

Labour market integration of Refugees

INTRODUCTION ⁽¹⁵³⁾

Whether the EU can tackle poverty and increase prosperity for all will depend strongly on how well those who were not born in the EU can be integrated into the labour market and society. As the EU faces an unprecedented inflow of asylum seekers, many of whom may be granted protection status and stay, the question of the integration of refugees is gaining importance.

This chapter analyses the available evidence on the labour market and social challenges that refugees face in the EU and the factors and policies that can help their integration in the economy and in society. It builds on and further develops the analysis of the labour market outcomes of refugees resident in the EU prior to 2014, notably the 2016 joint EC-OECD Working Paper (Dumont, Liebig, Peschner, Tanay and Xenogiani, 2016).

This chapter uses a combination of descriptive, regression and simulation analyses to look at labour market and social outcomes of refugees using the most recent and the most detailed data available: the 2014 Labour Force Survey (LFS) Ad Hoc Module on Migration in combination with micro data from the standards LFS. It also provides an extensive mapping of labour market and social integration policies available to asylum seekers and refugees across the 28 EU Member States.

In the last seven years, the yearly number of first-time asylum seekers has increased from 153,000 in 2008 to 1.3 million in 2015 and close to 900,000 in the first nine months of 2016. These numbers remain relatively small, in comparison to the total population: 0.4% for asylum applications and 0.15% for positive first instance asylum decisions in 2015. However, the distribution of asylum seekers across the EU has not been uniform, with a few Member States receiving most of the recent asylum seekers and the speed of the inflow giving rise to the need to upgrade existing integration programmes and introduce new ones.

The topic has received high media attention and is expected to continue doing so for years to come. Even if the numbers of people arriving in the EU have stabilised or declined somewhat compared with 2015, the migration of people seeking protection in the EU is forecast to continue. With over 60 million people displaced worldwide and no end in sight for many of the conflicts causing this displacement, the number of people seeking protection in the EU is expected to continue to grow (UNHCR, 2016). This forms part of a general trend of increased migration across the globe. Since migration flows are predicted to double in the next 35 years, it has been said that "the age of migration is here to stay" (EPSC, 2015).

In the face of a sudden strong inflow of people seeking protection in the EU in 2015, the Commission and Member States took steps to prevent loss of life at sea, improve legal channels for migration and manage the reception of asylum seekers in the host countries. At the same time, efforts have been made to prepare effective integration programmes for those who have been granted protection status. In particular, the recently adopted Commission Action Plan on

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Box 3.1: Refugee, asylum seeker or migrant - what is the difference?

A **migrant** is technically any person who is residing in a country other than his country of citizenship or birth. Asylum seekers, beneficiaries of international protection (commonly referred to as refugees), beneficiaries of subsidiary protection, and family, labour and study migrants, are hence all migrants, but with important differences in the rights they hold (e.g. to work, to social security etc.) and their socio-economic situation.

An **asylum seeker** is a person seeking international protection who has applied but not yet been granted the status of "beneficiary of international protection". The term **refugee**, on the other hand, is considered here a person who is a successful asylum applicant. This may be a third-country national who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, political opinion or membership of a particular social group, is outside their country of nationality and is unable or, owing to such fear, unwilling to avail themselves of the protection of that country; or a stateless person, who, being outside their country of former habitual residence for the same reasons as mentioned above, is unable or, owing to such fear, unwilling to return to it (Directive 2011/95/EU).

Subsidiary protection is given to a third-country national or a stateless person who does not qualify as a refugee, but in respect of whom there are substantial grounds for believing that, if they were returned to their country of origin or, in the case of a stateless person, their country of former habitual residence, they would face a real risk of suffering serious harm.

An **unaccompanied minor** is a non-EU national or stateless person below the age of eighteen who arrives on EU Member State territory unaccompanied by an adult who is responsible for them, by law or custom; or a minor who has been left unaccompanied after they entered EU Member State territory.

The term '**non-EU born**' refers to people who were born outside the EU. When analysing integration it is useful to consider country of birth. Migrants who become naturalised may still experience integration difficulties after naturalisation.

For the purposes of this chapter, **other non-EU born/other migrants** are non-EU born individuals who have immigrated for reasons other than seeking international protection (e.g. family, employment or study reasons). **Third-country national** is the term covering everyone who is not a citizen of any EU State.

The term '**second generation**' refers to the children of immigrants who were born in the host country. **Naturalisation** denotes the situation where people of third-country citizenship obtain nationality of the host country in which they reside.

This chapter uses country of birth to define migrants and the term "refugee" to denote anyone who came for reasons of humanitarian, international or subsidiary protection.

Integration⁽¹⁵⁴⁾, the New Skills Agenda⁽¹⁵⁵⁾ and the proposed revision of the Common European Asylum System⁽¹⁵⁶⁾ demonstrate that the European Union is taking significant steps to improve the integration of refugees and other migrants and support their economic and social contribution to the EU.

1. CURRENT REFUGEE FLOWS: WHAT WE KNOW THUS FAR

1.1. A big recent increase in the number of asylum seekers

Over the last two years the EU has seen an unprecedented increase in the number of people seeking asylum within its borders. This has been driven by conflicts in the Middle East (e.g. the war in Syria) and in Africa⁽¹⁵⁷⁾. In 2015, the number of asylum

seekers reached 1.3 million and 900,000 in the first nine months of 2016 (**Chart 3.1**). Nevertheless, many Member States experienced similarly high and sudden asylum inflows in the late 1980s and 1990s (e.g. France, Germany, Sweden and Denmark due to the Balkan Wars and fall of the Iron Curtain) and the late 1990s/early 2000s (e.g. France, Austria and the United Kingdom due to the wars in Iraq, Afghanistan, Sri Lanka and conflicts in Turkey and many countries in Africa) (**Chart 3.2**).

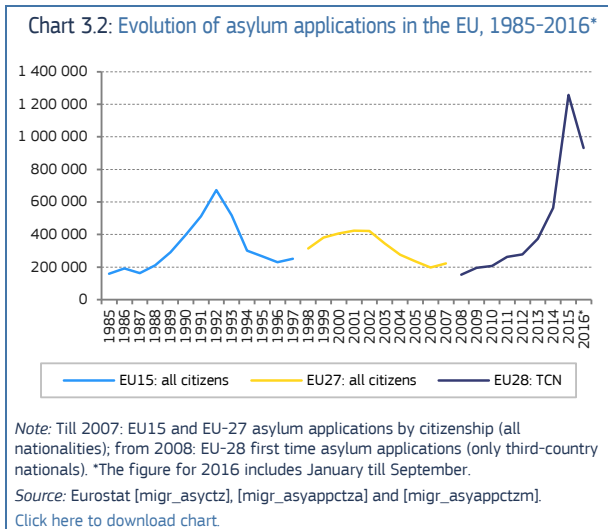
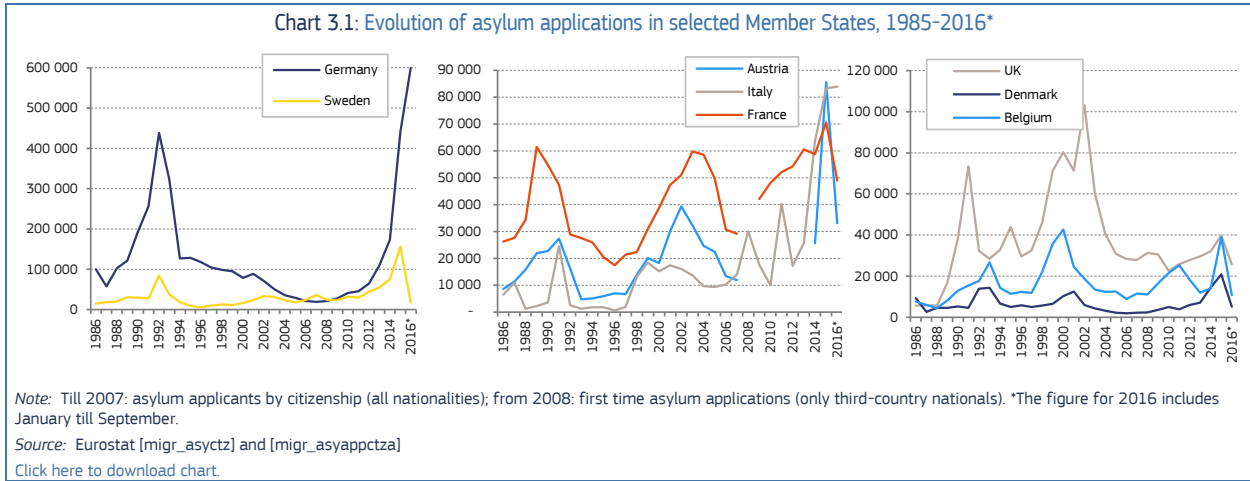
example Migration Policy Institute (2015), *Europe's Migration Crisis in Context: Why Now and What Next?*, 24 September 2015 – available at <http://www.migrationpolicy.org/article/europe-migration-crisis-context-why-now-and-what-next>.

⁽¹⁵⁴⁾ Action Plan on the Integration of Third Country Nationals, Commission Communication COM(2016) 377 final, Brussels, 7.6.2016.

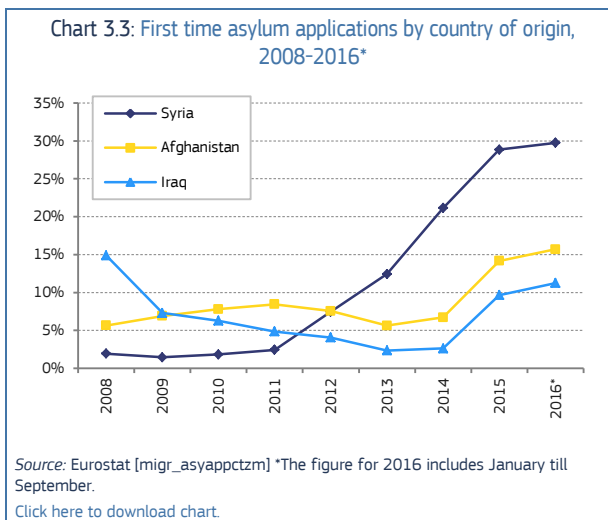
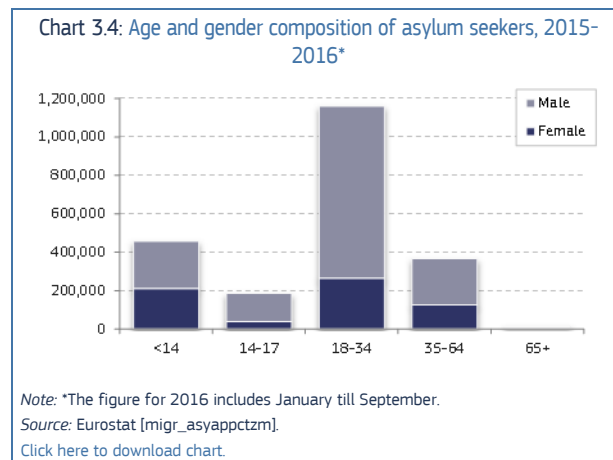
⁽¹⁵⁵⁾ A New Skills Agenda for Europe, Commission Communication COM(2016) 381 final, Brussels, 10.6.2016.

⁽¹⁵⁶⁾ See proposal for revised Reception Conditions Directive (Brussels, 13.7.2016 COM(2016) 465 final) and Qualifications Regulation (Brussels, 13.7.2016 COM(2016) 466 final).

⁽¹⁵⁷⁾ For more detailed explanations of the timing, reasons and factors influencing the current wave of migration see for



all first time asylum applications were lodged by Syrians (**Chart 3.3**)



Young people aged between 18 and 34, and notably young men, constitute the largest group of asylum seekers. 41% of all arrivals seeking asylum in 2015 and first nine months of 2016 (896,000 people) were young working-age men between 18 and 34 (**Chart 3.4**).

Many children flee their home countries. Almost 21% of all asylum seekers, or 458,000 people in 2015 and first nine months of 2016, were minors below the age of 14. The number of unaccompanied minors seeking asylum in the EU almost doubled between 2013 and 2014 (from 13,000 to 23,000) and quadrupled in the following year (96,000 in 2015). The majority of them (59% of all unaccompanied minors in the EU) went to Sweden and Germany in 2015 ⁽¹⁵⁸⁾.

Of the 1.3 million asylum applications filed in 2015 in the EU, almost a third were made by Syrian citizens (29%) and a quarter by Afghan (14%) and Iraqi (10%) citizens. The proportion of Syrians in total asylum applications has risen rapidly as the conflict in Syria has worsened. At the start of the Syrian Civil War in 2011 Syrians made up only 2% of all first time asylum applications in the EU, but from that year onwards the proportion grew year by year, reaching 29% in 2015. In the first nine months of 2016 30% of

1.2. Germany and Sweden are the main destination countries

The distribution of asylum seekers across the EU is not uniform, with a handful of Member States receiving most of the current inflow. In terms of the absolute number of people applying for asylum, Germany (48%), Hungary (9%), Sweden (8%), Italy (8%), France

⁽¹⁵⁸⁾ Eurostat: Asylum applicants considered to be unaccompanied minors by citizenship, age and sex Annual data (rounded) [migr_asyunaa]

Table 3.1: Level of education of asylum seekers, refugees and immigrants who arrived or started to reside in 2015

Males																		
Country of origin	Asylum seekers/refugees overall			Syria			Afghanistan			Iraq			Eritrea			Overall population ²		
	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE
Country of assessment																		
High	18	15		28	21	12	6	5	9	14	31	17	3		4	28	29	29
Medium	22	38		27	45	50	18	20	29	15	31	42	23		42	57	57	50
Low	59	47		45	34	38	75	75	62	70	39	41	74		54	14	13	20

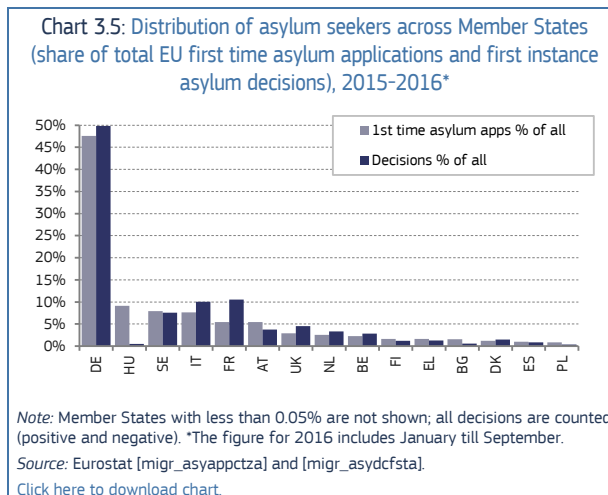
Females																		
Country of origin	Asylum seekers/refugees overall			Syria			Afghanistan			Iraq			Eritrea			Overall population ²		
	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE	DE	AT	SE
Country of assessment																		
High	16	32		24	36	12	5	11	4	13	44	18	2		2	21	27	40
Medium	17	37		25	32	51	14	15	30	13	34	40	18		36	60	51	40
Low	66	31		50	31	37	80	73	66	74	22	42	80		62	18	22	19

Note: the German data refers to asylum seekers who arrived in 2015 (data for the first half of 2016 broadly confirm the picture), the Austrian data to people benefitting from international protection who arrived in 2015 and the Swedish data to people whose previous residence was the named country and who started to reside in Sweden in 2015. This by itself may result in better qualifications showed for Sweden, as some of the new residents may have entered not as refugees but on student or employment visas. Another possible source of differences is the non-participation bias: the German data covers voluntary responses though of a large subsample of about 220,000 asylum seekers, the Austrian sample covers a very selective group of about 1,000 people who volunteered to participate in the skills assessment effort and the Swedish administrative data is available only for 40-80% of new residents, the qualifications of the others not being known. This may have contributed to the generally better outcomes observed in the Austrian data. Finally, for the German study, respondents were asked about the most advanced educational institution they attended, regardless of whether they obtained a corresponding degree or not, while the Austrian and Swedish data refer to finished qualifications.

Source: by country of assessment: Austria: Kompetenzcheck, Germany: BAMF (2016), 'Sozialstruktur, Qualifikationsniveau und Berufstätigkeit von Asylantragstellenden', Sweden: Statistics Sweden.

[Click here to download table.](#)

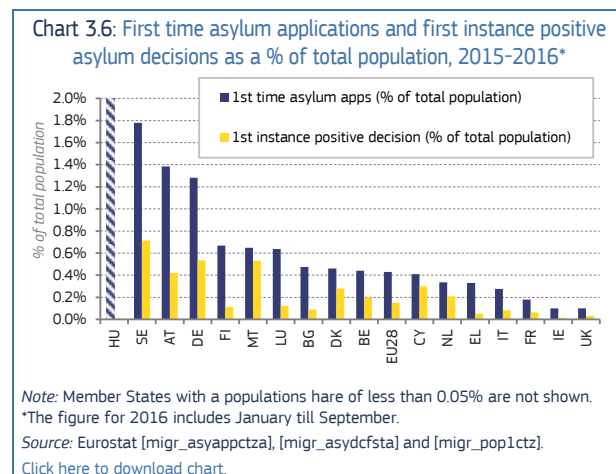
(5%) and Austria (5%) have received the largest proportion in 2015 and first nine months of 2016 (Chart 3.5). Nevertheless, the distribution of first-instance decisions on asylum across the EU indicates that Hungary is more a transit than a destination country⁽¹⁵⁹⁾. Asylum seekers are required to file for asylum immediately in the country where they enter the EU even if they choose not to stay there. This phenomenon highlights the problem of potential double counting, but also the need for examining asylum applications and decisions side by side.



⁽¹⁵⁹⁾ The exact figures confirm this as Hungary registered 174,400 first time asylum applications in 2015 alone, but with only 3,400 first instance asylum decisions in 2015 and 2900 in the first three quarters of 2016. However, there is a delay between lodging an asylum application and the decision on this application, this may indicate that while many people file an application for asylum in Hungary, few actually remain in the country to see the asylum process to the end. In addition, in 2015 Hungary reported 103 000 withdrawn asylum applications (Eurostat: Asylum applications withdrawn by citizenship, age and sex Annual aggregated data (rounded) (migr_asywitha)).

Figures on the number of asylum seekers must take into consideration the large differences in population size between Member States and the efforts being made by Member States relative to their total population (Chart 3.6). Apart from Hungary, Sweden has received the highest number of asylum seekers relative to its population. Moreover, in Sweden, first time applications and first instance positive asylum decisions are equivalent to 1.8% and 0.7% respectively of the total population. Austria follows with 1.4% and 0.4%, then Germany with 1.3% and 0.5%.

For the EU as a whole, the proportions are much lower: 0.4% and 0.15% respectively. Therefore, the potential for sharing the burden more evenly across all Member States is considerable.



1.3. Education and qualification levels of recent asylum seekers/refugees

There is no systematic assessment of the qualifications and skills of asylum seekers at entry. If at all recorded, this information was often collected on

the basis of voluntary declarations and covered only a small proportion of asylum seekers (EEPO 2016a). Evidence points to average qualifications being lower than those of the native population, while illustrating a considerable variation according to countries of origin. **Table 3.1** shows the level of schooling of asylum seekers who arrived or started to reside in the EU in 2015 ⁽¹⁶⁰⁾. Among the main countries of origin, a large proportion of surveyed asylum seekers from Afghanistan and Eritrea had no or only a low level of education (below upper secondary) and only a small proportion had benefitted from secondary and tertiary education. In contrast, a sizeable proportion of Syrians had benefited from tertiary education. Nonetheless, as with the other main countries of origin, the proportion of Syrians with only low-level education was considerably higher than that for the native-born population in receiving countries.

There are also some important gender differences in some countries: surveyed women from Afghanistan and Eritrea have on average attained lower education than men. Gender differences are not pronounced when considering asylum seekers from Syria and Iraq.

Available information about the professional qualifications of asylum seekers is even more sporadic than the evidence of their education levels. There are some indications that professional qualifications may be less favourable. The gap compared with other foreigners and natives in the recipient countries may be even more pronounced than for education levels ⁽¹⁶¹⁾.

2. PREVIOUS INFLOWS OF REFUGEES AND THEIR LABOUR MARKET INTEGRATION

This section looks at refugees who arrived in the EU up to 2014, examining their characteristics and exploring the factors which influence their labour market integration – with a view to drawing lessons for the future. It is based on Eurostat survey data, mainly on data gathered through the 2014 Labour Force Survey (LFS) Ad Hoc Module on the Labour market situation of

migrants and their immediate descendants but also drawing on other sources where available.

The Ad Hoc Module provided detailed information on the labour market and social situation of various types of migrants which was not available for previous years through the regular LFS ⁽¹⁶²⁾. It has thus become possible to identify for the year 2014 the main reason for having migrated to the current country of residence and therefore to distinguish refugees from other third-country migrants ⁽¹⁶³⁾.

Even though the Ad Hoc Module only covers data up to 2014 - i.e. it came one year before the big 2015 wave of refugees - it provides important lessons from previous inflows of refugees. Notably, it gives a unique opportunity to shed light on how refugees are faring in Europe in the medium- and long-term and to inform policy-making in this area.

This section's focus is on refugees, defined as people born outside the EU who state that they came to the EU for reasons of international protection.

2.1. Patterns of refugee inflows up to 2014

2.1.1. Strong concentration of refugees in a few countries

Non-EU born people are very unevenly distributed across Member States. According to the 2014 Module, five countries alone (Germany, the United Kingdom, France, Italy, and Spain) host 83% of all non-EU born migrants aged between 15 and 64 years in the 25 EU countries (EU-25) that took part in the Ad Hoc Module. Those included all current EU countries except the Netherlands, Denmark and Ireland. By contrast, the 13 countries included in the Ad Hoc module which joined the EU from 2004 onwards host less than 5% of non-EU born migrants in the EU-25.

Looking specifically at refugees in 2014, 81% of the 1.8 million refugees residing in the EU (and identified in the Ad Hoc Module) were living in just four EU Member States (Germany, the United Kingdom, Sweden and France: **Chart 3.7**) ⁽¹⁶⁴⁾. By contrast, Italy and Spain host more than 3 million non-EU born migrants each, but only few refugees: around 23,000 each in 2014 ⁽¹⁶⁵⁾.

⁽¹⁶⁰⁾ The Austrian statistics shown relate to people who benefitted from international protection, the German statistics relate to asylum seekers, and the Swedish statistics to people whose previous residence was in the named countries. This, as well as differences in the assessment method, including its representativeness, may contribute to the observed differences of the education level shown by country of origin. In making comparisons with the data for the native population, it should be noted that data on asylum seekers is based on voluntary self-reporting and in the case of Germany does not refer to the highest obtained qualification but only to attendance at a corresponding educational institution.

⁽¹⁶¹⁾ For Germany, PES statistics indicate that, among persons registered as employed or unemployed who come from the main countries of origin of current asylum seekers, 53% had no professional qualification, while 22% had a vocational qualification and 10% held a tertiary education degree. This is based on a purely geographical breakdown, i.e. it includes only a subgroup that had come to Germany to apply for asylum.

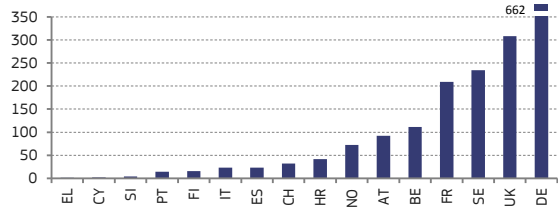
⁽¹⁶²⁾ The last LFS ad hoc module on this topic was in 2008; the next one is scheduled for 2021.

⁽¹⁶³⁾ It is important to note that the dataset is not without its limitations. Unfortunately, the ad hoc module was not implemented in several Member States (DK, IE and NL).

⁽¹⁶⁴⁾ The top countries in terms of the number of refugees they host are similar to those identified in the UNHCR population statistics for 2014, albeit in a somewhat different order. In order of numbers, they are: France, Germany, Sweden, the United Kingdom, Italy, Netherlands (not included in our sample), Austria and Belgium. However, these include refugees of all ages, while our sample notes only those of working age (15-64).

⁽¹⁶⁵⁾ Caution should be exercised, nevertheless, in terms of using absolute figures from the Labour Force survey. For reasons mentioned in the Data limitations and coverage section above,

Chart 3.7: Refugees by main host countries in selected European countries, 15-64, 2014, thousands



Source: Own calculations based on EU LFS 2014 AHM. Data cover 25 countries of the European Union plus Switzerland and Norway.

[Click here to download chart.](#)

2.1.2. Refugees a small group among non-EU migrants

Considering the total number of 24 million non-EU born migrants in the EU, the number of 1.8 million refugees is relatively limited (Chart 3.8). By far the biggest proportion of migrants came to the EU for family reasons (52% in 2014), followed by those that came for work (25%) and study (7%).

According to the previous 2008 LFS Ad Hoc Module on migration, after adjusting for differences between the two surveys⁽¹⁶⁶⁾, the proportion of refugees among total non-EU born remained relatively stable between 2008 and 2014 (+1 percentage point (pp)). On the other hand, that of family migrants and migration for employment increased somewhat (+3 pps each), mainly reflected in increases in France, Sweden and the United Kingdom. Those who came for study reasons also increased in those 6 years (+2 pps). However, an unknown number of the family migrants, counted separately in the data, are directly linked to people seeking international protection. This is because, once settled, many refugees want their families to join them afterwards (see section 2.5 for further details).

2.1.3. More young refugees in the recent wave

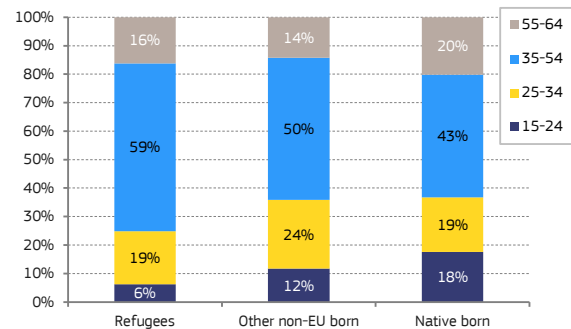
Among the working-age non-EU born living in the EU-25 in 2014, refugees were on average older than other migrants (Chart 3.9). Some 25% of refugees were aged between 15 and 34 years, compared with 36% among other non-EU migrants. The most recent refugee inflow will have significantly changed the average age composition of refugees in the EU as

administrative data sources are better placed to estimate absolute numbers of refugees in each country. As such, the absolute numbers noted here provide a useful snapshot of the relative distribution among the countries included in the 2014 ad hoc module and provide a better idea of the relative distribution across countries of the refugee population.

⁽¹⁶⁶⁾ Unlike the 2008 survey, the migrants that were part of the 2014 survey also included those that were younger than 15 when they arrived. In order to compare the two years we thus had to remove from the 2014 sample these people who migrated as a child (but they are included in the rest of the analysis of 2014 data). This also means that the distribution of migrants by reason for migration changes in 2014 to the following: family reasons (39%), employment (33%), refugees (9%), study (10%), other (8%) and unknown (3%).

more than half of working-age asylum seekers in 2015 were aged 15-34 (see section 1).

Chart 3.8: Working age (15-64) migrants by age and reason for migration at EU level, 2014



Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

2.1.4. Mainly men amongst previous waves of refugees

In most countries, men were also overrepresented amongst refugees in previous flows as was observed in 2015. On average, about 59% of all refugees in the 25 EU Member States surveyed are men, broadly in line with the 58% share of other non-EU born – with some variation variations across EU countries, though (Dumont et al, 2016). The proportion of women in the Iberian Peninsula can be explained by the predominance of South American refugees⁽¹⁶⁷⁾, among whom women are strongly represented, whereas in Italy and Greece, the majority of people who came in need of protection are men from the Middle East and North Africa.

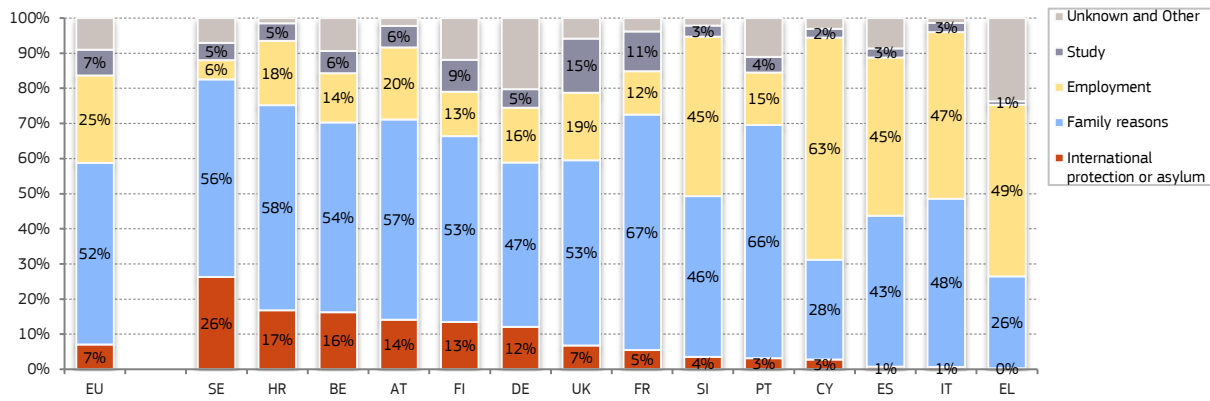
2.2. Social characteristics and outcomes of refugees

2.2.1. Education levels and language skills

22% of the refugees aged between 22 and 64 years who resided in the EU by 2014 had a high level of education (tertiary or above). This compares with 30% of other non-EU born migrants and 29% of the native-born (Chart 3.10). However, refugees had a considerably higher proportion of those with a low level of education (up to lower secondary school level) compared with other non-EU born migrants (40% v.. 35%), especially when compared with the native-born (23%). The lower level of education is reflected in lower employment outcomes (see section 3.6).

⁽¹⁶⁷⁾ For further info see MPI article on Latin American Immigration to Southern Europe - <http://www.migrationpolicy.org/article/latin-american-immigration-southern-europe>.

Chart 3.9: Distribution of non-EU born migrants by reason for migration at EU level, 15-64, 2014

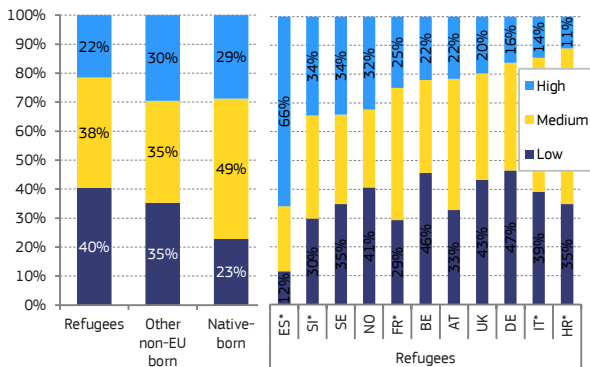


Note: Data cover 25 countries of the European Union. Limited reliability for data on some categories in Slovenia, Finland, Croatia and Greece.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

Chart 3.10: Education levels by reason for migration at EU level, 25-64, 2014



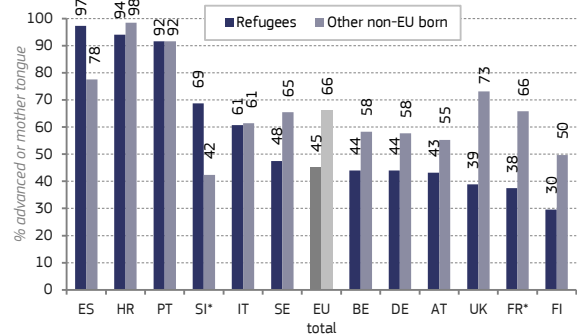
Note: highly educated people are defined as those having the highest level of qualification equal to or above tertiary education level (ISCED 5-8); medium educated are defined as those who have finished upper secondary and post-secondary non-tertiary education (ISCED 3 to 4) and low educated are defined as those who have finished up to lower secondary school level (ISCED 0-2). *Limited reliability of refugee data for Spain, Slovenia, France, Italy and Croatia

Source: Own calculations based on EU LFS 2014 AHM.

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the refugees who report having an advanced knowledge of their host-country language are also found in Croatia and Slovenia, where many people have crossed borders from the neighbouring countries of former Yugoslavia.

Chart 3.11: Percentages of refugees and other non-EU born who report having an advanced or mother tongue knowledge of the host-country language, 15-64, 2014



Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

Knowledge of the host country's language is a key factor for integration. Although it is difficult to measure how well non-EU born migrants master their host-country language, one basic but widely used measure is the self-reported command of that language. The Ad Hoc Module includes such a question. In practice, migrants who report that they have lower language skills also score less favourably on other integration indicators. This supports the assumption that on average self-reported language knowledge provides a relatively good proxy for migrants' proficiency in the host-country language (Damas de Matos and Liebig, 2014).

In total, less than half (45%) of refugees in the EU reported having at least an advanced knowledge of the host-country language, compared with two thirds of other non-EU born migrants. While the overwhelming majority of refugees in Spain and Portugal speak the host-country language well, this is the case for only about a third of refugees in France and the United Kingdom, reflecting the fact that their countries of origin are different from those of other non-EU born people (Chart 3.11). Large proportions of

Knowledge of the host-country language tends to improve with length of residence in the host country. More than half of those who live in their host country for more than 10 years have at least advanced language skills. Amongst more recent arrivals the share is below a quarter (Table 3.2). The improvement over time is particularly strong in Germany and Austria. In addition, the language gap between refugees and other migrants is significantly smaller for those who have been in the country for longer. It seems, therefore, that, although refugees start from a lower level, there is convergence in language skills over time ⁽¹⁶⁸⁾.

⁽¹⁶⁸⁾ Note, however, that these are not longitudinal data – that is, following the same migrants over time – but cross-sectional data looking at migrants with different durations of residence at a given time. This means that there may be so-called cohort effects, for example that refugees who have arrived many years ago may come from different countries and have different characteristics. In particular, many refugees with

Box 3.2: Data limitations and coverage

The analysis builds on the 2014 EU-Labour Force Survey Ad Hoc Module on the Labour Market Situation of Migrants and their immediate descendants. It covers 25 EU Member States (Ireland, Denmark and the Netherlands did not participate), but in 11 EU countries, no refugees or only insignificant numbers were identified (i.e. Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Luxembourg, Malta, Romania, Poland and the Slovak Republic). Data on Germany, which has been collected separately,¹ is excluded from some parts of the analysis due to the lack of detailed specific information. Data for Norway and Switzerland, which are covered by the 2014 LFS Ad Hoc Module, are presented separately whenever possible.

As for all surveys, the sample size may limit the level of detail that can be analysed. For reliability reasons, the publication of results is limited to cases where the sample is large enough to be representative of the population group. This threshold varies from 500 persons in Cyprus to 50,000 in Germany, France and the EU in total. The presentation of country-specific results is limited to cases where this condition is satisfied.

The Ad Hoc Module contains information on the **self-declared** reason for migration. People who declared that they came to Europe to seek international protection may or may not have obtained formal refugee status (according to the UNHCR Geneva convention or temporary/subsidiary protection status).² In this report, everyone who declared that they migrated for 'international protection purposes' is referred to as a refugee.

Data may include asylum seekers (i.e. people who have not yet completed the recognition process). However, as these are more likely to be hosted in collective accommodation (not usually covered by the LFS) numbers should be marginal. Data may also include people who have been denied the status of refugees and may be staying in the country with a tolerated status³ or irregularly. But the probability that these people will identify themselves as refugees in the survey is limited.

The borders between 'family-related reasons' and 'seeking international protection' may often be blurred: many people (often women) join family members who have filed an asylum application. They could therefore consider their main motivation either family-related or international protection. Other asylum applicants may have indicated 'employment' instead of 'international protection' as their main reason to migrate. Despite these possible limitations, the 2014 LFS Ad Hoc Module data remains the richest most recent pool of data available on refugees and their labour market and social situation across most EU Member States up to 2014.

In this chapter, 'refugees' are restricted to those who were born outside the EU.⁴ They are systematically compared to 'other non-EU born migrants', that is those who declare they have come to Europe for reasons such as employment, study or family. This definition draws on the country of birth rather than nationality. This is to avoid statistical noise created by the fact that the take-up of citizenship varies significantly in the countries considered. The country-of-birth approach is also relevant because even migrants who become naturalised (i.e. obtain the nationality of their host country) have lower labour market and social outcomes than the native-born (OECD, 2011), as will be seen. Still, this does not invalidate the conclusion that citizenship is also a relevant variable, as it impacts on rights, including the right to reside, and in turn on the right to take up employment and social outcomes. This has implications for policy levers.

¹ The authors thank Eurostat and the German Federal Statistical Office for their support.

² Temporary protection is a precursor, not an alternative, to 1951 Geneva Convention protection. See Box 3.1 for definition of a beneficiary of subsidiary protection.

³ Temporary suspension of removal of a third-country national who has received a return decision but whose removal is not possible either for humanitarian reasons (as in their case removal would violate the principle of not forcing refugees or asylum seekers to return to a country in which they are liable to be subjected to persecution) or for technical reasons (such as lack of transport capacity or failure of the removal due to lack of identification or the country of origin's refusal to accept the person) and for as long as a suspensory effect is granted in accordance with Article 13(2) of Directive 2008/115/EC.

⁴ For various reasons, the 2014 European Labour Force Survey Ad Hoc Module identifies 128,000 people who were born in one EU-28 country and migrated to another Member State as 'refugees'.

more than ten years of residence in countries like Austria, Germany and Switzerland have come from the successor countries of the former Yugoslavia.

Table 3.2: Share of refugees and other non-EU born who have an advanced or mother tongue host-country language knowledge, by duration of stay, 2014

	up to ten years		more than ten years	
	Refugees	Other	Refugees	Other
Spain	98	76	97	79
Italy	39	46	73	70
Belgium	33	45	57	70
UK	29	66	42	78
Sweden	29	37	57	83
EU total (25)	24	54	49	69
Austria	15	40	54	61
France	14	46	45	71
Finland	9	26	30	70
Germany	9	29	50	64
Switzerland	61	30	66	58
Norway	22	30	53	61

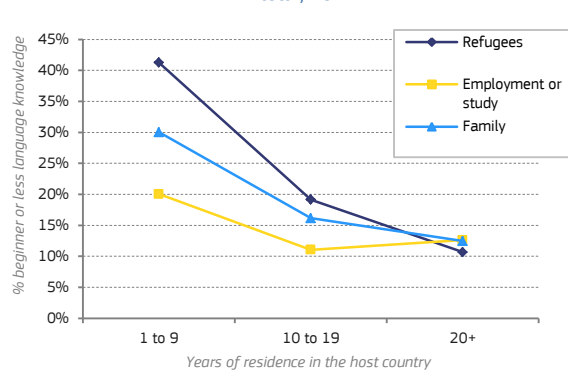
Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download table.](#)

Indeed, the proportion of those who have a beginner-level or less knowledge of their host country language by years of residence in the host country indicates that refugees are the quickest to start to learn the language (Chart 3.12). In the first 10 years, the proportion of refugees whose language knowledge is beginner-level or less is considerably higher (41%) than the proportions of both family migrants (30%) and employment or study migrants (20%). In the next 10 years of residence this drops considerably for family and employment or study migrants (-9 pps and -14 pps respectively) but the biggest drop is for refugees (-22 pps). This demonstrates refugees' unfavourable linguistic starting position, but also that refugees who stay tend to make good learning progress over time.

Chart 3.12: Share of each migrant group that has a beginner-level or less knowledge of their host country language by years of residence, EU total, 2014



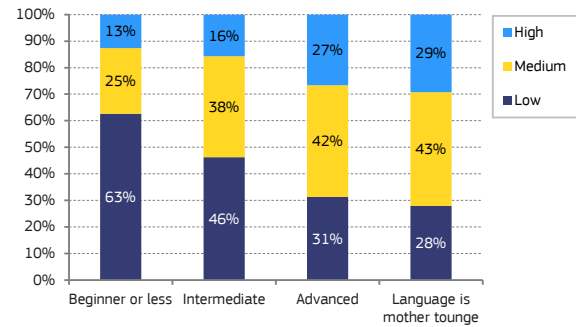
Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

Refugees' language skills are positively correlated with education (Chart 3.13). Almost two thirds of those who have at most beginner-level knowledge of their host country language also have a low level of education (63%). On the other hand, more than two thirds of those with at least 'advanced' skills are highly educated.

Chart 3.13: Working age (15-64) refugees by language proficiency and education level in the EU, 2014



Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

2.2.2. High overall risk of social exclusion

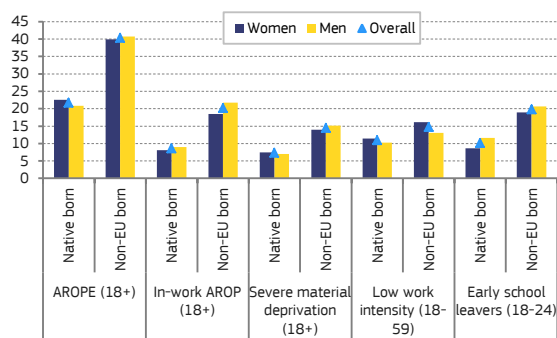
There is no EU-wide data specifically about refugees in relation to social inclusion core indicators. However, social integration of people with a migrant background⁽¹⁶⁹⁾ will continue to be a challenge in the EU. Non-EU born migrants are a very vulnerable group among which refugees tend to be an even more vulnerable one compared to the rest of the non-EU born due to their lower employment and education outcomes. Chart 3.14 reveals that non-EU born migrants have a much higher exposure to poverty (both general poverty and in-work poverty), material deprivation and low-work-intensity households than the native-born population, which indicates that the situation for refugees is likely to be even more severe. There is also evidence that many migrants have become homeless (European Commission, 2014).

Moreover, the proportion of early school leavers amongst the non-EU born is double the proportion amongst native-born young people aged 18-24 years, contributing to a disadvantaged inheritance (Chart 3.14)⁽¹⁷⁰⁾. The reasons why migrants may not have finished their secondary school education are numerous and may include lack of financial means, lack of opportunity in their country of origin or (in the case of refugees) unavailability of education in war zones or while fleeing conflict.

⁽¹⁶⁹⁾ The term "people with a migrant background" in this note refers to non-EU born, and to the children of immigrants who were born in their host country ("second generation"). Many of these people, originally with a non-EU nationality, were naturalised over time, hence the group of third-country nationals, a legally defined group, is smaller. Today, 7% of the EU population were born outside the EU, and third country nationals represent 4% of the EU population. See also Eurostat online publication on migrant integration: http://ec.europa.eu/eurostat/statistics-explained/index.php/Migrant_integration_statistics.

⁽¹⁷⁰⁾ Early leavers from education and training denotes the percentage of the population aged 18 to 24 having attained at most lower secondary education and not being involved in further education or training.

Chart 3.14: At-risk-of-poverty and social exclusion (AROPE), in-work poverty at-risk-of-poverty, early school leaving, severe material deprivation rates and share of low-work-intensity households by country of birth, 2015



Note: EU-SILC data in a reference year reflect incomes of the previous year (except for the United Kingdom and Ireland where incomes refer to the last 12 months since the interview period).

Source: Eurostat EU SILC [ilc_iw16], [ilc_peps06], [ilc_mddd16], [ilc_lvh16] and EU LFS [edat_lfse_02]

[Click here to download chart.](#)

2.2.3. Transmission of social disadvantages among persons with a migrant background

The acquisition of host country citizenship appears to reduce the social disadvantage of migrants. Socio-economic outcomes are usually worse for the subgroup of non-EU nationals than for non-EU born (i.e. looking at citizenship rather than country of birth) though this is partly explained by the length of stay in the country (e.g. higher share of third-country nationals have been resident for less than ten years than non-EU born) and selection mechanisms for obtaining citizenship.

These unfavourable socio-economic outcomes persist and are transmitted to some extent to the second generation who were born in the host country and benefited from its social and educational systems. For example, having parents born outside the EU constitutes a significant disadvantage in the labour market, irrespective of one's education level⁽¹⁷¹⁾. The employment gap between the children of two non-EU born parents and the children of two native-born parents in 2014 was still very high in Sweden (-21 pps) and Belgium (-18 pps) - and much higher than for current first generation labour migrants in Italy (-31 pps) and Spain (-17 pps). Part of these gaps certainly reflect that children of non-EU born are on average younger within the age group 20-64. The second generation (from both other-EU and non-EU born parents) also have lower mean literacy scores than the children of native-born parents in many Member States. Voting in elections is also considered an indicator of social integration and there is evidence that even the second generation vote less often in elections⁽¹⁷²⁾.

⁽¹⁷¹⁾ See forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

⁽¹⁷²⁾ OECD (2015) Settling In: Indicators of Immigrant Integration

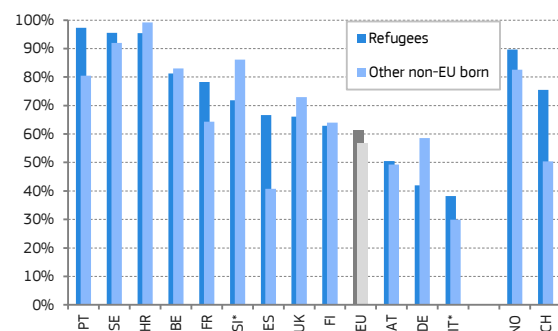
2.2.4. Citizenship acquisition and social integration

Gaining host-country citizenship is an important step in the integration process. Naturalised migrants tend to have better employment and social outcomes than their peers who do not obtain host-country citizenship, even after allowing for observable factors such as education, country of origin and length of stay (OECD 2011)⁽¹⁷³⁾. Hainmueller et al. (2015) show that in the case of Switzerland, even when controlling for personal characteristics, migrants who obtained Swiss citizenship experienced higher political integration including increased political participation and knowledge, which points to better social integration overall⁽¹⁷⁴⁾.

However, citizenship take-up is generally not possible for recent arrivals and is subject to a minimum number of years of residence in addition to other requirements. In virtually all EU and OECD countries the minimum residency requirement is ten years at most. In the EU overall, 61% of refugees with more than ten years of residence have acquired their host-country's citizenship, compared with 57% of other non-EU born migrants. However, Chart 3.15 shows that the naturalisation rate varies greatly amongst typical receiving countries.

Refugees tend to have a higher likelihood of acquiring host-country citizenship in most EU countries⁽¹⁷⁵⁾.

Chart 3.15: Share of nationals among non-EU born who have been in the country at least 10 years



Note: "EU" includes 25 countries of the European Union. *Limited reliability of data for refugees in Italy and Slovenia.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

⁽¹⁷³⁾ Nevertheless, selection may also contribute to this effect to some degree; accession to citizenship may be conditional on factors that reflect success or are drivers of success in integration.

⁽¹⁷⁴⁾ Note though that awarding citizenship may in some cases exacerbate social exclusion if it is awarded without a sufficient level of integration, and policy support instruments available to refugees are reduced.

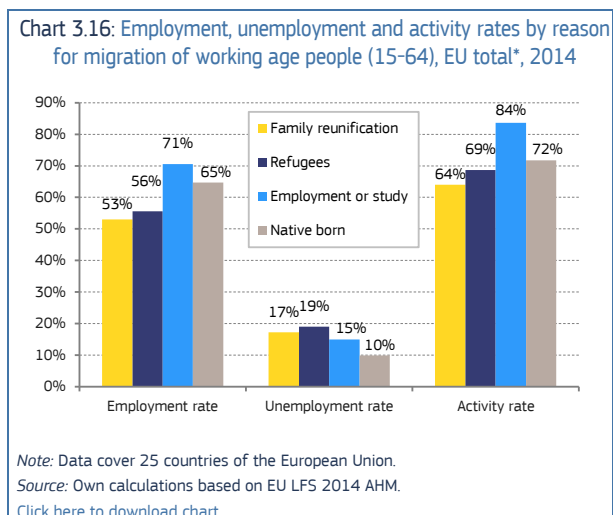
⁽¹⁷⁵⁾ The only major exception among the main recipient countries is Germany, where refugees are less often naturalised than other non-EU born. This might in part be due to the fact that many refugees from the former Yugoslavia initially had an unstable residence status and were not eligible for naturalisation.

This is linked to two reasons. First, refugees – as a group who are vulnerable in the labour market – tend to benefit more from acquiring citizenship, in terms of employment outcomes, than those who came for employment reasons (see **Chart 3.20** below for details). Second, refugees may seek host-country citizenship because return migration is not an option. Several countries acknowledge this and provide facilitated access to citizenship for refugees.

2.3. Labour Market Outcomes of Refugees

2.3.1. Lower employment rates than most other migrant groups

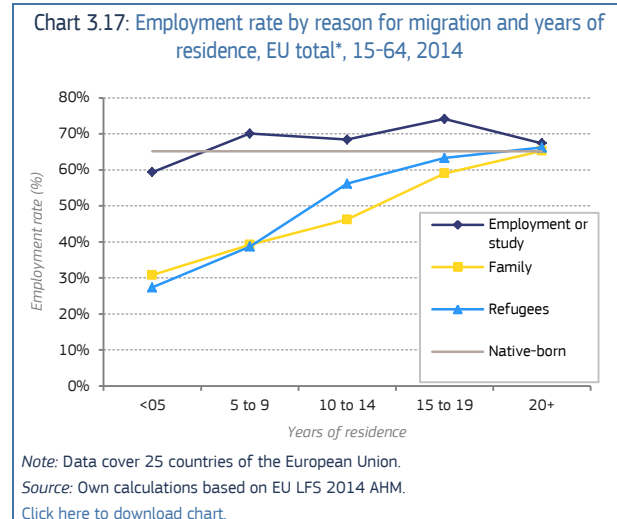
Refugees represent one of the most vulnerable groups of non-EU migrants on the labour market (**Chart 3.16**). They have lower employment rates than the native-born (56% v. 65% as an EU-average) and much lower rates than those migrants who come for employment and study (71%). The employment rate those who migrated for family reunification is even lower and stands at only 53%. This indicates that it is important to address challenges associated with not only the first arrived family member but also the rest of his/her family when they join him/her. Investing in the family members who reunite with the principal migrant, as well as the latter, may prove especially important when developing integration policies for the recent inflows of refugees as family migrants are expected to follow the refugees who came initially (see section 2.5 on family migrants for more detailed analysis). The activity rate gap between refugees and the native-born is much smaller than the employment gap (3 pps v. 9 pps), indicating that refugees are highly motivated to work but face obstacles to obtaining employment.



2.3.2. Employment rate of refugees catching up over time

While the overall employment situation of refugees is an ongoing challenge, developments over time suggest that labour market integration is more achievable as people reside in the host country for a longer period

(**Chart 3.17**). Family-related and refugee migrants see their employment rates increase strongly as they gain experience in the host country and, most importantly, get acquainted with the language (see also **Chart 3.12** and **Chart 3.19**). Nevertheless, it takes refugees between 15 and 19 years to catch up with the EU average (¹⁷⁶) – a finding also confirmed by studies based on panel data in Germany (IAB, 2015b).



2.3.3. The role of education

As with the population in general, the educational attainment level of refugees has a significant impact on their employment rates (**Chart 3.18**). Highly educated refugees aged between 25 and 64 years have a much higher employment rate than their low-educated peers (70% v. 45%). As is perhaps to be expected, higher levels of education are associated with higher employment rates (see section 3.6). This is particularly true of refugees who progress from the low-education segment to attain upper secondary (medium) qualifications i.e. those who go from having at most a lower secondary school education level to having an upper secondary or post-secondary non-tertiary education level: doing so raises refugees' employment rate to 63%.

However, when it comes to acquiring tertiary (higher) education, as was shown in the 2015 ESDE chapter (European Commission 2016a), there is a positive return for all groups involved, but compared with native-born people, the return in terms of employment gains is modest for migrants, and for refugees in particular. This is also confirmed by the regression analysis in this chapter (¹⁷⁷). The return on investment in migrants' education at the lower end of the qualification scale (those who did not finish upper secondary school) therefore seems to be greater than the return on investment in migrants' tertiary education, even when controlling for demographic characteristics and knowledge of the host country language. Reasons for this may include specific

⁽¹⁷⁶⁾ On the time it takes refugees to integrate see also IMF (2016)

⁽¹⁷⁷⁾ See also the forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

Box 3.3: Combatting discrimination on the ground of racial or ethnic origin

Discrimination based on racial or ethnic origin is prohibited by Council Directive 2000/43/EC. The most recent implementation report about this and the Employment Equality Directive is COM(2014) 2 final. A number of policy initiatives relate to combatting discrimination and to promote equality.¹

Equality bodies are established in each Member State with statutory mandates to promote equality and combat discrimination according to the anti-discrimination EU Directives 2000/43/EC, 2004/113/EC, 2006/54/EC and 2010/41/EU. Equinet is the European network coordinating the national equality bodies. In the ESIF funds, there is an ex-ante conditionality on non-discrimination that relates to the involvement of the equality bodies in the preparation and implementation of the programmes as well as to training on non-discrimination law and policy for MS' staff managing funds.

It is challenging to collect data on discrimination in a comprehensive and comparable way because of under-reporting, data protection rules, strong reluctance by many Member States.² A report "Analysis and comparative review of equality data collection practices in the European Union" will be published by the end of 2016. The most recent EU-wide survey on "perceived discrimination" is the Eurobarometer 2015.³

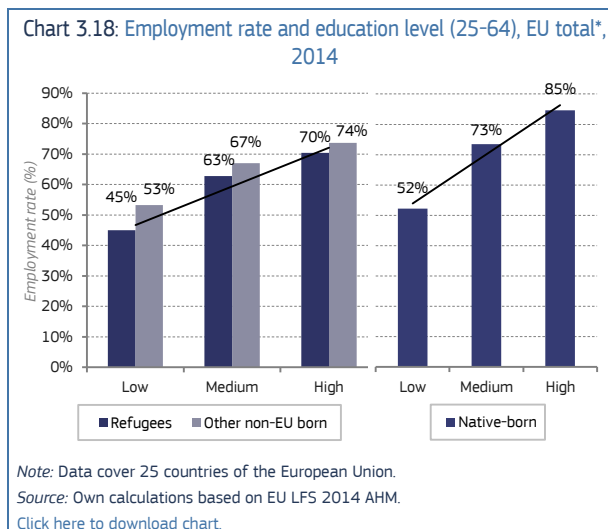
¹ For all relevant documents see: http://ec.europa.eu/justice/discrimination/index_en.htm

² Sources vary country by country; for UK there is information available, see e.g. see the report issued by the Equality and Human Rights Commission and is the biggest ever review into race inequality in Great Britain (England, Wales and Scotland) <https://www.equalityhumanrights.com/en/race-report-healing-divided-britain>

³ For more info see http://ec.europa.eu/justice/events/colloquium-fundamental-rights-2015/files/factsheets/eb-discrimination_factsheet_religion_en.pdf

barriers such as non-recognition of their previous formal education, legal obstacles to accessing the labour market (for non-refugee migrants) and discrimination.

findings suggest that raising refugees' knowledge of their host country's language to even just an intermediate level could bring significant employment gains.



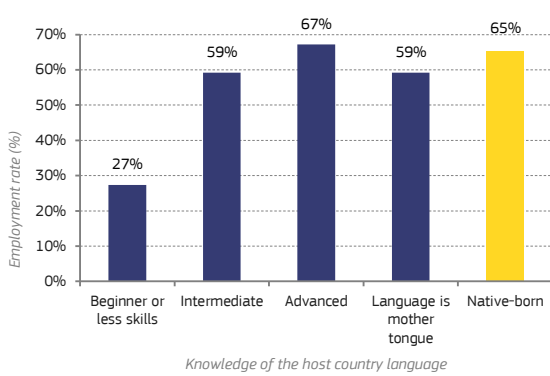
The only exception to this relationship between language and employment is that refugees with an advanced level of language knowledge have a higher employment rate than those whose mother tongue is that of the host country (67% v. 59%). However, this finding is sensitive to the inclusion of France in the sample. France has many migrants from French-speaking areas in Northern Africa who face particular problems in the labour market. In-depth regression analyses find evidence that those problems are related to other, non-measured factors such as discrimination, legal obstacles to work and the inability of migrants to capitalise on their education and skills (European Commission, 2016a; see also regression results referred to in section 2.6) ⁽¹⁷⁸⁾.

2.3.4. The importance of language skills for securing employment

A similar finding is evident for the return on language skills. Overall, the level of knowledge of the host country language has a clearly positive impact on the employment outcomes of refugees (Chart 3.19). The employment rate of refugees rises almost in parallel with the level of their knowledge of their host country's language. Most importantly, the highest jump in the employment rate is between refugees with beginner-level or no language skills and those with an intermediate level of host country language knowledge. Refugees with an intermediate language level have an employment rate of 59%, more than twice that of those with a lower level (27%). This seems to hold true across education levels. These

⁽¹⁷⁸⁾ This analysis will be presented in detail in the forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

Chart 3.19: Employment rate of refugees, depending on knowledge of the host country language, EU total*, 15-64, 2014



Note: Data cover 25 countries of the European Union except for "Language is mother tongue" where data from Germany was excluded due to lack of reliable data.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

2.3.5. Citizenship and employment of refugees

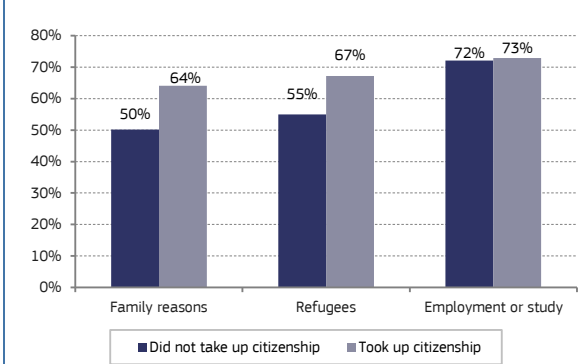
Acquiring citizenship tends to improve refugees' labour market outcomes. Of those who arrived in the host country 10 years or more ago, refugees who acquired host country citizenship had significantly higher employment rates than those who did not (67% v. 55%; **Chart 3.20**). The same is true of family migrants (64% v. 50%). Interestingly, taking up citizenship only slightly improves employment rates for those who came for reasons of employment or study (73% v. 72%); their employment rates are already very high.

This can be seen as an indication that better social integration and greater security to remain in the host country improve the labour market outcomes of refugees. Nevertheless, it is also possible that it is mainly those with good labour market outcomes who obtain the host country citizenship and that a share of them already had host country citizenship even before arrival.

2.3.6. Employment patterns of refugees

Finding employment is crucial for the labour market and social integration of refugees and other migrants. Nevertheless, the level of security and rights that come with employment, i.e. whether it is on a temporary or permanent contract, is also an important factor. Moreover, looking at the type of contract obtained over years of residence provides an indication of whether temporary contracts are functioning as a "stepping stone" in the labour market, enabling migrants to move to more permanent and stable employment in time.

Chart 3.20: Employment rate of those residing in the host country 10 years or longer by citizenship take up and reason for migration, EU total, 2014



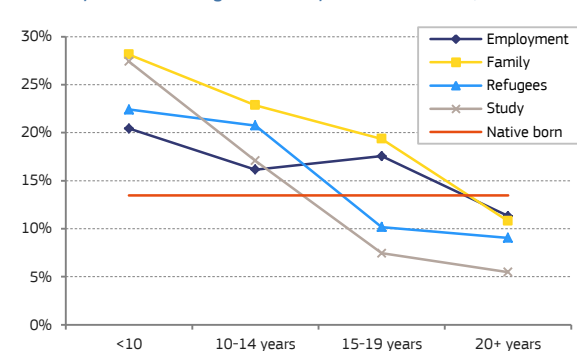
Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

Considering the non-EU migrants who reside in the country for less than 10 years: Their share of temporary in total employment is not much higher than for migrants who came for employment: 22% v. 20% (**Chart 3.21**). The proportion of refugees and other non-EU migrants on temporary contracts appears to decline with years of residence, giving some support to the "stepping stone" hypothesis. However, further research is required to confirm that this is not just due to the increasing incidence of temporary rather than permanent forms of employment more generally.

Chart 3.21: Share of employed migrants in temporary employment by reason for migration and years of residence, 2014



Note: Data cover 25 countries of the European Union. Only persons on temporary and permanent contracts included in the calculation. Limited reliability for figures for refugees.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

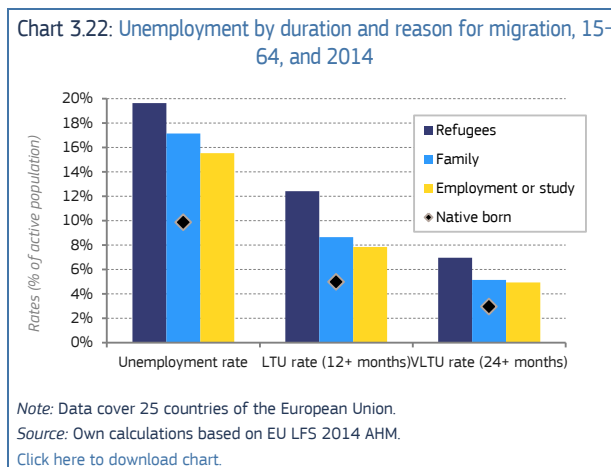
Refugees are more often employed full-time than part-time but, compared with other non-EU migrants and the native-born, they have a somewhat higher share of those working part-time. They have a greater likelihood of being in part-time employment than other non-EU migrants (30% v. 25%) and considerably more than their native-born peers (30% v. 17%). This holds true even when allowance is made for education differences: in all groups the proportion of those working part-time drops as the education level rises

but the proportion of refugees working part-time remains higher than that of other groups ⁽¹⁷⁹⁾.

Across the EU, refugees tend to be overqualified for the jobs they do (57%) in comparison with both other non-EU born persons (36%) and their native-born peers (23%: Dumont et al. 2016) ⁽¹⁸⁰⁾. This is a situation that can represent a waste of migrants' skills. Research suggests that such over-qualification is in part due to lower skills in the host-country language and in part due to lack of official or employers' recognition of refugees' qualifications. Qualifications are obtained in education systems that are very different from those in their host countries and employers may have difficulties in evaluating them. This is often coupled with lack of related documentation

2.3.7. Chances of escaping unemployment

In-depth regression analysis reveals that refugees have lower chances of finding a job if unemployed or inactive than other non-EU born migrants and the native-born population ⁽¹⁸¹⁾. As a result, their unemployment rate is higher, as is their average duration of unemployment. Chart 3.22 shows that among economically active refugees in 2014, one in five was unemployed, one in eight was unemployed for 12 months or longer (long-term unemployed – LTU) and one in fourteen was unemployed for two years or longer (very long-term unemployed – VLTU).



Refugees in 2014 had more than double the long-term unemployment rate of the native-born (12% v. 5%) and twice the very long-term unemployment rate (7% v. 3%). Other migrants too were in a worse

⁽¹⁷⁹⁾ Source: Own calculations based on EU LFS 2014 AHM. Data cover 25 countries of the European Union. Limited reliability of data on highly educated refugees working part-time.

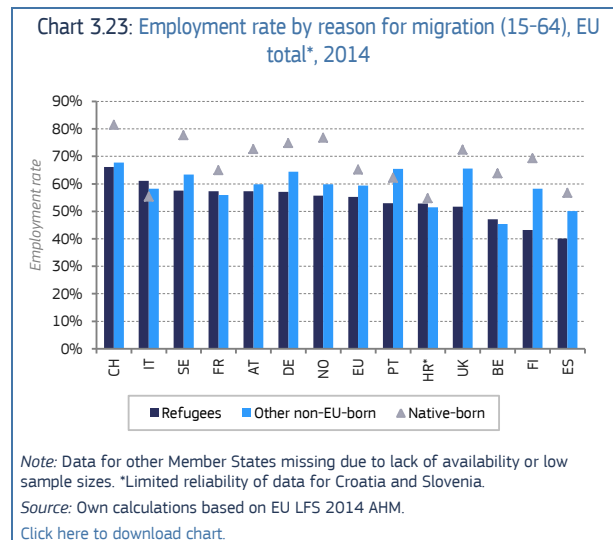
⁽¹⁸⁰⁾ Estimates suggest that between one-third and one-half of the observed high level of overqualification of migrants compared with the native-born is associated with lower skills at given qualification levels (Bonfanti and Xenogiani, 2014; OECD, 2008; Dumont and Monso, 2007).

⁽¹⁸¹⁾ This holds even after controlling for important socio-demographic variables such as education or age. This is detailed in a forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

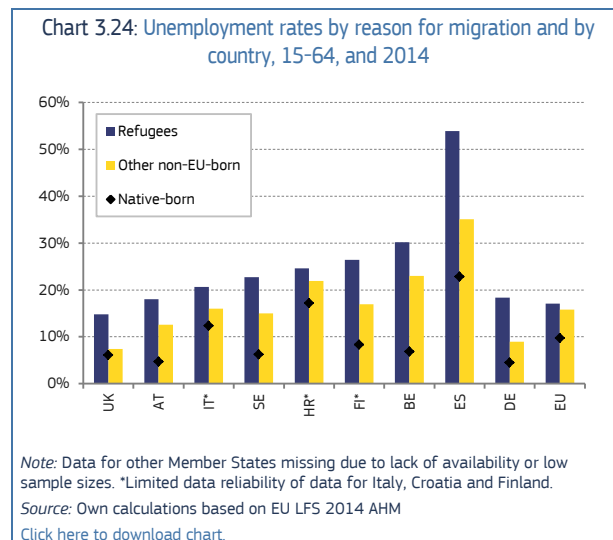
unemployment situation than their native-born peers, but somewhat less so than refugees.

2.3.8. Cross-country differences in refugee employment

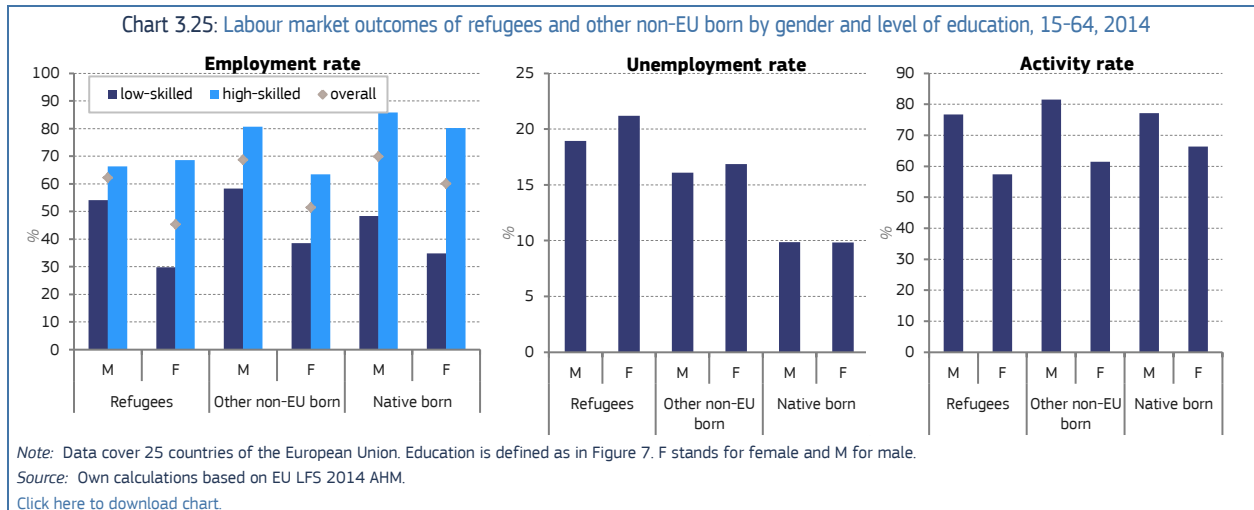
The employment rate of refugees varied significantly between Member States (Chart 3.23). Refugees in Spain and Finland had an employment rate of 40% and 43% respectively, whereas their employment rate was considerably higher in Germany, France and Austria (57% in each), Sweden (58%) and Italy (61%).



The biggest gaps between the refugees and the native-born population could be observed in Finland (26 pps), United Kingdom (21 pps) and Sweden (20 pps), in part owing to the above-EU-average employment rate of the native-born population. Conversely, the lower gaps observed in some countries such as Spain, Croatia and Portugal are in part due to their overall difficult national labour market situations. On the other hand, refugees in Italy had even higher employment rates than the native-born (+6 pps).



The unemployment rate of refugees is above average in all countries, reaching 50% in Spain and more than 60% in Cyprus (Chart 3.24).



2.3.9. Labour market integration of asylum seekers and refugees who arrived since 2014

Preliminary data point to limited integration in the labour market of asylum seekers and refugees who arrived since 2014. Employment statistics of the public employment service from *Germany* (182) for September 2016 show a year-on-year increase in employment of 47,000 (40%) for people originating from the group of non-European countries from which most asylum seekers come (183). Over the same period, unemployment among this group increased much more steeply, by 87,000 (102%). Among people who came to Germany in the context of an application for asylum (184) around 406,000 were looking for work in November 2016. Among this group, 160,000 were counted as unemployed, while the rest were benefitting from active labour market measures, on short-term sick leave or working a limited number of hours.

The picture is similar in *Sweden* where refugees participate in a two-year comprehensive programme and effective entry to the labour market is limited. Between July 2015 and July 2016, the number of registered unemployed born outside Europe increased by 13,000 to 148,000, while total unemployment fell by 11,000, thus increasing the proportion of the non-EU born among the unemployed to 42% (185). For *Austria*, the corresponding data underline the

significance of regional concentration – in July 2016, two-third of the 25,000 unemployed refugees were registered with the Vienna public employment service (186). It is also clear that low level education and qualifications in limiting effective labour market integration: 73% of the registered unemployed refugees had no formal professional qualification (187).

National studies further underline the difficult and lengthy process leading to previous refugees' labour market integration (188). In *Germany*, in the year of arrival the proportion of refugees aged 15-64 who were employed amounted only to 8%, gradually increasing to close to 50% after 5 years, 60% after 10 years and nearly 70% after 15 years. Convergence with other migrants' labour market performance is very gradual: even after 10 years the latter group's employment rate was 14 percentage points higher (189). In *Austria*, relying on Swiss experience, it is considered that reaching a 50% employment rate may take more than 5 years and is expected to be closer to 10 years (190). In *Sweden*, in the past refugees reached a 50% employment rate after 7 years of residence on average, with Iraqi and Syrian refugees somewhat below 50%, and Somali refugees at 35% (191). Beyond differences in the employment rate, wage levels persistently lagged behind those of native citizens, while over-qualification remained more prevalent.

(182)

<https://statistik.arbeitsagentur.de/Navigation/Statistik/Statistische-Analysen/Statistische-Sonderberichte/Migration-Arbeitsmarkt/Migration-Arbeitsmarkt-Nav.html>

(183) Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia and Syria. While information broken down by legal status is not available such that the series also includes people who did not come to Germany as asylum seekers, recent changes are likely to have been driven largely by the inflow of asylum seekers.

(184) Defined as including asylum seekers awaiting decision, people whose application for asylum has been accepted (but who have no permanent residence permit yet) and those whose presence in Germany is temporarily tolerated despite a refusal of their application for asylum.

(185) <http://www.arbetsformedlingen.se/Om-oss/Pressrum/Pressmeddelanden/Pressmeddelandeartiklar/Riket/2016-08-11-Farre-arbetslosa-men-tydligare-tudelning.html>

(186) AMS (2016), Daten und Fakten zur Arbeitsmarktsituation von Flüchtlingen: Spezialthema zum Arbeitsmarkt Juli 2016

(187) AK Wien (2016), Arbeitsmarkt im Fokus - Arbeitsmarktanalyse des 1. Halbjahres 2016 Mit Spezialteil zum Thema: Arbeitsmarktintegration von Flüchtlingen

(188) AB-SOEP-migration sample, see IAB (2015a).

(189) Indeed refugees differ from other migrants not only in terms of the motivation for migration but also in terms of other characteristics. The reference group notably also includes EU nationals who face more favourable conditions regarding the recognition of professional qualifications and may have better language skills.

(190) Bundesministerium für Europa, Integration und Äußeres (2016), 'Integrationsbericht 2016', quoting Spadarotto et al. (2014) 'Erwerbsbeteiligung von anerkannten Flüchtlingen und vorläufig Aufgenommenen auf dem Schweizer Arbeitsmarkt.'

(191) Aldén, L. and M. Hammarstedt (2016), 'Flyktinginvandring Sysselsättning, förvärsinkomster och offentliga finanser' Rapport till Finanspolitiska rådet 2016/1.

2.4. Refugee women

Refugee women face more serious challenges securing employment than their male peers but also than all other groups of migrant women. The employment rate for refugee women is on average 45%. It is lower than for other female non-EU born and native-born women and 17pp lower than that of refugee men (Chart 3.25). Refugee women also have the highest rate of unemployment of all groups: 21%, compared with 19% for refugee men and 17% for non-refugee migrant women from outside the EU.

This is to some extent the result of marked differences in education. Nearly half of refugee women have a low level of education, compared with 40% of refugee men and 37% of non-refugee women from outside the EU (Table 3.3). The employment rates of refugee women vary sharply with their level of education. Highly-educated refugee women have an employment rate close to 69%. This is three percentage points higher than that of similarly highly qualified refugee men and that of other non-EU born women. In contrast, refugee women with only a low level of education have by far the lowest employment rates of all groups, with less than one in three in employment (30%). In addition, they face the highest unemployment rate (34%).

Another factor explaining the low employment rate of refugee women compared with their male counterparts is their relatively low activity rate: 57% compared with 77% for refugee men. Refugee women are also somewhat less economically active than other non-EU born migrant women (61%) and the native-born women (66%). This is further accentuated by the fact that women refugees have a somewhat lower level of host country language proficiency than their male peers (76% intermediate or above knowledge v. 83%).

Table 3.3: Education level distribution by gender and duration of residence, 2014

		Refugees			Difference in pps with other non-EU born		
Duration of stay	Education level	Male	Female	Total	Male	Female	Total
0 to 14	Low	45%	44%	44%	6.6	6.1	6.5
	Medium	33%	30%	32%	0.4	-2.2	-0.7
	High	22%	26%	24%	-7.0	-3.8	-5.8
15+	Low	37%	47%	41%	-1.5	9.7	3.2
	Medium	47%	36%	42%	6.6	-6.0	1.3
	High	16%	17%	17%	-5.2	-3.7	-4.5
Total	Low	40%	45%	42%	3.8	7.1	5.0
	Medium	40%	33%	37%	2.6	-3.2	0.4
	High	19%	22%	20%	-6.4	-4.0	-5.4

Notes: Data cover 25 countries of the European Union. Notes: Education is defined as in Figure 7.

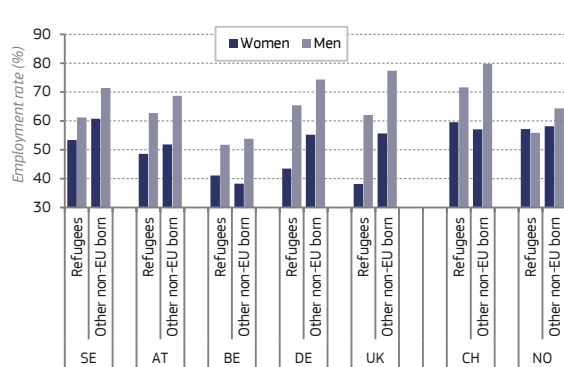
Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download table.](#)

The employment rates of refugee women, but also the gap between them and their male peers, vary sharply across European countries, according to available data (Chart 3.26). Their employment rate is 38% in the

United Kingdom and 43% in Germany, whereas it reaches 53% in Sweden and 49% in Austria. What is of more concern in Sweden and Austria is the gender employment gap, which is 22 percentage points or more in these two countries. Furthermore, the employment rates of refugee women in Sweden and Austria lag significantly behind those of non-refugee migrant women from outside the EU. In contrast, refugee women enjoy the highest employment rates in two non-EU countries, Switzerland (60%) and Norway (57%).

Chart 3.26: Employment rates by gender and reason for migration, 15-64, and 2014



Note: Data cover 25 countries of the European Union.

Source: Own calculations based on EU LFS 2014 AHM.

[Click here to download chart.](#)

Gender roles in some origin countries clearly act as a barrier to skills use and labour market participation. In 2010, before the crisis, the activity rate of Syrian men was 72.7%, but only 13.2% for women. The situation has been similar in other countries in the Middle East and Northern Africa and non-EU countries in the Balkans: see Table 3.4⁽¹⁹²⁾. Some countries in Sub-Saharan Africa, on the other hand, had relatively high female activity rates, although the labour market integration difficulties of women from Africa indicate that a high activity rate in the country of origin may not be enough in itself to ensure successful labour market performance in the EU.

Table 3.4: Female employment by some major countries of origin

	Syria	Iraq	Afghanistan	Eritrea	Kosovo
Asylum seekers employed before arrival [BAMF survey]	29.5%	17.1%	20.3%	41.5%	17.0%
Activity rates (UN)	13.2% [2010]	15.0% [2014]	18.9% [2014]	77.6% [2014]	18.1% [2015]

Source: Germany: BAMF (2016), 'Sozialstruktur, Qualifikationsniveau und Berufstätigkeit von Asylantragstellenden', United Nations, World Bank: Kosovo 2015 Labour Force Survey

[Click here to download table.](#)

⁽¹⁹²⁾ The relevance of general employment statistics of countries of origins is confirmed by assessments in receiving countries. Out of 220,000 adult asylum seekers surveyed in Germany in 2015, 74.8% of men had previously been employed, compared to only 32.7% of women.

2.5. Family migrants joining their refugee family member(s)

Family migrants constitute more than half (52%) of the total working age (15-64) non-EU born migrant population (Chart 3.8). Moreover, successful asylum seekers from the most recent humanitarian migration inflow starting in 2014 are forecast to be joined later by their families. The integration pathways and outcomes of existing family migrants are therefore of great importance for current and future migrant integration efforts.

Table 3.5: Asylum seekers, asylum acceptance rates and asylum seekers likely to stay, EU-28

	2014	2015	2016 Q1-3	TOTAL
1st time asylum seekers	562 680	1 255 695	932 020	2 750 395
% of positive decisions	46%	52%	60%	
Asylum seekers likely to stay	256 738	651 417	563 784	1 471 939

Source: Own calculations based on Eurostat [migr_asyappctzm], [migr_asydcfst] and [migr_asydcfstq].
Click here to download table.

In 2014, according to the Ad Hoc Module, there were 13 million family migrants living in the EU-25⁽¹⁹³⁾. Of these, 268,000 (2.1%) were born in the main countries of origin of asylum seekers today, namely Syria, Iraq, Afghanistan and Eritrea. In the past each refugee was on average accompanied or joined by around one family member⁽¹⁹⁴⁾. This was also confirmed for Germany by a forecast done in June 2016⁽¹⁹⁵⁾. It is therefore reasonable to assume that the 1.5 million asylum seekers who arrived between January 2014 and September 2016 who are likely to stay in the EU (Table 3.5) may be joined in due time by an additional 1.5 million family migrants. However this forecast should be considered with caution given the variety of uncertain factors influencing the phenomenon of family reunification with refugees, in particular the legal rights attached to certain statuses (Geneva convention refugees versus beneficiaries of subsidiary protection) as well as the composition of asylum seekers (many young men may mean less potential family reunification compared to past waves).

2.5.1. Characteristics of family migrants

In terms of their demographic characteristics, family migrants in general were on average younger than

⁽¹⁹³⁾ EU-28 without Denmark, Ireland and the Netherlands.

⁽¹⁹⁴⁾ The first estimate is calculated assuming that the 268 thousand family migrants from Syria, Iraq, Afghanistan and Eritrea accompanied the 355 thousand refugees born in the same countries (in the 2014 ad hoc module), giving a ratio of 0.75 family migrants to refugees. Another estimate was calculated by taking the household level data from the 2014 EU LFS ad hoc module, which finds that on average 1.05 non-EU persons live in each household where a refugee lives.

⁽¹⁹⁵⁾ The DE migration agency BAMF calculated in June with 0.9 to 1.2 reunited family members per recognised Syrian refugee – <https://www.bamf.de/SharedDocs/Meldungen/DE/2016/20160608-familiennachzug-syrischer-gefluechteter.html>

refugees, predominantly women and are slightly better educated than refugees (Table 3.6). They have also been living in the EU for somewhat longer than refugees.

Family migrants who joined a relative who has come to the EU as a refugee are considerably younger than other family migrants (67% aged 15-34 v. 40%). This is partly explained by the fact that family migrants joining refugees have arrived more recently than other family migrants joining their relatives. Moreover, like other family migrants, family migrants joining refugees are predominantly women (60%). The majority of them have a medium or high level of education (54%), which is lower than that of refugees (57%) or of other family migrants (62%) and the native-born (73%). Three quarters of the 212,000 family migrants joining refugees identified in the Ad Hoc Module survey live in just two EU countries: Sweden and the United Kingdom.

Table 3.6: Age, gender and educational distribution of family migrants by country of birth, EU total, 2014

	Age		Gender		Education level		Years of residence	
	15-34	35-64	M	W	Low	Medium + High	0-9	10+
Family migrants (EU24)	41%	59%	39%	61%	38%	62%	27%	73%
<i>SY,ER,IQ,AF</i>	67%	33%	40%	60%	46%	54%	50%	50%
<i>other non-EU</i>	40%	60%	39%	61%	38%	62%	27%	73%
Refugees (EU25)	25%	75%	59%	41%	43%	57%	24%	76%

Note: Data in italics are of limited reliability. Country of birth acronyms used in table: SY stands for Syria, ER for Eritrea, IQ for Iraq and AF for Afghanistan.
Source: Own calculations based on EU LFS 2014 AHM. Data cover 25 countries of the European Union.
Click here to download table.

2.5.2. Integration challenges of family migrants

Family migrants are a vulnerable group in the labour market with similar labour market outcomes to those already observed for refugees. Family migrants have the lowest employment rate among all the non-EU born (53%), which in turn reflects their low activity rate of 64% (Table 3.7). Family migrants also have the most pronounced gender employment gap of all the non-EU born (almost 20pp).

Table 3.7: Employment rate of non-EU born (aged 15-64) by main reason for migration, 2014, EU total*

Main reason	Employment rate (Total)	Women	Men	Unemployment rate	Activity rate
Family	53%	45%	65%	17%	64%
Refugees	56%	45%	62%	19%	69%
Employment	73%	71%	74%	16%	87%
Study	62%	57%	66%	12%	71%
TOTAL non-EU born	59%	51%	68%	17%	71%
Native-born	65%	60%	70%	10%	72%

Source: Own calculations based on Eurostat 2014 ad hoc module. *EU total covers 25 countries (no data available for Ireland, Denmark and the Netherlands).
Click here to download table.

Considerable gains could be made by increasing the activity rate of family migrants, given that they, like refugees, have almost the same ratio of employed to active persons as those migrants who came for employment. A total of 83% of all economically active

family migrants are employed compared with 84% of labour migrants and 81% of refugees. If the activity rate of family migrants were the same as that of labour migrants, family migrants would have almost the same employment rate as employment migrants (72% v. 73%) and a higher rate than the native-born (72% v. 65%).

2.6. Regression analysis: determinants of labour market integration

An econometric analysis carried out for this report analyses the individual factors which explain why refugees and family face lower employment rates. The analysis is presented here in brief ⁽¹⁹⁶⁾. Based on the 2014 ad hoc LFS module which included a sample of 26 countries ⁽¹⁹⁷⁾, the core results are shown in **Box 3.4**.

Most importantly, the impact of refugees' education is modest. The higher proportion of refugees and family migrants who have only low-level education means that they are in a less favourable position than the native-born. However, controlling for this difference would lead to a surprisingly modest increase in their employment rate. Likewise, the analysis shows that refugees' education seems to make little difference when it comes to entering (or re-entering) the labour market, starting from either unemployment or inactivity. These findings support evidence that the return on refugees' existing formal qualifications is low.

Being young helps in finding a job – but less so for refugees. A strong age effect becomes most evident when analysing labour market transitions, i.e. refugees' chances of moving from unemployment or inactivity into employment. Generally, age is an asset in job search: the younger one is, the better the chance of finding a job. However, in the case of migrants from typical refugee regions, their chances improve by less than is the case for the population as a whole.

How well refugees do depends very much on the host country. Migrants, especially refugees, are distributed very unevenly across Member States. They tend to be overrepresented in countries where the labour market is relatively stable and unemployment is low. This increases their chances of being in employment significantly.

Having spent time in the host country is a major advantage. A strong positive residence effect is closely intertwined with language. The employment rates of refugees and family migrants strongly increase with the number of years they live in their host country.

Knowing the language strongly improves labour market performance. The very strong role of host-

country language skills, as outlined in this chapter, is confirmed when controlling for other potential influences ⁽¹⁹⁸⁾. In other words, even for a given age or level of education, the better refugees' command of their host country language, the brighter are their employment prospects.

Refugees find it difficult to make the most of their existing human capital but well-chosen policies can help them to do so. The findings confirm that youth and education are normally strong assets for people seeking employment. This is also true for refugees, but the positive effects are much less pronounced. Educational attainments have less of an impact in giving them a good chance of finding a job compared with their native-born peers. This is particularly true for people acquiring higher (tertiary) level qualifications. It takes supplementary policy initiatives for refugees and family migrants to capitalise fully on qualifications – whether existing qualifications or those acquired after arrival. Obtaining language skills improves labour market prospects significantly, especially if language skills are low on arrival ⁽¹⁹⁹⁾. In the same way, spending time in the host country improves employment chances.

The fact that refugees are not evenly distributed across the EU can pose a significant budgetary challenge to a number of Member States, especially in the first years when investment in them is needed ⁽²⁰⁰⁾. However, refugees, by choosing to settle in countries with a relatively stable labour market, have lower chances of being unemployed or inactive. This, in turn, reduces unemployment in the EU.

3. POLICIES TO HELP REFUGEES INTEGRATE

This section considers which policy measures appear to help refugees and other migrant groups to obtain employment. It combines key analytical results from EU-wide survey data on previous inflows of refugees with insights from administrative data on relevant policies in place in Germany, Austria, Sweden and Italy. These have been identified as key recipient countries in the context of the most recent refugee inflow.

Early and comprehensive efforts at integration can help to make better use of the time needed for the (often lengthy) asylum procedure. At the beginning of 2016, the time between making an asylum request and a first instance decision was at least 6 months in Germany, Austria, Sweden and Italy. In addition, weeks or months may have passed between arrival and submitting an asylum request, sometimes due to administrative bottlenecks. Acting early may render this waiting time more useful to all and make a difference. This is further supported by evidence from Switzerland that longer asylum procedure durations

⁽¹⁹⁶⁾ It is detailed in a forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

⁽¹⁹⁷⁾ There is data for 24 EU member states, but no data for Germany, the Netherlands, Ireland and Denmark).

⁽¹⁹⁸⁾ Namely: differences, in sex, age, and education.

⁽¹⁹⁹⁾ See also IMF (2016)

⁽²⁰⁰⁾ See European Commission (2016d) for Germany.

Box 3.4: Drivers of refugees' labour market performance – core results of a regression analysis

Previous sections have noted that refugees and family migrants have much lower employment rates than the native-born population. To what extent do their individual characteristics explain these results? To find out, one must control them for a series of other variables which are expected also to have an important impact on someone's employment outcomes. The regression takes on board a series of control variables and is split into two parts. A basic model looks at the association between the employment performance of individuals and their standard socio-demographic characteristics: a person's sex, age, education level, and the host country into which the person has migrated (country effect). Supplementary models then also include other important variables: language skills, the parents' level of education, whether or not the parents were born outside the country or even outside the EU (a person's migratory background) and the number of years a person has already spent in the host country.

The core results are as follows ⁽¹⁾.

Country effect: refugees have the best chance of finding employment in Sweden, Norway, Switzerland and the UK. Those four countries account for more than half of all refugees resident in 26 countries included in the analysis. Migrants, especially refugees, tend to be overrepresented in countries where the labour market is relatively stable and unemployment is low. This improves the refugees' own labour-market performance, i.e. increases their chances of being in employment. For refugees, the choice of country can lead to a 9pp increase in their employment rate; for family migrants the increase is estimated to be around 4pp.

Education effect: The chances of gaining employment increase strongly with education. The proportion of highly educated people in the age group 25-64 amongst refugees and family migrants (both around 30%) is comparable to the proportion of native-born people. However, the proportion of low-educated people amongst refugees and family migrants compared with the native-born is considerably higher (around 33% v. 25%). This less favourable educational composition lowers the employment chances of refugees by -3pp and of family migrants by -1pp. A supplementary regression on labour market transitions confirms evidence that the return on higher education is indeed low for refugees and family migrants alike: attaining high (tertiary) education improves refugees' chances of finding a job. But the improvement is much less significant than it is for the general population.

Language effect: The better refugees' command of their host country language, the brighter are their employment prospects. Statistically, the chance of being in employment for those who have at best beginner-level knowledge is less than 40% of the native born population's chance. Controlling for the language effect assumes that there is no difference in terms of language command compared with that of the native population. As a consequence, if refugees had a command of the host country language comparable to that of the native-born, it would improve their employment rate by 9pp. Command of host-country language would increase the employment rate of family migrants by some 6pp.

Long-term residency effect: The employment rates of refugees and family migrants strongly increase with the number of years they live in their host country. If they had the same residential history in the host-country as native-born people - i.e. if they had spent their entire life (or at least a major part) in the host country - the employment rate of all migrant categories would be considerably higher: for refugees and family migrants, the employment rate would increase by 8pp and 6pp, respectively. Getting acquainted with the host country, especially its language, is a very powerful lever for participating in its labour market.

Parents' origin when outside EU: Parents can be born either in the host country, in an EU country, or outside the EU. If parents are from outside the EU there is a significantly higher risk that their offspring will have much lower labour market prospects than the native population of the same sex, age, and education. This finding has a general implication: a third-country origin lowers employment prospects significantly. This problem has already been highlighted in the 2015 Employment and Social Developments in Europe Review. It implies that non-observable factors such as discrimination, low recognition of skills and education or cultural differences damage the employment prospects of refugees to such an extent that they reduce the value to refugees of acquiring better skills and education.

⁽¹⁾ Details of the regression analyses will be presented in a forthcoming analytical DG Employment Working Paper "Labour market performance of refugees in the EU".

have a negative impact on the refugees' subsequent employment rate, with each additional year of waiting being estimated to reduce the subsequent employment of refugees by 20% (Heinmueller et al. 2016).

One possibility is to focus policy efforts and resources on those more likely to succeed in being granted refugee status and therefore to remain, since not all asylum seekers have the same chance of being granted asylum.

3.1. Early labour market access helps

Access to the host countries' labour market is a prerequisite for refugees' labour market integration and future employment outcomes. Access depends on their legal status. Applicants for asylum generally have the same rights as the native population once their application has been accepted. According to Reception Conditions Directive in force from July 2015, asylum seekers should be provided with labour market access no later than 9 months from starting their application

Box 3.5: What the current EU legal framework on asylum provides for in terms of access to services and integration

The Reception Conditions Directive (2013/33/EU) sets out minimum standards of reception conditions for **asylum applicants**. The aim is to ensure that the applicants have a dignified standard of living and that comparable living conditions are afforded to them in all Member States (bound by the Directive). It ensures that applicants have access to housing, food, clothing, health care, as well as medical and psychological care. Provisions that are relevant as far as socio-economic integration is concerned are article 14 (schooling and education of minors), article 15 (employment) and Article 16 (vocational training). In particular article 15 provides that Member States have to ensure access to the labour market for asylum applicants no later than 9 months from the lodging of the application if a first instance decision has not been taken. There are wide differences in terms of the minimum period before which access to the labour market is granted, from immediate access in some Member States to 9 months period in others (see table 3.8). Equally important than the minimum periods applied by Member States, are the actual procedural steps or other conditions of access that Member States set as they can limit the labour market access (e.g. requirement for a work permit or the need for a 'labour market check').

As for **beneficiaries of international protection**, the Qualification Directive (2011/95/EU) defines "standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted". Moreover, this piece of legislation also provides for equal treatment for beneficiaries of international protection (compared to host country nationals) in the field of: access to employment (article 26); access to education (article 27); access to procedures for recognition of qualifications (article 28) in addition to a facilitation for those who cannot provide documentary evidence of their qualifications; social welfare (article 29) even if Member States may limit social assistance granted to beneficiaries of subsidiary protection status to core benefits; and healthcare (article 30). Finally, article 34 provides "**access to integration facilities**": "*in order to facilitate the integration of beneficiaries of international protection into society, Member States shall ensure access to integration programmes which they consider to be appropriate so as to take into account the specific needs of beneficiaries of refugee status or of subsidiary protection status, or create pre-conditions which guarantee access to such programmes*".

These existing rules are currently subject to a reform following the proposals made in July 2016 by the European Commission¹ to revise the Reception Conditions Directive² and to transform the Qualification Directive into a Regulation³.

¹ http://europa.eu/rapid/press-release_IP-16-2433_en.htm

² COM(2016) 465 final - 2016/0222 (COD)

³ COM(2016) 466 final - 2016/0223 (COD)

procedure. Nevertheless, the exact period varies between Member States (Table 3.8) and, restrictions may apply, including labour market tests⁽²⁰¹⁾ and waiting periods.

Table 3.8: Number of months after which labour market access is granted to asylum applicants whose application is pending

Period	Country
Direct	EL, PT and SE
2 months	IT
3 months	AT, BG, DE, RO and FI*
4 months	BE
6 months	CY, CZ, DK, EE, ES, LU, NL, PL and FI*
9 months	FR, HR, HU, LV, MT, SI and SK
12 months	UK
No access	IE and LT**

Note: Denmark, Ireland and the United Kingdom are not bound by the Reception Conditions Directive (2013/33/EU). *In Finland, quicker access is provided (3 months) if valid travel documents are provided and slower access is provided for those without valid travel documents (6 months). **In Lithuania, access is provided when a final decision is taken on the application for international protection, within 6 months at most.

Source: OECD (2016a) and EEO (2016a).

[Click here to download table.](#)

⁽²⁰¹⁾ When labour market access is conditional on tests, employers have to prove that no domestic worker could have filled the vacancy.

Restrictions for asylum seekers have been fine-tuned in several countries recently. In *Germany*, the previously required labour market test has been suspended for three years in the vast majority of regions⁽²⁰²⁾, allowing asylum seekers to work for temporary work agencies, though not to be self-employed. While asylum applicants are now generally allowed to take up work after a period of three months, this market access is denied to those applicants who have recently come from third countries that are considered safe/secure⁽²⁰³⁾. *Austria* continues to apply a waiting time of three months and a labour market test: entry is allowed only to a few sectors where no negative impact on the domestic workforce is expected⁽²⁰⁴⁾. *Sweden* grants labour market access to asylum seekers with valid IDs without a labour market test. In *Italy*, since September 2015 asylum applicants may take up work 60 days after filing their application, compared with six months previously, and no labour market test is applied. They

⁽²⁰²⁾ See <http://www.bmas.de/DE/Presse/Pressemitteilungen/2016/erleichterter-arbeitsmarktzugang-fluechtlinge.html>.

⁽²⁰³⁾ Exceptions include asylum applicants residing in reception facilities (for up to six months).

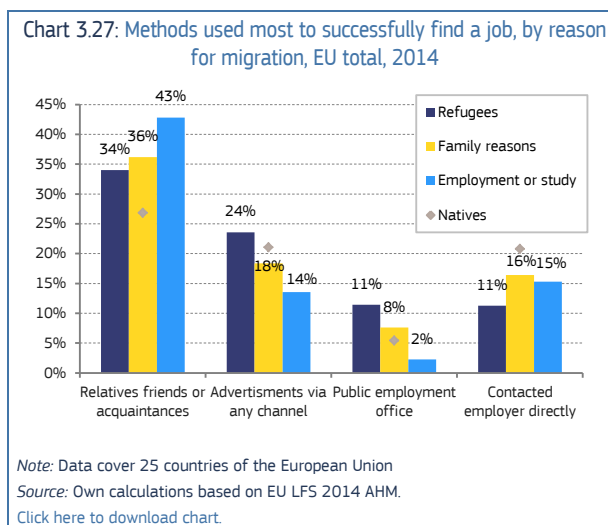
⁽²⁰⁴⁾ Tourism and agriculture as well as apprenticeships in shortage occupations, see OECD (2016a), Making Integration Work: Refugees and others in need of protection, OECD Publishing, Paris.

are also allowed to be self-employed, with some integration projects in the accommodation centres including support for becoming self-employed.

3.2. The role of networks and Public Employment Services (PES) in finding a job

All groups, including the native-born, rely mainly on their local networks to get a job (Chart 3.27). More than a third of refugees (34%) and family migrants (36%) who obtained a job in the last 5 years did so thanks to relatives, friends or acquaintances. For those who came for employment or study reasons this proportion was even higher and stood at 43%, while for the native-born it represented more than a quarter of those successfully employed (27%). This indicates the critical importance of local networks and successful social integration of refugees and other migrants for their labour market success. Policies such as mentoring and establishing contacts with local communities and private sponsors could be a powerful means of aiding refugees and other migrants in their job search efforts.

Using public employment services (PES) helped one in ten refugees find a job. Other migrant groups, as well as the native-born, use the PES much less than other methods such as direct employer contact. Refugees rely more than other migrants on the PES to find a job, placing the PES in a key position to help with their labour market integration.



3.3. Substantial registration with the PES and good unemployment benefit coverage

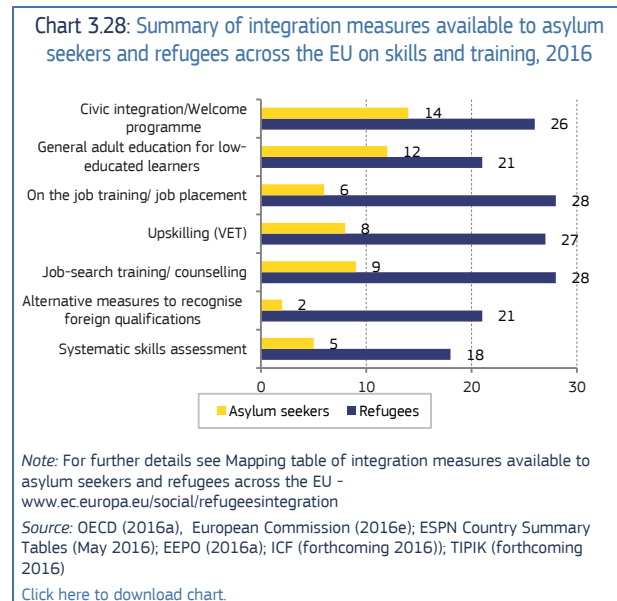
Refugees seem to be as much in contact with the PES as other groups, judging by their PES registration. They seem on average to be better covered by unemployment benefits than other migrant groups (71% v. 67%) and the native-born (67%)⁽²⁰⁵⁾. However, a third of unemployed refugees are not

⁽²⁰⁵⁾ Source: Own calculations based on EU LFS 2014 AHM. Data cover 24 countries of the European Union (data for Germany is missing).

registered with PES services and three out of five do not receive unemployment benefits during their job search. This, combined with the fact that refugees rely on the PES for obtaining employment much more than other migrant groups (Chart 3.27) indicates the PES as a possible area for action.

Member States offer a wide range of policy measures to aid the labour market integration of refugees and asylum seekers (Chart 3.28). These range from civic integration courses designed to help people better to understand the practicalities of life in the host country to early skills assessments and alternative measures for recognising foreign qualifications, available in large part due to the Qualifications Directive⁽²⁰⁶⁾. Labour market integration measures also include support for enhancing employability such as vocational education and training (VET), on-the-job training and general education for low-educated learners, which is of particular importance given the education profile of refugees.

The services that the PES provides to help people integrate into the labour market differ considerably between asylum seekers and refugees, and between Member States (Chart 3.28). While almost all Member States provide on-the-job training, up-skilling possibilities and job counselling support to refugees, a third or less of them do so for asylum seekers, including those who have gained labour market access.



3.4. Case-study: lifelong learning for refugees in Germany

This section provides a simulation of the economic and labour market potential of a subsidy offered to firms in order to encourage them to offer training to refugees. The projection horizon covers the period up to the year 2030.

⁽²⁰⁶⁾ Directive 2011/95/EU

Box 3.6: EU funding for integration of refugees and other migrants

EU funding can support the integration of asylum seekers and refugees into the labour market and society in general. The Commission is working with the Member States to identify how different EU instruments can contribute to addressing the needs. These funds include, among others, the European Social Fund (ESF), European Regional Development Fund (ERDF), Fund for European Aid to the Most Deprived (FEAD), and the Asylum, Migration and Integration Fund (AMIF).

Projects to foster labour market integration of refugees can be part of the exercise. The mentioned sources of funding are already investing in many successful integration projects across Europe. The Commission is also actively working with all relevant stakeholders to ensure that all funding sources available are used to their maximum potential and in an integrated and strategically coordinated way.¹ The ESF is the main EU instrument to support human capital. It can therefore provide valuable support to the integration of asylum seekers and refugees in the Member States by funding measures such as training, language courses, counselling, coaching, vocational training and even access to social services.

Refugees and all other legally resident migrants in a Member State can benefit from these EU funded integration projects. Asylum seekers can receive general support from the ESF from the moment they are legally entitled to participate in the labour market. Member States are required to grant this access at least 9 months after the asylum seekers have applied for international protection.

But even before having access to the labour market, Member States may grant asylum seekers access to vocational training, if the national law allows it. In addition, children of applicants (or minors who are applicants) must be granted access to the education system under similar conditions as country nationals for as long as an expulsion measure has not been enforced.

For examples of ESF funded migrant integration projects, visit the ESF website.²

¹ See also note on Synergies between the Asylum Migration and Integration Fund (AMIF) and other EU funding instruments in relation to reception and integration of asylum seekers and other migrants: <http://ec.europa.eu/social/main.jsp?catId=1274&langId=en&intPageId=4317>

² http://ec.europa.eu/social/esf_projects/search.cfm

The model simulation is based on the Labour Market Model (LMM) of Directorate General Employment, Social Affairs and Inclusion. The simulation is based on Berger et al (2016) ⁽²⁰⁷⁾ and assumes a strong influx of refugees into Germany, taking account of recent statistics from the Federal Office for Migration and Refugees (BAMF) on the number of asylum seekers ⁽²⁰⁸⁾.

Following Berger et al (2016), a number of assumptions on the asylum procedure are made reflecting recent statistics ⁽²⁰⁹⁾. Also in line with available data, asylum seekers are assumed to be younger than Germany's population on average. Two alternative scenarios illustrate the impact of asylum

seekers' educational levels on the German economy: a 'low-education scenario' assumes that the refugees are on average less educated than the German population, ⁽²¹⁰⁾ while a second 'neutral-education' scenario assumes that refugees' educational composition corresponds to Germany's average education structure. Importantly, in line with the evidence presented in this chapter, it is assumed that refugees, at the same education level and the same age as natives, face lower labour-market participation, higher unemployment and a significant wage gap.

Low-educated refugees change the workforce skill composition. In the education-neutral scenario the population increase ⁽²¹¹⁾ translates by 2030 into a uniform increase of the employed workforce of around 1% across all education levels (compared with the situation without the refugee influx). In the low-education scenario, however, the low-educated group would grow by around 3.5%, medium and high-educated by less than 0.5%, implying that the education profile of Germany's overall workforce would change towards the lower end. Due to the complementarity of workers' qualifications and capital accumulation, a less educated workforce would result

⁽²⁰⁷⁾ An initial simulation was done for DG EMPL by Berger et al (2016) as part of the Final Report of the "Updating the Labour Market Model" project. This simulation referred to here was re-done by DG EMPL, taking on board the latest available figures on refugee flows into Germany, and adding the training scenario.

⁽²⁰⁸⁾ The updated simulation assumes that Germany was/is confronted with an additional number of asylum seekers with the number of applications increasing by 203,000 in 2014, 477,000 in 2015 and 741,000 in 2016. Those people are assumed to be younger than Germany's population on average.

⁽²⁰⁹⁾ It is assumed to take six months on average from crossing German borders until a person is able to submit an asylum application and then another six month until a decision on the request is made. Many of the 741,000 assumed asylum applicants in 2016 already came to Germany during 2015 – the year that saw an influx of 0.89 million people (This figure is an estimation that may be biased by potential double-counting.) Further, it is assumed that some 53% of all decisions will be positive, and that only those refugees who receive a positive decision will increase Germany's population.

⁽²¹⁰⁾ In line with Institut für Arbeitsmarkt- und Berufsforschung (2015a), it is assumed that that 62% of all asylum seekers are low-skilled and only 13% highly educated. Among Germany's population aged between 15 and 64 years, 20% are low-educated, while 24% are highly educated.

⁽²¹¹⁾ In the model, Germany's 2030 population aged 15 years and older increases by 1% relative to the reference scenario (no additional refugees).

in lower investment per worker and lower productivity. As a result, GDP growth in the low-education scenario would be significantly lower than in the education-neutral scenario (+0.5% v. +0.8% by 2030).

An increased labour supply implies that wages for the low-educated native workers would grow less fast.⁽²¹²⁾ Investment in the training of refugees would alleviate pressures on wages, as shown in **Chart 3.28**. The Labour Market Model simulation assumes that the government will spend some 800 million euro every year (around 0.025% of GDP) to subsidise firm-sponsored training, targeting the entire refugee population.⁽²¹³⁾ It assumes that this expenditure will not stop after 2017, taking into account the long-term nature of measures designed to integrate mainly young and low-educated refugees in the labour market.

The training subsidy should improve refugee workers' productivity and firms' profitability. As a result, firms hire more workers and refugees' labour market prospects improve. A subsidy paid to firms for offering training should lead to more refugee workers undergoing training and hence improving their individual productivity. As a result, firms will step up demand for refugee workers. In addition, the subsidy will, like any subsidy, improve the profitability of the firm they work for.

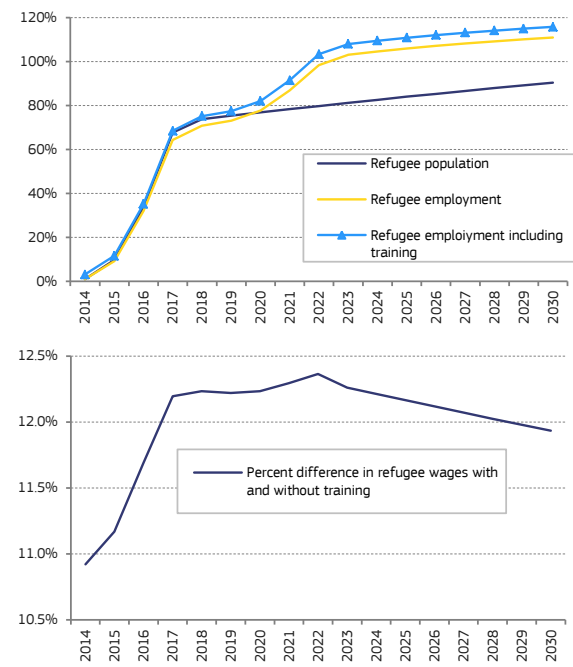
This will make it easier for workers to bargain on higher wages, as firms, in effect, share their profits with workers. In other words: the firms' reservation wage increases. The supplementary training would therefore alleviate downward pressures on wages overall. For refugees, the simulation reveals a significant wage increase due to the substantial amount of money made available for this small labour market segment⁽²¹⁴⁾.

⁽²¹²⁾ The results from the Labour Market Model for the low-education scenario show that wages of native low-educated workers would, during the adjustment period, be 1% below the trend without the refugee inflow. This is in line with results from a similar simulation published in 'An Economic Take on the Refugee Crisis' (European Commission (2016d)) which found that by 2020 wages overall would be 0.3% below the trend without refugees.

⁽²¹³⁾ Following Berger et al (2016), the initial refugee population before the influx is proxied by the number of migrants from Africa and the Near/Middle East who had lived in Germany in 2014: some 0.9 million people according to the Federal Statistical Office of Germany.

⁽²¹⁴⁾ The magnitude of the training's wage impact has to be seen from that perspective.

Chart 3.29: Germany's refugee labour market segment in the low-education scenario, with and without a subsidy for firm-sponsored training (0.025% of GDP per year) paid every year as from 2014



Note: The chart shows the impact of training on refugee employment and wages in the low-education scenario. All values are shown as percentage increases, relative to the baseline scenario, without additional refugee migration and without training investment.

Source: DG EMPL calculations based on the Labour Market Model

[Click here to download chart.](#)

Because of certain technical limitations of the model, the employment effect shown in **Chart 3.29** tends to underestimate the true effect of training. This is because the refugees' participation rate had to remain exogenous in the training scenario shown here⁽²¹⁵⁾. As a result, important positive labour supply effects are not taken into account.

The current influx of refugees to Germany should not, therefore, have a substantial impact on the country's overall wage and employment levels. Refugees' formal qualifications and skills are two crucial assets in terms of their labour market integration. These assets enhance productivity, trigger investment, prevent wages from falling and increase employment. Since many refugees are very young on arrival, investment in their education and relevant skills (through training) will yield a high return, even though (in the case of education) it will take time for human capital to form and find its application in the labour market.

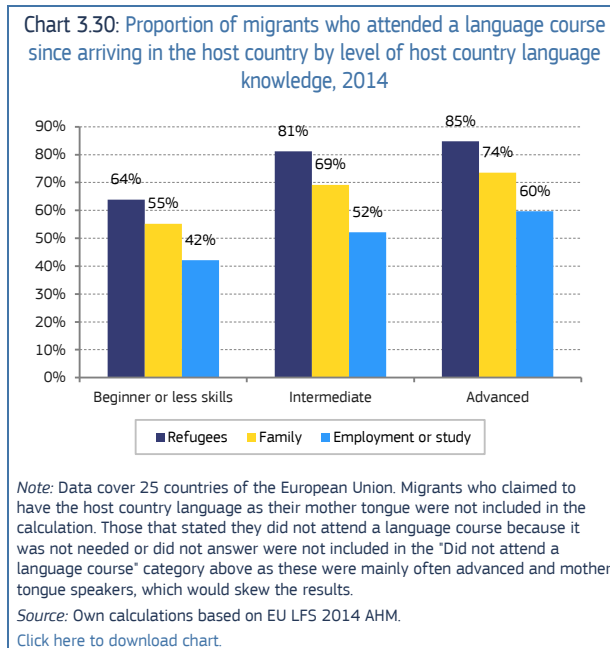
3.5. Language courses widely available but not always systematically or to a sufficient level

Knowledge of their host country language is one of the strongest determinants of the labour market outcomes

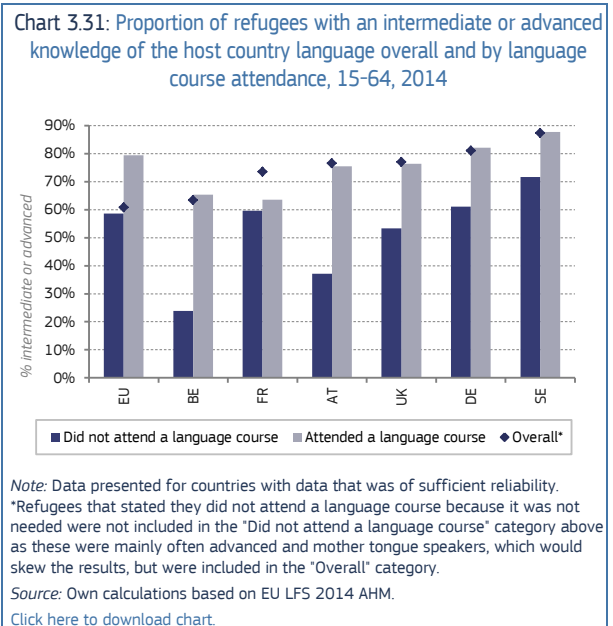
⁽²¹⁵⁾ It is taken into account that low-educated refugees improve their labour market participation in the course of time. To make that certain, the participation rate has to remain exogenous and follows a pre-defined path. The model can therefore not incorporate increases in the participation rate which are due to wage shifts.

of refugees (as shown in Section 2.3.4), but the extent to which the level of host country language knowledge is fostered by language courses has not yet been explored.

Judging from the proportion of migrants who have attended a language course since arriving in their host country, refugees take part in language courses more than other migrant groups, irrespective of the level of their linguistic proficiency (Chart 3.30). This makes sense since refugees on average also appear to have lower levels of host country language knowledge (Chart 3.11 and Chart 3.12).



Language courses are efficient, but overall less so in the case of refugees than for other migrants. Why might this be? First, the courses that the refugees attended may not have been very good at equipping them with language skills. Secondly, refugees may have had higher dropout rates from language courses because of their vulnerable socio-economic situation. Thirdly, their personal situation (including stress leading to trauma and depression) may make learning new skills more challenging for refugees than for other migrants. Finally, the relatively lower level of education of refugees compared with other migrant groups (Chart 3.10) may mean that it is more difficult for them to benefit from attendance on a language course. Attendance on language courses is, however, positively correlated with higher levels of host country language knowledge *within each migrant group* (Chart 3.31).



Refugees who attend a language course have a better command of the host country language than those who do not; those who follow language courses have a much higher share of intermediate and advanced levels of language knowledge than those who do not (20 pps: 79% v. 59%). This is a consistent observation across Member States. In other words, even though higher language course attendance among refugees does not necessarily result in their gaining higher language knowledge than other migrant groups, language courses do nevertheless improve their overall language knowledge.

Table 3.9: Highest level of language training provided to refugees (A1-C2)

Language level (CEFR)	Country
A1	HR
A2	BG, FR, IE and IT
B1	ES, PT, SE, SK and UK
B2	AT, EE and PL
C1	BE, DE, DK and LU
C2	CY

Note: For further details see Mapping table of integration measures available to asylum seekers and refugees across the EU - www.ec.europa.eu/social/refugeesintegration
Source: OECD (2016a) and EEPO (2016a)
[Click here to download table.](#)

Interestingly, in France the language knowledge gain among refugees from course attendance is only 4 percentage points. This could be linked to the intensity of the language tuition provided as France is the only Member State of the six presented that provides language tuition only to level A2 (Table 3.8), a level judged to be "not sufficient for accessing the labour market" (EEPO France, 2016a).

Regression analysis results reveal that those refugees who attended a language course stand a 50% higher chance of improving their host-country language command than those refugees who did not attend such course. This is true even assuming the same age

Box 3.7: Impact of integration policies on labour market outcomes: the devil is in the detail

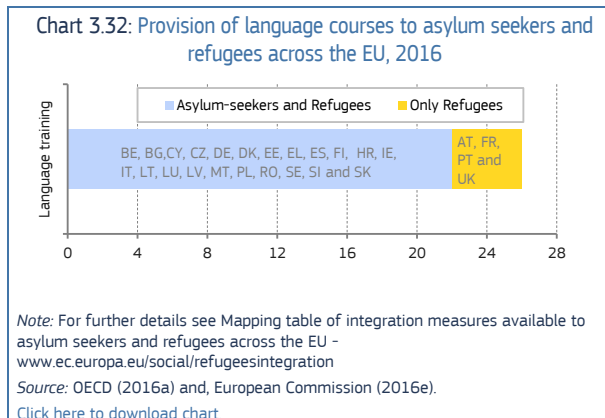
Data at the EU level is able to provide us with a comparative glimpse into the availability of certain types of integration policies available to refugees and asylum seekers and in some cases (e.g. language courses, PES registration etc.) also the proportion of refugees and asylum seekers who took part in them. Together with certain personal characteristics and labour market outcomes (e.g. the employment rate by knowledge of host country language) this enables us in this Chapter to broadly see which integration policies seem to have a positive impact on the labour market outcomes of refugees.

Nevertheless, even if a given integration policy is shown to have a positive impact on the labour market integration of refugees, the exact design, content and implementation of the policy measure is of critical importance. Hence, the research in this chapter needs to be complemented by qualitative and quantitative evaluations of specific policy measures at the national and local levels.

and education. The analysis also confirms that refugees' chances improve by less than is the case for family migrants (+70%) or those who came for employment or study reasons (+80%)⁽²¹⁶⁾. This may indicate a lower efficiency of language courses in the case of refugees.

Courses are most effective for refugees if they start at the lowest language proficiency level (beginner level or below). In that case, attending a language course improves refugees' chances of attaining one of the higher levels by 130%, whereas the language skills gain is less pronounced for family migrants (+80%) and migrants who came for employment or to study (+90%)⁽²¹⁷⁾.

These findings suggest that offering language courses are a very effective tool across the board. For refugees this is true especially in those cases where they come without any knowledge of the host-country language.



Language training is one of the most widely available types of support that asylum seekers and refugees alike can benefit from in the EU (Chart 3.32). This is a particularly encouraging finding, given that the analysis in this chapter has consistently shown that higher levels of host country language knowledge are linked to improvements in labour market outcomes. Most countries provide language learning to intermediate language levels and above (B1+). However, in several countries language courses are provided only up to level A2, which has been evaluated

as "too low for practical use" (UNHCR 2013). Other challenges include lack of coordination, resources, capacity and systematic provision (EEPO 2016a).

In *Germany*, since November 2015 a new law grants access to "integration courses" during the asylum process for applicants from countries with high protection rates⁽²¹⁸⁾. These courses include 600 hours of language training. The "Integration Law" which entered into force in August 2016 makes participation obligatory for asylum seekers likely to remain in the country. However, speedily expanding the offer of places to match the large recent inflows is a challenge. In 2015, 179,000 new participants started integration courses, and another 62,000 started in the first quarter of 2016⁽²¹⁹⁾⁽²²⁰⁾. Asylum seekers also have access to vocational language courses co-financed with ESF funds.

Sweden offers customised language training at the asylum reception centre, and a promising project is targeted at the language needs of the likely sector of employment⁽²²¹⁾. In *Austria*, basic language courses (A1 and A2 levels) are provided by the Länder, intermediate (B) levels by the public employment service (PES). Overall, there is further room for increasing the number of language courses – German

⁽²¹⁸⁾ This refers to asylum seekers from countries of origin subject to a protection rate of at least 50% (in 2016, Eritrea, Iraq, Iran, Somalia and Syria). See <http://www.bamf.de/EN/Infothek/FragenAntworten/IntegrationskurseAsylbewerber/integrationskurse-asylbewerber-node.html>. The corresponding condition applied to close to half of first time asylum applications in 2015. Previously, asylum seekers had no access.

⁽²¹⁹⁾ Antwort der Bundesregierung (18/9623)

⁽²²⁰⁾ Additionally, one-off basic level German classes to encourage asylum seekers with good prospects to remain are financed by the Federal Employment Agency resulted in over 220,000 enrolments in autumn 2015. Given the significant inflow of asylum seekers, there is a certain trade-off between swift and comprehensive provision of language courses and their quality and usability. Indeed an area of improvement that has been identified was that the courses at the moment do not lead to any recognised certificate for participants and for the low standards required of course providers, see <http://www.welt.de/politik/deutschland/article151817158/400-Millionen-fuer-fragwuerdige-Sprachkurse.html>.

⁽²²¹⁾ Promising practices on refugee integration - ec.europa.eu/social/BlobServlet?docId=15356&langId=en

⁽²¹⁶⁾ See Chart A2.1 in Annex

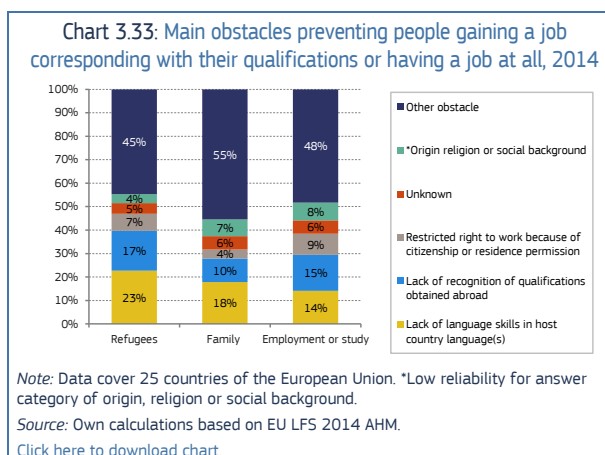
⁽²¹⁷⁾ See Chart A2.2 in Annex

language courses for 22,400 refugees do not go beyond B1 ⁽²²²⁾.

In *Italy*, asylum seekers are entitled to personalised integration support that comprises language training, ten hours of adult education per week and civic integration classes. About one in four asylum seekers took up integration support in 2014 ⁽²²³⁾. There appears to be room for further expanding the offer of integration programmes for both asylum seekers and refugees and addressing large geographical variations in their provision ⁽²²⁴⁾. More work may also be required to improve coordination, as there are currently many different stakeholders, sources of funding and services and some overlap exists (EEPO (2016a)).

3.6. Main obstacles to obtaining a job suited to their qualifications

Among the non-EU born who were either jobless or who identified themselves as being over-qualified for their job, 40% indicated that they had encountered no particular obstacle in either getting a job or obtaining a job that matched their skills. The remaining 60%, however, said that they had encountered such obstacles (Chart 3.33).



Refugees, family migrants and labour and student migrants identified the lack of host country language skills, recognition of qualifications and legal restrictions as the three main barriers to their getting a job or a job that matched their skills. The language barrier to suitable employment was more pronounced for refugees (23%) than for family migrants (18%) or for those who came for employment or study (14%). One in six refugees (17%) highlighted recognition of their qualifications as the main obstacle. Origin, religion or social background was the main obstacle for only a smaller proportion of refugees (7%) but a somewhat bigger issue for employment or study migrants (9%), indicating that discrimination, while a notable obstacle, may be less of an issue than skills and administrative or legal barriers.

⁽²²²⁾ Bundesministerium für Europa, Integration und Äußeres (2016), 'Integrationsbericht 2016'.

⁽²²³⁾ OECD (2016a), Making Integration Work: Refugees and others in need of protection, OECD Publishing, Paris.

⁽²²⁴⁾ Italian Council for Refugees (2015), p. 82.

Clearly, refugees' education and previously acquired qualifications are assets which will be devalued if those qualifications are not recognised in their host country or if refugees encounter discrimination in one form or another. In other words, education and qualifications alone are not enough to ensure that refugees will be able to get jobs for which they are qualified by skill and ability.

3.7. Social integration support

Even when refugees succeed in finding a job, they may need additional support if they are to become integrated into the societies in which they live. Many people fleeing war and persecution are likely to suffer from anxiety, depression and trauma because of the violent events they may have witnessed or experienced. Thus, they may not be suitable candidates for immediate inclusion in an integration programme.

Systematic physical and mental health screenings of asylum seekers upon arrival can help to identify such vulnerable individuals and provide them with the medical support they need, in line with the relevant provisions of the Asylum procedures Directive and the Reception Conditions Directive on medical screenings, vulnerability assessment and specific support to vulnerable asylum seekers. More than half of Member States provide systematic mental health screenings to asylum seekers (17) and refugees (16), and virtually all Member States offer mental health support for those who need it (Chart 3.34).

Housing market and dispersion policies aim at limiting additional pressure from asylum seekers in already tight local housing markets. At the same time, these can be an obstacle to their labour market integration ⁽²²⁵⁾. In *Germany*, since 2016 a residence requirement makes it possible to assign temporarily recognised refugees a place of residence, but exceptions apply for those who undertake work or study ⁽²²⁶⁾. Assigning residence is also considered desirable by the *Austrian* Integration Ministry and PES, because about 70% of people who benefit from international protection move to the capital, Vienna, although no such measure was implemented until 5 September 2016 ⁽²²⁷⁾.

⁽²²⁵⁾ In a recent stocktaking exercise assembling good practice regarding the integration of refugees and others in need of protection, the OECD highlighted the need to locate humanitarian migrants according to the availability of jobs, not housing, given that local labour-market conditions on arrival have proved to be a crucial determinant for lasting integration. See OECD (2016a), Making Integration Work: Refugees and others in need of protection, OECD Publishing, Paris.

⁽²²⁶⁾ In particular, unless the person finds employment subject to social security contributions with weekly working hours of at least 15 hours, or is pursuing VET or university studies elsewhere.

⁽²²⁷⁾ Bundesministerium für Europa, Integration und Äußeres (2016), 'Integrationsbericht 2016', as well as http://www.wienerzeitung.at/nachrichten/oesterreich/politik/841671_Wenn-wir-Vieles-richtig-machen.html

Box 3.8: What role do social partners play in refugee integration?

Although in most Member States the social partners are heavily involved in labour policy planning at national level, they may not participate specifically in refugees' labour market integration. This seems to be the case in countries where the labour market integration of asylum seekers and refugees is not important in the current political debate.

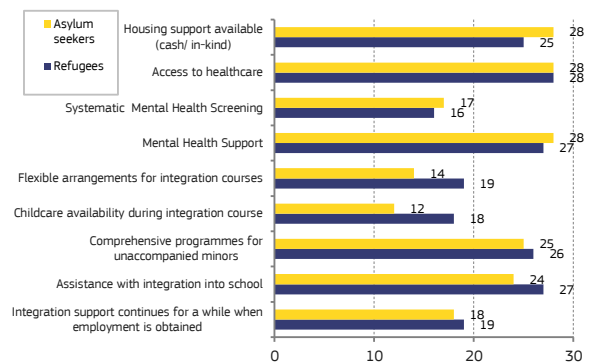
In general, whereas employers focus on easing labour market access (and often wish to see an increase in the size of the labour force in order to meet labour shortages in certain occupations), trade unions emphasise the importance of respecting labour standards (working conditions, skills and job matching, decent wages, etc.). The focus may be different, but they agree on the importance of avoiding the risk of exploitation and impoverishment which arises when asylum seekers or refugees are employed illegally. Legal employment makes it easier to access public services, and this in turn can be instrumental in getting information on social and labour rights. For specific refugee integration initiatives involving social partners, which have already led to changes in the process of labour market integration, and also concrete proposals which could have a similar effect in the near future, please see Eurofound (forthcoming 2016).

Sweden is among the few countries where dispersal schemes for humanitarian migrants include employment-related elements. Migrants are placed in localities matching their profile, taking account of their education levels and work experience, local employment rates, the locality's size, its concentrations of foreign-born people and the availability of housing⁽²²⁸⁾. In Italy, there are no dispersion policies for humanitarian migrants (OECD 2016a).

Childcare and flexible arrangements during integration courses still leave room for improvement. Such arrangements can help to ensure that parents who come with children or refugees who gain employment during their integration course do not have to drop out of their course to take care of their children or to take up employment. Two thirds of Member States offers such possibilities to refugees, but only half of them offer childcare and flexible arrangements as part of integration courses provided to asylum seekers (Chart 3.34).

⁽²²⁸⁾ Denmark and Finland also have incorporated employment-related elements into their dispersal schemes. In Denmark, a screening of informal and formal qualifications is made during the asylum application process, and local job opportunities are then taken into consideration in deciding which municipality should be the individual's place of residence.

Chart 3.34: Social integration measures available to asylum seekers and refugees in the EU, 2016



Note: For further details see Mapping table of integration measures available to asylum seekers and refugees across the EU - www.ec.europa.eu/social/refugeesintegration

Source: OECD (2016a), European Commission (2016e); ESPN Country Summary Tables (May 2016); EEPO (2016a); ICF (forthcoming 2016); TIPIK (forthcoming 2016)

[Click here to download chart.](#)

In many Member States, integration support ends as soon as the person obtains employment, potentially cutting short much needed integration courses. One of the goals of integration courses is for an asylum seeker with access to the labour market or for a refugee to obtain employment as soon as possible. However, it is not necessarily the case that integration support is no longer needed once in employment. For example, a refugee may quickly obtain employment that requires little or no language skills. In such a case in nine Member States their integration support will be discontinued, even if their knowledge of the host country language remains insufficient for them to be able to function independently in society or to obtain further employment that corresponds to their skills and qualification level.

Many EU Member States are seeing large increases in the numbers of unaccompanied minors coming in search of asylum. Comprehensive programmes and support for asylum seekers and refugees who come as unaccompanied minors are essential because of their particularly vulnerable position. They not only lack parental support but also “most arrive just before or after the age at which schooling is no longer compulsory – between 14 and 17 years old – but have little or no formal education” (OECD 2016a). For this

Box 3.9: Online databases of promising practices on the integration of asylum seekers, refugees and other migrants

There are several websites that contain information on promising projects that have been or are in the process of being implemented in Member States.

DG EMPL recently launched a [Repository of promising practices of social and labour market integration of refugees and asylum-seekers](#). The aim of this database is to enhance mutual learning and transferability between EU Member States of the most effective policies in the area of social and labour market integration of refugees and asylum-seekers, as well as skills by showcasing promising projects in these fields.¹

One such example is a housing project called Convivial in Belgium, which helps refugees to find sustainable, decent and affordable housing after they leave the accommodation centres. It provides information, mediation services and even transitional housing solutions. It also works with property owners with any help they might require and has set up a list of 'clever' owners who, happy with the services of the association, reserve their properties for refugees on a regular basis.

The European Web Site on Integration features a wider collection of best practices relating to the integration of all different types of migrants, with the possibility to look for practices by country, categories of migrants, target group, actor in charge, etc.² It provides policy makers and practitioners working on integration in Europe with a tool for the exchange of information and good practice as well as a one-stop-shop for migrant integration news, documents, events and analysis.

¹ See <http://ec.europa.eu/social/main.jsp?langId=en&catId=1208>

² See <https://ec.europa.eu/migrant-integration/home>

reason it is beneficial that most Member States have comprehensive programmes for unaccompanied minors in place.

Children who arrive with parents are likely to be in need of some help in integrating into the local school system and easing their access to education. Examples include intensive language courses, educational mentor/assistant, skills/knowledge assessment and tailoring of education to enable children to catch up with the curriculum. Again, almost all Member States provide some kind of support for integrating the children of refugees (27 MS) and asylum seekers (24) into school education.

3.8. Awareness-raising as a key part of integration strategies

Public opinion regarding the inflow and integration of refugees and other migrants is crucial for investment in and successful delivery of migrant integration measures in the EU. Public opinion in Europe on immigration and its impact seems to have become slightly more positive between 2002 and 2015 (Heath and Richards, 2016). However, it remains one of the top concerns of a large proportion of Europeans (48%, down by 10 pps from Autumn 2015), followed by terrorism (39%) and the economic situation (19%) (Standard Eurobarometer 85, 2016).

This concern is mutually reinforced by negative opinions on immigration in general. Even before the most recent inflow of asylum seekers, Europeans were "the most negative globally towards immigration" (IOM-Gallup, 2015). According to the Spring 2016 Eurobarometer, immigration of people from outside the EU evoked a positive feeling in 34% of respondents and a negative one in 58%, compared with 58% and 35% respectively for EU mobile citizens (Standard Eurobarometer 85, 2016). However, the fact

that a large majority (67%) support a common European policy on migration and that 63% believe that their country should help refugees suggests that EU level action to improve the migration situation would be welcomed.

Research also indicates that personal contact can help dispel potential fears and foster positive attitudes towards migrants. Those who personally know a migrant (e.g. in Hungary) or live in areas with higher concentrations of migrants (e.g. in France and the United Kingdom) tend to be much more welcoming in their attitudes towards migrants than those who do not (Tarki 2015; Jolly and DiGiusto 2009 and 2014). Moreover, nearly all countries with large Muslim populations (Germany, Netherlands, France, Belgium and the United Kingdom) are more favourable towards Muslim immigration than other countries (Heath and Richards, 2016).

The demographics surrounding opinion polls consistently show that more educated and younger people tend to be more favourable towards immigration in general (IOM-Gallup 2015; Heath and Richards 2016; Tarki 2015). Labour status also seems to have an impact on attitudes to migrants, with the unemployed being more in favour of reducing migration than others (IOM-Gallup 2015).

Given that government policies on migration tend to be aligned with public opinion (IOM-Gallup 2015) and that, in turn, positive public sentiment is likely to make it easier for refugees and other migrants to integrate, it becomes increasingly important to ensure that public opinion is properly informed.

Unemployed people and those who see migrants as direct competition for jobs are more often in favour of reduced immigration (IOM-Gallup 2015). However, a disjoint can arise between the perceived severity of a

Box 3.10: The importance of the local level for refugee integration

While asylum reception and refugee integration policies are mostly decided at national level, their implementation is often done at the local level, often in cities. According to a report by Eurocities, even though local authorities are often provided with little room for manoeuvre in dealing with refugees, many cities have nevertheless in a way taken over the implementation of reception measures (Eurocities 2016). The efforts cities make are particularly important as migrants in general tend to be overrepresented in urban areas (OECD 2016b).

Moreover, the public response in cities has been mostly positive with strong support of civil society underpinning local administration efforts. This is likely to have been fostered by the open and transparent communication of the cities with their population on the reality of the situation. Examples of such communication efforts include utilising websites, social media and even apps to provide information. Utrecht provided neighbourhood information sessions given by key stakeholders including the vice mayor responsible for refugees and asylum seekers, the police chief and a doctor working in the asylum centres (Eurocities 2016).

Providing affordable housing for refugees is considered one of the greatest challenges in cities, which coupled with limited and tightening budgetary allocations and recruitment freezes, has made integration of refugees more difficult. Current EU state aid rules are also considered to make providing affordable housing more difficult (Eurocities 2016). The refugee crisis in this way highlights some important aspects of inter-governmental policy and fiscal relations. Local authorities are very often the ones that bear the cost of integration (e.g. in terms of housing, and education and training) but are not necessarily those that benefit from successful integration as refugees often end up moving in search of jobs and the taxes they pay go to the central government (OECD 2016b forthcoming).

To improve the functioning of integration programmes and the inter-governmental relations, the OECD proposes new initiatives that would balance incentives and fairness. These include more tailored but not overly complex fiscal transfers from central to subnational levels and a reward system for local governments that do particularly well in integrating refugees and other migrants, same as in some PES systems that are regarded for placing people successfully on the labour market.

given situation and reality. The fact that people tend grossly to overestimate the share of migrants in the population (e.g. 31% v. 14% in the United Kingdom; IPSOS MORI 2014), shows that there is an urgent need to improve public awareness of the facts surrounding migration.

While public opinion towards refugees remains welcoming, many expect that refugees will soon return home. This remains to be seen considering that there are now many conflicts around the world, which also explains the high propensity of refugees to take up host country citizenship (see section 2.2.6). On the one hand, a sizeable majority of people in Visegrad countries - Czech Republic, Hungary, Poland and Slovakia - and in Germany, France, Denmark, Spain, Netherlands, Italy and the United Kingdom (IFOP-FEPS 2015) indicate that they are in favour of admitting asylum seekers in need. On the other, an even greater majority of them would like the refugees to return to their countries of origin once it is safe or after a few years or months.

Finally, the importance of better public awareness becomes even clearer as misinformed opinions fuel public support for closing borders and the erosion of support for helping those in need. According to a recent poll that covered many EU Member States ⁽²²⁹⁾, a significant share of the EU population believe that most refugees in fact are not refugees – ranging from 36% in Spain to over 70% in Hungary and Poland with around 60% in France and Germany holding the same opinion (IPSOS MORI 2016). This is coupled with a

widely-held fear that there are people among the refugees who aim to cause violence and destruction. At the same time the majority of the population in EU countries doubt that most refugees will successfully integrate (despite evidence to the contrary) ⁽²³⁰⁾. As a result, over half of the population in Hungary, Italy and France support the complete closing of borders to refugees, with support for this being nearly as high in Germany and Sweden (49% and 47% respectively). Such opinions make it clear that improving public awareness is not just a matter of enhancing political capital to undertake needed reforms to integrate refugees better into host societies and deal with security risks but of building public support for the implementation of integration strategies themselves.

4. LOOKING BEYOND OUR BORDERS: THE SYRIAN REFUGEE CRISIS AND THE LABOUR MARKET IMPLICATIONS IN JORDAN AND LEBANON

While the EU has experienced a significant increase in asylum applications in the past two years, other regions closer to Syria have had to cope with far larger numbers of refugees ⁽²³¹⁾. According to the United

⁽²²⁹⁾ Hungary, Italy, France, Germany, Sweden, Poland, Belgium, UK and Spain.

⁽²³⁰⁾ For evidence that shows that refugees do integrate over time see for example OECD and European Commission 2015 and OECD 2015.

⁽²³¹⁾ This section draws on European Economy Discussion Paper No. 29 (May 2016) entitled *The Syrian Refugee Crisis: Labour Market Implications in Jordan and Lebanon* written by Lorenza Errighi and Jörn Griesse, available at: http://ec.europa.eu/economy_finance/publications/eedp/dp029_en.htm. For details, including references and sources, please refer to this paper.

Nations High Commissioner for Refugees (UNHCR), the 1 million asylum applications filed by Syrians in Europe constitute only 10% of the total number of Syrian refugees worldwide. The majority of Syrians fleeing the conflict have sought refuge in neighbouring countries. Since the outbreak of the conflict in Syria in 2011, the UNHCR has registered 2.7 million Syrian refugees in Turkey, just over 1 million in Lebanon and 0.7 million in Jordan. The total Syrian refugee count in these countries is even higher because not all of them register with the UNHCR. With refugees accounting for approximately a quarter of its population, Lebanon is the country with the highest density of refugees in the world. In Jordan refugees constitute about 15% of the population – significantly lower than Lebanon, but far higher than any European country. The highest proportion in the EU is found in Sweden where refugees are approximately 3% of the population, including the arrivals in 2014 and 2015.

The conflict in neighbouring Syria has posed serious challenges for Jordan and Lebanon, not least for their labour markets. Pressure on certain segments of the labour market, in particular in low-pay, low-skill sectors, has added to a cyclical weakening of labour market performance – as a result of negative economic spill-overs from the conflict – while exacerbating pre-existing structural weaknesses, such as a high proportion of informal work. Of the refugees who work, more than 90% do so informally. Most remain excluded altogether from employment (both formal and informal), through a combination of low labour force participation and high unemployment. Women in particular post very low employment rates. This can be attributed in part to cultural attitudes to gender roles, but also to the high proportion of small children among the Syrian refugee population and the concomitant need for some of the adult population to care for the children. Exclusion from livelihoods means that poverty is widespread among Syrian refugees in the two countries.

The lack of refugees' labour market integration partly reflects the restrictive approach to labour market access for Syrian refugees that the Jordanian and Lebanese authorities have taken. Neither Lebanon nor Syria has signed the 1951 UN Refugee Convention and its 1967 protocol (ratified by 147 countries), which establish the rights of refugees to engage in wage-earning employment and self-employment. No explicit right for refugees to work is present in the labour legislation of either country.

In Lebanon, registered Syrian refugees were allowed to work until early 2015, when, following mounting social unrest and problems with public services provision, national authorities suspended this right and introduced the "pledge not to work" – a document that each Syrian refugee wishing to renew his or her residency permit on the basis of a UNHCR registration certificate has to sign.

Jordan operates a rigid quota system stipulating a maximum proportion of foreigners that may be

employed in each sector – provided they obtain a work permit – ranging from 70% in car washing to just 5% in the pharmaceutical industry. Work permits normally involve a significant fee (equivalent to USD 170–1,270, depending on the sector) and a lengthy bureaucratic process. In addition, they are tied to the job and the employer for which they were issued. Moreover, the legal minimum wage is 27% higher for Jordanians than for migrant workers.

Broadly speaking, the two countries' labour market policies for Syrian refugees have been restrictive. This has contributed to certain undesirable outcomes, not just for the refugees but also for the labour market itself. Labour shortages may coexist with significant unemployment. Labour mobility is hampered and the economy's ability to adjust – by reallocating labour depending on productivity developments – is curtailed. In order to sidestep costs and restrictions, both employers and workers have an incentive to opt for informal employment.

Joint efforts by host governments and the international community are required to foster the labour market integration of Syrian refugees in Jordan and Lebanon, which – if properly managed – holds upside potential for all interested parties. To the refugees, it offers the opportunity to improve their living conditions through their own efforts. To the host countries' economies, labour market integration of refugees enhances the effect of the demographic boost, lifting the level of output. The combination of these two effects should reduce pressure for onward migration.

The EU is part of this international effort, notably through bilateral compacts with Jordan and Lebanon, announced in February 2016 at the international donors' conference in London (which secured pledges of USD 10 billion altogether). Encouragingly, some relaxation of labour market restrictions for refugees is envisaged by the two countries' authorities as part of these compacts. In August 2016 Lebanon committed vis-à-vis the EU to simplify documentary requirements, with a view to easing refugees' access to the job market in certain labour-intensive sectors such as agriculture and construction, albeit without fully abolishing the "pledge not to work." The Jordanian government waived the fee for work permits in April 2016 for a limited period of three months (later extended in two steps to end-2016) and relaxed the documentary requirements, to provide an incentive for the regularisation of informal work by Syrian refugees. In the agricultural sector, the link of work permits to a specific employer was also relaxed. While many problems remain, these measures have already had positive effects on the ground. In return for policy steps such as this, the EU is offering significant support, both financial and through trade facilitation (notably a softening of rules of origin), recognising that Syria's neighbours are providing a global public good by hosting millions of refugees.

5. CONCLUSIONS

In the last few years, the EU has experienced an unprecedented inflow of asylum seekers and other migrants from outside Europe. Over 1.8 million asylum applications were filed in 2015 and the first half of 2016.

The evidence presented in this chapter confirms that refugees are one of the most vulnerable groups in terms of labour market integration. On average, in the European Union, the employment rate of refugees currently lags behind that of other migrants and natives by about 10 percentage points.

There are, however, significant differences across member countries, partly due to differences in the composition of refugee flows and in the point in time when different refugee waves arrived. The integration of refugees improves with their length of residence in their host country but it takes more than 15 to 19 years in the host country for refugees to reach parity with the native-born in terms of employment rates.

Reducing the time that it takes for refugees to integrate into the labour market should remain a priority for policy makers, notably in the current context of large inflows of asylum seekers. The same holds true for family migrants who account for the bulk of migration from third countries to the EU and who on average have similar outcomes to refugees.

Refugee women, although better qualified than their male counterparts among the arrivals in the last 10 years, face specific and persistent difficulties integrating in the labour market. The employment rate of refugee women with only a low level of education is particularly small (30%) and this group therefore merits special attention.

As with other migrants, most refugees work full-time and they obtain more stable employment in time, but are also more likely to accept jobs below their qualification level.

Many refugees from pre-2014 inflows have qualifications and skills on which host countries can build. On average, one refugee in every five in the European Union is educated to tertiary level. However, nearly half of all refugees have not progressed beyond lower secondary education and this can be a significant obstacle to their labour market integration.

The analysis shows that higher formal education leads to higher employment rates and an easier transition from unemployment or inactivity into employment. It improves productivity growth and leads to higher average wages and higher economic growth. These findings have important implications. Given that many refugees have low qualifications, but are young and keen to climb the qualification ladder, it is worth investing in improving their qualifications. In addition, it is important to improve the employment outcomes of those with higher levels of education, whose returns

on education remain lower than for the native population.

Formal education alone, while important, is not a sufficient condition for refugees to integrate successfully into the labour market. It takes several 'levers' to activate their existing formal qualification for the labour market. The analysis provides strong evidence that language skills and/or host-country experience are also very important. Those refugees whose language skills are low or non-existent on arrival improve their employment chances significantly by acquiring more solid host-country language skills. Early investment in the language skills of refugees may actually be one of the most cost-effective instruments to enable them to capitalise fully on their existing formal qualifications. While language tuition is provided to refugees in most countries, in several countries the level of tuition remains too low for practical use and for obtaining employment.

Knowledge of the host-country language is a very strong determinant of labour market outcomes. The highest gain in employment (+28 percentage points) is for those refugees who have between an intermediate level of host country knowledge and the level of beginner or less. An early investment in the language skills of refugees may be one of the most cost-effective ways to integrate them and enable them to capitalise fully on their formal qualification and thus contribute to society. In a context of continuous inflows of refugees, most of whom are forecast to stay, this finding should be considered closely. Language tuition is provided to refugees in most countries.

In general, training measures offered to refugees are very effective and these are available in almost all Member States. However, the contribution of refugees' skills and education remains limited unless combined with more comprehensive support and removal of integration obstacles such as discrimination and lack of recognition of qualifications.

Social support for refugees is very important in order to enable them to settle into their new surroundings and benefit from the integration programmes offered to them. Access to housing, healthcare and assistance for children to integrate into schools are widely available to refugees and asylum seekers across the EU. However, many Member States struggle with housing capacity. Mental health support is also widely available but mental health screening is not conducted systematically, thereby perhaps leaving a lot of people suffering from trauma without treatment and support. Childcare and flexible arrangements during integration courses still leave room for improvement: many Member State do not provide them to refugees during their integration programmes. In many Member States, integration support ends as soon as the person obtains employment, potentially cutting short much needed integration courses.

The recently adopted Action Plan on Integration ⁽²³²⁾, the New Skills Agenda ⁽²³³⁾ and the proposed revision Common European Asylum System ⁽²³⁴⁾ all demonstrate that the European Union is taking active steps to improve the integration of refugees and other migrants and support their economic and social contribution to the EU. Collecting more, better and timelier data will be of great importance to integration policy efforts, both now and in the years to come, since the refugee flows are forecast to continue.

Enhancing public awareness regarding the benefits and true challenges of migration needs to be an essential part of refugee and migrant integration strategies. Otherwise, fear and misinformation rather than facts and research risk undermining integration policies and the ability of refugees to integrate successfully into society.

Receiving refugees is not an economically motivated decision, but a humanitarian one that results in helping people in need. While it is often considered temporary, this is not always the case. If the reception of refugees and their family members is properly combined with integration, it will enable the EU to benefit from the human potential of refugees and their strong motivation to become active members of European society. Creating better labour market and social integration systems will not only help refugees and those who were not born in the EU, but will also ensure all vulnerable groups are better supported. It will ensure that the EU can better tackle poverty and increase prosperity for all in order to ensure social cohesion.

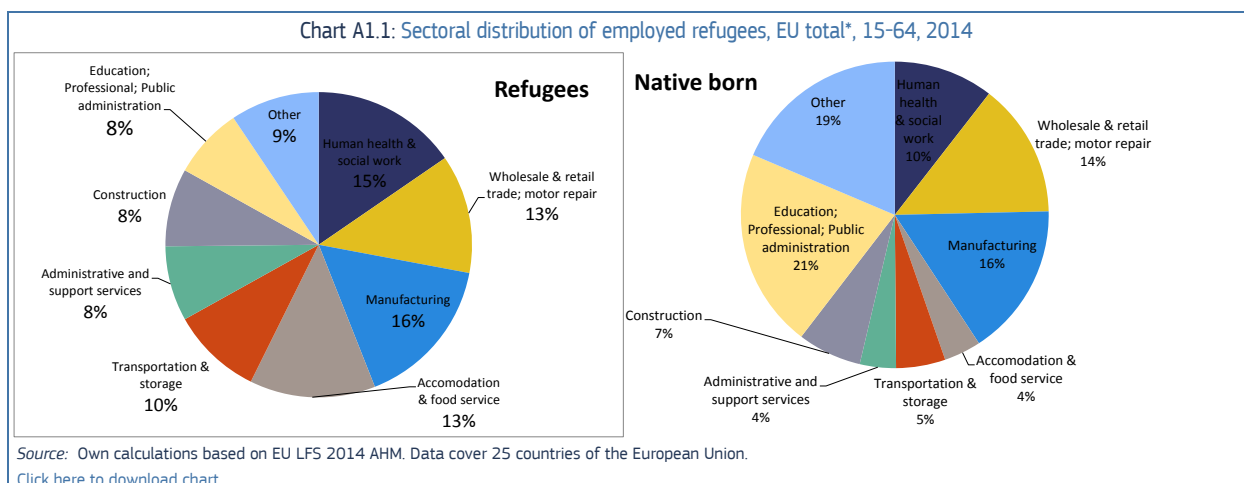
⁽²³²⁾ Action Plan on the Integration of Third Country Nationals, Commission Communication COM(2016) 377 final, Brussels, 7.6.2016.

⁽²³³⁾ A New Skills Agenda for Europe, Commission Communication COM(2016) 381 final, Brussels, 10.6.2016.

⁽²³⁴⁾ See proposal for revised Reception Conditions Directive (Brussels, 13.7.2016 COM(2016) 465 final) and Qualifications Regulation (Brussels, 13.7.2016 COM(2016) 466 final).

Annex 1: Additional labour market outcomes

The refugees who were in employment in 2014 were quite evenly distributed across seven major sectors. The largest group was employed in the manufacturing sector (16%), followed by health and social work (15%), wholesale, retail and motor repair (13%) and the accommodation and food service (13%). Many of them also work in transportation and storage (10%), administrative and support services (8%), construction (8%) and education, professional services and public administration (8%). This distribution is similar to that of the native-born but with relatively more refugees employed in accommodation and food service (+9 percentage points) and human health and social work (+5). Refugees were less likely to work in education, professional services and public administration compared with the native-born (-14 percentage points).



Annex 2: Ordinal logistic regression

Chart A2.1: Odds of a shift in language proficiency from ANY level to any higher level

		Category of migrants for which regression is done:		
		Employment or study	Family reunif.	Refugees
LANGCOUR	No, was not necessary	9.17	21.44	15.46
	No, for other reason	0.57	0.58	0.65
	Yes	1.00	1.00	1.00
	YES, relative to No (for other reas.)	1.76	1.71	1.53
control variables:				
EDUC	Low education	0.55	0.57	0.36
	High education	1.62	1.23	1.11
	Medium Education - Reference	1.00	1.00	1.00
AGE	15-34	0.90	1.09	0.69
	55-64	1.20	1.47	0.67
	35-54 - Reference	1.00	1.00	1.00
COUNTRY	AT	1.45	1.24	1.26
	BE	1.00	1.09	1.08
	BG	0.67	0.63	0.52
	CH	1.71	2.00	4.05
	CY	0.35	1.37	0.24
	CZ	1.23	2.13	0.69
	EE	0.03	0.12	:
	ES	:	:	:
	FI	0.67	2.08	1.75
	FR	0.73	0.60	0.66
	GR	1.69	1.75	1.81
	HR	:	:	:
	HU	7.88	6.15	:
	IT	1.37	1.31	2.63
	LT	0.13	0.48	:
	LU	:	:	:
	LV	0.19	0.18	0.49
	MT	0.09	0.02	0.22
	NO	0.39	0.88	1.52
	PL	0.97	1.17	0.52
PT	5.75	5.87	47.65	
RO	0.60	2.18	:	
SE	1.76	2.25	2.82	
SI	0.81	0.59	3.25	
SK	1.52	1.31	:	
UK	1.00	1.00	1.00	

Source: Own calculations based on EU LFS, ad-hoc module 2014; no data for Germany

[Click here to download chart.](#)

Chart A2.2: Odds of a shift in language skills from LOWEST level to any higher level

		Category of migrants for which regression is done:		
		Employ- ment or study	Family reunif.	Refugees
LANGCOUR	No, was not necessary	6.20	11.93	16.77
	No, for other reason	0.52	0.56	0.43
	Yes	1.00	1.00	1.00
YES, relative to No (for other reas.)		1.92	1.79	2.31
control variables:				
EDUC	Low education	0.5	0.5	0.3
	High education	1.6	1.4	1.0
	Medium Education - Reference	1.0	1.0	1.0
AGE	15-34	0.9	1.2	0.4
	55-64	1.2	1.0	0.5
	35-54 - Reference	1.0	1.0	1.0
COUNTRY	AT	0.8	0.9	0.9
	BE	0.5	0.7	0.5
	BG	0.9	0.9	0.1
	CH	0.8	1.6	3.3
	CY	0.3	0.5	0.2
	CZ	1.4	2.0	:
	EE	0.0	0.1	:
	ES	3.4	2.9	:
	FI	:	:	:
	FR	1.5	1.2	0.7
	GR	9.8	6.5	1.9
	HR	7.0	6.0	:
	HU	0.8	2.6	:
	IT	2.0	1.0	2.9
	LT	0.1	1.5	:
	LU	13.3	21.4	:
	LV	0.5	0.5	:
	MT	0.0	0.0	0.1
	NO	0.3	1.3	1.9
	PL	1.6	3.2	:
	PT	3.6	4.7	1.7
RO	0.4	16.1	:	
SE	0.8	2.3	2.8	
SI	6.4	2.1	4.8	
SK	0.5	0.9	:	
UK	1.0	1.0	1.0	

Source: Own calculations based on EU LFS, ad-hoc module 2014; no data for Germany

[Click here to download chart.](#)

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