

# Policies promoting higher employment for non-Western immigrant women

This policy brief is an excerpt from the report  
Integrating Immigrants into the Nordic Labour Markets



## Summary

In the main, active labour-market and social benefit policies have positive effects on employment among immigrant women. They are less effective for women than men, whereas the reverse appears to be the case in the long term for policies aimed at skills enhancement (language and formal education). The results may explain why reforms of introduction programmes have had no effect in the short term. Subsidies for child care in the home reduce women's participation in the labour market, whereas subsidies for out-of-home child-care do not affect employment. The evidence suggests that a broader view of family circumstances may be needed in order to improve levels of employment among immigrant women.

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## Background

Non-Western immigrant women have a low employment rate in all of the Nordic countries. This untapped potential workforce entails significant costs for the Nordic welfare states. The question is which policies would improve the employment rate for non-Western immigrant women who arrive in the Nordic Region as adults? We have reviewed existing studies of the labour-market effects of five different types of policies in the Nordic countries.

Three types of policies seek to address the lack of language skills and enhance job-seeking methods and labour-market competencies: *introduction*

*programmes, active labour-market policies and post-secondary education. Benefit policies address the financial incentive to work. Finally, family policies are likely to play a role for non-Western immigrant women, partly due to differences in gender norms between the host country and the country of origin, but also because many of the women who arrive in the Nordic countries are of prime childbearing age.*

## Main findings

Existing research suggests that recent reforms of Nordic introduction programmes have at best had moderate, sometimes even negative effects on employment compared to earlier, less extensive forms



of support. While disappointing, this may partly be attributable to the fact that their impact was usually measured soon after participation in the programmes ended. One exception to this is the Swedish reform in 2010, which seems to have increased the number of transitions to employment.

There is some ambiguity in the general research literature regarding the effect of language training. The only Nordic study of language training for immigrant women identifies large (larger than for men), long-term employment effects after completing the courses in Sweden. In this context, it is important to note that drop-out rates from language courses are higher for women than for men, most likely due to childcare responsibilities.

*Active labour-market* programmes appear to have positive employment effects. Existing research suggests that subsidised employment has the greatest impact. On the whole, the effects of active labour-market programmes have been found to be smaller for women than for men.

Existing studies of *social benefit* policies examine effects of adjustments to benefit levels and effects of sanctions when work requirements are not met. The studies, most of which were conducted in Denmark, support the view that lower benefit levels are associated with higher employment for non-Western immigrant women. Benefit sanctions also appear to have positive effects on levels of self-support. As with active labour-market programmes, social benefit policies appear to have less of an effect on immigrant women than on immigrant men.

Studies in Denmark, Norway and Sweden have found that *post-secondary education* in the host country has large, long-term effects on employment or wages. The effects are usually greater for women than for men, particularly for refugees.

There have been few studies of how *family policies* affect immigrant women's employment. The provision of benefits for child-care in the home increases the uptake of paid leave for non-Western immigrant women, and therefore reduces their participation in the labour market. The only study to evaluate the effect of the reduced costs of out-of-home child-care on female labour-market participation did not find any (positive) effect for immigrant women in Sweden. The results underscore that many immigrant women with children have a strong incentive to stay at home.

### **Recommendations**

There is great heterogeneity among non-Western immigrant women in terms of labour-market integration. It is likely that no single intervention will offer a quick fix. While some women may respond favourably to financial incentives, others may possess the requisite skills to pursue further education.

Each type of policy encompasses different trade-offs between various policy objectives. Introduction programmes, child-care subsidies and education are all expensive, and therefore any employment benefits must be weighed against their cost. Benefit cuts may increase employment, but this effect should be weighed against the risk of unintended effects, e.g. increasing poverty among migrant families who remain on welfare.

There is an overall tendency for traditional labour-market policies to have positive, but smaller effects for women than for men. By contrast, policies aimed at skills enhancement (language or formal education) appear to have greater effects for women than for men. These findings could be related to the gender roles in non-Western immigrant households. This suggests that there may be a need for a coherent approach that takes a broader view on family circumstances, i.e. one that also incorporates family policy.

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