Refugee Labor Market Integration in Sweden

Refugee Integration in Germany & Beyond, FIU October 5, 2017
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Asylum Applications

ASYLUM APPLICATIONS IN SWEDEN 2007–2016

Refugees accepted by population
Number of accepted asylum applications in EU countries, per 1,000 of population, 2015

Origin and Age of Applicants

10 MOST COMMON NATIONALITIES AMONG ASYLUM SEEKERS IN SWEDEN 2015

- Syrian
- Afghan
- Iraqi
- Stateless
- Eritrean
- Somali
- Iranian
- Albanian
- Kosovan
- Ethiopian

Source: scb.se
First Instance decisions 328 Days or 10.5 Months
Integration *Etableringsplan* (Establishment Plan 2010)—Refugee Status

- At-und—Asylum Seeker Card (automatically grants the right to work)
- Equal rights to Native Swedes
- Case worker with Arbetsförmedlingen (Public Employment Service)
- Language (SFI), Skill/Education evaluation & employment preparation (Training + Internship), civic orientation courses (Swedish norms)
- 40 hours per week
- 24 months

**Types of Employment/Internships**
- Elderly care, Cleaning, or other low-skilled employment

**New Law: July 2016**
- Three year residency permit.
- Autonomous individuals under 25 must complete upper secondary school to stay.
- No longer automatic family reunification—Refugees must now prove that they are able to provide
Aspects of Sweden’s Labor Market

- 95 Percent of all new jobs require at least a secondary education.
- 1/3 of new arrivals, mostly women, have less than 9 years of education.
- High wage settlements, agreed between unions and employers, make it hard for unproductive workers to find employment.

An asset, not a liability
Education level of registered refugees* aged 18-65 in the Netherlands, %

- Primary education
- Secondary education
- Higher education

Source: COA
*Based on sample in first half of 2015
Employment Outcomes

Employment integration of migrants and refugees in Sweden

Note: The employment rate for each group is shown over increasing time frames. The data depicted are from 2011.

Source: Author’s own calculations based Statistics Sweden’s STATIV Database.
Humanitarian migrants should be put in places where jobs are and not where the cheap housing is

- Where humanitarian migrants cannot chose their place of residence, policies usually aim at an equal ‘dispersal’ across the country – often paying little attention to employment
- But the costs for neglecting employment-related aspects are high
- Evidence from Sweden suggests:

  - 25% lower earnings
  - 6-8 percentage points lower employment levels
  - 40% higher welfare dependency

  ... eight years after dispersal for refugees subject to a housing-led dispersal policy (Edin et al. 2004)

To be effective, dispersal policies ideally should consider:
- skills profile of refugees
- local job vacancies
- structure of local economy
- specific shortages
- avoid segregation

Sweden, New Zealand and Estonia are currently among the few countries explicitly considering employment opportunities
Sweden's Rising Refugee Cost

Spending on refugees is set to exceed defense spending this year

Source: Swedish Finance Department, Migration Agency
Note: 2016-2019 costs are according to Migration Agency Forecast
Budget spent on asylum seekers (migration) and refugees with residence permits (integration)
Rise of Sweden Democrats
Attitudes toward Refugee Reception

Poll of Swedes: "Would you help asylum seekers in Sweden?"

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Data: Inizio for Aftonbladet
Challenges to Integration & Recommendations

1. 5 percent of available Jobs are low-skilled.
2. Skill verification
3. Language and vocational training:
   *Only 3-4 percent of recent arrivals want to attend additional courses
4. Potential hidden discrimination

"First, I think it is being labeled a refugee. Most never even get an interview. But there is more to it than that. [For instance], we have one volunteer, he is high[ly] educated. He is not a refugee. He came because his wife is employed by one of the big companies. He had been working as a high-level marketer in Iran. I cannot say how many applications he has sent out, but it’s a lot. He has not received a single interview. He speaks fluent English, but he can [also] make himself understood in different languages from [the Middle East], and now speaks quite good Swedish. He is now employed in a trainee program at another NGO. It is work, but it has nothing to do with his competence. I think the Swedish labor market is [close-minded], and they look for the people who are like themselves. As far as I can see, Denmark is worse, but Sweden’s labor market is moving into their direction. My point is, from what I have seen, if they are named Muhammad or something like that, they have so much difficulty entering a [highly skilled position].” (Representative from the Red Cross, and former Head Mistress of Malmö High).

Recommendations: Civil Society
Greater communication between:
1. Organizations and the state and refugees
2. Organizations & other organizations
3. Actors & Refugees