The Impact of Immigration on Europe’s Societies

Sweden

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The opinions expressed in this report and the selection and interpretations of facts do not entirely coincide with the positions of the Swedish Integration Board.
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1. Executive Summary

The impact of immigration on European societies.

The Economy: taxes, pensions and the impact on the welfare system. The economic crisis in the 1990s, structural changes in the Swedish economy and other factors have contributed to a high degree of dependency on the welfare system among the foreign-born population. This means that the tax income and other economic contributions from immigrants as a group have been quite modest during the period of review (from 1999 onwards).

Immigrants as consumers and the impact on exports and imports. Although this area lacks research, it is clear that the introduction of ethnic food in Sweden has led to a demand for import of foreign products. There is a large number of ethnic grocery stores, restaurants, etc. in the larger Swedish cities that target immigrants as potential customers, as well as Swedish consumers, which has an impact on the amount and variety of imported goods and products from foreign countries.

Impact on specific economic sectors and ethnic entrepreneurs. The majority of foreign citizens in Sweden are active in a limited number of specific economic areas and they are over-represented in the manufacturing industry, the hotel & restaurant industry, the education sector and service industries. Many foreign born workers have low-skilled jobs with low salaries and it is more likely for an immigrant to have a manual job than it is for a Swedish-born person. The majority of the non-Swedish entrepreneurs are found in the service sector, which includes grocery stores, cleaning agencies and taxi companies. It is very difficult to estimate the effect that they have on the economy, but they do create work opportunities and have a positive effect on economic development at a local level. Immigrants with a low level of education and/or a non-European background are over-represented among ethnic entrepreneurs. Some research suggests that this is consistent with the fact that non-European immigrants have severe difficulties entering the labour market, and see self-employment is a way out of this. Other research, among which a not yet published report from Ceifo on ethnic entrepreneurs, show a different picture. The report states that ethnic entrepreneurs start their business for many other reasons, among which to make their dreams come true, to be independent and to earn money.
Highly-qualified immigrants. Extensive immigration has led to a massive influx of highly educated men and women into Swedish society but the highly educated refugees from the 1990s, in particular, have had severe problems entering the Swedish labour market (among the foreign born however, it is easier for the highly qualified to get a job than it is for immigrants with a low education level). One reason is that it can take up to two years before immigrants receive their residence permit and are allowed to work in Sweden. At the same time, there is a shortage of skilled labour in Sweden today, which means that there is an enormous waste of human resources when skilled immigrants are kept outside the labour market. The highly skilled immigrants that have been able to get a job are often forced to work with tasks that are way below their educational level.

Cultural diversity and competitiveness. The Swedish government has worked with these issues since the late 1990s, when it began to encourage employers to work towards increased ethnic diversity among their employees, and to adopt plans for ethnic diversity. Employers in the public sector are considered to have a special responsibility. As they are publicly financed, they are seen as role models for other employers and it is regarded as important that their employment structure reflects the structure of the total population in terms of ethnicity. There are examples of private employers (and to some extent public employers) who nowadays have a management perspective with regard to ethnic and cultural diversity; it is believed that increased ethnic diversity among staff will result in more creativity, efficiency and thereby profitability. It is difficult to show any economic effect as a consequence of the increasing focus on ethnic diversity. More research is needed in the area of the economic effects of ethnic diversity. While the number of employees with a foreign background has increased, the majority come from the Nordic countries and the European Union. Immigrants with a non-European background continue to have problems in entering the labour market.

The impact of immigration on Swedish society. The civil society and the cultural context. Immigrants and civil society. Although immigrants and foreign citizens are largely under-represented as members of different organisations, there is a relatively large number of immigrants that are members of trade unions and environmental organisations. On the other hand, there are relatively few immigrants that are members of political parties and/or women’s organisations. Current research shows that it is also more difficult for immigrants to be elected as representatives in both community organisations and trade unions. The
immigrants’ own organisations play an important role in Swedish society. They function as reference groups in the decision-making process, they give the members a chance to participate in Swedish society, they help create an identity for the immigrants, act as lobby groups and as sources of recruitment to political parties. They also help facilitate the integration process into Swedish society.

*Immigrants and the cultural context: food, sport, fashion, the arts and media.* Immigrants, and especially young immigrants, participate very actively in different kinds of sports. The National Sport Federation in Sweden perceives itself as a good example when it comes to work with integration. The large number of athletes with foreign backgrounds is indicative of a successful integration process in this area of Swedish society. Sports also make immigrants more visible in Swedish society and immigrant athletes have begun to act as role models for other immigrants. Although sport is regarded as an area of society with a good level of integration, there has been very little research conducted in this field. It is not possible to estimate the actual impact that immigrants have had in this sector.

The research situation is even weaker when looking at the cultural realms of food, fashion and arts. There is hardly no research available on the impact of immigration in these areas, despite the fact that immigrants have had an obvious effect on, for instance, the food industry. The last decades have seen an explosion in the number of ethnic restaurants, something that has naturally affected Swedish food culture. There is need for more research in this field before the questions in this study can be answered. The same is true for the arts and the fashion industry. It is not possible to draw conclusions about what impact immigrants have had in the areas of art and fashion but it is likely that they have been affected.

*The impact of immigration on Europe’s societies: the political context.* Foreign citizens have the right to vote in the municipal elections, provided that they have lived in Sweden for at least three years. However, voter participation among foreign citizens has decreased over the years, and in the 2002 general elections, only 35% of foreign citizens took part. Foreign citizens also have a relatively low political participation when it comes to party membership and political contacts. This might be due to their limited resources, poor language skills and that they sometimes are not considered to be a group of interest for political parties. Low voter participation can also be explained by the fact that immigrants
lose interest in the political process, since foreign citizens do not have the right to vote in national elections. Therefore, foreign citizens are excluded from large parts of political life.

Political parties are aware of the fact that immigrants are underrepresented and they are also working actively to increase the number of party members and elected representatives with a foreign background. However, since all parties have found it necessary to work with attitudes towards immigrants within their own party organisations, this points at the existence of negative attitudes towards immigrants among party members. Immigrants, and especially foreign citizens, are also underrepresented in the trade union movement. The situation for foreign citizens has been described by researchers as “including subordination”, meaning that, although it is easy to become a trade union member, foreigners are still not considered “real workers”. Moreover, the presence of racism and discrimination within the trade unions is not perceived as a problem by trade union officials. This has led to a situation where trade union members with a foreign background are organising themselves in a separate network in an attempt to set the question of discrimination and racism within the organisations on the agenda.

Compared with the extensive research in the economics field, there is limited research in the area of political participation.

Factors affecting the impact of immigrants on Europe’s societies: the provision of support and restrictions. The current integration policy was adopted in 1997 in an attempt to deal with the increasing problems faced by immigrants in Swedish society. The goal of the policy is to ensure equal rights, obligations and opportunities regardless of ethnic and cultural background. The aim is that the Swedish society should be characterized by mutual respect and tolerance for everyone regardless of background. One practical measure in this policy was the creation of the Swedish Integration Board in 1998. The new authority took over the responsibility for integration issues from the Swedish Migration Board.

There are constant problems especially for refugee immigrants in establishing themselves in Swedish society. One of the main reasons being that they often choose to live, or have no other alternative than to live in close communities with friends and relatives, which leads to increasing problems of segregated housing, difficulties in school for the children and problems for adults in finding employment. For adult immigrants, especially highly educated, there are still problems in getting their real competences validated and
recognized in Sweden and in getting supplementary training.

There are a number of fundamental economic, organisational, political and social problems that have to be solved before Swedish integration policy, with its focus on successful integration, citizenship and human rights, can be fulfilled. The Swedish integration policy is very ambitious and well-thought-out, but it is complicated by unsuccessful implementation methods, ethnic discrimination, economic problems, world events and disagreements between different national actors. In implementing the integration policy, the municipalities tend contradictory to the policy to focus on collective solutions rather than on individual ones. The considerable difference in participation in the labour market between immigrants from non-European countries and European immigrants can mainly be explained by structural and institutional discrimination, but this is an area where more research is needed. The same goes for the situation in housing and in language courses for immigrants. There is also a need for political reforms in order to increase the political interest among the foreign citizens.
2. Introduction

2.1. Types of material collected and analysed

This report is based on a large number of different types of research publications, including official government reports, dissertations, research reports and books. The Swedish Integration Board's annual Integration Reports from 2001, 2002 and 2003 are among the more important sources. These Integration Reports examine and evaluate the development of integration in Swedish society in important areas, such as the resettlement of refugees and other immigrants in Sweden, the situation for immigrants and persons with a foreign background in the Swedish labour market, the different problems that arise for immigrants and individuals with a foreign background on the housing market and the situation for immigrants in education and Swedish schools. This means that these reports deal with several of the current questions in this report, even though they do not focus explicitly on the effects on the economy.

The Swedish Integration Board publishes other research reports as well. The reports that I have considered of importance to this study are: Excluded from Democracy, discussing the lack of political participation of immigrants and the problems that this creates in Swedish society, and Diversity in Theory and Practice, discussing how different employers in the private and public sector are working with specific action plans to increase ethnic diversity among their employees. The Government's Official Reports (SOU and DS) represent other very important sources of information, since the different reports in these series cover more or less all aspects that are of interest in this EMN report. Sweden, the future and diversity (SOU 1996:55) is one of the more important studies when it comes to understanding the different policy discussions that took place during the 1990s. This report discusses the different problems that immigrants face regarding living conditions, political participation, language attainment, refugee introduction and how these questions should be addressed in a multicultural society. Another important report in this series is Making a living on your own or depending on welfare? (SOU 2004:21), where thorough discussions are held about how to end the present dependency on welfare among many immigrants in society. Other government reports that discuss this issue include The Prerequisites for Welfare (SOU 2000:37) and The Welfare State at the Crossroads (SOU 2000:3).

The question of labour market participation, from the perspective of both employers and employees, is also discussed in several reports in this series, such as in Work for
Immigrants (1995:76), Contribution through Work (1996:151) and Immigration, Work and Economic Effects (DS 1995:68). The effects of immigrants as entrepreneurs are discussed in great detail in Immigrants as Entrepreneurs (SOU 1999:49). One of the principal problems with this material is that it focuses on the situation in the 1990s. This is also true for the majority of studies that have been published during the period 2000-2004. Nevertheless, these reports give access to research results and very high quality analyses of the impact of immigrants on Swedish society.

As a complement to these official reports, I have also used a considerable number of PhD dissertations that deal with questions relevant for this report. Swedish Municipal Refugee Reception by Abdul Kadhim and Swedish Immigrant and Integration Politics; a Question of Equality, Democracy and Human Rights by Lena Södergran deal with questions of refugee reception and policy development. The strains on the welfare state that result from the conflict between the rights of the individual and the needs of the collective are discussed in The Welfare State in the Multicultural Society by Karin Borevi. Per Strömblad discusses the different problems that immigrants face when it comes to participation in different organisations in his dissertation Politics on the dark side of town. This dissertation also discusses the problem of segregated housing and its negative effects. Marie Carlson investigates Swedish language education and the problems that occur when immigrant students encounter Swedish society in her thesis Swedish Language Courses for Immigrants - Bridge or Border? Encountering Swedish society is also the theme in Fredrik Hertzberg’s Grass Roots Bureaucracy and Normative Swedishness. How Unemployment Officers understand a racially segregated Labour Market. Most of the dissertations used in this report deal with how immigrants succeed or fail in the Swedish labour market and the differences that exist between immigrants and Swedes, regarding salaries and employment levels, etc. This category includes Mats Hammarstedt’s Making a living in a new country, where the author focuses on income from work and self-employed immigrants and their position in the Swedish social security system, Roger Vilhelmsson’s Wages and Unemployment of Immigrants and Natives in Sweden examines the ethnic differences between young immigrants and young Swedes, the wage gap between immigrants and natives and the differences in unemployment rates between immigrants and natives. Other important studies in this category include Pieter Bevelander’s Immigrant Employment Integration and Structural Change in Sweden 1970-1995, Kirk Scott’s The Immigrant Experience. Changing Employment and Income Patterns in Sweden 1970-1993 and Jan
Ekberg’s *Income effects from immigration.*

In addition to this, I have used material from a considerable number of research reports, anthologies and books that deal with the position of immigrants in Swedish society. Among the more important works in this category are *Spreading the Burden? A Review of Policies to disperse Asylum Seekers and Refugees* by Vaughan Robinson, Roger Andersson and Sako Musterd. This study examines the positive and negative effects resulting from the nationwide strategy to disperse refugees throughout the whole country, without regard to the economic situation in the cities and towns where the refugees were placed. Other important research reports are *Diversity in Working Life* by Gabriella Fägerlind and Eva Ekelöf and the article “Immigrants as Entrepreneurs” by Erik Ljungar in the anthology *The Economy in the Society; Sociological Perspectives,* and *Entrepreneurship in a Minority* by Oscar Pripp. I have also used data from Statistics Sweden in the areas of population, education and employment. These data serve well as a complement to the available research and other studies.

2.2. Problems with the collection and analysis of material; gaps in the research

A fundamental problem of this report is the focus on third country nationals. Most Swedish research focuses on immigrants regardless of their nationality, frequently also including Swedish-born individuals with foreign-born parents. When focusing only on foreign nationals, it is easy to lose track of naturalised immigrants and to miss out a large proportion of the group with a foreign background that faces the same problems as the foreign nationals, with regard to discrimination, low employment levels, etc. However, this group is not generally acknowledged in official classifications. A large proportion of Swedish research is therefore outside the focus of this report, which needs to be taken into account when assessing the results.

Another fundamental problem of this report is that only rather few research reports assess the situation of migration after 1999. Most of the research published thereafter deals with the development during the 1990s and the major difficulties for immigrants in Swedish society in the recent past, in relation to increasing unemployment, segregated housing and discrimination. This means that a considerable research gap exists. Thus, it is not possible to answer very detailed questions in the economic chapter concerning the percentage of
taxes paid by immigrants in various areas, the amount of taxes paid by ethnic businesses, the impact of immigrants on pension fund contributions or their impact on consumption and import/export of goods etc.

Furthermore, it is doubtful whether it is at all possible to obtain these kinds of facts. Studies dealing with the 1990s do not include quantitative analyses on these subjects. Statistics Sweden has very large amounts of data compiled, however, and it is possible and even likely that research aiming to answer these questions will emerge in the future. There is also a considerable gap in research regarding immigrants’ influence on society and the cultural context. There is very little research available dealing with the impact of immigrants in the world of sport despite the fact that the number of immigrants and foreign citizens has obviously increased rapidly during the past few years in this area of society. The research situation is even worse in the area of the arts, media, fashion and food, despite the fact that there exist a considerable number of ethnic restaurants and ethnic grocery stores with different types of food in the larger Swedish cities. This is a vast and more or less unexplored field of research that needs attention in future research.

The research situation in the political sphere is somewhat better but further studies are also needed here. There is also a considerable need for research in the areas of structural and institutional discrimination, and the formal and informal mechanisms that explain why immigrants and foreign citizens experience problems and sometimes extreme difficulties in integrating into Swedish society. This is particularly apparent in working life, where the problems experienced by immigrants while trying to obtain employment can only be explained by the presence of substantial structural discrimination. The non-European immigrants face particular difficulties in this area. The same situation is evident in the political parties and in the trade union movement, where it is relatively easy to become a member but extremely hard to make a career in politics as an immigrant. In other words, the new research should not only focus on the difficulties in entering the labour market etc., but it should also examine the mechanisms that marginalize immigrants in terms of promotions and salaries etc. These mechanisms also exist in other areas of Swedish society, for instance in schools. The research situation in the field of segregated housing is very good. There has also been a lot of research on the processes of segregation, but there is still a need for research on the causes of these processes.
Interestingly enough, there is evidence of cultural bias within the Swedish research community itself, which means that immigrants’ difficulties on the labour market are explained by cultural differences and lack of competence in certain research reports (Mattsson 2001). The presence of ethnic discrimination as an explanation of immigrants’ difficulties on the Swedish labour market is neglected in some of these research reports, where there has instead often been a focus on the cultural differences between Swedes and non-European immigrants. The fact that ethnic discrimination in the Swedish labour market exists is much more in focus in current research, but it should be recognized that the research community itself is not free from the institutional problems of cultural bias. There is a considerable research gap in this area that needs to be covered in order to answer the detailed questions in this report. A part of this research gap is simply due to the fact that the study focuses on development after 1999, while the present research in Sweden is largely focused on the situation in the 1990s. This will change in time, which means that this research gap will be filled in the future.
3. The history of immigration - 1950 onwards

The first two decades of this period were characterized by extensive labour market migration. Immigration was made easy by the lack of restrictions and the active recruitment policy implemented by Swedish government in, for instance, Finland, Italy, Greece and Yugoslavia. Sweden’s non-participation in the war meant that Swedish industry was intact after World War II and a serious labour shortage arose in the early 1950s (Bäck Soininen 1996). During the 1950s and 1960s, almost 60% of immigrants came from other Nordic countries, mainly from Finland. Since then, however, the Nordic share of immigration to Sweden has decreased. During the 1950s, there was an average of 10 000 immigrants every year, a figure that increased during the 1960s (Lundh, Ohlsson 1999). The Italians were the largest non-Nordic immigrant group during the earlier stages of the labour market immigration, with around 800 individuals per year. Yugoslavian citizens were the largest non-Nordic immigrant group during the later stages of the labour market migration, with around 5 000 immigrants per year during the period 1966-1971.

Sweden ratified the Geneva Convention in 1954, which meant that a liberal refugee policy was adopted. This led to considerable refugee immigration from Eastern Europe, especially from Hungary after the uprising in 1956 but also from Yugoslavia, Czechoslovakia and Poland (Scott 1999). These refugees were largely absorbed by industry, thanks to the favourable economic situation. Legislation from 1954 enabled foreigners to apply for a work permit in Sweden, something that also explains the extensive labour migration during the 1960s. The Swedish trade unions started to express concerns by the end of 1960s that the rapidly increasing labour migration would lead to a situation where wages were kept at a low level, which would be disadvantageous for Swedish workers. Sensing a threat to the Swedish workers’ relatively strong position, the Swedish Trade Union Confederation started to advocate restrictions on labour market migration. At the same time, they wanted to work for the better integration of those foreign workers already in Sweden. The Swedish Trade Union Confederation succeeded and Sweden imposed a much more restrictive immigration policy in 1968. This new policy basically meant that non-Nordic citizens had to obtain a work permit and a place to stay before their arrival in Sweden. This change in policy halted the spontaneous immigration to Sweden (Lundh Ohlsson).

The demand for immigrants on the labour market ceased in the 1970s when an economic
crisis hit Sweden. Labour immigration was replaced by immigration of the relatives of foreign workers already in the country. There was also a large increase in refugee immigration and of non-European immigrants. One of the first groups in this category was the Chilean political refugees that arrived to Sweden after the military coup in 1973. Over 7,000 Chilean citizens fled to Sweden during the period 1974-79 (Lundh Ohlsson). A second wave of Chilean refugees arrived in the 1980s; many of them relatives to the refugees from the 1970s. During the 1970s, there were also considerable refugee flows from Argentina, Peru and Uruguay and in the 1980s from Peru and El Salvador.

Immigration from Africa also increased. During the 1980s and 1990s, there were large refugee flows from Ethiopia, Eritrea and Somalia, among others. There have also been a large number of refugees from other countries, such as Turkey. In the 1970s, there were a large number of labour market immigrants from Turkey but, during the 1980s and 1990s, they have been replaced by different types of refugee, including Assyrians, Kurds and political dissidents. The largest group of refugees to Sweden come from the Middle East, including Iranians who fled from the war against Iraq in the 1980s and a very large number of Iraqi refugees, many of whom were also war refugees and a rather large group of Kurds. The remaining group of refugee immigrants from the Middle East can be connected to the Lebanese civil war (Lundh Ohlsson).

A considerable amount of refugee immigration from other European countries has also taken place. The collapse of the Communist Bloc in 1989 led to refugee flows from Bulgaria, Romania and the former Soviet Union. The largest group of refugees from Eastern Europe comes from former Yugoslavia, especially during the war from 1992-95. Over 67,000 refugees sought protection in Sweden during 1993-95, the majority of whom were Bosnians. This means that over 50% of the refugees that arrived in Sweden during these years came from former Yugoslavia.

Around 50,000 people immigrated to Sweden each year during the period 1998-2000. The majority of them were refugees or relatives of refugees already in the country (Integration Reports 2001, 2002). The majority of the refugees during the 1990s were Iraqis but there were also large groups of refugees from Yugoslavia, Bosnia and Iran. This is evident from the Swedish population statistics from 2002, which shows that the largest groups of non-Nordic foreign citizens came from Iran (12,944), Iraq (40,146), Yugoslavia (20,087) and
Bosnia (16 957). Consequently, there are a large number of immigrants from these countries that have been granted Swedish citizenship and also a large number of Swedish-born persons with parents from these countries. Due to classification issues, these two groups are outside the scope of this study but it is necessary to mention them since a great deal of Swedish statistics and research includes these two groups (Statistics Sweden). The refugees from Iraq and Iran consist of different ethnic groups. A large number of refugees from Iraq and Iran are Kurds, but many of the refugees from these countries also belong to the majority populations (Arab and Persian). The majority of the refugees that have arrived from Yugoslavia in recent years are Albanians from Kosovo and the majority of the refugees from Bosnia are Muslims but, due to the ethnic diversity of Bosnia and Yugoslavia, there are also refugees from other ethnic groups. Some of the Yugoslavian citizens in Sweden are not refugees but are labour migrants or relatives of labour migrants who came to Sweden in the 1950s and 1960s.

There are considerable differences in the educational level of foreign nationals; Iraqis and Iranians tend to be much better educated than Yugoslavians and Bosnians. 24% of Bosnians and 17% of Yugoslavians have higher education (tertiary education), compared to 40% of Iranians and 36% of Iraqis (Statistics Sweden). This is confirmed when looking at the number of first-year students with a foreign background in undergraduate programmes in the academic year 2001/2002; 7% of these students came from an Iranian background while only 3% of these students had a Yugoslavian or Turkish background. It should be noted that these figures are based on country of birth and not on nationality. All studies show that foreign graduates have severe difficulties in entering the Swedish labour market. Highly skilled foreigners who have been able to find a job are often forced to work with tasks that are way below their educational level. A recent study shows that only 40% of highly skilled non-Europeans who have been resident in Sweden for 3-9 years had an employment that corresponded to their education (Berggren, Omarsson 2002). Many of them are more or less forced to start their own businesses in order to make a living. A study of Iranian (Persian) and Kurdish entrepreneurs confirms this picture. The Iranian immigrant group in Sweden consisted of around 50 000 individuals in the 1990s and around 30% of these were self-employed by the mid-1990s (Ljungar), often owning restaurants, grocery stores and taxi companies. The Kurdish group consists of about 30 000 individuals and it is estimated that around 35% of this group are self-employed. The majority of the Kurdish entrepreneurs are engaged in the restaurant business, fast-food
restaurants having become something of a Kurdish niche.

Foreign citizens are over-represented in manufacturing industries of the labour market (23.3% of the workforce), hotel & restaurants (7.4% of the workforce), education (9.6% of the workforce) and service industries (30.6% of the workforce). Many foreign workers have low-skilled jobs with low salaries and it is much more likely for a foreigner to have manual job than a Swede. The Iraqi and Iranian citizens are predominately found in the hotel & restaurant sector and in service industries, while citizens from Yugoslavia and Bosnia are found in the manufacturing industries as well.

The difficulties in entering the Swedish labour market affect all foreign citizens, not only those who have a higher education. 12.1% of foreign nationals were unemployed in 2003, compared to an unemployment rate of 4.9% among Swedes (Statistics Sweden). This figure is affected by the fact that nationals from the European Union have a relatively favourable situation on the labour market. The Iraqi-born group (regardless of citizenship) had an unemployment rate of 38% in 2001, while the group born in former Yugoslavia had an unemployment rate of 24.8 % in the same year (Swedish Labour Market Board 2002).

One explanation for these high unemployment figures is that a large proportion of these individuals only recently arrived in Sweden; the employment rate is much better for immigrants that have lived in Sweden for a longer time. This means that there is reason to believe that the troublesome employment situation for these immigrant groups will change for the better. Surveys on income distribution also show that the foreign-born population has a much lower income level than the Swedish-born; the income difference is 16% on average, and 25% for foreign-born from non-EU countries such as Iran, Iraq and Yugoslavia (Statistics Sweden). However, the situation is better for immigrants who have lived in Sweden for a certain time.

4. The impact of immigration on Europe’s societies

4.1. The economy

4.1.1. Taxes, pensions and the welfare system
The foreign-born population in Sweden has, in general, a very low level of employment, which means that they are dependent on the welfare system to a high extent. It also means that they are paying a low amount of taxes in proportion to the amount of welfare benefits they receive. This development has aggravated during recent decades due to the fact that
the previous labour market immigration has been replaced by the immigration of refugees and relatives. Many of the immigrants who have managed to get a job have often been forced to take on the heaviest and the most dangerous tasks, which mean that immigrants also have a high rate of early retirement (Rauhut 2002). The employment situation was very different during the 1950s and 1960s. At that time, immigrants had a higher level of employment than the native population due to the fact that immigration consisted of labour market immigrants with skills that were greatly in demand (Ekberg 1992). The economy itself, whether in recession or a boom, also has a great effect on immigrants’ chances of finding employment. The economic crisis and the relatively high unemployment rate among Swedes in the early 1990s meant that refugee immigrants arriving at that time had a poor chance of finding employment (Rooth, Åslund 2003). Employed immigrants have a much lower income level than Swedes, on average 16.5% less. Immigrants from non-EU countries, such as Iran, Iraq and Yugoslavia, have the lowest levels with 25% lower wages than Swedes. However, the length of time spent in Sweden does influence wage levels and wage differences between immigrants and Swedes tend to decrease over time. See table below.

**Table 1. Increase of employment rate needed in order to bring those born abroad to the same level as those born in Sweden, 2003**

<table>
<thead>
<tr>
<th>Time in Sweden</th>
<th>Increase needed for men born abroad</th>
<th>Increase needed for women born abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-9 years</td>
<td>19.1 percentage units</td>
<td>21.9 percentage units</td>
</tr>
<tr>
<td>10-19 years</td>
<td>17.1 percentage units</td>
<td>16.0 percentage units</td>
</tr>
<tr>
<td>20 years or longer</td>
<td>4.7 percentage units</td>
<td>9.7 percentage units</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden 2004 and Rapport Integration 2003

Structural changes in the labour market have led to the existence of fewer and fewer low-skilled jobs that, combined with the negative attitudes of natives Swedes, has affected immigrants’ possibilities to integrate into the Swedish labour market in a very negative way. This has led to extensive dependence on social assistance. About 60% of Iranians and Chileans, 82% of Bosnians and 100% of Somalis in Stockholm lived on welfare in the mid-1990s (SOU 1996:151). (It should be noted that the majority of the Bosnian and Somali refugees were newly arrived in the mid-1990s). The figures show that there is a significant difference between different immigrant groups, with regard to dependence on the welfare system and, in particular, unemployment insurance, labour market benefit, early retirement pensions and social security assistance (Hammarstedt 2001). In order to
qualify for unemployment insurance, it is necessary to have a paying job and the size of the compensation depends on the salary level. This means that many immigrants are not qualified for this type of insurance, especially if they have arrived recently in Sweden, meaning that they are forced to rely on the labour market benefit instead. This also means that immigrants are over-represented among the beneficiaries of labour market benefit and that they are under-represented among the beneficiaries of unemployment insurance. Immigrants from Turkey, Yugoslavia and Greece are over-represented as recipients of early retirement pensions, which is consistent with the fact that many of these immigrants have had heavy and dangerous manufacturing jobs (SOU 2004:21). Women also tend to be over-represented as recipients of early retirement pensions. Immigrants from non-European countries are also over-represented as recipients of social assistance, often due to the fact that they are refugees or relatives of refugees who have not been able to enter working life in the same way as earlier groups of labour market immigrants managed to do (Hammarstedt). Immigrants from Iran and Iraq, for instance, are very likely to be dependent on social assistance, which also means an increased risk for poor health (Vogel, Hjerm 2002, SOU 2004:21). Furthermore, the indication of high dependency on social assistance for certain immigrant groups can be partly explained by the fact that they have spent short time in Sweden.

Research in this area very clearly shows that the economic crisis at the beginning of the 1990s, combined with the structural changes in the Swedish economy and other factors, have contributed to a high degree of dependency on the welfare system among immigrants and among non-European immigrants in particular. This means that tax income and other economic contributions from immigrants as a group are fairly modest during the period after 1999. Labour market research is highly developed in Sweden but there are very few studies available that cover the more recent five-year period. This means that there is a large research gap in this area, which also means that it is not possible to answer detailed questions concerning the percentage of taxes paid by immigrants in various sectors, the amount of taxes paid by ethnic businesses nor the impact of immigrants on the contribution to pension funds, etc. Another research area that needs more attention is the impact of structural and institutional discrimination.

4.1.2 Immigrants as consumers and the impact on exports/import

The research that has been conducted on immigrants as ethnic entrepreneurs shows that
these enterprises often supply certain goods targeted towards different immigrant groups. This is particularly obvious in Södertälje municipality, where the Assyrians form an ethnic community with a network of small businesses, including grocery stores, restaurants, cafés, barbers, tailors and shoemakers (Pripp 2001). A large number of these businesses are directed towards members of the same ethnic group. The ethnic community means that the Assyrians can support each other and that there is a demand for ethnic products, such as different kinds of food from their home regions. Similar consumption patterns exist among many immigrant groups in Swedish society, which means that there is a demand for different kinds of products from the entire world. Research in this area is not very elaborated but there is reason to believe that the immigrants’ share of the overall consumption of goods and services is rather modest, considering that research shows that many immigrant groups have low wages and limited economic resources. Thus they often have little chance of stimulating consumption to a great extent. The presence of ethnic entrepreneurs has, of course, affected the rate of imported goods but there is no research available showing actual amounts. These ethnic imports have also impacted native Swedes’ consumption but, again, there is a lack of research in this area. There are also few examples of immigrants who use their knowledge about their homelands to export Swedish products.

4.1.3. Impact on specific economic sectors and ethnic entrepreneurs

The Swedish labour market is highly segregated and the majority of foreign citizens in Sweden are active in a few specific economic areas. A comparison with the native population also shows that it is much more likely for a foreign citizen to have a manual job than it is for a Swede. As mentioned above, foreign citizens are over-represented in manufacturing industries (23.3% of the workforce), the hotel & restaurant sector (7.4% of the workforce), education (9.6% of the workforce) and service industries including health care (30.6% of the workforce). Many foreign workers have low-skilled jobs with low salaries. One difference between Sweden and many other OECD countries is that there are relatively few foreign citizens in the construction sector (Integration Report 2003). It should be noted here that a large proportion of the foreign citizens are from other countries within the European Union which is a lingering effect of the earlier labour market immigration. Non-European citizens are predominately found in the hotel & restaurant sector, in commerce and in service industries. Some researchers mean that the difficulties on the labour market have more or less forced many of the immigrants into these areas,
which is one of the reasons for the sharp increase in ethnic entrepreneurship during the 1990s. Another reason is that immigrants have taken over certain niches in the economy from Swedes. The problems of non-European immigrants on the labour market are illustrated by the fact that around 16% of non-European immigrants were self-employed in the late 1990s, compared to only 8% of the native population (SOU 1999:49).

The majority of ethnic entrepreneurs are found in the service sector, which includes grocery stores, in restaurants, cleaning agencies and taxi companies. 84% of the ethnic entrepreneurs were active in this sector. The majority of these companies are very small since they have problems in acquiring sufficient amounts of capital (SOU 1999:49). 40 000 of the approximately 65 000 immigrant companies in the late 1990s had 0-19 employees. The immigrant entrepreneurs cope with these problems by employing friends and relatives and by working long hours with very low salaries. It is very difficult to estimate the overall effect that these enterprises have on the economy but they do create work opportunities and have a positive effect on the economic development at the local level.

There were about 65 000 immigrant companies in 1997, which means that, at that time, around 12% of private businesses in Sweden were owned by immigrants. Although there are very few studies looking at the situation after 1999, the number of immigrant-owned businesses has grown since 1997. This figure includes naturalised immigrants as well as companies owned by persons born in Sweden with foreign-born parents. It is estimated that around 190 000 people were employed in companies owned by immigrants in the late 1990s, many of them immigrants since ethnic entrepreneurs often hire friends and relatives (SOU 1999:49).

The situation in Sweden differs from the situation in other countries in that there are very few closed ethnic communities in Sweden. On the contrary, the pattern in Sweden is that ethnic enterprises are spread across urban areas and that they have both immigrants and Swedes as customers. Although the customers are not solely immigrants, the entrepreneurs themselves generally live in segregated housing areas (Ljungar 2002). One important exception from this pattern is, as mentioned above, the Assyrian community in Södertälje municipality, close to Stockholm, where around 12 000 Assyrians have developed a network of small businesses including grocery stores, restaurants, cafés, barbers, tailors and shoemakers (Pripp 2001). A negative aspect of this community is that other
entrepreneurs feel that the Assyrians and their businesses are undermining competition, leading to lower revenues for those outside the Assyrian community. There are also signs of discrimination from native Swedes towards the ethnic businesses.

Immigrants with a low education level are over-represented among ethnic entrepreneurs, which is consistent with the fact that immigrants have difficulties to enter the labour market and that self-employment is a way out of this, according to Hammarstedt (2001). Other research show that ethnic entrepreneurs start their business mainly for other reasons, among which are to fulfil their dreams, to be independent and to make money. Immigrants coming from areas that have a tradition of self-employment are also more likely to start their own businesses in Sweden. This is probably due to the fact that they have access to the skills and experience required for self-employment. Immigrants with good proficiency in the Swedish language are also over-represented among the ethnic entrepreneurs. There is also a significant difference between different groups of non-European immigrants when it comes to the level of ethnic entrepreneurship; immigrants from Turkey, Iran, Iraq and Syria have a high level of entrepreneurship while there are very few immigrants from Africa and Latin America that are self-employed. A study of Iranian (Persian), Kurdish and Chilean entrepreneurs confirms this picture. The Kurdish group are refugees from several countries in the Middle East: Iran, Iraq, Turkey and Syria. The Persians belong to the Iranian majority population and they are the second largest non-European immigrant group in Sweden (around 50 000 individuals). Around 30% of Persian immigrants were self-employed in the middle of the 1990s in Sweden (Ljungar), owning restaurants, grocery stores and taxi companies. A large proportion of the Persian entrepreneurs were well-educated and many of them have chosen to be self-employed rather than to work as employees with low-skilled jobs or as a way of avoiding unemployment. The Persian enterprises are rather small, due to the fact that they are somewhat isolated in Swedish society, not only in their contacts with Swedes but in their contacts with fellow countrymen as well. The Persian network as a whole is quite weak, which could be due to a cultural code within the Persian group that advocated self-reliance (Ljungar).

The Kurdish group consists of about 30 000 individuals, as mentioned earlier, and it is estimated that around 35% of individuals in this group are self-employed. The majority of Kurdish entrepreneurs are engaged in the restaurant business, fast-food restaurants in particular. The majority of the Kurdish entrepreneurs have started their own businesses in
order to earn a living and many of them have not attempted to apply for a job in the regular labour market, as Ljungar puts it. They have instead turned to friends and relatives for support. Further, small businesses and small farms are common in their homeland. As a group, Kurds have a low educational level and strong ties with their countrymen; which differs from the situation in the Persian group (Ljungar). The Chilean group differs again from both the Persians and Kurds with regard to ethnic entrepreneurship, with only 2.6% of Chileans being self-employed in the 1990s. They often work with cleaning and travel agencies; the cleaning business has developed into something of a Chilean niche. A large number of the Chilean entrepreneurs have started their business out of genuine interest, which is especially true for the entrepreneurs in the travel business; they make use of their knowledge of Swedish and Chilean conditions (Ljungar). One explanation for the low level of entrepreneurship among the Chileans is the fact that many of them came to Sweden as political refugees during the 1970s and that this group is fairly well integrated into Swedish society.

There are some interesting differences in the research results in this area. Hammarstedt shows that a low level of education leads to a higher probability for entrepreneurship, while Ljungar shows that there are a large number of well-educated entrepreneurs among Persians and Chileans in Sweden. Kurdish entrepreneurs, on the other hand, fit into Hammarstedt’s profile in the sense that they have a low educational level and a high level of entrepreneurship. Ljungar introduces some contradictions when claiming that tradition and skills are very important to explain the probability of self-employment, while his research on the Persian group shows that a group of highly educated people with no ties to small businesses at home have a high level of entrepreneurship in Sweden. One explanation is that Ljungar examines only three ethnic groups while Hammarstedt examines all ethnic groups. The differences in self-employment between European and non-European immigrants indicates structural discrimination that sometimes forces non-European immigrants to become entrepreneurs against their wishes. This is evident in Ljungar’s research that shows that Persian entrepreneurs are often academics. In terms of integration, immigrant entrepreneurship can have a positive effect, if the individual entrepreneur feels content with his/her entrepreneurship. The research suggests, however, that most of the entrepreneurs of these three groups are self-employed because they have failed to enter the labour market, and that they are forced to involve the entire family and work long hours for a very low salary. It is very doubtful if this kind of entrepreneurship has a
positive effect on integration (Ljungar). An area that needs more attention is the impact of structural and institutional discrimination and it’s consequences on the success and growth of ethnic entrepreneurs.

4.1.4. Highly qualified immigrants.
The extensive refugee immigration during the 1990s led to a massive influx of highly educated men and women in Swedish society. The majority of these highly educated refugees sought asylum from the conflict in Yugoslavia during 1993-95, but there was also a large number of highly educated Iraqis coming to Sweden. Furthermore, according to OECD, there was a substantial number of highly skilled immigrants arriving in Sweden from North America in the 1990ties. (OECD 2002).

Figures from Statistics Sweden (total number of foreign born academics) show that in 2003 there was a considerable number of highly educated immigrants from Asia and Africa, while the number of academics from USA and others (Canada, Australia and New Zealand) was very modest. Furthermore, it should be noted that around 2/3 of the foreign born academics came to Sweden prior to 1992. (Statistics Sweden 2004). See the tables below.

**Table 2. Foreign academics age 25-64 years, by country of birth, 2003**

<table>
<thead>
<tr>
<th>Country of birth</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordic countries</td>
<td>47 194</td>
</tr>
<tr>
<td>EU excluding the Nordic countries</td>
<td>24 135</td>
</tr>
<tr>
<td>Non-EU Europe</td>
<td>50 751</td>
</tr>
<tr>
<td>Africa</td>
<td>25 862</td>
</tr>
<tr>
<td>Asia</td>
<td>39 522</td>
</tr>
<tr>
<td>Latin America</td>
<td>11 370</td>
</tr>
<tr>
<td>USA and others</td>
<td>5 822</td>
</tr>
<tr>
<td>Other countries / unknown</td>
<td>96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>204 752</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden 2004

**Table 3. Foreign academics age 25-64 years and their length of stay in Sweden, 2003**

<table>
<thead>
<tr>
<th>Length of stay</th>
<th>Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4 years</td>
<td>37 210</td>
<td>18.2</td>
</tr>
<tr>
<td>5-9 years</td>
<td>32 645</td>
<td>15.9</td>
</tr>
<tr>
<td>10-19 years</td>
<td>61 455</td>
<td>30.0</td>
</tr>
<tr>
<td>More than 20 years</td>
<td>69 383</td>
<td>33.9</td>
</tr>
<tr>
<td>Missing information</td>
<td>4 058</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>204 572</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Statistics Sweden 2004

In addition to this, there is a large number of foreign students studying at Swedish universities. In 1997, there were 2 357 foreign PhD students in Sweden, roughly two-thirds
of whom chose to stay and work here after their graduation. However, foreign students are generally considered as highly mobile, which means that a large number of them leave Sweden after graduation. This is particularly true for refugee academics. A large number of highly skilled refugees from the Yugoslavian conflict have returned home. There are other highly educated students and asylum seekers that would have liked to stay and work in Sweden but, since it can take up to two years to obtain a residence permit, they have difficulties in finding a job on the Swedish labour market. At the same time, there is currently a shortage of skilled labour in Sweden, which means that there is an enormous waste of human capital when skilled foreigners are kept outside the labour market. There was an improvement during the 1990s, however, mainly because of the expansion in the field of information technology. The inflow of highly skilled immigrants has resulted in an increased educational level as well as an increase in the population itself. This increase is vital for Sweden’s economic growth in the future, since the large group of the population born in the 1940s will soon retire, leaving a significant demand for skilled labour in the near future (OECD 2002).

Highly skilled foreigners who have been able to find employment are often forced to work with tasks that are way below their actual educational level. A study showed that only 40% of the highly skilled non-Europeans were employed in jobs that corresponded to their education (Berggren, Omarsson 2002) and that highly skilled immigrants from Africa and the Middle East had an even worse situation. There are examples of highly educated immigrants from Africa and the Middle East working in factories, restaurants and as taxi drivers. A recent study from 2004 showed that the length of time spent in Sweden is of great importance, on average 60% of the highly skilled immigrants who have been in Sweden for 5-35 years had employment that corresponded with their education. The situation improves over time but, still, after more than 15 years in Sweden, there is a considerable gap between highly skilled natives and highly skilled persons born in Africa and Asia. The 2002 study only included persons with at least two academic years (80 points) who had been in Sweden for 3-9 years, while the most recent study included university graduates who have been in Sweden for a much longer period of time (5-35 years) (Ekberg, Rooth 2004). Research in this area shows the same problems that were evident in the previous section, i.e. that there are very few studies available covering the last five-year period and that studies published after 1999 basically focus on the circumstances during the 1990s. This is hindering the possibility to answer detailed
questions on the impact of highly skilled immigrants on the Swedish economy etc. during the last five year period. There is, however, an enormous unexploited potential within the country and simultaneously, there is a lack of skilled workers. There are recruitment campaigns for doctors in other European Union countries while, at the same time, there have been unemployed doctors available in Sweden. Many of them have been in Sweden for years but, since they have not received adequate language training and the necessary competence validation, they have not been able to work in their profession. Much more research is needed on the validation process, and on the formal and informal structures that create the current situation. This is particularly important since there will be a huge demand for skilled labour in the Swedish economy when the large group of people born in the 1940s enter retirement. Their positions have to be filled, and skilled immigrants will be required.

4.1.5. Cultural diversity and competitiveness
The idea of cultural diversity has been introduced as a policy goal in response to the growing number of inhabitants in Sweden with a foreign background. In 2002, 14% of the Swedish population aged 15-64 were born abroad and 5.5% were foreign citizens (Integration Report 2003). There is also a large group with a foreign background, that is those born in Sweden but with foreign-born parents. It should be noted that some of these can be found among the foreign citizens. Individuals with a foreign background are facing severe difficulties of being accepted on the Swedish labour market. One reason is the economic crisis that Sweden suffered in the 1990s at the same time as a large flow of refugees were accepted into the country. Other reasons are that refugees who arrive in Sweden are not permitted to work until they have had received a permanent residence permit, something that can take several years. (After four months of waiting they can get an exception from the obligation to have a work permit but they still have difficulties to get a job). Structural changes in the Swedish economy have also led to a decrease in the number of low-skilled jobs. Ethnic discrimination and unemployment combined with other social problems, has lead to a vicious circle that is hard to break out of (Diversity as Vision and in Practice 2001). The Swedish government is well aware of these problems for immigrants and, when the new Integration Policy was adopted at the end of the 1990s, the Swedish government encouraged employers to promote increased ethnic diversity among their employees by adopting activity plans for ethnic diversity. The rationale for this policy stems from the belief that organisations with an ethnic diversity profile are considered to
function better in a society with a large proportion of immigrants, since they have access to a variety of experiences, language skills, etc. (SOU 1997:174). Diversity plans should include measurable goals and focus on recruitment, education, leadership, etc. Employers in the public sector are considered to have a special responsibility as role models for other employers. Since they are publicly financed, it is very important that their employment structure reflects the structure of the general population in terms of ethnicity. The Swedish government has worked actively since 1999 with an action plan to increase the number of employees with a foreign background in the Swedish Government Offices. Recruitment should be conducted in a way that increases the ethnic and cultural diversity of the labour market. The different authorities should work to encourage increased diversity among their employees and they are also obliged to report back to the Swedish government (Fägerlind, Ekelöf 2001).

95% of government authorities began to work with diversity plans in 2000. Half of the authorities feel that they have worked with these issues for a long time as they have employees with a foreign background. It is important that diversity plans are put into action and that they are followed up and evaluated on regular basis if they are going to have any real effect. It takes a lot of work to create a dynamic organisation that is characterized by diversity. This work is also carried out at a regional level, for example the County Employment Board in the county of Västra Götaland has been involved in an intensive effort to promote diversity since 1997. The County Employment Board has a very large number of clients with a foreign background and put emphasis on that these clients feel they can relate to the staff they are interacting with. The County Employment Board works actively with recruitment issues, courses and seminars and trying to mould attitudes towards immigrants as clients and colleagues among their employees. They use an evaluation system called the Equal Opportunity Quality Framework, which is a tool for evaluating and analysing the progress made. (Diversity as Vision and in Practice 2001).

The Swedish Government encourages municipalities across the country to act as role models in the effort to promote ethnic diversity. Municipal services should adapt to the needs of the population, and it is believed that this will be facilitated if the organisations show signs of a higher level of diversity. Furthermore, it is believed that increased diversity results in an improved working environment and that the quality of the political decisions will improve if decision-makers represent and understand the different groups in
society. An evaluation conducted by the Swedish Integration Board in 1999 showed that less than 10% of municipalities were actually developing diversity plans. Municipalities in the major metropolitan areas showed the highest interest in this issue, while small municipalities in the rural areas had a very little interest in working with these matters. Many of them do not consider that ethnic diversity is relevant for them since there are very few immigrants living in their regions and they also lacked the resources to address this issue. However, there are examples of municipalities, which similarly to the Counties, work actively in the area of diversity (example Södertälje).

Research shows that it is very important for the municipalities to become involved in this area. In a few years time, there will be a large number of persons retiring, which means that municipalities will need to start looking for new employees. The city of Gothenburg, for instance, has set the goal that the composition of its employees should reflect the composition of its population. Languages and other types of “cultural competence” should be utilized. The Gothenburg City Council is working to develop methods, strategies, seminars and courses, and it is also engaged in a number of projects to promote ethnic diversity. The different municipal administrative departments are entitled to economic support from a special Diversity Unit that was created in 2000 (Diversity as Vision and in Practice 2001). Civil servants in the municipality of Sundsvall in Northern Sweden are also actively working to influence local employers to increase their ethnic diversity and to help unemployed immigrants to find jobs. This approach is functioning well but, in contrast to the official policy, the municipality itself has not been able to increase the number of employees with a foreign background (Alla skall behandlas lika 2003).

Different organisations in the labour market have also started to cooperate in order to open up workplaces to greater ethnic diversity and to fight discrimination and racism. Representatives of the Swedish Employers’ Association, as well as representatives of the Swedish Trade Union Confederation, the Swedish Confederation of Professional Employees and the Swedish Graduates’ Union, have joined the national Council for Diversity together with representatives from the Federation of Social Insurance Offices, the National Agency for Government Employers, the Association of Swedish Local Authorities and the Federation of Swedish County Councils. This council serves as a platform for members to exchange ideas and experiences. They also arrange conferences and seminars about these issues.
There are examples of private employers with a management perspectives on the question of ethnic and cultural diversity, based on the idea that increased ethnic diversity will lead to more creativity, efficiency and profitability. The Volvo Truck Corporation in Gothenburg is one of the companies that has embraced this concept, with a special Diversity Manager who is responsible for diversity questions at the company. The company is working to increase the number of employees with a foreign background and the diversity perspective has been integrated into management training. The company has also created a special competence database where the employees’ language skills, cultural backgrounds etc. are recorded (Diversity in Theory and Practice 2001). One major problem with the diversity work at the Volvo Truck Corporation is that the company treats employees having a foreign background as one homogenous group, which means that is difficult to determine exactly where they come from. There is an obvious possibility that a majority of employees with a foreign background originate from countries within the EU.

Volvo Cars is another company within the Volvo group that has an active commitment to ethnic diversity. This company cooperates with other companies and the Swedish Integration Board to set up trainee positions for individuals with a foreign background who lack experience and training (Ds 2004:22). The company also organises seminars and workshops to motivate employees with a foreign background to increase their skills and to enable them to seek promotion within the company. The diversity perspective is an integral part of normal business activities. A third company that has a management perspective on the question of ethnic and cultural diversity is the Body Shop, a relatively small company in the retail sector. This company has a long-term involvement in non-profit work and has set a goal that the composition of its employees should reflect the population at large. The employees are considered to represent the company and therefore it is seen as an advantage if they have different types of background that the customers can relate to. The Body Shop reached the company goal in the late 1990s, with 25% of employees having a foreign background in 1998, the majority of which came from non-European countries. One setback is that the company’s high ambition level of ethnic diversity combined with a large number of new employees has led to difficulties in training new employees.

It is difficult to show any economic effect from the increased focus on ethnic diversity. More research is needed in the area of positive economic effects due to ethnic diversity, although it is understood by many sectors of society that there are positive effects.
connected to the work of promoting ethnic diversity. In the examples presented here, there have been an increase in the number of employees with a foreign background but the problem is that a majority of these come from the Nordic countries or the European Union, while immigrants with a non-European background continue to have severe problems in entering the labour market. The Body Shop has been an exception to this pattern although the company still face certain problems. More research is needed in order to discover the formal and informal structures of discrimination that lie behind this societal paradigm. There is also a need for up-to-date research on the current situation in different public and private organisations. There is a negative attitude among some public and private employers to register the employees according to ethnical background and this makes it hard to investigate the current diversity status.

4.2. The civil society and the cultural context. Immigrants, the civil society and the cultural context.

Although immigrants and foreign citizens are underrepresented as members in different organisations, they still have a role to play in different organizational activities (Bäck, Soininen 1996). There are substantial differences in the type of organisations that immigrants are members of. A relatively large number of immigrants are members of trade unions and environmental organisations while a relatively small number are members in political parties and women’s organisations. It is also much more difficult for immigrants to be elected as representatives within different organisations. Current research shows that the situation is similar in the trade unions (Neergaard Mulinari 2004). According to this research, there is a large divergence between the official rhetoric and the actual situation within the organisations. There is a tendency to disregard the problems that the organisations face regarding structural discrimination. The presence of immigrants has led to an increasing awareness of these issues but, at the same time, the immigrant trade union members might be fairly alone in addressing these questions.

The immigrants’ own organisations have a very important role to play in Swedish society in terms of minority culture preservation. These organisations have been a natural part of the Swedish organisational life since the 1970s. The different South European Immigrant associations were considered to be of great importance during the period of labour market immigration. Non-European associations only grew in importance during the period of refugee immigration in the 1970s onwards. During the 1980s, the different immigrant
organisations were considered to be important cooperation partners, serving as reference groups in the decision-making process. They give the members a chance to participate in Swedish society, function as identity creators, and serve as lobby groups and as sources of recruitment to political parties. They also have a very important role to play in the integration process. Later, the different activities conducted by the immigrant organisations came into focus and the organisations that put forward a clear integration strategy were able to receive public financial support (Borevi, Bäck, Soininen). This is also an area that needs more research, especially regarding recent developments and the situation after 2000. Existing research deals mainly with the situation during the 1990s, and therefore it is difficult to assess the effect that the different immigrant organisations have had on Swedish society in recent years.

Immigrants, and especially immigrant youth, actively participate in different sports activities. The Sports Federation in Sweden perceives itself as a good role model for integration work. Basketball and football are considered to be the most thoroughly integrated sports. There is an obvious gender divide between these two sports: girls with a foreign background prefer basketball while boys with an immigrant background prefer football (Fundberg 2003). The boys see sport and football as a way for them to break free from the subordinate position that they feel that they have in Swedish society. Sport also provides a possibility for a future as a professional, with everything that goes with it in terms of status and a good income. Girls see basketball as a way of life that includes music, clothes and a certain attitude. There are dreams of a career among the girls as well, with many of them dreaming about playing college basketball in the United States.

Sport is also considered to be way out of criminality and is seen as a means of revenge against Swedish society, a society considered to be racist and prejudiced by many young immigrants. This is something that many of the immigrant boys have experienced even in sport, as extremely few of the large number of talented young immigrant athletes in Sweden reach the higher levels. The large number of athletes with a foreign background nevertheless means that this area of Swedish society is relatively well integrated (Fundberg 2003). Sport also makes the immigrants more visible in Swedish society and immigrant athletes serve as role models for other immigrants. There are no figures on the exact number of athletes with a foreign background but it is clear that a considerable number of active athletes in a number of sports have a foreign background. In football, for instance,
there is a relatively large number of professional players from countries outside the European Union, which can be considered a type of labour migration. From this perspective, there is very little research available in this area, especially since sport is regarded as an area with a good level of integration. Consequently, it is not possible to estimate the actual impact that immigrants have had on this sector. More research is needed here, for instance to identify the nationalities that have had the largest impact.

The research situation is weak also when looking at the food industry, the fashion industry and the arts. Quality research on the impact of immigration in these areas does not exist despite the apprehension that immigrants have had a considerable effect on, for instance, the food industry. The past few decades have seen an explosion in the number of ethnic restaurants, something that has naturally affected Swedish food culture. Asian cuisine, in particular, has had a great impact during recent years and there are now Chinese, Thai, Japanese and Indian restaurants even in small rural towns, in addition to the Italian pizza and the Middle East kebab. There are also a large number of grocery stores with different types of ethnic food from the entire world. There is a research gap also concerning the arts and the fashion industry. It is impossible to judge what impact immigration to Sweden has had in these two areas but it is highly likely that they have been affected. Just as with the food and the sports industries, these two areas need more research before we can answer the questions in this study.

4.3. The impact of immigration on Europe’s societies: the political context.

Sweden is something of pioneer regarding the provision of political rights for foreign citizens. Foreign citizens have had the right to vote in municipal elections since 1976, on the condition that they have lived in Sweden for at least three years. However, they still do not have the right to vote in the national elections (Sahlberg 2001). Foreign voter participation has decreased over the years and, in the general elections in 2002, only 35% voted. This can be explained by the increasing segregation of Swedish society, with immigrants and refugees living, to a large extent, in socially and economically marginalized areas. Current research suggests that individuals with a low income/low education tend to have a low level of interest in politics but, interestingly enough, this does not apply to immigrants. On the contrary, foreign citizens in segregated areas have a much higher voter participation than Swedish nationals in the same types of area (Sahlberg 2001). It seems that being concentrated in certain residential areas has had a positive effect
on immigrant’s political participation, despite their exposed social and economic situation. This does not alter the fact that foreign citizens have a relatively low political participation regarding party membership and political contacts. The general view that it is not possible to affect ones own situation through the political process remains. Researchers suggest that the low level of political interest is due to immigrants limited resources, poor language skills and the fact that they simply are not considered to be of interest to the political parties.

Low voter participation can also be explained by that immigrants are not allowed to vote in the national elections. At the same time, it should be noted that voter participation is decreasing also among Swedish nationals and that this general development affects foreign citizens as well. There is also evidence to suggest that the time spent in Sweden has a significant impact on voter participation. Refugees from former Yugoslavia who arrived in the 1990s were still preoccupied with the situation at home and had a very limited interest in participating in Swedish politics (Sahlberg).

An evaluation of the municipal elections in 2002 confirms this pattern. Overall voter participation was only 78%, with only 35% of foreign citizens exercising their right to vote. Please note that this figure includes citizens from the European Union. Immigrant women vote to a greater extent than immigrant men. Married immigrants with a relatively high income have the highest voter participation. The study shows that Chileans are the non-EU citizens with the highest voter participation (46%) and that Yugoslavians had the lowest voter participation of the non-EU citizens (16%) (Government Statistics 2002). Voter participation of Yugoslavian citizens has declined since the election in 1998, while it has increased among citizens from the United States and Iraq. An important factor is the length of time spent in Sweden, 40% of foreign nationals arriving before 1970 voted, compared to a voter participation of 31% among foreign nationals arriving in Sweden after 1990. A large proportion of this group consists of refugees from the conflict in Yugoslavia (Government Statistics 2002).

The fact that segregated housing areas dominated by immigrants show much higher voter participation than segregated housing areas dominated by Swedes is something that needs to be studied. The result in a study carried out by Per Strömblad suggests that segregated areas with a large proportion of immigrants are subject to a number of projects and pro-
grammes from different Swedish authorities. This means that the residents of these areas feel that their opinions matter, which in turn leads to a higher political interest and higher voter participation. The extensive Metropolitan Project is one example of this (Strömblad 2003). The Democracy Project in the municipality of Umeå in the 90s contradicts Strömblad’s results. The project did not manage to increase voter participation among immigrants and the majority of immigrant voters had obtained Swedish citizenship. However, the number of politically active immigrants did increase and the project also led to an increased political representation of immigrants in the municipal council (Amin 2000).

The Democracy Project in Umeå shows that it is possible to increase the number of politicians with a foreign background although the majority of the immigrant politicians are Swedish citizens. Less than 1% of politicians in the municipal councils were foreign citizens in the early 1990s and 80% of the immigrant representatives were Swedish citizens (Bäck, Soininen 1996). The majority of immigrant politicians have lived in Sweden for a long time and are very well integrated into Swedish society, which means that many have limited contact with the marginalized immigrants in the segregated housing areas. Nevertheless, immigrant politicians have a very important role to play in increasing political participation among immigrants. They are seen as representatives for all immigrants and are often approached by immigrant organisations to champion different issues.

Swedish political parties are well aware of the fact that immigrants are underrepresented although they do not currently record the ethnic background of party members (Lukkarinen Kvist 2001). The political parties are also working actively to increase the number of party members and elected representatives with a foreign background in their organisations. This is a difficult task due to the negative attitudes towards immigrants that exist among some party members. Cooperation with different immigrant organisations and the translation of party material into different languages are two of the activities aimed at increasing immigrant participation (Lukkarinen Kvist). The parties themselves present both structural and individual conditions to explain the current lack of immigrant participation. On the structural level, the exposed position of immigrants in Swedish society and the general decline in political activity among all Swedes are cited. On the individual level, the parties focus on poor language skills and people having been refugees as explanations for low
political interest (Kalm 2004). Informal contacts and networks are also very important when electing representatives to different positions in the political parties, something that is unfavourable to immigrants.

The work to increase the number of immigrant politicians takes time despite the good intentions within the political parties. It is relatively easy to become a party member but then there are a multitude of unwritten rules to be followed. Radicalism and persistence in work against racism and discrimination are discouraged. Immigrant politicians should be careful when criticizing Sweden and the Swedish people (Dahlstedt 2002). These mechanisms also have a negative effect on the political participation of immigrants. It is clear that the presence of immigrant politicians is important with regard to the issues of integration and segregation, which are areas that tend to be neglected in internal party work if there are no politicians with a foreign background involved. Integration and segregation have often been considered low priority issues. There is also a tendency for politicians with a foreign background to be considered as political allies and representatives for all immigrants.

The political parties have different reasons for recruiting immigrant representatives. They often see it as a way to maximize the number of votes and to legitimise the political institutions, rather than as a way to combat the rising inequality in society (Kalm 2004). However, it remains the case that foreign citizens are excluded from a large part of political life as they do not have the right to vote in the national elections, which means that they are not considered to be as important as Swedish citizens from the parties’ point-of-view. This could be changed if foreign citizens were given the right vote in the national elections. (Sahlberg).

Immigrants and especially foreign citizens are underrepresented in the trade unions as well. The situation for foreign citizens has been described by researchers as “including subordination”, which means that it is easy to become a trade union member but, at the same time, foreigners are not considered to be “real workers” and the presence of racism and discrimination is not considered to be a problem within the trade union movement. (Neergaard Mulinari 2004). Workers with a foreign background are categorized as ignorant in trade union matters and negotiations, as they are considered to have poor knowledge of the Swedish language and culture. Trade union leaders often use the need for unity as a
method to silence criticism. Due to the marginalisation of their concerns, trade union members with a foreign background have organised themselves into a network in an attempt to bring the question of discrimination and racism within the organisations onto the agenda. Research shows that there is consensus at national level in the Swedish Trade Union Confederation about the importance to fight racism and discrimination in Swedish society but, as shown above, the unions often do not recognize that these problems exists within their own organisation. Racism is demonised by the trade unions, which means that discrimination within their own organisations are not considered to be racist. Immigrant workers who raise these issues are considered to be problematic members or troublemakers etc.

Immigrants are involved in other types of organisations but there are considerable differences in immigrant participation between different types of organisations. The discussion above shows that relatively few immigrants participate in political parties but that a relatively large number of immigrants are trade union members. Quite a few immigrants are also members of different environmental organisations and it is seems to be relatively easy for them to be elected as representatives of these organisations (Bäck, Soininen). On the other hand, very few immigrants are members of women’s organisations or organisations for the disabled. This is a problem since these types of organisations have a significant role to play in Swedish society. Organisational activities are believed to develop a sense of citizenship among members and are considered to be schools of democratic behaviour, such as democratic decision-making, cooperation and responsibility. The different organisations and their activities have an impact on society as a whole, not only as schools of democracy, but also as promoters of ideology and public opinion, where people have the chance to express themselves (Borevi 2002). Immigrants also have their own organisations, which play an important role in Swedish society. They function as reference groups in the decision-making process, give the members a chance to participate in Swedish society, function as identity creators and play an important role in the integration process. Immigrant organisations also function as a recruitment source for the political parties (Borevi, Bäck Soininen). Those organisations that have a planned integration strategy are entitled to public financial support.

The review above illustrates that a transformation is necessary within the political parties and the trade union movement regarding their work against racism and discrimination.
Ethnic diversity is considered to be a very important policy question at the national level but, at the same time, trade unions and political parties have problems in dealing with the fact that they have racist and discriminatory features within their own organisations. There is also an obvious need for political parties to examine the recruitment and nomination processes, since it appears that informal parts of this process discriminate against immigrants. Much more research is needed on these segregating processes and the factors that give rise to them. The presence of immigrants in political parties, trade unions and in other types of organisations have had the positive effect of bringing the questions of integration, racism and discrimination onto the political agenda.

The decreasing voter participation among foreign citizens can be explained by the fact that parties focus on national level issues, where foreign citizens do not have the right to vote. One way to reverse this trend could be to extend the right to vote in the national elections to foreign citizens as well. Another important factor is the length of time spent in Sweden, which means that the large group of refugees from the 1990s will probably become more politically interested over time. All in all, this is a field of research that should be further developed, especially when it comes to identifying the institutional and structural mechanisms that are unfavourable to immigrants, both as voters and as representatives. This is, of course, a long-term process since it is related to attitudes among the majority of the population? Despite widespread declarations about ethnic diversity, it is obvious that the changing of societal structures is a frustratingly slow process.

It should be emphasised that this study primarily deals with foreign citizens from non-EU countries, while the majority of politically active immigrants are naturalised Swedes or citizens from EU countries. This means that a large proportion of the research available in this area is irrelevant for the study.

5. Factors affecting the impact of immigrants on Europe's societies: the provision of support and restrictions.

The Integration Policy was adopted in 1997 in an effort to address the problems that immigrants and refugees face in Swedish society. The goal of the policy is to achieve equal rights regardless of ethnic and cultural background and to create a society characterized by mutual respect for everyone regardless of background. This is something that all inhabitants in Sweden should participate in and take responsibility for (Södergran, SOU
All immigrants are entitled to support in order to work and participate in society. It is crucial to protect the fundamental democratic rights of both men and women and to prevent and counteract discrimination and racism. One of the more practical measures of this policy was the creation of the Swedish Integration Board in 1998. This new authority took over responsibility for integration issues from the Swedish Migration Board.

In her research, Södergran shows that there is political consensus about the importance of integration for society as a whole and about measures in the area of integration. Södergran also shows that no thorough analysis of the consequences of the integration policy exists. At the same time, there is great uncertainty about the meaning of terms such as “integration” and “a multi-cultural society”, which leads to a sometimes confusing debate. Södergran also shows that there are a number of fundamental economic, organisational, political and social problems that have to be solved before the Swedish integration policy, with its focus on integration, citizenship and human rights, can be fulfilled. The integration policy is very ambitious and well-thought-out but it is hindered by unsuccessful implementation methods, ethnic discrimination, economic problems, world events and disagreements between different national actors.

Education and the school system are very important in relation to the integration of immigrants into Swedish society. Pupils with a foreign background do not achieve as well in school (primary- and secondary) as pupils with a Swedish background. The large group of students with a foreign background who experience problems in school tend to do worse if they live in a segregated area (Integration Report 2001). At the same time though, there are examples of high achieving students with foreign backgrounds and girls with a foreign background have a higher average grade than Swedish boys. Schools have a key role to play in integrating students with a foreign background and they are well aware that measures need to be taken. However, often schools perceive pupils with foreign background as “immigrant children” who are deviant and problematic and this contributes to the lower achievement of this group (Integration Report 2003).

Language courses in Swedish for immigrants (SFI - Svenska för Invandrare) are also something of a bottleneck. An evaluation from 2000 shows that only 50% of students enrolled in SFI courses pass the fluency exam after four years of participation in the
programme. In too many cases the classes are not organised according to educational background, which means that immigrants with higher education degrees end up in the same classes as illiterate students. Many students have very low motivation to participate and quite a few suffer from different kinds of health problems. Many of them suffer from post traumatic stress disorder (PTSD) when arriving in Sweden, which means that they are not ready to complete their education. The employment offices enter the process at a very late stage, at the end of or after the language courses. Further, the employment offices complain about the level of SFI and there have been cases where immigrants who have passed SFI are sent back to school because their proficiency in Swedish is too low. It is obvious that the SFI programme has some serious problems to deal with. The training should be much more individualised and the employment office should be more active. Both the theory and practice need to be developed further and there is a need for more teachers. Other research shows that the refugee reception programme had unclear goals and that the activities had a very low status. Many municipalities agreed to accept refugees in order to receive the economic compensation from the government and to create jobs. However, they often lacked the necessary competence to create a sensible introduction programme and a sustainable labour market strategy (Kadhim 2000).

Adult education for immigrants, on the whole, works very poorly. Research indicates that many foreign-born persons attend class after class, without getting any closer to employment. It can be suspected that the adult education programme is used as a “storage place” for students who have difficulties in getting a job. Evidence suggests that employment officers often have high demands regarding language skills; they tend to look for problems rather than possibilities and they do not generally consider unemployed immigrants as an asset (Hertzberg 2003). There are long validation processes and demands for unnecessary supplementary education. It is much more difficult for immigrants from Africa and Asia to have their qualifications validated compared to immigrants from Europe, the former Soviet Union, North America and Oceania. This leads to an enormous waste of competence, since there are sectors in Swedish society that have a clear demand for skilled personnel, at the same time as there are a large number of highly qualified immigrants who are unemployed or overqualified for their current jobs. There is a great need for research in the field of discrimination in the labour market. There is also a need for studies on PTSD and other health problems among immigrants. The regulations which prevent registration of ethnicity means that it is difficult to estimate the exact number of
immigrants at a given workplace and to conduct thorough surveys of immigrant employees.

With regard to the housing situation for immigrants, the large influx of refugees in the late 1970s and the early 1980s led to the much criticized “Sweden-wide strategy” (*Hela Sverigestrategin*), which aimed to disperse refugees across the entire country. The majority of labour market immigrants and refugees lived in metropolitan areas and the new immigrants wanted to live close to their relatives and friends, which led to severe housing shortages in these areas (SOU 1982:94, Andersson, Robinson, Musterd 2003). This shortage, combined with large differences between the immigrants and the native Swedes regarding their position on the labour market, led to increasing concern among local and national politicians. Andersson claims that one of the main reasons for the strategy was that the National Immigration Office took over responsibility for the refugees, as the National Labour Market Board wanted to focus solely on labour market issues. At the same time, they created a model in which the municipalities took over the main responsibility for the refugees once they had been given a residence permit (SOU 1996:55). The initial plan was that only municipalities with a good labour market situation should be selected as “host” cities, but the unexpectedly large number of refugees forced the authorities to abandon this plan and place the refugees wherever they could find housing. The “Sweden-wide strategy” was, in other words, a temporary solution and not particularly well-planned. In 1994, immigrants were given the right to decide where they wanted to live. This resulted in a growing concentration of immigrants in ethnically and socially segregated areas in larger cities. The “Sweden-wide strategy” was a failure in the sense that the authorities were not able to identify the factors that could help with integration. The responsible officers at the National Immigration Board lacked the necessary knowledge about the refugees and the host municipalities. At the same time, it should not be forgotten that it would have been impossible for Sweden to accept the refugees during the 1990s had this flawed strategy not existed at all (Andersson, Robinson, Musterd 2003).

The Swedish government is well aware of the problems of segregated housing in the metropolitan areas. During the 1990s, they launched a very ambitious project with the aim of breaking this ethnic, discriminatory and social segregation in exposed areas in the larger cities. One problem with the approach taken is that immigrants living outside these areas,
who face the same problems with unemployment and discrimination, are not included in the project (Integration Report 2002). At the same time, there is a trend that people with relatively good income leave these areas and are replaced by people with low income. This area-based strategy does not deal with the core of the problem. Newly arrived refugees and their relatives are over-represented among the people moving into these areas, which means that the segregation is worsened.

Ethnic and socioeconomic segregation is also a severe problem in a number of medium-sized cities. Research shows that segregation is self-perpetuating. Areas with a large proportion of immigrants tend to have a rather bad reputation meaning that only immigrants and refugees will opt to live in these areas. Initially, it may have been good for the refugees to live in these areas and be surrounded by friends and relatives. However, at a later stage, this has had a negative effect on integration since they have very little contact with Swedish society. Immigrants that leave the segregated areas do relatively well. They have a good connection with the labour market and their children do better in school (Integration Report 2003). However, this kind of movement is rather rare, which poses a dilemma to the politicians. It seems that the best way to promote integration is to accommodate immigrants across the country while trying not to repeat the mistakes from the 1980s by placing people in municipalities with high unemployment. This would, however, violate the rights of the refugees. Somehow politicians will have to convince the refugees to leave the segregated metropolitan areas although this does not necessarily mean that they need to leave the metropolitan areas altogether (Andersson 2003). An evaluation of this project, using the UGIS (Urban Government Social Inclusion and Sustainability) model, shows that this effort does not solve the problem of segregation, even if the inhabitants of the areas involved have benefited from the project. In order to combat against segregation, it is necessary to find a way to identify and suppress the processes that lead to segregation, rather than to initiate different projects in the segregated areas (Integration Report 2003). The socioeconomic polarisation in society needs to be stopped. Further evaluations of this project will hopefully give more information about area-based actions and their effects, the negative effects of segregation and the processes that lead to segregation.

Swedish society is making great efforts to integrate immigrants through investments in different areas of society, such as housing, labour market and education. However, good intentions are not enough and some of the strategies have had unexpected and undesirable
effects for immigrants and the Swedish society as a whole. The Sweden-wide strategy of the 1980s, for instance, led to increasing problems of segregation and unemployment as the municipalities that accepted the refugees had very little to offer in terms of education and work. In 1994, the refugees were given the right to settle wherever they wanted which has resulted in further segregation and a multitude of problems in metropolitan areas. The Swedish government launched a very ambitious project in the 1990s to counteract this process but this project focused on the effects of segregation rather than the processes that led to segregation. More research is needed here.

6. Conclusions

Immigrants have a considerable impact on Swedish society, both in the past and at the present. Sweden has experienced a transition from a situation characterized by labour market immigration to a situation characterized by refugees and their relatives. This, combined with structural changes in the Swedish economy and economic crisis, have led to a number of problems that need to be addressed by the Swedish government if it is to succeed in its very ambitious integration policy. Problems occur in the areas of housing, political influence, education and the labour market, where immigrants have severe difficulties in reaching the same levels of participation as native Swedes. Immigrants have a much higher unemployment rate than native Swedes and, as a result, also a much higher level of welfare dependency, particularly non-European immigrants. Many immigrants who have been able to gain access to the labour market have been forced to do the more dangerous and undesirable jobs, which is reflected in the fact they are over-represented among recipients of early retirement pension. This, in turn, means that tax income and other economic contributions from immigrants as a group are quite modest during the period in focus, i.e. from 1999 to the present, although there is yet very little research available covering the last five-year period. Research also shows that the Swedish labour market is highly segregated, with the majority of immigrants being active in the manufacturing, hotel & restaurant and service sectors. It is much more likely for an immigrant to end up in a low paid manual job than it is for a non-immigrant, resulting from the problems of entering the Swedish labour market. Some research shows that many immigrants, especially from non-European countries, are more or less forced into self-employment in order to make a living. Other research indicates that ethnic entrepreneurs start their business for other reasons, like make their dreams come true, to be independent
and to earn money. Many immigrants who are active in hotel & restaurant and service sectors are self-employed; including grocery stores, taxi companies, cleaning agencies etc. There are also some ethnic niches, where immigrants have taken over from Swedish entrepreneurs, particularly in the cleaning business and certain parts of the restaurant business. These businesses are often small and the entrepreneurs often have to work long hours with a very low salary. The introduction of immigrant food in Sweden has increased the demand for ethnic products and food, but it is not possible to draw any conclusions in this area because of the lack of research.

The situation is much the same when analysing research on highly skilled immigrants, especially non-European immigrants, who still experience severe difficulties in entering the Swedish labour market. (It should be noted that among the foreign born, it is easier for the highly qualified to get a job than it is for immigrants with a low education level). Difficulties for highly educated immigrants in entering the labour market creates an enormous waste of human resources. The highly qualified immigrants who have been able to find jobs are often forced to work with tasks that are way below their educational level. Only 40% of highly skilled, relatively newly arrived non-Europeans had an employment corresponding to their education, with highly skilled immigrants from Africa and the Middle East facing the worst situation. The concept of ethnic diversity is something that has been adopted during recent years as one way to cope with these problems, but research shows that this work has only just begun and that there is a long way to go before ethnic diversity becomes a reality. Public employers are considered to have a special responsibility as role models for other employers. Since they are publicly financed, it is also seen as very important that their employment structure reflects the structure of the total population in terms of ethnicity. There are examples of employers, private and to some extent public, who have adopted a management perspective on the question of ethnic and cultural diversity, in that they regard increased ethnic diversity as a factor that will increase creativity, efficiency and profitability. It is difficult to show any direct economic effect due to an increased focus on ethnic diversity and there is need for more research in this area.

There is a general lack of research covering the period since 1999, something that is evident when reviewing research in the economic field. Labour market research is well developed in Sweden but studies published after 1999 basically focus on the conditions
during the 1990s. Furthermore, in the case of register data on employment, as an example, there is at least a two year time lag. This implies that it is difficult to answer some of the detailed questions with reference to the period of study, for instance the questions concerning the percentage of tax paid by the immigrants in various sectors, the amount of tax paid by ethnic businesses, the impact of immigrants on pension funds contribution etc. (Nor the studies that deal with the 1990s include these areas). However, Statistics Sweden has a large amount of data compiled and it is possible that research addressing these areas will emerge in the future.

Another research area that needs more attention is the impact of structural and institutional discrimination, especially with regard to the problems that the non-European immigrants encounter in the Swedish labour market and the economic consequences of this in terms of unemployment and poor health.

Also the majority of the more recent studies and research on civil society and the cultural and political context deal with the situation during the 1990s. Available research shows that immigrants and foreign citizens are underrepresented in virtually all types of organisations, with the exception of sports clubs. It is especially difficult for immigrants to become elected as representatives in trade unions and political parties. There also seems to be a tendency among these organisations to neglect the problems relating to structural discrimination. The impact of structural and institutional discrimination in the political parties and trade unions is an area that needs more attention. The political parties are working hard to increase the number of immigrant politicians with a foreign background, but the formal and informal structures at work in these organisations complicate this process. The same problem is apparent in the trade union movement, despite the fact that the trade unions and the political parties at national level have a very clear policy that embraces ethnic diversity. The immigrants own organisations function as reference groups in the decision-making process, giving the members a chance to participate in Swedish society, helping to create an identity for immigrants, functioning as lobby groups and as sources of recruitment for the political parties. The immigrant organisations therefore play an important role in the integration process. Further, the political parties try to increase the number of immigrant voters. Research in this area suggests that political reforms, which give foreign citizens the right to vote in the national elections, could be way to achieve better participation.
Ethnic diversity is considered to be a very important policy question at the national level but, at the same time, political parties and trade unions have to deal with the racist and discriminatory expressions that are apparent within their own organisations. There is a clear need for political parties and trade unions to examine the recruitment and nomination processes, since it seems that informal parts of this process discriminate against immigrants. In spite of problems, the presence of immigrants in political parties, trade unions and other types of organisations have had a positive effect in bringing up questions of integration, racism and discrimination on the political agenda in a much more distinct way than was previously the case.

Research on the impact of support and restrictions shows that there are persistent problems for refugee immigrants in establishing themselves in Swedish society. There are severe problems with the language training for adults as well as for young persons. Education and the school system are very important in integrating immigrants in Swedish society. It is therefore extremely important that problems in these areas are solved.

There are also serious problems related to housing. The combination of large refugee immigration and an economic crisis have, among other factors, led to a situation of ethnically segregated housing and residential areas across the metropolitan areas. One way to promote integration seems to be to accommodate immigrants across Sweden without repeating the mistakes from the 1980s, i.e. not placing immigrants in municipalities with high levels of unemployment. The political system has to solve this dilemma by offering immigrants better alternative areas with a possibility to employment. The current projects have not solved the segregation problems, although the inhabitants in the segregated housing areas have benefited from them to some extent. Swedish policies also tend to focus on collective solutions rather than individual ones, which means that many immigrants are stigmatised and excluded from society. More individualized solutions are needed.

The considerable difference in labour force participation between immigrants from non-European countries and European immigrants is an area that requires more research. The same goes for the housing situation and immigrants situation within the education system, including the Swedish for immigrants (SFI) programme. There is also a need for political
reforms to increase political interest among the foreign citizens.

Currently it is not possible to answer all the very detailed questions on the impact of immigrants on Swedish society. The most important obstacle is the lack of research. Further, in addition to scientific research, an evaluation conducted by the relevant authorities, such as the Swedish Integration Board, the Swedish Labour Market Board etc. might be well suited in order to address many of the detailed issues referring to the impact of immigration.
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