WORKING FOR INTEGRATION

A comparative analysis of policies impacting labour market access among young immigrants and refugees in the Nordic countries

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Executive summary

This report provides a comparative analysis of policies affecting the labour market participation of young refugees in the Nordic countries.

Background statistics, secondary literature, policy evaluations and legal documents from Denmark, Finland, Norway and Sweden are used to generate an overview of Nordic policies affecting employment in the immigrant population. Four policy areas are analysed: (a) the right to work, (b) integration through labour, (c) youth guarantee and (d) financial support.

The main findings of the report are:

1. Unemployment is high both in the refugee population and among youth in all Nordic countries compared with the general population, which is alarming not only because employment may provide the individual with an income and a way into society, but also because some countries connect employment status to a number of fundamental rights, such as permanent residence permits and family reunification.

2. In accordance with the Nordic tradition of active labour market policy (ALMP), integration programmes are designed to improve employability and keep the newly arrived immigrant population activated. Evaluations show that wage subsidies and activities similar to regular employment have a positive effect on employment as opposed to job training programmes and job creation in the public sector. Counselling and matching efforts by public employment services may be of value for both youth and immigrants, as this may compensate for lacking social networks and contacts with employers.

3. Contextual and individual factors matter for employment. The pre-migration context including educational level, health status and reason for migration make the immigrant more or less prepared for the Nordic labour markets. For the refugee population, these conditions are often poor due to wars and conflicts in countries of origin. Post-migration factors such as the state of the economy, general employment rates, welfare state arrangements, sociocultural climate and discrimination affect immigrant lives in many ways as they may not only impact chances of getting employed, but also provide a buffer in case of unemployment.

4. To somewhat various degrees, the Nordic countries have experienced a transition from ‘welfare to workfare’ with significant implications for immigrants and their roles in society. The ‘right to work’ has turned into a ‘demand to work’, which reflects the political idea that integration takes place through labour market participation and that other aspects of integration are considered subsidiary to work. Most financial support during the integration period is conditional on participation in the labour market programmes and some countries (e.g. Denmark) have experienced the development towards a parallel transfer system with lower payment rates to immigrants compared with the native population.

5. Refugees and youth in the Nordic countries share the challenge to enter a competitive labour market with high educational demands. The Nordic labour market is already stratified with immigrants (and youth) being overrepresented in low-status work. In addition, there is a parallel labour market on the rise characterised by limited employer liability and low-income/low-security jobs. While there is certainly a need to target the high unemployment rates of young refugees, it is also important to keep investigating the conditions under which members of this group work in the Nordic countries.
Acknowledgements

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The authors of this report would like to thank the Nordic Research Council (NordForsk) for the opportunity to work on this topic. We also thank all the CAGE project leaders and partners for their input to and feedback on the report.

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Karl Gauffin
Eveliina Lyytinen
Introduction
1. Introduction

1.1 Definitions

The term ‘refugee’ is used in this report as a shorthand reference to beneficiaries of international protection. However, the distinction between refugees and people provided with subsidiary protection is made if there is a difference between the rights of these two groups. Nordic1 and EU legislation apply the definition from the 1951 Refugee Convention by the United Nations:

‘A person who owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country’ (UNHCR, 2010)

In the EU’s Qualification Directive it is stated that if a person seeking international protection does not fulfil the criteria to be granted refugee status, the person can be granted a residence permit based on subsidiary protection from the threat of serious harm if returned to their country of origin or permanent inhabitancy. According to the EU’s directive, serious harm consists of:

(a) the death penalty or execution; or (b) torture or inhuman or degrading treatment or punishment of an applicant in the country of origin; or (c) serious and individual threat to a civilian’s life or person by reason of indiscriminate violence in situations of international or internal armed conflict (EUR Lex, 2016)

The Nordic countries also have a tradition of national legislation granting international protection due to humanitarian reasons2. Lastly, it is important to note that one can become a refugee in the Nordic context through three different processes: resettlement from the first country of asylum (i.e. as a quota refugee), seeking asylum from a Nordic country, and through family reunification.

The term ‘youth’3 refers in this report to a category of young people between 18–30 years. Thus, the focus is on the young adults who are not in a compulsory schooling, and who are considered to potentially have an active role in the labour market. Although the young population aged 18-30 is considered adult by Nordic labour legislation, there are some age specific regulations with regard to labour market programmes that will be addressed in this report.

1.2 The double challenge for refugee youth

Over the recent years, labour markets have become more diverse and dynamic than before and can be divided geographically and by the education, age or profession of those active in the labour markets. People’s chances of influencing their position within the labour market structures are reflected in their juridical and social position within the society (Sarvimäki, 2013). Refugees’ labour market integration happens over time and depends on a large number of factors that, for analytical purposes, can be divided into three categories. Firstly, there are policy factors including general and specific policies affecting employment. General policies refer to the policies that ‘set the stage’ for employment chances (e.g. formal right to work as an immigrant), whereas specific policies are targeting the population explicitly (e.g. labour market programmes for immigrant populations). Secondly, there are a number of factors and social attributes related to the time before migration, such as gender, age, educational level and skills, country of origin, reason for migration and health-related issues including the experience of trauma. Thirdly, there are post-migration contextual factors in the country of destination, such as welfare state arrangements, the economy, general employment rates, place of settlement and sociocultural climate including the risk for unequal treatment and racism (Forsander, 2013, MIPEX, 2016).

Rather than viewing these three categories in a hi-

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1 Here, the ‘Nordic countries’ refer to Denmark, Finland, Norway and Sweden. Compared to these countries, the fifth Nordic country, Iceland, has received a very small number of refugees and is therefore not considered in this report.

2 Whereas this is still a possibility in Denmark and Norway, this national legislation was removed in Finland and Sweden as of 2016.

3 We recognise that ‘youth’ is a fluid category rather than a fixed age. The UN, for instance, defines ‘youth’ in its statistics as people between 15–24 years.
erarchical and separated order, it is important to acknowledge that the factors often interact: for example, the effect of pre-migration factors (such as age or country of origin) on employment chances may be moderated by post-migration factors such as the risk of discrimination. There are also interactions with policy factors: for example, level of education and health status will be closely related to the outcome of the labour market programmes. The interdependency between the factors influencing employment chances in young refugees is illustrated in the figure below.

Immigrants and youth are often brought forward as two groups of particular concern with regard to unemployment in general and entry to the labour market in particular. This suggests that refugee youth face a double challenge based on their age and their foreign background/legal status. Consequently, for young people who came to the Nordic countries as refugees, the process of finding an active and sustained role in the labour markets may take time. On the other hand, young immigrants may have greater opportunities to acquire good language skills and a Nordic education compared to the older immigrant population. There are also differences between those who came as children or as young adolescents (i.e. the so-called 1.25 or 1.5 generations) and those who arrived in their late teens. This is both due to the issues of where the youth have conducted their compulsory schooling and how long they have been living in the Nordic societies.

1.3 The meaning of employment for integration

The employment of immigrants and their position within the labour market receive substantial attention in both public discussions and actions of the authorities. Employment is considered to be the core indicator of integration: ‘other aspects of integration,

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**Fig 1 Factors affecting immigrant labour market integration.**

![Diagram showing factors affecting immigrant labour market integration]

- **POLICY FACTORS**
  - General policy factors (e.g., formal right work)
  - Specific policy factors (e.g., targeted labour market programmes)

- **POST-MIGRATION FACTORS**
  - Welfare state
  - Economy
  - General employment rates
  - Place of settlement
  - Sociocultural climate

- **PRE-MIGRATION FACTORS**
  - Gender
  - Age
  - Education and skills
  - Country of origin
  - Reason for migration
  - Health and experience of trauma
such as language skills, housing, social belonging and political participation are often perceived as subsidiary compared to work’ (Forsander, 2013). The importance attributed to employment is reflected in different measures of integration. Both the Migration Integration Policy Index (MIPEX) and the Zaragoza integration indicators used by the European Commission consider labour market participation. In many of the academic integration theories, employment and labour markets are considered to form central elements in leading towards high-level and sustained inclusion in society (Crul and Schneider, 2010). In refugee studies literature, Ager and Strang (2008) have conducted pioneering conceptual research regarding refugees’ integration processes. According to them, the conceptual framework of integration includes the markers and means, social connections, facilitators and foundations of integration. Employment is yet again highlighted as one of the key markers and means of integration alongside housing, education and health. The strong focus on employment status as the sole indicator of integration has also been criticised for neglecting the quality of work and the overall circumstances impacting immigrants’ employment and integration, such as family reunification and legal status (Näre, 2016, Airila et al., 2013).

Finally, integration is a two-way process (Saukkonen, 2013) meaning that labour markets and the employers of the so-called host country have to adapt and become inclusive towards new employees with a refugee background. In other words, the Nordic employers and the labour markets also need to ‘integrate’ with new employees and entrepreneurs with an immigrant background, and into the labour markets that are becoming more and more diverse.

1.4 Aims and methods

In this research, our aim is to provide a comparative overview of Nordic policies affecting entry into the labour market for young refugees. Thus, instead of focusing solely on the policies that ‘facilitate’ the young refugees’ entry to the labour market, we put emphasis on the policies that ‘affect’, positively or negatively, young refugees’ entry to the labour markets. For this project report, the research questions are as follows:

1. What are the main laws and policies that currently affect young refugees’ entry into the labour market?
2. What are the main similarities and differences between the Nordic policies affecting entry into the labour market for young refugees?
3. What are the documented effects of these laws and policies, as stated in existing evaluations and research?

The secondary data collected includes laws, policies, government proposals, evaluations, research reports and statistics. Statistics are used more in the background chapter, and less in the analysis of the legal framework. In addition, five informal interviews with labour market experts were conducted in Finland with national and local level officials working on immigrant employment and integration. These interviews are used as background information enabling the contextualising of the policy analysis. The statistical graphs are based on harmonised data from the Nordic Council and OECD. Where gaps are identified in this material, data from the national Statistical Offices and the Migration Agencies have been used to provide a more complete picture. The timeframe of this report is 1980–2016. Due to non-existing data, most graphs usually cover shorter periods, e.g. from 1990 onwards.

As a basis for our analysis of the legal framework in each country, we have chosen to focus on four types of legal and policy areas with particular relevance for the labour market chances of young refugees:

a. Right to work
b. Integration through labour

d. Social and political participation

e. Education and housing

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4 p. 220, translation by Lyytinen
5 MIPEX covers 38 countries (including all EU countries and Norway), 167 indicators and eight policy areas including ‘labour market mobility’. The key dimensions of labour market integration, as measured by MIPEX, include: access to the labour market, access to general support, targeted support and workers’ rights. In 2014, the Nordic countries did well in the MIPEX list (Sweden ranked as the best country, followed by Norway as third, Finland as sixth and Denmark as seventh).
6 Found on the European Website for Integration (EWSI)
7 All policy documents were retrieved from government websites and national legal databases (retsinformation.dk, finlex.fi, lovdata.no and Svensk författningssamling). Secondary literature was found through key word searches in databases for peer-reviewed literature (e.g. scopus.com) and on websites including governmental and other reports on migration and labour market.
8 The relevance of these four policy/legal areas has been established mostly based on existing literature. Forsander (2013) has, for instance, argued that immigration and integration policies and laws in particular have a significant impact on immigrants’ roles in the labour markets. These four areas were also agreed with the CAGE study 1 researchers (i.e. register analysis) for them to be able to contextualise their findings. Additionally, employment and integration experts were consulted.
c. Youth guarantee
d. Unemployment benefits and other financial support

We include both policies and legal documents that focus on ‘youth’ and ‘migrants/refugees’ explicitly or implicitly. As stated, the timeframe on this report is 1980–2016, but the main emphasis is on existing laws and policies. The development of these policy/legal areas is, however, briefly described, and some future prognosis provided.

In this project report, we conduct policy/legal research with elements of policy analysis (i.e. recommendations) and policy evaluation (i.e. review of existing policy evaluations). The main goal, however, is to analyse the content of the policies and laws selected for this research in relation to youth and migrants/refugees, and refugee youth in particular. Subsequently, a suitable data analysis method is that of content analysis, which ‘produces a relatively systematic and comprehensive summary or overview of the data set as a whole, sometimes incorporating a quantitative element’ (Wilkinson, 2016). In this report, we rely on the ‘qualitative content analysis’ (Neuendorf, 2017) of these selected legal and policy documents.

1.5 Previous work and further reading

This report provides a brief overview over the labour market chances of young refugees in the Nordic countries. There is however a large body of literature in English and the Nordic languages on similar topics, with some examples listed below.


Others provide general comparisons on immigrant employment rates in the Nordic countries (Bjerre et al., 2016), or more specific comparisons and evaluations of Nordic integration programmes, sometimes embedded in larger European studies (Fernandes, 2013, Hernes and Tronstad, 2014, Konle-Seidl and Bolits, 2016, Nekby, 2008). This literature also includes a meta-analysis of evaluations of European labour market programmes and immigrants (Butschek and Walter, 2014).

In addition, there is a large number of country specific evaluations of labour market programmes tar-

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9 p.84
Background: Labour, immigration and youth in the Nordic welfare state
2. Background: labour, immigration and youth in the Nordic welfare state

This chapter will provide some background information on economic development, political context, immigration patterns and employment rates in the Nordic countries.

2.1 Economic and political context

The Nordic countries enjoy international recognition for their ability to combine high material standards with a comprehensive welfare state and low levels of inequality. While this is still true compared with many other countries, the reputation of the ‘Nordic model’ has to a certain extent been contrasted by recent developments towards a declining welfare state and growing social inequality (Kananen, 2012).

In the last 20 years, economic growth has been strong in all the Nordic countries, with Norway being a particular case in point (Fig 1a). The GNI measure can be compared with the saving rate, which might be a measure somewhat closer to the population as it shows how much households are able to put aside from their monthly income (Fig 1b). Two major economic crises are visible both at the beginning of the 1990s and around 2008. The 1990s crisis was particularly severe in Sweden and Finland, whereas all Nordic countries were affected by the crisis in the late 2000s. The economic growth of the past decades has coincided with increasing inequality in all countries, with Sweden standing out as the OECD country with the strongest relative growth of inequality between 1985 and 2010 (Fig 1c). In terms of political governance, the Nordic countries (Finland being an exception) are well-known for their long history of social democratic dominance. However, the time since the 1980s has been characterised by altering governments led by social democratic and liberal-conservative Prime Ministers (Fig 1d). At the same time, the distinction between traditionally left-wing and right-wing political parties has become vaguer as a consequence of third way social democracy, political triangulation and broad parliamentary acceptance of economic liberalism, privatisations and financial deregulation (Surender and Lewis, 2004). Another trend is the rise and increasing political impact of far right-wing populist and/or nationalist anti-immigration parties in all of the Nordic countries.

Fig 1a Gross Domestic Product (GDP) per capita in USD adjusted for Purchasing Power Parity (PPP).
Fig 1b **Saving rate.** Saving is the difference between disposable income plus the change in net equity of households in pension funds and final consumption expenditure.

![Graph showing saving rates for Denmark, Finland, Norway, and Sweden from 1980 to 2014.](image)

(Data: OECD, 2016f)

Fig 1c **Gini coefficient.** Gini coefficient is a common measure of economic inequality where 0 means total equality and 1 means that one person owns everything.

![Graph showing Gini coefficients for Denmark, Finland, Norway, and Sweden from 1980 to 2014.](image)

Fig 1d **Governments in power.** The Nordic countries have a tradition of minority and coalition governments. This illustration indicates the political direction of the governments according to the European party affiliation of the prime minister.

### 2.2 Refugee migration to the Nordic countries

Over the decades, immigration to the Nordic countries has shifted in both character and scale. The time between 1945 to the early 1970s was dominated by labour migration with a considerable proportion of the total migration taking place between Nordic countries, e.g. from Finland to Sweden. This was followed by increasing, yet relatively small, numbers of refugees, asylum seekers and family members seeking reunification in the Nordic countries. Ongoing wars and conflicts in the Middle East and the Horn of Africa since the 1980s have caused steady and high migration rates from these regions, whereas migrations from Chile in the 1970s and the Balkan region in the 1990s were temporary phenomena. The Nordic countries, in particular Sweden, have lately experienced their highest immigration rates in modern history, with the largest groups of asylum seekers and refugees coming from Syria, Afghanistan, Iraq, Eritrea and Somalia (Fig 2a-2b). It should be noted that the peaks in refugee immigration have coincided with the economic crises mentioned above, which has influenced the perception and treatment of refugees and also been used by the anti-immigration parties to spread ideas that honouring international agreements on refugees would be an economic impossibility. Up until quite recently, there has been very little specific information on the numbers of children arriving in the Nordic countries. The number of asylum applications by unaccompanied minors has been fairly small until last year as Sweden in particular received an unprecedented number of unaccompanied refugee children (Fig 2c).

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10 Whereas most parties claim to respect the UN 1951 Refugee Convention, a number of statements, principal programmes and parliamentary motions by Nordic anti-immigration parties effectively reject the EU’s Qualification Directive (Petersen, Åkesson et al., 2010). The costs of refugee immigration are often highlighted as a main argument.
Fig 2a Asylum applications in the Nordic countries.

Fig 2b Granted international protection (not including family reunification). Number of people granted asylum based on refugee status, subsidiary protection status and humanitarian permits.

(Nordic Council, 2016a)
2.3 Immigrants and youth in the Nordic labour markets

Most of the statistics do not differentiate between immigrants with refugee backgrounds and other groups of immigrants. Rather, the most common categorisation uses ‘foreign background’ to identify this population. Recognising the heterogeneity of this group, national reports on the particular labour market situation for immigrants with a refugee background emphasise that their situation in the labour market is harsher compared to the rest of the population with a foreign background. Therefore, the graphs presented in this report are likely understating the difference between refugees and the rest of the population (Bevelander and Irastorza, 2014).

The general unemployment rates have fluctuated quite substantially in the past decades (Fig 3a). The economic crisis at the beginning of the 1990s was associated with a sharp increase in unemployment, particularly in Finland and Sweden. In contrast, the most recent crisis since 2008 is more visible in Danish unemployment statistics, with the other countries being less affected. The most recent statistics suggest that unemployment rates are the highest in Finland, followed by Sweden, Denmark and Norway. Immigrants and youth are often pointed out as two population groups facing particular problems in entering the labour market. In the last 15 years, unemployment rates in the foreign-born population have been around twice as high compared to the general population (Fig 3b). It should however be noted that the graphs are not age-standardised, which makes direct comparisons difficult. Youth unemployment is also consistently higher, whereby the age gap is less pronounced in Denmark compared to the other countries (Fig 3c). A group that is often brought forward as a particular concern is the young population who are not in education, employment or training (NEET). Since 2000, this group has been growing in all of the Nordic countries with Finland standing out as having a somewhat larger NEET population than the other countries (Fig 3d).

Another possible way to understand young refugees’ access to the labour markets is to look into the issue of ‘entry jobs’, which can be defined as ‘low recruitment threshold positions in which people outside the labour markets or somehow marginalised people
People who enter labour markets for the first time include, for instance, youth and immigrants. In addition to higher unemployment rates, the Nordic labour markets are also segregated with the foreign-born being disproportionately represented in low-paid and low-status occupations (Fig 3e). Occupations such as cleaner, domestic helper, personal care worker and shop assistant are common in the foreign-born population, both in absolute and relative terms. Again, it should be pointed out that this data includes all foreign-born workers including European and Nordic labour migrants (such as Swedish citizens working in Norway). Given the fact that these statistics are from the year 2000, it is also possible that the proportions of immigrants in these sectors have changed in more recent years. The young population (including those who are both native and foreign-born) in the Nordic countries are overrepresented in sectors such as wholesale, retail trade and service jobs (Fig 3f).

11 p. 222 (translated by Lyytinen)
12 The graphs are sorted by the absolute number of foreign-born people in the occupational sector, whereas the bars indicate the foreign-born proportion of the total workforce in each sector.
Fig 3b Unemployment in foreign-born population (age 15-64).

![Graph showing unemployment rates in Denmark, Finland, Norway, and Sweden from 2000 to 2015.](image)

(OECD, 2016a)

Fig 3c Unemployment rate in young population (age 15-24).

![Graph showing unemployment rates in Denmark, Finland, Norway, and Sweden from 1990 to 2015.](image)

(Nordic Council, 2016b)
Fig 3d **Young population (age 15-29) not in education, employment or training (NEET).**

![Graph showing NEET rates for Denmark, Finland, Norway, and Sweden from 2000 to 2015](chart)

(OECD, 2016g)

Fig 3e **Major employment sectors of foreign-born population (year 2000).**

**Denmark** (159,863 foreign-born workers)

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All occupations</td>
<td>5.8%</td>
</tr>
<tr>
<td>Domestic helpers, cleaners and launderers</td>
<td>4.9%</td>
</tr>
<tr>
<td>Personal care and related workers</td>
<td>4.9%</td>
</tr>
<tr>
<td>Shop salespersons and demonstrators</td>
<td>4.8%</td>
</tr>
<tr>
<td>Housekeeping and restaurant services workers</td>
<td>3.3%</td>
</tr>
<tr>
<td>Secretaries and keyboard-operating clerks</td>
<td></td>
</tr>
</tbody>
</table>

**Finland** (48,000 foreign-born workers)

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All occupations</td>
<td>2.2%</td>
</tr>
<tr>
<td>Domestic helpers, cleaners and launderers</td>
<td>2.2%</td>
</tr>
<tr>
<td>Housekeeping and restaurant services workers</td>
<td>4.0%</td>
</tr>
<tr>
<td>Shop salespersons and demonstrators</td>
<td>1.6%</td>
</tr>
<tr>
<td>Personal care and related workers</td>
<td>1.8%</td>
</tr>
<tr>
<td>Finance and sales associate professionals</td>
<td></td>
</tr>
</tbody>
</table>
**Norway** (126,144 foreign-born workers)

![Bar chart showing major employment sectors in young population (year 2014/2015).](chart_norway)

**Sweden** (445,545 foreign-born workers)

![Bar chart showing major employment sectors in young population (year 2014/2015).](chart_sweden)

**Denmark** (360,611 young workers, age 16-24), 2014

![Bar chart showing major employment sectors in young population (year 2014/2015).](chart_denmark)

**Finland** (218,822 young workers, age 18-24), 2014

![Bar chart showing major employment sectors in young population (year 2014/2015).](chart_finland)

*(OECD, 2016c)*

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**Fig 3f** Major employment sectors in young population (year 2014/2015).
**Norway** (340,000 young workers, age 15-24), 2015

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>Total</td>
<td>12.9%</td>
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<tr>
<td>Wholesale and retail trade</td>
<td>27.4%</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>10.2%</td>
</tr>
<tr>
<td>Construction</td>
<td>14.6%</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>19.6%</td>
</tr>
<tr>
<td>Other service activities</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

**Sweden** (465,225 young workers, age 16-24), 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>11.0%</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>18.4%</td>
</tr>
<tr>
<td>Human health and social work activities</td>
<td>9.0%</td>
</tr>
<tr>
<td>Administrative and support service companies</td>
<td>12.1%</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>14.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

2.4 Political responses to unemployment

Compared to other OECD countries all the Nordic countries except Norway spend a larger proportion of their GDP on labour market programmes. This is particularly true for programmes intervening in the labour market to help unemployed find work, sometimes referred to as ‘Active Labour Market Policies’ (ALMP). Expenditure for unemployment benefits is higher in Denmark and Finland, but lower in Sweden and Norway compared to the rest of the OECD (Fig 4a-4c).

Fig 4a Total expenditure for labour market policy (% of GDP).

(OECD, 2016e)

Fig 4b Public expenditure for active labour market policy (% of GDP).

(OECD, 2016e)
Fig 4c Public expenditure for unemployment benefits (% of GDP).
Description of laws and policies in the Nordic countries
This chapter will give a brief overview of policies affecting access to the labour market and their relation to young refugees and immigrants in the Nordic countries. Four areas will be addressed: the right to work, integration through labour, youth guarantee policies and financial support.

3.1 Denmark

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Policy document</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment benefits</td>
<td>Act on active social policy (2016)</td>
</tr>
</tbody>
</table>

Right to work

The question of whether refugees should have the right to work in Denmark became relevant at the time of the oil crisis in the 1970s, as trade unions and others underlined the need for an administrative regulation of foreign worker immigration (Emerek et al., 2000). For a relatively short period (1965–73) the Danish labour market was basically open for foreign workers, but in 1973 a permanent halt to labour migration was introduced. The Aliens Act of 1983 was the beginning of a new immigration regime in Denmark. With an ambition to become a leading country for human rights, the Act expanded the category of people who could be granted asylum, strongly improved the rights of asylum seekers and enabled family reunifications. Meanwhile, there were still strong limitations on the chance to get a residence permit due to employment (Tranæs, 2014). Since then, the Danish immigration law has been subject to gradual restrictions: asylum is granted to fewer categories of applicants and the right of family reunification between spouses is tied to economic self-sufficiency, which has increased the importance of employment and income for residency in Denmark.

As a general rule, immigrants without a work permit are not allowed to work in Denmark as regulated in the most recent Aliens Act of 2016 (§14). The Aliens Act lists a number of exceptions from this general rule, including citizens of other Nordic or EU member countries, or immigrants who have been granted asylum in the country. Documented asylum seekers with a residence in Denmark of six months or more may also be exempted from this rule during the asylum process, if they agree to conclude a contract with the Danish Immigration Service. This contract obliges the asylum seeker to cooperate in obtaining information for the assessment of the asylum application and to cooperate to ensure a swift departure upon refusal of the application (Aliens Act 2016 §14a).

Integration through labour

Over time, Danish integration policies have become closely related to the labour market, which has influenced both integration programmes and the financial support that refugees are offered in Denmark. Before the 1990s, Denmark did not have any explicit integration legislation and the connection between integration and employment was largely absent in the political discourse. This changed in the 1990s, as active labour market policy became an integral part of Danish approaches to unemployment and to the integration of refugees (Act on Active Employment 2013; Tranæs 2014:12). The Integration Act (1999) was an attempt to gather all the threads of different regulations concerning integration and by this process ensure that ‘refugees and immigrants become contributing members of Danish society’ (§1). Whereas previous policies were guided by the idea that native workers needed to be protected from foreign competition and therefore put heavy restrictions on the possibility of immigrants working in Denmark, the Integration Act and its amendments have contributed to a new Danish immigration regime with a strong focus on employment as the main path of integration into society.

After an asylum has been granted, the Integration Act (1999, §15a) assigns the municipalities with the responsibility for refugee housing and the integration programme. The integration programme consists of
an integration plan and an integration contract. The integration plan offers Danish language courses and labour-related activities including guidance and subsidised employment, whereas the integration contract commits the refugee to participate in activities that promotes active citizenship and employability (Integration Act 2014 §19, Ordinance on integration contract and integration programme 2012). Most activities in the integration plan are offered for three years, whereas the integration contract is valid until the immigrant receives a permanent residence permit. Refugee youth aged 18-25 are targeted by specific measures in the Integration Act (§16a) focusing on training and education. This regulation allows the municipality to oblige a young refugee to take part in vocational training or academic educational programmes in exchange for financial support. Also, refugees under the age of 30 are entitled to a mentor to guide them through the activities in the integration programme (Albæk et al., 2012).

In March 2016, tripartite discussions between trade unions, employers and the government have ensued in the ‘Integration basic training programme’ (Integration grunduddannelsen). The programme targets companies and offers them a bonus if they engage refugees in apprenticeships. The aim is to improve the labour market attachment among refugees whose qualifications are considered insufficient for participation in the Danish labour market. Evaluations show a positive effect on employment among immigrants in municipalities with a focus on job training and wage subsidies. Conversely, there is no clear link between the effects on employment and the use of upskilling and guidance of refugees and immigrants (Arendt et al., 2016). Furthermore, it is proved that Danish language skills are also central in the hiring process for foreigners (Jakobsen, 2016).

Youth guarantee policies

Following the educational expansion taking place in all of the Nordic countries, young people in Denmark enter the labour market at a later age than they did 30 years ago. The Nordic labour markets and employer expectations have adjusted to the generally high educational level of the population, which has made it more difficult for individuals with low levels of education to enter the Danish labour market (Jakobsen, 2016, Tranæs, 2014).

In Denmark, there is a general requirement for employment or training for people aged 15–17 years (Act on primary school 2016 §32-35, 39 & 40; Act on social service 2016 §70). The policies for older youth are much influenced by European policy. As a member of the European Union, Denmark has recently agreed to ensure that all young people under the age of 25 receive a good-quality offer of employment, continued education, an apprenticeship, or a traineeship in accordance with the European Youth Guarantee (European Commission, 2016). The Danish implementation has focused on providing opportunities in vocational education and training (VET). The explicit aim of the policy paper ‘Better and More Attractive Vocational Education and Training Programmes’ is to increase the proportion of young people initiating and completing a VET programme. This general policy targeting all youth living in Denmark also applies to refugee youth with residence permits.

Similar to other Nordic countries, refugee youth have a lower educational level compared to their native peers, which is one of many factors that may explain the higher unemployment rates in this group. Evaluations of singular measures, such as the mentoring programme, do not show any significant effects on labour market participation (Albæk et al., 2012).

Financial support

Following the new integration regime focusing on refugee employability as the key to integration, the role of public employment agencies has become more important in the integration process (Act on Active Employment 2013). These reforms were also connected to a reduction in the financial support granted to immigrants as regulated by the Active Social Policy Act (2016). Immigrants and other Danish residents who have lived in the country for less than seven of the past eight years may receive an ‘integration benefit’ (integrationsydelse) instead of the regular financial support (kontanthjælp) offered to long-term residents (Active Social Policy Act 2016, §11). Just like the regular financial support, the integration benefit is conditional on participation in labour market programmes, such as the integration programme. Failure to participate in the programmes may lead to a reduction in financial support (Active Social Policy Act 2016, §13). Depending on the number of adults and children in the household, the reimbursement level of the integration benefit is about

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13 At least 25 percent must choose a VET immediately following form level 9 or 10. This share must increase to at least 30 percent by 2025. The completion rate must be improved from 52 percent in 2012 to at least 60 percent by 2020 and at least 67 percent by 2025.
55 to 80 percent of the regular financial support. It is possible to achieve a supplement if you have passed a test in Danish\textsuperscript{14}. The explicit aim of the reduced financial support has been to ‘make it less attractive to seek asylum in Denmark and to create larger incentives for the individual refugee to work and integrate into Danish society’ (Danish Ministry of Employment, 2015). Evaluations show that the decreased financial support has created a new type of poverty in Denmark, but it remains disputed whether the measure has led to increased employment in the refugee population (Danish Ministry of Employment, 2015, Skaksen and Jensen, 2016, Danish Refugee Council, 2015).

\begin{table}
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\begin{tabular}{|c|c|}
\hline
Policy area & Policy document \\
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Integration through labour & Act on the Integration of Immigrants and Reception of Asylum Seekers (1999) \\
& Act on the Promotion of Immigrant Integration (2010) \\
& National integration programme 2012-2015 \\
& National integration programme 2016-2019 \\
& Government action plan on asylum policy 2015 \\
\hline
Youth guarantee & Youth guarantee policies (2005, 2013; no legal acts) \\
\hline
Unemployment benefits & Act on unemployment benefits (1984) \\
& Act on unemployment benefits (2002) \\
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### Right to work

In Finland, immigrants’ right to work is stipulated in the Aliens Act. The first Aliens Act was launched in 1984 (Aliens Act 1983) and has been replaced twice since then. The second Aliens Act (1991) exempted refugees from the requirement of having a work permit, but did not address asylum seekers’ right to work, whereas the current Aliens Act (2004) gives asylum seekers the right to work after three months in Finland (six months if travel documents are missing). The right to work is also valid during the appeal process, until a final, legally binding decision has been granted. Asylum seekers can apply for a residence permit based on work either during the asylum process or after the negative decision on his/her asylum application. However, this can be granted only on rather exceptional grounds.

During the past years, the category of immigrants with the right to work without an employee’s residence permit has been expanding. The existing Aliens Act states that refugees have an unrestricted right to work. For refugees, work has become even more important than before due to the 2016 amendments in the Aliens Act regarding family reunification. New income requirements\textsuperscript{15} were introduced for immigrants, including the beneficiaries of sub-

\textsuperscript{14} In 2015, a single adult without children received 5945 DKK (800 EUR) integration benefit instead of the 10 449 DKK (1406 EUR) regular financial support. A single immigrant with child received 11888 DKK (1600 EUR) compared with 14416 DKK (1939 EUR) regular financial support. The Danish language supplement is 1500 DKK (201 EUR). The integration benefit should not be confused with the monthly basic allowance of 1509 DKK (203 EUR) provided to asylum seekers living in accommodation without meal service (kontakte ydelser til asylsagere).

\textsuperscript{15} The net sum for a family of two adults and two children is approximately 2 600 € (HE 43/2016).
subsidiary protection and in some cases also refugees. The explicit aim of these changes, according to the Government, is to have positive economic impacts on society and to make Finland a less attractive country for immigrants. It is also assumed that refugees would become less dependent on social security due to these income requirements.

Integration through labour

Finland launched its first legal act regarding immigrants’ integration, which also included reception legislation, in 1999 (Act on the Integration of Immigrants and Reception of Asylum Seekers (493/1999)). In 2010, the integration and reception legislations were separated. The purpose of the new Act on the Promotion of Immigrant Integration (1386/2010) is to support and promote integration and make it easier for immigrants to play an active role in Finnish society. The Integration Act applies to all immigrants possessing a valid residence permit, which can be temporary or continuous. Recently the term ‘pre-integration’ has been increasingly used in government documents and public discourse to refer to efforts that are aimed at enhancing integration when people are still in the asylum process.

In Finland, immigrant integration is the responsibility of the Ministry of Economic Affairs and Employment – an administrative decision signalling the importance of employment regarding integration. For unemployed immigrants with a residence permit, the Employment and Economic Development Office (TE Office) conducts an initial assessment concerning their preparedness for employment, education and other aspects of integration. After this initial assessment, an integration plan is drawn up. This involves a period of up to three years of learning Finnish or Swedish, and other skills needed in society and working life. Integration training is usually implemented as labour policy related adult education, but may also be arranged as self-motivated studies. It has been concluded that integration plans are very cost-effective, as they increase the time spent in language training and decrease other types of active labour market policies (Sarvimäki and Hämäläinen, 2016). Integration plans also have large and statistically significant intergenerational effects: the children of immigrants who have been part of this plan are more likely to achieve higher educational level compared to their peers with parents who did not have an integration plan (Hämäläinen et al., 2015). Immigrants holding a residence permit can access all public employment and business services in the TE Office (European Migration Network, 2015). Since 2012, there have also been national integration programmes that aim to provide additional policy support for speedy access into and staying in the labour market. The current programme is valid for 2016–2019. The future of the integration act is uncertain, as Finland will undergo a regional government reform by 2019. Subsequently, a number of legislative reforms are needed, including that of the integration legislation.

Youth guarantee

Finland has a long history of high youth unemployment and in the 1980s there were already policies to address that. The youth guarantee programme was officially introduced in 2005. The programme offers activation measures for unemployed youth under the age of 25. The positive effects of the programme have only materialised in the population with a vocational education, whereas unemployment has remained high in the young uneducated population (Hämäläinen et al., 2014). The current youth guarantee from 2013 is adapted to the European Youth Guarantee and aims to ‘ensure that young people have access to education, training and employment and prevent them from being excluded from society’ (Ministry of Education and Culture, 2012). Furthermore, the programme offers ‘everyone under the age of 25, as well as recent graduates under age of 30 an employment, a study place, a place in the on-the-job training or in rehabilitation within three months after becoming unemployed.’

The Finnish model of the youth guarantee is not based on any legal act, but rather on a Public-Private-People-Partnership model, stating that ‘young adults are themselves the actors, responsible for their

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16 For refugees, these income requirements are removed if reunification is applied within three months from a notification on a granted asylum or acceptance as a quota refugee, the family has been established before the refugee has arrived to Finland as an asylum seeker or before being accepted as a quota refugee; and family reunification is not possible in a third country where the family has particular connections.

17 Finnish migration law differentiates between three types of residence permits: temporary, continuous and permanent. Both the temporary and continuous residence permits are fixed-term, but after a minimum of four years of continuous possession of a residence permit, it can be re-categorised as a permanent permit.

18 Labour market training is funded by the labour administration and is available free of charge to the students. It is intended primarily for unemployed job seekers and persons aged 20 or older who are at risk of unemployment. While unemployed, the person can also engage in self-motivated study (for example, complete a degree).
own future.’ The guarantee consists of various elements: employment, education, skills programmes, youth workshops and outreach youth work. The educational activities targeting immigrant youth focus on language training. Youth employment is supported, for instance, by making the so-called ‘Sanssi card’ into a permanent feature of the system, by having more youth services and career guidance, and through new forms of entrepreneurship (Ministry of Education and Culture, 2012). In 2013, approximately 10,000–20,000 immigrant youth were potential users of the programme half of this population lives in the Helsinki area. Evaluations on programme effects on immigrant youth report that poor language skills and discrimination in the labour market are the main obstacles to employment (Asplund and Koistinen, 2014, TEM, 2013). Particular groups of concern are immigrants who arrive in Finland as teenagers, and immigrant youth who have no basic education (Haikkola, 2015). Overall, some of the most important aspect of the youth guarantee for immigrants are language training, multi-professional support, networks that replace the typical employment path and family support (Piepponen, 2014, Stenman, 2013).

Financial support

Finland has had legislation on unemployment benefits since at least 1984 (Act on unemployment benefits 602/1984; several amendments in 1990, 1993, 1996, 1999), with the current Act being in place since 2002. This Act stipulates that the basic income of the unemployed jobseeker is secured with unemployment allowance (basic or earnings-related allowance) or labour market subsidy20 (KELA, 2016). Unemployment benefits commence five days after unemployment starts. Activity in seeking employment is required, and refusing to accept work offered by the TE Office may lead to 30–60 days without unemployment benefits.

To qualify for labour market subsidy, one has to be between 17 and 64 years of age, resident in Finland and an unemployed jobseeker. Unemployed persons aged 17 who have not completed vocational training are only entitled to this subsidy when they participate in labour market training or job training. A young person under 25 who has not completed vocational training leading to a degree after primary or high school has to apply21 to at least two places of study that are suitable for him/her. Only then he/she is eligible for unemployment benefits. A person under 18 who has not completed training leading to a vocational degree after primary or high school is not entitled to labour market subsidies. Thus, young persons’ unemployment benefit is closely tied into their activity in seeking further education that would enhance their chances of finding employment.

Currently, the Finnish government is preparing for substantial cuts in terms of both the generosity and duration of unemployment benefits. Some of these cuts have already been made in early 2017. There is also an idea that unemployment benefits might be graded depending on the activity level of the unemployed person. One could prevent the potential no-pay-days by demonstrating activity in seeking employment. In current debate, a number of concerns regarding this potential model have been raised22 (Koivisto, 2016).

Integration assistance is paid as normal labour market support (regulated by the Unemployment Security Act) or social assistance (determined by the Act on Social Assistance), meant also for Finnish people. Refugees registered as unemployed jobseekers at the TE Office who are taking part in the integration training are granted unemployment benefit, usually labour market subsidy. Refugees may also be granted means-tested social assistance, which is last-resort financial assistance. If needed, they are also entitled to housing allowance. A recent proposal (HE 169/2016) aimed to differentiate the unemployment benefit paid to immigrants with a residence permit from the regular allowance, whereby the latter would be called integration support and amount to 90 percent of the regular allowance. The proposal was, however, deemed unconstitutional and was rejected. This and other (proposed and accepted) restrictions on the Finnish asylum policy in 2015–17 are largely based

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19 The so-called “Sanssi card” promotes wage subsidy and thus lowers the employer threshold for hiring young people.
20 Labour market subsidy is claimed from Kela (the Social Insurance Institution of Finland) and is a taxable (20%) monthly income of 697 EUR. Parents of underage children are eligible for an extra amount of 112 EUR for one child, and 212 EUR for three children or more. The labour market subsidy is payable to unemployed job seekers who enter the labour market for the first time or otherwise have no recent work experience. It can also be paid to long-term unemployed persons who have exhausted their 400-day eligibility for the basic or earnings-related unemployment allowance. If you have not completed vocational training, you will need to wait for 21 weeks before receiving labour market subsidy.
21 Exceptions can be made, for instance, based on health, learning difficulties, language skills, particular interest in certain studies, or other circumstances.
22 It has been argued that the new model may lead to increased bureaucracy and confusion. There is also worry that chances of becoming an “active unemployed” are dependent on where in Finland the person lives and in which sector he/she is looking for a job.
on the Government action plan on the asylum policy from early December 2015. The explicit aim of this policy is ‘to stop the uncontrolled flow of asylum seekers into our country, to bring asylum costs under control and to integrate effectively those who have been granted asylum’. Overall, the objective is to make Finland a less attractive country for asylum seekers.

3.3 Norway

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<tr>
<td>Youth guarantee</td>
<td>• Youth Guarantee (1980, 1995, 2013) Not based in any law, and not a statutory right, but political guarantees guiding the work for the labour and welfare administration offices.</td>
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<td></td>
<td>• Labour Market Act (2004)</td>
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<td>• The Labour and Welfare Administration Act (2006)</td>
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Right to work

After a gradual opening of the labour market for immigrants in the 1950s and 1960s, with work permits granted to all immigrants who came to Norway and got a job, the 1970s witnessed a marked increase in the number of foreign workers in Norway. This was followed by a complete change of policy and in 1975 the parliament introduced a temporary halt to immigration (innvandringsstopp). The halt to immigration was initially temporary, but was extended ‘until further notice’ in 1976. The halt limited the right to obtain a work permit, but with a number of exceptions (including for Nordic citizens, spouses and children of Norwegian citizens, refugees and highly trained specialists). The need to control and regulate labour immigration to Norway in the 1970s and 1980s strongly influenced the design of the Immigration Act, adopted in 1988. Still, the Immigration Act introduced a new principle: when the conditions for residency or a work permit (housing and subsistence) was fulfilled, the immigrant had the right to a work permit (Immigration Act 1988).

Foreigners who want to work in Norway must normally have a residence permit. The same applies if he or she were to run a business in Norway. First-time residence permits must generally be granted before entry. For the EEA/EFTA countries, different rules apply. As a rule, a temporary residence permit in Norway gives the right to work. The right to work for asylum seekers is regulated by the Immigration Act (2008; § 94) which states that asylum seekers may
be allowed to take up employment until the application is decided. It is a condition of approval that the following conditions are met: a) an asylum interview is conducted with the applicant, b) there is no doubt about the applicant’s identity, and c) there is no question of rejecting the applicant or of requesting another country to take back the applicant.

Integration through labour

The first White Paper focusing on refugee policy came in 1994 (No. 17 ‘On refugee policy’ (1994–95)). It asserted the individual’s responsibility to become self-sufficient and, through work, make a living and secure support for themselves and their families. Two years later, a White Paper on immigration and multicultural Norway was released (White Paper no. 17 (1996–1997)). This is the first official document that clearly states that employment is the most central arena for integration. This was also the first time qualification, employment and income were seen and discussed as being linked.

In 2002, Norway adopted a radical reform of the immigration policy for refugees in which the state took control and standardised local integration efforts through the law on the introduction of newly arrived refugees (The Introduction Act 2002). The standardisation required all municipalities to provide newly arrived refugees with a two-year full-time qualification programme. The programme was required to include Norwegian language classes, an introduction to Norwegian society and labour market training. This reform also introduced economic sanctions as a result of non-participation in the activities. The target group for the programme are people who have been granted refugee status or a right to stay on humanitarian grounds, as well as family reunified with these, aged 18–55 years. Since 2005, the law also contains provisions on the right to and obligation of Norwegian language training. These provisions have a broader target group than just the introductory program and also include family reunification with Norwegian and Nordic citizens, migrant workers from outside the EEA and people who have the same grounds as the target group for the introductory program, but who are in the age group 55–67.

Youth Guarantee

The first youth guarantee was introduced by the Labour party government in the 1980s. The introduction of the guarantee was motivated by the high youth unemployment at the time. The main responsibility for implementing the guarantee was put on labour market authorities. The guarantee essentially stated that young people under the age of 20 who did not attend school or have a job should get a job or be offered job training. The youth guarantee was expanded to include young people up to the age of 25 in 1995, but was removed again in 1998 after a change in government.

In 2013, the youth guarantee extended from the young under 25 years old to young people under 30 years of age. More money was allocated (30 million NOK) and the move was described as ‘the pledge to the youth’ (ungdomsløftet). Immigrant/refugee youth with legal residence in Norway are entitled to the same youth guarantee, but there are also a number of additional measures to secure the inclusion of young people with immigration backgrounds (for example, enhanced language learning in kindergarten, counsellors in secondary schools, etc).

Financial support

Membership in the National Insurance Scheme (Folketrygd) is the key to eligibility for rights to services from the Norwegian Labour and Welfare Administration (NAV). In Norway, a person’s membership can be based on residence or employment. If a person lives in Norway, he or she is generally a member of the National Insurance Scheme (NIS). In order for the person to be considered a resident in Norway, their stay in Norway must last, or be intended to last, for at least 12 months. Membership requires that the stay in Norway is legal.

Refugees have some special rights in the National Insurance Act. They are exempt from the entrance conditions to have been insured for a certain period of time before the right to support, and in the calculation of basic benefits lack of work experience is disregarded. This means that a refugee in need of disability pensions (uførepension) will have a full minimum disability pension starting the month after the refugee status is granted (to get full minimum pension, all other residents are required 40 years membership in the National Insurance Scheme, trygdetid). This means that immigrants getting residency based on a need for protection and, subsequently, refugee status are treated more favourably than those getting residency based on humanitarian reasons when assessed for rights in the National Insurance Scheme (NIS). Immigrants receive a so-called ‘introduction benefit’ (introduksjonstønad), provided that they follow (and satisfy the conditions to follow) the in-
Introduction program. The introduction benefit is at a similar level as the so-called ‘qualification benefit’ (kvalifiseringsstønad), which is paid to participants in the regular labour market programmes (IMDi, 2016, NAV, 2013)23.

In 2016, a single adult with or without children received a monthly allowance of 15 403 NOK (1 705 EUR), which amounts to twice the basic social security amount (grunnbeløpet i folketrygden). Young adults under the age of 25 get two thirds of this amount. Asylum seekers are entitled to a monthly allowance (økonomiske ytelser til beboere i statlig mottak) of 2340 NOK (259 EUR) if living in accommodation without meal service.

### 3.4 Sweden

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### Right to work

The right to work has been a central political question in Sweden for many years and the issue illustrates a complex interaction between political, economic and individual interests. Full employment generates tax revenue and corporate profit, which is why public and commercial actors have worked hard to make full employment a more appealing option for the individual worker compared to the alternative24. This has made trade unions advocate for their members’ right to work and to take issue with any societal development that may be regarded as a challenge to this right. This was the case in the 1960s when the labour movement raised demands to regulate immigration to Sweden, as the increasing influx of foreign workers was considered a threat to native employment (Johansson, 2008). Since then, foreign individuals, including refugees, have had a limited right to work in Sweden as regulated by the Aliens Act (1980, 1989, 2005) and the Aliens Ordinance (1980, 1989, 2006).

As a general rule, refugees without a permanent residence permit or a work permit do not have the right to work in Sweden. Exceptions to this rule have been introduced gradually; the exception for asylum

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23 In 2016, a single adult with or without children received a monthly allowance of 15 403 NOK (1 705 EUR), which amounts to twice the basic social security amount (grunnbeløpet i folketrygden). Young adults under the age of 25 get two thirds of this amount. Asylum seekers are entitled to a monthly allowance (økonomiske ytelser til beboere i statlig mottak) of 2340 NOK (259 EUR) if living in accommodation without meal service.

24 Beside the economic hardship that comes with unemployment, the current active labour market programmes for long-term unemployed have been criticised for being pointless and exploitative.
seekers with application processing periods in excess of four months was introduced in a 1992 amendment of the Aliens Ordinance 1989 (3a§), whereas present regulations (Aliens Ordinance 2005: 4§) exempt all documented asylum seekers from this restriction, given that they have a plausible chance to be granted asylum\(^{25}\) (Fallenius, 2016). Over time, refugees’ and asylum seekers’ ‘right to work’ has evolved into a ‘demand to work’, as the recent Act on temporary restrictions in the possibility to acquire a residence permit in Sweden (2016) conditions receipt of a permanent residence permit not on the need for protection, but on employment status and a certain level of income\(^{26}\).

**Integration through labour**

The idea of labour as the golden path of integration has been reflected in the allocation of political and administrative responsibilities for immigrants in Sweden. For long periods since 1980, the minister for immigrant and integration affairs has been connected to the Ministry of Employment\(^{27}\). The integration programmes offered for asylum seekers\(^{28}\) and refugees with a residence permit have shifted in character over time. Throughout the 1980s, refugees were not entitled to any integration support during their asylum process as they were considered to be irregular exceptions to the group of UNHCR quota refugees and because of the worry that favourable conditions during the asylum process would increase the numbers of refugees coming to Sweden. However, as the group of non-quota refugees became larger and the waiting times for a decision increased, asylum applicants began to receive some Swedish language training and basic civic orientation in order to make their wait ‘meaningful’ (Swedish Migration Agency, 2008). The sharp increase in Balkan refugees at the beginning of the 1990s coincided with increasing political demands of ‘activation’ of people in the asylum process, as reflected in the Act on reception of asylum seekers (1994). Labour, training and other organised activities were to fill the days of all asylum seekers and had the explicit aim to improve their future employability.

Once asylum has been granted, the responsibility for integration promoting activities is transferred from the Migration Agency to the Public Employment Agency. The Act on measurements to promote settlement of some newly arrived immigrants (2010) prescribes the Employment Agency to provide every refugee with a two year integration plan (sometimes called an ‘introduction plan’), including activities promoting labour market attachment (Swedish Government, 2017)\(^{29}\). In addition, language training and civic orientation are provided by the municipalities. Looking at the ALMP measures offered, immigrants are overrepresented in vocational training, internships and preparation programmes. Evaluations have attributed some positive effects to the programme, but also emphasise that contextual factors, such as a strong economy, residence in an area with good employment opportunities and a strong social network are the most important determinants of immigrant employment (Andersson Joona et al., 2015, Åslund, 2016). Recent statistics show that around 30–35 percent of participants in the introduction plan are employed or enrolled in regular education after finishing the programme, whereby female participants have a generally lower employment rate compared to men (Swedish Public Employment Agency, 2016, Swedish Government, 2017).

**Youth guarantee**

In Sweden today, labour market entry happens later in life compared to the 1980s. This is partly explained by the significant educational expansion which has taken place during this period of time: the longer educations of today’s youth naturally delay their entry into the labour market. Employers’ higher educational demands may partly explain why immigrant youth have particular difficulties, but even after controlling

\(^{25}\) In reality, the formal right to work during the asylum process has had little relevance; only 0.3 percent of the applicants in 2015 found employment during their asylum process. This is most likely attributable to lack of language skills and social networks, but also to the formal requirement of providing identity documents as many asylum seekers do not have any proof of identification. If the asylum application is rejected, the immigrant loses the right to work in Sweden and also any right to economic support as stated in the recent Act on temporary restrictions in the possibility to acquire a residence permit in Sweden (2016). The number of rejected asylum applications is likely to increase in the upcoming year as a result of the high migration rates in 2015. This will result in a growing population who will live in the country as undocumented immigrants, or in a legal grey zone due to impediments of deportation enforcement (verkställningshinder).

\(^{26}\) This level is not specified, but the Act states that salary, insurances and other employment conditions should be in accordance with Swedish collective bargaining agreements and at a level making the person independent from financial support (Act on temporary restrictions in the possibility to acquire a residence permit in Sweden 2016: § 17).

\(^{27}\) The current Swedish minister for employment, Ylva Johansson, is also minister for integration with a particular responsibility to coordinate the introduction of newly arrived immigrants.

\(^{28}\) The integration programmes for asylum seekers are not part of the two year introduction plan meant for refugees.

\(^{29}\) As of 2018, immigrants will no longer be entitled to such an integration plan, but rather they will be expected to take part in active labour market programmes on similar terms as other people in long-term unemployment (Swedish Government, 2017).
for education, it takes a longer time for immigrant youth to enter the labour market compared with peers born in Sweden (Erikson et al., 2007).

There have been political ambitions to target high youth unemployment rates for many years. The Act on municipal responsibility for youth aged 20–24 (1997) prescribed municipalities to provide work, training or an ALMP programme if the youth had been without employment for more than 90 days. The current Ordinance on employment guarantee for youth (2007) does not include this defined time frame, but rather provides a number of activities for unemployed youth aged 16–24.

Financial support

For young, unemployed refugees with a residence permit there are presently three relevant sources of financial support during their integration phase as regulated by the Act on unemployment benefits (1997), the Act on measurements to promote settlement of some newly arrived immigrants (2010) and the Ordinance on employment and development guarantee (2010). Newly arrived refugees are eligible for reimbursement from participation in the introduction plan (etableringsersättning)30, whereas those who have stayed in Sweden for a longer period can receive money either from their unemployment insurance or through participation in the regular labour market programmes offered by the Public Employment Agency. Evaluations show that immigrants and youth are both groups with very low unemployment insurance coverage, which is why they are often directed to the programmes providing much lower reimbursements or needs-based social welfare payments (Salonen, 2014).

30 In 2016, a single adult without children received a monthly allowance of 6 662 SEK (693 EUR). Parents of underage children are eligible for an extra amount of 800–1 500 SEK (83–157 EUR) per child depending on age of the child. The maximum amount of additional child support is 4 500 SEK (471 EUR). Asylum seekers living in accommodation without meal service are entitled to a monthly allowance (dagsersättning) of 2130 SEK (223 EUR).
Comparative analysis
4. Comparative analysis

The aim of this report is to describe and analyse how Nordic policies affect young refugees’ entry into the labour market. Four areas of policy have been described in the country chapters: a) the right to work, b) integration through labour, c) youth guarantee, and d) financial support. In addition, the background chapter provided some comparative statistics on contextual factors affecting immigrant employment. Tables 1–4 provide an overview of the findings, including the most important similarities and differences comparing the Nordic countries.

4.1 Nordic policies and their effect on refugee youth employment

Regarding refugees’ right to work (Table 1), stipulated in the Aliens Acts, there seems to be a rather constant historical pattern of initially restricting immigrants’ right to work in the Nordic countries – refugees typically being an exemption to this. Later on, policies have become more liberal and refugees are currently expected to provide for themselves and their families. Subsequently, there has been a significant push towards laws and policies requiring refugees to work. New punishments for not working have also been introduced. With regards to asylum seekers’ right to work, which is a quite recent development, the existing Nordic policies and laws vary. Common to all of the Nordic countries is that asylum seekers do not have an automatic right to work. Only when certain conditions are met, they are allowed to work during the asylum process. In some of the countries (Finland and Denmark), asylum seekers can work after an embargo period (between three to six months) given that certain requirements are met. These conditions include the following: having a valid passport (Finland); cooperating with the immigration officials on the asylum application and on the potential deportation (Denmark); having an asylum interview conducted, having no doubt about the applicant’s identity and having no question of rejecting the applicant or of requesting another country to take back the applicant (Norway); having a plausible chance to have a positive decision made on their asylum application (Sweden). After these conditions are met, in all countries asylum seekers are allowed to participate in gainful employment throughout the asylum process, and also during the appeal process, until they have reached a final lawful decision. In each country, it is also possible to apply for a resident permit based on employment during or after the asylum process. However, for such an application to be successful, the salary and working conditions need to reflect the levels set by collective bargaining agreements in the country (Denmark, Norway and Sweden), or other administrative guidelines set by the employment office (Finland).

The right to work for refugees has always been granted in the Nordic countries, even if there were historical halts to labour immigration. In all of the countries, refugees have no limitations regarding the type of work they are allowed to conduct. A recent trend in the Nordic countries has been to introduce self-sufficiency as a requirement for family reunification. With some exceptions\textsuperscript{31}, this applies to all refugees and people granted with subsidiary protection status. These income requirements have increased the importance of employment and income for refugees. The requirements are, however, so large that in practice it is nearly impossible for many to be reunified with their families in the Nordic countries. Moreover, in some countries (Sweden, and to some extent Denmark), a person with a need for protection but without employment will only get temporary residence permits. These rules condition receipt of a permanent residence permit not on the need for protection, but on employment status and a certain level of income. Given all of this, it can be argued that refugees’ ‘right to work’ has evolved into a ‘demand to work’ in the Nordic context.

\textsuperscript{31} In Finland and Sweden, a refugee is exempted from the income requirement if his or her family member applies for reunification within three months after the refugee was granted asylum. As of 2016, Sweden does not grant people with subsidiary protection status the right to family reunification.
In the Nordic *Integration* Acts and policies, employment is emphasised as a means to successful integration (Table 2). The meaning of employment has also been administratively strengthened by the fact that in some of the Nordic countries, integration is the responsibility of the Ministry of Employment (Finland and Sweden). Employment and integration are also often dealt with in a temporal manner in these laws and policies – the focus being on the fast and efficient access to the labour markets by the refugees. Less attention has been paid on the issue of the quality of work. Each of the Nordic countries has an integration programme for the immigrants, including refugees. In all of the countries, it is increasingly recognised that asylum seekers should also benefit from pre-integration activities. The length of the official integration programme varies from two years (Norway and Sweden) to three years (Denmark and Finland), with possible extensions in some countries (Finland, Denmark). In all integration programmes, the role of employment, self-sufficiency and Nordic language proficiency is emphasised.

### Table 1. Right to work: main similarities and differences.

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>Finland</th>
<th>Norway</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum seekers’ right to work</td>
<td>No automatic right</td>
<td>No automatic right</td>
<td>No automatic right</td>
<td>No automatic right</td>
</tr>
<tr>
<td>Embargo/exceptions</td>
<td>Embargo of 6 months; right depends on certain conditions</td>
<td>Embargo of 3-6 months; right depends on certain conditions</td>
<td>Only after a number of conditions met</td>
<td>Only after a number of conditions met</td>
</tr>
<tr>
<td>Resident permit based on work</td>
<td>Can apply for residency based on employment during the asylum process</td>
<td>Can apply for residency based on employment during the asylum process</td>
<td>Can apply for residency based on employment during the asylum process</td>
<td>Can apply for residency based on employment during the asylum process</td>
</tr>
<tr>
<td>Refugees’ right to work</td>
<td>No limitations</td>
<td>No limitations</td>
<td>No limitations</td>
<td>No limitations</td>
</tr>
<tr>
<td>Family reunification and work</td>
<td>Income requirement for all</td>
<td>Income requirement; some refugees exempted</td>
<td>Income requirement for all</td>
<td>Income requirement; some refugees exempted; no right to people with subsidiary protection</td>
</tr>
<tr>
<td>Permanent protection status linked to employment</td>
<td>To some extent</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

In recent years, a number of studies have evaluated the effect of the integration programmes and other active labour market programmes targeting refugees. The review by Nekby (2008) finds a consensus in the literature that wage subsidies and activities that are similar to regular employment will increase the chances of young immigrants finding work. Nekby also refers to studies suggesting that individual counselling and matching efforts by public employment services have some positive effects on immigrant youth employment, which has been attributed to the potential of these services to compensate for social networks and contact with employers. In contrast, labour market programmes that would rather focus on the activation of the participants, i.e. through work practice programmes or job creation programmes in the public sector, yield no positive effects on employment (Hernes and Tronstad, 2014, Nekby, 2008).

Another large European meta-analysis of 33 evaluations of active labour market policy pro-
programmes for immigrants in the Nordic countries, Germany, the Netherlands and Switzerland concludes that only wage subsidies have a positive effect on immigrant employment. No positive effects were found with regard to classroom and job training, public sector work programmes or job-search assistance and sanctions for lacking job-searching efforts (Butschek and Walter, 2014). In contrast to these evaluations, the positive effect of wage subsidies is questioned by both employer organisations arguing that wage subsidies introduce a competitive bias and by trade unions claiming that wage subsidies are misused by employers who want to avoid paying social costs and incomes according to collective bargaining agreements (Nandorf, 2015, Åslund, 2016). Comparing the most recent efforts to integrate newly arrived refugees into the labour market with the programmes following the high immigration rates in the 1990s, private sector stimulation (including wage subsidies) has partly replaced public sector job creation programmes (Nekby, 2008). The fact that public sector job creation continues despite lacking positive impact on employment has been attributed to other programme effects, such as activation and maintained ties to the labour market. It has also been suggested that some of the programmes (both in the public and the private sector) have a so-called ‘threat-effect’, meaning that the individual increases job searching efforts or lowers expectations on salary or working conditions in order to avoid compulsory programme participation (Rosholm and Svarer, 2004).

All Nordic countries have long had policies offering youth employment, education, training, or rehabilitation. These policies have been in place since the 1980s and they have been reformed over the decades. In some countries the youth guarantee (Table 3) is based on legal acts (Sweden), whereas in others it is only defined in existing policies (Finland, Norway and Denmark). In all of the EU member states, the youth guarantee is in accordance with the European Youth Guarantee. The age limitations for the youth have varied since the 1980s and between the countries. Youth guarantee is currently applied to people under the age of 25 (Denmark), recent graduates under the age of 30 (Finland), anyone under the age of 30 (Finland), anyone under the age of 30 (Norway), or youth between 16–24 years-old (Sweden). Typically, the guarantee starts when one has been in a NEET situation for three months (Finland and Sweden). Youth guarantee generally targets all youth living in a given Nordic country, and also applies to the refugee youth with a residence permit. Immigrant and refugee youth can, however, have additional support to secure their inclusion into the society.

<table>
<thead>
<tr>
<th>Age group</th>
<th>Denmark</th>
<th>Finland</th>
<th>Norway</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under 25</td>
<td>Under 25 and recently graduated under 30</td>
<td>Under 30</td>
<td>Between 16-24</td>
</tr>
<tr>
<td>Includes refugees</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Starts after</td>
<td>-</td>
<td>3 months of being NEET</td>
<td>-</td>
<td>3 months of being NEET</td>
</tr>
<tr>
<td>Legal act</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Financial support (Table 4) for asylum seekers during the process varies between the Nordic countries and also depends on the facilities provided in the reception centres. Single adults in accommodation with no meals receive between 203–312 EUR per month32. In some countries (Denmark) the reception allowance increases if the person takes an active part in educational activities and in-house tasks, whereas in others it reduces if the person does not participate in these activities (Finland, Norway). Single adults in accommodation with meals receive no cash benefits in Denmark, and between 76–91 EUR in other countries. Regarding refugees, their integration programmes are based on different allowances, of which some are tailored for immigrants (Denmark) and others are based on the normal unemployment benefit (for immigrants registered as unemployed jobseekers) and social security systems (for immigrants not registered as unemployed jobseekers) for the native populations (Finland, Norway and Sweden). This has led

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32 The consistently higher financial support in Norway is reflective of a much higher cost of living compared to the other Nordic countries, which is why the numbers are not easily compared.
to a situation in Denmark where immigrants in the integration programme receive only 55–80% of the regular financial support. In Finland, proposing different levels of benefits for immigrants was deemed unconstitutional. The monthly allowances vary approximately from 700–800 EUR (Denmark, Finland and Sweden) up to 1700 EUR (Norway). A clear trend is to make integration allowance more conditional and to have stricter criteria for it. In some countries the amount of benefit can be increased if the immigrant has passed a Nordic language test (Denmark), whereas in all countries the amount of benefit can be reduced if the immigrant does not actively take part in the integration training. In Norway, beneficiaries of international protection (refugees vs. people with a residency on humanitarian grounds) are treated unequally when it comes to financial support during integration.

Table 4. Financial support: Main similarities and differences.

<table>
<thead>
<tr>
<th></th>
<th>Denmark</th>
<th>Finland</th>
<th>Norway</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum seekers’ income level depends on their educational activity and in-house tasks</td>
<td>Yes; can be increased due to activity</td>
<td>Yes; can be reduced due to inactivity</td>
<td>Yes; can be reduced due to inactivity</td>
<td>-</td>
</tr>
<tr>
<td>Single adult in accommodation with meals receives cash</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Refugees’ allowances tailored for immigrants</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Allowances can be increased or reduced</td>
<td>Increased, if language test is passed</td>
<td>Reduced, if not actively taking part in integration training</td>
<td>Reduced, if not actively taking part in integration training</td>
<td>Reduced, if not actively taking part in integration training</td>
</tr>
</tbody>
</table>

In summary, while the Nordic laws and policies on the right to work, integration, youth guarantee and financial support clearly show similar trends, there are also a number of smaller scale differences in these approaches as demonstrated above. Moreover, it is important to consider these four specific types of laws and policies in relation to the wider Nordic approaches to labour markets and immigration (Table 5). Many of the similarities and differences analysed in this report can be explained, for instance, by the Nordic countries’ differently scaled departure from the post-war Nordic labour market policy (Kananen 2012), where Finland has experienced the strongest transformation. Due to these broader policy changes over time, the main activation measures of ALMPs also vary to some extend between Denmark, Finland, Norway and Sweden (Nekby 2008). In addition, general approaches to migration, integration and multiculturalism differ from Denmark’s restrictionist approach to Sweden’s traditionally more liberal approach, leaving Norway and Finland somewhere in the middle (Brochmann & Hagelund 2011). It should, however, also be noted that major migration policy changes have been implemented in recent years. For example, the Act on temporary restrictions in the possibility to acquire a residence permit in Sweden33 (2016) was implemented last year as an attempt to adjust the comparatively generous Swedish migration policy to the minimum standard of the European Union. The way these policy changes will affect work and integration of immigrants is still uncertain.

33 The Act is supposed to restrict the ordinary Aliens Act for three years, but many members of parliament advocate to make this temporary Act permanent.
The life taking place before migration will naturally have large effects on the chances for finding employment in the new country. This category combines dimensions of identity and social attributes such as gender, race/ethnicity and social class, but also variables such as age, education and skills, health status and reason for migration. Whereas some variables will be stable throughout the person's life (e.g. country of origin) others may change after migration taking place (e.g. education).

Immigrants with higher education will have greater chances to find employment (Nylin, 2014). The overrepresentation of immigrants in lower income occupations with elementary educational requirements such as domestic work and personal care has many explanations. Partly, there is an educational mismatch, whereby immigrants compared to the native population are more likely to be overeducated and work in lower status jobs (Dunlavy et al., 2016). However, the overrepresentation can also be explained by the fact that the educational level among some refugees groups is lower. The appropriate response to this situation is politically contested. Whereas some argue for expanding the low-income sector and increasing the number of jobs with low educational requirements, others advocate substantial educational programmes to qualify the refugee population for broader occupational categories.

The refugee population in the Nordic countries has worse health compared to the general population (Fazel et al., Hjern, 2012, Montgomery, 2011). Poor mental health is a particular concern, which in many cases may be related to traumatic experiences in the country of origin and continuous concerns about the family and friends left behind. Also post-migration factors, such as experience of discrimination or worries about the future in the new country may be burdening, especially if the refugee has a temporary residence permit. The requirements and expectations on refugees to find employment may be appropriate in many cases, but for people struggling with health problems, it is important that the new country also give them the opportunity to get well before or parallel with employment, not only for the sake of the
individual, but also for society at large (Sobocki et al., 2006).

**Gender** has a significant role to play in immigrants’ employment in the Nordic countries, despite the generally high level of equality in the labour markets. In general, immigrant men are more likely to find employment compared to women (OECD, 2016a). Married immigrant men also have longer careers compared to single men. This is the opposite of women: single immigrant women without children have longer employment periods in comparison to married women with children (Busk et al., 2016). Immigrant women are experiencing higher unemployment rates compared to native women, due particularly to having children at younger age. The employment rates of immigrant men and native men are often rather even. Over time, immigrant women experience a significant increase in their employment rate; for men time in the destination country does not have such a strong impact on their employment (Eronen et al., 2014, Nieminen et al., 2015). Vulnerabilities in the labour markets also have a gender dimension: ‘as the number of migrant women increases, the number of cases of abuse and exploitation has also risen. Since most migrant women work at the bottom rung of the occupational hierarchy, they are extremely vulnerable’ to issues such as sexual harassment, verbal abuse, physical attacks and non-payment or underpayment of wages. (Heikkilä, 2005) Immigrant men also often self-evaluate their employment abilities to be better compared to women’s self-evaluations (Airila et al. 2013).

The fact that refugee youth arrive in the new country at early age may have different effects on their chances to get employment compared with immigrant who arrive later in their lives. On the one hand, young people (both natives and immigrants) are overrepresented in unemployment statistics. Finding meaningful employment often takes a long time (Statistics Sweden, 2016a, Bjørre et al., 2016).

On the other hand, the young refugees have better chances to acquire language skills and an education that is recognised in the country of destination. The support and services of the public are particularly important for the group of underage youth who come to the Nordic countries without their parents. A recent study on unaccompanied minors in the Swedish labour market suggests that unemployment is lower in this group compared to peers arriving with their parents. However, after controlling for variables such as educational level, country of origin, age and time of residence in Sweden, employment is more common in the unaccompanied population (Çelikaksoy and Wadensjö, 2015). Given the large number of unaccompanied minors arriving to the Nordic countries in recent times, this will be an important group for future studies.

**Post-migration factors**

Much of the policy development described in this report can be explained by considering the specifics of the Nordic welfare state. This type of welfare state can be seen as a process of societal inclusion, in which strong efforts to create high employment in combination with generous social policies were to ensure that every citizen (independent of social class and gender) would not only contribute to, but also benefit from the welfare state. Earning international recognition, the Nordic model has been seen as contributing not only to wealth and economic equity in the region, but also to the creation of a ‘community of individuals’ characterised by social cohesion, high interpersonal trust and high trust in institutions (Brochmann and Hagelund, 2012). The particularities of the welfare state have had two major implications for migration policies and attitudes to refugee employment in the Nordic countries. Firstly, the generous welfare state has been put forward as a reason for migration control. Ever since immigration rates increased in the 1960s, welfare chauvinistic arguments in opposition to the inclusion of non-natives into the ‘community of individuals’ have been more or less present in Nordic political debates. The welfare chauvinistic sentiments are a common denominator of the quite heterogeneous group of anti-immigration parties that have emerged in all of the Nordic countries since the 1980s, but have also been present in the quite heterogeneous group of anti-immigration parties that have emerged in all of the Nordic countries since the 1980s, but have also been present in

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34 There are, however, still differences in salaries for men and women in the Nordic societies. Norway and Sweden have more equal payments compared to Finland. There is also an imbalance between genders in the highest labour market positions.

35 p. 488

36 In Finland, 30% of refugees are employed after 5–10 years from arrival (between 2004–2009). Their employment rate rises to 52% after more than 10 years in Finland (Nieminen et al. 2015). In Sweden, it takes around nine years before 50 percent of the refugees arriving in one year find employment. However, comparing all cohorts arriving in Sweden in the past 20 years, for a majority the trend is positive, meaning that after any given time in Sweden a larger proportion of refugees have employment compared with the previous year. The Swedish statistics also show that refugee employment largely corresponds with business cycles (Nieminen et al. 2015, Nylin 2014, Statistics Sweden 2016a).

37 The right-wing populist roots of the Progress Party (ND), Finns Party (FI) and Danish People’s Party (DK) are to be differentiated from the neo-fascist roots of the Sweden Democrats (SE). However, all of these parties have built their political success on the idea that immigration is a severe threat to the Nordic welfare system.
other groups from the political right to the left (Buck-
ken-Knapp et al., 2014). Secondly, the welfare state has
motivated comprehensive programmes focusing on
the integration of newly arrived immigrants into society via labour market participation. Although in-
tegration could be measured in many ways, it is the
employment of immigrants and their position within
the labour markets that has received substantial at-
tention in both public discussions and the actions of
the authorities.

There are strong indications that contextual fac-
tors known to boost general employment rates (such
as economic upswings) also have positive effects for
immigrant employment (Rooth and Åslund, 2003,
Åslund, 2016). The fact that Norway has had ex-
ceptional economic growth the past 20 years has
very likely contributed to the fact that that immi-
grants and youth in Norway have lower unem-
ployment rates compared to equivalent populations in
the other Nordic countries. Following a similar logic,
many cases, adopted similar strategies to reach this
pation as the golden path of integration and have, in
terms of political governance, it is noteworthy that
social democratic and liberal-conservative govern-
ments have both emphasised labour market partici-
patation that they have little control over. This critique
of unemployment). Research indicates that flexicurity arrangements
work well under financially favourable conditions, but that its rel-
ance on market forces makes them vulnerable and very expensive
during economic down-turns (Vulkan 2016).

A possible explanation lies in the ‘flexicurity’ model, which has been
more fully implemented in Denmark, although it has been discussed
in other countries as well. The policy combines high ‘labour market
flexibility’ (low employment protection making it easier for employ-
ers to hire and fire their employees) with high ‘employment security’
(making it easier for employees to quickly find a new job in case of
unemployment) and high ‘income security’ (financial support in case of
unemployment). Research indicates that flexicurity arrangements
38
at a level deemed to prevent accelerating inflation rates, there will be hard competition for available jobs. In this situation, immigrants and youth stand out as two groups with limited chances to enter the labour market.

An understudied trend in the Nordic countries is the rise of the so called ‘gig economy’ and the growing proportion of labour taking place outside regular employment. Whereas some argue that this parallel labour market generates job opportunities, particularly for groups with high unemployment rates, others criticise the low incomes and the absence of social insurances, job security and employer liability. In Sweden, the majority of the gig economy workers are young, but no information has been collected regarding their countries of origin (Huws and Joyce, 2016). It seems likely that this sector, as well as agency-hired labour, will be of ever increasing relevance for young refugees with troubles entering the regular labour market, and more studies are needed to investigate the social, economic and health-related effects of this type of work.

4.3 Young refugees in a Nordic welfare state in transition

As can be seen from the above comparisons, there are a number of differences between the laws and policies affecting young refugees’ access to and ability to stay in the labour market in the Nordic countries. Yet, some overall reform paths that have impacted refugees’ right to work, integration, youth guarantee and financial benefits can be identified based on the similarities between these countries. These similarities can be analytically framed around the narrative of transition from the welfare state to the workfare state (Kananen, 2012) in the Nordic context.

For Kananen (2012) the term workfare refers not only to ‘a formal criterion tying the receipt of welfare benefits to work activities, [but it can also] be understood as a new principle entering Nordic social policy as part of the renegotiation of the post-war collectivist social order.’ A more narrow understanding of workfare as ‘activation’ is presented in the Nordic legislation and administration, which have still rejected using this term. Moreover, workfare can be understood in relation to the increasing emphasis on the notions of responsibility, obedience, control and obligation. In the Nordic context, workfare refers to:

‘the adoption and adaption of a new principle in welfare policy, whereby contents and aims of policies are redefined, reshaped and reconstructed. Thus, it may be interpreted as a tool whereby governments and legislators seek to re-establish and maintain social order’

Some of the elements of workfare are identifiable with regard to the four legal and policy areas affecting young refugees’ access to work analysed in this report. First, regarding right to work, since the 1980s, there has been a clear shift from the prohibition of work to the obligation to work among the immigrant population in the Nordic states. At the same time, even though the categories of immigrants with the right to work have been expanding, there are increasing criteria to be met before they can work. Obedience, for instance, is expected of asylum seekers and their actions are controlled by the Immigration Services. Only by fulfilling the criteria of trustworthy and cooperative asylum seekers are they granted the right to work. The high income requirements for family reunification, increasingly also applied to some beneficiaries of international protection, are another case in point. The new restrictions signal refugees’ obligation to work in order to be reunified with their families. Subsequently, refugees’ rights, such as family reunification or permanent residence permits, are increasingly tied to their work activity in the Nordic context.

Second, regarding refugees’ integration, there is an obvious trend from welfare-based legislation and policies towards the strengthening of the active labour market policy (ALMP) approach in integration. Kananen’s suggestion of social assistance being conditional upon participation in schemes designed by social services is increasingly also manifested in integration programmes. The integration activities for refugees include elements of compulsion and sanctions; if the refugee is not active during the integration programme, he/she will be granted less financial assistance – punished for inactivity. The prominent role of ALMPs is also manifested, for instance, in the key role that the Ministries of Employment and the local public employment agencies have as the main official authorities responsible for the integration of immigrants. Overall, integration activities are reflec-

39 In 2015, the estimated Non-Accelerated Inflation Rate of Unemployment (NAIRU) was 7.5% for Sweden and Finland, 6.3% for Denmark and 3.3% for Norway
40 ‘Gig economy’, sometimes ‘access economy’ or ‘on-demand economy’ refers to a business model connecting the worker and the client through mobile software applications. A wide range of services are offered by companies in this sector, including not only taxi and delivery services, but also domestic and maintenance work.
41 p. 572
42 Kananen (2012) p. 560
tive of the transition from welfare to workfare.

Third, the workfare idea is not only linked to immigrants, but also to the youth – the immigrant youth being a particular target group of various activation measures. Policies and laws to activate youth through the *youth guarantee* are reflective of some of the elements of workfare society. Youth are labelled, through their activity levels, into different categories and their social rights are tied into their willingness and ability to oblige to certain rules and regulations regarding their education and employment. The so-called inactive youth, NEETs, are perceived not to behave according to the social order attempted by the Nordic governments and legislators\(^43\). The aim of the youth guarantee is to direct the youth to the right path, as seen by the Nordic workfare states – a path focused on achieving an active role in the labour market.

Lastly, the changes in *financial support* for immigrants are indicative of the overall reforms towards the workfare society that is characterised by ‘tying the receipt of welfare benefits to work activities’\(^44\). Both the reception allowance and income support during integration programmes are conditional. Efficient participation in various activities is expected in order to gain full benefits. Additionally, the reception allowance and integration benefits have been cut down or remained at a similar level for many years in most of the Nordic countries. This policy has served the double purpose of making the Nordic societies less attractive destinations for people seeking international protection and ‘incentivising’ job seeking efforts by increasing the income gap between people in and out of employment. A Danish evaluation of Nordic studies on the effect of decreased benefits shows a correlation with increasing employment rates, but also cites research showing that financial cuts in benefits are associated with decreased income, quality and duration of subsequent employment (Lindegaard Andersen and Nielsen Arendt, 2015) Diversification of social assistance according to citizenship and residency is a further observation that supports the reform path towards workfare, as identified by Kananen.

Even though the policies and laws affecting refugee youth’s access to work shift from the traditional Nordic welfare state\(^45\) to the workfare state, there are some country-specific differences as the comparative part of this report has demonstrated. According to Kananen\(^46\), it also seems that:

> ‘in Sweden and Denmark the new order includes more elements of the traditional Nordic welfare state model where individuals regardless of social background were seen as a potential resource for the labour market, rather than as a potential threat to social order as social assistance recipients are regarded in the Finnish legislation.’

Finally, Kananen\(^47\) argues that Nordic labour market policies ‘would stand a better chance of success if they focused more on realising individual creative potentials through choices made by the individuals themselves rather than trying to define and penalise unwanted behaviour’. This is an approach that can also be supported regarding the policies that affect young refugees’ access to and staying in the Nordic labour markets.

\(^{43}\) p. 560  
\(^{44}\) p. 570  
\(^{45}\) Kananen’s article (2012) focuses only on Sweden, Denmark, and Finland, excluding Norway.  
\(^{46}\) p. 571  
\(^{47}\) p. 572-573
Conclusions
5. Conclusions

This report on policies and laws affecting young refugees’ access to the labour markets provides a timely discussion on some of the key issues currently debated in the Nordic societies. In all of the Nordic states the number of refugees has been increasing during the past years, and it is urgent to enhance the well-functioning aspects of integration. Moreover, youth unemployment is a current issue to be addressed in all Nordic countries. Thus, refugee youth are facing particular obstacles in their attempts to have an active role in the Nordic labour market. In order to understand these debates regarding work, youth and refugees, the report provides short descriptions of policy and legal changes from the 1980s to the present day.

The Nordic countries included in this report (Denmark, Finland, Norway, and Sweden) share similarities and differences in their policies and laws affecting young refugees’ labour market participation. Despite some differences, the general reform paths based on a number of similarities are evident regarding policies of immigration, integration, youth guarantee, and unemployment benefit. These reform paths are characterised by a transition from a welfare state to a workfare state. Activation, obedience, obligations, and efficiency are terms that describe these policies and laws and will most likely also have an impact on their implementation in the future.

The key findings of this report suggest that young refugees’ access to the Nordic labour markets are increasingly characterised by various active labour market policies (ALMPs). Refugees’ and asylum seekers’ right to work is promoted in order to activate them to contribute to society. Other rights, such as family reunification and continuous residence permits, are increasingly connected to the demand to work and being economically self-sufficient. Refugees’ integration programmes emphasise activity in general and work-related activity in particular. Employment is highlighted in integration – administratively, in practice and discursively. As the refugee youth face a double challenge in their access to work, particular activation policies are targeted on them. Financial benefits paid to asylum seekers during reception and refugees during integration phases are increasingly tied to obedience and the right kind of behaviour, which focuses on personal activity. Despite this general activation trend, the questions of ‘activation for what purpose’ and ‘with what kind of means’, can and indeed should be posed.

The findings of this report suggest that more flexible policies are needed. The refugee population is highly heterogeneous with regard to educational level, skills and qualifications. Given the relatively high educational demands of the Nordic labour markets, educational and vocational programmes will be needed for refugees with low qualifications. For the highly educated refugee population, the routines for recognition of foreign credentials could potentially be made more efficient in order to accelerate the labour market integration of these groups. Also, it will be continuously important to develop and sharpen measures against labour market discrimination of foreign-origin workers. Policies ought to take into consideration the post-migration as well as the pre-migration factors. This is because implementing various immigration, integration, youth, and unemployment laws and policies does not take place in a vacuum – both contextual and individual factors taking place pre- and post-migration impact on the policy outcomes. Prognosis on the Nordic policies and laws that affect young refugees’ labour market roles is uncertain due to changing migration flows, political ambitions and the overall functioning of the traditional welfare state, which, based on this report, is shifting towards a workfare state.

Finally, in the Nordic context, both labour markets and immigration flows are changing. Thus, there are a number of issues regarding young refugees’ labour market access that require future research. In the years to come, not only will it be important to monitor the employment rates of the refugee population, but also the conditions under which refugees are working. If the Nordic countries decide to meet the high unemployment among young refugees by creating new jobs in the low-income sector, this could potentially have some positive effects on employment rates, but may also lead to increased poverty and social inequality. As new types of employment, such as agency-based labour and ‘gig economy’ work, are becoming more important than before, young refugees’ use of these new opportunities ought to be studied with a particular focus on the social, economic and health-related effects of this type of work. Additionally, more research is needed to investigate the intriguing trend of unaccompanied refugee mi-
nors’ relative success in entering into the Nordic labour markets compared to their peers arriving with their parents. Research should also pay critical attention to any future reforms of the Nordic integration policies, particularly documenting the effects of the increasing ‘workfare’ approach of integration. Overall, an intersectional approach to young refugees’ labour market integration is argued for.
References
6. References


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VULKAN, P. 2016. The Microfoundations of Flexicurity: Employees’ well-being and attitudes to labour market policy in a Swedish and Nordic welfare state setting. PhD, University of Gothenburg.


## 7. Appendix

### Denmark

<table>
<thead>
<tr>
<th>Category</th>
<th>Law/Act</th>
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<tbody>
<tr>
<td><strong>Integration through labour</strong></td>
<td>Integronisloven (1999) Integration Act (1999)</td>
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<tr>
<td></td>
<td>Bek. om udarbejdelse af integrationskontrakt og om integration-</td>
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<td></td>
<td>sprogrammet (2012) Ordinance on integration contract and integration</td>
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<td>programme (2012)</td>
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<td><strong>Youth guarantee</strong></td>
<td>Aftale om bedre og mere attraktive erhvervsvuddannelser (2014)</td>
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<td></td>
<td>White paper: Better and More Attractive Vocational Education and</td>
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<td></td>
<td>Training Programmes (2014)</td>
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<tr>
<td><strong>Financial support</strong></td>
<td>Bek. af lov om folkeskolen (2016) Act on primary school (2016)</td>
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<td>Bek. af lov om social service (2016) Act on social services (2016)</td>
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<tr>
<td><strong>Integration through labour</strong></td>
<td>Hallituksen esitys (HE) eduskunnalle laiksi ulkomaalaislain muut-</td>
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<td><strong>Youth guarantee</strong></td>
<td>Laki maahanmuuttajien kotouttamisesta ja turvapaikanhakijoiden</td>
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<td>vastaanotosta (439/1999) Act on the Integration of Immigrants and</td>
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<tr>
<td></td>
<td>Reception of Asylum Seekers (439/1999)</td>
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<td><strong>Financial support</strong></td>
<td>Laki kotoutumisen edistämisestä (1386/2010) Act on the Promotion of</td>
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<td>Immigrant Integration (1386/2010)</td>
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<td>Valtion kotouttamisohjelma (2012-15) National integration programme</td>
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<td>Hallituksen turvapaikkapolitiitten toimenpideohjelma 2015 Government</td>
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<td>action plan on asylum policy</td>
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<td></td>
<td>Valtion kotouttamisohjelma (2016-19) National integration programme</td>
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<td><strong>Youth guarantee</strong></td>
<td>Nuorisotakuun linjauksia (2005, 2013) Youth guarantee policies (2005,</td>
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<td></td>
<td>2013; no legal acts)</td>
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<td><strong>Financial support</strong></td>
<td>Työttömyysturvalaki (602/1984) Act on unemployment benefits (602/1984)</td>
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<td><strong>Norway</strong></td>
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<td><strong>Right to work</strong></td>
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<td>Utlendingsloven, 1988; 2008</td>
<td>Immigration Act, 1988; 2008</td>
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<td><strong>Youth guarantee</strong></td>
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<td>Ungdomsgarantien, 1980; 1995; 2013</td>
<td>Not based in any law, and not a statutory right, but political guarantees guiding the work for the NAV-offices</td>
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<td>Arbeidsmarkedsloven, 2004</td>
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<td>Arbeids- og velferdsforvaltningsloven, 2006</td>
<td>The Labour and Welfare Administration Act, 2006</td>
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<td>Lag (2016:752) om tillfälliga begränsningar av möjligheten att få uppehållstillstånd i Sverige</td>
<td>Act on temporary restrictions in the possibility to acquire a residence permit in Sweden (2016)</td>
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<tr>
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<td><strong>Youth guarantee</strong></td>
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<td><strong>Financial support</strong></td>
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<td>Lag om mottagande av asylsökande m.fl. (1994)</td>
<td>Act on reception of asylum seekers and others (1994)</td>
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About the project Coming of Age in Exile (CAGE)

CAGE is a research project based on collaboration between five leading research institutions in the Nordic countries; the Danish Research Centre for Migration, Ethnicity and Health, University of Copenhagen, Denmark; Migration Institute of Finland, Finland; Norwegian Centre for Violence and Traumatic Stress Studies and University College of Southeast Norway, Norway; and Centre for Health Equity Studies, Stockholm University and University of Gothenburg, Sweden.

CAGE brings together a pan-Nordic, multidisciplinary team of leading scholars and research students to shed light on some of our time’s most pressing social challenges related to the societal integration of young refugees. CAGE will provide analyses and insights to inform policy and practice related to health, education and employment among young refugees arriving in the Nordic countries and beyond. CAGE is funded by the Nordic Research Council (NordForsk).

CAGE was developed within the Nordic Network for Research Cooperation on Unaccompanied Refugee minors and its sister network Nordic Network for Research on Refugee Children.

This report is the first in a series of 3 CAGE policy reports. The second report is focusing on education policies and the third report on health reception policies regarding refugee children and adolescents.

You can read more about CAGE at: www.cage.ku.dk