

Pathways to work for refugees and family migrants

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Summary

THIS REPORT CONDUCTS an in-depth analysis of the labour market entry of the relatively large groups of refugee and family migrants that have arrived in Sweden during the past few years. The analysis contributes to an increased understanding of the challenges politicians face, both at the national and local levels. The Swedish labour market today differs from that of the mid-1980s, when the first large groups of refugees and family migrants came to Sweden. The proportion, both in the labour force and among immigrants, employed in the industrial sector has decreased, while the proportion employed in the service sector has increased. It is likely that this development, among other things, has affected Swedish language requirements in the labour market. The ongoing structural change with the increased automatization and digitalization has probably also affected what type of competences are in demand in the labour market.

In summary, the report shows that it takes a relatively long time for refugees and family immigrants to establish themselves in the Swedish labour market. There are also large differences between men and women, both in terms of participation in activities within the introduction program and patterns of labour market participation. The results in the report are based on administrative data from Statistics Sweden and the Swedish Public Employment Service (PES).

What is included in the introduction program?

Introductory programs have been an important part of Swedish integration policy for a long time. Since December 2010, the PES has had the main responsibility of the introduction program. The program includes different types of activities:

Swedish for immigrants (sfi), civic orientation and different types of labour-market-related activities organised by the PES. All participants have an establishment plan, and case workers at the PES, together with participants, decide which types of activities should be included. Some of the more common activities are work practice, labour market training, subsidized employment and various types of preparatory courses. The report shows that close to 60 percent of the participants in the program participate in preparatory or orientation training (FUB) during the first year. In general, participation in more job-related activities, such as labour market training and subsidized employment, appears to be more common in groups with a stronger position in the labour market; men participate in these activities to a greater extent than women, highly educated people participate to a greater extent than less educated people, and young people participate to a greater extent than older people. Newly arrived in the metropolitan areas also participate in these types of activities to a greater extent than those residing in other parts of Sweden. There are also other differences between men and women. For example, women tend to postpone their participation in various activities to a greater extent than do men. One explanation is that women have difficulties to participate in activities due to parental leave. It also appears that women partake in various types of preparatory activities also towards the end of the program period.

What affects the probability of being employed?

The purpose of the activities in the introduction program is to facilitate entry into the labour market or regular education and—in the longer run—for the individual to become financially self-sufficient. The results, which are based on refugees and family migrants who settled in a municipality in 2013, are in line with those of the previous research; more labour-market-related activities such as subsidized employment, work practice and labour market training are positively correlated with the probability of finding a job. However, it cannot be ruled out that unemployed individuals with a stronger position in the labour market are also more likely to participate in these activities, which affects the interpretation of the results. The analysis shows a negative correlation between participation in health promoting activities and social activities and the probability of being employed. It is possible that those who participate in these activities have a weaker position in the labour market to begin with compared to participants in other activities. Other factors that affect the likelihood of obtaining a job after three years—that is, at the time when

most people have completed the introduction program—are in line with what we can expect from the previous research. The likelihood of being employed declines with age, at least for those over 35 years. Having young children has no impact on employment for men but is negatively correlated with employment for women. Being married is positively correlated with employment for both genders. Employment for those with upper-secondary and post-secondary education is significantly higher than that for those with primary education. However, the difference between those with upper-secondary and post-secondary education seems to be small. Those born in Eritrea or in Syria appear to have better employment opportunities than several other groups. For the refugee category, it appears that the group that arranges housing for themselves (EBO) has a significantly higher probability of being employed than other groups. However, it is possible that those who arrange their own accommodations choose to settle in areas with better job opportunities and where they have a network.

How strong is the attachment to the labour market?

In the register-based activity statistics (RAKS), administrated by Statistics Sweden, an employee is defined as either established or weakly established in the labour market. A person is defined as weakly established if their total labour income during the year is below a certain threshold. The value at the threshold corresponds to 60 percent of the median income in their age/gender group. The proportion of weakly established employees is slightly higher than the proportion of established employees during the first two years. After eleven years, approximately 55 percent of men are defined as established, and approximately 15 percent are defined as weakly established. Approximately 10 percent are self-employed. The remaining 20 percent are without work. At this point, the share of women defined as established and weakly established is almost equal to the shares among men. This pattern has also been found in previous studies; the employment gap between men and women decreases with time in Sweden. A difference that emerges is that a greater proportion of men are self-employed compared to women, which contributes to widening the gender gap in employment somewhat; approximately 28 percent of women are without work after eleven years.

In which industries do they enter the labour market?

After four years, that is, after a relatively short time in Sweden, it turns out that almost a quarter of employed men are working in the hotel and restaurant sector. Of those who are employed in this sector during the fourth year, close to 70 percent are defined as weakly established. After eleven years in the country, the transport industry is the most common industry among employed men, and just over 10 percent are defined as weakly established. Women tend to work in other industries, and after both four and eleven years, the industry »open social services« is the most common for women. This industry includes jobs in, for example, home care, day care for the elderly and personal assistance. In the fourth year, approximately 40 percent of women in this industry are defined as weakly established, and after eleven years, this share is reduced to 20 percent.

How is Sweden different from Denmark and Norway?

Sweden, Norway and Denmark have similar introduction programs, which makes a comparison of the outcomes after participation relevant. One difference is that both Denmark and Norway have stated goals regarding which proportion of participants in the introduction program should be employed or participating in regular education after completing the program. There is no such explicitly stated goal in Sweden. Comparing the outcomes in the three countries after the completion of the introduction programs, the results for men indicate that participants in the Norwegian program have better outcomes in the short run but that differences between the countries diminish over time. For women, the pattern looks different. Women coming to Norway seem to have better outcomes than women who come to Denmark and Sweden throughout the period and for all cohorts. This also applies to less-educated women, a group that in Sweden, has very low employment levels, even after a relatively long time in the country. However, the differences between Norway and Sweden appear to be relatively small for highly educated persons. For both men and women, it appears that participation in regular education is higher in Sweden than in Denmark and Norway. This is especially true during the first four years in the country. This could to some extent explain the lower employment rate during the first years. In previous studies on Denmark and Norway, it has been found that employment among refugees and family migrants seems to decline after approximately ten years in the country. These patterns have not

been found for Sweden. A possible explanation is that early investments in education favour labour market establishment in the longer run. In Denmark, for example, newly arrived immigrants have strong incentives to find a job quickly, partly since social assistance for the group is lower than for natives and partly because a person needs to have been self-sufficient for the past three years to be able to obtain a permanent residence permit.

Policy implications

It is probably difficult to substantially shorten the time that it takes for refugees and family migrants to find employment. Basic factors such as housing and access to preschool for younger children are crucial for rapid establishment. An introduction to the Swedish language and society may also be needed. Early contact with the PES is probably also of importance, and for many in this group, a physical meeting with a case worker may be important. There should be no unnecessary delays to new arrivals' access to these social institutions. A certain number of introductory measures is needed so that newly arrived refugees and family migrants will be ready to apply for and obtain a job in the Swedish labour market. To speed up labour market entry for women, it is important that they to a greater extent participate in more job-related activities such as internships, labour market education and subsidized employment during their time in the introduction program. Rapid entry and sustainable establishment in the labour market do not necessarily conflict with each other. It is, however, possible that stable establishment is more important than quick entry. Moreover, there is a risk that a long period of unemployment will decrease the probability of finding a job in the future. It is therefore important for policy makers to find a balance in society's efforts regarding helping people find jobs quickly and for these jobs to lead to firm establishment in the Swedish labour market.

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