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Economic and Monetary Affairs

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Integration of Refugees in Austria, Germany and Sweden: Comparative Analysis

Study for the EMPL Committee

DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY

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STUDY

Abstract

This note presents a comparative analysis of policies and practices to facilitate the labour market integration of beneficiaries of international protection in the main destination countries of asylum seekers in 2015/2016, namely Austria, Germany and Sweden. It focuses on the development of policy strategies to adapt the asylum and integration system to the high numbers of new arrivals. Special attention is given to the political discourse and public opinion on asylum and integration of refugees. Innovative approaches with respect to labour market integration are highlighted as well as gaps. Finally, the study includes lessons learned from recent policy developments as well as policy recommendations in order to improve labour market integration of asylum seekers and refugees.

The study has been produced at request of the Employment and Social Affairs Committee.

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CONTENTS

CONTENTS	3
LIST OF ABBREVIATIONS	5
LIST OF BOXES	7
LIST OF FIGURES	7
LIST OF TABLES	7
EXECUTIVE SUMMARY	8
1. STATISTICAL OVERVIEW	11
1.1. Inflow of asylum seekers strongly decreasing in all three countries	11
1.2. Great variety of ethnic groups - Syrians represent the largest population	13
1.3. High recognition rates but increasingly subsidiary protection	14
1.4. Prevalence of young men in all three countries	16
1.5. Educational levels differ widely across ethnic groups	17
1.6. How many refugees have to be integrated?	18
1.7. Labour market situation of refugees compared to other migrant groups	19
1.8. Employment rates of recent arrivals evolve slightly better	22
2. DEVELOPMENT OF POLITICAL DISCOURSE	24
2.1. The public debate has become more polarized	24
2.2. Policy reactions have been very similar	25
3. POLICY STRATEGIES: RESTRICTING ASYLUM WHILE INVESTING MORE IN INTEGRATION	28
3.1. The turn towards a more restrictive asylum policy	28
3.2. Type of protection affects integration efforts	30
3.3. Changes in the institutional conditions for integration	30
3.4. More comprehensive and mandatory integration programmes	33
3.5. Integration support provided at an early stage	34
3.6. More funds for reception and integration measures	35
4. NEW INITIATIVES FOR BETTER LABOUR MARKET INTEGRATION	37
4.1. Widely shared consensus on key elements of integration strategies	37
4.2. Targeted measures to serve refugees and national recruitment needs	38
4.3. High priority for assessment of skills and recognition of qualifications	40
4.4. Innovative online tools to provide early support	41
4.5. New ways to involve employers	42
4.7. Conclusions from the comparative analysis	42
5. ROLE OF EU SUPPORT	45
5.1. Use of EU funds to promote integration	45
5.2. EU support in strategic development and implementation	46

6. POLICY RECOMMENDATIONS	48
REFERENCES	50
ANNEX	54
Annex 1: Residence permits and restrictions on family reunification	54
Annex 2: Reception and accommodation in the host country	56
Annex 3: Labour market tests and sectoral restrictions to access the labour market	58
Annex 4: Eligibility to welfare benefits	58

LIST OF ABBREVIATIONS

AfD	Alternative für Deutschland (Alternative for Germany)
ALMP	Active labor market policy
AMIF	Asylum, Migration and Integration Fund
AMS	Arbeitsmarktservice (Austrian Public Employment Service)
AZR	Ausländerzentralregister (German Register of foreign population)
BA	Bundesagentur für Arbeit (German Federal Employment Service)
BAMF	Bundesamt für Migration und Flüchtlinge (German Federal Office for Migration and Refugees)
BMBF	Bundesministerium für Bildung und Forschung (Federal Ministry of Education and Research)
BMEIA	Bundesministerium für europäische und internationale Angelegenheiten (Austrian Federal Ministry for Europe, Integration and Foreign Affairs)
BMS	Bedarfsorientierte Mindestsicherung (Needs-based minimum benefit system)
CSR	Corporate Social Responsibility
CV	Curriculum Vitae
EASY	Initial registration of asylum seekers
ESF	European Social Fund
EU	European Union
FPÖ	Freiheitliche Partei Österreichs (Freedom Party of Austria)
FYR	Former Yugoslavian Republic
GDP	Gross domestic product
IAB	Institut für Arbeitsmarkt- und Berufsforschung (Institute for Employment Research)
ID	Identity document
IQ	Integration durch Qualifikation (Integration through qualification)
IvAF	Integration von Asylbewerbern und Flüchtlingen (Integration of Asylum Seekers and Refugees)

KompAS	Kompetenzfeststellung, frühzeitige Aktivierung und Spracherwerb (Competence assessment, early activation and language acquisition)
OECD	Organisation for Economic Co-operation and Development
ÖIF	Österreichischer Integrationsfonds (Austrian Integration Fund)
ÖVP	Österreichische Volkspartei (Austrian People's Party)
PerF	Perspektiven für Flüchtlinge (Perspectives for Refugees, Germany)
PerJuF	Perspektiven für junge Flüchtlinge (Perspectives for young Refugees, Germany)
PES	Public Employment Service
SEK	Swedish Krona
SFI	Svenskundervisning för invandrare (Swedish for immigrants)
SOEP	Sozio-ökonomisches Panel (German socio-economic panel)
SPÖ	Sozialdemokratische Partei Österreichs (Social Democratic Party of Austria)
VET	Vocational education and training

LIST OF BOXES

Box 1: Definitions	12
Box 2: Recognition under the EU Qualifications Directive	14
Box 3: Categories of asylum seekers in Germany	31
Box 4: Funding of integration measures in Austria, Germany and Sweden	36
Box 5: Empirical evidence on high gains from qualification recognition	37
Box 6: The Swedish fast track integration approach	38
Box 7: Targeted support measures in Germany	39

LIST OF FIGURES

Figure 1: Monthly inflow of first-time asylum-seekers, 6/2014-6/2017	11
Figure 2: Inflow of asylum seekers per 1,000 inhabitants, 2015 and 2016	12
Figure 3: Main countries of origin, Q2/2017	13
Figure 4: Employment rates by reason of migration 15-64, 2014	21
Figure 5: Persons in work or study - 90 days after finishing the Swedish two years introduction programme for recognised refugees	23
Figure 6: Minimum waiting periods for accessing the labour market for asylum seekers, in months, 2017	32

LIST OF TABLES

Table 1: Recognition rates and type of protection status granted to asylum seekers	15
Table 2: Asylum seekers by gender, 2016	16
Table 3: Age structure of asylum seekers, 2016, in % of all asylum seekers	16
Table 4: Educational attainment of refugees in Austria, Germany and Sweden	18
Table 5: Status of persons in the context of forced migration in Germany	22
Table 6: Public opinion on immigration (Autumn 2016)	24
Table 7: Overview of legal changes since 2016/2017	28

EXECUTIVE SUMMARY

Main features of asylum inflows

Austria, Germany and Sweden have been the main destination countries of asylum seekers from war-torn countries in 2015/2016. In all three countries, the number of first-time asylum applications has been decreasing following restrictions of border controls, the closure of the so-called Balkan route and the EU-Turkey refugee agreement of March 2016.

- ✓ In **Austria** the number went down from 10 to 5 asylum seekers per 1.000 inhabitants in 2016. Asylum applicants are mainly from Syria, Afghanistan, Iraq and more recently also from Pakistan and Russia.
- ✓ In **Sweden**, the quota fell sharply from 17 to 3 asylum applicants per 1.000 inhabitants in 2016. Asylum applicants are mainly from Syria, Eritrea, Iraq, Iran and Afghanistan, more recently, more stateless applicants have been recorded.
- ✓ **Germany** is still the main destination country in Europe (28% of all asylum applicants in the EU in the 3rd quarter of 2017) and applicant numbers started to decrease only in 2017 due to delayed registration procedures. Asylum applicants are mainly from Syria, Iraq, Afghanistan, Iran and Eritrea and recently also from Turkey and Nigeria.

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.

Evolution of the political climate

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 %).

Policy reactions

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**. Border controls were introduced and governments also granted only 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, all three countries have **strengthened their integration efforts** and invested considerable resources to improve integration capacities.

Funding for integration

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

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.

Initiatives to improve labour market integration

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).

Remaining challenges

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**.

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

Recommendations to improve integration support at EU level

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.

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.

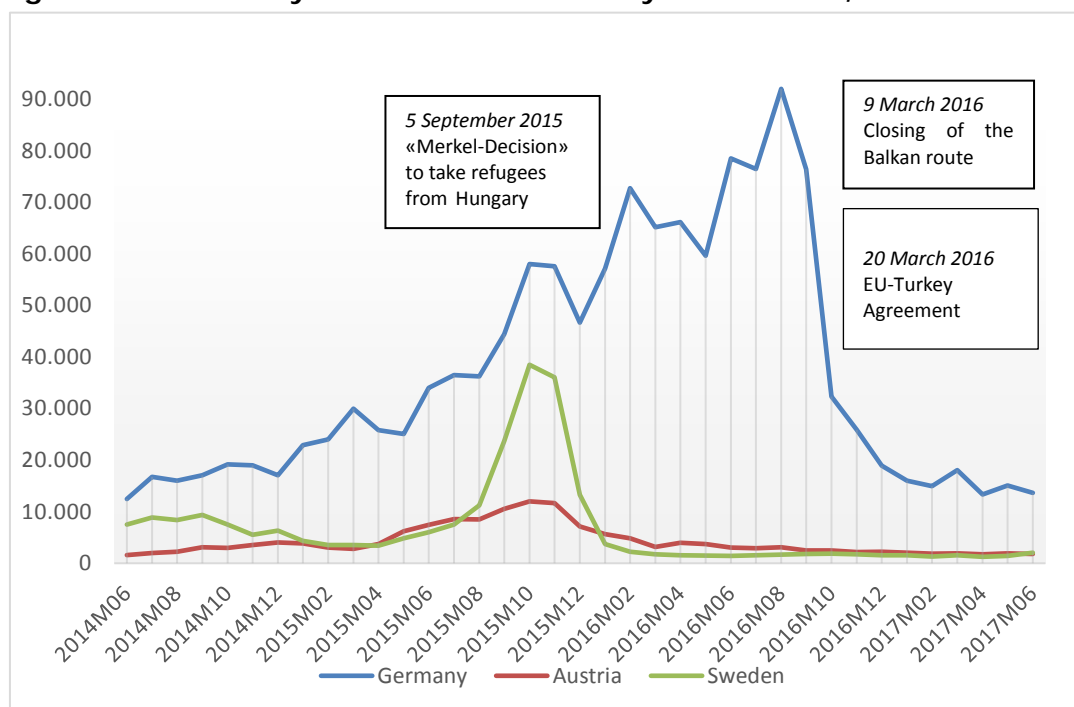
Finally, the existing EU approach for data collection should be improved. Currently, it is almost exclusively based on the category "foreign born" and does not allow for identifying asylum seekers and refugees as own category. The Zaragoza indicators are not able to capture the increasing immigration of asylum seekers and their statistical impact on labour 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.

1. STATISTICAL OVERVIEW

1.1. Inflow of asylum seekers strongly decreasing in all three countries

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 Germany¹ (Figure 1). 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.

Figure 1: Monthly inflow of first-time asylum-seekers, 6/2014-6/2017

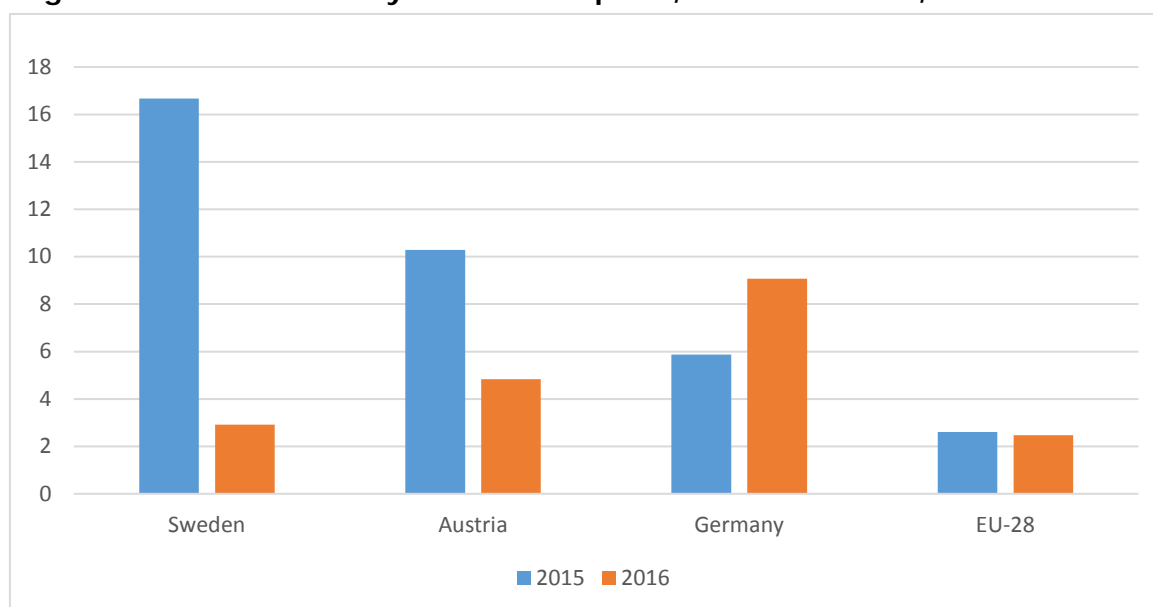


Source: Eurostat. Asylum statistics

In relation to their population, first time asylum applications in 2015 were highest in Sweden, followed by Austria and Germany². 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 (Figure 2).

¹ In contrast to most other countries, Germany has a two-tiered asylum registration system by which people are first registered as prospective asylum applicants (under the so-called "initial registration of asylum candidates" – EASY). They are 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 procedures.

² In fact, Hungary have 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.

Figure 2: Inflow of asylum seekers per 1,000 inhabitants, 2015 and 2016

Source: Eurostat. Asylum statistics. Own calculation

Box 1: Definitions

Asylum seekers are people who have formally applied for asylum, but whose claim is pending. The outcome of a decision can either be recognition of full Geneva refugee status, the offer of some form of temporary humanitarian protection, or a rejection

Refugees are people who have successfully applied for asylum and have been granted a formal refugee status according to the *Geneva Convention* of 1951 (GCR) or due to authorizations to stay for humanitarian reasons due to specific national legislation. The GCR definition of refugees is based on the concept of *individual persecution* and does not specifically address the more general issue of civilians fleeing wars and conflicts. A person granted **subsidiary protection** is a person who does not qualify as a refugee, but would risk of serious harm if returned to his or her country of origin (protection from *refoulement*). Under the **EU Asylum Qualifications Directive** (Directive 2011/95/EU)³ third country nationals and stateless persons are eligible for *subsidiary protection* if they face the risk of suffering serious harm as a result of their forced removal from the EU territory. Serious harm is defined as the death penalty or execution, torture or inhuman or degrading treatment or punishment, or a serious threat to their life or person due to indiscriminate violence in situations of war or civil war. A “beneficiary of international protection” is thus a person who has been granted refugee status or subsidiary protection. In most EU-countries there are additionally **internal protection alternatives**. Asylum seekers whose asylum applications are denied but cannot forcibly returned or repatriated for practical reasons are given in many EU-countries complementary protection e.g. on humanitarian grounds or just a “temporary suspension of deportation” applies. **Protection on humanitarian grounds** means a person covered by a decision granting authorisation to stay under national law. It includes persons who are not eligible for international protection as currently defined in the Qualifications Directive but are nonetheless protected

³ The Qualification Directive sets out criteria for applicants to qualify for refugee status or subsidiary protection and defines the rights afforded to beneficiaries of these statuses, hence provisions on protection from *refoulement*, residence permits, travel documents, access to employment, access to education, social welfare, healthcare, access to accommodation, access to integration facilities, as well as specific provisions for children and vulnerable persons are also contained in the legislative instrument. The Directive allows Member States to put in place or to keep more favourable standards than those set out in its provisions.

against removal under the obligations that are imposed on all Member States by international refugee or human rights. Examples of such categories include persons who are not removable on ill health grounds and unaccompanied minors. Other complementary forms of protection cover “the temporary suspension of deportation”. Fifteen EU Member States (among them Austria, Germany and Sweden) grant a *tolerated stay status*, with differing definitions and regulated by different legal instruments. However, tolerated stay most often comes with a different, usually reduced, ‘package of rights’, thus lowering the standards of protection. **Germany** is one of few countries where such a “**toleration status**” has a legal basis but it is not matched with a right of residence.

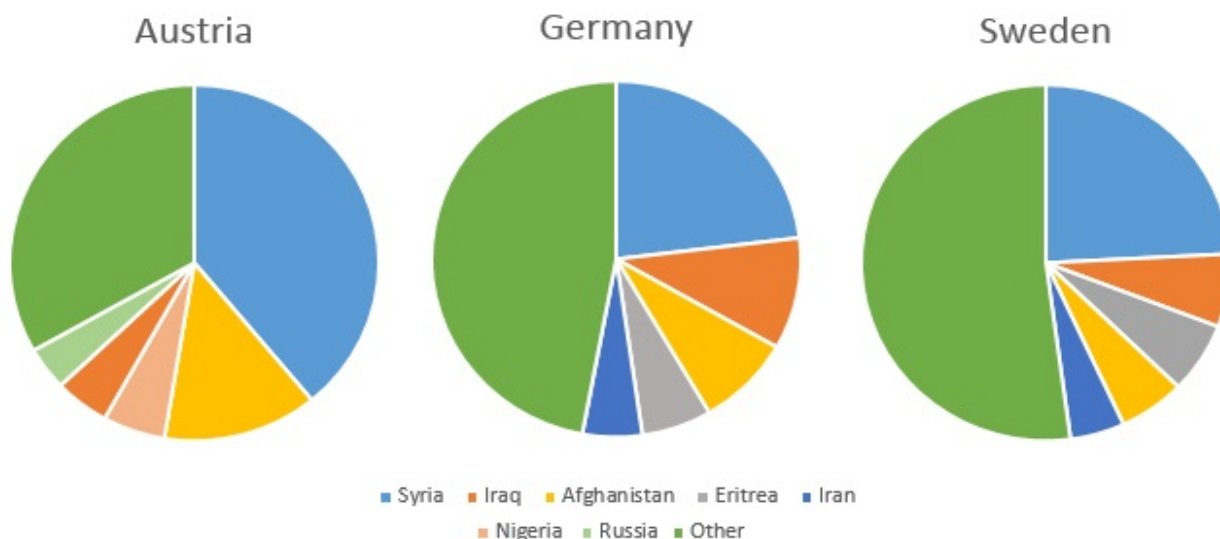
In this note the term refugee is used in a broader sense. It covers all individuals who enjoy formally recognized refugee status (under the GCR, subsidiary protection, or any national legislation on asylum).

1.2. Great variety of ethnic groups but Syrians represent the largest population

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. According to the asylum statistics of Eurostat⁴, the share of asylum seekers from Syria, Iraq and Afghanistan accounted still for two-thirds of all applicants in 2016 in Germany and for over 70% in 2015 in Austria and Sweden.

Figure 3: Main countries of origin, Q2/2017



Source: Eurostat. Asylum statistics

⁴ http://ec.europa.eu/eurostat/statistics-explained/index.php/Asylum_quarterly_report#Further_Eurostat_information.

1.3. Decreasing recognition rates

Under the EU Qualification Directive governments can decide whether to grant full GCR refugee status or subsidiary protection or, to offer other forms of humanitarian protection under national law (see Box 2).

Box 2: Recognition under the EU Qualification Directive

The [Common European Asylum System](#) (CEAS) provides common minimum standards for the treatment of all asylum seekers. It consists of a legal framework covering all aspects of the asylum process and a support agency - the European Asylum Support Office (EASO). However, in practice, the current system leaves a lot of discretion to Member States, and as a result it is still characterised by differing treatment of asylum seekers and varying recognition rates amongst EU Member States. Recognition rates differ considerably across EU countries reflecting Europe's often criticized "asylum lottery". These divergences encourage secondary movements and asylum shopping. The "asylum lottery" results in asylum seekers having widely disparate chances of obtaining international protection, as well as different forms of protection granted, depending on the country where their claim is processed. Differences in the status granted have direct and far-reaching impact on the lives of beneficiaries of international protection, given that they entail a widely different set of rights between refugees and subsidiary protection holders in some countries.

National governments, however, can not only decide whether to grant full GCR refugee status or to offer subsidiary protection. They can also greatly impact the treatment given to asylum seekers and refugees by regulating and limiting their access to the labour market, benefit entitlements, choice of residence and conditions of family reunification without breaking necessarily the corresponding Directives of the Common European Asylum System.

To further harmonize asylum procedures and standards to create a level playing field across Europe the EU-Commission has made proposals to reform the Common European Asylum System, i.e. to replace the Qualification Directive with a Regulation to ensure uniform standards for protection and rights granted to refugees and beneficiaries of subsidiary protection. The aim is to treat asylum applications equally across the EU to avoid irregular secondary movements and undue pull factors to certain Member States (https://ec.europa.eu/home-affairs/what-is-new/news/news/2016/20160406_2_en).

Table 1 shows that *asylum generosity* measured as the total recognition rate (the share of positive first instance decisions to grant some form of protection - GCR refugee status or other temporary protection) was similar high in all three destination countries in 2016 but decreased in 2017 in all three countries in line with the decrease of asylum applicants coming from war-torn countries.

Table 1: Recognition rates and type of protection status granted to asylum seekers

	Austria 2016	Germany 2016	Sweden 2016	Austria Q3/2017	Germany Q3/2017	Sweden Q3/2017
Recognition rate	72%	69%	69%	51%	48%	44%
Refugee status	58%	41%	18%	37%	23%	22%
Subsidiary Protection	13%	24%	49%	13%	18%	21%
Humanitarian Protection*	1%	4%	1%	1%	7%	1%

Source: Eurostat, 2017c, first instance decisions.

* Humanitarian protection means a person covered by a decision granting authorisation to stay for humanitarian reasons *under national law*. It includes persons who are not eligible for international protection as currently defined in the Qualifications Directive ([Directive 2011/95/EU](#)) but are nonetheless protected against removal under the obligations that are imposed on all Member States by international refugee or human rights. Examples of such categories include persons who are not removable on ill health grounds and unaccompanied minors.

Despite comparable high levels of recognition rates, the type of protection status granted differs considerably across the three countries. The majority of asylum seekers in Austria still receive a protection status under the Geneva Convention (Table 1). In contrast, in Sweden and Germany a **clear trend towards granting only subsidiary protection** is observable.

While **Convention refugees receive a three-year residence permit initially, subsidiary and humanitarian protection offers only a one-year residence permit** (13 months in Sweden). Subsidiary protection can be extended to an additional two years. This is the case in all three destination countries in line with EU minimum standards. However, granting only subsidiary protection has negative repercussions on integration efforts (see chapter 3.2.).

National governments obviously maintain a substantial degree of discretion in deciding upon the exact status to be granted to asylum applicants. The development is mainly a consequence of political decisions and not of legal changes. In March 2016, the German Federal Office for Migration and Refugees (BAMF) under the Ministry of Interior, for example, changed its policy allowing most Syrians only subsidiary protection. Syrian asylum seekers in Germany had a mere 0.6% subsidiary protection rate in 2015 which increased to 42% in 2016. On the other side, the possibilities for well-integrated "long-term tolerated persons" to change into a legal residence status were facilitated in 2015 by amendments to the German Residence Act⁵. In Austria, 94.3% of Syrian asylum seekers received 2016 GCR protection, in Sweden only 4.8%. There, the majority (76.9%) of Syrians applying for asylum got only

⁵ If a suspension of removal ("toleration" or "Duldung") has lasted for 18 months, a residence permit will generally be granted. Since 1st of August 2015, tolerated persons who have "sustainably integrated into the living conditions of the Federal Republic of Germany" are granted a permanent residence permit after living continuously in Germany for eight years (or six years in the case of a family) and fulfill certain integration requirements. These requirements include adequate accommodation space, knowledge of the spoken German language, secured livelihood, and no convictions or suspicion of having participated in extremist or terrorist activities or serious criminal offences.

subsidiary protection. But Sweden also intends to strengthen legal routes for asylum by successively increasing the number of quota refugees up to 5 000 people.

1.4. Prevalence of young men in all three countries

The majority of asylum seekers are **male and young**, characteristics positively associated with a likelihood of employment. In all three countries considered, the share of men is above 60%. It is particularly high in Austria and Germany where men make up for approximately two-thirds of new arrivals (Table 2).

Table 2: Asylum seekers by gender, 2016

	Male	Female
Austria	67%	33%
Germany	65%	35%
Sweden	60%	40%

Source: Eurostat

Table 3 shows that in all three countries asylum seekers are **disproportionately young**. About three quarters in Sweden (77%) are under 34 years old. This share is even higher in Austria (87%) and Germany (83%). Around 40% are minors, thereof roughly 30% younger than 14 years old and only a very small share is over 65 years old (Table 3).

Table 3: Age structure of asylum seekers, 2016, in % of all asylum seekers

	< 14 Y	14-17 Y	18-34 Y	35-64	<64Y
Austria	30	12	45	13	< 1
Germany	27	9	47	16	< 1
Sweden	29	9	39	22	~ 2

Source: Eurostat. Asylum statistics.

The age structure suggests that **education and the training system** play a key role in the integration of refugees. A particular problem arises from the **large numbers of unaccompanied asylum seekers below 18**. In Sweden, 50% of the arrivals below the age of 18 in 2015 were unaccompanied and, thus, particularly vulnerable. The number of unaccompanied minors arriving to Sweden, however, decreased strongly from 34,295 in 2015 to 2,190 in 2016 representing roughly 20% of arrivals below the age of 18. A similar share of 22% of unaccompanied minors (3,900) among all minors has been registered in Austria and 13% in Germany (35,939).

1.5. Educational levels differ widely across ethnic groups

The educational attainment of refugees is an important driver of the integration process. The available data on educational levels of refugees in the three countries is, however, still patchy. Educational attainment at arrival is not well measured in Sweden. Data of the Swedish PES for participants (with a protection status) in the Swedish Introduction programme show that among those who participated in the programme in 2016 (about 70,000 individuals) 48 percent had at the most ten years of education, 22 percent had upper secondary education and 30 percent had some university education (Arbetsförmedlingen, 2017a).

In Austria, information on general and vocational education of persons with a protection status is assessed through the AMS competence check. In 2016, the educational attainment and competencies of 6.000 out of 25.000 (=24% of all) refugees registered with the Austrian PES (AMS) have been assessed. One important result is the disparity of educational levels across ethnic groups. 62% of the participants from Syria, 85% from Iran and 57% from Iraq have school leaving certificates permitting university entrance or have a university degree but only 20% of the participants from Afghanistan have attended upper secondary school and 25% have no formal schooling. Further results are presented in Table 4.

In Germany, there are two data sources providing information on school attendance and vocational education. The IAB-BAMF-SOEP Refugee Survey, covering asylum seekers and refugees who arrived to Germany between 2013 and beginning of 2016 and register data from the German PES (Table 4). Data from the German Refugee Survey confirm widely the Austrian results. There are clear differences in educational attainment across countries of origins. 23% of refugees from Syria and 17% from Iraq but only 4% from Afghanistan have a tertiary degree (Brücker et al., 2016).

The data available on educational attainment is still insufficient to draw strong conclusion but comparing the (patchy) information the following features emerge:

- ✓ **The share of tertiary educated vary between 18 % in Germany and 30% in Sweden** (see table 4 for data sources)
- ✓ The general education level of refugees is polarized. 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.
- ✓ Asylum seekers and those given a protection status are a positive selection compared to the population of their countries of origin.
- ✓ But there is still a high disparity with the native population, especially in vocational education.
- ✓ Refugee women tend to have higher educational levels than men but less professional experience.

Table 4: Educational attainment of refugees in Austria, Germany and Sweden

Educational attainment	Austria			Germany		Sweden ⁵
	Total ¹	Syria ²	Afghanistan ²	BA ³	Survey ⁴	
No schooling/Primary school	19%		25%	35%	35%	48%
Lower secondary education	20%	25%	30%	15%	26%	
Upper secondary education	27%	62%	20%	26%	35%	22%
Tertiary education	23%				18%	30%
Vocational degree					9%	
Missing information	20%			24%		

Source: ¹AMS, participants (N=898) in the AMS competence check (2015); refugees given a protection status and registered with AMS; 13% from Syria, 2% from Afghanistan

² Participants (n=~6000) in the AMS competence check (2016); refugees given a protection status and registered with the AMS; 45% from Syria, 23% from Afghanistan, 6.3% from Iran and 5.5% from Iraq and 20.2% from other countries;

³BA statistics, October 2017, Asylum seekers (11%), refugees with protection status (87%) and tolerated persons (1.2%) registered with the BA: 54% from Syria, 10% from Afghanistan; 10% from Iraq, 5% from Eritrea, 4.5% from Iran and 16.5% others

<https://statistik.arbeitsagentur.de/Statistikdaten/Detail/Aktuell/fluchtmigration/fluchtkontext/fluchtkontext-dlkaajc-0-xlsm.xlsm>

⁴IAB-BAMF-SOEP Refugee Survey: *5000 interviewed arrivals between 2013-2016; 41% from Syria, 14% from Afghanistan; 9% from Iraq; 5% from Iran and Pakistan, 20% from other countries

⁵Arbetsförmedlingen; refugees with a protection status and registered with Arbetsförmedlingen; participants in the Introduction programme; no data on ethnic composition available

1.6. How many refugees have to be integrated?

For several reasons it is **difficult to accurately estimate the total number of refugees staying or remaining in the country** and thus also to calculate precisely the need for integration measures. First, there are still many asylum applications pending. By June 2017, 65,490 cases were pending in Austria, 474,425 in Germany and 67,100 in Sweden (Eurostat, 2017b). These figures include both, pending decisions on first time asylum cases and decisions on court cases based on appeal or review. While the number of pending asylum decisions decreased in all three countries the number of court proceedings is increasing strongly. In Germany, for example, there are roughly 147.000 undecided asylum cases but more than 320.000 court decisions pending⁶. Second, beyond positive decisions on asylum applications there are no official statistics on rejected applicants with any kind of "toleration status". Third, there are rather vague estimates on how many family members of refugees still living abroad will get a residence permit. While asylum applications have decreased substantially and the growth in the number of asylum seekers is now on a stable level, the

⁶ <https://mediendienst-integration.de/artikel/Zahl-der-Asylklagen-deutlich-gestiegen-verwaltungsgerichte.html>.

number of residence permits due to family reunification is increasing. In Sweden, for example, in the first six months of 2017, 27% of all residence permits in Sweden were granted to asylum seekers and 34% due to family reunification compared to 17.5% in 2016 (Swedish Migration Agency, 2017).

For Germany, it is expected that around 600,000 recognised refugees (400.000 with a GCR protection status and 200.000 with subsidiary protection) will live in the country by end of 2017. Adding to this number persons with a toleration status who have access to the labour market and integration measures (~115.000 are recorded in the Central Register of Foreigners but not in asylum statistics) there are about 500.000 adult persons (70% of a total of ~ 700.000) to be integrated into the labour market which represent **roughly 1% of the labour force**. It is further estimated that for those with protection under the Geneva Convention 100,000 to 120,000 spouses and minor children living abroad are entitled to family reunification. If persons with subsidiary protection status were to be taken into account, the number of spouses and children entitled to family reunification would rise by 50,000 to 60,000 (IAB-Forum, 2017).

According to Statistics Sweden ~130.000 asylum seekers have got a protection status in **Sweden** between 2015 and October 2017 and additionally ~ 30.000 relatives to refugees have immigrated to Sweden between 2015 and 2016⁷. When calculating that 70% of the newly arrived were adult refugees roughly 112.000 persons **or about 2.2% of the labour force** have to be integrated into the Swedish labour market.

In Austria, there were ~ 65.000 positive decisions on asylum applicants between 2015 and October 2017 and additionally ~ 13.000 positive decisions on family reunification (2015 and 2016)⁸. When calculating that 70% were adults and not including those with a toleration status (who are not allowed to work and have no access to integration measures) roughly about 54.600 persons representing **1.2% of the labour force have** to be integrated into the labour market for the time being.

1.7. Labour market situation of refugees compared to other migrant groups

The available data demonstrates that in the past refugees found it particularly difficult to enter the local labour market and their outcomes generally lagged well behind those of other migrant groups. Compared to (non-EU born) labour migrants, refugees face additional hurdles to enter the labour market. They need more time to find work and the large gaps in employment between labour migrants and refugees in the first years after arrival (Figure 4) **might be explained by legal restrictions on labour market participation frequently in place during long application processing periods**. Dustmann et al. (2017) show that compositional differences in terms of years since arrival and areas of origin are responsible for only a relatively small portion (13%) of the observed employment gap between refugees and non-EU15 immigrants.

Based on the 2014 EU-LFS (ad-hoc module) survey averages for 25 EU-countries show that about **one in four found a job in the medium term**. Figure 4 shows that after 10 years, this percentage reaches 56% but it remains below averages of (non-EU-born) migrants who came for employment with or without a job offer and it takes them up to 20 years to catch up with the native-born (65%). A part of the observed difference regarding employment between natives and refugees is the higher share of low-educated people among refugees (around 35%). However, the negative effect on the employment rate is moderate for refugees.

⁷ www.scb.se.

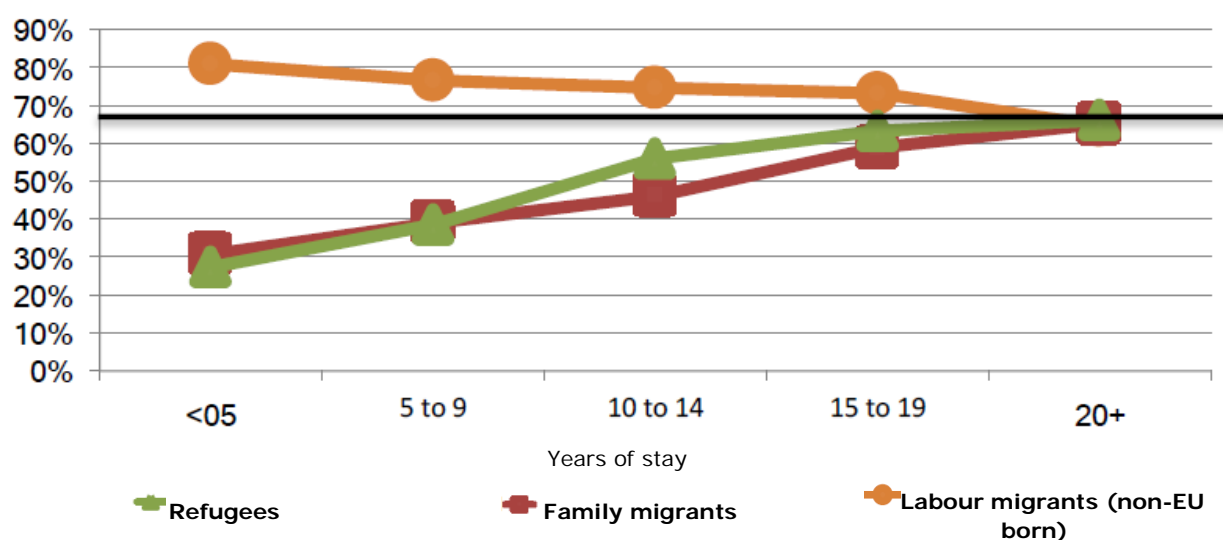
⁸ <http://www.bmi.gv.at/301/Statistiken/start.aspx>.

A study for Austria based on the same data source (2014 EU-LFS) shows that when taking into account various factors influencing the integration into employment (age, education, language proficiency, qualifications recognised, years since arrival) humanitarian migrants are 12 percentage points less likely to be gainfully employed than labour migrants. For female refugees, the likelihood is even 20 percentage points lower. Employment rates have been particularly low for asylum seekers entering Austria between 2005 and 2014 (mainly from Afghanistan and Chechnya). The reasons behind this gap might be on the one hand their lower educational attainment but on the other hand the limited access for asylum seekers to access the labour market. The Aliens Employment Act currently provides that asylum seekers who have been admitted to the asylum procedure have access to the labor market after three months of filing their asylum application. However, this access is severely restricted: asylum seekers only have access if vacancies cannot be filled by Austrians or other EU migrants. In addition, since 2004 the access has been restricted by the so-called "Bartenstein Decree" to seasonal work. The authors of the study (Bock-Schappelwein/Huber, 2016) raise the question whether this regulation is compatible with the EU Qualification Directive (2013/33 / EU).

Administrative data from Sweden and survey data (IAB-SAMF Migration Sample) from Germany, however, show slightly better outcomes than the EU-LFS data. In the first 5 years after arrival to Germany more than 50 % of refugees have found a job (Brücker et al., 2015). Based on administrative data, Åslund et al. (2017) report for Sweden that slightly above 50% of refugees had entered the labour market five years after coming to Sweden. After 10 years the share is somewhat above at 60%. These shares appear to be fairly consistent across immigrant cohorts. The overall picture in Sweden is that the process of labour market integration has been very similar over a long period of time

Figure 4 suggests that **employment prospects of refugees improve more rapidly over time than those of other immigrant groups** with time in the country. The figures of low initial outcomes for refugees but rapid progress in the early years are in line with those observed in Germany and in Sweden over longer periods. One reason for greater gains in employment over time might be that refugees with a permanent residence status are less likely than other migrants to plan to return to their home country. Permanent immigration provides a greater incentive to invest in human capital than stays of a temporary nature (Dustmann and Görlach, 2015).

Labour migrants had the highest employment rates of all non-EU migrants (80%) in the first years after arrival (Figure 4). This might be due to the fact that many labour migrants have already a job found before migration. Receiving countries typically choose economic migrants from non EU-countries based on economic considerations (e.g. labour market shortages) and they can set clear migration terms, such as stay duration and migrant qualifications. Refugee migrants, in contrast, are forced to leave their origin countries, often due to unforeseen and sudden events that put their lives at risk.

Figure 4: Employment rates by reason of migration 15-64, 2014

Source: Based on EU-LFS ad hoc module 2014, data cover 25 EU countries.

Across the 25 EU-countries included in the 2014 EU-LFS survey, low-educated migrants (incl. refugees) have similar employment levels as the native born. Migrants, and notably refugees, with higher secondary or tertiary education have, however, significantly lower employment rates than native-born with a similar education level. There are a number of factors which might explaining this gap. One is the possible lack of the specific human capital needed in the host country (e.g. language, recognised skills and diploma). Other (unobserved) factors such as skills mismatch, lack of social capita or discrimination might additionally prevent refugees to realise their full potential on host countries' labour markets (EU/OECD, 2016).

There are also considerable gaps in *unemployment rates* between native workers and refugees. The gap in unemployment rates between natives and refugees was 9 percentage points (EU/OECD, 2016). This disparity is particularly large in some countries. Figures from the Swedish PES show that the corresponding unemployment rates for low-educated natives and non-European immigrants were 15% and 40% respectively in 2015 (Konjunkturinstitutet, 2016).

In Sweden, there is also a large disparity in employment levels among low-qualified migrants and their native-born counterparts. Contrary to the average in the EU-25 LFS sample employment rates among the low-educated lag nearly 20% points behind the native born. Hence, low skilled refugees might it find particularly difficult to gain a foothold in the highly-skilled Swedish labour market, where only 5% of the jobs require low levels of skills and less than an upper-secondary education (OECD, 2016b).

Women are particularly struggling to enter employment. Refugee women, although better qualified than their male counterparts among the arrivals in the last 10 years, face specific and persisting difficulties in integrating the labour market. The employment rate of low educated refugee women is particularly low (30%) and this group therefore merits special attention (EU/OECD, 2016). For most cohorts and time spans since immigration, the share of men who have entered the labour market exceeds the female share by 10-20% points.

On the other hand, the example of Sweden also shows that refugee women appear to overcome preconceived notions. Immigrant women overall do better after 11 years in Sweden than in any other EU Member State (EU-Commission/OECD, 2015). This must be seen in the context of the high female employment rates of the native-born. However, particularly refugee women often need additional support to boost their confidence through mentoring schemes, outreach, and support during the initial period of work as many women

get lost in the mainstream and become increasingly distant from the labour force following the end of introductory activities (OECD, 2016b).

1.8. Employment rates of recent arrivals evolve slightly better

More recent data on employment progression for those who arrived since 2013/2014 show small improvements. The German IAB-BAMF-SOEP Refugee Survey covering asylum seekers and refugees who arrived between 2013 and beginning of 2016 shows that 31% of those arrived in 2013 had a (regular) job by mid-2016, compared with 22% of the 2014 arrivals and 14% of those who arrived in 2015 and early 2016. These rates are slightly better than in the past (Brücker et al., 2016). German register data⁹ widely confirm findings of the survey. Employment rates of nationals from the main origin countries of asylum seekers are still low (226.000) but have increased by 54% from mid-2017 to mid-2016 (Table 5).

Table 5: Status of persons in the context of forced migration in Germany, Mid-2017 compared to mid-2016

Nationals from main source countries*	Employed	Registered jobseekers a) unemployed/ b) participants in integration measures**	Benefit claimants (SGB II)
1,08 Mio (15-64 y)	226,000	496,000 a) 200,000 b) 296,000	584,600***
Change from mid-2017 to mid-2016	+54%	+ 14% (unemployed)	+ 85%

Source: Statistics of the Federal Employment Service (BA), AZR (Register of foreign population)

* Nationals from 8 main source countries (Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia, Syria) by 9/2017

** Participants in integration measures include Integration courses (language and civic orientation), persons in mainstream labour market (80,000) and targeted measures (14,000)

*** Working age (15-64) nationals from the 8 source countries eligible to SGB II benefits by 6/2017; Recognized refugees receive the needs-based (untargeted) basic income benefits for jobseekers (Hartz IV) to make their living

Those who found employment so far mainly work as unskilled workers in hotels and restaurants, logistics, temp agencies and the cleaning sector. Refugees seem to have profited from a strong job growth, including low-skilled jobs in Germany between 2012 and 2016. Total employment increased in this time span by 6%; low-skilled jobs accounted for 11% of this increase. In contrast to Sweden there is, at least for the moment, no paucity of low-skilled employment.

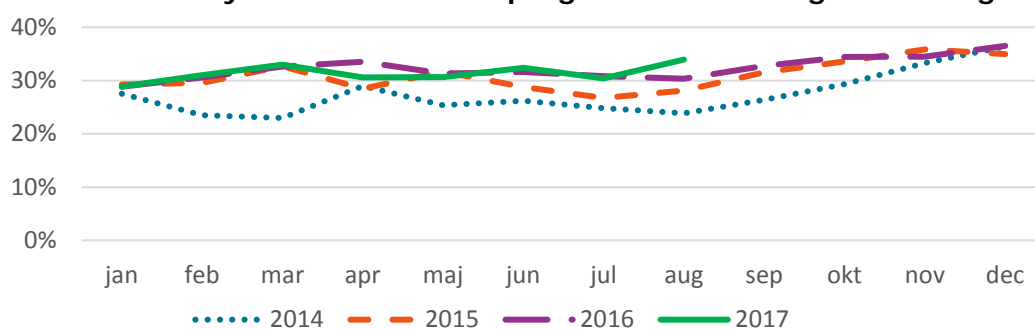
Austrian register data on employment progression are in line with findings from Germany. Among those that received their refugee status in 2015, 9,523 individuals, were registered with AMS in the first half of 2016. By December 2016, 15% of this group were employed, 44% unemployed, 23% in AMS measures and 18% out of labour force (AMS, 2017b). But as

⁹ Since June 2016, asylum seekers and refugees can be identified in the BA unemployment and benefit claimant statistics (but not in the employment statistics) by duration of residence and permit type. *Persons in the context of forced migration* cover recognized refugees (with convention and subsidiary protection) as well as so-called tolerated persons and asylum seekers still waiting for a decision but allowed to work (usually after 3 months).

there are no comparable data available for earlier cohorts it's difficult to assess if there are improvements.

In Sweden, few immigrants have been in regular employment in the past once the two years Introduction programme ended. Only 31% of participants were in work or education. Of these 31%, the majority (19%) were in subsidised employment. Particularly the low-educated are neither working nor studying at the end of the programme. One year following the end of the Introduction programme, only 22% and 8% of low-educated participant men and women, respectively, were in employment, the majority of which in subsidised employment (OECD, 2016b). Figures for the recent cohorts show that employment rates 90 days after completing the two years Introduction programme have slightly increased (Figure 5) but it has to be seen if improvements are sustainable and if more and better integration support will pay-off in better employment outcomes in the longer run.

Figure 5: Persons in work or study - 90 days after finishing the Swedish two years introduction programme for recognised refugees



Source: Arbetsförmedlingen

2. DEVELOPMENT OF POLITICAL DISCOURSE

2.1. The public debate has become more polarized

Besides traditions, experience and existing integration structures the political discourse influenced by the public opinion is an important variable to explain policy strategies and possible country differences in asylum and integration policies.

Public opinion has become increasingly sensitive to migration and integration policies. As public debate and salience of immigration and integration issues has intensified governments might avoid political costs involved in up-scaling integration policies by showing a lack of political will to improve conditions. The question of national identity is posed and the meaning of integration is negotiated in many EU countries. The EU's Eurobarometer survey shows that immigration is nowadays the most pressing policy issue in all three comparison countries although its importance has decreased considerable in autumn 2016 compared to spring 2016 (Table 6). **Table 6 also shows that there is strong support for a common EU-level asylum and immigration policy.**

Table 6: Public opinion on immigration (Autumn 2016)

Country	Immigration first or second most important issue		Negative feeling towards immigration from outside the EU		Against refugees' support		In favour for a common European policy on migration	
	% of respondent	Diff. with spring 2016 (PP)	% of respondent	Diff. with spring 2016	% of respondent	Diff. with spring 2016	% of respondent	Diff. with spring 2016
EU	45%	-3	56%	-2	28%	-2	69%	2
Austria	39%	-9	56%	-2	28%	-3	55%	-4
Germany	50%	-7	53%	-5	10%	-4	85%	6
Sweden	57%	-2	34%	-2	9%	-3	76%	1

Source: Eurobarometer Survey 86 autumn 2016, Annex

<http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2137>

Salience has the effect of magnifying preferences for or against immigration and the debate has generally become more polarised. Hatton (2017) highlights that across EU-countries public attitudes towards genuine refugees are supportive but public opinion is strongly against illegal immigration.

Anti-immigration parties have gained in popularity even in Sweden where the main anti-immigration party, the Swedish Democrats, were polling 12.9% and winning 49 seats in the "Riksdag" in the general election in 2014. In Germany, the right-wing populist "Alternative for Germany" (AfD) recently captured around 13% of the votes and won more than 90 (out of 709) seats in the general election in September 2017 by appealing to ethnic and nationalist nostalgia. Austria's anti-immigration Freedom Party (FPÖ) came even ahead of the SPÖ (social democrats) or the ÖVP (conservative party) in some federal state elections,

and gained 26% of the votes in the recent national elections. Additionally, violence against asylum seekers has increased¹⁰.

Recent studies about preferences over immigration also suggest that they depend largely on **how negatively or positively immigration is portrayed by the media**. In this sense, the framing of the very emotional and morally charged topic "refugee crisis" in Germany's mainstream media during 2015 was rather pro-immigration¹¹. But scepticism among the German population is increasing. In a recent survey (spring 2017), the majority of Germans is in favour of closing borders for refugees. About 60% (compared to 40% in 2015) say that Germany could not accept any new refugees because its capacities are exhausted. Nonetheless, the German welcome culture ("*Willkommenskultur*") has proved to be remarkably robust. A large majority of respondents still believes that refugees should receive a work permit quickly and that they should integrate into the labour market and society (Bertelsmann Stiftung, 2017).

Surveys about attitudes towards Muslims show again, that these are much more negative in Austria than in many other EU countries. In a survey in 15 EU countries, 31% of Austrians declared they do not like to have Muslims as neighbors. Germany ranks in the middle with 22% of respondents expressing concerns while in Sweden, only 16% did so. Sweden generally stands out as being the only EU country where a large majority of the population takes a positive view of the immigration of people from outside the EU (EU-Commission, 2015). This findings imply that public attitudes do not necessarily depend on the number of refugees in the population.

2.2 Policy reactions have been very similar

Policy reactions in the three countries have been very similar. Severe problems with orderly reception and fears that immigration sparks in some sections of the population have led to **implement procedures aimed at reducing inflows into their territories**. Before the EU-Turkey refugee agreement came into place in March 2016 to end the migration from Turkey to the EU all three countries have started to restrict the (unauthorized) inflow of asylum seekers into their territories through border controls and stricter visa requirements. Political discourse has also placed increasing importance on the forced return of rejected asylum seekers, especially criminal persons¹².

As a further reaction all three countries have implemented policies directed **to weaken the so-called "pull factors" of immigration** in order to make the country unattractive for further asylum seekers. National asylum policies are an important determinant of the number of asylum applications (Hatton, 2017). In the European Union, there are considerable cross-country differences in asylum policies across many dimensions. These include the efficiency of application processing, the generosity of conceding full or subsidiary refugee status, dispersion policies restricting the freedom about residential choice as well as access to the labour market and benefit entitlements.

¹⁰ Xenophobic attacks, which explicitly address asylum seekers have increased considerably. In Germany, the Amadeu Antonio Foundation documents on its portal "Courage against Right Violence" 1,249 attacks on asylum seekers in 2015; for 2016, about three times as many attacks were recorded (3,767), involving fire attacks, bodily injuries and 332 other attacks on shelters and asylum seekers (stone bombs, shots, right bogies, etc.). In Austria, racist incidents have increased by 57 percent over the past five years. Online bullying is often directed against refugees: http://medienservicestelle.at/migration_bewegt/2017/04/25/organisationen-rassismus-in-oesterreich-nimmt-zu/.

¹¹ In a study on media coverage of the "refugee crisis" the framing in Germany's main newspapers has been characterized by a "welcome culture euphoria" rather than neutral reporting (Haller, 2017). Unfortunately, comparable studies on media coverage of the recent refugee crisis are not available for Austria and Sweden.

¹² In practice, however, there are plentiful challenges of the return of rejected asylum seekers and the number of successfully returned asylum seekers seem rather low (EMN Synthesis Report, 2016).

In the wake of high inflows, the three countries have changed their asylum framework by tightening rules for residence permits, family reunification and choice of residence (see Table 7 below for an overview of recent legal changes and Annex A1- A4 for a more detailed description). Austria has gone even further by introducing an upper limit (*Obergrenze*) to the entry of asylum seekers¹³.

Changes are most notably in Sweden. Sweden has been for many years the country with the highest standards on immigration policies, leading rankings such as the Migration Policy Index (MIPEX)¹⁴. But already in 2014 Swedish society in general, and major key institutions such as the Migration Agency, the Employment Service, the police and the municipalities in particular, have exhibited signs of overburdening and fatigue. Serious bottlenecks in the reception system, and a shortage of affordable housing delayed the settlement process and immigrants' integration activities, such as language learning, training and job-searching. As a consequence the country has "down-graded" its immigration policies to European minimum standards set by EU-Directives and taken (temporary) measures such as issuing only temporary residence permits instead of permanent ones to substantially reduce the number of asylum seekers.

At the same time, policies for labour market integration have been "up-graded". Initiatives for better and quicker labour market participation have been implemented although the country had already advanced policies in place. Results, however, have not always been satisfactory. Integration outcomes, at least in terms of labour market participation have been rather unfavourable. The gap in employment rates between the native and foreign-born population in Sweden widened during the 1990s and has not narrowed significantly since then (Wiesbrock, 2011; Konle-Seidl et al., 2015)

The Swedish government, however, still commits to a positive view of migration, highlighting potential gains of immigration instead of risks. The integration of immigrants among the public and in policy circles is mostly evaluated and discussed in terms of concrete, measurable successes and failures, such as labour market participation rates, migrants' access to housing, problems related to segregation, language acquisition or the uptake of social benefits. Symbolic or value-related matters, such as migrants' adaptation to the host country's traditions, as they are manifested in other countries, including Austria and Germany, are of much less importance in Sweden (Parusel, 2016).

¹³ The Austrian Aliens Law Amendment Act 2016 created the possibility to introduce exceptional provisions aiming at preventing access to asylum procedures and send asylum seekers back to other countries and refuse them entry, once a fixed quota of asylum applications has been admitted for examination. A quota for 37,500 applications was introduced for 2016, and is planned to decrease in the following years. The Aliens Law Amendment Act of July 2017 (FrAG 2017) specifies further that a procedure to withdraw refugee status is started as soon as a refugee is accused of a crime or caught in the act of committing a crime.

¹⁴ In 2014, Sweden still scored more points than any other country in the MIPEX index measuring immigration policies. MIPEX identifies the highest European and international standards aimed at achieving equal rights, responsibilities and opportunities for all residents. The highest standards are drawn from Council of Europe Conventions or European Union Directives and measured in eight policy areas (labour market mobility, family reunion, education, political participation, long-term residence, access to nationality, anti-discrimination and health). In 2014, Sweden ranked first, Germany tenth and Austria twentieth out of 38 countries (www.mipex.eu).

Contrary to the more skeptical attitude towards refugees in Austria, high investments in their integration are justified by political leaders by the fact that a successful integration policy not only prevents follow-up costs of a failed integration but also brings added value for the whole society¹⁵. Also in the view of the German government¹⁶ labour market integration might hold a significant economic potential for a country whose working-age population and skill base are shrinking due to demographic developments. Against the background of current and future skills bottlenecks there is a high willingness of German employers to train and hire refugees. However, while employers of larger companies seem to hire refugees rather because of corporate social responsibility, smaller trades and skilled crafts firms do see an immediate business case (OECD, 2017b).

¹⁵ Foreword of the Minister of Europe, Integration and Foreign Affairs Sebastian Kurz in: Integration Report 2016 of the Expert council on integration:
http://medienservicestelle.at/migration_bewegt/wp-content/uploads/2016/08/Integrationsbericht_2016_WEB.pdf.

¹⁶ See, for example, the statement of Torben Albrecht, State Secretary at the German Federal Ministry of Labour and Social Affairs at the symposium "Labour Market Integration of Immigrants in Germany and Europe", held on 6 April 2016 in Berlin:
http://publications.iom.int/system/files/pdf/migration_policy_practice_journal_26_29june2016_final.pdf.

3. POLICY STRATEGIES: RESTRICTING ASYLUM WHILE INVESTING MORE IN INTEGRATION

3.1. The turn towards a more restrictive asylum policy

As already mentioned, the high inflows of asylum seekers and the increasingly sceptical attitude of the population, has prompted major changes in the asylum framework in all three countries. Beyond border controls and the increase in offering only subsidiary forms of humanitarian protection the turn towards a more restrictive asylum policy is manifested by

- ✓ Temporary residence permit instead of a permanent one (AT, SE)/shortening of temporary residence permit (DE)
- ✓ Making permanent residence permits conditional on individual integration efforts (AT, DE, SE)
- ✓ Maintenance requirement for family member immigration (AT, SE, DE)
- ✓ Restricted access to benefit entitlements (AT)
- ✓ Suspension (temporarily) of family reunification for those under subsidiary protection (AT, DE, SE)
- ✓ Imposing settlement restrictions (DE, SE)
- ✓ Extending the list of safe origin countries (AT, DE,)
- ✓ Making participation in integration programmes mandatory (AT, DE, SE)
- ✓ Maintaining labour market restrictions (AT)

Table 7 (and Annex A1- A4 for a more detailed description) gives an overview of main legal changes adopted in the three countries in 2015/2016 and 2017. In most dimensions asylum policies have gone in the same direction although there are still difference with respect to labour market access, choice of residence, entitlement to benefits and list of safe countries.

Table 7: Overview of legal changes since 2016/2017

	Austria	Germany	Sweden
Residence permits*	<ul style="list-style-type: none"> Shortened from permanent to 3 years 	<ul style="list-style-type: none"> Shortened from 5 to 3 years 	<ul style="list-style-type: none"> Shortened from permanent to 3 years
Right to family reunification*	<ul style="list-style-type: none"> For persons of subsidiary protection only after three years (before 6/2017 after one year) 7/2016 Maintenance requirement for family members 	<ul style="list-style-type: none"> For persons of subsidiary protection temporarily suspended (3/2016–3/2018) 	<ul style="list-style-type: none"> For persons of subsidiary protection temporarily suspended (7/2016-7/2019)

Settlement** restrictions (for persons granted asylum)		<ul style="list-style-type: none"> 8/2016; Obligation for all beneficiaries of international protection to live in an assigned place for three years (<i>Wohnsitzauflage</i>) 	<ul style="list-style-type: none"> 3/2016; Obligation to settle in one of the 290 Swedish municipalities, according to a new allocation mechanism
Access to the*** labour market (during asylum procedure)	<ul style="list-style-type: none"> No changes Work permits 3 months after registration restricted to seasonal work. 	<ul style="list-style-type: none"> Work permit 3 months after registration (2014) 8/2016 Priority review temporarily suspended for asylum applicants and tolerated persons 	<ul style="list-style-type: none"> No waiting time but labour market access only possible with valid IDs. 2017: Exemption from the requirement for a work permit
Eligibility to welfare benefits	<ul style="list-style-type: none"> 4/2016 lower and/or restricted access to benefits in some federal states for those with subsidiary protection**** 	<ul style="list-style-type: none"> 3/2015 Asylum seekers and those who are tolerated are entitled to social assistance benefits after 15 months (before after 48 months) 	<ul style="list-style-type: none"> No changes
Extended list of safe countries of origin	<ul style="list-style-type: none"> In 2016: Algeria, Tunisia, Morocco, Georgia and Ghana were added 	<ul style="list-style-type: none"> 10/2015 Albania, Kosovo and Montenegro were added 	<ul style="list-style-type: none"> No list in place so far

Source: Own compilation based on AIDA (Asylum database) <http://www.asylumineurope.org/reports>

- * For further details on residence permits see Annex 1; **For further details see Annex 2; *** For further details see Annex 3; **** These federal states are Burgenland, Salzburg, Styria and Lower Austria. Since 4/2016 people with subsidiary protection are not eligible to needs-based minimum benefits in Lower Austria which is contrary to Article 29 of the recast Qualification Directive.

Note: Germany: Employment is not possible as long as asylum seekers are obliged to stay in an initial reception facility. The minimum requirement to stay in these facilities is six weeks, but can be extended up to six months.

Rejected asylum seekers with a toleration status can get a residence permit if they have completed an apprenticeship or have worked for several years in Germany. Family members can get a residence permit after 8 years.

Sweden: When an asylum-seeker has worked in Sweden for at least four months, they may stay in Sweden as labour immigrants even in case the asylum application is rejected (so-called "track or lane change").

3.2 Type of protection affects integration efforts

Policies aimed at deterring asylum applications, however, may have adverse consequences on refugees' labour market integration. There are several trade-offs between policies restricting asylum on the one side and enhancing integration on the other side. Creating different degrees of permanence for individual refugees, greatly affect their incentives to integrate socially and contribute economically. PES staff in Sweden report, for example, that issuing mainly temporary residence permits instead of permanent ones (which was the case till June 2016) had already a clear **discouraging effect to invest in language and training**. This holds for refugees themselves but also for employers and other integration actors. This also holds for refugees with subsidiary protection who cannot reunite with their families due to the recently implemented restrictions on the right to family reunification.

The observation of the Swedish PES staff is confirmed by research. Whether and how much a migrant chooses to invest into country-specific human capital depends greatly on the migrant's perception of the likelihood of future settlement in the host country. Being unclear about the chances of permanent stay creates disincentives for investment into the types of skills that are productive in the new country, affecting the refugees' earnings and career paths and leading them to perform below their economic potential (Dustmann, 2000). Unclear perspectives on remaining in the country makes it very difficult to take up employment or education especially for rejected but tolerated asylum seekers. To start, for example a 2-3 years trade apprenticeships - the standard qualification pathway in Austria and Germany – is costly for young refugees in any case because remuneration during the long training period is far lower than the wage in an equivalent unskilled job. Moreover, the certification although valuable in Austria or Germany, may be worth little in the refugee's country of origin. Consequently, even young refugees are likely to be reluctant to undertake prolonged and costly training within the apprenticeship system unless they see their future in Austria or Germany. **Granting legal certainty for a defined period** such as the so-called "3+2 rule" ¹⁷, introduced in Germany in August 2016 for tolerated persons below the age of 25 might be an advisable way to go in this context.

3.3 Changes in institutional conditions for integration

Recent changes in all three countries have addressed major institutional obstacles to the integration of asylum seekers as the **length of time it can take to get asylum and work permit procedures**.

3.3.1. Sorting of applicants to reduce the duration of asylum procedures

In all three countries the time taken for examination of an asylum claim and procedural guarantees provided to applicants are lengthy. To speed up processes countries have started sorting cases early in the process so that categories of asylum seekers who are typically approved are handled separately. In Austria and Germany, prioritized examinations or fast-tracking processing for applications likely to be well-founded or made by vulnerable applicants are applied. Sweden also plans to implement more rapid rejections of unfounded applications and applications from safe countries. Employing lists of "safe countries of origin" is a way to limit the inflow of asylum seekers but also to accelerate asylum application screening. The lists vary from country to country in both number and countries included.

¹⁷ The "3+2 rule" means that if a tolerated person below the age of 25 begins a vocational training, he or she will retain his/her tolerated-person status for the entire period of his/her vocational training (usually *three* years). Additionally, people who complete their vocational training under this scheme are entitled to reside in Germany for a further *two* years if they find a job which relate to their new qualification.

Fast-Track Asylum procedures were introduced in Germany in March 2016 for certain groups of asylum seekers, most prominently, asylum seekers from safe countries of origin. At the same time the sorting of asylum seekers determines their (early) access to language and labour market support measures (Box 3).

Box 3: Categories of asylum seekers in Germany

- Asylum seekers with a *good prospect of being allowed to stay* (~ 30% of all adult asylum seekers in August 2017¹⁸) are a preferential group. Asylum seekers in this group come from countries with previous protection rates of over 50% (currently Syria, Eritrea, Iraq, Iran and Somalia).
- Asylum seekers from “*safe countries of origin*” (Bosnia and Herzegovina, Albania, FYR Macedonia, Montenegro, Kosovo, Serbia, Ghana and Senegal) amounting to ~ 3% of all asylum seekers 18 years and over in August 2017. This group do not have access, neither to the labour market nor to integration support measures.
- Asylum seekers from other countries with an *unclear prospect* to stay in Germany. This group is considered to consist of many “complex cases” and has a subordinated access to integration support measures (remaining ~67% of all adult asylum seekers in August 2017).

New applications are currently processed within two months but the procedure time for older and often complex cases are much longer. Average processing time was 11.7 months in the second quarter of 2017. Additionally, it takes on average 4.5 months between the day of entry and application (Deutscher Bundestag, 2017). For Austria, an average duration of asylum procedures of 9 months is reported (Medienservicestelle, 2017), and for Sweden up to one year¹⁹. The number of days from application to decision on a residence permit was 328 days in 2016, a considerable increase from 229 days in 2015. The number of days from application on prolongation to decision was 367 in 2016, down from 375 in 2015 (Migration Agency, 2016). There are, however, further delays from when the resident permit is granted to the day a migrant is permanently settled in a municipality. Only after being settled refugees can start the introduction activities.

3.3.2 Reducing the administrative burden to access the labour market

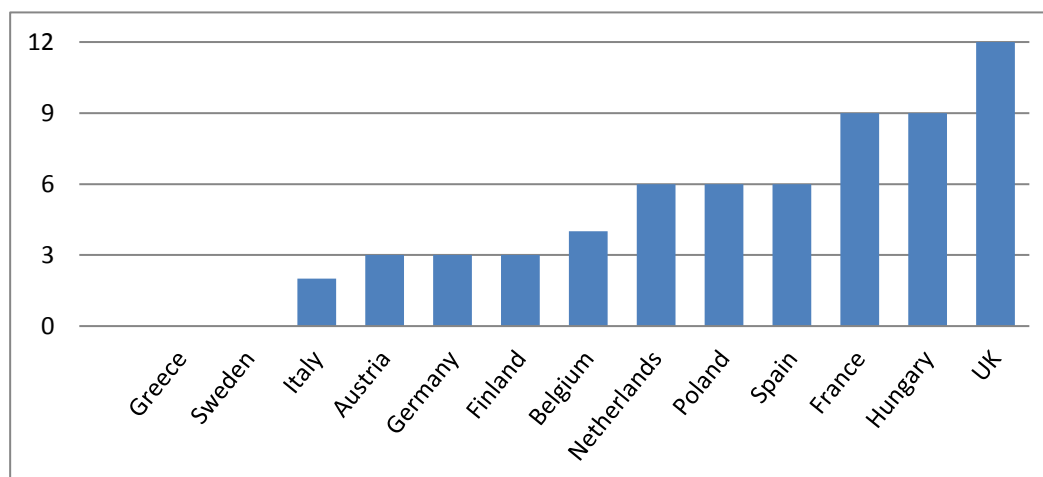
Asylum seekers and third-country migrants, who in most countries have to obtain work permits, employment licences, etc., generate an “administrative burden” when seeking employment, which deters some employers from hiring them. In general, asylum seekers are prevented from being (legally) employed for a minimum period that should theoretically correspond to the time required to process their claims. According to EU Directive 2013/33, Member States must ensure that asylum seekers access the labour market no later than 9 months after they apply for protection. This timeframe, however, gives Member States the flexibility to decide about the conditions for granting asylum applicants access to the labour market. The time period from lodging the application to when an applicant can access the

¹⁸ According to the Register of the foreign population (AZR) there were 338,000 recognized refugees aged 18 and over living in Germany by the end of August 2017. Additionally, 269,000 asylum seekers at the age of 18 and over were still waiting for a decision of their application and 113,000 adult persons had a toleration status.

¹⁹ The number of days from application to decision on a residence permit was 328 days in 2016, a considerable increase from 229 days in 2015. The number of days from application on prolongation to decision was 367 in 2016, down from 375 in 2015.
http://www.asylumineurope.org/sites/default/files/report-download/aida_se_2016update.pdf.

labour market goes from no time restriction in Greece and Sweden to a maximum of 12 months in the UK (Figure 6).

Figure 6: Minimum waiting periods for accessing the labour market for asylum seekers*, in months, 2017



Source: Own compilation; * *Time period from lodging the asylum application to when applicant can access the labour market*

To facilitate labour market integration legal restrictions such as the obligation to undergo a “priority test” or to ask for a work permit have been (partially) lifted in Germany and Sweden but not in Austria. In **Austria, access to the labour market is more restricted** than in the other two comparison countries. Although labour market access is in principle possible after three months, issuing a work permission is only possible for seasonal jobs in tourism or agriculture, if no native or other EU migrant registered with the Austrian PES (AMS) is willing to take the position (priority test). Asylum seekers below 24 can, however, start an apprenticeship training in shortage occupations after three months (see Annex 3 for further details).

In Germany, asylum seekers can access the labour market after three months with permission of the Employment Agency and the Foreigners Office labour market tests (check if working conditions and payment for the position are in line with local employment conditions). For asylum seekers staying less than 15 months the labour market test still applies but the **“priority review” has been temporarily suspended**. The priority review examined whether the job could be occupied by a German or other EU citizen, has been suspended from August 2016 until August 2019 in 133 out of 156 regions with low unemployment rates.

In Sweden, labour market access is legally possible right after lodging an asylum application but only for asylum seekers with valid IDs and work permit. Labour market access has recently further be eased **by introducing an exemption from the requirement for a work permit for asylum seekers (AT-UND)**. When an asylum seeker meets the criteria for being eligible to a work permit exemption (WPE)²⁰, it is registered in his or hers asylum seeker card in order to be visible for potential employers. If a person has been employed (WPE) during the asylum process for at least four months, he or she may apply for a work

²⁰ To be eligible for AT-UND, newly arrived must have ID documents (or at least must collaborate to clarify their identity), be over 16 years old, and their asylum application must be processed in Sweden (and not according to the Dublin Regulation) and well founded.

permit after an application for asylum has been rejected (so-called “**track change**”), provided that he or she can present an offer of extended employment (see Annex A3 for further details).

3.4 More comprehensive and mandatory integration programmes

At the same time, integration efforts have been stepped up and budgets have been increased considerably in all three countries. To enforce the principle of a two-way process on integration, the participation in integration measures has been made mandatory in all three countries²¹.

Under the new **German Integration Act** (August 2016), the right to participate in the main integration instrument, the Integration Course combining German language training (600 hours) and civic orientation (100 hours instead of 60) has been made accessible not only for refugees and people under subsidiary protection but also to asylum seekers with high chances of being recognized as well as tolerated persons (in case of available places). In Germany, and in contrast to many other countries (incl. Austria and Sweden) **rejected asylum seekers with a tolerated stay have access to integration measures**. The waiting time to start an Integration Course has been reduced from three months to six weeks and providers of integration courses are now obliged to publish their course offer and available places. Additionally, regular mainstream measures and services of public employment agencies (responsible for asylum seekers and tolerated persons) and jobcentres (responsible for recognized refugees) have been up-scaled. At the same time, participation in Integration courses has been made **mandatory**. The rejection or abandoning of an Integration course can be *sanctioned* by benefit cuts. Benefits can also be cut if refugees violate the obligation to settle in the assigned location (see Annex A2).

In addition, receiving a **permanent residence permit is now conditional on individual efforts to integrate** which is defined as having reached A2 level in German and being able to predominantly ensure the means of subsistence. Refugees can obtain permanent residency already after three years (instead of five years) when they have reached C1 level in German. *Beneficiaries of subsidiary protection, however, do not have a privileged access to a permanent residence permit*. They can apply for this status after five years but have to meet all the legal requirements such as the requirement to completely cover the cost of living and to possess sufficient living space for themselves and their families. In addition, they have to prove that they have been paying contributions to a pension scheme for at least 60 months (which generally means that they must have had a job and met a certain income level for 60 months).

A “**rights and responsibility**” approach is also guiding new legislation in Austria. In early 2017, the Austrian Government agreed on a new legislative proposal that foresees the introduction of an **obligatory “Integration year”** for recognized refugees by September 2017. The Integration Year bundles existing labour market measures to a comprehensive package²². Participation will be obligatory for a minimum of 12 months or until participants enter employment. An “integration declaration” to be signed by the refugee tries to enforce the language training for migrants, who want to extend their temporary residence permit in Austria. The integration declaration requires a consent to Austrian core values, the commitment to complete language training at A1 and A2 level and a value and orientation

²¹ Making access to certain types of social assistances conditional on effective participation in integration measures has also be proposed by the [Action Plan on Integration](#) for third country nationals presented by the EU Commission on 7 June 2016.

²² The integration year is like in the Swedish case a bundle of measures including clearance of competences, German language courses starting from A2 level (A1 level is required to enter the programme), support for the recognition of foreign qualifications/ certificates, civic and vocational orientation, work preparation measures and non-profit community work.

course of eight hours. Failure to fulfil the integration agreement can lead to a reduction of social benefits, but will not revoke an international protection status of asylum or subsidiary protection.

Recent reforms of the long-standing Swedish integration system have emphasised rapid labour market integration through i.e. the creation of fast tracks (see Box 4). In the past, integration efforts in Sweden that aim to tackle the low employment rates among refugees have been mainly a mix of two broad policy tools: upskilling and enhancing transparency on humanitarian migrants' skills on the one hand and temporarily lowering the cost of hiring by subsidizing employment on the other. More recent policy initiatives focus on activating and enhancing the skills of immigrants (see chapter 4).

The Swedish integration policy of the past has been also focusing rather on rights than responsibilities. Recent changes, however, emphasize now responsibilities newly arrived have when participating in Introduction programs and receiving introduction benefits. By January 1st 2018, **participation in the Swedish two year Introduction programme will be made mandatory** replacing the right to participate in the programme to an assignment to the programme. This is an attempt to harmonise the programme with measures for other unemployed groups and to emphasise refugees' effort that is needed to integrate into Swedish society and labour market. The Government also decided to introduce a so-called "educational duty" for newly arrived adults with very low education and not deemed to be job-ready. If they refuse or drop out of an education measure there could be sanctions in form of benefit cuts (Regeringen, 2016). Sweden has also started to condition the reception of a permanent residence permit on individual efforts to integrate. Newly arrived that are employed and able to support themselves financially can receive a permanent permit.

3.5 Integration support provided at an early stage

Integration services are usually provided only after granting a residence permit. As processing time of asylum claims are often very lengthy (see paragraph 3.2) and inactivity during long waiting times has a clear de-motivating effect for asylum seekers keen to start learning and working. Offering integration services such as language training, skills assessment and labour market preparation before a decision on an asylum application is taken is therefore not only a useful but also an effective policy measure. Literature points out that an early start of integration measures has a positive impact on labour market integration in the longer run (OECD, 2016a; Hainmüller et al., 2016; Andersson Joona et al., 2016).

Among the three countries, **only Germany follows a clear early intervention strategy.** **Asylum seekers with good prospect of being allowed to stay** have access to the Integration course and to other labour market related measures already before they got a protection status. This is also the case for tolerated persons. Asylum seekers with an unclear perspective to stay have a subordinated access to language courses (depending on the availability of places) and to labour market related support measures depending on a waiting time.

In Sweden, only those aged 20-64 who have received a residence permit (under GCR or subsidiary protection) and are settled in a municipality are eligible to participate in the two-year Introduction programme and in language training (Swedish for immigrants – SFI) organized by municipalities²³. Due to severe housing shortages the time till refugees have

²³ Integration activities in Sweden are focused on *newly arrived* immigrants *defined as* refugees granted a residence permit and placed in permanent accommodation *Tied movers* are defined in the Swedish Establishment Act as persons who are next-of kin to someone who previously have been granted asylum for protective, humanitarian or subsidiary reasons. Earlier tied movers that came within two years were eligible to participate in introduction programmes. Later this time limit was extended to six years.

settled in a municipality causes serious delays to start the Introduction programme making the waiting time even longer. Hence, there is a lack of labour market oriented activities asylum seekers can participate in. Most of those who came in 2015 and have received a residence permit (52,896 in 2015 and 86,719 in 2016) have been enrolled in the Introduction programme only recently. Due to the long waiting time, the Government has taken now first attempts to start interventions earlier on by giving, for example, the County Councils the responsibility to organize activities like language courses or social activities for asylum seekers (Government Offices of Sweden, 2016). This has been done through the web site www.informationsverige.se. Here asylum seekers can learn about what it means to live in Sweden, start learning Swedish (LäraSvenska) and practice Swedish with others (Welcome App, Swedish with a baby).

In Austria, participation in the Integration year and in language courses is only possible after being recognized as refugee. The situation will, however, also change by January 1st 2018 when the Austrian laws on the “Integration Year” will grant asylum seekers with good prospect for recognition access to integration measures provided and financed jointly by PES (AMS) and the Austrian Integration Fund (ÖIF). However, the change will probably affect a small group as only those who applied for international protection since April 1st 2017 will be considered.

3.6. More funds for reception and integration measures

By making more funds available for integration all three main destination countries have stepped up their efforts to improve programmes for labour market integration. Integration funds in all three countries have significantly increased, with the bulk going to language courses and targeted as well as general active labour market policy (ALMP) measures. In 2015, Sweden spent most in relation to its GDP (€1.35% of GDP) on reception and integration, followed by Germany (0.5% of GDP) and Austria (0.37% of GDP). Spending has further increased in 2016 and 2017²⁴ (OECD 2017a).

It is difficult, however, to get comparable figures on spending only for integration measures in relation to a country's GDP but available absolute numbers suggest that funds for integration measures have been increased considerably (see Box 4).

²⁴ According to estimates from the OECD (2017a), the cost for the reception (processing and accommodating) asylum seekers in the main destination countries in Europe, is around €10,000 per application for the first year but can be significantly higher if integration support is provided already during the asylum phase. While the annual costs for reception decline considerably in the following years, expenditures for integration rather increases.

Box 4: Funding of integration measures in Austria, Germany and Sweden

Austria has allocated a special budget of € 250 million annually for the integration of refugees, mostly to finance German language training and to support the education and training of refugee children. Until 2015, all PES supportive measures for the integration of refugees had been funded by the general AMS (*Arbeitsmarktservice*) budget. From 2016 onwards, a particular “integration fund” within the AMS (€ 10 million) has been created. For 2016 and 2017, the federal budget for the labour market integration of refugees has been increased to €105 million and €190.8 million, respectively. Federal funding for general language tuition and vocational language training almost tripled from 2015 to 2017.²⁵

In *Germany*, federal funding for Integration courses has increased from €244 million in 2015 to €559 million in 2016 and €610 million in 2017²⁶. According to the 2017 federal budget (not including the budget on community or federal state level) the Jobcentres will obtain a total of 900 million€ as supplementary funding for active labour market policies in order to cope with the inflow of refugees. The budget for vocational language learning was increased from €179 million in 2016 to €410 million in 2017. Another €19 million is made available for counselling of immigrants within the “Integration through Qualification” (IQ) network and in addition, €300 million have been allocated for refugee integration measures. Since January 2016, federal states (*Länder*) obtain a compensation of €670 per asylum seeker per month from the federal budget. In December 2016, funding for the *Länder*, who are responsible for the reception of asylum seekers, was further increased by an additional €2 billion per year until 2018 earmarked for integration measures. (Deutscher Bundestag, 2016).

Sweden spent SEK 534 million (€57.8 million) for integration measures, such as new language initiatives and reforms of the “Swedish for Immigrants” scheme, skills assessments and validation for asylum seekers. Moreover, the compensation paid to municipalities per new arrival has been raised, with an estimated additional budget cost of SEK 1.1 billion in 2016 (€119 million) and SEK 2.6 billion in 2017 (€272 million). Additional funds (2017-2020) will be made available by the national budget to improve the Introduction system and to promote early intervention measures such as skills assessments and fast tracks aiming at speeding up new arrivals' establishment in the labour market. The total cost for Introduction programmes in 2015 was €713 million. This amount had increased to €754 million in 2016 including wage costs for staff at the PES and costs for different measures and benefits to participants in the Introduction programme. The budget for 2018 presented by the Government on September 20th 2017, proposes a total of €1.6 billion to cover all costs related to international migration including expenses for the Board of Migration and the settlement of asylum seekers (Government Offices of Sweden 2016).

²⁵ <https://www.bmf.gv.at/budget/das-budget/budget-2016.html>.

²⁶ https://www.bundeshaushalt-info.de/fileadmin/de.bundeshaushalt/content_de/dokumente/2015/soll/epl06.pdf.

4. NEW INITIATIVES FOR BETTER LABOUR MARKET INTEGRATION

4.1. Widely shared consensus on key elements of integration strategies

There is a widely shared consensus on key elements of an effective integration strategy such as targeted procedures for skills assessment and qualification recognition, for combining language courses with work experience or bridging courses to develop country specific skills. Knowledge of host country's language is a key determinant of labour market success of immigrants and this is even more the case for refugees (see Konle-Seidl/Boltis, 2016 for an overview in a study for the European Parliament).

The available evidence suggests that an **early investment into the language skills** of refugees may actually be one of the most cost-effective measures to integrate them and enable them to fully capitalize on their formal qualification and thus contribute to society. This holds also for an **early assessment of informal and non-formal skills and the recognition of foreign qualifications**. Linked with **bridging programmes** to get a host-country qualification such measures seem highly effective (Box 5).

Box 5: Empirical evidence on high gains from qualification recognition

Empirical evidence from *Germany* shows that there are high gains from recognition of foreign credentials in terms of employment and wages. Results based on the IAB-SOEP Migration Panel show that immigrants (including refugees) with foreign degrees being recognised as equivalent to home country degrees improve their employment rate by 23 percentage points, reduce job-skills mismatch by 32 percentage points and increase their wages by 28 % compared to those immigrants who did not ask for recognition (Brücker et al., 2014). The positive effects on employment and wages have been confirmed by a recent evaluation of the "Recognition Act" implemented in 2012. The Recognition Act gives migrants and third country nationals the right to get foreign qualifications recognised in regulated as well as in non-regulated professions. After a successful recognition migrants have better (full-time) jobs fitting more adequately their qualifications. Nine out of ten migrants with a foreign professional qualification are employed after the successful recognition of their qualifications, which means that the employment rate rises sharply by over 50% and the gross income increases by an average of €1,000 a month, which corresponds to an increase of 40% (BMBF, 2017).

But many challenges for better labour market integration remain. The 2014 EU-LFS survey has shown that in all three countries there are particularly large differences in **over-qualification** compared with the native-born. The reasons for the observed large discount of refugees' formal qualifications are numerous and relate to the fact that most of them have obtained their degrees in education systems that are very different from those in their host countries and which employers may have difficulties in evaluating. Hence, **even better educated young refugees need more education and training as part of the discount of migrants' qualifications is due to lower skills at the same qualification level** (Bratsberg et al. 2016).

Taking up lessons from the past, all three countries have been developing new approaches for better labour market integration. Though there is little evidence and testing so far the newly developed measures might be of interest also for other immigrant groups.

4.2 Targeted measures to serve refugees and national recruitment needs

In *Sweden*, new initiatives have been triggered by the rather disappointing results of the past. The two years Introduction programme has been often too long for highly-educated migrants. Another reason for the unsatisfactory results might, however, be the high structural barriers to enter the Swedish labour market such as high entry wages and the paucity of low-skilled employment. As a consequence the Government started to develop and implement “**fast tracks**” by focusing on a quicker labour market integration of new arrivals **with professional skills in shortage occupations** (see Box 6).

Box 6: The Swedish fast track integration approach

The Fast-Track approach is a Swedish initiative which does not exist in the other two countries. The goal of the fast track initiative - proposed in 2015 by the Swedish Government - is to coordinate existing measures into a streamlined package to speed up the labour market entry of skilled immigrants who have been granted residency permit into occupations with labour shortages.

Based on a tri-partite cooperation between the government, trade unions and employers' organisations, a comprehensive programme which includes guidance, skills assessment, validation/recognition, work placements, training, apprenticeships and language learning has been developed. Fast-tracks exist now for 31 professions (e.g. for cooks, butchers, teachers, preschool teachers and several regulated professions within the health-care sector such as doctors, nurses and dentists). For employers, the fast track method is a kind of a customized way of recruiting through bridging courses and participant selection. The involvement of employers (and trade unions) in the development of fast tracks can be considered as a good practice example. The initiative received a highly positive response from employers and social partners and resulted in the already mentioned tri-partite co-operation. Close contacts between the parties in the fast-track are important for finding places for internships, vocational qualifications, work placement or work.

PES monitoring shows that participation numbers in fast tracks are gradually increasing. In March 2017, there were a total of 3,540 people who started a fast-track since January 2016. After 13 to 15 months, between 33% (in the food industry) and 52 % (in the truck driving sector) of participants were in employment. The share was lower (23 %) in the healthcare sector due to higher requirements for obtaining a credential. For Fast Trackers that need to obtain formal qualifications, the time taken to obtain work is often longer because of the nature of the tracks and efforts required but 29 % obtain work 13-15 months after commencing the Fast Track (Arbetsförmedlingen, 2017b).

In Austria and Germany whose labour markets are strongly structured along occupational lines the focus is a “**qualified**” **labour market integration** into middle-skilled jobs which requires formal vocational qualifications. The lack of such qualifications restricts the access to many crafts, technical, administrative and service occupations. As about 80% of the new arrivals do not have such qualifications extensive professional qualification and upskilling measures are necessary. Many refugee-specific initiatives for young refugees in Germany have, thus, a clear focus on preparing them step-by-step to start the standard vocational training pathway. Germany's and Austria's comprehensive systems of skill certifications obtained through 2–3 year trade apprenticeships is, however, costly even for young refugees because remuneration during the long training period is far lower than the wage in an equivalent unskilled job.

In Austria, general and targeted measures have been bundled to an “Integration year” reflecting the need to create a tight time frame and a sense of urgency for the actors involved in the labour market integrating of refugees. The measures offered in the Integration year include clearance of competences, German language courses starting from A2 level (A1 level is required to enter the programme), support for the recognition of foreign qualifications/certificates, civic and vocational orientation, work preparation measures and non-profit community work²⁷. It is so far unclear how many recognized refugees will participate in the programme.

Targeted short-term programmes in Germany have been developed by the Federal Employment Agency and implemented together with other stakeholders. These programmes are characterized by **combing language promoting, skills testing at the workplace, information, counselling and guidance on the labour market**. They are - like general AMPL measures - offered on an individual needs basis and are not bundled to a more structured integration pathway like in Austria or Sweden (Box 7).

Box 7: Targeted support measures in Germany

Over the past two years the Federal Employment Agency (BA) has developed measures to meet the specific needs of the target group such as “*Perspectives for Refugees*” (*PerF*) or *KompAS* (competence assessment, early activation and language acquisition) that include vocational language training, site visits to companies, skills assessment and counselling for asylum seekers and refugees.

Perspectives for refugees (PerF) aims at teaching job-related German language skills, providing detailed counselling for a first orientation on the German labour market and informing about the possibilities of the recognition of qualifications/degrees acquired abroad. In addition, support for the preparation of job application documents (e.g. CVs) and job application strategies are part of the programme. A six-week work practice to identify skills in a “real company” is a particular feature of the programme which lasts 12 weeks. The programme is further differentiated into *PerF-W (perspectives for female refugees)* addressing the special needs of refugee women and *perspectives for young refugees (PerjuF)*. *PerjuF* is a first step to provide orientation in the German training and employment system. It is also used within a more holistic approach including vocational guidance and preparatory qualification courses aiming to prepare young refugees to (dual) in-company apprenticeships lasting usually three years. It is implemented in cooperation with different stakeholders such as the Confederation of Skilled Crafts (*PerjuF-H*). Similar cooperation models (“*Kommit*”, “*Step by step*”) involving BA, the Federal Agency for Migrants and refugees (BAMF), employers and trade unions have been developed beyond the skilled craft sector.

A further development of the *PerF* programmes is *KompAS* synchronizing BAMF Integration courses with BA labour market policy instruments. Vocational language training as a follow-up to the Integration course have been scaled up considerably. Vocational language training, ideally provided on the job, is deemed to be a particularly effective integration measure.

Additionally, by enacting the Integration law in August 2016, training-related assistance and pre-vocational training programmes for young asylum seekers (aged < 25) are made

²⁷ The Austrian government has agreed on an integration package on 28 March 2017. The implementation of the new package which affects several laws started in September 2017. For each participation the Austrian PES (AMS) creates an integration pass documenting the timeframe of the individual modules, results of competence assessment procedures, completion of a measure, a justification for the elimination of a measure and measures taken at other institutions: http://www.asylumineurope.org/sites/default/files/report-download/aida_at_2016update.pdf.

available sooner, depending on the target group. For certain groups, vocational training grants are also available for the first time. Although participation rates in the targeted programmes are still low (about 13,500 participants as of May 2017), compared to the 81,800 asylum seekers and refugees participating in mainstream measures of active labour market policies (ALMP), first evidence from the IAB-BAMF-SOEP survey suggests **that investments in language programmes and labour market integration have high returns**. Compared to asylum seekers and refugees not participating in such measures and services, increases the probability to find employment. The effects for vocational language classes (+30% points) are particularly high. The results should, however, not be understood as causal evidence but rather as correlations (Brücker et al., 2016). A more thorough evaluation is needed to evaluate the impact of single programmes and the interaction of different measures. Such an evaluation has been commissioned by the Ministry of Labour and Social Affairs (BMAS) for the years 2017-2021.

4.3. High priority for assessment of skills and recognition of qualifications

Although highly qualified might represent a minority among the newly arrived, the recognition of their credentials is key for a swift labour market integration. Not adequately reflecting and recognising skills and qualifications put refugees at risk of being incorrectly classified as “unskilled”, which in turn may hinder their career progression or even labour market entry. Given that a large share of new arrivals has no formal qualifications²⁸, or lack documentation of their skills, or have acquired them informally the validation of informal and non-formal skills and competencies is considered now a priority in Austria, Germany and Sweden but also in many other EU countries. Most of the **newly developed assessment tools** are still in the pilot phase and have to be evaluated on their practicality for everyday operational decisions.

In Austria, a **new Recognition Act was enacted in June 2016**. The cornerstones of the new law are the establishment of a recognition portal as a “single point of contact”, the faster recognition of qualifications and the establishment of more information centres as well as special procedures (qualification analysis or work test) for refugees who have no formal proof of qualifications. Like in Germany, the Act established a right to the assessment of all levels of educational certificates and diplomas (including also the right to assessment in non-regulated professions), and simplified the procedure – from secondary education through post-secondary and apprenticeship up to higher education qualifications. To assess vocational competences below the level of formal qualifications, the *Austrian PES* has already developed in 2015 **“competence checks”** in the most frequent mother languages of refugees. The competence check is used to provide orientation and guidance for PES staff.

Different **pilots to assess informal skills** have also been developed in Germany. They are, however, small-scale and do not provide a nation-wide assessment instrument. To provide a more pragmatic and standardised assessment tool, available nationwide in all employment agencies and jobcentres and scalable to large numbers, the Federal Employment Agency (BA) has been developing in cooperation with partners a tool called “MySkills”. Technology-based tests supported by images and videos are available in six languages. The identification and assessment of existing knowledge has been developed for around 30 occupations (e.g. mechatronics, salesperson or plumber) by identifying differentiated competencies within

²⁸ The large majority (73%) in the IAB-BAMF-SOEP refugee survey reported having worked before coming to Germany possessing vocational skills acquired through on-the-job training in trades and technical or commercial professions (Brücker et al., 2016).

professional profiles. **My Skills**²⁹ is currently piloted and will be operatively launched in all employment offices by April 2018.

Although Sweden made significant efforts to cater to the growing demand for evaluations of foreign qualifications there is no standardized and transparent tool to assess informal skills and competencies, either. There are several initiatives and tools to identify skills, for example in the context of fast tracks. To develop more effective validation methods for more sectors and occupations, a "National Delegation for Validation" (2015-19) has been set up to follow, support and encourage coordinated work. Two **pilot schemes** have been set up: one offering validation to immigrants lacking full documentation of previous studies and a second one offering "validation vouchers" to incentivise employers to use existing validation procedures (Berg, 2016). Extra funding has been provided to the PES to identify needs of complementary training and more effective bridging courses that enable migrants with foreign credentials in law, medicine, nursing, dentistry, teaching and pharmaceuticals, to complete the training required to practice their occupation in Sweden.

Despite innovative approaches, validation remains a challenge particularly in the highly formalized German and Austrian VET systems. One of the main barriers is the focus on the verification of a full equivalence to the reference qualification/occupation also in non-regulated occupations acquired within the dual apprenticeship system. These obstacles triggered the debate on partial qualifications to increase employability.

4.4 Innovative online tools to provide early support

To better inform and service **new arrivals online tools** have been developed, particularly in *Germany* and *Sweden*. The German "*Welcome App*" and a second app "*Ankommen*" ("Arriving"), has been developed to provide information on living in Germany and combines this with information on the asylum procedure and finding work, as well as providing an interactive basic language course. Furthermore, the recent setup of the multilingual information portal "Recognition in Germany" provides possibilities for migrants/refugees to carry out their own research and gain an initial overview on recognition or assessment of qualifications for themselves.

The new technology is also used for **web-based training, language courses and for a first skills assessment** in *Sweden* where language training and other integration measures start with delays only after a protection status is granted. Hence, online tools in Sweden are a possible way for early intervention. The digital tool "*Jobskills.se*" developed by *Arbetsförmedlingen* aims to identify asylum seekers' skills (before a decision is taken) in first language (available in Arabic, English Persian, Somali, Tigrinya), which is then directly translated into Swedish. The tool works as an open internet platform with registered users who create a profile based on information about education, work experience, competences, career interests and language skills. Related services are multilingual videos describing the Swedish labour market, how to write a CV, or how to prepare for a job interview. In the near future the tool will be launched for employers who can also create an account and search for people with the required skills or qualifications. The tool is widely used. Since it has been launched in April 2017 15,500 accounts have been registered till end of September. Approximately 50% of the registered users are asylum seekers, and the goal is to have 25,000 registered users at the end of 2017 with a 33 % share of women (Petersson, 2017).

²⁹ <http://ec.europa.eu/social/BlobServlet?docId=18317&langId=en>.

4.5. New ways to involve employers

Employers determine the demand of the labour market and are, thus, the decisive gatekeepers into work. As key players in the integration process their involvement in the development and provision of integration support such as skills identification procedures or training measures is crucial.

Research findings emphasize that a cornerstone of successful integration of migrants of any variety into the host country is **early contact with the labour market** (Lemaitre, 2007). Programmes that support companies and refugees to know each other and plan further integration steps might thus be a promising way to follow. Experiences from Scandinavian countries in the past have shown, however, that wage subsidies have proven to be effective but have been rarely used by employers (Konle-Seidl/Boltis, 2016). Thus, new ways to engage with employers have been developed in the past two years, particularly in Germany and Sweden.

In *Germany*, about 150 so-called "*welcome guides*" have been supporting small and medium-sized enterprises in filling open training and work places with refugees since early 2016. More than 4,000 asylum seekers and refugees have been placed in internships, preparatory vocational trainings as well as regular employment and training within the "welcome guides" programme launched by the Ministry of Economics and Energy. Special support for small and medium enterprises (SMEs) is advisable as SMEs often face skills shortages, but have limited capacity to deal with administrative requirements.

Initiatives to better involve employers (and trade unions) in sectors with skills shortages have been successfully developed in the context of fast tracks in *Sweden* (see Box 3 above). The motives behind the Government initiative "*Sweden unite and 100-klubben*" is using Corporate Social Responsibility (CSR) motives for marketing reasons. The initiative foresees that the Public Employment Service offers special package solutions to bigger companies that have a labour demand and want to contribute to the introduction of new arrivals. When a company commits to employing at least 100 newly arrived refugees within three years, they can make use of special placement services and receive wage subsidies from the State. Surveys in Austria and Germany among businesses also show that CSR motives are prevailing when hiring refugees – especially in larger companies. Smaller trades and skilled crafts firms, in contrast, do rather see an immediate business case due to current or future labour shortages (OECD, 2017b; Deloitte Future Fund, 2016).

4.7. Conclusions from the comparative analysis

4.7.1. Similarities and differences between the three countries

The comparative analysis has shown that **similarities prevail**.

- ✓ All three countries were main destination countries of asylum seekers in 2015 and early 2016 with a strong decrease of inflows after March 2016.
- ✓ All three countries are hosting people coming mainly from the same origin countries having a comparable age and gender structure as well as similar educational levels.
- ✓ Labour markets conditions are good and there are labour shortages in several industries. Refugees are seen as an opportunity to address skill shortages and a possibility to close demographic and labour supply gaps in the context of an ageing society.
- ✓ There are high investments in targeted measures for refugees to achieve more effective integration which is in contrast to countries such as Hungary, Italy or Greece.
- ✓ Targeted measures reflect more than in the past specifics of national qualification systems and national recruitment needs. Fast tracks in the Swedish context, for example, are a

strategy to speed up the labour market integration of (recognized) refugees with professional skills.

Differences exist with respect to

- ✓ Public attitudes and the political culture. Sweden stands out as being the EU country where a large majority of the population takes a positive view of the immigration of people from outside the EU
- ✓ In the type of residence permit granted. Austria is more generous in this respect. It grants more often a full GCR status compared to Germany and Sweden.
- ✓ The groups of asylum seekers who benefit from integration measures. Whereas in Austria and Sweden only recognized refugees have (so far) access to integration measures, Germany is most advanced in providing targeted measures early on.
- ✓ Germany also differs with respect to the treatment of rejected but tolerated persons. Contrary to most other country, a toleration status has a legal basis in Germany and tolerated persons also have access to integration measures.
- ✓ Access to the labour market. While Sweden is the most liberal in this respect, Austria is rather restrictive. To facilitate labour market integration legal restrictions such as the obligation to undergo a "priority test" or to ask for a work permit have been (partially) lifted in Germany and Sweden but not in Austria.

4.7.2. Remaining challenges

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. Closing coordination gaps is an important prerequisite to increase the effectiveness of integration policies and programmes. Although there have been efforts to improve the coordination among different layers of the government, **coordination policies remain an area for improvement.**

In *Austria*, a joint strategy of the three Ministries responsible for integration issues has been developed in April 2016, constituting an important step to bundle and synchronize language, value and orientation courses and labour market related measures in the newly implemented "Integration years". To this purpose data exchange between the two main actors, the PES (AMS) and the Austrian Integration fund (ÖIF) has been facilitated.

Political decision, however, does not always take service delivery into account. This is to some extent the case in Germany as well as in Sweden. In *Germany*, employment agencies and jobcentres are not allowed to offer general language courses which hamper considerably their integration work (Knapp et al., 2017). Transparency and cooperation between the two main stakeholders, the Federal Employment Agency (BA - tasked with labour market integration) and the Federal Office for Migration and Refugees (BAMF - providing Integration (language and civic orientation) courses) are improving only slowly.

For a stronger and more structured coordination between the PES (*Arbetsförmedlingen*) and the municipalities, the *Swedish* Establishment Act of 2010 transferred the responsibility for the integration of new arrivals from the municipalities to *Arbetsförmedlingen*. Although evaluation results of the Establishment reform suggest positive and significant effects³⁰, a

new law coming into force in January 2017 changed the sharing of responsibilities again. With the strongly increasing number of asylum-seekers, the PES has been overburdened with its central coordination role which included also the settlement of resident permit holders that qualify for the introduction programme. Settlement issues have therefore be re-delegated to the Migration Board (Migrationsverket) and to municipalities carrying out practical integration measures. The PES still coordinates the introduction programme but coordination gaps between the Migration Board, the PES and municipalities have rather grown³¹.

All three countries have made **participation in integration measures compulsory although there is no conclusive evidence on its effects** (Kogan, 2016; Martin et al., 2016). There is no conclusive information on how the “rights and responsibilities” principles is implemented in practice. It is to suppose that conditioning the reception of a permanent residence permit on own integration efforts might be rather a kind of symbolic policy as **enforcement of many rules are rather difficult**. Legally indeterminate rules such as “to ensure largely and predominantly the means of subsistence by their own” requires additionally enforceable court rulings to create legal certainty. Moreover, national governments often lack sanction mechanisms when other layers of government, for example, federal states are implementing national rules differently. In Germany, for example, cases have been known where single *Länder* do not control effectively the unauthorized moving of refugees into other federal states, violating, thus, the settlement restrictions (*Wohnsitzauflage*) temporarily in place for recognized refugees.

All three countries have been moving from emergency responses of the “refugee crisis” to **longer term integration strategies**. Progress has been made in the understanding of what might work and what does not work in refugee integration although robust empirical evidence is still scarce. For the time being, it is difficult to answer, for example, the question whether early interventions really pay-off, or whether providing tailor-made programmes only after granting a protection status entails the same results. An essential precondition to answer such questions is the **availability of adequate data sources**. Individual data based on longitudinal surveys is still scarce in Europe being the German IAB-BAMF-SOEP refugee survey an exception (Brücker et al., 2017). Knowledge on refugee integration based on administrative data sources has been available only in Sweden. Other countries are catching up now. Notably, Germany has advanced in this field as asylum seekers and refugees can be identified now as an own category in some (but not all) administrative statistics.

The comparative study confirms earlier findings that integration of refugees will take time and will not solve the demographic problems of ageing societies nor the lack of skilled workers in the near future. Refugees might rather be seen as possible skilled workers for the day after tomorrow. Integration must therefore be viewed as an investment which will not necessarily convey immediate fiscal returns. High integration costs have to be balanced against the probably even higher costs of non-integration.

³⁰ The evaluation study compared the outcomes of the Treatment group, which took part in establishment activities and arrived between December 1, 2010 and December 31, 2011, to those of the Comparison group, which arrived in the eleven months preceding the Reform and participated in municipal introduction programs. In the second year after program-start the Treatment group had about 5.7% higher probability of employment and in the third year about 7.5% higher. (Andersson Joona et al., 2016).

³¹ A practical example of such coordination gaps is the mapping of migrants’ past education and experiences. The Migration Board often starts mapping skills in reception centres. The PES has, however, no systematic access to details of such activities and often starts the background mapping from the beginning again rather than building upon the previous work. Furthermore, believing that the PES often omits important information when mapping migrants’ past education and experiences municipalities often repeat the mapping exercise for a third time before allocating migrants to language classes.

5. ROLE OF EU SUPPORT

5.1 Use of EU funds to promote integration

According to the EU-Commission, the success of integration policies depends on the relation between a strategic, coordinated and multi-dimensional policy framework and adequate funding support. As a consequence, the EU funding instruments to support the reception and integration of refugees have been increased in importance for the period 2014-2020.

Among various EU funding streams to support the integration of third country nationals, AMIF (Asylum, Migration and Integration Fund) and ESF (European Social Fund) are the most important ones. In 2014, AMIF replaced the European Refugee Fund (ERF) which was created in 2000 to share the costs of reception, integration and voluntary repatriation of people in need of international protection. AMIF has a budget of €3.137 billion for the seven years 2014–2020, or €448 million per year. Compared to other EU funds, for instance, the European Social Fund (ESF) - endowed with €100 billion over the seven years 2014–2020, or €14.2 billion per year- resources targeted to AMIF are relatively small.

AMIF is divided into three streams “Asylum”, “Integration” and “Return”. Funds in the first stream are used for projects ensuring a proper reception of asylum seekers. The second AMIF funding stream is dedicated to support mainly social integration of recognized refugees. Labour market integration is not a particular focus of AMIF. A shortcoming of the separate administration of “asylum” and “integration” is that only integration projects for recognized refugees but not for asylum seekers can be supported. Under AMIF, projects from state and federal authorities, local public bodies and non-governmental organisations (NGOs) can be funded. AMIF funds are widely used to finance projects of civil society organisations. In many countries but less in the three main destination countries, AMIF is particularly important to guarantee financial stability for the work of non-governmental organisations (NGOs). In Lithuania, for example, NGOs - mostly funded by AMIF - are considered key stakeholders providing the majority of integration measures and different forms of counselling for refugees (EU-Commission/DG Employment, 2017).

In contrast to AMIF, the **European Social Fund** (ESF) has a clear labour market focus. ESF funding is used in the three comparison countries for language and vocational training and orientation of asylum seekers and refugees. In *Germany*, ESF funds have been used in the past funding period (2007-2013) i.e. to co-finance vocational language courses (*ESF-BAMF Sprachkurse*) and counselling and guidance networks for immigrants such as “Integration through Qualification” (IQ) and “Integration of Asylum seekers and Refugees” (IvAF). The larger part of the German ESF funds (€4,8billion) are administered by federal state authorities and € 2.7 billion (36%) are managed by the Federal Government. The ESF operational federal programme, has been primarily developed under the aegis of the Federal Ministry of Labour and Social Affairs (BAMS). The amount of ESF-funding has decreased for the current funding period 2014 –2020, from €9.38 billion to €7.49 billion. 38% of the ESF funds are dedicated to support active inclusion of disadvantaged groups. Asylum seekers and refugees benefit in this area from ESF support; for the current funding period it is estimated to support ~ 150.000 migrants.³²

The Federal Employment Agency (BA) is participating in co-financed ESF projects as partner but has no own projects. According to BA managers, the reason for this is **that application procedures are too bureaucratic and cumbersome**. This is also the case in Austria. The Austrian PES (AMS) has not applied for ESF-funds in the current funding period for the same

³² www.esf.de.

reason. In the period 2007-2013 AMS was still the main user of ESF managing about 70% of the funding volume. Now AMS is only co-funding ESF projects.

In Sweden, the PES (Arbetsförmedlingen) is the principal coordinator of refugee integration. In this function the organisation is currently project owner of about 15 ESF-projects, and co-finances another 130 projects dedicated to labour market integration of refugees. Municipalities are the most common beneficiary within this ESF-project area. Managers of Arbetsförmedlingen confirm that the ESF application procedures are quite demanding which is reflected by the fact that in the last programme period (2007-2013) the PES owned over 90 projects compared to today's 15. It is also reflected in a generally less interested "project-market". Arbetsförmedlingen, however, stresses that their initiatives are developing a more strategic approach which makes the administrative burden "worthwhile". In parallel, the PES offers complementary support to project partners to ease the administrative workload and to simplify processes.

Against the background of complaints about the administrative burden of managing EU funds **proposals to simplify the access to EU funds in the post 2020 funding period are welcome** in all three countries. Proposals recently presented by the "High Level Group of Independent Experts" are explicitly aimed to reduce the administrative burden and to make life easier for authorities managing EU funds or for businesses (SMEs) looking to apply for EU funding.³³

5.2. EU support in strategic development and implementation

To further support Member States with less experience with integration to develop effective integration strategies, the EU-Commission adopted in June 2016 an "Action Plan on Integration of Third Country Nationals"³⁴. Targeted measures for labour market integration proposed in the Action Plan are largely **in line with strategic key elements for successful labour market integration presented in a study for the European Parliament** (Konle-Seidl/Boltis 2016) such as

- Combining targeted measures such as language promotion, skills testing at the workplace, information, counselling and guidance on the labour and training market, work experience and internships instead of a mere sequential approach.
- The importance of an early access to skills assessment procedures as well as to other integration measures. Early intervention means access to language and vocational training not only for refugees but also for asylum seekers with good prospects to be allowed to stay.
- A special focus on women's labour market integration as women tend to have particularly low employment and activity rates.
- Facilitating the recognition of foreign credentials qualifications and developing of alternative methods of assessing informal learning and work experiences to ensure that individuals' skills are used to their full potential. To this purpose the European Commission has been developing an EU skills profile tool for third country nationals to map qualifications and experiences of refugees and other third country nationals.

Most of the measures proposed in the EU Action Plan have already been implemented in the three countries under scrutiny. The comparative study on recent integration initiatives in

³³ http://ec.europa.eu/regional_policy/fr/policy/how/improving-investment/high-level-group-simplification/.

³⁴ https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/20160607/communication_action_plan_integration_third-country_nationals_en.pdf.

Austria, Germany and Sweden add some elements not addressed in the Action Plan. That is, for example, the importance of involving employers. Support of employers in form of assisting small and medium enterprises (SMEs) in administrative and legal matters through mentors or “welcome guides” might be a promising way to better involve employers. The comparative analysis has, however, also made clear that specifics of national labour markets and qualification systems are important for implementation of integration strategies recommended by experts and international organisations.

Mutual learning in the integration field might also be limited by the fact that many advanced integration measures have been developed in wealthy destination countries with a good overall economic situation such as Sweden, Germany or Austria. The EU Action Plan promotes the sharing of promising practices on labour market integration through existing networks and programmes such as the European Network of Public Employment Services, Mutual Learning Programme or the European Network for Rural Development. Such activities are sending out the signal that European cooperation carries important potential in the integration area. To this purpose the EU-Commission has been organising in 2017 several events such as a PES mutual learning thematic review workshop on “PES Initiatives around Skills, Competencies and Qualifications of Refugees and Asylum Seekers” in Nuremberg (Germany) in April 2017 and a follow up study visit in Stockholm (Sweden) in September 2017 as well as peer review workshops on “Competence Check for the Labour Market Integration of Female Refugees” in Vienna (Austria) in June 2017 and on “Integration of Refugees into the Labour Market” in Berlin (Germany) in October 2017.

Such activities are important and welcome by Member States but they make also clear that there are considerable country differences in terms of capacities of public authorities, national integration policy approaches, and the profile of asylum seekers and refugees by country of origin. Important is also to distinguish between destination and transition countries when assessing integration strategies and policies. Hence, it is important to put **more emphasis on the identification of hindering and facilitating factors for implementation in different country contexts**, especially in less experienced countries relying on lower financial resources for costly integration programmes.

6. POLICY RECOMMENDATIONS

Investing in long-term integration paths

Bringing refugees into employment is a process that requires several years and that needs to be supported and monitored even after the first entry into work. Sustainable integration can only be reached if career advancement is made possible. The economic benefit for the host country can only be tapped if skills are developed and consolidated over time.

Communicating the gains of investing in integration

The costs of integration are certainly high. Therefore it is crucial that institutions communicate the costs of non-integration and the effectiveness of pilots and programmes to the wider population and institutions at various levels of governance to receive support for integration policies and to address hostile attitudes.

It is equally important to explain the gains of investing in language and training to refugees themselves as many asylum seekers and refugees want to earn money quickly in order to support their families at home. This requires to convince refugees about the long-term advantages of job qualification, even if some years have to be invested. Moreover, investing in language and vocational qualification might even pay off if asylum seekers have to return to their home country. Newly acquired language and professional skills are an additional asset for persons returning to their home countries. For (wealthy) destination countries, investments in skills development of asylum seekers and refugees with only temporary residence permits should be considered as a kind of development aid.

Collecting empirical evidence in order to recognize potential and to build on it

In order to devise integration policies that are driven by facts rather than by misconceptions, the availability of good data (both on the migrant population and on the effectiveness of policies) is crucial. The lack of solid statistics about the socio-demographic characteristics of new arrivals is one of the main hindrances to devising adequate policy responses in countries of arrival. Having a detailed picture of the target group offers essential indications to policymakers.

Strengthening capacity building

Guidance and placement of asylum seekers pose challenges to the actors involved in integration activities which in many respects differ from the usually offered standard services, for example, in PES employment agencies. Thus, there is a need to develop specific expert knowledge, for example, on legal aspects and also a need to strengthen the intercultural awareness and openness of staff in employment services, employers and other labour market stakeholders through intercultural training.

Improving integration monitoring at EU level

The existing EU monitoring (Zaragoza) system is almost exclusively based on the category foreign born. Asylum seekers and refugees cannot be identified as an own category in the data. The Zaragoza indicators are therefore 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 therefore 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.

Ensuring systematic policy learning and scaling up good models

More systematic monitoring of the current pilot programmes/measures is needed to ensure successful up-scaling and translation into wide-scale sustainable policy measures. The habit

of funding small-scale and short-term projects with poor evaluation, which is widespread in many European countries as well as at the European Union level, needs to be revised. A lot of knowledge and experience gets lost ("the project carousel"). It is much more productive to identify effective approaches and subsequently scale them up and/or channel them into mainstream services.

Closing research gaps

As empirical evidence for single measures is still scarce there is a need to start testing different measures before introducing them on a larger scale. In many cases it is advisable to perform a pilot study where participants are randomly assigned to a measure, before this measure is implemented on a larger scale. A simple comparison of outcomes between participants and non-participants cannot take into account possible selection into different types of activities and differences in outcomes might hence be caused by differences in selection. To be able to more accurately assess the effectiveness of a specific measure, more randomised experiments within this policy area are needed.

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ANNEX

Annex 1: Residence permits and restrictions on family reunification

Austria: *Refugee status: 3 years, for subsidiary protection: 1 year, renewable by 2 years, for humanitarian protection: 1 year.*

Several changes to the asylum procedure and content of international protection were introduced through the Aliens Law Amendment Act 2016 entering into force on 1 June 2016. Following the “temporary asylum” (*Asyl auf Zeit*) reform, the previously indefinite right of residence granted with asylum is now issued for the duration of 3 years. The right to residence becomes indefinite *ex officio*, when no cessation proceedings have been commenced within these 3 years.

To obtain a permanent residence permit (*Daueraufenthaltsrecht*), a beneficiary of international protection (there is no difference between refugee status and subsidiary protection status) must fulfil the following conditions: Lawful residence in Austria for the last 5 years preceding the application; Half of the period between the application for international protection and the awarding of the refugee status or subsidiary protection is counted for the five year period. When the duration of the asylum procedure, was longer than 18 months, the whole period is counted. Successful completion of “Module 2” of the so-called agreement on integration (*Integrationsvereinbarung*), entailing knowledge of German at B1 level. General requirements for obtaining a residence permit, namely:

- ✓ A regular income of €1.173 for a single person in 2017;
- ✓ Sufficient health insurance;
- ✓ Suitable accommodation; and
- ✓ The person must not present a security risk.

Family members of *refugees* can apply for an entry visa immediately after the status recognition of the sponsor. However, a number of restrictions have been put in place as of 1 June 2016. If the application is submitted to an Austrian representation within 3 months, no further requirements are imposed. If it is submitted after the 3-month time limit has lapsed, a number of conditions are imposed: (a) sufficient income; (b) health insurance; and (c) stable accommodation. No specific income requirement has been set, and no language knowledge is required for family reunification. *Subsidiary protection* beneficiaries’ family members can only submit an application after at least 3 years of the sponsor’s recognition. Requirements such as sufficient income, health insurance and accommodation are always applicable to subsidiary protection beneficiaries.

Germany: *Refugee status: 3 years, subsidiary protection: 1 year, renewable by 2 years, humanitarian protection: 1 year.*

Opportunities for refugees to be granted a permanent residence permit were restricted in August 2016. Before this date, persons with refugee status were generally entitled to a permanent residence permit three years after recognition of the status, without having to meet further requirements. Under the new law, most refugees will only be able to gain a permanent residence permit after five years, if they are able to provide for the major part of the cost of living (among other requirements).

Applications for family reunification later than 3 months after being granted protection status, “normal rules” apply e.g. proof of being able to cover the cost of living for themselves and their families and that they have sufficient living space. Family reunification was suspended for those beneficiaries of *subsidiary protection* who have been granted this status after 17 March 2016, until March 2018. This change came into effect only eight months after

beneficiaries of subsidiary protection had been given the same privileged position as refugees in terms of family reunification conditions.

Sweden: *Refugee status: 3 years, subsidiary protection: 13 months, renewable by 2 years, humanitarian protection: 13 months, renewable 13 months*

Up until 20 July 2016, the vast majority of residence permits granted to persons in need of international protection or on humanitarian grounds were all permanent. This situation changed from 20 July 2016, when the new temporary law on migration entered into force. The new law will be valid for three years. A permanent residence permit can be granted after three years if the person can support him/herself (i.e. has regular work-related income amounting to SEK 4 734 (~€500) for a single adult per month). Those who have received a temporary residence permit for 13 months can work in Sweden. Job holders with a temporary residence permit which can support themselves when their temporary residence permit expires, will have the opportunity to apply for a permanent residence permit. A person who is granted a temporary residence permit may be eligible for a permanent residence permit. Under the new act, this requires an income from employment or business activities so that they are not in need of income support. Family reunification after 3 months is only possible if refugees granted residence permits for three years are able to support him/herself and the family members and if they have sufficient living space. Beneficiaries of *subsidiary protection* have no general right to family reunification for those who applied for asylum after 24 November 2015 (only in exceptional cases such as serious medical conditions or having been the victims of human trafficking.)

Source: ECRE, AIDA - Asylum Information Database, 2017

Annex 2: Reception and accommodation in the host country

Austria:

- Asylum seekers are first placed in the initial reception centres of the Federal Government. There, a check is carried out to determine whether the persons are admitted to the asylum procedure by the Federal Office for Foreign Affairs and Asylum. Those asylum seekers who are admitted to the asylum procedure will then be distributed to reception centres of the *Länder* according to fixed quotas. Asylum seekers who are allocated to a province after admission to the asylum procedure are usually not transferred to other federal provinces, even if they wish so. Within the same province, asylum seekers may be placed in other reception centres for different reasons, for instance if another reception centre is better equipped to address the needs of the asylum seeker.
- Persons with international protection status are free to move and settle throughout the Austrian territory. However, freedom of movement is practically restricted where beneficiaries are dependent on services.

Germany:

- On arrival, *asylum seekers* must register with a government agency and receive proof of arrival. This entitles both to stay and to receive state services such as medical care, accommodation and food. The asylum seekers are then distributed to the federal states according to the "*Königsteiner key*" which is based on the economic power (2/3 in the tax-raising capacity) and the population (1/3) of the federal states (*Länder*). The stay is initially limited to a specific district (residence obligation). The asylum procedures are carried out by the BAMF in so-called centres of application, or in the case of more complex cases in the external offices of the BAMF, which are assigned to the initial reception facilities of the *Länder*. Asylum seekers are generally obliged to stay in the so-called initial reception facilities for up to six months. Due to a new legislation, entered in force on 29 July 2011, the *Länder* have the possibility of increasing this obligation to up to 24 months. Persons from so-called safe countries of origin generally have to stay in the initial reception centers until they leave the country.
- Since August 2016, *refugees and beneficiaries* of subsidiary protection are generally obliged to take up their place of residence within the Federal State in which their asylum procedures have been conducted. Furthermore, authorities can oblige them to take up place of residence in a specific municipality within the Federal State. The obligation to live in a certain place (*Wohnsitzauflage*) remains in force for three years. This obligation can be lifted under a number of circumstances, including when refugees will start vocational training or tertiary education elsewhere or when they or a family member have found employment elsewhere of at least 15 hours a week and receive a payment above the basic income allowance (~€712/month). The settlement restriction was largely motivated by the wish to avoid secondary migration to urban areas and to make sure that financial burdens are shared equally. To enforce this rule, refugees are only entitled to social assistance if they remain in the *Land* where they have been assigned to.

Sweden:

- At arrival *asylum seekers* are enrolled at a reception unit which will help him/her with accommodation and expenses during the waiting period. There are two different main types of accommodation: In most cases, accommodation is provided by the Migration Agency in an apartment in a normal housing area, rented by the Migration Agency anywhere in the country, or at a reception centre. The asylum applicants receive daily allowances in cash if they cannot support themselves. Urgent medical care is also provided, and families stay together and usually do not share a flat with other asylum applicants. The reception system is mainly managed by the Migration Agency.

- As of March 2016, municipalities are obliged to settle newly arrived immigrants. The proposal involves *persons granted asylum* who are staying at the Migration Board reception centres waiting for accommodation, and so-called quota refugees. The reason for the reform is the lack of capacity in the former system that was based on the immigrants' own ability to find housing in combination with voluntary agreements for municipalities to accommodate those who need help. Many municipalities have been reluctant to settle refugees, in part due to the high cost of social assistance for those who do not get jobs. The new Act does, however, not affect the possibility for newly arrived immigrants to find a place on their own. New arrivals are now allocated through a flexible distribution key that takes into account, among other things, the characteristics of the local economy, unemployment, the size of the municipality and the degree to which it has previously accommodated asylum-seekers. The high number of persons granted international protection have led to bottlenecks where many persons granted asylum continue to stay in reception centres for long periods of time. The Government has declared that new arrivals should be brought closer to the more dynamic regions of Sweden, where it can be easier for them to find jobs. It is also hoped that the new settlement policy will boost the construction of new, affordable rental apartments, thus addressing the lack of housing for people with limited financial means, which affects not only immigrants but also the Swedish-born population.

Source: ECRE, AIDA - Asylum Information Database, 2017

Annex 3: Labour market tests and sectoral restrictions to access the labour market

While recognized refugees get full access to the labour market in all countries the conditions for asylum seekers vary across countries. EU legislation states that asylum seekers should have access to the labour market no later than nine months after filing their application for international protection, however, this timeframe gives Member States the flexibility to decide about the conditions for granting asylum applicants access to the labour market.

Austria: The possibility of obtaining access to the labour market is restricted by a residential labour market test (priority review). Furthermore, access to paid employment is restricted to seasonal work in the tourism and agriculture sector. A special decree of the Federal Ministry of Economics and Labour (2004) – the so-called Bartenstein Decree (*Bartenstein-Erlass*) – restricts access to selected occupations with quota-regulated work permits: namely, tourism, agriculture and forestry. These seasonal jobs are limited by a yearly quota for each federal province and jobs can only be given for a maximum period of six months. In order to take up employment, the local Public Employment Service (*Arbeitsmarktservice – AMS*) has to issue a work permit. Asylum seekers, who are younger than 24 years, may also be allowed to enter apprenticeship training in shortage occupations.

Germany: Labour market test (check if working conditions and payment for the position are in line with local employment conditions) for asylum seekers staying less than 15 months still apply but the “priority review”, which examined whether the job could be occupied by a German or other EU citizen, has been suspended from August 2016 until August 2019) in 133 out of 156 regions with low unemployment rates. Exemptions from the priority check also include an agreement to the third-country nationals working as temporary workers. There is, however, a ban on self-employment for asylum seekers. Tolerated persons have access to the labour market (with a work permit) after three months and after six months when staying in an initial reception center.

Sweden: Labour market access only for asylum seekers with valid IDs. Sweden has recently introduced an exemption from the requirement for a work permit for asylum seekers (AT-UND). When an asylum seeker meets the criteria for being eligible to a work permit exemption (WPE), it is registered in his or hers asylum seeker card in order to be visible for potential employers. If a person has been employed (WPE) during the asylum process for at least four months, he or she may apply for a work permit after an application for asylum has been rejected, provided that he or she can present an offer of extended employment.

Annex 4: Eligibility to welfare benefits

Austria:

Asylum seekers are eligible to the basic care allowance according to the Federal Basic Care Act (*Grundversorgungsgesetz –Bund 2015*).

The monthly financial allowance granted to asylum seekers as of 31 December 2016 are:

- Single adult in accommodation centre incl. food provided €40
- Single adult in accommodation centre without food €110-200
- Single adult in private accommodation €320-365

Source: http://www.asylumineurope.org/sites/default/files/report-download/aida_at_2016update.pdf

Refugees are entitled to basic care allowance 4 months following recognition. Recognized refugees who apply for social support in the form of the needs-based minimum benefit system (*bedarfsorientierte Mindestsicherung*) are not on equal terms with nationals anymore in Upper Austria and Lower Austria. The benefits are guided by the substantially lower monthly

basic care for asylum seekers (€365) whereas the poverty line in Austria is at approximately €1,000 per person. Nationals receive €914, while recognized refugees receive €520, including a bonus of €155 granted when they take part in integration measures such as language courses. In Styria, benefits can be cut up to 25% already for small misdemeanours, e.g. missing an appointment. In Vorarlberg, benefits can be cut when refugees do not adhere to the integration agreement, e.g. by refusing to attend a language course.

Subsidiary protection beneficiaries' access to benefits vary compared to refugees in most of the federal states. Since April 2016 people granted subsidiary protection have been excluded from the needs-based minimum benefit system in Lower Austria, contrary to Article 29 of the recast Qualification Directive. Even before the reform, this group was only entitled to a basic allowance in some federal provinces, e.g. when successfully completed "Module 2" of the integration agreement, entailing knowledge of German at B1 level. General requirements for obtaining a permanent residence permit are: A regular income of €1,173 for a single person in 2017; sufficient health insurance, suitable accommodation and the person must not present a security risk.

Germany:

Asylum seekers are entitled to reception conditions as defined in the Asylum Seekers' Benefits Act (*Asylbewerberleistungsgesetz*) from the moment their application has been registered and as long as they have the status of asylum seeker (*Aufenthaltsgestattung*). This usually includes the whole period of appeal procedures. The law applies not only to asylum seekers, but also to people with a "tolerated stay" (*Duldung*) and to certain groups of people who have been granted other temporary residence permits. If asylum seekers have income or capital at their disposal, they are legally required to use up these resources before they can receive benefits under the Asylum Seekers' Benefits Act. This provision does not seem to be applied often in practice, however. As a rule, asylum seekers receive both non-cash and cash financial benefits only in the town or district to which they have been sent. Accordingly, they will not be entitled to benefits in other parts of Germany, unless they get a permission by the authorities to move to another place. Following an amendment to the Asylum Seekers' Benefits Act, it is possible as of August 2016 to reduce benefits for an asylum seeker, if he or she does not cooperate with the authorities to establish his or her identity.

Asylum seekers who are accommodated in reception or accommodation centres generally have to be provided with the necessary means of food, heating, clothing and sanitary products in these centres. Therefore the rates for these groups are considerably lower than they are for asylum seekers living in apartments of their own. For those living outside the Allowances for asylum seekers from 17 March 2016 onwards are as follows:

<i>Category</i>	<i>Allowance in accommodation centres with food provided</i>	<i>Allowance in private accommodation</i>
<i>Single adult</i>	€135	€351
<i>Adults sharing accommodation</i>	€ 122 per person	€316 per person
<i>Child aged <6</i>	€ 79	€212
<i>Child aged 6-14</i>	€ 83	€240
<i>Child aged 14-17</i>	€ 76	€274
<i>Child >18</i>	€108	€282

Source: http://www.asylumineurope.org/sites/default/files/report-download/aida_at_2016update.pdf

After asylum is granted refugees get the needs-based basic income allowance for jobseekers (Arbeitslosengeld II) also granted to German citizens or to foreigners with a secure residence status. The current standard rate is € 409/month for a person living in a single household + the full amount of the rent for housing and heating.

Sweden:

In Sweden, all asylum applicants have access to the benefits of the reception system. If they have their own resources, they must use these first, as the provision of reception conditions is conditional upon lack of sufficient resources.

The amount of the monthly financial allowance granted to asylum seekers as of 31 December 2016:

<i>Category</i>	<i>Allowance in accommodation centres with food provided</i>	<i>Allowance in private accommodation</i>
<i>Single adult</i>	720 SEK / €76	2,130 SEK / €225
<i>Adults sharing accommodation</i>	570 SEK / €60 per person	1,830 SEK / €193 per person
<i>Child aged 0-3</i>	360 SEK / €38	1,110 SEK / €117
<i>Child aged 4-10</i>	360 SEK / €38	1,290 SEK / €136
<i>Child aged 11-17</i>	360 SEK / €38	1,500 SEK / €158

Source: http://www.asylumineurope.org/sites/default/files/report-download/aida_se_2016update.pdf

Once asylum-seekers are granted a residence permit, they will have an appointment at the Public Employment Service, which is responsible for finding a municipality for permanent settlement and for developing an individual integration plan. This plan normally foresees integration activities of 40 hours per week, for two years. At the centre of the integration plan is a language course ("Swedish for immigrants"), which is arranged by the respective municipality and accompanied by civic integration courses, internships or job training. Larger municipalities offer different types of language courses, including basic literacy courses, or specialized courses for people with certain skills, such as health care or crafts. If relevant, the Public Employment Service can also refer the person to institutions that can validate their qualifications obtained abroad. For each day an immigrant participates in the measures foreseen by the integration plan, he or she receives a daily allowance called introduction benefit. The introduction benefit is conditional on attendance of agreed activities and is paid at a rate of SEK 231 (€26) per working day, paid twice a month, while drawing up the individual integration plan. During participation the introduction benefit is increased up to SEK 308 (€33) per working day, paid once a month. Extra allowances in certain cases for children and housing are available. Those with children living at home are entitled to an additional SEK 800 for each child younger than 11 and SEK 1,500 for above 11. Reduced allowances are paid when the beneficiary starts working or does not fully participate. Apart from reduced allowances, or losing them altogether, there are no sanctions in case of non-compliance.

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