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Challenges on the labour market and for the Public Employment Services

Sweden received 163 000 refugees last year. This is the highest number of refugees to Sweden in modern times. This figure corresponds to the number of inhabitants in a medium size city in Sweden. The refugee flows were an immense challenge for our country in terms of arranging accommodation in refugee camps and meeting their elementary demands.

Many of the asylum seekers will be granted permit to stay and work in Sweden. (I would here like to mention that the Swedish Government has recently made some changes in the regulations for asylum applications. The purpose is to take better control over the recent refugee flows to Sweden. These changes includes also temporary residence permit for those applicants who are not considered as refugees according to the Geneva Convention. These changes will slightly effect our work, but the system here in Sweden is as follows:

- When a person is granted asylum it is Arbetsförmedlingen’s task to support them in a two year long program so that the person can get a job or begin to study. The program includes Swedish language courses, knowledge about the Swedish society and the Swedish Labour Market, job training and other useful courses.

Arbetsförmedlingen has an official mission to support the integration of newly arrived immigrants in the labour market since 2010. My conclusions in this short introduction and the questions that I want to raise in our discussion will therefore be based upon this almost 6 year long experience.

The good thing with the mission is that we meet the newly arrived immigrants in a very early stage of their life in Sweden. This gives us the opportunity of providing the right support and complementary education to make them ready and compatible in the labour market.

If I may say something negative with the mission it would be the sharp change that the number of refugees often show from year to year. This creates some severe difficulties in planning the mission. When the number of refugees increase you have to employ and educate quite many new staff which can be rather tough. On the other hand when the
numbers of refugees decline you have the opposite problem – to reduce the staff, which isn’t either an easy task.

We have already a very complex and huge organization. High numbers of refugees means that we increase even more both in numbers and in complexity.

Since the municipalities are highly involved in the reception of the refugees, offering them housing and other services, there can be some interpretation problems concerning the boundaries of our and the municipalities responsibilities. Especially when the numbers of refugees increase, as the case is now.

In total this makes my job to lead the agency much more complex and tough, but I would still say that despite the difficulties it’s much better both for the refugees, for us and for the country that Arbetsförmedlingen is responsible for this mission and that we can in an early stage work with the integration of the refugees in the labour market.

According to our forecasts Arbetsförmedlingen will receive 90 000 newcomers who are granted asylum in our integration program year 2017 and 93 000 newcomers the year after.

This is of course one of the major challenges that Arbetsförmedlingen and our country has faced during the last decades.

But I would also like to emphasize that this situation can be a great asset for the Swedish society if we can handle the challenge cleverly.

Swedish economy is very strong right now and we have a strong labour market. There is also a shortage of employees in several branches. So the newcomers in that sense are needed in the labour market. It’s easier to get a job today with a strong labour market.

The second aspect is the development of our demography that shows great similarities with other European countries. Our population is growing older. At the same time number of people in the work force is diminishing. This imbalance is of course a great challenge not only for Sweden, but also for the rest of Europa. To be frank we need migration to fill the growing shortage of people in our workforce. 

One thing is clear: if Arbetsförmedlingen is going to be successful in integrating the huge number of newcomers to our society, the efforts of Arbetsförmedlingen only will not be enough. We can’t do this just by ourselves. We need support from different areas of our society. I will name a few of them:
• Housing – As in many other countries there is a dramatic shortage of houses in Sweden, especially in the metropolitan areas like Stockholm, Gothenburg and Malmö – and unfortunately it’s in these urban areas that the labour market is as strongest and the possibility of finding a job is at its best. The shortage of housing, not just in the metropolitan areas but also elsewhere in Sweden is a serious obstacle for a successful integration process for the refugees. We have of course upraised this problem very thoroughly in different arenas.

• Lack of education – unemployed people with a high school degree have good possibilities of finding a job today since we have a strong economy and a strong labour market. But those without a high school degree have severe difficulties. Many people among the newcomers have a suitable education, but many others don’t. Some don’t even have a primary school degree. And there isn’t much we can do with Arbetsförmedlingen’s programs to support those in lack of high school education. The regular institutions for education in the society must react here to maintain both primary school and high school education for those in lack of education.

• Both housing and educational support, as I see it, are crucial for a successful integration of the newcomers in the labour market. Apart from that there is also a need of sufficient health care and social support.

We believe also that there is a need for reforms in the labour market for a successful integration of newcomers. To be able to absorb so many newcomers in a rather short period of time we need some easy passages to the labour market. That should be the objective of the reforms. I don’t believe that this can be achieved by a single, universal reform, but a couple of minor reforms.

Two other major obstacles for a successful integration are the language skills of the newcomers and discrimination.

When I examine companies that have been successful in employing newcomers I can notice a very clear pattern concerning their attitudes towards the skills of the newcomers in the Swedish language. These companies don’t demand that the newcomer speaks good Swedish. They consider that their Swedish will develop at the work place in due time. But we can see very clearly that many companies demand good Swedish before they employ a person. I believe that the employers need to lower their expectations concerning the language skills.

The other severe obstacle is discrimination – many times it’s not necessarily racial discrimination, it can be all from lack of experience working with a foreign person to xenophobia - but nevertheless the effect is devastating, both for the individual and for our societies.
As I see it we have no other option than combating discrimination. The question is, is this primarily a mission for PES? If so do we have the necessary resources and the competence to combat discrimination?

Finally what’s the role of PES? What must we do for a successful integration of the refugees in the labour market?

I would say early intervention is a key issue, throughout the whole process - from decision making for asylum applications of the refugees to identifying skills and competences and further on education, training and motivation work to support the newcomers for a job or for studies.

Another crucial issue is our contacts with the employers – they have to be broad throughout the country and they have to be profound. We need to understand the demands of the employers clearly for an accurate matching.

The third issue is our ability to cooperate - we have to sharpen our ability to cooperate with the other major actors of the labour market – municipalities, labour unions, nationwide companies, the employer associations and so forth. I would like to emphasize that cooperation agreements on the national level is not enough – these agreements that often expresses only good intentions need to be followed up by more concrete and accurate agreements on local level where the job is to be done.

The refugee situation has created a very demanding challenge for several countries in Europe. At the same time this situation can be a good opportunity to solve the demographic problems that we face in almost all European countries. The choices we make as PES and as a society as a whole, on the path of integrating the refugees in the labour market will, according to my opinion, make the difference between success and failure.