FROM SKILLS TO WORK:

GUIDELINES FOR DESIGNING POLICIES TO STRENGTHEN LABOUR MARKET INTEGRATION OF REFUGEES IN THE EU

International Organization for Migration (IOM)
The UN Migration Agency

Co-funded by the European Union
FROM SKILLS TO WORK:

GUIDELINES FOR DESIGNING POLICIES TO STRENGTHEN LABOUR MARKET INTEGRATION OF REFUGEES IN THE EU
The Skills2Work project targeted Beneficiaries of International Protection in line with European Council Directive 2004/83/EC. Throughout this document, the word refugee is used in place. Where text is specific to asylum seekers, this is indicated. Readers may find the IOM Glossary on Migration to be a useful reference for the terminology used in this publication. The glossary is available at the IOM online bookstore: www.publications.iom.int
Refugees, as do other migrants, bring with them a wealth of experiences, skills and talents that make them very valuable to European labour markets. However, capitalizing on these skills and talents is often challenged by a lack of adequate procedures to recognize and validate existing skills, possibly leading to long periods of economic inactivity or to job mismatches. Meanwhile employers continue to express concern toward the aging European population, and the challenges they face to diversify and grow their workforces.

In recent years, fortunately, European Member States have taken important steps toward the development of comprehensive systems for the validation of formal, non-formal and informal prior learning. Start-ups, digital applications and mentoring programmes have also contributed through innovative solutions, as have initiatives designed and implemented by refugees and employers themselves.

This publication seeks to support efforts to enhance the skills recognition, recruitment and retention of refugees. Based on desk research and interviews with employers, government officials, non-governmental organizations (NGOs), and migrant support organizations; a selection of good practices were identified and uploaded to the Skills2Work platform www.Fromskills2Work.eu. The guidelines that follow highlight how the skills and talents of refugees can be better matched to the skills gaps that European labour markets currently face, and endeavor to guide policy makers and project owners.
Labour Market Integration Of Refugees

Migrants, refugees and, even more, asylum-seekers have great difficulty to find and sustain employment which is commensurate with their skills and experience. The 2014 Eurostat Labour Force Survey module on the labour market situation of migrants indicates that working-age refugees have lower employment rates than all other first-generation migrants. On average across 12 European countries, 55 percent of refugees (age: 15-64) were in employment in 2014, compared to 58 percent of family migrants, 73 percent of labour migrants who had entered the host country without a job offer, and 84 percent of those who were employer sponsored (DG EMPL, 2016).

In Europe, migrants generally have lower participation rates and wages than natives (International Monetary Fund [IMF], 2016). The earnings and employment gaps are particularly pronounced in the years after arrival and diminish with time spent in the host country, as migrants improve their language skills or obtain more relevant job experience. Evidence suggests that it takes most refugees at least five years, on average, to integrate into the workplace (Organization for Economic Co-operation and Development [OECD], 2016a). However, there are significant variations between countries and cohorts, and it is not uncommon that the labour market outcomes of specific groups of refugees – e.g. the very low-skilled, older refugees, those traumatized by war – lag behind other migrants for much longer.

Importance of successful integration

The early and successful labour market integration of refugees is essential to their integration into receiving societies. It allows for economic self-sufficiency, prevents social exclusion and marginalization and facilitates cultural and social integration by providing refugees with early access to mainstream networks and services. For those who fled conflict and violence, being economically active soon after arrival may help psychological well-being and the obtainment of a sense of belonging. Employment is also an effective method to learn the local language and to acquire new skills that are relevant to the host society.

For receiving countries, smooth labour market integration of refugees is also critical reduce this group’s financial reliance on social welfare entitlements. This requires high investments in human capital, investments that are especially worthwhile in countries where the recent inflow of refugees is regarded as an opportunity to address skills shortages in an ageing society (European Parliament, 2016).

Migrants and refugees may provide at least a short-term answer to the demographic crisis in Europe. According to Eurostat figures (see: MPC and Bertelsmann Stiftung, 2016), between the years 2015 and 2035, the size of the European population aged between 20-34 years can be expected to decline by almost 32 million. The size of the population bracket between 35-64 years of age is expected to decline by 8 million, whereas the size of the population aged 65 years and older will increase by 37.7 million. Though the demographic outlook and the expected labour supply shortage varies across EU Member States, it is a point of concern in many countries.
Several factors explain the current state of affairs with regard to the labour market integration of refugees. The relatively poor performance of refugees in the labour market can only be partially attributed to the lack of qualifications and skills (OECD, 2015). Other factors as difficulties transferring their skills, knowledge and competences to the local context in receiving countries, limited opportunities to connect with local employers and discrimination are at play as well. Although other migrants who arrive without job offers also encounter these challenges, they tend to be more acute for refugees. Opportunities to prepare for their migration and integration trajectories prior to departure are more limited and hence they face greater difficulties to receive recognition for their qualifications, mastering the language and accessing local networks in the receiving country.

Refugees also face additional barriers linked to their status and to the circumstances of their arrival in the receiving country. These barriers include: legal restrictions toward labour market access; ineligibility to career programs and other services while their asylum application is being processed; dependency on reception provisions such as housing, which might not take social networks and job opportunities into account; protracted periods out of employment and/or training; and psychological distress associated with long and precarious journeys (Migration Policy Institute [MPI], 2016). Hence, refugees face more severe barriers than those encountered by other migrants in making the transition into employment, in terms of scope of challenges and capacity to overcome them.
**Need for Early-stage Skills-Based Job Matching**

In many European countries, refugees who are able to secure employment are overrepresented in sectors with a large incidence of unskilled low-paid employment, such as agriculture, construction, cleaning services, hotels and restaurants, and retail trade (United Nations High Commissioner for Refugees [UNHCR], 2013). MPI and the International Labour Organization (ILO, 2014) argue that low-skilled work can ultimately ‘unlock’ refugees’ skills and offer them an opportunity to resume occupations that are familiar to them. However, the evidence on the conditions under which people can consider low-skilled work as a stepping stone to a career is mixed. Low-skilled work does seem to be a stepping stone to more skilled work for young, urban and educated workers. By contrast, older less-educated and rural workers are more likely to remain in this kind of work with fewer prospects for upward growth.

Skills mismatch has a negative influence at both the aggregate level and individual level (OECD, 2016b). Generally, the total economic output is influenced by how well workers are assigned to jobs and mismatch results in economic output that is lower than the potential given by the economy’s skill stock. Skill mismatches and shortages can negatively affect economic growth through lower labour productivity growth, lost in production associated to vacancies remaining unfilled and the implicit and explicit costs of higher unemployment rates.

At the individual level, professional downgrading – namely, performing a job that requires lower skills than an individual possesses – generally entails lower earnings, lower job satisfaction and a higher risk of unemployment. Over-qualified workers are expected to suffer a 17% wage reduction compared to well-matched workers; for over-qualified workers who are working in a sector or job unrelated to their field of study this penalty amounts to 26% (OECD, 2016b). Workers who were mismatched by field-of-study are also 5% more likely to be unemployed than previously well-matched workers (Monnt, 2015; OECD, 2015).
ROLE OF EMPLOYERS

Migration is no longer an issue solely for governments; it is a topic that also directly concerns employers in the public and private sector alike. Employers are able to influence positive change and improve the legal frameworks protecting migrant workers. Moreover, refugee engagement can directly benefit organizational performance. Although private sector employers are often not considered when discussing migration management and integration policy, businesses are increasingly interested in the diversification of their talent pools.

There are several reasons for which migration is a topic of direct interest to employers (The Hague Process on Refugees and Migration [THP], 2015):

a) Diversity leads to a stronger workforce where individuals can share and learn from each other;
b) Migration allows employers to address labour shortages and specific skill needs;
c) Better-integrated migrants are successful due to higher motivation and productivity, and display higher loyalty towards their employer;
d) A diverse workplace boosts competitiveness and innovation among employees;
e) Migration enhances global competitiveness for businesses;
f) Migrants represent an expanded customer base, often creating new market opportunities for businesses.

For these reasons, employers should be considered as key stakeholders. THP (2015) argues that if employers seek to leverage the talent that a diverse workforce provides, particularly the refugee workforce, they must focus on investment in specific programmes that drive outcomes important to the organization. THP (2015) further stresses that most employers do seem to understand the value of diversity in the workforce, although capitalizing on the refugee workforce as a strategic lever is still a missed opportunity by most organizations.

“I believe that skills can be developed, but a good attitude and an eagerness to work cannot.”

Oscar,
Restaurant Manager, Spain
Evidence from OECD countries (OECD, 2012) suggests that refugees take significantly less time to enter employment when labor market conditions are favourable and strong support policies toward labor market integration are in place. While integration systems have substantially improved in many countries in recent decades, much remains to be done to ensure that refugees become fully integrated members of society.

**Easing Labour Market Access for Asylum Seekers**

Although countries have eased labour market access for asylum-seekers in recent years, most countries still allow access to the labour market only after an initial processing period. According to EU Directive 2013/33, Member States must ensure that asylum-seekers can access the labour market no later than nine months from when they apply for international protection. The EU Directive has prompted some alignment allowing asylum-seekers to access the labour market before a final decision has been made regarding their asylum claim; although recent data shows that a number of countries still exceed the minimum requirement of nine months (OECD, 2016a).

The IMF (2016) recommends to both shorten the waiting time for accessing the labour market and to ease further restrictions as they can adversely affect subsequent integration outcomes. In addition to shortening waiting times and easing restrictions, the IMF (2016) argues that increasing the overall labour market flexibility could improve refugees' integration in the workforce as well. Although empirical evidence remains scarce, existing studies suggest that refugee employment rates and the quality of the jobs they hold are higher in countries with flexible labour markets (Aleksynska and Tritah, 2013; Bisin et al., 2011; Ho and Shirono, 2015).

**Early Intervention of Integration Measures**

Effectively tackling the multiple disadvantages that hamper refugees' labour market integration requires a comprehensive set of policy measures in different areas (e.g. integration, education, housing, employment, health (mental and physical) and social policies) to be provided at the different stages of the reception process. This can only happen when all services provided are coordinated and embedded in a multidimensional and multi-stakeholder strategy to support refugee integration.

The MPI and ILO (2014) provide a number of options to improve interagency cooperation:

a) Improving information sharing and networking:
   Service providers and government agencies must be able to communicate effectively to share policy innovations. Subnational networks are a promising way to improve coordination. At the national level, agreements between agencies to share information on the individuals they serve can preserve financial resources by limiting the risk of duplication of processes and services.

b) Setting up one-stop shops:
   Placing different services for refugees in the same building/area/online helpdesk can enable refugees to be easily referred among services, and can encourage streamlined integration procedures.
Employers are particularly important stakeholders when it comes to the integration of migrants and refugees. It is therefore important to align employers’ incentives with the objective of enhancing potential skills of refugees by involving them in the integration process. Employers and trade unions are often in a better position than national governments and local authorities to assess how useful refugees’ qualifications and work experience are. They are also well placed to judge what content should go into bridging programmes and to support vocational and language training.

To achieve employers’ engagement, it is essential that governments acknowledge that employers need support throughout the integration process and thus, provide them with the adequate services and incentives to recruit and retain refugees in a fair and sustainable manner (MPI, 2016). THP (2015) provides the following recommendations toward governments who seek to engage employers, in particular private sector employers:

a) Governments need to improve the communication of positive benefits of migration toward businesses and profit margins. A shift in perspectives of migrants and the financial cost/benefit of diversity is needed to create more awareness and opportunities for businesses to benefit from migration.

b) Governments should support programmes specifically for businesses which cater to employer’s needs and concerns.

c) More businesses will engage if governments facilitate the short-term returns and benefits of hiring refugees through the provision of subsidies.

**Engaging employers**

Employers are particularly important stakeholders when it comes to the integration of migrants and refugees. It is therefore important to align employers’ incentives with the objective of enhancing potential skills of refugees by involving them in the integration process. Employers and trade unions are often in a better position than national governments and local authorities to assess how useful refugees’ qualifications and work experience are. They are also well placed to judge what content should go into bridging programmes and to support vocational and language training.

To achieve employers’ engagement, it is essential that governments acknowledge that employers need support throughout the integration process and thus, provide them with the adequate services and incentives to recruit and retain refugees in a fair and sustainable manner (MPI, 2016). THP (2015) provides the following recommendations toward governments who seek to engage employers, in particular private sector employers:

a) Governments need to improve the communication of positive benefits of migration toward businesses and profit margins. A shift in perspectives of migrants and the financial cost/benefit of diversity is needed to create more awareness and opportunities for businesses to benefit from migration.

b) Governments should support programmes specifically for businesses which cater to employer’s needs and concerns.

c) More businesses will engage if governments facilitate the short-term returns and benefits of hiring refugees through the provision of subsidies.
Assessing qualifications, work experience and skills

Since many professions require migrants to obtain the recognition of educational credentials before allowing them to perform the job, refugees are hindered from accessing employment (DG EMPL, 2016). A refugee who obtains recognition has a higher probability (up to 23%) of finding employment, compared to those with the same profile but without a formal recognition of their education. Moreover, full recognition leads to 28% higher earnings and 32% lower likelihood of being overqualified for the current job (IAB-Kurzbericht 2014). It is therefore important that their foreign qualifications and skills are assessed and recognized swiftly and effectively and that alternative assessment methods are used when there is no documentary proof of qualifications.

Depending on the level and type of qualifications that an individual possesses, two broad types of assessments procedures can be distinguished (OECD, 2016a):

a) Formal recognition can be useful for refugees with foreign post-secondary education and vocational or tertiary degrees. Highly-educated refugees face a high risk of professional downgrading unless their credentials have been validated.

b) For refugees with professional skills acquired through work experience or informal learning, recognition of prior learning techniques can be used. They comprehensively map skills that may then be showcased to potential employers.

The provision of formal credential recognition procedures often encounters low acceptance and is inaccessible to people with no proof of their degrees. To overcome this barrier, formal qualification assessment providers may rely on alternative forms of documentary proof, such as: affidavits in which the applicants describe their experience and knowledge; endorsements from professional associations; testimonies from instructors, skills/competency testing, comprehensive mapping exercises and other evidence from enrolment in an educational institution (OECD, 2016a).

Recognition of prior learning can be relatively quick, cost-effective means of identifying individual needs for further training. In such cases, recognition of prior learning can be incorporated into bridging programmes to allow refugees to fill the skills gaps which prevent them from obtaining a domestic requirement for accessing the labour market.

Fostering civil society

Individuals, including those who have successfully navigated the integration process, can also be important drivers of integration policy and practice. Civil society involvement forges ties between refugees, government and host-country communities and contributes to social cohesion. Without the key components of civil society organizations, refugee experiences, a welcoming business environment and the support of local communities, the implementation of integration policies are likely to be ineffective.

As acknowledged by MPI (2016), the rise in refugee applications in the EU region has been accompanied by a considerable increase in civil-society activities and the emergence of many promising drivers of successful refugee integration. However, these initiatives require support from the public sector to drive sustainability and to ensure their fit as part of a coherent package of services available in each receiving community. Policy makers should also assess the outcomes of civil-society initiatives and contribute to better organization, coordination and sustainability of those shown to have positive impacts on integration.
PROMOTING EQUAL ACCESS TO INTEGRATION SERVICES

There are significant differences between countries in the type and quality of integration services offered to migrants and refugees, but there are also sharp differences within countries; integration services are available in some regions and not in others. This is particularly pronounced in decentralized countries, where regional or local governments control the type of integration services provided. Although countries might struggle to limit disparities, there are measures that can help them offset differences (OECD, 2016a):

a) Building the necessary expertise in local authorities;
b) Ensuring adequate financial support and the right incentives;
c) Pooling resources between local authorities;
d) Allowing local authorities some degree of specialization where possible;
e) Setting common standards and monitor how local authorities live up to them.

FACTORIZING EMPLOYMENT PROSPECTS INTO DISPERAL POLICIES

Local labour market conditions are a crucial determinant of lasting integration (Åslund and Rooth, 2007). In areas where jobs are readily available, labour market integration is faster and easier. The OECD (2016a) argues that it is important to avoid situations in which new arrivals are placed in areas where labour market conditions are poor. When countries settle refugees through dispersal or quota-based policies, they should bear in mind employment-related factors, which include individual profiles, labour market conditions and specific local shortage occupations. Other criteria, particularly the housing supply and provision of integration services, should remain important elements in countries’ dispersal decisions.
DEVELOPING DIFFERENT STRATEGIES FOR DIFFERENT GROUPS

There is a growing variety regarding refugees’ countries of origin, but also of education levels, family situations and resources. While many refugees are tertiary educated, a significant proportion lacks basic qualifications. It is important that there are integration pathways specific to refugees from all levels of the qualification spectrum which reflect different needs, capacities and resiliency. Policymakers should consider alternative pathways that may involve seminal training and micro-financing for starting up a small business, volunteering, or unconventional employment opportunities. There is no one-size-fits-all solution to integration, and different subgroups may need a different set of policy measures and different length of support to integrate successfully.

OECD (2016b) recommends that individualized integration pathways be designed in cooperation with refugees. Typically, a needs-based assessment seeks to identify their individual needs on the basis of education, work experience and career prospects. Language training is one of the most important components. An efficient way to make sure that language courses consider the different needs of refugees is to make them modular, with learning modules with increasingly advanced goals. The most tailor-made measure is on-the-job training, which adjusts content and delivery of language training to the skills and training needs of the individual. By linking language training to vocational training and labour market experience, on-the-job training has been found to greatly facilitate entry into employment. On-the-job training is also an important component of bridging programmes. It enables refugees whose foreign credentials are not equivalent to domestic qualifications to acquire the missing skills that will help them to achieve full equivalence.

ADDRESSING MENTAL HEALTH CONCERNS

It is estimated that between 13 and 25 percent of refugees suffer from posttraumatic stress disorder and/or depression (Ikram and Stronk, 2016). The prevalence rate among refugees is generally higher in comparison to the general population in the host country and this holds after many years of displacement. However, little is known about the prevalence of other mental disorders. As mental health issues can be a fundamental obstacle to integration, the timely assessment of the individual’s mental health condition and the provision of support services if required is therefore of vital importance.

To effectively tackle this issue, refugees need to be granted legal access to general healthcare services and to mental health specialists. While this is the case in most OECD countries, some countries restrict asylum-seekers’ access. Countries that maintain restrictions over long periods risk incurring long-term costs associated with late intervention – in terms of chronic health problems and lack of social/economic participation (OECD, 2016a).

Where refugees have legal access to regular healthcare services in the host country, their uptake of these services may be inhibited by other factors, such as lack of awareness of mental health concerns, unfamiliarity with local healthcare services, fear and distrust toward service providers, and issues related to stigma. To help refugees overcome these barriers in access to the healthcare system, targeted information campaigns and other information provision measures in host countries can be effective and reaching marginalized groups, and to destigmatize sensitive issues associated with mental health. These initiatives would need to supply important information in the languages of the chief countries of origin.
Providing Specific Support to Unaccompanied Minors

There is an unprecedented rise in the number of unaccompanied minors who claim asylum in European member states (Eurostat, 2017). This vulnerable group faces particular integration challenges. A significant portion of this group arrive just before or just after the age at which schooling is no longer compulsory and have little or no formal education. Therefore, unaccompanied minors require tailored education and training programs to overcome the multifaceted obstacles that they encounter. Host countries should offer the opportunity to rapidly learn the language, build the skills required for durable integration and overcome the effects of the traumatic events they have often experienced. To that end, they should be placed in safe and stable surroundings where a solid support structure compensates for the lack of familial and community support and enables them to focus on their education.

Develop Gender Sensitive Labour Market Integration Programs

OECD/EU Commission’s (2015) indicators show that female refugees have significantly worse labour market outcomes, especially in the short-medium period after arrival. Labour market measures often do not consider that women encounter more difficulties than their male counterparts in finding a job. The FEMM committee (2016) argues that integration measures provided by public institutions and NGOs should take into account their specific needs. Gender-sensitive policies should include: information dissemination concerning services and accessing the labour market; training of cultural mediators who assist women in accessing services; training aimed at enhancing women’s skills and education and addressing personal concerns such as family obligations, trauma and cultural differences.

“Language is empowering because, just like a bridge, it connects you with the ‘other’.”

Sophia, Cultural Mediator, Originally from Yemen

© IOM 2017
This policy brief reflected on the particularly challenging context of labour market integration of refugees across the EU as compared to other migrants. Key issues that tend to hamper this process are this group's greater difficulties in getting recognition of their qualifications, mastering the language and accessing local networks. Also relevant are the group's additional labour market entry barriers that are linked to refugees' legal status, to the circumstances of their arrival in the receiving country and to their (common) precarious health conditions.

By now, the importance of the early and skills-based labour market integration of refugees is broadly acknowledged as an essential precondition to their wider inclusion in receiving societies. It allows for economic self-sufficiency, psychological well-being, prevents social exclusion and marginalization and facilitates cultural and social integration by providing refugees early access to mainstream networks and services. For receiving countries, the smooth labour market integration of refugees is also important to reap the economic potential of refugees, i.e. as a source of filling structural vacancies in certain sectors, and to reduce this group's financial burden from social welfare entitlements.

In this policy brief several guidelines are formulated to support the effective design of policies strengthening labour market integration of refugees in in the EU. Strong support policies on labour market integration can have a significant effect on reducing the wait time for labour market entry. Even though integration systems have substantially improved in many countries in recent decades, much remains to be done to make sure that refugees become fully integrated members of the society. Nonetheless, an increasingly impressive stock of promising local, national and EU-wide initiatives in this field has been developed in society-wide collaborations of actors encompassing government, business, trade unions, chambers of commerce, civil society organizations and citizens.

To further energize this innovative process across the EU in years to come, various EU-level initiatives have been launched lately that likely will bear fruit in the near future. Three prominent initiatives are: First, the Commission's initiative ‘Employers together for integration’ giving visibility to what employers are doing to support labour market integration of refugees and other migrants; second, the ‘European Partnership for Integration offering opportunities for refugees to integrate into the European labour market’ signed by the EC and the Social and Economic partners; and third, the 2018 European Migration Forum meeting focusing on the integration of migrants into the labour market, in which 120 civil society organizations across the EU and neighbouring countries discussed challenges and good practices on this theme with European Institutions and representatives from local, regional and national authorities.

Surely, there is much at stake, as ensuring swift economic participation of refugees in European member states is an essential precondition to enable their wider societal inclusion and participation in the local community. Still many questions remain unanswered about how to best support this group's swift labour market inclusion and which support measures and initiatives ought to be pursued. Nonetheless, the many initiatives taken from all over the EU, the intense and ongoing debate and the highly ambitious future plans are reason enough to uphold a cheerful spirit. The challenges brought about by global mobility are here to stay, but society at large is showing face in its willingness to co-create solutions for multicultural societal futures.
REFERENCES

Aleksynska, M. and A. Tritah

Åslund, Ö. and D.O. Rooth

Bisin, A. et al.

DG EMPL

European parliament

Eurostat

FEMM committee

Ho, G. and K. Shirono

IAB Kurzbericht

Ikram, U. and K. Stronks
2016 *Preserving and Improving the Mental Health of Refugees and Asylum Seekers*, AMC-UvA, Amsterdam.

International Monetary Fund

Migration Policy Centre and Bertelsmann Stiftung

Migration Policy Institute

Migration Policy Institute and International Labour Organization
Organization for Economic Co-operation and Development

The Hague Process on Refugees and Migration

United Nations High Commissioner for Refugees
Established in 1951, the International Organisation for Migration (IOM) is the United Nations Migration Agency. As leading intergovernmental organization on migration, IOM works closely with governmental, intergovernmental and non-governmental partners. With 166 member states and offices in over 100 countries, IOM is committed to the principle that humane and orderly migration benefits migrants and society. As an intergovernmental organization, IOM acts with its partners in the international community to: assist in meeting the operational challenges of migration; advance understanding of migration issues; encourage social and economic development through migration; and uphold the human dignity and well-being of migrants.