

## **Integration and trust – long-term consequences of high immigration**

*The Norwegian welfare society is facing a period of structural upheaval. An increased dependency burden and increased uncertainty surrounding the returns from the Government Pension Fund of Norway (formerly known as the Government Petroleum Fund) will require the reprioritisation of economic and welfare policies. High levels of immigration, entailing an influx of people with little ability to provide for themselves, will represent an additional challenge and increase the pressure on public finances. The Norwegian welfare model is both a resource and a problem when considered in the light of the integration of immigrants and their descendants. The model is vulnerable to the immigration of a high number of adults with low qualifications. At the same time, low economic inequality and solid educational institutions contribute to a high level of mobility among descendants of immigrants. Thus far, Norway has not been sufficiently successful in integrating refugees into the labour market. The Committee's analyses show that there is potential for improvement in the existing integration policy, and also outline alternative adaptation strategies for application in the event that the results continue to be inadequate, or if there is a significant decline in the economic framework conditions. If Norwegian society does not improve its ability to integrate immigrants and refugees from countries outside of Europe, there is a risk that increasing economic inequality could combine with cultural differences to weaken the foundation of unity and trust and the legitimacy of the social model.*

The huge wave of asylum seekers and refugees arriving in the summer and autumn of 2015 placed severe pressure on the Norwegian immigration regime. The number of asylum applications reached its highest ever level and the extent of the international refugee crises, the consequence of multiple, simultaneous conflict zones, indicated that this pressure would be unlikely to abate. The UN reported that, globally, more than 64 million people were fleeing conflicts (of whom approximately two-thirds were doing so within their own country). The international institutions attempting to address the matter were largely ineffectual. In the EU, the refugee crisis became an explosive force that few had foreseen. The EU's poorly-developed common policies for immigration and the intake of refugees literally broke down when faced with the huge and largely uncontrolled influx of people from conflict-ravaged and maladministered countries further south. The Dublin Regulation, which had also functioned unsatisfactorily prior to the refugee crisis, was openly ignored by the country bearing the largest immigration burden, Germany. The Schengen Agreement proved to be the EU's Achilles heel. Refugees and migrants who succeeded in entering Schengen territory were freely able to travel to their chosen country of destination. The refugee crisis therefore clearly revealed major weaknesses in the EU's systems for control and the allocation of responsibility. At the same time, civil society mobilised in several countries and demonstrated a great willingness to accept refugees, although, on the other hand, dismissive attitudes were also exhibited. When viewed in relation to population, Norway was among the European countries which accommodated the highest proportion of asylum seekers and refugees during this period, with more than 31,000 asylum seekers arriving in 2015.

As a result of this development, emergency measures were implemented in all major receiving countries in the EU/EEA. Border controls were re-established, the prompt return of failed asylum applicants was intensified, temporary protection was implemented and restrictions on various rights were proposed to legislative bodies. Sweden, which until autumn 2015 had represented an exception in Europe, with a consistently liberal and positive attitude towards refugee immigration, received more

than 160,000 asylum seekers in the course of the year, and found itself forced into implementing a number of restrictions.

In Norway, the authorities - with the support of a broad political coalition - implemented similar emergency measures towards the end of 2015. Faced with this extraordinary situation, the Government also appointed a committee to investigate the "long-term consequences of high immigration" (hereafter referred to as the "Committee"). The Committee was tasked with investigating the consequences of this development for the national economy, for the capacity to integrate and for the continued development of trust and unity in society. Therefore, neither the Norwegian immigration policy nor asylum policy were to be reassessed.

The asylum and immigration policies in Norway and other important receiving countries within the EU nevertheless represent key framework conditions for evaluating Norway's success with the integration of newly-arrived immigrants. The purpose of this report is to assess the consequences of high immigration. The Committee has chosen to interpret this as meaning *a level of immigration of sufficient scope to subject the vital institutions, in their present form, to significant pressure*. This interpretation does not consider exact, fixed amounts and the institutions are constantly changing and adapting, one reason for which being the result of increased immigration, so the pressure on the systems will vary over time. The pace of change in the wake of the refugee crisis in 2015 is illustrative of this: Swift action at many levels, both internationally and nationally, contributed to the number of arrivals being drastically reduced from December 2015.

Therefore, the situation that motivated the appointment of the Committee changed in 2016. The mandate nevertheless calls for a full assessment of continued high immigration in the coming years. Even though the pressure on the authorities and the tone of the public debate have waned due to the unusually low number of asylum seekers in 2016, there is scant reason to believe that this will be a permanent situation. The conflicts that caused the refugee crisis in 2015 have not been resolved and new, serious conflicts in other regions are erupting. Regardless of this, it is important to look ahead and analyse how the Norwegian labour market and welfare system can be made more robust in order to cope with high pressure from immigration in the future. There has been a significant increase in immigration to Norway in the past 20 years, particularly since the EU enlargements in 2004 and 2007. Net immigration of foreign citizens reached its current peak of approximately 48,000 per year in 2011-2012. At the end of 2015, almost 850,000 people in Norway had an immigrant background - triple the number since 2000. Just over half of these were from countries in Africa, Asia et al. Among OECD countries, Norway has seen one of the highest rates of immigration in relation to population in the past decade and the demographics have - during a relatively short period of time - changed significantly as a result of this.

Historically, Norway has been a relatively homogeneous country, both ethnically and culturally. Gender equality and equal treatment have become essential pillars for achieving support and legitimacy in Norwegian politics since the key welfare institutions were established. Equality as a social fact and as a normative ideal can be challenging for people with other cultural backgrounds where such values are less well entrenched. At the same time, elements of the majority can be concerned about the erosion of egalitarian values due to society's increasing cultural heterogeneity. These types of issues spark a great deal of engagement in Norwegian society and, in recent years, that debate has been characterised by conflict, often with strong public disagreements. There have also been disagree-

ments within the Committee about the interpretation of the situation at hand, the outlook for the future and what should be done to manage the prevailing tension. The Committee members have not always agreed on all of the issues under discussion, which is reflected in the form of a total of five notes of dissent. However, it has been possible to reach an agreement on the analysis and most specific assessments and recommendations.

## Association with Official Norwegian Report (NOU) 2011:7 Welfare and migration

The Committee's mandate is based on the previous report, NOU 2011:7 *Welfare and Migration. The future of the Norwegian model*. Labour immigration was the most important matter addressed in the report from 2011, but immigration more generally was also scrutinised. Since the southern and eastern expansions of the EU/EEA in 2004 and 2007, Norway has experienced its most significant ever influx of labour migrants, something that has given rise to a number of institutional challenges. NOU 2011: 7 dealt with three main themes, *sustainability, relevance* and *legitimacy*: projections of economic and institutional effects for the Norwegian model from large-scale immigration, assessment of whether the key methods were appropriate relative to the ambition of having the highest possible labour market participation, and analysis of the connection between immigration policy and support for the welfare model among the population.

This Committee's mandate implies that an analysis of the consequences of *refugee* immigration is the most important assignment for this report. To a certain extent, this report will have an overlapping approach to that of NOU 2011:7. This Committee has also been asked to analyse the sustainability of the social model in light of high immigration, and the relevance of the policy instruments, i.e. whether they are appropriately formulated to achieve their purpose of the best possible integration. With regard to the third point, legitimacy, the Committee has been asked to expand the terms of reference to also include the requirements for maintaining unity and trust in the Norwegian society. Increasing *inequality* – financial, cultural and social - is asserted as being an important factor for the analysis of the potential for diminished trust, polarisation and conflict. Compared with NOU 2011:7, the analyses in this report will have different points of emphasis and sometimes a different direction, because the Committee's main focus in this report is refugees and not labour immigration from the EU.

Refugees and their family members are not granted residence *in order to* contribute to the Norwegian economy. It is important to maintain that there are principal differences between labour immigration and refugee immigration. However, it is of equal importance that those who will actually remain in Norway are integrated as best as possible into working life and society in general. This is important for the individuals themselves, for the Norwegian economy, for political support for a fair and consistent asylum policy and for all the social arrangements the newcomers are included in. It is also important to limit social discrepancies and tensions that may arise as a result of economic inequality.

Migrant workers and refugees face different sets of rules when concerning immigration policy and integration policy. Norway has one set of rules that applies for refugees and their families and another that applies for EEA immigrants. Immigrants from EEA countries have free movement in accordance with a market-driven system and, in principle, are not to receive special assistance with inclu-

sion, while immigrants from other countries have limited access and an extensive apparatus for qualification and integration. Nonetheless, there are also common problems for the two groups, including important interaction in the form of intense competition for low-paid work when attempting to enter working life. People with fewer qualifications often compete for the same jobs in the most exploited parts of the job market in terms of pay and working conditions. Migrant workers who settle in Norway and who exit the workforce, for whatever reason, will also face similar challenges to refugees as regards the risk of permanent low income, social marginalisation and the need for skills development and support for living expenses. EEA immigration can also have a negative impact on majority attitudes towards inclusivity, diversity, perceptions of fairness, etc.

NOU 2011:7 stated: “The consequences of migration for the development of the welfare model depend on the type of new arrivals, the resources they bring and the extent to which they are integrated in Norwegian working life and society. [...] For Norwegian society to be able to realise the opportunities that immigration represents, it is important to ensure that new members of society enter the workforce and remain employed as much as possible on an equal footing with the majority population.”

Immigration is a very complex phenomenon, with differentiated effects on the development of the welfare state and for the existing population in Norway, including earlier immigrants. Immigrants contribute to opening up the world in terms of an expanded cultural awareness and can represent a creative addition to the economy and society. By participating in the labour market, refugees contribute to value creation and increasing tax income. The extent to which refugees succeed in the labour market is dependent on age, qualifications and demand. Integration policy can also influence the outcome. The institutional structure and economic policy traditions of the receiving society are of major significance to the ability of the authorities to act, as well as to how different groups of immigrants influence these circumstances. The well-functioning Norwegian labour market and welfare institutions provide good frameworks for the integration of refugees, but NOU 2011:7 also made note of vulnerabilities in the Norwegian model when confronted with international migration: The model is dependent on high employment and relatively equal wage distribution to maintain the present generous welfare services. These requirements are put under particular strain when the composition of the population changes, in terms of the qualifications of the individuals in the market. In Norway, the wage level for certain unqualified jobs is relatively high, a fact that sets high demands for productivity. The compressed pay structure makes the integration of people with lower qualifications noticeably more demanding. Therefore, this type of labour is at a higher risk of becoming dependent on public transfers. This is a consequence of the Norwegian social model's function and, simultaneously, a challenge for the continuation of the model, particularly if the proportion of people with low qualifications increases.

The recommendations in NOU 2011:7 must be viewed in light of general, on-going reform processes in welfare and labour policies to reduce the negative effects of demographic distortions and counteract the increased uptake of national insurance benefits. An important objective was to increase employment, particularly among groups who are marginalised in the labour market and who are less qualified. The principal initiatives in the recommendations concerned shifting cash transfers to services when possible, and focussing heavily on activation, qualification and adaptation: participation requirements relating to different welfare benefits, i.e. basic education, training and qualification

adapted to the immigrants' starting points and adaptation for employers to be more easily able to employ people with immigrant backgrounds.

These recommendations joined the general repertoire applied by the Norwegian authorities to involve marginalised groups in the labour market. However, an important contribution from NOU 2011:7 was the greater inclusion of issues relating to people with immigrant backgrounds into these general reform processes. The trade-offs between using general or more targeted measures were an important part of the analyses.

## Changed context

The Committee deems that the main contents of the analyses from NOU 2011:7 are still applicable to the situation in Norway. However, some features of the national economy and working life have changed since 2011, which has, to some extent, created new conditions for participation and control. While the "supply side shock" from the EU immigrants came during a period of growth with high demand for labour, the corresponding "shock" that occurred in the wake of the high number of asylum seekers and refugees arriving in 2015 comes during an economic downturn with lower oil prices, weak demand, reduced freedom of action in terms of economic policy and increased unemployment, not least among earlier migrant workers who have lost their jobs. This can raise the threshold for including newcomers in ordinary work and increase the risk of disreputable operators exploiting the situation by offering underpaid work in the black market. The situation appears to be much more challenging now than it was in 2011.

The complex implications of EU immigration have become more apparent over the past five years. Most economic analyses find that labour migration has, at least in the short term, largely had a positive effect on the Norwegian economy. At the same time, certain structural and institutional effects have arisen that could challenge the functioning of the Norwegian labour market and welfare model in the longer term. Recent research has uncovered displacement and distributional effects, new social divisions and increased pressure on labour institutions in exposed sectors. It has also been noted that increased unemployment and marginalisation can create an increased burden on the welfare state in the long term. Negative effects on wages have been noted - most significantly for domestic workers who have not completed upper secondary education and for immigrants who arrived earlier. At the same time, the wage dampening effect of immigration has, particularly in some labour intensive service sectors, contributed to lower prices and thereby greater purchasing power for a large majority of the population than would otherwise have been the case. Long-term effects on vocational training and skills development in the national labour force have also been discussed. Immigrants from EU countries in Central and Eastern Europe contribute less to public finances than other EU immigrants and the rest of the population. This is because they pay less tax rather than that they receive more in benefits. Even though there are strong elements of circular mobility among EU immigrants, there is an increasing trend towards permanent settlement.

Competition for low wage jobs in the wake of the EU immigration wave can make it difficult for marginalised groups to move from benefits to work, and may counteract the goal of the authorities to increase labour market participation. It is more difficult to succeed with the activation policy during an economic downturn with its inherent increased competition for low-skilled jobs.

Labour immigration to Norway reached its peak in 2011-2012. There has been a slight drop in the number arriving each year since, but the overall population of Norway has steadily risen. There are presently more than 200 000 persons with immigrant backgrounds from new EU countries in Norway. They account for the majority of employment growth in Norway since 2008, while the employment rate among the rest of the population has decreased slightly. Approximately 15 per cent of those employed in Norway today are immigrants.

Now, 13 years after EU immigration began to surge, the consequences of labour mobility have become clear, even if the long-term effects have yet to materialise. The socio-economic benefits are indisputable, but there is reason to exercise caution regarding the impact on the function of the labour market and the consumption of welfare benefits in the longer term. The export of welfare benefits, which was raised as a potential problem in NOU 2011:7, has increased in scope, even if the level is still modest. The vulnerabilities in the Norwegian model which were uncovered by the report have not been mitigated since 2011 – in fact, quite the opposite.

### The situation for immigrants - employment and living conditions

Studies of living conditions and other research papers have found that, in many areas, immigrants and their children enjoy a significantly lower standard of living than most of the population in Norway, even though the vast majority, immigrants included, have a good material standard of living from an international perspective. Differences in living conditions are found in all societies, but if a systematic pattern can be seen whereby people with immigrant backgrounds experience a poorer standard of living than other groups in the population, this represents a major social challenge. This is particularly true in countries with strong egalitarian norms. In a relatively egalitarian society such as Norway, a systematically poorer standard of living among immigrants will reinforce the feeling of marginalisation, which may have a negative impact on the opportunities for children of immigrants. The Committee documents that immigrants, as a social category, have lower levels of employment and income than the majority population, but that there are major variations based on country of origin and, to a certain extent, length of time spent living in Norway. Many of the large immigrant groups have employment rates that are significantly lower than the national averages. As mentioned, immigrants with refugee backgrounds in particular face problems in the Norwegian labour market. Researchers from the Frisch Centre have demonstrated that, while the employment rates increase significantly in the initial years following settlement, this positive trend comes to a halt after a few years. Employment among immigrants levels out or decreases after having lived in Norway for about 7-10 years. A reasonable assumption would be that it becomes easier to enter and remain in the labour force over time, after language problems, etc., play a less significant role. The Frisch Centre's findings can therefore appear surprising. This pattern is present across areas of settlement, country of origin and gender. Low levels of employment also imply low household incomes. Refugees as a group are statistically more likely to have a permanent low income than other groups in society, with the consequences this has for other living conditions. Children of immigrant parents represent an ever increasing proportion of children in poverty in Norway. More than half of all children in households with permanent low incomes have immigrant backgrounds

With regard to *education*, immigrants are a more polarised group than the rest of the population: They are over-represented among both those with high and low levels of education. In Norway, the difference in school results between immigrants and young people in the rest of population is slightly

higher than the average for OECD countries. Many adult refugees have qualifications that are significantly below the average of the majority population and have relatively little involvement in education or other training. The qualifications that immigrants, including refugees, bring with them, do not appear to be greatly valued in the Norwegian job market and individuals educated in Norway have a higher rate of employment than individuals with the same level of education from abroad. At the end of 2016 we remain as yet largely unaware of the qualifications held by immigrants who arrived in 2015, but indications from Sweden and from earlier arrivals in Norway from the same regions suggest relatively low levels of education among many of them. If this is the case, the same challenges faced by many earlier groups will most probably apply to the current refugees.

In comparison, it appears that descendants of immigrants perform considerably better within the education system and labour market. However, there are a considerable number of boys who do not complete upper secondary education.

Some refugee groups also have significantly poorer housing and health situations than the average for the population, something that can, in turn, exacerbate problems with regard to other living conditions and vice versa. At the start of 2016, every third citizen in Oslo had an immigrant background and, in some neighbourhoods, the proportion of people with immigrant backgrounds was more than 50 per cent. However, housing segregation is lower in Norway than in Sweden and Denmark and there are no "ghettos". In general, there are links between the causes of immigration, settlement patterns, living conditions and participation in society.

On the whole, there is nonetheless reason to conclude that many immigrant groups, including those from countries in Africa, Asia et al, have a relatively good standard of living in Norway. Many own their own homes and, after some years of living in Norway, earn incomes above the low income threshold. There are also no significant increases in health problems. However, there are several matters that raise concern. The increase in child poverty in Norway is almost exclusively tied to immigration. It is reasonable to assume that some immigrant children, who grow up in low income families, have a difficult starting point for social mobility during their lives and that this can have consequences for their relationship with the majority society.

Studies reviewed by the Committee also clearly indicate that discrimination does occur in Norway, in both the labour and housing markets. These findings are a reminder that integration is a two-way process. Integration requires a great deal from the immigrants themselves, but also requires that they do not have to face negative discrimination from society at large. It is also important that immigrants contribute on par with the rest of the population to maintain the democratic traditions in Norway, both by voting and through involvement in civil society.

Despite the fact that the differences between the living conditions of immigrants and the rest of the population are not cause for alarm in present day Norway compared with other European countries, continued low incomes, discrimination and low levels of participation in common social arenas could become a barrier to integration. Lasting, systematic divergences in living conditions between population groups can be interpreted as a sign that the integration policy is sufficiently effective, and also serve as a warning about the potential for negative developments with regard to unity and social trust. The trend towards permanent low incomes and unstable employment among refugees in Norway violates the ideals of equality in Norwegian society and increases the risk of residential segregation along ethnic lines. In addition to increased social chasms both being unfortunate in themselves

and a detriment to the continuation of the Norwegian social model, the accumulation of social problems in certain residential areas can also contribute to social unrest and increased scepticism about immigration and immigrants among the majority population. Employment and social mobility among groups with poor living conditions are therefore extremely important, not just for welfare and equality reasons, but also with regard to building trust. At present, the situation in Norway is complex. Some immigrant groups have significantly poorer living conditions than the rest of the population, while descendants of immigrants appear to manage much better. Even though the Committee emphasises the potential for improvement in the current integration system, it is just as important to employ a level of ambition that sets realistic goals, including taking costs into consideration. Increased economic inequality is most probably an unavoidable consequence of increased refugee immigration, even when a greater focus is placed on education and employment initiatives. However, there is no question of the importance of ensuring that the children of immigrants and the Norwegian-born descendants of immigrants are afforded the same opportunities as any and all other children in the population.

### Social inequality - differences in culture and customs

The Committee was asked to assess the extent to which continued high immigration may impact on unity and trust in Norway and the significance of differences in culture and values in this context. Issues relating to binding forces or the “glue” in society have become an increasing topic of discussion in Norway since the turn of the millennium. There are probably multiple reasons for this, other than cultural tensions between immigrants and the majority. Rapid processes of change such as globalisation, individualisation, secularisation and digitalisation represent radical upheavals to humanity and have contributed to creating unrest in parts of the population. Cultural diversity and value clashes due to immigration most probably interact with these other changes in ways that are not individually discernible and that are difficult to analyse. The Committee is not in a position to analyse this complicated overall situation. Our concern in this part of the mandate is to discuss, in more narrow terms, what effect high immigration, particularly of refugees, can have on the maintenance of the social trust upon which the welfare model is dependent and how authorities and society can contribute to preventing polarisation and conflict:

How can relatively homogeneous welfare states, with ambitious goals regarding material comfort, participation and social equality, handle the challenges associated with cultural diversity? To what extent is it *reasonable* to set demands for cultural adjustment when newcomers with legal residency are ensured an income from day one? How do such states perpetuate social loyalty, participation and solidarity under new conditions? In other words: How can cultural differences be acknowledged without also weakening the bonds that hold society together?

Increased diversity in terms of culture and values (religion) has the same multi-faceted effect as immigration more generally: It represents both an opportunity and a challenge and there are certain prerequisites that must be in place for it to be a benefit rather than a source of tension. This is a normatively charged topic and it is almost impossible to find a broad consensus with regard to either an analysis or a political strategy on the matter.

If the Norwegian welfare state can itself be seen as an important part of the social glue, issues arise when new, large groups of people with no background knowledge of the basic social norms of the country, immigrate and settle here. If they are seen as representatives of cultural differences, have



specific needs and/or face social marginalisation, they can also contribute to challenging both the function of the welfare state and the basis for the legitimacy of the common good.

“Trust” is vulnerable, and the level of trust in society is difficult to accurately measure. It can be argued that the complexity of modern society, i.e. the impossibility of understanding the advanced technology society is founded upon, the communication revolution, globalisation and, not least, the pace of change, sets higher demands for general trust than previous social conditions. At the same time, the prerequisites for maintaining this abstract concept of trust can be weakened through that same complexity.

There is and has long been bipartisan support for the basic structure of the welfare state in Norway. Part of the explanation for this stability is probably that the model for Norwegian labour and welfare policies is grounded on institutional arrangements, has legitimacy and broad representation, is supported by the organisations in the labour market and civil society, and has delivered good results over an extended period of time. This historically developed legitimacy can be put to the test by two mechanisms. If it in fact transpires that the model *functions less effectively* in a situation with ethnic/cultural diversity (and/or extensive labour migration) due to labour market policy or welfare policy goals not being met, the legitimacy of the model may be called into question. Secondly, the support for common solutions (universal/generous welfare benefits and wage equality) can deteriorate due to *the population becoming more economically and culturally complex*. It is possible that large parts of the majority population will reserve full access to welfare benefits for those born in Norway, or prefer private market solutions, and fewer will therefore support wage equality.

Deteriorating trust in newcomers in society can be caused by different factors. An important question is whether this is a matter of *norms* or *behaviour*. Is it the way of life of the newcomers, i.e. manifestations of religious and cultural differences, or is it the degree of participation (in the labour market and civil society) that may cause discontent? And to what extent do the majority's expectations influence the development of trust?

International research reveals conflicting findings when considering these questions. In Scandinavia, several researchers argue that it is not ethnic diversity in itself that is the problem, but a combination of social inequality, increasing cultural heterogeneity and ethnic segmentation. Segregation and the accumulation of social problems in residential areas with high numbers of immigrants are damaging to societal trust. Norwegian research has not shed any empirical light on this issue, but there is reason to believe that a combination of religion, tradition, low levels of education, low labour force participation and poor living conditions among minorities can, in concert, create social realities that influence the attitudes of the majority. Political scientists Per Mouritsen and Bo Rothstein have emphasised the challenge to the common social contract in a generous welfare state, i.e. the risk of undermining the *reciprocal norms* that the legitimacy of the social model is founded on. In line with this, *interaction* between increased cultural and economic categories could affect the feeling of unity. If those who systematically belong to low income groups and have low labour market participation are also those who are considered most different in terms of culture and values, this trust can be strained.

A good society is dependent on mutual trust between citizens. The majority population has a considerable responsibility for successfully building trust in the immigrant population. Examples of radicalisation in Muslim communities are a de facto sign of the diminishing trust of Norwegian society in

certain groups, but also much less extreme social seclusion represents a failure from an integration perspective. The apportioning of blame in these instances can always be discussed, but it is still in society's interest to counteract processes that can develop into seclusion and marginalisation. Immigrants and their descendants must be recognised by the majority as a legitimate part of the national community. Building trust requires clear anti-discrimination work. Discrimination is a manifestation of a lack of recognition and can intensify the development of distrust.

There are few well-proven and effective policy instruments for this. Political control for achieving unity, trust and support can easily result in unintended consequences. Nonetheless, the authorities have some very important indirect tools at their disposal, namely the key social institutions. More recent research supports the hypotheses that good governance concerning impartiality, verifiability and efficiency is vital for creating social trust, together with socialisation through a non-discriminatory education system. Trust in the police and judiciary has a special position, but trust in the government's ability to sensibly and rationally manage society's resources is also important. This institutional trust is crucial to the population's willingness to pay tax, which again is essential for financing the welfare state. The institutional prerequisites that are the basis for a high level of trust in the Norwegian labour market can also play a key role in whether or not immigrants perceive that they receive equal treatment and are respected in the workplace. However, many of the typical immigrant occupations are characterised by a low level of unionisation and disorderly working conditions, which are factors that may give rise to uncertainty and distrust.

As a principal approach, the Committee will recommend that the basic method for inclusion and social integration that has worked in Norwegian society for many years is also applied for new members of society. In practice, this means that focussing on the integration of new members of society and their descendants through economic, social and democratic co-citizenship in the longer term will also work for immigrants, i.e. that employment, social rights and the right to vote, in addition to socialisation through education, will reduce cultural and value-related tensions over time, and that the social trust is created and perpetuated under new conditions as a consequence of this approach.

These are slow-acting mechanisms that will have the greatest effect on descendants of immigrants. This generation in Norway is still young and therefore we do not have any clear picture about what will occur over time. However, the research available about descendants adapting to Norwegian conditions and liberal democratic values gives cause for a certain amount of optimism. Children of immigrants gain significant social mobility with the assistance of the education system. Not all socio-economic differences are eliminated, but the social mobility of descendants is considerably higher than for young people from the majority population with similar backgrounds, and the differences in relation to the majority are decreasing. The descendants are also moving strongly in the direction of young people from the majority population in terms of important values such as acceptance of gender equality and homosexuality. The gradual eradication of the role played by ethnic background for one's opportunities in life appears to be on the right track for large groups. However, it appears that the ability to adapt with regard to social trust has had less success in other areas in this second generation. The adjustment process seems to be occurring at different speeds along different dimensions. Economic "recovery" and the acceptance of social norms and values proceed faster than the adaptation concerning trust.

In order to succeed in maintaining a high level of trust in Norwegian society, it is critical that newcomers are included in the most important social arenas. A good policy for creating trust and reducing the potential for conflict and polarisation in Norway will have to be based on a policy that actively targets living conditions, i.e. qualification and activation for work, basic education, representation, active combating of discrimination, and the development of social arenas in civil society. The Committee wants to emphasise that this principal approach be followed.

In addition to the principal institutional approach, i.e. focussing on the slow pace of equalisation and socialisation mechanisms, the Committee still highlights the potential necessity of developing a clearer policy for forming expectations and norms in the shorter term. The Committee recommends that the authorities prepare national guidelines for the education sector and public services. These guidelines may address the place of religious symbols, in which face-covering garments have a unique position, and demands for exemption from teaching or work duties that may prevent integration into the labour market and everyday life. There should be clear limitations set as to how much an individual can demand that those around him/her adapt to his or her specific needs. Joint national guidelines for these key areas may be of assistance to the employees of these institutions, when faced with the specific situations in which decisions are required, and will also promote equal treatment across regions. Three members of the Committee have requested further principal assessments in the areas of culture, unity and trust.

Norms for what can be deemed acceptable behaviour in common social arenas have been, and will remain, controversial. There will be major disagreement about both the content and scope of such guidelines. The Committee does not consider this to be a problem. Open debate about discrimination against minorities on the one hand and problems with cooperation, value clashes and internal repression on the part of minorities on the other, is necessary for developing social trust and further developing democracy. Different value conflicts deserve attention and sensible debate. The debate in itself will most likely mean a great deal for mutual familiarisation and fresh thinking, even if polarisation and tensions can give cause for pessimism in the short term. Conflicts cannot be eliminated and they are an unavoidable part of the development of trust and integration.

The Committee finds that it is possible to maintain the feeling of trust and unity in Norwegian society, including under conditions involving high immigration, but recognises that this may be demanding. Two factors are decisive for success: The extent of the immigration must, over time, be at a level where it can be absorbed in the labour market and the welfare system without causing disruption, and newcomers must be included in the central arenas of society. This involves serious and continual challenges for Norwegian politicians and organisations, and new and more targeted measures will have to be developed through systematic testing, the acquisition of knowledge and political flexibility. Norwegian politicians across all parties have supported both a continuation of the fundamental features of the Norwegian welfare model and a humanitarian-oriented refugee policy based on applicable international conventions. Continued support will require the continuous balancing of these considerations.

## Adjustments in employment and welfare policy - short and long term

With regards to the mandate and the problems associated with the relevance of the measures and the functionality of the receiving and integration apparatus, the Committee places emphasis on looking at the different stages as a whole, and on promoting common solutions for increased employ-

ment and integration. High immigration is a starting point for the analyses in the Committee's mandate and it is assumed that refugees and their families make up a large part of the immigrant numbers.

Therefore, the task of the Committee is to recommend adjustments or improvements to integration policy to ensure that the welfare schemes can be maintained at a high level in a situation characterised by a large influx of refugees. The Committee recognises that this is a complex and difficult task. Regardless of the number of asylum seekers and refugees, the welfare state is facing a period with a growing dependency burden, due to an ageing population in combination with more uncertainty surrounding its financing. A high number of newcomers with weak or unrecognised labour market qualifications, who do not speak Norwegian and who will consider significant aspects of Norwegian society to be strange and foreign, represents an additional challenge. The Government will present in spring 2017 a new report to parliament on the long-term perspectives for the Norwegian economy. The report will highlight important challenges facing the Norwegian economy and public finances, and subsequently the continuation of the Norwegian welfare schemes. Norway has an adaptable and productive economy with a highly-qualified workforce and high labour market participation. Increasing life expectancy means that the population will gradually age both in Norway and in the majority of other industrialised countries. Increasing life expectancy is a sign of a functioning society. At the same time, the growing proportion of elderly people in the population can place a strain on public finances if the retirement age is not changed correspondingly. The Government Pension Fund of Norway must be expected to contribute less to the financing of public expenses measured in relation to economic growth in the mainland economy. These challenges are intensified if an increasing proportion of the population who are of working age also remain outside the workforce. More immigrants in Norway means that their adjustment to the needs of the labour market is also extremely important for the development of the Norwegian economy and public finances.

Since the Committee has "high immigration" as the assumption for the analyses and has been asked to assess adjustments and improvements in integration policy, it is important to be clear about potential prioritisation conflicts that can arise between quality and scope when considering public initiatives.

Any realistic economic framework will restrict the ambitions of the policy. The Committee has not had the opportunity to quantify or discuss this type of framework in more detail, and has not calculated what the proposed measures will entail in terms of cost or benefit effects. However, the Committee has made certain calculations that illustrate the relationship between benefits and costs from educational measures.

Awareness of an economic framework is nevertheless a reason why several of the Committee's recommendations may appear relatively cautious. The mandate's assumption of high immigration has had a similar effect, particularly because the Committee assumes that a larger proportion of immigrants than previously will be refugees. There is an obvious conflict between the provision of generous services to individual refugees and the number of refugees who can benefit from these services. Should the available means be expended on generous assistance to relatively few or on modest assistance to a larger number?

Another factor is that the cost to the rest of the population of integrating refugees will be higher in Norway than in many other countries. This is due to the ambition of continuing the relatively equal

distribution of a standard of living that, in a historical and global context, is very high. The standard of living of immigrants must therefore increase to the Norwegian level relatively quickly. For some immigrants it is unrealistic to expect that they will be able to do this themselves through work. If this were to occur, there would have to be considerable income equalisation through transfers from Norwegian-born citizens via taxes or cuts in public welfare. The Norwegian welfare state requires that the labour of those in employment not only finances the consumption of those in employment, but also the consumption of citizens who do not work, as well as society's collective benefits. It is therefore vulnerable to an increase in the proportion of the population who need to be provided for through public welfare, whether this takes the form of an increase in the proportion of elderly people, an increase in the number of disabled, unemployed and sick, low completion rates in the education system or the immigration of adults with few qualifications and low productivity.

The Committee would note that there are no simple measures that will enable Norway to accept very high numbers of refugees without this impacting distribution or welfare. The limits for the system's capacity - whereby the adjustments will have to be so extensive that we move over to a different type of social model - cannot be predicted accurately and a number of political decisions will influence and determine whether such a "turning point" will occur. "Capacity" is not a fixed economic amount. Political decisions regarding the design of welfare benefits, taxes, wages and other factors that influence the balance in the model are constantly subject to change, and the policy will continually have to be adapted to changing preconditions and requirements. Therefore, the sustainability of the model is ultimately dependent on political prioritisation.

The Committee has chosen to divide this more future-oriented part of the report into two: Firstly, the Committee will provide assessments and recommendations for improvements to Norway's present integration regime. Secondly, a more overarching, analytical part will be presented in which we use three overall approaches to demonstrate how alternative weightings and a combination of different approaches can be subject to political decisions, with different risk factors associated with the various alternatives.

## 1. Improvements to the current regime

It has proven to be difficult to find relevant labour market measures which have been sufficiently effective in terms of improving the inclusion rate of refugees, particularly those with low qualifications, in the Norwegian labour market. Nevertheless, with regard to the goal of preserving the principal features of the social model while also receiving "a high number" of refugees, there is certainly room for improvement and adjustments to the current Norwegian integration regime. Thus far, the measures that have been implemented must be viewed as moderately successful, even if schemes implemented in recent years such as the introduction program represent positive innovations in the field. Even though the progress of descendants of immigrants has been considerable, i.e. the difference in employment between this group and other young people has fallen significantly, there is still a considerable gap when assessing the immigrant generation. A scenario with *continued high immigration* of people with low qualifications will entail a pressing need to make improvements and to improve efficiency. Particular problems associated with this type of high immigration include the potential deterioration of labour organisations, and the growth of economic grey areas characterised by no contracts, underpayment and tax evasion. In addition, there will be pressure on welfare benefits and direct challenges to the sustainability of the welfare system. If Norwegian authorities are

unable to counteract these developments, the effects may not be limited to the economic sphere, but may also include the breakdown of social trust. To enable the welfare state to handle increased immigration, integration must be improved. It is therefore important to identify the features and mechanisms of the Norwegian welfare system and labour market that are put under strain by high immigration and to assess what can be done to improve resilience in these areas and to better serve as a resource for addressing these challenges.

### *Activation*

There is largely a consensus in Norway about the importance of activation for maintaining the Norwegian social model. High employment ensures economic growth and contributes to financing the welfare state. The importance of focusing heavily on the integration of immigrants into the labour market is therefore equally undisputed. Employment provides an individual with the opportunity to provide for him/herself and to control his/her own life. In addition, work provides access to a social environment, skills development, language learning and culture and better health. For society as a whole, labour market participation from as many citizens as possible is a prerequisite for financing generous welfare benefits for those who cannot work. The financing of the welfare state in Norway is heavily based on revenues that are generated through work via direct and indirect taxation.

Immigrants from the majority of countries in Asia, Africa et al have relatively low labour market participation and therefore receive a greater proportion of funding from the state than other groups, instead of generating their finances themselves through their own participation in the labour market. A refugee's chances of success in entering the workforce are contingent on that individual's qualifications and age, the status of the labour market, and the financial incentives to look for work, i.e. the same as for other groups in the population, and will also be influenced by how successful the integration policy has proven.

In Norway, the active labour market policy contributes to overcoming problems both with insufficient qualifications and weak incentives to work for some welfare recipients. Attempts have been made to accommodate the accessibility requirement and to overcome qualification barriers. The Committee has had to ask itself whether the combination of measures has been incorrectly weighted or inadequately linked together, whether there has been a lack of focus, or whether the challenges have simply been too great in terms of the labour market's capacity to absorb these immigrants, the general features of the Norwegian welfare state and the extensive supply of (cheap) labour from new EU countries. Even during the boom period at the beginning of the 2000s, there was no significant reduction in the employment gap between immigrants and the majority population.

The Committee is of the view that the principal measures that were recommended in NOU 2011:7 – *activation, qualification and adaptation* – are still pertinent in addressing the goal of integrating poorly qualified immigrants into the Norwegian labour market. Activation represents a shift from pure income transfers to more systematic efforts to activate in the form of adapted work, possibly with work-related wage subsidies and/or qualification schemes, combined with graded benefits and activity requirements linked to health-related benefit needs. The Committee believes that activation should be applied as much as possible to the income maintenance programmes in general and that such requirements should be robustly and consistently enforced. There are potential economic benefits from more systematic activation, but activities are also important in terms of integration and the health of the individual. The Committee is of the view that there is still considerable potential for

improvement in implementation, not least with regard to coordination, linking and progression between the different qualification and activation measures. Shifting cash transfers towards services can also be further developed.

Arrangements that enable employers to employ people with low qualifications and uncertain productivity have become even more important since 2011 due to the large influx of refugees in 2015, and also because Norwegian employers still have a large supply of available labour through immigration from EU countries. Employers will often consider these workers less of a risk to recruit than refugees. Wage subsidies can be a measure for mitigating employer risk, while different forms of practical experience in the labour market should be given additional consideration, together with clear goals for qualification and skills development.

### *Education and qualification*

The Committee believes it is necessary to place a greater emphasis on education and qualification as part of a long-term integration strategy. One committee member has, in the form of a note of dissent, called for a different approach. Experience has shown that refugees have greater problems than other immigrant groups in the Norwegian labour market and one of the most important reasons for this is their lack of sought after education and qualifications. Focussing on qualification is even more important when the Norwegian economy is entering a period of weakened demand and intensified competition for low skilled jobs.

The Committee therefore considers a focus on more *effective* education and qualification as a key factor for increasing employment among refugees in the Norwegian labour market and, in some cases, efficacy will require a more long-term period of education. Investing in skills will therefore also be a key to improving other aspects of well-being for this group. Education is a vital measure tied in to qualification and mobility in the labour market, the ability to successfully function in society and the development of trust in the individual.

There are several reasons that the Committee places such major emphasis on giving a higher priority to education and qualification among refugee groups. Research shows that employment among immigrants and their descendants rises in line with their level of education, even if this is lower than the rest of the population, at all levels of education. Immigrants who have been educated in Norway also have significantly higher levels of employment than immigrants who have the same level of education from abroad. This added value from Norwegian education applies to refugees in particular. This can indicate that supplementing a foreign education with additional education in Norway can provide significant socio-economic benefits. The Committee therefore recommends that measures are concentrated on this area. It is important that immigrants are accredited for the education that they have brought with them.

However, education and qualification are expensive and, in part, long-term measures. The socio-economic benefit depends to a large extent on the potential, but not guaranteed, improvement to employability and on how long it takes to complete the education. The Committee therefore emphasises the importance of effective solutions in the form of differentiated approaches and supplementary programmes.

To prevent immigrants who arrive as children and Norwegian-born descendants of immigrants from starting with a handicap compared to other children, the education sector will be decisive. The education system has a key function in ensuring an even acquisition of knowledge that levels out the opportunities for participation in society and for learning, and for ensuring normative and value-related socialisation which can strengthen the feeling of mutual trust and belonging. For young people with immigrant backgrounds, succeeding at school and in higher education can be of particular importance because they often have a weaker starting point than young people from the majority population with regard to networks and other resources ("cultural and social capital"). Studies also show that both immigrants and their descendants who can boast higher education from Norway are less likely than other immigrants to experience negative discrimination in the labour market.

Research shows that, from a life cycle perspective, it is beneficial for society to make significant investments in education at an early stage in life. Descendants of immigrants and children who immigrate at a very young age will be able to benefit greatly from the universal kindergarten and school services offered in Norway. It is vitally important in both the short and long term that these children also succeed at school and there is much that indicates that the quality of their follow-up can be improved. The Committee has identified some barriers that children and young people who immigrate to Norway may face in the present education system and proposes that the authorities develop knowledge-based initiatives for a more efficient transition to the Norwegian school system. The Committee would also like to see a continued focus on increasing the child's educational inclusion both before and after the compulsory 10 years of participation in the school system.

The introduction programme is the authorities' most important tool for quickly getting newly arrived refugees into work or education, with the goal that they shall become financially independent as soon as possible. The Committee believes that the introduction programme should be strengthened with regard to its organisation, content and practical connection to the labour market. The Committee emphasises that coordination between different public sector authorities must be substantially improved, not least between the educational and labour market authorities. In addition, the Committee emphasises the need for standardised modules which will enable quality control of the services on a nationwide basis.

Inadequate Norwegian language training for adults is often highlighted as being an impediment to the integration process. People with poor Norwegian language skills are limited in their ability to make use of the services offered by the Norwegian Labour and Welfare Administration. Multiple reports have noted that Norwegian language training should be better adapted and that there should be more language training offered in connection with entering the workforce and standard education. Several other committees have recommended that teaching skills should also be improved.

Refugees are a very heterogeneous group in terms of their educational backgrounds and include everything from illiterates to PhD holders. The Committee strongly emphasises the importance of early assessment of the level of education and qualifications of the newcomers, facilitating the efficient adaptation of the education and qualification services offered. Early registration and possible recognition of existing education can prevent passivity and reduce public costs in the longer term. The Committee believes that educational programmes should be developed that can be readily supplemented with the immigrant's existing professional qualifications and education. Immigrants with little or no basic education or professional experience should receive an adapted primary and lower



secondary school programme that concentrates primarily on the Norwegian language, social skills and preparation for the labour market, and which also qualifies the person for upper secondary education and training. These educational programmes should be commenced and implemented as part of the introduction programme to the greatest extent possible.

### *Reception and settlement*

It is not within the Committee's mandate to make proposals about the actual organisation of the reception system. In 2016, the reception situation was influenced by the high number of asylum seekers who arrived in autumn 2015. The high number of arrivals has created a number of challenges when viewed from the perspectives of the individual applicants, local municipalities and the state. There is increasing political awareness that arrangements should be made for early initiatives in the asylum seeking process, particularly for children. In recent times there has also been a development in Norway towards more employment initiatives, more activities and greater efforts required of the refugees themselves.

The Committee emphasises the importance of Norwegian language training, the provision of information about Norwegian social expectations and skills assessments for adults in reception centres, including for those awaiting responses to their applications. The Committee is also of the opinion that children and young people in reception centres should quickly be included in standard kindergarten and school services. This is out of concern for their quality of life and language development.

With regard to the settlement scheme for refugees, the Committee's starting point is that this must still be based on voluntary agreements with the municipalities, insofar as this is possible, to ensure that all settlement requirements can be met. The large influx in 2015 and subsequent settlement record in 2016 have demonstrated that the municipalities have the ability to make an additional effort under extraordinary conditions. However, a contingency plan should be prepared for instances when the municipalities do not offer enough places and a very large number of refugees have to wait a long time to be settled. The design of this type of plan and the potential consequences on the allocation of responsibilities between the state and municipality must be evaluated. The Committee has not had the capacity to assess organisational issues, but notes that a sweeping analysis of connections, bottlenecks and coordination is needed concerning the processing of asylum cases, the reception system for asylum seekers, the settlement of refugees and the provision of the introduction programme etc. in the municipalities.

### *Comprehensive approach*

In summary, the Committee emphasises the importance of developing a more comprehensive series of measures that mobilise stakeholders and leverage the adaptability of the labour market and welfare model. With these proposed changes, the Committee wishes to stress the importance of starting the integration process as early as possible, while emphasising that care must also be exhibited in giving the most attractive offers (education and work permit) to those who are least likely stay permanently. This is no easy balancing act. In addition, the Committee emphasises the importance of ensuring improved co-functionality between the various aspects of activation and to provide opportunities for differentiated and long-term, but not necessarily protracted, qualification and integration processes. Work and education/qualification should be viewed contextually and included as much as possible in the introduction programme.

The Committee is of the view that there is potential for improvement in the existing integration regime and that major benefits are to be gained from improving access to the labour market. The ambitions of increasing employment among refugees represent an important goal, but must be evaluated in relation to the investment costs. Insofar as this is possible, measures aimed at refugees should not take the form of special measures. Some of the measures that are proposed will also be relevant for other groups who are marginalised in the labour market.

## 2. Overall approaches - political decisions

The socio-economic projections underline the importance of increasing employment, particularly among refugees. This is important for the sustainability of the welfare model, both economically and politically, and is important for individual immigrants. Permanent exclusion will increase inequality and the social disparities in Norwegian society and increase the risk of unrest, mistrust and conflict, as well as potentially weakening the legitimacy of the welfare model and the political system. There is no doubt that the effort required to significantly increase employment among refugees in Norway will be costly and demanding. In the specific recommendations, we have assumed that it is possible to further develop the present main features of the welfare model in Norway with a combination of a relatively high degree of basic maintenance, high employment rate and active efforts to further develop a qualified workforce.

In the existing Norwegian integration regime, the authorities have gradually moved away from a policy dominated by guaranteed basic maintenance to increasing emphasis being placed on measures that promote employment. Thus, there has already been scope for adjusting the approach to the integration of immigrants within the framework of the Norwegian welfare model.

In order to clarify alternative political courses of action, the Committee has formulated three overall approaches which we have called *rights-oriented universalism*, *market-oriented adaptation* and *social investment*. The three approaches have different features: The first approach concentrates on welfare rights, income maintenance and equality of living standards. The second approach focuses on the function of the labour market, wage setting and flexibility. The third approach focuses principally on investing in skills, qualification development and social capital. In its present form, the Norwegian integration regime already represents a pragmatic combination of these features. New connections between strategies and methods will most likely be needed to enable the model to tolerate the increased scope, pace and altered composition of immigration, given different development scenarios for the Norwegian economy and society. The Committee's goal has been to clarify the prerequisites underpinning the political choice of strategy. A more systematic evaluation and the gathering of knowledge about what works effectively will be important requirements for success.

All of the approaches include political measures which have already been used to differing degrees in the Norwegian model. Education, including heavily subsidised kindergartens for the youngest children, and an emphasis on qualification and vocational rehabilitation for adult employees, involve elements of social investment. The introduction programme for refugees, separate labour market measures for those who speak a minority language and a long series of more defined projects for immigrants who are far removed from working life, reflect this approach in the area of integration. At the same time, the minimum benefit level in the Norwegian society is relatively generous, with high minimum payments for disability benefits, work assessment allowances, sickness benefits and unemployment benefits. All these features correspond with the universal, rights-based approach. How-

ever, the recipients of many of these benefits are still required to undertake certain activities. This includes requirements to follow-up the majority of long-term benefits and the activity requirement for recipients of social assistance. The emphasis on activation in the welfare state which, among other things, entails that work should pay, correlates with both a market-oriented approach and common norms that form the basis for the growth of the welfare state - "do your duty, claim your right".

There are risk factors associated with all of the approaches. For example, greater prioritisation of welfare rights and income maintenance in line with the first approach may result in lower employment, an increased tax burden and, in the worst case, "subsidised isolation" or segregation. The market-oriented approach may increase competition for low wage jobs and reduce the wage levels in vulnerable sectors. As a result, benefit levels may also have to be reduced to make employment a more attractive option, with the risk of increased poverty and marginalisation. Strategies based on "social investment" are very resource-demanding in terms of finances, administration and personnel. They also set high demands for motivation among the "users". "Bad investments" and poor results will erode the system's legitimacy.

The purpose of the overall approaches is to assess links between assumptions, action strategies and possible outcomes of political decisions when the authorities are required to adapt the integration policy with other financial and social prerequisites in the future. How integration will be strengthened depends on what are considered the most important arenas, prerequisites and methods for promoting integration.

The three overall approaches can provide guidance for different directions for welfare state reform, with the intention of strengthening the capacity to integrate in the years ahead. The need for adaptations and possibly more fundamental shifts will depend on the development of the Norwegian economy, the scope and composition of immigration and how well Norwegian authorities succeed with a stronger focus on integration into the labour market and society. If the more short-term reforms the Committee has recommended within the existing integration system have not produced satisfactory results, new strategies will most likely assert themselves. In other words, if the focus on qualification and education - "social investment" - combined with employment-related measures does not function as intended, then a combination of reduced welfare benefits and increased tax will probably find itself on the agenda. If the competition for low paid employment increases over time, this will make activation difficult and the closer this gets to the pure market alternative, the more difficult it will be to maintain the existing Norwegian labour and welfare model. If significant cuts in benefits become necessary in the future, political decisions will also be necessary as to whether these shall apply to all citizens or whether newcomers and foreigners should have limited or full access to benefits.

## Conclusion

NOU 2011:7 concluded that the design of the Norwegian welfare model implies that it is vulnerable to international mobility, but that many groups had still succeeded, and that the employment level among immigrants in Norway was higher than in the majority of other European countries. However, in some groups, labour market participation was disturbingly low, particularly in certain refugee groups. In this report, the assignment was to focus separately on refugees as a group. Refugees are a unique category among immigrants. Their potential contributions to economic growth and development are not a factor in whether they are granted residency or not. The refugee policy has been an

important part of the Norwegian support for the international human rights apparatus and Norway has been duty bound to adhere to the UN Refugee Convention. There has been political consensus about this policy, even if there have been inter-party conflicts about how the obligations should be interpreted and put into practice in specific cases. The refugee crisis in 2015 produced complex reactions in Norwegian politics and from the public. A great deal of local involvement was mobilised and large parts of the population were willing to welcome the refugees, but the scope and pace of the influx and the future outlook also caused much concern. Among other things, this included whether the Norwegian welfare apparatus had the capacity and ability to integrate disproportionately large groups in the space of a short period of time. The pace and scope impact on the receiving society's capacity and ability to absorb newcomers - socially, culturally and economically. The value conflicts that exist will be intensified if a high number of people who are considered very "different" arrive during a short period of time. If the majority is to accept continued high immigration, then stable, predictable and trust-based frameworks must be in place.

The Committee emphasises that even if the welfare model is vulnerable to a large number of people with low qualifications, it is also a resource for promoting long-term integration. This is strongly reflected by the fact that many descendants of immigrants are highly successful in important areas of society, including both in education and in the labour market. In addition, studies indicate that descendants of immigrants largely adapt to the majority's norms and values. The key institutions in the Norwegian system appear to form a good basis for integration of both children who arrive when they are very young and the descendants of immigrants. This is important and necessary for the long-term continuation of the Norwegian social model. At the same time, it is also necessary that the immigrant generation experience greater success.

The Committee has therefore emphasised some additional short-term measures and improvements for increasing employment among refugees. This is necessary in terms of public finances, when considering the immigrants themselves and with consideration to the continued development of the social trust that the Norwegian model is dependent on. A common thread in this report is the risk that continued high immigration will create increased inequality with regard to income, standard of living and employment. High immigration also entails a risk of value conflicts and cultural clashes. Participation in the labour market is and must be the most important means of escaping low income or poverty. An improvement in the ability of Norwegian society to integrate migrants is important for combating the increased inequality and segregation which result in immigrants being at a systematic disadvantage compared with the rest of population. Combating discrimination is an important part of this work. The ability of Norwegian society to embrace diversity must be strengthened – in the labour market, in education and in civil society – and different groups will need to be followed-up on the basis of different premises, depending on their backgrounds.

However, integration is also about the society itself, and about safeguarding the mechanisms and cohesive forces that form the basis for the society's democracy, the state based on the rule of law and welfare for its citizens. In a Norwegian context, this will involve continuing the main features of the Norwegian welfare model with a well-structured labour market and a generous and non-discriminatory welfare state, as well as through socialisation in relation to society's core values: human rights, gender equality and liberal-democratic governance.