

Lifelong learning - Norwegian experiences

## Qualification and labour market integration of immigrants and refugees

The nations of Europe are faced with challenges concerning the needs of both society and individuals for skills, employability and for workforce mobility. Developing a knowledge-based society requires efficient investments as well as the best possible use of existing qualifications and competencies at the individual, enterprise and societal levels.

This is one of three essays that portray and discuss Norway's experiences with developing and implementing a policy on lifelong learning directed towards adults. Norway was a relative pioneer in developing a comprehensive national lifelong learning strategy, which goes under the label the Competence Reform. These reform efforts have been ongoing since the late nineties, with implementation from 2000 onwards.

The three essays focus on different aspects of Norwegian efforts and measures in the area of lifelong learning:

Essay 1: The role of the social partners in developing and implementing lifelong learning policies

Essay 2: Validation of non-formal and informal learning

Essay 3: Qualification and labour market integration of immigrants and refugees.

The aim of these essays is to facilitate European and cross-national learning in line with the principle of open coordination

## Lifelong learning - Norwegian experiences

# Qualification and labour market integration of immigrants and refugees

Immigrants from non-Western countries have significantly lower labour market participation rates than native Norwegians. Statistical evidence has shown that large groups of immigrants have developed a more or less permanent dependency on social assistance<sup>i</sup>. The immigrants' problems in the labour market are mainly related to:

- Lack of relevant skills
- Problems validating and using skills
- Discrimination
- Poverty traps

The situation of immigrants in Norway is similar to that of immigrants in the labour markets of most European countries. And as in most other European countries, higher educational and labour market participation rates are central goals of Norwegian integration policy<sup>ii</sup>. This paper summarises recent research related to problems 1 and 2: How do we supply immigrants with the skills relevant to the Norwegian labour market, and how can their competencies best be used? However, problems of discrimination and poverty traps are deeply interlinked with the first two: discrimination is largely related to employers' uncertainty about immigrants' skills, and effective qualification at an early stage in the integration process can reduce the risk of falling into poverty traps. Immigrants in the Nordic welfare states are particularly vulnerable to poverty traps, due to the combination of

generous welfare policies and relatively inflexible labour markets with high thresholds to employment.

### Lack of relevant qualifications

In order to qualify for participation in Norwegian working life, many immigrants need job training and improved language skills. On 1 September this year, Norway will implement a major reform of integration policy that addresses this problem. With the new Introduction Act, immigrants and refugees with less than 5 years of residence will be covered by so-called introductory programmes, which are intended to provide them with qualification services. The new act introduces full-day individualised qualification programmes, and cash benefits are made contingent on participation in these programmes. Local municipalities that settle refugees are obligated to provide these introductory programmes. Immigrants and refugees with more than 5 years' residence, however, are covered by the general welfare and labour market services. The government has proposed that as of 2005, 300 hours of language training will be made obligatory and must be completed before permanent residence or citizenship is granted. For immigrants and refugees who need and want more training, up to 3,000 hours of free language training will be made available regardless of whether or not they are covered by the intro-

ductory programmes. However, EU/EEA citizens and labour migrants and their families who have arrived after 1 January 2003 will not be offered this service.

### Introductory programmes

The responsibility for qualification services for refugees and immigrants has traditionally been divided between the central government through Aetat (the Labour Market Administration), which has been responsible for labour market services and job training, and local governments, which have been responsible for language training and income provision. Before the new Introduction Act, which is coming into force this year, there were no minimum standards for the qualification or integration services provided. As a result, local variations in integration activities were substantial. In response to this, between 1998 and 2003 the Ministry of Local Government and Regional Development (KRD) and the Norwegian Directorate of Immigration (UDI) initiated and funded a total number of 26 pilot projects involving full-day “obligatory” qualification programmes for newly arrived refugees, with a emphasis on workplace training. The new Introduction Act had been drafted while these pilot projects were up and running and was passed when they concluded.

The pilot projects were evaluated twice while they were still running and finally in a follow up study two years after their completion<sup>iii</sup>. The evaluations concluded that the application of new methods sped immigrants’ integration into the labour market. However, the evaluations stressed that the pilot projects succeeded only partially in adopting the new methods, and that their implementation raised some ethical concerns.

The central elements of the programmes were the following:

- *Alternative income provision:* Cash benefits were made contingent on participation in a qualification programme. Unexcused absence led to a deduction in the cash benefit. The evaluations concluded that economic incentives raised attendance in the courses, but that incentives alone had no effect on language skills or labour market participation.
- *Close follow-up:* A contact person from one of the cooperating local government agencies was to be assigned to each refugee, so that the refugee would be spared from dealing with several different government agencies or persons within an agency. The evaluations concluded that projects that systematically confronted and guided participants who were about to suffer financial sanctions had better results than other projects, both on language progress and labour market participation.
- *Ascertaining skills and aspirations, and individualised qualification plans:* In order to tailor the qualification activities to the individual needs of the participants, the importance of ascertaining their educational and occupational background was underscored. This turned out to be a challenging task, and the evaluations demonstrated that the actual plans often did not fulfil the intentions of the measure. Nevertheless, the importance of individualisation was demonstrated by the fact that the minority of participants who resented the introductory programme often cited the lack of relevance of the qualification activities as a major reason for their discontent.
- *Cooperation between agencies involved in integration activities:* Well-functioning cooperation among all the official bodies involved is essential to all successful integration efforts. However, the new methods that

were tried out have not succeeded in solving the problems arising from the vague division of responsibility among the different agencies involved. Hence, the lack of adequate cooperation among projects, Aetat, local governments and the workplace remains an obstacle to effective integration.

- *Job training:* Job training was to be introduced at a much earlier stage in the qualification process than previously and was to run in parallel with language training and other qualification activities. The evaluations showed that participants who took part in job training made better progress in language skills as well as had higher transition rates to ordinary jobs. Participants with little educational background made particularly good language progress with job training.

Findings on the long-term impact of participation in introduction programs indicate that former participants traced in public registers three to five years afterward have a significant higher rate of participation in employment than programme non-participants. This positive long-term effect appears to be especially pronounced among women.

The lack of effective implementation may raise ethical questions concerning some of the new methods. Refugees are often in a very vulnerable situation, and the power differential between project staff and participants is imbalanced in the extreme. This makes it vital that the element of compulsion in the introduction programmes does not lead to the abuse of this overwhelming power. When the programmes are not perceived as meaningful and effective by participants, and variations in implementation create differentiated treatment of participants, the use of compulsion can border on abuse. For the ethical legitimacy of the programmes it is therefore important to overcome implementation bottlenecks. However, when

effectively implemented, the new integration methods can improve living conditions and the quality of life of immigrants and refugees by preventing them from falling into passive and unhealthy careers as long-term welfare clients.

One of the original intentions of the qualification programmes was to qualify the participants both for work and for further education in Norway. However, the evaluations show that the programmes have been less successful in preparing participants for further education than in preparing them for employment. Very few participants have pursued further education after completing the introduction programmes.

### Workplace training

The new introduction programmes targets only newly arrived immigrants and refugees. Other immigrants in need of labour market services continue to be covered by the general public service providers.

In 1996, in cooperation with Aetat, the social partners initiated the so-called "Sponsor Scheme for Immigrants" (*Fadderordningen for innvandrere*), which provides workplace training, subsidised internships and other means for increasing immigrants' participation in working life<sup>iv</sup>. Several subsequent studies have pointed out positive effects of work training as part of qualification schemes targeted at immigrants: The Competence Development Programme (KUP, part of the Ministry of Education and Science's implementation of the Competence Reform) financed several projects using the workplace for skills and language training. An evaluation of the projects emphatically notes that participants in, as well as employees of, in the workplace training projects clearly state that this is more effective and profitable than classroom education alone<sup>v</sup>. Being able to use their new skills on the job boosts motivation,

and learning Norwegian in a natural social setting like the workplace makes language training more effective. The participants also acquire valuable knowledge on how to function socially in a Norwegian work setting and sometimes even plug into a useful network in the labour market. The evaluation also lists conditions for how work training should be organised: To be effective, work training needs to be provided at the work place during working hours. The demand and needs for labour within companies and trades, along with the skills and educational needs of participants, should be ascertained in order to individualise instruction. Also, the qualification projects should be embedded in the organisation as a whole, including supervisors and other employees, and be subject to continuous evaluation, in which participants are given a say.

The evaluations of the pilot projects suggest that one of the reasons job training is such an effective tool is that such training provides an opportunity for the refugees to demonstrate their skills to their employers. The Norwegian labour market is highly regulated, with relatively high wage levels even for unskilled work and solid employment protection. This tends to increase employers' risk-aversion: Research indicates that in most cases discrimination is not due to racial prejudice, but to risk-aversion by Norwegian employers. Often, employers feel that they don't know what they are getting when hiring immigrants, so they play it safe by hiring Norwegians instead<sup>vi</sup>. On-the-job training offers an arena where employers can gain experience with immigrants as employees, without taking on the full responsibility of an ordinary engagement. Employers involved in qualification programmes, job training and vocational tests have often been active in mediating internships and have often functioned as gate-keepers into the local labour market. For many of the candidates it was important

to have someone in the same line of work who could vouch for them to potential employers.

### Problems with validating and using competencies

Many immigrants and refugees coming to Norway have education and/or work experience from their home countries that they want to make use of in Norway. However, many of them lack documentation that is recognised by Norwegian employers and educational institutions. This can be a major obstacle to immigrants and refugees' participation in education and employment. Effective use of immigrants' competencies require that:

- their skills are ascertained early in the settlement process
- their education can be validated and accredited
- their non-formal and informal qualifications can be validated through vocational testing, if other documentation is not available.

Ascertaining the skills of newly arrived refugees is important in the settlement process in order to match their qualifications with local labour market needs and educational services. This is a stated goal of Norwegian immigration authorities<sup>vii</sup>. However, because other stated goals – like settling refugees within six months after they are granted residence – are often given higher priority, this has proven difficult to implement<sup>viii</sup>. In the new introduction programmes, ascertaining skills and experience is the first step in creating individual qualification plans.

Immigrants who have education from abroad and who want to practice their trade or profession in Norway or plan on taking further education need to validate their education and obtain accreditation from a government agency that can translate their foreign education into its Norwegian equivalent. Given the variety of edu-

cational systems around the world, this is often a difficult and time-consuming process and represents a major hurdle for immigrants' educational and professional careers in Norway. Improving the system for validating and recognising foreign education has long been a stated goal of the Norwegian government. Today the general recognition of foreign higher education is administrated by a newly established agency for quality in education (NOKUT), while evaluating the specific content of particular education is left to the educational institutions. An evaluation of the agency previously responsible for this work (NAIC) has shown that an increase in staff has led to improved effectiveness<sup>ix</sup>. However, the standards for recognising foreign education are often felt to be very high. For example, secondary education from non-European countries is usually not enough to qualify for higher education in Norway. A couple of years of studies at college/university level are often required as well<sup>x</sup>. The question of whether these standards are too strict has not yet been evaluated.

Many immigrants have qualifications that are impossible to document or do not meet the requirements for recognition. For these people, vocational testing can be a way of formalising their qualifications. Vocational testing is a method whereby theoretical and practical non-formal and informal competencies on the secondary level can be validated. With the Competence Reform, access to vocational testing has become a legal right. The method consists of interviews and a practical test leading towards a competence passport, and can either be used as a substitute for a traditional skills certificate when seeking employment or lead towards further secondary education in Norway. An evaluation shows that vocational testing can be a useful tool in reducing uncertainty about applicants' qualifications, especially when combined with close follow-up by Aetat<sup>xi</sup>. If the goal is to

get the participants into the labour market as quickly as possible when there is an immediate need for labour, using the competence passport as a substitute for a formal skills certificate when applying for jobs can be effective. However, if the goal is a more stable connection to working life, the evaluation concludes that using vocational testing as a first step towards a formal skills certificate is a more viable strategy. Although in many cases the candidates have skills that are sought by employers, most participants have a need for further training. A central goal for validating non-formal and informal qualifications is therefore to ensure that adults who want and need further training can be admitted at the right level of the educational system and thereby reduce time spent in school. This is important for the candidate's own motivation as well as for preventing needless public expenditure. However, as the evaluations of the introduction programmes suggest, making the transition from qualification programmes to further education has proven more difficult than making the transition into the world of work.

### Summary

The lack of relevant qualifications and problems validating and using the qualifications they have are the main obstacles to immigrants' participation in employment and education. However, recent research shows that certain policy measures have been effective in enhancing the performance of integration efforts:

- Pilot projects with full-day introductory programs for newly-arrived refugees similar to the ones made obligatory this year have proved effective in increasing language proficiency and work participation rates.
- Effective ingredients in the programmes are: alternative income provision contingent on participation, close follow-up, ascertaining skills and aspirations, individualised qualification plans, and cooperation from an

early stage among agencies involved in integration activities and work training. However, there are several bottlenecks retarding effective implementation.

- Work training programmes targeted at persons not covered by the new Introduction Act have also proven to be effective in increasing language skills and as door openers to the job-market for unemployed immigrants.
  - Ascertaining newly arrived immigrants skills and aspirations early in the settlement process is crucial for effective integration.
  - Improving the system for validating and recognising foreign education and skills is important for better use of immigrants' qualifications. Current requirements and standards are often felt to be very high.
  - Vocational testing makes it possible to validate and accredit theoretical and practical non-formal and informal competencies on the secondary level, and can be a useful tool in reducing uncertainty about applicants' qualifications. If the goal is a stable connection to working life, vocational testing is most effective as a first step towards a formal certificate of skills, boosting motivation and reducing time spent in school.
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