

## *Summary*

Utilising and developing the competencies of newly arrived immigrants – the right measure at the right time? (RiR 2014:11)



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DATE: 19-05-2014

## Utilising and developing the competencies of newly arrived immigrants – the right measure at the right time?

The Swedish National Audit Office has audited the state initiatives to utilise and develop the competence of new arrivals. The aim has been to investigate whether the initiatives are effective and enable a quick and appropriate entry onto the Swedish labour market. The audit concerns state initiatives and initiatives regulated by the state primarily directed at new arrivals covered by the establishment scheme. The overall conclusion is that the initiatives of the state have shortcomings in terms of their effectiveness.

### Audit background

#### *Reasons*

The goal of Swedish integration policy is equal rights, obligations and opportunities for all, regardless of ethnic or cultural background. The integration policy is also part of the Government's efforts to increase the supply and demand of labour, improved matching on the labour market, and more enterprises and improved growth. According to the Riksdag the goals of the integration policy are to be reached primarily through general initiatives aimed at the whole populace, regardless of country of birth and ethnic background. However, the general initiatives are to be supplemented by targeted initiatives to support and facilitate the establishment of new arrivals during their first years in the country. Such targeted measures are provided within the scope of the establishment scheme, the overarching purpose of which is to facilitate and speed up the establishment of new arrivals on the labour market and in society.

Prior studies have shown that Sweden has not been particularly successful in utilising and developing the competence of new arrivals. This is apparent in the considerable differences in the levels of employment between those born in the country and those born abroad, and from the risk of unemployment being almost three times higher for the latter group. In general, it also takes a long time before new arrivals receive employment, while a large portion of those born abroad are overqualified for their work.

#### *Implementation*

This audit is partly based on a statistical analysis of the conditions and outcomes at the local level regarding the establishment of new arrivals, and partly on case studies of three strategically selected municipalities, including a file audit of establishment plans in each of the municipalities



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in question. In addition to this, interviews and document studies have been conducted at the national level. The audit has involved identifying obstacles, coordination problems and contradictory incentives caused by the state initiatives. The audit has also aimed to shed light on the state initiatives from the perspective of the individual, and on the degree of relevance of the initiatives based on the needs of the labour market. The audit of the Swedish National Audit Office encompasses Arbetsförmedlingen (The Public Employment Service), the county administrative boards and the Government.

## Audit results

The overall conclusion of the Swedish National Audit Office is that there are deficiencies in the effectiveness of the state initiatives to utilise and develop the competence of new arrivals. An effective establishment is dependent on early measures that are well adapted to the individual. Failure in this respect means considerable costs in the future, for the individual as well as for society in general.

Based on the audit of the Swedish National Audit Office, it is apparent that the initiatives of the state do not sufficiently consider the circumstances and needs of the individual, that the measures are not put into place quickly enough, and that the resources of the state can be redistributed to achieve a greater impact. Some of the problems brought up in the audit are deficiencies in the range and quality of procured services, too few opportunities to establish an early connection to the labour market, an insufficient utilisation of validation and adult education, and deficiencies in the cooperation between state, municipalities and enterprises.

### *The local working method is of importance for the result*

The Swedish National Audit Office has carried out a statistical analysis of how the structural conditions of different municipalities and the varied backgrounds of new arrivals affect the likelihood of gaining employment or starting education. Higher education increases the likelihood of employment, but not by as much as expected. Newly arrived women have a considerably lower likelihood of gaining employment than men. Other factors also influence the outcome, such as the individual's country of origin, the levels of unemployment and education and the number of foreign nationals in the municipality.

But even when considering the different conditions, there is a significant variation in the degree of success in the establishment of new arrivals in different municipalities. In the view of the Swedish National Audit Office, this indicates that there is considerable room for local actors to influence the outcome, for example through the organisation and management of operations and how cooperation is handled. It is also apparent from the case studies of the Swedish National Audit Office that there are differences in how the establishment work is organised and managed within and between the local employment office, the municipality and the county administrative board. Where Arbetsförmedlingen is concerned, it is possible to conclude that, among other things,



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different organisational solutions mean different degrees of specialisation and opportunities for local establishment and contacts with employers.

*Insufficient cooperation between state and municipality*

The municipalities still have an important role to play in the establishment of new arrivals after the establishment reform. In addition to SFI (Swedish for Immigrants) and civic orientation, the municipalities are responsible for the regular adult education, which can play a part in developing and utilising the competence of new arrivals. The municipalities also have an opportunity to organise labour market-related activities to help their inhabitants to become self-supporting.

A majority of the municipal and state representatives that the Swedish National Audit Office has interviewed in the course of the audit consider the establishment reform to have contributed to improvements. However, in practice the establishment reform has also brought about a dividing up of responsibility between state and municipality, depending on who is responsible for supporting the individual. State compensation is issued in the form of the introduction benefit and the activity grant, while the municipalities are responsible for income support. This affects which initiatives new arrivals are able to take part in. Some municipalities offer new arrivals no or only very limited opportunities for municipal employment as trainees, work experience or similar within the establishment activities. The municipalities do not take measures until the establishment period is over and the period with state compensation within the guarantees has ended. At the same time, Arbetsförmedlingen finds it difficult to find a sufficient number of placements in private enterprises. This means that those taking part in the establishment scheme risk not having the opportunity to enter a workplace to the degree necessary.

*The establishment period is not always used effectively*

In the early phase of the establishment process there are difficulties that delay the establishment measures and make them less effective. It may be a matter of a lack of housing, healthcare issues or the personal finances of the new arrivals.

A lack of knowledge of the Swedish language may prevent new arrivals from receiving meaningful measures at an early stage. A large number of new arrivals for various reasons do not progress very far in their studies of Swedish. They therefore do not progress in their development due to a number of more or less formally expressed language requirements. This can be in connection with trainee positions as well as validation of previous professional experience and municipal adult education. There are also logistic difficulties involved in participating in SFI studies in parallel with other measures.

From the audit of the Swedish National Audit Office, it is apparent that the establishment plans and their execution often lack a clear direction and progression. The two years spent on the establishment plan thereby risk being wasted without the new arrival actually having come closer to either the labour market or studies. Aside from difficulties in adapting measures to a low level

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of linguistic ability, a lack of progression may also be caused by a lack of meaningful activities. Such a lack may strike harder at individuals who are not used to studying. Women have labour market-related measures in their plans to a significantly lesser extent.

A deficiency in this context is that Arbetsförmedlingen does not engage in any systematic and empirically-based development of methods in the area. The administrative support available is primarily intended to facilitate correct processing of establishment cases, and not for the contents of activities expressed in terms of e.g., alternatives and success factors.

#### *Deficiencies in the content and quality of measures taken*

Supervisors and employment officers at Arbetsförmedlingen stress the importance of being able to offer new arrivals the right activities at a good level of quality. At the same time, all of the employment offices in the case study voice critical opinions regarding the focus and extent of available activities, as well as their quality. Due to many procurements being appealed, it is on occasion difficult for Arbetsförmedlingen to maintain a sufficient breadth of activities.

In many cases the subcontractors are stated to be experiencing difficulties in guaranteeing the quality of the services provided. Arbetsförmedlingen spends a significant amount of time on checking on and pressuring the subcontractors, or else the new arrivals would not receive the services paid for by the state at all. The needs and wishes for measures for new arrivals that exist at the local employment offices are not satisfied. One problem in connection with this is that some subcontractors are insufficiently skilled for working with the target group in question.

#### *Validation and adult education are not sufficiently utilised*

There are shortcomings in the surveying of the knowledge and competence of new arrivals, which will form the basis for subsequent planning. Few receive validation of their experience, and the assessment of foreign grades can take a long time.

Of the new arrivals within the establishment scheme, more than half lack secondary education, but only five per cent of participants had adult education as a measure in their establishment plans. In the view of the Swedish National Audit Office, it is troubling that young people with a long working life ahead of them to a large extent choose not to participate in education. There are also cases of focus being shifted to short-term solutions when the time for the establishment plan nears its end, due to e.g., the new arrival considering further studies to be economically unprofitable.

### **The National Audit Office's recommendations**

In this section, the Swedish National Audit Office states its recommendations with the intention of increasing the effectiveness of the state initiatives to utilise and develop the competence of new arrivals. The recommendations are in part directed at the Government, and in part to Arbetsförmedlingen.



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### *Recommendations to the government*

- The Government should work more actively to promote an improved cooperation between Arbetsförmedlingen, municipalities and private enterprise. In connection with this, the Government should consider how the current role of the county administrative boards could be strengthened and developed. An important aspect of local cooperation that should be taken into account is the conditions of the municipalities and their inclination to offer trainee and work experience positions to new arrivals within the framework of the establishment reform. It is also of utmost importance that the charge of Arbetsförmedlingen is clarified and that the instruments made available to the agency facilitate and stimulate effective local and regional cooperation.
- The Government should actively work to promote new arrivals' participation in regular adult education. As part of this undertaking, the Government should consider assigning to Arbetsförmedlingen the task of refining the follow-up of the municipal adult education within and after the establishment scheme.
- The Government should consider the possibility of making it easier for new arrivals to take part in both validation and adult education in their native language. The purpose is to enable earlier measures to be taken and to shorten the road to employment.
- The Government should consider whether the totality of resources could be divided up more effectively within and between the areas of integration, labour market and education, with the aim of speeding up the process of establishing new arrivals. A point of departure for this should be Arbetsförmedlingen's low use of appropriated funds with regard to measures for newly arrived immigrants under the establishment scheme.

### *Recommendations to Arbetsförmedlingen*

- Arbetsförmedlingen should follow-up and evaluate different ways of organising the establishment scheme within and between different employment offices.
- Arbetsförmedlingen should continue the work to develop their procurements with the aim of ensuring a range of activities that are appropriate for the needs of new arrivals regarding volume, content and quality.
- Arbetsförmedlingen should take measures to increase the extent of opportunities for newly arrived women to participate in and establish themselves on the labour market.
- Arbetsförmedlingen should work to promote systematic learning and exchange of experience within the agency regarding the promotion of the successful establishment of new arrivals. The focus of such an undertaking could for example be to identify successful paths and good examples for individuals with different backgrounds, circumstances and goals.

