134) makes clear that the new requirement will only be implemented "as soon as possible after any prospective extra costs for the municipalities have been covered". Furthermore, it promises to consult Kommunesektorens organisasjon (KS, the national organisation of

municipalities and counties) in the process. This discussion is not yet finalised.

Outlook & Commentary

Two issues are at stake when the government implements new requirements in arrangements administered by the municipalities: the content of the new measure, and the balance of power and responsibilities between the national and the local level of government. In this particular case, the actual implementation of the measure has – so far – been halted by disagreement over the division of costs between the state and the municipalities. Since the bill was passed in March 2015, KS has commissioned a report which estimated extra costs at somewhere between NOK 372 million and NOK 1425 million, i.e. between €38 mill and €148 mill (including start-up costs) (Proba samfunnsanalyse 2015). The wide range between the two estimates, which are based on different methods, is partially explained by the lack of preparation for the new measure in many municipalities.

As for the contents of the measure, reactions have been mixed: critics have pointed out that many recipients of social assistance are extremely vulnerable (citing for instance van der Wel et al 2006). Moreover, they put forward that the rates of social assistance are already low, so that further cuts in payments for recipients failing to comply with activation measures will only increase marginalisation.

Against this backdrop, the government and its supporters point out that caseworkers' discretion still prevails, and that activation measures can be dropped when there are clear indications that these will not be helpful.

Proponents and critics of the scheme alike point out that there are already several activation programmes linked to social assistance, among them the qualification programme and the various "youth guarantees". Proponents take these as an example to indicate that the new measure is not particularly radical. On the opposite side, critics argue that the existing measures make the new requirement superfluous for the relevant groups.

A key consideration, which remains to be clarified, is how "activation measures" are to be understood and implemented: What forms of activation are relevant for what groups? Will voluntary work count? To what extent can work that needs to be done locally be redefined from "municipal employment" to "activation" – for instance, if a municipality wants someone to collect garbage in a recreational area, is it acceptable to use benefit recipients on activation rather than pay municipal staff to work overtime? And how can one ensure that activation requirements really lead recipients of social assistance towards the labour market rather than another symbolic punitive measure?

While these vital issues remain unclear, many municipalities have already implemented activation measures for recipients of social assistance. The variety of practices underlines the lack of consensus on how the notion of "activation" is to be made operational (Proba samfunnsanalyse 2015). It can therefore not be ruled out that the change in the law is mainly symbolic "window dressing", and it remains to be seen what the effects will be in terms of practical implementation – when an agreement is made between the KS and the government and the legislative change eventually enters into force.

Further reading

Bradshaw, J. and Terum, L. I. (1997), How Nordic is the Nordic model? Social assistance in a comparative perspective. *Scandinavian Journal of Social Welfare*, 6 (4): 247-256.

Esping-Andersen, G. (1990), *The three Worlds of Welfare Capitalism*. Princeton: Princeton Univ. Press

Prop. 39 L (2014-2015), Endringer i arbeidsmiljøloven og sosialtjenesteloven (adgang til midlertidig ansettelse mv. og vilkår om aktivitet for stønad til livsopphold), available at <http://www.regjeringen.no>.

Proba samfunnsanalyse (2015), Kommunenes kostnader ved gjennomføring av aktivitetsplikt for sosialhjelpsmottakere. Short working paper, available at <http://www.ks.no/globalassets/blokker-til-hvert-fagomrade/helse-og-velferd/nav/proba-notat-om-kostnader-aktivitetsplikt-19.-okt.-15.pdf?id=29069>.

van der Wel, K., E. Dahl, B. Løyland, I. Lødemel, S. O. Naper, M. Slagsvold (2006), *Funksjonsevne blant langtidsmottakere av sosialhjelp*, Rapport 2006/29, Høgskolen i Oslo

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