

# Local government as employer, procurer, and entrepreneur in labour market integration

Emma Ek Österberg

Nanna Gillberg

Maria Norbäck

Patrik Zapata

María José Zapata Campos



Contributions published in SPA Working Paper Series are scientific reports produced by researchers at the School of Public Administration, University of Gothenburg. Working papers as well as finished reports are included in the series. Papers can be published in Swedish or in English. A member of the Editorial board must approve the publication of each paper.

Editorial board:

Carina Abrahamsson Lövström	Gustaf Kastberg
Gregg Bucken-Knapp	Lena Lindgren
Pierre Donatella	Stig Montin
Emma Ek Österberg	Ylva Norén Bretzer
Malgorzata Erikson	Björn Rombach
Jenny de Fine Licht	Mette Sandoff
Vicki Johansson	Iwona Sobis
David Karlsson	Rolf Solli
Tom Karlsson	Patrik Zapata

Editor:

David Karlsson

E-mail: [david.karlsson@spa.gu.se](mailto:david.karlsson@spa.gu.se)

School of Public Administration, University of Gothenburg  
P.O. Box 712  
SE 405 30 Gothenburg  
Sweden

Papers from the SPA Working Paper Series can be downloaded from the Internet:  
[www.gu.se/forvaltningshogskolan](http://www.gu.se/forvaltningshogskolan) (publications)

School of Public Administration Working Paper Series  
2022:35

*Local government as employer, procurer, and entrepreneur in labour market integration*

© Emma Ek Österberg, Nanna Gillberg, Maria Norbäck, Patrik Zapata & María José Zapata

Campos (2022)

ISSN 1651-5242

# Local government as employer, procurer, and entrepreneur in labour market integration

Emma Ek Österberg, Nanna Gillberg, Maria Norbäck, Patrik Zapata, and María José Zapata Campos

This is an English version of the School of Public Administration report No 161 (2022), *Kommunen som upphandlare, entreprenör och arbetsgivare i arbetsmarknadsintegration av utrikesfödda.*

## Index

Local government as employer, procurer, and entrepreneur in labour market integration	1
1. Introduction	1
2. Three studies	7
3. The local government as a procurer	9
4. The local government as an entrepreneur in collaboration with civil society	14
5. Local governments as employers	20
6. Discussion	25
References	30

## 1. Introduction

The integration of foreign-born people is a major societal challenge. Increased migration, higher unemployment, poorer working conditions, and the greater exclusion of foreign-born people among society have strengthened the need for well-functioning integration efforts. The task of initiating and pursuing such initiatives is shared by many actors at European, national, regional, and local levels, with responsibilities and tasks having been transferred between these over time. In recent years, these tasks and responsibilities have been centralised in Sweden to the state level in order to create greater equality and improved governance (Emilsson 2015). However, at the same time, a greater emphasis has also been placed on local actors, such as local governments' ability to initiate and drive integration initiatives. The main idea has been to maintain a cohesive national line – i.e. the line of work with a focus on employment and

labour market establishment – while ensuring that the content of the efforts must be designed based on local conditions and needs. Through using the knowledge and capacity of a variety of local actors (e.g. public authorities, private companies, civil society organisations), effective and innovative initiatives can be collaboratively developed so as to meet the challenges and multifaceted problems that exist in the field of integration. At least this is what the government, and many actors, are hoping for. This strategy follows a long tradition of local collaboration in the implementation of integration policy (Soininen 1992; Qvist 2013). Refugee reception, which increased to relatively high levels in 2015, has also increased the need to effectively capitalise upon the knowledge and resources of local actors in order to best support the new arrivals and contribute to integration (Diedrich & Hellgren 2018; Eriksson 2019).

The local governments' role in this work is central and multifaceted. The main responsibility for the establishment of new arrivals (the Establishment Programme) was admittedly lifted from local to state government which, since 2010, via the Swedish Public Employment Service (PES), has had the coordinating task of facilitating and accelerating new arrivals' labour market establishment. The local governments provide initiatives within the programme's framework, such as language education, community orientation, and adult education, while also having an overall responsibility for those discharged from the programme but in continued need of support. Local governments also conduct – in addition to the specific establishment initiatives – general work on local integration, through initiatives pertaining to, for example, childcare, schooling, housing construction, culture, and leisure.

In the implementation (concerning initiatives both within or without the establishment programme), collaboration with companies and civil society organisations is key. Further to collaboration, procurement is a useful integration tool, as local governments are large procurers with the ability to dictate terms in different ways, thereby allowing them to both directly and indirectly try to promote labour market integration. Local governments also have an important role to play in enabling and supporting civil society initiatives – a task that has become increasingly emphasised in recent years and which reflects the importance that social innovation (through local partnerships) attaches to the European Employment Strategy. In this respect, the role of local governments is similar to what research has termed 'meta-managers' (Torfing et al. 2012), whose task is to create space for and (to a certain extent) coordinate initiatives run by or, in collaboration with, civil society organisations and companies. What is

to be done, how, and by whom, are open questions wherein local governments have room to prioritise and act in different ways to develop and support successful local integration work.

#### Local governments' changed role in integration policy

Local governments' roles and efforts in integration policy have been the subject of extensive discussion over the years. The issues that are of high contemporary significance – i.e. the importance of labour market focus, the (un)reasonableness of having special measures for new arrivals, and the need for local cooperation and coordination – have been central since 1985, when local governments were given responsibility for refugee reception. At that time, integration efforts were often arranged in the activities and professional norms of social services. This arrangement came to be criticised as giving rise to an excessive focus on care and passivating efforts (Qvist 2013). As early as the end of the 1980s, the next reform was implemented with the aim of encouraging local governments to more actively promote work (Prop. 1989/90: 105). When integration policy was established as a policy area (and replaced the previous immigration policy), the goals that still apply were specified, namely a general welfare policy based on diversity where special measures for immigrants are justified only during their first time in Sweden (Prop. 1997/98: 16). The bill emphasised that these efforts would aim to accelerate the integration of new arrivals in society and the workforce, and be designed so as to avoid any lock-in effects in long-term and stigmatising programmes. Rather, they would be individually designed and provided locally in close collaboration between local governments, the PES, business, and civil society. The work line has since been gradually strengthened, most recently in 2018 with the introduction of a new set of rules that were closer to those which apply to other jobseekers. This means that establishment initiatives are equated with other labour market policy initiatives and that the demands on, and the possibilities for sanctions against, the individual increase (Prop. 2016/17: 175). At the same time, compulsory education was introduced, which places additional demands on collaboration between the PES and local governmental adult education.

The emphasis on the role of local governments that can be seen in today's integration efforts and debate is thus not new (Sarstrand 2011). Nor are the ideas of collaboration, partnership, and the importance of local development work – although it should be noted that they have been strengthened in recent years, not least through the European Employment Strategy and its

focus on social innovation. However, the conditions for local governments to act in their roles have changed. The state is continuously implementing reforms within the area, which fundamentally affect the work of local governments. These reforms include: the 2010 establishment reform which lifted the responsibility for the establishment of new arrivals from local governments to the PES, as well as the introduction (in the same year) of a new regulatory framework for establishment compensation; the ongoing reform of the PES, which implies reduced local presence and increased market elements, is of crucial importance for local governments' integration work; and changes in migration policy which have established temporary residence permits, which affects the opportunities for conducting long-term integration work locally (Eriksson 2019). Of course, the work of local governments is also affected by global migration flows and the number of asylum seekers to Sweden. How local governments organise and conduct their work is also shaped by general administrative policy development trends. The emphasis on collaboration in local networks and market solutions is hardly unique to integration policy (Statskontoret 2020).

### Three local government roles in labour market integration

In this report, we discuss the changed roles of local governments in integration work. The report is based on the ongoing research project, 'Changed roles, emerging networks: Local governments as procurers, employers, and entrepreneurs in labour market integration', which is funded by the Swedish Research Council (VR, Project period 2020-2024, registration number 2019-02109). The purpose seeks to increase knowledge about the changed roles of local governments in the labour market integration of foreign-born people, with a focus on how initiatives are developed locally and on the networks in which these are disseminated.

The project's focus on labour market integration reflects the view of decision-makers, and both the national and EU discourse on labour market entrance as the seemingly obvious integration method (seen in the light of refugee, rather than labour, immigration), while work and self-sufficiency are increasingly emphasised as goals in themselves. When local governments work with integration, it is therefore often labour market integration that lies at the centre of the issue. In the report's conclusion, we discuss and problematise what this means for the general view of integration, for the individuals who take part in integration initiatives (see also Eriksson 2019), and the organisations involved.

We focus on three increasingly prominent local government roles in labour market integration, which both our own and previous research have shown to be central to understanding how local governments work with labour market integration. Although the roles are both extensive and multifaceted, they are characterised by specific features: the role of procurers, the role of employers, and the role of entrepreneurs in collaboration with civil society.

The role of procurers takes hold of local governments as market players. It covers the procurement of labour market integration services (e.g. job and language training), as well as methods for including social goals in local governments' procurements in general, thereby creating employment opportunities for those outside the labour market within the framework of public contracts, such as civil engineering, cleaning, park management, or the food supply.

The role of employers concerns offering employment in local governments' own administrations and companies. Local governments are large employers with various types of activities and broad skill requirements. With outsourcing, some of these jobs are transferred from the public to the private sector. Local governments' roles as procurers and employers can therefore be seen as communicating vessels, where acting in one role affects the opportunities to act in the other.

The role as an entrepreneur, and (or) as a partner with civil society, means to partake in local collaboration as one of several parties in partnerships between public, private, and civil society organisations. Such collaborations have enormous potential, not least in developing innovative and locally-adapted working methods, and benefiting from the power and knowledge of various actors across a swathe of local arenas. However, the fragmented organisation poses challenges for local governments. As a hub for local labour market integration efforts (with the exception of newly arrived foreign-born people covered by the Establishment Programme where the state, via the PES, has the overall responsibility), they must ensure that efforts are made in line with overall policy goals. Local governments' tasks therefore also include an extensive follow-up responsibility, which is added to each individual role, and which partly shapes their development.

In the continuation of the report, we present and develop the three roles based on our own studies and those in the existing literature (we present our studies later in the text). We then

discuss what the organisation of local labour market integration means for integration as a whole, for local governments, social enterprises and other civil society organisations, local business communities, and for further studies in the form of new and developed issues. Within the project, we consistently start from local governments' three roles in relation to three different themes:

1. The local level is different. Which of the three roles is dominant depends on a number of factors, such as: the size of the local government; where in the country the local government is located; tradition and customs of the local government; what part of the local government's activities are organised under its own auspices, incorporation, or outsourcing; local enthusiasts inside and outside the local government; and political decisions.
2. Depending on the factors above, the different roles can sometimes be in competition with one another. As employers, local governments can, for example, compete with their collaboration with work-integrated actors in civil society. The same applies to outsourcing vis-à-vis the local government as an employer. This competition can explain why local governments organise their activities differently.
3. Knowledge is spread between local governments and regions in different networks. Partly through such authorities and interest organisations as the Swedish Association of Local Authorities and Regions (SALAR), SKOOPI (the work-integrating social enterprises' trade association), and the Swedish Procurement Authority (which offers support materials, arranges workshops, lectures, and study visits, as well as provides information via newsletters, trade press, and other media). Knowledge is also partly disseminated through local, regional, or national networks for specialists, for example in social procurement, which are used to share experiences, but which can also generate new collaborations.

In this report, we focus primarily on two themes, namely the three roles and how they interact. At the end of the report, we discuss the topic of labour market integration from a more principled perspective, where we highlight (among other concerns) the problem of focusing too narrowly on employability and the labour market.



## 2. Three studies

To learn more about the changing roles of local governments, we conducted three sub-studies about local governments as 1) procurers, 2) contractors, and 3) employers. For each role, we studied a number of local initiatives based in different local governments. One purpose of the study design was to investigate and analyse the differences and similarities between how different local governments work in these roles. In our further studies, we investigate how networks for learning and sharing knowledge about successful labour market integration are created and developed, which actors are important for these networks to function appropriately, and what kind of knowledge and practice is disseminated through these networks.

In the first phase of this research project, we spoke to representatives from authorities and interest organisations who we already knew collaborated with local governments' labour market integration, such as SALAR, the Swedish Agency for Economic and Regional Growth, PES, County Administrative Boards, local federations, the Swedish Procurement Authority, and SKOOPI. We also collected documents of interest on local governments' labour market integration. These interviews and documents provided us with a suitable overview of local governments' different roles in labour market integration, as well as suggestions on how we should study these in more detail.

The three sub-studies began in the spring of 2020 and are all ongoing. They are based on data from interviews, observations, and documents. Due to the COVID-19 pandemic, we conducted more online interviews than initially planned. We also made online observations of webinars, workshops, and meetings. This brought us many advantages, such as allowing us to conduct more interviews than we otherwise could have done. We have also been able to talk to people from different local governments and organisations, which would not have been possible had we relied solely on face-to-face interviews due to travel times and geographical distances. The disadvantages of online methods predominantly concern lacking a fuller understanding of a particular place given by presence. Our intention is therefore to follow up these interviews and observations on site after the pandemic.

In the study on the *local governments as procurers*, we interviewed employees variously involved in employment-promoting procurement in Gothenburg, Helsingborg, Sunne, Ludvika, Stockholm, Botkyrka, and Umeå. In the first instance, we spoke with those working in support

functions for employment-promoting procurement, as well as procurers and officials involved in the work. All of the local governments were chosen because of their having run projects or initiated local models for employment-promoting procurement, which we mapped and followed through the interviews. Over time, several of the local governments have also been involved in the Procurement Authority's ambassador network for employment-promoting procurement, which seeks to contribute to disseminating experiences and positive examples. The interviews revolved around the specific local government's work with employment-promoting procurement – i.e. regarding organisation, processes, actors, goals, follow-up, history, and future plans. We have also interviewed certain people who work in projects (from the local government or supplier side) where employment-promoting procurement is used. We will continue these interviews in future as it provides useful insights into how the tools work in practice. We have also interviewed representatives of SALAR who work with labour market integration and their purchasing centre Adda (formerly Kommentus), as well as representatives from the Procurement Authority.

In the sub-study on *local governments as entrepreneurs* and partners with civil society, we interviewed employees, job trainers, and representatives of a number of work-integrating social enterprise (WISE). These companies' basic goals are to create jobs for people with less access to the labour market, and thus create meaningful employment and long-term social sustainability. The WISE studies are located both in the metropolitan region of Gothenburg/Mölnadal, but also in a number of smaller local governments. We also made site visits and observations to several of these organisations. We have followed a project where a successful model for work integration intends to spread to other cities, and conducted interviews and observations with participants and those responsible for this project. We interviewed local government officials in a number of local governments and local government companies, who work to promote and cooperate with civil society in general, and WISE in particular. Another initiative that we have studied is an ongoing network between a local government and a number of civil society actors with the aim of developing activities in the local government's newly-opened recycling park.

The sub-study on *local governments as employers* is ongoing in the local governments of Borlänge, Gislaved, and Gothenburg. We made two site visits to Borlänge, one in March and one in October 2020. During those visits, we spoke with local government councillors and

officials at the local government's unit for labour market support and within the local government's waste organisations. We also visited Fågelmyra waste facility, where we talked to employees and trainees. During the October 2020 visit to Borlänge, we visited Dala Återbyggdepå for observation and conducted several interviews. We also used web pages and various control documents for this study's data.

The study of Gislaved began in March 2020, but was postponed due to the pandemic. In April 2020, we held a Zoom meeting with the then completely new unit's management, but then paused the study. In June 2021, we held another online meeting with the management, which had now been replaced, and individual interview conversations with members of the management and the business.

### **3. The local government as a procurer**

Public procurement is an extensive and steadily-growing activity in local governments. The value of total public procurement in Sweden in 2019 amounted to 18% of GDP (The National Procurement Agency, 2020). For local governments, approximately SEK 500 billion (EUR 50 billion) annually is channelled through procurement processes ([kommunalupphandling.se](http://kommunalupphandling.se)). Job training, job coaching, and education are examples of labour market integration services procured by local governments and which are included (as a minor part) in the total procurement volume. As with all other procured services, the content, price, and quality of these services are shaped and controlled in contracts between local governments and providers (which can be companies or civil society organisations). Since local governments can choose to also offer labour market integration services within their own operations, the scope of their role as purchaser of these services varies depending on local political decisions on market solutions and competitive strategies.

However, in their role as procurers, local governments can stimulate labour market integration in several ways further to purchasing specific labour market integration services. For instance, they can include complementary (secondary) goals in the procurement operations in general, such as by purchasing construction, cleaning, food, IT support, or care services. This means that local governments, while acquiring these goods and services, also contribute to social goals by requiring the providers to employ or provide internships to specific target groups. This use

of procurement has increased in popularity in recent years. The purpose is to create opportunities for labour market integration by local governments acting in (partly) new ways in the role of purchaser (e.g. by including employment requirements), while provider companies are ‘forced’ into labour market integration efforts. The role of local governments as procurers in the labour market integration area thus includes many more local actors – both within and beyond the local government organisation’s boundaries – than those who would typically participate in integration, labour market, or social issues.

Many local governments are currently developing strategies and new working methods for employment-promoting procurement. These are often rooted in such popular concepts as social procurement, socially-responsible procurement, or sustainable procurement. This is reflective of a general trend in public administration policy to emphasise the potential of using public purchasing power to influence companies and markets to conduct societal change. The government pursues the issue nationally, not least through the National Procurement Agency, which was founded in 2015. However, these ideas and practices are not unique to the Swedish public sector, but have been largely driven by such international actors as the UN, the WTO, and the European Commission. Furthermore, the European Social Fund (ESF) has been an important financier for local development projects on employment-promoting procurement.

The ESF financed the national three-year collaboration project, ‘Employment through public procurement’, which was run between 2017–2019 by the Procurement Agency together with the PES, the Swedish Transport Administration, and the local governments of Gothenburg, Botkyrka, Stockholm, and Helsingborg (Procurement Authority, 2019). These local governments are often singled out as pioneers in Sweden who early developed local models for employment-promoting procurement. Their models served to inspire a national model for employment requirements in procurement that was launched through the collaboration project mentioned above. In the wake of the project, the Procurement Agency took the initiative for an ambassador network with the aim of developing and disseminating knowledge about procurement as a labour market tool. Further to the state authorities and local governments that formed part of the project, another eight organisations were appointed as ambassadors (most of whom are local governments), and given the task of acting as role models and contributing to the dissemination of knowledge and experience transfer.

## Local approaches and role models

A characteristic shared by the local governments that are seen as role models is that they work actively with employment-promoting procurement and have developed a local working method – occasionally their own – with routines, process descriptions, and support functions. However, it is a far from an unambiguous practice. Rather, as a contracting unit, they must decide when, how, what, and why labour market integration should be included as a procurement goal. The formal possibilities for doing so have been strengthened since 2016 when a new procurement legislation came into force. The wording that contracting authorities must today manage states that they ‘should take’ environmental and social considerations into account in public procurement ‘if the nature of the procurement justifies this’ (LOU Chapter 4, Section 3). Hence, local governments are urged, but not obligated, to take advantage of this opportunity.

What the local governments do within the framework of their procurement practice (e.g. how they formulate requirements for providers) must neither contravene the national procurement legislation nor the internal market principles of the EU which it largely reflects. They also face the fundamental challenge of promoting employment opportunities locally with the help of a tool that is essentially designed to prevent local companies and interests from being rewarded. For example, local governments are not allowed to specifically address the local business community in their procurements and by that create jobs locally. Nor may they require providers who are contractually obliged to employ people in need of labour market integration support to offer employment to the very people who live in the jurisdiction of the local government. This means that, while the procurement arena offers significant opportunities to capitalise upon extensive volumes and (often) long-term business relationships to promote social issues, these issues must also be addressed in specific (market-based) ways.

In practice, employment through procurement can be promoted in different ways. *Firstly*, local governments can set what are occasionally referred to as ‘strict requirements’. This entails a requirement for the provider to employ or offer internship during the contract period to one or more people who are outside the labour market and belong to the target group. This requirement is binding in both directions. The provider must design suitable services and the local government must supply the provider with suitable candidates. Strict requirements have been described by many as desirable. This is especially true in Gothenburg, where strict requirements were (and in part still are) the basis of the ‘Social consideration in procurement’ model, which

has been widely disseminated nationally. This means that locally, in Gothenburg for instance, procurements where the conditions for setting such requirements have been prioritised, which is often the case in large contracts in industries with a need for employment (e.g. the construction industry).

*Secondly*, instead of strict requirements, local governments can set ‘dialogue requirements’. This means that the providers undertake to discuss possible labour market integrating initiatives on one or more occasions during the contract period. This is a softer set of requirements where the outcome of the dialogue is often open. Our studies show that local governments choose dialogue over strict requirements to (among other reasons) build positive relationships, collaboration, and a basis for long-term cooperation. Moreover, it enables local governments to assess the providers’ willingness and commitment, and move forward with those with the sufficient conditions for well-functioning efforts and cooperation. Another reason highlighted in our studies is that local governments can be uncertain about particular industries and thus seek to test them before moving to stricter requirements. A further reason is the economic situation, which affects how many matchable individuals there are in the target group. Indeed, one interviewee highlighted that, in a boom, it can simply be difficult to find suitable candidates, thus hindering making strict employment requirements, since contracts are binding in both directions.

*Thirdly*, local governments can choose to reserve procurements for special WISE whose purpose is to, while conducting business activities, offer participation and work to integrate people into society and working life. Local governments can purchase work-integrating services from these companies, as well as support them by buying their goods or services (e.g. fruit baskets, IT support, catering, car washing). As social enterprises may find ordinary competitive situations difficult, reserved procurements – which means that competition is limited to these kind of enterprises – is one solution.

*Fourthly*, local governments, at a general level, can facilitate small and medium-sized enterprises’ capacity to submit tenders within their ordinary procurement activities. This can stimulate competition and business development, and thereby (indirectly) strengthen the (local) labour market. In this regard, local governments have a wealth of opportunities at their disposal, such as packaging reasonably large contracts, reducing unnecessary administration for

tenderers, and continuously analysing the consequences of the choice of procurement procedure and contract form. Although such methods do not by definition promote social goals and labour market integration, there is certainly a connection between them, and are thus often viewed as indelibly linked. If local governments succeed in creating well-functioning markets through their procurements, the labour market will also be strengthened, which is considered to benefit those currently outside it. Many representatives from the local governments we have spoken to about procurement and employment promotion initiatives emphasised this point. Although this can hardly be described as a specific labour market integration effort, it seems clear that many local government politicians and civil servants see it as an important ongoing development effort in order to stimulate business and, by extension, the local labour market.

A means of enabling integration, rather than an integration tool

What we have described so far is an idealised image of procurement as a tool for labour market integration. Whether strict or dialogue-oriented employment requirements really work in the way they are intended, or whether the facilitation of smaller companies submitting tenders truly facilitates those outside the labour market finding employment, has not been definitively established either by ours or previous studies. In many of the local governments we have studied (e.g. Gothenburg, Helsingborg, and Sunne), it was emphasised that follow-up is an area for improvement. At the same time, the civil servants involved in this work emphasised the difficulties of following up the efforts at the individual level. In several of our studied local governments, the number or proportion of procurements with employment requirements has also been seen as a measure of success in itself. In some cases, it also reflects the wording of the political goals. This is in line with a general trend in Europe where the challenges have primarily been seen as getting contracting entities to include employment promotion perspectives in their procurements, making politicians and civil servants realise the importance and possibility of doing so, and developing forms of how it can be done based on local conditions and needs. That it gives rise to positive effects in the next stage (for labour market integration) is generally considered a starting point and is often omitted from the analysis.

The matching of companies and jobseekers in the arena of a public contract is the very core of employment promoting procurement. It is a tool for enabling labour market integration, rather than a tool for labour market integration itself. Several interviewees emphasised that, above all

else, it is the contract that functions as a ‘door opener’. Many local governments have established special support and matching functions that assist the contracting units in their deliberations on how employment perspectives should be included, and aid providers in possible recruitment processes and during contract periods. These recruitment processes are often organised in such a way as to be reminiscent of typical recruitment processes – with the main difference being that it is the local government that provides the employer with the candidates. In the first instance, it is people with income support who are matched against the assignments via the local government’s own labour market unit. The employer is then responsible for the recruitment process and chooses who to hire. It is an important principle that also signals that individuals’ skills must be calibrated to the company’s needs. The local government’s role is to assist in this calibration, and ensure that it occurs with the very individuals who would otherwise encounter obstacles in the labour market. The tool is also often marketed locally (and nationally) with arguments concerning the supply of skills, especially in relation to industries with high employment needs.

Local governments can only demand from the supplier that the employment continues as long as the public contract is valid. During that time, the studied local governments support the provider in a similar way as in other contexts – i.e. the help offered to companies involved in labour market integration. For example, this support can be in the form of aid to recruiters or helping with applications for salary subsidies. At the same time, it follows from the forms of employment promoting procurement that these are often the most job-ready individuals in the target group (in this context, typically income support recipients), and the industries where there are recruitment needs and skills supply problems. The tool thus becomes primarily a solution to what labour market researchers often refer to as the matching problem (Bredgaard & Thomsen 2018). It can also be seen as a solution to the demand problem where discrimination of, for example, foreign-born people in recruitment procedures is included and where the local government’s role in matching work can act as a counterforce.

#### **4. The local government as an entrepreneur in collaboration with civil society**

Local governments can also be entrepreneurs and collaborate with civil society organisations and social entrepreneurs in different ways. Local governments in Sweden have historically, under their own umbrella, developed work training activities that facilitate the labour market



integration of certain groups. Cafés and second-hand sales are typical examples of entrepreneurial activities that local governments have created, owned, and managed to provide work training services. In recent years, local governments have started collaborative ventures with civil society organisations to enable work-integrating activities to be organised outside of the house. Beyond the influence of New Public Management to externalise local government services, this trend can be explained by civil society organisations' shift from advocacy to welfare service delivery (Wijkström, 2011), with a consequent increase of knowledge and expertise for successful work integration.

When a local government's focus shifts from being a provider of integration services to being a partner in collaboration with other actors, its role also changes. Instead of organising and running the business under its own umbrella, a local government would develop its role as a purchaser of these services (as we have expounded upon above). Local governments have also developed an important role in supporting collaborations between diverse societal actors, creating networks and internally coordinating the various local government actors, such as departments, units, and local government companies. For example, in Gothenburg, these efforts crystallised in several collaborative governance spaces (Norbäck & Zapata Campos 2022) where the local government and WISE collaborate on the labour market integration of foreign-born people, as well as other vulnerable groups. In many cities, these networks have emerged as formal and informal collaboration arenas, to facilitate cross-sectoral dialogue and develop creative solutions and methods, such as the development of reserved procurements targeting work integration social enterprises.

#### Work integration social enterprise: WISE

Work integration social enterprise (WISE) is a form of social entrepreneurship that has grown in both number and popularity in recent years. It employs approximately 3,500 people and a further 9,500 participate in their activities in Sweden working in 350 different WISEs (Gawen 2019).

A WISE is an enterprise that conducts commercial activities, but has as its primary goal the creation of work opportunities through participatory and cooperative principles, thereby helping to integrate people into both work and society. A WISE has therefore two business

ideas: one, to produce goods and services to be sold to market and state actors; and two, to support social sustainability and integration through work. An important source of income for WISE is the provision of work training services for local governments, the PES, and the Swedish Social Insurance Agency. WISE employees typically experience problems of different kinds when seeking to enter the regular labour market. These challenges vary from previous criminal records and drug abuse, mental and physical ill-health, and burnout. In recent years, an increasing number of WISEs have also begun to work with foreign-born people outside the labour market, such as foreign-born women with low formal education and no formal work experience.

The following four criteria characterise WISEs:

- The goal is to integrate people into working life and society;
- The participation and empowerment of employees is the organisation's centre;
- All profits are reinvested in the WISE;
- It is independent from the public sector.

In Sweden, WISEs have articulated and engaged in local, regional, and national networks. The Swedish WISE interest organisation SKOOPI – in collaboration with other groups – recently introduced an official WISE certification. This certification is intended to simplify local governments' procurement of services from WISE, as well as to show what a work-integrated social enterprise is. At the local level, WISEs have also organised themselves under the umbrella of different consortia, some of them following a franchise model, where the consortium provides common services for personnel administration, communication, finance, and management. Each WISE member pays a membership that is used for the monetary and organisational support provided by the consortium, which in turn contributes to stability and increases the chances for individual WISEs to survive, as has been observed during the COVID-19 pandemic. The Gothenburg region has been described as the most thriving work-integrating social enterprises' region in Sweden, being home to such successful consortia as Vågen Ut!, GF SAK, Forum Skill, and Basta Väst. These consortia contain companies that operate, among other businesses, cafés, restaurants and hotels, second-hand shops, repair, sewing and upcycling workshops, and cleaning and gardening services.

The Gothenburg region is also home to Social Trade, a WISE cooperative sales organisation which commercialises joint services and products. Social Trade combines 40 WISE providing jobs for 400 people in the region, although it aims to upscale to a national scope. Another organisational variation was developed by Yalla Trappan in Malmö, a social enterprise that has helped create new and autonomous Yalla Trappan organisations in various parts of the country, including a combined project with Coompanion called ‘Trappa Upp’. Here, Yalla Trappan organisations collaborate through the Yalla Family, a network where participants exchange knowledge and experience, but without paying a fee for joint services. Another important actor in WISE upscaling is Coompanion, which is a national cooperative organisation whose mission is to support cooperative entrepreneurship, and is financially supported by the Swedish Agency for Economic and Regional Growth. Coompanion plays an important role in knowledge and business development, although local Coompanion offices are autonomous and therefore differ in how they collaborate, use local resources, and organise themselves.

#### Opportunities and challenges for the collaboration between local governments and WISE

Compared to other European countries, Sweden still has a relatively weak tradition of work-cooperative social enterprises. Nevertheless, the government has introduced recent investments to support the development of WISE and social enterprises in Sweden. SALAR has organised seminars and knowledge dissemination activities to showcase positive examples and encourage local governments to support and collaborate with WISE in various ways. In 2020, SALAR published *New pathway to innovative welfare solutions – A handbook on collaboration with social enterprises* (Bro 2020), a handbook to inspire and provide practical guidance to local governments on how to work to promote cooperation with WISE in terms of work integration. An important tool for this is the legislation that came into force in 2017 regarding reserved public procurement.

In order to be able to participate in a reserved procurement, companies must set social and professional integration as their main purpose, and at least 30% of their employees must be those with less access to the labour market.

In our research we have observed that there are good opportunities for local governments to work proactively with reserved procurement to promote and support WISE. However, there are

also challenges. Firstly, one of the most important prerequisites for a successful collaboration is that the local government must already have good and established contacts, and dialogue spaces, with the region's WISE, often formalised in networks and collaborative governance spaces (Norbäck & Zapata Campos 2022). These networks also include purchase and procurer offices from the local government, as well as representatives from the labour market unit, the social resource or social and solidarity economy units. Other network actors include representatives from other social organisations, such as church missions. These networks and collaborative governance spaces facilitate the dialogue between officers and prospective bidders about how these contracts could be realistically delivered according to the WISE's capacities and knowledge, and how the services should thus be designed. These collaboration spaces exist at different levels (e.g. national, regional, and local WISE networks), between different actors (public and social), and within each social enterprise (as WISEs typically invite authorities, and public and private actors, to participate in their governing bodies). These areas of collaboration usually become learning spheres, where actors exchange knowledge and experiences, which in turn leads to several social innovations (Lindsay et al. 2021).

Secondly, local government officers and politicians must work proactively with WISE and acknowledge that civil society has developed the necessary knowledge and skills with which to identify problems and solutions. Simultaneously, it is crucial that this symbiotic collaboration does not over-exploit WISE potential by setting unrealistic demands or treating a WISE like a for-profit company. Although WISE provides services, it is fundamental to understand that they are primarily grounded in civil society and have broader social goals.

Thirdly, the difference in scale between large local governments and small WISEs must be taken into account. Local governments routinely use reserved procurement services because of their need to procure large quantities of goods and services, whereas a small WISE tends to experience difficulties in securing delivery. In the two reserved procurements that we studied in Gothenburg (of work training services and fruit basket deliveries), this challenge was overcome in different ways. For work training services, the local government signed a framework agreement with a dozen different WISEs, meaning that it was possible to both secure quantity and offer a variety of work training services in different sectors. In the case of fruit baskets (which were delivered to the local government's many different workplaces), the local government signed an agreement with Social Trade (WISE's collaborative sales organisation),

which thus became responsible for coordinating the packing and delivery of the fruit baskets. Several WISEs were involved in this work, and Social Trade managed their communication with the local government.

Fourthly, creating innovative ways of collaborating with WISEs (for example, through reserved procurement, or IOP (community-driven public partnerships)) also requires that local government officials, such as lawyers and procurers, are open to new and untried methods and instruments. This can be achieved through collaborative governance spaces where solutions can be developed, such as through more open agreements that can be designed in conjunction with civil society organisations. Another method would be to allow for more generous interpretations of the rules. As an illustration, while the presence of strong professions, such as local government lawyers, can hinder public innovation, the participation of other professionals can facilitate making broader interpretations.

Fifthly, our studies show how local governments with stable and prolonged collaboration with civil society organisations increasingly move towards more decentralised and collaborative governance and innovation. This collaborative governance results in more horizontal and reciprocal relations between the local government and WISE. The relationship between the two thus develops from that of a ‘principal–agent’ to a partner relationship, where civil society organizations have ‘joint ownership’ of the social and work integration activities together with the local government.

Finally, even cities with efficiently-organised WISEs, and governance spaces and networks, face a major challenge in that many local governments themselves have developed their own work training activities, thereby competing with WISEs for similar target groups. This situation incentivises the local government to use its own, rather than WISE’s, work training activities, thus making the local government the WISE’s de facto largest competitor. Maintaining their own internal work training activities is also a strategy for local governments to retain control. In cities where local governments instead hand operations over to WISEs, local government officers showed their knowledge of, and confidence in, how WISEs function. Such knowledge and trust could take time to acquire. In other words, traditional governance of local government welfare services can hinder collaboration with WISEs. In order to create co-ownership and innovations in labour market policy, it is thus necessary to balance the local governments’

desire for control with the need to cooperate with civil society. It would also be necessary to develop mechanisms of collaborative governance (Norbäck & Zapata Campos 2022) to maintain control, although at a distance (Ek & Qvist 2022).

The development of a collaboration between a local government and civil society as a ‘spider in the web’, as it were, is possible in a policy context with a national infrastructure that facilitates and supports increased cooperation with social enterprises and WISEs. Regarding the promotion of a WISE’s interests, SKOOPI and Coompanion are two important national and regional actors. The new legislation also offers collaborative tools, such as reserved procurement. However, this legal framework, and how it should be used in practice, is still unknown in many local governments. SALAR, SKOOPI, and Coompanion, among others, are working to clarify the contribution of social enterprises and WISEs to social and work integration through such methods as seminars and meetings with politicians and officers, the recent publication of the aforementioned explanatory handbook, as well as the creation of networks of local governments working with reserved procurement. On that note, and as we have described in the previous section, the Procurement Authority also organises networks for organisations that work innovatively with reserved and social procurement.

## **5. Local governments as employers**

Local governments are large employers (often the largest) in their own territories. Therefore, they are also in themselves actors with great potential in local labour market integration. Indeed, they can employ those who need help in entering the labour market, or can conduct activities to increase their employability. In many local governments, to review one’s own operations is seen as a prerequisite before developing one’s procurer and entrepreneur roles, and activating other organisations. As one interviewee stated, ‘to ensure that we ourselves employ as we should’.

To employ staff is nothing new for a local government per se. This role more closely concerns changing how employing is practiced and perceived in the organisation, and what opportunities are (and can be) offered in terms of income support and participation in education programmes, and gaining jobs or internships in local governmental organisations in order to increase employability.

## Examples from Borlänge, Gislaved, and Gothenburg

In approximately 2011, a discussion began in Borlänge about reducing the local government and individuals' costs for unemployment based on the question of what could be done. The following three areas were focused upon: internships or possible employment; collaboration with WISEs; and employment-promoting procurement. At the Fågelmyra recycling plant in Borlänge, which is run by the energy company Borlänge Energi (which also handles waste in the local government), newly-arrived foreign born people who face entry barriers to the labour market have been participating since 2010 (i.e. before the abovementioned discussion).

Waste management is fee-financed, meaning that the income from the fee must be used strictly for waste management. A waste facility can thus not finance internships regardless of the possible benefits seen from a broader perspective. This problem was circumvented through collaborating with the PES on new-start-jobs as a means of financing of the places. Initially, four people participated during the first year. They began by keeping the facility in order and learning the business, and over time came to work with recycling and repairs, with increasing customer contact. In addition to Swedish work experience and practical language training, the trainees also received help with writing their CVs, and later went on to education or employment, with an increased employability than before the internship.

The Fågelmyra internship was expanded to include other groups. Indeed, since 2020, the Dala Återbyggdepå project – with initial support from the UDD (procurement dialogue Dalarna) and Vinnova – was implemented to manage waste from construction and renovations in the local government. Unlike other similar businesses, such as Kretsloppsparken Alelyckan in Gothenburg, Dala Återbyggdepå sells to craftsmen and other construction companies, and not primarily to individual residents. The material comes from construction and renovations, for instance, easily-damaged kitchen fittings, which can be repurposed or recycled rather than burned as waste (a common practice in Sweden, see Corvellec et al. 2018). During Dala Byggdepå's planning stage, 35 people were to be trained in operations and gain independent jobs (not as income support) by 2023. However, the COVID-19 pandemic resulted in many layoffs in the region, meaning that competent staff – for example, civil engineers, who were earlier rarely unemployed – were available to staff the depot. Despite this, however, the project has yet to be conducted to the extent initially planned.

In 2020, the Children and Education unit was formed in Gislaved, where schools, including adult education and Swedish for immigrants, joined together the labour market and financial assistance. The motivation behind this was partly to increase coordination between the units, and partly to be able to more effectively, and flexibly, organise the activities based on the participants' needs. The coordination gains soon became apparent, as highlighted by one of the interviewees: '... the effect is that you get a little more ear for it, you get these joint efforts... a common territory'.

Since 2021, a plan was initiated to expand and increase collaboration with other local governments in the GGVV region (Gislaved, Gnosjö, Vaggeryd, and Värnamo). For example, joint education can be established to meet the demand for a specific competence in the four local governments. Alternatively, if one local government has a certain need for which there is a surplus in another, an exchange can be made. This new plan is relatively recent, and its establishment during the pandemic has hindered its development. Moreover, mergers of this type require ample time to stabilise. However, the tendency is to continue with increased coordination based on the needs of individuals and to use resources flexibly on such a basis. An important indication of this is that employment is increasing, even during the pandemic.

Such coordination between local governments can mean that the establishment of relatively expensive education programmes for relatively few participants can be avoided. Instead, education can be more in-depth, provided to a greater number of participants, and be well-connected to the labour market post-education. Indeed, one interviewee in Gislaved stated that: '... how should we proceed here within the GGVV with so-called job tracks [in collaboration with DUA (Delegation for the Employment of Young People and Newly-Arrived Migrants)] where it is about if you are to be a child care worker... then Värnamo's adult education is responsible for the education but AME and the study and career counsellor here should provide funds and information so you can go and take the exam and get a grade in these preparatory courses ... first a collaborative project because we are too small local governments, not all can provide a child care education, nor an industrial education. But if we take help from each other, then maybe together we can keep the educations by allowing us to train persons from different local government. So, that's what the idea is today, then it's important to get there in practice as well' (June, 2021).



In Gothenburg, local job tracks have been created within the framework of the DUA state initiative. They consist of labour market training, Swedish as a second language and other subjects (e.g. English, mathematics, driving courses), and professional internships in local companies with a focus on the target group of young newcomers with low education. In Gothenburg, three different tracks crystallised: waste management in the local governmental company Renova AB, ‘Welcome to the future’ (*Välkommen till Framtiden*, a local governmental consortium consisting of three housing companies with two job tracks), and the Volvo Employment Programme. These job tracks were a collaboration between the Gothenburg local government department ARB-Vux, the PES, and employers within the two local governmental companies and the third in the private business sector.

The internship varies from one year (Renova) to two years (Volvo). The motives for starting these tracks also varied. In Renova, the motive was staff turnover needs during the holiday period. In Framtiden AB, the initiative came from management, as well as an ownership requirement to work with social and economic inclusion in the housing company’s areas. Volvo cited a mix between recruitment needs and social responsibility of a group of committed employees. Jobbspåren was established as a permanent activity within Framtiden as ‘Jobblyftet’, Renova has delayed due to the financial investments required, and Volvo seems to be establishing job tracks as a new and complementary recruitment channel.

### Challenges and opportunities with local governments’ role as employers

The examples from Borlänge, Gislaved, and Gothenburg are by no means unique. The statistics on local job tracks compiled by the DUA show that local governments make up 35% of the employers associated with the programmes. Based on the three examples and other research, we here discuss the challenges and opportunities for developing local governments’ role as employers in labour market integration policy.

Local governments’ role as employers is broadening and growing, with support from various national programmes, such as job tracks and start-up jobs. Most initiatives aim to increase participants’ employability, despite some having been permanently employed. Such programmes appear to be positive and effective in the sense that participants should be able to

move from employability to finding permanent jobs. However, due to the presence on some uncertainty, continued research could show more long-term effects.

Local government-owned companies are, in the discourse around public organisations, often said to offer more flexibility than traditional in-house organising, such as in developing their role as employers (see, for example, Thomasson 2009). However, it should not be taken for granted that local government-owned companies are driven by social responsibility, or will internalise initial recruitment and training costs more easily or effectively than privately-owned companies (or, for that matter, than local government organisation). The Renova example shows how their technical orientation and requirements to efficiently deliver environmental services and handle fee funds mean that they are more reluctant about establishing job tracks than large private companies, or even multinational corporations. The latter may, paradoxically, be more exposed to social demands to work with social and economic inclusion. One explanation for this may be ‘institutional confusion’ that public organisations may experience in NPM culture with increased demands for efficiency and profit. This also means that different public companies or administrations experience different requirements in developing an employer role. In the three examples, Framtiden AB met ownership requirements for working with integration issues. The fact that the requirements came top-down had two different effects. First, it was initially more challenging to implement the programme and comply with the requirements. Second, anchoring the programme with the owners has made it permanent and internalised the costs (Truong & Sjödin 2021).

A consequence of broadening the employer role may also be a stronger resistance at lower organisational levels, as the existing new recruitment system may be perceived to overlap and stoke fears that priority will be given to employment for some, but not others. At Fågelmäyra, the existing staff were initially sceptical about the establishment of trainees. However, this quickly changed to a positive view when it was established that this would not threaten their own employment, and was seen as a positive addition and broadening of the (recycling) business. Internal concerns, as well as opposition to increased recruitment in general and new recruitment paths in particular, are a potentially major issue that may raise concerns about negative changes to the workplace regarding the replacement or neglect of existing staff.

In summary, the development of the employer role is based on two starting points. First, those who need employment and what exactly they require. Second, how their own organisational resources and opportunities can most effectively be used or expanded with the help of others, such as government organisations, other branches of local government (or other local governments themselves), or private businesses.

## **6. Discussion**

Our studies show that pinpointing the role of local governments in labour market integration is far from straightforward. Indeed, local governments seem to have several different roles that are developed by a variety of local governmental actors in a number of different contexts. In our studies, we started from the three roles identified by previous research (our own and others') on local labour market integration as particularly important: the roles as procurer, entrepreneur, and employer. In these roles, local governments act to promote labour market integration, and thus enable everyone to be part of working life and society. This is done through local governmental activities and networks – both established and emerging – with companies and civil society.

While the roles are diverse and intertwined, they also have specific characteristics that allow them to be distinguished analytically. What characterises the role as purchaser is the exercising and development of market exchanges where local governments act as buyer. It includes both procurements of labour market integration initiatives (e.g. education or job coaching) and the possibility of integrating employment requirements into procurement contracts. The role is based on local governments' demand and purchasing power, and occurs predominantly in relationships and exchanges that follow the logic of competition as a driving force.

Furthermore, regarding the entrepreneurial role, the actual integration work is intended to take place beyond local governments' own organisation. Here, local governments cooperate with non-profit organisations, social enterprises (especially WISEs) and the local business community. Unlike through procurement, where the efforts are shaped and developed as services in a market or as contract conditions, the role as entrepreneur is based on voluntariness and horizontal relationships. This means that local governments are part of, or support, local partnerships where initiatives can be developed from below, while local governments can

contribute to their survival and diffusion. In recent years, the role has been emphasised as a way to develop flexible and effective local initiatives, while also following a well-trodden path in integration policy implementation (Qvist 2016).

In the employer role, however, labour market integration takes place in the local government's own operations, in which departments and local governmental companies offer employment (or internships) to target groups. This is often done through local job tracks based on employers' skill needs. Here participants, through education and internships, are prepared for work in sectors where there is a shortage of labour, such as care and nursing. Statistics from the DUA show that 35% of all employers linked to local job tracks are in the local governmental sector, thus confirming the scale and importance of the employer role for local governments' labour market integration. Even so, this role is rarely highlighted as innovative and dynamic in the success stories of labour market integration disseminated through networks and organisations at the national level.

The roles themselves – how they are performed and filled with content in different local governments – have been, and continue to be, an important theme in our studies. It is also interesting to study the relationships between them. For example, the procuring role offers tools that generally force companies into collaboration – that is, if they want to compete for local governmental contracts. While strict requirements are admittedly rare, our studies show that procurement functions as a door opener for dialogue with companies that are otherwise difficult to reach or attract into integration-promoting partnerships. Accordingly, the procuring role reinforces rather than replaces the entrepreneurial/collaborative role. Another example is when the employer role is transferred to the entrepreneur, which is most evident when local governmental units are transformed into social enterprises – which sometimes happens in order to avoid competition with the social enterprises that the local government aims to support and develop. There is hence a potential conflict between the local government as a social intrapreneur and employer, and the local government as an enabler of social innovation and entrepreneurship outside of the local governmental organisation. This conflict is found in the literature on public innovation, and is occasionally described in terms of governance vs meta-governance (see Ek Österberg & Qvist 2020).

In practice, local governmental labour market integration means that a large number of actors in local governmental administration can be involved in integration efforts, albeit at a distance. In the procurer role, for example, the central procurement units are important as drivers and administrative hubs. Its task is to be both encouraging (inspire and convince) and bureaucratic (create structures, rules, and processes). Of course, all of the departments and companies that make procurements with employment requirements are important players. The procurer role is thus spread over a large number of public government employees who do not necessarily always have labour market integration as their area of competence or main occupation. Although not all actors are involved in developing or promoting the initiatives, they are important for initiatives to take root and stabilise. The dissemination of tasks and responsibilities within and beyond local government organisation thus offers a number of opportunities to both broaden and deepen, and renew and manage, the integration work locally. However, this also entails major challenges, as quality requirements and the follow-up of results must be balanced against the risk of a loss of flexibility and creativity.

### Three observations

From the studies we have thus far conducted, we would like to highlight three observations. First, there is a movement towards further strengthening the role of civil society, not least social enterprises. It is a kind of market creation that offers enormous potential while also challenging traditional notions about companies, the market, and local governments' relationship to them. Here, we believe, there is a wide range of opportunities to develop initiatives for those in the target group who require more than mere matching. However, the opportunity for these actors to be innovative and influence policy development depends on local governments' courage and ability to involve these actors early in the processes and, of course, on the existence of local social enterprises – which tends to be something that local governments have little control over. This presupposes areas of cooperation between social enterprises and local governments, in which civil society can be creative and offer new solutions based on their own resources and skills. These social enterprises must also be given space to be proactive in realising ideas as well as actively participating in knowledge transfer processes. If this is to be possible, it is crucial for local governments' own activities to not be in competition with these enterprises. It is also important to understand and manage the difference between ordinary for-profit companies and social enterprises at local governmental, regional, and state levels.

This is hugely important, as previous research has warned against seeing social enterprises as generic suppliers of welfare solutions that deliver ‘just in time’ what the purchasers order (Aiken & Bode 2009). This means that the potential of social enterprises to create meaningful employment for people who – regardless of how well they are matched – lack the required conditions to fit into the regular labour market, is lost. Under such conditions, social enterprises are seen as just another provider of welfare services that may be compared to for-profit enterprises with completely different conditions and objectives. In such a context, social enterprises are at risk of being competed out of existence since their distinctiveness is not capitalised upon.

One example is the ongoing reorganisation of the PES, which affects local governments’ work with labour market integration in several ways. Many WISEs are dependent on the PES placing people with them for work training, a procedure that is reduced when the PES is reorganised to work more closely and frequently with procured matching companies (Annebäck 2021). Despite the fact that, in many local governments and political discourse, civil society is seen as an increasingly important partner for solving complex societal problems, such as work and integration, there is a risk that systems will be introduced that make it difficult for these actors to operate.

Second, there is a need to problematise and further explore target groups for local labour market integration regarding how they are created and change over time, and how local governments in their different roles address different sets within the same target group. Individuals outside the labour market constitute a broad and heterogeneous group with various reasons for their exclusion from working life. However, many initiatives, such as those which promote employment, are designed to solve an imaginary matching problem, often seen from a skills supply perspective, with employers in need of recruitment and individuals without a job. The initiatives tend to offer solutions for the most job-ready individuals in the target group, as they more easily and ably match what is sought after. This prioritisation is reasonable given the policy development where integration is increasingly equated with (or assumed to occur through) labour market integration. However, it can also be problematic given the target group’s heterogeneity. This applies especially to foreign-born people, who constitute a highly multifaceted group – or rather groups – within which conditions and needs differ greatly. This

is a major challenge for labour market integration, which is usually developed in the form of targeted programmes for certain target groups – programmes that can also compete with each other. If labour integration for the whole target group is to be achieved, efforts must also be adapted to those who are less job-ready. If not, some groups will remain permanently excluded from the labour market.

There is also much debate over how to prioritise existing resources. A recurring problem that we have seen in our studies is the challenges local governments face in balancing how different local governmental resources are to be used. As we have just described, there is an inherent tension between investing resources in what is sometimes described as low-hanging fruit (i.e. individuals who are more job-ready and already relatively close to the labour market) and the higher-hanging fruit. The latter are those groups that in many cases have fewer opportunities to integrate into the conventional labour market and need more long-term initiatives that are seen as more costly, such as longer rehabilitation, work training, or education. When goal fulfilment is measured through such indicators as paid work and self-sufficiency, there is a risk that initiatives aimed at those in need of more long-term help will be given lower priority during resource allocation. This is problematic as there are great gains to be made both for the individual and society if these groups become more integrated. Previous research has also pointed to the importance of including other factors than work that affect foreign-born people's opportunities for successful social integration, such as housing shortages (Holmqvist, Omanović & Urban 2020) or mental illness with unprocessed trauma.

Third, the issue of a narrow focus on work as a means and goal of integration must be discussed further. The broad, multifaceted target groups of individuals outside the labour market do not only consist of migrants. Indeed, these groups also contain those with physical and mental functional variations, young adults, people with work-related injuries, and those with substance abuse and criminal records, among others. Integration has in recent decades been strongly associated with labour market integration and foreign-born people. We argue that this view of integration is much too narrow, as integration presupposes not only work, nor that only migrants need support to enter the labour market. Politics and its implementation tend to change in line with language, or perhaps indeed vice versa. This policy area has not always been called integration policy. For a long time, it was referred to as immigration policy (Urban 2018). Nowadays, there is often talk of the establishment of new arrivals and other foreign-born

people. To challenge the usual way of talking about contemporary integration, in the hope of enabling new perspectives, images, and solutions, Ayşe Çağlar and Nina Glick Schiller (2018) proposed the concept ‘emplacement’. It offers, they argue, new ways of dealing with issues of integration that otherwise tend to be dominated by the categorisation of foreign- and domestic-born people. A discussion with emplacement/displacement as a starting point may possibly shift the focus towards human rights and diversity rather than simply labour market establishment. This is especially important as there is a risk of efforts being aimed to meet employers’ staffing requirements, rather than people’s needs for meaningful employment.

## References

- Aiken, Mike and Ingo Bode (2009) Killing the Golden Goose? Third Sector Organizations and Back-to-Work Programmes in Germany and the UK, *Social Policy & Administration*, 43: 209- 225.
- Annebäck, Karin (2021) ”Här är det en styrka att vara annorlunda”: Arbetsförmedlingen omorganiserar – då hotas jobben för de mest utsatta, Artikel i *Dagens ETC* 2021-08-26
- Bro, Anders (2020) Ny väg till innovativa välfärdslösningar – En handbok om samverkan med sociala företag”, *Handbok från SKR, Sveriges kommuner och Regioner*.
- Çaglar, Ayse and Nina Glick Schiller (2018) *Migrants and city-making: Dispossession, displacement, and urban regeneration*, Duke University Press.
- Corvellec Herve, Richard Ek, Nils Johansson, Anette Svingstedt, Patrik Zapata and María José Zapata Campos (2018) *Waste prevention is about effective production and thoughtful consumption – not about waste: Seven lessons from the research project from waste management to waste prevention*. Helsingborg, Department of Service Studies, Lund University.
- Diedrich, Andreas and Hanna Hellgren (2018) *Organizing Labour Market Integration of Foreign-born Persons in the Gothenburg Metropolitan Area*, GRI-rapport 2018:3.
- Ek Österberg, Emma and Martin Qvist (2020) Public Sector Innovation as Governance Reform: A Comparative Analysis of Competitive and Collaborative Strategies in the Swedish Transport Sector, *Administration & Society*, 52(2): 292–318.
- Emilsson, Henrik (2015) A national turn of local integration policy: multi-level governance dynamics in Denmark and Sweden. *Comperative Migration Studies*, 3(7): 1-16



- Eriksson, Erik (2019) *Perspektiv på integration och etablering - Kunskapsunderlag för ett strategiskt arbete med stöd till nyanlända*, Centrum för kommunstrategiska studier, Linköpings universitet, rapport 2019:5
- Upphandlingsmyndigheten (2019) *Sysselsättning genom offentlig upphandling*, rapport 2019.6
- Hedin, Ulla-Carin, Urban Herlitz, Jari Kuosmanen and Eva Laurelii (2015) *Arbetsintegrerande sociala företag: organisation, ledarskap och delaktighet*, Studentlitteratur.
- Holmqvist Emma; Omanović, Vedran och Urban, Susanne (2020) *Organizing Integration in the Labor and Housing Markets*, Rapport från SNS.
- Kommunalupphandling.se
- Norbäck, Maria and María José Zapata Campos (2022) The market made us do it: Public procurement and collaborative labour market inclusion governance from below. *Social Policy & Administration*, online first.
- Qvist, Martin (2013) *Styrning av lokala integrationsprogram: Institutioner, nätverk och professionella normer inom det svenska flyktingmottagandet*, doktorsavhandling, Linköpings universitet.
- Qvist, Martin (2016) Activation Reform and Inter-Agency Co-operation – Local Consequences of Mixed Modes of Governance in Sweden, *Social Policy and Administration*, 50 (1): 19-38
- Sarstrand Marekovic, Anna-Maria (2011) *Från invandrarbyrå till flyktingmottagning: Fyrtio års arbete med invandrare och flyktingar på kommunal nivå*, doktorsavhandling, Linnéuniversitet.
- SFS nr: 2016:1145, *Lag om offentlig upphandling*.
- Soininen, Maritta (1992) *Det kommunala flyktingmottagandet: Genomförande och organisation*, Stockholm: CEIFO.
- Thomasson, Anna (2009) Exploring the Ambiguity of Hybrid Organisations: A Stakeholder Approach. *Financial Accountability & Management*, 25 (3): 353-
- Torfig, Jacob, B. Guy Peters, Jon Pierre, and Eva Sørensen (2012) *Interactive governance: Advancing the paradigm*, Oxford: Oxford University Press.
- Truong, Erik and Felicia Sjödin (2021) *The travel of a labour market integration method- Institutional contexts shaping the translation of an idea into practice*, Mastersuppsats, Handelshögskolan, Göteborgs universitet
- Upphandlingsmyndigheten (2020) *Statistik om offentlig upphandling 2020*. Upphandlingsmyndighetens rapport 2020:4.

Urban, Susanne (2018) *Integration och grannskap: hur kan staden hålla samman?*  
Studentlitteratur.

## **School of Public Administration Working Paper Series: Published Papers**

2022:35 Emma Ek Österberg, Nanna Gillberg, Maria Norbäck, Patrik Zapat & María José Zapata Campos: Local government as employer, procurer, and entrepreneur in labour market integration

2022:34 Allison Östlund och Jonas Hallberg: And Now For Something Completely Different... Disposing of pacta sunt servanda through an obiter dictum

2018:33 Patrik Zapata & María José Zapata Campos: Waste tours. Narratives, infrastructures and gazes in interplay

2017:32 Johan Alvehus, Sanna Eklund och Gustaf Kastberg: First teachers – stratification in Swedish Schools

2016:31 David Karlsson: Kommunpartiet i Sveriges riksdag

2015:30 Petra Svensson: Strategists in the intersection of logics. A study of job advertisements in the Swedish municipal administration

2015:29 Nazem Tahvilzadeh, Stig Montin & Mikael Cullberg: The urban politics of sustaining growth: Sustainability governance in the Gothenburg metropolitan area

2014:28 Stig Montin: Municipalities, Regions and County Councils in Sweden: Actors and Institutions

2014:27 Stig Montin: Between hierarchy, market and networks. The case of public utility and care for the elderly in

2014:26 Patrik Zapata & María José Zapata Campos: Unexpected translations in urban policy mobility. The case of the Acahualinca Development Programme in Managua, Nicaragua

2014:25 Eva Álvarez de Andrés, Patrik Zapata & María José Zapata Campos: Stop the evictions! The diffusion of networked social movements and the emergence of a new hybrid space: The case of the Spanish Mortgage Victims Group

2014:24 Patrik Zapata & María José Zapata Campos: The travel of global ideas of waste management. The case of Managua and its informal settlements

2013:23 María José Zapata Campos & Patrik Zapata: Switching Managua on! Connecting informal settlements to the formal city through household solid waste collection

2013:22 Hervé Corvellec, María José Zapata Campos & Patrik Zapata: Infrastructures, Lock-in, and Sustainable Urban Development – The Case of Waste Incineration in the Göteborg Metropolitan Areas

2012:21 David Karlsson & Ylva Norén Bretzer: Swedish Regional Reform and the Political Map: Party Interests at Stake

2012:20 Osvaldo Salas: Har kvasimarknaden fungerat som den skall i särskilt boende?

2011:19 David Karlsson: Gåtan Fagersta. Om partier som har större framgång i kommunalvalet än i riksdagsvalet

2011:18 Evio Accinelli, Edgar J. S. Carrera & Osvaldo Salas: Labor force decision to migrate

2007:17 Johan Berlin & Erik Carlström: From Artefact to Effect - The Organising Effect of Artefacts On Teams

2007:16 Tobias Johansson & Sven Siverbo: Rational, Political and Cultural Explanations to the Utilization of Relative Performance Evaluation in Swedish Local Government

2006:15 Lena Andersson-Felé: Time to Revive Luther Gulick. On Span of Control and Organisation Quality

2006:14 Björn Brorström & Viveka Nilsson: Does Organization Matter? A Study of Physicians' ideal organization

2006:13 Patrik Zapata Johansson: Legitimacy Lost and Back to Normality. Scandals in the Public Sector - The Swedish Case

2005:12 Staffan Johansson, Mikael Löfström & Östen Ohlsson: Separation or Integration. A Dilemma when Organizing Development Projects

2005:11 Tobias Johansson: Contractual Choice and Performance in Municipal Service Delivery. The Case of Swedish Elderly Care

2005:10 Sven Siverbo & Gustaf Kastberg: Activity based financing of health care. Experiences from Sweden

2005:9 Christian Jensen, Staffan Johansson & Mikael Löfström: The interactive project. A model for analyzing environmental uncertainty

2004:8 Henry Bäck: The complementarity of urban leadership and community involvement

2004:7 Henry Bäck: Communication, cohesion and coordination. Metropolitan regions in Sweden

2003:6 Henry Bäck: Partified City. Elite political culture in Sweden's biggest cities.

2003:5 Sven Siverbo: Purchaser provider split in principle and practice

2002:4 Björn Brorström & Sven Siverbo: Successful Change? Explaining the Development in Five Municipalities

2002:3 Björn Brorström, Bo Hallin & Gustaf Kastberg: Significance of Control Models. Intentional and Unintentional Effects

2002:2 Henry Bäck: Fragmentation and consolidation in the big city: Neighbourhood decentralisation in six Scandinavian cities

2002:1 Björn Rombach & Rolf Solli: Learning Leadership. The Cinema as University