

*Challenges and Opportunities in the Labour Market Integration of Asylum Populations*

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## Introduction

Recurring violence and conflict have induced human displacement. One crucial distinction between economic migrant and refugee is their reason for migration: economic migrant can choose their country of destination, while refugee is forcibly displaced due to “well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership in a particular social group” (UNHCR, the 1951 Refugee Convention). Between 2008 and 2017, the total number of refugees around the world rose dramatically from 15.5 million to 25.4 million individuals (World Bank, 2018). As of 2017, two-third of the refugees are originated from Syria, Afghanistan, South Sudan, Myanmar, and Somalia (UNHCR, 2018). Currently, majority of the refugees reside outside of camp settings. As of 2016, the major host countries are Turkey, Pakistan, Lebanon, Iran, Uganda, and Ethiopia, in descending order (IOM, 2018).

With the shift from humanitarian-relief towards a more cooperative and empowerment-based development regime, refugees are also urged to be integrated into their host society. As such, refugees are no longer aid-recipient, but they are also a member of the society and are expected to work and fulfil civil responsibilities. According to the European Labour Force Survey in 2014, 1.8 million refugees resided in 25 countries of the European Union (EU), where Germany, the United Kingdom (UK), and Sweden are the top three host countries within the sampled EU countries (European Union, 2016). There are no uniform asylum policies in the EU, thus the waiting time for asylum decision and labour market restrictions differ across EU states. It takes 6 years for working-age refugees to achieve a 50 per cent employment rate, more than 15 years to reach a 70 per cent employment rate, and up to 20 years to have similar employment rate as natives (Desiderio, 2016; European Union, 2016). Based on extensive literature review, some major challenges and opportunities in the labour market integration of asylum populations are summarized as follows:

## Key challenges

### *Lack of access to the formal labour market*

The lack of access to the labour market can lead to long term deterioration of skills and motivation. For instance, up to 350,000 Somali refugees have

resided in Kenya’s Dadaab camps since 1990s, and none of them have the right to work (Collier and Betts, 2017). In countries with high informality, asylum populations tend to be willing to accept jobs with lower wages, longer working hours, and without social protection. ILO (2014; 2015) recorded that Syrians have increased informalization and decreased average wages<sup>1</sup> in Jordan and Lebanon. Across EU countries, the waiting period for asylum decisions and to enter employment vary, for instance, a minimum of 3 months in Switzerland to 12 months in the UK (Allsopp et al, 2014; Swiss Refugee Council, 2018). This not only hinders integration, but it also increases financial dependence to the State and increases poverty amongst asylum population.

### *Lack of recognition of skills and education*

In addition to labour market restrictions imposed by asylum policies, the lack of recognition of overseas qualifications<sup>2</sup> is a significant barrier to employment. Where assessment is lacking, refugees would accept any jobs, regardless of the formal or informal sector, that can provide them with a livelihood. In Canada, up to 65 and 54 per cent of refugee women and men are overqualified for their jobs (Desiderio, 2016). Despite the assessment of qualifications and skills can be costly, this is essential in the recruitment process. Only a handful of European countries have some form of evaluation (Martín et al, 2016): In Norway, the assessment of qualifications and needs, and the development of employment plans are part of the employment support scheme for resettled refugees; In Denmark, the Danish Agency for Higher Education evaluates the level of education of both immigrants and refugees within an average period of 32 days; In the Netherlands, credential evaluation (based on formal proof and ‘competence interviews’) and education level indication (based on an ‘education level indicator’ (Indicatie Onderwijsniveau) are used to assess foreign credentials.

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<sup>1</sup> A recent survey from the Food and Agriculture Organization recorded the increase in Syrian workers in the informal sector is associated with a 60 per cent reduction in daily wage (ILO, 2014).

<sup>2</sup> O’Donovan and Sheikh (2014) recorded such constraint in New Zealand. In Turkey, only college degrees from countries with diplomatic relations are recognized (Zetter and Ruaudel, 2016).

## **Poverty**

Poverty has detrimental impact on one's access to housing and basic services. In the UK, asylum seekers are not allowed to work for 12 months upon entry (Allsopp et al, 2014). After receiving a positive decision, they are required to leave their government-provided housing in a maximum of 28 days. The majority of them cannot cover rent deposits and are unable to access social welfare immediately (*ibid.*). In some countries, a legal address is pre-requisite to employment and social assistance. On the other hand, poverty can limit one's access to basic services such as health care. In Australia, the State Resolution Support Services recorded many asylum seekers find working difficult due to mental and physical health issues (Doherty, 2018). Thus, early health assessment and support would be useful in facilitating work-place integration.

## **Lack established work and social networks**

Surveys from UK and Australia revealed the lack of reference, local experience, and formal social networks as major barriers to employment (Cheung and Phillimore, 2016; Doherty, 2018). This resonates with evidence about social capital and ethnic enclaves, namely in Denmark where 26 per cent of non-Western immigrants found their first job through contacts (Damm, 2014), in Switzerland where refugees from the same nationality helping each other (Wanner, 2017), in Uganda, Kenya, and South Africa where Somali refugees tend to find jobs in co-national or Muslim businesses (Zetter and Ruadel, 2016a). Asylum populations and immigrants from the same nationality, religious background, or country of origin tend to help each other.

## **Women and girls are the most vulnerable**

According to the European Labour Force Survey in 2014, the employment rate among asylum women is 45 per cent on average, which is 17 percentage points lower than asylum men (European Union, 2016). This is associated with their lower education level, language fluency and literacy, and poorer access to formal networks (such as religious groups and employment). Such disadvantages left them lacking information on how and where to access basic services. Furthermore, women and girls are particularly vulnerable to sexual and physical attacks as recorded in Bangladesh (Zetter and Raudel, 2016b) and Ethiopia (Ruadel and Morrison-Métois, 2017).

## **Opportunities**

### **Asylum policies**

The waiting period for the decision on asylum claims or access to the labour market varies across EU States. The minimum waiting period ranges from immediate access to the labour market in Sweden, three months in Switzerland, Austria, Germany, and Finland, to 12 months in Czech Republic and the UK (Martín et al, 2016). In Switzerland, an additional year of waiting decreases the probability of employment by 4 to 5 percentage points (Hainmueller et al, 2016). The refugee status not only protect them from deportation and provides legal residency, it also enables participation in integration courses and formal vocational training and encourages employers to hire and invest trainings in the asylum population.

### **Engaging employers and other stakeholders**

Where asylum populations are legally allowed to work, it requires employers' willingness to hire and collective efforts from all relevant stakeholders to facilitate the labour market integration of asylum populations. To name a few examples: In Jordan, Western Union offers refugees with work opportunities in computer coding and website translation (The Adecco Group, 2017); In Thailand, the government implemented a formal migrant labour scheme that employs up to 1.3 million Burmese migrant workers in rural areas and the majority of whom are refugees (Arnold-Fernández and Pollock, 2013); Talent Beyond Boundaries, an US-based non-governmental organization, performed a skill and employment profile mapping exercise with a sample of 10,000 refugees from countries such as Lebanon and Jordan in 2017 (UNHCR and OECD, 2018). Employers, governments, non-governmental organizations, together with managers, employer associations, trade unions, civil society, and academia, can contribute in different aspects of integration. On the other hand, asylum populations should identify challenges they face and help identify best practices.

### **Language and vocational skills training**

While the knowledge of host country language tends to increase over time, the higher the language proficiency and education level are associated with significant employment gains (European Union, 2016). In a six-months internship program-



me for refugees<sup>3</sup> at IKEA Switzerland, tandem programmes and online courses were proposed as solution to improve the language proficiency of employees (The Adecco group, 2017). SAP SE<sup>4</sup>, another software company which offers internship programmes for refugees pointed out that interns may not raise questions on technical issues due to language barriers. Therefore, the company developed a multi-lingual educational software to address gaps in language and skills (ibid.).

### ***Recognition of skills and education***

With increasing aging population and need for both high- and low-skill labour in most OECD countries, asylum populations and migrants can fill specific labour shortages in, namely agriculture, construction, and the care sector. Consider most OECD countries are specialised in highly skilled occupations that requires extensive training, the development of an accreditation framework can make the qualification and skills more comparable. As described above, Norway, Denmark, and the Netherlands set examples to facilitate skill-matching. Not to mention, asylum populations face competition from native workers of the same skill level - most asylum populations would likely be limited to narrow, low-skill employment options within in the public sector (Collier and Betts, 2017).

### ***Access to public services***

Without the legal status of a refugee or for employment, it is difficult to find housing and access public services, vice versa. Brett and te Lintelo (2018) reported that housing in urban areas of Jordan are expensive, thus refugees can only afford poor quality housing that is prevalent in areas with poor sanitation and offers informal employment. Improved access to quality housing not only increases privacy and dignity, but it can also contribute

to better physical and mental health status. Similarly, early access to health services and education (especially amongst children) are essential for well-being and human capital development.

### ***Opportunities for community engagement***

As immigrants and asylum populations from similar backgrounds tend to help each other, volunteer or community activities would be an opportunity for new comers to establish networks. Since foreigner's duration of stay and experiences in host countries vary, the long-term asylum populations can provide information on integration and support new comers may require. In addition, ethnic group formations are inevitable. Companies are encouraged to organize activities at work place to facilitate cooperation across nationalities and ethnic groups (The Adecco Group, 2017).

### ***Conclusion***

Last but not least, previous research have shown the labour market impact of refugees is small, even on natives at low-skill levels (Clemens and Hunt, 2016). The topic of immigration and refugee integration have largely been used as a political argument without grounding on empirical evidence. As a long-term solution, asylum populations should be encouraged to integrate into the labour market. They can be productive workforce and contribute positively to host countries, instead of being perceived as social burden.

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<sup>3</sup> IKEA Switzerland had a three-year programme between 2016 and 2019 that offers internship programmes to refugees. They hire two refugees per term in each store, 6 interns from the first term are currently hired as employees following the programme (The Adecco Group, 2017).

<sup>4</sup> SAP SE is a German multinational software company with employees from 130 countries. The company has an internship programme for refugees, the majority of the refugees has a bachelor's degree and good command of English (The Adecco Group, 2017).

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