



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT
ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

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Labour Market Integration of Refugees: Strategies and good practices

Study for the EMPL Committee



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

Labour Market Integration of Refugees: Strategies and good practices

STUDY

Abstract

This Policy Department A study provides the Employment and Social Affairs Committee with an analytical review of literature to identify key elements of a strategy for labour market integration of refugees. Strategies and policies are illustrated by examples and good practices from various Member States based upon evidence or expert assessment. The study finds a high degree of international consensus on key elements for a successful integration strategy taking up lessons from the past and research findings. However, a number of challenges for research and policy remain.

This document was requested by the European Parliament's Committee on Employment and Social Affairs.

AUTHOR(S)

Regina KONLE-SEIDL, Institute for Employment Research (IAB)
Georg Bolits, trainee at the European Parliament

RESPONSIBLE ADMINISTRATOR

Susanne KRAATZ

EDITORIAL ASSISTANT

Mirari URIARTE

LINGUISTIC VERSIONS

Original: EN

ABOUT THE EDITOR

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To contact Policy Department A or to subscribe to its newsletter please write to:
Policy Department A: Economic and Scientific Policy
European Parliament
B-1047 Brussels
E-mail: Poldep-Economy-Science@ep.europa.eu

Manuscript completed in March 2016
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CONTENTS

LIST OF ABBREVIATIONS	5
LIST OF BOXES	7
LIST OF FIGURES	7
LIST OF TABLES	7
EXECUTIVE SUMMARY	9
INTRODUCTION	11
1. STATISTICAL OVERVIEW	15
1.1 Uneven distribution of asylum applicants across EU Member States	15
1.2 Majority of applicants are from Syria	15
1.3 One in two asylum applicants receive protection status	16
2. TENTATIVE ESTIMATES ON COSTS AND MACROECONOMIC IMPACTS	17
2.1. Additional public spending are sizeable in some Member States	17
2.2. Additional spending acts as macroeconomic demand stimulus	19
2.3. Labour force participation rates will increase slowly	19
2.4. Displacement effects on native workers have been small in the past	20
3. REFUGEE INTEGRATION INTO THE LABOUR MARKET	20
3.1. Specifics of refugees' integration compared to other migrant groups	20
3.2. Research gap on outcomes of refugees' labour market integration	21
3.3. Lessons learnt: Labour market integration of refugees in the past	22
3.4. Sociodemographic characteristics of the recent cohort of asylum seekers	25
3.4.1. Disproportionally young and male	25
3.4.2. Educational background not clear	26
4. ADDRESSING REFUGEE-SPECIFIC INTEGRATION BARRIERS	27
4.1. Access to specific health care services is limited	27
4.2. Housing dispersal policies should strike a balance	29
4.3. Civil society engagement to enhance a two-way integration process	30
4.4. Restricting welfare benefits may worsen integration	31
5. LABOUR MARKET SUPPORT POLICIES FOR ASYLUM SEEKERS AND REFUGEES	32
5.1. Early access to the labour market is crucial	32
5.2. International consensus on pathways for labour market integration	34
5.2.1. Quality guidance to develop an individual integration plan	36
5.2.2. Targeted procedures for skills assessment and qualification recognition	37
5.2.3. Combining language courses with work experience	37

- 5.2.2. Early intervention for those with high probability of international protection 38
- 5.2.3. Bridging courses to develop country specific skills 39
- 5.2.4. Active labour market programmes and job search assistance 39
- 5.2.5. Social networks and mentoring 41
- 5.3. Governance: Coordination among integration actors 42
- 6. CONCLUSIONS AND RECOMMENDATIONS 45**
- REFERENCES 48**
- ANNEX 52**
- Annex I 52
- Annex II 53

LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policy
AMID	European Fund for Asylum and Integration
AMIF	Migration and Integration Fund
AMS	Arbeitsmarktservice
BAMF	Bundesamt für Migration und Flüchtlinge
CEFR	Common European Framework of Reference
CTSF	Centre for Torture Survivors
DQR	German Qualification Framework
ECRE	European Council on Refugees and Exiles
ELIPA	Enquête Longitudinale sur l'Intégration des Primo-Arrivants
EP	European Parliament
ERDF	European Regional Development Fund
ESF	European Social Fund
ESS	European Social Study Survey
EU-LFS	European Labour Force Survey
EURODAC	European Dactyloscopy
FEAD	European Aid to the most Deprived
FEMM	Women's Rights and Gender Equality Committee
GDP	Gross Domestic Product
IAB	Institut für Arbeitsmarkt- und Berufsforschung
SOEP	Sozio-ökonomisches Panel
IMF	International Monetary Fund
IW	Institut der Deutschen Wirtschaft

- NGO** Non-Governmental Organisation
- NOKUT** Norwegian Agency for Quality Assurance in Education
- OECD** Organisation for Economic Cooperation and Development
- PES** Public Employment Service
- QCF** Qualifications and Credit Framework
- SFI** Swedish for immigrants
- SRN** British Survey on New Refugees
- UNHCR** United Nations Refugee Agency
- VET** Vocational Education and Training

LIST OF BOXES

Box 1:	Reviewed policy documents	14
Box 2:	Does the inflow of low-skilled asylum-seekers displace native workers? Evidence from research	20
Box 3:	Data sources examining the integration of refugees	21
Box 4:	Recommendations on how to improve reception conditions of female refugees	24
Box 5:	Specific health care services for refugees in Sweden and Finland	28
Box 6:	Lessons from the Swedish refugee dispersal policy	30
Box 7:	Language skills and credential recognition ensure a better match.	34
Box 8:	Good example: Qualification recognition for humanitarian migrants in Norway	37
Box 9:	Step-in jobs in Sweden and Denmark combine language training with subsidized jobs	38
Box 10:	Streamed language training for humanitarian migrants in Norway	38
Box 11:	Early intervention in Germany	39
Box 12:	Lessons from ALMPs in Scandinavian countries	40
Box 13:	Link officers in a voluntary sector programme in the UK	41
Box 14:	Introduction guides in Sweden	42
Box 15:	One-stop shop for migrants in Slovenia and Portugal	44

LIST OF FIGURES

Figure 1:	EU-28: asylum applications, Jan. to Sep. 2015	15
Figure 2:	First-time asylum applicants in the EU by major countries of origin	16
Figure 3:	Recognition and first-time asylum application rates	17
Figure 4:	Employment rate by immigrant category and duration of stay in EU countries	22
Figure 5:	Employment rates of refugees and other migrants (in %)	23
Figure 6:	First-time asylum applications by gender and age	26
Figure 7:	Minimum waiting periods for accessing the labour market for asylum seekers in selected EU countries, in months	34

LIST OF TABLES

Table 1:	Short Term Fiscal Cost of Asylum Seekers	18
Table 2:	Employment rates of refugees, years after arrival/recognition (in %)	23
Table 3:	Recommendations on public services and special needs (health, traumata)	27
Table 4:	Recommendations on housing regulations	29
Table 5:	Recommendations on civil society engagement	31
Table 6:	Recommendations on legal access to the labour market	33

Table 7: Recommendations on strategies to support labour market integration	35
Table 8: Recommendations on policy coordination and partnerships	43

EXECUTIVE SUMMARY

High numbers of refugees have to be integrated

Asylum applications in the European Union (EU) have surpassed in 2015 those in any of the last thirty years. The integration of refugees into host society is a major challenge especially for the main destination countries as high numbers of refugees will probably stay for a long time. On EU-28 average about 50 % of asylum seekers have been recognized in the first instance in 2015 as being genuine refugees equalling 292.545 individuals. The majority of applicants are from Syria.

Compared to refugee waves in the 1990s the current cohort of asylum seekers is more diverse. Asylum seekers arriving to Europe tend to be disproportionately young and male: 74 % of first-time asylum applicants are male and 82 % are below 35. Selective data from various Member States show that high shares are low-skilled although they might be highly motivated.

Short term fiscal costs versus long-term costs of non-integration

Participation in the labour market is, according to experts, the most significant factor favouring long-term integration into society. Labour market integration is also central to fiscal contributions refugees make to the host society.

Member States are differently prepared to address the needs of refugees and supporting them adequately. There is not only uneven experience, infrastructure for service provision and financial resources for programmes but also uneven readiness to support refugees across Member States. The full integration of refugees through provision of housing, education, training, access to the labour market and social and health services is a costly strategy. For some Member States a sizeable impact on public spending is estimated even if taking into account demand effects on housing, services and consumer goods. However, a less comprehensive and less costly strategy involves the risk of a long-term integration failure and the political costs of a massive political polarization.

Lessons learnt: International consensus on key strategic elements for successful labour market integration

The reviewed policy documents (European Commission - Directorate General for Migration and Home Affairs, study for the European Parliament by ECRE, the European Council on Refugees and Exiles, UNHCR, the United Nations Refugee Agency, OECD and the IMF) display a common European and international understanding of domains considered as chief elements for sound integration into the labour market.

Recommended policies include an early offer of language tuition and skills assessment to asylum seekers with good prospects for being allowed to stay, quality counselling to develop an individualised integration plan, recognition of foreign credentials including alternative methods of assessing informal learning and work experiences, job search assistance making use of targeted entry subsidies and quality mentoring. Civic integration and democratic values can be enhanced through integration courses, as part of language classes and through participation in sport and other civil society activities. Whereas all migrants face intensive demands adjusting to a new society, most refugees also need to redress personal, social and economic disadvantages they have faced as part of their refugee flight, and require specialized supports like access to specialized health services. Once language is no longer a major obstacle, refugees can benefit from training measures and other support for all unemployed.

Good practices have been developed throughout Europe

A number of good practices for refugee integration have been developed in the past, especially in countries with a long-standing experience in integrating refugees. Dispersal

policies in Sweden, show, for example, how to take account the availability of jobs at the local labour market. Norway has developed an exemplary streamed language training system as well as a national recognition scheme for humanitarian migrants with little or no documentary proof of credentials. More recently, Germany has rolled out an evaluated pilot on early intervention: PES staff goes out into reception facilities to assess competencies of asylum seekers. The UK is training former refugees to work as mentors, so-called link-officers. The Slovenian and the Portuguese “one-stop shops” are examples of how to build up a coordinated infrastructure for integration in Eastern and Southern EU Member States.

Controversy on equal treatment in welfare and minimum wages

Despite a broad international consensus on equal treatment there are flaws regarding controversial and in several Member States highly debated issues like the level of benefits or the advantages and disadvantages of extending a “rights and duties” policy to refugees by making benefit receipt conditional on participation in integration and language courses. Another issue regards the introduction of reduced minimum wages for refugees implying a risk of social dumping.

Challenges and way forward at EU level

Taking into account that integration remains primarily a national competence, the main EU role is to strengthen “soft coordination”, i.e. providing analyses, guidance and mutual learning opportunities for the Member States. For this it is particularly important to have a good understanding of what EU Member States do, respectively, what they fail to do. However, there is currently a lack of comparative information on policies and practices in the EU Member States to support refugees’ integration.

To fill this gap, the European Commission is preparing an Action Plan on Integration based upon research with support from country experts (European Employment Policy Observatory) to be published end of April 2016. For this, it could be considered to cooperate with the European network of Public Employment Services launched in 2014 following a Council and European Parliament decision. Its Board has recently established a working group on labour market integration of refugees. Other relevant European networks include, for example, the network of National Contact Points for migration managed by the European Commission (DG Home) which could offer an opportunity to complete the European Modules on Migrant Integration (2014) by refugee-specific aspects. Such extended or specific modules would benefit from cooperation with relevant Directorates General in the Commission and stakeholders in the field of employment¹. They could be used to guide the assessment of integration in the context of the European Semester.

Against this background, mutual exchange could constitute a real added value, in particular if complemented by support schemes for implementation. Understanding schemes developed in other countries and identifying and sharing good practices and innovative tools is important. However, criteria for good practice have to be refined: In cases where no robust evidence on integration outcomes or practical impact is available, assessment teams composed by experts from different countries could step in. Further, transferability in different country contexts has to be systematically considered. It is also important to put more emphasis on identifying hindering and facilitating factors for implementation, especially in less experienced countries relying on lower financial resources for costly integration programmes. Finally, it should be considered to strengthen research and the development of adequate data sources (e.g. longitudinal surveys) given the gap in empirical research on refugee integration.

¹ See Briefing notes on Labour Market Integration of Refugees: [EU funding instruments](#) and on [European networks and platforms](#).

INTRODUCTION

High inflow of asylum seekers to Europe

Europe is facing an unprecedented number of asylum seekers and refugees: In 2015, up to more than one m asylum applications have been recorded. An estimated 350 000 to 450 000 people have been granted refugee or similar status more than in any previous European refugee crisis since World War II. At the same time, for a high number of applications decisions are still pending. However, the impact on EU Member States is concentrated in a few countries: Italy, Greece, and Hungary as reception countries, Sweden, Austria and Germany as destination countries. Furthermore, the asylum seekers are very diverse in terms of country of origin, profile and motivation and the number of unaccompanied children is higher than before. According to results from surveys on refugees' intention to settle² a majority of refugees will stay for a long time in European host countries.

Importance of labour market integration

For the majority of refugees labour market integration is the most relevant durable solution. There is a widely shared consensus among experts that labour market participation is the single most important step to a successful integration into host societies as presumably high numbers of asylum-seekers and refugees will stay in the EU for years. The EU Common Basic Principles of Immigrant Integration also state that "employment is a key part of the integration process and is central to the participation of immigrants, to the contributions immigrants make to the host society, and to making such contributions visible" (CPB 3 in Annex I). Over the medium to longer term a positive economic impact can only be achieved if refugees are well integrated into the labour market This requires high investments into human capital, especially in countries where the recent inflow of refugees is seen as an opportunity to address skill shortages in an ageing society. A full integration of refugees may help to close demographic and labour supply gaps in the context of an ageing society.

Labour market integration is like social integration a multifaceted process, which goes through different phases over time, and involves a variety of actors at different levels. Some countries, particularly the Scandinavian countries, have long-standing experience and advanced policies in the integration field. Humanitarian migrants have made up much of the migration inflows there for many years. By contrast, for some Central and Eastern European countries the integration of humanitarian migrants is an entirely new experience. Independent of the magnitude of inflow, most countries have been grappling with how to respond to the immediate needs of asylum seekers in a comprehensive and coordinated way, while taking into account the longer-term issues of integration.

Asylum and integration policy at EU level

The refugee surge has also exposed flaws in the common asylum policy at EU level and is raising questions about the EU's ability to quickly integrate the newcomers into the economy and society. Since the early 2000s, the Commission has proposed a number of legislative acts aimed at building a Common European Asylum System. The Parliament and the Council have enacted this legislation, piece by piece. There are five different pieces of legislation forming the core of the Common European Asylum System: the Dublin Regulation, the recast Asylum Procedures Directive, the recast Reception Conditions Directive and the EURODAC rules on fingerprinting. Refugee integration is based on the rights flowing from the Qualification Directive (2011, revised 2013/32/EU), Article 26 on

² In a German survey (2014) among 2.800 refugees with a residence permit from Afghanistan, Eritrea, Iraq, Iran, Sri Lanka and Syria, 85 % of the interviewed said that they want to stay permanently in the country (BAMF, 2016).

access to employment after protection has been granted³. Additionally, Directive 2013/33, which came into force in July 2015, sets out standards for the reception of asylum seekers. These EU initiatives have prompted some alignment across EU Member States. The minimum standards of the EU Qualification Directive are increasingly reducing the divergence in national asylum legislation and practices. It approximates the rights granted to all beneficiaries of international protection on access to employment and health care. It also extends the duration of validity of residence permits for beneficiaries of subsidiary protection. However, only a few countries are fully respecting the minimum standards for refugees' reception, and the European Commission launched 41 infringement procedures during September–December 2015, in addition to 34 pending cases⁴.

In contrast to EU standards on reception and protection, the **effective integration of refugees is not at forefront of the European migration policy**. Although there are Common Basic Principles for Immigrant Integration (see Annex I), specific and practical issues of refugees' labour market integration has not been on the EU policy agenda so far. There are no policy documents or refugee-specific recommendations with the exception of resettled refugees. In recent EU level reports and policy documents refugee integration is generally mainstreamed into immigration policies for third country nationals. Specific and practical issues of refugees' labour market integration have not been on the EU agenda so far. Hence, there are no commonly agreed standards and guidelines against which to assess refugee-specific integration policies. While many of the guidelines and recommendations of the European Modules on Migrant Integration are equally valid for refugees, there are only a few specifically tailored towards refugees. The Modules developed by the Directorate General Migration and Home Affairs (DG Home) should therefore be completed by refugee-specific issues.

Integration is primarily a national competence

Integration remains primarily a national competence and the implementation of integration policies falls under the responsibility of the Member States. More recently, the European Agenda on Migration - adopted by the Commission in May 2015 - sets out the aim to better support national governments, local authorities and civil society. However, only a small section is dedicated to integration policies. It sets out that Member States can be financially supported by the European Asylum, Migration and Integration Fund (AMIF), the European Social Fund and other EU Funds in their efforts for integration of asylum seekers and refugees⁵. Member States are also supported by policy recommendations on social inclusion and labour market participation in the context of the European Semester. However, till now recommendations refer generally to people with migration background but not specifically to asylum seekers and refugees. This is also the case for the variety of mutual learning initiatives on European level like the European Migration Network⁶.

³ The Qualification Directive sets out minimum standards for granting refugee or subsidiary protection status to non-EU country nationals or stateless persons and the content of the protection to be granted to them. It establishes common grounds to grant international protection. Its provisions also foresee a series of rights 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.

⁴ Press release European Commission: http://europa.eu/rapid/press-release_IP-15-5699_en.htm.

⁵ For an overview of available funding instruments, their flexibility to react, coordination and recent developments in measuring their effectiveness, see the briefing note of the European Parliament(2016c) on EU funding instruments for refugees' labour market integration [http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/570005/IPOL_BRI\(2016\)570005_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/570005/IPOL_BRI(2016)570005_EN.pdf).

⁶ For an overview of networks at European level, their members, objectives, main products and financing mechanisms see the briefing note of the European Parliament, Policy Department A (2016d) on European Networks and Platforms for refugees' integration into the labour market. [http://www.europarl.europa.eu/thinktank/de/document.html?reference=IPOL_BRI\(2016\)570006](http://www.europarl.europa.eu/thinktank/de/document.html?reference=IPOL_BRI(2016)570006).

The integration of refugees into host society is a major challenge for all Member States. However, differences remain particularly regarding the magnitude in investments in and the type of integration support offered. To allow for the full integration of refugees through proper administrative registration, provision of housing, education, training, access to the labour market and social and health services as well as ensuring civil society's assistance is a costly strategy. This strategy may be facilitated by references to the argument that the integration of refugees may help to close demographic and labour supply gaps in ageing European societies. A cheaper strategy is not to give priority to the provision of housing, education and job opportunities. This strategy, however, involves the risk of a long-term integration failure and the political costs of a massive political polarization, as well as the rise of a semi-integrated, post-migratory underclass (Offe, 2016).

Focus on asylum seekers and beneficiaries of international protection

The focus in this note is on refugees and asylum seekers who arrive through the asylum channel. Refugees with a recognized protection status according to the 1951 Refugee Convention have to be distinguished from asylum-seekers who have formally applied for asylum, but whose claim is pending. Additionally to recognized refugees, beneficiaries of international protection can also be people with a so-called "subsidiary protection". Asylum seekers can be entitled to subsidiary protection if they cannot be protected either through recognition of refugee status (or through the constitutional right to asylum) but have submitted plausible reasons to presume that they are at risk of serious injury in their country of origin. The term "humanitarian migrant", "refugee" and "beneficiaries of international protection" are used interchangeably in this note.

Aim and methodology of the study

This note is a first step to review existing European and international strategy papers (see Box 1) as well as research findings to identify key components of an integration strategy for refugees and also areas and domains for further action.

The note reviews the recommendations in relevant integration domains. The recommendations are checked by available evidence from research and illustrated by innovative or good practice examples from Member States. The study provides a statistical overview of the influx of the recent cohort of asylum seekers and presents data on relevant socio-demographic characteristics (age, gender, educational background) of the recent cohort of asylum seekers. Specifics of refugee integration compared to other migrant groups are discussed and lessons learnt on refugee integration are presented. The focus of the study is on comparing integration strategies in the reviewed policy documents. The note concludes by summarising the points of agreement among the reviewed recommendations. It identifies remaining gaps in policies and research. Recommendations are given with a view to mutual exchange on refugee integration at European level.

Box 1: Reviewed policy documents

A synoptic table on integration domains and the importance given in each of the following policy documents are presented in **Annex II**.

- 1) **European Commission, DG Home (2014)**: European Modules on Migrant Integration. The Modules have been developed with experts from all over the EU aiming to provide a common language and a reference framework regarding integration. The EU modules cover all migrant groups. The European modules are mainly directed at the national authorities of the Member States and closely linked with the Common Basic Principles for Immigrant Integration Policy in the EU (see Annex I).
- 2) **European Parliament (ECRE) (2013)**: Comparative study on the best practices for the integration of resettled refugees in the EU Member States. Study commissioned by the Policy Department C: Citizens' Rights and Constitutional Affairs. The study examines the question of the integration of resettled refugees in Europe, by analysing the policy framework for resettlement and refugee integration and the practices at the national and the European level.
- 3) **UNHCR (2013)**: A New Beginning. Refugee Integration in Europe. The aim of this study was to review trends in the development of policy areas relevant to integration, to highlight already used measurable integration indicators and the methods of evaluating integration, and to highlight factors that influence integration outcomes for refugees
- 4) **OECD (2016)**: Making Integration Work. Refugees and Others in Need of Protection. OECD Publishing Paris. This volume deals with refugees and others in need of protection, referred to as humanitarian migrants. It draws on key lessons from the OECD's work on integration policies, particularly the Jobs for Immigrants country reviews series. The objective is to summarise the main challenges and good policy practices to support the lasting integration of humanitarian migrants and their children.
- 5) **IMF (2016)**: The Refugee Surge in Europe: Economic Challenges. IMF Staff Discussion Note. The note focuses on the economic aspects of the surge in asylum seekers in the European Union (EU). In analyzing the economic impact of the inflow, the paper draws from the experience of previous economic migrants and refugees.

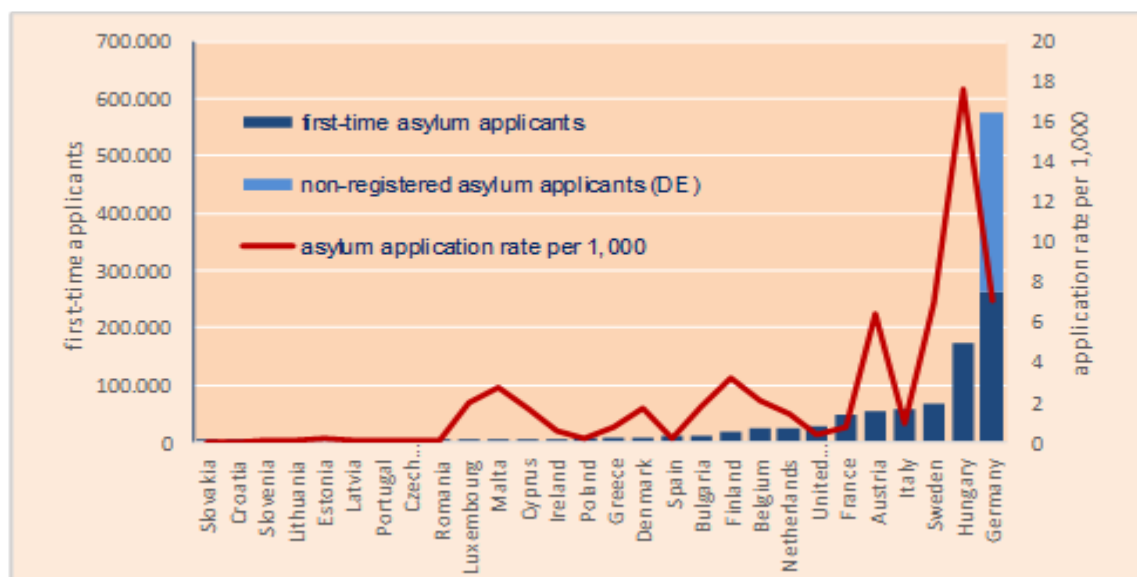
1. STATISTICAL OVERVIEW

1.1 Uneven distribution of asylum applicants across EU Member States

Figure 1 demonstrates that there is an uneven burden sharing between EU countries as the impact of the current refugee wave is concentrated in a few countries. Within the EU, Italy, Greece and Hungary are on the front line but the main destination countries are Germany, in absolute terms, and Sweden and Austria, relative to their population. These countries accounted for more than 75 % of all applicants, while in a number of East European countries (Slovakia, Croatia, Slovenia, Lithuania, Estonia, and Latvia) less than 100 asylum seekers applied. Applications numbers are also comparatively low in some Southern European countries, e.g. in Portugal (780 applications in 2015).

Figure 1: EU-28: asylum applications, Jan. to Sep. 2015

Asylum applications (left axis) and application rate per 1,000 (right axis)



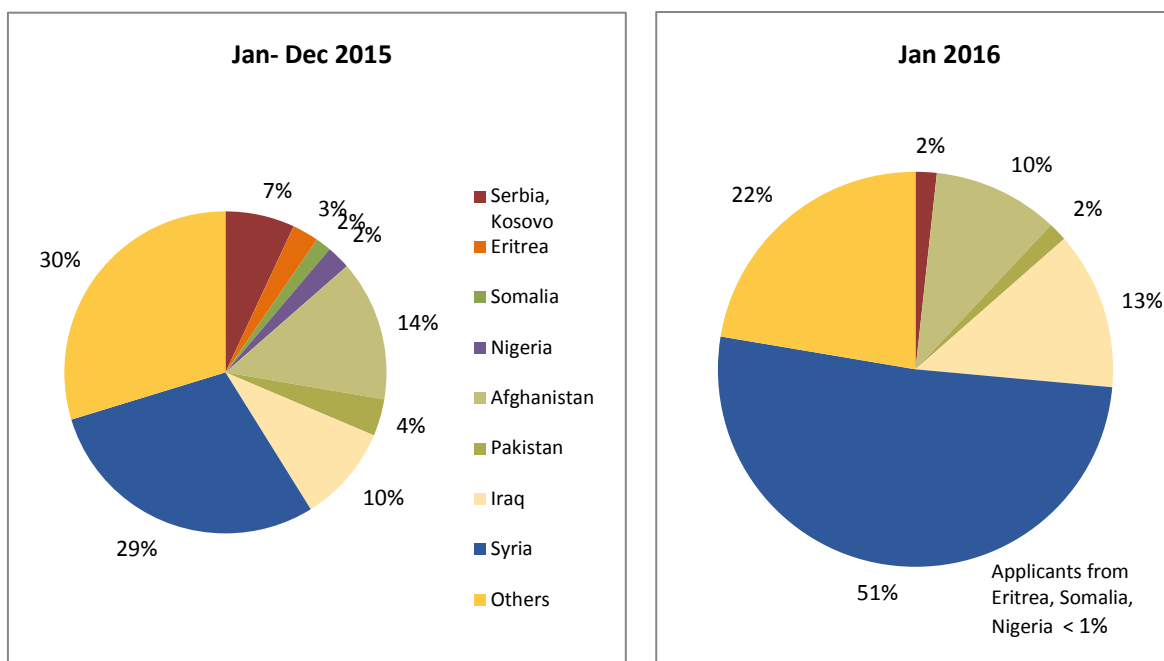
Source: Eurostat, own calculation

Many refugees still could make no applications for asylum and were not covered by official statistics. In Germany, the EASY system that captures fugitives for distribution over the German Federal States, counted 1.1 m newly arrived asylum seekers between January and December 2015 but only 477.000 asylum applications have been registered.

1.2 Majority of applicants are from Syria

The most recent figures on first-time applicants by countries of origin show a strong increase in the inflow from Syria. In January 2016, 51 % of all applicants for asylum in the EU were Syrians, followed by applicants from Iraq (13%) and 10 % from Afghanistan (Figure 2).

Figure 2: First-time asylum applicants in the EU by major countries of origin
Jan-Dec 2015 and Jan 2016, in % of all applications



Source: Eurostat, own calculations

Compared to former refugee waves, e.g. during the Yugoslav wars in the 1990s, the current cohort of asylum seekers is more diverse in terms of countries of origin, profile and motivation. There are also more unaccompanied minors than before. These facts increase the pressure on asylum systems in destination countries although some countries have now better legal and institutional systems in place than they did in the 1990s. Most countries have established a status of "safe origin country" which allows for a simplified procedure for asylum seekers from countries with little chance of obtaining asylum. In this respect, the capacity to respond is now better than in the early 1990s, even though those countries were largely unprepared for the scale of these sudden inflows (OECD, 2015a).

The large flow of asylum seekers may persist for some time. There are an estimated 8 m displaced people inside Syria, an additional 4 m Syrians in neighbouring countries and conflicts continue in Iraq, Afghanistan, and Eritrea. Moreover, flows from other parts of Africa are intensifying. Given all these geopolitical factors, there is large uncertainty surrounding forecasts of asylum applications (IMF, 2016).

1.3 One in two asylum applicants receive protection status

On EU-28 average 51 % of asylum seekers in 2015 have been recognized in the first instance as being genuine refugees. Thereof, 74 % received a residence permit according to the Geneva Refugee Convention, 18,5 % got subsidiary protection according to the Qualification Directive 2011/95/EU and the remaining 7,4 % protection for "humanitarian reasons" according to eurostat data⁷. At the same time, for a high number of applications decisions were pending. In Germany, at the end of 2015 about 365.000 were still pending.

Despite the EU Qualification Directive⁸ setting EU minimum standards, there are considerable differences on how the asylum claims are treated. Recognition rates differ considerably across EU countries. They are extremely low in Latvia, Hungary, and Poland. For example, in Hungary, 177.000 asylum applications were registered in 2015 but only

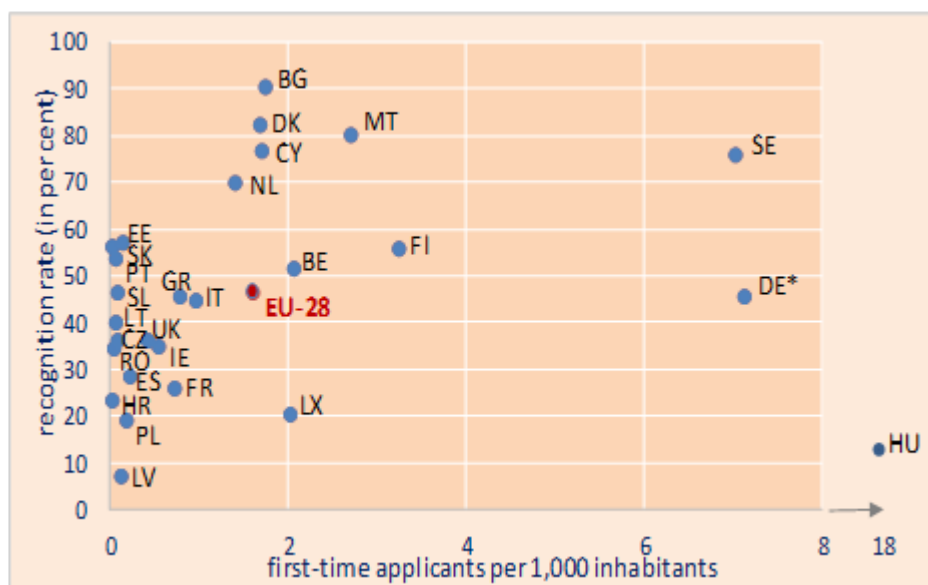
⁷ <http://ec.europa.eu/eurostat/de/web/asylum-and-managed-migration/data/database>.

⁸ The Qualification Directive is not applicable to Denmark, Ireland and the United Kingdom.

502 people were granted refugee status or subsidiary protection. Recognition rates are higher in Germany (about 50 %), Sweden (nearly 80 %) and even higher in Denmark, Malta, Cyprus and Bulgaria (Figure 3).

Figure 3: Recognition and first-time asylum application rates

Jan. – Sep. 2015



Source: Eurostat, own calculations

Notes: Recognition rates are based on positive decisions relative to the total number of decisions. DE*uses German's first-time registrations instead of first-time asylum applications. Data for Austria is not available.

The rate of approval is particularly high for applicants from Syria (96%), Iraq (87%), Afghanistan (70%), Eritrea (84%) and stateless persons (87%). It can be expected that recognition rates are increasing as more asylum seekers from Syria immigrate. This means, that a considerable proportion of asylum seekers will need integration measures.

2. TENTATIVE ESTIMATES ON COSTS AND MACROECONOMIC IMPACTS

The influx of refugees and their stay in respective host countries have important impacts on available services and resources. The integration of refugees is undoubtedly a costly approach and it's clear that it does not pay off immediately. Experts highlight that additional public spending on refugees has to be seen as an investment in the future. Whether this investment pays off in the longer run largely depends on the efforts made in terms of integration, education and skills acquisition.

2.1. Additional public spending are sizeable in some Member States

Monthly allowances provided to asylum seekers vary significantly between countries and according to housing conditions. It can go from about EUR 10 for single adults housed in reception centres to more than EUR 300 for those without accommodation. Typically, the total cost for processing and accommodating asylum seekers can be in the range of EUR 8 000 and EUR 12 000 per application for the first year, although the figure may be much lower for fast track processing (OECD 2015b). Additional support is needed as soon as possible to assist recognised refugees to integrate into the labour market and society. Such investments will have a positive pay-off if they help new arrivals enter employment and start to contribute to the welfare system. The overall costs for first reception services

and support including housing, food, health, education and job-related investments into human capital are still unclear.

First tentative estimates by the International Monetary Fund (IMF) suggest that the short-term fiscal costs of caring for the asylum seekers are sizable in Member States who record the highest inflow of asylum seekers and/or provide intensive care. Additional spending may reach in Sweden 1.0 % of GDP, in Denmark 0.6 %, in Germany 0.4 % and 0.3 % in Austria. In many other countries, e.g. in the Czech Republic, Hungary, France, Spain, Ireland, Luxembourg and the UK additional public spending is moderate and may reach less than 0,1 % (Table 1).

Table 1: Short Term Fiscal Cost of Asylum Seekers

Country	2015	2016
Austria	0.16	0.31
Belgium	0.09	0.11
Croatia	0.09	0.11
Cyprus	0.012	0.012
Czech Rep.	0.00	0.02
Denmark	0.47	0.57
Finland	0.13	0.37
France	0.05	0.06
Germany	0.20	0.35
Greece	0.17	n. a.
Hungary	0.10	0.00
Ireland	0.04	0.05
Italy	0.20	0.24
Luxembourg	0.09	0.09
Netherlands	0.18	0.23
Serbia	0.06	0.10
Spain	0.006	0.03
Sweden	0.50	1.00
U.K.	0.016	n. a.
Simple average	0.14	0.22
GDP-weighted average	0.13	0.19

Source: IMF, 2016

According to estimates of the German Economic Council of Experts the total expenditures for refugee reception and integration account for EUR 8.3bn in 2015 and EUR 14bn in 2016.

The Institute for Economic Research (IW) estimates the costs to 17bn in 2016 and to EUR 22bn if adding a lump sum of EUR 5 for language and integration courses, education and training (IW, 2015). The approved 2016 budget for integration (language and civic education) courses alone amounts to EUR 0,559bn in 2016.

The net fiscal contribution of the current refugee wave is difficult to predict. In the medium and long term, their fiscal impact depends on a number of factors. In particular, there is considerable uncertainty regarding the expected number and composition of the incoming refugees, how many of them will be allowed to (or will want to) stay in the longer term, or how fast and successfully they will integrate into the labour market. In the long run, the economic impact will depend on the speed of refugees' integration in the labour market, which, in turn, is linked to individual characteristics such as skills and age as well as the state of the business cycle and legal and institutional restrictions on labour market access.

The sooner the refugees gain employment, the more they will help the public finances by paying income tax and social security contributions. The successful labour integration will also counter some of the adverse fiscal effects of population aging. If migrants are younger than their native fellow citizens they can be expected to be net contributors to welfare programmes, at least in the short- to medium-term (Brücker et al., 2002). Given the foreseeable problems of welfare state financing caused by the ageing of most European societies, a continuous inflow of young migrants might be seen as a cure, more so since the fertility rates of many of the non- western newcomers are comparatively high. In countries with large labour shortages the inflow of young migrants eligible for asylum is also seen as opportunity to address skill shortages – at least in the medium term.

2.2. Additional spending acts as macroeconomic demand stimulus

In the short run, the additional public spending may also have positive effects as it acts as a demand stimulus providing a modest increase in GDP growth. The OECD (2015b) estimates that in 2016 and 2017, the additional spending to provide support on refugees could boost aggregate demand in the European economy by about 0.1 to 0.2 % of GDP. Estimates by the International Monetary Fund (IMF, 2016) suggest that the medium-term impact can be larger and depends crucially on labour market integration. For instance, by 2020, the level of GDP could be about 0.25 % higher for the EU as a whole and between 0.5 and 1.1 % higher in the three main destination countries (Austria, Germany and Sweden).

However, due to weaker labour market integration in the past, there are indications that **refugees' fiscal contribution was less favourable than that of economic migrants**. The IMF study also stresses that the net fiscal contribution of the current refugee wave is difficult to predict given the uncertainty regarding the expected number and composition of recognised refugees (IMF, 2016).

2.3. Labour force participation rates will increase slowly

The effects on host country labour markets, however, build up only progressively over time. The recent inflow of refugee migration becomes only visible with a time delay as most refugees have not yet been available for job search due to pending asylum procedures. According to OECD estimates the cumulative impact of the asylum seekers inflow by end 2016 will correspond to less than one m entries in the labour market, or 0.4 % of European Economic Area's labour force (OECD, 2015b). For Germany, the Institute for Employment Research (IAB) estimates an increase of 1.5 % of the German labour force in a mid-term perspective. Assuming a net inflow of 1 m asylum seekers in 2015 and in 2016 the potential labour force increases from 380 000 persons in 2016 to 640 000 in 2018 (IAB, 2015). Unemployment is expected to rise in the near future when more recognized applicants enter the labour force.

2.4. Displacement effects on native workers have been small in the past

A major policy concern in many EU countries is a possible displacement effect on native workers. Policy makers fear that the influx of lower-skilled refugees might hurt lower-wage or (long-term) unemployed natives. Refugees are likely to compete primarily with nationals and previous immigrants with similar training and skills. The debate about labour market access for asylum seekers has recently been particularly high on the agenda in Austria. While empirical evidence does not point to serious crowding-out effects but rather to short-lived and small effects (Box 2), the fears in EU Member States with high unemployment rates might be real. However, application and recognition rates have been particularly low in Portugal or Spain and only moderate in Greece (see figure 1 above).

Box 2: Does the inflow of low-skilled asylum-seekers displace native workers? Evidence from research

There are several studies which document that immigrants might hurt native low-wage earners. There is evidence in the **UK**, for example, that immigration depresses the wages of natives in the lowest quintile, and contributes to slight wage growth at the upper end of the distribution scale (Dustmann et al., 2013). The effect of new arrivals on native workers is, however, usually small and depends very much on the complementarity of natives' skills with those of the immigrants, the state of the economy and the size of the net immigration flow. High net migration flows have been associated with larger displacements of low-skilled workers during recessions than during booms (IMF, 2016). A recent **Austrian** study on displacement and wage-effects of a full opening of the labour market for asylum seekers finds that the recent inflow of refugees would lead only to a slight and short-term increase in the unemployment rate (Bock-Schappelwein and Huber, 2015).

The analyses of long-term effects of large immigration episodes show that immigration can be absorbed with small changes in employment and wages of natives. A recent **Danish** study on the implications on low-skilled native workers of an immigration surge due to inflows from Yugoslavia, Somalia, Afghanistan and Iraq in the early 1990s confirms theories of native-immigrant complementarities. The findings demonstrate that for low-skilled native workers, the presence of refugee-country immigrants spurred mobility and increased specialization into complex jobs. This took place over 13 years and it appears to be a permanent positive change, especially among the young and low-tenured natives (Foged and Perri, 2015).

3. REFUGEE INTEGRATION INTO THE LABOUR MARKET

3.1. Specifics of refugees' integration compared to other migrant groups

Humanitarian migrants (refugees, people with subsidiary protection or other protection status as well as resettled refugees) differ in several aspects from other migrant groups (EU free-mobility zone, labour migrants and family migrants). Their characteristics can be different in terms of demographics and skills, in addition to the motivations for departing their home countries and in the likelihood that they will establish long-term residence in their destination countries. Humanitarian migrants are a particularly vulnerable group who clearly require targeted, co-ordinated and comprehensive policy responses. Due to the forced nature of their migration and the traumatic experiences frequently associated with it, many suffer from psychological distress. **They also face barriers over and above those encountered by other migrants** in making the successful transition into employment. They generally arrive with weak, if any attachment or link to the host country and have gained qualifications and work experience in very different labour market

conditions. Many are not able to provide proper documentation that would clarify their level of education or skills (OECD, 2016).

The **legal status of asylum seekers**, especially during the application process is often insecure. **Refugees** receiving a protection status under the Geneva Refugee Convention get in a first step a **temporary residence**. The EU Qualification Directive states that refugees granted asylum are to receive a residence permit that is valid for at least three years and is renewable. In most Member States the permit is issued for 5 years. To apply for permanent residence, refugees have to fulfil in most Member States certain conditions (e.g. basic language skills or knowledge of the host country's political system)⁹. People with **subsidiary protection** according to the EU Qualification Directive receive usually a **residence permit for one year** which is renewable for two years (Art. 24 Directive 2011/95/EU). Eligibility for permanent residence also possible for people on subsidiary protection status but there is no up-to-date comparative information on this. Additionally, some Member States have national complementary protection statuses which do not derive from the Qualification Directive, but whose applicability is examined within the asylum procedure and which may provide a form of protection to significant numbers of persons fleeing indiscriminate violence. There are, however, no up-to-date figures comparing the importance of complementary protection statuses.

3.2. Research gap on outcomes of refugees' labour market integration

Information on labour market outcomes of persons eligible for asylum is scarce (Box 3). Due to the lack of data, there has been very little empirical research done on the labour market integration of refugees.

Box 3: Data sources examining the integration of refugees

Data examining the integration of new refugees in the past and over time is generally scarce. Refugee-specific integration has not been measured at EU level. But the joint EU/OECD work on Indicators of Immigrant Integration presents a general picture of immigrant integration in Europe. The publications from 2011 onwards are facilitating broad international comparison across all EU and OECD countries. The 2015 publication presents the outcomes for immigrants and their children, through 27 indicators organized around five areas: Employment, education and skills, social inclusion, civic engagement and social cohesion. The publication focused for the first time also on "third-country", or non-EU, nationals who are a target group for EU integration policy. Refugees, however, are covered only selectively.

A special module in the 2008 EU-LFS (Labour Force Survey) and 2014 (micro-data not yet available for the public) as well as the British SRN (Survey on New Refugees, December 2005 till March 2007) addresses especially refugee integration. Evidence collected showed seven areas to be influential in refugee integration: country of origin, time in the UK, English language skills, age and gender, health, previous education and employment, family and friends. A few EU countries run surveys on migration and integration. The French survey on the integration of first-time arrivals (ELIPA) includes information on refugees with a residence permit of at least one year. In the yearly German IAB-SOEP immigration survey (since 2013) about 15 % of the 5.000 survey migrants are refugees.

⁹ A comparative report on measures and rules developed in EU Member States regarding integration of Third Country Nationals found that national rules regarding language and civic integration requirements established for the issuance of a long term/permanent residence permit show a significant level of convergence across EU Member States (Pascouau, 2014).

Administrative data usually do not differentiate between the reasons for immigration of foreign-born. An exception is the Swedish longitudinal data base STATIV providing information about all residents in Sweden including refugee immigrants as well as family reunion immigrants. Administrative data on refugee integration also exists in Denmark in the context of the municipal benchmarking system

Source: www.oecd.org/migration/integrationindicators, Eurostat, country information.

3.3. Lessons learnt: Labour market integration of refugees in the past

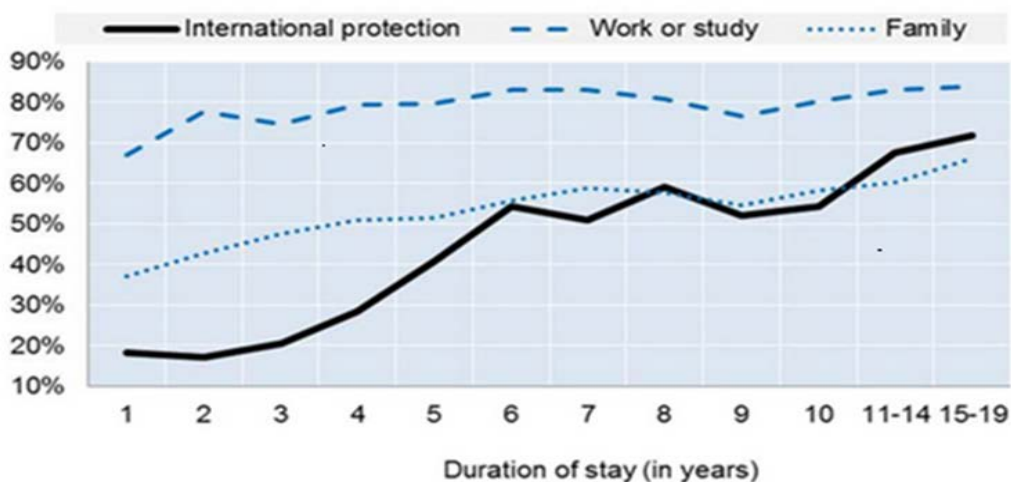
Historical experience may be important but for the labour market integration of recent newcomers, their specific characteristics as well as economic and social circumstances have to be taken into account.

Labour market integration needs considerable time

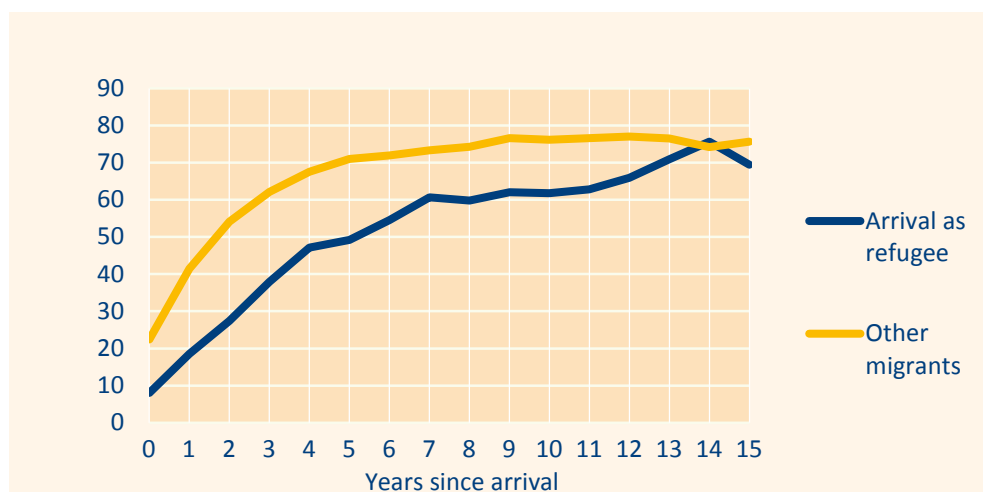
The available data demonstrates that in the past refugees found it particularly difficult to enter the local labour market and their outcomes generally lagged well behind those of other migrant groups. On EU average, it took **between five and six years to integrate more than 50 % of humanitarian migrants** into the workplace and as much as 15 years to reach a 70 % employment rate converging towards the outcomes for labour migrants (Figure 4).

These findings are confirmed by available data. The few sources providing refugee-specific information are the German IAB-SOEP survey (Figure 5), the British SRN, the Swedish STATIV and Danish administrative data (Table 2).

Figure 4: Employment rate by immigrant category and duration of stay in EU countries



Source: EU-LFS Ad Hoc Module 2008

Figure 5: Employment rates of refugees and other migrants (in %)

Source: IAB-SOEP-Migration-Sample

Table 2: Employment rates of refugees, years after arrival/recognition (in %)

Years...	... since arrival			... since recognition	
	Germany	Sweden (Men)	Sweden (Women)	Denmark	UK
1	19	14	8	15	43
2	27	24	14	32	49
5	49	49	32	63	n. a.
10	62	56	50	75	n. a.

Source: Germany: IAB-SOEP Migration-Panel; Sweden: 1997-2010 yearly average STATIV, Statistics Sweden; Denmark: 1999-2007 yearly averages, Statistics Denmark, rates refer to refugees and reunified family members in employment and education; UK: Survey of New Refugees in the United Kingdom 2/2005-3/2007, employment rates after 15 and 21 months.

Table 2 confirms that refugees typically integrate slowly in the host countries' labour markets. Refugees tend to perform less well in the labour market than other migrant groups who have otherwise similar characteristics (Damos de Matos and Liebig, 2014). On the other side, among the different immigrants groups, asylum seekers may display the greatest gains in employment rate over time. This can be observed in Germany (see figure 5) and is confirmed by findings from Sweden (Bevelander and Irastorza's, 2014). A study by Dustmann and Görlach (2015) also confirm that there is more marked progress among refugees, resulting in higher wages and longer working hours for them after ten years than the other migrant groups of the same cohort. One reason for this is 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.

Speed of integration depends on labour market conditions at time of entry

Swedish STATIV data also suggest that the condition of the labor market at the time of entry affects the speed of labor market integration. There are significant variations between cohorts. It seems that refugees take significantly less time to enter into employment when labour market conditions are good. When immigrants arrive in a period of high local unemployment, their employment rates and wage assimilation have been found to suffer for many years (Aslund and Rooth, 2007, Aldén and Hammarstedt, 2014). This is especially relevant given the slow recovery of many European economies from the global financial and sovereign debt crises. However, current asylum seekers' revealed preference for host countries with good labour market conditions (e. g. Germany and Sweden) which alleviates this concern to some extent.

Refugee women integrate less successfully

OECD/EU indicators (2015) show that the labour market outcomes of specific groups of humanitarian migrants (e.g. the very low-skilled, women or older refugees) lag behind for much longer. Female refugees have significantly worse labour market outcomes, especially in the short to medium run. This might be partly due to cultural patterns as participation rates of women in their home countries are usually lower. Survey results in main source countries (e.g. Syria) suggest that participation rates of refugee women remain also low in host countries, at least in the short to medium term¹⁰. On the other hand, the example of Sweden 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. Stakeholders interviewed by UNHCR even if their labour market integration is slower than that of male migrants. Stakeholders interviewed by UNHCR (2013) suggested that this might be due to social policy measures for all women, such as subsidized child day-care and generous parental leave regulations.

The question is, however, if not only integration measures (e.g. language courses and training) but already application procedures and reception conditions have to be made more gender-sensitive. This issue has been addressed by international organizations for many years. UNHCR published already in 2008 guidelines on the protection of refugee women. EU law provides guidance on facilities for women and the asylum applications of female asylum seekers. Article 15 (3) of Directive 2013/32/EU states, for example, that Member States should provide the possibility of a female interviewer. A recent study for the FEMM Committee of the European Parliament (2016a) finds that women have more difficulties obtaining asylum status since their applications are considered to be less credible.

This calls for actions to improve the situation of female asylum applicants (Box 4).

¹⁰ Results from the Syrian youth transition survey 2009 show, for example, that on average only one quarter of women are in employment (Gebel, 2012). There is also evidence from the US that source country gender roles influence immigrant and second generation women's behaviour even across immigrant generations (Blau, 2016).

Box 4: Recommendations on how to improve reception conditions of female refugees

- Women and children need more protection as they are a minority in comparison to the number of male asylum seekers which makes them as such a vulnerable group.
- Asylum application procedures must become more gender-sensitive.
- There must be extra attention for girls and women in order to prevent these women from becoming victims of human trafficking or sexual or gender-based violence. In reception centres, women should be housed separately from men and women should have safe access to private sanitary facilities.
- Female interviewers and interpreters should be provided. Individual interviews organized separately from family members, would allow women to speak more freely and to make the applications of women more successful.
- Special measures to protect women should be taken, especially where large numbers of asylum seekers have caused overcrowded reception centres and lengthy asylum application procedures.

Source: European Parliament (2016a).

Another study for the FEMM Committee of the European Union (2016b) on female refugees' integration highlights that policies aimed at guaranteeing refugees' rights and wellbeing cannot be gender-neutral, otherwise they are destined to fail.

Refugees' employment patterns differ across countries

Employment rates of immigrants relative to the native population across EU Member States (OECD/EU, 2015) show that **rates are generally higher in Anglo-Saxon countries** compared to Continental-European countries or Scandinavian countries. Although differences across countries largely reflect differences in the composition of the immigrant intake by migration category e.g. more humanitarian migrants in Sweden vs. more labour migrants in the UK, the gap could not entirely explained by composition differences as similar differences can be observed for refugees (see table 2 above). While empirical evidence remains scarce, existing studies confirm that **migrants' employment rates and the quality of the jobs they hold are higher in countries with low entry level wages, less employment protection, and a less dualistic labour market** (Aleksynska and Tritah 2013; Ho and Shirono 2015).

Apart from labour market institutions like minimum wages or employment protection country specific skills and vocational qualification systems may also account for diverging employment patterns among refugees. The **British skills system based on the QCF** (Qualifications and Credit Framework) is, for example, **more flexible than the German DQR** (German Qualification Framework) providing more possibilities to enter the labour market. Along with the lack of regulation and qualification requirements in some sectors, the British labour market might more accessible for migrants without host-country qualifications.

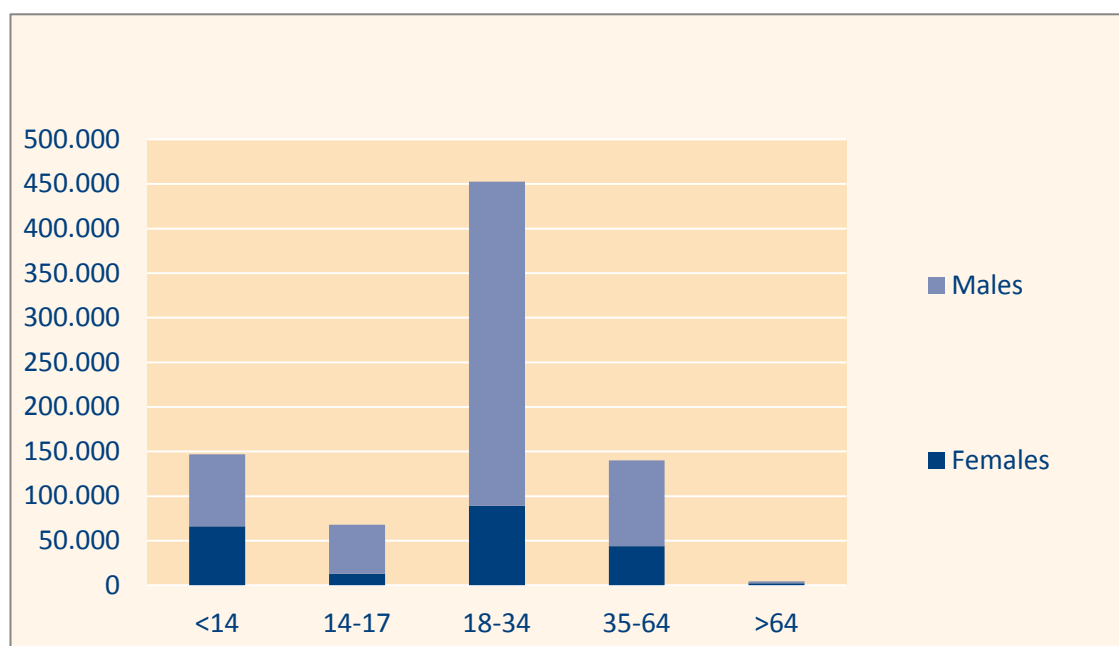
3.4. Sociodemographic characteristics of the recent cohort of asylum seekers

3.4.1. Disproportionally young and male

Age, education and skills as well as motivation and work ethics are key to the labour market integration of all migrant groups, including refugees. Figure 6 shows that the

current cohort of asylum-seekers is disproportionately young and male. 74 % of first-time asylum applicants are male and 82 % are below 35, 26 % below 18.

Figure 6: First-time asylum applications by gender and age
EU-28, Jan.-Sep. 2015



Source: Eurostat, own calculations

3.4.2. Educational background not clear

The educational background and the potential for skill acquisition is less clear as representative data do not exist, yet. A recent UNHCR (2015) study suggests that Syrian refugees immigrating via Greece are highly educated. Past data from different waves of the European Social Study Survey (ESS), however, reveal that immigrants (not distinguishing between economic immigrants, asylum seekers and recognized refugees) from Afghanistan, Iran, Iraq, Syria, Somalia, Eritrea are on average less educated than the native population or other immigrants. They are twice as likely to have only a lower secondary education or less, and significantly less likely to have gone to college (IMF, 2016).

Selective data from different receiving countries is also mixed. According to Statistics Sweden, more than 40 % of Syrians in the country in 2014 have at least upper secondary education, compared to only 20 % of those from Afghanistan and 10 % for those coming from Eritrea. In Austria, in a sample of 12 500 refugees with residence permit or subsidiary protection about 82 % were low educated, 10 % had a medium education and only 5 % were tertiary educated (AMS, 2015). In a German (non-representative) survey – conducted in 2014 – 8.3 % of Syrian refugees had a tertiary education, compared to 12.6 % from Afghanistan and 6 % from Iraq. 12.8 % of the Syrian refugees reported to be low-educated, compared to 15.7 % of the refugees from Afghanistan (BAMF, 2016). The picture is even worse when looking at refugees registered as unemployed with the Federal Employment Agency: 80 % had not completed any vocational training compared to 43 % of unemployed German nationals (Brücker et al., 2015). For the majority of refugees, the likelihood of finding work on the German labour market quickly is minimal.

To sum up, there are no quick solutions for refugees' integration into the labour market – anywhere. To get the majority of the recent cohort of young humanitarian migrants into employment or (vocational) education and training, high investments in language proficiency and skills acquisition are needed.

4. ADDRESSING REFUGEE-SPECIFIC INTEGRATION BARRIERS

A lack of language skills, a low educational background or a lack of transferable job qualifications are barriers explaining a slow labour market integration of all categories of migrants. Refugee-specific obstacles are legal restrictions to access the labour market, a long duration of the asylum procedure and a temporary, insecure residence status. These barriers prevent refugees from quickly and fully participating in the labour market. Beyond these barriers, factors like less developed social networks, housing regulations, health conditions like trauma and violence during flight have strong links with the labour market outcomes of refugees. Additionally, cultural barriers are aggravating factors, and are likely to be greater for the recent refugees than earlier migration groups.

High degree of international consensus on key elements for effective integration

- To discuss the question on how to address the above mentioned refugee specific integration barriers, recommendations given in recent policy documents (Box 1 on page 14) are reviewed and enriched by findings from research.

All of the papers reviewed focus on the labour market integration of refugees except for the Commission strategy paper "European Modules for Migrant Integration". This has been chosen as many aspects are similar for migrants and refugees. The analysis for this study refers to both, social inclusion and labour market integration as both areas are closely connected.

The review shows a high degree of international consensus on key elements of an effective integration strategy for refugees and partially these complement each other. Comparing the Commission study with the other papers reveals that much can be learnt from labour market integration of migrants and other vulnerable groups. The IMF paper, instead, pays more attention than the others on economic issues, including financial incentives for employers and costs of labour market integration and less to civil society engagement.

4.1. Access to specific health care services is limited

The UNHCR study recommends paying adequate attention to refugee-specific issues of traumata and gender related health issues whereas the OECD study also recommends to identify mental and physical health issues early by mainstreaming mental health assessments into standard health checks (table 3).

Table 3: Recommendations on public services and special needs (health, traumata)

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> Ensure equal access to public services
Study European Parliament (ECRE)	<ul style="list-style-type: none"> Health practitioners should be involved in the design and implementation of national programs
UNHCR	<ul style="list-style-type: none"> Ensure equal access to public services Pay adequate attention to refugee-specific issues of traumata and gender related health issues
OECD	<ul style="list-style-type: none"> Ensure systematic and speedy diagnose and assistance with regards to refugees' special health needs Mainstream mental health assessments into standard health checks

IMF	n. a.
Research	<ul style="list-style-type: none"> Refugees' healthcare needs should be addressed before other objectives, such as language learning and entry into employment, can be achieved

Physical examinations are part of routine health checks at arrival or at the start of asylum claims procedure in most countries. But only few countries screen for mental health problems. Sweden and Finland are among the few countries where asylum seeker's routine medical check-ups include assessments of mental health. These examples might be exemplary for other EU Member States (Box 5).

Findings from research confirm that health issues can be a fundamental obstacle to integration, as they affect virtually all areas of life and shape the ability to enter employment, learn the host country's languages or interact with public institutions. The British Survey on Refugees (2005-2009) found, for example, that those who described themselves as being in good health were more likely to be employed than other refugees. Poor health was also associated with slower improvement in English language skills over time. Hence, the healthcare needs of refugees should be addressed before other objectives, such as language learning and entry into employment, can be achieved (Cebulla et al. 2010).

Box 5: Specific health care services for refugees in Sweden and Finland

Sweden systematically screens asylum seekers for physical and mental health problems in routine check-ups performed in primary care units. Counsellors assess mental health in conversations with asylum seekers and seek to discern whether or not, and in what context, they may have undergone traumatic experiences, how they are coping with the memories of traumatic experiences and how such memories affect their current psychosocial situation. Based on the assessment and subject to regional availability, an asylum seeker in need of further treatment may be referred for psychological counselling or psychiatric treatment with an interpreter present if need be. Centres offering health care support specifically for refugees who have been injured during war or undergone torture are to be found in 13 municipalities. Half of them are managed by the Swedish Red Cross, while the rest are run by county and regional councils. Some of the centres use "health communicators" who meet with newly arrived asylum seekers at reception facilities and in schools where language training is provided. The health communicators describe the Swedish health care system, symptoms of post-traumatic stress syndrome and other health-related issues. Health communicators undergo six months of health care training and generally speak the same language and originate from the same countries as the asylum seekers they inform.

In **Finland**, the Centre for Torture Survivors (CTSF) is free of charge for refugees and paid for either by the local authority of the refugee's place or the reception facility which referred them to the centre. Multidisciplinary teams, who include professional interpreters, provide various forms of treatment. The centre also offers nationwide consultation services and trains health care and social service professionals who work with tortured refugees and asylum seekers (OECD, 2016).

Restricting health care services might imply higher long-term costs

The recommendations of the EU Commission (table 3) are not refugee-specific but highlight to ensure equal access to public services. Not all EU Member States ensure equal access to

public health services. Restrictions tend to be steered by cost concerns. Some countries restrict asylum seekers' access to emergency care for a period of time. A recent study on Germany, where access to health care was restricted to emergency care for a period of 48 months (since 2015 for 15 months) for most asylum seekers and temporarily admitted humanitarian migrants found that restrictions over a long period imply long-term costs associated with late intervention (Bozorgmehr and Razum, 2015).

4.2. Housing dispersal policies should strike a balance

Under the EU Directive 2011/95/EU Member States must allow freedom of movement within their territory to all non-EU citizens. This right also applies to persons granted international protection and includes choosing freely the place of residence. Refugees and people granted a subsidiary protection status might, however, be restricted to choose freely where to settle. Settlement restrictions are discussed in those countries where the inflow of humanitarian migrants is large. Imposing restrictions might be necessary to spread the social and fiscal burden more equally across the country¹¹.

The recommendations of the EP, OECD and IMF regarding targeted dispersal policies highlight the need to strike a balance between homogeneous distribution and the availability of jobs. The UNHCR study is mainly concerned with homelessness and awareness rising among landlords and social housing authorities about limitations for refugees to meet standard housing requirements (Table 4).

Table 4: Recommendations on housing regulations

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> No direct reference
Study European Parliament (ECRE)	<ul style="list-style-type: none"> Housing dispersal policies should strike a balance between homogenous distribution and the local availability of language training and employment opportunities
UNHCR	<ul style="list-style-type: none"> Address issue of refugee homelessness through preventive programmes Create greater awareness among landlords and social housing authorities about limitations for refugees to meet standard housing requirements Create regular points of contact for asylum-seekers living outside reception centres
OECD	<ul style="list-style-type: none"> Availability of employment prospects should be factored into targeted dispersal policies
IMF	<ul style="list-style-type: none"> Design policies aimed at increasing the supply of geographically dispersed affordable housing in order for refugees to be able to increase their labour market mobility
Research	<ul style="list-style-type: none"> Crucial to take labour market opportunities into account when designing location regulations

¹¹ In a recent ruling the Court of Justice of the European Union decided that a "residence condition" may be only imposed on beneficiaries of subsidiary protection if they face greater integration difficulties than other non-EU citizens legally resident. The judgement was an answer to two cases where two Syrian nationals challenged the German "residence condition" regulation. The residence condition requires residence to be taken up in a particular place for beneficiaries of subsidiary protection receiving social security benefits. <http://curia.europa.eu/jcms/upload/docs/application/pdf/2016-03/cp160022en.pdf>.

Restricting the possibility of self-selection by imposing settlement rules may also be justified by the aim to facilitate integration. Immigrants tend to concentrate in large centres, often in enclaves with persons of the same origin. Living in such enclaves tends to retard the integration process. But the Swedish example also shows that dispersal policies - if badly steered - might hamper labour market integration (Box 6).

Box 6: Lessons from the Swedish refugee dispersal policy

Sweden implemented a refugee dispersal policy already in the 1980s (1985-1994). Recently arrived immigrants were assigned to an initial place of residence. The placement policy was a reaction to immigrant concentration in large cities. The idea was to distribute asylum seekers over a larger number of municipalities that had suitable characteristics for reception, such as educational and labour market opportunities. But due to the increasing number of asylum seekers in the late 1980s, instead of the labour market criteria that initially were supposed to govern the policy, the availability of housing came to determine placement. These policies had a negative impact on refugees' employment. Eight years after settlement, refugees who had been dispersed to areas with poor job access earned 25% less on average, showed employment levels that were 6 to 8 percentage point lower, and were 40% more welfare dependent than refugees who were not settled through a dispersal policy. However, when sorting is taken into account, living in enclaves improves labour market outcomes; for instance, the earnings gain associated with a standard deviation increase in ethnic concentration is in the order of 4-5 % (Edin et al., 2004).

The policy was changed in the mid-1990s and dispersals were regulated through agreements between municipalities and central government and new arrivals were systematically informed of job opportunities in meetings with the public employment service upon reception of their residence permit. Public employment officers placed migrants in localities that matched their profile (OECD, 2016). This policy is going to be changed now again due to the very high inflows of asylum seekers. Sweden approved a new law that forces municipalities to settle migrants granted asylum due to the lack of capacity in the current system. The Act does however not affect the possibility for newly arrived immigrants to find a place on their own. The allocation of migrants between the municipalities shall take into account local labour market conditions, population size and the overall number of newly arrived immigrants, unaccompanied minors and asylum seekers already living in the municipality. How the law will be enforced is not entirely clear as there are no sanctions in the law (EU-Commission, 2016).

4.3. Civil society engagement to enhance a two-way integration process

Civil society organizations, a welcoming business environment, and the support of local communities and non-governmental organizations, are important for an effective integration. Frequent interaction between immigrants and Member State citizens is seen as a fundamental mechanism for opening societies for all immigrants but especially for refugees. By offering possibilities for participation in community activities like sports clubs or other recreational activities, host countries can convey its values. This is particularly important as public opinion towards refugees in many Member States is now more reluctant. Strong anti-immigrant parties have emerged in many countries and the public debate often focuses on problems of integration rather than possible opportunities arising from migration across Europe.

The recommendations in table 5 agree on the necessity of a proactive strategy to include refugees in community activities and of supporting social networking, such as mentor projects and volunteer interaction. In accordance with the EU Common Principles on Immigrant Integration (Annex I) which see the integration as a two-way process that

requires efforts from both refugees and the host society the Commission Modules on Migrant Integration recommend to include in the curriculum of civic orientation and integration courses everyday life aspects, the political system, history and cultural values (democracy, equality, freedom of expression).

Table 5: Recommendations on civil society engagement

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> • Prevent discrimination • Improve the public perception of migrants • Curriculum of civic integration courses should include everyday life aspects, political system, cultural, history and values (democracy, equality, freedom of expression)
Study European Parliament (ECRE)	<ul style="list-style-type: none"> • Inform, prepare and involve receiving communities prior to the arrival and settlement of refugee groups
UNHCR	<ul style="list-style-type: none"> • Create strong legal and operative anti-discrimination frameworks • Promote community engagement (i.e. sports clubs and recreational activities) • Support social networking, such as mentor projects and volunteer interaction
OECD	<ul style="list-style-type: none"> • Build on civil society to integrate humanitarian migrants by e.g. non-governmental mentorship programmes and social partners initiatives
IMF	n. a.
Research	<ul style="list-style-type: none"> • No systematic studies; evidence on positive effects of non-discrimination

Further, the recommendations in table 5 address the issue of discrimination not only by creating strong legal and operative anti-discrimination frameworks but also by raising the awareness of the importance of anti-discrimination. Access for immigrants to institutions and services, on basis equal to national citizens and in a non-discriminatory way, is a critical foundation for better integration. The recommendations for migrant workers and ethnic minorities given in two studies for the European Parliament's Committee on Employment and Social Affairs also apply widely to refugees (EP, 2011 and EP, 2014). In Germany, discussion of cultural differences and values forms part of several **language courses** which could generally be used for civic integration.

There are no systematic research findings on the impact of refugees' participation in associations and civil society organisations. Brücker et al. (2014) find more generally strong positive correlations between migrants' intention to stay and life satisfaction with the absence of discrimination.

4.4. Restricting welfare benefits may worsen integration

Understanding integration as two-way process, there is a public controversy on extending the "rights and duties" approach for benefit recipients also to beneficiaries of international protection. Some Member States make social benefit conditional on participating in language or integration courses or accepting the founding principles of the host society and its values. If refugees do not comply with mandatory integration measures or conditions, different types of sanctions are imposed, e.g. the withdrawal or reduction of financial or social support.

In the reviewed policy documents, only the **IMF study** makes some references to the role of social benefits for refugees' labour market integration, although IMF staff gives no clear recommendations on the topic. The IMF argues that policies that address "**inactivity traps**" for all workers would likely benefit labour market integration of refugees. Inactivity traps can be reduced by lowering taxes and social security contributions for low-wage workers and/or by tapering social benefits more gradually upon entering employment (IMF, 2016).

However, **there is no clear evidence from research that migrants, including refugees, actively select destination countries where the welfare provisions are more favourable** ("welfare shopping"). Data generally do not support the hypothesis that welfare is a strong magnet for immigrants (Gulietti et al., 2013). In the context of Denmark, a country where welfare benefits are rather generous and immigrants' welfare take-up is rather high, a study finds that while immigrants are more likely than natives to access welfare, their rates of welfare participation decrease with the length of time spent (Heinsen et al., 2013).

Nonetheless, the issue is highly debated in several Member States and some countries recently reduced cash benefits for asylum seekers or refugees. At arrival, asylum seekers receive accommodation, subsistence, and in some countries also pocket money. Germany decided in October 2015 that the Federal States are free to convert pocket money in benefits of kind (vouchers). In Denmark, welfare benefits for refugees attending compulsory introduction programme were reduced recently by almost 50 %¹². Given the high cost of housing in Denmark new benefit rates are hardly poverty-proof. Policies that restrict immigrants' access to welfare benefits are likely to worsen their socio-economic integration and ultimately could lead to an increase in welfare claims but also to social exclusion.

5. LABOUR MARKET SUPPORT POLICIES FOR ASYLUM SEEKERS AND REFUGEES

Early access to the labour market is a crucial factor to speed up the integration process for asylum seekers and refugees. Beyond removing legal barriers integration policies is supposed to have also a great impact on the labour market integration of refugees. But there is only scarce evidence whether and if so, what type of integration policies has a positive impact and which ones are cost effective for boosting outcomes. High-quality impact evaluations exist only in a few EU countries, mostly in Germany and the Scandinavian countries.

5.1. Early access to the labour market is crucial

Full labour market access is usually granted to all recognized refugees. The real issue, however, is whether or not asylum seekers should be allowed to work. The right to access the labour market already during the processing of an asylum claim might be crucial for speeding up the integration process as inactivity usually deteriorates the integration prospects.

¹² see: <http://refugees.dk/en/facts/the-asylum-procedure-in-denmark/>.

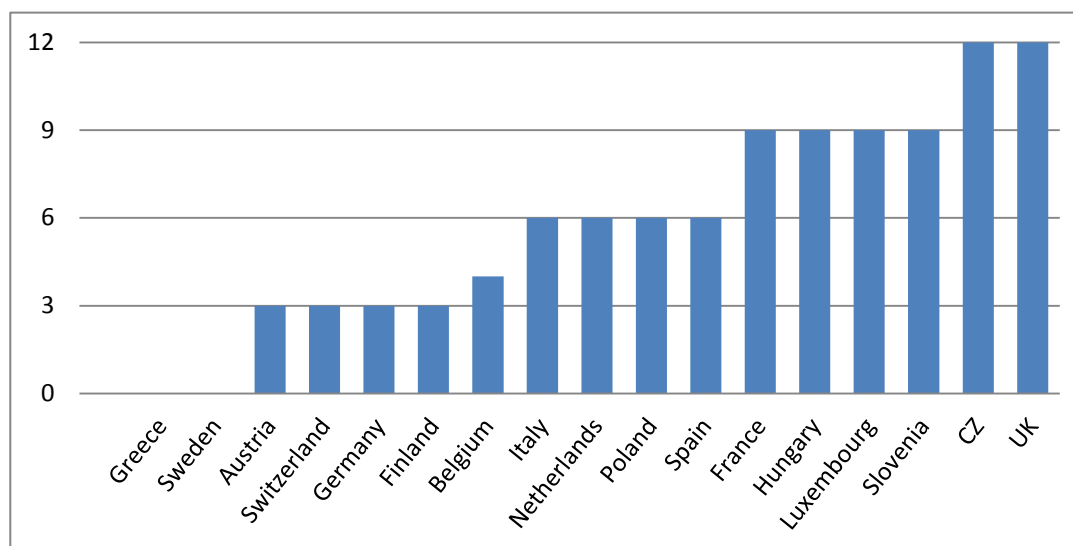
Table 6: Recommendations on legal access to the labour market

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> Ensure access to the labour market no later than nine months after 9 months (Article 15 (1) of Directive 2013/33/EU)
Study European Parliament (ECRE)	n. a.
UNHCR	n. a.
OECD	<ul style="list-style-type: none"> Shorten the waiting time Lift restriction to facilitate rapid labour market access for asylum seekers with high prospects of being allowed to stay
IMF	<ul style="list-style-type: none"> Lower barriers and ease restrictions to work eligibility during asylum processing phase.

Article 15 (1) of EU Directive 2013/33 state, that Member States have to ensure that asylum seekers access the labour market no later than nine months after they apply for international protection. The IMF and the OECD studies do not only recommend to shorten the waiting time but also to ease further restrictions as they can adversely affect subsequent integration outcomes (table 6). **Restrictions like a work ban on self-employment** (in Sweden or the UK) or **labour market tests** (in Germany, Luxembourg, Hungary, Greece and the UK) make labour market access conditional on the proof of employers or the public employment service that no domestic worker or EU-migrant could have filled the position in question. A few countries restrict labour market access also to sectors where no negative impact on the domestic workforce is likely. In Austria, for example, labour market refugees have only access to seasonal work in certain industries, non-profit work and certain types of self-employment.

The EU Directive has prompted some alignment allowing asylum seekers to access the labour market before a final decision has been made¹³. Recent data on the most favourable waiting times show that a number of countries still exceed the EU Directive's minimum requirement (Figure 7).

¹³ This is, for example, the case in France where asylum procedures often take longer than 24 months. Therefore, a recent reform of the asylum system in 2015 foresees to provide a work permit after 9 months if the decision on the application is not made before, <http://www.ambafrance-de.org/Reform-des-Asylrechts-Frankreich-beschleunigt-Verfahren>.

Figure 7: Minimum waiting periods for accessing the labour market for asylum seekers in selected EU countries, in months

Source: OECD Questionnaire on the integration of humanitarian migrants, 2016 (p 20/21)

5.2. International consensus on pathways for labour market integration

Among the (scarce) evidence on the impact of integration policies on immigrants' labour market outcome is the finding that language training and recognition of foreign credentials ensure a better match (Box 7).

These results apply also widely for refugees. Results on the impact of policies specifically for (recognized) refugees originate mainly from experiences with introduction programmes in Scandinavian countries. General introduction programmes lasting two to three years, have on average mixed results as these programmes tend to have 'lock-in effects', meaning they delay transition to employment (Bilgili et al., 2015).

Box 7: Language skills and credential recognition ensure a better match.

Evidence from research

A new **German** longitudinal survey (IAB-SOEP migration survey) with a sample of around 5,000 individuals shows that migrants proficient in German enjoy a 9 (very proficient 15) %age points higher likelihood of working compared to migrants with no German knowledge but otherwise similar. The benefit from German knowledge translates also into higher earnings. Those proficient earn 12 % more and those very proficient up to 22 %. A good German knowledge reduces also the risk of being overqualified for the job held by 20 %age points. Differences in the educational system of the origin country differs from the destination is often one of the main reasons for acquiring further education. Among those entering Germany after 2005, 36 % holds a tertiary education, compared to 23 % of those arriving, for instance, between 1995 and 1999. In addition, a striking evidence is that a not negligible share invests in further education once in Germany (28 % and up to 44 % considering those older than 25).

Another important factor for the integration process is represented by the recognition of foreign credentials. Many professions require migrants to obtain the recognition of the foreign educational credentials before allowing them to be able to perform the job; as a result, migrants can be hindered from working in the job for which they have been trained.

+This often translates into having temporary jobs, that don't match their skills, and for which they are over-qualified. Migrants who obtained the recognition, have a much higher probability of working, which can be as high as 23 %age points, with respect to those

being denied but otherwise similar. In addition, the full recognition turns into 28 % higher earnings. In fact, the likelihood of being over-qualified for the current job is 32 %age points lower, for those with full recognition compared to migrant workers with no recognition but otherwise similar (IAB-Kurzbericht 21/2014).

Some components of these programmes, however, such as **combining language courses with work-oriented activities**, are more successful and are a main source for recommendations given in table 7

Recommendations from different supra- and international organisations demonstrate a **high degree of alignment on support policies** deemed to favour the labour market integration of humanitarian migrants.

Table 7: Recommendations on strategies to support labour market integration

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> • Language tuition should be started within 3 months of arrival for asylum seekers with high prospects of being allowed to stay • Refugees with skills beneficial to the host country should be prioritized in language courses • Language courses should be sorted by competency level and adapted to migrants' identified needs • Set minimum requirements for language proficiency using the Common European Framework of Reference (CEFR) • Establish a specialised centre for the acknowledgement of skills • Evaluate already existing credentials and skills through interviews and practical tests • Access key personnel knowledgeable of most common occupations among third-country nationals • Mentoring is generally recommendable, in co-operation with NGOs and public services • Refugees should be informed about education opportunities
Study European Parliament (ECRE)	<ul style="list-style-type: none"> • Link language training to employment • Pre-arrival language training should be a component of pre-departure orientation in the case of resettled refugees • Services must be tailored to take into account cultural diversity, gender, age and specific needs • Skills and credentials must be fairly assessed and accredited • Flexibility to accommodate individual skills and aspirations is essential
UNHCR	<ul style="list-style-type: none"> • Language tuition should be started as soon as possible after arrival • Foster combined work and language activities (i.e. volunteering, internships, work experience and apprenticeships) • Humanitarian migrants should be assigned to language courses based on prior assessment of their competency level • Support employment agencies in recognizing skills of refugees and in directing them to appropriate employment • Introduce early post-arrival practical skills assessments • Make loan, grant and scholarship schemes for higher education available for refugees • Promote access to specialized funds or schemes

OECD	<ul style="list-style-type: none"> • Differentiate length and level of offered language courses to take into account refugees' varying educational levels • Increase availability of on-the-job training for high-skilled refugees to improve content and delivery of skills-based language learning • Assess skills at the outset of the integration process through interviews and practical tests • Recognize already existing qualifications and experiences • Mainstream alternative assessment methods (e.g. recognition of prior learning) for refugees without documentary proof of qualifications • Provide job search assistance and well-targeted support to refugees' with diverse educational backgrounds • Increase availability of on-the-job training for high-skilled refugees to improve content and delivery of skills-based language learning • Create tailored-made programs; long-term upskill programs for illiterate and very poorly educated and comprehensive vocational skills programs for the higher-skilled • Develop language, education, skills and other support programs for unaccompanied minors who arrive past the age of compulsory schooling
IMF	<ul style="list-style-type: none"> • Provide language and job search training early • Tailor introductory programs so as to link personalized training and employment assistance to financial and housing support • Allow for temporary exemptions to the minimum wage regime where high entry wages are a concern • Provide wage subsidies to employers • Tackle "inactivity traps" by reducing marginal taxes on low wage workers and/or tapering social benefits more gradually upon entering employment
Research	<ul style="list-style-type: none"> • Language skills and credential recognition ensure a better match • Participation in language courses at the earliest opportunity pays off • Selective evidence on what ALMP work for migrants and refugees

5.2.1. Quality guidance to develop an individual integration plan

Ideally, support policies for humanitarian migrants consist of a holistic and timely coordinated integration package starting with skills assessment and help in the recognition of vocational qualifications. Going on with language support is crucial to ensure country specific skills. Additional vocational qualifications as well as work experiences in the local labour market, e. g. through internships or employment measures might be valuable particularly for skilled refugees to find adequate work. For illiterate and very poorly educated refugees long-term vocational programs should be available. This implies long-term investments which probably do not yield immediate returns but might pay off in the long run.

Developing an **individual integration plan** has been proven in some Member States to be a good way to accompany and steer the integration process. The question is who should be

responsible for such an individual integration path. In some Member States, e.g. in Sweden the PES has been commissioned in 2010 to organize the integration process. In Germany, there is currently also the debate whether PES jobcentres should be entirely responsible for such an individual integration path.

In this context **intercultural trained caseworkers** are of high importance to provide **comprehensive guidance and employment counselling** (Büschel et al., 2015). An analysis of integration practices by **Cedefop revealed considerable gaps**. Guidance services are provided in several stages of the integration process ranging from basic interventions in knowledge of language through advice on skills assessment, validation and learning options to the establishment of complex integration or career development plans. However, services tend to be irregular and often they are not adjusted to reflect the specific national and cultural background. Even if most professionals had some training in guidance methods and partially also multicultural training tools and methods tend to be insufficiently adapted to the target group (Cedefop, 2014).

5.2.2. Targeted procedures for skills assessment and qualification recognition

Asylum seekers regularly arrive to EU countries without much documentation or without any certification that may prove their educational and/or professional background, which makes it difficult for EU Member States to determine asylum seeker's qualifications. Existing tools to identify work experiences and professional skills are often not very suitable for refugees. For the time being, adequate tools are only scarcely developed. Pilot schemes recently launched in several Member States have still to be evaluated on their practicality for everyday operational decisions and their transferability to other countries. There are only few examples of a nationwide implantation of specific tools. The OECD highlights the Norwegian recognition scheme as a good practice example (Box 8).

Box 8: Qualification recognition for humanitarian migrants in Norway

In 2013, a national recognition scheme for humanitarian migrants with little or no documentary proof of their higher-education credentials was rolled out. It is known as the Recognition Procedure for Persons without Verifiable Documentation (the UVD procedure) and is carried out by expert committees commissioned and appointed by the Norwegian Agency for Quality Assurance in Education (NOKUT). The procedure involves a combination of academic assessments, home assignments, and a mapping of work history. It results in a formal decision on whether to recognise foreign qualifications as equivalent to a Norwegian higher education degree. A survey of applicants suggests that more than half of the refugees who had their skills recognised in 2013 either found a related job or entered further education.

Source: <http://www.nokut.no/en/Foreign-education/Otherrecognition-systems/Recognition-Procedure-for-Persons-without-Verifiable-Documentation/> cited in OECD (2016).

5.2.3. Combining language courses with work experience

The recommendations in table 7 also agree on the need to tailor language courses as the same type, level and duration of language support may be neither necessary nor feasible for refugees who come from different educational backgrounds, speak different languages, and have different career prospects. Language courses should start as early as possible, implying that access to language training should also be given to asylum-seekers prior to recognition, at least to those with high prospects of being allowed to stay. Additional to basic language training, further language development should be combined with work experience, internships or apprenticeships. A good practice example for allowing a combination of language training and subsidized employment is described in Box 9.

Box 9: Step-in jobs in Sweden and Denmark combine language training with subsidized jobs

A special labour market scheme called "Step-in" jobs has been introduced as of 1 July 2007 in **Sweden** to promote the integration of newly arrived immigrants into the labour market. Step-in jobs are subsidised jobs in the public or the private sector which offers possibilities for new arrivals to combine language training with part time employment. The participation is contingent on participating in Swedish Tuition for Immigrants (SFI -Swedish for immigrants) provided by the municipalities. The employer receives for between 6-24 months 80 % subsidy for salary costs. The salary is fixed in accordance with collective agreements in the labour market. According to a follow-up by the PES, in nearly half of the cases the scheme has resulted in regular employment). In **Denmark**, a similar programme, the so called "staircase" (or transitional) model is directly aimed at introducing refugees to the Danish labour market in a step-by step process. The first step (4-8 weeks) is to identify the competencies of the individual refugee, combined with Danish language lessons. The second step is a trainee placement in an enterprise without expenses for the employer, followed by more Danish lessons. At his point, the refugee is ready to enter a job with a wage subsidy (duration 26-52 weeks).

Source: <http://www.oecd.org/sweden/41706122.pdf>.

The Norwegian language training system is mentioned as a good example on how to differentiate length and level of language courses according to refugees' varying educational and competency levels (Box 10).

Box 10: Streamed language training for humanitarian migrants in Norway

Norwegian language training is provided as part of the country's introduction programme for humanitarian migrants. Courses are provided by municipal authorities and streamed into **three tracks with different paces of progression**, work methods and group sizes. Track 1 is suitable for migrants with little or no prior schooling, who include illiterate migrants and those who have little experience in using written language. Track 2 is intended for those who have some prior schooling and have acquired writing skills in their mother tongue or another language. They can use written language as a tool for learning. Some, however, may have little or no experience of the Latin alphabet and others knowledge of one or more foreign languages. Track 3 is suitable for humanitarian migrants who have a good general education, including those educated to tertiary level. Participants in Track 3 are used to reading and writing as tools for acquiring knowledge and often have learned one or more foreign languages at school. Indeed, many have developed high linguistic awareness. They progress fast. To ensure that humanitarian migrants are assigned to the track that matches their profile and needs, municipalities identify and assess participants' educational background, profession, work experience, proficiency in foreign languages, and future plans. The exercise may consist of a conversation with the migrant, possibly through an interpreter, complemented by language tests in Norwegian and other languages. Municipalities have two months in which to determine which tracks participant will follow.

Source: Regulation to the Norwegian Introduction Act (<https://lovdata.no/dokument/SF/forskrift/2012-04-19-358>) cited in OECD (2016).

5.2.2. Early intervention for those with high probability of international protection

Introduction programmes and other integration measures start in most countries only with recognition of protection status. EP (ECRE), UNHCR and OECD consistently advocate that asylum seekers should receive targeted support early on. Survey data also suggest that

each month of inactivity can hamper the subsequent labour market integration¹⁴. Because of the sheer length of waiting times, some countries have already started to provide early assistance during the application process for those with good prospects to being allowed to stay. Germany, for example, has opened its integration courses (language and civic education) to asylum seekers from countries with high (> 50%) recognition rates. Furthermore, the Federal Employment Service in cooperation with the Federal Office for Migration and Refugees and the ESF funded programme XENOS launched a pilot project aiming to provide quick support with respect to successful labour market integration (Box 11). Finland has also developed an action plan for assessing the professional skills of asylum seekers at reception centres while they are awaiting their asylum decisions. The outcomes of assessment will be taken into consideration when choosing a settlement area that offers education and business opportunities that match their skills (OECD, 2016).

Box 11: Early intervention in Germany

“Early Intervention” in Germany means that PES staff goes out into reception facilities where they assess competencies through a small “work package” that they build from asylum seekers’ self-declarations about their professions, qualifications and work history. The asylum seeker then attends a federal employment office where individual employment strategies are developed to match their skills with the needs of employers in the area. Asylum seekers with little or no documentary proof of their foreign qualifications are also given the opportunity to have their professional competences appraised under the terms of the Professional Qualifications Assessment Act through a so-called “qualification analysis” which assesses skills, knowledge and capabilities on the basis of samples of their work. The pilot was evaluated by the Institute for Employment Research (Büschel et al., 2015). As a result of the qualitative evaluation the PES provides now nationwide skills assessment and counselling services for asylum seekers with high prospects of being allowed to stay. Results on the longer term impact of early intervention are not yet available.

5.2.3. Bridging courses to develop country specific skills

As a result of skills assessment procedures, there might be a need for supplementary education to bring refugees up to the standard required in the host country. Developing skills to ensure country specific skills is a policy recommended in all reviewed studies. But the recommendations make no comments on specific programmes to adapt skills and post-qualifications. Complementary education and training (bridging courses) are usually mainstreamed into existing programmes of adult education and active labour market programmes (ALMPs).

5.2.4. Active labour market programmes and job search assistance

The further strengthening of ALMPs and job-entry instruments such as training and apprenticeship contracts, work placement programs, and skill-bridging courses are deemed to help refugees leverage and build their skills. Research on the effects of active labour market programmes illustrate which types of programmes work the best for immigrants and under what conditions. Programmes directly associated with better labour market outcomes for immigrants, however, are rare. Available evidence refers mainly to ALMPs provided in the context of tailored introduction programmes in Scandinavian countries (Box 13).

¹⁴ For example, the British Survey of New Refugees shows that at all-time refugees with higher English language skills were more likely to be employed than refugees with lower language skills implying that promoting participation in language courses at the earliest opportunity pay off (Cebulla 2010).

Among more general mainstreamed ALMP programs, the German wage subsidy programs aimed at supporting unemployed during the initial phase of self-employment showed to have durable positive effects especially for migrants (Wolff et al., 2015). Subsidised jobs are a common way of alleviating immigrants' barriers to enter the labour market. The IMF recommends explicitly providing **wage subsidies** as hiring incentive to employers. Evaluation results from the Scandinavian countries show that wage subsidies can work well for immigrants, although they are little used by employers (Box 12). Jahn and Rosholm (2012) have shown that employment through temporary agencies in Denmark reduces information asymmetries and screen workers without committing employers to a permanent employment contract.

Removing other hiring barriers like **lowering minimum wages** for refugees are **more contested**. Among the reviewed studies only the IMF study recommends to allow for temporary exemptions to the minimum wage regime where high entry wages are a concern. In some countries there is currently a controversial discussion on considering temporary exceptions from the minimum wage (Germany) or "phased in wages" (Denmark) to facilitate refugees' entry into the labour market. There is, however, no evidence of the effectiveness of such interventions. As acknowledged also in the IMF report, such measures require great caution as they bear the risk of aggravating labour market segmentation. In a report of the Committee of Experts on the Application of Conventions and Recommendations, the International Labour Organisations (ILO) expresses the hope that reduced minimum wage rates for migrant workers existing in a number of countries will soon be repealed to ensure equality of treatment with nationals to wages (ILO, 2014).

Box 12: Lessons from ALMPs in Scandinavian countries

The **Danish** integration program for humanitarian and family migrants, introduced in 1999 was evaluated by Clausen et al. (2009). Their findings provide valuable insights about the relative effectiveness of various ALMPs, such as direct public sector employment, education provision, counselling, training, and private sector wage subsidies. The main finding is that **wage subsidy programs** for private employers were the most effective in improving refugees' likelihood of obtaining a regular job. Participants in such programs took, on average, 14–24 fewer weeks to find employment. However, wage subsidies are very little used by employers to hire immigrants. This is confirmed by Heisen et al (2013) who perform a similar evaluation as in Clausen et al. (2009), but instead of focusing on newly arrived immigrants, they examine immigrants receiving social assistance. The authors find a significant effect of all type of programs on the hazard rate of regular employment for immigrants receiving social assistance. The effects are the largest for subsidized employment programs, which reduce the duration of social assistance by 10–15 months; direct employment programs reduce it by 4 months, and other programs reduce it by 2 months.

The **Swedish** Special Introduction programme (SIN) directly **targeting the job search process** provided time-intensive counselling for a low caseload of 'job-ready' immigrants and refugees at risk of long-term unemployment. The job searchers were assisted at all stages of labour market entry, from a skills/aspirations assessment and analysis of work opportunities to workplace introduction, follow-up and actual employment. While this programme produced successful outcomes, widening the group of beneficiaries may make job search assistance more challenging for caseworkers (Aslund and Johannson, 2011)

In **Finland**, the evidence of (mandatory) individualized integration plans introduced as part of the Act on the Integration of Immigrants and Reception of Asylum Seekers, which came into force in 1999, shows that the intervention had a large positive impact on the earnings of disadvantaged immigrants. The **individualized integration plans** could include language courses and other courses specifically designed for immigrants e.g. training in

civic and working life skills, vocational training, subsidized job placements, rehabilitation, and so forth. The integration plans seem to have increased time spent in language courses and other training specifically designed for immigrants while scaling down traditional ALMP such as job-seeking courses. The authors interpret their findings as suggesting that a focus on improving the match quality between immigrants' pre-existing skills and the training offered may substantially improve the efficiency of ALMP for migrants (Sarvimäki and Hämäläinen, 2016).

5.2.5. Social networks and mentoring

Social networks, including contacts via friends, relatives and existing employees are deemed to be very important for job search. Newly arrived immigrants, tend to have fewer networks that are relevant to the labour market than do native-born¹⁵. Thus, the heavy reliance of the job-matching process on informal networks can limit access to jobs by (humanitarian) migrants and put them at a significant disadvantage in the labour market.

Mentoring is one possibility recommended by nearly all studies to overcome such hurdles. Mentors are supporting refugees in looking for work and giving advice on social matters as well as providing access to networks and thus bridging also cultural gaps. Former refugees themselves can also be mentors. A good example in this context is the British "link officer"-model (Box13).

Box 13: Link officers in a voluntary sector programme in the UK

In the UK a large number of community-based organizations serve specific needs of migrant groups. A good practice example is the "Trellis" project, established in 2005 by the Employability Forum to help refugees in Birmingham find sustainable employment to match their skill sets. It gave tailored support to refugee jobseekers, with the engagement of employers, refugee communities, and other social partners. **Link officers – former refugees themselves, trained as advisors on the Birmingham labour market** – were matched with jobseekers who spoke the same language. After assessing jobseekers' barriers to work, link officers developed a tailored action plan, directing clients to the most appropriate support program, training course, language class, or work placement opportunity. They also helped jobseekers update their CVs, fill in application forms, and prepare for job interviews. The Trellis project also raised awareness among employers and trade unions of the benefits of employing refugees (UNHCR, 2013).

The Swedish "introduction guide" programme shows that attention should be paid to the quality of mentoring and the rank of tasks (Box 14).

¹⁵ Findings from the British SNR suggest that length of residency and language competency broaden one's social networks. While the mere possession of networks is not enough to enhance access to employment, the absence of such networks does appear to have a detrimental effect on access to work. Language competency, pre-migration qualifications and occupations and time in the UK are most important in accessing work (Cheung and Phillimore, 2013).

Box 14: Introduction guides in Sweden

In Sweden, each participant of the introduction programme (refugees and their family members) has the right to an “introduction guide”. This introduction guide is an individual contracted to guide newly arrived immigrants during their first years in Sweden. The roles of the guide include: the provision of support in looking for work and career guidance; advice on social matters; and the provision of access to networks. **Introduction guide services are contracted out to private organisations or companies** to whom the PES pays a monthly fee, which is supplemented on the basis of the employment results of the programme participant. The PES provides information on the guides from which participants can choose. The PES does not, however, make recommendations regarding the choice of guides. If the participant does not choose a guide, one is assigned on the basis of residential proximity. An assessment by the OECD of the quality of services provided by the introduction guides shows, however, at best mixed results. Guides for new arrivals are currently responsible for both providing social support activities – such as mentoring and settling-in activities – as well as job-search support. The service delivery of some guides has been focused more on social related assistance rather than addressing the new arrivals needs for labour market related service. Moreover, the unification of the two activities may lead to inefficient impact on the individual's labour market outcomes (OECD, 2014).

5.3. Governance: Coordination among integration actors

To address long-term integration issues, comprehensive and coordinated policies are required. The involvement and horizontal co-ordination with stakeholders and civil society organisations (including NGOs) at the local level are important to provide quality services. Equally important is the vertical and horizontal coordination among public entities at regional and national level.

A Eurofound study on policy coordination for third-country nationals in EU Member States found that most Member States have some form of policy coordination on integration, with guidelines or a strategy, programme or action plan spanning several years. Looking closer at the links between migration, labour market and integration policies reveal, however, an uneven patchwork of cooperation within the Member States, sometimes leading to a lack of coordination or a coherent approach. A good example of the involvement of stakeholders at various levels of government is the German IQ Network (www.iq-network.de) as it is characterized by solid and consistent coordination mechanisms between them (Eurofound, 2015).

The recommendations in table 8 emphasize that Member States should apply a multi-stakeholder's approach involving a broad range of partners from different government ministries and departments at national, regional and local level, as well as other stakeholders including civil society organisations (NGOs), the social partners and service providers.

Table 8: Recommendations on policy coordination and partnerships

Commission (DG Home) Modules for Integration	<ul style="list-style-type: none"> • Rely on multi-stakeholder approaches involving public and private actors and civil society
Study European Parliament (ECRE)	<ul style="list-style-type: none"> • Enhance process of sharing information between key partners in place
UNHCR	n. a.
OECD	<ul style="list-style-type: none"> • NGOs and community-based organisations should be involved in the service provision • Reception facilities should cooperate with integration service providers, mainstream services and NGOs • Facilitate information sharing between stakeholders through centralized, modern registration systems
IMF	n. a.

Local volunteers are often vital social bridges linking refugees to the community. Encouraging volunteers have been important in the UK and other countries. The Danish KIT example is also often cited as a good example¹⁶. However, the voluntary sector can play an important role in completing public services but may not be in the financial and organisational position to fully substitute public programmes. A caveat is that most initiatives are funded only for a few years on the basis of programmes or measures. Regular predictable programs with sustained funding are more likely to have positive outcomes. Another shortcoming is the fact, that community-based organisations, including NGOs, often operate at regional and local level and good results are not mainstreamed. Shared learning is consequently limited (Marangozov, 2014).

Some countries have recently shifted towards a mainstreaming approach to refugee integration. This has been noticeable in Finland, Denmark and Sweden. In Sweden (and Slovenia) the Public Employment Service (PES) plays a central role in coordinating integration policies for humanitarian migrants. But the Swedish case also shows that the PES might be overwhelmed to pursue a central co-ordinating role¹⁷. A reform in 2010 placed migrant introduction under the aegis of the PES. Prior to the reform the Integration Board played a coordinating role and provided guidelines to municipalities on its implementation. According to the OECD (2014) the PES is currently not equipped to pursue this role.

¹⁶ The Danish Refugee Council, Churches' Integration Ministry (KIT), and the Danish Red Cross all have volunteer networks involved in assisting resettled refugees upon arrival. These organisations reach municipalities through countrywide networks of volunteers which number in the thousands, <http://www.resettlement.eu/sites/icmc.ttp.eu/files/Denmark%20SHARE%20Network%20National%20Briefing.pdf>.

¹⁷ The Swedish PES is responsible for coordinating the introduction programme; drawing-up a customised plan: assessing and granting introduction allowance; procuring introduction guides; and organising settlement and accommodation for those migrants who are eligible for the introduction plan but who have not been able to find accommodation by themselves. A recent study evaluating the impact of the shift of responsibility from the municipalities to the PES finds no significant differences in the employment rates and earnings of refugees and their families. The authors emphasize, however, that they could only consider the initial period of reform in their evaluation, which was still heavily influenced by implementation hurdles (Andersson and Joona et al., 2015).

In Member States with little experience in the integration field there might be a general lack of service provision for immigrants in general and refugees in particular. The Slovenian and the Portuguese “one-stop shops” are examples of how to build up an infrastructure for integration in Eastern and Southern EU Member States (Box 15).

Box 15: One-stop shop for migrants in Slovenia and Portugal

The **Slovenian Info Point for Foreigners** started in 2008 with the aim of strengthening foreign workers’ rights and enabling migrants to enter the Slovenian labour market. The project has been designed as a “one-stop shop” and provides free counselling on legal and practical issues. The Info Point is run by the Employment Service of Slovenia (ESS) in cooperation with the Association of Free Trade Unions and the Slovene Philanthropy Society. It provides counselling on working conditions and job opportunities, promotion and protection of their labour rights, legal assistance, language learning, and how to establish contact with institutions that provide different services for easier inclusion in Slovenian society. Information is given in one-to-one counselling sessions, either in person, via phone or email. The project not only offers consultations at the headquarters of the PES in Ljubljana, but also schedules regular sessions at PES offices throughout Slovenia. Info Point counsellors also visit workers in their homes. The results of a qualitative study show that migrants are more informed about their rights and possible employment opportunities and project partners are becoming experts in the labour market integration of migrant workers. The choice of partners – especially the formal cooperation partners – has been an important factor in the successful implementation of Info Point for Foreigners. Not only do they promote the implementation of migrant workers’ rights, each stakeholder brings a certain expertise that is not represented by others. However, the funding (from the ESF) was due to end in September 2015. It remains to be seen if enough funding can be secured for the project to continue (Eurofound, 2015).

The Portuguese National Immigrant Support Centres (CNAIs) were established in 2004 and offer a one-stop-shop approach to providing support in areas such as legal status, labour market integration, educational opportunities and family reunification. The CNAIs are also home to more than 100 intercultural mediators whose job it is to provide a link between migrants, public services and civil society organisations. In addition, the mediators form outreach teams which visit neighbourhoods and institutions to raise awareness about the CNAIs and their role. The teams also bridge information gaps among migrant communities by informing them about their rights and obligations in Portugal.

Source: <http://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=1937>.

6. CONCLUSIONS AND RECOMMENDATIONS

Common understanding of key elements

The focus in this note is on comparing different concepts of labour market integration of refugees in recent European and international policy documents. The reviewed policy documents display a common European and international understanding of domains considered as chief elements for sound integration into the receiving society. This concerns more specifically access to employment, language skills and civic knowledge. Whereas all migrants face intensive demands adjusting to a new society, most refugees also need to redress personal, social and economic disadvantages they have faced as part of their refugee flight, and require specialized supports like access to specialized health services.

There is a high degree of international consensus on key elements for a successful labour market integration of migrants and specific aspects to be taken into account in case of asylum seekers and refugees. Recommended policies include an early offer of language tuition and skills assessment to asylum seekers with good prospects for being allowed to stay, developing an individualised integration plan, recognition of foreign credentials including alternative methods of assessing informal learning and work experiences.

The detrimental impact of a delayed start to language classes due to lack of a secure legal status is also confirmed by research evidence. Research findings point strongly to the early provision of language training as a key factor in facilitating integration. The recommendations are, however, not in all aspects evidence based but rely often on good practice examples from countries with advanced integration policies. However, criteria for selecting good practice examples are not always clear. Robust evidence, particularly on the integration of refugees, is scarce but research findings on the integration of broader migrant groups can build an important basis also for refugee integration.

Remaining policy gaps

Despite a broad consensus in the reviewed policy document there are **flaws regarding controversial and in several Member States highly debated questions.**

Gaps in the reviewed studies have been found on the following policy issues:

- Costly investments in supporting humanitarian migrants: Should these be underscored by a policy of “promoting and demanding” like in some Scandinavian countries where benefit receipt is made conditional on participation in integration and language courses?
- Specialized support to refugees: Whether and if so when should it be phased out and replaced by facilitating their access to mainstream support accessing the same services as other residents?
- Programmes specifically designed for refugee women’s labour market integration: These are deemed necessary given the difficulties for women to get access to the labour market, but to which extent as they might aggravate a lock-in effect?
- Unaccompanied minors: Should more and special attention be devoted to the integration of unaccompanied minors who arrive past the age of compulsory schooling? Only the OECD addresses this issue and recommends providing specific support programmes.
- Incentives directed towards employers in order to hire refugees: Only the IMF recommends explicitly providing wage subsidies which have proven to be effective but are rarely used by employers in Scandinavian countries.
- The role of labour market institutions: More research is needed on the impact of labour market institutions facilitating or hindering the labour market integration of refugees.

Research gaps

This note does not aim to fill the gap on what countries do in the field of refugees' integration into society and the labour market. It aims to contribute to a better understanding of what works in refugee integration. The available evidence from research, however, is scarce as the topic is under-researched. There is a lack of quantitative data to know more about barriers and facilitators for refugees to integrate into society and the labour market. It is important to strengthen research and the development of adequate data sources (e.g. longitudinal surveys) on refugee integration. For Member States, it would be also important to know whether it pays off scaling up services early on, i.e. already during the asylum application process, or whether providing tailor-made programmes after recognition entails the same results. To get more knowledge on different policies piloting and (experimental) testing is necessary.

Recommendations

Extended EU Modules to refugee specific integration issues

Member States are differently prepared to address the needs of refugees and supporting them adequately. There is not only uneven experience, infrastructure for service provision and financial resources for programmes but also uneven readiness to support refugees across Member States. In Member States with long-standing and/or advanced policies there is some knowledge on the success or failure of different integration measures. This knowledge is based on administrative data sources (e.g. in Sweden, Denmark, Norway) as well as on a few longitudinal surveys on migrant integration, including refugees (UK, France, Germany). In contrast, very little is known about integration schemes established in new destination countries in Central and Eastern Europe. These countries seem to create policy as situations arise oftentimes without much knowledge of their refugee population (Burnett, 2015).

The European integration support infrastructure can help to build up the capacity to support refugees also in countries with little integration experience. This requires a transversal view about national rules and practices in a variety of specific fields to understand dynamics, define sound policies and improve refugees' integration into the receiving societies. There is currently **a lack of comparative information on what EU Member States really do to support refugees' integration**. Among the many recommendations of the DG Home Modules on Immigrant Integration only a few are specifically tailored towards refugees. To create the conditions for a better coordination of national integration policies and eventually develop a common EU approach, it is particularly important to have a better understanding of what EU Member States do, respectively, what they fail to do. Lessons from migration research and European policy on integration should be extended to refugee specific integration issues. Advising Member States on the integration of migrants in the context of the European Semester, should be extended to the integration of refugees. The existing network of National Contact Points managed by the European Commission (DG Home) offers a good opportunity to complete the European Modules on Migrant Integration by refugee-specific integration schemes in EU Member States.

Clear criteria for good practice examples

In this context is the sharing of good practice examples important. Understanding schemes developed in other countries and identifying and sharing good practices regarding successful integration in the society and the labour market could constitute a real added value. Member States have developed different programmes to improve migrants' access to the labour market. The field is open to diverse and innovative solutions and it is in any case one domain where getting to know each other's rules may help in coordinating best practices and enhance migrants' inclusion in the labour market.

However, as a recent note by the European Parliament points out, to provide a real guidance for other Member States the criteria for choosing good practice examples should be refined (EP, 2016c). Innovative or good practice examples are often collected on an ad hoc basis, and often from those who are delivering the services or implementing programmes. A possibility is to build assessment teams composed by experts from different countries in cases where no robust evidence on integration outcomes or practical impact is available.

Transferability and support for implementation

As there are no set rules or measures on how to strengthen the states and societies integration capacity it would be irrelevant to assume that integration programmes established in one Member States could be transported one by one to other Member States. Therefore, it is particularly important to consider not only the practicability of a certain policy or measure in one country but also their transferability to many Member States by taking into account different institutional contexts. It must be acknowledged that integration occurs within a specific cultural context, and social and economic environment, which vary considerably between EU Member States. Refugees in Member States with a flexible and modular job based qualification system might require, for example, less formal vocational training than those in countries with a less flexible and stronger regulated qualification framework.

Furthermore, enhancing mutual exchange needs also support for implementation of core elements (EP, 2016c). The majority of good examples in the integration field are from wealthy countries with advanced policies. This requires putting more emphasis on the identifying hindering and facilitating factors for implementation in different country contexts, especially in less experienced countries relying on lower financial resources for costly integration programmes.

This applies also to the players involved. The integration process is also affected by Member States' prevailing governance systems. There is, however, no easy answer to the question how to deliver best integration services. Recommendations often stress the key role of public employment agencies to enable refugees' access to the labour market. So far, there is no conclusive evidence on that. The Swedish case shows, for example, that the PES might be overwhelmed pursuing a central co-ordinating role, especially when not adequately equipped.

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ANNEX

Annex I

The Common Basic Principles for Immigrant Integration Policy (2004) and the vehicle for its implementation, the Common Agenda for Integration (2005) form the basis upon which migrant integration in the EU is formulated. In 2014 Member States reaffirmed their commitment to implement the Common Basic Principles. Integration is viewed as comprising the following principles:

CBP 1: "Integration is a dynamic, two-way process of mutual accommodation by all immigrants and residents of Member States"

CBP 2: "Integration implies respect for the basic values of the European Union"

CBP 3: "Employment is a key part of the integration process and is central to the participation of immigrants, to the contributions immigrants make to the host society, and to making such contributions visible"

CBP 4: "Basic knowledge of the host society's language, history, and institutions is indispensable to integration; enabling immigrants to acquire this basic knowledge is essential to successful integration"

CBP 5: "Efforts in education are critical to preparing immigrants, and particularly their descendants, to be more successful and more active participants in society"

CBP 6: "Access for immigrants to institutions, as well as to public and private goods and services, on a basis equal to national citizens and in a non-discriminatory way is a critical foundation for better integration"

CBP 7: "Frequent interaction between immigrants and Member State citizens is a fundamental mechanism for integration. Shared forums, intercultural dialogue, education about immigrants and immigrant cultures, and stimulating living conditions in urban environments enhance the interactions between immigrants and Member State citizens"

CBP 8: "The practice of diverse cultures and religions is guaranteed under the Charter of Fundamental Rights and must be safeguarded, unless practices conflict with other inviolable European rights or with national law"

CBP 9: "The participation of immigrants in the democratic process and in the formulation of integration policies and measures, especially at the local level, supports their integration"

CBP 10: "Mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an important consideration in public policy formation and implementation."

CBP 11: "Developing clear goals, indicators and evaluation mechanisms are necessary to adjust policy, evaluate progress on integration and to make the exchange of information more effective"

Source: <https://ec.europa.eu/migrant-integration/the-eu-and-integration/eu-actions-to-make-integration-work>

Annex II**Synoptic Table on Integration Concepts**

Domain	EU Commission (DG Home) European Modules on Migrant Integration	European Parliament (ECRE) Integration of Resettled Refugees	UNHCR Refugee Integration in Europe	OECD Integration of Refugees and Others in Need of Protection	IMF Refugee surge in Europe: Economic challenges
Access to labour market	X	x	0	X	X
Housing (dispersal policies)	0	X	XX	XX	xX
Health (Traumata)	0	x	x	XX	0
Language courses	XX	XX	XX	Xx	0
Civic integration	XX	XX	X	X	0
Anti-discrimination	XX	X	XX	X	0
Individual needs assessment, counselling, action planning	XX	X	X	XX	X
Mentoring	X	0	X	X	X
Vocational Training, education	0	0	XX	XX	XX

Wage subsidies	0	0	0	0	X
Minimum wages	0	0	0	0	X
Benefits	0	0	0	0	X
Governance (partnerships, coordination)	X	X	0	XX	0

Legend: 0 = very limited references; X = important in the concept; XX = very important, own compilation

Sources:

European Commission, DG Home (2014): European Modules on Migrant Integration

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ISBN 978-92-823-8911-9 (paper)
ISBN 978-92-823-8912-6 (pdf)

doi: 10.2861/816219 (paper)
doi: 10.2861/231602 (pdf)



