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“The labour market integration of refugees”
white paper –
A focus on Europe

June 20, 2017
The Adecco Group White Paper in collaboration with the Reallabor Asyl, Heidelberg University of Education

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Fundación Adecco and the “Observatory for Innovation and Employment” (OIE), Spain
Fondazione Adecco, Italy
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IKEA Switzerland
MidtVask
ÖBB Group
SAP SE
Talent Beyond Boundaries
Technogroup IT-Service GmbH
Western Union Foundation

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Purpose of the white paper
The white paper is written for employers, policymakers, NGOs and other stakeholders. It provides background information by outlining the refugees’ paths to Europe, the legal frameworks and support measures in EU member states and the refugees’ socioeconomic characteristics. Based on this background information, it summarises the needs for action and describes good practices of company integration and policymaking in more detail. The good practices are drawn from expert interviews with representatives of fifteen European companies from different sectors, as well as with representatives of various associations and NGOs, and from an analysis of relevant literature.

Mapping the refugee situation
Half of the refugees worldwide in 2015 came from three countries: Syria, Afghanistan and Somalia. The extent to which European member states were affected by the refugee influx of 2015 in the European Union varied greatly, with some countries hardly affected at all and others who took in tens or even hundreds of thousands of refugees, such as Germany (441,800), Sweden (156,400) and Austria (85,800). The duration of flight varies considerably depending on the country of origin, with African refugees on average spending the longest period of time in transit. Although non-formal skills such as language and work experience can be acquired in transit, in the vast majority of cases formal degrees and qualifications are not. Refugees in Europe are becoming younger on average and more often male. The share of low-skilled individuals among them is greater than the European average. As refugees are a heterogeneous group as far as education and other issues is concerned, special vulnerabilities occur - for example, due to gender, age or health issues - and these can have an impact on individuals’ labour market integration chances. Refugees on average are highly motivated to start working and show a tendency to settle in countries with stable labour markets. Language skills and the duration of residence in one’s host country - both central to integration in general - are the most relevant predictors of labour market integration in particular. Tertiary education does not show the same payoff for refugees as it does for other migrants and the native born, a fact which may be due to discrimination, to the non-recognition of their previous formal education or to legal obstacles they face in accessing the labour market.

The European and the national setting(s)
Legislation plays a constraining role as far as access to societal spheres such as employment, education or housing is concerned. Access to the labour market can be denied to asylum seekers; Greece, Portugal and Sweden allow them to start working immediately after filing their application, but the United Kingdom excludes them for 12 months. There are other limitations to labour market access, too, such as exclusions from certain sectors or mobility constraints. The average processing duration for asylum applications varies as well; for example, in Belgium and Denmark it took 2.5 months in early 2015; in France, by contrast, it took 7 months. At the same time, policymakers have initiated support measures

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1 Throughout the white paper the word “refugee” denotes all immigrants who seek or sought international protection, i.e. both asylum applicants, recognised refugees and other beneficiaries of international protection. Differentiating terminology is used in those contexts only, were - e.g. for legal reasons - the detailed status of the immigrant seeking or having received international protection is relevant (also refer to the Glossary).
that are designed to mitigate integration barriers such as the lack of language skills or qualifications and the need for cultural orientation and social immersion.

Employing refugees – individual and socioeconomic benefits

Skill shortages in Europe are especially important in specific occupations and regions. Up to 2014 refugees showed the same distribution across the labour market as the native born with a slight overrepresentation of the former in accommodation and food service, and in human health and social work. An overall labour shortage cannot be currently observed in Europe. However, a study by BCG on 9 EU member states expects labour shortages in at least one and as many as six of these countries in 10-20 years (depending on the accuracy of their assumptions and the time period considered). Various slightly differing models predict a positive but small impact of the refugee influx on the fiscal balance. This effect depends on early labour market integration of refugees and on the timely catch-up of their contributions in comparison to those of the average taxpayer. The refugee influx also is predicted to have a small but positive impact on the gross added value based on additional investments, consumption and an increase in the labour supply. Again, the impact will be stronger the closer the newcomers’ skills and qualifications are to the European average.

Needs for action

To enable refugees to integrate and to contribute to the economy and the social system of their host country in the best way possible, several paths need to be pursued on societal and company levels:

- Focus not only on early integration and employment, but also on a form of integration that fulfils education and employment potentials,
- Transparency improvements concerning skills and qualifications,
- Investments in language, skills and qualifications,
- Measures to increase refugee labour market participation,
- Networking and good practice learning on national, regional and company level.

Messages to companies

Leadership is decisive – The framework given by the management to the refugee integration process in a company is decisive for its success. By setting the example and determining the focus of debate and action, management also makes it feasible to address staff members’ doubts about the process. At the same time this approach can become relevant as a means of intensifying the company’s team spirit. Given that a company’s support to refugees can also become an issue externally, it is important for upper management to have a clear position so that the staff can internalise the corresponding attitude and communication style.

Language is central – Lack of language knowledge is the number one obstacle mentioned by the interview partners in the case studies when asked about challenges that have occurred with respect to refugees in the workplace. Here, more formal and less formal solutions are possible: depending on costs, language course can be offered offline or online, within or outside the firm. Buddy systems can provide for additional opportunities to speak the language. The best training, however, is always on the job, so internship curricula and work placements should - among other things - be designed to maximise opportunities for speaking.

Adapting to refugees can help the whole workforce and overall processes – Most companies interviewed state that the establishment of refugee support measures in the work process served as a litmus test for work process details that needed to be monitored with respect to the existing workforce in any case.
Thus, as in refugee-receiving countries, refugee-hiring companies needed to address not only the problems and issues of refugees but also the shortcomings, deficits and vacancies of the receiving system. Process steps mentioned in the interview included the quality and focus of application procedures and competence evaluation, the feedback culture and diversity issues.

**Build a network** - None of the companies interviewed claimed to have taken care of the process of recruiting refugees, selecting participants to support programmes, training and continuously supporting them without the cooperation of external actors. Moreover, approaching external actors for support and knowledge transfer was often the very first step in the establishment of successful labour integration programmes by the companies interviewed. These external actors can be state agencies, employment and recruitment services, NGOs, initiatives, or supranational actors. The factors most relevant for the success of network cooperation in the labour market integration of refugees are: a transparent division of functions and tasks, explicit expectation management, centralised information management, regular monitoring of objectives, resource input and avoidance of dual processes.

**Competencies need to be made transparent** - A lack of qualification certificates, the incomparability of education systems and disrupted education paths are mentioned as a particular challenge in screening refugee competencies. Companies have reacted differently to these challenges, but all measures focus on transparency, translation and traceability of competencies within the host country system, for example, by having formal qualification certificates recognised by the corresponding state institutions, by consulting intermediaries such as the state or employment and recruitment services, by including preselection measures such as labour fairs or internship programmes, and/or by equipping refugees with internal competency certificates as the result of assessment procedures and orientation programmes.

**Integration is a two-way street** - It is not only important to leave space for the articulation of refugees’ problems and questions; the perspective of the locals is also relevant for integration success. Integration means change for all involved. Intercultural issues also play an important role for the success of day-to-day work and integration into team. Two points are mentioned particularly often: one is the degree of autonomy with which assignments are taken care of and the existence of different traditions not only in the various countries of origin but also in the host countries. And the second one can be summarised as gender issues. Here it is important to make explicit that female superiors are part of the European business system and that women have the same rights and responsibilities in the workplace.

**Integration of refugees is a long-term process** - The literature on the integration processes of migrants in the past shows that their full labour market integration should be expected to take 5-15 years, with refugees lagging behind the migrant average. Therefore, mechanisms and structures set up within and outside a company to support refugees need to focus on sustainable approaches, resource allocation and expectation management. In particular, there needs to be support at the interface of business-oriented and not-for-profit commitment to encourage professional attitudes and, possibly, distance. This support in terms of structure, work load and team cooperation is important in order to avoid the exploitation of human resources beyond the point of sustainable recovery.

**Work is social** - When different worlds meet social events help people get to know each other and to develop trust. Communication is an important factor in this: communicative, social events such as barbeques, soccer games, excursions and parties can show considerable payoffs and are worth the effort. Networks with different actors can help support refugees by organising out-of-work activities.
Refugees have the chance to integrate best when they are treated like everybody else - All the companies interviewed stress that for the sake of fairness and equal treatment they put a focus on not segregating refugees from the overall workforce beyond the necessary minimum. As a result, many companies cannot provide statistics on workers’ refugee backgrounds outside specific refugee programmes. Many limit support measures to language courses or introductory workshops on work procedures and do not rely on specific, refugee-oriented recruitment measures, but draw instead on intermediaries who have information on the possible refugee status of applicants at their disposal.

Refugee integration is an extra - Despite the proposition of equal treatment, the majority of the companies involved state that refugee integration does demand effort beyond the usual work process. They relate this to a wide range of factors, including comprehensive administrative procedures, opaque processes and overall increased transactions costs, increased outside political attention to company policies and measures, increased involvement by staff members supporting refugees, increased demand for intercultural training for all parties involved, language issues and possible disruption of the employment process due to specific refugee-related legal constraints.

Messages to policy makers

Time is crucial - Non-participation in the labour market causes high costs for the host society, for the prospective employer and for the refugee. It results in fewer social contributions to the host country and a loss of skills, motivation and social competencies. It narrows the refugees’ options for integrating not only in the world of work but also in many other social and cultural spheres. Therefore, countries should reduce the time necessary for the application procedure, allow early access to the labour market and education, and offer fast track solutions such as for refugees with a high probability of international protection or with skills in demand on the European labour market. Time also plays a role where the perspective of state programmes and expertise development is concerned: the integration of refugees most likely will play a relevant role for EU member states in the long term. For that reason, programmes, legal mechanisms and knowledge management should fulfil sustainability requirements.

Skill transparency means resource efficiency - One of the main reasons for employers not to employ refugees is uncertainty about their qualifications. Therefore, countries should ensure targeted, large-scale and systematic procedures for skills assessment and qualification recognition are in place, agree on and work with internationally harmonised certification systems for non-formal skills and additional qualification, include skills assessment and/or qualification recognition early on (i.e. during the application process), and promote information linkage and transparency on skills, for example, via online platforms.

Integration is networking - Labour market intermediaries can alleviate the matching frictions by providing relevant and timely information for refugees and firms, by facilitating job matching, and by reducing firms’ screening and other hiring costs. Correspondingly, meeting these needs requires effective communication with job-seeking refugees and, when necessary, personalised guidance, strong links with local firms, and an extensive knowledge base. Therefore, countries should: provide one-stop shops for employers dealing with concrete employment procedures; create regional integration hubs linking employers, potential employees, support structures, administration and information on host as well as home countries; and promote the coordination and training of volunteer support in labour market integration.
**Refugee dispersion and support need to be labour-factored** - Due to demographic change and economic prosperity, demand for labour is a pressing concern in some European regions. Countries should ensure that dispersion of refugees is based on employment factors such as individual profiles, local labour market conditions and specific local shortage occupations. They should also offer status security during vocational training, allow employment independent of asylum procedure, encourage the combination of language courses with work experience, avoid penalising job-related “secondary migration” of refugees after initial dispersion, and offer bridging courses to help newcomers develop country-specific skills on the basis of prior qualifications in their home country.

**Potential external support should be well-targeted** - Refugee support and guidance have to take into consideration both the systematic differences between the countries of origin and individual differences. One-size-fits-all approaches are inefficient not only for the refugee but also for the employer. Therefore, countries should offer targeted, systematic and individual needs assessment and quality guidance to develop individual integration plans, ensure diversification of language courses (by education level and professional sphere, for example), provide comprehensive professional, cultural and civic orientation, establish and promote mentoring structures, and focus on the special needs of growing diverse groups, such as women, unaccompanied minors and psychologically traumatised refugees.
Chapter 1
Introduction
Objectives

The vast number of refugees who arrived in Europe in 2015 and 2016, and who will keep arriving in the foreseeable future, requires new perspectives and approaches in European societies. Labour market integration is one of the key issues for the successful overall integration of refugees, to create win-win situations for receiving societies, economies and arriving refugees. This white paper provides greater insight into the issue and offers a preliminary overview of possible approaches to tackling the challenges. Its authors, researchers from the project ‘Reallabor Asyl’ (www.reallabor-asyl.de), a cooperation of researchers of the Heidelberg University of Education, the Heidelberg University and the Centre for European Economic Research, had complete academic independence in writing it. The white paper was funded by The Adecco Group as an expression of the Group’s engagement with the topic. The Adecco Group’s expertise and experience in this field stem from contacts and cooperation with clients, non-governmental organisations and institutional stakeholders.

This white paper is designed for employers, policymakers, NGOs and other stakeholders. First, it provides employers with an overview of the employment preconditions of refugees arriving in Europe, the path of integration into the European labour market and its various national frameworks and conditions. Second, it analyses experiences to date and outlines good practices for successfully employing refugees in several companies in Europe according to the employment process of sourcing, training and continuous support. The survey results and secondary research presented here allow for the sharing of recommendations from other employers and address dominant themes of refugee employment for regulators and external actors. Non-profit approaches by companies and their foundations are also explained and discussed. To provide background information and a more holistic understanding of the company context of refugee integration, the companies surveyed and their support measures are then described and analysed in case studies.
Terminology, sources and methodology

The terminology applied when speaking about refugees is often used loosely. For this reason, the terms used here are defined in accordance with international standards where such standards exist (see also the Glossary). The white paper is based on mainly two sources of information:

1) 18 case studies (17 companies and one NGO) including standardised interviews on refugees’ integration with the responsible human resource and / or sustainability / NGO / association representatives as well as analyses of documents related to the topic if provided by the company or NGO. Two of the companies wish to remain anonymous, a further two are only described from a specific perspective, explained in an information box.

The companies were approached based on internet research and recommendations according to the following criteria:

- Sector (recruiting services, IT, manufacturing and retail and catering services)
- Company size (small, medium, large)
- Qualification scheme (predominantly high skilled or predominantly low skilled jobs)
- Geographical position of countries along the migration path (transit countries and major countries of destination).

The sectors were chosen based on the criteria of reported skill and labour shortages and the sectors’ relevance in various EU member states. The study’s objective was to gain preliminary insights into the specifics of labour market integration in different spheres of the economy and along the migration path of refugees, which is why the company size, the qualification scheme and the geographical position of the host country were included. The interviews were conducted in English or German; some were interpreted by third staff members of the company interviewed. The interviews took between 30 and 60 minutes; they were recorded and then analysed, using the Mayring method (2000).

2) Secondary analysis of grey literature, relevant studies, research reports, analyses and reports by researchers, think tanks and foundations: the volume and depth of research and analysis on refugee integration varies considerably across European countries. In 2016, a large number of studies, analyses and compilations were produced in Germany in particular but also in other countries and by supranational institutions. These are quoted, referenced and recommended throughout the text wherever the information they contain is relevant for a better understanding of the employment context of refugees in Europe. All references and literature recommendations can also be found at the end of the white paper.
Chapter 2 – Mapping the refugee situation: Globally, in Europe and from a sociodemographic perspective
The refugee situation worldwide

The world has seen a rise in refugees and internally displaced persons in the last decade, which is unprecedented and exceeds even the corresponding numbers after World War II. At the end of 2015, 65.3 million people were forcibly displaced worldwide, meaning that one in every 122 humans was either a refugee or an internally displaced person. The majority of the people concerned are displaced internally and have not crossed the border of their country of origin. Of the total number of those forcibly displaced, 21.3 million became refugees by the end of 2015. These numbers nearly doubled between 2005 (displaced persons: 37.5 million) and 2015, and continued to grow at a slower pace in 2016. A description of 10 important countries of origin in 2015 is given in table 1. The most important countries of origin, making up for 53% (2015) of all refugees worldwide, are:

- Syria, which has been going through a civil war since 2011;
- Afghanistan, the location of continuous conflicts and wars since the 1960s;
- and Somalia, which for more than 20 years after the overthrow of the authoritarian regime under Siad Barre in 1991, was considered until very recently to be a failed state without an official government to be addressed internationally.

Refugees who come to Europe tend to come from African countries, the Middle East and Central Asian countries. There are also important countries of origin in South America and Asia (e.g. El Salvador or Myanmar); however, the countries of destination vary and the neighbouring countries as well as the United States and Australia play a more dominant role for these particular refugees (UN High Commissioner for Refugees [UNHCR] 2016, p. 14).

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Number of refugees worldwide¹</th>
<th>Casualties due to armed conflict in 2015²</th>
<th>Freedom House (PRI/CLI)³</th>
<th>Political Terror Scale⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syria</td>
<td>4,900,000</td>
<td>53,000</td>
<td>7/7</td>
<td>5</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>2,700,000</td>
<td>18,000</td>
<td>6/6</td>
<td>5</td>
</tr>
<tr>
<td>Iraq</td>
<td>260,000</td>
<td>11,000</td>
<td>5/6</td>
<td>5</td>
</tr>
<tr>
<td>Eritrea</td>
<td>380,000</td>
<td>-</td>
<td>7/7</td>
<td>5</td>
</tr>
<tr>
<td>Pakistan</td>
<td>280,000</td>
<td>2,300</td>
<td>4/5</td>
<td>4</td>
</tr>
<tr>
<td>Nigeria</td>
<td>150,000</td>
<td>9,000</td>
<td>4/5</td>
<td>5</td>
</tr>
<tr>
<td>Albania</td>
<td>10,000</td>
<td>-</td>
<td>3/3</td>
<td>3</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>70,000</td>
<td>-</td>
<td>6/6</td>
<td>3</td>
</tr>
<tr>
<td>Serbia</td>
<td>40,000</td>
<td>-</td>
<td>2/2</td>
<td>1</td>
</tr>
<tr>
<td>Iran</td>
<td>85,000</td>
<td>-</td>
<td>6/6</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 1: Situation in important countries of origin for refugees (Brücker et al. 2016, p. 23)

¹ UNHCR 2016 quoted in Brücker et al. 2016, p. 23.
² Uppsala Conflict Data Programme UCDP 2016. Conflicts are listed if more than 1,000 casualties.
³ Political and civil rights are listed on a seven-step scale, developed by Freedom House 2016 (1=totally free, 7=totally unfree), PRI=Political Rights Index, CLI=Civil Liberties Index.
⁴ Classification of political terror and violence on the five-step Political Terror Scale (5 being the highest and 1 the lowest threat classification), Gibney et al 2016.
Flight can be the result of deliberate long-term planning or of a spontaneous situation forcing someone to leave immediately or of anything in between. There is very little data on migration paths and the reasons for flight of the refugees, but some of the first representative surveys are currently being conducted in Germany. For example, Brücker et al. (2016) offer varying reasons ranging from 70% - predominantly of Syrian origin - reporting that they fled from violent conflict or war, 44% - predominantly from Iran, Iraq and Afghanistan - from prosecution, 38% from bad personal living conditions and 36% - predominantly from Eritrea - from fear of being forcibly recruited to war (Brücker et al. 2016, p. 24). Accordingly, the means, physical and mental strength and the destinations internally displaced people and refugees have at their disposal also vary. Most refugees flee to the countries around the corresponding trouble spot, making Turkey, Pakistan, the Lebanon, the Islamic Republic of Iran, Ethiopia and Jordan the most important hosting countries worldwide (table 2), whereas within the European Union Germany, Sweden and Austria were the most important countries receiving asylum claims during the refugee influx in 2015/2016. Of course, non-EU member states also took in refugees; these included the United States (172,700 claims) and the Russian Federation (149,900 claims), but are not in the focus of this white paper.

<table>
<thead>
<tr>
<th>Country of destination</th>
<th>Turkey</th>
<th>Pakistan</th>
<th>Islamic Republic of Iran</th>
<th>Ethiopia</th>
<th>Jordan</th>
<th>Germany</th>
<th>Sweden</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of refugees / claims 2015</td>
<td>2.5 million</td>
<td>1.6 million</td>
<td>970,400</td>
<td>736,100</td>
<td>664,100</td>
<td>441,900 claims</td>
<td>156,400 claims</td>
<td>85,800 claims</td>
</tr>
</tbody>
</table>

Table 2: Most important host countries by total refugee numbers and asylum claims (UN High Commissioner for Refugees [UNHCR] 2016, 15; 38)

How long it takes individual refugees to reach Europe depends not only on the geographical position of their country of origin, but also on economic or legal constraints, and on the conditions in the transit countries. Whereas the majority of asylum seekers (59%) who came, for example, to Germany fled there without longer stays in transit countries (i.e. > 3 months), asylum seekers from Africa spend longer periods in transit countries (71%) (Brücker et al. 2016, p. 24), possibly to find the means for financing the next phase of their flight. In a non-representative survey of 370 asylum seekers in Germany, 50% of the interviewed asylum seekers from Syria, Iraq, Turkey and Palestine stated that it took them one month or less to come to Germany. Exactly half of the interviewed asylum seekers from Afghanistan, Iran, Pakistan and Tajikistan stated it took them two months or less, whereas the same proportion of the interviewed asylum seekers from Africa stated it took them 18 months or less (Deger et al. 2017, p. 11). Throughout their flight, refugees often lack access to educational, safety and social infrastructure (Information box 1 and 2).
Information box 1: Education and safety conditions for refugees worldwide

Access to education for refugees (UN High Commissioner for Refugees [UNHCR] 2016):
Globally, 90% of all children of primary school age have access to a school; by contrast, only 50% of all refugee children of the same age do. At lower secondary school age, 84% of all children worldwide attend school while only 22% of refugee children do. Moreover, compared to the one third of all young adults worldwide who go to university, only 1% of young adult refugees are able to do so. Providing teachers and learning materials for refugees is a difficult task not only in developing countries but also in industrialised ones. In situations where support is continued beyond the emergency phase, other prohibitive factors can often include language barriers, socioeconomic barriers (lack of resources for school materials, the need to have children work, lack of financial means for transport, notions of social exclusion and insecurity both in school and on the way to and from, etc.). Another prohibitive factor can often be the fact that refugee children do not always have the right to access education, depending on age and years of school missed. Not only does education improve self-esteem, integration and labour market perspectives, it can also help to prevent child marriage, child labour, exploitative and dangerous work, teenage pregnancy, child deaths and future violence and conflicts.

Table 3: Safety risks during flight by gender, n=2,300, multiple answers possible (Brücker et al. 2016, p. 27)
Thus, the time spent either in a failed system due, for example, to civil war or on the journey may be a time for acquiring informal competencies such as language and work skills, but less so for formal competencies such as degrees, school leaving exams or professional certifications. This might be one of the reasons why a comparatively high percentage of refugees does not have a vocational qualification. At the same time, mental and physical health problems can result from the situation that caused the flight or from the flight itself (see below), including experiences of war and crime and material deprivation.
Information box 2: Labour market integration in transit countries – the example of Turkey with discussion of the Adecco Turkey case study

Turkey’s geographical position makes it one of the most common transit countries for refugees from the Middle East and Asia to Europe. However, ongoing conflicts in the Middle East and the increase in policies blocking refugees from entering the EU and the US, as well as the EU-Turkey Agreement, are gradually transforming Turkey into a point of reception as well. As a result, Turkey, with its population of 80 million, currently hosts 3.5 million refugees. Of the 2.9 million who are from Syria, 290,000 reside in state-run camps and the rest live in almost all regions of Turkey and attempt to survive by their own means.

Labour market in Turkey. Services comprise 54.8% of GDP, industry 20.2%, agriculture 18.3%, and construction 6.7% (January 2016). Turkey has a significant informal economy, especially in construction and in the trade and manufacturing sector, which are estimated to comprise 33% of Turkey’s economy (January 2017).

Labour market situation in Turkey. The current situation can be described first and foremost as challenging in three respects:

- **Political focus not on long-term refugee integration.** Because Turkish authorities have viewed Syrian refugees as temporary, they have been focusing on the provision of basic needs in camps. Only very recently have they changed their focus to labour market integration. As a first major step, since January 2016, refugees under temporary protection – i.e. Syrian refugees – who have been in Turkey for more than six months can apply for work permits.

- **Expansion of the informal economy.** Syrian refugees have developed survival strategies in the informal economy, using their own Syrian networks. This is especially relevant in certain sectors such as agriculture, construction and textiles. More than half of the Syrian refugees in Turkey are estimated to live on less than USD 250 a month, which is less than the minimum wage (Erdoğan, Ünver 2015, p. 49). The increase in the supply of labour to the informal sector has sharpened regulation issues and fears of crowding-out mechanisms.

- **Insufficient labour demand in legal employment.** Employers say that it is not profitable to legally employ Syrian refugees, due to their lack of skills and language proficiency as well as for other reasons. Therefore, the number of applications from refugees for work permits is low; only 13,298 had been granted by the end of 2016. Other sources indicate that one of the main barriers to access the labour market is lack of information on legal requirements and the ability to work as well as poor connections between refugees and the job market/employers.

**Adecco Turkey case study: create conditions to tackle the challenges.** Adecco Turkey is involved in organising and structuring refugee reception in Turkey. Following a bidding procedure, the UNHCR commissioned, the company provides services regarding the recruitment and management of the required verification personnel, and serves as their legal employer on behalf of DGMMM and UNHCR provides recruitment services and management of auxiliary workforce. “Our main goal is to organise the legal registration of refugees”, says Özkan from Adecco Turkey. To achieve this, collaboration with agencies of the UN is essential. For Adecco Turkey, the cooperation includes working towards a tight coordination with UN agencies as well the recruitment of over 500 verification staff who will interview refugees throughout Turkey for registration and provide them with legal information, for example, about the rights of children.

Sources: Korkmaz 2017; İşçilğü 2016; Erdoğan, Unver 2015; authors’ own interview data.
Current refugee situation in Europe

Until September 2015 the Dublin regulation\(^6\) was in place within the EU, obliging refugees to apply for asylum in the EU member state they entered first. However, even before 2015 there were countries of destination that were particularly important in absolute numbers, namely Germany, the United Kingdom, Sweden and France, the countries where 4/5 of the refugees residing in Europe lived (European Commission, OECD 2016, p. 10). Since the influx of 2015, the situation in Europe has varied depending on a number of factors, including whether or not a particular country is a member of the European Union, the political perspective the country in question took in 2015/2016 and beyond, and its geographical position. In 2017 there are EU member states that have been barely affected by the refugee influx of 2015/2016 and others that were greatly affected (table 4).

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<th>Key destination countries</th>
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Table 4: Country clusters according to the effect of the 2016 refugee influx (Fóti, Fromm 2016, p. 8)

*The still-high number of pending asylum seekers might be explained by continuous arrivals.

**The large increase in the number of first-time asylum seekers in 2015 was not only due to a high inflow of Syrians, but also to the flow of people from Ukraine and from other countries – not typically those whose citizens emigrated in large numbers in 2015 (Eurostat 2016; Martin et al. 2016a). For approximately six months after September 2015, until the closing of the Balkan route\(^7\) and the EU-Turkey Agreement\(^8\), refugee influx took place in a largely unregulated manner. Programmes which aim to relocate refugees from Italy and Greece to other EU member states and to resettle refugees from outside the EU into the EU have been established since then, the success of which has not yet been evaluated. Relocation and resettlement schemes are possible means for companies to get involved in supporting the provision of a safe migration path and

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\(^6\) The Dublin regulation establishes the member state responsible for the examination of the asylum application. The criteria for establishing responsibility run, in hierarchical order, from family considerations, to recent possession of visa or residence permit in a member state, to whether the applicant has entered EU irregularly, or regularly. (European Commission [2017] [https://ec.europa.eu/home-affairs/what-we-do/policies/asylum/examination-of-applicants/en/])

\(^7\) [...] the Western Balkan route, as the people who entered the EU in Greece tried to make their way via the former Yugoslav Republic of Macedonia, Serbia into Hungary and Croatia and then towards western Europe. (FRONTEX [2017] [http://frontex.europa.eu/trends-and-routes/western-balkan-route/])

\(^8\) On March 18 2016, the European Union and Turkey decided to try to put an end to the irregular migration from Turkey to the EU. The agreement targets the people smugglers business model and aims at removing the incentive to seek irregular routes to the EU. (European Commission [2017] [http://europa.eu/rapid/press-release_MEMO-16-963_de.htm])
The distribution of countries of origin differs in these and other EU member states, illustrating the relevance of national legislation and other framework conditions for asylum seeker reception. In Sweden the relative size of the three biggest contributors is roughly equivalent to that in the EU28 from 2014 to 2016, Syria being followed by Afghanistan and Iraq. In Germany the biggest group of first-time asylum applicants was also from Syria between 2014 and 2016. In 2014 and 2015, however, there was a huge second group from the Western Balkan states. Since Germany declared the Western Balkan States as ‘safe countries of origin’ in October 2015, people coming from there have had practically no chance of being recognised as refugees, a fact which explains the decrease in the number of respective applications.
applicants in 2016. In Italy, the numbers of first-time asylum applicants were dominated by people from Nigeria and Gambia between 2015 and 2016 while the arrivals in 2014 were mainly Syrians (42,000) and Eritreans (34,000). This suggests that the Syrian and Eritrean arrivals were in transit and that Germany’s decision to grant asylum to Syrian refugees directed flows towards Germany. In 2015, almost 40% of the refugees who received support in Italy also left for Northern Europe. In contrast to the EU28 trend, the biggest contributors in France include countries from the former USSR and former Yugoslavia. The relative fall in the number of applicants from these countries in recent years is also related to France’s relatively small share of refugees compared to the EU28 total (Martín et al. 2016a; Asylum Information Database 2017).
Sociodemographic characteristics of refugees in Europe

Asylum seekers in recent years have been younger and more often male

The age distribution of asylum applicants arriving in the EU28 in 2014 and 2015 was similar to that in the previous years, though it exhibited a slight trend toward younger persons arriving. In the years 2015 and 2016, this trend intensified. Table 6 shows that first-time asylum applicants in 2016 were almost exclusively below the age of 65 (99%) and mostly of working age (18 to 64: 70%). The most represented age-range is that of young adults aged 18-34 (53%), followed by children below the age of 14 (19%) and adolescents aged 14-17 (10%).

Table 6: Age and gender composition of first time asylum applicants in the EU28, 2015-2016 (European Commission 2016c, p. 111)
Information box 3: Unaccompanied minors

“A n 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.”

(European Commission 2016c, p. 110)

Table 7: Asylum applicants considered to be unaccompanied minors in EU member states, 2008-2016, Eurostat

There has been a sharp increase in asylum applications by unaccompanied minors in European member states. In 2015, more than half of these applicants were from Afghanistan, and the most important destination countries were the UK and Sweden. There was a large share of unaccompanied male minors (91%), the majority of whom (57%) were 16 or 17 years old (Eurostat 2016). Some 43% were younger than 16.

Comprehensive integration support is justified since unaccompanied minors are considered to be an especially vulnerable group. They arrive at an age when their personality development has not yet concluded. They do not yet have any formal professional qualifications and have had little if any work experience. Thus, unaccompanied minors need to be accounted for when designing labour market integration measures.

Support for unaccompanied minors is often implemented within existing systems of youth social work. As the numbers of immigrating unaccompanied minors increase, so, too, will the need for additional support to increase. In Italy, EPIM, the European Programme for Integration and Migration, offers the special support system ‘Never Alone’ to unaccompanied minors: “Support is provided to projects based on collaboration between civil society organisations and public bodies, especially local ones, at the front line in taking charge of unaccompanied and separated children in various areas: reception, education, training, work, help with housing autonomy, psychological support, and legal aid.” (Epim 2017)
In recent decades, the gender composition of asylum applicants in the EU was marked by an increase of women to almost 50%. However, the share of women has dropped in the past five years. Table 6 shows that this trend is even more marked in recent waves of asylum applicants, with almost 73% of them men. This is true across all age groups except for the small age group of 65+, where 53% are women. In other age groups, males are the most represented among first-time applicants aged 14 to 17 (83%) and the least represented among children below the age of 14 (55%).
Information box 4: Gender Inequality and Integration of Non-EU Migrants in the EU (Mikkel Barslund and Lars Ludolph, CEPS)

Refugees and non-EU migrants arriving in Europe generally have very diverse backgrounds. While this is often acknowledged, on-the-ground labour market integration programmes have only slowly started to cater to the specific needs of new arrivals. In particular, there is a strong case for labour market integration measures specifically geared towards female migrants and refugees (Barslund et al. 2017). The primary reason is the traditionally low female labour market participation in the source countries of recent refugee arriving in the EU. The outcome is a large excess gender gap in employment rates among non-EU migrants in Europe.

This excess gender gap can be defined as the additional gap in employment between third-country females and third-country males in the EU that appears on top of the existing gender gap in the host country. Table 8 displays the gap for all EU28 countries.

Table 8: Excess gender gap in employment rates in the EU28, 2016, 25- to 54-year-olds, percentage points (p.p.)

Note: Bulgaria and Romania are missing due to the lack of available data. Third-country nationals are defined by country of birth, except for Germany, where they are defined by citizenship. Source: eurostat 2017.

There is some evidence that the differences in labour market integration among low-skilled migrants are a main driver of the gender gap (European Commission 2016b). However, there are substantial differences among countries in this regard. For example, in Germany and France the excess gender gap among non-EU migrants is as large for high-skilled as for low-skilled workers. In Sweden, the gender gap increases with education, whereas in Italy the gender gap among the low-skilled is actually smaller for third-country nationals than for the native-born population.

Importantly, the excess gender gap in employment is also mirrored by other important aspects of societal integration. Barslund et al. (2017) use a measure of ‘active citizenship’ similar to the one suggested by Hoskins and Mascherini (2008) and argue that the excess gender gaps translate into less participation in the host country’s society among third-country female migrants.
Education level

Evidence from 2014 points to average qualifications of refugees being lower than those of the native population in the EU, while illustrating a considerable variation depending on the countries of origin. With respect to the EU28, table 9 shows that 22% of the refugees aged 22 to 64 years had a high level of education (tertiary or above) in 2014. This compares to 29% of the native born population. However, a considerably higher proportion of refugees have only a low level of education (up to lower secondary school level) compared with the native born (40% versus 23%). The reasons why many refugees have not finished their secondary school education may include lack of financial means, lack of opportunity in their country of origin and an inability to access education in war zones or while fleeing conflict.

Table 9: Employment rate and education level (25-64), EU, 2014

Furthermore, table 9 shows that refugees in the EU have lower employment rates than the native born (56% versus the EU average of 65%), although this differs according to the level of educational attainment. Highly educated refugees aged 25 to 64 years have a much higher employment rate than their low-educated peers (20% versus 45%). On average, it takes the refugee population 15 to 19 years to match the EU average. This relatively low rate of refugee participation in the labour market can only partially be attributed to differences in education and in language proficiency in the host country’s language - other reasons, such as legal constraints to labour market access, a lack of information and possible discrimination are also relevant.
Information box 5: Labour market frictions as an obstacle to the labour market integration of refugees (Nadzeya Laurentsyeva, CEPS)

A lack of language skills and professional qualifications alone do not fully explain the low employment rates of refugees compared to the local population and to other immigrants. Labour market frictions – such as incomplete information, regulations, and high screening costs – represent another important obstacle for job-seeking refugees as well as for the local employers who, in the absence of such frictions, could benefit from hiring refugees.

Compared to other job-seekers on the market, refugees face harsher frictions. As employment is not the primary reason for migration, refugees are less prepared to enter the labour market: as a rule, they have low familiarity with the local job search process and job culture. Many regulations and a multiplicity of entities providing support measures make it difficult overall for refugees to find their way in the new environment. Moreover, in contrast to other immigrants, refugees often cannot choose their destination. As a result, especially in the first months after arrival, they lack social networks, which might be helpful for finding jobs.

Table 10: Refugees’ job searches: methods and difficulties

Panel A: Method to look for work

Panel B: Difficulties during job search

Table 10 uses data from the survey responses of job-seeking asylum seekers and refugees who arrived in Munich in 2015-2016. The table illustrates how refugees search for jobs and what main difficulties they face in the first months after arrival. When searching for work, about 20% of respondents directly approach employers, while 22% rely on their closest social networks. To compensate for the lack of personal social networks, refugees resort to their first local contacts for support: social workers and teachers, who, however, might not possess the information or connections necessary to efficiently assist in the job search. Importantly, a lack of information about the search process represents the second largest obstacle, after the language barrier. For instance, fewer than 20% of job seekers use the Internet, which is a common starting point for job seekers in Germany. In addition, the fact that only 16% of job-seekers refer to the Munich employment agency for help would suggest that there is little awareness of the support measures available.
Table 11: Obstacles for employers

Source: Falck et al. (2016) based on the survey of German human resource managers

For local employers, stricter regulations on the hiring of asylum seekers (such as a labour market test) generate additional recruitment costs. As table 11 shows, among a sample of German employers, 49% cite regulation as a big obstacle. The perceived extent of this problem remains high among firms that have already employed refugees. These additional recruitment costs may arise due to the waiting time which is necessary to complete the required bureaucratic procedures, as well as due to higher uncertainty regarding the duration of employment (the latter being tied to the residence permit). The high costs of screening job applicants with refugee backgrounds are a further obstacle for employers. In addition to the absence of work experience in the local labour market, many refugees do not possess official (recognised) certification of their skills and qualifications. This increases employers’ uncertainty regarding the abilities of job applicants and might make them reluctant to offer job contracts.
Another factor that might be preventing the successful integration of migrants is discrimination. Experiments undertaken in several European countries demonstrate that anonymising job applications has a positive effect on migrants’ chances of being asked for an interview, which suggests possible discrimination in the labour market. In addition to differences in the employment rate, migrant wage levels persistently lag behind those of the native born, even as over qualification remains more prevalent amongst migrants (Dumont et al. 2016, p. 26).

**Health**

Numerous factors may have a negative effect on the health of refugees: these include pre-departure traumas and violence due to war, exposure to poor living conditions, (such as suboptimal hygiene and nutrition disorders), and exposure to violence during flight. Evidence of poor health among refugees is mostly confined to mental illnesses and maternity-related conditions, for example low birth weight, preterm delivery, perinatal mortality and congenital malformations. Whereas in surveys with larger samples refugees show the same self-reported health status as natives do, there is evidence that their rates of mental health problems such as post-traumatic stress disorder, mood and anxiety disorders, and panic attacks are up to five times higher than in the general population. It is empirically unclear whether and what kind of impact this could have on labour market integration. The key issue with regard to such diseases is the interruption of care due to a lack of access to health services during flight. This lack of treatment can be devastating for those with chronic conditions. Furthermore, the early identification of mental and physical health issues and the provision of adequate support are crucial to facilitating and accelerating the integration of recently-arrived asylum applicants (Bradby et al.).
Conclusions

- Half of the refugees worldwide in 2015 came from three countries: Syria, Afghanistan and Somalia.
- The degree to which individual countries in the EU were affected by the asylum seeker influx of 2015/2016 varies greatly, with some countries being hardly affected at all and others who took in tens and even hundreds of thousands of refugees, as is the case of Germany (441,800), Sweden (156,400) and Austria (85,800).
- The length of flight varies considerably depending on the country of origin, with African refugees spending the longest period of time in transit, on average. Although non-formal skills such as language and work experience can be acquired in transit, formal degrees and qualifications cannot be, in the vast majority of cases.
- On average, refugees in Europe are becoming younger and more often male. The share of low-skilled individuals among them is greater than on average in Europe.
- Refugees are a heterogeneous group as far as education and other issues are concerned. Special vulnerabilities do exist (for example, due to gender, age or health issues) and can have an impact on individuals’ chances of labour market integration.

Further Reading

Refugees and other beneficiaries of international protection are shielded by international law, the very basis of which is the 1951 UN Convention relating to the Status of refugees and its 1967 protocol. Among other refugee protection issues, Art 17 stipulates “the most favourable treatment” regarding the refugee’s rights to engage in wage-earning employment. In its Qualification Directive (2011/95/EU), its Asylum Procedures Directive (2013/32/EU) and the Reception Condition Directive (2013/33/EU) and its Action Plan on the integration of third-country nationals, the European Union provides for refugees and other third-country nationals to access the labour market by means of various tools. These tools include member state obligations and activation measures to ensure pre-departure and pre-arrival measures, access to training and qualification recognition, equal conditions, opportunities, and legal status throughout the member state, facilitation of social and economic integration, monitoring, and funding. However, supranational actors such as the UN or the EU tend to be a ‘background factor’ in the debate and in the establishment of labour market integration structures.

Two arenas are particularly relevant for job integration on the company level: national- and regional-level legislation referring to asylum and to the labour market, and regional and local integration support measures.
Asylum seekers and recognised refugees and their labour market integration across countries

Although from an international perspective the legal framework of labour market integration of asylum seekers, recognised refugees and other beneficiaries of international protection aims among other issues to prevent discrimination, the legal situation of those target groups within the European member states differs considerably from that of native-born populations, labour migrants, migrants, who came here for family reasons and others although in theory EU member states are obliged to comply with the corresponding European level regulations. On the one hand, recognised refugees, asylum seekers and other beneficiaries of international protection do not enjoy the same set of freedoms natives do in all societal spheres. On the other hand, countries do offer specific support to asylum seekers, recognised refugees and other beneficiaries of international protection, the scope and depth of which vary depending on the host country. This paper sheds light on some selected central issues concerning constraints as well as support measures. For a more detailed understanding of legal framework conditions, individual country case studies and information in the literature listed in table 12 are recommended for further reading.

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<th>Literature recommendations</th>
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Table 12: Country case coverage
Source: authors’ own compilation

One of the major reasons why employers hesitate to employ recognised refugees, asylum seekers and other beneficiaries of international protection is the perception that their access to the labour market is subject to complicated and unclear legal constraints (Berger et al. 2016). Indeed, there are relevant constraints for asylum seekers and other beneficiaries of international protection that vary across countries, whereas recognised refugees enjoy the same access to the labour market as natives. In some countries, however, refugees are still subject to constraints in other spheres, such as in France for example, where refugees under the age of 25 are not entitled to receive unemployment benefit (Martín et al. 2016a, p. 27). The two major constraints for asylum seekers and
other beneficiaries of international protection that should be noted here are:

a) temporary, partial or unlimited constraints to labour market access for asylum seekers and other beneficiaries of international protection who are not recognised as refugees (table 13), and

b) limitations to residence permits and mobility constraints that are valid for these groups and also for refugees in some countries (table 13).

Table 13: Minimum waiting period for asylum seekers accessing the labour market in EU member states and average duration of asylum procedure until decision in the first instance in months (European Commission 2016b, p. 7).

Partial access can mean, for example, that the access is possible only after a waiting period (table 13) or is restricted to certain time periods, working hours or occupations; that access to public employment services (PES) is restricted; that asylum seekers need to undergo labour market tests or that an additional license needs to be applied for by the employer. Ireland and Lithuania - in contravention of supranational regulation - do not allow asylum seekers to work until they are recognised as refugees. The element of deterrence that is apparent in these regulations is slowly coming under debate within a number of countries - such as the Czech Republic, Germany, Italy and Luxembourg where legal waiting times were reduced in 2015 and 2016. Some countries are still debating a possible reduction in waiting times, such as the UK, Malta or Latvia (European Commission 2016b, p. 7; Fóti, Fromm 2016, p. 18; OECD 2016, p. 16). Table 13 shows (for those countries where data is available) not only the legal waiting period, but also the average duration of the asylum procedure until the decision is taken in the first instance. This point in time marks the threshold after which constraints on labour market access are no longer valid. The data, however, need to be considered with caution as, for example, in Germany in 2015 and 2016 a large backlog of applications had to be processed and in some countries the data given vary by provider.
Table 14: Minimum and maximum duration of residence permit according to asylum status (European Commission 2016b, p. 39)

For employers, the length of a particular residence permit is important where employment is project-oriented and thus designed for a specific period that might exceed the duration of the residence permit. More importantly, the duration of the residence permit is decisive when the employer invests in any kind of training or accepts the refugee in a vocational training programme and the amortization period of the investment might exceed the duration of the residence permit. The rejection of asylum seekers and other beneficiaries of international protection by an employer in need of employees – or vice versa – also occurs due to mobility constraints that the group in question is often subject to. This is the case when asylum seekers, recognised refugees and other beneficiaries of international protection are dispersed to a region or township and are – usually for a limited period of time – obliged to live in that region, in some cases with sanctions imposed. A study on Sweden shows that refugees who had been placed according to an initial dispersal policy “earned 25% less, had a lower participation rate (by 6-8%) and were 40% more welfare dependent” (Edin et al. 2004) than refugees who were not subject to a dispersal policy. Nevertheless, out of the 13 EU member states who are also members of the OECD and apply dispersal policies only Estonia, Sweden, Portugal, Denmark and Finland factor employment into their dispersal concepts. The remaining eight member states focus on financial burden-sharing between the regions, the “prevention of further concentration in already immigrant-dense urban areas, the supply of housing and the presence of friends and relatives” (OECD 2016, p. 23).

9 The term ‘humanitarian migrants’ refers to asylum seekers, refugees and other beneficiaries of international protection and is used in accordance with the corresponding source of literature.
Labour market integration support measures

Whereas the legal framework of national and local labour market integration varies substantially across EU member states, the challenges met on the ground by agencies, administrations and practitioners are similar and their various approaches toward support measures focus on similar issues. The previous chapters have highlighted existing characteristics and the support needed by asylum seekers and refugees accessing the labour market. The following subchapter focuses on existing structures and issues of support for the reader to better understand what support might be available and the extent to which it answers existing demands. The Bertelsmann Stiftung (2016a, p. 13) classifies support measures in a scheme of labour market integration support measures (REFMISMES) given below with our own adaptations (Martín et al. 2016a, p. 13).

Skills and Needs Assessment

Skills and qualification assessment and profiling

A large number of asylum seekers cannot provide any documentary proof of the qualifications and competencies they have acquired before reaching their host country. Therefore, skills assessment tools and competency checks are currently being developed and applied in some countries such as Austria, Finland, Germany and the Netherlands. Usually they rely on a mixture of self-reporting, endorsements from professional associations, testimonies from instructors, and evidence of enrolment in educational institutions. There is a tendency in Europe to apply tools of skills and needs assessment primarily with accepted refugees and less so with asylum seekers. Out of eleven OECD members in the European Union, only four have their own in-depth skills assessments schemes (OECD 2016, p. 34).

Skills development

- Language courses
- Access to vocational education and training and further education
- Specific professional skills development programmes for labour market integration
- Access to traineeships, apprenticeships and internships
- Promotion of entrepreneurship
- Mentoring

Language development is the most central issue to labour market integration, but other skills also play an important role. Although employers have stated in interviews that support is also necessary in the area of numeric skills, there is no evidence to our knowledge that EU member states are focusing on this issue. Whereas state-supported language training for refugees is standard in EU member states, a number of countries do not offer such training for asylum seekers (e.g. Austria, the Czech Republic, France, Hungary, Netherlands, Portugal, and the United Kingdom). Furthermore, the training offered does not always match employers’ and participants’ needs. The course levels, course times and job-relatedness of the course content are the most central issues that should be diversified in more countries. Brücker et al., for example, report that 12% of the asylum seekers they interviewed say that they cannot read and write in their native language (5%) or that they can do so only at an unsatisfactory level (7%). Nevertheless, countries such as the Czech Republic, Estonia, France, Hungary, Italy, Poland and Slovenia do not offer combined language and literacy training (OECD 2016, 19; 42).
Due to the widespread lack of transparency in most countries as far as asylum seekers’ and recognised refugees’ skills are concerned, numerous countries have established low-threshold approaches of skill assessment and development. Typical measures might include:

a) on-the-job skills clarifications, i.e. internships as a means to make existing skills become apparent while simultaneously conveying new skills; out of 2,163 recognised refugees and asylum seekers employed by 300 German enterprises interviewed by the Boston Consulting Group, 70% were going through an internship as a first step of integration;

b) mentoring programmes where asylum seekers and recognised refugees are supported by volunteers from civil society, social partners or co-workers at each step of their job search and professional integration process.

Job intermediation
• Labour counselling and professional orientation
• Access to labour market information, job matching and placement services

Job intermediation is an important step in asylum seekers’ and recognised refugees’ labour market integration and is sought not only by employers but also by refugees. In a non-representative survey in Germany, 49% of the interviewees responded that the most important support for newly arrived asylum seekers is help in finding a job (Deger et al. 2017, p. 29). Job intermediaries need not always come from the state sector: since some EU member states do not allow asylum seekers access to PES (Public employment services), NGOs and social partners often offer support as well as Employment and Recruitment Services. The EU Commission compiles a collection of promising non-profit practices for labour market integration, educational and social inclusion across member states on the following website: http://ec.europa.eu/social/main.jsp?langId=en&catId=1208.

Recognition of skills and qualifications
• Validation and certification of skills (including formal and non-formal qualifications and skills)
• Recognition of qualifications

“Depending on the level and type of qualification that they [recognised refugees and asylum seekers] bring with them, two broad kinds of assessment procedures can be distinguished:

1. For humanitarian migrants with professional skills acquired chiefly through work experience or informal learning, recognition of prior learning (RPL) techniques are used. They comprehensively map skills that may then be showcased to potential employers to allay any misgivings they have as to humanitarian migrants’ abilities.

2. Formal recognition can be useful for humanitarian migrants with foreign post-secondary education and vocational or tertiary degrees. Highly educated migrants run a high risk of over-qualification unless formal recognition compares their credential and ‘translates’ them into their domestic equivalents. Formal recognition may sometimes be partial or find that foreign degrees are equivalent to a lower level domestic degree.” (OECD 2016, p. 30)

Incentives for economic integration
• Support for self-employment and entrepreneurship among refugees
• Incentives for employment of recognised refugees or asylum seekers

Countries such as Denmark, Sweden, Austria and Germany offer support for self-employment and entrepreneurship to refugees and incentives such as wage subsidies, for example, for the employment of asylum seekers and refugees. The support of self-employment and entrepreneurship is a tool that is currently being developed in many countries, but legal conditions constrain it in others. Subsidised employment is especially successful when integrated with various other support measures such as job-oriented language courses and job orientation measures (Martín et al. 2016a).
Conclusions

- Legislation plays a constraining role as far as access to societal spheres such as employment, education and housing is concerned.
- Access to the labour market can be denied for asylum seekers, with Greece, Portugal and Sweden allowing them to start working immediately after filing their application and the United Kingdom excluding them for 12 months.
- There are other limitations to labour market access, too, including exclusions from certain sectors and mobility constraints.
- The average duration of processing asylum applications also varies; for example, in Belgium and Denmark it took 2.5 months in early 2015; in France, by contrast, it took 7 months. On the other hand, policymakers design support measures to mitigate integration barriers such as e.g. a lack of language skills or qualifications, or the need for cultural orientation or social immersion.

Further Reading

Chapter 4 – Employing refugees – individual and socioeconomic benefits
Refugees are highly motivated to integrate into the labour market

Labour market integration of refugees can be seen from several very different angles: from the perspective of companies looking for workers or of workers becoming colleagues from the point of view of the receiving society; for the families still living in the countries of origin, to name but a few. First and foremost, however, employment is a key trigger and indicator for the overall integration of the refugees themselves and thus important for their participation in and contribution to social life in the host country. The adage “A man wanting to work and not finding it is probably the most tragic sight” is probably even truer for refugees. Work is the place where they can improve their language skills, become financially independent, make new friends, and get to know their host country’s culture and society at close range.

This also shapes refugees’ attitudes towards work: the gap between the activity rate of refugees and that of the native born is much smaller than the corresponding employment rate gap (table 15). This indicates, “that refugees are highly motivated to work but face obstacles to obtaining employment” (European Commission 2016c, p. 119). Moreover, there is evidence that refugees on average are not only highly motivated to find work, they – again on average – also tend to settle in countries with relatively stable labour markets and low unemployment (ibid. p. 125)\(^\text{10}\).

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\textit{Table 15: Employment, unemployment and activity rates by reason for migration of working age people (15-64) in \%, EU total, 2014. Source: European Commission 2016c, p. 119 (data cover 15 countries of the European Union).}

\(^{10}\) The economic situation in itself, however, is not the most important reason for living in a host country. A survey of 2,300 refugees in Germany in 2016 found “Respect for human rights” as the most important reason refugees gave for coming there (13\%), followed by the “German education system” (43\%) as the second most important reason (Brücker et al. 2016, p. 27).
However, entry obstacles to the labour market, such as the lack of language skills or legal constraints, often countervail motivation and favourable market conditions making the host country an important factor of successful labour market integration in itself. The best predictor of labour market integration is language: the better a refugee speaks the language of the host country the more likely it is that he or she has a job. The payoff of language knowledge is particularly high if he or she started from a low level of language skills (European Commission 2016c, p. 120). Whereas language skills are an important lever to employment, education – in particular tertiary education – does not show the same size of payoff it does for natives or other foreign-born migrants. Non-recognition of previous formal education, legal obstacles to accessing the labour market [...] and discrimination are all possible explanations (ibid., p. 120). The third most relevant predictor of employment is the number of years spent in the host country. Long residence by itself improves the likelihood of a refugee being employed. This can be explained by improving language skills over time as well as by a better understanding of the host country’s culture and the existence of networks – in short, by integration.
Reduction of labour shortages: What contributions can refugees make?

There are urgent skill and labour shortages in numerous EU member states and EU regions. The measures listed in information box 6, however, should not be seen as separate paths to be taken in order to reduce labour shortages. Rather, any realistic approach will consider all of them as cross-sectional themes. In many countries, the participation of women in the labour market will need to be increased for the native population as well as among migrants and refugees. The establishment of a higher retirement age will concern not only those who were born, went to school in a particular country and then started working there, but all workers; underqualified people need to be supported in improving their employability whether they are native-born, migrants or refugees.

Information box 6: What options do economies have to mitigate labour shortages?
(Strack et al. 2014, p. 19; European Parliament 2015, p. 58)

Economies can ease labour shortages or even overcome them by undertaking various measures. The most important ones aim to:

- increase the participation rate by e.g. encouraging women to enter the labour market, and by implementing longer working hours and a higher retirement age;
- increase labour market mobility e.g. by accepting more migrants;
- increase geographical and functional mobility;
- increase productivity;
- update skills or improve skill levels;
- increase the image and quality of jobs;
- increase labour market transparency;
- and encourage a higher birth rate.
Skills

Qualitative labour shortages are one of the most pressing labour shortage issues in Europe at present. They currently exist in almost every EU member state, but vary in size, focus and causes. This explains why, for example, despite there being high unemployment rates in some regions, four out of ten European employers said that they could not find appropriate candidates to fill vacancies in 2013 (Eurofound 2015, p. 62). Table 16 describes selected EU member states with qualitative and quantitative labour shortages.

Information box 7: Quantitative and qualitative labour shortages – What is the difference? (European Parliament 2015, p. 19)

According to Barnow, Trutko and Piatak (2013, p. 3) labour shortages are “a sustained market disequilibrium between supply and demand in which the quantity of workers demanded exceeds the supply available and willing to work at a particular wage and working conditions, at a particular place and point in time”. This definition focuses on existing shortages expressed in job vacancies rather than theoretical shortages that could be based, for example, on socially desirable labour supply.

“A quantitative (or aggregate) labour shortage refers to a situation in which the total supply of labour in an economy (i.e. for all sectors and occupations) falls short of the total demand for labour in that economy. Quantitative shortages [and geographical mismatches] can be measured at a regional, a national or the EU level. [...] Quantitative labour shortage can occur due to a decline in the working-age population itself or to a decline in the participation rate of the working-age population (supply side) or they can occur due to increases in labour demand. [...]”

Qualitative labour shortages occur if the labour demand in a specific sector/occupation/skill level is higher than the labour supply in the same sector/occupation/skill level. Thus, there is a mismatch between the particular characteristics of the labour supply and the particular characteristics of the labour demand, resulting in a shortage in a specific segment of the labour market.”
<table>
<thead>
<tr>
<th>Country</th>
<th>Skills shortages</th>
<th>Sector shortages</th>
<th>Sectors with bottleneck vacancies</th>
<th>Occupational shortage groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Medium</td>
<td>Medium (services, construction)</td>
<td>ICT, hospitality, health care and nursing, industrial production and construction, building sectors</td>
<td>Engineering professionals and associate staff, construction workers and electricians, machinery and metal workers</td>
</tr>
<tr>
<td>Belgium</td>
<td>High</td>
<td>High / Medium (services, industry)</td>
<td>construction, manufacturing, health care, ICT, restaurants</td>
<td>Engineers and technicians, IT professionals, sales staff, nurses, (technical) teachers in secondary education</td>
</tr>
<tr>
<td>Denmark</td>
<td>Medium</td>
<td>Low</td>
<td>hospitality, travel agencies, ICT, health care, construction</td>
<td>Mainly skilled occupations, e.g. professionals in sales, hospitality and skilled trades, but also software developers, mechanical engineers, nurses and medical doctors</td>
</tr>
<tr>
<td>France</td>
<td>High</td>
<td>High / Medium (construction, industry services)</td>
<td>construction, industry, health</td>
<td>Mainly skilled occupations, e.g. in construction and industry (metallurgy workers), but also in high-skilled occupations in health and computer engineering</td>
</tr>
<tr>
<td>Germany</td>
<td>Medium</td>
<td>High / Medium (services, industry)</td>
<td>electrical industry, mechanical and plant engineering sector, health care</td>
<td>Mainly highly-skilled occupations in the electrical industry, engineering and ICT. Also health, care and other service occupations</td>
</tr>
<tr>
<td>Italy</td>
<td>High</td>
<td>Low</td>
<td>manufacturing (metallurgic, automotive), health, ICT, green jobs</td>
<td>Mainly high-skilled and skilled manual occupations, such as ICT professionals, engineers and pharmacists, mechanics and repairers</td>
</tr>
<tr>
<td>Netherlands</td>
<td>High</td>
<td>Low</td>
<td>manufacturing, construction, business services, energy supply, health care, ICT</td>
<td>Occupational shortages of technicians in manufacturing, construction and technical consultancy, health care personnel, also high-skilled ICT, administrative and economic staff, certain types of teachers</td>
</tr>
<tr>
<td>Spain</td>
<td>High</td>
<td>Medium (construction)</td>
<td>n.a.</td>
<td>Mainly high-skilled occupations, e.g. translator, occupational therapist, political administrator. In skilled non-manual occupations there is a shortage of energy performance sales people.</td>
</tr>
<tr>
<td>Sweden</td>
<td>Medium</td>
<td>Medium (services, construction)</td>
<td>mining, health care, ICT</td>
<td>Mainly high-skilled occupations, e.g. health professionals, specific types of engineers, and occupations in ICT. Also lower-skilled occupations, e.g. in mining and quarry, pre-primary school teachers and cooks</td>
</tr>
</tbody>
</table>

Table 16: Quantitative and qualitative shortages in selected European Member States in 2015 (European Parliament 2015, p. 48).

Note: Data is not always comparable; all categorizations are based on the relative position of a country on a specific indicator compared to the position of other countries, as no general benchmarks exist; all categorizations carry an element of judgement. Labour shortages are reported from other member states of the European Union such as e.g. Poland, Hungary and the United Kingdom (Eastern Partnership migration panel 2016; Kiss 2017; CIPD 2017). However, due to a lack of data comparability, they are not included in this list.
Research cannot always supply specific data for refugee labour market integration, and therefore existing research results on migrants in general are used as a very first indicator. This is why the following subsections cite literature on refugees and on migrants in general. Research supports the idea that in the past refugees were able to ease skill shortages. As a new group entering the labour market, refugees in 2014 covered the whole breadth of sectors, much like native workers. In relative terms the newcomers were overrepresented in accommodation, food service, human health and social work (table 17, Dumont et al. 2016, p. 26). Research finds native-migrant complementarities and only slight and short-term displacements of native workers after larger influxes of migrants. These findings, which were based on large-scale refugee immigration to various European countries from Yugoslavia in the 1990s, show that the labour market in general absorbs the refugees’ labour supply in the long term. Studies also support the idea that labour market integration of migrants can result in upward labour market mobility, “especially of young and low-tenured natives and increased specialization into complex jobs” (Konle-Seidl, Bolits 2016, p. 20; Erdoğan, Ünver 2015). Thus, given the current situation, the question should not be “Is there a potential for labour market integration of the refugees who arrived in 2015 and 2016?” Rather it should be “How can we make the best of the existing potential?”

### Table 17: Sectoral distribution of employed refugees and native-born persons in the European Union, 15-64 years, 2014 (Dumont et al. 2016, p. 26).

<table>
<thead>
<tr>
<th>Sector</th>
<th>Native born</th>
<th>Refugees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human health &amp; social work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; retail trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor repair</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accommodation &amp; food service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation &amp; storage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and support services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education, Professional, Public Administration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

![Table 17: Sectoral distribution of employed refugees and native-born persons in the European Union, 15-64 years, 2014 (Dumont et al. 2016, p. 26).](image-url)
Regions and future perspectives

The current quantitative shortages in European labour markets are geographical shortages: there is no overall European labour shortage at the moment, but there are tight labour markets in some EU member states and regions (table 18).

Please include the following table into the Table Qualitative shortages (table 15).

<table>
<thead>
<tr>
<th>Country</th>
<th>Labour market tightness</th>
<th>Regional imbalances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Belgium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Denmark</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>France</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Germany</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Italy</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Spain</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Sweden</td>
<td>Medium</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 18: Quantitative shortages in selected European Member States in 2015 (European Parliament 2015, p. 48)

Although there is currently no overall European labour shortage, the demographic trajectories and technological development paths set out today will take effect in the future. This is impressively illustrated in a 2014 projection by the Boston Consulting Group (2014 BCG) of labour demand in various European member states in 2030 (table 19). They write that labour shortage means a loss of growth potential; “it creates wage inflation, leaves vacancies open, and impedes business formation and development” (Strack et al. 2014, p. 19). Although prognoses should always be accepted with caution, BCG, for example, warns of a possible loss of USD 10 trillion or 10% of worldwide GDP by 2030 due to labour force imbalances (ibid. p. 3).
Labour shortage or surplus in 2020
(percentage of labour supply)

| Country      | Scenario 1 (10-year growth rate) | Scenario 2 (20-year growth rate) | Labour shortage or surplus in 2030
(percentage of labour supply) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>8</td>
<td>6</td>
<td>5*</td>
</tr>
<tr>
<td>Germany</td>
<td>-6</td>
<td>-4</td>
<td>-27</td>
</tr>
<tr>
<td>Italy</td>
<td>8</td>
<td>8</td>
<td>-4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14</td>
<td>10</td>
<td>5*</td>
</tr>
<tr>
<td>Poland</td>
<td>-1</td>
<td>5*</td>
<td>-24</td>
</tr>
<tr>
<td>Spain</td>
<td>24</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Sweden</td>
<td>7</td>
<td>9</td>
<td>4*</td>
</tr>
<tr>
<td>Switzerland</td>
<td>-9</td>
<td>-5</td>
<td>-19</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>8</td>
<td>6</td>
<td>3*</td>
</tr>
</tbody>
</table>

Table 19: Labour shortages and surpluses are projected worldwide, source: Strack et al. 2014, p. 17.

* De facto labour shortage: “Surpluses of between 0 and 5 percent represent de facto shortages (natural unemployment) in which job openings are already difficult to fill” (ibid. p. 16).

Based on an assumed average economic development comparable to the last 10 or 20 years of the specific countries’ economic developments and their demographic trajectories in the same period, (Table 19: Strack et al. 2014, p. 17) in each of the two scenarios there are countries which will not experience a shortage by 2030. Focusing on the refugees’ potential to reduce existing labour shortages is thus a relevant step towards minimising possible losses and leveraging economic and technological growth potential.

Information box 8: Specific labour market traits of refugees

A focus on refugee labour market integration seems promising as a means not only to support the integration of individual refugees, but also to help ease labour and skills shortages. However, sociodemographic and mobility characteristics (chapter 2) need to be taken into account, and possible legal and structural obstacles also have to be considered. Statistics from 2014 show a higher risk of unemployment and over qualification among refugees, and a lower labour market participation rate (chapter 2). In addition, in some countries they are subject to a large number of constraints (chapter 3). Furthermore, the scale of current societal developments needs to be taken into account: the number of people needed to balance existing or future shortages might be at a level comparable to the refugee influx of 2015 and may not be feasible for political reasons. Birth rates of migrants in general tend to converge with those of the host country and a larger share of asylum seekers than other migrants are subject to temporary migration schemes, returning home or moving on due to their unstable legal position (The Economist 2016). Refugees with permanent residency, on the other hand, show fewer tendencies to leave their host country than other migrants.
From a fiscal perspective, how can refugee integration become a win-win situation?

There are two perspectives to the fiscal impact of refugee migration into the EU: revenue increase and cost avoidance. Successful refugee integration in fiscal terms can mean an increase in workforce and tax revenues. Cost avoidance is an important issue in that present investments such as additional language training may result in reduced future expenditure due to the fact that the investment reduces the necessity of future government support. Lessons about the future macroeconomic effects of refugee integration in EU member states can be drawn from past experiences as well as from simulations for currently arriving refugee cohorts. However, prognoses depend on a large number of assumptions and can be overrun by future developments, so any possible results or predictions of future developments can only be preliminary at best, need to be treated with caution and can differ depending on EU member state specifics.

A number of scientific simulations were undertaken in Germany in 2015 and 2016 and their results must of course be seen within the German context. The studies arrive at the conclusion that a positive ‘fiscal dividend’ can be reached; however, the period and the particular financial sphere in which this will take place vary and the effect – if it occurs – is expected to be relatively weak. Bonin (2016) expects that a fiscal surplus from refugee integration has to occur by 2025 at the latest in order to take place at all; Brühl, meanwhile, expects it to happen in 2035 or later. Bach et al. (2017b) expect minor (0.3%) growth in GDP in 2030. The differences in these numbers mainly result from the varying underlying preconditions and assumptions. All authors agree that three key issues in integrating refugees will improve the long-term fiscal balance on refugee integration, namely early integration and employment, measures to increase asylum seeker and recognised refugee labour market participation, and investments in language, skills and qualifications.

Early Integration and Employment

The most important issue in the long-term fiscal balance of refugee integration is employment (Aiyar et al. 2016, p. 33; European Commission 2016a, p. 18). In the beginning of the integration process of a given cohort of refugees, fiscal costs surpass societal gains for a number of reasons. Governments - in various depths and for different periods in the EU member states - finance e-registration processes, integration programmes and accommodation, for example, based on the taxes they receive. The countries’ location in Europe is also significant, as border security, rescue operations and registration processes are of more importance for countries that are predominantly transit countries than for destination countries, which might focus more on language skills and labour market integration instead (European Commission 2016a, p. 17). In comparison to other migrants, refugees have more difficulties contributing to societal costs by paying taxes. This is the case because not only do they have to overcome non-formal obstacles such as the acquisition of language skills, but also – among other issues – their access to the labour market is constrained by legal limitations (chapter 3). Bonin (2016) expects that a fiscal performance of refugees
similar to medium-skilled native-born populations by 2025 could result in an increase in the German primary fiscal balance of € 4.25 billion. Thus, early integration into the labour market and employment are key factors for improving the fiscal balance.

**Long-term fiscal and economic performance of refugees**

Not surprisingly, a quick start is not the only thing that will help asylum seekers and refugees to make relevant fiscal contributions. The long-term fiscal and economic performance of individual refugees themselves is also important. Their on average, lower labour market participation rate (table 20 Dumont et al. 2016, p. 119) does increase over time, however, it takes up to 20 years for it to reach the level of other migrants and the native born. The labour market participation rate is particularly low for refugee women, a fact which is often ascribed to their lower education on average as well as to their home country traditions. Ultimately, measures that improve the long-term participation rate of refugees will also improve their long-term fiscal and economic performance. This is particularly true for women.

<table>
<thead>
<tr>
<th>Years of residence</th>
<th>Native-born</th>
<th>Refugees</th>
<th>Family</th>
<th>Employment or study</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;05</td>
<td>70</td>
<td>60</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>5 to 9</td>
<td>65</td>
<td>55</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>10 to 14</td>
<td>60</td>
<td>50</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td>15 to 19</td>
<td>55</td>
<td>45</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>20+</td>
<td>50</td>
<td>35</td>
<td>25</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 20: Employment rate by reason for migration and years of residence, EU total, 15-64, 2014 (European Commission 2016c, p. 119).

**Investments in education, vocational trainings, etc.**

The fiscal balance of host countries does not only depend on whether refugees can pay taxes and how quickly they are able to do so. The level of the fiscal performance which can be based on a low skilled, medium or high skilled job is also relevant. Several studies (Bonin 2016; Brühl 2016) point out that investments in education and vocational training by the state can show considerable payoffs because refugees are then in a position to reach a higher level of fiscal performance in a shorter period of time. For
example, in Germany, for each year that 20% of the asylum seekers who arrived in Germany in 2015 show the fiscal performance of a medium-skilled person with a vocational qualification instead of that of an unskilled worker, Bonin (2016, p. 15) predicts a plus of 8-11 billion Euro in the intertemporal comparison of the fiscal balance. Bach et. al. (2017b) suggest that if it is possible to increase the share of refugees that have good or very good German skills 10 years after their arrival by 20%, this will mean an average fiscal expenditure reduction per year by 190 million Euro until 2030. A sum of 500 million Euro per year on average could be saved if Germany succeeds in raising the percentage of its refugees with a vocational qualification by 20% in the same period (Bach et al. 2017b, p. 10).
Gross added value and refugee labour market integration

Especially in the short term after an influx of large numbers of asylum seekers, budget imbalances can be offset by other economic factors linked to the integration process that bolster GDP growth in the short and in the long term. In the short term this can be the case due to additional public consumption and thus increasing investments, for example. The IMF (2016) expected a small GDP increase of 0.05% and 0.1% in 2015 and 2016 respectively as compared to 2014 in the EU as a whole and more substantial growth in the most affected countries. A long term increase in GDP can occur due to the gradual growth of the labour force and the gross added value this implies (European Commission 2016a, p. 17). Brühl (2016) captures the margin by which fiscal costs for asylum seekers are compensated by their long-term economic activity and the gross added value contribution that is thereby created. He states that by 2024/2025 this contribution can over-compensate the costs of fiscal support for asylum seekers and recognised refugees. On the basis of its global macroeconomic simulation model QUEST, the European Commission outlines the possible developments with a mid-term small negative impact on GDP per capita throughout 2015-2020 if the skill distribution of the refugees is similar to that of EU nationals (table 21). This slightly negative result is due to the fact that the small total GDP growth is compensated by larger population growth. The high-skilled scenario outline expects a strengthening outlook for employment by 2017 with a year-on-year increase of 0.3% by 2017 for the rest of the reference period (ibid. p. 22). A skill distribution leaning further to the low-skilled end would have a smaller impact.

<table>
<thead>
<tr>
<th></th>
<th>High-skilled scenario</th>
<th>Low-skilled scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Employment</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>[...]</td>
<td>[...]</td>
<td>[...]</td>
</tr>
</tbody>
</table>

Table 21: Combined effects of increase in spending and labour force as compared to a baseline scenario - EU (European Commission 2016a, p. 23).

So all in all, fiscal and economic impacts of the refugee influx of 2015/2016 are difficult to predict, but a small positive impact and certainly a reduction of a possible negative impact can be expected if early labour market participation, language and vocational training and an increase in the participation rate are encouraged. Country conditions such as the complementarity of natives’ skills with those of the refugees, flexibility in the labour market, the state of the economy and the size of the net immigration flow also play a relevant role (Aiyar et al. 2016, pp. 23-24).
<table>
<thead>
<tr>
<th>Years</th>
<th>... since arrival</th>
<th>... since recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Germany</td>
<td>Sweden (Men)</td>
</tr>
<tr>
<td>1</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>27</td>
<td>24</td>
</tr>
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<td>5</td>
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<td>49</td>
</tr>
<tr>
<td>10</td>
<td>62</td>
<td>56</td>
</tr>
</tbody>
</table>

Table 22: Employment rates of refugees, years after arrival/recognition (in %) (Konle-Seidl, Bolits 2016, p. 23)
Conclusions

- Refugees on average are highly motivated to start working and show a tendency to settle in countries with stable labour markets.

- Language skills and the duration of residence in the host countries, i.e. integration, are the most relevant predictors of labour market integration.

- Tertiary education does not show the same payoff for refugees as it does for other migrants and for native-born persons, non-recognition of previous formal education, legal obstacles to accessing the labour market and discrimination being possible explanations.

- Skill shortages in Europe are especially important in specific occupations and regions. Up to 2014, refugees showed the same distribution across the labour market as the native born with a slight overrepresentation of the former in accommodation and food service, and in human health and social work. A total labour shortage cannot currently be observed in Europe. However, a study by BCG on 9 EU member states expects labour shortages in at least one and as many as six of these countries in 10-20 years (depending on the accuracy of their assumptions and the time period considered).

- Various slightly differing models predict a positive, but small impact of the refugee influx on the fiscal balance. This effect depends on the early labour market integration of asylum seekers and recognised refugees and the timely catch-up of their contributions in comparison to those of the average taxpayer.

- The refugee influx also is predicted to have a small but positive impact on the gross added value based on additional investments, consumption and an increase in labour supply. Again, the impact will be stronger if skills and qualifications are closer to the European average.

Further Reading

- Aiyar, Shekhar; Barkbu, Bergljot; Batini, Nicoletta; Berger, Helga; Detragiache, Enrica; Dizioli, Allan et al. (2016): The Refugee Surge in Europe. Europe: Imfstaff Discussion Note (SDN/16/02).


The interviews and the case studies based on them show that most companies get involved in supporting refugee labour market integration for a mixture of reasons and objectives. Employers’ reasons for employing refugees include business case arguments as well as a good corporate citizenship perspective, role model function and company culture. The business case arguments usually include the reasoning of labour or skills shortages or the sourcing of young talents; knowledge in non-European languages is sometimes also a point, and several companies express the expectation that diversity and multinationalism in the company will result in increased productivity. Most programmes came into being as a spontaneous reaction to the so-called refugee crisis in 2015/2016 or to political events following it and were then incorporated into the relevant departments and responsibilities. Only a minority of programmes are part of an older, longer-term support approach for refugees. The business case and the Good Corporate Citizenship (GCC) perspectives are described below.
The business case

Most companies in the cases selected employed younger men in their twenties and thirties with only a very small number of women and, in a few instances, mature refugees. The asylum status varied throughout the cases with quite a number of the asylum seekers still in their application process as well as some who are already recognised as refugees and others having arrived before the so-called refugee crisis. Countries of origin varied, with some businesses employing refugees mostly from the Middle East and Afghanistan and some from Africa, namely Somalia, Eritrea, Nigeria, Gambia, and others. Education levels differed, too, with some having a basic primary education and others a university degree or anything in between. Within the cases selected there was no knowledge of illiterate refugees employed by the companies. The manager responsible for the integration of asylum seekers or refugees is usually the Human Resource manager, diversity manager or, in the case of more extensive programmes, someone in charge of GCC.

Motivations for integrating refugees into the company

Within the business case there are different types of companies, including those looking for professional qualifications in a particular field, such as IT knowledge, for example, and those who invite refugees on other specific grounds, such as their status as asylum seeker or refugee, their reliability, their knowledge of the host country’s language, or their motivation. Interestingly, the employment process, consisting of sourcing, selection, training and long-term support, does not differ in relevant terms between these two types of cases.

The employment process

Sourcing: A broad variety of sourcing channels must be taken into consideration: it can be helpful to let intermediary actors, such as volunteers, state institutions or Employment and Recruitment Services, conduct a preselection, thus avoiding the expenditure of resources on misunderstandings or clarifications. Since the job market in Europe does have aspects unknown to the majority of the asylum seekers and refugees, an initial clarification of skills and ideas does shorten the path to employment. Refugees are often supported for example by volunteers already in their reception centre. Some draw on application skills acquired at home, and thus sometimes approach firms without a previous call for applications but perhaps with the support of a volunteer. Moreover, many of the introduction programmes offered by the state and civil society focus on job orientation and application-related training. Numerous employers offer first-time non-specific contact via legal consultation days or open house events. Here, both sides can get to know each other without focusing on a particular job offer right away. Online platforms and matching events, such as in a speed dating format, are becoming increasingly popular ways to serve a vast pool of specific positions and applicants in a short period of time.
Multi-level employment process starting with internships: Because refugees often cannot provide documentation of their qualifications, and because the comparability of degrees or other qualifications is unclear even when documentation is available, selection processes are often multi-level processes. Local or regional matching events can serve as a means to initiate contact, but they can also serve as an opportunity for pre-selection when agreements for further contact or plans for introduction at the company are made. Most companies in the cases selected offer paid internships, which are often considered to be a first step into the company’s own recruitment procedure and an opportunity to assess non-formal qualifications. In some cases, the employer considers the measure to be a qualification option for the labour market in general as he will give a written transparent skills assessment which the refugee can use for further applications. Another option in this multi-level scheme is subsidised employment, which is offered in some EU member states.

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Information box 9: Online platforms matching asylum seekers, refugees and employment

http://www.refugeejobs.fi/Refugee

This Finnish website helps refugees find work and be hired. It also provides information about how asylum seekers can obtain the right to work.

http://www.join-now.org/

This website is an initiative by the German Ministry of the Interior and several large companies that work in the German and European contexts. Asylum seekers and refugees can start learning German online, inform themselves about the German job market and look for an internship or job.

https://migranthire.com/

Migranthire.com is a platform for jobs specifically for asylum seekers and refugees in Germany. On the website, newcomers can sign up as job seekers, apply for jobs and get personal support.

http://www.jobs4refugees.org

‘Job4refugees’ is a German NGO with the aim of supporting asylum seekers and refugees seeking work. The website provides information for asylum seekers, refugees and employers about their vocational guidance and training programme.

https://workhere.com/

‘WorkHere’ is a free mobile and web app, used in the US, that connects employers and potential employees on a local basis. Employers can recruit and potential workers can find jobs.
Training: Companies among the cases selected offer in-house training to refugees, let them participate in external training or use a mixture of both. Large companies tend to include refugees in existing in-house training services while smaller companies also rely on external training services. Any external training that is incorporated into the company’s processes, and work times needs to fit into timetables, and the distances from the company to the training locations must also be appropriate. Programmes that are offered by an external supplier for an individual company are more flexible in these respects than programmes that are established for all employers in a given region, for example. On the other hand, participation in a programme on, say, a regional level may be more resource-efficient as the employer only has to take care of the refugees for those periods when they are on the job, and language courses, job orientation and other offerings do not draw upon company resources. The most important training issue is language, but other aspects, such as safety training, explaining the work of world in the host country, training to obtain driving licenses, and intercultural training are also important.

Long-term support: The most popular approach to long-term support used by the companies in the selected cases is the establishment of a mentoring system. In most programmes that were subject to this study, two supporters are found for each refugee. The first is a mentor on the management level who is aware of the refugee’s professional development and takes care of any further support or training he or she might need. The second is a ‘buddy’, usually a co-worker, who helps the refugee to find his or her way into the team, explains day-to-day work procedures and is aware of his or her social and family situation. In some countries, external mentoring systems also exist. Long-term support can also be provided to other staff members, for example, via intercultural training from a receiving perspective or by elements of supervision such as hotlines offered by external actors. Large firms in particular sometimes offer resources for employees’ voluntary projects, so-called casual volunteering. Introducing measures and approaches at online and offline networking events for other companies can be a way not only of providing long-term support but also of strengthening the company’s outreach.

Information box 10: Quality framework of internships

In order to avoid exploitation and cheap labour, standards developed by various European institutions name two key elements of internships and are relevant in the context of refugee integration into the labour market. The two key elements are:

- some form of payment during the internship,
- and a clear learning aspect (ideally with a pre-determined learning outcome).

For further information please refer to:

Parameters of the business case

Many companies in the cases selected perceive the refugee skill pool as a strategic choice to overcome skill shortages and to reach productivity gains due to a multicultural environment. Three factors appear to be determinant when looking at the business case of refugees’ workplace integration: costs, effectiveness, networking and employer branding. All are interlinked and show considerable intersections.

Costs: The costs that can arise from integrating refugees into a company can vary and include different cost types: such as wage and sourcing costs, job-related language training costs, other qualification costs, and mentoring costs (Baic et al. 2017, p. 15). Wage and sourcing costs can be directly reduced by state support and subsidized employment programmes. Mentoring costs are costs that arise from any additional job-related support given to the refugee by company staff members. In its study of 300 companies in Germany employing a total of 2,500 asylum seekers and recognised refugees in the first or second year in 2016, BCG calculated initial average investment costs for medium-sized companies of EUR 7,550 per asylum seeker or recognised refugee in the first year.

Effectiveness: The establishment of sustainable long-term refugee support can contribute to cost reduction and lead to increased returns on investment. Out of the enterprises interviewed, 6 stated that they had turned initial internships into longer- or long-term employment, i.e. 20-30% of the asylum seekers and recognised refugees who entered their integration programmes. The BCG study asked companies whether they would like to increase or rather maintain their current (2017) offerings with regard to internships, subsidized employment and vocational training. The study found that 39% wanted to increase the number of internships they offered, while 32% wanted to maintain their current number; 29% sought an increase in subsidized employment while 23% wanted to maintain current levels, and 30% favoured an increase in vocational training, as opposed to 29% who wished to maintain their vocational training offerings at 2017 levels. More than half of the interviewees could not yet make a statement as to an increase or decrease in offers of non-subsidized employment.

In the aforementioned study the revenue that results from the work performed within the first year (Baic et al. 2017, p. 15) usually balances out integration costs. There are other factors to increasing the return on investments, such as coordination and sourcing costs that can be reduced by relying not only on internal sourcing mechanisms but on volunteer networks and state support. Upscaling the number of refugees involved or the duration of the support by the company can also reduce sourcing and support costs in many cases. This also becomes clear in the BCG study when looking at the challenges that are considered to be “impossible to overcome” or “very difficult to overcome” when comparing companies that have employed asylum seekers or recognised refugees before or that have not.
Table 23: Company learnings when integrating refugees and asylum seekers (Baic et al. 2017, p. 10, authors’ own adaptations).

Networking and Employer Branding: There are different target groups for company networking and employer branding with regard to refugee integration, including the internal company world comprised of the staff, the management and the department responsible for refugee integration management, and the external world with the general public, state and business institutions and civil society actors. Some of the actors – internal and external – are directly involved in the business case process of refugee support and integration, especially in sourcing as well as in long-term support. Most business case actors, internal and external, are also addressees of the role model and employer branding a company might want to establish and bring across. Thus the networking and employer branding of refugee support in most cases is a mixture of business case interests such as information and support access, increase of returns and cost reduction, and the transmission of a positive enterprise image, and of GCC interests such as the bearing of social responsibility and the establishment of a role model. Both sides of the coin – the business case and all issues beyond the business case – can have an impact on aspects of costs, effectiveness, and sustainability and thus need to be treated with care.
Further Reading

- Baic, Alexander; Rentmeister, Heinrich; Strack, Rainer; Fuchs, Fabian; Kröger, Anna; Peichl, Stephanie (2017): Integrationskraft Arbeit. Eine Zwischenbilanz: Erfahrungen von 300 Unternehmen mit der ArbeitsmarktinTEGRATION von 2.500 Geflüchteten. BCG The Boston Consulting Group.

Beyond the business case – the GCC perspective

In none of the cases investigated in this study did a company describe its motivation for supporting refugees and asylum seekers purely from a business case perspective or purely from a GCC perspective. Rather, their motivation is based on a mixture of both perspectives, something which is reflected both in the output and in the outcome. The GCC perspective is particularly visible when material and immaterial investments result in win-win-win situations for the company, the employee and the refugee and its effects and sustainable results go beyond the immediate labour process; for example, when a deepened intercultural understanding can be achieved, company outsiders predominantly profit from the approach. A non-profit perspective is also supported by companies that have established foundations which are active in the field by funding refugee projects, networking, and collecting and disseminating information on the topic.

Besides giving humanitarian support such as donations of some kind, some companies allow their employees to initiate social programmes or civil society projects. For example, the refugee project of The Adecco Group in Germany was initiated by a young employee who had join The Adecco Group Germany through the ‘CEO for One Month’, an initiative providing young people with relevant work experience building on their exceptional talent and entrepreneurship. SAP SE offers six-month fellowships, during which employees can conceptualise, implement or support projects. A cooperation on a coordination platform for refugee support in the Rhine Neckar Region was developed within one such fellowship. Having this kind of opportunity to think outside the box advances not only the employees but also the company and the world around them.

In some cases there was a clear trend towards the business case or the GCC perspective. Some companies clearly expected to find and train future employees; this was especially the case in sectors and occupations with skill shortages. Others predominantly got involved with refugees to support them on the labour market and prepare them in general. A company’s focus needs to be selected based on various criteria and the most suitable solution varies from company to company. However, what is probably true for all these cases is this: your support helps best when you do what you are good at doing. Putting the company’s core competencies at the centre of any GCC approach will get the most out of it for everybody involved. And as this paper shows, the range of perspectives and activity potential to be found when integrating refugees is vast.
Conclusions

- Employers’ reasons for employing refugees in most cases comprise a mixture of business case arguments and a good corporate citizenship perspective, as well as their role model function and company culture.

- The business case arguments include labour or skills shortages and the sourcing of young talents, knowledge of non-European languages and the expectation that diversity and multinationalism in the company will result in increased productivity.

- Most companies predominantly employ men in their twenties and thirties, but there are variations in gender, age, country of origin and education level.

- Sourcing and most often multi-level employment processes include various channels, such as NGOs, PES, Employment and Recruitment Services and online platforms as well as formats such as internships and subsidised employment. Using these channels and formats results in cost reduction due to improved skill transparency.

- Companies in the cases selected offer in-house training to refugees, allow them to participate in external training or use a mixture of both.

- The most important training issue is language, but other aspects, such as safety training, explaining the work of world in the host country, training to obtain driving licenses, and intercultural training are also important.

- The costs that can arise from integrating refugees into a company can vary and include different cost types, such as wage and sourcing costs, job-related language training costs, other qualification costs, and mentoring costs (Baic et al. 2017, p. 15).

- In the same study the revenue that results from the work performed within the first year (Baic et al. 2017, p. 15) usually balances out integration costs. There are other means of increasing the return on investments, including pooling coordination and sourcing costs, upscaling the number of refugees involved or increasing the duration of the employment.
Chapter 6 – Recommendations to companies

There is a political dimension to employer branding when companies employ refugees. Depending on the political situation in the host country as well as other factors, each company needs to find its own position and field of action. Whereas some companies in the cases selected prefer to provide their support anonymously, others communicate their strategy only passively, and still others actively discuss their efforts in public. Whatever strategy a company chooses, the support measures in general often help staff members to identify with the enterprise more deeply and enhance the visibility of refugees on the labour market. In addition, more open communication helps to make the narrative on refugee labour market integration a success story. That is the spirit conveyed by the following 10 recommendations extracted from the company interviews.
The framework given by the management to a company’s refugee integration process is decisive for its success. By setting the example and determining the focus of debate and action, management also makes it possible to address staff members’ doubts about the process. At the same time, this approach can intensify the company’s team spirit. Given that a company’s support to refugees can also become an issue externally, a clear position on the part of senior management helps the staff to internalise the corresponding attitude and communication style.

IKEA’s initial communication strategy in Germany was to comment on its support measures only upon request. However, it implemented its programme and then published a handout with recommendations for other employers. This put the focus on the feasibility of integrating asylum seekers and refugees into the labour market instead of focusing on the various political positions connected to it. The management of SAP in Germany internally positioned itself in favour of refugee support, thus giving a framework for possible approaches. At the same time, the human resource department responsible for the support, asked the middle management to suggest where they should place refugees and into which jobs. Thus, the overall direction was clear, but the effort employees put into it was up to individual employees and departments.

“These are the most essential points: the overall support of the general management, the readiness of the middle management to coordinate and the constant and reliable daily openness of the buddies and colleagues.”

(SAP SE, Germany, Human Resource Experts)
Prioritise language skills

Lack of language knowledge is the number one obstacle mentioned by case study interview partners when asked about the challenges of integrating refugees in the workplace. Here, more formal and less formal solutions are possible. Depending on costs, language courses can be offered offline or online, inside or outside the company. Buddy systems can provide additional opportunities to speak the language. However, the best training is always on the job, so internship curricula and work placements should – among other things – be designed to maximise opportunities for speaking.

In Germany, IKEA is currently developing so-called tandem programmes in which two employees can form a team and practice language with one another on a long-term basis, as well as participating in online trainings. The most important aspect that interview partners mention is the need to focus language training on work issues and related terminology. As the interview partner from Midtvask, a laundry service, put it: “It does not help if somebody goes through the usual language training curriculum with tourist phrases, nature and shopping vocabulary, but does not know the word for blanket and towel.” Working with someone who does not yet speak the language can also make it necessary to change perspectives and work with simplifications or visualisations.

“One of our interns could not understand where I wanted him to shovel snow. Then I thought of it: I opened Google Earth, printed the map of our territory, [and] marked where to shovel snow and when. From then on, he always had the map with him and knew what to do.”

(Esta Apparatebau, Germany, Human Resource Manager)
Information box 11: Common European Framework of Reference for Languages

The Common European Framework of Reference for Languages classifies language knowledge of non-native speakers from A1 - Breakthrough, or Beginner to C2 Proficiency, or Master. Each knowledge level is described in detail. Language courses are usually classified by this scheme, and the levels are also used when outlining the necessary language knowledge for a job offered. The details can be found here:

https://www.coe.int/t/dg4/linguistic/Source/Framework_EN.pdf
Update training and HR processes

Most companies interviewed stated that the establishment of refugee support measures in the work process served as a litmus test for work process details that needed to be monitored even with reference to the existing workforce. In this respect, companies were similar to refugee-receiving countries, in which the refugee influx highlighted not only the problems and issues of refugees but also the shortcomings, deficits and vacancies of the receiving system. Process steps mentioned in the interview included, for example, the quality and focus of application procedures and competence evaluation, feedback culture, and diversity issues.

“When we started, we realized that the content of the existing courses offered to refugees did not help them find a job, it was not job-oriented enough. So, we introduced new contents and helped them through more job-related issues”

(The Observatory for Innovation and Employment, Spain, Project Manager)

Additionally, companies are becoming increasingly aware of the fact that they will face considerable skill shortages, which will become an issue also in the mid- and long-term future. They will also need to deal with the reception of refugees on a long-term basis. So, the so-called crisis is not a crisis in the sense that the issue of integration will disappear, only in the sense of its scale and abruptness. All players, be they state, civil society or business actors, will need to adapt to constant immigration as well as to the presence and integration of non-native speakers and non-formally skilled workers. Lessons, knowledge and skills when dealing with these issues should be not only learned, but also conserved in a sustainable way to be reintroduced or adapted whenever necessary. This implies not only training, network creation and up-skilling for the non-refugee staff but also the evaluation of and reflection upon programmes created and implemented from the very beginning of the programme. IKEA Switzerland took such a step in summing up its experiences so far in a tool-kit available online for companies who would also like to get involved.

Ikea Refugee Inclusion toolkit
Build a network

All of the companies interviewed have enlisted the support of external players before beginning the process of recruiting refugees, selecting partners to support their programmes and provide training. Moreover, approaching external actors for support and knowledge transfer was usually the very first step in the establishment of successful labour integration programs by the companies interviewed. These external players can be state agencies, Employment and Recruitment Services, NGOs, initiatives, or supranational actors. The most significant factors for the success of network cooperation in the labour market integration of refugees are: transparent division of functions and tasks, clear expectation management, centralised information management, regular monitoring of objectives, resource allocation and avoidance of duplicating processes.

Existing networks can be found on a local, regional or national level (information box 12). In some countries national company networks for refugee integration have been founded. For example, Adecco Spain founded the Observatory for Innovation and Employment, where various players, ranging from human resource managers to UNCHR representatives, meet to discuss the relevant next steps and work out integration measures in detail. Through its inclusion subsidiary Humando, The Adecco Group France has brought together the French employment agency, the state administration, training centres, refugee housing providers and companies where refugees are prepared for employment in a four-step programme (selection, French language training, job orientation and internships). Not only do these kinds of networks provide an opportunity to upscale administration work and include experts on the various issues, they also simplify outreach to and the motivation of other companies. However, even if no suitable network can be found, successful companies in the cases selected usually simply got started and then one evolved around them. As with any other business structure, it is important to conceptualise and evaluate the networks’ performance regularly, to prevent them becoming too large or inefficient.

“Each partner has his or her own importance within the project and is relevant for its success.”

(Humando, France, Project Manager)
### Information box 12: Country networks for labour market integration of asylum seekers and refugees

**Belgium:**


The Federation of Enterprises in Belgium launched a guide for companies on the employment and training of refugees.

**Denmark:**

http://sammenomintegration.dk/

Within the initiative ‘Sammen om Integration’, Jobservice Denmark, Jobcenter and companies work together on the labour market integration of refugees. The network’s website provides information for employers who are interested in hiring refugees.

**European Union:**


This website was initiated by the European Commission and is funded by the European Social Fund. Employers can join this initiative and describe their current and future actions to support the integration of refugees and other migrants in their workforce. A list of standard actions implemented by companies is included for inspiration.

**France:**

http://humando.fr/

Humando is a temporary employment agency with the main goal to further integration through work. The website humando.fr provides information about the enterprise, their partners and the possibility to contact the agency.

**Germany:**

https://www.wir-zusammen.de/home

Wir-zusammen.de is a website that shows the commitment of several German companies in the labour market integration of refugees. In the context of the network, the companies take over responsibility for integration measures for refugees.

http://www.bamf.de/EN/Willkommen/willkommen-node.html

The Welcome to Germany initiative is a service of the Federal Office for Migration and Refugees which provides information, telephone numbers and contact addresses for newly arrived people intending to live in Germany permanently.

https://www.unternehmen-integrieren-fluechtlinge.de/netzwerk/

‘NETZWERK Unternehmen integrieren Flüchtlinge’ is an initiative of the Association of German Chambers of Industry and Commerce which offers a lot of information and practical material for companies that want to hire refugees.

**Spain:**

http://www.redariadna.org/index.php

‘Ariadna Network’ is committed to the social and labour integration of refugees. The Red Ariadna website provides information about its actions, initiatives and projects. The website shares information for refugees as well as for companies “in all matters relating to the procedures and the process of finding a job and hiring people”.

http://www.oie.es/en/

The ‘Observatorio de innovación en el empleo’ (OIE), promoted by Adecco Group Spain, is a private-sector initiative established in 2014 with the common goal of improving the current situation of the Spanish labour market. The OIE is currently made up of 25 companies.

**Sweden:**

http://www.government.se/articles/2015/10/the-government-presents-the-100-club/

‘100 Club’ is an initiative of the Government Office of Sweden and was founded to bring on board companies committed to helping at least 100 newcomers.

https://linkedinforgood.linkedin.com/

Linkedin launched a pilot programme called ‘LinkedIn for Good’ that attempts to match qualified refugees with local job and internship opportunities.
Be transparent when it comes to competencies

Lack of qualification certificates, incomparable education systems and disrupted education paths are mentioned as particular challenges in the screening of refugee competencies. Companies have reacted differently to these challenges, but all measures focus on transparency, translation and traceability of competencies within the host country system: by having formal qualification certificates recognised by the corresponding state institutions, by consulting intermediaries such as state or Employment and Recruitment Services, by including preselection measures such as labour fairs or internship programmes, and/or by equipping refugees with internal competency certificates after assessment procedures and orientation programmes. SAP, for example, conceptualized its internships as a first qualification measure and a way for refugees to receive skill certifications that are transparent and valid in Europe.

Various skills are mentioned that are of importance for refugees integrating into the European labour market. In addition to language skills, computer skills and soft skills are mentioned very often. International companies that have a multilingual online training portfolio, such as SAP, have an advantage here as skills can be conveyed even prior to in-depth language knowledge. Many enterprises check which skills a refugee already has during an internship and then use the time to attain other necessary skills.

“Our interns can have in-depth insight into software development at Capgemini. They are integrated into our team. They have their own development project, and when we offer them long-term employment they already have their own roles and are members of the team.”

(Capgemini, Germany, Diversity Manager, Education Services)
Become a problem solver

It is important not only to give refugees the opportunity to explain their problems and ask questions, but also to understand that the perspective of the local population is relevant for integration success. Integration means change for all involved, and intercultural training has proven effective for locals as well as for newcomers. Intercultural issues also play an important role in the success of day-to-day life in the workplace and integration within teams. Two points are mentioned particularly often: one is the degree of autonomy with which assignments are dealt with and where different traditions exist not only in the various countries of origin, but also in the host countries. The other can be summarised under the label gender issues. Here, it can be important to make it clear that female superiors are part of the European business system and women have the same rights and responsibilities in the workplace.

As a number of interview partners said, having a refugee in your company gives a completely new meaning to what you see in the news every day. It helps to understand the situation better, but it can also be an additional challenge, due, for example, to traumatic experiences or family is still in the country of origin and in a difficult situation there. SAP lets staff members and middle management decide who wants to participate in refugee and asylum seeker support. Midtvask lets staff members and middle management have their say in the application process and also includes long-term employees who were refugees themselves and can share perspectives with both sides.

“There is another new colleague who just started. He is just as motivated, but he keeps to himself a lot. And then at night, when I watch the news and I hear that there were bombings again in Aleppo where his relatives might still be, I think about him and wonder. That is a very difficult situation and I keep asking myself how to handle it.”

(Capgemini, Germany, Diversity Manager, Education Services)
Information box 13: Buddy systems in asylum seeker and refugee support and a buddy report from Adecco Sweden

Buddy systems can be established within companies, but also of course outside them. There are a number of national buddy systems in Europe, a selection of which are listed below. It does help to have someone to support refugees outside the company as some of the most pressing issues, such as accommodation, need to be taken care of. Many volunteers – the majority of whom are organised in local rather than national structures - can provide a network of supporters as well as infrastructure knowledge. It is always helpful to clarify early on which issues are regulated outside the company, whether there is cooperation available and which issues will be dealt with within the company.

https://www.refugeebuddy.at/

‘RefugeeBuddy’ is a community of Austrian volunteers who offer to support refugees in their daily life. The website offers the opportunity to register as ‘RefugeeBuddy’ or as a “refugee who needs support” and brings the two groups together.

https://www.start-with-a-friend.de/refugees/

‘Start with a Friend’ is an association that seeks to help refugees become part of German society. Like ‘RefugeeBuddy’, this website offers locals the opportunity to become a tandem partner, a mediator or a donor within a buddy programme.

https://www.yrkesdorren.se/

Yrkesdörren (Swedish for ‘Occupation Door’) is a network focused on matching established Swedes with newly arrived Swedes with the hope of mediating jobs and internships. On the website individuals can sign up to become network members.

https://www.redi-school.org/

‘ReDI School of Digital Integration’ is a non-profit digital school for tech-interested newcomers applying for asylum in Germany. The website provides information for interested refugees and volunteers as well as the opportunity to sign up as a participant in the programme.

Case study Adecco Sweden: Mentoring an unaccompanied minor: Within the framework of an initiative by Swedish companies and the municipality of Stockholm, employees of The Adecco Group Sweden participate in the programme ‘Yrkesdörren’, in which every year professionals mentor refugees – unaccompanied minors among them – in job market integration. One of this year’s mentors from Adecco reports that her underage refugee needs support especially in finding summer jobs, writing CVs and in preparing very first job interviews as he is still in school. Adecco employees participating in the programme also offer private contact and activities, serving as points of social contact and providing opportunities for further integration:

“I’m trying to explain to him how things work. On my side, I get to learn about his culture, and that’s what I think is important. And I think it’s important that the distance between the Swedish people and their culture is not so far away. I want to minimise this so it won’t be them and us […]. When you don’t know so much about things, it makes you more afraid. And that’s why I think, if my children get to learn about his background and his culture and how he’s thinking about things, I think, even though it’s only one person, I think that could also help my children to get a better understanding.”

(Adecco Sweden, Recruitment Consultant)
Invest in manageable and sustainable programmes

The literature on the integration processes of migrants in the past shows that the full labour market integration of migrants should be expected to take between 5 and 15 years, with refugees lagging behind the migrant average. Therefore, mechanisms and structures set up inside and outside a company to support refugees need to focus on sustainable approaches, resource allocation and expectation management. In particular, there needs to be support at the interface of business-oriented and not-for-profit commitment to encourage professional attitudes and, possibly, distance. This support in terms of structure, work load and team cooperation is important to prevent the exploitation of human resources beyond the point of sustainable recovery.

Because integration requires endurance, companies in the case study were careful not to initiate too many different programmes at once, to repeatedly check whether they were on the right track and to make sure the process did not put too much pressure on resources. It might be better to start with a small number of refugees and then extend the programme once everybody feels comfortable than to destroy motivation and lessen acceptance by wanting too much too soon. For this reason, some of the projects are currently only in their initial phase, spreading and conceptualising their approach while learning from others. The distance many refugees have put behind them is impressive, and not only in a physical sense:

“It’s really hard for them, they changed their life. They were people in college, very young, having a normal life and now their situation is completely different. But when they are here, they have to put that to one side and be willing to be open to new opportunities. On our side, from the perspective here, we have to be patient, I think.”

(The Observatory for Innovation and Employment, Spain, Project Manager)
Build a busy social calendar

When different worlds meet, social events help people get to know each other and to develop trust. There are two parts to this: one is the communicative, social event part in which organising barbeques, soccer games, excursions or parties can show considerable payoffs and is worth the effort. Networks with different players can take care of supporting refugees also by planning out-of-work activities. One good example is the Observatory for Innovation and Employment, which takes its participants to tennis activities; another is Humando, which went on a trip to Strasbourg to make the European Union a topic of discussion and to give participants political reference points that are relevant for European discourse. And then there is the other side of social life in which it might be unclear for both sides how to handle situations. This was the case, for example, in a youth hostel on that trip to Strasbourg where women were also present. One couple arrived at the Adecco support centre in Italy and needed help in finding a leg prosthesis for their daughter, who had been injured in a bombing, before either of them could start looking for a job.

“In our company, our idea is, I want people, not just their hands. I want their brains and their ideas. [...] I mean, they have so much more.”

(Midtvask, Denmark, Human Resource Manager)
Treat everyone equally

All the companies interviewed stress that for the sake of fairness and equal treatment they put a focus on not segregating refugees from the overall workforce beyond the necessary minimum. As a result, many companies cannot provide statistics on workers' refugee backgrounds outside specific refugee programmes. Many limit support measures to language courses or introductory workshops on work procedures and do not rely on specific, refugee-oriented recruitment measures, but draw instead on intermediaries who have information on the possible refugee status of applicants at their disposal.

In addition to including staff members in decision-making processes on refugee dispersion within the company, Midtvask offers training courses they have established – mainly language courses – for all employees. Companies such as Technogroup IT Service and SAP include refugees and asylum seekers in their internship programmes and, in the case of a long-term contract, in their wage system too.

“The more we treat our apprentices, who are refugees, like any other apprentice, the easier they integrate. We have noticed that. So they get the same feedback talks, they go to their vocational training classes, just like all the others.”

(Technogroup IT Services, Germany, Project Manager, Strategic Human Resources)
Prepare to go the extra mile

In ensuring equal treatment, the majority of the companies involved state that refugee integration does demand effort beyond the usual work process. They relate this to a wide range of factors, including comprehensive administrative procedures, unclear processes and overall increased transaction costs, increased outside political attention to company policies and measures, increased engagement by staff members supporting refugees, increased demand for intercultural training for all parties involved, language issues and possible disruption of the employment process due to specific refugee-related legal constraints.

Interview partners in the various host countries point out that the current legal framework does ask for more administrative support for asylum seekers. This concerns, for example, mobility constraints for asylum seekers in Germany, access to benefits and support with only temporarily valid social security numbers in France and regulations on the minimum wage in Denmark. The most difficult issue is mobility, especially in EU member states that follow a federal structure because any shift to a different store, branch office or factory site can fall under a different administrative jurisdiction. Other issues, such as intercultural learning, language support, or establishing a support system within and outside the company have already been mentioned. One interview partner estimated that in the beginning this kind of support means an extra 25% work when compared to other newcomers.

“Expectation management is very important. The asylum seeker or refugee may not find the perfect job at the perfect level with the perfect wage right away. Just as the employer may not find the one person whose language is perfect already. It is more like a staircase everybody has to climb.”

(The Adecco Group Germany, Marketing Manager)
Chapter 7 – Recommendations to governments

Throughout this white paper it has become clear that not only individuals, businesses and other stakeholders are important to the successful integration of refugees. The host country and its legal and institutional framework are also indicators of how well refugees can integrate. There are, for example, large differences between the employment rates of refugees, other non-EU-born people and the native population, and there are also large differences between the corresponding unemployment rates (OECD 2016). Refugees’ characteristics vary across countries; however, this factor alone does not explain these considerable variations (OECD, European Union 2014, p. 8). Policy plays an important role in this issue since – as shown in chapters 3 and 4 – constraints to the employment opportunities of refugees can be quite intrusive and are often decisive for their future employment paths. The importance of country conditions for the labour market integration of refugees underlines the fact that feedback to regulators from businesses on potential improvements is very relevant and that a broad scope exists for mutual learning between different countries. This chapter is dedicated to highlight issues businesses and other stakeholders should raise with regulators. The issues described derive from research and company interviews and are outlined below with examples of good practices to make them more comprehensible.

Further reading:

Make the process quicker

Non-participation in the labour market results in high costs for the host society, for the prospective employer and for the refugee. It results in fewer social contributions to the host country and a loss of skills, motivation and social competencies. It narrows the refugees’ options for integration not only in the world of work, but also in many other social and cultural spheres. Therefore, countries should reduce the time necessary for the application procedure, allow early access to the labour market and education, and offer fast track solutions, such as for refugees with a high probability of international protection or with skills in demand on the European labour market. Time also plays a role where the perspective of state programmes and expertise development is concerned: the integration of refugees will most likely play a relevant role for EU member states in the long term. For this reason, programmes, legal mechanisms and knowledge management should fulfil sustainability requirements.

Fast track to integration by skills: Sweden

In March 2015, the Swedish government introduced fast track integration into the labour market in cooperation with social partners. As a result of talks with relevant agencies and institutions, occupation and skill shortages were defined and fast track options to employment instituted. They are designed for asylum seekers and for a number of professions, including chefs, teachers, doctors, nurses, and electrical and mechanical engineers; further talks are currently being held with a number of representatives from additional industries. The following support measures are included in the fast track package:

- Swedish language training at the asylum centres
- Early assessment of the experience, skills and motivation of newly arrived immigrants
- Validation and assessment of education and professional skills according to industry-specific requirements
- Vocational and study guidance
- Fast track and employment matching
- Swedish language training that is relevant for the professional area
- Supplementary educational initiatives as necessary
- Language training/supplementary courses will be combined with a work placement or job
- Language support, supervisors and mentors at the workplaces

Fast track to integration by country of origin: Germany

Recognition rates of asylum seekers have changed dramatically in Germany in the last few years. In 2010, 57% of the applications for asylum were declined, in 2016 this figure was just 25% (Bundesamt für Migration und Flüchtlinge 2017, p. 10). Amidst a backlog of applications that could not be processed for capacity reasons (especially in 2015) and in recognition of findings on the relevance of early integration, asylum seekers from countries of origin from which more than 50% of the applications for asylum are accepted can participate in the so-called Integrationskurse (integration courses). The acceptance rate is published every six months; currently asylum seekers from Eritrea, Iran, Iraq, Syria and Somalia are entitled to participate in integration courses.

Integration courses are a general integration measure offered to newly-arrived migrants in Germany. They consist of 600 hours of instruction in German language and civic education and are offered by education providers across the country. There are specialised courses for specific target groups (for example, youth, women, fast track) and the courses focus on issues of everyday life such as work, education, family, shopping, leisure activities, and health care. In addition, migrants must attend a 100-hour orientation course focusing on the German legal system, history and culture, civil rights and obligations, public life and values.

http://www.bamf.de/DE/Willkommen/DeutschLernen/Integrationskurse/InhaltAblauf/inhaltablauf-node.html

(last visited on April 28, 2017)
Make skills assessment transparent

One of the main reasons why employers do not employ refugees is uncertainty about their qualifications. Refugees have numerous formal and informal skills and according to a representative survey in Germany in 2016 most of those who arrived in 2015/2016 (90%) have participated in a formalised education system in their home country (Brücker et al. 2016, p. 37). Therefore, countries should ensure that targeted, large-scale and systematic procedures for skills assessment and qualification recognition are in place, agree on and work with internationally harmonised certification systems for non-formal skills and additional qualification, include skills assessment and/or qualification recognition early on (i.e., during the application process) and promote information and transparency on skills, for example via online platforms.

Skills assessment: Online information on qualification recognition in Denmark

Approaches to assess skills are currently being developed in numerous EU member countries and on European level. Experience shows that the assessment procedure must be as standardized as possible, easily up-scaled and not too resource intensive. A number of countries have started to give detailed information on recognition procedures on the Internet (such as Germany, the Netherlands and others). Denmark provides what is probably the most advanced approach, offering a detailed website on the recognition and transparency of qualifications (Martín et al. 2016b, p. 24).


It contains guidelines, application forms and instructions, details on the comparability of foreign and Danish qualifications, information on regulated professions, credit transfer appeals and tools to ‘translate’ qualifications into internationally understandable assessments. It provides access to a database of qualification assessments made by the Danish recognition information centre since 2005.
Skills assessment: Refugees’ self-reporting of professional competencies in the Netherlands

The refugee influx of 2015/2016 has shown that the mere translation or transfer of qualifications and the recognition processes involved will not be the most appropriate tool for refugee integration. When a large number of asylum seekers are involved, the risk is that delays will occur as a result of administrative procedures. Moreover, large numbers of asylum seekers have either never completed formal education or lost the relevant certificates. Methods of assessing non-formal competencies are becoming more and more important.

The municipality of Tilburg in the Netherlands, in cooperation with non-profit partners, is currently testing the competence card: In this concept asylum seekers and recognised refugees are supported in creating their personal profile “including information on their professional background, competencies and ambitions through self-assessments. [...] The inclusion of more elaborate assessments after the first test run with 400 refugees is planned.”

http://www.competencecard.nl/?page_id=4034,

(last visited on April 28, 2017)

Skills assessment: Early professional screening of asylum seekers in Germany

Within the context of skills assessment, the model project ‘Early Intervention’ tested in Germany in 2015, is often mentioned. Representatives of the German labour agency went through registration centres for asylum seekers in nine German regions looking for skilled asylum seekers and testing potential candidates with ‘mini work packages’ as screening instruments. An early evaluation of the project underlines the importance of language training, simplified administrative procedures, network building and a special focus on supporting transitions within the system, such as when the administrative responsibility for a specific refugee changes from one agency to the other within the system. The outcome of the project supports the assumption that labour market integration is a long-term process: the project had a capacity of 600 participants in April 2015, but up to that time only 16 participants had found jobs and 5 had enrolled in vocational training. In a number of federal states in Germany, screening is now included as part of the registration procedure (Daumann et al. 2015).
Create hubs for network building

The recent influx of refugees is making Europe take action. “It takes a village to integrate a refugee”; therefore, countries should: provide one-stop shops for employers dealing with concrete employment procedures; create regional integration hubs linking employers, potential employees, support structures, administration and information in host as well as home countries and promote the coordination and training of volunteer support in labour market integration.

Labour market intermediaries may alleviate the aforementioned frictions by providing relevant and timely information for refugees and employers, by facilitating job matching, and by reducing screening and other hiring costs. Correspondingly, meeting these needs requires effective communication with job-seeking refugees and, when necessary, personalised guidance, strong links with local businesses, and an extensive knowledge base. Different types of labour market intermediaries – public employment services, NGOs, temporary employment agencies, and innovative IT solutions – can thus complement each other’s work.
Information box 14: Intermediaries in the labour market integration of asylum seekers and refugees (Nadzeya Laurentsyeva, CEPS)

Public employment services – providing information, job placement, and more

Registration at public employment services (PES) often represents a starting point for job-seeking refugees. PES have both the information and human resources to provide comprehensive guidance to job-seekers regarding local job-search procedures, available support programmes, and vacancies. As a rule, PES have good links with businesses and can facilitate job matching. However, it is important that job-seeking refugees can access and understand the available information and are able to navigate through it. Often this requires efficient communication and a personalised approach at the different stages of job searching, training and placement.

Mobilearn, Sweden – an IT solution providing information to refugees

Public employment services can leverage their assistance to refugees by employing innovative IT solutions. One example is Mobilearn – a Swedish mobile application for refugees. The application provides comprehensive government information related to employment, housing, and education translated into a refugee’s native language. The information is collected directly from public employment services in partnering municipalities, the Swedish Migration and Labour Office, and other stakeholders. In addition, the application assists users in building their CVs and supplies information on skill demand and job vacancies in the local labour market. Furthermore, the application collects information about available housing and suggests accommodation in areas where there is work to match the individual’s competencies.

Targeted integration programmes for immigrants in Finland and Sweden

The core of the integration programmes in Finland and Sweden consists of the preparation of mandatory, individualised integration plans and their realisation under the supervision of public employment services. The plans are prepared during a meeting with a caseworker and are tailored to the individual’s skills and circumstances. Such plans may include language and civic courses, vocational training, job placements, and other arrangements. Sarvimäki and Hämäläinen (2016) have evaluated the effect of the Finnish programme: the cumulative earnings of immigrants who took part in the programme, relative to a comparison group, increased by 47% over ten years. Andersson Joona et al. (2016) have evaluated the impact of a similar approach in Sweden and found that two years later, refugees who took part in the programme had a two percentage-point higher probability of employment and 20 percent higher earnings compared to those who were not included in the programme.

NGOs – personalised job support and mentoring

NGOs specialised in job support can complement the work of public employment services by providing more personalised and continuous assistance to refugees throughout the job search and placement process. Initiatives such as mentoring programmes can compensate for missing social networks, help in developing job-related cognitive and non-cognitive skills and provide encouragement. At the same time, NGOs often rely on volunteers, who might lack professional knowledge and regular commitment; this might result in the provision of low quality services.
Training volunteers for a mentoring programme in Belgium

The Belgian mentoring programme ‘Duo for a job’ aims to facilitate employment among young unemployed people with immigration backgrounds. Participants in the programme are matched with individual mentors, who help in developing realistic action plans and guide their mentees for a period of six months. Mentors need to be over 55 years of age (professional, retired or in pre-retirement) and commit to one meeting per week. An important feature of the programme is the comprehensive four-day training of future mentors provided by the ‘Duo for a job’ team and external experts. The training comprises several modules covering the institutional framework, particularities of the local labour market, job-search tools, cross-cultural competencies and communication skills. In addition to the initial training, each mentor-mentee Duo is monitored by an adviser (from the core team administering the programme) who is available throughout the whole mentoring period.

Employment and Recruitment Services - reducing costs for employers

Employment and Recruitment Services can contribute to faster labour market integration of refugees by reducing the information gap, lowering screening costs for businesses, and indirectly providing refugees with contacts, on-the-job language training, and country-specific human capital. Using Danish data, the studies by Jahn and Rosholm (2013, 2014) confirm that immigrants benefit in the long term from their temporary employment experience: they earn higher wages and have a higher probability of being regularly employed than individuals with no access to these services. While the support of Employment and Recruitment Services can be particularly important for refugees in the first months after their arrival, their access to such services is often regulated. For instance, in certain parts of Germany, local authorities allow temporary employment agencies to hire only recognised refugees or asylum seekers who have been in Germany for at least 15 months.

‘Social bee in Munich’

The Munich-based initiative ‘Social bee’ is one example of an employment and recruitment service that targets refugees. The agency screens job candidates before hiring them, takes care of administrative procedures when placing refugees with businesses, and provides support to refugees and employers after the placement. In addition, the agency finances participation of refugees in language courses and, if necessary, vocational courses. The agency’s goal is to ensure the transition of refugees into a full-time job or an education program after 1-1.5 years of temporary employment.
Ensure refugee dispersion is labour-factored

Due to demographic change and economic prosperity, demand for labour is a pressing concern in some European regions. Countries should ensure that the dispersion of refugees is based on employment factors such as individual profiles, local labour market conditions and specific local skills shortages. They should also offer status security during vocational training, allow employment independent of the asylum procedure, encourage the combination of language courses with work experience, avoid penalising job-related ‘secondary migration’ after initial dispersion, and offer bridging courses to help newcomers develop country-specific skills based on prior qualifications in their home country.

Factoring labour in: Job-oriented refugee dispersion in Sweden

Sweden’s refugee dispersal policy has had different emphases over time: whereas from the 1980s to the mid 1990s housing was the major argument for settling refugees in a municipality, the policy then changed, taking into account voluntary agreements between municipalities, local governments and employers. Due to the large influx of refugees in 2015/2016, the housing deficit in some municipalities is again becoming an issue and reception is no longer solely voluntary. However, as stated in chapter 3, housing-oriented government-directed dispersal policy tends to show significantly worse results than labour market-oriented dispersal determined by the government in cooperation with other players, including the refugees themselves (Konle-Seidl, Bolits 2016, p. 30).
Factoring labour in: Modular approaches to language courses in numerous EU member states

Some European member states have changed the concepts of their language courses in recent years and have started to focus on job-related language learning. This approach can be implemented in various ways:

- By including modules of language studies (also "occupational language") and culture, vocational education, training for entrepreneurship, voluntary work, distance learning and voluntary learning between official training modules and work-related measures, e.g. work placements, job search, integration training in a vocational training environment (PES’ Network Board 2016, p. 6) as is done in Finland

- By offering periods of language acquisition and periods of initial vocational training as is the case in Germany

- By setting up courses with individual components of language training and internships that build on each other as in the Danish staircase model: “For instance, the so-called "staircase" (or transitional) model is directly aimed at introducing refugees to the Danish labour market in a step-by-step process. The first step (4–8 weeks) is to identify the competencies of the individual refugee, combined with Danish language lessons. The second step is a trainee placement in an enterprise without expenses for the employer, followed by more Danish lessons. At this point, the refugee is ready to enter a job with a wage subsidy (duration 26–52 weeks).” (Jørgensen 2015)

- By combining language courses with up to 80%-subsidised part-time work, as in the "step-in" programme in Sweden (PES Network Board 2016; OECD 2014, p. 11).

Factoring labour in: Voluntary work as an introduction to the world of work in Austria

Following its ‘Voluntary Social Year’, Austria has established a ‘Voluntary Year of Integration’. Within this scheme, people whose asylum or subsidiary international protection has granted within the last two years and who are receiving the needs-based minimum income can work as volunteers in social support institutions. The programme’s duration is 6-12 months with a minimum of 16 and a maximum of 34 hours per week. In addition, a total of 150 hours of support, for example, in professional and language training, are provided, as are accommodation, insurance and (sometimes) an allowance.

https://integrationsjahr.at/
Invest in well-targeted external support

Refugee support and guidance have to take into consideration both the systematic differences between the countries of origin and individual differences. One-size-fits-all approaches are inefficient not only for the refugee but also for the employer. Countries should offer targeted, systematic and individual needs assessment and quality guidance, to develop individual integration plans, ensure diversification of language courses (by education level and professional sphere, for example), provide comprehensive professional, cultural and civic orientation, establish and promote mentoring structures, and focus on the special needs of growing diverse groups, such as unaccompanied minors and psychologically traumatised refugees.

Individualised support: Integration support project in Italy

In Italy, a consortium of national agencies, municipal associations and NGOs is implementing the SPRAR project. Refugees need to apply for accommodation in municipalities that have agreed to take in a small group of refugees and to support their integration process through all stages by providing

- Accommodation in a small house
- Supply of food vouchers for board
- Orientation in relation to local services
- The support of a language mediator
- Assistance in procedures for accessing social, health and education services (L2 Italian language courses for adults, enrolment in school for minors)
- Orientation in relation to employment
- Enrolment in training courses
- Professional re-training
- Support in looking for a job and a home.

The combination of small groups of refugees with voluntary support from small communities seems to be an important factor in the success of this approach, making adaptation schemes from both sides much more flexible (Martín et al. 2016b, p. 32).
Individualised support: Focusing on vulnerable groups

The reasons for flight and the conditions experienced when fleeing their home countries make certain groups such as women, unaccompanied minors, and others especially vulnerable to discrimination and exploitation. When looking at labour market integration, these groups display an especially low participation rate and a particularly high unemployment rate. The sharing of good practices in dealing with these issues is not as well established as the sharing of general support measures. Only recently has an approach been set up to collect and review such practices across Europe. As far as gender is concerned, a focus is put on designing support measures that address childcare needs, such as during language courses for refugee and other migrant mothers in Germany and Austria (Barslund et al. 2017). Barslund et al. come to two conclusions: labour market support measures for women do exist in Europe but are insufficient and – judging from a small number of projects – tailor-made approaches can be successful. National and supranational policymakers should put extra effort into the evaluation and possibly conceptualisation of support measures for these groups.

Further Reading

- Barslund, Mikkel; Di Bartolomeo, Anna; Ludolph, Lars (2017): Gender Inequality and Integration of Non-EU Migrants in the EU. CEPS (Policy Insights – Thinking ahead for Europe, 2017/06).
Addendum
Employing refugees: Case studies
Fundación Adecco and the “Observatory for Innovation and Employment” (OIE), Spain

A potentially successful programme for the labour market integration of refugees in the IT sector in a negative labour market context

**Background**

A private-sector initiative promoted by The Adecco Group Spain and currently made up of 28 international companies such as BMW, Capgemini, and Coca-Cola, the OIE focuses on youth unemployment, including a programme to integrate young refugees into the IT sector. The reason for the IT focus is that the IT sector is one of the few exceptions in an otherwise difficult labour market with an unemployment rate of 18% (February 2017). The programme started in June 2017.

**Group of refugees**

The programme involves a particular group of 36 people from Syria and elsewhere in the Middle East, all of whom have backgrounds in IT and who have joined the programme along with a group of unemployed youth. They are all accepted refugees between 18 and 30 years of age; 70% are male and 30% female. Some of them have a bachelor’s degree in Information Technology or in a related field. Others started a university degree in their country of origin but were not able to finish.

**Measures**

The programme consists of a 250-hour IT course on cyber security, the Internet of things, and programming, as well as 50 hours of soft skills training including language and communication skills, organisational culture in international companies, teambuilding, and leadership. While the IT courses are provided by external IT experts, the soft skills training is done, for example, by HR directors from the OIE’s member companies. Furthermore, Adecco will provide some of the professional support in preparation for job interviews as well as leisure activities such as sports and going to concerts to make the refugees familiar with the social and cultural life in Spain.

**Success factors**

**Demand for IT profiles in Spain.** In a negative labour market context with high unemployment and precarious employment levels, it is especially crucial for the success of the programme to avoid skills mismatch and to fit the programme to the needs of the job market, which in Spain means IT profiles.

**The network structure of OIE.** The network structure is promising for two main reasons. First, it promotes the sharing of expertise by the various players involved in the support measures. In addition, the fact that the companies that will potentially employ the refugees are involved in the training makes it possible for the companies and the refugees to get to know each other prior to employment and to perfectly tailor the training to the companies’ needs.

**Challenges and solutions**

**Companies’ lack of legal information.** According to UNHCR and Migracios la Merced, companies in Spain are generally not familiar with the legal framework concerning the employment of refugees. This counts especially for the so-called red card (tarjeta roja). It is issued to asylum seekers without a residence permit for use as identification in their job search. Companies tend to be concerned about whether people with a red card have the right to work or, even when companies know that red card-holders do have the right to work, they are likely to offer them only temporary contracts. Fundación Adecco’s strategy is to inform all of their clients about the red card and the legal implications of employing asylum seekers and refugees.

Sources: Authors’ own data from one interview with the Project Manager of the OIE, Eurostat
Fondazione Adecco, Italy

Extensive experience in tailoring labour market integration programmes for refugees to the needs of partially difficult local job markets

Background

As a non-profit organisation, Fondazione Adecco helps disadvantaged people integrate into the workplace in order to support their “self-empowerment and autonomy” (Project Manager, Fondazione Adecco). Since 2008, this has included numerous projects supporting refugees; overall, 10% of those supported have been refugees, while 90% have been people with disabilities, single mothers, the long-term unemployed, and people aged over 40.

Group of refugees

Since 2015, the projects for refugees have been dominated by asylum seekers and accepted refugees from Syria and Lebanon who are 20 to 25 years of age. Some of them came to Italy via ‘Humanitarian Corridors’ set up by the project ‘Mediterranean Hope’. The share of women in some projects is almost 50%. Participants’ qualification levels and work experience vary: in general, they have completed secondary education, some are university-educated and most of them have work experience in the agricultural sector or in construction.

Measures

Joint projects involving a network of partners of local government, churches and local NGOs, such as Oxfam, provide a mix of language courses, knowledge and skills for social integration, skills screening, vocational and job training, and professional support in preparation for the asylum hearing. Most vocational and job training programmes aim to enhance participants’ employability in hotels, restaurants or bakeries, but one is preparing for jobs in Cirque du Soleil, and there are small, rather specialised training programmes for the leather industry and special jobs in agriculture, such as those requiring, for example, knowledge of traditional techniques for cutting olive trees and grapevines.

Success factors

The right network of partners: The two main characteristics of this network are: the partners are well known, which means that the certificates they award to the refugees are generally accepted; they provide lodging near town centres because many refugees tend to leave the country side for towns where they have better chances of finding work.

Provision of skills which are needed by the local job market: One success story is a commercial bakery programme in Turin which has been shaped to fit the needs of the many food service companies in the city.

Tailoring to the talents of the refugees: In general, projects focusing on employability in hotels and restaurants are successful because many refugees meet the requirement of high availability (due to a lack of family obligations), and because some also have the required language skills in English or French.

Internships: These are the most important drivers for companies to employ refugees. What is more, they do not entail economic costs for the companies, as the NGOs usually assume the refugees’ insurance costs.

Challenges and solutions

Cultural barriers and prejudice: Some companies are not open to employing refugees, especially in areas with high unemployment rates and local objection to refugees in general. Thus “the main barrier is a cultural barrier caused by prejudice” (Head of Fondazione Adecco). The strategy to overcome this objection is twofold: first, invite companies to the projects to get to know the refugees, their skills and to learn about their work experience and motivation; second, inform companies about the benefits of a culture of diversity and inclusion, including the economic benefits.

 Refugees’ employability: In the short term this is determined by their knowledge of the Italian language, and in the long term by their professions, since their original qualifications are not equivalent to those in Italy. In addition to a focus on language courses, the emphasis is placed on job orientation, starting from the individuals, their needs, skills and expectations and offering information on the local job market to support refugees in rethinking their professions and to find a professional solution that fits their new circumstances.

Sources: Authors’ own data from four interviews with the Head of Fondazione Adecco and three project managers.
The Adecco Group France and Humando, France

Language and vocational training for refugees in collaboration with Afpa

Background
Humando is the inclusion subsidiary of The Adecco Group France, offering support in the areas of education, career orientation and professional integration to people who are at risk of failure on the labour market. Currently, a project in collaboration with Afpa, the biggest training centre in France, is dedicated to language and vocational training for refugees, and has a particular focus on service and construction. Humando aims to “develop people so that they become autonomous” (Head of Ile-de-France region, Humando).

Group of refugees
The group consists of 48 people between 21 and 37 years of age, including one woman. One-tenth are university-educated and 75% attended mainstream schools in their countries of origin; the remaining 25% either did not attend school or else attended Koranic schools. Most of them came from Afghanistan, followed by Sudan and Eritrea or Somalia, and most have a professional background in the agricultural sector. They have all been granted refugee status.

Measures
The programme comprises four phases: In the first phase candidates who are able to learn French according to their school reports were selected by the French public employment agency. Phase two is a four-month French language course as well as vocational and job orientation. The third phase consists of four months of vocational training. The fourth phase is a follow-up-phase of up to 16 months supporting the refugees’ inclusion in the labour market. From phase two on, the refugees are under contract with Humando and also have social and cultural coaching, including, for example, an expedition to the Louvre and to Strasbourg.

Success factors
Since the programme is still underway (currently in phase three), only the language course and the vocational training can be discussed in terms of success factors.

Enable self-empowerment. Besides the language and vocational training, the programme’s success with respect to self-empowerment is built on informing refugees about social and cultural life in France because “they want to be average people” (Head of Ile-de-France region, Humando). Furthermore, it is important to encourage refugees to do as much as possible on their own, as some tend to have a different concept of autonomy.

Take care that the refugees become a real group. All members of the group feel better when all the different nationalities mix and refugees support each other across nationalities.

Possible challenges and solutions
Efficiency of intensive language courses: On the one hand, it makes sense to offer an intensive language course prior to the vocational training since a good command of French is necessary for the success of the latter. However, several refugees mentioned that it is not efficient to have intensive language training for eight hours per day, five days per week. Thus Humando is considering ways to better interrelate language and vocational training.

Time-consuming and error-prone administrative processes. Assessing the qualifications of refugees is difficult for the French public employment agency because of the high diversity in refugees’ qualification levels. Furthermore, the administrative procedures necessary to obtain all the administrative authorisations for refugees, such as those for social security and social insurance, are complex because different partners are involved.

Relationship between housing and employment: Once the vocational training ends, Humando will no longer provide access to housing. This might turn out to be an obstacle to the integration of refugees in the job market because without a job it is difficult to find accommodation, and vice versa.

Sources: Authors’ own data from an interview with the Head of the Ile-de-France region of Humando and from short interviews with two refugees.

The Adecco Group – ‘The labour market integration of refugees – A focus on Europe’ white paper – 06/17
The Adecco Group Germany

Ways of providing information for the labour market integration of refugees

Background
Reacting to the unprecedented influx of refugees in Germany in 2015, The Adecco Group launched a labour market integration programme for refugees in January 2016. Although companies in Germany are generally open to the employment of refugees and have a strong interest in getting qualified workers to fill current gaps in the workforce, actual refugee employment is rather low (178,074 employed refugees in January 2017).

Group of refugees
Including both asylum seekers with a presumably high probability of recognition as well as accepted refugees, they are predominantly young (< 30), male (70% to 80%) and from Syria or elsewhere in the Middle East. Most of them have a lower level of education and some are mechanics, electronic technicians, and IT experts.

Measures
The programme comprises three pillars: First, a network of partners is developed, including for example, the Red Cross, Caritas, and official employment agencies (including Arbeitsagenturen and local Jobcenters) to provide refugees with language courses combined with cultural training, skills screening, vocational and job training, professional support in preparation of the asylum hearing and the full range of regular labour market policy measures. Second, a database is established to inform refugees and employers about the legal framework and to improve the exchange of information between refugees and employers. Third, the visibility of the project is enhanced by social media activities and road shows for refugees and employers.

Success factors
Sharing success stories: Success stories help to motivate companies who have doubts about taking refugees into paid employment because of language barriers and because refugees’ qualifications - when present - are not readily compatible with the requirements of positions in Germany. Employers and refugees have shown a particular interest in learning from placed refugees about how they found their way in the German labour market.

De facto cancellation of the priority review: According to the so-called priority review Vorrangprüfung, asylum seekers are entitled to engage in gainful employment on condition that the position cannot be filled by a preferential person, i.e. a national or an EU citizen. However, in practice, the priority review is not implemented in most localities. This is seen as the most important improvement at the legal level in terms of fostering the placement of refugees.

Challenges and solutions
Unreasonable expectations and a lack of information on the part of the employers: Companies are often ill-informed about possible candidates among refugee populations. Furthermore, they often expect refugees to have a good command of German right from the beginning and are not aware that it takes time and support for refugees to be able to speak and understand German at the level that is required for work. The Adecco Group is trying to improve this situation by providing companies with the necessary information (via the database, road shows) and by offering crisis management with a hotline.

Unreasonable expectations and a lack of information on the part of the refugees: Some refugees expect to find a job more quickly. Some also find that they are overqualified. The Adecco Group is trying to adjust these expectations by explaining that labour market integration in Germany is a process which can be burdensome and that their first job in Germany is only one step in this process. Another important aspect of The Adecco Group’s efforts is keeping refugees motivated when they fail to get the job they applied for.

Sources: Authors’ own data from an interview with a contract manager and a marketing manager at The Adecco Group Germany, and Bundesagentur für Arbeit, 2017.
AmRest Coffee Germany Sp. z o.o. & Co. K (Starbucks)

Integrating refugees as baristas in a coffeehouse chain in Germany – the pilot phase

Background

AmRest Coffee Germany Sp. z o.o. & Co. KG is an international fast-food and casual dining restaurant operator with brands such as Starbucks. AmRest operates more than 23,000 Starbucks locations worldwide with 238,000 employees. In Germany, AmRest runs 141 Starbucks stores with 2,200 employees. The motivation for employing refugees is threefold: First, in the Starbucks stores in Germany there is a demand for motivated employees, thus employing refugees “is practically a win-win situation” (HR Director, AmRest Coffee Deutschland). Second, giving refugees a chance at success in the labour market is part of Starbucks's social responsibility. And third, it is part of the organisational culture of Starbucks to welcome a diversity of people.

Group of refugees

Within a pilot project in Munich, AmRest employed five refugee interns in Starbucks stores in October 2016. One intern from that group, a man from Northern Africa, is currently working as an employee.

Measures

In collaboration with the ‘IdA - Integration through Exchange’ programme, which supports the vocational integration of groups of individuals with difficulties in entering the labour market, Starbucks offered five internships for refugees in Munich in October 2016. Currently, Starbucks is also looking for partners to offer internships for refugees in Berlin and Hamburg, to gradually extend the programme to all districts in Germany by 2022. Their aim is to subsequently employ the interns as baristas in stores. The refugee interns are integrated into the mainstream of the general support schemes for interns, which focus on service-orientation in the food and gastronomy sector in Germany. Because Starbucks employs people of 90 nationalities in Germany, a course on cultural integration is part of the vocational training for all baristas. The internships for refugees differ from the internships for other future baristas only in that refugees attend German courses and those who do not speak English, do not work at the cash register until their command of German is sufficient for the task.

Success factor

A culture of diversity and inclusion: As the workforce at Starbucks in Germany is used to working with colleagues of 90 nationalities, and given that Starbucks stands for diversity, employees welcome new colleagues of different origins and cultural backgrounds.

Challenges (and solutions)

Language: The main obstacle that refugees face in getting a permanent contract at Starbucks after their internship is finished is their lack of knowledge of either the German or the English language.

Cultural differences: As regards the more technical side of work in Germany, especially in the food and gastronomy sector, some concepts – being on time, for example – are an issue. Thus, after evaluating the pilot project in Munich, Starbucks decided to start with the instructions for the technical parts of the job, such as the service schedule, instead of introducing them later on in the training. Another issue covered in the training is how to deal with women in leadership positions or with female colleagues.

Different administrative frameworks in different federal states: The conditions for hiring refugees vary between federal states. This has to be factored in when implementing labour market integration schemes.

Source: Author own data from an interview with the HR Director AmRest Coffee Deutschland Sp. z o.o. & Co. KG.
Capgemini

From internship to permanent position – refugees in the IT sector in Germany

Background

Capgemini is a global leader in consulting, technology and outsourcing services. With more than 190,000 employees, Capgemini is present in over 40 countries and is celebrating its 50th anniversary in 2017. The company’s diversity management in Germany focuses on origin, gender and phases of life and has promoted the employment of refugees since early 2016, combining CSR activities “to give something back to society” (Diversity Representative, Capgemini) with the recruiting of IT talents.

Group of refugees

At Capgemini three refugees are working as interns and three have permanent positions. Another two returned to university. All of them are men between 25 and 30 years of age with the status of accepted refugees; one is from Morocco, but most are from Syria. They are information scientists with a degree corresponding to the German Bachelor. Their knowledge of German is, in general, basic (level A).

Measures

So far, Capgemini has offered ten six-month internships in software development to refugees with the aim of employing them afterwards. Meanwhile six permanent positions have been offered to the refugee interns. Because of the number of refugees per cohort, Capgemini decided not to implement a special programme for them but instead to integrate them into the mainstream of the general support schemes for IT experts. Their special requirements are mainly catered for by language courses in collaboration with language schools and by some software courses, since the focus in information science in Syria is somewhat different to that in Germany. In addition, Capgemini encourages casual volunteering so that other employees can contribute to refugee integration; it also organises an open day where refugees can get profile screening and a CV check, as well as software support assistance for refugees for free.

Success factors

Will and determination on behalf of the company and the refugees: It is crucial to the success of the programmes that the top management, the line managers and HR at Capgemini support the integration of refugees in the workforce, even if it is sometimes a bit more burdensome than employing a graduate from a German university. It is also essential that refugees commit to learning the German language and to participating in the German corporate culture.

An international and open organisational DNA: Employees at Capgemini consider the refugees and their cultural backgrounds as a benefit to the teams. They feel that “as the company does something about the refugee crisis, I am engaged in mitigating this crisis indirectly” (Diversity Representative, Capgemini).

Challenges and solutions

Generally speaking, the integration of refugees at Capgemini has been a success. However, there are two challenges:

More communication and patience needed for vocational adjustment: At the beginning, it takes longer to instruct refugees, requiring more and different kinds of communication. As a result, refugees start with internal projects; only after they are acquainted with the culture of work in Germany do they go to clients.

Create a sustainable impact for refugees as well as the company: Because of the high level of qualification required for IT jobs and the current high degree of formality, it is a challenge to make refugees fit to German standards in the IT sector.

Source: Authors’ own data from an interview with the Diversity Representative at Capgemini.
ESTA Apparatebau GmbH & Co. KG

Open positions in a medium-sized business in Germany offered via direct hiring of refugees

Background

ESTA Apparatebau is an extraction technology company in Germany that deals with different sectors, industries and applications. The product range includes, for example, mobile and stationary dust extractors, industrial vacuum cleaners, and welding fume filters. Their reasons for employing refugees are: ESTA Apparatebau has a demand for motivated employees; at the same time, the company wants to contribute to the labour market integration of refugees in the region of Senden (district of Neuen-Ulm in Bavaria), since “integration works best via job integration” (Managing Director, ESTA Apparatebau).

Group of refugees

ESTA Apparatebau employs four refugees (corresponding to 21% of the employees), either as mechanics in the field or for internal installation jobs. One started as an intern, the other three as regular employees. They are men aged 20 to 36, three coming from Syria and one from Niger. Their professional backgrounds vary and include work experience in retail sporting goods and plumbing.

Measures

ESTA Apparatebau offers jobs and internships for refugees, the numbers of which depend on demand and on the availability of suitable refugee candidates. Before actually employing refugees the management started with creating the conditions to successfully integrate them in the workforce by explaining to existing staff the company’s social responsibility towards refugees. They did this, for example, at employee meetings and at the company Christmas party. To attract and select suitable refugees, ESTA Apparatebau involved external partners such as language schools and civil society initiatives such as Flüchtlingskreis Asyl. To support the integration of the refugees in the workforce, every refugee has a mentor.

Success factors

The refugees’ strong motivation to work. The refugees working for ESTA Apparatebau show a higher than average degree of motivation to integrate themselves into the workforce.

The management supports the integration of refugees. The management at ESTA Apparatebau positions itself in favour of refugee integration and raises awareness of the importance and the benefits of integrating refugees.

Challenges and solutions

In general, the job integration of refugees has been a success at ESTA Apparatebau. However, there are two challenges:

Language: The main challenge is refugees’ lack of knowledge of the German language. This can be overcome by working with visualisations such as pictogrammes and Google Maps.

Refugees’ adjustment to their new jobs requires extra resources: The instruction of refugees takes time and requires their superiors and colleagues to put themselves in the refugees’ position. This results in immediate costs which may be balanced out by the fact that ESTA Apparatebau does not have to pay refugees the standard wages right from the beginning. This also opens new ways of looking at work process details, thereby providing an opportunity to find elements which can be further improved.

Source: Authors’ own data from an interview with the Managing Director at ESTA Apparatebau.
Henkel AG & Company, KGaA, Germany

Provide access to the German labour market for refugees without formal qualifications

Background
Henkel AG & Co. KGaA is a German multinational company with three business units in both industrial and consumer businesses. Founded in 1876, Henkel looks back on more than 140 years of success. Henkel employs more than 50,000 people globally. As a recognised leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel Germany supports the labour market integration of refugees, as social commitment is an integral part of the business. Furthermore, Henkel Germany views migration as a chance to fill skill gaps due to demographic change.

Group of refugees
The integration program of Henkel Germany includes asylum seekers with a presumably high probability of recognition. The participants have different levels of education and their command of German is not yet sufficient to get a regular job, continue their university education or to start an apprenticeship.

Measures
Henkel implemented an extensive refugee integration program in its vocational training center in Düsseldorf. In collaboration with external partners and public authorities, the company is offering career guidance and job shadowing as well as internships, language courses and coaching for refugees. The aim is to promote the fast integration into the German labour market with first employment contracts already in place. Furthermore, Henkel Germany offers humanitarian aid in collaboration with the foundation Fritz Henkel Stiftung and nationwide welfare organisations. Henkel supports its employees’ social engagement through product donations and financial help in projects targeted at vocational orientation and supporting long-term integration projects as well as by offering employees a paid time off up to eight days per year.

Success factors
The strong motivation of the refugees: The refugees participating in the program, as well as those already placed, show an above average motivation to work and successfully integrate themselves in the workforce.
The close collaboration between private sector, public authorities and NGOs, bringing together all relevant stakeholders to set up the correct measures with the correct timing and content.

Challenges and solutions
The program is, in general, a success. However, there are three challenges:
Time-consuming administrative processes: Long-term planning is sometimes difficult because it is not always clear whether asylum applicants are likely to remain in Germany in the long term. This is above all due to the decentralized responsibilities within the public authorities deciding upon the applications and their respective regulatory framework.
Assessment of qualifications: As little formal documentation on job qualification is available, all applicants have to go through an assessment process to evaluate if language skills, technical capabilities and overall knowhow fit the proposed employment opportunity.
Language: One of the main obstacles to the candidates in the program getting a job is their lack of knowledge of the German (or English) language.

Source: Own data from an interview with the project leader, Henkel.
IKEA Switzerland

Promoting job integration via access to professional networks in Switzerland

Background
IKEA Switzerland is a multinational company, headquartered in the Netherlands that designs and sells ready-to-assemble furniture, kitchen appliances and home accessories. It has been the world's largest furniture retailer since at least 2008 and owns and operates 392 stores in 48 countries with 155,000 employees. IKEA Switzerland has a long tradition of supporting people marginalised in the labour market, including young people and those with disabilities. Since the authorities in Switzerland are primarily commissioned to provide basic social care for refugees, IKEA Switzerland decided to focus on the promotion of refugee employment as part of their social responsibility.

Group of refugees
At IKEA Switzerland, 18 refugees are working as interns, including two women. They are aged between 19 and 46 and their levels of education also vary considerably. The majority of them came from African countries, especially Eritrea and Somalia, followed by Iraqis and Iranians, roughly corresponding to the relative numbers of the countries of origin of refugees in Switzerland in general.

Measures
IKEA Switzerland has implemented a three-year programme running from 2016 to 2019 offering six-month internships for refugees, two per term at each store in Switzerland. The aim is to overcome one of the main barriers to job market integration of refugees in Switzerland, namely that they lack work experience in and references from companies in Switzerland and thus lack access to networks which would strengthen their employment prospects and knowledge of recruitment methods. Six interns from the first term are now working as employees for IKEA Switzerland. The programme differs from other internship programmes in that it starts with a two-day introductory course on work culture in Switzerland, complemented by a follow-up of two half days in which participants reflect upon their experiences during the internship. Additionally, IKEA Switzerland offers intercultural training for the employees who work with the refugee interns.

Success factors
The management supports the integration of refugees: The management at IKEA Switzerland positions itself in favour of refugee integration, and the respective measures were explained to all concerned. “And then people really understood it and now the feedback is that the employees are really proud of that” (Project Manager ‘People and Communities’ IKEA Switzerland).

A culture of diversity and inclusion: As the workforce at IKEA Switzerland is used to working with colleagues of 90 nationalities, some initially doubted the need for intercultural training. However, the management decided on the intercultural training to overcome doubts among the staff and because the programme had become an issue externally.

Challenges and Solutions
In general, IKEA Switzerland has succeeded in furthering the integration of refugees into the workforce. However, there are two important challenges:

Language: The main challenge is the refugees’ lack of language knowledge. IKEA Switzerland is currently exploring online courses as well as the possibility of tandem programmes where two employees form a partnership for language practice.

Cultural differences: Sometimes the degree of autonomy expected in Swiss working culture is an issue. Therefore, at the beginning, more guidance should be provided to refugees. Another issue refugees have is in learning how to deal with women in leadership positions.

Source: Authors’ own data from an interview with the Project Manager of ‘People and Communities’ at IKEA Switzerland.
MidtVask

Employment and education of refugees in a laundry service in Denmark

Background

MidtVask, a medium-sized industrial laundry service working for hospitals in the region of Aarhus, has 170 employees aged 18 to 67, of 35 different national backgrounds. MidtVask employs refugees because it benefits from a diverse workforce: A diverse collection of skills, experiences and cultural understanding inspires employees to perform to their highest ability. Furthermore, giving refugees a chance in the labour market is part of the social responsibility of MidtVask. “It is not charity - it is business: all initiatives must be good for our company, good for the individual and good for society” (Managing Director, MidtVask).

Group of refugees

At MidtVask, 60% to 70% of the employees were not born in Denmark, including economic migrants, long-term employees who were refugees a decade or more ago, and refugees who arrived in Denmark just recently. The majority of the latter group consists of men between 20 to 40 years of age who came from Syria or Eritrea. They have a low level of education. In many cases, however, their lack of formal qualifications is primarily due to external factors.

Measures

In collaboration with the public authorities, MidtVask offers a labour market integration programme for refugees including both language courses and work. In the first three months, the refugees work three hours per day in the laundry and have three hours of language courses focusing on vocational language and cultural aspects. This is an internship with government subsidies. For the following two years the refugees get a regular job with a reduced salary, as still in training, and they participate in an education programme along with other non-skilled employees. The goal is to employ them on a regular basis once the integration programme has finished.

Success factors

Education courses: Crucial to the success of the language courses is their broad focus, including cultural training as well as courses covering vocational language.

The same conditions for everybody: In the interest of fairness, the education courses are open to all employees, thus enabling all employees to work toward their next carrier steps.

Strategic core values and rules. In order for the collective efforts of people with many different cultural backgrounds at MidtVask to be successful, it is important that the rules of cooperation are clearly communicated, including the rule about speaking Danish at the workplace.

Challenges and solutions

The job integration of refugees at MidtVask has been a success. However, there are two challenges:

Cultural differences: Sometimes cultural differences, for example, ways of expressing personality and goodness, can lead to misinterpretations. MidtVask encourages its employees to talk about what people are doing and what is meant by it, should they have doubts of how to interpret a certain behaviour.

Group formation and national background: People of the same national background sometimes tend to form groups, especially during breaks. Therefore, it is crucial to organise the cooperation in the laundry in a way that does not further trigger this kind of group formation.

Source: Authors’ own data from an interview with the Managing Director at MidtVask.
ÖBB Group

Apprenticeships for young refugees in the national railway system of Austria

Background
ÖBB Group is Austria’s largest mobility service provider, with around 40,000 employees. The ÖBB Group is a state-affiliated company and is divided into several separate businesses that manage infrastructure and operate passenger and freight services. They have a two-fold motivation for employing refugees: first, as the diversity and inclusion strategy of ÖBB Group has chosen to focus on women, ÖBB Group seeks to hire female refugees; second, for reasons of social responsibility, ÖBB Group seeks to give young refugees a chance on the labour market.

Group of refugees
Within its apprentice training, ÖBB Group employs 200 adolescents with a migration background of whom around 35% are refugees. The average age of the refugee apprentices is 21.2 years; 67 of them are male and four are female.

Measures
In collaboration with the Public Employment Service Austria (AMS) and ‘lobby.16’, which supports the vocational integration of adolescents with difficulties in entering the labour market, ÖBB has offered apprenticeships and internships for refugees, particularly as train drivers, since 2010. ÖBB Group provides the vocational training, while ‘lobby.16’ deals with the preselection of the refugees, their language and cultural training and personal support (especially helping them find their own accommodation). ÖBB Group integrates the refugees into the mainstream of its general support schemes for apprentices. In addition, ÖBB Group encourages employees to participate in casual volunteering that supports the integration of refugees.

Success factors
Collaboration with ‘lobby.16’. The collaboration allows the instructors to focus on vocational training because ‘lobby.16’ looks after the refugees’ social and private issues, to ensure that these do not hinder the vocational training.

The refugees’ strong motivation to learn and work: The refugee apprentices at ÖBB Group show greater than average ambition, with some actively planning their next career steps after having finished their apprenticeships.

The management positions itself in favour of refugee integration: It is crucial to the acceptance of the labour market integration of refugees at ÖBB Group that the management’s position with respect to refugees was clear from the beginning and that it is communicated internally and externally.

Challenges (and solutions)
The job integration of refugees at ÖBB group has generally been a success. However, there are two challenges:

No refugee woman has done a technical apprenticeship at ÖBB Group. Seeking to increase the share of women in technical training, ÖBB Group has also tried to increase the share of women with migration backgrounds in technical training. However, it has proved impossible to address young refugee women and to hire them for technical training.

The increasing diversity of the groups of apprentices: One example illustrating this heterogeneity is the different beliefs apprentices have about homosexuality. These different perspectives require that the instructors are able to resolve conflicts.

Source: Author own data from an interview with the Diversity Manager at ÖBB Group.
SAP SE

Internships as access to the IT job market in Germany

Background

SAP SE is a German multinational software corporation that makes enterprise software to manage business operations and customer relations. It has about 86,000 employees in 130 countries. To enable an inclusive environment with respect to culture – as with respect to gender, generations, and differently-abled people – SAP SE promotes the integration of refugees through labour market access. “We want to offer refugees as normal a life as possible […] and practice the hospitality we experience from colleagues, for example, all over the world” (Human Resources Expert, SAP SE).

Group of refugees

At SAP SE, 134 refugees (May 2017) work as interns or employees. The majority of them have a bachelor’s degree and a good command of English. They are between 25 and 50 years of age, 14% are female and 86% male. Most of them came from Syria (63%), followed by Afghanistan and North African countries.

Measures

In 2016, SAP SE offered 100 internships (of three to six months) specifically for refugees in Germany, predominantly in software development but also in marketing and administration support. This was in addition to the 1,000 internships offered on a yearly basis to young people. SAP SE aims to offer refugees the opportunity to improve their vocational language skills, to build professional networks, and to profit from further education courses at SAP SE. In 2017, SAP SE plans to offer another 100 of these internships and has extended them to six months, as it turned out that three months were not sufficient. Of the former interns, 25% to 30% have subsequently received limited or permanent contracts, while some are now student trainees. In addition, SAP SE offers a half-day workshop to support refugees in preparation for job interviews and organises events to trigger exchange between refugees and others. Furthermore, members of SAP-sponsored employee networks such as Cultures@SAP also support refugees.

Success factors

The management and HR support the integration of refugees: The management at SAP SE positions itself in favour of refugee integration and the HR department manager asks middle management for suggestions about where to place refugees and for what assignments. Thus, the overall direction is clear.

Employees are part of the welcoming culture: The employees’ commitment not only promotes the integration of refugee interns in teams but also allows them to deliver practical information about language schools and potential internships. In addition, they offer the refugees information about job realities and possibilities at SAP SE and thus help to make these internships happen.

Treat refugee interns like all other interns: For the sake of fairness, refugee interns are not segregated from the overall workforce beyond the necessary minimum. They get, for example, the same contracts and have the same onboarding.

Challenges and solutions

Overall, the job integration of refugees at SAP SE has been successful. However, there are two challenges:

Communication and cultural differences: Sometimes the degree of autonomy expected in working contexts in Germany is an issue for refugees. Furthermore, like anyone who lacks language proficiency, refugees sometimes do not dare to admit that they did not understand a task due to language problems.

Lack of transparency of skills: Working together and learning on the job led some teams to identify a need for formal training (e.g. in technical, language and soft skills). The refugees were able fill their qualification gaps with the help of the multilingual educational software SAP SE provides.

Source: Author own data from an interview with a Human Resources expert at SAP SE.
Talent Beyond Boundaries

Talent Beyond Boundaries: new pathways to international employment for refugees

Talent Beyond Boundaries (TBB, www.talentbeyondboundaries.org) is an American NGO building bridges between skilled and talented refugees who have fled Syria and companies experiencing skills shortages in Australia and Canada. It works within a large network of national and international NGOs, the UNHCR, the World Bank and state institutions.

“Yes, many asylum seekers have come to Europe, but many have also obviously gone to Turkey and Lebanon and Jordan and the surrounding countries. Not all of the talented people have left the region, and the world was blind to that talent because nobody had captured it.”

(TBB, U.S.A., Corporate outreach advisor)

TBB is currently working on a mobility pilot model that …

- Clarifies the demands and needs of employers in Canada and Australia
- Gathers and structures information on refugees’ skills in Lebanon and Jordan
- Identifies migration barriers such as information barriers, access to travel documents, legal work status, language proficiency or the inability to authenticate skills and experiences

... and helps to make all of these fall into place. Currently, they have an online data base of 10,000 refugee profiles including work experience, education, certifications, language abilities and skills tested on the ground. They are planning on having placed the first group of refugees by the end of 2017.


“And if we successfully place these people, there will be remittances, other benefits, and frankly, some hope for the people in the region that there’s a path other than illegal transportation. And so we think we can contribute through this complementary pathway to some help in stabilising the situation.”

(TBB, U.S.A., Corporate Outreach Advisor)
Technogroup IT-Service GmbH

Apprenticeships for refugees in the IT sector in Germany

Background
Technogroup IT-Service GmbH is a German IT service provider for numerous industries founded in 1990. It has a growing international business. It has two main motivations for employing refugees: on the one hand, Technogroup IT-Service has an open and international culture which sees giving refugees a chance in the labour market as part of the company’s social responsibility. “I think it is helpful if companies give a good example” (Project Manager of Strategic Human Resources, Technogroup IT-Service). On the other hand, employing refugees is seen as one means to meet the shortages and recruitment difficulties in the IT sector in Germany. Furthermore, Technogroup IT-Service benefits from the refugees’ language knowledge, for example, in Arab or Hindi.

Group of refugees
Technogroup IT-Service employs three refugees corresponding to 1.5% of its employees working in Germany. They are 22, 23, and 26 years of age, from Pakistan, Eritrea, and Iraq, and are doing apprenticeships as IT systems technicians and IT specialists on system integration. In addition to basic German and English, they speak between one and four other languages.

Measures
Since 2016 Technogroup IT-Service has offered internships with a technical and IT focus and apprenticeships as IT systems technicians and IT specialists on system integration for refugees. The refugees are integrated into the mainstream of the general support schemes for apprentices. Their special requirements are mainly accounted for by language courses in cooperation with language schools. In addition, the number of refugees is carefully chosen: the cohort consists of more than one refugee, but refugees always make up less than 50% of apprentices; this means that the refugees can support each other whilst also being supported by native-born apprentices.

Success factors
The refugees’ high esteem for education: The refugees working at Technogroup IT-Service have remarkably high esteem for education. They do not take education for granted but see it more as a privilege. Despite their problems with the German language, their grades are equal to those of the native-born apprentices.

Do not differentiate between refugees and other employees: Feedback processes and assessment at vocational school and work at Technogroup IT-Service are the same for refugees as for all other apprentices. “They get no special treatment, they have normal appraisal interviews” (Project Manager of Strategic Human Resources, Technogroup IT-Service).

An open workforce: The workforce sees the refugees as a gain, especially because the refugees are introducing them to new cultures.

Challenges and solutions
The job integration of refugees has been an overall success at Technogroup IT-Service. However, there are three challenges:

Technical terms. The refugees’ command of German is sometimes not sufficient to understand technical terms which can make it difficult to explain work tasks. Therefore it is important to encourage refugees to ask for clarification when they do not understand instructions.

Working autonomously. Compared to the work culture in Germany, some refugees are used to more detailed instruction and are less confident about working autonomously. Again, it is important to encourage them to become more confident in this respect.

Mobility. Since most refugees do not have a driving license, it was a bit of a challenge for them at the beginning to get to work and go to vocational school. However, the apprentices soon carpooled to work.

Source: Author own data from an interview with a project manager of Strategic Human Resources at Technogroup IT-Service.
Western Union Foundation

Providing refugees with job skills and employment opportunities around the world

Background

Western Union Foundation supports education and disaster relief efforts around the world, relying on contributions from Western Union, its employees, agents and vendors. In response to former President Obama’s Call to Action in September 2016, Western Union Foundation addresses the global refugee crisis by providing support for immigrants and refugees with 21st century job skills so they can have the right skill sets to participate more broadly in the global economy. By creating these opportunities to integrate immigrants and refugees in the labour market, Western Union Foundation also tries to shift the conversation about refugees to one of opportunities, making “sure that other people see refugees as other human beings who are just like us” (Executive Director of the Western Union Foundation).

Group of refugees

Western Union Foundation addresses 50,000 immigrants and refugees around the world, for example in Lithuania, Costa Rica, Jordan, and Uganda, focusing particularly on women and youth.

Measures

The commitment comprises several projects: Western Union Foundation provides refugees with internships as well as with freelance and traditional employment opportunities at Western Union, including a mentoring programme. As there are three regionally-operated centres around the world, a key issue is how to work with refugees remotely. A pilot which aimed at developing a model for this kind of remote work was implemented with refugees who were living in Jordan and had access to the NGO International Rescue Committee. There they engaged in computer coding, for example, or translated websites for Western Union. In addition, Western Union Foundation is launching a global scholarship programme in 2017 for science, math, technology, and engineering. In Costa Rica, for example, Western Union Foundation collaborates with the NGO Boy with a Ball to support refugees from Nicaragua by providing them with such scholarships and seeking to eventually employ them at Western Union. Another pillar is that Western Union Foundation encourages casual volunteering among its employees. They teach English to refugees or visit them, for example. Furthermore, rather than supporting refugees by distributing blankets and food, Western Union provides refugees with prepaid cards, onto which NGOs can put cash.

Success factor

Commitment of the employees. “And the reason that we’ve been able to do that so successfully is because of the engagement of our employees who saw that as their personal mission to work with that NGO and to bring those people through scholarships and into the company.” (Executive Director of the Western Union Foundation).

Challenges and solutions

The job integration of refuge generally has been a success at Western Union Foundation. However, there are two challenges:

Lack of information on the part of the refugees: One main obstacle preventing refugees from getting an internship or a job is their lack of information about labour market integration measures and job opportunities as well a lack of understanding of the legal framework of employment.

Legal employment: In some cases Western Union Foundation has employment opportunities for refugees, but it cannot employ suitable candidates who lack a work permit. Furthermore, there are sometimes gaps between what is, in theory, possible according to the government and to employment agencies, and how the collaboration with the local authorities actually works.

Source: Author own data from an interview with the Executive Director of the Western Union Foundation at Western Union Foundation.
Glossary

**Activity rate** is the percentage of the population aged 15 and above who supply, or are available to supply, labour for the production of goods and services. It is defined as the ratio of labour force (employed plus unemployed) to the population aged 15+, expressed in percentage.

**Asylum seeker:** Person seeking international protection who has applied but not yet been granted the status of "beneficiary of international protection".

**Beneficiary of international protection** refers to a person who has been granted refugee status or subsidiary status.

**Bottleneck occupations** are occupations where there is evidence of recruitment difficulties, i.e., employers have had problems in the past in finding and hiring staff to fill vacancies, and expect the same in the future.

**Employment rate** represents persons in employment as a percentage of the population of working age (15-64 years).

**Humanitarian refugee** is a foreigner admitted for humanitarian reasons (other than asylum proper or temporary protection) who is not granted full refugee status but is nevertheless admitted for humanitarian reasons because he or she finds themselves in a refugee-like situation.

**Migration:** the movement of a person or a group of persons, either across an international border (international migration), or within a State (internal migration). It is a population movement, encompassing any kind of movement of people, whatever its length, composition and causes; it includes migration or refugees, displaced persons, economic migrants and persons moving for other purposes, including family reunification.

**Labour market participation rate** is defined as the ratio of the labour force to the working age population, expressed in percentages.

**No-EU born:** people who were born outside the EU. When analysing integration it is useful to also consider country of birth as migrants might become naturalised over time in which case they will not be captured by looking at citizenship, but they still may experience integration difficulties even after naturalisation.

**Occupational shortages** refer to a sustained market imbalance between supply and demand in which the quantity of workers demanded exceeds the supply available and willing to work at the prevailing wage and working conditions at a particular place and point in time.

**Qualitative labour shortage** refers to a situation in which labour demand and labour supply are balanced, but there is simultaneously a large share of unfilled vacancies and a high unemployment rate, caused by qualitative discrepancies between supply and demand, i.e., the qualitative characteristics of the supply do not match with the qualitative characteristics of demand. These qualitative characteristics first and foremost refer to skills but may also be related to work experience, age, gender, and work preferences.

**Quantitative labour shortage** refers to a situation in which labour demand is larger than labour supply, the demand for workers in a particular occupation exceeds the supply of workers who are qualified, available, and willing to do that job, resulting in a large share of difficult-to-fill vacancies (V) and a low unemployment rate (U), i.e. a low U/V ratio or Beveridge ratio.

‘Refugee’ generally refers to a third-country national or stateless person 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 the country of nationality and is unable or, owing to such fear, is unwilling to avail himself or herself of the protection of that country, or a stateless person, who, being outside the 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).

**Sector shortages** refer to shortages which are caused by a lack of adequately trained candidates in specific sectors. These skill shortages may be caused by sectoral shifts in demand, resulting for example from business...
growth in expanding markets. In such cases, shortages tend to be a temporary phenomenon associated with expanding sales and a consolidation of the business position in the market.

Skills shortages refer to shortages of particular skills on the labour market. Skills shortages can be cyclical and structural. On the one hand, shortages are common during periods of rapid economic growth, when unemployment is low and the pool of available workers is reduced to a minimum. However, these types of shortages tend to be overcome along the cycle. On the other hand, some structural changes, such as the adoption of new technologies, may increase the demand for certain skills that are not immediately available in the labour market, creating skills shortages even when unemployment is high. In fact, having a large pool of unemployed people provides no guarantee that employers can find appropriately skilled individuals to fill their vacancies.

‘Subsidiary protection’ is given to a third-country national or a stateless person who does not qualify as a refugee, but in respect of substantial grounds which have been shown to believe that the person concerned, if returned to his or her country of origin or, in the case of a stateless person, to his or her country of former habitual residence, would face a real risk of suffering serious harm and who is unable or, owing to such risk, unwilling to avail himself or herself of the protection of that country.

Unaccompanied minor: a non-EU national or stateless person below the age of eighteen who arrives on the territory of the EU member states unaccompanied by an adult responsible for him/her whether by law or custom, and for as long as he or she is not effectively taken into the care of such a person, or a minor who has been left unaccompanied after he or she has entered the territory of the EU States.

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## Abbreviations

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<th>Explanation</th>
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<tr>
<td>A</td>
<td>Austria</td>
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<td>B</td>
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<td>Boston Consulting Group</td>
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<td>Democratic Republic of Congo</td>
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<td>CEO</td>
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<td>CEPS</td>
<td>Centre for European Policy Studies</td>
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<td>CLI</td>
<td>Civil Liberties Index</td>
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<td>EPI</td>
<td>European Programme for Integration and Migration</td>
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<td>GCC</td>
<td>Good corporate citizenship</td>
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The Adecco Group
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A focus on Europe’ white paper

June 20, 2017

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