

Summary

Introduction guides – how does the link
between individual and labour market work?
(RiR 2014:14)



DATE: 04-06-2014

Introduction guides - does the link between individual and labour market work?

Background and purpose of the review

In December 2010 the Government introduced the establishment reform with the aim of facilitating and accelerating the establishment of newly arrived immigrants in the society primarily through establishment in the labour market. The National Employment Office, Arbetsförmedlingen, received the responsibility for coordinating measures for the establishment of certain newly arrived immigrants, and new initiatives with a labour market perspective were launched. Such a new work preparatory initiative is the introduction guide. This is an optional activity which is offered to newly arrived immigrants who are registered with Arbetsförmedlingen and are entitled to an establishment plan. The purpose is for the introduction guide to provide newly arrived immigrants professional support so that they can establish themselves in working and social life.

The introduction guide is a supplementary actor, i.e. a private actor which Arbetsförmedlingen appoints and procures within The Act on System of Choice in the Public Sector. This means that newly arrived immigrants have the opportunity to choose an introduction guide among different suppliers. The purpose of the system of choice is to contribute to the shifting of power from politicians and officials to newly arrived immigrants who will choose the introduction guide which they consider will help them to establish themselves in the best possible manner. The introduction guide may itself, in accordance with the terms and conditions established in the agreement with Arbetsförmedlingen, design its operations based on the objective of the newly arrived immigrant becoming self-sufficient in the fastest manner possible. Arbetsförmedlingen pays a monthly compensation to the introduction guide and a results-based payment if the newly arrived immigrant secures employment or starts higher education. The results-based payment aims to provide incentives to the introduction guides for helping newly arrived immigrants to enter the labour market.

Between 2011–2013 the costs for the introduction guide program amounted to SEK 583 million. Estimated expenses between 2014–2016 are SEK 2.3 billion.

The purpose of the review of the National Audit Office has been to investigate whether the work preparatory measure, introduction guide has been designed and conducted in an efficient manner so that it contributes to accelerating the individual's establishment in working life.



DATE: 04-06-2014

Results of the review

Management of the measure is inappropriate - the assignment of the introduction guide is too broadly formulated

The review has shown that the measure introduction guide has too broad a design in relation to the scope of the measure, which has contributed to a low labour market focus. The need for social support of newly arrived immigrants has become the priority, and the need for labour market related support has not been fulfilled to an adequately large extent. On the whole, roughly half of the newly arrived immigrants have never participated in certain activities focused on the labour market. This also applies to individuals who have had an introduction guide for over one year and people with post-secondary education who can largely be deemed to have prerequisites for starting job search and securing employment.

According to the National Audit Office, the broad design of the introduction guide measure is reason to question whether the design of the payment system is appropriate for this type of measure. For this management to be appropriate, the support of introduction guides should have a real impact on the individual's labour market establishment. A measure which primarily contains social support and covers a few hours per month can probably not have such an impact on the individual's labour market establishment that it is suitable for a management model based on result payments. In accordance with the current rules and regulations, all newly arrived immigrants are entitled to receive an introduction guide, regardless of their opportunities to establish in the labour market. This means that the introduction guide with a heterogeneous group of people where almost 30 per cent only have schooling of six years or less.

There is a risk that the objectives of the system of choice will not be attained

The National Audit Office has also ascertained that the system of choice is difficult to apply. The review indicates that newly arrived immigrants have limited prerequisites for acquiring knowledge about different introduction guide options for being able to make a well-informed choice of an introduction guide. One reason is that the range of service presentations of introduction guide companies are often similar and that written information on suppliers is only presented in Swedish. Additional factors which complicate the choice include that this is a new labour market measure which makes it difficult for newly arrived immigrants to assess and evaluate the introduction guide in relation to previous experiences of similar services.

In the review it has also emerged that the newly arrived immigrants are also attracted with gifts and benefits during the choice of an introduction guide which can affect their choice. Consequently, there is a risk that the objective of the system of choice to promote quality



DATE: 04-06-2014

improvement through suppliers competing on the basis of the quality of their service is not attained. Another purpose of the system of choice is that it should contribute to self-regulation in the industry. The newly arrived immigrants are supposed to constitute a control function as they have the opportunity to choose and change introduction guides based on perceived and experienced quality. However, as roughly 80 per cent of the introduction guide suppliers perceive that the industry is characterised by unreliable introduction guide suppliers and the number of withdrawals from the system of choice system is low, the National Audit Office assesses that the purpose is probably not attained. According to the National Audit Office, there may be reasons to question whether a system of choice model which usually functions for goods and services can function efficiently for a completely new labour market policy measure which is offered to people who have recently arrived in Sweden.

Deficiencies in the follow-up of introduction guide suppliers

The review of the National Audit Office has also shown that follow-up and checks of introduction guide suppliers do not function in a satisfactory manner. Arbetsförmedlingen is responsible for checking and follow-up of introduction guide services, but this is done to a relatively small extent. The cause of deficiencies in the follow-up can be related to a lack of resources and the need for imposing clearer requirements on introduction guide during the tender procedure. The National Audit Office envisages the risk that insufficient checks result in a system where wrong suppliers are appointed and also permitted to continue operating in the system. The consequences can be low quality of the introduction guide service and that the newly arrived immigrants receive a poor level of support which can negatively impact their establishment in Sweden.

As the customer choice system does not contribute to maintaining a high quality of introduction guide services to an adequately large extent, it is necessary for Arbetsförmedlingen, in the capacity as contract awarding authority, to adequately specify the requirements for becoming an introduction guide and guarantee quality of the introduction guide service. Quality assurance and follow-up are aspects which Arbetsförmedlingen is responsible for and which the agency also works to develop in accordance with a new follow-up model.

Deficiencies indicate that the introduction guide measure is not an efficient way of accelerating the establishment in working life

All in all the National Audit Office has ascertained deficiencies in conditions and implementation of the introduction guide measure which indicates a risk of low target fulfilment. Furthermore, it is not possible to prove any connection between participation in the introduction guide measure and the establishment of newly arrived immigrants in the labour market. The results of the review certainly indicate that newly arrived immigrants are satisfied with the introduction guide service



DATE: 04-06-2014

and the National Audit Office has no reason to believe that it is not contributing with something positive. However, from a labour market perspective it is probably not resulting in fulfilment of the objectives and purposes of the measure and the establishment reform.

Recommendations to the Government

- Refine the measure introduction guide based on the purpose that it should primarily be a work preparatory measure. The assignment of the establishment pilot is too broadly formulated in relation to the overall objective of faster establishment in the labour market. However, refinement towards more labour market focused support entails that the introduction guide service cannot appropriately be offered to all newly arrived immigrants who are registered with Arbetsförmedlingen and receive an establishment plan. Therefore the Government should consider whether it is most appropriate for introduction guides to be offered to all newly arrived jobseekers. Whether a newly arrived immigrant should receive an introduction guide can, for example, be based on a labour market assessment which is conducted by employment officers based on the individual's needs and prerequisites for being able to receive support focused on the labour market. There are also reasons for the Government to, in connection with refinement of the measure, review which changes are necessary in the payment system and the scope of the measure.
- Analyse how to satisfy the needs of newly arrived immigrants for social support. With regards to the recommendation above, the Government should also analyse how the need for social support among newly arrived immigrants should be satisfied and clarify the responsibility between different actors to support newly arrived immigrants on practical issues related to how they organise their lives in Sweden and to the need for assistance with, for example, contact with agencies, health care providers and childcare.
- Prior to future labour market policy measures, report on how evaluation of the effects of measures can be enabled. In earlier reviews, the National Audit Office has indicated the need for the Government ensuring that the effects can be evaluated prior to the launch of new labour market policy initiatives. This can be done through, for example, pilot schemes or by the implementation being conducted with certain restrictions which create comparison groups.

Recommendations to Arbetsförmedlingen

- Investigate the opportunities of strengthening the conditions of newly arrived immigrants for making a well-informed choice of introduction guide. This can, for example, be done



DATE: 04-06-2014

through the agency providing more information on the individual's native language, offering more support for the newly arrived immigrants who would like to receive assistance with the choice of introduction guide and through establishment of a point system.

- Strengthen quality assurance through more checks and follow-up. The quality assurance of Arbetsförmedlingen should be strengthened both during the tender procedure and when the pilot service is delivered. The agency should analyse which changes are required during the tender procedure with the aim of strengthening the checks and follow-up of introduction guide companies. During the delivery of service, Arbetsförmedlingen should expand checks and follow-up. This can be done through the checks which the head office and market organisations have at their disposal and through employment officers at the local employment offices conducting on site visits and follow-up of introduction guide suppliers to a greater extent. The requirements for the supporting documentation of monthly reporting of suppliers should be reviewed so that employment officers to a greater extent can follow-up the activities which the introduction guide has offered to the individual. In addition to ensuring that newly arrived immigrants receive a service which maintains the intended quality, the purpose of the checks is also to prevent incorrect payments.

