

Migration

PROMOTING LABOUR MARKET INTEGRATION AMONG SWEDEN'S MIGRANT POPULATION

- ▶ Sweden's foreign-born population, at close to 16% of the Swedish population, is among the largest in the OECD.
- ▶ Given the challenges associated with population ageing, Sweden can do more to benefit from the valuable skills embodied in immigrants and their children, while improving their well-being.
- ▶ Much thought has gone into the design of migrant integration policy in recent years, but migrants' labour market outcomes continue to lag behind those of other Swedes, notably because of low educational attainment and literacy proficiency.
- ▶ Sweden needs to build upon recent efforts in policy design to ensure that policies in one area are not undermined by deficiencies in another. To do this, co-ordination between ministries, government agencies and private actors must be strengthened.

What's the issue?

Sweden's foreign-born population has been growing for many decades. In 2013 close to 16% of the Swedish population were born abroad, putting Sweden among the OECD countries with the largest foreign-born population. A further 5% of native-born Swedes had two foreign-born parents.

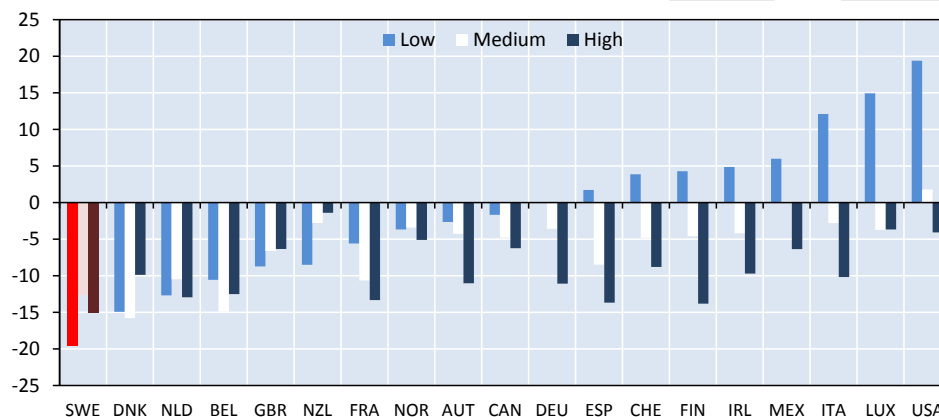
At the same time, as in most OECD countries, migrants face more difficulties finding employment than their native-born peers. This is true across the educational distribution and the disparities in Sweden are larger than elsewhere in the OECD

(see Figure). Particularly stark are the disparities among the low-educated, whose employment rates lag nearly 20 percentage points behind their native-born counterparts.

These outcomes must be seen against the backdrop of a large proportion of migrants who have arrived for humanitarian reasons. Between 2003 and 2012, nearly 20% of permanent migrant inflows into Sweden were made up of humanitarian migrants – the largest share of all OECD countries. Such migrants have more difficulties to integrate in all OECD countries.

» Employment outcomes among Sweden's immigrants lag behind those of other Swedes

Percentage point differences in employment rates between native- and foreign-born by level of education, 15-64 year-olds, 2012



Note: Low/Medium/High education refers to ISCED levels 0-2/3-4/5+.
 Source: European Labour Force Survey 2012.

Many refugees come from countries with failing education systems and lack even basic qualifications and skills; others with tertiary qualifications often acquired these in a very different context, raising issues about the transferability of their credentials. However, this can only partially explain the disparities in labour market outcomes between immigrants and the native-born. The 2015 OECD Economic Survey of Sweden identifies the combination of lower educational attainment and lower literacy proficiency (measured by the OECD Survey of Adult Skills, PIAAC) as important reasons for weaker labour market outcomes among migrants.

Much thought has gone into refocussing integration policy on the labour market in recent years and Sweden is now well advanced relative to other OECD countries with respect to policies governing the integration of new arrivals. Yet, there remains room for improvement in integration outcomes and recent refugee cohorts continue to have low employment rates.

Why is this important for Sweden?

Given the large and growing share of immigrants and the challenges associated with population ageing, Sweden cannot afford to waste the valuable skills embodied in immigrants and their children. If they are effectively integrated, migrants can represent an important resource to support economic growth, while improving their well-being. For example, close to 24% of doctors practicing in Sweden were trained abroad – an increase of 10 percentage points in the last ten years. These health workers, as well as some of those qualified in other priority sectors, have benefitted from support in getting their qualifications recognised and upgraded through bridging courses.

But, those whose skills do not pertain to priority sectors also have the potential to boost the productivity of the Swedish economy. Indeed, the proportion of tertiary-educated persons is higher among migrants from EU countries than among native Swedes, although the opposite holds for non-EU immigrants. Yet, over 30% of immigrants are working in jobs for which they are over-qualified. Identifying and addressing the causes of over-qualification will be critical in making the most of the skills of Sweden's migrants.

The poor employment outcomes among Sweden's low-educated immigrants with low literacy proficiency pose an urgent question. Developing policies to address the hurdles facing these migrants, in recognizing and demonstrating the skills they have and in building the skills they need to gain employment, starting with a good command of the Swedish language, is a pressing priority.

What should policymakers do?

- ▶ Strengthen the labour market focus of language training.
- ▶ Prioritise the validation and recognition of existing qualifications.
- ▶ Work with employers to find ways to give migrants the opportunity to demonstrate and build upon their skills.
- ▶ Ensure young migrants have a strong start by avoiding concentrations of migrants in disadvantaged schools, integrating them efficiently into the system.
- ▶ Improve the quality of reception classes for immigrant students, strengthen special needs teaching and improve the quality of Swedish as a Second Language.



Further reading

OECD (2014), *Finding the Way: A Discussion of the Swedish Migrant Integration System*, OECD Publishing. <http://www.oecd.org/migration/swedish-migrant-integration-system.pdf>

OECD (2014), *International Migration Outlook 2014*, OECD Publishing. <http://www.oecd.org/migration/international-migration-outlook-1999124x.htm>

OECD (2013), *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, OECD Publishing. <http://dx.doi.org/10.1787/9789264204256-en>

OECD (2007), *Jobs for Immigrants, Vol. 1: Labour Market Integration in Australia, Denmark, Germany and Sweden*, OECD Publishing. <http://www.oecd.org/els/mig/jobsforimmigrantsvol1labourmarketintegrationinaustraliadenmarkgermanyandsweden.htm>