Refugee immigration to Sweden – national and local challenges facing communities and refugees in the wake of the European refugee policy crisis

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URMI seminar on segregation and immigration
Helsinki, November 28, 2016
I will talk about this

Asylum applicants to Sweden

<table>
<thead>
<tr>
<th>Year</th>
<th>Start of year</th>
<th>Weeks</th>
<th>End of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>81,301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>162,877</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>26,187</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Organization

I’ll focus on the institutional and spatial challenges following from the biggest influx of refugees ever seen in Sweden.

• First, I will give a brief account of the numbers and geographical distribution of the 2015 refugee cohort.
• Second, I will try to sum up the main challenges emerging as a result of this development.
• Thirdly, I will focus on the key aspect of long-term labour market integration of refugee immigrants. In particular the focus will be on a new paper asking:
• to what extent do port-of-entry neighbourhood contexts play a role for subsequent labour market integration?
Asylum applications (non-EU) in the EU-28 Member States, 2005-15 (¹) (thousands)

¹ 2005-07: EU-27 and extra-EU-27
² 2005-2013: not available.
Source: Eurostat (online data codes: migr_asyctz and migr_asyappctza)
Countries of origin of (non-EU) asylum seekers in the EU-28 Member States, 2014 and 2015 (thousands of first time applicants)
# First time asylum applicants in the EU Member States (selected countries)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>Change (in %)</th>
<th>Share of EU total (%)</th>
<th>Number of applicants per thousand inhabitants*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EU</strong></td>
<td>562 680</td>
<td>1 255 640</td>
<td>+123%</td>
<td>100.0%</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>74 980</td>
<td>156 110</td>
<td>+108%</td>
<td>12.4%</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Denmark</strong></td>
<td>14 535</td>
<td>20 825</td>
<td>+ 43%</td>
<td>1.7%</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>172 945</td>
<td>441 800</td>
<td>+155%</td>
<td>35.2%</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td>41 215</td>
<td>174 435</td>
<td>+323%</td>
<td>13.9%</td>
<td>17.7 (transit)</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>21 780</td>
<td>43 035</td>
<td>+ 98%</td>
<td>3.4%</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>25 675</td>
<td>85 505</td>
<td>+233%</td>
<td>6.8%</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td>3 490</td>
<td>32 150</td>
<td>+822%</td>
<td>2.6%</td>
<td>5.9</td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>32 120</td>
<td>38 370</td>
<td>+ 19%</td>
<td>3.1%</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>10 910</td>
<td>30 470</td>
<td>+179%</td>
<td>-</td>
<td>5.9</td>
</tr>
</tbody>
</table>
Top five countries of origin for 2015 asylum seekers to the EU (selected countries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Sweden</th>
<th>Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>50,890</td>
<td>20,400</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>41,190</td>
<td>5,190</td>
</tr>
<tr>
<td>Iraq</td>
<td>20,190</td>
<td>1,975</td>
</tr>
<tr>
<td>Stateless</td>
<td>7,445</td>
<td>875</td>
</tr>
<tr>
<td>Eritrea</td>
<td>6,515</td>
<td>755</td>
</tr>
<tr>
<td>Other</td>
<td>29,880</td>
<td>2,955</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>United Kingdom</th>
<th>France</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eritrea</td>
<td>3,735</td>
<td>5,315</td>
<td>158,655</td>
</tr>
<tr>
<td>Iran</td>
<td>3,680</td>
<td>4,625</td>
<td>53,805</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3,245</td>
<td>3,825</td>
<td>33,425</td>
</tr>
<tr>
<td>Sudan</td>
<td>3,005</td>
<td>3,800</td>
<td>31,380</td>
</tr>
<tr>
<td>Syria</td>
<td>2,840</td>
<td>3,345</td>
<td>29,785</td>
</tr>
<tr>
<td>Other</td>
<td>21,865</td>
<td>49,660</td>
<td>134,750</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Norway</th>
<th>Netherlands</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>10,535</td>
<td>18,640</td>
<td>24,840</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>6,910</td>
<td>7,390</td>
<td>24,720</td>
</tr>
<tr>
<td>Iraq</td>
<td>2,935</td>
<td>3,010</td>
<td>13,225</td>
</tr>
<tr>
<td>Eritrea</td>
<td>2,785</td>
<td>2,550</td>
<td>3,380</td>
</tr>
<tr>
<td>Iran</td>
<td>1,310</td>
<td>2,460</td>
<td>2,890</td>
</tr>
<tr>
<td>Other</td>
<td>5,995</td>
<td>8,985</td>
<td>16,450</td>
</tr>
</tbody>
</table>

Not all will be granted permission to stay. Rejection rates in 2015 varied substantially around the EU average of close to 50%; UK: 64%, France: 73%, Germany and Finland: 44%, Sweden: 28%, and Netherlands 20%.
Number of people registered in the reception system of the Swedish Migration Board (March 1, 2016)

<table>
<thead>
<tr>
<th></th>
<th>Age 0-6</th>
<th>7-15</th>
<th>16-17</th>
<th>18-19</th>
<th>20-59</th>
<th>60-64</th>
<th>64+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refugee centers (ABO)</td>
<td>14718</td>
<td>13087</td>
<td>2225</td>
<td>5650</td>
<td>58901</td>
<td>664</td>
<td>629</td>
<td>95874</td>
</tr>
<tr>
<td>Own housing (EBO)</td>
<td>4597</td>
<td>4129</td>
<td>807</td>
<td>2387</td>
<td>34462</td>
<td>918</td>
<td>1555</td>
<td>48855</td>
</tr>
<tr>
<td>Other accommodation*</td>
<td>253</td>
<td>13805</td>
<td>17941</td>
<td>504</td>
<td>406</td>
<td>8</td>
<td>26</td>
<td>32943</td>
</tr>
<tr>
<td>Total</td>
<td>19568</td>
<td>31021</td>
<td>20973</td>
<td>8541</td>
<td>93769</td>
<td>1590</td>
<td>2210</td>
<td>177672</td>
</tr>
</tbody>
</table>

*Hospitals, family homes for children etc.

One of the biggest challenges is the big proportion of lonely children (arriving in particular from Afghanistan via refugee camp sites in Iran). This was the only refugee group being dispersed across all municipalities according to a distributive mechanism (37,000 in 2015). There are several issues here, confirming their age is one. If they are above 18 their protection is less secured.
A brief geographical account of the 2015 refugee settlement in Sweden

• Only four out of Sweden’s 290 municipalities had below the EU average in percentage asylum seekers per capita in 2015 (0.25%).

• Eight municipalities had more than 10% (all rural, aver. pop. 8,100) and the top value was 21%. In the latter, 1,040 out of 4,928 residents were asylum seekers.

• 155 municipalities had more than the national average (with average pop. 16,500), and 135 below (with average pop. 54,000; Stockholm, Gothenburg, Malmö included).

• Clearly, the 2015 refugees were channeled into rural Sweden.
Asylum seekers per capita in Sweden’s municipalities, March 1, 2016.

Black, red and blue show localities having more than the Swedish average (above 1.8%).

All major urban centers have below this value (Stockholm 0.9, Gothenburg 1.1 and Malmö 1.6; still much higher than the EU average: 0.25%)
Why rural Sweden?

- **Policy background**: Privatisation of public service provision since the 1990s has affected most parts of the public sector including refugee reception (accommodation and service provision for asylum seekers).
- **Material background**: Housing shortage, making housing in urban areas expensive and practically difficult.
- All kinds of facilities were put into use (former institutional facilities, camping sites, conference sites, hotels, military barracks), typically rented on short-term contracts by private entrepreneurs who run the business under supervision of the Board of Migration.
Asylum seekers in Swedish municipalities 2015/16 per capita

Since the introduction of the EBO option in 1994, more than 60% of all refugees have chosen this option. The 2015 influx thus displays a highly unusual pattern.
The first days could look like this
(temporary housing in Nacka, outside Stockholm)
Accommodation in empty rental housing in rural Sweden
A former institution building
(Skara, West of Gothenburg)

Growing local anti-refugee mobilization by right-wing populists.

The leading private entrepreneur, running around 40 centers with 7,000-10,000 refugees in mid-October 2015.
Some are lodged in former hotels, others in barracks which not seldom have faced arson.
The political shift in October 2015

• All in all, the developments over the second part of 2015 was not anticipated. There was substantial political support for the high level of refugee migration experienced so far and forecasts for 2015 talked about maybe 70,000.

• However, experiencing more than 10,000 per week in October did put severe stress on the reception system and growing reactions from local authorities and key State agencies triggered a political reaction. All but one political party in the parliament agreed in October to drastically change Sweden’s up until then generous immigration policy (which since 2010 also includes a generous non-EU labour migration policy), bringing it down to ”minimum EU standards”.

• Some of these new policies –such as border controls– took effect more or less immediately, while other – such as not allowing family reunification – took effect this summer.

• Opinion polls show that 70% of the Swedes are in favour of the new tougher regulations.
How will integration work?

• We have no data regarding the 2015 cohort of refugees so any answer to this question will be based on guesses and historical data.

• First of all, many – some estimate half the 2015 cohort – will not be given permission to stay. However sending them back will not be easy. Recent reports indicate that more than expected have returned voluntarily during 2016 due to new tougher constraints on family reunification.

• For those being granted permission to stay, individual skill level decides part of the outcome (many Syrians are highly educated) but so does geographical variations in integration opportunities, which will be the focus in the final part of my talk.

• Before dealing with these geographical differences I will try to sum up the more general challenges that face the country and in particular local communities and the public service sector.
Challenges

1. Housing

This is a major challenge. It is estimated that the present housing shortage in Sweden is in the range of 700,000 dwellings (-2025). With the contemporary much weaker institutional control over housing construction and housing costs it is difficult to over-emphasize this problem. A dilemma is of course that available housing is confined to localities with labour market problems and population decline. The present rural pattern of newcomers’ residence is hardly sustainable from an integration perspective.

There is a vivid debate concerning how to expand housing construction in urban areas and how to find solutions for the very big affordability problem. Related to this is also the issue of residential segregation. Will Sweden embark on a route towards social housing?
2. Schooling/education

a) For children
We know that immigrant children arriving after age 9-10 face big problems finishing school with competitive outcomes, and the many lonely arrived children aged 14 to 17 – many with a very poor educational background – will pose an enormous challenge to schools across Sweden. Besides such qualitative challenges schools also face a situation where the number of students rapidly increases. This requires more teachers and more classrooms.

a) For adults
The introductory programme, including learning Swedish, is 18 months and needs to be substantially expanded to cope with the increasing number of recently arrived refugees. Other activities, such as validating exams for highly educated and skilled migrants and organizing re-training programmes will also have to expand.
3. Health care

I hav'nt seen any recent research analysing the health condition of the recently arrived refugees. However, many come from war-plagued areas and we do know that many are damaged/ill and need psycological, psyciatric and physical-medical treatment. This will definitely pose a challenge for care facilities.
4. Social services

• The rapidly increasing demand for evaluations of individuals and families in need of social support (not least the lonely arrived children) puts severe pressure on social service administrations in most municipalities. This was already before a profession complaining loudly over lack of personel and heavy work load and stressful conditions.
5. Police

Much recent focus has been on the Police as the Police organization has to cope with increasing tensions and conflicts within refugee camps as well as sometimes between newcomers and the local population. Besides, they now need to allocate much resources to the border control put in place in December. They ask for a fast increase in budget, training many more new policemen. At the same time – decided years ago – they undergo a major internal re-organization.
6. Employment

The Swedish economy is strong and the State budget is in balance since 15 years. Only small effects of the 2008 financial crisis. Unemployment levels are decreasing but there is a substantial ethnic gap that now risks increasing further.

New research indicates very positive effects in terms of economic growth.

There is an intense political debate – following the traditional left-right dimension – where the left wants to see a State-led educational and employment expansion whereas the right emphasizes the need of lowering salaries for less qualified labour and opening up for a fast expansion of poorly paid service jobs. The present left-green minority government, led by a trade unionist Social Democratic prime minister (Stefan Löfvén), is unlikely to choose the latter road.
The uneven geography of labour market integration of refugees

• This part of my presentation is based on a broader research project on the importance of the port-of-entry neighbourhood for refugees’ integration trajectories conducted together with Sako Musterd (NL), and George Galster (USA).

• I published a book chapter in Swedish a few months ago. Translated into English the title is:

• ”The geography of refugee reception – a multilevel analysis of ten cohorts of immigrants from Somalia, Iraq and Iran”. This study maps and analyses variations across labour market regions, municipalities, and neighbourhoods using multivariate techniques but without controlling for selection effects.

• Here I will briefly summarize a first paper based on the work with Musterd and Galster, in which we account for selection.
Port-of-Entry Neighbourhood and its Effects on the Economic Success of Refugees in Sweden

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Research questions

• To what degree does the “port-of-entry neighbourhood”, the first permanent settlement after immigration, affect employment opportunities of adult refugees in Sweden, during the subsequent five years?

• Can we detect certain types of “port-of-entry neighbourhoods” that enhance refugees’ employment opportunities and others that hinder them, after controlling for other variables, and after controlling for self-selection based on unmeasured variables?
Neighbourhood Roles

• There is a large and rapidly expanding literature on “neighbourhood effects” that has sought to quantify the degree to which residence in places with particular population characteristics (such as immigrant density) substantially shapes the economic opportunities for adults and children.

• This research usually models neighbourhood characteristics as continuously varying attributes whose independent associations with the individual outcome of interest are revealed with multivariate statistical techniques. We will perform a similar strategy, with enhancements to minimize biases.
The role of neighbourhood: literature

“Disadvantaged Neighbourhoods” (Wilson)

“Immigrant Neighbourhoods” (Boal)

“Neighbourhoods as Heterogeneous Opportunity Structures” (Galster)
Neighbourhoods as Heterogeneous Opportunity Structures

• We acknowledge that neighbourhoods are nested sets of attributes in a range of domains and that collectively these constitute the residential context that also can shape the opportunity structure of residents.

• Yet, we argue that for just-arrived refugees, who in large numbers left everything they had behind, the economic opportunities and the ethnic-cultural infrastructure of the Port-of-Entry neighbourhood are most vital and we therefore focus on those dimensions in particular.

• Neighbourhood context provides a social context that may influence norms and behaviours affecting future opportunities and a locus for networks providing information and other resources.
Focusing on: Perc. own group and Perc. Own group employed in n’hood

• Theory suggests that two aspects of these PoE neighbourhoods will be salient for the economic prospects of immigrants: own-ethnic composition and the human capital (skills and employment-relevant networks) embodied in that group.

• We measure these two dimensions as the percentage of the neighbourhood that a refugee’s own ethnic group constitutes and the employment rate of own ethnic group in the neighbourhood. We distinguish neighbourhoods on the basis of structural characteristics they have at the moment of entry of the migrants under study.

• We estimate whether these and some other neighbourhood dimensions – providing context for the refugees’ first settlement after having been granted permission to stay – affect employment five years later.
Population, selection criteria

1. All immigrated 1995-2004 from Somalia, Iraq and Iran (N=52,600).
2. Keep those not immigrated from another European country; only first time arrivals; only those who stay in Sweden for at least six consecutive years (N=37,508).
3. Only those in working ages during the follow-up period (N= 26,490; 20 to 59 years at T1).
4. First address is the address the year after immigration (T1). Keep only those having complete geo-codes T1-T5. Keep those refugees who start in a neighbourhood having been port-of-entry for at least five refugees (N=18580).
Refugees under study: 18,580, starting in ca 675 different neighbourhoods in about 130 different municipalities. All neighbourhoods included have at least 5 refugee entries. Of the three contextual levels, municipalities mean the least for explaining outcome while the labour market explains most. We control for Stockholm LM and for average labour market Income also in our neighbourhood models.
Modelling approach

• We use OLS and two-stage least squares (2SLS, i.e., instrumental estimates of the two neighbourhood variables).

• We attempt to overcome the geographic selection challenge by using instrumental variables: exogenous variables that affect refugees’ selection of neighbourhood but not the employment outcome of interest. In our case we use rental occupancy rates and household turnover rates in the neighbourhood as identifying instruments for the percentage of own-group residents and their employment rate in the neighbourhood, respectively. Both perform well.
We control for a range of individual attributes (such as country of origin, gender, age, education, family type, permit reason (refugee/family reunion), years in neighbourhood) and also some key neighbourhood characteristics, most importantly % Own group and % Own group employed in neighbourhood.
Results

• Results are conclusive and robust and show that the PoE neighbourhood own-group share and own-group employment rate make a difference in refugees’ employment prospects, though with crucial differences by gender.

• Greater proportions of own-group neighbours harm refugees’ future employment prospects, especially for females. Male refugees benefit from own-group PoE concentrations, however, when these neighbours have high rates of employment.

• These relationships stood the test of an instrumental variable analysis aiming at accounting for geographic selection effects.
Policy implications

• In terms of the placement and settlement issue, the gender difference in outcome is of course problematic for policy-makers in a situation where families rather than individuals immigrate.

• What seems to be a feasible advise for the placement of female refugee migrants –avoid co-ethnic clustering– is less feasible for their spouses.
• With reference to Andersson, Bråmå & Holmqvist (2010), solving the refugee dispersal issue within strong labour market areas is what policy should be concerned with if combatting segregation and improving labour market integration of refugees is a prioritized matter.

• Unfortunately, such a strategy has up until recently (1 March 2016) been constrained by a laissez faire type of approach to refugee settlement after 1994 and it is currently also constrained by a severe housing shortage and in particular a shortage of affordable rental housing in most urban localities. Finding housing for new refugees is difficult per se, finding housing in a favourable location even more difficult.

• There are plenty of important analyses to be done in the wake of the 2015 refugee crisis. The migration pressure is still there, challenging the European Union to an extent we’ve not seen before.
• Thanks for paying attention!