

Chapter 2. Block 1. Multi-level governance: Institutional and financial settings

Objective 1. Enhance effectiveness of migrant integration policy through improved vertical co-ordination and implementation at the relevant scale

National level: competences for migration-related matters

In Sweden, migration and integration policies are designed at the national level; however, there is no “integration code” or guidelines that all levels of government have to follow in their integration process. Since the dismantling in 2007 of the former Integration Agency – created in 1998 – each ministry and government agency is responsible for integration in its particular area and integration has to be applied to all areas of policy (Bakbasel, 2012^[5]). The Ministry of Justice (responsible for migration, asylum, residence permits) and the Ministry of Employment (responsible for employment, establishment, integration through work) are the two state departments responsible for most of the migration and integration policies. The Equality Ombudsman (DO) is in charge of overseeing discrimination laws. Sweden has intensified efforts to combat discrimination of foreign-born individuals since the 1990s. A comprehensive law against all kinds of discrimination was introduced in 2009. It is impossible, according to some studies, to determine whether these measures have begun to reduce discrimination (DELMi, 2017^[15]).

Principle of universal access to public services, with a significant exception:

The guiding principle of integration politics is that the school system, welfare provisions, labour integration and health care are accessible to all societal groups on the same basis. However, this breaks with past national policies. In particular, since 1968 education policy provided for educating pupils in the general school system in their mother tongue (Mother tongue reform), in early 2000s the system switched to Swedish as the universal language of education for all students.

Currently, few policies are in place for migrants in areas such as: orientation of newly arrived immigrants (particularly refugees), naturalisation and citizenship, discrimination, human rights, spatial segregation and monitoring of progress (Bakbasel, 2012^[5]).

The government action specifically targeting refugees is combined under a comprehensive multifaceted package called the “Introduction Programme” implemented since 2010 under the aegis of the Public Employment Service (PES) – in Swedish Arbetsformedlingen.

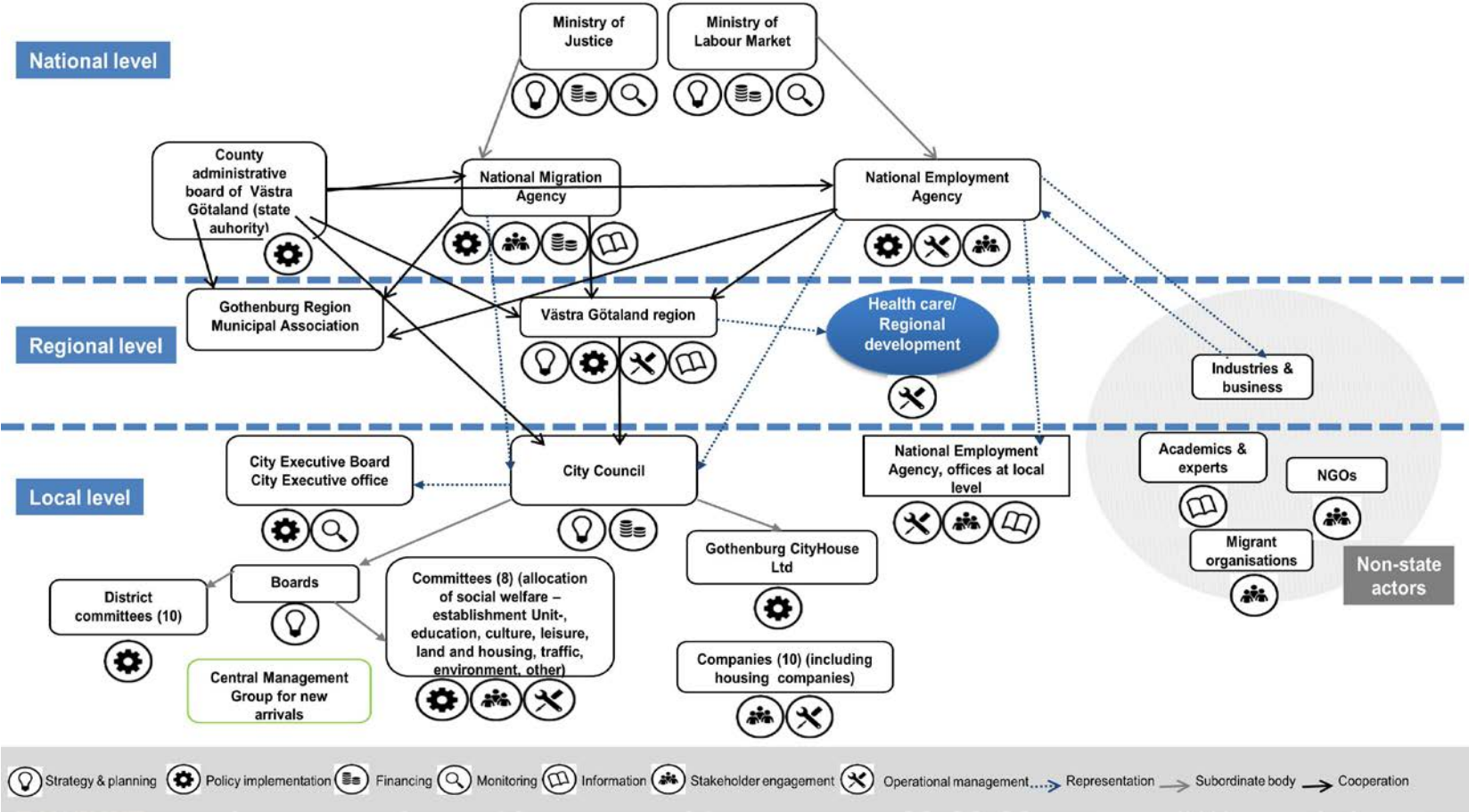
This highly-developed programme of targeted integration activities (see details in section 2.4.1) has provided the template for integration systems across many OECD countries (OECD, 2016^[4]). Since 2010, the main responsibility for the introduction of new arrivals was moved with this programme from municipalities to the central PES. According to evaluations (DELMi, 2017^[15]), this has strengthened the labour market aspect of the introduction programme, making efforts more uniform across the country. At the same

time, this reduced the possibility for tailored initiatives for the new arrivals at the local level.

Multi-level principle

In Sweden, nearly all redistributive tasks have been devolved from the central government to counties and municipalities. This makes overall co-ordination capacity, proper incentives, and fiscal equalisation, critical for policy success (OECD, 2017^[9]). This is particularly true with respect to ensuring equitable access to welfare for all vulnerable groups, including migrants. Integration is mainstreamed into the policies at national level and is reinforced through the institutions of the general welfare system and through sequential steps and processes (Olwig 2011: 180; Eastmond 2011; Diedrich & Styhre 2015) involving the lower levels of government such as counties and municipalities. The institutional mapping (Figure 4.1) describes the multi-level relations between the main actors involved in reception and integration of migrants and refugees. In the absence of a National integration strategy, beyond the introduction programme, the capacity of the national level to disseminate integration goals and standards across sectors and levels of government in Sweden remains limited (OECD, 2014^[16]). For instance, the existence of a national integration policy, formulated in consultation with all levels of government, could help rationalise investments at different scales and could influence standards in policies such as education, health, spatial planning in order to have a coherent “integration articulation”. In particular, such systems could be implemented through coherent integration indicators across levels.

Figure 2.1. Institutional Mapping for the City of Gothenburg



Source: Author elaboration.

County governments (Länsstyrelsen)

In Sweden, there are 21 county governments. County administrative boards govern the counties as part of the deconcentrated national administration (OECD, 2017_[17]). With regard to migration, county governments support the municipalities in receiving unaccompanied children and in coordinating educational activities in Swedish and in societal orientation. County governments also distribute state grants to municipalities for reception of refugees and facilitating housing. From 1 January 2017, the county governments are also responsible for what is called “early initiatives” for asylum seekers, which is designed to make a more efficient use of the period of time they wait for asylum decisions to be made (Länsstyrelsen 2017). The Swedish Migration Agency transferred to County governments the responsibility for organising activities that aim to improve asylum seekers’ skills in Swedish, enhance their knowledge of the Swedish society or the labour market or access to health.

Region Västra Götaland (Västra Götalandsregionen)

Västra Götalandsregionen is a County Council and it is composed of 49 municipalities. These 49 municipalities are divided into four intraregional associations (can be translated as municipal association or local authorities) – the Göteborg Regional Association, Fyrbodals, Skaraborg and Sjuhärads. One of the municipalities in the Göteborg Regional Association, Kungsbacka, is a part of a different region (Region Halland). So, 12 of the municipalities in the Göteborg Regional Association are part of Region Västra Götaland.

In Sweden, County councils (Landsting) are directly-elected regional bodies mainly responsible for health care and public transport. Ten out of 20 County Councils, including Västra, also have additional responsibilities such as regional development (OECD, 2017_[17]). The region does not have a remit regarding migration or immigration, but is actively involved in facilitating the establishment of newcomers and has a major responsibility when it comes to health care. The region further cooperates with both Länsstyrelsen to implement their early initiatives, and with all 49 of the municipalities on a wide array of integration projects including health, public health, culture and information spreading, often by providing a certain amount of funding.

Municipal Level

The local level is a significant stakeholder in the Swedish political system and municipalities, responsible for housing and schooling, have traditionally played a leading role in integration. This role has evolved throughout the modern history of Sweden.

Since the national mother tongue reform introduced in 1976, municipalities have been in charge of providing primary and upper-secondary education to pupils’ in the general school system in their mother tongue. This policy was subsequently abolished and migrant students are taught in Swedish at school. Municipalities remained in charge of designing integration policies according to needs, offering state funded language and labour market training as well as social care. In 1991, there was a shift in the funding model and the state reimbursed municipalities on a per person basis for a period of two years from the time of the newcomers’ arrival as opposed to reimbursement of costs for social assistance, which created an incentive to help newcomers become self-sufficient as quickly as possible (Emilsson, 2015_[18]). Since 2010, these integration measures have been grouped under the ‘Introduction programme’ and are, for the majority, centrally

managed by PES. For a thorough description of the Introduction Programme refer to section 2.1.3 and 2.4.1 as well as to previous OECD work (OECD, 2016^[11]). As discussed in this chapter, the introduction activities rely on multi-level governance coordination between the actors involved in the provision of services.

In addition, municipalities traditionally decided whether they were ready to host and provide for refugees – being responsible for housing, language classes and other integration measures - but since 2017 the decision on how many refugees they can host has been centralised and municipalities are obliged to receive and provide accommodation to the number of refugees allocated by the central government (for a more detailed breakdown of competences regarding refugees' reception and integration see section 2.1.3).

Box 2.1. Examples of coordination across sectors and levels of government in Sweden

- Sweden has experimented with a number of national-local dialogue mechanisms for different policy sectors. Examples of coordination mechanisms involving integration issues are listed below. The National Forum on Regional Competitiveness, Entrepreneurship and Employment (renamed Forum for Sustainable Growth and Regional Attractiveness), under the Ministry of enterprise and innovation, was established in 2007 and serves as a platform for ongoing political dialogue between civil servants from national and regional levels (director level) and a second group involving national and regional level politicians. This forum supports the implementation of the National Strategy for Sustainable Regional Growth and Attractiveness (2015-2020), which also serves to combine EU and state funding to invest in key enabling factors. It includes, for instance, a plan to implement EU rural development funds (OECD, Territorial review Sweden, 2017). It meets to discuss issues such as competence allocation or thematic issues, for example on immigration, offering the opportunity for regions to present their experiences, through a “regional lens” for considering initiatives in this sector (OECD, Multi-level governance reforms: overview of OECD country experiences, 2017). In parallel, Sweden has strengthened the dialogue on urban development by setting up a formalised forum for dialogue. The National Platform for Sustainable Urban Development was launched in 2014 and aims at co-ordinating the stakeholders of sustainable urban development, including special purpose agencies, ministries, etc. As an example of actions implemented through this platform, urban environment agreements are being prepared to boost investments in urban public transport. Additional support is given to the municipalities to combat segregation and improve living conditions (OECD, OECD Regional Outlook 2016: productive regions for inclusive societies, 2016). Specific topics such as migrant integration could be addressed through this mechanism.
- An example of multi-level coordination mechanism at regional level is the Sustainable Development Advisory Committee (Beredningen för hållbar utveckling) between Region Västra Götaland and its constituent municipalities. The BHU discusses issues such as infrastructure, culture, environment and climate, industry and the private sector, research and development and skills and training development. This not a decision-making body but allows municipalities to identify issues where cooperation and synergies are possible. This cooperation is the basis for some decisions made by the regional government in some strategic issues that are relevant to sustainable development. During 2015-2016, for example, the BHU received updates from various stakeholders (including the Migration Agency, the County Administrative Board, and the municipalities) on how each was working with the question of integrating new arrivals and refugees, and discussed this issue in terms of sustainable development in the region (Information provided by Gothenburg municipality).

Interaction with neighbour municipalities to reach effective scale in social infrastructure and service delivery to migrants and refugees

The 49 municipalities in Region Västra Götaland are divided into four intraregional associations (can be translated as municipal association or local authorities) – the Göteborg Regional Association, Fyrbodalen, Skaraborg and Sjuhärads.

Gothenburg Regional Association¹ is an organisation tasked with fostering cooperation between 13 municipalities in the region. The association coordinates municipalities on issues related to infrastructure and traffic (e.g. the creation of the congestion tax). As the number of refugees and asylum seekers increased and the law making refugee reception mandatory for municipalities (please see more details in paragraph 4.3.2) went into effect in March 2016, the association has played a role in coordinating and supporting municipalities' efforts to welcome and integrate these groups. Since 2015, the Chief Executives of the 13 municipalities have met every week to discuss measures pertaining to the distribution and integration of refugees. The 2016 law clarified local tasks and targets for reception and integration and made collaboration across municipalities increasingly necessary.

“Municipalities from the region had to change the way they worked together, enlarging the scale of city planning to neighbouring municipalities and taking collectively the responsibility to welcome refugees.” (City Councillor for the city of Lerum, Region Västra Götaland)

Municipalities in the Gothenburg region cooperate with each other on various measures for new arrivals, in areas such as education in Swedish (SFI), societal orientation, housing and rehabilitation. For instance, the Association Board was in charge of leading the tender for buying modular homes for asylum seekers in the different municipalities. Specific courses for newcomers could be difficult to arrange in every municipality (e.g. vocational training with language support). These regional arrangements allow new arrivals to access these measures regardless of which municipality they live in, and to continue – in case they move on to another municipality within the region – to benefit from such measures. One purpose is to make it more attractive and easier to move between municipalities (e.g. from Gothenburg to the other municipalities in the region and vice versa) as all social orientation courses are given in central Gothenburg, which enables all newly arrived individuals to visit the city centre on a regular basis. Municipalities included in the association also cooperate in finding placement and housing for unaccompanied minors. This type of horizontal co-operation is well rooted in Sweden where inter-municipal co-operation in public service delivery has existed since 1919 when municipalities and counties had the opportunity to form local federations, a special local authority to which members can transfer the management of some municipal competences (OECD, 2017^[19]).

The labour market situation in the Västra Götaland region varies across localities, several municipalities in the region are becoming depopulated. It is critical to create incentives for newcomers to settle in other municipalities in the region apart from Gothenburg (Meeting with Gothenburg Regional Association, municipality of Gothenburg 16 March 2017). For example, a joint venture at work for newcomers with an engineering education has been developed by the association (Additional information provided by the City Executive Office, 23 May 2017).

Objective 2 Seek policy coherence in addressing multi-dimensional migrant needs at the local level

City vision and approach to integration

The city of Gothenburg implements governmental integration policies without a specific strategy for integration at city level. In the past, the city had a targeted approach: the municipality was involved in providing pupils' education in their mother tongue and funding directly migrants' local associations (for more details see paragraph 2.1.2. Information from the OECD questionnaire completed by the city of Gothenburg, 2017).

Currently, integration is seen as part of the city's social sustainability. Given the high inequalities registered among inhabitants (as described in Section 1.4), the main objective of the city is more sustainable inclusion and a forward-looking strategy has been developed since 2014 "Reducing *Inequality in living conditions and health in Gothenburg*" (box 4.2). This multifaceted local strategy encompasses integration, which is expected to happen through several dimensions compared to the integration through labour, which is pursued through the national Introduction programme. In addition, the city has developed a framework against segregation and has also identified increased participation, support and collaboration with civil society as priorities (OECD meeting with the municipality 16 March 2017).

The city's social sustainability remit is clearly set out in the budget, where the overall planning for the municipality is defined. Since 2013 and again in 2015, the city of Gothenburg included a number of prioritised objectives in the budget, focusing on reducing inequalities in living conditions and health and creating good opportunities in life for everyone (Gothenburg, 2014_[3]). The municipal budget of 2016 inserts an explicit goal of addressing issues related to racism as well as segregation and socio-economic inequalities (*Budget 2016*).

Particularly in the absence of operational integration policies, these substantive goals for long-term inclusion have to be coupled by day-to-day efforts of all public services for ensuring equitable access for migrants to universal service provision. This is a challenging task and needs close monitoring. In Gothenburg, in the view of some of the NGOs operating in this sector (see section 2.2) access to public services is differentiated for each category of migrants based on their legal status and this sometimes makes the system complex to navigate by the users. Migrants have to learn a new system every time their status changes and they easily find themselves in a loophole where they temporarily don't belong to any 'box' and their access to services might be suspended. Services attached to each status are often decided by national regulations. However, the municipality can act at the margin of these regulations and can take a 'road map' approach to ensure migrants have access to information about the services they are entitled to. When needed, they can orient them to non-state organisations that can reach the persons who are not covered by the public systems.

Box 2.2. Equal Gothenburg a strategy for a socially sustainable city

The Management Group for a socially sustainable city comprises all ten district directors as well as the director of the Committee for Allocation of Social Welfare of the city of Gothenburg (see paragraph 4.2.1). It published a report entitled ‘Inequality in living conditions and health in Gothenburg’ (Gothenburg, 2014), which provides a description of the disparities in living conditions between different groups and districts and proposes policy measures in four focal areas: i) Give every child a good start in life; ii) provide children with good conditions throughout their school years; iii) create preconditions for work and iv) create sustainable environments and communities that promote health. The strategy Equal Gothenburg has been prepared around these focal areas and is detailed with 30 proposals and 130 examples of what Gothenburg can do: ‘the idea is that these proposals should stimulate discussion about what the City ought to do, wants to do and can do in order to reduce inequality in Gothenburg’ (Gothenburg, 2014). In January 2018 the City Council voted the programme for Equal Gothenburg. The Committee for allocation of social welfare who coordinates the work has the task to translate it into an action plan for which 10 million SEK have been allocated. However measures and resources for implementing most of the actions are expected to be derived also through regular committees’ operations and budgets.

City institutional setting with relevance for migrant integration

In administrative terms, the inner city is divided into ten districts (*stadsdelsnämnder*), in turn split into primary units and altogether 900 ‘basic areas’. The districts take decisions on, for example, preschool, primary school, social care, and care for the elderly. Greater Gothenburg, includes other municipalities, making up what is called the Göteborg Regional Association with the exception of Kungsbacka.²

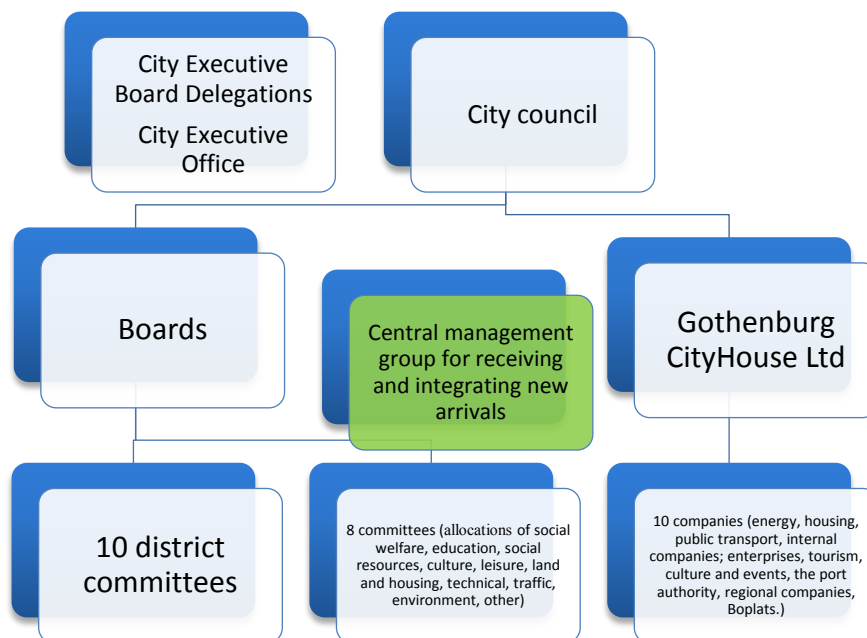
Since 2014 elections, Gothenburg has been run by a coalition of three parties: the Social Democrats, the Environmental Party, the Left and Feminist Initiative. The budget’s focus is primarily on socioeconomic issues.

Currently (figure 4.2), the Gothenburg municipality is organised in Committees (for allocation of social welfare, for education, culture, leisure, land and housing, technical supply, traffic, environment and other boards) and each committee is governed by a board. The Committees are independent from the city Executive Board.

The City executive office works on policy issues regarding the city’s assignments and activities. It also coordinates and monitors the work of the city in terms of management and company compliance. The Management Office contributes to reaching a consensus and adopting a holistic view of the city’s multiple political directions. The office evaluates the basis for goal fulfilment, for example. The City executive office contains specialists in different fields, such as migration, integration and refugee reception. The City executive office also has a department that works with issues regarding human rights and national minorities. Its assignment includes educating and supporting the different branches of the city’s administrations in this work.

In addition, there are a number of municipally owned companies, all owned by Gothenburg CityHouse limited.

Figure 2.2. Organisation of the municipality of Gothenburg



Source: Created by the authors based on information provided by the municipality

Relevant administrations for migrant integration

In line with national policy and organisation, integration is considered a responsibility across all areas of the municipal level, and thus there is no integration department. It is worth noting that in the 1970s, the municipality established an Interpreter and migrant service. In the early 1980s, the municipality created a Special Board for Migrant Issues, where the majority of the members had a migration background (Information from the OECD questionnaire completed by the city of Gothenburg, 2017). The board was responsible for the Interpreter and migrant services, financial support to migrant organisations and religious communities and had the task of developing information and skills with regard to immigration and integration issues for municipal employees and the general public. The board was also responsible for various national/municipal projects in the field of health (such as projects targeting HIV/AIDS and combatting female circumcision), special measures to encourage migrant participation in elections and society in general. The board, as well as the Interpreter and migrant service was phased out in 2000 and its activities were transferred to other municipal boards.

Boards that are more involved on migrant-related issues include: the Board for sports and associations that often funds migrant associations' activities, the Board of culture that funds cultural events promoting intercultural dialogue and inclusive cultural life and the Board for Allocation of Social Welfare, a body providing support to the districts for issues related to social benefits and safety. This board manages a fund for social and integration promotion activities to which NGOs can apply.

Within this office the Establishment Unit, provides support for the newly arrived within the framework of the national Introduction programme. This section is specific to the city

of Gothenburg and works in cooperation with the PES to help eligible people as well as their relatives and unaccompanied minors. This unit works as One-stop-shop for refugees and is funded by local budget that gets contribution from the national level for reception of refugees. Refugees receive help filling their application for the housing, information on how it works and about other opportunities available in the cities. The establishment unit also relies on social workers who are bilingual and use external interpreters on daily basis. This unit respond to refugee needs during the first two years since they establish in the city. After that time, if they are still in need of assistance they can rely on the services of the district where they reside. The establishment unit doesn't have the task of coordinating the activities of all other departments around integration issues.

The Integration centre a one-stop-shop for migrants (see section 2.2) is also part of the Committee for allocation of social resources.

In addition, the implementation of Equal Gothenburg is also relevant for integration-related issues. The Committee of allocation of social welfare is in charge of drawing an action plan for the program for Equal Gothenburg that was voted by the City Council in January 2018. The programme is part of the city's budget (10 million SEK), therefore each goal is reported to the City Executive Board and the City Council.

City coordination around integration-relevant issues

All municipal committees and administrations have a responsibility to contribute to achieving social sustainability. The City Executive Office monitors the work of committees and boards through the budget³, following-up regularly how all goals are implemented. It also has the opportunity to ask specific questions to the city's committees and boards when is needed. Although there is no specific integration target for integration, there is a human rights goal that states that all the city's activities should be permeated by human rights.

Since 2014/2015 the city has set up a permanent Management Group for receiving and integrating new arrivals, consisting of heads of units of different boards (housing, education and labour market, social affairs). The aim is to make the reception and integration of newcomers as effective and smooth as possible, through a shared action plan. The Management Group doesn't have a budget but the City Executive Office has approximately SEK 2 million for coordination of the city's reception of new arrivals. One of the objectives of the Management Group is to create a structured cooperation with NGOs on reception of newcomers.

Multi-level governance of asylum seekers and refugees reception and integration mechanisms

Asylum seekers and refugee regulation

Sweden has historically been known for implementing one of the most generous asylum policies in the EU. For instance, from 2013, all Syrian asylum seekers received permanent residence permits. However, in relation to the situation in 2014-2015, Sweden updated its asylum policy. Several restrictive reforms were implemented in 2016 and Sweden now applies only minimal EU standards (Migration Agency 2016). The legislation introduced the following main changes:

- residence permits for refugees are now limited to three years (Lag (2016:752)): if there are still reasons for protection when the permit expires, a prolonged permit

may be granted. If the person is able to support her/himself, a permanent permit of residence may be granted.

- residence permits for those holding a subsidiary protection status - according to EU standards⁴ - are limited to 13 months (Lag (2016:752)) (OECD International Migration Outlook 2017, Sweden). The limited permits can be prolonged and if reasons for protection continue and if the person is capable of providing for oneself, a permanent permit can be provided.
- Family reunification is restricted. Refugees with temporary residence permit can apply for family reunification. For persons recognised as being in need of subsidiary protection after the 24 November 2015, family reunification is only allowed as an exception⁵. For family reunification, there are also requirements including being able to support oneself and having access to housing (Lag 2016:752; OECD International Migration Outlook 2017, Sweden).
- An asylum-seeker who no longer has the right to economic support or accommodation if he or she has received a decision of expulsion or rejection, or if the time for voluntary return after a rejection of an asylum seeking application has expired.
- Assessment of age is to be implemented earlier in the asylum seeking process (Ds 2016:37). This provision has consequences for the municipality's work with unaccompanied minors (see further below).

Dispersal mechanisms for Asylum seekers and refugees

The Swedish Migration Agency (under the Ministry of Justice) is responsible for basic sustenance and accommodation for asylum seekers – i.e. the Law on reception of asylum seekers (Lag 1994: 137), from registration to the time when the decision on the asylum application is made. Accommodation of asylum seekers, aside from unaccompanied minors, can be arranged by the Migration Agency in rental apartments, hotel rooms, camping cottages, modular components, or other solutions. The Migration Agency identifies availability of these structures across the country and County administrative boards have agreements with municipalities on the number of asylum seekers that each one has to take. There is a dialogue with national authorities regarding the presence of asylum seeker hosting facilities but the presence and number of asylum seekers is not negotiable. The asylum seekers can choose to provide their own accommodation (see box 4.3). If unable to provide for themselves – when applying for asylum one must inform the Migration Agency of any potential assets –asylum seekers can receive a daily allowance paid by the Migration Agency. In 2017, the daily allowance was SEK 24 (€2.5) for adults alone staying at accommodations where food is provided and SEK 12 for each child until 17 years of age, and SEK 71 a day when food is not provided, or if accommodation has been organised by the asylum seeker her/himself, and an additional sum for children, varying in relation to age. Municipalities have to ensure asylum seekers children the possibility to attend schools. Adults have the possibility to participate in Swedish courses and language cafes, organized by voluntary organizations. NGOs receive compensation for arranging courses.

With regards to status holders, the dispersal system between 1992 and 2016 relied on municipalities. Municipalities were able to decide for themselves how many refugees they were prepared to receive through agreements with the county. Until 2010, they were also in charge of organising all measures related to settlement (e.g. housing, language lessons (SFI Swedish for immigrants), translation etc.) and received from the state a lump-sum per capita disbursement calculated to cover integration costs. Since the 2010

Introduction Act (see section 2.4.1), the PES has been mandate with helping permits holders get settled, allocating them across counties on the basis of local labour market opportunities, population size and the number of asylum seekers living in the Migration Agency facilities. In practice however, given that the PES owns no accommodations themselves, the PES was heavily dependent on the municipalities to offer available housing and rarely accessed housing in the area surrounding the larger cities (OECD, *Working Together: Skills and Labour Market Integration of Immigrants and their children in Sweden*, 2016). Past financial incentives for refugee settlement failed to encourage municipalities, who find the funding insufficient for the investments needed to house more newcomers.

Due to large variations in municipality willingness to receive refugees, and to increasing numbers of recognised refugees waiting in the Migration Agency's reception system to be assigned to accommodation (14 000 at the end of 2015) in a municipality, the dispersal system for status holders changed with the introduction of the Reception for Settlement Act in 1 March 2016. This system applies to those status holders who apply for assistance to find permanent housing (refugees have the option to find their own accommodation see box 4.3). The migration agency assigns the refugee to a municipality of destination – where he/she receives a personal identity number (personnummer) from the Local Tax office. Since 2017, municipalities must receive and organise accommodation for refugees who have acquired a residence permit and for resettled refugees, in order to make responsibilities more evenly spread across the country (Riksdagen 2016). The Act doesn't specify for how many years municipalities have to provide accommodation to the refugees who are assigned to their localities, which remains municipal discretion.

Beginning in 2017, a formula negotiated by the Migration Agency, the Association of local authorities and Regions and the Public Employment Service (PES) assigns protection beneficiaries to each of the 21 counties in Sweden based on total population, existing number of protection beneficiaries in the county and labour market conditions (Fratzke, 2017^[20]). It is then the County Government who makes the decision on the numbers of newly arrived individuals who are to be received by each municipality within a county. The County redistributes the refugees across municipalities based on a number of considerations, including the conditions of the local labour market, the number of migrants already in the municipality, and housing availability.

In 2016, the work was carried out on the basis of a detailed planning of the reception, also for the 1 900 resettled refugees that Sweden received during 2016, in each municipality, which was developed in cooperation with the Swedish Public Employment Service. In 2017, the Swedish Migration Agency took over the task of settlement assignment from the Public Employment Agency (Swedish Migration agency, 2017^[21]).

This dispersion criterion is an interesting attempt to avoid over-concentration in cities and second movements of newcomers by distributing them where there are labour supply shortages. This mechanism should also be assessed for its capacity to bring status holders closer to their families as well as to attractive labour markets, now that all cities have to live up to their obligation to find housing solutions for the individuals assigned to their localities. However, this obligatory system still relies on the capacities of the municipalities to find appropriate housing for refugees, which was the main bottleneck in the previous mechanism. For instance, within the framework of the OECD Småland Blekinge territorial review (OECD, 2017^[9]) it was reported that, while the county administrative boards have agreements with municipalities on the number of refugees that each has to take, many municipalities do not have adequate housing and as such, have not

fulfilled these obligations. Instead, in some cases, they prefer to pay other municipalities to settle their asylum seekers. More information on Gothenburg solutions for housing refugees can be found in paragraph 7.2.

In 2017 Gothenburg received approximately 3000 refugees. Of these 1100 were assigned by the Swedish Migration Board, the other refugees have arranged accommodation on their own, many staying with friends and relatives. In 2018, approximately 2 300 refugees are expected to be received in Gothenburg. About 700 of these will be assigned by the Swedish Migration Board. There seems to be room for improving the communication mechanism between national and local levels, with regards to refugee dispersal. Since 2014, the Gothenburg municipality perceived the national policy as more difficult to predict, and felt an important amount of pressure was put on the municipalities, and was not always accompanied by visibility on future funding (OECD interviews with the City council representative, 16 March 2017).

Box 2.3 Swedish double reception system for asylum seekers and refugees based on their choice

Since 1994, a new Law on “organising independent living” was introduced. It allowed asylum seekers, during the time it takes for the asylum process to be handled, to choose between institutionalised accommodation ABO (anordnat boende) provided by the National Migration Agency or to organise living arrangements by themselves IBO (egenordnat boende). See paragraph 2.1.3 for more details on the allowance provided with this accommodation. From 1986 and 1994 a compulsory dispersion policy was introduced to avoid over-concentration of immigrants in few regions but the policy fell short of linking settlement locations with the local labour market’s needs. The result was migrants having to move a second time (Bakbasel, 2012). Since this option was made available, many asylum seekers choose to organise their own accommodation. As of March 2017, more than half of asylum applicants in Sweden were living in assisted housing facilities (called ABO accommodation) while nearly 30% had found their own accommodation. The remaining 20% primarily includes unaccompanied minors who were housed in other types of facilities (Migration, 2017).

This option is also available for status holder who can decide to find their own accommodation and in Sweden in 2016 only 45% of status holders required assistance (OECD, Working Together: Skills and Labour Market Integration of Immigrants and their children in Sweden, 2016).

Traditionally most of the asylum seekers and status holders who arrive in Gothenburg have chosen the option to organise their living arrangements and are hosted by relatives or friends. They tend to locate in neighbourhoods where the existing diaspora are located, often outside of the city centre, either in the Northeast, in Biskopsgården (Hisingen) or Frölunda/Tynnered. They often live in crowded conditions (Evidens 2017), and for many families and children the conditions are poor (Göteborgs stad, 2013). Some of them sublease apartments on the black market (Ibid: 24). For instance, the official figure of inhabitants in Angered is 51 000, but district officials estimate that the actual number is an additional 10 000 consisting of asylum seekers (Meeting with district official, Angered 17 March 2017). In the view of some representatives from civil society organisations as well as social workers from the municipality, expressed during interviews with the OECD, the possibility for asylum seekers to organise accommodations by themselves makes the system more complex and might lower the standards and protection of the accommodation offered to this group. Since 2005, recognising potential drawbacks of choosing their own accommodation in terms of segregation, overcrowding and poor social integration, the government stopped incentivising status holders and asylum seekers using this option, while still making it an option (OECD, Working Together: Skills and Labour Market Integration of Immigrants and their children in Sweden, 2016). However, it is observed that due to the length on average of the completion of the settlement process including, in 2016, 125 days on average for granting a residence permit and a further delay of 163 days until the person is permanently settled in a municipality – half of the refugees who initially decided to seek assistance in finding housing finally opted for not accepting the municipality they had been assigned by the PES and to look for their own accommodation, losing their right to receive assistance for finding permanent housing (OECD, Working Together: Skills and Labour Market Integration of Immigrants and their children in Sweden, 2016).

Unaccompanied minors and vulnerable migrants

With regards to asylum-seeking unaccompanied minors, there is a shared responsibility between the state and the municipal level. All municipalities are obliged to receive unaccompanied minors and to provide for accommodation and schooling opportunities. Sometimes, they are placed in individual family homes, but more often in Homes for care or accommodation (HVB)⁶. The municipality is responsible for running such homes, often organised in empty school buildings, or other official buildings that are renovated into institutional homes. Trained staff are available in these houses to provide counselling and activities.

In June 2017, a change in the law came into effect, for young people who arrived after 24 November 2015. Now the age test happens earlier in the registration process and more restrictive conditions for protection status (residence permits 3 years and 13 months for those with subsidiary protection) apply for those assessed as being older than 18 years old. The law also allows young people, arrived prior to 24 November 2015, who studied in secondary schooling to receive a residence permit that are valid for four years.

Children and young unaccompanied adults are at particular risk of psychological troubles in relation to fears of being expelled and when they change from municipal custody to the Migration Agency system, if they are defined as older than they claim. Once unaccompanied minors are defined as being 18 or actually turn 18 years old, they are no longer under municipal responsibility and are accommodated by the Migration agency in shelters for adults. This often implies losing the social network where they were embedded, including schools. At age 18, the individual also loses the right to be accompanied by the trustee (*god man*). The trustee represents the child in the asylum-seeking process and other official matters. In this delicate passage from unaccompanied minor facilities to Migration Agency systems, an undefined number of unaccompanied minors who just turned or are defined as above 18 years old try to return to live in Gothenburg and sometimes end up on the street. Some non-governmental organisations, such as Agape, a church-based organisation, have organised voluntary work primarily to find accommodation for these young people, but also to organise support structures in other ways. Until mid-March 2017, Agape had found new homes for 65 kids. There is no official funding, but Agape runs a donor's campaign in order to finance, for example, the rental of apartments (OECD Meetings with civil society organisations, health care personnel, 15-16 March 2017). A new network labelled #wecan'tstandit (*#vistårinteut*), based on professionals meeting vulnerable youth has also been created in order to provide practical and political support to at risk, unaccompanied minors.

Objective 3. Ensure access to, and effective use of, financial resources that are adapted to local responsibilities for migrant integration

At the national level, the National Migration Agency and the Employment Agency are the two main actors managing funding for integration and migration issues. In 2016, these two agencies received increased national contributions for handling applications and enhancement of integration measures (the Migration Agency received an increase of 2017 financial result of €56 million or 1,1% of its budget which is 4,7 billion EUR). The funds are directed towards skill assessment and validation for asylum seekers, language training, reforms regarding the syllabus and organisation of Swedish for Immigrants as well as a fast track programme for entrepreneurs (OECD International Migration Outlook, Sweden).

Municipalities receive grants to compensate for their responsibility to accommodate asylum seekers and refugees. The County governments (Länsstyrelsen) have the responsibility to redistribute national government grants to the municipalities from the Migration board. In 2015, 34% (GP 2016) of Gothenburg's costs for integration measures were covered by central government grants. It is estimated that central government compensation for reception of refugees amounted to SEK 360 million in 2017; and will amount to SEK 390 million in 2018. The City Executive Office has approximately SEK 2 million for coordination of the city's reception of new arrivals.

Additionally, the city of Gothenburg received SEK 123 million for strengthening housing capacity, which the City executive council believes is insufficient (OECD interviews with Gothenburg Municipality, March 2017).

Transfers from the PES to the municipalities for the Introduction Programme are channelled through the Migration Board. The introduction benefit, including the living and housing allocations to which recognised refugees are entitled during the first two years, is co-ordinated by the PES and paid by the Social Insurance Agency and distributed by the municipality to each beneficiary (see section 2.4.3). Previous analysis observed that this time-bounded compensation might not be reflective of the actual needs for integration that the municipality has to address, particularly for those newcomers who have lower levels of qualification and skills and take longer to find employment, despite distribution mechanisms that are more reflective of market needs. After the first two years, no more targeted funding is transferred to municipalities for their work with migrants (OECD, 2016^[11]). A more comprehensive approach to national support to local authorities could take into account that, depending on the characteristics of the migrant population, municipalities will have to provide welfare subsidies to those who did not find a job at the end of the Introduction programme. In addition the municipality noted that efforts for receiving newcomers are better compensated in some sectors than others. For instance, for the education sector, national compensation is sufficient for additional teaching resources but does not cover the full cost of an education site (Information provided during OECD interviews with the Municipality of Gothenburg).

Public transfers related to refugees and asylum seekers have to be put in the broader context of well decentralised spending⁷ characterising Sweden, which scores within the five most decentralised countries in the OECD with regards to spending. Sweden's sub-national governments are responsible for 49.1% of public expenditure (OECD, 2016^[22]). Local authorities have a significant margin in designing and implementing local integration measures thanks to a variety of mechanisms (e.g. co-operative capacities, municipal enterprises, access to credit, etc.). While subnational authorities are currently reasonably well equipped financially to meet their high level of task and expenditure responsibilities⁸, the recent OECD territorial review highlighted how new concerns, linked to the integration of migrants and asylum seekers in the labour market, skills development and pressures on the housing supply have also become important challenges for local budgets (OECD, 2017^[9]).

EU financing mechanisms across levels of the government

Actors at different levels of the government – national, regional and municipal –work with specific EU financing tools in order to foster inclusion.

In West Sweden, the EU funds belong to the “Structural Fund Partnership” (SFP) which has its secretariat in the region of Västra Götaland⁹. SFP consists of elected representatives for local and regional level (currently a member from the city of

Gothenburg is represented), representatives of the civil society, labour market, social economy as well as national authorities assigned by the Swedish government. The SFP has the assignment to prioritize and award funding to the submitted applications to both the European Social Fund and the European Regional Development Fund, as well as to coordinate calls for proposals based on specific regional needs or intentions. The national agencies the Swedish ESF Council (ESF) and The Swedish Agency for Economic and Regional Growth (ERDF) are in charge of management and distribution of these funds but are bound by SFP prioritization.

Between 2007 and 2013, EU-funded projects amounted to a total of €45 million for 800 projects. The projects were funded through the European Regional Development Fund (ERDF)¹⁰ and the European Social Fund (ESF)¹¹. Most funding relating to integration is found in ESF's second priority area "Increasing transitions to work" ("Öka övergångarna till arbete")¹² which is focused on making it easier for youth (15–24 years), long-term unemployed (more than 12 months), people with functional impairments, newly arrived migrants and long-term sick leavers to obtain employment or improve their chances of getting a job. Examples include education and training, work placement and job matching, vocational training and preparatory initiatives, for example validation of skills. The Employment Agency is often a partner in ESF projects and helps identify beneficiaries, including newcomers or immigrants (information provided by the City Executive Office, 9 May 2017; Additional information provided by the Västra Götaland region, 23 May 2017).

The level of financing from these funds varies. Projects financed through funds administered by the Agency for Economic and Regional Growth can be funded (up to 40% of the total costs), while funding from the ESF Council can be as high as 75% of the total costs¹³.

Another interesting example of EU funds management mechanism is the ITI or Integrated Territorial Investments¹⁴ a voluntary EU instrument introduced 2014 for managing the European cohesion policy and applies to West Sweden ERDF programme regards sustainable urban development in Gothenburg. ITI supports multilevel co-operation and co-ordination of actions in order to achieve shared multi-dimensional goals such as sustainable urban development. Within the framework of the ITI the Executive Committee of Gothenburg formulated a cross-sectoral action plan for ERDF investments in the city, including possible urban development projects as well as municipal key policies for this purpose i. e. environment, equality and urban planning. The action plan is part of the West Sweden ERDF programme and 4.8% of the West Sweden 2014-2020 budget is assigned it (2 688 832 euro requiring about four million euro from the city and partner investors). ITI/ERDF is a unique example of municipal participation in management of EU fund. The municipality is actually involvement in the programming process and evaluation of EU funds thanks to the seat in the SFP for one representative of Gothenburg Executive Committee. In addition ERDF for youth unemployment and social inclusion is managed first of all through sustainable urban development actions (ITI). Municipal authorities felt that although ESF is more focused on integration priorities, their involvement is not as strong and direct as with ERDF because ESF has only one national program instead of eight regional ERDF programmes and no ITI.

Notes

¹ One of the municipalities in the Göteborg Regional Association, Kungsbacka, is a part of a different region (Region Halland). So, 12 of the municipalities in the Göteborg Regional Association are part of Region Västra Götaland. <http://www.vgregion.se/en/about/>.

² Ale, Alingsås, Härryda, Kungsbacka, Kungälv, Lerum, Lilla Edet, Mölndal, Partille, Stenungsund, Tjörn and Öckerö. Those municipalities also make up what is called the Göteborg Regional Association of Municipalities. They are all included in the region Västra Götaland, except for Kungsbacka, which belongs to Halland.

³ The budget decided by the municipal council – in June and interim budgets can be presented three times per year by the City Executive Office – defines goals and directions for each policy area. Goals are to be turned into practical activities and this is the task of the committees and their boards.

⁴ Asylum could be granted to persons who do not qualify as ‘refugees’ but who face a risk of serious harm in the home country.

⁵ This new temporary law, which came into effect in July 2016, means that persons who are assigned refugee status, and then a three-year residence permit, will be entitled to reunite with their nuclear family. Those who are assessed as in alternative need for protection receive temporary permits for 13 months and have very limited opportunities for family reunification.

⁶ “Hem för vård eller boende” (HVB).

⁷ Sweden is one of the most decentralised countries in the world in terms of public service delivery and expenditure: about 25% of the country’s GDP is accounted for by subnational government expenditure, and the subnational government enjoys extensive spending, taxing and decision-making autonomy. (OECD, 2017^[9])

⁸ Sweden’s “financing principle” eliminates the possibility of unfunded mandates for subnational governments

⁹ In Sweden there are eight SFP according to NUTS2 regions

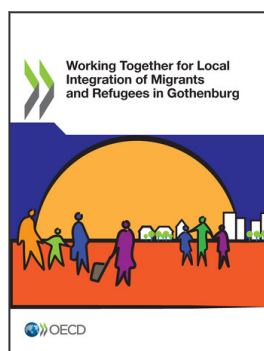
¹⁰ Administered by the Swedish Agency for Economic and Regional Growth.

¹¹ Administered by the Swedish ESF Council.

¹² https://www.esf.se/Documents/In%20english/Develop%20Sweden%20info_0617_webb.pdf

¹³ <http://www.esf.se/Min-region/Vastsverige/Utllysningar/Kommande-utlysningar/>

¹⁴ http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/iti_en.pdf



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