



# Labour market policies against the odds?

*Job finding among participants in ESF projects in comparison with the  
Public Employment Service*

*Research Report 2014/1*

Ryszard Szulkin | Lena Nekby | Magnus Bygren | Clara Lindblom  
Kenisha Russell-Jonsson | Ragnar Bengtsson | Erik Normark



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# 1. Introduction

When integration policy in over thirty countries is ranked on the basis of the multidimensional Migration Integration Policy Index<sup>1</sup> (MIPEX), Sweden comes out on top. Discrimination legislation, opportunities for being reunited with one's family subsequent to immigration and the Swedish welfare model, which provides support to all individuals irrespective of their origins, all contribute to Sweden's high ranking (MIPEX, 2010). At the same time as Swedish integration policy comes out on top in international comparisons, however, the employment gap between individuals born within the country and individuals born abroad is greater than in the majority of European countries. Employment levels are lowest among immigrants with a short period of residence in the country. And although the employment rate increases with length of residence, a significant gap remains between non-natives and the native-born population even 25 years subsequent to the date of immigration (Olli Segendorf & Teljosuo, 2011:5; Nekby, 2003; le Grand et al., 2013).<sup>2</sup>

An increased employment rate among individuals born abroad would not only mean more people being given the opportunity to self-realisation and to support themselves. Like many other countries, Sweden is facing major demographic changes in the coming years. An ageing population will be placing major strains on the country's welfare systems. One way of improving the future financing of welfare is to increase the supply of labour in that segment of the population that is of working age, but that for varying reasons is at present located outside the labour market. This is also one of the most important goals for the European Social Fund for the 2007–2013 programme period (Finansdepartementet, Ds 2007:4; ESF, 2007).

The Swedish Government has determined that a significant proportion of the funding received by Sweden from the European Social Fund during the current programme period is to be used to improve the degree of integration of foreign-born individuals on the labour market, and to facilitate the establishment of young people in working life. The funding is to be used to finance projects that work with innovative approaches with the goal of improving the opportunities for individuals located at a long distance from the labour market to find employment. The hope is that the funding will thereby contribute to the development of Swedish labour market policy. The Swedish ESF-Council also partially funds five thematic groups whose task is to analyse the activities of the Social Fund financed projects and to disseminate good results (ESF, 2007). One of these is

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1. MIPEX measures integration policy in the EU-countries, Norway, Switzerland, the USA and Canada. The index is compiled by the Brussels based Migration Policy Group and the British Council, with the support of the European Integration Fund. See [www.mipex.eu](http://www.mipex.eu).

2. The employment rate is the proportion of those aged 15–64 in employment. The indicator is based on the Swedish Labour Force Survey, which has been adapted to the EU. An individual is counted as being in employment if he/she normally engages in at least one hour of work per week as a paid employee, as self-employed or as an unpaid assistant in a business owned by a family member in the same household.

the Thematic Group on Inclusion in Working Life (TIA), which has been located at the Institute for Futures Studies in Stockholm since February 1, 2012.

This report compares labour market outcomes<sup>3</sup> for individuals who have participated in ESF-financed projects during the programme period with the same outcomes among those who have instead participated in regular measures arranged by the Swedish Public Employment Service (Arbetsförmedlingen) for the corresponding target groups. We follow up all individuals who have been registered in an ESF-financed project at the same time as they have been registered at the Public Employment Service, and conduct special analyses for individuals born abroad. Earlier evaluations of ESF-financed projects have only been conducted on a small scale and have usually focused on individual projects. We adopt a much broader approach and our analyses include 30,034 participants in 278 projects during the period 2008–2012. The comparison group is comprised of 902,678 participants in the Public Employment Service’s regular programmes during the same period. The advantages of our approach are (1) that we can describe the extent to which the participants in ESF-financed projects make the transition into work with a high degree of certainty, (2) that we can compare outcomes for the participants in ESF-projects with outcomes for those who participate in regular Public Employment Service activities, and (3) that our analyses allow us to systematically control for observable differences between the groups, which thus enables us to come closer to an estimation of the effect of the ESF-financed projects on the participants’ chances of making the transition into work.

By contrast with earlier evaluations, we thus have an opportunity to draw general conclusions about the outcomes experienced by the participants in ESF-financed projects to a greater extent, and to compare these outcomes with those experienced by a group that is equivalent to the ESF-group in many respects. We would, however, like to make it clear that our approach is subject to an important limitation. Since we are only able to control for observed differences between the groups examined, we cannot say that the two groups, prior to their participation in the relevant activities, were identical in relation to all factors that are of significance for making the transition into work. There may be unobserved differences between the groups that are the underlying reason for the outcome differences observed in our analyses. One consequence of this is that we will not be able to say whether ESF-projects are “better” or “worse” than the Public Employment Service at getting their participants into work. By comparison with earlier evaluators, however, our approach provides us with better opportunities to filter out effects relating to factors that cannot be ascribed to the ESF-projects or the PES-programmes respectively. Our chances of completely achieving this goal are nonetheless greatly restricted, however, which means that it is not possible to draw conclusions about the relative effectiveness of ESF-projects and PES-programmes.

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3. The term labour market outcome refers to whether an individual has moved into a job/another activity after a given period of time.

In order to locate the issue of the situation of foreign-born individuals on the Swedish labour market in a broader context, the report begins by presenting an analysis of employment and unemployment within this group from a European perspective. There then follows a presentation of the structure of Swedish labour market policy, and a description of the focus for the European Social Fund in Sweden and of the projects financed by the fund. We continue with a review of previous research in the area of labour market policy, and with a presentation of the data employed in our empirical analyses and the results of these analyses. We conclude with a discussion of some of the conclusions that may be drawn on the basis of our analyses.

This report does not represent the conclusion of the thematic group's evaluation of ESF-financed projects, but should instead rather be seen as an introductory follow-up of the outcomes experienced by the project participants who were simultaneously registered at the Public Employment Service. The report will be followed up with more detailed analyses of projects that deviate in both a positive and negative direction in relation to the regular activities of the Public Employment Service. It is however the hope of the thematic group that this report will serve as an important contribution to discussions about the formulation of the Social Fund during the next programme period. As we note in our concluding discussion, the lack of reliable control groups means that Social Fund activities today cannot be evaluated in the strict scientific sense. A more strategic use of Social Fund financing would make it possible to evaluate Social Fund activities using experimental designs. This would produce a marked improvement in the chances of identifying effective methods for labour market integration, which could then be implemented in the context of regular activities on good grounds. The use of experimental designs would also take us a step closer to one of the goals that many researchers, politicians and practitioners have been calling for – an evidence-based labour market policy.

## 2. The Swedish labour market in a European perspective

A high employment rate is desirable from both an individual and societal perspective. Individuals need a paid occupation in order to be able to support themselves, while at the same time, a high employment rate generates the tax revenues that are necessary to maintain the high level of ambition characteristic of the Nordic welfare state model. In the same way, high unemployment is negative for both those seeking work and society at large. Unemployment generates insecurity, has a negative effect on income levels in later life and increases the risk for ill health and a poorer quality of life for the individual. But it also involves major costs to society in the form of costs associated with publically financed benefits, active labour market policy measures and the ineffective utilisation of the economy's resources.

For most of the post-war period, unemployment in Sweden had rarely exceeded four percent, but this situation changed during the economic crisis of the early 1990s. Over the course of a few years, the employment rate declined from 83.1 to 70.7 percent between 1990 and 1997 (Pekkari, 2000:2). By contrast with previous economic crises, the powerful deterioration in the state of the economy affected broad segments of the population. Certain groups were more adversely affected than others, however, such as youths and recent immigrants, for example, who experienced very negative effects of the decline in the level of employment. Despite the fact that the Swedish economy began to recover towards the end of the 1990s, levels of unemployment did not return to same low levels that had characterised the period prior to the crisis.<sup>4</sup> A growing proportion of long-term unemployed found themselves outside the labour market, at the same time as the years of economic crisis led to work incomes and levels of employment among immigrants both declining and falling behind those of the remainder of the population (Konjunkturinstitutet, 2010; Lundin & Thelander, 2012:1 f.; Fritzell, Gähler & Nermo, 2007; AMS, 2000:2).

In a European perspective, on the other hand, the Swedish labour market has coped relatively well with the recent financial crisis, at least in certain respects. The employment rate in Sweden is higher than in many other European countries, for example, particularly among women. One factor that contributes to the high employment rate among women is probably to be found in the structure of the tax system and the size of the public sector, while at the same time the structure of the pensions system has probably contributed to the high proportion of 55–64-year-olds in employment.<sup>5</sup> There are

4. In 2001, for example, the unemployment rate lay at approximately six percent, despite having declined for four consecutive years (Konjunkturinstitutet, 2010).

5. The Swedish employment rate within this particular group is the highest in Europe, based on our own calculations using data from EU LFS 2010.

however a number of European countries with significantly lower rates of unemployment than Sweden. In Sweden, the level of unemployment just over four years subsequent to the crisis has still not declined to the levels recorded at the beginning of 2008.<sup>6</sup> While explanations for high employment rates may be sought in the structure of the tax and pension systems, explanations for high rates of unemployment are instead usually sought in the areas of financial and labour market policy, wage rates and the structure of labour market institutions.<sup>7</sup> Thus in a European perspective, these areas of policy have not been as successful (Konjunkturinstitutet, 2010; SCB, 2012).

Overall, however, the Swedish labour market has functioned increasingly well since the beginning of the 2000s. At the same time, this relatively positive view of the Swedish labour market needs to be supplemented and examined in more depth, since there are two groups whose labour market situation deviates quite powerfully from the overall picture – young people and individuals born outside Sweden. The situation of these two groups is analysed in the following sections.

### The position of immigrants on the European labour market<sup>8</sup>

Migration streams to European countries often mirror historical and linguistic ties between the countries of origin and destination. Erstwhile colonial powers are often the destination for extensive migration from former colonies (Eurostat, 2011). This is the case for countries such as the UK, France and Portugal. In other cases, migration streams may reflect the needs of the labour market. Both Germany and Sweden constitute examples of countries that have periodically been open to extensive labour market immigration<sup>9</sup> which has largely comprised relatively poorly educated workers. There is substantial variation in the willingness of different countries to accept refugees and their families. Sweden stands out as a country that over recent decades has accepted high levels of refugee immigration. As a result of these processes, the composition of the immigrant population with regard to motives for migration, countries of origin, level of education and knowledge of the destination country's language varies markedly between different countries.

Research that has analysed the situation of immigrants on the labour markets in their destination countries shows unequivocally that the employment rate is low and unemployment high among immigrants, and that the wage level among those who have a job is relatively low (see e.g. Dustmann & Frattini 2011). Swedish studies show that the labour market integration of persons born abroad is less than satisfactory and that the problems experienced by this group have increased over recent decades (see e.g. Edin & Åslund 2001, Ekberg & Hammarstedt 2002, Åslund & Johansson, 2006; Schröder, 2007;

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6. During the period 2008–2010, unemployment increased from approximately six percent to nine percent, and has since declined to approximately 7.4 percent towards the end of 2012 (Konjunkturinstitutet, 2010; SCB, 2012).

7. See, for example, Nickell, 1998; 1997 and Skedinger, 2008 for overviews of the research.

8. All of the analyses in this section are based on data from the European Union Labour Force Survey (EU LFS). See <http://epp.eurostat.ec.europa.eu/portal/page/portal/microdata/lfs>.

9. The term labour market immigration refers to the process whereby people from one country migrate to another with the primary intention of finding work or filling a specific post.

Eriksson, 2011; Olli Segendorf & Teljosuo, 2011). The employment rate among immigrants in Sweden is also low in an international perspective (Dustmann & Frattini, 2011; Eriksson, 2011). The majority of studies focus on differences in labour market outcomes between immigrants and native-born individuals. The point of departure is that what is being studied are labour market integration processes, i.e. analyses of how the situation of immigrants differs from that of the native-born population. Successful integration would mean that initially relatively large differences gradually become smaller in line with the length of time individuals have been resident in the country in question. On the basis of this approach, the principal interest is directed at the level of employment (or unemployment or wages) among immigrants in relation to that of the native-born population. An alternative approach is to compare the situation of immigrants in different countries in absolute terms, i.e. to answer the question of which countries have the highest proportion of immigrants in employment irrespective of the employment rate among the native-born population. From the perspective of immigrants themselves, this absolute comparison may be at least as interesting as an indicator of which countries provide immigrants with the best opportunities on the labour market. In our analyses, we will be presenting the results of both absolute comparisons between immigrants in different European countries and relative differences between immigrants and native-born individuals.

The scientific literature presents a large number of explanations for the variations found in the capacity of national labour markets to integrate immigrants. These include the labour market's degree of flexibility, the structure of the welfare state, the proportion of unqualified jobs in the economy, the way unemployment insurance is formulated (both the level of benefits and the length of entitlement), the level of the lowest wages in the economy, the extent of refugee and labour market immigration, the composition of the immigrant population regarding country or region of origin and level of education, the political complexion of the government, the economic situation in the destination country at the time of immigration, and others (see e.g. Algan et al. 2010, Causa & Jean, 2007; Jean & Jiménez, 2007; Jean et al., 2010; Kesler, 2006; Kogan, 2006; Meyer Christensen & Pavlopoulos, 2010; Reyneri & Fullin, 2009; OECD, 2007; van Tubergen et al., 2004). A majority of the hypotheses that have been formulated in this context appear reasonable, even though they sometimes contradict one another. Some of these hypotheses have found support in the empirical research. Existing empirical studies are based on different samples of destination countries, however, and relate to different periods of time, which means that it is sometimes difficult to evaluate the results, which may be sensitive to certain countries having been excluded. The major problem faced by the research in this area is that the number of reasonable institutional explanations is most commonly greater than the number of countries examined, which means that the results of the analyses become sensitive to the institutional variables that are chosen for inclusion in (or exclusion from) the analyses, and to the sample of countries on which the analyses are based.



## Employment and unemployment in fifteen European countries

In the empirical analysis presented below, we first present a general picture of the employment and unemployment rates among immigrants in fifteen European countries.<sup>10</sup> We then employ the usual strategy and introduce controls for educational level, family situation and region of origin (Chiswick, 1978). We conduct separate analyses for males and females and for those with relatively short and long periods of residence in the new country. On the basis of these analyses, we are able to chart which groups of immigrants in Sweden deviate particularly clearly from immigrants in the other countries included in the analysis. We also present the gap between immigrants and native-born individuals. This section of the analysis is kept relatively brief, since this is the aspect of the labour market situation of immigrants that has been the focus of the majority of previous studies.

Figures 2.1 and 2.2 present a general picture of the employment rate and unemployment among immigrants<sup>11</sup> in 2000 and 2010. In 2000, the proportion of immigrants in employment in Sweden was somewhat lower than the European average. It was only in Belgium that the employment rate among immigrants was substantially lower. In 2010, the employment rate among immigrants in Sweden had increased, and the country's relative position was somewhat better. The employment rate is lower in Belgium, France and Spain. The proportion of the immigrant population in employment was much higher in countries such as Norway and Switzerland<sup>12</sup>, and also Portugal.

In the year 2000, the rate of unemployment among immigrants in Sweden was high, at approximately 12 percent. There were two countries, Belgium and France, with significantly higher unemployment rates among immigrants. Among the countries with much lower unemployment rates we find, amongst others, Ireland, the Netherlands, Norway and Portugal. In 2010, the unemployment rate was higher than in 2000 in the majority of countries. In Sweden, slightly over 15 percent of immigrants were unemployed. The unemployment rate among immigrants was still somewhat higher in Belgium than in Sweden. It is first and foremost Spain, however, that stands out in a negative sense, with an unemployment rate among immigrants as high as 29 percent. In many other countries, such as the Netherlands, Norway, Switzerland, Germany and Austria, unemployment among immigrants was substantially lower than in Sweden.<sup>13</sup> In the vast majority of countries, the unemployment rate is much higher among immigrants than among the native-born population. In Sweden, the difference between the foreign-born and

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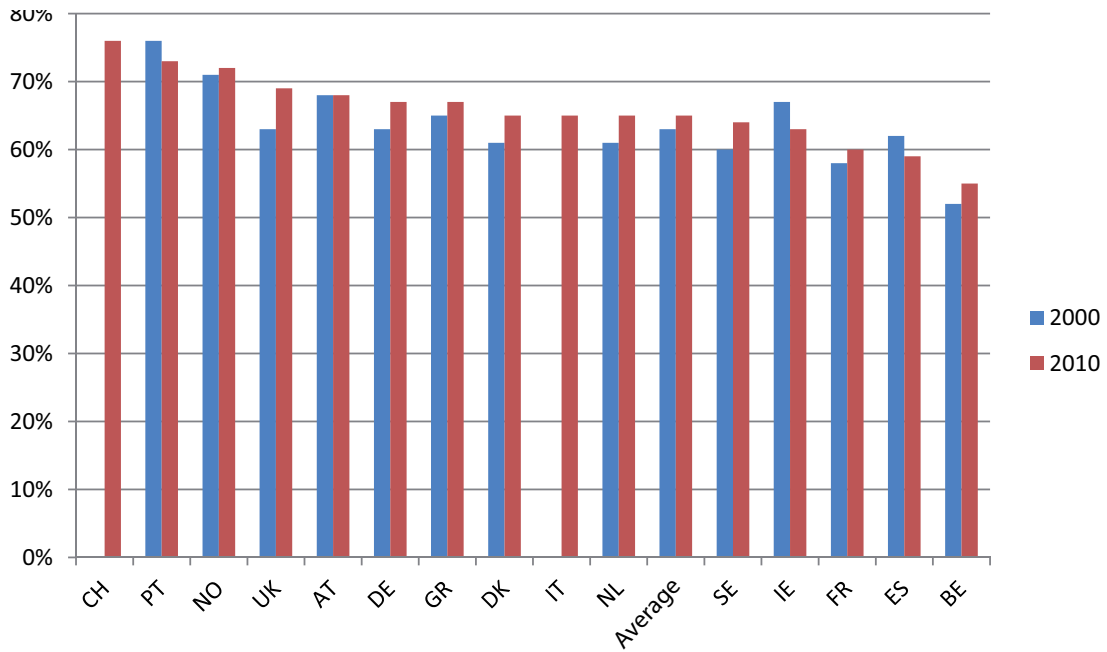
10. It would naturally have been interesting to study wage levels as well, particularly since there is research indicating a trade-off between wage levels and employment among immigrants. Unfortunately, the EU LFS does not include adequate data on wages. Finland, where immigration is very low, is not included in the analysis.

11. Unemployment (or the relative unemployment rate, as it is usually denoted) is calculated as the number of unemployed, i.e. the number of individuals who lack employment and would be prepared to start work within 14 days, divided by the number of individuals in the labour force. The labour force, in turn, comprises all those either in employment or who are unemployed.

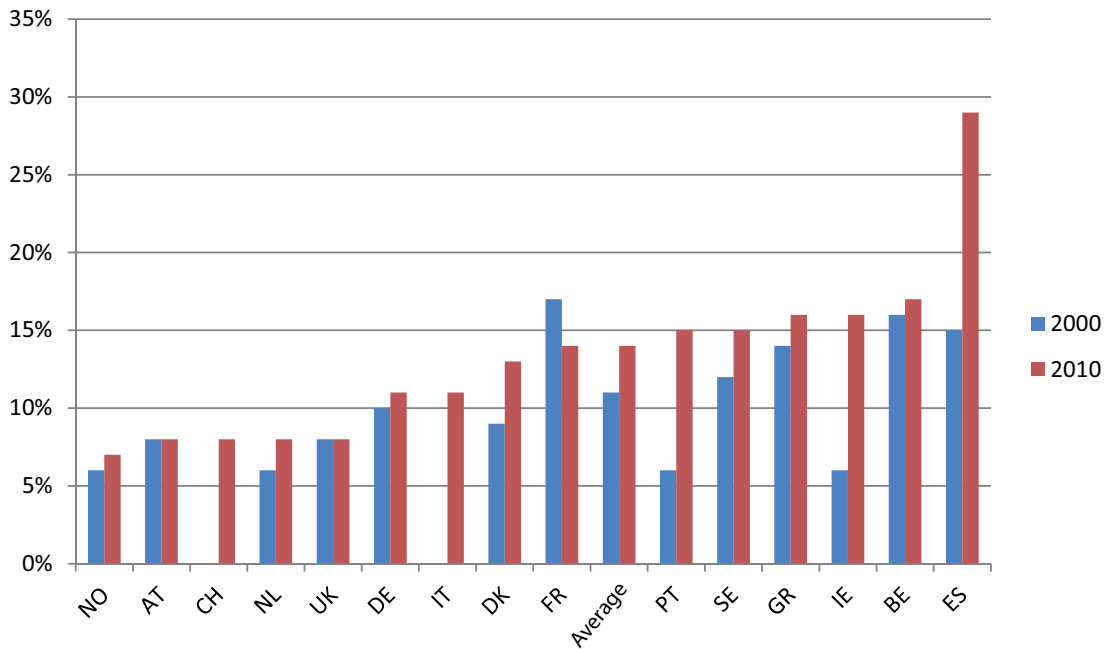
12. For the year 2000 it is not possible to distinguish immigrants in the Swiss and Italian data.

13. A comparison between the years 2007 and 2010 indicates that employment decreased and unemployment increased among immigrants in many of the countries included in the analysis. In Sweden, the employment rate declined by 2 percentage points, and the unemployment rate increased by 4 percentage points. Once again it is Ireland and Spain, but in this case also Greece, that were worst affected.

**Figure 2.1 Employment among immigrants (aged 20–64) in 15 European countries (2000 and 2010).<sup>14</sup>**



**Figure 2.2 Unemployment among immigrants (aged 20–64) in 15 European countries (2000 and 2010).**



14. The country labels employed in the analyses presented in this section refer to the following: CH = Switzerland, PT = Portugal, NO = Norway, UK = the United Kingdom, AT = Austria, DE = Germany, GR = Greece, DK = Denmark, IT = Italy, NL = the Netherlands, SE = Sweden, IE = Ireland, FR = France, ES = Spain and BE = Belgium.

native-born populations lay at seven percentage points in 2000 and nine percentage points in 2010.<sup>15</sup>

### *Analysis of employment among immigrants, by gender and length of residence*

In the next analysis, we divide the immigrants into groups by gender and their length of residence in the destination country. Separate analyses are conducted for individuals who have been in the new country for ten years or less and at least eleven years. Table 2.1 presents the results of a series of linear probability models (OLS) for individuals with a relatively short period of residence, with employment specified as the dependent variable. Table 2.2 presents the same type of analyses for the same individuals with unemployment specified as the dependent variable.<sup>16</sup>

The first model, which can be seen in the first column of the table, presents cross-national differences in employment among males with a short (1–10 years) period of residence in the respective countries. In Sweden (which constitutes the reference category in the analyses) the employment rate within this group is very low. Only Spain and Belgium show proportions in employment that are comparable with those in Sweden. In the majority of countries, the proportion of males with a short period of residence who are in work is more than ten percentage points higher than in Sweden. Countries such as Switzerland, Norway, the UK, Portugal, Greece and Italy stand out as having very high proportions in employment. In the second model, we examine whether possible differences in the composition of the immigrant group with regard to educational level, age and family situation can explain the cross-national differences in the employment rate. As can be seen from the table, Sweden has a very low proportion in employment even in this type of comparison. The differences between Model 1 and Model 2, which can be seen in the first two columns of the table, are relatively small. This means that education and demographic factors do not play any central role in explaining the differences between the countries examined. There is an increase in the size of the gap between Sweden and certain countries, but something of a decrease in gap between Sweden and other countries. It can be noted that the difference between Denmark and Sweden is no longer statistically significant and that the difference between Belgium and Sweden increases in this analysis and becomes statistically significant.

Finally, in Model 3, we include the immigrants' region of origin in the analysis.<sup>17</sup> The idea here is that the immigrants' opportunities on the destination country's labour market may be dependent on which country they come from. Immigration from cer-

15. It should be noted, however, that the reliability of the measures used to specify the level of unemployment are problematic both in relation to cross-national comparisons and comparisons over time. Cross-national comparisons can be problematic because the proportions in the labour force differ between different countries, particularly among women (which affects the denominator in the calculations). Comparisons over time are complicated by the fact that the unemployment concept that is used today includes young people in full-time education who are seeking employment. In Sweden, full-time students who were looking for work were not included among the unemployed prior to 2005.

16. These analyses are only conducted for the year 2010. A number of central variables are missing from the data for the year 2000, which makes a comparison between the two years impossible.

17. The following regions have been employed: old EU (EU15), new EU member states (NMS12), other European countries, North America, Australia and Oceania, Latin America, North Africa and the Middle East, the rest of Africa, East- and South Asia.

**Table 2.1 Likelihood of being in employment among immigrants with at most ten years of residence in 15 European countries (2010). Linear probability models (OLS).**

	<b>Model 1</b>	<b>Model 2</b>	<b>Model 3</b>	<b>Model 4</b>	<b>Model 5</b>	<b>Model 6</b>
	<b>Males</b>	<b>Males</b>	<b>Males</b>	<b>Females</b>	<b>Females</b>	<b>Females</b>
SE (reference)	0	0	0	0	0	0
AT	0,132***	0,135***	0,103***	0,087***	0,090***	0,023
BE	0,025	0,036**	0,016	0,016	0,009	-0,020
CH	0,230***	0,227***	0,182***	0,176***	0,157***	0,091***
DE	0,118***	0,132***	-	0,035	0,046	-
DK	0,073***	0,048	0,040	0,127***	0,144***	0,127***
ES	-0,026	-0,004	-0,041	0,121***	0,125***	0,024
FR	0,048**	0,055***	0,063***	-0,058***	-0,047**	-0,039*
GR	0,199***	0,233***	0,223***	0,060***	0,102***	0,061***
IE	0,057***	0,053***	0,005	0,129***	0,092***	0,003
IT	0,161***	0,187***	0,160***	0,059***	0,075***	0,009
NL	0,071*	0,080**	0,064*	0,069**	0,061**	0,015
NO	0,159***	0,170***	0,148***	0,176***	0,207***	0,185***
PT	0,148***	0,152***	0,124***	0,137***	0,180***	0,086***
UK	0,183***	0,176***	0,159***	0,159***	0,130***	0,087***
Intercept	0,634***	0,668***	0,729***	0,447***	0,422***	0,516***
N	38 179	36 344	36 344	46 115	44 217	44 217
R <sup>2</sup>	0,038	0,057	0,069	0,017	0,072	0,106

\* significant p<0.05; \*\* significant p<0.01; \*\*\* significant p<0.001

Models 1 and 4 do not include control variables. Models 2 and 5 include controls for education (compulsory, further, higher), age (deviation from the mean) and family situation (single, married, divorced). Models 3 and 6 include controls for the variables in Model 2 and region of origin.

Source: Authors' analysis of EU LFS data.

tain countries may be dominated by political refugees, for example, while immigration from other countries may instead first and foremost be comprised of labour market immigrants. Immigrants from certain parts of the world may be particularly exposed to discrimination in their new countries. Thus there are good grounds for expecting the composition of the immigrant population with regard to country and region of origin to constitute an important underlying cause of cross-national differences in the employment rate. Our analysis does not confirm this assumption in relation to males, however. Sweden continues to deviate very clearly and negatively from almost all of the other countries examined.<sup>18</sup> It can be noted that the size of the gap between Sweden and a number of other countries diminishes somewhat. These changes are relatively small, however. Stated simply, the compositional differences between the countries examined with regard to the regions of origin of the relatively recent male immigrants appear to explain only a relatively limited amount of the cross-national variance in this group's future labour market opportunities in the new country (which can also be seen from the relatively minor increase in the value of  $R^2$  between Models 2 and 3).

In Models 4, 5 and 6, the same analyses are repeated for recent female immigrants. The employment rate among females is generally substantially lower than among males (45 and 63 percent respectively in Sweden, compare the intercept<sup>19</sup> in Models 1 and 4). In this case, too, the employment rate is significantly lower in Sweden than in the vast majority of European countries. Levels of employment are lower in France, while the differences between Sweden and Belgium and Germany respectively are not statistically significant.

When education, age and family situation are included, in Model 5, the picture shifts, but in an unsystematic fashion.<sup>20</sup> In Model 6, the changes are more systematic. Once controls are included for the recent female immigrants' region of origin, there is a decline in the differences in the likelihood of being employed between Sweden and a large group of countries. The relatively large differences found in the earlier models by comparison with Austria, Ireland, Italy and the Netherlands are no longer significant. The differences in relation to Switzerland and the UK are greatly reduced. The region of origin explains a relatively large amount of the variation between the different countries in future labour market opportunities for recent female immigrants (which can also be seen from the relatively large increase in the value of  $R^2$  between Models 5 and 6). One possible interpretation of this would be that the analysis is manifesting the effect of differences between countries of origin in attitudes towards women's role in society and the gender distribution of responsibility for family and work respectively. A reasonable partial explanation of the observed pattern is that Sweden has, over the course of

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18. The exclusion of Germany from the analysis is in this instance due to the fact that the German data contain no information on the country of origin. The fact that the point estimate for the intercept is higher in Model 3 than in Models 1 and 3 is due to the reference group in this model having been specified as individuals originating in an EU country. This group has a relatively high employment rate.

19. The intercept refers to the point of departure for the comparison, the value that the results in the table are compared to. If a value in a table relating to the probability of being in employment is 0.132, this means that it deviates by 0.132 from the point of departure for the comparison, not that the probability of being employed is 13.2 percent.

20. It is interesting to note that the family variables have different effects for males and females (which cannot be seen from the table). Married men work to a much greater extent than unmarried men. The reverse is true for women.

the last decade, received a large number of refugees from countries in which the proportions of women in paid employment are low.

A different picture emerges in Table 2.2, where we examine the employment rate among immigrants who have been resident in their destination countries for more than ten years. As can be seen from the first model, the employment rate among male immigrants with a relatively long period of residence behind them in Sweden is significantly higher than it is among those with a short period of residence (compare the intercept in Model 1 in Tables 2.1 and 2.2). In this case, Sweden does not deviate dramatically from the European average. The proportions in employment in Belgium, Denmark, France, Ireland and Spain are significantly lower than in Sweden. It is primarily in Italy and Switzerland that we find clearly higher levels of employment. When level of education, age and family situation are introduced in Model 2, the gap diminishes between Sweden and certain other countries. The differences between Sweden and the UK and Germany are no longer statistically significant, for example. The employment rate in Sweden was already higher than in Denmark and Ireland in Model 1, and the size of these differences is then almost doubled when the composition of the immigrant group in terms of education and demographic factors is taken into account. These factors explain a relatively large proportion of the variance in employment rates. When we finally also take the composition of the group of immigrant males with regard to region of origin into account (Model 3), the results are somewhat different. Here it is worth noting that the employment rate in the group of male immigrants being examined is significantly lower in Norway and the UK than in Sweden. Thus the situation faced by immigrant males with a long period of residence in Sweden is significantly less problematic than that faced by those with a short period of residence. Once controls have been included for factors that are of relevance to explaining the level of employment, there are only a few countries with higher employment rates than Sweden.

The employment rate in Sweden among female immigrants with more than ten years of residence is higher, and often much higher than that found in other European countries. Only Switzerland, Portugal and Norway have a more positive employment rate for this group than Sweden (Model 4). When controls are included for the group's level of education and demographic factors, the picture changes somewhat. In a number of cases, such as Belgium, Germany, France, the Netherlands and Norway, for example, there is a reduction in the size of the gap in relation to Sweden. For other countries, such as Switzerland and Austria, on the other hand, the size of the gap increases. Finally, when the region of origin is also taken into account, the employment rate among females with a long period of residence is significantly higher than in Sweden in three countries: Portugal, Switzerland and Austria, and is significantly lower than in Sweden in a large number of other countries. The size of gap in the employment rate between Sweden and the other countries changes in an unsystematic way between Models 2 and 3. In some cases it increases, in others it decreases. In this case, by contrast with the analysis of female immigrants with a relatively short period of residence, the region of origin does not appear to play as large and systematic a role for cross-national differences in labour

**Table 2.2 Likelihood of being in employment among immigrants with more than ten years of residence in 15 European countries (2010). Linear probability models (OLS).**

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	Males	Males	Males	Females	Females	Females
SE (reference)	0	0	0	0	0	0
AT	0,009	-0,021*	-0,008	-0,003	0,031***	0,042***
BE	-0,108***	-0,117***	-0,127***	-0,185***	-0,152***	-0,160***
CH	0,087***	0,063***	0,041***	0,053***	0,080***	0,060***
DE	0,034**	0,013	-	-0,054***	-0,020	-
DK	-0,057**	-0,104***	-0,106***	-0,033	-0,035	-0,027
ES	-0,079***	-0,096***	-0,109***	-0,123***	-0,103***	-0,137***
FR	-0,059***	-0,043***	-0,033***	-0,093***	-0,043***	-0,024*
GR	0,047***	0,018*	0,044***	-0,095***	-0,070***	-0,044***
IE	-0,054***	-0,101***	-0,159***	-0,091***	-0,126***	-0,174***
IT	0,083***	0,067***	0,062***	-0,126***	-0,091***	-0,114***
NL	-0,002	-0,011	-0,011	-0,064***	-0,046***	-0,060***
NO	-0,020	-0,044	-0,060**	0,076***	0,056*	0,035
PT	0,053***	0,039**	0,008	0,087***	0,105***	0,053***
UK	0,030*	-0,007	-0,028*	-0,069***	-0,079***	-0,112***
Intercept	0,742***	0,877***	0,952***	0,659***	0,670***	0,724***
N	55 988	55 558	55 558	61 828	61 411	61 411
R <sup>2</sup>	0,015	0,076	0,085	0,010	0,072	0,081

\* significant  $p < 0.05$ ; \*\* significant  $p < 0.01$ ; \*\*\* significant  $p < 0.001$

Models 1 and 4 do not include control variables. Models 2 and 5 include controls for education (compulsory, further, higher), age (deviation from the mean) and family situation (single, married, divorced). Models 3 and 6 include controls for the variables in Model 2 and region of origin.

Source: Authors' analysis of EU LFS data.

market careers. It can also be noted that the change in the value of  $R^2$  between Models 5 and 6 in Table 2.2 is significantly smaller than the corresponding change in Table 2.1.

In summary, Sweden manifests very low levels of employment among immigrants who have migrated to the country within the last ten years. This is true for both males and females. The problematic situation for recent immigrants becomes even clearer when their employment rate is compared to that of the native-born population. Labour market integration appears to function poorly. In a European perspective, Sweden has high levels of employment among the native-born population, and low levels among recent immigrants. Table A1 in Appendix A presents the employment gap between the native-born population and immigrants with a short and longer period of residence in the destination country. For those who have arrived in the new country during the past ten years, the employment gap in Sweden is by far the largest in Europe. For those who have been resident in the country for more than ten years, the gap to the native-born population is generally smaller, and Sweden does not stand out in the same negative sense as in relation to immigrants with a shorter period of residence.<sup>21</sup>

#### *Analysis of unemployment among immigrants, by gender and length of residence*

In this section we follow the same analytical process as above but this time with a focus on unemployment among immigrants in Europe. The results for immigrants with a short period of residence are presented in Table 2.3. Unemployment among male recent immigrants in Sweden is very high. Approximately 23 percent state that they have no work and are prepared to start a job more or less immediately (see the intercept in Model 1 in the table). Compared to the rest of Europe, this constitutes a very high proportion. Spain is the only country with a higher rate of unemployment among male recent immigrants. Unemployment is significantly lower than in Sweden in all of the remaining countries. The gap between Sweden and some of these countries is very large. Norway, the UK, Switzerland and Austria, for example, have unemployment rates that are under ten percent. The differences between countries in the risk for unemployment are relatively stable when the control variables are introduced in Models 2 and 3. The general, and for Sweden very negative, pattern remains, although the results vary in an unsystematic fashion when new variables are included in the models. It can be noted that the differences between Sweden and Denmark, and between Sweden and Ireland are no longer significant once controls have been introduced for the studied group's level of education, demographic factors and region of origin.

Unemployment among relatively recent female immigrants in Sweden is also very high, as many as 27 percent are out of work and prepared to start a job immediately (the

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21. In an additional analysis, we have tried to produce an, indirect, estimate of the significance for our results of the causes of immigration. We proceed from an assumption that the people who migrate to a new country in order to seek protection from various types of persecution experience their greatest problems on the labour market during their very first years in the new country. The situation for labour market immigrants is likely to be completely different. In our analysis (which is presented in Figure A1 in the appendix), we estimate the employment rate for individuals with between five and ten years of residence. In this analysis, Sweden does not deviate anywhere near as dramatically from the other countries as in the analyses presented in Table 1. This may be interpreted as an indication that the long period of time that it takes immigrants to become established in Sweden is primarily due to the fact that Sweden accepts a relatively large number of refugees.



**Table 2.3 Likelihood of being unemployed among immigrants with at most ten years of residence in 15 European countries (2010). Linear probability models (OLS).**

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	Males	Males	Males	Females	Females	Females
SE (reference)	0	0	0	0	0	0
AT	-0,154***	-0,161***	-0,132***	-0,166***	-0,173***	-0,132***
BE	-0,054***	-0,062***	-0,047***	-0,070***	-0,069***	-0,053***
CH	-0,155***	-0,155***	-0,110***	-0,147***	-0,148***	-0,098***
DE	-0,126***	-0,131***	-	-0,134***	-0,140***	-
DK	-0,065***	-0,058*	-0,045	-0,144***	-0,136***	-0,110***
ES	0,108***	0,088***	0,099***	0,001	-0,008	0,031
FR	-0,055***	-0,066***	-0,076***	-0,039	-0,044*	-0,061**
GR	-0,102***	-0,131***	-0,123***	-0,094***	-0,108***	-0,098***
IE	-0,026**	-0,023*	0,006	-0,131***	-0,125***	-0,086***
IT	-0,121***	-0,145***	-0,134***	-0,123***	-0,130***	-0,098***
NL	-0,118***	-0,124***	-0,114***	-0,138***	-0,140***	-0,109***
NO	-0,133***	-0,148***	-0,129***	-0,176***	-0,188***	-0,167***
PT	-0,065***	-0,080***	-0,070***	-0,028	-0,051**	-0,020
UK	-0,156***	-0,155***	-0,141***	-0,171***	-0,170***	-0,145***
Intercept	0,228***	0,228***	0,158***	0,268***	0,286***	0,208***
N	33 458	31 899	31 899	29 130	28 004	28 004
R <sup>2</sup>	0,077	0,084	0,095	0,033	0,040	0,061

\* significant  $p < 0.05$ ; \*\* significant  $p < 0.01$ ; \*\*\* significant  $p < 0.001$

Models 1 and 4 do not include control variables. Models 2 and 5 include controls for education (compulsory, further, higher), age (deviation from the mean) and family situation (single, married, divorced). Models 3 and 6 include controls for the variables in Model 2 and region of origin.

Source: Authors' analysis of EU LFS data.

intercept in Model 4). The corresponding unemployment rate is lower in all of the other countries with the exception of France, Portugal and Spain. In Norway, the UK and Austria, the unemployment rate within this particular group of immigrants is either just under or just over ten percent. The changes that occur when the risk for unemployment is analysed with controls included for education and demographic factors (Model 5) and region of origin (Model 6) is greater than in the corresponding analyses conducted for the male immigrants. The size of the gap between Sweden and the majority of other countries diminishes. In many cases, however, the proportion of unemployed in Sweden remains more than ten percentage points higher than in the other countries included in the analysis.<sup>22</sup>

For immigrant males with a long period of residence in Sweden, the situation is better. The unemployment rate lies at approximately 11 percent (the intercept in Model 1, Table 2.4) and Sweden does not stand out quite so negatively in comparison with the other European countries. The Netherlands, Italy, Norway, the UK and Switzerland have lower unemployment rates, while in Belgium, France and particularly Greece, Ireland and Spain, the unemployment rates are higher than in Sweden. Once all the control variables are included (Models 2 and 3) the majority of the directional differences remain, but the size of these differences changes to some extent. For example, the differences in the risk for unemployment between France and Norway, and between France and the UK, are no longer statistically significant.

The Swedish unemployment rate for immigrant females with a long period of residence lies at approximately 11 percent, i.e. in parity with the corresponding rate for males (the intercept in Model 4). Holland, Norway, the UK and Switzerland have significantly lower unemployment rates. In Belgium, Greece and Spain, the proportion who are unemployed is higher than in Sweden. When the control variables are included in the analysis, the general pattern does not change markedly. The size of the gap increases between Sweden and certain countries, while it diminishes somewhat in relation to other countries. The shift in relation to Ireland in Model 6 is significant. The risk for unemployment among females with a relatively long period of residence becomes significantly higher than that in Sweden once controls are included for education, demographic factors and region of origin.

## Summary

In summary our results in relation to unemployment risks in Europe indicate once again that relatively recent immigrants face very substantial difficulties on the Swedish labour market. For those who have been resident in Sweden for a long time, the picture is better, but still not satisfactory. The results are also an indication of the shortcomings

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22. In an additional analysis (not presented) we examined how the proportion of inactive females (i.e. those who are neither employed nor unemployed) differs between the different countries. The proportion of inactive females is high in Sweden, but cross-national differences are smaller than those presented in the analyses in Table 2.3. When region of origin is included in the analyses, the nature of the gap between Sweden and the majority of other countries changes in a way that indicates that attitudes towards women working for a living in the country of origin can probably explain some of the cross-national variation.

**Table 2.4 Likelihood of being unemployed among immigrants with more than ten years of residence in 15 European countries (2010). Linear probability models (OLS).**

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	Males	Males	Males	Females	Females	Females
SE (reference)	0	0	0	0	0	0
AT	-0,022***	-0,013*	-0,019*	-0,055***	-0,070***	-0,072***
BE	0,049***	0,053***	0,058***	0,032**	0,025*	0,030**
CH	-0,048***	-0,042***	-0,022***	-0,045***	-0,056***	-0,045***
DE	-0,001	0,003	0,003	-0,023*	-0,032**	-0,133*
DK	0,027	0,027	0,032*	0,015	-0,002	-0,001
ES	0,174***	0,164***	0,163***	0,153***	0,135***	0,140***
FR	0,018*	0,015*	0,005	0,016*	0,007	-0,007
GR	0,050***	0,042***	0,029***	0,060***	0,044***	0,029***
IE	0,061***	0,081***	0,126***	-0,006	0,002	0,031***
IT	-0,027***	-0,036***	-0,035***	0,001	-0,017**	-0,010
NL	-0,040***	-0,041***	-0,045***	-0,038***	-0,047***	-0,047***
NO	-0,036*	-0,028	-0,013	-0,074***	-0,075***	-0,064***
PT	-0,011	-0,024*	-0,023	0,009	-0,009	-0,012
UK	-0,035***	-0,018*	-0,007	-0,044***	-0,036***	-0,028**
Intercept	0,112***	0,076***	0,018*	0,113***	0,120***	0,085***
N	47 667	47 361	47 361	42 021	41 802	41 802
R <sup>2</sup>	0,031	0,049	0,058	0,028	0,044	0,051

\* significant  $p < 0.05$ ; \*\* significant  $p < 0.01$ ; \*\*\* significant  $p < 0.001$

Models 1 and 4 do not include control variables. Models 2 and 5 include controls for education (compulsory, further, higher), age (deviation from the mean) and family situation (single, married, divorced). Models 3 and 6 include controls for the variables in Model 2 and region of origin.

Source: Authors' analysis of EU LFS data.

of Swedish integration policy. As has been shown in this report, individuals who have been living in Sweden for ten years or less experience very extensive problems becoming established on the labour market. There may of course be a large number of different reasons why relatively recent immigrants find it difficult to obtain the means to an independent income. In this regard it may be noted that the proportion of unqualified jobs, which are often viewed as a way in to working life for recent immigrants, is relatively low on the Swedish labour market. But perhaps the most important difference between Sweden and the majority of European countries is that Sweden receives a large number of refugees and their families. According to data from Eurostat, 25 percent of Swedish immigrants (aged 15 to 64) have arrived in the country as refugees. The corresponding figures for the Netherlands, Germany and Norway, who also follow relatively open policies are 13, 14 and 18 percent respectively. In the majority of other countries, the proportion of refugees among immigrants is around or under ten percent. By comparison with the rest of Europe, Sweden appears to be a relatively open country in relation to immigration for political and humanitarian reasons. The thresholds for gaining access to the country are fairly low. At the same time, the thresholds for gaining access to the labour market and to earning an independent income are high.

### 3. Active labour market policy in Sweden

This report compares the effect of participation in projects financed by the European Social Fund (ESF) with the regular programmes provided by the Public Employment Service to the same target group using individual-level data from the Public Employment Service. As will be seen, however, far from all of the ESF-project participants were registered with the Public Employment Service during the period examined in the study. As we are currently waiting for data from Statistics Sweden (SCB) for those individuals who were not registered with the Public Employment Service, the analysis in this report is therefore restricted to those participants who, during their time in Social Fund financed activities, were also in regular contact with the state financed employment service.

According to the National Structural Fund Programme (ESF, 2007:39), two of the principal target groups for Social Fund activities are individuals aged 25–64 who have been full-time unemployed for at least a year, and young people aged 18–24 who have been full-time unemployed for at least three months. It is therefore natural to look for comparison groups for these individuals within the Public Employment Service's framework Job and Development and Youth Job programmes, which constitute two of the biggest programmes in the regular activities of the Public Employment Service and which are thus also a major part of the framework of Sweden's active labour market policy. In order to place the Social Fund activities in a broader context, and to facilitate an understanding of the statistical analyses presented later in the report, this chapter is devoted to a descriptive account of the nature of these two framework programmes and their content. The chapter begins with a brief definition of the term active labour market policy, and a review of how this policy has changed over time in Sweden.

#### Different types of labour market policy

The term labour market policy refers to various types of measures intended to produce a well-functioning labour market, while at the same time being directed at individuals who are, or are at risk of becoming, unemployed. The structure of the taxation and education systems also have an effect on the functioning of the labour market, but since these effects are indirect, these policy areas are not included in the term labour market policy (Calmfors et al., 2004:5; Lundin & Thelander, 2012:13 f). In turn, labour market policy is usually divided into active and passive labour market policy. Passive labour market policy primarily involves providing monetary support to the unemployed in the form of unemployment benefits, which are in Sweden administered by the trade union organisations, but which are largely publically financed. These passive measures are intended to provide a certain level of protection against the loss of income that would

otherwise result from unemployment, while at the same time the support provided is often conditional. As a rule, the unemployed individual must be activated in order to receive unemployment benefit, i.e. actively seeking work and after a time also participating in some form of labour market policy programme (Bengtsson & Berglund, 2012). Active labour market policy, on the other hand, takes the form of measures that are intended to make it easier for individuals to move out of unemployment and into work or training. This might involve facilitating the matching of job-seekers to job vacancies and providing information about effective tools for finding employment. Active labour market policy also includes various types of labour market training schemes, as well as jobs that are subsidized by some form of wage subsidy (Calmfors et al., 2004:5; Björklund et al., 2006:354; Furåker et al., 1990:150). The objective is to maintain a high level of employment and a well-functioning labour market, and also to counteract the incentive-related problems that may arise as a result of generous unemployment benefits (Nickell, 1998:810; Calmfors et al., 2004:5).

### Active labour market policy from the 1950s onwards

Swedish labour market policy from the 1950s and for several subsequent decades was largely based on principles developed in the late 1940s and early 1950s by the Swedish Trade Union Confederation economists Gösta Rehn and Rudolf Meidner. Their point of departure was that an active labour market policy was necessary to reconcile the goals of low inflation, full employment and wage convergence. Structural rationalisation would increase the degree of competition within the economy, while labour market policy would first and foremost promote mobility between different areas of the labour market. The idea was that workers in relatively unproductive sectors with a high risk of unemployment would, by means of e.g. labour market training programmes, be able to improve or redirect the focus of their qualifications in order to instead obtain employment in expanding sectors of the economy (Calmfors et al., 2004:7; Karlson & Lindberg, 2010:9; Bengtsson & Berglund, 2012).

Up until the beginning of the 1970s, active labour market policy was primarily comprised of measures to stimulate mobility, but since that time labour market policy has come to assume a more general character. The objective of the measures has in other words not only been to increase the level of mobility between different sectors, but also to keep the level of open unemployment low across the labour market as a whole. Despite high employment and low levels of unemployment up to the beginning of the 1990s, Sweden has devoted a relatively large amount of resources to its active labour market policy.<sup>23</sup> During the 1980s, for example, the government focused on measures to stimulate demand, such as recruitment incentives, as well as labour market training programmes intended to steer the unemployed towards expanding sectors in order to remove bottle necks within the economy (Bengtsson & Berglund, 2012; Calmfors et al., 2004:7).

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23. In 1990, for example, 2.6 percent of GDP was invested in labour market policy programmes, despite the fact that unemployment lay at only 1.8 percent (Bengtsson & Berglund, 2012:26).

### *Labour market policy during the economic crisis of the 1990s*

The weak demand for labour in combination with the economic crisis of the 1990s contributed to a shift in the direction of active labour market policy. During the years of the crisis, labour market measures were primarily used as a means of maintaining the activation of and providing incomes for the unemployed. The size of the labour market programmes was also expanded, and the numbers registered in these programmes reached record levels. Given the high levels of unemployment, however, the costs per unemployed individual declined substantially by comparison with the end of the 1980s. Above all there was a decline in the costs associated with active labour market policy as the public funding of, first and foremost, recruitment incentives and labour market training programmes declined dramatically (Bengtsson & Berglund, 2012:27 f.; AMS, 2000:2; Calmfors et al., 2004:7; Lundin & Thelander, 2012). Another change that occurred during the early years of the 1990s took the form of an increase in the involvement of the municipalities in labour market policy. This was probably due to increasing unemployment levels providing the municipalities with a greater incentive to organise employment-promotive measures as a means of limiting their own costs for income support provision.<sup>24</sup> In addition, Sweden's entry into the European Union (EU) opened up opportunities for municipalities and other actors to apply for funding from the European Social Fund to finance their own labour market projects (Lundin, 2008:9 f.).

### *Reorganisation subsequent to the crisis*

As the Swedish economy began to recover during the second half of the 1990s, unemployment levels declined, although never returning to the low levels experienced prior to the crisis. Instead, a growing proportion of long-term unemployed found themselves on the outside of the labour market, despite the fact that a number of sectors started reporting a shortage of available manpower towards the end of the 1990s. At the same time, the years of the crisis witnessed an extensive debate of labour market policy, which some commentators argued had been a failure (see e.g. Calmfors et al., 2002:4 and AMS, 2000). At the end of the 1990s there was therefore a reorganisation of active labour market policy. The National Labour Market Administration (Arbetsmarknadsverket, AMV) was tasked by the then Social Democratic government to direct a greater focus at matching on the labour market, at raising the competence of the unemployed and at supporting those groups located furthest from the labour market.<sup>25</sup> The possibility of qualifying for a new period of unemployment benefits by participating in labour market policy programmes was also removed. A number of organisational changes were also implemented at the AMV in order to clarify its governance processes and to underline the role of the National Labour Market Board (Arbetsmarknadsstyrelsen, AMS) as the leading state agency in relation to the labour market (AMS, 2000; Statskontoret, 2007; Lundin & Thelander, 2012).

24. With the introduction of the Municipal Youth Programme in 1995 and of the Youth Job Guarantee in 1998, for example, the municipalities took over responsibility from the state for the implementation of labour market measures for young people under the age of 25 who had been unemployed for over three months (Lundin, 2008:9 f.).

25. In a report published by the AMS (2000), the agency itself stated that there was a need to increase the level of management by objectives within the organisation.

## Current labour market policy

The view of the centre-right government that came to power following the general election of 2006 was that the reorganisation of active labour market policy at the end of the 1990s had not gone far enough. In its first budget bill following the transfer of power, the new government announced a number of changes to both passive and active labour market policy. One of these involved combining the National Labour Market Board and the county labour boards to form the new Public Employment Service. The government emphasised that the new agency's principal task was to promote the matching of job-seekers to job vacancies rather than to places in labour market policy programmes. At the same time, the task of the Public Employment Service was expanded, with the agency being given a more prominent role in relation to the introduction of newly arrived immigrants. The background, amongst other things, was that existing municipal measures during the introductory period were assessed to be limited and not sufficiently focused on immigrants quickly becoming established on the labour market. With the so-called Establishment Reform that came into force on December 1, 2010, the state took over the overarching responsibility for facilitating and speeding up the process of becoming established in work and social life for certain newly arrived immigrants<sup>26</sup> (SFS 2007:515; Regeringens proposition 2006/2007:1:73 ff.; Statskontoret, 2012:22).

### *New programmes for the long-term unemployed*

At the same time as the new agency was formed, the government also implemented major changes to the extent and composition of labour market policy programmes. These changes included, for example, the complete abolition of a number of existing measures.<sup>27</sup> The existing Activity Guarantee was replaced by the Job and Development Programme for the long-term unemployed (JDP), which would apply to job-seekers who had exhausted their period of entitlement to unemployment benefit and also those who were not entitled to unemployment benefit, but who had been unemployed for at least eighteen months.<sup>28</sup> At the same time, the Municipal youth Programme and Youth Job Guarantees were replaced by the Youth Job Programme (YJP) which was implemented by the Public Employment Service. The YJP is focused on job-seekers who have reached the age of 16 but are under 25 and who have been unemployed and registered

26. The task of the Public Employment Service is regulated in the Act (2010:197) on Establishment Measures for Certain Recent Immigrants. For a follow-up of the agency's implementation of this reform, see Statskontoret (2012:22).

27. The end of the year 2006 saw the official abolition of the career break, plus jobs, the trainee replacement scheme, trainee positions for unemployed graduates, computer/activity centres, international practice scholarships and labour market training that had not been purchased within the regular education sector, and also the general and extended recruitment incentives. The transitional regulations did however give individuals who were participating in these programmes the opportunity to complete the assigned programme period (Regeringens proposition 2006/2007:1).

28. The Activity Guarantee was introduced in the autumn of 2000 in order to break the cycle of moving back and forth between open unemployment and labour market policy programmes for individuals who had been outside the regular labour market for a long period of time (AMS, 2002:2). The Job and Development Guarantee also includes persons in part-time unemployment who are single parents with children under the age of 18, job-seekers who have participated in the Youth Job Programme for fifteen months and who are assigned to the Job and Development Programme immediately subsequent to this participation, and job-seekers who have been given a prison sentence and who have been granted leave to spend time outside prison or released on parole but who have not completed a year of their probationary period. In all of these cases, the participant must also have been registered at the Public Employment Service (see also SFS 2007:414).



at the Public Employment Service for at least 90 days within a period of four months<sup>29</sup> (Arbetsförmedlingen, 2010:2; Riksrevisionen, 2009:22; Regeringens proposition 2006/2007:1).

Since the introduction of the Job and Development Programme, the number of long-term unemployed has increased, which has led to the programme now having become the single largest among the Public Employment Service's various job-placement activities. Both the Job and Development Programme and the Youth Job Programme are structured in the form of framework programmes, within which the participants may be assigned to both matching measures and various types of labour market programme. The objective of both programmes is for the individual to get into paid employment as quickly as possible, and that the measures should be adapted to the needs of the individual concerned. Not all of those registered in the programmes participate in activities that take place under the auspices of the Public Employment Service, however, and individuals may instead, for example, be assigned to activities organised by supplementary actors. The term supplementary actors here refers to private businesses who for a period of time take over the Public Employment Service's responsibility for the job-seeker in order to contribute to the job-seeker receiving measures that are better adapted to the individual concerned, and thereby reducing the length of the period of unemployment (Arbetsförmedlingen, 2010:2; Riksrevisionen, 2009:22; Regeringens proposition 2006/2007:1).

The case officers at the Public Employment Service also have the option of assigning participants in the Job and Development Programme and the Youth Job Programme to labour market projects financed by the European Social Fund. As with the supplementary actors described above, the Social Fund projects assume responsibility for the job-seeker for a limited period, although the Public Employment Service still takes decisions on whether the participant should be assigned to a labour market policy programme, such as an employment training programme for example. Of the total number of participants in the Job and Development Programme and the Youth Job Programme during the period January 2008 to May 2012, 3.2 and 6.4 percent respectively were registered in a Social Fund financed project. The ESF-participants thus comprise a small proportion of the participants in the two Public Employment Service programmes, but at the same time it is these two labour market policy programmes that constitute the source for most of the participants in ESF-financed projects (Arbetsförmedlingen, 2010:2; 2012 b).

A job-seeker may be registered in the Job and Development Programme or the Youth Job Programme until he or she has started a job, or begun a period of parental leave or of education that is not financed by activity support or the development allowance

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29. Individuals who have reached the age of 16 but not 25 may also be assigned to the Youth Job Programme if they are unemployed and registered at the Public Employment Service and have participated in the labour market policy programme Introduction to Working Life in accordance with the Labour Market Policy Programmes Ordinance (2000:634), or have been given a prison sentence and granted leave to spend time outside prison in accordance with Chapter 11, Section 1 of the Prisons Act (2010:610) or have been released on probation but have not completed a year of their probationary period. Ordinance (2011:151).

and that has lasted for at least one month. The individual also has the right to come back to the programme if the period of employment does not qualify the individual for unemployment benefit or if the education that the individual has participated in continued for a maximum of one year (Arbetsförmedlingen, 2010:2; Riksrevisionen, 2009:22; SFS 2007:414; 2007:813).

### *The content of the Job and Development and Youth Job programmes*

The Job and Development Programme is divided into three phases, in which the participants are assigned to other labour market policy measures depending on how long they have been registered in the programme. During the first phase, the individual should first and foremost participate in intensified job-seeking activities, which are to be specifically adapted to individuals who have been unemployed for a long period of time. There is also a possibility for the individual to participate in various preparatory measures, however, such as a preparatory training programme. In such a preparatory training programme, the individual may for example test working in a specific occupation, develop theoretical knowledge or improve his or her Swedish in order to be able to benefit more from a work experience placement or labour market training programme. After 150 days, the second phase of the programme begins, in which the individual may also be assigned to labour market training, a work experience placement at a business looking to recruit employees or to occupational rehabilitation at the individual's own pace in order to get back into working life.<sup>30</sup> If the individual still has not left the programme after 450 days, the third and final phase begins, in which the participant engages in a socially useful occupation with an employer, or so-called organiser. The occupation should correspond to the whole of the individual's supply of labour, while at the same time the individual should also be able to devote time to looking for work him-/herself (Arbetsförmedlingen, 2010:2; SFS 2007:414; Arbetsförmedlingen, 2010:2; Riksrevisionen, 2009:22).<sup>31</sup>

The Youth Job Programme includes the same types of activities as first two phases of the Job and Development Programme. During their first three months in the Youth Job Programme, individuals are to undergo a detailed assessment, study and vocational guidance counselling and job-seeking activities with coaching. If individuals remain unemployed after this initial phase, the activities may be combined with work experience at an employer, short vocational training programmes or theoretical training programmes with the objective of preparing the job-seeker for education or training within the regular education sector, support in starting a business, and employment-focused rehabilitation. Young job-seekers also have the opportunity to do short folk high school courses within the framework of the Youth Job Programme. At the same time as the individuals participate in e.g. training or work experience, they must also participate in job-seeking activities with coaching for at least four hours per week (SFS 2007:414).

30. In practice, however, the first two phases of the Job and Development Programme often overlap one another since many employment officers state that they try to assign individuals on the basis of their needs irrespective of the programme phase they are in. It is thus common for individuals to begin their period in the programme with an activity that falls within the framework of phase one, move on to phase two activities and then return once again to the first phase (Arbetsförmedlingen, 2010:2).

31. According to the Job and Development Programme Ordinance (2007:414), the extent of participants' job-seeking activities is determined in dialogue between the employment officer and the individual concerned.

One difference between the two programmes is that there is a limit to the period during which individuals may participate in the Youth Job Programme, since after fifteen months in the programme they are released from the programme to be offered a place in the Job and Development Programme instead. The final phase of the Job and Development Programme should last for a maximum of two years, but may then be extended for subsequent, additional two-year periods. Since there is no limit to the number of times a job-seeker's time in phase three may be extended, there is no time-limit to participation in the programme as a whole (Riksrevisionen, 2009:22; SFS 2007:414; 2007:813).

### *Activity level*

The ordinances governing both programmes state that participation is to correspond to the individual's total supply of labour. A number of evaluations have shown however that the Public Employment Service has difficulties achieving this target and that the activity level is low in both programmes. Martinson and Sibbmark's (2010:22) questionnaire to participants in the Youth Job Programme showed, for example, that the youths were on average active for fourteen hours per week, which is far fewer hours than a full-time occupation.<sup>32</sup> In a questionnaire distributed by the Swedish National Audit Office, case officers stated that the activity levels required by the two programmes are difficult to achieve and maintain because every case officer has responsibility for a large number of job-seekers, at the same time as other administrative work takes up a large proportion of the employment officers' time (Riksrevisionen, 2009:22:41; SFS, 2007:813; 2007:414).

Studies of participants in the Job and Development Programme conducted by the Public Employment Service (Arbetsförmedlingen, 2010:22) and Martinson and Sibbmark (2010:15) show that the supplementary actors also find it difficult to meet the activity level requirements of the Job and Development Programme. At the same time, however, participants placed with the supplementary actors on average applied for more jobs and met their case officers more often than was the case among participants registered in activities conducted by the Public Employment Service itself. The same is true of participants in the Youth Job Programme. This might amongst other things be due to the fact that the supplementary actors have a limited number of participants per employee, unlike the Public Employment Service (Martinson & Sibbmark, 2010:15:4; 2010:22). From the case officers' perspective, the collaboration with supplementary actors has to some extent lightened their workload in relation to the Job and Development Programme. In the National Audit Office's questionnaire (Riksrevisionen, 2009:22:46), however, six of ten case officers answered that the collaboration with supplementary actors had created more work in the form of increased administration to a large extent. No corresponding studies have been conducted however of the activity level in Social Fund financed projects, or of case officers' experiences of assigning individuals to these projects.

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32. See also Martinson & Sibbmark, 2010; Arbetsförmedlingen, 2010:2, Riksrevisionen, 2009:22.

## 4. The European Social Fund in Sweden

Since Sweden joined the European Union (EU) in 1994, the EU's common goals for employment and social solidarity have also influenced the formulation of Swedish labour market policy. The employment goals were established in 1997, when the member states agreed on the Lisbon Strategy, which has the objective of achieving full employment, higher quality and better productivity at work, and social solidarity.<sup>33</sup> The tool employed by the EU in order to support the member states in their implementation of the strategy takes the form of two so-called structural funds, the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The Social Fund has been utilised in order to bring about convergence in relation to social and economic disparities within the EU since the union was founded in 1957, and during the period 2007–2013 it will distribute approximately 750 billion Swedish kronor (SEK) to the member states (ESF, 2007).

Sweden has been awarded 6.2 billion SEK from the fund for the same period in order to support projects that the Swedish ESF Council, a national agency, assesses may contribute to the achievement of the Union's joint objectives as these have been expressed and concretised in the national strategies. One condition for the payment of this funding, however, is that the member states contribute at least the same amount in the form of public sector co-funding. Thus the total budget for Social Fund measures in Sweden for the period in question will amount to at least 12 billion SEK. By comparison with the total level of government spending assigned to the labour market in the 2013 budget, however, which amounts to a total of 67.2 billion SEK, the funding assigned to Social Fund financed activities constitutes a relatively small sum (ESF, 2007; Regeringens proposition 2012/13:1).

This chapter describes the focus of Social Fund activities in Sweden, and also that of programme area two, which is the object of the analysis presented in this report. Programme area two accounts for the area of Social Fund activities that has the objective of making it easier for marginalised groups, such as youths, persons born abroad and individuals who are, or have been, on long-term sick leave, to become established on the labour market. The chapter also discusses the conditions affecting the ability of Social Fund financed projects to meet the objectives specified for programme area two in the national structural fund programme that regulates Social Fund activities in Sweden (ESF, 2007).

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33. The Lisbon Treaty was revised in 2005 on the initiative of the EU Commission, see COM(2005) 24 final.

## The focus of the Social Fund in Sweden

The agency with responsibility for administering the national structural fund program is the Swedish ESF Council, a government agency under the Ministry of Employment.<sup>34</sup> The agency has a central secretariat, an administrative unit and a programme unit, as well as eight regional units located in different parts of the country. One of the agency's principal tasks is that of organising regional or national application processes for the project funding that Sweden has been awarded from the Social Fund, and to assess whether the activities described in the applicant projects are compatible with the focus of the Social Fund for the current programme period. The work of the agency is primarily regulated by the national structural fund programme for regional competitiveness and employment, which has been developed by the Swedish government in consultation with the EU Commission. The structural fund programme defines the focus and content of Social Fund activities for the 2007–2013 programme period, and first and foremost has the objective of achieving the overarching employment objectives of the Lisbon Strategy. The programme states the criteria that are to be used when selecting projects, but also regulates the organisation and powers of the administering agency and the public funding that may be used to co-finance the projects (ESF, 2007; SFS, 2007:907).

The overarching objective for the national structural fund programme is that of improved economic growth, which is to be achieved by means of ensuring that required levels of skills are available and by increasing the supply of labour. Within the framework of the programme, financial support may be provided to different types of project, which must fall within one of the two programme areas in order to be awarded funding. Projects within the remit of programme area one should promote the development of competencies among those already in employment in order to improve the opportunities for individuals to remain on the labour market despite technological developments and the restructuring of both the private and public sectors. These projects may also be focused on combating and preventing discrimination on the labour market. Projects focused on programme area two should first and foremost have the objective of making it easier for individuals positioned at a substantial distance from the labour market to enter the workforce, particularly those who are young or were born abroad and who are out of work (ESF, 2007).<sup>35</sup> It is projects in programme area two that are the object of evaluation in this report.

In line with the focus of national labour market policy in general, the government (ESF, 2007:39) emphasises that Social Fund activities are to have the goal of more effectively

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34. The task and role of the Council are regulated in Article 60 of European Council Regulation (EC) No. 1083/2006, in the Swedish government's instruction to the Swedish ESF Council, and in the Swedish Ordinance (2007:14) on the administration of the EU's structural funds.

35. According to the ESF (2007:39), the target groups for programme area two include individuals who have been full-time unemployed for at least one year, with a special focus on persons of foreign background (at least three months for individuals who are aged 18–24), or who have been on full- or part-time sick leave for at least six months, or who are receiving full or partial sickness and activity benefit, or social welfare benefits in accordance with the Social Services Act, or introduction benefit in accordance with the Act on Introduction Benefit for Refugees and Certain Other Aliens, or who are young and in transition from studies to working life.

matching job-seekers to job vacancies by means of more intensive job-seeking, guidance provision, training and coaching. Further, one of the target groups that is prioritised in relation to programme area two comprises individuals who have been full-time unemployed for at least one year. For this reason, the programme specifies that a large part of the activities in programme area two will take place within the framework of the Job and Development Programme. For young people aged 18–24, the specified period of unemployment is instead at least three months, which means that the majority of the participants in this target group will be assigned to a Social Fund-financed project through their participation in the Youth Job Programme. In addition, the activities in programme area two should also have a special focus on individuals of foreign background (ESF, 2007).

### Quantified objectives

The national structural fund programme specifies that the work conducted within the framework of the Social Fund should be combined with a focus on learning, i.e. that the implementation of this work is to be continually evaluated by external evaluators at both the programme and project levels. According to recommendations from the EU Commission, this evaluation should employ the learning evaluation approach, which involves the evaluator following activities throughout the entire project period and continuously providing feedback to the project. The Swedish ESF Council therefore has a framework agreement with four evaluation companies, selected via a public procurement process, which continually produce reports on Social Fund activities, while at the same time projects are required to themselves procure external evaluators in relation to their own project activities.<sup>36</sup> The objective of learning evaluation is to ensure that both the administering agency and the individual projects have the opportunity to continuously improve their work, and to increase the opportunities to learn lessons from the projects that can be used in implementing them as part of regular activities following the conclusion of the project period (ESF, 2007; 2010; 2011).

The Swedish ESF Council also has the task of reporting to the Ministry of Employment on e.g. the funding paid out, collaboration with other agencies and developments within the structural fund programme (see for example the appropriation directions for the 2009 budget year for the Swedish ESF council, Regeringsbeslut A2009/1970/A). In the context of this reporting, the agency must amongst other things relate the outcomes of activities to indicators relating to a number of quantified objectives from the national structural fund programme. For programme area two, these include quantified targets relating to the number of individuals who should have participated in Social Fund financed activities during the programme period. According to these targets, at least 75,000 individuals should participate in Social Fund financed projects during the pro-

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<sup>36</sup> For more information on the work of evaluating and following-up the projects, see “Handledning för uppföljning och utvärdering inom Socialfondsprojekt” (ESF, 2010).

gramme period, of whom at least 15,000 should have been born abroad, 15,000 should be young people and 10,000 should have been on long-term sick leave.<sup>37</sup>

Further quantified objectives relating to programme area two include the effects that participation in a Social Fund financed project should have on the participants' chances of gaining employment. The proportion of participants who have become employed, or who perceive their chances of getting a job to have improved, should amount to at least 20 percent. Furthermore, the proportion of participants who are in work 90 days subsequent to the conclusion of the project should be at least ten percentage points higher than the weighted result produced for the same target groups by the regular measures of the Swedish Public Employment Service. The national structural fund programme states examples of two such regular measures: the Special Recruitment Incentive (SRI) and Preparatory Training Courses (PT) (ESF, 2007:39).

These two comparison measures are not completely comparable with the content and objectives of the ESF projects, however. The Special Recruitment Incentive is a wage subsidy that may be paid to public or private sector employers who employ an individual who is a job-seeker and registered at the Public Employment Service, and who has participated in the Job and Development Programme for at least six months. The subsidy amounts to 85 percent of the wage costs and may be paid for up to 12 months. Thus the Special Recruitment Incentive is not a measure that includes activities for the job-seeker in the same way as an ESF-project, but rather has the objective of reducing the costs to employers of hiring the long-term unemployed (Arbetsförmedlingen, 2012). Preparatory Training Courses are, in turn, a measure that the Public Employment Service purchases from external service providers. The objective of these preparatory training courses is to provide the participants with basic knowledge that will prepare them for a planned labour market training programme or some other labour market policy measure. The preparatory training courses may, for example, include teaching in the core subjects of further education programmes, work experience and educational and vocational counselling (Arbetsförmedlingen, 2011:9; 2010:2). The objective of preparatory training programmes is thus to facilitate the transition into another labour market policy programme, whereas the objective of the activities conducted in programme area two is more often that the participant should obtain employment.

## Programme area two

As has already been noted, the projects implemented within programme area two should have the objective of making it easier for marginalised groups, such as young people, individuals born abroad and individuals who are or have been on long-term sick leave, to become established on the labour market. Further, the projects must meet at

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37. The national structural fund programme states that at least 75,000 individuals are to have participated in projects within programme area two during the programme period, of whom at least 15,000 should have been born abroad, 20,000 should have been on long-term sick leave and 5,000 young people. In 2010, the government sent a communication to the European Commission proposing changes to these quantified objectives, which amongst other things meant that the target number of young people was increased, while the target number of persons on long-term sick leave was reduced (ESF, 2011:75).

least one of four national selection criteria in order to receive support from the Social Fund: innovative activities, learning environments, promoting cooperation and producing a strategic impact.<sup>38</sup> The term innovative activities relates to activities that meet real needs at the same time as having clear advantages by comparison with current practice in the area concerned. In other words, the national structural fund programme is intended to promote solutions that do not currently exist, or that are not currently well-established within existing systems and structures, by financing projects that work with unconventional methods. The projects should then work to disseminate the new working methods to e.g. the agencies and organisations that the projects collaborate with, with the objective being to expand the extent to which they are implemented (ESF, 2007; 2011; 2009).

### *The projects that have been awarded Social Fund support<sup>39</sup>*

This section is based on a review of the project descriptions from all those projects from programme area two that have been awarded funding in order to be implemented between the beginning of the programme period and the end of February 2012.<sup>40</sup> Projects that have been discontinued at the request of the project owner or cancelled prior to completion by the Swedish ESF Council have been excluded from the tables presented below, which are thus based on information relating to 496 projects. The funding awarded to these projects totalled 4.1 billion SEK, which means that the average project is awarded 8.3 million SEK. The reason that these projects have been awarded Social Fund support is in turn that they both meet a number of formal requirements and that their activities are assessed to be in line with the focus of the national structural fund programme (ESF, 2007).

The selection process begins with an assessment of the projects on the basis of the formal criteria, which amongst other things means that co-funding must have been secured for the projects and that the application is judged to be in accordance with regulations at the national and European levels. Projects that meet the formal requirements are then assessed on the basis of the national selection criteria, which have been formulated by the Swedish ESF Council and approved by the Fund's Swedish Monitoring Committee.<sup>41</sup> The projects that remain following this assessment are then judged in relation to the relevant regional plan. The final selection of projects is made by a body called the Structural Fund Partnership in the respective regions. These partnership bodies are comprised of amongst others representatives of the political parties, employer and employee organisations and the Public Employment Service and have been put together in order to determine which projects should be prioritised among those that meet the criteria in all three assessment phases specified by the Swedish ESF Council (ESF, 2007; 2011).

38. For more information on the programme criteria and on how they may come to expression in project applications, see "Programkriterierna i Socialfondsprogrammet" (ESF 2011).

39. Appendix B presents case descriptions of three Social Fund financed projects in programme area two.

40. This report studies projects that were awarded funding prior to 21/02/2012. Additional projects may have been awarded funding subsequent to this date, but these are not included in the report.

41. The Monitoring Committee is to monitor and ensure the quality of the work of the Swedish ESF Council and comprises amongst others representatives of employer and employee organisations who have been appointed by the Ministry of Employment, i.e. by the responsible Minister (ESF, 2011). For more information on the composition and tasks of the Monitoring Committee, see ESF, 2007:49 ff.



**Table 4.1 Number of projects, their proportional distribution (in percent), amount of ESF-funding awarded and average funding awarded per project. By the projects' responsible regional offices.\***

Region	Number of projects	Proportional distribution (%)	Sum of ESF-funding awarded (MSEK)	Proportion of total ESF-funding awarded (%)	ESF-funding awarded/project (MSEK)	
					Mean	Median
Western Sweden	112	23	744	18	6,6	5,2
Eastern Central Sweden	62	12	655	16	10,6	7,4
ESF National	38	8	628	15	16,5	10,4
Southern Sweden	76	15	585	14	7,7	5,3
Stockholm	30	6	521	12	17,4	9,4
Northern Central Sweden	35	7	290	7	8,3	5,3
Småland and the Islands	53	11	280	7	5,3	4,5
Upper Norrland	54	11	242	6	4,5	3,8
Central Norrland	36	7	192	5	5,3	4
Mean	55,1		304			
Total	496	100	4 137	100	8,3	5,7

\*Each project is tied to a specific regional office, even in those cases where project activities are conducted in several regions simultaneously. The proportion of the total amount of ESF-funding awarded is also presented (in percent).

Table 4.1 presents the geographical distribution of the projects across the regions, and regional differences in the amount of funding awarded from the Social Fund. One conclusion that can be drawn from the table is that the funding awarded tends to follow the population distribution within the country, with the four largest regions also accounting for 61 percent of the funding awarded during the period examined.<sup>42</sup> The only region that deviates from this pattern is Region Stockholm, which has been awarded 13 percent of the funding, at the same time as the region accounts for approximately 22 percent of the country's total population.<sup>43</sup> Further, both Stockholm and Eastern Central Sweden tend to award funding to relatively few, but large-scale projects. The same is true for the projects whose regional affiliation is specified as the headquarters of the Swedish ESF Council (ESF National), which is however explained by fact that the

42. The four largest ESF-regions are Southern Sweden, Western Sweden, Eastern Central Sweden and Stockholm. The awarding of funding follows the distribution model determined by the Monitoring Committee of the Swedish ESF Council in June 2007 and October 2011.

43. See "Folkmängd i riket, län och kommuner 30 september 2012 och befolkningsförändringar 1 juli - 30 september 2012" (SCB, 2012).

**Table 4.2 Social Fund projects presented by type of project owner, and the proportion they account for of the total number of projects.**

Project owner	Number of projects	Percent
Municipal and regional public sector actors	267	54
Educational and research institutions	78	16
Voluntary associations and interest groups	70	14
Private businesses	40	8
Government agencies	34	7
Thematic groups	7	1
Total	496	100

headquarters is responsible for processing national project applications.<sup>44</sup> By contrast, Western Sweden and Upper Norrland are characterised by a relatively large number of projects in relation to the amount of funding awarded in these two regions. It is important to bear in mind, however, that Table 4.1 relates to funding that has been awarded. The amounts stated may thus be greater than the amount of funding that has actually been paid to the projects for activities that have been paid and accounted for.

Table 4.2 presents the owners of the studied projects, classified using six categories created on the basis of the stated project owner in each project description. The first category of project owners comprises *municipal or regional public sector actors*, a category that includes municipal units or companies, county councils or various federations of municipalities. *Educational and research institutions* include folk high schools, educational associations, universities and further education institutions. *Government agencies* here comprise the Swedish Public Employment Service, the Swedish Social Insurance Agency or police authorities, while *voluntary associations and interest groups* include foundations, sports organisations, cooperatives and associations. This last category of organisations are thus excluded from the *private businesses* group. *Thematic groups* are financed by the Swedish ESF Council in order to analyse the activities of the other projects and to disseminate good examples (ESF, 2007).

Judging from the table, the majority of projects awarded funding during the project period have been run by actors in the *municipal and regional public sector actors* category. This has also been observed by the evaluation company Sweco (2009a) which was awarded the ESF Council tender to evaluate the implementation of the national structural fund programme. Sweco (2009a:33) note that the proportion of ESF funding awarded to public sector actors is relatively similar across the regions. Stockholm is the only region that deviates, with municipal actors accounting for a somewhat small-

44. See e.g. ESF, 2011-5090001.

**Table 4.3 The projects' target groups as stated in the project descriptions.**

Target group	Number of projects	Percent
General focus	134	27
Young people (aged 16–25)	124	25
Integration	111	22
Disability	54	11
Rehabilitation	49	10
Urban district development	11	2
Thematic group	7	1
Women	6	1
Total	496	100

er proportion than is the case in the other regions, while the voluntary associations account for a somewhat larger proportion (Sweco, 2009 a:35).

#### *The projects' target groups*

Table 4.3 presents the target groups for the projects included in the study, classified in accordance with categories developed in connection with the work of producing this report based on the information included in the project descriptions. Some of the project descriptions clearly state a single target group for the project, which has made classification a relatively easy process in these cases. When a project description has instead included up to three stated target groups, the project has been assigned a principal target group based on an assessment of the project owner's description of the contents, goals and objectives of the project. A large proportion of the projects only describe the target group in general terms, or state more than three target groups without ranking these in any way. Where this is the case, the project has been judged to lack a clear target group focus, and has therefore been classified as having a "general focus".<sup>45</sup>

Among the projects that have stated a target group for their activities, it is most common for them to have stated that these activities are focused on *young people*, who in the majority of project descriptions are defined as individuals aged between 16 and 24. The projects that have been classified as *integration projects* have stated that they are focused on e.g. foreign-born academics, recent immigrants and national minorities such as individuals with a Roma background who are positioned at a substantial distance from the labour market. Seventy-four of the 111 projects classified as integration projects have stated that they work exclusively with foreign-born individuals or national minorities, while the remainder have stated these groups as one of up to three target groups.

45. The concept "general focus" relates to descriptions of the kind "long-term unemployed", "marginalised groups" or "individuals positioned at a substantial distance from the labour market".

The projects in the *disability* group have stated that they are focused on working with participants with some form of physical or mental disability. Of the total of 54 projects that have been classified as belonging to this category, 27 state that they work with individuals with all forms of disability, while 17 state that they primarily work with individuals with learning disabilities or some other form of mental disability. Finally, three projects state that they are focused on individuals with physical disabilities, while six state that they work with individuals with neuropsychiatric disabilities, such as Asperger's syndrome or other autism spectrum diagnoses. The *urban district* category comprises projects that work with individuals living in a specific urban district. Nine of the total of eleven projects in this category describe urban districts that are in need of focused measures, in which connection all but one of the projects used terms such as "high unemployment" and "high proportion with a low level of education". Projects in the category labelled *women* state that they primarily work with female participants, in some cases irrespective of the participants' origins. Finally, the *thematic groups* comprise projects financed by the Swedish ESF Council in order to analyse Social Fund activities during the programme period.

#### *Evaluations of the selection system*

In its reports, Sweco (2008; 2009a; 2009b; 2010) has in particular studied how the programme's selection system has been organised and implemented at each stage of the assessment process. These evaluations state amongst other things that the criteria that are used in the selection process are formulated ambiguously, which Sweco argues contributes to a substantial variation between the regions regarding how the criteria are interpreted, and to the selection process being less transparent for the applicants. Further, the evaluators argue that the formulation of the programme criteria mean that the opportunities for administrators and the Structural Fund Partnership to assess the project applications in relation to one another are limited. In the context of the final prioritisation among the applicant projects, the Structural Fund Partnership does not, for example, take differences in the projects' estimated cost-effectiveness into consideration (Sweco, 2009a:62).

By contrast, the evaluators are considerably more positive about the proportion of projects approved by the assessment process having increased over time. During the first half of 2008, for example 37 percent of the applications made to the Social Fund were approved, a figure that had increased to 65 percent for the corresponding period of 2010. According to the evaluators, this increase is probably due to improvements in the information provided to applicants, increased pressure on the officials processing the applications following the findings published in the first Sweco report, and a general worsening of the employment situation during the period in question (Sweco, 2009a:21). Sweco concludes further that the high proportion of applications that were rejected at the beginning of the programme period produced efficiency problems for the implementation of the structural fund programme, since there was a risk that a large proportion of the processing officials' time would be devoted to assessing applications that did not meet the basic programme requirements. Although the evaluators inter-

**Table 4.4 All participants by age and gender.**

	16–24 years		25–54 years		55–64 years		Total	
	N	Percent	N	Percent	N	Percent	N	Percent
<b>Females</b>	16920	19	21742	24	2976	3	41638	46,4
<b>Males</b>	21917	24	19449	22	2857	3	44223	49,3
<b>Information missing</b>	594	1	3092	3	179	< 1	3865	4,3
<b>Total</b>	39431	44	44283	49	6012	7	89726	100

pret the increased level of application approval as a fundamentally positive change, it could also be a consequence of the thresholds for being awarded ESF funding in practice having been lowered. If this is the case, there is a risk that the quality of Social Fund activities may have declined over time by comparison with the regular activities of the Public Employment Service.

### The project participants

As has been noted above, the government has specified a number of quantified objectives for the two programme areas of the Social Fund programme in the national structural fund programme, although these have been adjusted over time. The current targets state that at least 75,000 are to have participated in projects within programme area two during the programme period, including at least 15,000 individuals who were born abroad and 15,000 young people (ESF, 2007:38). A review of participant statistics that the ESF Council tasked Statistics Sweden (SCB) to collect from the projects on a monthly basis show that these targets have been achieved during the programme period. By January 2013, a total of 89,726 individuals had participated in programme area two projects, of whom 39,431 were young people and 31,091 were born abroad.<sup>46</sup>

Table 4.4 describes all individuals who have participated in a Social Fund financed project in programme area two during the period 2008–2012, by gender and age. Forty-four percent of the participants are found in the youngest age category, which reflects the formulation of the national structural fund programme, which states that efforts in programme area two should contribute to helping young people become established in employment and to preventing young people becoming marginalised (ESF, 2007:38). Further, the youngest group of participants includes more males than females, while females are somewhat over-represented in the middle age-group. The gender distribution is even in the oldest group of participants, which is also by far the smallest of the three age-groups presented.

46. The figures in this section are based on information from the ESF's participant register for the period 01/01/2008 – 08/01/2013.

**Table 4.5 All foreign-born participants, and as a proportion of participant total, by gender.**

	<b>N</b>	<b>Percent</b>
<b>Females</b>	15 261	17
<b>Males</b>	15 830	18
<b>Total</b>	31091	35

**Table 4.6 All participants, by level of education and gender.**

	<b>Females</b>		<b>Males</b>		<b>Information missing</b>		<b>Total</b>	
	<b>N</b>	<b>Percent</b>	<b>N</b>	<b>Percent</b>	<b>N</b>	<b>Percent</b>	<b>N</b>	<b>Percent</b>
Compulsory education (years 1–9)	15803	18	14625	16	0	0	30428	34
Further education	21395	24	19633	22	0	0	41028	46
Post-further education (not higher education)	1472	2	1407	2	0	0	2879	3
Higher education	4306	5	4745	5	0	0	9051	10
Information missing	1107	1	1368	2	3865	4	6340	7
<b>Total</b>	<b>44083</b>	<b>49</b>	<b>41778</b>	<b>47</b>	<b>3865</b>	<b>4</b>	<b>89726</b>	<b>100</b>

Table 4.5 presents both the number of participants in Social Fund financed projects who were born outside Sweden, and the proportion they comprise of all registered participants during the period examined, by gender. The table shows that 35 percent of the participants in Social Fund financed projects were born abroad. This represents a significantly higher proportion than that found in the population as a whole during the same period, which was 17.2 percent (SCB, 2012).<sup>47</sup> Further, the gender distribution is relatively even within the group of foreign-born participants, although there is a slight over-representation of males.

Finally, Table 4.6 presents the number of project participants by level of education and gender. Almost half of the participants had further education as their highest completed level of education, while for just over one-third it was the equivalent of Swedish compulsory education. The proportion of participants during the programme period who had some form of post-further education was in turn thirteen percent, which is in part explained by the relatively high proportion of young people registered in Social Fund financed projects.

47. The figure is calculated on the basis of Statistics Sweden's population statistics for 2000–2011 and its prognosis for 2012–2060.

## Co-funding

As was mentioned earlier, national co-funding is a condition for the payment of Social Fund financing to individual member states. The same principle is true of the projects that are entitled to funding. In order for a project to receive ESF-funding, the project owner must be able to show that public funding has been used to finance some portion of the activities. This may be achieved by the project owner providing finances to cover half of the total budget of the project, while the Social Fund financing accounts for the remainder. Another possible funding model described in the national structural fund programme is that the project may include the income provided to the project participants in the public funding requirement. This relates to the compensation received by the participants from the Public Employment Service, the Social Insurance Agency or the municipal social services for participating in the project activities. A review of all the projects implemented during the programme period also shows that co-funding based on participant compensation is by far the most common form. Of a total of 552 projects, 490 secured their co-funding in this way (ESF, 2007).<sup>48</sup> The reason that most project owners choose this form is co-funding is probably that it means that no additional funds then need to be assigned to the project. Instead, the project owners' public funding takes the form of money that, even in the absence of ESF-projects, would still have been paid out to the participating individuals by the Public Employment Service, the Social Insurance Agency or the municipalities.

Thus the payment of Social Fund financing is based on both the size of the amount awarded through the approval of the project application, and on the amount of co-funding. Social Fund financed projects that utilise the compensation paid to the participants as co-funding may, for example, only receive financial support for those days on which the participant participates in project activities. Thus the project's chances of obtaining funding for a specific participant disappear completely if the participant for some reason terminates his or her participation in the project. At the same time, no further funding is awarded if the participant leaves the project for e.g. subsidised or unsubsidised employment (ESF, 2007; 2009).

This can be compared with the payments made by the Public Employment Service to private sector service providers, which is in part performance-based. The payments made for longer-term measures follow a model whereby part of the money is paid when an assigned participant begins activities with the actor in question, while additional payments are made if the participant finds employment and if this employment continues for a certain period of time (Lundin, 2011:13; Arbetsförmedlingen, 2010:2).<sup>49</sup> Payments to such private sector service providers thus include a more powerful financial incentive to work effectively in order to reduce the length of the period it takes for a participant to find employment, than is the case for a majority of the Social Fund financed projects. It would also seem reasonable to assume that Social Fund projects

48. The figures are based on data from the ESF's participant register for the period 01/01/2008 to 08/01/2013.

49. For a discussion of the structuring of financial incentives in the systems of payments to private sector service providers, see Riksrevisionen, 2009:22:48 ff.

that base their co-funding on benefits paid to the participants will find it more difficult to plan their budgeting processes, since Social Fund financing will not be paid if the participant is absent due to illness. One strategy for dealing with this might be to maintain higher than planned participant numbers in order to ensure the financing of the project's fixed costs, which may negatively affect the quality of the project activities.

This co-funding model also involves an additional administrative burden for the relevant projects. Those projects that use the co-funding model described above must, for example, verify each participant's attendance at the project on a monthly basis and request that the relevant agency certify that benefits have been paid for those days on which the individual concerned has participated in project activities. Funding payments are also made in arrears and for costs that have been paid and presented in accounts, which means that the project owner must maintain the project's liquidity while waiting for a decision on funding for the relevant period (ESF, 2009; 2007).<sup>50</sup> The Swedish National Audit Office recently conducted a study of the administration of structural fund projects (Riksrevisionen 2012:22) and found that 80 percent of the projects in programme area two viewed this type of co-funding as demanding fairly or very high levels of resources. At the same time, the study shows that projects focused on e.g. young people or individuals on long-term sick leave find it difficult to obtain a sufficient level of co-funding, since the low levels of benefits paid to these groups by the Public Employment Service or the Social Insurance Agency mean that the projects generally also receive low levels of participant-based co-funding. According to the National Audit Office (2012:22.11), this in turn produces a risk that projects will choose not to focus on certain of the groups that are prioritised by the national structural fund programme since they generate relatively low levels of co-funding.

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50. Funding payments are made for a period of a minimum of one month and a maximum of three (ESF, 2009).



## 5. Previous evaluations of Social Fund financed projects

Labour market research in Sweden has included relatively few evaluations of projects financed by the Social Fund. The majority of the evaluations that have been conducted have had a qualitative focus and have primarily looked at the implementation of the projects in question. The majority have been conducted by actors who have been contracted by the projects to evaluate their activities. The evaluations often take the form of so-called learning evaluations, which means that the researcher follows the project activities throughout the life of the project and continuously provides feedback to the project on the observations made. The objective of an on-going evaluation is to create conditions for continuous learning within the projects, and to provide opportunities for more detailed reflections, analyses and conclusions, which is intended to improve the opportunities for utilising the lessons that can be learned from the projects and to facilitate the implementation of these in regular labour market activities once the projects have been concluded. This approach is in line with what the national structural fund has written about follow-up, evaluation and learning environments during the programme period 2007–2013. One of the principal objectives of the Social Fund is specifically that the funding should produce a surplus value by contributing to the dissemination of innovations to regular labour market measures (Brulin & Svensson, 2012; Stigendal, 2011; ESF, 2007).

The Institute for Research on Migration, Ethnicity and Society (REMESO), as former project owner for the Thematic Group on Inclusion in Working Life (TIA, one of the thematic groups with the task of analysing Social Fund activities, see Table 4.3), has produced a number of reports examining different aspects of the activities of projects financed by the Social Fund. Thörnquist (2011:6) studies projects focused on target groups on the basis of national or ethnic background, how the inclusion criteria based on the participants' background are motivated and the strategies employed by the projects in order to include the participants in working life. Engstrand et al. (2010:1) chart projects that were awarded financing from the Social Fund in the course of 2008, and conducts a more detailed study of the project workers' attitudes towards the participants, the working methods employed in the projects and collaborations between the projects other actors. Larsson (2011:8) illustrates different forms of obstacle to producing integration in working life for individuals of foreign background, with a special focus on different types of mental and physical illness at the individual level. In summary, these reports describe the projects financed by the Social Fund as a hybrid of social work activities and teaching activities. The projects often come into contact with participants whom the project workers assess to be positioned at a greater distance

from the labour market than was envisaged in the project application. This in turn creates a major need to be able to adapt the activities to individual participants, at the same time as the project workers often have to deal with mental and physical illness among the participants.

The qualitative methods employed to collect the data in the above studies primarily took the form of interviews with project workers, participants and officials at the Swedish ESF-Council, as well as participant observations and textual analyses of various project evaluations and steering documents. Studies of this type may contribute valuable detailed knowledge about Social Fund financed projects by studying, for example, processes in specific projects, the significance of staff attitudes and of the cooperation among different actors involved in the implementation of a project. These aspects of the work of the projects may be difficult to examine in a satisfactory manner on the basis of large-scale quantitative data sets. There has, however, been a lack of clear guidance on the part of the Swedish ESF Council with regard to the evaluations and follow-up research efforts conducted over the course of the programme period, which has amongst other things been reflected in a substantial variation in the contents of the project evaluations (see Sweco 2010:11). One shortcoming of the majority of evaluations, for example, is that the data collection process has not been described in a way that makes it possible for the reader to assess the validity of the data collected.

### Advantages associated with systematic data collection

Learning evaluations are probably of value to the individual project, which is provided with greater opportunities to continuously introduce improvements. If the goal is also to generate knowledge that can be applied to other activities, however, other research should also be conducted in parallel with the learning evaluations, which is designed to produce results that are generalizable at a broader level. Different types of case studies focused on specific projects may generate valuable hypotheses about e.g. the types of methods that may improve labour market outcomes for project participants, but another type of evaluation strategy is required in order to find out whether these methods are likely to improve outcomes for project participants more generally. Firstly, a larger number of projects need to be included in the sampling frame. Secondly, there is a need for a high degree of consistency in both the measurement of the methods employed in the projects and in how the project participants are followed-up. If we are able to observe the outcomes experienced by a large number of participants in a large number of projects, and are consistent and precise about how methods and outcomes are measured, we will have a very good basis both for providing a comprehensive picture of what happens to the project participants subsequent to the projects, and also for examining whether there are correlations between certain methods and outcomes among the participants. In order to draw reliable conclusions about the effectiveness of different methods, however, it is essential to include controls for other factors that are of relevance in relation to the outcome.

The most reliable way of testing the effectiveness of different methods is to conduct a randomised experiment. One example of an experimental study in the labour market field can be found in the evaluation conducted by Andersson Joonas and Nekby (2012) of a trial project that had the objective of improving the labour market opportunities of recently arrived immigrants in Sweden. The trial project was introduced in three Swedish counties (Kronoberg, Skåne and Stockholm) in October 2006 and was then phased out from June 2008. The objective of the evaluation was to test whether more intensive counselling and coaching improved the employment opportunities for newly arrived immigrants who participate in introductory programmes. The Public Employment Service in the participating counties randomly assigned newly arrived immigrants to treatment and control groups, with the treatment group being given intensive coaching while the control group participated in activities within the regular introductory programmes. The municipalities that participated in the trial were also encouraged to offer the treatment group part-time courses in Swedish at the same time as they participated in the more intensive job-placement activities.

Since the participants were randomly assigned to the respective groups, we can exclude the possibility that the results for one of the groups were due to the participants being different from the participants in the other group, e.g. in terms of previous employment experience, level of motivation or language abilities. The use of random assignment is specifically intended to ensure that these and other characteristics are evenly distributed between the projects. This means that the causes of possible differences in labour market outcomes between the groups may be ascribed to differences in the treatment received, which in this case was counselling and coaching. Andersson Joonas and Nekby (2012) were able to show that the employment rate for those who had participated in the trial project was higher than the employment rate in the control group, even up to 2.5 years after the experiment had been conducted. Thanks to the design of the study, possible alternative explanations can be rejected, and the effect can very credibly be ascribed to the treatment difference between the two groups, i.e. that intensive counselling and coaching can improve labour market opportunities for newly arrived immigrants.

It can, however, be difficult to conduct experimental studies in practice, since they require that the researchers are given the opportunity to participate in the design of the project or trial from the very beginning. It is therefore more common for control groups to be created after the event using statistical methods. One alternative is for the participants in the treatment group to be matched with individuals with the same background characteristics, but who did not participate in the treatment. In other words, the researchers identify a “twin” for each participant in the studied project, i.e. an individual of e.g. the same age, gender, nationality, education, employment history and length of residence in Sweden. The hope is that these characteristics capture all of the potential between-group differences that are of relevance to the outcome, and that subsequent to the matching process, the groups will be identical in all essential respects besides their participation in the treatment. If this hope is realised, the difference in outcomes

between the participants in the treatment group and the matched comparison group may be interpreted in causal terms. The researcher can also conduct follow-ups at a later date, since it may be the case that certain projects do not produce an effect until a couple of years subsequent to participation. It should be noted, however, that the causal interpretation is dependent on an assumption that the groups do not differ in relation to unobserved characteristics that are essential to the outcome. It may, for example, be difficult to take all the factors that may affect an individual's labour market outcome into consideration, since quantitative data sources rarely include information on factors that are more difficult to capture, such as individuals' language abilities, motivation, contacts etc.

The matching approach was employed by Hallsten et al. (2002) in their evaluation of the "Rinkeby Arbetscentrum" project, which received funding from the EU's Objective 3 fund. In order to study employment effects of participation in the project, the researchers used individual data from the Swedish Labour Market Agency's database and matched the project participants in Rinkeby with persons in open unemployment from the North Stockholm area on a number of background variables. The study shows that the implementation of the project activities was perceived as positive by both project workers and participants, but that there were no positive effects on employment. On all four occasions when the project was followed up, the proportion in work was lower among the project participants than in the comparison group. In Ramböll's (2012) evaluation of the ESF-financed project "Etablering Stockholm", the quantitative effects of participation in the project were estimated using a simpler matching approach. In this evaluation, powerful positive effects on employment were found, but since the number of observations is very small, the result should be viewed with a great deal of caution.

## Evaluations of intensified job-placement measures

Thus there are only a small number of studies that have attempted to estimate the effects of participation in Social Fund financed projects using quantitative methods to try to estimate the causal effects of the projects in question. There are a larger number of quantitative studies that have focused on the effects of job-placement activities in the form of intensified job-seeking, guidance and coaching, and also various types of labour market training programmes, that according to the national structural fund programme (ESF, 2007:39) should be conducted within the framework of programme area two. A considerable amount of research has also been conducted into the effects of active labour market policy measures more generally. International experiences of active labour market policy measures have been described in a number of research reviews. Overall the Swedish and international research shows mixed results, with effects often varying between countries, periods and different groups of job-seekers.<sup>51</sup>

51. Nekby (2009) has reviewed Nordic experiences of active labour market policy measures with a focus on young people and immigrants, Kluve (2006) programmes in Europe, Martin and Grubb (2001) experiences in OECD-countries, White and Knight (2002) youth programmes and Bergemann and van den Berg (2007) the effects of active labour market programmes for women. Forslund and Vikström (2011) provide the most updated review of Swedish experiences of active labour market policy measures.

Several labour market policy studies based on register data have shown that job-placement activities such as counselling, monitoring job-seekers and matching activities have a positive effect on job-seekers' chances of finding work. In certain cases, however, these positive effects were limited to certain groups, such as the long-term unemployed (Kluve, 2006). In the Swedish National Audit Office's review of current labour market policy (Riksrevisionen 2009:22), it is noted that these measures are relatively cheap in relation to their results by comparison with other measures.<sup>52</sup> The effect of the job-placement activities is probably due to a combination of programme effects and so-called threat effects. The latter means that intensified job-placement activities may lead to the job-seekers increasing their level of job-seeking activities or reducing their reservation-wage levels in order to avoid e.g. reduced unemployment benefits or participation in other types of active labour market measures.

There are also a number of experimental studies that have analysed the effects of job-placement activities intended to improve job-seekers' practical job-seeking skills, such as courses in how to look for work, for example, or write job applications, or interview training.<sup>53</sup> The effects of these measures have predominantly been positive. One experimental study conducted by Finnish researchers found no long-term effects on employment when the results were based on registered information (Hämäläinen et al., 2008), but a small effect two years subsequent to participation in the programme when employment information was collected using questionnaires (Vuori & Silvonen, 2005). A Danish experiment based on random assignment to a broad activation programme that included job-seeker courses, intensive counselling and work training programmes showed substantial significant effects on the transition into employment irrespective of age or gender (Graversen & van Ours, 2008a, 2008b).

### *Experiences of training measures*

At the same time as evaluations of intensified job-placement activities have produced predominantly positive results, the results from studies that analyse the effects of various types of labour market training programmes have been mixed. Kluve's (2006) meta-analysis of 137 individual programmes in different European countries shows that private sector wage subsidies and public sector job-placement activities produce a greater positive effect than training programmes. The difference in the size of effects is relatively substantial; the former types of programmes produce a likelihood of positive treatment effects that is 30–40 per cent higher than that associated with training programmes. A subsequent meta-analysis by Card, Kluve and Weber (2009), however, instead found strong positive effects for labour market policy training programmes, which may be due to the study having been conducted at a different stage of the economic cycle. Further, the effects were found to be strongest two to three years subsequent to the individual having participated in the measure. A number of Norwegian studies have also shown positive effects on employment for labour market training program-

52. Provided that the effects are at least as good as the effect of participating in other programmes in terms of improved employment chances and a reduction in the length of the period of unemployment (Riksrevisionen, 2009:22).

53. See for example Graversen & van Ours, 2008a, 2008b, Hämäläinen et al., 2008, Vuori & Silvonen, 2005, Häggglund, 2006a, 2006b.

mes, particularly for women and young people (Lorentzen & Dahl, 2005; Jespersen et al., 2004; Raum et al., 2002a; 2002b; Zhang, 2003).

There is some research that suggest that the effects of labour market training programmes vary with the stage of the economic cycle. Training programmes have, for example, been found to produce a greater effect on chances of employment if the economy is in good health subsequent to the programme period (Raum et al., 2002a). This finding is also in line with the Swedish literature that found no effects, or negative effects, associated with labour market training programmes during the economic crisis at the beginning of the 1990s. Studies based on data from prior to the crisis had found positive effects, at the same time as two Swedish studies of occupational training programmes that were implemented subsequent to the crisis of the 1990s also show substantial positive effects on employment subsequent to participation in the programmes, in both the short and longer term (de Luna et al., 2008; Richardson & van den Berg, 2008; Forslund & Vikström, 2011). In summary, these findings indicate that training programmes, particularly large-scale programmes, are less effective in situations that are characterised by a low demand for labour. Other studies also indicate that successful programmes are generally characterised by involving collaborations with potential employers, e.g. by having the training programme largely located in workplaces (Calmfors et al., 2001; Martin & Grubb, 2001).

### Labour market measures focused on foreign-born individuals

In the national structural fund programme, individuals who were born abroad and who are positioned at a substantial distance from the labour market are specified as a prioritised target group for Social Fund financed projects in programme area two, and several of the projects that are examined in this report are specifically focused on this target group (ESF, 2007). Few studies have been conducted however that analyse the causal effects of labour market measures specifically focused on foreign-born individuals. One of the few exceptions relates to the trial programme Workplace Introduction for Certain Immigrants (SIN), which was initiated in 2003 and which involved greatly intensified job-seeking and matching assistance for newly arrived immigrants with no labour market attachment and foreign-born individuals with employment experience but also a long period of unemployment behind them.<sup>54</sup> In the trial programme, the participants had intensive contacts with personal case officers at the Public Employment Service, with these case officers furthermore being assigned a significantly smaller caseload than usual in order to enable them to provide more active support to the participants in finding and keeping a job. The case officers were also expected to interact with potential employers, contribute to resolving possible problems during the participants' initial period of work-experience or at the workplace and to follow-up the participants' development at their places of work (Åslund & Johansson, 2006). In their evaluation of the trial programme, Åslund and Johansson (2006) found that it resulted in an increase in the numbers entering the labour market policy measure work experi-

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54. See also Clausen et al. (2008) and Kvinge & Djuve (2006).

ence, and that the work experience provided within the framework of the programme led to a greater chance of employment than otherwise. The authors conclude that the methods employed in the trial programme promoted a better matching of the participants' individual needs to labour market measures, which may in turn facilitate employment opportunities for the individual. Foreign-born individuals in particular may benefit from intensified matching efforts as a result of the group's relative lack of access to social networks and contacts with employers in the new country.

## 6. A comparative follow-up of the participants in Social Fund projects and Public Employment Service programmes

The focus of our analysis is directed at individuals who have participated in ESF-projects for the long-term unemployed (ESF programme area 2) for which the Public Employment Service (PES) is either the principal funding body or a co-funding body. We have employed the Public Employment Service's database which contains information on all persons registered at the PES. Those registered at the PES are either job-seekers or newly arrived immigrants who are participating in introduction programmes (who arrived subsequent to December 2010 when the Public Employment Service took over the principal responsibility for the introduction of newly arrived immigrants). This means that we have information on 30,034 individuals who participated in one or more of the 278 ESF-projects that have been registered in the Public Employment Service's database during the programme period, which started in 2008. ESF-participants are compared with other job-seekers registered with the Public Employment Service, who have participated in a PES-programme during the same period, but not an ESF-project – a total of 902,678 individuals. We have been able to follow all individuals from 2005, at the earliest, up until that point when their registration at the Public Employment Service was cancelled, although for no longer than until May 2012. Since the comparison presented is based on individuals who have concluded an ESF-project or a PES-programme during the period examined, all those persons registered at the PES who have not participated in a programme or an ESF-project during this period have been excluded (a total of 892,492 individuals).<sup>55</sup> The reason for the exclusion of these individuals is that it has been our objective to compare outcomes for individuals who have actually participated in measures organised under the auspices of either the ESF or the PES.

The data includes information on individual characteristics such as gender, age, level of education, type of education, documented disabilities, municipality of residence, which PES-office the individual was registered at, country of birth and for individuals born abroad, whether they were newly arrived in Sweden (yes/no). There is also information on the individuals' unemployment history in the form of the number of times their

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55. See Table C1 in Appendix C for descriptive statistics relating to the job-seekers registered at the PES who did not participate in a programme during the observation period. By comparison with those who had participated in a PES-programme, this group, which is excluded from the analyses, is to a greater extent comprised of women, to a lesser extent comprised of individuals born abroad (a smaller proportion of newly arrived immigrants), includes a significantly smaller proportion of individuals with documented disabilities, and a larger proportion with post-further education studies. In addition, these job-seekers are less often long-term unemployed and include a larger proportion who are members of an unemployment insurance fund.



registration at the PES had been cancelled between 2005 and 2007, registration at the PES prior to 2005, membership of an unemployment insurance fund (yes/no), the total length of the period of PES-registration during the period 2005–2007 and an indicator of long-term unemployment.<sup>56</sup> Finally, there is information on participation in programmes, included dates when the individuals started and concluded the programmes, the type of programme and the registered job-seeker category for those still registered at the PES, and the reason for cancellation for those whose PES-registration had been cancelled (including all dates that indicate changes in job-seeker category and/or reasons for registration cancellation).

The comparison between the ESF and the PES thus proceeds on the basis of all job-seekers who have concluded an ESF-project or a PES-programme during each year, from January 2008 until May 2012. The determination of having concluded a project/programme is based on the date registered for the conclusion of participation in the project or programme. In cases where there are multiple conclusion dates for the same individual and year in relation to the same project or programme, the analysis proceeds on the basis of the final conclusion date registered during the year. It should be noted that the same individual may have concluded projects/programmes several times during the period 2008–2012.

Descriptive statistics (not shown) indicate that a somewhat larger proportion of the participants in ESF-projects were born abroad, compared with the participants in the PES-programmes. There is no difference in the proportion of newly arrived immigrants however, nor in the proportion of women. Otherwise, the participants in the ESF-projects are on average younger, a smaller proportion have completed post-further education and a substantially smaller proportion have some form of documented disability. Forty-seven percent of the participants in ESF-projects were aged 24 or younger by comparison with only 24 percent of the PES-participants. As regards unemployment history, a larger proportion of the ESF-project participants were long-term unemployed (but a smaller proportion had been registered at the PES for a period of over twelve months) and a substantially smaller proportion were members of an unemployment insurance fund. The fact that a larger proportion of the ESF-participants were young may in part explain the lower level of unemployment insurance fund membership and also the higher proportion of long-term unemployed.

The outcomes that we are interested in are the extent to which the participants in ESF-projects are in work subsequent to their having concluded the project by comparison with the participants in PES-programmes subsequent to concluding their programme participation. The PES defines work in terms of an overarching category that includes work without support, work with support and so-called New Start Jobs. The definitions of these respective types of work are drawn from the Public Employment

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56. It should be noted that the definition of long-term unemployment varies with age. The PES defines a job-seeker aged 25 or over as long-term unemployed when he/she has been continuously unemployed for at least six months. Persons under 25 years of age are defined as long-term unemployed once they have been unemployed for at least 100 days.

Service's categorisation of those still registered with the PES and the reasons for cancellation of registration for those no longer registered. See Table C2 in the appendix for a list of these sub-categories.<sup>57</sup>

Our results presentation is organised in the following way. We begin by presenting a comparison of outcomes for all ESF-participants by comparison with outcomes for PES-participants in Preparatory Training courses (PT). According to the national structural fund programme (ESF, 2007:39), the proportion of ESF-participants in work 90 days after concluding the project should be at least ten percentage points higher than the weighted result of the regular PES measures Special Recruitment Incentive (SRI) and Preparatory Training (PT), or a corresponding regular measure for the corresponding target group calculated for each year and for the whole of the programme period.<sup>58</sup> In our comparison, we have chosen to follow this directive in the sense that we compare ESF-participants with PES-participants in PT. We exclude SRI because very few job-seekers participate in this programme, particularly among the ESF-participants.<sup>59</sup> Thereafter, we present a comparison of ESF- and PES-participants within the Job and Development Programme (JDP) and the Youth Job Programme (YJP)<sup>60</sup>. We conduct these comparisons in part because a large proportion of the ESF-participants participate in ESF-projects during these programmes, and in part because the comparison group of PES-participants within these programmes is more relevant than the group of PES-participants in Preparatory Training. Individuals who participate in the same programme may be assumed to be more similar to one another in relation to both observable and unobservable characteristics than individuals who participate in different programmes. We employ the YJP and JDP comparisons because these are the most common programmes among ESF-participants. Forty-one percent of the ESF-participants take part in an ESF-project during YJP and 24 percent of ESF-participants take part in an ESF-project during JDP. By contrast, only three percent of ESF-participants take part in an ESF-project during PT, and even fewer (0.5 percent) during SRI.<sup>61</sup>

In general we have chosen to present and analyse the labour market outcome 90 and 180 days following the conclusion of participation in the project and at the final obser-

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57. The remaining job-seekers are registered as "other registered job-seekers" (not presented separately). The descriptive statistics also show the proportion in programmes receiving activity support and the proportion in open unemployment subsequent to the conclusion of the project or programme.

58. For the project period as a whole, the results are weighted by reference to the number of cases of concluded participation per year.

59. Excluding SRI produces an advantage for ESF-projects in a comparison with weighted results from PT and SRI because a larger proportion of those in SRI move into work than of those in PT.

60. Individuals who have moved onto the third phase of the Job and Development Programme have been excluded from the analysis since participants in this stage are not offered labour market policy measures that correspond to the activities in an ESF-project. Job-seekers in Phase 3 must instead perform a socially useful occupation at an employer that must correspond to the individual's total supply of labour (SFS 2007:414).

61. Forty-five percent of the ESF-participants (13,573 individuals of a total of 30,034) participated in at least one JDP-programme between 2005 and 2012 (23.6 percent of the ESF-participants participated in an ESF-project during JDP, which correspond to 7,085 individuals). Forty-seven percent of the ESF-participants (14,359 individuals) took part in at least one YJP-programme during the same period (41 percent participate in an ESF-programme during YJP, which corresponds to 12,334 individuals). By comparison, only 28 percent of the ESF-participants had participated in PT at some point and only three percent had participated in an ESF-project during PT (936 individuals). Only 5.6 percent of ESF-participants had participated in SRI at some point and even fewer, 0.5 percent, had participated in an ESF-project during SRI (142 individuals).

vation point following the conclusion of participation in the project/programme. For job-seekers whose registration at the PES has been cancelled prior to 90 or 180 days having passed, the outcome is measured at the final observation point prior to the 90 or 180 day threshold. The outcome at the final observation point may also coincide with the outcome at 90 or 180 days. In order to also provide a general description of what happens to the ESF-participants, we will also present a final analysis where we proceed from the time at which the participants were registered in an ESF-project or a PES-programme and then follow month-by-month what happens in relation to their labour market participation. In this analysis we do not limit ourselves to observations at certain periods following the participants' registration in the projects/programmes but instead follow the participants for as long as is possible.

### Comparison of all ESF-participants with all PES-participants in the PES Preparatory Training programme (PT) – overview

Table 6.1 presents the weighed (across the years of the study) averages for the respective labour market outcomes 90 and 180 days following the conclusion of participation in the project/programme and at the final observation point. Results are presented for all cases of concluded project participation in ESF-projects and all cases of concluded participation in the Public Employment Service's PT programme.

A comparison of the proportions in work between all ESF-participants and all participants in the PES's PT programme shows better results for the ESF-participants. The proportion in work 90 days after the conclusion of their project participation is approximately twelve percentage points higher than the corresponding proportion among the PT-participants. Thus the ESF is achieving the stated objective that the proportion in work should be at least ten percentage points higher than among individuals who have concluded PT.<sup>62</sup>

As early as 180 days after project conclusion, however, the difference between participation in ESF-projects and PT has declined, particularly in relation to work without support, with 14.4 percent of ESF-participants being in work without support compared to 11.1 percent of PT-participants. At the final observation point, the difference between ESF and PT in terms of the proportion in work has largely disappeared, which is also true for the difference in the proportions in work without support and work with support.<sup>63</sup>

It may be noted that the most common outcome following the conclusion of an ESF-project is participation in a programme with activity support. A total of 53 percent

62. The extent to which the ESF-outcome is better than the PES-outcome declines somewhat if cases of concluded participation in the Special Recruitment Incentive programme (SRI) are included in the comparison, since the proportion in work after 90 days is higher among SRI-participants than it is among either ESF-participants or PT-participants (information from the Public Employment Service's calculations based on all cases of concluded ESF-participation).

63. Differences in labour market outcomes between the PES and the ESF do not appear to be driven by differences in cancellation of PES-registration for some other known reason or for an unknown reason. Approximately 25 percent of all PES-registration cancellations are due to another known reason or an unknown reason among ESF-participants and approximately 30 percent in relation to all cases of concluded participation in PT.

**Table 6.1 Outcomes 90 and 180 days after conclusion of participation in project/programme and at final observation point, in percent.**

	All ESF	PT
<b>90 days after conclusion</b>		
Work:	23,9	11,6
Work without support	13,5	7,7
Work with Support	4,7	2,1
New Start Job	5,8	1,9
Open unemployment	18,2	25,3
Programme with activity support	53,0	55,2
<b>180 days after conclusion</b>		
Work:	25,3	17,2
Work without support	14,4	11,1
Work with Support	5,0	3,1
New Start Job	5,9	3,0
Open unemployment	18,9	25,3
Programme with activity support	50,5	49,1
<b>At final observation point</b>		
Work:	31,3	31,8
Work without support	21,4	22,6
Work with Support	4,7	4,7
New Start Job	5,2	4,5
Open unemployment	20,1	23,9
Programme with activity support	43,0	36,6
Number of cases of concluded project participation	33 785	150 828

Weighted average across all cases of concluded project participation from 2008 to (May) 2012. The final outcome category, "other registered job-seekers" is not presented above. Outcomes for the PT programme are based exclusively on job-seekers within this programme who have not participated in an ESF-project. It should be noted that the time between concluding a programme and the final observation point may vary between different programme categories.

of all ESF-participants are in a programme of this kind 90 days after concluding their ESF-participation. The corresponding figure for PES- participants in the PT programme is 55 percent. We can see the same tendency 180 days subsequent to the conclusion of project participation and at the final observation point. The most common labour market outcome for ESF-participants is to enter a programme with activity support (the same is true for job-seekers who have concluded a period in the PT programme).<sup>64</sup>

## Detailed analysis

The difference in the mean probability of having a job (work without support, work with support) between ESF- and PES-participants will now be estimated using so-called linear probability models. Regression models are estimated which to a varying extent include controls for differences between ESF- and PES-participants in individual characteristics, unemployment history and community of residence. If, for example ESF-participants on average have a lower level of education than PES-participants, some of the difference in the likelihood of being in work may statistically be explained by this. The idea here is to control for all of the relevant characteristics that vary between ESF- and PES- participants and that influence the likelihood of finding a job.

It should be noted, however, that there are characteristics that have not been observed but that may be important for the chances of getting a job, and that these characteristics may differ between the two groups (common examples include motivation, social skills, language ability, networks etc.). The type of analysis presented here cannot state whether the remaining differences (positive or negative) between ESF and PES in the likelihood of being in work are due to differences in unobserved characteristics or are a result of the activities of the ESF-projects. What we are able to describe, however, is how large a difference remains between ESF and PES once observed group differences in individual characteristics, unemployment history and community of residence have been taken into consideration.

Two models have been estimated for each comparison: (1) a model with unadjusted differences, where we simply compare percentages with no statistical controls, (2) a model that includes statistical controls for individual characteristics (gender, foreign birth, newly arrived immigrant, age, level of education, type of education and disability), unemployment history (registration at PES prior to 2005, length of registration at PES, number of times PES registration has been cancelled between 2005 and 2007, long-term unemployment and membership of unemployment insurance fund) and municipality of residence.<sup>65</sup> The second model specification compares differences in being in work between ESF- and PES-participants once effects of gender, age, country of birth, level and type of education, disability, detailed unemployment history and municipality of residence have been removed. The coefficient estimate shows the difference in percentage points in the likelihood of being in work (work without support, work with

64. The same is also the case for the participants in the JDP, but not the YJP. See also Tables C3–C5 in Appendix C for a compilation of the proportions in work, work with support and work without support for each of the years 2008–2012.

65. In Models 3 and 4, the dichotomous variable for foreign-birth is replaced by indicator variables for country of birth.

and who were registered under PT compared with other PT-participants, (3) ESF-participants who have concluded an ESF-project who were registered under YJP compared with other YJP-participants and (4) ESF-participants who have concluded an ESF-project who were registered under JDP compared with other JDP-participants. Since the evaluations must pay special consideration to immigrant status, all models are also estimated separately for foreign-born individuals.

### *Comparison of all ESF-participants and participants in the PES's Preparatory Training programme (PT)*

The first analysis, presented in Table 6.2, compares participants in the Public Employment Service's Preparatory Training programme (PT) with all individuals who have participated in an ESF-project. We make this comparison because the ESF, in its official statistics, presents a similar comparison.<sup>66</sup> We begin the presentation by looking at the broad work concept, which is the concept that is usually employed in the ESF-statistics. The unconditional probability of being in work both 90 and 180 days after concluding a programme/project is much higher for participants (in ESF-projects) by comparison with participants in the Public Employment Service's Preparatory Training. The mean for PT-participants after 90 days is 11.6 percent and after 180 days, 17.2 percent. After 90 days (Model 1.1), the ESF-participants are approximately 12 percentage points higher, and they are approximately 8 percentage points higher after 180 days (Model 2.1).

The picture changes somewhat when the control variables are introduced into the model. Once the individual characteristics educational type and level, gender, age, immigrant status and disability are taken into account, the gap between ESF and PT declines somewhat (not shown in the table). The conclusion here is that the composition of the different groups of participants with regard to these characteristics has a certain impact on the results. The selection of participants to PT appears to take place on the basis of individual characteristics that are linked to a somewhat lower likelihood of getting a job. When we also add the control variables relating to unemployment history, the gap increases somewhat. This is primarily due to the fact that the ESF-participants have a longer unemployment history and weaker labour-market attachment than the PT-participants. Given that the ESF-participants' unemployment history is on average more extensive, the analysis shows that the net difference in outcomes in favour of the ESF-participants increases. The likelihood of ESF-participants having a job 90 and 180 days after concluding their project participation is approximately 14 and 11 percentage points higher respectively than for participants in PT (Models 1.2 and 2.2).

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66. In the national structural fund programme, quantified objectives are specified for programme area two, which state that the proportion of participants in work 90 days subsequent to having concluded a project must be at least ten percentage points higher than the weighted result for the Public Employment Service measures Preparatory Training (PT), Special Recruitment Incentive (SRI), or other measures for the corresponding target groups (ESF, 2007:39). (See above.) It is somewhat unclear however why the Special Recruitment Incentive is regarded as a reasonable reference category, for which reason we have chosen to exclude it from our analyses. Since the Public Employment Service's Special Recruitment Incentive is more successful than Preparatory Training, our comparisons produce a somewhat more "favourable" picture of ESF than would have been the case if we had included the Special Recruitment Incentive. The number of ESF-participants who have SRI as their programme-ID is very small.

**Table 6.2 Differences in outcomes between all cases of concluded participation in an ESF-project and PT (linear probability models). The coefficient estimates state the deviation for ESF (from PT) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average PT (ref.)	11,6	7,7	2,1
1.1 Difference ESF-PT	+12,3***	+5,9***	+2,6***
1.2 Difference ESF-PT after control for all other variables	+13,7***	+6,6***	+3,1***
<b>180 days after conclusion</b>			
Average PT (ref.)	17,2	11,1	3,1
1.1 Difference ESF-PT	+8,2***	+3,3***	+1,8***
1.2 Difference ESF-PT after control for all other variables	+10,9***	+5,0***	+2,5***
<b>At final observation point</b>			
Average PT (ref.)	31,8	22,6	4,7
1.1 Difference ESF-PT	-0,5*	-1,2***	+0,4
1.2 Difference ESF-PT after control for all other variables	+2,8***	+2,8***	+0,1

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

The individual characteristics include dummy variables for gender, immigrant status, newly arrived status, age (7 categories), disability, level of education (6 levels), type of education (9 categories) and country of birth. The controls for unemployment history are dummy variables for cancellation of PES-registration 2005–2008 (3 levels), registration at PES prior to 2005, and dichotomous variables for long-term unemployment and membership of an unemployment insurance fund. It should be noted that the regression model focused on outcomes at the final observation point does not take into account possible differences between the groups in the length of time that has passed since they most recently concluded their participation in a project/programme.

support) for ESF-participants by comparison with PES-participants. An estimate of +10 means that an ESF-participant has a ten percentage point higher likelihood of being in work in relation to the comparison group; an estimate of -10 means that an ESF-participant has a ten percentage point lower likelihood of being in work in relation to the comparison group. See Table C2 in Appendix C for more precise definitions of all the control variables.

These models are estimated for four pairwise comparisons; (1) a comparison of all ESF-participants with PT, (2) ESF-participants who have concluded an ESF-project

When the comparison is conducted at the end of the observation period, the results are different, however. The unconditional gap between the two groups is marginal (Model 3.1), and once all the controls are introduced, the likelihood of having a job is still higher for the ESF-participants, but the difference is in this case only approximately three percentage points (Model 3.2).

The difference between ESF and PT with regard to unsubsidised work is significantly smaller than it is with regard to the broader work category.<sup>67</sup> Ninety days after the conclusion of project/programme participation, the unconditional probability of having a job without support is six percentage points higher for ESF-participants (Model 1.1, column 2). The average for PT-participants lies at 7.7 percent. The corresponding figure 180 days subsequent to the conclusion of participation in the measures is slightly over three percentage points in favour of the ESF-participants (Model 2.1, column 2). When the individual characteristics are included in the models, the gap declines, which once again indicates that the PT-participants differ in a negative way from the ESF-participants with regard to these individual characteristics. When the control variables relating to unemployment history are included in the next step, the size of the gap increases somewhat in favour of the ESF-participants, which in the same way as in the previous analysis is primarily due to a negative selection of the ESF-participants compared to the PT-participants with regard to experience of unemployment. Once all of the variables are included in the model, the differences lie at between five and seven percentage points in favour of the ESF-participants (Models 1.2 and 2.2).

Finally, when we analyse the outcome at the final observation point, the unconditional probability of having an unsubsidised job is somewhat higher for the PT-participants (Model 3.1, column 2). The final result of the analysis of data collected at the final observation point, once all the control variables are included in the model (Model 3.2, column 2) is that the likelihood of having an unsubsidised job is approximately three percentage points higher for the ESF-participants. Once again it is the negative selection of ESF-participants with regard to their experience of unemployment that explains why the inclusion of the unemployment history control variables shifts the outcome in favour of the ESF-participants. A similar, but weaker, pattern emerges when the category “work with support” is analysed (see column 3). The differences, both unconditional, and conditional with the inclusion of the control variables, between ESF and PT are generally smaller than those presented to this point. Ninety and 180 days subsequent to the conclusion of participation in the measures, the likelihood of having a subsidised job is (somewhat) higher for ESF-participants. At the end of the observation period, however, there is no difference at all.

One conclusion of the analysis focused on work (based on the broad definition), unsubsidised work and subsidised work is that the probability of having a job is higher for participants in ESF-projects than for those individuals who have participated in the Public

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67. The reason that the estimates for “Work without support” and “Work with support” do not sum to the estimate for “Work” is that New Start Jobs are included in the latter category but not in either of the first two categories.



Employment Service's PT programme. The size of these differences declines, however, as the length of time since participation in the measures increases.

*Comparison of ESF-participants registered in the Job and Development Programme (JDP) and others registered in the JDP*

Approximately 24 percent of ESF-participants are registered in ESF-projects within the framework of their participation in the Job and Development Programme (JDP). The decision as to whether to assign individuals registered in the JDP to either ESF or to regular PES-activities is made by the case officers at the Public Employment Service. A comparison of the results for ESF and the Public Employment Service within the framework of this broad programme would therefore appear interesting, and the results of our analyses are presented in Table 6.3.

We begin the analysis once again with an unconditional comparison of the participants in the ESF and PES projects/programmes. For the broad definition of work (column 1) it can be seen that the likelihood of being in work is higher for the individuals who participated in the programme at the Public Employment Service (Model 1.1, column 1). An average of 28.4 percent of the JDP participants have some form of job 90 days after concluding their participation in the programme, which is four percentage points higher than the corresponding figure for the ESF-participants. The size of the gap increases somewhat (from just over four percentage points in Model 1.1 to just over six percentage points in Model 2.1) as the length of time since the conclusion of participation in the project/programme increases.

When we include controls in the next step of the analysis, the size of the gap declines somewhat. This is primarily due to the ESF-participants having a longer history of unemployment and weaker ties to the labour market than the participants in the Public Employment Services Job and Development Programme. Thus when we control for these differences between the participant groups, the gap in the likelihood of having a job following the conclusion of participation in the programme declines substantially.<sup>68</sup>

For the category that includes unsubsidised work (column 2) the results are largely similar to those reported for the broad "work" category. The initial (unconditional) difference between the ESF- and PES-participants is somewhat larger in this case. The effects of the control variables on the size of this gap are more or less identical to those reported in column 1. The final result, with all controls included after 90 days, 180 days and at the final date covered by our data indicates that participants in the Public Em-

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68. More detailed analyses show a somewhat more complex pattern. When we include controls for individual characteristics, there is a marginal increase in the size of the gap. The conclusion here is that the composition of the groups of participants with regard to education, gender, age, country of origin and disability is of little significance for the results presented. If anything, the composition of the group of ESF-participants compared with other JDP participants is somewhat more "favourable". When we include the control for municipality of residence, the gap increases somewhat again. A reasonable interpretation of this finding is that ESF-projects are concentrated to municipalities with somewhat more favourable labour market conditions, whereas Public Employment Service programmes are more evenly distributed throughout the country. Overall, however, in relation to the unconditional models, the size of the gap decreases somewhat, in favour of ESF, when observable differences between the groups are controlled for. This is due to the unemployment history of the ESF-participants being much more problematic than that of other JDP participants.

**Table 6.3 Differences in outcomes between ESF- and PES-participants in the JDP programme (linear probability models). Coefficient estimates for ESF (ref: PES-JDP). The coefficient estimates state the deviation for ESF (from JDP) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average JDP	28,4	13,9	6,8
1.1 Difference ESF-JDP	-4,2***	-5,9***	+1,5***
1.2 Difference ESF-JDP after control for all other variables	-3,5***	-3,6***	+0,5
<b>180 days after conclusion</b>			
Average JDP	30,4	15,4	6,9
1.1 Difference ESF-JDP	-6,1***	-7,1***	+1,4***
1.2 Difference ESF-JDP after control for all other variables	-5,3***	-4,6***	+0,2
<b>At final observation point</b>			
Average JDP	36,7	22,9	6,1
1.1 Difference ESF-JDP	-6,5***	-8,2***	+1,2***
1.2 Difference ESF-JDP after control for all other variables	-4,6***	-2,9***	-0,3

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

The individual characteristics include dummy variables for gender, immigrant status, newly arrived status, age (7 categories), disability, level of education (6 levels), type of education (9 categories) and country of birth. The controls for unemployment history are dummy variables for cancellation of PES-registration 2005–2008 (3 levels), registration at PES prior to 2005, long-term unemployment and membership of an unemployment insurance fund. It should be noted that the regression model focused on outcomes at the final observation point does not take into account possible differences between the groups in the length of time that has passed since they most recently concluded their participation in a project/programme.

ployment Service’s programmes have a higher likelihood of having an unsubsidised job. For the subsidised work category (column 3), the unconditional difference between the two groups is relatively small, but in favour of the ESF-participants, irrespective of the time frame examined. When all the control variables have been included in the model, the outcomes for ESF- and PES-participants appear to be the same.

#### *Comparison between ESF-participants registered in the Youth Job Programme (YJP) and others registered in the YJP*

Approximately 41 percent of the ESF-participants were registered in an ESF- project within the framework of their participation in the Youth Job Programme (YJP). Once

**Table 6.4 Differences in outcomes between ESF- and PES-participants registered in the YJP programme (linear probability models). The coefficient estimates for ESF state the deviation for ESF (from JDP) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average YJP	38,5	34,2	1,2
1.1 Difference ESF-YJP	-10,1***	-10,6***	-0,4***
1.2 Difference ESF-YJP after control for all other variables	-2,4***	-1,7***	-1,0***
<b>180 days after conclusion</b>			
Average YJP	40,4	36,1	1,5
1.1 Difference ESF-YJP	-10,9***	-11,7***	-0,4***
1.2 Difference ESF-YJP after control for all other variables	-3,3***	-2,3***	-1,2***
<b>At final observation point</b>			
Average YJP	47,8	44,2	1,6
1.1 Difference ESF-YJP	-10,6***	-11,3***	+0,1
1.2 Difference ESF-YJP after control for all other variables	-0,9*	+1,6***	-1,4***

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

The individual characteristics include dummy variables for gender, immigrant status, newly arrived status, age (7 categories), disability, level of education (6 levels), type of education (9 categories) and country of birth. The controls for unemployment history are dummy variables for cancellation of PES-registration 2005–2008 (3 levels), registration at PES prior to 2005, long-term unemployment and membership of an unemployment insurance fund. It should be noted that the regression model focused on outcomes at the final observation point does not take into account possible differences between the groups in the length of time that has passed since they most recently concluded their participation in a project/programme.

again, it is the case officers at the Public Employment Service who assign individuals registered in the YJP to either an ESF-project or regular programme activities, which makes it relevant to compare the outcomes for those in ESF and PES projects/programmes respectively.

In the analyses presented in Table 6.4, we follow the same stages as in the analyses presented above, this time focusing on those registered in the YJP. For the broad definition of work (column 1) it can be seen that the likelihood of having a job (90 days after conclusion of participation in the project/programme) is approximately 38 percent for those in the YJP, which is ten percentage points higher than the corresponding figure

for the ESF-participants at the same measurement point. For unsubsidised work, the initial (unconditional) difference between PES and ESF is of approximately the same size (column 2, Model 1.1).

Controls for individual characteristics (not shown) do not affect the results in any notable way. As was the case in the comparisons focused on PT and JDP, however, the differences decrease markedly when the statistical controls for unemployment history are included in the models. Altogether, once all the control variables have been included in the model, participants in the Public Employment Service's YJP programme have a two to three percent higher likelihood of having a job (according to the broad definition and of having an unsubsidised job) than the registered YJP participants who have participated in an ESF-project. At the final observation point, however, the outcome is somewhat better for the ESF-participants in relation to unsubsidised work. For subsidised work, the differences between the PES and the ESF are relatively small in all models.

## Foreign-born individuals

As was described in Chapter 2 of this report, there are two groups who experience substantial problems on the Swedish labour market – young people and persons born abroad. This next analysis focuses on the second of these two groups. We follow the same strategy as was employed when we compared all participants in ESF-projects with all participants in Public Employment Service Programmes for the period 2008–2012. The presentation begins by showing weighted (by different years) labour market outcomes (with the exception of the category “other registered job-seekers”) 90 and 180 days following the conclusion of the respective measures, and at the final observation point (May 31, 2012). The results are presented for all cases of concluded participation in an ESF-project and for Preparatory Training.

As can be seen from Table 6.5, the likelihood of having a job is a few percentage points lower for foreign-born individuals than was the case when all the individuals who participated in ESF-projects were included in the analysis (Table 6.1). Compared with the group of ESF-participants as a whole, a smaller proportion of the foreign-born individuals are in unsubsidised work, and a somewhat larger proportion are in subsidised work. This is the case irrespective of the time-frame employed. When we present the average for different PES-programmes in the tables below, it can be seen that this is also the case for participants in the regular programmes organised by the Public Employment Service.

The next step of the analysis involves estimating a series of regression analyses (linear probability models) in which labour-market outcomes for all foreign-born individuals who have participated in ESF-projects are compared with all foreign-born individuals registered in PT-programmes at the Public Employment Service (Table 6.6). The pattern that emerges is very similar to that which could be seen from Table 6.2. The unconditional difference between ESF and the PES's PT-programmes for the broad definition

**Table 6.5 Outcomes for foreign-born individuals 90 and 180 days after the conclusion of their participation in the project/programme and at the final observation point. Percent.**

	All ESF	PT
<b>90 days after conclusion</b>		
Work:	20,3	10,6
Work without support	8,5	6,2
Work with support	4,2	2,2
New Start Job	7,7	2,2
Open unemployment	25,0	33,8
Programme with activity support	49,9	48,2
<b>180 days after conclusion</b>		
Work:	22,4	15,0
Work without support	9,5	8,7
Work with support	4,3	2,9
New Start Job	8,7	3,5
Open unemployment	25,1	32,8
Programme with activity support	47,2	44,5
<b>At final observation point</b>		
Work:	27,0	27,0
Work without support	15,4	18,0
Work with support	3,5	3,5
New Start Job	8,2	5,6
Open unemployment	24,6	29,6
Programme with activity support	42,1	36,7
Antal avslut	10 831	71 533

Weighted average across all cases of concluded project participation from 2008 to (May) 2012. The final outcome category, "other registered job-seekers" is not presented above. Outcomes for the programmes PT are based exclusively on job-seekers within this programme who have not participated in an ESF-project. It should be noted that the time between concluding a programme and the final observation point may vary between different programme categories.

**Table 6.6 Differences in outcomes for foreign-born individuals between all cases of concluded participation in an ESF-project and PT (linear probability models). Coefficient estimates for ESF (ref: PES-PT). The coefficient estimates state the deviation for ESF (from PT) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average PT (ref.)	10.6	6.2	2.2
1.1 Difference ESF-PT	+9.8***	+2.3***	+2.0***
1.2 Difference ESF-PT after control for all other variables	+12.6***	+4.9***	+2.5***
<b>180 days after conclusion</b>			
Average PT (ref.)	15.0	8.7	2.9
2.1 Difference ESF-PT	+7.4***	+0.8**	+1.3***
2.2 Difference ESF-PT after control for all other variables	+11.8***	+4.6***	+2.0***
<b>At final observation point</b>			
Average PT (ref.)	27.0	18.0	3.5
3.1 Difference ESF-PT	+0.3	-2.6***	+0.1
3.2 Difference ESF-PT after control for all other variables	+5.6***	+4.2***	+0.1

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

of work (column 1) are relatively large in favour of the EFS-projects both 90 and 180 days following the conclusion of participation in the programmes/projects. At the final observation point, however, the difference has disappeared.

When the statistical controls are included in the model, there is an increase in the size of the gap between ESF and PES in all models. Following control for all of the independent variables, the likelihood for foreign-born ESF-participants of having a job (according to the broad definition) is just under thirteen percentage points higher 90 days after the conclusion of their project participation, just under twelve percentage points higher after 180 days, and just under six percentage points higher at the final observation point.<sup>69</sup>

The second column presents the analysis focused on the unsubsidised work outcome. For this outcome, the differences between ESF and PT are relatively speaking smaller

69. More detailed analyses showed that, as in the earlier analyses, it is first and foremost the negative selection of ESF-participants with regard to unemployment history, and their weaker ties to the labour market, that lead to the increase in the size of the difference in favour of the ESF-participants.

and they vary over time in both size and direction. When all of the control variables are included in the model, the likelihood of having an unsubsidised job is approximately four percentage points higher among foreign-born ESF-participants. In this case too, it appears that the (negative) selection effects relating to the ESF-participants lead to an increase in the size of the estimate following control for the independent variables. For the subsidised work outcome, the differences are generally small. The likelihood of having a subsidised job appears to be somewhat higher for foreign-born ESF-participants. The size of the gap varies between the models, but lies at around two percentage points for the first two measurement points, and is close to zero at the final observation point.

#### *Foreign-born individuals: Job and Development Programme*

Once again we begin our analyses with the unconditional probabilities for foreign-born individuals of having job 90 and 180 days following the conclusion of their participation in a measure and at the end of the observation period (Table 6.7). For the broad definition of work (column 1), among those registered in the JDP-programme, the likelihood of having a job at all three measurement points is approximately six percentage points

**Table 6.7 Differences in outcomes for foreign-born individuals between all cases of concluded participation in ESF-projects and PES-programmes among those registered in JDP (linear probability models). Coefficient estimates for ESF (ref: PES-JDP). The coefficient estimates state the deviation for ESF (from JDP) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average JDP (ref.)	26.5	11.9	6.5
1.1 Difference ESF-JDP	-5.7***	-6.0***	+1.1*
1.2 Difference ESF-JDP after control all other variables	-4.0***	-2.9***	+0.2
<b>180 days after conclusion</b>			
Average JDP (ref.)	28.3	13.3	6.5
2.1 Difference ESF-JDP	-6.7***	-6.9***	+1.1
2.2 Difference ESF-JDP after control all other variables	-5.0***	-3.7***	+0.1
<b>At final observation point</b>			
Average JDP (ref.)	34.1	20.2	5.5
3.1 Difference ESF-JDP	-6.7***	-7.0***	+0.1
3.2 Difference ESF-JDP after control all other variables	-3.5***	-1.1	-0.3

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

**Table 6.8 Differences in outcomes for foreign-born individuals between all cases of concluded participation in ESF-projects and PES-programmes among those registered in YJP (linear probability models). Coefficient estimates for ESF (ref: PES-YJP). The coefficient estimates state the deviation for ESF (from YJP) in percentage points.**

	Work	Work without support	Work with support
<b>90 days after conclusion</b>			
Average YJP (ref.)	29.4	23.5	1.2
1.1 Difference ESF-YJP	-8.1***	-8.4***	-0.0
1.2 Difference ESF-YJP after control for all other variables	-4.2***	-3.0*	-0.7*
<b>180 days after conclusion</b>			
Average YJP (ref.)	30.9	25.0	1.5
2.1 Difference ESF-YJP	-8.9***	-9.5***	+0.2
2.2 Difference ESF-YJP after control for all other variables	-5.6***	-3.9***	-0.7
<b>At final observation point</b>			
Average YJP (ref.)	37.0	31.9	1.9
3.1 Difference ESF-YJP	-8.9***	-9.7***	+0.6
3.2 Difference ESF-YJP after control for all other variables	-5.1***	-2.4*	-1.4***

\* significant p<.05; \*\* significant p<.01; \*\*\* significant p<.001

higher for those who have participated in PES-programmes than for those who have participated in ESF-projects.

Once again, the size of the gap declines significantly when the control variables are included in the models. Once all of the variables have been included, the results indicate that the likelihood of having a job after 90 days is four percentage points higher for PES-participants. The corresponding figures for the 180 day measurement point and the final observation point are five and approximately three percent respectively.

A similar pattern emerges when the likelihood of being in unsubsidised work is analysed (column 2). The unconditional differences between PES and ESF are approximately the same as in the analysis described above. The trend is such that the size of the gap increases in line with the length of time that has passed from the conclusion of the participants' time in the programmes/projects. This increase is marginal however. Once all the control variables have been included in the analysis, the likelihood of ESF-participants registered in the JDP-programme having a job is approximately three percentage points lower than that of participants in PES-programmes after 90 days,



approximately four percentage points lower after 180 days and close to zero at the final observation point. The analysis focused on subsidised work (column 3) indicates that the differences between PES and ESF are small. In virtually all of the models, the differences between the two are not statistically significant.<sup>70</sup>

#### *Foreign-born individuals: Youth Job Programme*

Finally, we follow the same analytical process for foreign-born individuals registered in the Youth Job Programme (Table 6.8). The unconditional difference between PES and ESF is somewhat larger for those registered in YJP. The likelihood of having a job (column 1) is approximately eight or nine percentage points higher for the PES-programme participants.

When different characteristics among the participants are included in the models, the nature of the gap between the two groups changes in much the same way as in the earlier analyses. When all of the variables are included, the likelihood of having a job is four, just under six and five percentage points higher for PES-participants in the YJP programme. In the analysis focused on unsubsidised work among foreign-born individuals (column 2) the pattern that emerges is approximately the same as in the analysis presented in column 1. The unconditional difference is somewhat larger and the size of the estimated gap once all control variables are included is approximately the same as in the analysis described above. Finally, and in line with results presented previously, when the focus is directed at subsidised work (column 3), the differences between PES- and ESF-participants are marginal. Hardly any of our estimates of the difference between PES and ESF are statistically significant in this analysis.

#### Follow-up from project entry

As was mentioned earlier, all the above analyses have proceeded from the point at which the participants' *concluded* the projects/programmes in question. Another way of comparing ESF-participants with PES-participants is to proceed from the date on which the participants *enter* an ESF-project or a PES-programme, and to follow their chances of obtaining work from that point. In Figures 6.1–6.6 we present the trends in the likelihood of having a job month by month subsequent to the participants entering their first ESF-project or PES-programme subsequent to the beginning of 2008. Work is defined broadly and includes both subsidised and unsubsidised employment. The sample on which the estimates are based is somewhat different to the sample used for the analyses presented above, which included participants who had concluded ESF-projects or ASF-programmes.

We follow developments month by month for as long as possible, but to a maximum of 50 months. In those cases where a participant's registration at the PES has been

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70. Once again it is the ESF-participants' unemployment history that appears to be the factor of most significance for the relatively negative outcome experienced by this group. When the indicators of labour-market attachment and unemployment history are included in the analysis, the size of the gap declines by more than half by comparison with the unconditional models.

cancelled, we assume that the most recent reason for cancellation (i.e. the most recent registered labour market outcome) is what applies thereafter until either the participant re-registers at the PES or the conclusion of the observation period. 95-percent confidence intervals are also presented in order to show whether or not the differences between ESF and PES for each month are statistically significant. If an interval overlaps zero, the difference between the groups is non-significant for the month in question. If two intervals overlap, the group difference in employment between months has not changed sufficiently to be statistically significant. It should be noted that this comparison constitutes an alternative way of *describing* the trend over time between ESF- and PES-participants. The difference in the likelihood of having a job following entry into a project or programme may be due to a large number of different factors that are not controlled for in the analysis.

*Comparison of all ESF-participants and PES-participants registered in the PT programme*

Figure 6.1 compares all those who started an ESF-project with job-seekers at the PES who started the Preparatory Training programme. ESF-participants have a higher likelihood of having a job during the first sixteen months; at most this likelihood is just under five percentage points higher than that of those starting PT. The difference between ESF- and PES-participants is thereafter very close to (and does not statistically significantly differ from) zero. The difference is not due to the planned programme length

Figure 6.1 Difference in likelihood of having a job (in percentage points/100) between all ESF-participants and PT-participants (PES) per month since entering the project/programme. Monthly point estimates with a 95 percent confidence interval.

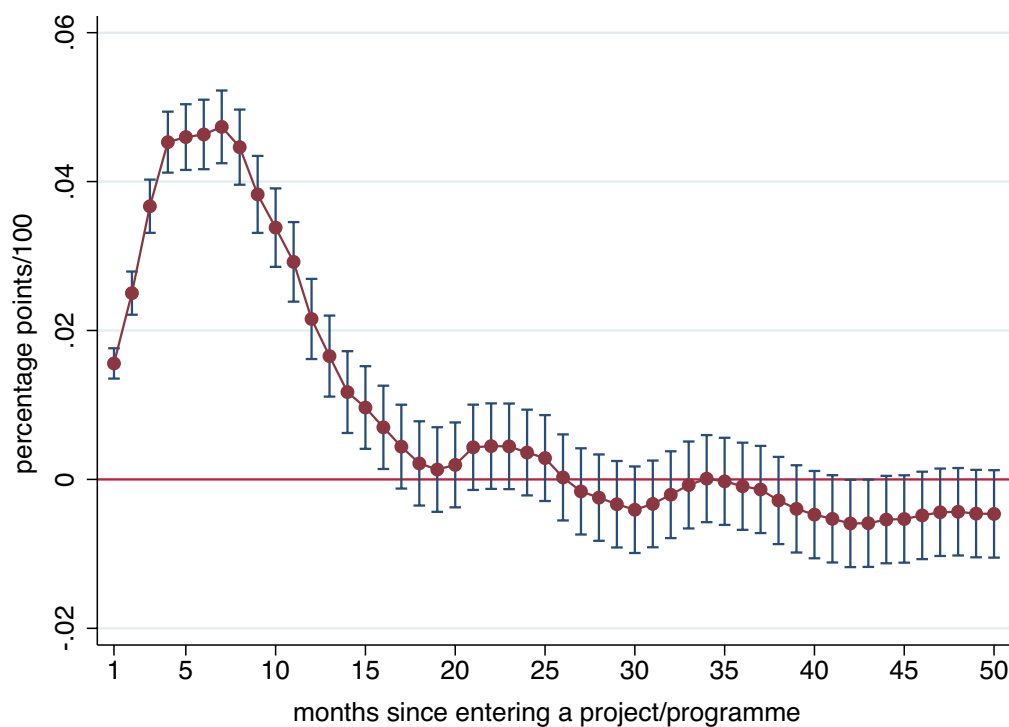


Figure 6.2 Difference in likelihood of having a job (in percentage points/100) between all ESF-participants and PT-participants (PES) per month since entering the project/programme for foreign-born individuals. Monthly point estimates with a 95 percent confidence interval.

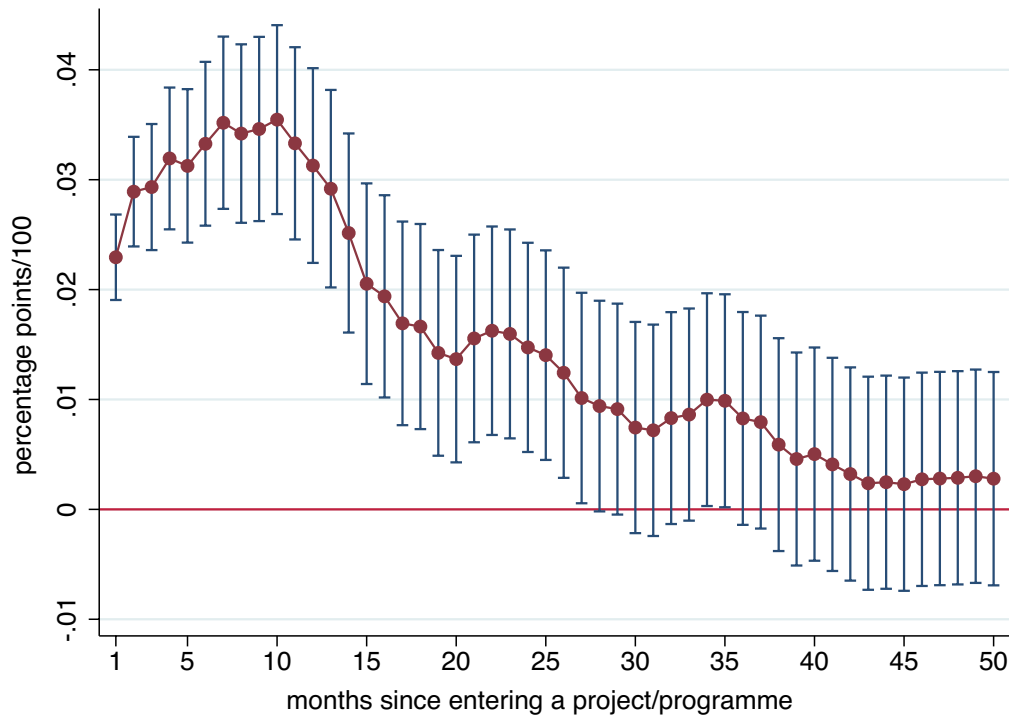
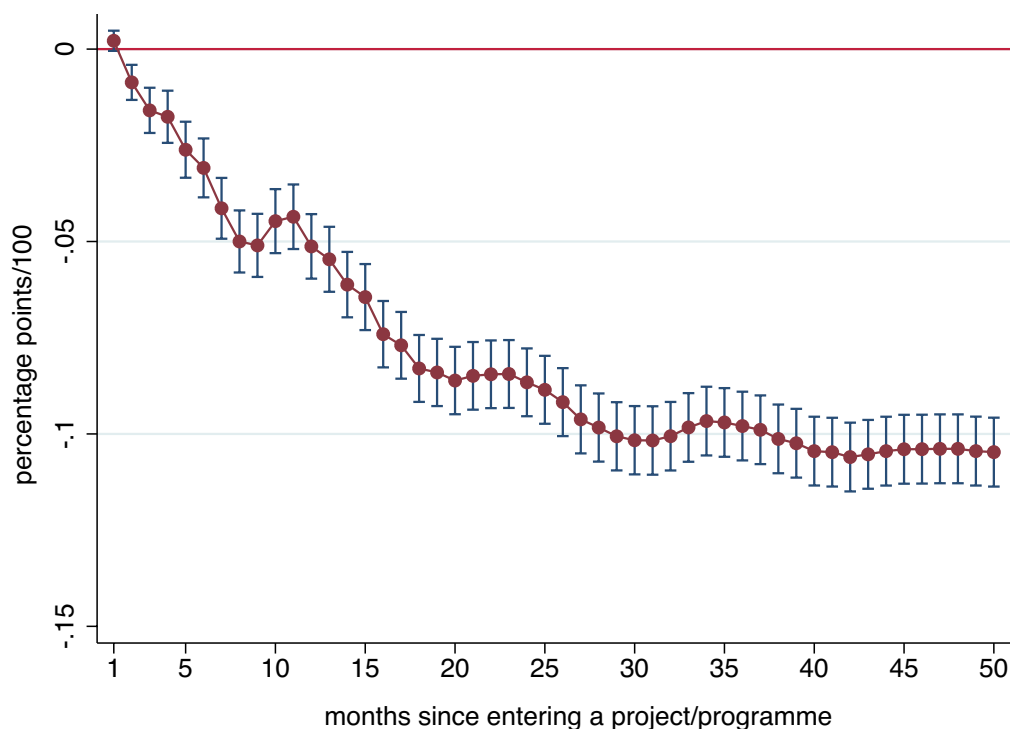


Figure 6.3 Difference in likelihood of having a job (in percentage points/100) between ESF- and PES-participants registered in YJP per month since entering the project/programme. Monthly point estimates with a 95 percent confidence interval.



being longer for those who participate in Preparatory Training: the planned length of ESF-projects is on average approximately four months, compared with 1.6 months for Preparatory Training.

On the other hand, it is possible that PES-participants, following their participation in Preparatory Training, enter other PES-programmes, which means that they are not available to the job market to as great an extent, at least not initially.

A separate comparison focused exclusively on foreign-born individuals shows the same pattern (see Figure 6.2). ESF-participants are initially more likely to be in work relative to job-seekers at the PES who have entered a Preparatory Training programme. The difference in favour of the ESF-participants disappears over time, however, which is in line with the results presented above based on a sample of job-seekers who had concluded ESF-projects or PT-programmes. Towards the end of the observation period, the difference between the groups in terms of having a job is very close to zero.

*Comparison between ESF-participants registered in the YJP and PES-participants in the YJP*

If we instead (see Figure 6.3) compare ESF- and PES-participants registered in the Youth Job Programme (YJP), we see that the ESF-participants' chances of having a job are significantly lower than those of the PES-participants, and that the size of this neg-

Figure 6.4 Difference in likelihood of having a job (in percentage points/100) between ESF- and PES-participants registered in YJP per month since entering the project/programme for foreign-born individuals. Monthly point estimates with a 95 percent confidence interval.

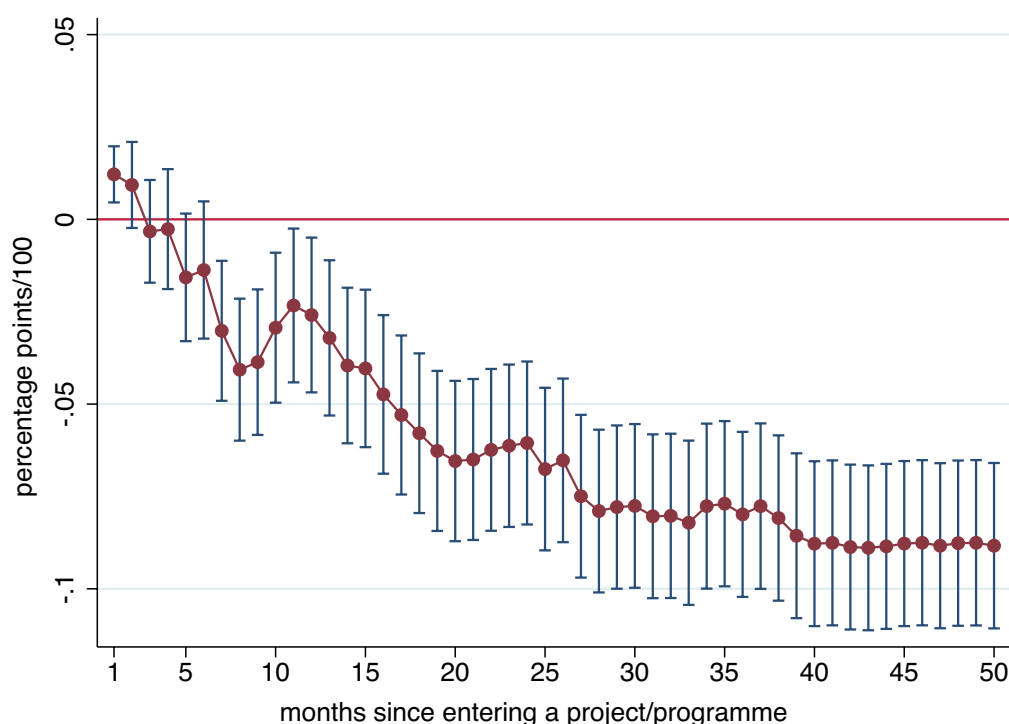


Figure 6.5 Difference in likelihood of having a job (in percentage points/100) between ESF- and PES-participants registered in JDP per month since entering the project/programme. Monthly point estimates with 95 percent confidence interval.

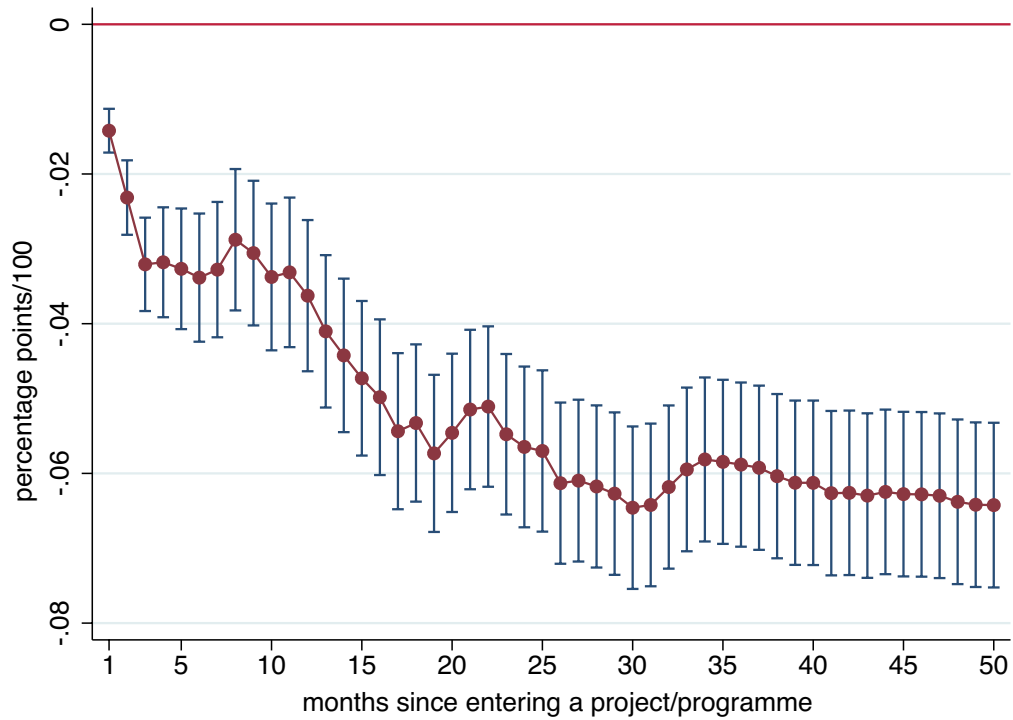
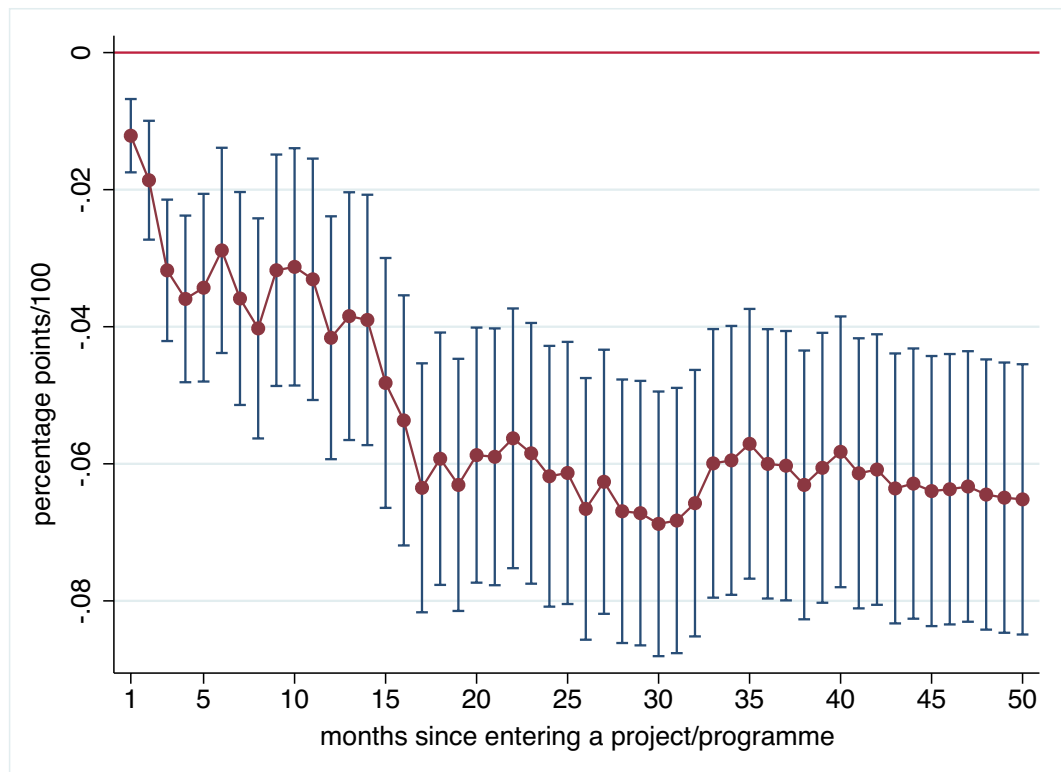


Figure 6.6 Difference in likelihood of having a job (in percentage points/100) between ESF- and PES-participants registered in JDP per month since entering the project/programme for foreign-born individuals. Monthly point estimates with 95 percent confidence interval.



ative difference for the ESF-participants increases over the course of three years and then levels off.

A similar pattern can be seen for the comparison between foreign-born individuals who participate in an ESF-project in the context of their YJP registration, and foreign-born individuals who participate in Public Employment Service activities within the YJP (see Figure 6.4). The results are thus consistent with those presented earlier based on job-seekers who had concluded their participation in the YJP. Both ways of measuring the trend over time show lasting differences between ESF- and PES-participants, with the ESF-participants coming off worse in the comparison.

#### *Comparison of ESF-participants registered in the JDP and PES-participants in the JDP*

A comparison of ESF-participants who have entered ESF-projects while registered in the Job and Development Programme (JDP) with those who entered a PES-programme under the JDP (see Figure 6.5) shows similar patterns as those that were observed in relation to the YJP. The differences between ESF-participants and PES-participants increase over time, once again with the ESF-participants coming off worse, and stabilise where ESF-participants have approximately a six percentage point lower chance of having a job. The same tendency is found once again when the analysis is limited to include only foreign-born individuals (Figure 6.6).

## 7. Summary and concluding discussion

Swedish integration policy emerges in first place in the context of international comparisons. In spite of this, however, the employment gap on the Swedish labour market between those born in Sweden and those born abroad is greater than in the majority of European countries. The employment rate is lowest among those born abroad who have lived in the country a relatively short time, whereas the situation for those with a longer period of residence is better without being entirely satisfactory. Part of the explanation for these results is that Sweden, to a greater degree than other European countries, receives refugees and their families, which means that these individuals come to Sweden first and foremost for humanitarian reasons and not in order to directly enter the labour market, as is more often the case in countries that primarily experience labour market immigration.

At the same time, Swedish unemployment levels have failed to return to the levels that prevailed prior to the economic crisis experienced during the early 1990s. Labour market policy has, however, in part been reformulated. The reach of Sweden's active labour market policy has diminished, and has become more focused on matching job-seekers to job vacancies than was previously the case. Two new programmes have been introduced for the long-term unemployed, whereas the so-called activity guarantee has been abolished. One of the two new programmes, labelled the Job and Development Program, is today the Public Employment Service's single largest programme. In its turn, the European Social Fund (ESF) is intended to function as a complement to the regular programme activities of the Public Employment Service, with part of the funding provided by the ESF being used to finance projects that will facilitate entry onto the labour market for the long-term unemployed, individuals born abroad and young people located at a substantial distance from the labour market. Funding from the ESF are also intended to promote and disseminate innovative activities, thereby contributing to the development of Swedish labour market policy.

### Results in brief

According to the quantified objectives for Social Fund financed activities specified in the national structural fund programme, the proportion of participants in work 90 days after completing the project should be at least ten percentage points higher than the weighted result for the Public Employment Service's regular programmes Preparatory Training, the Special Recruitment Incentive or other regular measures for the corresponding target groups. The analyses presented in this report indicate, however, that an assessment of whether Social Fund projects are more successful than regular Public Employment Service activities is highly dependent on which regular programme is selected as the reference point. A comparison with Preparatory Training programmes

produces a favourable outcome for the Social Fund, although the extent to which the Social Fund outcome is better than that of Preparatory Training declines over time and is considerably smaller if unsubsidised work is used as the outcome measure. It is worth noting, however, that the principal objective of the Preparatory Training programmes is not for the participants to obtain work directly following the conclusion of the programme. Instead the programmes are intended to function as preparation for labour market training measures or other labour market policy measures. By contrast, the objective of participation in Social Fund financed projects is not a transition to another labour market policy measure, but rather to employment. There may therefore be reason to question the selection of Preparatory Training as a comparison category for ESF-projects.

This report also analyses the differences between participants registered in the same labour market political programme, but who have been assigned to different project/programme organisers (the Public Employment Service and the European Social Fund). Participants in the Job and Development Programme who have been registered in a Social Fund financed project at some point during the period examined have in other words been compared with participants registered in the same programme but who have instead only participated in the regular activities arranged under the auspices of the Public Employment Service. The same has been done for individuals who have been registered in the Youth Job Programme during the period examined. These analyses are in turn based on an assumption that individuals registered in the same labour market policy programme are more similar to one another than individuals registered in different programmes. Both the Job and Development Programme and the Youth Job Programme are directed at the long-term unemployed, for example, although this category is defined differently depending on the age of job-seekers. Participants in both programmes also have the right to have access to measures from the first day of their registration, at the same time as the participants in the latter programme are furthermore relatively homogenous with regard to their age.

This type of analysis shows that the outcomes for Social Fund projects are worse by comparison with those for regular Public Employment Service programmes. The size of the difference in outcomes decreases markedly however when the participants' unemployment history is included in the models. One interpretation of this is that job-seekers who are assigned by Public Employment Service case officers to Social Fund projects are generally speaking located at a greater distance from the labour market than those assigned to participate in regular PES activities. To the extent that the Social Fund participants differ from those who participate in regular Public Employment Service activities in relation to characteristics and experiences that cannot be measured or that have not been noted in Public Employment Service statistics, our results will be distorted. This problem cannot be resolved given the existing statistical data however. There may be factors that are important for the likelihood that an individual will make the transition from unemployment to work that we have not been able to control for, such as motivation, social networks and language skills, for example. Whether there are



differences in these factors between ESF- and PES-participants registered in the same type of programme is something we do not know.

## Recommendations for the coming programme period

At the present time, it is not possible to evaluate Social Fund activities in the strict scientific sense due to the absence of reliable control groups for the participants in Social Fund financed projects. According to the national structural fund programme, funding from the Social Fund should promote innovative activities whose results show clear benefits in relation to existing solutions within this area (ESF, 2007:67). If this objective remains during the coming programme period, Social Fund activities should therefore be formulated in a way that makes it possible to determine whether they produce clear benefits in relation to regular Public Employment Service activities. The Thematic Group on Integration in Working Life recommends that a proportion of Social Fund financing during the next programme period should be used to fund clearly demarcated trial projects, which can then be evaluated using experimental research designs. A carefully designed experiment, by randomly assigning jobs-seekers to Social Fund financed projects, could reliably show that positive effects on the likelihood of getting job are due to project participation alone. The random assignment of participants in this way produces two groups – a treatment group that participates in an ESF-project, and a control group that does not do so, with both groups being identical on both observable and unobservable characteristics. This makes conclusions as to the project's own contribution to getting participants into work significantly more reliable.

One possibility would be to work together with the Public Employment Service to identify job-seekers who qualify for participation in a Social Fund financed project and to randomly assign these to regular PES-activities or an ESF-project. Researchers would then be able to follow these individuals over time and to measure whether labour market outcomes subsequent to participation differ between the groups. This would also make it possible to study whether participation in a Social Fund financed project has a causal effect on certain groups of participants, such as women and individuals born abroad. In addition, it would increase the likelihood of being able to identify specific working methods that produce advantages in relation to those used in the context of regular activities. A close collaboration with the Public Employment Service in the formulation of Social Fund financed projects would also increase the likelihood of successful methods being implemented in the context of regular activities following the conclusion of the project.

The managing authority also needs to improve the opportunities for analysing the activities implemented in Social Fund financed projects. During the current programme period, the Social Fund financed projects have been required to continuously report information on participants, activities and costs associated with the project to the managing authority. When the projects apply for payment of funding for a given period of time, they must also present an account of the activities that have been implemented by the project during the relevant period and also of the costs accrued by the project

in connection with these activities. Further, the Social Fund financed projects that use participant-based compensation report the number of hours that the participants have been present in project activities on a monthly basis. There have been no routines in place at the managing authority to compile the information reported by the projects, however, which has meant that it has not been possible in this evaluation to make use of the extensive amount of information that is reported by the projects each month.

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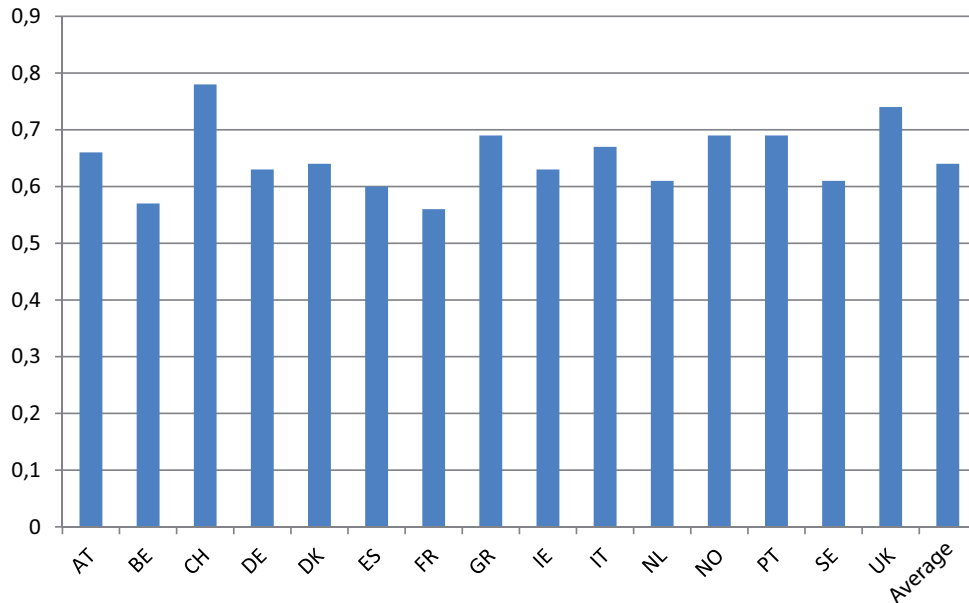
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# Appendix A

## 2. The Swedish labour market in a European perspective

Figure A1 Employment among immigrants with between 5 and 10 years of residence in 15 European Countries (2010). Linear probability models. OLS.



TableA1 Difference in likelihood of being in employment between native-born individuals and immigrants by length of residence in the new country (2010). Linear probability models. OLS.

	Model 1	Model 2
	Short period of residence	Long period of residence
	b	b
AT	-,128	-,063
BE	-,142	-,146
CH	-,094	-,067
DE	-,163	-,072
DK	-,146	-,122
ES	-,048	-,032
FR	-,185	-,082
GR	,028	,044
IE	-,017	-,027
IT	,022	,073
NL	-,199	-,122
NO	-,094	-,075
PT	-,034	,068
UK	-,033	-,066
SE	-,284	-,121

# Appendix B

## 4. *The European Social Fund in Sweden*

### Case description I: Think again (Tänk om)

*Think again* was a Social Fund financed project that was conducted in the form of a collaboration between two municipalities in central Sweden with funding from the ESF<sup>71</sup>. The project constituted part of the municipalities' urban development work, and had the objective of increasing levels of employment in four socially disadvantaged urban districts. Originally, the project was primarily intended to work to stimulate increased social enterprise, but as a result of changes in the project environment, these plans had to be reformulated. The project instead came to work largely with different types of rehabilitative measures, since the participants who were assigned to the project were found to have significantly higher levels of problems than the project workers had initially expected. The case description is based on an interview with the *Think again* project manager, and a review of the documentation of the project's day-to-day activities produced by the project itself and the external evaluators.<sup>72</sup>

#### *Background to the project*

The *Think again* project was initiated as a result of the government tasking the Police Authorities, the Social Insurance Agency and the Public Employment Service to organise local partnerships for urban development work with those municipalities that already had local development agreements with the state. The object of the task given to these actors was to increase the level of co-ordination between state agencies and municipalities in urban districts characterised by extensive social disadvantage. Work at the regional level was already being implemented to improve collaborations between the municipalities of Norrköping and Linköping, and the initiation of the urban development work was seen as an opportunity to further intensify this collaboration by means of development work in two socially disadvantaged districts in each of the two municipalities. Since the government did not provide the municipalities with any additional funding to implement the urban development work, the municipalities decided to apply for financing from the Social Fund in order to implement the collaborative project *Think again* (Integrations- och jämställdhetsdepartementet, 2008).

Since the project was started within the framework of the municipalities' urban development work, it was under the direct control of the municipal executive boards in the

71. *Think again* was implemented during the period 01-07- 2008 to 30-06-2011, and was awarded 16,067,224 SEK in funding from the ESF. The Swedish project title (Tänk om) is an acronym for Security, Changed conditions, Business, Knowledge and Area development.

72. The case description is intended to provide the reader with insights into the everyday experience of the project workers and makes no claim to provide a comprehensive picture of the project activities in their entirety. For an exhaustive description of the how the project worked with e.g. work experience, validation and language teaching, see the final report of the external evaluators by Urban et al. (2011:13), who are researchers working at the Centre for Municipality Studies at Linköping University.

respective municipalities rather than being located at the labour market units or the social services administration which otherwise commonly owned labour market projects of type. According to the project manager who was recruited to implement the project, this did not alter the conditions for conducting the project. At the same time, however, it did have a negative effect on relations with these municipal departments, even though the majority of the project's participants were assigned to the project by these departments.

In this case, there were two labour market units that were initially somewhat sceptical about the project, since the initiative had not come from them. The Public Employment Service had a somewhat similar view, actually. (...) Then we had a great deal to do with them because they were the ones who gave us participants, and our collaboration usually worked very well. But it felt as though there was a certain irritation the whole time about the project being in the wrong place, if I'm completely honest. Maybe they would rather have run the project within their own department, or they thought that maybe we were poking around in areas where we shouldn't be.

The project description states that the project had the objective of improving collaboration between the municipalities in relation to individually focused support measures in the four urban districts, in order to increase the numbers in employment and reduce the need for income support among the residents. One of the overarching objectives was also to make it easier for individuals located at a considerable distance from the labour market to develop, find employment or come closer to the labour market.<sup>73</sup> In line with the focus of urban development work, the project would also be conducted in a close collaboration between central and local government agencies and civil society (Kommunservice, 2008).

### *Working with social enterprises*

The project manager described how the original idea was that the project would work towards these goals by stimulating the initiation of social enterprises, since this type of enterprise was viewed as having the potential to be a first step onto the labour market for individuals who were still in need of rehabilitative measures. Amongst other things, there was a plan to establish workshops and to initiate collaborations with local businesses in order to induce the latter to assign simple production tasks to these workshops. The hope was that some of the workshops could be transformed into social enterprises, and that participants with experience from the workshops could also be recruited by the businesses that the project collaborated with. According to the project manager, the idea was that individuals with varying unemployment and illness histories would be brought together in the context of the project's activities.

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73. Additional objectives mentioned in the project description were that *Think again* would make it easier for people of foreign background to establish themselves in working life, and would facilitate a return to work for individuals who were or had been on long-term sick leave.

The idea was that people who hadn't worked for a long time would be inspired by those who had recently become unemployed. We could have organised work teams and got employers to come along, who would then be able to recruit from these workshops. A wonderful idea, but then came the recession. The industrial sector started laying people off, and the Public Employment Service said "we have to give special measures to everyone who has recently become unemployed, and therefore they can't be available to you. You'll be getting those who are starting to approach Phase 3 instead."

At the same time as the demand for labour started to fall, social enterprises/workers cooperatives were started in two of the urban districts where *Think again* was to conduct its activities. According to the project manager, the focus of the project therefore had to be reformulated, and the project activities were designed in order to prepare the participants for work experience at amongst other places the social enterprise start-ups. It was soon also noted that the participants who were assigned to the project from the Public Employment Service, the municipalities' social services and labour market units and the Social Insurance Agency, were located further from the labour market than the project management had initially been counting on. The project description states, for example, that the activities would be focused on a broad target group; youths, individuals of foreign background and individuals with disabilities (Kommunservice, 2008). The participants who came to start the project, however, had a relatively high average age, at the same time as a number of the participants had been on sick leave, or on income support, for a very long time.<sup>74</sup> There were also participants with substance abuse problems, and individuals who were still suffering from various types of mental health problems.

### *Major focus on health*

The composition of the participant group meant that health work become a fundamental part of the project's activities. This involved, for example, organising study circles so that the participants could discuss diet and exercise, with some of these discussions being held on walks in order to attempt to produce a lifestyle change within the group of participants. Some of the work of the project workers also involved physically supporting the participants in their contacts with e.g. the dental health service. The project manager described how around twenty of the project participants were awarded paid dental treatment during the course of the project after project workers had helped them write the application. There were also cases where project workers had to help participants to book times at the dentist, or accompany a participant to provide support where worry or fear were the reason for not having visited a dentist.

In Sweden, you won't get a job if you've got visibly bad dental health, and actually a lot of our participants did. If you have a load of infection in your teeth, it also affects your health quite a lot. You become very irritable, you take pain killers and you don't feel particularly good. In certain cases it could emerge that the participant had not been to a dentist for

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74. The average age in the project was 44 years, as compared to 32 years, which is the average age for participants in projects in programme area two (Tänk om, 2008; ESF, 2007:29).

several years as a result of dental phobia. In these cases we could say, “Okay. But then your next challenge is to get yourself to the dentist.”

In other cases it might be a question of supporting the participants in contacting family guidance counselling or school health services for the sake of family members. There were participants in the project who in theory could have taken a job at any time, but who did not have the opportunity to do so because their partner, for example, was suffering from serious mental health problems. The project manager felt that many agencies do not realise that a well-functioning everyday life is a prerequisite for a well-functioning working life.

All agencies proceed on the basis of the remit that they have in their official directives, and that can be a reason for saying, “But we can’t work like this, because we should just be getting people into work.” Or, “We don’t help with dental health or accompany anyone to the health centre. We don’t work that way.” The social work that we came to see as the main ingredient of success in our project is not part of the public sector agencies’ remit. We have lost this in our society, and have forgotten that it is precisely what a large group of people need. They can’t cope with guiding themselves around our systems, and that means they can’t move on with their lives either.

The project manager also argued that the social work conducted in the project has been largely missed because it is difficult to measure the effects of measures of this kind. The project included, for example, participants who were registered in the project during each of the three years in which the project activities were implemented, since the municipalities, unlike the Public Employment Service, can assign participants to a project for an unlimited period of time. These long-term assignments were often due to the fact that the municipalities simply did not know what kind of project or programme the individuals might otherwise be placed in. These individuals may have experienced an improved quality of life both during and after their participation in the project, even though these effects cannot be captured in effect evaluations based on register data.

Some of our participants didn’t find work, certainly, but it could be the case that they felt better than they had for a long time during their three years in the project. They could also feel themselves that they had made major changes in their lives. Take a fifty-year-old man who had been a substance abuser, for example, and had never in his life had a job. When the project was over, he had renovated his entire mouth. He proudly described that he eats a piece of fruit every day, he’d started cycling and had lost quite a few kilos, and he’d made new friends. He’d got a completely different lifestyle. But we didn’t get a “point” for him, because he didn’t get into work. So when you follow up what’s happened, you never see these journeys of personal development. Aren’t they results that should also be measured? And how do we measure the way people retake control over their lives?

In addition, the project manager argued that the possibility of measuring effects of activities that work with individuals located at a considerable distance from the labour

market is further hindered by the fact that the change may occur years after the activities in question and that such change is rarely the result of a single measure. The project manager drew a parallel with people suffering from obesity who then lose a great deal of weight. A lifestyle change of this kind is rarely the result of a single measure that lasted six months, but such a measure can contribute lessons that the individual in question may continue to benefit from further into the future and in other contexts. In the same way, participation in a project such as *Think again* may be a contributory factor to the individual getting more benefit from subsequent measures, or may contribute to individuals becoming motivated to change their lifestyle a couple of years subsequent to their participation.

### *Consequences of the co-financing system*

The participants' weak ties to the labour market had financial consequences for the project. In order for a project to receive payments from the Social Fund, the project owner has to be able to show that some aspects of the project's activities are financed by public sector funding. In this case, the project owners decided that the participants' benefit payments would constitute the public sector co-financing, which meant that the project could receive financing from the Social Fund corresponding to the participants' activity allowance, income support and housing benefit. Since the majority of the participants had been unemployed for a very long period of time, or were not even registered in any form of labour market policy measure, the project received relatively small amounts in the form of co-financing.

Our problem was that we didn't dare to spend money to the extent that we would have liked to, since we were unsure of whether we would be able to cover the costs with sufficient co-financing. So we gave money back. You don't dare risk anything with the ESF, it is a very bureaucratic organisation when it comes to certain things.

The difficulties associated with planning the project's economy contributed to the project accepting more participants per employee than had initially been planned for, at the same time as the project attempted to restrict fixed costs for e.g. premises. According to the project manager, at the time the project application was formulated, an assumption had been made that the project would be able to utilise the premises of the municipal housing company in the respective urban districts, but when the project started it was realised that no such premises were available. The project was therefore forced to conduct its activities in discarded premises belonging to other municipal operations, such as childcare and after-school clubs.

Our project was to be implemented in four urban districts, at the same time as we would need between 25 and 30 individuals per district in order to make the budget go round, since we were working with participants who generated little money in co-financing. This contributed to us getting premises that in terms of their size corresponded to a small conference room with a table and chairs. Congratulations. Thus we had a group of par-

ticipants who comprised everything from the completely illiterate to someone who had almost completed higher education. 25 people mixed, and they had to be got out to work. That was our mission.

The level of staffing was also lower than expected. As was the case in the question of the project's premises, the project had counted on their own staff working together with the municipal urban development staff. The latter found it difficult to find time to work with both the project participants and their own routine urban development tasks however. As a consequence of this, the urban development staff introduced the project workers to local associations and the businesses that worked in the respective urban districts, i.e. they worked for the project without actually participating in the project's day-to-day activities. In order to avoid working alone, the project attempted amongst other things to engage a large number of external lecturers, who gave talks for several of the groups of participants simultaneously, at the same time as the lack of premises suited to the work meant that the project attempted to make use of public premises such as museums, schools and libraries to as great an extent as possible.

#### *Implementation of the project's working methods*

One of the objectives of Social Fund financed projects is usually for the work and methods developed by the project to be implemented in the context of regular activities subsequent to the conclusion of the project, so that Social Fund financing will result in changes not only at the individual, but also at the structural level. The project manager pointed out that the original idea at *Think again* was not that the activities in their entirety would be able to be implemented in public sector activities, but that the project would lead to the establishment of a number of social enterprises which would continue to be economically viable once the project funding had ceased. Since there were few opportunities for starting additional social enterprises in the participating municipalities, the work of disseminating the project's methods became focused primarily on emphasising the importance of social issues for successful integration in working life. That is to say that the agencies involved have to see beyond a mechanical writing of CVs as a labour market policy measure, and instead work with the individual as a whole to a greater extent. It is important to recognize that social issues and intercultural competence must also be included in the labour market policy mission, since improved dental health, for example, may lead to individuals taking several steps towards inclusion on the labour market and towards being able to support themselves. The project manager argued, however, that the municipal labour market units' irritation at not owning the project themselves made them less inclined to learn from the project's experiences, although being placed directly under the municipal executive boards meant that their work did receive the attention of politicians. The project manager felt, however, that the local coordination associations noted and made use of the project's results.

To some extent we have met comments such as "but we're doing this already." But that's not actually true of course, which managers at the senior level have actually been able to realise. But it's also important to present our results in a way that means they're not per-

ceived as a criticism of existing activities, and instead present them in a way that shows that this is an alternative way of working which means that you get different results.

The project manager argued further that there are structural obstacles within both the Public Employment Service and the municipalities that affect the possibility of implementing work approaches and methods that have been developed in the context of Social Fund financed activities such as *Think again*. The Public Employment Service is largely governed by appropriation directions and ordinances that leave limited room for work with social issues, at the same time as the municipalities do not have any statutory obligation to conduct labour market measures, and furthermore often have to work with a very tight budget. The project manager nonetheless believed, however, that Social Fund activities have led agencies such as the Public Employment Service and the municipalities to move closer to one another, since these organisations are often forced to collaborate in relation to Social Fund projects. It was the hope of the project manager that collaborations between different agencies would become even better in the future, so that individuals who are in danger of falling through the holes in the social welfare safety net may be identified significantly more quickly than is the case today.

## Case description II: Directa

*Directa* was a method development project conducted by the Public Employment Service in collaboration with a number of municipalities in the southern part of Stockholm County with support of the European Social Fund (ESF).<sup>75</sup> Over the course of just over one and a half years, the project implemented activities in which different types of methods to improve integration in employment were developed together with the participants, who were comprised of individuals born abroad with weak ties to the Swedish labour market. The methods developed in the project were later tested on a small scale in the participating municipalities and Public Employment Service offices, with the intention being that these trial activities would contribute to the working methods becoming implemented in the context of regular activities.<sup>76</sup> The following case description has the objective of giving the reader an insight into a Social Fund financed project, and is based on the project's own documentation of its activities, two interviews with *Directa*'s project manager and an interview with another employee at the project.<sup>77</sup>

### *The project's focus*

*Directa* focuses on a problem that, according to the project workers, the Public Employment Service and the municipalities have long been aware of. The Public Employment

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75. The project was implemented between 01-08-2010 and 31-12-2012 and was awarded 4,916,770 SEK from the ESF.

76. In order to facilitate the implementation of the methods developed in *Directa*, the same project owner also conducted the competence development project *Diversa* within the framework of programme area one of the Social Fund. *Diversa* was implemented between 01-08-2010 and 31-12-2012 and was awarded approximately 4.8 million SEK in support from the Swedish ESF-Council in order to reduce the risk for discrimination and discriminating structures within the Public Employment Service and the municipalities.

77. The case descriptions presented in this section should not be seen as an attempt to analyse the form and activities of the projects, but rather only to provide the reader with an insight into a number of projects with different types of project owners.



Service finds it difficult to provide support for foreign-born individuals located at a considerable distance from the labour market at the same time as case officers feel that there is a growing group of foreign-born job-seekers who are not making any progress despite having tested a range of different types of labour market measures. *Directa's* project plan describes how measures organised by the Public Employment Service and the municipalities are rarely adapted to the needs of the group with the worst chances of being matched against the labour market. One of the examples described is that case officers find it difficult to interact with job-seekers who have difficulties expressing themselves in Swedish, which increases the risk for misunderstandings and incorrect assessments. Competences that the job-seekers have brought with them from their countries of origin can be missed, and the job-seekers can become passive in relation to their case officer at the Public Employment Service (Arbetsförmedlingen et al., 2007).

The initial intention was that *Directa* would primarily work to develop the vocational guidance work conducted by the Public Employment Service in relation to this target group. The application for preliminary funding<sup>78</sup>, for example, states that the project would have the principal objective of ensuring that the Public Employment Service and the municipalities in the Södertörn area developed new methods for providing vocational guidance that were linguistically and culturally adapted to individuals with little knowledge of Swedish, a low level of education and little experience of paid employment (Arbetsförmedlingen et al., 2007). According to the project manager, there was an idea that experience-based learning in the form of study visits to workplaces and invited guest speakers from the business community could be used to provide individuals with weak ties to the labour market with a better picture of the Swedish labour market and of the types of work that were available. The preliminary funding, however, gave the project workers the opportunity to discuss the planned project design over a period of six months both with staff at the collaborating agencies and with a focus group comprising job-seekers from the target group. When the final application for funding to implement the project was submitted to the Social Fund, the focus of the project had been broadened. *Directa* would not only develop methods in the area of vocational guidance, but would rather work to improve the agency's methods of working in relation to the target group in a broader sense. Another factor that was emphasised in the project application was that the basis for the project's development of working methods would be the target group's own view of the situation, its causes and solutions (Arbetsförmedlingen et al., 2007). The project manager later explained, however, that this involvement of the participants was not viewed as an end in itself, but rather as a means of improving the outcome of the project.

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78. Preliminary funding is offered only to projects that fall within the remit of programme area two, and is intended to give the project an opportunity to prepare an application to the ESF for the implementation of the project. According to the ESF (2007:41), the preparatory work should amongst other things include a study of the need for new working methods, and of whether the conditions exist to implement the activities that are to be tested in the project. *Directa's* application for preliminary funding was accepted by the ESF-applications processing officer, and the project was awarded 372,800 SEK for a period of six months starting on July 1, 2009 in order to prepare an application to implement the project.

Loads of projects have been implemented to bring foreign-born individuals closer to the labour market. And for some inexplicable reason, there is still a growing group of individuals who, despite measures from the Public Employment Service and the municipality, are located more or less in a state of inertia at a very great distance from the labour market. So it's apparent that all these different initiatives haven't helped. Our view of the majority of the developmental work that's been conducted was, of course, that it was the agency officials who guessed and tried and tested, but that the target group itself had been involved to a very limited extent.

As early as during the preliminary planning phase, it was decided that the participants in *Directa* would determine which methods would be tested by the staff within the framework of the project, at the same time as they would also participate in the assessment of how well the methods were suited to their objectives. Thus when the first participants were registered in the project during the autumn of 2010, the focus of the project's day-to-day activities had not as yet been decided. The first weeks were instead devoted to talking with the participants, both individually and as a group. On the basis of these discussions, the project staff sorted out what the participants' wanted, and these ideas were put into practice and thereafter tested in the day-to-day activities of the project.<sup>79</sup>

#### *Directa as a method development project*

According to the national structural fund programme, Social Fund financing should promote the dissemination of innovative working methods that do not currently exist or are not currently established within the framework of existing systems. One of the selection criteria is thus that project activities should be innovative, at the same time as the projects should use so-called learning evaluations, which are assumed to facilitate the identification of success-promoting factors that can subsequently be included in regular activities (ESF, 2007). As early as during the preliminary planning phase, there was a discussion within the project about how to ensure it would be possible to implement the working methods in the project in the context of regular activities. The project workers' previous experiences of projects at the Public Employment Service and municipalities was that they rarely resulted in any lasting changes to regular activities. According to the project manager, this was due to many of the projects having been poorly thought out from the word go.

The projects often have an idea that they will be implemented, but then they have a whole package, a whole way of working, which is often based on these extra resources. This means of course that the project is more or less impossible to implement, because doing so would mean changing the entire structure of regular activities, not least with regard to resources, and in practice conditions of that kind almost never exist.

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79. The participants who were assigned to the project had four things in common. All had been born abroad, and all had very little knowledge of Swedish, a low level of education and little experience of the Swedish labour market. The participants were also made aware of the project's objective, and contacts with participants with whom the staff were unable to establish a cooperative relationship were terminated.

In *Directa*, an attempt was instead made to work on the basis of what the project manager described as a “pragmatic” approach. The project management could see a need for fundamental changes in regular activities, but they were at the same time aware that no single project can change the way an entire government agency functions. The point of departure for the work to develop methods therefore became focused on formulating specific working methods that could be implemented by case officers in the context of regular activities based on existing resources and staffing levels.

The only thing you're going to be able to implement are working methods that can serve to supplement the regular staff's tool box, and that is what is needed for the support provided to this target group to be able to work (...) If the results, the objective we are working to achieve, is specific working methods, then we actually have a chance that it will serve a useful purpose. We are not going to change the conditions in which regular activities are conducted; they are what they are. (...) There was no point within this format to start to work for like making the entire Public Employment Service have to function in a completely different way.

The project plan states that one of *Directa's* objectives was for the project to produce descriptions of at least twenty new working methods that could be used by case officers in order to improve regular activities (Arbetsförmedlingen et al., 2008). When *Directa's* work with the project participants was concluded just over a year and a half after the start of the project, the project had focused on producing complete descriptions of three working methods. All of the formulated working methods involve an endeavour to involve the participants in the planning and implementation of their own labour market policy measures, at the same time as efforts are made to overcome obstacles in the form of factors such as insufficient knowledge of the Swedish language.

One conclusion drawn by the project workers on the basis of their individual discussions with the participants during the first weeks of the project was that the staff working with regular activities could obtain more useful information during their assessment interviews if these were less highly structured than is usually the case in the context of regular activities. According to both the project leader and the project workers, the Public Employment Service's assessment interviews are governed by the administrative computer systems, in which the case officer has to tick off that the job-seeker has e.g. been given information about existing legislation and that certain control questions about the individual's background have been asked. It was argued that this type of interview structure is poorly suited to individuals with weak ties to the Swedish labour market.

The usual interview at the Public Employment Service is formulated in a way suited to a person who has an occupational focus. (...) I mean, who has this frame of reference that we take for granted in the context of Swedish labour market policy and labour market policy activities, and that interview is therefore highly focused on details. Details and information that are then needed in order to be able to find the right employer or to find the right

job-search profile. (...) It's a real problem if an individual doesn't have this occupational focus, or an understanding that this is what the labour market looks like, this is how it works and this is where you should enter it. Many of those who are treading water at a substantial distance from the labour market don't have the basic formal qualifications.

According to the project manager, it is common for job-seekers who lack formal experience of working life or education to have competencies that may be sought by employers, but that the individuals themselves do not emphasise these in their assessment interviews because they do not associate them with the Swedish job market. If the case officer in the assessment interview is steered by a fixed structure that has been adapted to individuals with formal knowledge, there is thus a major risk that he or she will miss interests or abilities in the job-seeker that could be developed further by means of participation in a labour market training programme or work experience in a specific sector. The method employed for talking to the participants in the *Directa* project proceeded instead from an unstructured interview guide, in which the assessment interview was able to focus on broad themes and proceed on the basis of the participants' everyday experiences of e.g. family life or looking for work. According to the project workers, this interview method, which quite simply came to be referred to as the "interview", led to the project workers obtaining information about the participants that other agencies had previously missed.

We have identified several individuals who were illiterate and where this hadn't been noted previously; some have been living here for twenty–thirty years. You don't want to tell someone that you can't read or write, you maybe can write a little bit, or make a note, or pretend to make a note, the Swedish course for Immigrants hasn't worked, the teachers don't know why, the social worker doesn't know why it hasn't worked, the individual him/herself is ashamed about not being able to read or write. There's a lot that you get to know when you don't limit the interview, when you haven't decided which questions you will ask.

Another thing that the project workers took with them from the individual interviews was that several of the participants expressed feeling lost, alone and isolated. In order to attempt to strengthen the participants' sense of context and belonging, the project therefore started to work with group activities focused on different themes, a working method that was well-received by the participants, and which was therefore made permanent. According to the project manager, group work with job-seekers is relatively unusual within the Public Employment Service since the majority of the contacts with the case officer take the form of one-on-one conversations. Where group activities do occur, the content is fixed in advance by the case officer responsible. In the so-called participant-oriented groups in the *Directa* project, the content was instead determined over time by the individuals who participated in these activities. The project leader argued that this improved the opportunities for adapting the activities to the needs that existed within the group at the same time as the involvement of the participants meant that the activities were perceived as meaningful for the individuals concerned.

The most important thing is the individual's sense of meaningfulness in taking some kind of step on the path towards some kind of goal. "I own the goal, I know why I'm going there." It is this motivation that increases here. I mean, it's not about motivation as against laziness, but rather motivation as against I don't understand what this has to do with me. Participation is absolutely crucial.

The third working method that *Directa* chose to focus on was the development of functioning routines for the use of interpreter services within both the Public Employment Service and the municipalities. According to the project manager, language difficulties can make case officers' work in assessing the competence of job-seekers more difficult, which in turn reduces the chances of matching the individual to job vacancies or suitable labour market policy measures. Despite the fact that funds are available to be used for hiring interpreter services within the Public Employment Service, these services are only used to a limited extent by case officers. The project manager argued that many case officers are uncertain about how interpreter services should be used to meet the goals of the organisation, at the same time as they lack knowledge about the functions that the use of an interpreter can serve. There is an idea, for example, that the use of interpreters may inhibit the individual's language development, which has a negative effect on the propensity of case officers to use the funding earmarked for this purpose.

The problem with these ideas is that they (...) underestimate the effect on individuals' possibilities to assume responsibility for and affect their own situation, to be able to express themselves as adults. It overestimates the individual employment service officer's ability to assess competence behind that screen of the language level. It overestimates our own ability to identify disabilities or other problems, and if we use relatives as interpreters, we underestimate how much the specific individual is affected by not being able to speak for him or herself, and in addition how much of the results of our work are affected by the fact that the individual has been disconnected from his or her own situation.

In *Directa* interpreters for all of the languages represented among the participants were present every day, and the project workers documented their experiences of using the service. This could focus on how the choice of an interpreter can be facilitated, on the project's routines for reporting discrepancies and how the project workers worked to ensure the quality of the interpreter services that were purchased. Together with the documentation focused on the interview methods and the participant-oriented group activities that emerged during the course of the project, the use of interpreters was one of the three work methods that *Directa* subsequently tried to spread to regular labour market activities.

### *The work of implementation*

In order to test the methods developed in *Directa* in the context of regular activities, a collaboration was initiated in the spring of 2012 with local Public Employment Service offices and municipal units in the Södertörn area. The Public Employment Service office in Nacka, for example, started a participant-oriented group with a labour mar-

ket focus that met on eight occasions during the spring, while the office in Södertälje brought together a group of job-seekers from the target group with different kinds of mental and physical health problems for a series of ten meetings. Project workers from *Directa* participated on all of these occasions in order to provide support to the regular case officer in connection with the planning and structuring of the participant-oriented group activities, and also to facilitate the use of interpreters during the meetings.

According to the project manager, however, this testing work started later than had been planned by the project workers in *Directa*, at the same time as additional testing activities in other municipalities did not start, as had been planned, subsequent to the summer vacation period. The project manager felt that one factor that contributed to this was that the steering group for *Directa* and *Diversa* did not assume sufficient responsibility for preparing the regular activities to implement the new working methods. This was the case despite the fact that *Directa's* steering group comprised representatives for the same actors that had initiated the project, i.e. senior managers from both the Public Employment Service and the municipalities in the Södertörn area.

It didn't happen to the extent that I think would have been needed. I don't think anyone really assumed the concrete responsibility for the task of making this happen, but quite a lot of this was instead left to the projects themselves, to get themselves in and to make themselves attractive, so to speak, that we had to argue for the benefits of this ourselves. And I think that's a shame, because these activities are conducted under pressure and a fairly clear prioritisation is required to implement change.

The project manager argued that support from middle management would have provided better opportunities for testing the participant-oriented group activities, but that the importance of this group was underestimated by both the steering group and the project staff. Implementing participant-oriented group activities need not have required increased resources for regular activities, but nonetheless a certain restructuring of the way case officers worked. The project manager described how the work of both the Public Employment Service and the municipalities is organised around the provision of individual guidance. In order to implement group activities, it is therefore not sufficient that individual case officers see advantages associated with this way of working; instead their weekly work schedules and working hours have to be restructured to some extent in order to be able to use these working methods.

In addition to disseminating the working methods via the testing work described above, *Directa* also arranged training, workshops and conferences for case workers at municipalities and local Public Employment Service offices both within and outside the Södertörn area.<sup>80</sup> According to the project manager, a number of case officers showed a great interest in the working methods, although it was sometimes a challenge to explain

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80. The dissemination of the working methods that have been developed in *Directa* was made easier by the sister project *Diversa*, which was financed by the Social Fund within framework of programme area one. *Diversa* worked to develop the competencies of case officers at the Public Employment Service, and also participated in arranging many of *Directa's* dissemination activities.

the benefits of particularly the personal interview method that had been developed. All case officers both at municipalities and in job-placement work have long worked with assessment interviews, although there is no common understanding of how such interviews should be conducted. The project staff sometimes also felt that certain case officers had no desire to adopt new methods focused on interviews with job-seekers, since they “had worked like this for 25 years”. On the other hand, said the project manager, it was easier to disseminate information about the improved use of interpreters.

There is nobody involved in the work who feels “we know that already”. Instead, there we had found something that really, really was missing. So there was no prestige involved, there was no resistance, no arguments were needed for why this way was better than some other way. This was something that they needed, and that they understood that they have been missing.

Unlike the interview method, the methods related to the use of interpreters did not challenge established routines among the case officers. A number of strategic decisions were also made at the Public Employment Service that served to facilitate the implementation of *Directa*'s methods for the use of interpreters. The Public Employment Service managers in the Södra Mälardalen Östergötland market area determined that all those working with facilitating the establishment of foreign-born individuals would undergo training in the use of interpreters, at the same time as the head office of the Public Employment Service involved staff from *Directa* in the formulation of a web-based training programme for case officers. Discussions are also being held about whether this should be included as an obligatory preparation for the basic training that all new case officers at the agency must undergo.

With hindsight, the project manager now regrets that a handbook on the *Directa* model was not produced earlier, which the case officers who participated in the seminars organised by the project in order to spread the methods would have been able to pass on to their immediate managers or consciously leave in the lunch room so that increasing numbers of agency staff would have read it. The project manager argued that a handbook would have improved the impact of the project, but that the production of such a handbook was delayed by the Public Employment Service's strict rules on the formulation of printed matter.

If we had understood how important this product thing was, we would of course have prioritised this. But it was very difficult to find a balance. When something is printed or produced in a project owned by the Public Employment Service, they have their manuals and routines and directives about how things have to look, who is the source, how it has to be formulated. (...) It was probably this low-level resistance that meant that our prioritisation wasn't sufficiently strong to get us through it. Really until now, five minutes to midnight.

The project manager argued further that the work of disseminating the project's methods would have been made easier if the project had been more clearly designed in the form of a trial, and that the project management should have ensured that there was a clear control group that corresponded to the project participants. A comparison with a control group could have provided the project management with arguments about the effectiveness and benefits of the work methods, which could have been used in the dialogue with managers at the Public Employment Service and the municipalities.

If we had conducted testing with a very simple control group design, we would have been able to show signs of actual effects of the individual work methods, which would have been much, much more difficult to ignore, and I think if we had been able to present that kind of argument it would have been much easier for use to pass on the work methods and get them included as part of the [agencies'] activities.

The project manager added that it would also have been easier if the external evaluators that the project had hired at the request of the ESF, had at an early stage raised the issue of the benefits of evaluating parts of the project's work with the help of control groups. Nor did the manager think it would have been difficult to get the approval of the steering group for such a decision, and it was something that could have been achieved within the framework of the project's budget.

These are really lessons that I have tried to pass on in the final reports and accounts that we have produced for the project, that it would have made a major difference and would not have been particularly difficult to implement. We would not have needed any more in the budget or any additional time; we could have done it with the conditions that we have had. But we didn't do it.

Following the conclusion of the project, the project manager spent a few weeks putting together all the information and documentation that is required for the ESF to formally conclude the project. The project manager will then move on to another position within the Public Employment Service, which is also the case for most of the other staff who worked in the *Directa* project. The project manager said that there were both advantages and disadvantages associated with conducting development work within the framework of regular activities, instead of working in a project. As a regular employee you are involved in the internal discussions within the organisation, and can thus attempt to contribute additional perspectives. However, working in a project provides a completely different type of mandate to conduct developmental work that lies outside of the regular work-description, and according to the project manager, there are also benefits associated with the limited time available in this form of work.

It feels like there are quite clear advantages and disadvantages associated with this. But in a way, we are becoming physically implemented in the activities, so it is difficult to see it as something negative, given that projects are supposed to come to an end. I'm not sure



there would have been any major value in the project continuing. Possibly if we had continued for six months in order to be able to implement testing (laughter). But simply to extend the period and do what we were doing isn't self-evidently a better alternative than actually being forced to look at, okay, what is being done in regular activities now based on what the project gave birth to.

## Case description III: Job College

*Job College Northern Central Sweden* was a labour market project run by Communicare, a non-profit organisation, in collaboration with the Public Employment Service and seven municipalities in the counties of Värmland and Dalarna, which also co-funded the project. The project was implemented between 2008 and 2011 and was partially financed by the European Social Fund (ESF).<sup>81</sup> The objective was to use individual coaching and group activities to reduce the gap between school and working life and thereby to contribute to young people becoming established on the labour market. The target group comprised young people<sup>82</sup> within the framework of the Youth Job Programme, or who were the object of social services measures or had been unemployed for three months.

This case description is based on an interview with the project manager for the *Job College* project, which has now been concluded, and on supplementary information from interviews from a project manager and a coach working in Communicare's subsequent ESF-financed project entitled "What are you going to be?". The project's application documents, final report and external evaluation<sup>83</sup> have also been employed as a basis for the description.<sup>84</sup>

### *Background to the project*

Communicare began its activities in the mid-1990s as a "reaction to the existing labour market measures for young people." The first project that was initiated was labelled "Young and independent" (Ung och egen), a project within the Public Employment Service directed at young people with the ambition of focusing on what young people wanted rather than what they know, an approach and point of departure for the "Communicare method" which is employed in all of Communicare's activities. When the "Young and independent" project had expanded to include sixteen municipalities and 300 participants, the Public Employment Service and the project management identified a need to create a legal person for the project for administrative reasons, which led the project management to start the non-profit organisation Communicare and thereby

81. Project period: August 2008 to the end of February 2011. Total budget: 66,749,737 SEK. Public sector co-financing: 40,156,617 SEK. Support funding from the European Social Fund: 26,593,120 SEK. Project co-funders comprised the Public Employment Service, the Social Insurance Agency and the social services in seven municipalities in the counties of Värmland and Dalarna; Karlstad, Hammarö, Kristinehamn, Forshaga, Mora, Orsa and Vansbro.

82. Young people are defined in the project application to the ESF as individuals aged between 18 and 25.

83. Ranke, R & Sandström A, (2011). "Man tar tag i sitt liv och utvecklas som person" – Följeforskning om Communicares projekt Job College, Arbetsrapport 2011:5 Karlstad University.

84. The case study has the objective of providing insights into an ESF-financed project and is not intended as an evaluation or assessment of the project's methods and results.

to continue the activities under the new organisation's own management and in collaboration the Public Employment Service (Elofsson, 2010).<sup>85</sup>

The *Job College Northern Central Sweden* project started in August 2008. Following a mobilisation phase, and six months subsequent to the initiation of the project, the project manager who has been interviewed for the purposes of this study was appointed. At that time, the newly appointed project manager had been a member of the board of Communicare but otherwise had no experience of managing labour market projects. The project manager did, however, have a three-year economics education and experience of project management, of working with young people, running a music publishers and arranging concerts, including amongst other things the Arvika Festival.

Communicare has been around for a very long time in Karlstad, so I've known about the kind of stuff they've done, that you should think for yourself and do it yourself; I think that's great, that's what attracted me (...) arousing young people's enthusiasm to think and do their own thing (...) There were a lot of things that I had no idea about, but I think it's a strength to come from the outside and to have a neutral impression.<sup>86</sup>

*Job College* was intended to be experienced and to function as a workplace for the participants, with everything that this means regarding demands for attendance, doing work tasks and working towards specified targets.<sup>87</sup> The work is based on individual coaching and group activities. The participants' activities were expected to correspond to a full-time occupation.<sup>88</sup> Group activities were arranged up to three times a week, and individual coaching at least once a week. The project manager was assisted by eight coaches distributed across Communicare's offices in seven different areas. The project manager stated that to begin with, the coaches' work involved helping the participants to improve their self-confidence and develop more structure in their lives. Thereafter, the participants were coached in job-seeking, were informed about training programmes, and were exposed to opportunities available on the labour market with the goal being to reach the point where they could support themselves by means of either training or work.<sup>89</sup>

My view is that having structure is good for everyone. There were an awful lot who were playing computer games at night, and had to turn their day around completely; we started at like nine in the morning (...) I was surprised that this was such a major withdrawal process for people, identifying the video games problem, getting into a routine and coming to us in the morning.<sup>90</sup>

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85. Informational material "Job college, Äg din framtid" (2010) Communicare, Jan Elofsson, chairman of the board.

86. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

87. Project application, Job College, Reference number 2008-3060326. ESF.

88. Ranke, R & Sandström A, (2011). "Man tar tag i sitt liv och utvecklas som person" – Följeforskning om Communicares projekt Job College, Arbetsrapport 2011:5 Karlstad University.

89. Project application, Job College, Reference number 2008-3060326. ESF.

90. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

### *The participants' backgrounds*

The participants were assigned to the project by the Public Employment Service and the social services administration subsequent to having been unemployed for at least 90 days. Several of the participants came directly from school and had never had a job. The project manager noted that it is misleading to say anything general about the participants' backgrounds, about the type of problems or "baggage" that they had. However, examples included participants who had not completed their further education studies, who had problems reading and writing, who had a difficult situation at home, and one of the participants was homeless.

Several of the young people had bad experiences of previous contacts with the authorities and of the adult world in general. It was therefore important to build up a trusting relationship with the participants, which the project manager stated was to some extent made easier by the fact that Communicare was a non-profit organisation.

We were in the wonderful position of being kind of something in between; we weren't a state agency, of course, and that made it easier to (...) "Yes, but okay, you're not at the Public Employment Service or the social services administration now." Then you gain a lot of trust.<sup>91</sup>

The project manager did not feel that the participants in the group were difficult to work with, despite the fact that they had not previously reached a point where they were able to support themselves through the regular activities of the Public Employment Service. On the contrary, the project manager wished that more individuals with a greater need for support had come to the project. One reason for this was that there were periods when it was difficult to get enough participants assigned to the project, particularly during the summer months, which was dealt with by periodically broadening the age range of the target group and of the participants selected for the project. This also led to the project being assigned individuals who were assessed to have more severe problems.

The *Job College Northern Central Sweden* project did not include special measures for individuals born abroad, although there were such individuals among the participants. Measures of this kind were however included in the *Job College Örebro* project, which had a collaboration with SFI (Swedish language teaching for immigrants) due to the fact that the group of foreign-born individuals was larger in that project. The project manager for *Job College Northern Central Sweden* stated that in those cases where special measures were needed, this was resolved at the individual level in discussions with the project's contact persons at the Public Employment Service and the social services administration. One of the selection criteria in the project description was that the participants could communicate in Swedish, which meant that newly arrived immigrants and individuals with limited knowledge of Swedish were not of interest to the project.

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91. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

“You can’t lump everyone together, (...) when we treat newly arrived immigrants as a group, then you’ve created conditions for making it really difficult instead of going in at the individual level, that this is a person with this type of education and that type of experience, doesn’t matter where they were born.”<sup>92</sup>

### *Enrolment*

At the time of their enrolment in the project, each participant was assessed on the basis of an individual interview regarding their background, experiences, knowledge, goals and on what they wanted both in the short term and from life in a longer-term perspective. Both in the interview with the *Job College* project manager and in interviews with staff working in Communicare’s current, ongoing project “What do you want to be?”, those interviewed have stated that their intention was to find out as little as possible in advance about the participants’ past and to not necessarily talk to the participants about their home situation or personal and social circumstances unless the initiative for doing so came from the participants themselves. The project did not want the coaches to be influenced by the agencies’ picture of the participants but instead wanted the coach and the participants to discuss the available opportunities at an early stage and to focus on action. As the project manager for Communicare’s ongoing project “What do you want to be?” put it:

We tell them (the Public Employment Service and the social services administration) to tell us as little as possible, (...) because we don’t want to have a definite picture when a person arrives who has been assigned by a case officer who says, “Ah (sigh), we tried this, we’ve done this and that”, yes, then you have that (picture) when the person arrives and we don’t want that. That’s why we say, tell us as little as possible.

(...) They are here in some way three to five days a week; what happens then is that you work up a relationship with them that doesn’t exist at the agencies, because they quite simply have to meet too many people. When the relationship has been established, which doesn’t always happen, but usually, then it becomes natural to be able to talk about it.

This is also linked to that we, so to speak, “don’t care what’s happened in the past”, but rather look forward, but if there are things that have happened that matter, then we have to bring it up anyway, but then we want it primarily to come from the participants.<sup>93</sup>

### *Individual coaching*

Each coach was responsible for a group of at most 20 individuals whom they coached individually, in addition to group activities, on at least one occasion per week. As a result, the coaches conducted the day-to-day work alone in their offices at the seven municipalities. Two coaches, together with the project manager and administrative staff, worked at the head office in Karlstad.

92. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

93. Interview with Respondent 1. Project manager for the project Job College Northern Central Sweden. November 5, 2012.

The project worked on the basis of personal schedules, in which the participants were able to specify short- and long-term goals. Despite the fact that access to jobs was limited and that those that existed were unskilled, the participants were coached not to limit their ideas and only become focused on these jobs, but rather they were encouraged to formulate and follow their dreams. As an example, the project manager mentioned a participant who wanted to become an astronaut:

Okay? We never say no to anything; you've done two years of further education, but like you're not ready (...) then you have to study this to take the higher education entrance exam in October, then we go out on the internet and check what is required to become an astronaut, eh okay, then you need to study at university for seven years, and then get work experience at a ... "Aha, maybe I don't want to be one after all."

In the above example, the participant's goal changed and the level of ambition was adapted to what the participant viewed as realistic, but in some cases, said the project manager, it could lead to the participant taking the higher education entrance exam, for example, and going on to study at university.

A further example is found in a participant from a small municipality in the county of Dalarna who wanted to become a racing cyclist. The coach pointed out that the market for racing cyclists was probably rather small in the local area and instead advised the participant, as a first step, to look for a job at a sports or cycling shop, a piece of advice that turned out to result in a job. Examples such as this were something that the project manager encouraged the coaches to describe at steering group meetings as a way of illustrating how the project made a difference.

#### *Alternative working methods*

The project manager described how a number of participants wanted to look for work in Oslo. So that this did not simply remain at the talk stage, the participants were assigned the task of planning a joint trip to Oslo. *Job College* contacted the Public Employment Service, which financed the hire of a bus for a day trip to Oslo for the participants and a coach who accompanied them on the trip. All of the participants had been given the task of arranging two interviews during the day. Once in Oslo, they were given a map which they then used to themselves find the employers at which they had booked a job interview. The job trips to Oslo were described as one of the single most successful efforts within the project, and *Communicare* therefore continued with them in subsequent projects.

"Fake interviews" were another activity that the project manager described as having been much appreciated by the participants. As the name implies, the activity involves the participants experiencing simulated interview situations, in which a coach not known to the participant plays the role of an employer, with the participant having the chance to practice as if it were a real job interview. The simulated interviews were

described as having had a positive effect on the participants' self-confidence. As the project manager put it:

Fake interviews may sound banal, but there were very many who had never been in an interview situation and they travel up to Orsa; they haven't met me, sat there sweating and were so nervous, and then afterwards: "That was the best thing I've done, that!".<sup>94</sup>

### *Training activities*

In addition to job trips to Oslo, simulated interviews, individual coaching and giving the participants their own time to look for jobs, the project also arranged joint training activities for the participants, usually in one of the larger towns, and most commonly in Karlstad at Communicare's head office. In addition to talks on how the labour market works and methods for looking for work, the coaches also invited businesses to come and talk about their work, their needs and their recruitment preferences. Staffing agencies were also invited to give talks on how to become attractive on the labour market. The project also organised community-focused activities, including inviting local politicians to debate issues chosen by the project participants. One activity that the project manager described as being successful was inviting previous participants back to the project to talk about their path from the project and out onto the labour market as a means of inspiring others.

### *Lesson learned*

The project manager for *Job College* felt that the project's results were good in relation to the resources they had at their disposal. The greatest challenge according to the project manager was that of continuously furnishing the project with new participants, in part in order to secure the co-funding by counterbalancing the participants who had found jobs, and in part because larger groups showed themselves to produce better results.

In just about any other group at all, if you're talking about school and so forth, you say the bigger the group the worse the results. But we realised fairly quickly that the bigger the group we had, the better the results. You get an extreme form of dynamic (...) you got a much better outcome when there were 25 in the group for a time, than if there were ten. Because there were interesting discussions, more of an exchange and a dynamic. It was pretty great to see; I always wanted to get more people in; then the results became better.<sup>95</sup>

According to the project manager, one obstacle in the way of getting the desired number of participants was that the target group described in the project plan was too narrow. The project wanted to have more to work with, a tougher target group, people who

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94. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

95. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

needed more support than those whom the Public Employment Service categorised as “Job Ready”, who only needed help writing a CV.

To the extent that the project had been successful, the project manager emphasised the attitude within the project as a factor in this success:

Now it sounds like a cliché, but that’s often the way it is, when belief in the individual is very important, and then we get at what they really want, getting them to do it themselves. (...) it needn’t be the case that nobody had done it before, but the feeling at least was that they haven’t felt it (...) I’m not saying that the Public Employment Service doesn’t do it, but maybe they give the feeling that they don’t do it because they don’t have the time or the resources. Because it’s often, you know, subtle signals that lead to people feeling good or feeling bad.<sup>96</sup>

The role of the steering groups was judged to have been particularly important not only for following up the project’s activities but also the strategic efforts made by the steering group to exert influence in each of the municipalities.<sup>97</sup> The project manager stated that the composition of the steering groups varied between the different municipalities. In addition to project managers and coaches, they as a rule included unit managers and/or case officers from the social services administration and the Public Employment Service, and in one case the head of the municipality’s business administration. The final report from the project notes that individual characteristics and the commitment of individual steering group members have been important. The project informed and attempted to ensure that the project had the support of both the steering group and participating actors at an early stage. It was important that they not only know of the project’s existence, but were also aware of how the project worked. The case officers are described as having had a key function in this regard, since they had the opportunity to assign individuals to the project and contribute to a stable flow of participants, which was important for the project’s financing and for its ability to engage in planning.<sup>98</sup>

The project *Job College Northern Central Sweden* was concluded at the end of 2011, but the working methods and the Job College concept have lived on in Communicare’s activities, amongst other things in the projects “What are you going to be?” and “Own your future”.

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96. Interview with Respondent 2. Project manager for the Communicare project What are you going to be? January 15, 2013.

97. Job College Final report, implementation, ESF, Reference number 2008-3060326.

98. Job College Final report, implementation, ESF, Reference number 2008-3060326.

## Appendix C

### *6. A comparative follow-up of the participants in Social Fund projects and the Public Employment Service's programmes*

**Table C1 Descriptive statistics; job-seekers who did not participate in PES-programmes 2008–2012.**

	Job-seekers who have been excluded from the analysis
Female	52.7
Foreign-born individuals	24.4
Newly arrived (Foreign-born individuals)	10.9
Initial age	34.8
Long-term unemployed	29.1
Registered at PES < 2005	18.9
Proportion whose PES-registration had been cancelled 2005–2008	34.7
<b>Initial educational level:</b>	
Pre-further education < 9 years	7.4
Pre-further education > 9 years	12.9
Further education	49.6
Post-further education < 2 years	6.9
Post-further education > 2 years	22.2
Doctoral studies	0.9
Initial disability (yes)	3.8
Member of unemployment insurance fund	65.4
<b>Labour market outcomes at final observation point:</b>	
In open unemployment	28.4
In work	65.5
Unsubsidised work	63.3
Subsidised work	0.0
New Start Job	0.0
Activity support	0.0
Other	9.1
Number of individuals	892,492

Note: The category “other” comprises job-seekers presently prevented from taking a job, fishermen by trade and EU/EEA job-seekers.



**Table C2 Variable definitions.**

<b>Variable</b>	<b>Definition</b>
Work	0/1 variable, equal to one for job-seekers who have work with support, work without support or a New Start Job, otherwise zero.
Work without support	0/1 variable, equal to one for job-seekers who have a permanent job or are self-employed without support, a job for a limited period, continued employment at the same employer, part-time unemployed, temporary employment by the hour, temporary work or currently employed job-seekers, otherwise zero.
Work with support	0/1 variable, equal to one for job-seekers employed at Samhall (a government-owned company providing development opportunities through employment for people with disabilities), individuals on the trainee replacement scheme, individuals in trainee positions for unemployed graduates, persons employed in recruitment incentive jobs, special measures for persons with disabilities, public sector temporary work or so-called resource jobs in the public sector, otherwise zero.
Female	0/1 variable, equal to one if the job-seeker is female, otherwise zero.
Born abroad	0/1 variable, equal to one if the job-seeker was born abroad, otherwise zero.
Newly arrived immigrant	0/1 variable equal to one for persons born abroad whose period of residence in Sweden is (normally) no more than three years subsequent to receiving a residence permit, otherwise zero. Persons born in Sweden automatically coded as zero.
Age	The job-seeker's age in years; indicator variable with six levels (16–20, 21–25, 26–30, 31–35, 36–40, 41–50, 51–67). Only three levels in estimates for YJP (16–20, 21–22, 23+).
Level of education	Highest registered level of education at conclusion of programme; indicator variable with seven levels (pre-further education < 9 years, pre-further education > 9 years, further education, post-further education < 2 years, post-further education > 2 years, doctoral studies and education missing).
Type of education	Educational focus at conclusion of programme; indicator variable with nine levels (general, teaching and teacher training, humanities and arts, social science, law, business and administration, natural sciences, mathematics and computing, agriculture and forestry (and veterinary science), medicine and healthcare (and social care provision), services, missing).
Disability	0/1 variable, equal to one if the job-seeker has a documented disability, otherwise zero.
Registered at PES < 2005	0/1 variable, equal to one if the job-seeker was first registered at the PES prior to 2005, otherwise zero.
Registration time 2005–2007	Length of time registered between 2005 and 2007; indicator variable with three levels (zero months, 1–12 months, more than 12 months).

Long-term unemployed	0/1 variable, equal to one if the job-seeker has been unemployed long-enough to meet the definition of long-term unemployed, otherwise zero. The definition of long-term unemployed is as follows; persons unemployed who have been registered at the Public Employment Service for at least six months (182 days) if they are aged 25 or older, and if they during this time have not had a job or participated in a labour market policy programme. Persons under the age of 25 are counted as long-term unemployed after 100 days.
Membership of unemployment insurance fund	0/1 variable, equal to one if the job-seeker is a member of an unemployment insurance fund, otherwise zero.
Number of times PES-registration cancelled 2005–2007	Number of times the individual's PES registration has been cancelled between 2005 and 2007 (based on the date for the cancellation of registration), indicator variable with three levels (zero, one, more than one).
Municipality	Indicator variable for the municipality in which the job-seeker is registered as resident.

1. Types of disability include heart, vascular and lung disease, hearing impairment, deafness, visual impairment, low vision, physical disability, somatic disability, mental disability, general learning difficulties, socio-medical disability, asthma/allergy/oversensitivity, dyslexia/specific learning disabilities and acquired brain injury.

**Table C3 Work subsequent to concluded project (ESF) or programme (PES) participation.**

Year	Number of individuals who concluded their participating (number of observations)	90 days later (%)	180 days later (%)	At final observation point (%)	Months since conclusion of project participation at final observation (standard deviation)
<b>All ESF-projects</b>					
2008	721 (1 074)	28.6	27.7	40.2	34.5 (14.1)
2009	4 737 (8 224)	22.5	24.1	41.4	26.5 (11.0)
2010	8 941 (15 095)	27.2	30.2	40.2	17.4 ( 8.1)
2011	9 235 (15 238)	29.3	30.5	32.4	7.8 (4.5)
2012	10 151 (15 982)	16.8	16.8	16.8	0.8 (1.2)
<b>All PES-Programmes</b>					
2008	125 349 (301 953)	43.1	44.8	50.8	33.4 (15.6)
2009	301 674 (838 546)	42.7	46.3	54.5	23.7 (12.6)
2010	501 757 (1 296 118)	45.2	49.1	53.6	14.1 (9.4)
2011	499 486 (1 376 763)	46.4	48.3	49.1	5.7 (6.0)
2012	390 243 (1 118 630)	42.3	42.4	42.3	-2.7 (3.8)
<b>PT</b>					
2008	19,784 (26,924)	17.0	22.4	44.6	37.1 (14.2)
2009	20,751 (27,016)	10.9	19.4	51.7	26.2 (10.2)
2010	35,972 (48,549)	13.3	21.5	40.4	17.4 (7.2)
2011	42,350 (63,484)	11.5	16.2	21.2	8.1 (4.1)
2012	31,971 (42,803)	7.3	7.5	7.5	0.3 (2.1)
<b>JDP</b>					
2008	28,328 (83,840)	26.0	28.0	36.2	32.4 (15.8)
2009	67,643 (282,922)	24.5	26.4	35.9	24.8 (12.4)
2010	77,055 (267,401)	27.6	31.5	38.6	16.5 (8.5)
2011	91,100 (336,147)	36.2	37.8	39.6	6.4 (5.8)
2012	90,195 (337,662)	26.2	26.2	26.2	-2.8 (3.5)
<b>YJP</b>					
2008	3,079 (7,466)	31.4	31.3	48.8	30.1 (16.3)
2009	27,983 (93,085)	28.3	31.2	49.8	19.9 (14.7)
2010	65,059 (222,697)	40.2	44.2	52.7	9.9 (11.9)
2011	74,628 (252,804)	45.9	46.8	49.3	2.1 (8.5)
2012	63,637 (216,583)	35.7	35.8	35.8	-4.6 (4.6)

**Table C4 Work without support subsequent to concluded project (ESF) or programme (PES) participation.**

Year	Number of individuals who concluded their participating (number of observations)	90 days later (%)	180 days later (%)	At final observation point (%)	Months since conclusion of project participation at final observation (standard deviation)
<b>All ESF</b>					
2008	721 (1,074)	9.2	9.9	7.8	34.5 (14.1)
2009	4,737 (8,224)	5.4	5.9	6.5	26.5 (11.0)
2010	8,941 (15,095)	3.8	4.3	5.4	17.4 (8.1)
2011	9,235 (15,238)	5.3	5.5	5.2	7.8 (4.5)
2012	10,151 (15,982)	4.4	4.4	4.4	0.8 (1.2)
<b>All PES-programmes</b>					
2008	125,349 (301,953)	19.3	21.2	19.3	33.4 (15.6)
2009	301,674 (838,546)	17.9	18.2	15.6	23.7 (12.6)
2010	501,757 (1,296,118)	11.8	12.1	11.3	14.1 (9.4)
2011	499,486 (1,376,763)	12.4	12.6	12.3	5.7 (6.0)
2012	390,243 (1,118,630)	16.3	16.3	16.3	-2.7 (3.8)
<b>PT</b>					
2008	19,784 (26,924)	11.7	14.5	31.3	37.1 (14.2)
2009	20,751 (27,016)	7.2	12.9	39.8	26.2 (10.2)
2010	35,972 (48,549)	9.4	14.5	28.5	17.4 (7.2)
2011	42,350 (63,484)	6.9	9.6	12.6	8.1 (4.1)
2012	31,971 (42,803)	4.7	4.9	4.9	0.3 (2.1)
<b>JDP</b>					
2008	28,328 (83,840)	11.1	12.5	22.7	32.4 (15.8)
2009	67,643 (282,922)	10.9	12.4	22.0	24.8 (12.4)
2010	77,055 (267,401)	13.1	15.9	24.2	16.5 (8.5)
2011	91,100 (336,147)	19.8	21.8	24.5	6.4 (5.8)
2012	90,195 (337,662)	13.8	13.9	13.9	-2.8 (3.5)
<b>YJP</b>					
2008	3,079 (7,466)	26.1	26.4	43.9	30.1 (16.3)
2009	27,983 (93,085)	24.6	26.8	44.6	19.9 (14.7)
2010	65,059 (222,697)	35.2	39.2	48.8	9.9 (11.9)
2011	74,628 (252,804)	41.9	43.3	45.8	2.1 (8.5)
2012	63,637 (216,583)	32.3	32.4	32.4	-4.6 (4.6)

**Table C5 Work with support subsequent to concluded project (ESF) or programme (PES) participation.**

Year	Number of individuals who concluded their participating (number of observations)	90 days later (%)	180 days later (%)	At final observation point (%)	Months since conclusion of project participation at final observation (standard deviation)
<b>All ESF</b>					
2008	721 (1,074)	9.2	9.9	7.8	34.5 (14.1)
2009	4,737 (8,224)	5.4	5.9	6.5	26.5 (11.0)
2010	8,941 (15,095)	3.8	4.3	5.4	17.4 (8.1)
2011	9,235 (15,238)	5.3	5.5	5.2	7.8 (4.5)
2012	10,151 (15,982)	4.4	4.4	4.4	0.8 (1.2)
<b>All PES-programmes</b>					
2008	125,349 (301,953)	19.3	21.2	19.3	33.4 (15.6)
2009	301,674 (838,546)	17.9	18.2	15.6	23.7 (12.6)
2010	501,757 (1,296,118)	11.8	12.1	11.3	14.1 (9.4)
2011	499,486 (1,376,763)	12.4	12.6	12.3	5.7 (6.0)
2012	390,243 (1,118,630)	16.3	16.3	16.3	-2.7 (3.8)
<b>PT</b>					
2008	19,784 (26,924)	3.7	5.5	7.8	37.1 (14.2)
2009	20,751 (27,016)	2.3	3.2	5.9	26.2 (10.2)
2010	35,972 (48,549)	1.8	3.0	6.0	17.4 (7.2)
2011	42,350 (63,484)	2.3	3.3	4.1	8.1 (4.1)
2012	31,971 (42,803)	1.4	1.4	1.4	0.3 (2.1)
<b>JDP</b>					
2008	28,328 (83,840)	11.2	11.2	7.2	32.4 (15.8)
2009	67,643 (282,922)	7.9	7.8	6.8	24.8 (12.4)
2010	77,055 (267,401)	6.1	6.7	6.4	16.5 (8.5)
2011	91,100 (336,147)	6.6	7.1	6.1	6.4 (5.8)
2012	90,195 (337,662)	5.1	5.1	5.1	-2.8 (3.5)
<b>YJP</b>					
2008	3,079 (7,466)	1.3	1.4	3.6	30.1 (16.3)
2009	27,983 (93,085)	1.6	1.9	3.4	19.9 (14.7)
2010	65,059 (222,697)	1.0	1.3	2.1	9.9 (11.9)
2011	74,628 (252,804)	1.1	1.4	1.8	2.1 (8.5)
2012	63,637 (216,583)	1.1	1.1	1.1	-4.6 (4.6)

**The European Social Fund (ESF) has complemented the Swedish Employment Service's work assisting job seekers in finding new jobs, by financing projects specifically designed to help long-term unemployed individuals, foreign born migrants and young people. ESF aims to achieve better results than the Employment Service. This report examines how well they have succeeded.**

During the period 2008–2012 ESF distributed 3.8 billion Swedish Crowns to 496 projects in Sweden. This report compares the labor market outcomes for individuals who participated in these projects with the outcomes for those who participated in the Employment Service's regular operations. Foreign borns are given extra attention, including an analysis of the employment gap in Sweden between native Swedes and foreign born migrants. This analysis also situates Sweden in a European perspective.

The comparison between ESF and the Employment Service reveals a complicated picture. Which of the Employment Service's programs should the projects financed by ESF actually be compared to? Is it even fair to compare them when the distribution of the participants is not random, but rather skewed? Can the model of co-financing affect the results and what are the prerequisites for achieving ESF's second goal – to develop the labor market through the promotion and dissemination of innovative activities?

**The Thematic Group on Inclusion in Working Life** is one of several theme groups funded by the ESF to identify and disseminate effective methods of integration in working life. This group includes Ryszard Szulkin, Professor of Sociology, Lena Nekby, Associate Professor of Economics and Magnus Bygren, Associate Professor of Sociology.