



Summary and conclusions

In 2010 the Swedish PES was given responsibility for coordinating the introduction system in accordance with the Act on introduction activities for certain newly arrived immigrants (2010:197). The reform meant that the responsibility for introducing newly arrived immigrants was transferred from municipalities to the PES. The overall purpose of the reform was to facilitate and speed up introduction of newly arrived refugees and their families. Preparatory and orientation training is the most common introduction activity, and is also one of the PES's largest measures. In 2017 there were 75,000 participants in the measure, 42,000 of whom as part of the introduction system. Preparatory and orientation training consists of several different types of training, and within the introduction system the most common are *Knowledge validation* and *Occupational Swedish*. The cost of preparatory and orientation training totalled SEK 2.2 billion during the year.

The Swedish NAO has previously audited the preparatory and orientation training scheme. A first report (2016:21) scrutinised the PES's governance, use and follow up of the measure. A second report (2017:20) investigated the impact of participation in preparatory and orientation training, on the participants' earnings, and other outcomes. The first report showed that the governance allows employment officers the opportunity

to use the measure in a flexible way, and that the measure is sometimes used to ensure the activity level for participants in the introduction system. The audit also showed that follow-up and analysis of the results of the measure could be improved. Knowledge about the outcomes for participants can be used to develop the activity and to ensure that the measure is used in the best way possible. The second report was limited to participants in preparatory and orientation training outside the introduction system, and on average showed negative impacts of participation in preparatory and orientation training as a first measure, compared with not participating in any programme or with participating in work placement. However, for people born outside Europe and for people with an educational level up to pre-secondary school the effect was positive. Participants in the introduction system were not included in the analysis, since it was not deemed possible to examine the impacts for participants in the introduction system using register-based analysis. But since the majority of participants in preparatory and orientation training are included in the introduction system, the Swedish NAO considers that it is important as far as possible to study participants' outcomes. Consequently, this report supplements the previous report (2017:20) and is included in the framework of the same audit. Knowledge of outcomes for participants in various measures is fundamental for effective use of the resources allocated to the PES and its activities.

Purpose and implementation of the audit

The purpose of the audit is to increase knowledge of outcomes for participants in preparatory and orientation training as part of the introduction system. The audit essentially examines whether and when the participants leave the PES, and what the people who have left the PES do after their participation. For example, they may have found a job, started regular education or left the workforce for other reasons. We also examine what measures those who are registered with the PES take part in.

The implementation follows as far as possible the implementation in the previous report in this audit area (Swedish NAO report 2017:20). This audit is limited to participants who started the introduction system in 2011. 2011 was the first year of the introduction system. The reason is that we want to be able to follow the participants for as long as possible after starting the introduction system. The audit is mainly based on administrative data, and the participants' labour market outcome is monitored up to and including 2015. The starting point is participants in preparatory and orientation training as their first introduction activity. However, newly arrived immigrants normally participate in several measures included in the introduction system after the initial activity. In the audit, the term activity refers to measures corresponding to a labour

market policy programme. The audit also reports findings for participants in work placement as their first activity, and those who have not participated in any activity corresponding to a labour market policy programme within the introduction system. The latter group may, however, have participated in other activities such as SFI (Swedish training for immigrants) or civic orientation. The participants in work placement made up one of the comparison groups in the previous report (2017:20). Work placement is also the activity that, after preparatory and orientation training, is the most frequent in the introduction system. However, in this report any differences in outcome between those participating in different measures is not to be interpreted in terms of impacts (causal links). To be able to establish causal links, the groups compared must be sufficiently alike so that any differences in outcome can be ascribed to the measure. To be able to find such comparable groups on the basis of administrative data requires very detailed information on the individuals and their history. For example, previous unemployment and working life experience have proved to be important factors. This type of information does not exist for the group of newly arrived immigrants. Differences in outcome between the groups may thus be due to their participation in various activities, but the differences may also be because individuals that participate in various activities differ in other ways. The findings that emerge are presented broken down into men and women and into participants with different educational levels. Further, a survey was carried out too provide a background to how employment officers in the introduction system work on allocations.

Audit findings

Of the individuals starting the introduction system in 2011, just over 90 per cent participated in some activity that corresponds to a labour market policy programme. Of these, just under 90 per cent in preparatory and orientation training as first activity and just under 10 per cent in work placement. Of those who participated in preparatory and orientation training as first activity, about 40 per cent have at some time within the introduction system also participated in work placement. About 60 per cent of participants in work placement have at some time participated in preparatory and orientation training. Among those who did not participate in any activity, women and people with an educational level up to pre-secondary school were overrepresented.

Allocation to preparatory and orientation training risks not always being based on the needs of the jobseeker

Formal requirements as to level of activity and the needs of the jobseeker for activity/stimulation are important factors when employment officers allocate people to preparatory and orientation training as part of the introduction system. Even if the jobseeker is deemed to be in need of preparatory and orientation training, that person is not always allocated to it. The most common reasons given by employment officers is that the jobseeker is deemed to have insufficient knowledge of the Swedish language or that there are no places available. The fact that allocation risks not always being based on the needs of the jobseeker is in line with the conclusions drawn in the Swedish NAO report in 2016.

Less than 40 per cent of participants in preparatory and orientation training have left the PES four years after starting the introduction system

Of the participants in preparatory and orientation training as a first activity, 37 per cent have left the PES four years after starting the introduction system. The corresponding figure for participants in work placement is 41 per cent.

Participants who left the PES

Of those who participated in preparatory and orientation training and left the PES, just under 30 per cent left for a job. Almost half, 45 per cent, left for an *unknown reason* or *other known reason*. Unknown reason means that the PES does not have knowledge of the reason for the individual no longer seeking work through the PES. Other known reason may mean that the jobseeker transferred to another agency, such as the Swedish Social Insurance Agency. Of the participants in preparatory and orientation training that left for an unknown or known reason, up to 70 per cent left the workforce, and up to 20 per cent are employed.

For participants in work placement, just under 40 per cent left for a job, and just under 35 per cent left for an unknown reason or other known reason. For those who did not participate in any activity (who belong to the labour market policy programme group) 62 per cent have left the PES. One explanation for there being a greater number of non-participants who left the PES may be that it was known that they would shortly leave the PES – for example that the person would be taking parental leave. In other words, there may have been obstacles to the person's participation in an activity. The results

show that relatively few of those not taking part in any activity leave the PES for employment, but that it is relatively common that they leave the workforce.

Participants registered with the PES

After participating in the first activity in the introduction system, it is common to participate in further activities. For participants in preparatory and orientation training it is most common for them to participate in further preparatory and orientation training. About 1 per cent transfer to an activity involving some type of employment. Four years after starting the introduction system, 22 per cent of those registered with the PES have some type of employment. The most common is participation in the Job and Development Guarantee scheme.

As regards participants in work placement it is most common for them to participate in another work placement, but 15 per cent transfer to an activity involving employment – such as step-in jobs or new start jobs. Both step-in jobs and new start jobs mean that the person earns income and has a greater degree of self-sufficiency. Four years after starting the introduction system, 37 per cent of those registered with the PES have some type of employment.

Women and people with an educational level up to pre-secondary school leave the workforce more frequently

Four years after starting the introduction system, 40 per cent of the women who participated in preparatory and orientation training and 34 per cent of the men have left the PES. Among the men, it is far more common for them to have found a job, while the women have more often left for another known reason. For women who left for another known reason it is common that they have left the labour force.

For those with an educational level up to pre-secondary school, 34 per cent have left the PES, while the corresponding figure for those with a higher level of education is 40 per cent. People with a higher level of education more often leave the PES for work, while it is more common for those with an educational level up to pre-secondary school to have left for another known or unknown reason. For individuals who left for another known or unknown reason it is common that they have left the labour force. For women who leave the labour force, those with an educational level up to pre-secondary school are somewhat overrepresented. Among men those with post-secondary education are somewhat overrepresented. All in all, however, there are small differences in educational level between those leaving the labour force and those who do not leave the labour force in this group.

Conclusions

Follow-up and evaluation of preparatory and orientation training within the introduction system is deficient. This is despite the fact that almost 90 per cent of participants in activities within the introduction system participate in preparatory and orientation training as the first activity. The cost of purchasing preparatory and orientation training in 2017 totalled SEK 2.2 billion, of which SEK 1.6 billion referred to purchases within the introduction system. Under the Ordinance containing Instructions for the Public Employment Service, the agency is to analyse, follow up and evaluate how the Service's activities and the labour market policy measures affect the functioning of the labour market.

It takes a long time for many of the participants in the introduction system to find a job and many leave the labour market. Evaluations of the launching of the introduction reform show, however, that the reform has had a positive effect as regards speeding up introduction of newly arrived immigrants in working life (Andersson Joona et al. 2017). Moreover, there are indications that outcomes of the introduction reform have improved since its launch (Swedish Public Employment Service 2018b). Previous evaluations of the introduction system provide limited guidance as to whether there is potential to influence the outcome for participants in the introduction system through the measures used. Further, previous findings from small-scale pilot activities show that measures with close links to the labour market that as far as possible resemble ordinary employment increase the chances of newly arrived immigrants to find work. Previous studies have also found that intensified supervision has a positive effect on the possibility of finding work, at least for men.

Improved evaluation of various activities included in the introduction system is needed

The Swedish NAO's audit shows that the possibilities of finding a job vary for participants within the introduction system scheme. However, it is not possible to establish whether this is due to the activity the newly arrived immigrants participate in or to the fact that individuals participating in various activities differ in other ways.

Lack of knowledge of the outcome of measures can have several consequences. For example, it makes it more difficult to develop and adjust the activities, more difficult for employment officers to allocate the right people to the measure at the right time, and in turn this may have a negative effect on the participants' motivation. Hence, lack of

knowledge may ultimately mean that people are unemployed for longer than necessary and that resources are not used in the best way.

The Swedish NAO (2017) has previously recommended that the PES contribute to create better conditions for evaluating various types of preparatory and orientation training and as far as possible contributes to increasing knowledge of the impact of chains of measures. In its *Appropriation directions for the 2018 budget year concerning the Swedish Public Employment Service* the Government has instructed the PES to give an account of measures to improve follow-up of preparatory and orientation training by February 2019. Moreover, the Government states that the PES must ensure that newly arrived immigrants in the introduction system are offered good access to measures of high quality so that they are gradually brought closer to the labour market. It is positive that the Swedish PES (2017e) itself emphasises that the work of developing and evaluating the effects of measures continues and expands.

It is important to increase understanding of why some participants leave the labour force

Further, the Swedish NAO's audit shows that it is common for people who leave the introduction system to also leave the labour force or receive at least some of their livelihood from social assistance. This is more common for women and people with an educational level up to pre-secondary school. The Swedish PES (2017e) notes that special measures are needed to prevent women who do not complete their introduction plan from leaving the labour force.

It is important to further increase knowledge of why some participants leave the labour force. Knowledge of the reasons is a prerequisite for the ability to take measures to prevent this. From a socioeconomic perspective it is important that as many people as possible participate in the labour force. This may also be important from a gender equality perspective.