



PHOTO: HJORDIS RUT SIGURJONSDOTTIR

# From migrants to workers

## Immigration and Integration at the Local Level in the Nordic Countries

Since 1990, the population of the Nordic countries has grown by 15 percent up to 26.5 million people, mainly due to immigration from abroad. Still many Nordic municipalities struggle with declining and ageing populations, and labour shortages. In this extended policy brief Nordregio compares the process of integration of labour migrants and refugees into local communities and labour markets in five rural and rather remote Nordic regions, and the Faroe Islands (see map 2). The aim has been to identify both good practices and barriers to successful integration, and to understand the roles of labour migrants and refugees in these local labor markets. Nordregio has conducted the research on commission by the Nordic Working Group on Demography and Welfare.

AS STATED ABOVE, the population of the Nordic countries has grown by 15 percent since 1990, with two-thirds of this growth coming from immigration and the rest from national increase. In the past decade alone, 2.9 million people have migrated to the Nordic countries, including labor migrants, students, and refugees and their families (see figure 1). At the same time 1.6 million people emigrated from the Nordics.

Since 1990, there has been an increase in the percent of foreign-born in almost

every region within the Nordic countries, and the number of foreign-born persons has increased from 1.3 to 3.0 million. At the regional level the increase has been fastest in Rogaland, Oslo, and Akershus in Norway and in Reykjanes in Iceland. The only regions that have had declines in the percent foreign-born are some regions in central and northern Finland outside the larger urban areas, and most of Greenland.

Still the Nordic regions and municipalities differ substantially by the percent for-

ign-born (see map 1): The highest share of foreign born population can be found in southern- and mid-Sweden, in the larger city regions of Stockholm, Gothenburg and Malmö, and in larger city regions of Oslo and Bergen in Norway. Also on national level Sweden and Norway have a larger share of foreign-born population than the other Nordic countries, especially Finland. The Nordic average is 14.3% foreign born. Sweden has 17.1% on average, compared to Finland with 5.4% and Norway at 13.8%.

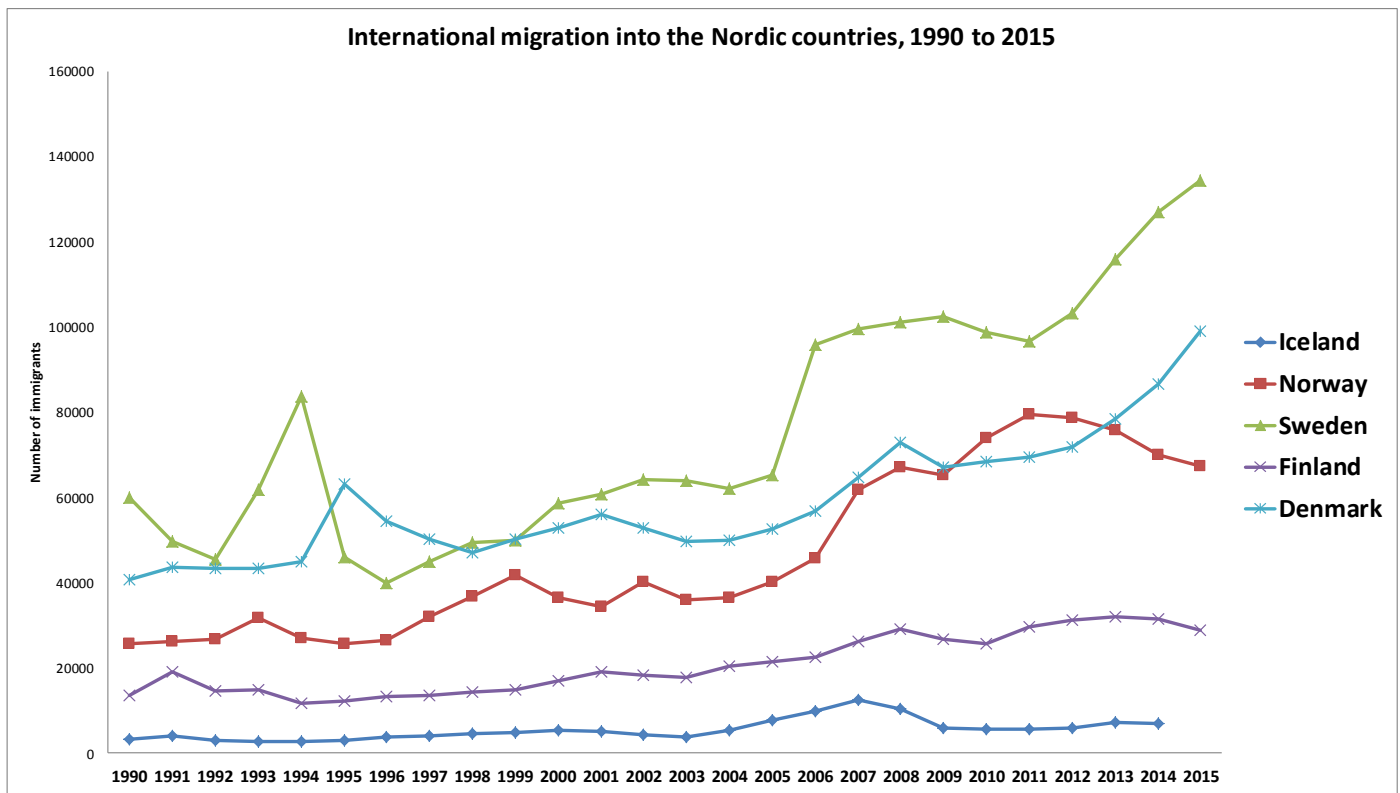


Figure 1: International migration to the Nordic countries 1990-2015. Source: National statistical offices

## Case studies

In the following sections, the integration policies and practices of the six Nordic regions and municipalities in the Nordregio case studies (see map 2) are described and compared. Encouraging practices have been emphasized to illustrate national and local responses to these issues.

### National and regional migration and integration policies and objectives

For many Nordic regions and municipalities, the rationale for attracting and integrating immigrants into local labour markets is related to tackling the trend of declining population. It is also linked to addressing demographic dependency rates and future labour shortages, and consequently enhancing the resilience and vitality of rural regions in particular. Integrating immigrants into the Nordic labour market also has the potential to improve innovativeness and internationalization of Nordic businesses. To address these issues and reach their immigration goals, many Nordic regions and municipalities have formulated local integration strategies to implement the national guidelines for integration.

**In Finland**, the *2020 Future of Migration Strategy* considers immigration as a way to solve Finland's dependency ratio problem (2016 might display the lowest birth rate since 1917). There is a common understanding that foreign labor force is needed in Finland and especially so in future, as a solution to the ageing population and population loss in rural regions. Attracting and integrating immigrants to local labor markets has also been linked to the increased innovation capacity by utilizing the skills of highly-educated immigrants and foreign graduates.

While for many large cities in Finland immigration appears first and foremost to be related to attracting highly-skilled labour and foreign expertise to strengthen the regional knowledge base and global competitiveness, many rural municipalities are approaching immigration and integration from the viewpoint of combating the ageing population and outmigration of the local youth.

The Finnish case example of **Punkalaidun** is one of the most vulnerable municipalities in the **Pirkanmaa** region in this regard, and therefore foreign immigration and integration of immigrants and refugees has become a salient topic

in the local development discussions. Besides providing labor for the local agricultural businesses and other companies, the refugees have increased the sales in local shops, cafes and restaurants.

**In Iceland**, integration of immigrants is focused on meeting labour force shortages.

### Key concepts

**Immigrant:** A person who moves to another country with the intention of staying for some minimum period of time and who receives legal permission to reside in the country of destination.

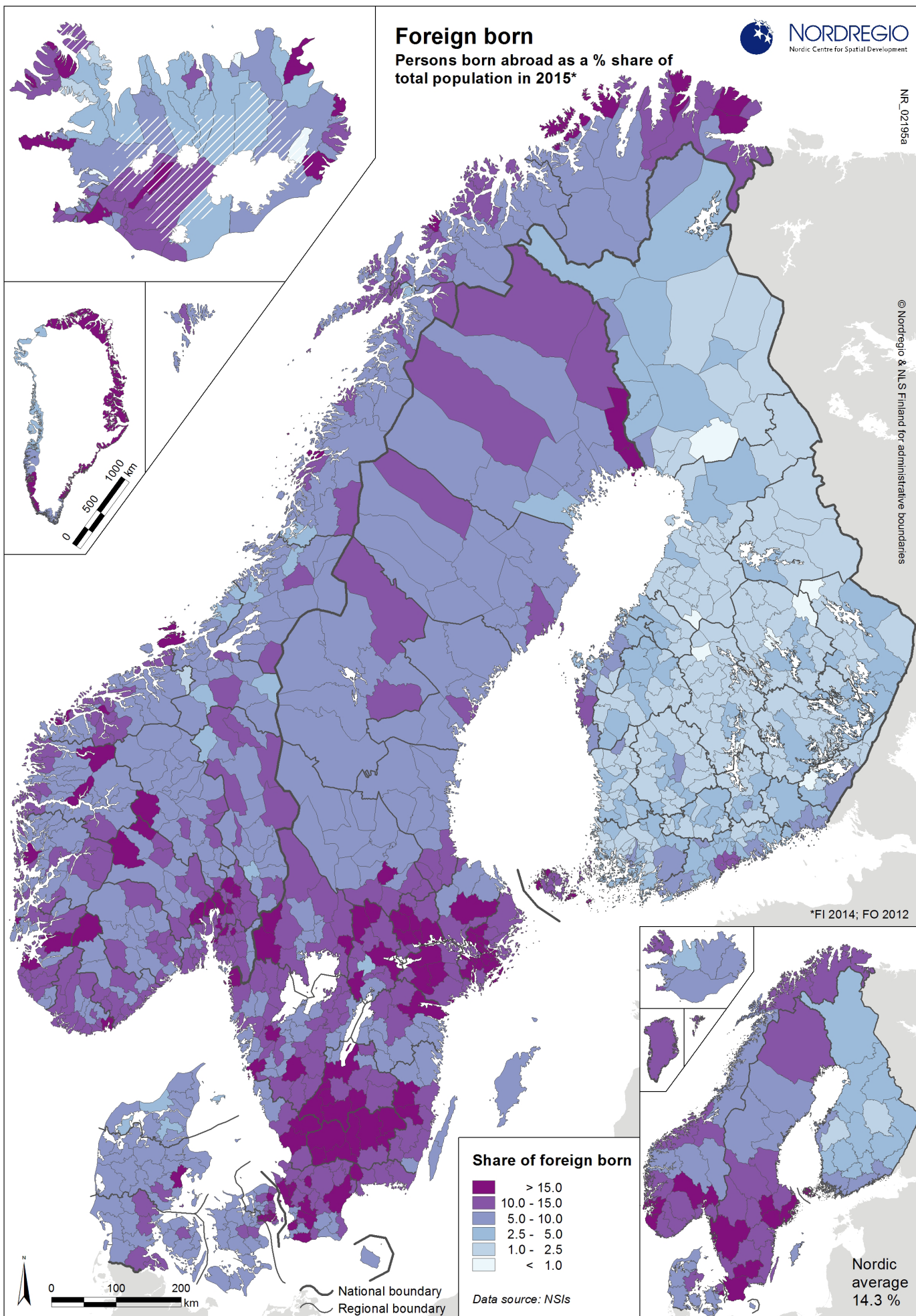
**Foreign born:** A person residing in a country, but born in another country.

**Refugee:** A person who has been forced to leave their country in order to escape war, persecution, or natural disaster. Refugees are defined and protected in international law.

**Asylum seeker:** A person who has fled from his or her own country due to fear of persecution and has applied for protection in another country but has not yet had their claim for protection assessed. Once these persons receive refugee status, they receive residence permits entitling them to stay in the country.

# Foreign born

Persons born abroad as a % share of total population in 2015\*



Map 1: Share of foreign born population as a % of total population in 2015.

A new law on immigration, entering into force in January 2017, has been designed to improve the appeal of Iceland as a work destination for foreign specialists. A national *multicultural centre* has also been established to improve integration practices. Currently, only quota refugees go through an integration program. No national strategic measures are in place to address the geographical distribution of refugees to rural areas, struggling with declining and ageing population.

However, a number of Icelandic municipalities are committed to tackling the above-mentioned issue independently. **Ísafjörður** municipality aims to tackle the population decline by making the municipality a more attractive place to live both for natives and immigrants.

Many companies in Ísafjörður rely on labour migrants in their operations and have their own channels for recruiting immigrant employees. The main integration challenge for the municipality of Ísafjörður is to improve the social interaction between labour migrants and natives, and to encourage the labour migrants to learn Icelandic – which is often disregarded by workers planning to stay in Iceland only short-term.

**In Norway**, the northern and coastal regions are highly dependent on foreign labour in the fishery sector. Norway constitutes a popular destination for foreign workers due to high salary levels which apply also for the unskilled labor. Compared to the other Nordic countries, Norway has successfully managed to maintain the population even in its northernmost regions.

**Nordland** county in northern Norway supports the in-flow of migrants through a number of measures, including *The immigration project* implemented in 2013 which seeks to attract 10,000 new inhabitants from abroad to the region by 2018. The project has proven successful and by the end of 2016 almost 8,000 people had immigrated to Nordland County.

**In Denmark**, there is no national policy on the attraction and retention of EU labour migrants as a response to population decline in general, but attraction of high-skilled labour has been in focus. There are so-called fast track schemes for easy entrance of highly qualified people such as engineers and doctors. The public

employment service directed at foreigners, *Work in Denmark*, is also targeting highly qualified foreign candidates.

However, certain municipalities in Denmark have addressed the potential of labour migration in tackling the negative demographic trends in a more deliberate manner. **Frederikshavn** municipality has recognized that a more permanent settlement of the relatively high number of EU labour migrants in the municipality could serve as a potential strategy for an otherwise declining population trend. A simultaneous aim is to ensure that the local businesses can maintain EU labourers with desired skills.

The municipality consequently encourages existing labour migrants to settle in Frederikshavn with their families by helping spouses to find jobs and assisting with practical questions while strengthening labour migrants' ties to the local community.

**The Faroe Islands** recently started to work on the issue of integration. In 2011, a working group was established and they produced a number of recommendations for the future work on immigration and integration, including the recently established Immigration Office. The Faroese labour market was opened up to EU labour migrants; primarily as a response to labour shortages. **Klaksvík** municipality has been a local pioneer and formulated a municipal integration policy in 2015, targeting labour migrants and their families. This initiative could now be extended at the national level. So far the islands are not receiving refugees.

**Sweden** has received and actively attracted labour migrants since the 1950s. The country has also welcomed substantial numbers of refugees over the years. Integrating immigrants into the labour market is a key component of the Swedish integration policy. Accordingly, the target of the Swedish government is that newly arrived refugees are either working or studying within two years from the issuing of the residence permit. In the case of asylum seekers, further ambitions have been articulated in this regard for a more efficient use of the time waiting for asylum, focusing especially on mapping and building newcomers' competencies.

The issue of integration is not salient only in the larger Swedish cities but rel-

evant also for the more rural regions with declining population. In **Jämtland**, the population has been decreasing since the 1950s while the population in Sweden in general has increased. Jämtland also has the second lowest share of foreigners of the Swedish regions, only 8,6% compared to the average of 17%. Consequently, Jämtland has placed emphasis on attracting a greater share of the national migration flows from abroad to the region. One of the regional aspirations is to encourage the newly arrived refugees hosted in Jämtland to stay in the region even after receiving their residence permits. This demographic logic is reflected in different regional and municipal strategies present in the Jämtland county, and efforts have been made to improve the regional institutional capacity to receive and assist immigrants. A significant step was taken in 2012, when the National Migration Agency opened a regional office in Jämtland.

#### Procedure of placement: Housing for labour migrants and refugees

The procedure of placement and housing for refugees varies country by country; for instance, in Sweden all municipalities are obliged to receive refugees by law whereas in Finland it is a voluntary process where the municipalities decide whether to receive and accommodate refugees or not. Depending on the local housing market, refugees are housed in private leases, social housing or new dwellings. Housing for labour migrants tends to be a matter for the employer or the migrants themselves. The key issues are related to housing shortages and a mismatch between available accommodation and employment opportunities.

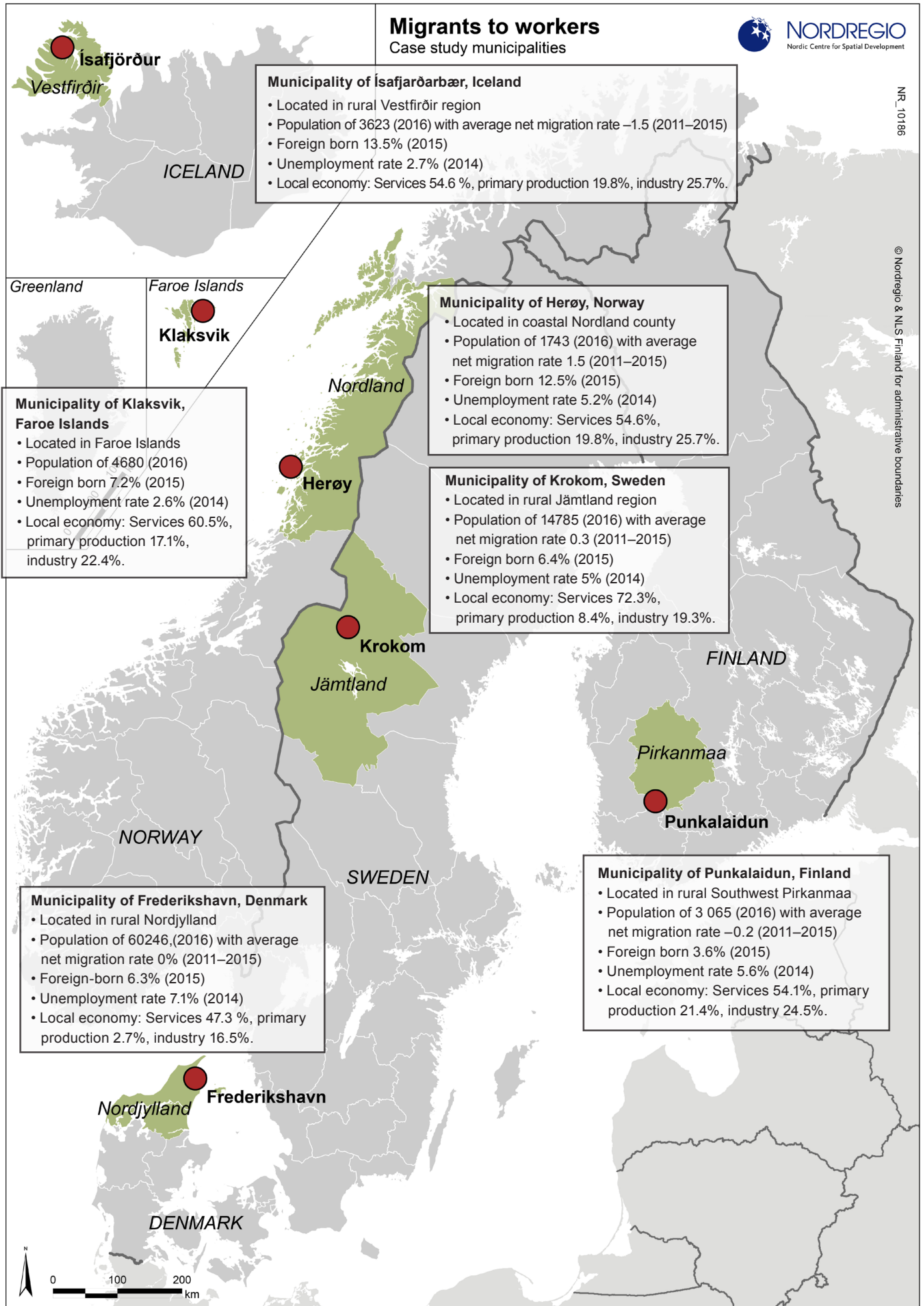
**In Finland**, the regional Centres for Economic Development, Transport and the Environment play an important role as they conduct the negotiations with the municipalities (and local asylum centers) regarding the reception and allocation of refugees to the municipal level.

The municipality is in charge of providing all the basic services, including housing. The state reimburses the costs.

**In Iceland**, the shortage of housing available for immigrants, especially in the capital area, has triggered a pilot project aiming to find municipalities that have

## Migrants to workers

Case study municipalities



job opportunities and available housing to offer refugees. The poor housing situation has also been pinpointed by local companies to affect their foreign recruitment attempts negatively. The Ministry of Welfare has also been working on equalizing people's status on the housing market. Great importance is placed on improving the rental market and the position of foreign-born tenants.

**In Norway**, the Directorate of Integration and Diversity (IMDI), in cooperation with the municipalities, makes the plan of how to settle the refugees across the country. Housing policy and language training are defined as the core aspects in the work of attracting and maintaining migrants in the rural areas of Norway.

**In the Faroe Islands**, housing for labour migrants is a matter for the employer and/or the employee. A recent change to the law has made it easier for home owners to rent out (parts of) their property – improving the Faroese housing market.

**In Sweden**, a new law since March 2016 stipulates that all municipalities have to receive refugees. The purpose is to get a more even distribution of refugees

throughout the country. In Jämtland, a *principle of proximity* has been tested, meaning that refugees who are motivated to settle in the region after their asylum process are offered housing close to where they stayed during the asylum process. This has become a success, leading to increased numbers of persons staying in Jämtland: from 44% of refugees in 2012 to 71% in 2014.

### The language issue – what courses are available and are they effective?

Language training for asylum seekers, refugees and labour migrants is available across the Nordic countries, but the effectiveness and availability of language courses varies depending on the country and region. The one to two years of language training, which is the usual amount provided free by the state, is seldom enough for mastering a Nordic language, which causes further problems in finding a job or accessing additional training. Combining language studies with more simultaneous interaction with the society and working life has become an increasingly popular alternative solution. This

could also be a way to motivate language learning among labour migrants that are not planning to stay permanently but end up staying for many years without mastering the local language.

**In Finland**, one year of free language training is provided for both refugees and labour migrants, and the level of training can be adjusted individually. The asylum seekers start learning the Finnish language already at the asylum center with the prospect of speeding up the integration process and to using time in the asylum center in an effective manner.

**In Ísafjörður in Iceland**, language classes for labour migrants are provided by the Educational Centre and subsidized up to 75% by the labour unions. However, few immigrants continue their studies after the first course: motivating language learning among employees that are not planning to stay in Iceland permanently has proven challenging.

**In Denmark**, labour migrants are offered 250 hours of initial training in Danish. After completing this curriculum, a person is entitled to additional language training on three levels depending on educational background. This applies to



Ísafjörður in the northwest of Iceland.

refugees as well. Tuition is free and offered by a variety of actors, both public and private.

In Frederikshavn, companies are encouraged to offer language tuition for labour migrants during working hours in order to increase participation. The aim is two-fold: being able to communicate in Danish increases the general integration in Denmark for the individual while simultaneously, from the employers' perspective, a better command of Danish will also increase productivity.

### Skills monitoring and education validation for asylum seekers and refugees

There appears to be a common goal in the Nordic countries, especially following the increased refugee flows, to enhance the skills monitoring and validation of skills of asylum seekers and refugees upon arrival, in order to speed up the integration process and to truly consider the refugees as a potential part of the local labour markets. These attempts suggest a need for increased collaboration across administrative levels and between migration officials and employment agencies.

**In Pirkanmaa region in Finland** there is an increased focus on mapping the competencies of refugees and asylum seekers early on in the process. At the local level, the municipality of Punkalaidun has put an emphasis on the matching of migrants' competences and their compatibility with the local labor market needs, and its rural setting, already when selecting quota refugees from refugee camps abroad.

**In Denmark**, in the integration agreement *Better environment for hosting and integrating refugees* between the Danish Government and the nationwide municipalities' organization KL from March 2016, mapping of refugees' skills and education is one focus area. A new portal *Education and integration* aimed primarily at employees, municipalities and those working at asylum centers provides information on opportunities for mapping and upgrading of refugees' skills.

**A regional agreement has been set up in Jämtland, Sweden**, concerning the roles and responsibilities of the different actors in the process of receiving refugees. The Migration Agency is responsible



*A Filipino migrant in the fish factory where he works in Flateyri, Iceland.*

for the mapping of refugees' background during the asylum period. Closer collaboration with the Swedish Public Employment Service is important to make the mapping more useful in the job matching process. The Employment Service is also responsible validation systems in various sectors. Moreover, regional employers play an increasingly important role in the validation of competencies – and in offering targeted courses to strengthen or complement these.

### Vocational training, job placement and job matching at the local level

Vocational training and job placement activities constitute a prominent way to provide work try-outs, especially for refugees. Many Nordic regions are advocating for this approach, but finding placements can be challenging since not all employers are willing to invest in training persons with limited Nordic language skills and a foreign degree and work experience.

The job matching challenge – especially in terms of refugees and their labour market integration – is a persistent one. Many Nordic regions and municipalities are struggling with disparities between the

local labour market needs and the skills possessed by the refugees. Improved validation of refugees' competences and targeted vocational training is one way forward. Another one is to make it more attractive for employer to provide apprenticeships.

**In Pirkanmaa region in Finland**, increased attention is given to more tailor-made, flexible and quicker ways to integrate refugees into the society and labor market. Regional try-outs of mixed language training and work-life experiences ('traineeships') have been launched for newly-arrived immigrants. For instance a regional college in Pirkanmaa provides educational services for adult asylum seekers at Punkalaidun asylum center already during the asylum application process.

As a regional example for competence matching regarding the labor migrants, the regional employment agency of Pirkanmaa region in Finland has launched a new recruitment service called "Jobs for Immigrants". The aim is to help immigrants find positions in their area of expertise and find work try-outs. The regional capital of Tampere has also established *Talent Tampere* network to promote the matching of local employers and

international experts, focusing especially on the fields of regional expertise around mechanical engineering and automation, ICT and life sciences.

In their integration approach, the municipality of Punkalaidun emphasizes the early matching of the refugees' competences with local labour market needs.

**In Norway**, the introduction programme for refugees include short training periods at a local workplace. Still, the two year introduction has been criticized for lack of preparations for the refugees' participation on the labour market. Refugees arriving without much education often end up competing with labour migrants over low-skilled jobs.

**In Denmark**, the Frederikshavn municipality has recently initiated a new structure of their language tuition for refugees, more closely connected to job placement options in local companies. After a certain period of employment in Denmark, labour migrants can use the same options for vocational training, internships and other unemployment schemes as all unemployed residents in Denmark. In Frederikshavn, some measures are taken to assist spouses of labour migrants in finding jobs.

**Jämtland in Sweden** demonstrates well the challenges that sparsely-populated regions face in providing vocational training. Long distances and low population density makes it challenging to fill vocational training classes: the number of students may be low in smaller towns and villages whereas collecting students to fewer locations can prove challenging due to long commuting distances.

However, in the field of finding work placements and internships for immigrants, Jämtland showcases a good practice in tackling the issue. In the municipalities of Östersund and Strömsund, apprenticeships and internships for immigrants are organised especially in the public sector and at the regional and municipal administration in order to provide work experiences and to serve as an example to other employers.

Lack of time and resources from the employers' side is a common impeding factor when discussing job placements for immigrants. In Jämtland attitudes towards mentoring trainees turned more positive once the employers took a stra-

tegic decision and started to organize preparatory courses for mentors and also substituted the regular staff when they were away doing mentorship tasks.

### The existence, role and importance of a local integration coordinator

A good practice prevalent in most of our case study regions is the establishment of a local integration coordinator. The coordinator's role is to assist newcomers with practicalities and administrative matters, and to build bridges between them and the local society. Often the integration coordinator also plays a crucial role in the integration of immigrants to the local labour market, which in turn requires good knowledge of the local labour market as well as extensive networks and ongoing dialogue with potential employers.

Currently, many positive outcomes seem to depend heavily on the individual efforts and devotion of the integration coordinator. In many cases, the post of integration coordinator is funded through project money. With these factors in mind, paying further attention to the long-term sustainability of the promising integration coordinator approach could be further encouraged.

**In Herøy municipality in Norway**, the local integration coordinator holds individual talks with all refugees regarding their background and their future job opportunities. The coordinator is also responsible for all administrative processes including paying the monthly allocation, supporting the refugees getting the right documents as well as ensuring everything works out well with the introduction programme.

**In the Faroe Islands**, an integration coordinator has been permanently employed at the Immigration Office since 2015. He started off by developing a booklet with all relevant information for newcomers to the Faroe Islands. Other goals are to improve the language training in Faroese, and to make the capacities and contributions of the non-Faroese more visible in the local communities. The integration coordinator has become the a key person for various integration initiatives.

Besides their regular service obligations, some of the municipalities in **Sweden and Finland** have a special coordina-

tor focusing on connecting newly arrived refugees with jobs and internships. The coordinators in Krokoniemi municipality (SE) and Punkalaidun (FI) map competencies and interests among the newly arrived and the needs among local employers, and provide matchmaking.

### The role of civil society organizations in the integration process

Another key to good integration practice is the engagement of the local community (the public sector, companies and NGOs) in welcoming the newcomers. Many local third sector actors provide activities for reciprocal integration, mentorships and cultural encounters, including bodies such as the Red Cross, Refugee Councils, the regional congregations, sport clubs etc. When newcomers get involved in the local networks their chances of finding jobs also increase.

**In Iceland**, The Icelandic Red Cross offers refugees and other immigrants an open house twice a week at their headquarters in Reykjavik. The purpose is to strengthen their participation in Icelandic society. Assistance is provided, especially with finding housing, but also jobs, making CV's, finding inexpensive furniture, learning opportunities and study support, etc.

**In Norway**, Nordland County has worked with a holistic approach on regional attractiveness, focusing on integrating migrants into local leisure activities. Civil society organizations can apply for funding regionally as well as nationally for organizing inclusive activities.

**In Denmark**, many actors acknowledge that civil society plays a pivotal role for a successful long-term integration of newcomers. In Frederikshavn, the local sport club is very active in engaging immigrants with the support of the municipality. Another novel initiative is a language café, acting both as an intercultural meeting place and a forum for improving language skills.

**In the Faroe Islands**, the larger municipalities (Torshavn, Klaksvik and Runavik) as well as NGOs are organizing events such as festivals and knitting cafes to increase interaction between the immigrants and the Faroese.



### The role of regions in the process: Their support to the municipalities

In some Nordic countries, the regions have an important role to play in facilitating, coordinating and enhancing the municipal efforts in integration. Besides serving as the voice of the municipalities and directing funding for integration activities, the regional level is also in the key position to coordinate and promote collaboration between the municipalities, companies, authorities and other organizations for better integration of the immigrants and refugees to the local labor market and society. The regions also have an important role in communicating existing good practices and encourage

others to follow suit. The recent refugee crises have highlighted the need for an increased and enhanced collaboration across different tiers of government.

**In Finland**, national integration policies are applied through the regional Centers for Economic Development, Transport and the Environment, and the regional employment offices (TE office). Regions are also helping in branding the municipalities as good places to stay by providing info about employment opportunities, services, leisure possibilities etc. Recently a national network *At home in Finland* was created to engage regions into collaboration and joint learning of good practice on integration of immigrants.

**In Nordland County in Norway**, the *in-migration project* has proven impor-

tant to test new pilot initiatives at the regional level to attract migrants to settle on a long-term basis. Other important aspect has been the reference group of migrants connected to the project and a specific regional funding available for enhanced cooperation between public institutions and civil society organisations.

**In Sweden**, the Region Jämtland-Härjedalen is responsible for *the Regional strategy on increased settlement and improved integration 2015–2020*. The Region has an important role as mediator vis-à-vis the government, and as negotiator with the municipalities on how many refugees to place annually. It also supports the municipalities in the receiving process, facilitating sharing of good practices.

## Conclusions and policy implications

■ Immigration and successful integration are vital to rural towns and regions facing population decline and labour shortages: These should be treated as regional growth issues, not social challenges.

■ Social inclusion of both labour migrants, refugees, and their families is central to encourage them to stay long-term in rural areas.

■ Housing is a major challenge in all countries. Increased access to rental apartments is one solution. Another is to make it easier for home owners to rent out parts of their property.

■ Language is crucial for long-term integration: Labour migrants need stronger incentives to study, considering their short-term perspective on residency. Training at work is one way forward. Access to language courses while waiting for asylum is another issue, already in place in Finland. E-learning is key in remote areas.

■ Mismatch between refugees' skills and job requirements is a challenge in many of the regions – In Norway and Denmark refugees at times compete with labour migrants over unskilled jobs. Finland is more in need of highly-skilled labour. To better consider the labour market needs at the local level vis-à-vis refugees' individual competences and interests can be one solution.

■ Earlier mapping of skills and competences is a top priority in all countries – followed by improved validation and vocational training – preferably within sectors with labour shortages e.g. health care.

■ Companies and public employers play a major role in providing validation and apprenticeships: Authorities need to make it attractive to welcome apprentices through mentor courses and benchmarking. In Jämtland even the Mayors have apprentices.

■ Various online mapping and matching tools are being developed by employment agencies and branch organisations to improve job matching.

■ A local integration coordinator seems to be very effective in solving integration challenges – finding housing, internships, jobs, mentors, and leisure activities for migrants and refugees.

■ Civil society organisations such as the Red Cross play an important role for integration in all countries. They provide meaningful activities, meeting places, language practice and social networks that can lead to jobs.

■ Successful integration requires clear and consistent political leadership and collaboration between many actors at different levels: Regions can do more to facilitate this.

## About this project

The 'Migrants to Workers' project started in September 2015 and will be finished in December 2016. Nordregio has conducted the research with the Nordic Working Group on Demography and Welfare as the client. A full Working Paper will be published early 2017.

The aim of the qualitative portion of the 'Migrants to Workers' project was to examine immigration and integration policies and practices at the national and local levels – with a focus on rural or remote regions with declining populations.

The goal was to try to understand how the process of integration was carried out at local levels and to identify both best practices and barriers to successful integration. Following a desk review of current national policies, in-person case studies were conducted in all five of the Nordic countries and in the Faroe Islands. Interviews were conducted with local officials,

schools, businesses employing immigrants, employment offices, and immigrants themselves. This policy brief highlights the key findings from the case studies.

### **Case study regions:**

Iceland: Ísafjarðarbær kommune, Vestfirðir

Norway: Herøy kommune, Nordland Fylkeskommune

Sweden: Krokoms kommun, Jämtland

Finland: Punkalaidun, Pirkanmaa region

Denmark: Frederikshavn Kommune, Region Nordjylland

Faroe islands: Klaksvíks Kommune

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