

**Integrating immigrants into the  
Nordic labour markets –  
The impact of the COVID-19  
pandemic**

Photo by: Ricky John Malloy - norden.o

# Covid-19 pandemic – new report

1. How has the COVID-19 pandemic influenced the labour market situation of immigrants?
2. Which immigrant groups are particularly affected by unemployment now?

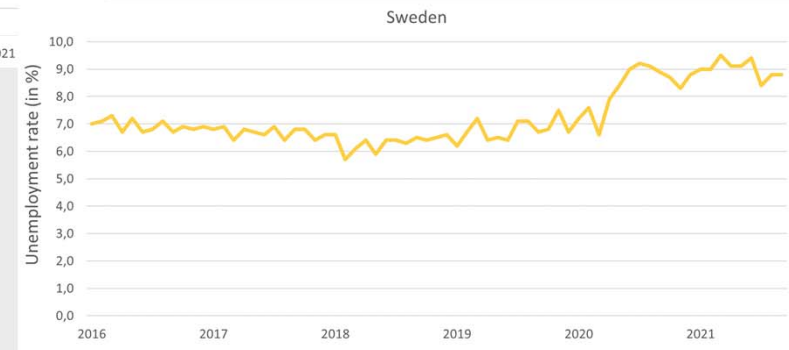
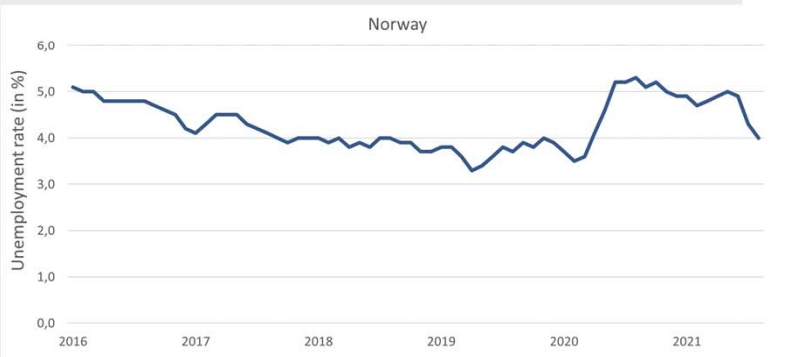
Link to report: [Here](#).

## Integrating Immigrants into the Nordic Labour Markets

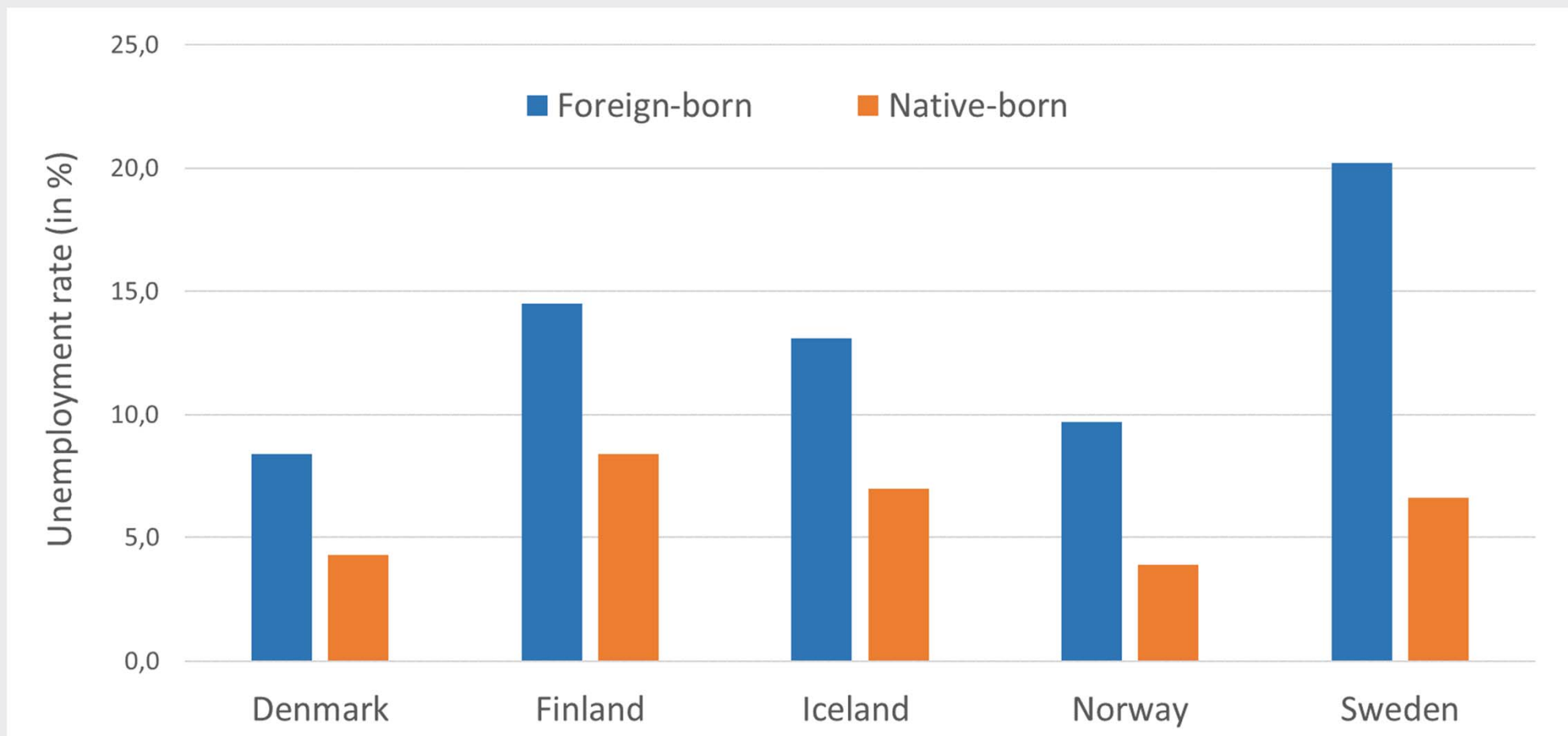
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# Unemployment is decreasing in several Nordic countries



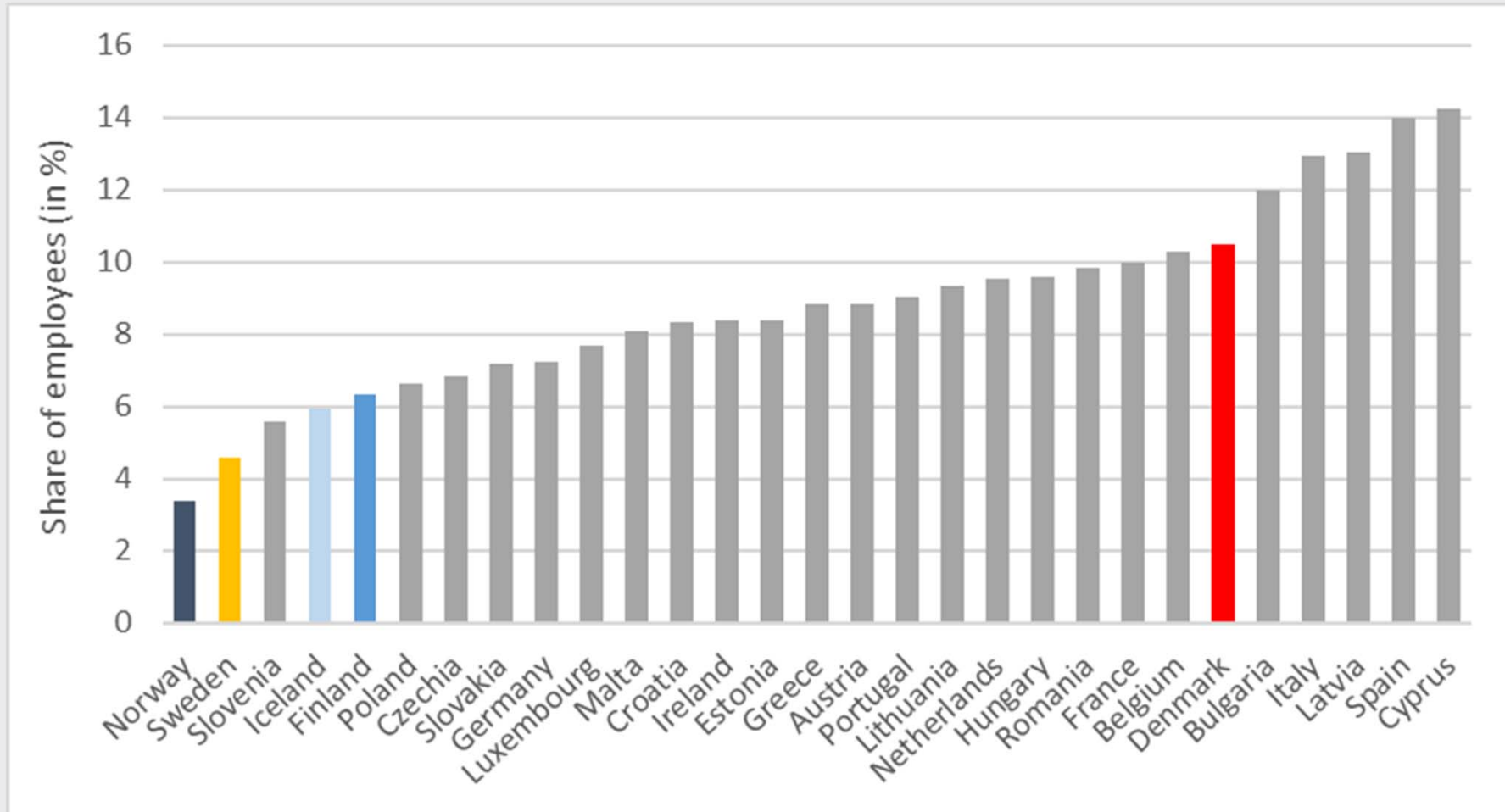
# Unemployment rate of immigrants still high (in Q2 2021)



# Employment rates (in %) by level of education, 2020

		Low education	Medium education	High education
Sweden	Born outside EU	40	70	75

# Few jobs in the Nordic countries require only basic skills



# How to move forward?

1. Monitor if jobs re-emerge in sectors that have employed many immigrants
2. Focus on immigrants with low educational attainments

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# Mismatch between skills and labour demands

1. Increase human capital in line with labour market demands
  - Language skills
  - Support for immigrant children in schools
  - Adult education
  - Subsidised private-sector employment



# Mismatch between skills and labour demands

2. More elementary jobs that require only low skills?
  - Role of targeted minimum wage reductions ? Different conditions in different countries...
  - In Sweden (chapter by P. Skedinger): lower collectively agreed minimum wages for
    - newly created jobs
    - combined with targeted earned income tax credits
    - combined with generous study support
    - negotiated between the social partners
  - But: In Norway (chapter by B. Bratsberg et al.):
    - Evidence of social dumping
    - Raising minimum wages might be required



# **Immigration and Social Insurance Design – Lessons from the COVID-19 Pandemic**

**Bernt Bratsberg, Oddbjørn Raaum, Knut Røed**

# Immigration and Social Insurance Design in Norway – before the pandemic

- Large differences in welfare state generosity in a common labour market may lead to
  - Uneven migration flows
  - Excess creation of precarious jobs with low pay
- What is needed:
  - Greater labour market regulation to prevent short-term jobs with low productivity and low pay
  - More activity-oriented social insurance policies that involve education, training or supported employment

# Some conclusions for the Norwegian context

- Generous and uniform social insurance system has prevented large increases in poverty
- Covid-19 crisis has revealed how Norwegian firms have become reliant on immigrant labour (construction, farming, health care)
- Vulnerability to disruptions in labour movements
- Important to maintain a degree of „self-sufficiency“ of labour in critical sectors
- But: working from a distance has become common. A new trend of using foreign labour in jobs that do not require physical presence?
- Offshoring of jobs may raise new questions for the design of social insurance policies



*Thank you for your attention!*

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