

Executive summary

In just 20 years, Norway's foreign-born population tripled and the share of migrants in the population increased from 6.5% in 2000 to close to 16% in 2020. This is one of the largest increases across the OECD. Norway has a diverse migrant population, with different integration needs. As a result of free mobility arrangements, more than four in ten foreign-born are from the EU, with over half of these having arrived in the last decade, mainly to meet labour market needs. However, Norway also has a long tradition of humanitarian migration. Refugees and their family members accounted for 22% of registered arrivals over the last 20 years, including via resettlement programmes. Norway's extensive social welfare system depends on high employment of both genders. In 2020, 68% of immigrants were in employment (OECD average: 67%). However, the difference in employment rates between EU born and non-EU-born are higher in Norway than elsewhere, for both genders. Overall employment rates of EU-born are, at 76%, well above the EU average of 70%, but this is not the case for non-EU immigrants (62% vs. 65%). The Norwegian labour market requires relatively high skill levels. Less than 4% of the overall employment in Norway is in elementary jobs, the lowest share in the OECD. Indeed, high qualification levels and labour market participation of both gender for the native-born in Norway raise the question of what outcomes of immigrants, who have been raised and educated in a very different context, would be considered a success, especially for the many low-educated refugees and their families who account for the bulk of non-EU migrants. Yet half of refugees and their family members have at most lower secondary education, compared with one in five of the native-born.

Against this backdrop, to provide the grounds for a sustainable integration into the labour market and society, Norway puts significant investment into labour market preparation. The cornerstone of these efforts is an extensive Introduction Programme (NIP) for newly arrived refugees and their families. The NIP lasts full-time for three months to up to four years and consists of training, work practise, language and social introduction courses. The programme has undergone substantial changes in a recent reform implemented since 2021, providing a stronger focus on upskilling and individualised support. One of the key characteristics of integration policy in Norway is its constant drive for reform and innovation, supported by integrated administrative data and a remarkable breadth of national research. There is also an impressive array of innovative integration initiatives and action plans. However, the actual impact is rarely assessed and many projects remain small-scale, raising questions about effectiveness and possible upscaling. There have been many substantial changes in the integration landscape in recent years, which are likely to improve integration of current and future immigrants. While the impact of these reforms – most of which coincided with the COVID-19 pandemic – generally remains to be seen, there are remaining shortcomings and issues which require attention. One such issue is the fact that family of refugees with more than five years of residence are not entitled to the NIP – for reasons that are not entirely clear. Another issue relates to skill recognition and assessment which is fast and free of charge, but the initial skills mapping is not standardised. What is more, bridging offers for migrants with prior vocational skills are underdeveloped. These issues require further action, along with a further strengthening of training offers to adapt to the changes in the labour market which have been accelerated by the pandemic. Another area for concern are the longer-term outcomes. While the initial progress in the employment rates of vulnerable migrants is better than found in other countries, notably for women, the improvement comes to a premature and sudden end after about 6 years for men and somewhat later and less abruptly for women. This suggests that a longer follow-up and a stronger upfront investment to make sure that immigrants reach secondary qualification levels would be beneficial. The latter has been the focus of recent reforms and it will be important to see whether they deliver the expected result.

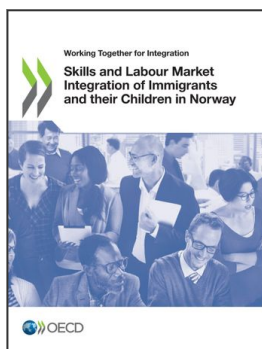
Two immigrant groups require specific attention. In Norway, half of all the long-term unemployed with low education are foreign-born. A qualification programme intends to enhance the employment chances for this

group and tends to have better results for immigrants than for their native-born peers, but reach-out to eligible immigrants needs to be strengthened. The second group are inactive migrant women, for whom an innovative second-chance programme exists, with targeted reach-out, upskilling and work placement, but its scale and geographical coverage could be enhanced. While overall employment rates of EU migrants are high, their skills are often not well used in the labour market, with more than one in three employed high-educated EU migrants being in lower-skilled jobs, three times the level of the native-born. EU migrants are also underrepresented among those receiving work-related training. What is more, language levels of EU migrants seem to be low, and there is some evidence that suggests that labour market rewards for reaching higher levels are substantial for this group. Yet, in contrast to most other countries, Norway only recently introduced language offers for EU migrants, and their scale and scope is still somewhat limited. For migrants from EU countries who are likely to remain permanently in Norway, there should be a broader consideration of their needs in language and other upskilling efforts.

Norway's integration system is highly decentralised, and co-ordination is a challenge. This is evident in many areas, including co-operation between municipalities and the welfare office, eligibility for labour market programmes where similar cases are treated differently, and support offered to young people in their transition from lower to upper secondary schooling. While local ownership of implementation is important, more national oversight is warranted with a view to ensure similar standards across the country. This is because of the wide differences in integration outcomes across the country. For example, while municipalities with the highest outcomes manage to have 80% of former participants in employment or education a year after ending the Introduction Programme, that figure reaches only 40% for the municipalities with the lowest outcomes. With the increasing role of counties in integration policy, Norway took some first steps to enhance co-ordination, and it is important to continue along these lines. Exchange and mainstreaming of good practices could also be strengthened. Given the high degree of decentralisation, the comparatively modest engagement with and by civil society in integration is surprising, and their role in the process merits strengthening.

The ultimate measure of the long-term success of integration policy are the outcomes of the native-born children of immigrants. Despite persisting gaps in education outcomes at age 15, almost half manage to obtain tertiary education. However, there is a significant gender gap, with much lower outcomes for young men with immigrant parents compared with their female peers. One in three of the former does not obtain upper secondary education and an equally high share of over one in three fails to complete vocational education tracks, in part because of difficulties in finding an apprenticeship. What is more, youth with migrant parents do not always manage to get their qualifications valued in the labour market and in 2019, overall employment rates of immigrants' offspring remained 10 percentage points below their peers with native-born parents, and gaps increase with qualification levels. Given the lack of networks and knowledge of labour market functioning, along with discrimination, more needs to be done to support labour market entry. This should include mentorships, which are currently underdeveloped. Norway's ongoing reform of the secondary school system should also pay specific attention to the needs of the children of immigrants, notably the men. Stronger involvement of employers and extension of existing diversity measures to vocational training are also required to smoothen this transition. The best assurance of future successful outcomes for children of immigrants is a head start at primary school. To reach this objective, systematic prior Norwegian language screening and follow-up needs to be introduced. Notwithstanding the significant progress already achieved, participation of children of immigrants in early education and care (ECEC) needs to be strengthened further. The current cash-for-care benefit should be abolished, as it does not only provide disincentives for participation in ECEC, but also negatively impacts on the employment of immigrant mothers.

In summary, Norway invests more than many other countries into immigrant integration, especially for new arrivals, and these efforts seem to bear some fruit. However, longer-term outcomes are less favourable, and not all migrants in need are adequately covered or reached by existing offers, including language training and more generally the NIP. Successful programmes would benefit from broadening to groups currently not covered or not sufficiently reached. Stronger co-ordination and oversight of integration policy, which is largely decentralised, to enable more rapid dissemination of good practices, would also help in this respect.



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