

## EMPLOYMENT AND SOCIAL AFFAIRS

# STUDY IN FOCUS: INTEGRATION OF REFUGEES IN AUSTRIA, GERMANY, SWEDEN

## BACKGROUND

In the years 2015-2016, almost 2.5 million first-time asylum seekers arrived in the EU. While not being a relevant entry point to the EU, Austria, Germany and Sweden were main destination countries due to favourable socio-economic conditions. Even if all three countries had pre-existing experience in the reception and integration of migrants, unprecedented volumes posed new challenges with regards to reception and integration capacities. However, as labour shortages are becoming more and more apparent in certain regions, sectors and occupations, there was a strong will for effective integration taking up lessons from the past.

## FOCUS OF THE STUDY



This study [Integration of refugees in Austria, Germany and Sweden](#) presents a comparative overview of recent policy developments in the reception and integration of refugees with a view to progress achieved in the last three years and main challenges encountered. It also analyses the role of European funding and changes in perceptions of key stakeholders, political actors and society.

To cover the variety in Europe, a second comparative study [Integration of refugees in Greece, Hungary and Italy](#) analyses developments in main entry and transition countries with less experience in integrating migrants and more difficult socio-economic conditions (see also Annexes with country studies: Annex 1) [Greece](#), Annex 2) [Hungary](#), Annex 3) [Italy](#)).

## KEY FINDINGS

### 1. Trends in inflow and recognition

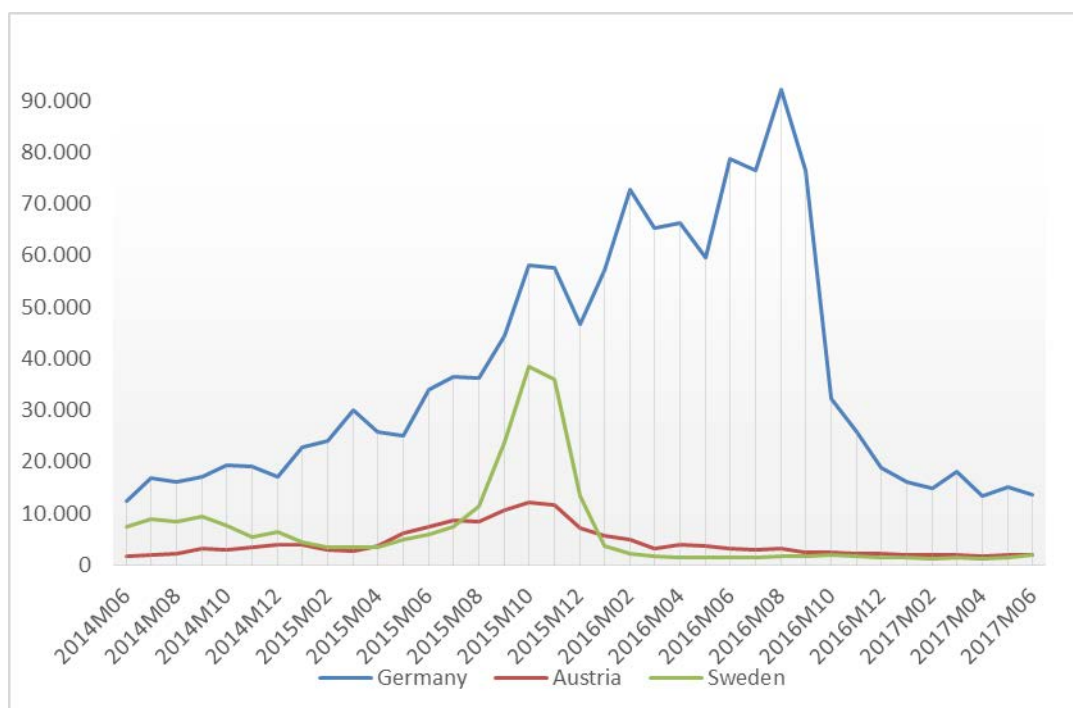
**Austria, Germany and Sweden** have been the **main destination countries** of asylum seekers in 2015. In Germany about 1.2 million asylum seekers were registered in 2015 and 2016 compared to 131,000 in Austria and 199,000 in Sweden. After the closure of the so-called Balkan route and the EU-Turkey refugee agreement in March 2016 the number of first-time asylum applications decreased considerably in Austria and Sweden and with some delay also in Germany. **Germany is still the main destination country in Europe.** In the first half of 2017, 92,285 first time applicants, or 27% of all asylum applicants in the EU Member States were registered in Germany and 11,915 or 3.5% in Austria and 11,370 or 3.3% in Sweden.

In **relation to their population**, the **proportion of first time asylum applications** in 2015 were highest in Sweden, followed by Austria and Germany. In 2016, the formerly very high quota fell sharply in Austria (from 10 to 5) and in Sweden (from 17 to 3). However, in Germany it increased from scarcely 6 to 9 applications for asylum per 1,000 inhabitants due to delayed registrations.

There is a great variety of origin countries but the **majority of asylum seekers are from just five source countries** (Syria, Iraq, Afghanistan, Eritrea and Iran). Syrians are in all three countries the largest population accounting for 23% of all asylum applicants in Germany, 25% in Sweden and 39% in Austria in the second half of 2017. In Austria, there is recently a greater variety of source countries and the share of Afghans (14%) has been higher (also in the past) compared to Germany (8%) and Sweden (6%) (Figure 3).

However, in all three destination countries, the share of asylum seekers from war-torn countries has decreased considerably.

### Monthly inflow of first-time asylum-seekers, 6/2014-6/2017



Source: Eurostat. Asylum statistics

\*) In fact, Hungary has been the top recipient of asylum seekers in 2015/2016 when controlling for the size of the population. However, in contrast to Austria, Germany and Sweden, Hungary is a first arrival but no destination country. Recognition rates have been extremely low in Hungary with a total of only 8% in 2016.

In contrast to most other countries, **Germany has a two-tiered asylum registration system** by which people are first registered as prospective asylum applicants and subsequently invited to formally file an asylum request. Only the latter number is recorded in the Eurostat asylum statistics. By mid-2017 the numbers of pre-registered asylum seekers in Germany were roughly equal to the number of applicants reflecting a normalization of processing procedure.

**Recognition rates have been high in all three countries, though decreasing from about 70%** having received a protection status in all three countries in 2016 **to 50% or less** (AT 51%, DE 48%, SE 44%), mainly due to the composition of asylum seekers.

**Increasing differences** exist with respect to the **type of protection granted**: While one in two successful applicants receives only subsidiary protection in Germany and Sweden (including Syrians), this number remained considerably lower in Austria.

**Participation in the labour market** is seen as the most important factor favouring long-term integration into society. Estimates show that the number of refugees to be integrated into the labour market varies between **1% (DE, AT) and 2.2% of the labour force (SE)**.

**In the past refugees found it more difficult than labour migrants to enter the local labour market.** On EU average **one in four found a job in the medium term**, 56% after ten years. Refugees needed up to 20 years to catch up with the native-born. Nevertheless, refugees show a number of **characteristics positively associated with a likelihood of employment**: They are **mainly young and male**.

Although the **available data on educational levels is still patchy** it shows a **similar mixed picture** for all three countries: there are **wide variations across origin countries**. The majority of refugees from Syria, Iran and Iraq have at least upper secondary education, whereas the majority of those from Afghanistan, Eritrea or Somalia have at most lower secondary education. Refugee women tend to have higher educational levels than men but they are particularly struggling to enter employment.

## 2. Changes in legal and policy approaches

As a reaction to the lack of an effective European-level mechanism to “spread the burden” of hosting refugee populations, all three countries have been implementing **procedures to reduce the (unauthorized) inflow of asylum seekers**. Governments granted or shortened the period for a temporary residence permit instead of a permanent one, (temporarily) suspended family reunification for those under subsidiary protection, extended the list of safe origin countries and made permanent residence permits conditional on individual integration efforts.

At the same time, governments in all three countries allocated **considerable resources** to enhance integration:

- ✓ Participation in integration measures has been made **mandatory** in all three countries.
- ✓ **More attention has been given to skills assessment and qualification recognition** including the development of new tools for skills assessment.

**National approaches vary** taking into account **specifics of the qualification systems, recruitment needs and political climate**:

- ✓ **Fast tracks** in the Swedish context are a strategy to speed up labour market integration of refugees with professional skills in shortage occupations.
- ✓ In Austria and Germany where middle-skilled jobs requires formal vocational qualifications the focus is on a “**qualified**” labour market integration.
- ✓ Overall, Germany stands out in some regards: Asylum seekers with good prospects of being allowed to stay have access to integration courses already before they got a protection status (early intervention). Moreover, **tolerated persons also have access to integration measures**.
- ✓ Corresponding to the less supportive political climate, Austria restricts employment for asylum seekers to seasonal work while Germany and Sweden liberalised access to the labour market (e.g. priority test, work permit).

## 3. The role of EU funding

Funding for integration **has significantly increased** with the bulk going to language courses and targeted as well as general active labour market policy (ALMP) measures (**SE 1.35%, DE 0.5%, AT 0.37% of GDP for reception and integration, 2015**)

In contrast to other (less wealthy) European countries, **EU funds** - particularly **AMIF** (Asylum, Migration and Integration Fund) with a focus on the reception phase **are less used** in the three countries.

**ESF** funding is mostly used for labour market integration measures but authorities managing ESF-funds have reduced the number of ESF-funded projects because **application procedures are too bureaucratic and cumbersome**. The Swedish PES has reduced the number of ESF funded projects and the German Federal Employment Agency (BA) is participating in co-financed ESF projects only as partner but does not carry out own projects. The Austrian PES has not applied at all for ESF funds for the same reason.

#### 4. Development of the political climate and public perceptions

European opinion polls show that **immigration is nowadays the most pressing policy issue** in all three countries and **anti-immigration parties have gained in popularity** even in Sweden. However, the share of respondents being against supporting refugees is much higher in Austria compared to the other two countries (AT 28 %, DE 10 %, SE 9 %).

#### 5. Challenges and policy recommendations

**Uncertainty about different degrees of permanence**, greatly affect refugees' incentives to integrate socially and contribute economically and hiring decisions of employers. Issuing mainly temporary residence permits instead of permanent ones has a clear **discouraging effect to invest in language and training**, in particular for the group of rejected, but tolerated asylum seekers.

Integration policy is a cross-cutting issue that involves many different areas and levels of government which makes coordination often difficult. **Coordination gaps** exist in all three countries. Organisational policy reforms should take into account implications for service delivery from a clients' journey point of view.

In order to reduce the risk of **over-qualified employment** of refugees **more education and training** should be considered as part of the discount of migrants' qualifications is due to lower skills at the same qualification level. More support is also needed for **refugee women**.

The availability of good data on the migrant population is crucial to devise **evidence-based integration policies**, in particular as regards socio-demographic characteristics of new arrivals and their potential

In June 2016, the EU-Commission adopted the "Action Plan on Integration on Third Country Nationals" to support Member States in strategic development and implementation of integration. To make the related **mutual learning** more effective and sustainable **more emphasis should be put on the identification of hindering and facilitating factors for implementing best practice examples**, especially in less experienced countries relying on more scarce financial resources.

**Proposals to simplify the access to EU funds** in the post 2020 funding period are welcome in all three countries.

Further, **systematic monitoring of current pilot programmes and measures** is needed to ensure successful up-scaling and translation into wide-scale sustainable policy measures in a longer-term perspective. The widespread habit of EU funding for small-scale, short-term projects with poor evaluation needs to be revised. It is more productive to **identify effective approaches and subsequently to scale them up** and/or channel them into mainstream services.

**Finally, the existing EU approach for data collection should be improved.** Currently, it is almost exclusively based on the category "foreign born" and does not allow for identifying asylum seekers and refugees as own category. The Zaragoza indicators are not able to capture the increasing immigration of asylum seekers and their statistical impact on labor market participation. The monitoring of EU policy indicators can thus hardly be used to derive recommendations for action or to define best practice measures which makes learning from others through data and empirical evidence in the area of integration policy difficult.

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