Summary
The employment gaps between natives and immigrants in the Nordic labour markets reflect major skills gaps between the two groups. Employment gaps are smaller or non-existent when comparing natives and immigrants with similar skills. Research stresses the importance of access to pre-school education for immigrant children and of allocating resources to remedial education for adult immigrants. Participation in pre-school and adult education is associated with narrower skills gaps. The Nordic countries’ current education policies are in line with these recommendations. However, there is room for improvement, in the form of increasing the number of immigrant children enrolled in pre-school education.

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Background
The Nordic labour markets are characterised by high minimum wages and high wage compression. Historically, the Nordic countries have been able to combine these features with high levels of employment. However, such factors also make it hard for immigrants, whose skills may not be a good match for the existing labour demand, to find employment. The recent increase in the number of refugees poses a particular challenge for the Nordic labour markets. Refugees do not migrate in search of work, and they may have difficulty meeting the skill requirements implied by high minimum wages. Can education policies help immigrants enhance their skills and find jobs?

High-skilled immigrants do find employment in the Nordic labour markets
Although the overall employment gaps between natives and immigrants in the Nordic countries are large by international standards, immigrants and natives of similar skills have similar employment rates. Recent internationally comparable assessments (e.g. the OECD’s PIAAC survey) make it possible to compare employment levels by holding skills constant. The results show that high-skilled immigrants find employment just as easily as natives do in the Nordic countries. This suggests that large employment gaps reflect differences in skills between the native and immigrant populations. Education policies that are successful in improving immigrants’ skills may therefore be an effective tool for integrating them into the Nordic labour markets.
Early education, extra resources in schools, and adult education as tools for integration
Research suggests that education policies improve immigrants’ skills. For immigrant children who arrive in their host countries before the age of six or seven, ready access to pre-school education is important – especially when it comes to acquiring language skills. Within the school system, extra resources devoted to language instruction may also improve immigrants’ skill levels. However, as many immigrants arrive as adults, access to adult education is an important factor in their integration.

Access to early education
The Nordic countries are renowned for their highly developed systems of pre-school education, and yet the use of these services differs between native and immigrant populations. PISA data shows that immigrant children are less likely than native children to participate in pre-school education for more than a year in all of the Nordic countries except Finland. Participation in pre-school education is positively associated with achievement at school, as measured by PISA test scores, and this association is stronger for immigrants than for natives. Increasing the pre-school attendance rates of immigrant children is therefore an important first step in improving immigrants’ skill levels.

Allocation of resources in schools
Immigrant children have specific needs that should be met by the school system. In particular, extra resources should be devoted to language instruction. The Nordic countries already do a good job of this. According to PISA data, immigrant children of school age receive more language instruction than native children in all of the Nordic countries. Unfortunately, there is a lack of evidence as to the effectiveness of these tools.

Access to adult education
Adult education has always been an important part of the Nordic labour-market model. Ready access to adult education enables workers whose skills have become obsolete to update their skills portfolio. This is also important for the integration of middle-aged or older immigrants. According to Eurostat’s Adult Education Survey, immigrants to the Nordic countries are more likely to participate in adult education than immigrants in other European countries. This is especially true of formal adult education. PIAAC test scores show that participation in adult education is positively correlated with skills development, and that this correlation is stronger for immigrants than for natives.

Limits of the scope of education policy
While the education system can play an important role in facilitating immigrants’ labour-market integration, it is unrealistic to expect that education alone will eliminate the employment gap between natives and immigrants. Skills assessments show that there are still large gaps between the achievement levels of native students and second-generation immigrants who have received the same amount of schooling. For this reason, one should not rely on education policy alone to improve the labour-market integration of immigrants.

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