

INTEGRATING IMMIGRANTS:

Nordic policy success in raising employment and reducing benefit payments

A rethinking of training programmes for disadvantaged immigrants dramatically increased employment and reduced welfare benefits in Finland, according to a study to be presented to the NORFACE migration conference at University College London this weekend.

Researchers **Matti Sarvimäki** and **Kari Hämäläinen** from the Government Institute for Economic Research, Finland, have evaluated a reform designed to help immigrants integrate into the Finnish labour market.

They find that a few years after starting in the new system, participating immigrants had substantially higher employment rates and were receiving much less benefits than comparable immigrants who had arrived in Finland slightly earlier (and were thus not required to participate).

A key component of the reform was the introduction of 'integration plans' – individualised sequences of training and subsidised employment. Participation was compulsory for those immigrants who were collecting unemployment or welfare benefits. Non-compliance was sanctioned with a reduction in benefits.

Dr Sarvimäki says:

'Strikingly, the improvements appear to follow from a more efficient organisation of training rather than an increase in public funding.

'Before the reform, immigrants were treated in a similar way to unemployed natives. After the reform, the situation of each person was more closely considered and training was adapted accordingly.

'In particular, the amount of language training was increased while other forms of training were scaled down. As a consequence, the total amount of training and thus the costs were not affected.

'There are similar programmes in many other countries. Our results show that if they are implemented well, they can be highly beneficial for the participating immigrants *and* for the taxpayer.'

ENDS

'Assimilating Immigrants: The Impact of an Integration Program' by Matti Sarvimäki and Kari Hämäläinen can be accessed at: <http://hse-econ.fi/sarvimaki/integrationREV.pdf>

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