



THE ADECCO GROUP

# The labour market integration of refugees

## White paper executive summary

June 20, 2017

The white paper was commissioned to the  
Reallabor Asyl, Heidelberg University of Education.

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# In brief

Over the past few years, millions of refugees have crossed into Europe, fleeing war, terror, dire living conditions or persecution. In 2015 alone, more than 1 million people sought asylum in EU or European Economic Area (EEA) countries. Countries have been impacted by the influx of refugees to varying degrees, with some hardly affected at all and others taking in tens or even hundreds of thousands of refugees, such as Germany (440,000+), Sweden (150,400+) and Austria (85,000+).

This dramatic rise in the number of refugees and asylum seekers arriving in Europe in the last few years has put European countries under unprecedented political, economic and social pressure. Better integration of refugees into the labour market could create significant economic and social benefits across Europe. Yet many countries struggle to cope with the need to resettle the new arrivals, with social and labour market integration presenting a particular challenge. Overall, to date relatively few refugees have been able to integrate through work.

In this [white paper](#), conducted in partnership with researchers from the Reallabor Asyl, an initiative of the Heidelberg University of Education, the Heidelberg University and the Centre for European Economic Research, we assess the scale of the challenge and make recommendations to both policy makers and employers.

# Refugees and work

Early integration can not only help reduce any negative fiscal impact, but actually leads to long-term GDP increase.

- The employment of refugees can also help **address labour force imbalances**, which are currently expected to lead to a loss of USD 10 trillion or 10% of worldwide GDP by 2030.
- More specifically, refugees could help fill **qualitative labour shortages** in EU member states, with four in ten employers currently stating that they cannot find appropriate candidates to fill their vacancies.
- Refugees could also help prevent future **quantitative labour shortages**, supporting growth, preventing wage inflation and encouraging business creation and economic development.

Yet few refugees have found work so far.

- Refugees in the EU have **lower employment rates** than the native population (56% vs. 65%). It takes a refugee population between 15 and 19 years to reach the average employment rate in the EU.
- This is despite the fact that **99% of first time asylum applicants** in the EU28 are under 65 and 70% of **working age**.
- Most refugees also **want to work**, with an average activity rate\* of 70% across the EU, compared to the native population's activity rate of 77%.

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



UNHCR / Silja Ostermann

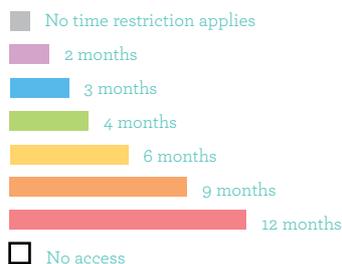
# The road blocks

The complexity of hiring refugees or asylum seekers is one of the main reasons why companies do not seek to employ these groups.

- Whilst legal constraints exist to hiring asylum seekers in most countries, **recognized refugees enjoy the same access to the labour market** as the native population.
- Asylum seekers' access to the labour market may be constrained by **waiting periods**, ranging from 2.5 months in Belgium to 10.5 months in Luxembourg.
- Some countries also **limit working hours or areas of occupation**, requiring asylum seekers to undergo **labour market tests** or for employers to have an **additional licence**.
- Other countries **limit residence permits or impose mobility constraints**, discouraging employers who may require workers for time-limited projects or need to invest in training new staff.



Waiting time for asylum seekers:



Employers also find it challenging to understand refugees and asylum seekers' qualifications.

- A lack of financial means and opportunities as well as the unavailability of education in war zones or while fleeing conflict, means that refugees are often **less educated** than the native population in the host countries (43% of refugees have low levels of education vs. 23% of native population).
- Many asylum seekers **cannot provide evidence of their qualifications** and competencies, as documents may have been lost or left in their country of origin.
- Few European countries provide **skills assessment** for asylum seekers (just four out of 11 OECD countries).



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# What employers can do

Many European employers have established successful programmes aimed at integrating refugees.

- **IKEA** Switzerland offered six-month internships to refugees, whilst also providing intercultural training to avoid culture clashes.
- **Midtvask**, a medium-sized industrial laundry service in Denmark, worked with the government to provide a labour market integration programme for refugees including both language courses and work experience.
- **SAP** provided 100 additional internships (three to six months) specifically for refugees in 2016, next to their 1,000 internships offered on a yearly basis to young people. And for 2017, they continue with the 100 internships for refugees and have extended them to six months.
- **The Adecco Group France**, through its inclusion subsidiary Humando, designed a training programme including intensive language training, vocational training and job seeking support in collaboration with various stakeholders.
- **The Adecco Group Germany** launched a labour market integration programme for refugees, establishing a network of partners, and an online platform. The scheme was then promoted through roadshows with relevant stakeholders.

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# Recommendations for employers

1

## **Tone from the top.**

The way company management supports and is engaged in programmes aimed at refugee integration is decisive for their success.

2

## **Prioritise language skills.**

The lack of language skills is the number one obstacle to refugees entering the labour market.

3

## **Update training and HR processes**

Most companies interviewed stated that the establishment of refugee support measures served as a litmus test for the wider processes they had in place.

4

## **Build a network.**

Working with state agencies, employment and recruitment services, NGOs, through initiatives or supranational actors makes it easier to recruit refugees and manage programmes.

5

## **Be transparent when it comes to competencies.**

Helping refugees overcome the lack of qualification certificates, the incomparability of education systems and disrupted education paths will greatly aid their integration.

6

## **Become a problem solver.**

Non-participation in the labour market causes high costs not only for the host society but also for the prospective employer. It results in a loss of skills, motivation and social competences.

7

## **Invest in manageable and sustainable programmes.**

Integration takes time, and programmes with a long-term focus will have the greatest impact.

8

## **Build a busy social calendar.**

When different worlds meet, social events help people get to know each other, learn about other cultures and develop trust.

9

## **Treat everyone equally.**

Treating refugees differently from the rest of the workforce will hinder rather than drive integration.

10

## **Prepare to go the extra mile**

Refugee integration demands effort beyond the usual work process.



The Adecco Group's contribution to the labour market integration of refugees and asylum seekers

# Facilitating the match between employers, refugees and asylum seekers

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# What governments can do

Many European countries have taken steps towards improving the labour market integration of refugees.

- **Sweden** introduced a fast-track route to employment in sectors with skill shortages, offering language training, early skills assessment and employment matching.
- **Austria** extended its 'Voluntary Social Year' programme, allowing refugees to get to know the labour market by volunteering in social support institutions for up to 12 months.
- **Denmark** provides what is probably the most advanced approach to skills assessment, offering a detailed website on the recognition and transparency of qualifications.
- **Italy** saw a consortium of national agencies, municipal associations and NGOs implement the SPRAR project. It provides targeted support to refugees, ranging from access to housing and public services to employment orientation.

## Recommendations for governments

1

### Make the process quicker.

Non-participation in the labour market causes high costs for the host society, for the prospective employer and for the refugee.

2

### Make skills assessment transparent.

One of the main reasons why employers do not employ refugees is the uncertainty about their qualifications.

3

### Create hubs for network building.

Labour market intermediaries can help match refugees and asylum seekers with potential employers, and reduce companies' screening and other hiring costs.

4

### Ensure refugee dispersion is labour-factored.

Due to demographic change and economic prosperity, demand for skills is a pressing concern in some European regions.

5

### Invest in well-targeted external support.

One-size-fits-all approaches are inefficient, not only for the refugee but also for the employer.



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