

Effect of active labor market programs for immigrants

This is an excerpt from the full technical report, which is written in Norwegian.

The excerpt provides the report's main messages in English

No. 12-2015

Systematic review

Title: Effect of active labor market programs for immigrants
Norwegian title: Effekt av arbeidsmarkedstiltak på deltakelse i arbeidslivet for innvandrere
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Norwegian Knowledge Center for the Health Services
ISBN: 978-82-8121-962-5
ISSN: 1890-1298
Report: No. 12 – 2015
Project number: 1009
Type of report: Systematic reviews
No. of pages: 45 for report. 72 for appendix
Subject Headings:
(MeSH) Immigrants, supported employment, work, employment, unemployment
Client: The Directorate of Integration and Diversity (IMDi)
Citation: Strøm V, Scheel I, Dalsbø TK, Kirkehei I.
Effect of active labor market programs for immigrants
Report from Norwegian Knowledge Centre for the Health Services
2015.

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We would like to thank all contributors for their expertise in this project. Norwegian Knowledge Centre for the Health Services assumes final responsibility for the content of this report.

Norwegian Knowledge Centre for the Health Services
Oslo, May 2015

Key messages (English)

Background

The unemployment rate among immigrants in Norway is considerably higher than in the general population. It is believed that immigrants may benefit from an approach where they can quickly be out on regular jobs, a so-called “place-then-train approach”. There is no systematic summarized knowledge on how such labor market programmes works for immigrants.

In this systematic review, we summarize the effectiveness of wage subsidies, direct employment programmes and special employment programmes, on employment for immigrants. We found no randomized controlled trials satisfying our inclusion criteria. The findings are based on results from six Nordic registry-based retrospective controlled cohort studies.

Main findings

- Wage subsidies possibly increase the probability of employment compared to no programme for unemployed immigrants.
- Direct employment programmes possibly increase the probability of employment compared to no programme for unemployed immigrants.
- Special employment programmes do not seem to increase employment compared to no program for unemployed immigrants.

The evidence is based on non-randomized observational studies. The quality of the effect estimates is low or very low. Therefore, we have limited confidence in the reported effect estimates. This does not mean that these programmes do not work, but that the evidence is insufficient to make firm conclusions about the effect.

Title:

Effect of active labor market programs for immigrants

Type of publication:

Systematic review

A review of a clearly formulated question that uses systematic and explicit methods to identify, select, and critically appraise relevant research, and to collect and analyse data from the studies that are included in the review. Statistical methods (meta-analysis) may or may not be used to analyse and summarise the results of the included studies.

Doesn't answer everything:

- No studies that did not meet the inclusion criteria
- No recommendations
- No economic evaluation

Publisher:

Norwegian Knowledge Centre for the Health Services

Updated:

Last search for studies: December 2014.

Peer review:

Atle Fretheim, Norwegian Knowledge Centre for the Health Services

Eamonn Noonan, Norwegian Knowledge Centre for the Health Services

Søren Brage, the Norwegian Labour and Welfare Administration

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Executive summary (English)

Background

The unemployment rate among immigrants in Norway is considerably higher than in the general population. Nearly half of those who are offered training to get work under the auspices of the Labour and Welfare Administration (NAV) are immigrants. An immigrant is defined as a person born abroad by two foreign-born parents and four foreign-born grandparents and who at some point have immigrated to Norway. Immigration to Norway has increased in recent years. The majority of the immigrants come for work purposes. Other important reasons for immigration are family, asylum and education. Different labour market programmes are offered for unemployed people, such as sheltered programmes, traditional introduction and training programmes (train-then-place), and the integrated approach (place-then-train or supported employment). Train-then-place is the most common approach in Norway. Place-then-train focuses on integration and employment at the work place with supervision and training. It is believed that immigrants can benefit from an approach where they can quickly get out on regular jobs, and thus eventually increase employment.

Objective

The objective of this systematic review is to summarize research on the effect of place-then-train approaches on employment for immigrants.

Method

We searched systematically for literature in the following databases: Applied Social Sciences Index and Abstracts, Cochrane Library CENTRAL, Econ Library, Econ-Lit Econ Papers, International Bibliography of the Social Sciences, Social Science / Science Citation Index, MEDLINE, Norart PAIS International, PsycINFO, Social Services Abstracts, Sociological Abstracts and Social Work Abstracts. The search was conducted in September 2014 and a supplementary search conducted in December 2014. We used keywords and MeSH-terms concerning immigrants and labour market programmes, and a broad filter for study design.

Inclusion criteria:

- Study design: Randomized controlled trials (RCTs), quasi-randomized trials and non-randomized observational studies.
- Population: Immigrants, i.e. persons who are resident in a country but born in another or residents who have foreign citizenship and then can be born in the host country, or people who are born in the host country of foreign parents, and who are totally or partially unemployed.
- Intervention: Active labour market programmes based on the place-then-train approach.
- Comparison: Different place-then-train approaches, train-then-place approaches, or no intervention.
- Outcomes: Employment in ordinary work, full- or part time.

Titles and abstracts of identified studies were assessed independently by three reviewers to judge if the studies matched the inclusion criteria. Included studies were read in full-text and reassessed according to the inclusion criteria. The same reviewers made independent assessments of risk of bias in the included studies. Check lists for observational studies were used for this purpose. We then did an overall quality assessment of each study (internal validity), graded as high, medium, or inadequate/low. We summarised the results in text, tables and meta-analyses, separately for the relevant outcomes. The quality of the evidence for each outcome was assessed using GRADE.

Results

We found 3137 references in the systematic search. We obtained full text version of 114 references. Six studies were controlled cohort studies, where data retrospectively had been collected from public administrative data registries. The studies were of Nordic origin, and published in the period 1996-2013, and included totally 183 000 unemployed immigrants aged 16-65 years. Immigrants from Asia accounted for the largest group (45%), followed by immigrants from Africa (23%). The studies included three types of place-then-train-based employment programs, respectively wages subsidies, direct employment programmes at the workplace, and special employment programmes for vulnerable groups. In all, 22 192 immigrants participated in these programmes. We assessed the quality for each of the six studies to be high, i.e. the risk of bias was judged as low.

For *wage subsidies*, overall effect estimates showed that the likelihood of finding employment during the intervention period was not statistically significant different from those who did not participate in programmes. There was, however, a statistically significant increased probability of being employed at two years after intervention, and increased probability of finding employment during the follow up period (4-5 years) after the intervention, for immigrants who were on wage subsidies compared with immigrants who were not on a programmes.

For *direct employment programmes*, overall effect estimates showed that the likelihood of finding employment during the intervention period was similar to those who did not receive any intervention. There was, however, a statistically significant increased probability of being employed at two years after intervention and increased probability of finding employment during the follow up period (4-5 years), for immigrants who were on direct employment programmes compared with those who were not on a programme.

For *special employment programmes*, the overall effect estimate from three studies showed that the likelihood of being employed after completion of the programme, was not statistically significantly different from immigrants who were not participating in programmes or were on the train-then-place programmes.

The quality of the evidence for all outcomes was judged low or very low, and downgraded mainly due to the observational study design.

Discussion

All the six included studies were of Nordic origin, inclusive two Norwegian studies. The directness of the results should therefore be reliable in a Norwegian labor market setting. We did not identify any randomized controlled trials satisfying our inclusion criteria. All the included studies were observational studies, where the authors of the studies had fetched data retrospectively from administrative registries. We therefore have limited knowledge about how the labour market programmes are implemented in practice. There is uncertainty as to whether the wage subsidies and direct employment programs are real place-then-train programmes.

Conclusion

Wage subsidies and direct employment programmes possibly increase the probability of employment compared to no programme for unemployed immigrants. Special employment programmes do not seem to increase employment compared to no programme for unemployed immigrants. The evidence is based on non-randomized observational studies. The quality of the effect estimates is low or very low. Therefore, we have limited confidence in the reported effect estimates. This does not mean that these programmes do not work, but that the evidence is insufficient to make firm conclusions about the effect. There is a need for randomized controlled trials investigating the effect of place-then-train-based measures for immigrants.