

Anförande session 4, "Making better use of existing skills"
(Chair, Tysklands Arbetsmarknads- och Socialminister Andrea Nahles)

Ms. Chairman,
Distinguished guests,
Ladies and Gentlemen,

It is an honour and a pleasure for me to introduce this session's debates on "Making better use of existing skills".

Before getting into the details, I would like to begin by saying just a few words about the complex nature of the challenges that we are discussing here today. These challenges can, although somewhat simplified, be described along the following lines: Migration patterns, demographic changes, skills matching, and not least, factors related to the labour market. Although the situation in each of our countries is somewhat unique, these are general trends that I know many of us will face in the years to come.

Sweden receives predominantly spontaneous migration linked to protection and family migration. At the moment, we have a record high inflow of asylum seekers which is predicted to increase in the next year. The current situation puts great demands on the relevant authorities to assist new arrivals to become quickly integrated in society.

Sweden is currently also facing demographic aging, although the situation is less problematic than in many other European countries. In the short term, however, our main concerns are tackling youth unemployment and speeding up labour market integration of new arrivals. Having these groups on job means a much larger contribution to our dependency ratio.

In the long and medium term, labour immigration policies are one of several instruments that can prevent labour shortages in the context of a coming generational shift. However, considering that the lion share of inflows to Sweden during the past decades have been humanitarian migration, it will be even more important to speed up labour market integration of already existing skills in order to response to this challenge.

Another big challenge is skills, both those needed on the labour market and those found amongst the migrant communities. Today, most jobs require upper secondary education or special skills. At the same time, many humanitarian migrants that have arrived in recent years have less than 9 years of schooling. According to PIAAC OECD's "Survey of Adult Skills", the literacy levels of the foreign-born with a low level of education lag 60 points behind their native counterparts. Since these results are also affected by duration of stay and language skills children to immigrants have better results than their parent generation.

Finally, we face challenges related to the labour market. Many Swedish employers are often reluctant to make full use of foreign educational qualification. Moreover, most

job openings are filled through contacts and networks that put immigrants in general and new arrivals in particular in a disadvantageous situation. At present, less than half of highly educated foreign-born from third countries have jobs that require tertiary education. This is a skill wastage that Sweden cannot afford.

Ladies and gentlemen,

With these challenges in mind, how do we move forward?

Our overall policy goal in the long term is full employment. In order to achieve this objective, our main priority in all relevant policy areas is making better use of our existing migrant labour pool, upgrading skills, and improving school performance to tackle bottlenecks on the labour market. I would now like to turn the attention to the tools we have at hand in order to handle the challenges and reach these goals.

In 2010, Sweden introduced a law which focuses on labour market integration of newly arrived refugees and family members. The introduction package includes, among other things, customized introduction plans, language tuition, labour market preparatory measures, procured introduction guides, subsidized jobs, and one year on-the-job training for low educated new arrivals over the age of 30. However, efforts within the program have not worked well enough to speed up labour market integration. For this reason, the government intends to reinforce the Public Employment Services' administration appropriations for introduction assignment to make the best use of the available resource.

In the area of skills, validation is a crucial tool for tackling skill wastage of our foreign-trained immigrants. In other words, we must ensure that their education and experiences are evaluated, recognized, and if needed upgraded in order to find long term employment compatible with their skills and experience.

At one end of the scale, we have complementary courses for regulated professions which have shown positive results with regards to employment corresponding to education. This intervention will be extended to other groups with foreign university degrees or other post-secondary education. This measure also requires getting employers on board to make use of the upgraded skill. At the other end, we have also seen a shrinking demand for low educated work force on the labour market during the past few decades. In order to tackle this problem, the government has proposed a new initiative for upgrading knowledge by providing educational opportunities for adults at upper secondary or tertiary level to match present and future demands on the labour market.

Language fluency has a crucial impact on labour market performance as well as overall social integration of immigrants. It is also one of the main hurdles for making effective utilisation of migrants' skills. The current Swedish language course for immigrants, which is organised and run by the municipalities, has fallen short in delivering language skills which is adequate enough to speed up the integration of newly arrived immigrants in the labour market. For this reason, the government has proposed continued investments to improve language take up.

Finally, we must ensure that employers are willing to employ those with backgrounds different from the usual. We have therefore subsidized employment and public financed apprentices. These have been successful tools to strengthen the incentive of employers to dare to test job seekers with new or unknown skills.

Most recently, the government has also proposed an ambitious reform program to combat more general youth unemployment. A 90-day guarantee will be introduced gradually from 2015 for young unemployed who have not completed their upper secondary education. The guarantee offers prolonged possibility to study at a so called folk high school, attend municipal adult education, as well as a fully subsidized one year trainee jobs in some parts of the welfare sector. The government is also in discussion with the social partners on creating agreements and supporting local initiatives to facilitate the integration of new arrivals in the labour market. Both these initiatives will help many immigrant youth who drop out or leave upper secondary education without sufficient grades for further studies.

Ladies and gentlemen,

In conclusion: Making better use of existing skills is not only a matter of making sure migrants are included in our communities. Both in the short and long term perspective, we need a comprehensive approach towards labour market gateways. These should include avoiding skill wastage, improving language take up, upgrading knowledge to tackle skill bottleneck on the labour market, operational measures for a more effective and swift start up for new arrivals, as well as finding feasible solutions for low educated in a shrinking demand for low qualified labour. In a nutshell, the aggregated impact of these measures is crucial when facing current and future challenges.

Thank you