



Summary

Establishment of newly arrived immigrants – are central government initiatives effective? (RiR 2015:17)

The Swedish National Audit Office has examined central government initiatives for introducing newly arrived immigrants into the labour market. The overall conclusion is that the initiatives are not sufficiently effective and that changes are needed in both the area of integration and associated policy areas. This final report summarises and extends the analysis from nine audits published in the period 2011–2014 within the *Establishment and integration* strategy.

Audit background

Sweden is ranked highly in terms of immigrants' formal opportunities in the labour market. Despite this there are major differences as regards employment and unemployment between people born in Sweden and people born abroad, particularly as regards women. It takes 7–10 years from reception until half of the new arrivals are established in the labour market. For men it takes 3–7 years while it takes 9–11 years for women.

The number of asylum seekers in 2014 was just over 81 000 people, which means an increase of 50 per cent since 2013. According to the Swedish Migration Agency's forecasts the number of asylum seekers will remain at high levels in the next few years. Increasing refugee immigration has put considerable strain on the systems for reception and introduction. At the same time Sweden is facing demographic challenges where fewer and fewer people must support growing numbers. New arrivals can be an important addition to the labour force but this assumes that they can quickly and appropriately become established in the labour market.

Through the establishment reform, which entered into force in December 2010, the Swedish Public Employment Service took over the coordinating responsibility from the municipalities for the introduction of new arrivals. An important aim was to increase focus on work and thus hasten the establishment of new arrivals.

The Swedish NAO has audited whether central government initiatives are effective in removing obstacles and creating conditions for rapid and appropriate introduction of newly arrived immigrants. Apart from the nine audits previously conducted within the strategy, the final audit builds on interviews with the Government Offices and relevant agencies. Interviews have also been carried out with municipalities, employers, complementary actors, new arrivals and various organisations. The material also includes three reports from the consulting company Sweco, which the Swedish NAO commissioned to investigate successful establishment projects, existing establishment

measures and the geography of municipal reception. Preliminary audit results have been checked and discussed with a selection of researchers and practitioners.

Audit findings

The Swedish NAO's overall conclusion is that central government initiatives are not sufficiently effective and that changes are needed in both the area of integration and associated policy areas.

Changes in associated policy areas are needed

Many factors that affect the outcome of introduction activities lie within other policy areas. Above all the housing shortage is a strongly limiting factor. The new arrivals' introduction is generally faster in metropolitan municipalities but that is also where the housing shortage is most noticeable. Almost all metropolitan municipalities (90 per cent) state that they have a housing shortage, which can be compared to about 40 per cent for Sweden as a whole. Another key area is education. Many new arrivals are young but have insufficient schooling for what is required in today's Swedish labour market. This makes demands of the education system as well as student financial support systems. It also highlights issues concerning functioning of the labour market, as well as any thresholds that may make introduction more difficult for new arrivals.

Central government direct expenditure on migration and integration is expected to increase sharply in the next few years – from SEK 15.1 billion in 2012 to SEK 40.6 billion in 2016. Not least against that background there is reason to review whether the combined resources of central government are distributed effectively between different measures and policy areas to facilitate establishment of new arrivals. Early and well-adapted initiatives can have a great effect on the establishment process.

Continue to develop reception and introduction

The reception of asylum seekers and newly arrived immigrants is a national commitment in which central government should take clearer responsibility. According to the Swedish NAO it is not reasonable that the outcome is so dependent on the willingness of individual municipalities to take responsibility. As regards the introduction activities there is also considerable room for improvement. However, the solution to the problems does not lie in implementing a major reform or reorganising the introduction activities from the bottom. On the contrary, predictability and stability are important success

factors on which to build further. Cooperation between central and local government must, however, be improved. An important prerequisite for this in the opinion of the Swedish NAO is that the Swedish Public Employment Service is given greater discretion to act on the basis of varying local conditions.

Better reception

Reception of asylum seekers and newly arrived immigrants has not been sufficiently flexible to take care of the increasing number of refugees effectively. Average processing times for asylum cases increased by more than 30 per cent from 108 days in 2012 to 142 days in 2014. At the same time there are few asylum seekers who participate in measures to prepare for establishment. After being granted a residence permit many new arrivals (over 11 000 in December 2014) wait a long time to be received by a municipality. Meanwhile the establishment measures cannot start and many new arrivals feel frustration about not getting their establishment started.

A decisive factor for the introduction of new arrivals is that they reach a municipality where employment is rising. The analysis carried out by the consultants Sweco on behalf of the Swedish NAO shows that the increase in employment in recent years was strongly concentrated in urban areas and municipalities close to a large town. These municipalities accounted for 85 per cent of the employment increase in the period 2010–2013. At the same time it is shown that these municipalities in relative terms receive fewer and fewer new arrivals, while rural municipalities receive increasing numbers.

Using example calculations, Sweco shows that the introduction of new arrivals would be improved if municipalities with good employment growth to a greater extent increased their share of municipal reception.

The system of county and municipal figures is not appropriate as a planning instrument for central government national responsibilities for housing newly arrived immigrants in the view of the Swedish NAO. Its steering effects are too weak and only cover a limited part of the municipalities' reception. According to the Swedish NAO it is also important for central government to take its overall responsibility for refugee reception and consider which remuneration model best compensates municipalities that receive a high number of new arrivals while at the same time stimulating the possibilities of establishment.

Red thread and progression in introduction activities

The new arrivals should clearly come closer to a job or regular studies in the two years of the introduction period. This assumes that the measures are meaningful and follow from each other according to a plan. A general observation from the Swedish NAO's audits is,

however, that there are shortcomings as regards how well initiatives are adapted to the needs of newly arrived immigrants. Providers often find it difficult to coordinate their activities so that new arrivals can participate in parallel measures, such as sfi (Swedish for immigrants) and work placement. Furthermore, the new arrivals mainly participate in preparatory measures (70 per cent) and only to a smaller extent in labour market training (7 per cent), work placement (9 per cent) or supervised work training (5 per cent).

Many new arrivals do not either have access to the civic orientation that municipalities are obliged to offer and the possibility of participating in sfi adapted to target groups or vocationally oriented sfi varies between different counties and municipalities.

Just over a third of the new arrivals have less than nine years of pre-upper secondary education. Despite this, very few newly arrived immigrants participate in komvux municipal adult education (4 per cent in December 2014).

For people with higher education, measures are needed early in the process to assess and when necessary supplement their foreign education so that it can be used in the Swedish labour market. However, the Swedish NAO's audits show that lead times for this are long. For qualified occupations even small cuts in lead times can mean considerable gains for society as a whole, for the individuals and for public finances. Validation of vocational skills may in many cases be an effective measure, but is still seriously underutilised. There is a continued need for more developed and industry-adapted validation.

Women born outside Sweden have a considerably lower employment rate and higher unemployment than men born outside Sweden. Despite the fact that the establishment reform was to increase women's opportunities to participate in labour market related measures, this has not happened to any great extent.

Clearer division of responsibility between the actors involved

Central government responsibilities cover several expenditure areas and are implemented by actors at national, regional and local level. The Swedish NAO's audits show that division of responsibility and cooperation need to be improved.

There are great local variations in how well cooperation functions. In many cases cooperation has been made more difficult in that the Swedish Public Employment Service has not been able to participate to the desired extent due to such things as lack of time or resources. The municipalities, which even after the reform have an important role to play in the introduction of new arrivals, have varying frameworks and commitments as regards performing the task.

The overall purpose of the establishment reform is to facilitate and hasten establishment of newly arrived immigrants. To achieve this, new arrivals and their families must have a stable social situation. However, there is one thing that is not clear concerning responsibility. Many municipalities state that they take great responsibility for social support while it is not entirely obvious what they actually mean by the term. Employment officers must also devote a large part of their time to helping new arrivals with various issues concerning their social situation.

Similar problems exist regarding questions of health. County councils and regions are involved to a relatively low extent in the measures for newly arrived immigrants and there is no consistent health perspective for introducing new arrivals, which in the opinion of the Swedish NAO has hampered and delayed the establishment of newly arrived immigrants with health problems.

The Swedish National Audit Office's recommendations

Overall issues

Recommendations to the Government

- The Government should review whether total central government resources can be distributed more effectively within and between the areas of integration, labour market and education to facilitate and speed up the establishment of newly arrived immigrants.
- The Government should promptly consider and take measures to reduce the housing shortage, above all in municipalities with good prospects of establishing new arrivals in the labour market.

Better reception

Recommendations to the Government

- The Government should to a greater extent take national responsibility for the country's reception of refugees. The possibilities of employment should thus be an important starting point. The Government should review both responsibility and the forms of how asylum seekers and newly arrived immigrants receive help in finding somewhere to live.

- In its announced review of the remuneration system to municipalities the Government should investigate in particular whether the municipalities that receive a large number of new arrivals in relation to their populations are equipped to meet their commitments.
- The Government should instruct the relevant agencies; principally the Swedish Tax Agency and the National Board of Housing, Building and Planning, to investigate the housing situation for newly arrived immigrants with a focus on overcrowding and population registration. The remit should include illustrating how extensive the problem of overcrowding is among newly arrived immigrants and assessing the quality of housing statistics.

Red thread and progression in introduction activities

Recommendations to the Government

- The Government should actively promote the participation of newly arrived immigrants in ordinary adult education. In addition the Government should carry out measures that contribute to jobseekers with short education in the job and development guarantee scheme completing compulsory and upper secondary education within the framework of municipal adult education.
- The Government should task the Swedish Public Employment Service with formulating a broad strategy for how it can effectively provide the services required within the framework of introduction activities. A central part of the remit should be to finish the work started to strengthen the procurement activities of the Public Employment Service. The remit should also include a closer examination of the possibility of involving the country's municipalities as suppliers in the introduction activities. The strategy should also include an analysis of the circumstances under which own arrangements may be preferable to procurement.

Recommendations to the Swedish Public Employment Service

- The Swedish Public Employment Service should carry out a review of all measures and initiatives offered to newly arrived immigrants as part of introduction activities. The purpose of the review should be to create more personalised and qualitative services that are better able to utilise and develop newly arrived immigrants' skills and equip them for subsequent labour market establishment.
- The Swedish Public Employment Service should encourage systematic learning and exchange of experience within the Service as regards promoting successful establishment of new arrivals. The focus of such work may be for example the identification of successful paths and projects as well as good examples for individuals with different backgrounds, capacities and objectives.

- The Swedish Public Employment Service should further develop the work on contacts with employers. One way of doing this may be to offer to a greater extent contacts with sectoral responsibility at the Swedish Public Employment Service with the aim of improving cooperation with both public and private employers.
- The Swedish Public Employment Service should actively work to increase participation of women born outside Sweden in labour market related initiatives based on the needs of the labour market.

Recommendations to the Swedish Migration Board

- The Swedish Migration Board should ensure that people granted residence permits but still registered in the reception system pending placement in a municipality are offered at least a minimum level of measures to prepare for establishment. A greater number of people registered than is the case today should receive civic information as well as being offered the opportunity of learning Swedish, work placement or a job.

Recommendations to the County Administrative Boards

- The County Administrative Boards should use their coordination measures to encourage more municipalities to offer Swedish training for immigrants (sfi) adapted to target groups or vocationally oriented sfi.

Clearer division of responsibility between the actors involved

Recommendations to the Government

- The Government should be more active than at present in promoting better cooperation between the Swedish Public Employment Service, the municipalities and employers. In connection with this the Government should consider how the present role of the county administrative boards can be strengthened and developed.
- The Government should analyse how the need for social support among newly arrived immigrants is to be provided as well as clarify the responsibility between different actors for supporting new arrivals in practical matters related to how they organise their life in Sweden.
- The Government should stimulate county councils and regions to actively participate within the framework of the introduction activities. The purpose should be to be able at an earlier stage to identify any needs for health and medical care that would otherwise delay establishment and create better cooperation between healthcare services, the Swedish Public Employment Service and municipalities concerned.

FACTS ON RECEPTION AND INTRODUCTION

In 2014 the number of people who applied for asylum in Sweden was 81 300. This is double the number in 2013 and almost triple the number in 2011. Most asylum seekers in 2014 came from Syria, followed by Eritrea.

At the end of 2014 there were just over 80 000 people registered in the Swedish Migration Agency's reception system. Of these, more than 11 000 people had been granted residence permits and were waiting to move to a municipality. Asylum seekers can either receive help from the Swedish Migration Board with a place in an accommodation centre (ABO) or arrange their own accommodation (EBO). If they are allowed to stay in Sweden they can receive help from the Swedish Public Employment Service to be assigned to a municipality that can receive them. However, more than 85 per cent decide to arrange their own accommodation after receiving a residence permit. In 2014 a total of 46 400 new arrivals were received in the country's municipalities after they had been granted a residence permit.

Newly arrived immigrants aged 20–64 with residence permits are covered since 1 December 2010 by the Act on Introduction Activities for certain newly arrived immigrants (2010:197). The Employment Service must draw up an introduction plan comprising activities to enable him or her to become established in the world of work and the life of the community more easily and more speedily. Municipalities must offer training in Swedish for immigrants (sfi) and civic orientation.

At the end of December 2014 about 38 800 people had an ongoing introduction plan. Since the Act came into force more than 15 700 newly arrived immigrants with an introduction plan have left the introduction activities. Scarcely every third person (29 per cent) who left the introduction activities in 2014 was working or studying 90 days after leaving, while 5 per cent had unsubsidised jobs. One year after completing introduction activities 9 per cent had an unsubsidised job.