

# Protected against all odds? A mixed-methods study on the risk of welfare sanctions for immigrants in Germany

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## Abstract

Sanctions are payment cuts that case managers implement in order to discipline welfare recipients. Previous research suggests that immigrants face a particularly high risk to receive such reductions, primarily due to the prevalence of stereotyping in street-level bureaucracy. The study contributes to this literature with help of a triangulation between in-depth interviews, survey data and administrative records for the case of the German social assistance system. Our findings indicate that immigrants tend to be sanctioned at a *lower* rate than other benefit recipients in this context, especially if they arrived at the country only recently on grounds of international protection. This finding can be explained by the importance of reciprocity and control in the country's 'Bismarckian' welfare state. Our qualitative data shows that case managers exert a considerable level of agency over the implementation process. This discretion is, on the one hand, used to discipline benefit recipients who are perceived as having contributed little to the welfare system as a whole through taxes and social insurance contributions. Those who are considered to have limited control over their labour market position, on the other hand, are given a certain

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degree of leeway. We therefore conclude, against the background of the current street-level bureaucracy literature, that immigration can also act as a deservingness cue in means-tested social assistance, given that the benefit system is embedded into a welfare regime in which labour market participation, work-testing and social insurance contributions are the dominating principles of eligibility.

#### KEYWORDS

immigration, implementation, public policy making, regulation and accountability, welfare systems

## 1 | INTRODUCTION

The use of disciplinary measures in welfare provision has increased at a steady pace over the past 30 years (Fletcher, 2020). Most controversial among these policy tools are, by far, benefit cuts, or 'sanctions', which case managers implement in order to punish individuals who fail to show sufficient compliance with job search requirements. Sanctions are meant to be used as a measure of last resort and implemented with in-depth assessment for each and every case. However, modern 'street-level bureaucracy' (Lipsky, 2010) also needs to be cost-efficient which rarely allows for such nuanced implementation. This generates considerable space for stereotypes and discrimination which is often identified as the root cause for particularly high sanction rates among immigrants and minority groups (Gooden, 2004; Monnat, 2010; Pedersen et al., 2018; Schram et al., 2009).

Research on the relationship between migration and sanction risk has so far largely concentrated on the United States and the Nordic countries. Studies on the 'corporatist-conservative' welfare states (Esping-Andersen, 1990) in continental Europe are comparatively rare. Building on theoretical contributions by Van Oorschot (2000) and Soss et al. (2011) we argue that sanction decisions are subject to a more complex set of deservingness judgements in this context. Corporatist systems rely heavily on social insurances for the provision of public welfare. Case managers can therefore be expected to account more systematically for prior contributions to the welfare system as a whole (reciprocity) as well as the capacity of individual benefit recipients to access insurance-based income security upon welfare exit (control). This is expected to apply even if demands for client-processing and cost efficiency are otherwise comparable to those in other welfare systems.

The study investigates the developed theoretical expectations empirically for the case of the German social assistance system. We begin by exploring sanctioning practices in this context with help of a comprehensive set of in-depth interviews with case managers, benefit recipients and policy experts. Our findings are then triangulated quantitatively using a record linkage between a large-scale survey on labour market participation and work motivation with administrative records of roughly 20,000 benefit recipients.

## 2 | PRIOR RESEARCH

Migration, race and ethnicity have become regular subjects of study in research on benefit sanctions in recent years, particularly for the case of the United States. Analysing a large-scale survey from three major cities in the country, Gooden (2004) reports substantial gaps in sanction rates between different groups of respondents. Welfare recipients who self-identified as 'Black' were twice as likely to be sanctioned as those who identified as 'White' or

'Hispanic'. Using a survey experiment, Schram et al. (2009) find that case managers are generally more likely to sanction benefit recipients with a Hispanic or African American sounding name than one that signals Northern European descent, even if the case files are identical otherwise. Triangulations of the findings with available register data indicate that such differences translate into actual gaps in sanction rates (Monnat, 2010). However, large differences can be found between individual minority groups. Soss et al. (2011), for example, show in their analysis of sanction patterns in Florida that individuals are much less likely to be sanctioned if they are ascribed to a minority group which is seen as particularly 'hardworking'. Moreover, their results indicate that the impact of such stereotypes on sanction decisions is strongly moderated by the dominant political orientation on the municipal level (pp. 163–166).

Studies on benefit sanctions in the European context only appeared in the very recent past. Replicating the survey experiment of Schram et al. (2009) for the Danish context, Pedersen et al. (2018) find, in a similar vein, that case managers are more likely to sanction benefit recipients if their name suggests that they migrated to Denmark from abroad (the Middle East in this case). The findings support the authors' prior analyses with register data which indicate that employment agencies with a high share of foreign-born benefit recipients also have higher sanction rates. Terum et al. (2018) argue that comparable results can be expected for other Nordic countries, due to strong similarities in migration patterns and welfare systems across the region. However, the authors do not find corroborating evidence for their hypothesis when replicating the survey experiment of Schram et al. (2009) for the Norwegian case (p. 45).

Research on sanction patterns in the context of the 'corporatist-conservative' (Esping-Andersen, 1990) welfare states that can be found in Central European countries is much more limited. Findings of previous studies on the system for disability benefits in Switzerland suggests that immigrants and ethnic minorities do experience varying levels of discrimination during personal encounters in local welfare offices depending on their nationality and country of origin (Thomann & Rapp, 2018). Similar patterns were found using survey experiments with case managers of social assistance in Belgium (de Wilde, 2019) and fictitious email requests sent out to public officials in Germany (Grohs et al., 2016). These findings are valuable in themselves. However, they all concern access to public welfare. Much less systematic knowledge has been gathered on the sanction risk of immigrants during ongoing benefit receipt.

Our review of prior research shows that scholarly attention in research on benefit sanctions is increasingly turning towards migration and ethnic diversity. Yet, few studies have so far taken into account how a country's specific institutional setting may affect decisions on payment cuts in this regard. This has made it rather difficult to transfer theoretical considerations from one context to another and explain differences across institutional settings, particularly in cases where the results deviate from previous patterns. Our study aims to account for this analytical problem from the onset by studying sanctions in the German social assistance system with a particular focus on the surrounding welfare regime into which the implementation of payment cuts is nested.

### 3 | SANCTIONS IN THE GERMAN WELFARE SYSTEM

The German social protection system is often portrayed as the archetype of a 'corporatist-conservative' welfare state (Esping-Andersen, 1990). It is primarily designed to provide income security during sickness, work accidents, unemployment or old age. Non-for-profit social insurance thus constitutes its core architecture. Other components such as social benefits and services for working parents were implemented much later than in 'liberal' and 'social-democratic' welfare regimes (Esping-Andersen, 1990, Palier, 2010). The same is true for tax-funded social assistance. An individual right to minimum income independently of paid employment was never introduced in the German Democratic Republic (GDR) prior to reunification and not until the early 1960s in the Federal Republic (Voges & Rowher, 1992).

Today's social assistance system retains its complementary function to the contributory logic of the German welfare state. Its importance grew, however, in the 1990s when the traditional social insurances were overwhelmed by mass unemployment. An entirely new system was created in response. It replaced the highly fractured provision of

social assistance and unemployment assistance across federal states with a nationwide means-tested welfare programme (Eichhorst et al., 2008). The new system, termed Unemployment Benefit II (UB II), has become a core component of the German welfare state since then. It now provides benefits to roughly 10% of the working-age population (FEA, 2021).

The new UBII system builds on the logic of 'support and demand'. Benefits are only provided under the condition that recipients apply for jobs and aim to become economically self-sufficient. A core difference to welfare programmes in the United States or the Nordic countries is the type of jobs that are considered acceptable. The system is set up to place benefit recipients in jobs which require contributions to all major social insurance programmes including unemployment, long-term care, sickness, work accident and old-age ('versicherungspflichtige Beschäftigung').<sup>1</sup> It thus aims to transfer citizens from the tax-funded to the insurance-based social protection and minimise the risk of re-entry into public welfare (Eichhorst et al., 2008).

Payment cuts are used as a measure of last resort to enforce the described goal of labour market (re-)integration. Details are stipulated in the German Social Code II. Case managers can reduce benefits by 10% for a maximum period of 3 months in case of minor violations such as missed appointments. Sanctions of 30% are applied for major forms of misconduct such as the decline of a job offer (Wolff & Moczall, 2012, p. 18).<sup>2</sup> The sanction regime of the German social assistance system is in this regard quite similar to that of social-democratic and liberal welfare states (see, e.g. Pedersen et al., 2018; Schram et al., 2009). It is, however, firmly nested within the corporatist social insurance logic. Payment cuts are implemented as part of an overarching goal to transfer citizens from tax-funded to contributory social protection.

## 4 | THEORETICAL CONSIDERATIONS

The core argument for this study follows a heuristic of deservingness judgement which Van Oorschot (2000) developed on the basis of prior empirical findings in social psychology (pp. 35–57). The author distinguishes between five criteria upon which individuals judge the (il)legitimacy of benefit receipt for a particular member of society or social group. According to his model, the CARIN framework (Control, Attitude, Reciprocity, Identity and Need), judgements of deservingness are based on (1) the (un)ability of a person or group to have control over one's need, (2) behavioural (non-)compliance, (3) reciprocity in terms of prior contributions to society, (4) identity, relating to perceived 'otherness' of benefit claimants and (5) the respective level of need.

The described framework was developed for research on public welfare attitudes more generally, but it also provides a useful tool to understand case managers' moral and practical considerations when 'deciding to discipline' (Schram et al., 2009, p. 398). Previous research in public administration shows that street-level bureaucrats tend to apply a certain degree of 'client processing' and 'client creaming' in order to cope with their caseload (Guul et al., 2021; Lipsky, 2010). Sanction risk is formally determined on basis of a person's compliance (attitude) and economic situation (need), but at the same time also by socio-political and racial hierarchies in societies as well as prior experiences that case managers have accumulated in the past with said 'type of client' (identity). Stereotypes can in this way become salient predictors of sanction risk (Gooden, 2004; Monnat, 2010; Pedersen et al., 2018; Schram et al., 2009; Soss et al., 2011).

The important role of identity in parallel to decision criteria such as need and attitude is also identified in the so-called *Racial Classification Model* developed by Soss et al. (2008, 2011). The authors argue that stereotyping of the kind described above is not merely the outcome of implicit prejudice among case managers. Modern bureaucracies always rely on some degree of social classification. They function effectively precisely because case managers follow a certain form of 'heuristic reasoning' (Soss et al., 2011, p. 77). This reasoning is largely constructed around formal criteria relating to need and behaviour, but also by group reputations in society and generalisations that case managers develop for benefit recipients with shared physical or cultural traits.

The two components of Oorshot's framework that have not been discussed so far, control and reciprocity, might appear to be less important at first glance. Being in need of social assistance can simply be equated with 'not being in control'. Moreover, prior contributions (reciprocity) do not matter directly in means-tested systems as eligibility is based on household income and not on previous employment or social insurance contributions. These arguments need to be re-assessed, however, when studying benefit provision in case of the 'corporatist-conservative' welfare regime in Germany (Esping-Andersen, 1990). Social insurances make up the core of its infrastructure. This implies that the logic of reciprocity is applied broadly across social groups and for the entire welfare state, including for programmes like social assistance that are designed on the basis of means-testing rather than social insurance. The following press release by the Minister for Labour and Social Affairs in 2016 illustrates how this line of reasoning is applied in the German public discourse:

"Those who live here [in Germany], work and contribute should have an entitlement to benefits from our social system. Those, however, who have never worked here and who need state social support to secure their livelihood should apply for support in their home country."<sup>3</sup>

A person that has contributed little or nothing to the overall system in the past (reciprocity) might therefore be seen as generally less deserving independently of the stereotypes attached to a given nationality or form of entry. Such a strong emphasis on prior employment and contributions as a basis of deservingness can be expected to generate a particular frame of reference for street-level bureaucrats or, as van Berkel (2020) puts it, "meanings, interpretive frameworks, norms, and incentives in doing their work" (p. 194). This implies that immigrants are arguably even more at risk of being sanctioned in the context of the German welfare regime, especially if they are newcomers who have not yet contributed to the system to the same extent.

The contributivist logic of the German welfare regime appears to act as a reinforcing factor for the sanction risk of immigrants at first glance. However, precisely the opposite could be expected as well. Foreign-born migrants are, after all, newcomers to the political and economic system of their destination country upon arrival. They might be given more leeway not despite, but precisely because they have less *control* over their access to contributory benefits outside the social assistance system. This argument can be further strengthened when considering the main goal of case management in this context. All activation measures (including sanctions) are designed to enable a transfer from needs-based to insurance-based social protection (Eichhorst et al., 2008). Cutting payments might endanger this goal for newcomers as it increases incentives to accept any job possible rather than to strive for one with social insurance coverage. A means-tested social assistance system that is nested into the logic of reciprocity is thus not necessarily a disadvantage for immigrants.

Our review of theoretical considerations shows that it is not entirely evident from the onset whether and how the institutional setting of the German social assistance system affects the sanction risk of immigrants. Different deservingness logics can be expected to compete with each other when payment cuts are implemented in the context of a corporatist-conservative welfare regime. Our study is designed to explore this ambiguity empirically with a triangulation of qualitative and quantitative research methods.

## 5 | METHODS

Our theoretical considerations indicate that sanction patterns can be expected to follow a complex combination of competing moral and practical logics in the case of the German social assistance system. Different methodological approaches are combined in order to gauge this particular complexity. Data from an extensive qualitative study on the welfare experience of non-German EU citizens (Ratzmann, 2019) are used in the first step as a means to explore our theoretical considerations empirically. The findings are then evaluated quantitatively with help of a record linkage between surveys and register data of benefit recipients. This unique 'triangulation design' (Greene et al., 1989,

p. 266) helps to uncover both the statistical relationship between immigration and sanction probability on a large-n scale as well as its more substantial underlying mechanisms.

The qualitative data presented here are part of an in-depth study of implementation dynamics in German job centres. Insights were drawn from a data set of 105 semi-structured interviews on migrants' experiences of claiming social assistance benefits, with a particular focus on intra-EU citizens residing in Germany (for details see Ratzmann, 2019, p. 78). Interviews, which lasted between 15 and 180 min each, were conducted with three groups: (i) key informants, including policy-makers, specialised service providers performing social and labour market integration services for the job centre, legal experts, migrant advisory and advocacy agencies (32 interviews), (ii) intra-EU migrants (16 interviews) and (iii) job centre staff (55 interviews). The aim was to allow for the maximum variety of perspectives and voices to better understand the bespoke implementation dynamics. The majority of interviews were carried out between June 2016 and July 2017 in Berlin, which, as the biggest agglomeration with 3.6 million inhabitants, is a crucial case for migration research. Berlin represents Germany's main migration hub, with roughly one-third of the population having a migration background,<sup>4</sup> compared to about 20% in the country's general population (OECD, 2018, p. 25).

The exploratory findings highlighted in this paper stem from conversations with job centre representatives on different levels of the hierarchy (from the local job centre director to assistant administrators) and within the main organisational units: (i) the labour market integration/advisory teams, (ii) the benefits/payment teams, and the (iii) entrance zone/reception teams. Variance in terms of gender, years of work experience, educational level and country of origin was taken into account whenever possible (for details see Ratzmann, 2019, pp. 85–88). While the qualitative insights highlighted for the analysis of our research on sanction probability build on the entirety of the collected data, illustrative material to showcase some of the interviewee's voices and perspectives have been primarily drawn from interviews with 13 job centre representatives, of both case managers and team leaders, who spoke about aspects relevant to benefit sanction decisions (see Appendix S1).

The primary source of data for the statistical analyses is the Panel Study 'Labour Market and Social Security' (PASS). Recipients of UB II are oversampled in this data which allows for a detailed analysis of poverty dynamics in the context of the German welfare state (Trappmann et al., 2019). About 13,000 households were surveyed for the first wave in 2006/2007 and refreshment samples of new entries to the UB II population are added each year. Roughly 80% of respondents give consent for a record linkage between their interview answers and the public registers of the country's Federal Employment Agency (Beste, 2011). This means that work motivation can be assessed based on answers to the survey, while information on benefit cuts is retrieved directly from the respondents' case files.

Sanction risk is measured on basis of a binary indicator containing information from the registers about whether or not a respondent's benefits were cut during the year following an interview. Control variables for gender, age, educational attainment, household type, length of benefit receipt, economic status at the time of the interview and the geographical location of the employment agency are included in order to account for confounding determinants of sanction probability (Wolff & Moczall, 2012; Zahradnik et al., 2016). Two indices for work motivation were retrieved from a principal component analysis based on four separate statements, all of which were measured on a four-point Likert scale.<sup>5</sup> The first index correlates with the items 'Work is only a means to earn money' and 'I would work, even if I didn't need the money'. The second index correlates with the items 'Having work is the most important thing in life' and 'Work is important because it gives you the feeling of taking part'. The two indices thus largely correspond to the differentiation between extrinsic and intrinsic work motivation made in social psychology (Dyer & Parker, 1975).

Immigration is captured with a binary variable generated from information on the respondents' country of birth. Length of residency is registered in years from the day of arrival to the day of data collection. Data on nationality comes from the administrative records of benefit recipients instead of the survey in order to approximate the signalling effect that the file is expected to have on case managers. A second control was added to account for the 'migration background' of those who have not migrated to Germany themselves. A basic differentiation is made between native-born residents of German descent and those with foreign-born parents or grandparents.

Observations are pooled across several waves of the panel in order to boost the robustness of the empirical analyses. Information for work motivation is unfortunately only available for the first wave (2006/2007) and then again for the years 2009–2014. All other waves had to be dropped. The resulting dataset covers a total of around 23,000 individual observations. All individuals were, according to their case files, considered 'able to work' at the time of the interview and thus subject to the agency's activation policy. Their sanction probability is modelled with help of ordinary least squares (OLS) regression analysis in this study. The key advantage of this analytical technique is that estimated coefficients can be interpreted as percentage point differences (Ai & Norton, 2003). Standard errors are clustered on the household-level in order to account for the longitudinal and multi-level design of the panel. Fixed effects for the year of data collection are included to capture variations in sanction rates over time. Robustness checks with alternative specifications can be found in Appendix S1.

## 6 | EXPLORING THE CONTEXT WITH HELP OF QUALITATIVE INTERVIEWS

We begin our empirical analysis by exploring relevant data from the qualitative interviews. As shown in the following, street-level bureaucrats, as those implementing the *Social Code II*, tend to perceive the legitimacy of receiving benefits differently depending on the specific migrant group. A hierarchy emerges among foreign benefit claimants and recipients, placing refugees at the top as the most deserving group. As subsequently shown in the quantitative data analysis, such ideas about deservingness may have consequences on caseworkers' decisions to sanction or not.

In more detail, conversations with job centre staff indicate, at first glance, that case managers' administrative decisions seem somewhat unrelated to the origin country of benefit claimants or benefit recipients. Several job centre respondents described how they made their evaluations to grant labour market integration services and continuous access to social benefit primarily contingent on compliance with administrative rules and obligations. Perceptions of non-compliance could engender disciplinary sanctions, while positive behavioural conduct commonly would lead to benevolent actions. Such administrative practice is well illustrated through the following two interview excerpts with both a labour market advisor and a benefit clerk. They explained how they make their decisions contingent on compliance, in line with the legislative framework on benefit sanctions:

'As soon as a claimant shows cooperative behaviour, I am willing to give him or her my full support and even finance expensive measures such as a job coaching [...] You definitely notice who wants to [...] be on board' (INT 1).

'I first have a look how people behave towards me. If someone has a problem and has no other opportunity [than to come to ask for support at the job centre], I am very happy to help' (INT2).

The qualitative material also alluded to a range of socio-economic factors shaping such administrative decisions, including class and educational background as well as professional role conceptions, which, however, goes beyond the scope of this article (for details see Ratzmann, 2019).

In summary, decisions appear to be implemented independently of a person's migration background. As analysed elsewhere (Ratzmann, 2021), many case managers state that they apply principles of formulaic equality of treatment irrespective of claimants' needs and circumstances when assessing their cases, as this job centre interviewee explained:

'I treat every client the same, I take it fairly literally. Thus, I don't experience any moral conflicts. I treat all my clients the same, independent of how I perceive them, nice or not nice, whether I understand them or not' (INT 3).

Interestingly, however, intertwined with such ideas of procedural equality are tacit expectations of foreign-born individuals to perform and behave 'like German-born benefit recipients' when it comes to the fulfilment of work activation requirements. This includes expectations on being acquainted with the German language and societal norms when interacting with local job centre bureaucracies (Ratzmann, 2021), with were present in all research sites, as exemplified by two other case managers:

'Problematic are foreigners who don't speak German [...] they are too lazy to understand the official letters' (INT 4).

'Here [in Germany], certain rules apply, and people normally have been socialised in a certain way. And I expect from my [foreign] clients that they assimilate, and it's not happening' (INT 5).

In other words, even if some foreign benefit recipients may not have the same linguistic resources and tacit knowledge as German born-nationals, their duties in terms of job search and activation commonly appear to remain the same compared to those acquainted with the German system.

Nonetheless, some local administrators acknowledged how they make differentiations by educational background and length of stay when assessing cases. For instance, a receptionist observed how highly qualified EU migrants tend to be faster at decoding the behavioural expectations embedded into the claiming system, engendering some sympathy for those who are not:

'There are people who understand very well what I am telling them. But there are others who are completely helpless in dealing with a bureaucracy' (INT 7).

A closer examination of the qualitative material also revealed some variation of administrators' perceptions of foreign-born individuals who recently have arrived to Germany. Two labour market advisors, who themselves had a migration background, may be indicative of such ways of reasoning. They acknowledged how informal socialisation processes influence a person's ability to appropriately decipher a given bureaucratic context:

'Somebody who grew up in Germany [...] grows up with the social system and knows what to bring along and where to go, is familiar with the whole bureaucracy, having been socialised into this bureaucracy' (INT 1).

'If I grew up in a system, I understand [that system]. If I go to school here [...] I understand the [cultural] codes, and migrants do not. It is more complicated for them' (INT 6).

From that, the bespoke case managers deduced a duty to explain the system to all those who are less aware of its intricacies, as this labour market advisor illustrated:

'You have to explain. That is also part of the job. To explain to people what you want from them' (INT13).

To sum up, data from the qualitative study on German local job centres suggests that case managers tend to expect similar behavioural compliance from migrant and non-migrant benefit recipients. Though some leniency could be observed concerning newly arrived immigrants in terms of recognition for their inability to meet activation requirements (Ratzmann, 2019, p. 120). This included a few job centre representatives who proposed a transition period to the German labour market, during which they considered the provision of social assistance and associated labour market integration services for immigrants to be justifiable, as this labour market advisor explained:



'In case of need, it is important to offer this as a transition, when people search for employment here, as they cannot get a job back home [...] but it needs to be a transitional benefit, as support to find employment' (INT 8).

Job centre interviewees' reasoning here relates to recently arrived immigrants' ascribed inability to engage in self-sufficient employment immediately after arrival, and thus to control their current dependency on state social support. These case managers framed social assistance as a temporary aid to smooth the job transition, applying forward-looking reciprocity of contributions through future employment.

In addition to length of residency, some selectivity regarding legal entry categories could be observed. In the context of refugee politics, with its heyday around 2015–2016 when the data was collected, several local administrators spoke about refugees as more deserving migrants than other entry categories, such as economic migrants, whose immigration, in their view, was planned and prepared in advance. Mobilising Van Oorschoot's (2000) criterion of circumstances beyond control, they placed involuntary immigrant on top of a hierarchy on deservingness regarding state support, as illustrated here by a member of a Benefits Team:

'For refugees we could say: Okay, they have no other choice, they fled from a country at war. They have to arrive first and rebuild their lives' (INT 7).

Both, a team lead and a labour market advisor advanced the same reasoning, of how fleeing from a war zone made refugees more legitimate receivers of welfare services than other immigrant groups, whom they perceived to be in control of economic well-being, and hence expected to be self-reliant:

'There is a mentality of free riding [...] Many people came from abroad, EU and non-EU' (INT 11).

'Citizens who come from abroad and who never paid into the system [...] I would bar them from access if they are not asylum-seekers or refugees, but economic migrants and immigrants. And give them one year to find a job [...] in my view it is not financially sustainable in the long run that most immigrated foreign claimants are unable and unwilling [...] to find a job and to integrate' (INT 5).

The latter quote offers a good example of how welfare logics of reciprocity embedded into the German social security architecture shape case managers' attitudes and deservingness and self-sufficiency. Some form of reciprocity appears to be expected unless benefit recipients are seen as not being in control of their current dependency on state social support.

Regarding countries of origin, the qualitative data shed light onto an additional nuance: Some EU migrant groups appear to be seen more deserving than others, as findings revealed a more or less conscious bias against Eastern European migrants. Fieldwork suggested that labour market advisors tend to scrutinise behaviour of benefit recipients originating from Romania or Bulgaria, but also Poland, more closely for potential attempts of welfare fraud. Stereotypes of fictitious business creation and endemic welfare tourism are mobilised by about a fifth of job centre interviewees (Ratzmann, 2019, p. 172), as expressed by those two representatives:

'Bulgarians and Romanians are often engaged in fictitious, fraudulent self-employment' (INT 9).

'A problematic group for us are EU citizens, mainly Romanians, Bulgarians, Polish. The danger is that they came for economic reasons, to receive social benefits here' (INT 10).

Such a bias against Eastern Europeans as unlawful abusers of welfare resources could engender suspicions of misconduct and potential subsequent benefit sanctions, especially when linguistically induced communication difficulties

emerged. For instance, a Polish benefit recipient, met when shadowing one of the case managers in a Berlin-based job centre, had difficulties communicating in German when being asked details about the person's employment history, leading to confusion and inconsistencies. The respective labour market advisor concluded from the conservation further investigations into the case would be needed. After the meeting, the case manager turned to me, expressing doubts about the legitimacy of the case: 'those who try to advance a pregnancy to circumvent the work requirement, [I am] always suspicious [...] as for Eastern Europeans, one has to investigate very carefully' (field notes, JC 2).

Overall, the qualitative data suggest that moral ideas of deservingness tend to guide street-level bureaucrats when interpreting the often abstract and ambiguous legal categories of entitlement, particularly for EU citizens whose social entitlements in law are less clear-cut than for those with refugee status. Groups with clearly demonstrable need, such as newcomers and those fleeing from persecution, are looked upon with more sympathy in their claims, aiming at primarily offering social protection than work activation. In this context, legal categories appear to be taken as indicators for immigrants' preparedness to engage in immediate gainful employment upon arrival.

The data also shed light onto the degree of agency and discretion involved when case managers implement benefit sanctions, based on their own judgements of a situation. The explanation of a labour market advisor is exemplary in this regard:

'If there is a good explanation for claimants' [non-compliant] behaviour, I do not sanction [...] I am operating at the margins of legality, but I always think that claimants have so little money already. So I don't want to reduce their income even further' (INT 12).

The quantitative data analysis of the next section investigates in more detail how these findings relate to any leniency in case processing, in other words, if and how form of entry and length of residency in the country affect the probability to be sanctioned.

## 7 | FINDINGS OF THE QUANTITATIVE ANALYSIS

Sanction risk can, in a first step, be studied descriptively with help of the discussed record linkage. The results of these analyses are presented in Table 1. They indicate, much in line with previous studies (Wolff & Moczall, 2012; Zahradnik et al., 2016), that sanctioning is a rare practice in the German social assistance system. Only 7% among native-born benefit recipients received payment cuts in the year after their interview. The share among the foreign-born is even 2 percentage points lower. A closer look at the control variables shows that migrants are over-represented among larger households and among respondents with a higher degree of educational attainment. Both groups are found to be sanctioned at a lower rate in the German social assistance system (Wolff & Moczall, 2012).

Findings for the regression analyses can be found in Table 2. The indicator for country of birth returns a negative coefficient in the reference model which excludes all control variables (model 1). This effect disappears once individual and household characteristics are added (model 2). However, more nuanced results by length of residency give a slightly different picture (model 3). Those among the foreign-born who have been in the country for more than 5 years have essentially the same sanction risk as benefit recipients without migration background. Newcomers with less than 5 years of residency, in contrast, receive benefit cuts at a substantially lower rate. Their sanction probability falls 3.5 percentage points below that of native-born benefit recipients with a similar case file, essentially cutting the risk of being sanctioned in half relative to the average. Adding information on nationality as a control variable does not change this result substantively (model 4). This implies that recently arrived immigrants are sanctioned less on average, even among benefit recipients with a similar case file and migration record.

The findings of model 4 can be illustrated more intuitively by plotting differences in sanction probability on the basis of nationality and length of residency. Results of this more fine-grained analysis are presented in Figure 1.

**TABLE 1** Descriptive statistics (share in the population/mean values)

	Native-born	Foreign-born
<b>Sanctioned</b>		
Minor (10%)	0.04	0.02
Major (>10%)	0.03	0.03
Either minor or major	0.07	0.05
<b>Length of residency</b>		
<5 years		0.12
5–15 years		0.38
>15 years		0.50
<b>Nationality<sup>a</sup></b>		
Germany		0.32
West Europe		0.09
Central Europe		0.11
East Europe		0.12
West Balkan		0.06
Turkey		0.11
Middle East		0.08
Other		0.13
<b>Migration background</b>		
No migration background	0.88	
(Grand-)parents foreign-born	0.12	
<b>Work motivation<sup>b</sup></b>		
Intrinsic	0.72	0.74
Extrinsic	0.51	0.50
<b>Gender</b>		
Male	0.53	0.48
Female	0.47	0.52
<b>Age</b>		
<25 years	0.08	0.06
25–50 years	0.59	0.63
>50 years	0.33	0.31
<b>Education</b>		
Primary	0.52	0.48
Secondary	0.35	0.23
Tertiary	0.13	0.28
<b>Household type</b>		
Single	0.60	0.34
1 adult with child(ren)	0.15	0.18
2 adults without children	0.09	0.13
2 adults with child(ren)	0.15	0.35
<b>Economic status</b>		
Unemployed	0.82	0.81

(Continues)

TABLE 1 (Continued)

	Native-born	Foreign-born
(Self-)employed	0.18	0.19
Length of benefit receipt		
<6 months	0.34	0.32
≥6 months	0.76	0.78
Total	0.75	0.25
Sample size	16,966	5655

<sup>a</sup>Refers to country/region where the first nationality was acquired. *West Europe*: Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, *Central Europe*: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia; *East Europe*: Belarus, Moldova, Russia, Ukraine; *West Balkan*: Albania, Bosnia and Herzegovina, Slovenia, Serbia, Montenegro, Yugoslavia, North Macedonia, Kosovo, *Middle East*: Iraq, Iran, Jordan, Palestinian territories, Lebanon, Syria.

<sup>b</sup>Continuous on a scale from 0 (low) to 1 (high).

TABLE 2 Linear probability of sanction risk (either minor or major payment cuts)

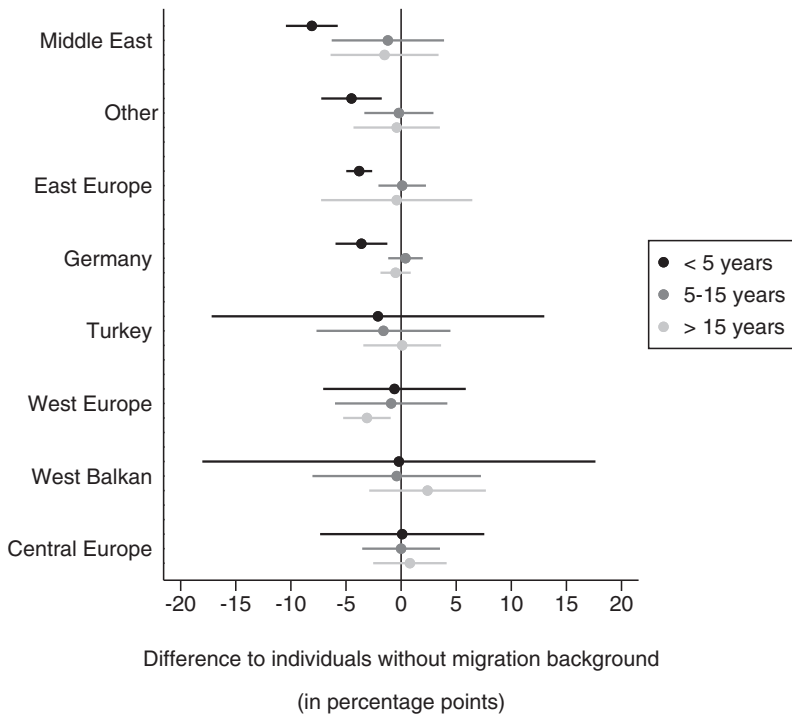
	Model 1	Model 2	Model 3	Model 4
Native-born without migration background [reference]				
Native-born with foreign-born (grand-)parents	0.011 (0.007)	0.009 (0.007)	0.009 (0.007)	0.009 (0.007)
Foreign-born	-0.021*** (0.004)	-0.005 (0.004)		
<5 years of residency			-0.032** (0.009)	-0.034** (0.013)
5–15 years of residency			-0.000 (0.006)	-0.003 (0.012)
>15 years of residency			-0.004 (0.006)	-0.007 (0.012)
Intercept	0.069*** (0.011)	0.242*** (0.017)	0.243*** (0.017)	0.243*** (0.017)
Controls for socio-economic characteristics		x	x	x
Controls for nationality				x
Observations	22,621	22,621	22,621	22,621
R <sup>2</sup>	0.003	0.045	0.045	0.046

Note: Standard errors clustered on household-level; Fixed effects for year and federal state included in all models.

\*\*\* $p < 0.001$ ; \*\* $p < 0.01$ .

Sanction probability increases with time spent in the country for almost all groups. The only exceptions to this rule are benefit recipients who acquired their citizenship in a Western European country other than Germany. More established immigrants among them are less likely to be sanctioned than the native-born, while no such difference can be detected for benefit recipients with a shorter time of residency in the country. None of the subgroups has a statistically significant sanction probability above that of native-born citizens without a migration background. Immigrants from the Middle East who arrived in Germany during the 5 years preceding their interview are least likely to receive benefit cuts.

The findings of the statistical analyses largely align with those of the qualitative in-depth investigations. Immigrants tend to be sanctioned at about the same rate as native-born benefit recipients with a similar labour market status and work motivation. The sanction risk of newcomers is found to be very low in comparison, especially among those who recently migrated to Germany from the Middle East. It should be noted, in this context, that the results refer to the time period 2006–2014. The qualitative interviews, in contrast, took place in 2016 and 2017 and thus



**FIGURE 1** Sanction probability by length of residency and nationality in comparison to the reference population (incl. 95% CI)

after the latest surge in asylum applications. A separate set of analyses was performed with data for the same time period for this reason. Overall sanction patterns are found to be roughly the same as in the main analysis (see Appendix S1). However, they should be interpreted with caution as they do not include control variables for work motivation.

Further robustness checks with alternative specifications show that the findings of the quantitative analyses hold even if probit regressions are used instead of linear probability models. Changing the operationalisation of the dependent variable does shake up the results to some extent. Length of residency has no significant effect on sanction probability if minor benefit cuts (10%) are discounted in the analyses. However, the point estimates follow the same pattern for both minor and major sanctions as they do for the composite measure used in the main analyses. All results of these additional analyses can be found in Appendix S1.

## 8 | DISCUSSION AND CONCLUSION

Case management in welfare offices is formally based on the principle of equal treatment. Yet, the literature on street-level bureaucracy highlights, time and again, that decision-making procedures are never free of stereotyping which can generate systematic discrepancies in sanction practices (Lipsky, 2010; Pedersen et al., 2018; Schram et al., 2009; Soss et al., 2011). Our study contributes to this literature with a focus on the German social assistance system. The qualitative and quantitative analyses show that minority groups, foreign-born immigrants, in this case, are not assessed uniformly when it comes to sanctions. Instead, moral judgements vary by specific characteristics,

such as time spent in Germany, expected acculturation and nationality-based stereotypes. Sanctioning patterns are also found to be strongly associated with the reason for migrating and the (perceived) control that benefit recipients have over their economic situation. Those who arrived in the country only recently for the purpose of international protection are found to be treated with a comparatively high level of sympathy by case managers.

We interpret these findings against the backdrop of the 'Bismarckian' German welfare system into which the analysed benefit system is nested. Control and reciprocity are central to the logic of deservingness in this context. The ultimate goal of case management in the needs-based social assistance system is to transfer benefit recipients into jobs that allow them to derive social protection from contributory insurance. Newcomers are less likely to be judged on an equal plain with more established immigrants or native-born citizens in this context, especially if they did not arrive primarily for the purpose of paid work, to begin with. That helps explaining why recently arrived immigrants from the Middle East are found to face such a low sanction risk.

Our study employs an extensive triangulation of research methods. However, some caveats need to be highlighted as well. The study, firstly, explores sanctioning probabilities rather than filtering processes for benefit claimants (for the latter see Ratzmann, 2019). Those who made it into benefit receipt may already be far more qualified to navigate the hurdles of case management than those who stand at the beginning of the claiming process. Hence our paper should not be read as suggesting that immigrants' experience with public services in Germany is free of bias but that shades of negative and positive discrimination unfold in a complex pattern over the process of benefit provision. It is, secondly, important to highlight that Germany represents a peculiar case for research on welfare sanctions even among 'corporatist' welfare states of continental Europe. Its pool of social assistance recipients is rather large and heterogeneous. Benefit cuts are strictly regulated and monitored. Sanction patterns might thus look quite different in other welfare states with strong social insurance logic. It is further important to take into account that the study can only take a snapshot of the sanctioning process in Germany. Norms concerning migration and deservingness vary substantially over time. It is therefore not evident that sanction rates will stagnate at the found levels in the future. Nevertheless, we believe that both our theoretical approach to research on benefit sanctions and our extensive triangulation of methods generated an important contribution to the literature and can be very fruitful for further research of the same kind in other institutional settings.

The findings of our study, lastly, have crucial implications which stretch far beyond the narrow focus on sanction risks. We believe, in line with Shutes and Bruzelius (2019), that the analytical boundaries between 'migrants' and 'natives' may be far more blurred in the day-to-day practices of case management than previous research might suggest. Our study shows that simple dichotomies not only mask the legal stratification of status and associated rights between different immigrant groups but also caseworkers' varying perceptions of immigrants' ability to fulfil job activation requirements. While research often positions migrants, as non-citizens and outsiders to the (national) welfare state, in opposition to national citizens as insiders, some groups of immigrants may be seen as equally or even more deserving than native-born residents. The study results resonate in this regard with empirical findings in other country contexts (see, e.g. de Wilde, 2019; Soss et al., 2008). This complexity and heterogeneity deserves more attention in research on the specific case of benefit sanctions and the nexus between international migration and social policy more broadly.

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## ENDNOTES

- <sup>1</sup> Only work contracts with a monthly payment above a certain threshold (currently 450 Euros) are subject to mandatory insurance contributions by both employers and employees.
- <sup>2</sup> Even higher sanctions could be applied until recently. A 2019 ruling by the constitutional court, however, stopped this practice with immediate effect, setting the ceiling for sanctions at a maximum of 30% (FCC, 2019).
- <sup>3</sup> <https://www.bmas.de/DE/Service/Presse/Pressemitteilungen/2016/klarstellung-zugang-sozialeleistungen-eu-auslaender.html> [last accessed: 25 November 2021]; translation by the authors.
- <sup>4</sup> Migration background refers to individuals who have at least one foreign-born parent or grand-parent.
- <sup>5</sup> Details of the principal component analyses can be found in Appendix S1.

## DATA AVAILABILITY STATEMENT

The quantitative data that supports the findings of this study were made available to the researchers as a Scientific Use File by the Institute of Employment Research in Nuremberg. The qualitative data of this study are available from the authors upon reasonable request.

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## SUPPORTING INFORMATION

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