

# Organizing Labour market integration support for immigrants in Sweden

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Integration is described by many societal stakeholders and by media as one of the major contemporary challenges facing society in Sweden. This article reviews some important labour market integration measures for immigrants in Sweden and outlines some of the insights from recent studies of how the measures are organized in practice. The article illustrates that while LMI support for immigrants is heavily subsidized by the state and administered through the Swedish Public Employment Service, much of the actual support efforts are provided by other public, private and social/nonprofit organizations who collaborate in projects or as part of local agreements. This creates a complexity in practice that is not necessarily conducive to a more sustainable integration of immigrants into the labour market.

## Introduction

This article reviews the most important labour market integration (LMI) support measures made available to recent immigrants<sup>(1)</sup> in Sweden and outlines some of the important insights from recent studies of how the measures are organized in practice. The article focusses on recent immigrants, as LMI measures in Sweden generally target this group which is considered as facing the greatest difficulties to become employed.

The integration of immigrants, and refugees in particular, into the labour market has been a standing issue in Sweden over the past decades (see e.g. Dahlstedt, 2013)<sup>(2)</sup>. The country has a large migrant population and has over many years taken in more refugees *per capita* than any other European country (UNHCR, 2011, 2015). In 2015, close to

163 000 asylum seekers arrived to Sweden, an increase of 80 000 compared to 2014 (Swedish Migration Board, 2015). While numbers in asylum seekers have dropped considerably since 2016 due to more restrictive immigration legislation, those already in the country continue to face many challenges to become an integrated part of society (see e.g. Wikström and Sténs, 2019). They remain unemployed for longer periods of time or end up on more precarious employment contracts and lower-paid jobs than their native counterparts (Bevelander and Pendakur, 2014; Delmi, 2018). They are also over-represented in sectors with labour shortages (Segendorf and Teljosou, 2011) and prone to non-recognition of (educational) qualifications, which can severely inhibit movement out of low-wage, low-status and insecure jobs, even years after refugees have settled in Sweden (Delmi, 2018).

Research also highlights differences between industries. In occupations that require completed upper secondary or higher education, or where there is fierce competition for jobs, a lack of knowledge among employers of what the competences of recent immigrants actually mean, combined with discrimination (de Los Reyes and Kamali, 2005; Bursell, 2012), contributes to making integration more difficult (see e.g. Andersson Joona, 2018). In sectors that require shorter education (e.g. the cleaning industry), non-native persons, and in particular new arrivals, are over-represented among employees. However, in sectors where there is a shortage of labour, but which require some qualifications (e.g. healthcare), there is often a focus

(1) In this overview, I use the Swedish Migration Agency's (2016) definition of a recent immigrant: a person who has been granted a residence permit as a refugee or for other reasons of protection and has been received in a municipality in Sweden. A person is a recent immigrant for as long as he/she is covered by the Swedish Act on the responsibility for establishment contributions for recent immigrants (2017: 584).

(2) I would, however, like to point out that there are different perceptions of what is meant by being integrated into the labour market, both in the world of research and among practitioners in Sweden. In some contexts, it is equated with having a permanent job, in some contexts all kinds of employment are included, including subsidised employment, and sometimes education is also included that is expected to result in employment in the future.

on efforts to make recent immigrants employable (e.g. Andersson Joona, 2018).

Finally, the fact that Swedish labour market is characterised by high demands for formal education and language skills, while women immigrants generally have shorter educational backgrounds than immigrant men, has been shown to have a negative impact on the opportunities for women to become established in the labour market (Swedish Public Employment Service, 2019).

Notably, this primarily describes the situation for refugees and immigrants from outside the European Union, in particular Africa and the Middle East, who for the most part have shorter educational backgrounds, lack Swedish language skills and are considered to be very different culturally from the Swedish norms<sup>(3)</sup>. Such refugee immigration has successively replaced the labour immigration from other European countries of the post-World War II decades (Lundh and Ohlsson, 1999) and Swedish integration policy has since 2010 focused heavily on LMI support, language and cultural sensitivity training and studies as important means of facilitating LMI.

The remainder of the article explores common LMI support measures for immigrants in Sweden before discussing some important findings from recent studies and presenting some concluding remarks.

## Labour market integration support for immigrants in Sweden

In the context of LMI support for immigrants the Settlement Program for recent immigrants administered by the SPES plays a central role. It supports recent immigrants to find employment or take up studies during the first 2-3 years after receiving their residency permit. The SPES plans the LMI support for each individual and monitors their progress. The individual plan must include three parts: Courses in Swedish for Immigrants (SFI), civic orientation courses (information about Swedish society and culture), and if a person possesses an upper secondary education, specific measures aiming to prepare the person's entrance into the labour market<sup>(4)</sup>, such as preparatory training, rehabilitation, supplementary training, recognition of prior learning (validation), university preparatory courses or internship placements. The SPES commissions other actors such as the municipalities (through their Adult Education Departments) and a plethora of other public, private and nonprofit/social organizations that often collaborate in shifting constellations based on more or less formal local agreements to provide the LMI support (see

(3) This is seen as a major challenge as Sweden is one of the countries in Europe that has the smallest number of employees in low skilled occupations, with 95 per cent of all jobs in the Swedish labour market requiring at least a completed upper secondary education (see Swedish Labour Policy Council, 2018).

(4) If a person does not possess an upper secondary education, which is currently (2020) the case for the majority of recent immigrants, she falls under the so called Compulsory education (Utbildningsplikten), in which case she has to apply for admission to the Municipal Adult Education unit or Folk High School to study basic or secondary level courses.

e.g. OECD, 2016; Vesterberg, 2016; Diedrich, 2017; Qvist, 2017; Diedrich and Hellgren, 2018). The LMI support through the Program corresponds to 40 hours per week distributed over five days. Persons who actively participate in the activities planned for them receive settlement benefits (SEK 308 (30 Euros) per day). Failure to participate in full – e.g. missing language classes – results in the benefits being reduced accordingly.

The results of the Program in terms of immigrants' labour market integration have been somewhat discouraging (see e.g. Segendorf and Teljosuo, 2011; Andersson Joona, 2018; Delmi, 2018) and unemployment rates for immigrants, and refugees in particular, continue to be higher (15.1%) than for the native-born population (4.4%) (Statistics Sweden, 2019). Some statistics show that at the end of the two-year program, 30-45% of recent immigrants are employed or placed in studies (Swedish Public Employment Service, 2018; Statistics Sweden, 2019). The rest are registered as "regular" job seekers with the SPES, and are entitled to the support measures available to the unemployed in general as well as social welfare.

The following sections present three emblematic LMI support measures for immigrants in Sweden: Employment subsidies, Fast tracks and collaborative labour market projects.

## Employment subsidies and other subsidized placements

### Introduktionsjobb, Instegsjobb and Extratjänster

Employment subsidies, which are financed by the Swedish government through the SPES, is a widely-used LMI measure in Sweden. The idea is among other things to counteract high unemployment rates among immigrants through wage subsidies paid by the state to employers as a compensation for the risks and uncertainty that it is understood can arise when hiring long-term unemployed persons and recent immigrants. Among the employment subsidies Introductory Jobs (Introduktionsjobb) and the New Start Jobs (Nystartsjobb) are commonly applied, as are the Extra Services (Extratjänster) which are subsidized positions within the public sector. The forms of subsidized employment have however changed regularly over the years in response to policy changes.

### Internships and other on-the-job placements (Arbetspraktik & Arbetsträning)

Internship placements another important support measure and can be divided into two types: a) *workplace-based internships*, where a person during a limited amount of time is placed at a workplace and works on real job tasks under the auspices of a competent supervisor; and b) *workplace-based training*, where a person during a limited amount of time is placed at a workplace and gets to participate more casually in non-specific work activities. Whereas, workplace-based internships are intended to give skilled immigrants the opportunity to work with relevant work tasks where they can use their skills, workplace-based training seeks to primarily provide immigrants with the opportunity to enter a Swedish workplace, interact with

other Swedes at work and learn about the culture and rules of the Swedish workplace. The former is thus more clearly linked to professional development, while the latter is made sense of more in terms of cultural learning.

Today, internship placements are offered as part of public and private, countrywide programs, inhouse programs at larger companies and public organizations, as one part of more comprehensive integration support measures or as single placement at smaller companies. They all share that they are partially or wholly-financed by the SPES in cases where an intern meets certain requirements (e.g. is a participant on the Settlement Program).

## Fast tracks

The “Fast tracks” (Snabbspåren) consist of a combination of activities to integrate highly-skilled immigrants or immigrants with skills from occupations experiencing shortages of labour quicker into the labour market. The “Fast track” initiative was announced by the Swedish government in 2015 against the backdrop of growing numbers of refugees arriving to the country. After discussing the demands for labour in specific sectors, employers, trade unions and the SPES jointly agreed on which trades and professions to cover and on the content of each Fast track. Fast tracks are directed at recent immigrants who have experience from, or have undergone training in a trade or profession where there is a shortage of staff<sup>(5)</sup>. Currently (2020), according to the SPES, 14 Fast tracks cover approximately 40 deficit professions such as chefs, medical doctors, nurses, construction engineers, butchers, truck drivers, painters, social workers and teachers. Depending on the profession, a Fast track includes validation of prior learning, assessment of educational merits or vocational competencies based on Swedish professional regulations, Swedish language courses with a focus on the particular vocational area and supplementary education and training. In case of academic professions, it may include participation on the “Short Cut” (Korta vägen), a labour market education for immigrants with academic degrees or at least two years of university education from their country of origin, who have been in Sweden for up to three years that is run as a collaboration between the SPES, the Folk University – a social, nonprofit enterprise – and universities/university colleges. The main goal of the Short Cut is to improve the possibilities for qualified immigrants to find employment in line with their qualifications, or to prepare them for supplementary academic education. The Short Cut training can run for up to 40 weeks and focuses on professional (Swedish) language development, knowledge about Swedish society and the Swedish workplace, coaching and on participating in an internship.

A favourable outcome for the Fast Tracks is considered to be the formal recognition of the immigrant’s competencies

(5) Potential candidates need to be registered as job seekers with the SPES and as participants on the Settlement Program, or have to have at some point during the last twelve months participated on the program, or been granted a residency permit in Sweden during the last 36 months.

and, if required, the closing of skills gaps through additional training or educational measures, and subsequent employment. For the duration of the program, which varies in length depending on the trade or profession in question, participants are entitled to their social benefits (settlement benefits or activity benefits).

The most recent assessment of the Fast tracks undertaken by the SPES in 2019 shows that 39% of participants on all Fast tracks went into employment 13-15 months after entering the measure, and 55% after 19-21 months. As with many other support measures in Sweden, the percentage of women who become employed is far smaller (37 per cent) than that of men (55 per cent). Overall, however, the results with regards to employment is somewhat better for recent immigrants participating on the Fast tracks compared to all participants on the Settlement Program.

## Collaborative labour market integration projects

Finally, many labour market integration initiatives in Sweden are run in the form of projects where the SPES, the municipalities, public and private educational services providers, employers, other state agencies or other organizations collaborate (see e.g. Diedrich and Hellgren, 2018). The projects often aim to develop and test new methods that do not fit into the normal range of measures (see e.g. Diedrich and Styhre, 2013; Brorström and Diedrich, 2020). They also usually have specific target groups that they aim to support, such as “recent immigrant women” or “immigrants with an academic degree”. The content and activities of a project may vary depending on its resources and duration, as well as its target group. The measures offered as part of these projects are available for a limited amount of time, often for as long as the project exists, and have specific purposes and objectives. The SPES usually supplies participants to these projects who are normally allowed to participate in them for up to six months. In some cases this period can be extended if it is deemed that further participation will improve a person’s chances of becoming employed.

## Organizing LMI support for immigrants in Sweden – Some intended and unintended consequences

The LMI support measures presented above can be seen as emblematic of the efforts to integrate immigrants into the Swedish labour market: Most rely on some form of state subsidy granted through the SPES for employment, internships or other placements. For employers, subsidized placements and employment can offer a risk-free opportunity to test an individual’s skills and qualities before offering more long-term employment. For immigrants, these placements are seen as a meaningful opportunity to practice and further develop their skills and/or to get acquainted with the Swedish workplace. And for the SPES the placement of immigrant jobseekers into work – albeit temporary, subsidized work – is a means to fulfill the political directives of decreasing unemployment.

While this seems to be a win-win situation, there is some indication that subsidized placements as a solution to the problem of integration do not always work as intended (see e.g. Vesterberg, 2016). And some researchers have argued that employment subsidies contribute to an ethnicization of the Swedish labour market (Frödin and Kjellberg, 2019) as employers seldom want to employ recent immigrants because of discrimination (Bursell, 2012) and because they are unsure about their Swedish language skills, and foreign competencies and other skills (Behrenz *et al.*, 2015) whereas smaller companies run by immigrants are more inclined to hire other immigrants, often with employment subsidies. The risk is that ethnic enclaves develop as immigrants in this way fail to develop Swedish language skills or build meaningful networks outside the enclave. Apart from this risk, evaluations of employment subsidies show a varied picture, where such subsidies have replaced regular jobs at the same time as some individuals have gained a better position in the labour market (see e.g. Swedish National Audit Office, 2012; Sjögren and Vikström, 2012, cited from Frödin and Kjellberg, 2019).

Most LMI support measures in Sweden also rely on some form of collaboration involving different actors who may have widely differing interests, when interacting and seeking to coordinate their actions and activities around LMI support. Recent studies have shown that such collaborations, while seen as vital to LMI support, seldom succeed in practice as the collaborative setups give rise to new organizing challenges that can prove difficult to address (see e.g. Brorström and Diedrich, 2020).

Finally, much of LMI support for immigrants is organized in the form of projects lasting for no more than two years, which often aim to test new LMI support methods and are expected to produce rapid results. As these projects are temporary, with special conditions when it comes to resources, the organizers often fail to achieve their goals during the project period, and many projects fail to make the transition to regular activities after the end of the project (see e.g. Swedish Governmental Reports 2003:75; Swedish Public Employment Service, 2019). The consequence for some immigrants is that they are sent to project after project and used to test novel methods, whose value for integrating them into the labour market remains doubtful.

Whereas many LMI support measures are thus presented as effective solutions to the "integration problem" in Sweden, recent studies have shown that they may have unintended consequences and make it more difficult for some immigrants to become established in the labour market in the longer term. One important question to ask in the Swedish context is therefore how the multitude of state-sponsored LMI measures can in the future be organized in more pragmatic ways that facilitate a more sustainable, longer-term integration of immigrants into the labour market than is the case today.

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