

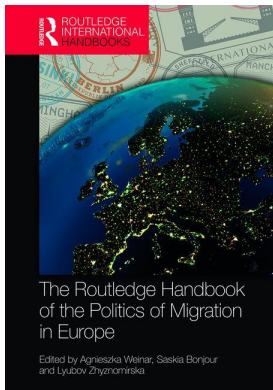
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On: 27 Sep 2023

Access details: *subscription number*

Publisher: *Routledge*

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The Routledge Handbook of the Politics of Migration in Europe

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Publication details

<https://test.routledgehandbooks.com/doi/10.4324/9781315512853-33>

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Published online on: 09 Jul 2018

How to cite :- Sonja Fransen, Kim Caarls. 09 Jul 2018, *Allowing refugees to work or not?* from: The Routledge Handbook of the Politics of Migration in Europe Routledge

Accessed on: 27 Sep 2023

<https://test.routledgehandbooks.com/doi/10.4324/9781315512853-33>

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ALLOWING REFUGEES TO WORK OR NOT?

Policies and the economic integration of refugees in the EU

Sonja Fransen and Kim Caarls

Introduction

With increasing numbers of asylum seekers and refugees reaching European soil over the past years, the economic integration of refugee populations has once again risen high on the policy agenda in Europe (Bevelander, 2016). Both recent and historic studies have shown that asylum seekers and refugees fare worse on the job market compared to native populations and other immigrant groups (Desiderio, 2016; EC-OECD, 2016), making them among the most vulnerable populations in the European employment market. Refugee integration has consequently become an important policy goal in Europe (Cheung and Phillimore, 2014).

Access to the labour market is generally regarded as an essential determinant of long-term refugee integration in European host societies (UNHCR, 2013). The EU Common Basic Principles of Immigrant Integration, for example, 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). When refugees have access to the labour market, other facets of the integration process are facilitated and encouraged, and refugees are able to make a positive impact on host country economies (Konle-Seidl and Bolits, 2016). Nevertheless, in practice many obstacles still hinder asylum seekers and refugees to participate equally in their host country labour markets.

In principle, refugees in host countries have the same access to the labour market as native-born populations. However, as this chapter will show, countries differ substantially in terms of their policies and practices leading to variations in the labour market outcomes for refugees. Despite increasing academic and policy interest, our knowledge about the labour market integration of refugees in Europe is still limited. European migration studies have generally overlooked the issue of refugee labour market integration in national settings and an even larger research gap exists in terms of comprehensive comparative studies across Europe and beyond. This is mostly due to the lack of data on specific categories of immigrants, as most surveys do not distinguish between refugees, labour migrants, and family migrants (Bevelander, 2016), as well as the lack of migrant impact studies in most countries (Bilgili, 2015).

This chapter reviews policies and practices in Europe and elsewhere, regarding refugees’ and asylum seekers’ right to work, and examines how these policies affect their labour market integration. In the first section, we examine policies concerning access, and subsequent integration,

into the labour market. Whereas some countries have extensive experience in hosting asylum seekers and refugees and have implemented comprehensive policies to facilitate the economic integration of these groups, other countries have only recently experienced increased inflows and have implemented weaker or fewer policy instruments. Second, we review the current labour market participation of refugees across (mainly) European countries. Third, we discuss the empirical evidence on the relation between these asylum and integration policies and the labour market outcomes of refugees, and other key factors that determine how refugees fare on the labour market. We conclude this chapter by summarizing the main findings.

Asylum and refugee integration policies

We start by distinguishing between asylum seekers and refugees and the relevant policies that affect these groups. Asylum seekers are those who applied for asylum under the 1951 Refugee Convention on the Status of Refugees on the ground of a well-founded fear of persecution on account of race, religion, nationality, political belief or membership of a particular social group (UN General Assembly, 1951). Only if an asylum application is successful, the asylum seeker is officially a refugee. This distinction is important to make, because different types of policies affect the long-term economic integration of asylum seekers and refugees at dissimilar stages of their migration process.

In 2005, aiming to protect the rights of asylum seekers and refugees and to ensure minimum standards for the reception of asylum seekers, the European Union (EU) drafted a set of laws forming the Common European Asylum System (CEAS). The CEAS defines the minimum procedural standards in processing asylum requests and the treatment of both asylum seekers and refugees. One of the key issues at the European and national level is the legal access of asylum seekers and refugees to the labour market and their social and economic integration (UNHCR, 2013). Specific EU directives regulate labour market access of asylum seekers, refugees and other third-country nationals. Following these European agreements, asylum seekers and refugees should receive equal access to labour markets across the EU. However, despite these harmonization efforts at the EU level, national differences in reception, access to employment, health services, and social rights have remained resulting in different immigration and asylum realities in Member States (Brekke and Brochmann, 2014). In the following sections, we provide details about the legal and policy context for accessing the labour market in European countries and elsewhere.

Labour market access for asylum seekers

In 2013, the EU drafted a new Reception Conditions Directive stipulating the minimum standards for the reception of those seeking international protection. Article 15 deals with access to the labour market for asylum seekers in the EU (Directive 2013/33, in force since July 2015). This Directive is binding for all Member States, with the exception of Denmark, Ireland and the UK. According to Article 15, all asylum seekers should be granted access to the labour market within nine months after lodging the application for international protection, provided that any delay of the asylum procedure is not attributable to the applicant. However, Member States are allowed to impose additional conditions and to prioritize nationals of the European Economic Area and legally residing third-country nationals during the asylum process (2013/33/EU, Article 15–2). Although Member States should ensure effective access to the labour market, in practice these additional conditions may hinder asylum seekers from finding employment in their host countries.

Table 27.1 shows the different conditions for asylum seekers' labour market access in many European countries, as well as beyond (AIDA, 2016; EEPO, 2016; OECD, 2016). In this list of countries, Ireland, Lithuania and Turkey entirely deny labour market access to asylum seekers. In Ireland, these provisions are currently debated. The situation is more complicated in Turkey due to the 'geographical exclusion' clause Turkey adopted when signing the 1951 Refugee Convention, providing full refuge only to those originating from countries that are members of

Table 27.1 Overview of labour market access for asylum seekers in 34 selected countries

	Formal access to labour market		Labour market tests	Sector limitation
	yes/no	waiting time (months)	yes/no	yes/no
Austria	✓	3	✓	✓
Belgium	✓	4	✗	✗
Bulgaria	✓	12	✗	✗
Canada	✓	0	✗	✗
Chile	✓	0	✗	✗
Croatia	✓	9	✗	✗
Cyprus	✓	6	✓	✓
Czech Republic	✓	6	✗	✗
Denmark	✓	6	✗	✗
Estonia	✓	6	✗	✗
Finland	✓	3–6	✗	✗
France	✓	9	✗	✗
Germany	✓	3	✓	✓
Greece	✓	0	✓	✗
Hungary	✓	9	✓	✗
Ireland	✗	✗	✗	✗
Italy	✓	2	✗	✗
Lithuania	✗	✗	✗	✗
Luxembourg	✓	6	✓	✗
Malta	✓	12	✗	✗
Netherlands	✓	6	✗	✗
New Zealand	✓	0	✗	✗
Norway	✓	0	✗	✗
Poland	✓	6	✗	✗
Portugal	✓	1	✗	✗
Serbia	✓	9	✗	✗
Slovakia	✓	9	✗	✗
Slovenia	✓	9	✗	✗
Spain	✓	6	✗	✗
Sweden	✓	0	✗	✓
Switzerland	✓	3–6	✓	✓
Turkey	✗	✗	✗	✗
United Kingdom (UK)	✓	12	✓	✓
United States (US)	✓	6	✗	✗

Source: Adapted from: AIDA (2016). Figures refer to the situation at the end 2015. Additions from EMN (2016), EEPO (2016) and OECD (2016).

the Council of Europe (Ercan, 2016; İçduygu, 2016). Asylum seekers from other countries may be granted temporary protection, allowing them to temporarily access the labour market under strict conditions, but the possibility of integrating in Turkey is denied (EEPO, 2016). Other countries formally grant access to the labour market for asylum seekers, but additional conditions effectively prohibit or at least hamper asylum seekers' labour market participation.

The waiting period before being granted access to the labour market varies across countries, ranging from immediate access (such as in Canada, Chile, Greece, Norway and Sweden) to 12 months (such as in the UK, Bulgaria, and Malta). Lengthy asylum procedures without labour market access are particularly detrimental for asylum seekers. These waiting periods do not only have a psychological impact, but they also create gaps in employment that affects future employability (EEPO, 2016). In Germany, asylum seekers can officially access the labour market after three months, but they are not allowed to work during their stay in a reception centre. Asylum seekers from 'safe countries' cannot leave reception centres, and asylum seekers from 'non-safe' countries are often obliged to stay in these centres for longer periods, implying that they have no access to the labour market (see, UNHCR, 1991, for a discussion of the safe country concept). In the Netherlands, asylum seekers are allowed to work only 24 weeks per year. These, and additional administrative hurdles, make it unattractive for employers to hire asylum seekers in the Netherlands. Other examples of impeding factors include requirements to speak the official language, administrative burdens, and the failure to recognize qualifications and diplomas (AIDA, 2016; EEPO, 2016; OECD, 2016).

National labour market policies for refugees

Equal rights to be employed or self-employed for refugees in the EU have been laid down in the Qualification Directive (2011/95/EU). This includes having equal access to procedures for the recognition of qualifications as nationals have. Additionally, when provision of documentation proves difficult, refugees have access to measures that allow for an assessment of prior learning (2011/95/EU, Article 28). Member States should also ensure equal access to vocational training. The realities of labour market access for refugees are however markedly different across Europe and beyond.

In Figure 27.1, we depict the overall score on the Migrant Integration Policy Index (MIPEX) for all EU Member States, as well as Switzerland, Norway, Iceland and Turkey. MIPEX provides information on integration policies for all migrants, including refugees. Here, we focus on labour market mobility, which captures four policy dimensions related to labour market integration: labour market access, access to general support, targeted support, and workers' rights. Countries are ranked from critically unfavourable (score 0) to favourable (score 80–100) regarding these policies.

Sweden ranks first on the labour market mobility index (MIPEX, 2014). Immigrants have equal access to the labour market and education and training programs are highly attainable. Scandinavian countries are unique in the European context in terms of their extensive integration policies and particularly those related to labour market mobility for migrants. Norway and Finland have a long history of generous refugee admission policies, particularly for resettled refugees, extensive refugee integration policies, and a political system that promotes societal diversity and multiculturalism (Castles and Miller, 2009). The comprehensiveness of Scandinavian integration policies has often been ascribed to the strength of their welfare states (Eastmond, 2011; Sainsbury, 2006; Valenta and Bunar, 2010). Valenta and Bunar (2010), for example, describe the emergence of welfare states in Sweden and Norway after the Second World War, and how politics of inclusion incorporated refugees and other immigrants. Sweden and Norway

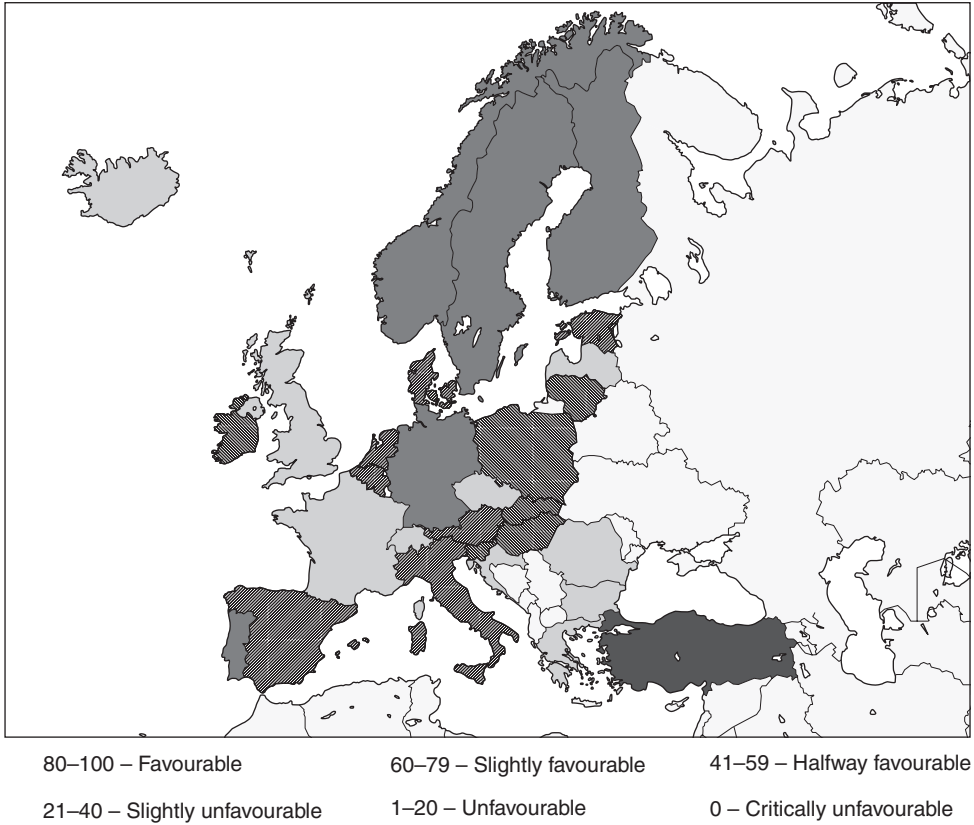


Figure 27.1 Labour market mobility conditions across countries

Source: MIPEX (2016).

focus particularly on providing accommodation to facilitate residential integration and employment support (Valenta and Bunar, 2010). Notwithstanding these exemplary practices, refugees still hold disadvantaged positions in these countries and are not fully integrated into the labour market (Bevelander and Irastorza, 2014; Edin *et al.*, 2004; Valenta and Bunar, 2010). In Sweden, for example, the labour market participation of refugees increases over time, but refugees also have the worst starting point with the lowest employment rates shortly after arrival (Bevelander and Irastorza, 2014).

More unfavourable labour market policies are common in Eastern European countries, such as Lithuania, Poland, Slovakia and Hungary. These countries generally have smaller migrant populations, which were mostly created by border changes rather than actual population movements, lowering the necessity to develop comprehensive migrant integration policies (OECD-EC, 2015). Turkey scores lowest on the MIPEX index. As Turkey has historically not been an immigrant country, labour market policies are not well developed and immigrant workers have limited labour market access (İçduygu, 2016). In response to the recent Syrian refugee inflow, Turkey provided temporary identification cards and the right to employment from six months after registration since January 2016 (*ibid.*). However, numerous bureaucratic hurdles warrant actual labour market access. These hurdles, aimed at protecting Turkish citizens, include, for

example, a provision that employers must demonstrate to have at least five Turkish citizens at work for every foreign citizen. Moreover, the Ministry of Labour evaluates the applications and educational backgrounds of applicants to see if a compelling case can be made to hire a foreigner instead of a Turkish citizen. State support is practically non-existent and equal rights for migrants are not ensured (AIDA, 2016; Ercan, 2016). As a result, many asylum seekers end up working illegally and are vulnerable to abuse and exploitation (AIDA, 2016; Ercan, 2016).

Refugee flows in Europe have diversified over the last decades, not only in terms of origin countries, but also with respect to educational backgrounds, family situations, skills and resources (OECD, 2016). Dealing adequately with this diversity requires tailored integration support. While most Organisation for Economic and Co-operation and Development (OECD) countries have developed instruments for refugees' labour market integration, these vary across OECD countries, as shown in Table 27.2. Next to the elaborate integration schemes in Scandinavian countries, we can highlight Canada's Refugee and Humanitarian Resettlement Program that also offers diverse, flexible courses geared towards specific needs of different groups of refugees, for example distinguishing between classroom and online training, full- and part-time schemes, including child care services enabling participation of those with family obligations (OECD, 2016). Although costly, on-the-job language trainings offer opportunities for refugees to quickly get their qualifications matched with domestic ones, and these trainings have proven to be extremely effective (ibid.). These types of programs are also available in countries such as Australia and Switzerland.

Labour market outcomes of refugees

Few studies have specifically focused on the economic integration of refugees in Europe (Bevelander, 2016; Cangiano, 2014; Pastore, 2010; 2014). Many authors ascribe this lack of evidence to the dearth of quantitative data on refugees, and particularly asylum seekers, in Europe. However, due to the growing focus on refugee integration in European countries, the importance of adequate data collection has been increasingly acknowledged. For example, the 2014 European Labour Force Survey (EU-LFS), unlike earlier LFSs, collected information on migrants' reasons for migration. These data allow for a comparison of labour market participation of refugees, other migrants and native populations in 25 countries in the EU (EC-OECD, 2016). The EU-LFS 2014 shows that the average employment rate of refugees in Europe was 56 per cent in 2014, which is 9 percentage points lower than the average employment rate of native populations (Figure 27.2).

Education seems to play an important role for the employment of refugees in Europe, but representative data on the educational background of refugees is lacking, and strong differences considering educational backgrounds exist between refugees' origin and destination countries (Konle-Seidl and Bolits, 2016). Immigrants, including refugees, tend to have lower education levels than native populations in their host country, which may explain (part of) their relatively low employment rates. Refugees, if employed, are more likely to be overqualified for their job: approximately 60 per cent of refugees with a tertiary education are overqualified, which is twice as high as for the native-born population, and mostly related to the fact that foreign qualifications are not recognized (EC-OECD, 2016). With an average employment rate of 45 per cent, refugee women have worse labour market outcomes than refugee men, which can be partly ascribed to their lower levels of education.

Substantial differences exist in the employment rates of refugees across refugee-hosting countries in the EU. Figure 27.3 shows that refugees have the highest employment rates in Slovenia, Switzerland, and Italy. These high figures are also related to the inclusion of refugees who were

Table 27.2 Employment-related integration support for humanitarian migrants in OECD countries, 2015

	<i>Job-related training</i>	<i>Vocational language training</i>	<i>On-the-job language training</i>
Australia	Yes (if clients meet eligibility requirements)	Yes (if clients meet eligibility requirements)	Yes (as part of SLPET* program)
Austria	Yes (mainstream measures available, targeted measures planned)	Yes	No
Belgium	Yes (but not specifically for humanitarian migrants)	Yes	No
Canada	Yes	Yes	Yes
Chile	No	No	No
Czech Republic	Yes (mainstream ALMP for clients of the labour office)	Yes (through job-related language training)	No
Denmark	Yes	No	Yes
Estonia	Yes (as part of regular labour market services)	Yes	No
Finland	Yes	Yes	Yes
France	No	No	No
Germany	Yes	Yes	Yes
Greece	Yes (but not systematic)	No	No
Hungary	No (but may be provided by NGOs)	No (but may be provided by NGOs)	No
Italy	No	Yes	No
Japan	Yes (but not for all humanitarian migrants)	No	Yes (but not for all humanitarian migrants)
Luxembourg	Yes (access to mainstream services)	No	No
Netherlands	Yes	Depends on the situation	Provided by some employers
New Zealand	Yes	No (not systematic)	Yes
Norway	Yes	Yes (but limited, not systematic)	Yes (mainstream workplace training for basic skills)
Poland	No	No	No
Portugal	Yes	Yes	n.a.
Slovenia	No	No	No
Spain	Yes	Yes	Yes
Sweden	Yes	Yes	Yes
Switzerland	Yes	Yes	Yes (e.g. in construction, restaurant, cleaning and agriculture)
Turkey	Yes (provided in temporary reception centers; outside these centers services may be provided by NGOs and local administrations)	No	Yes (for the employed with work permits only)
United Kingdom	Yes (through DWP provisions for job seekers)	No (ESOL for work courses exist but are not state funded)	No
United States	Yes (but not for all humanitarian migrants) Yes (but not for all humanitarian migrants)	Yes (but not systematically available)	

Notes

n.a. = information not available. * SLPET = Settlement Language Pathways to Employment and Training. Adapted from: OECD, 2016.

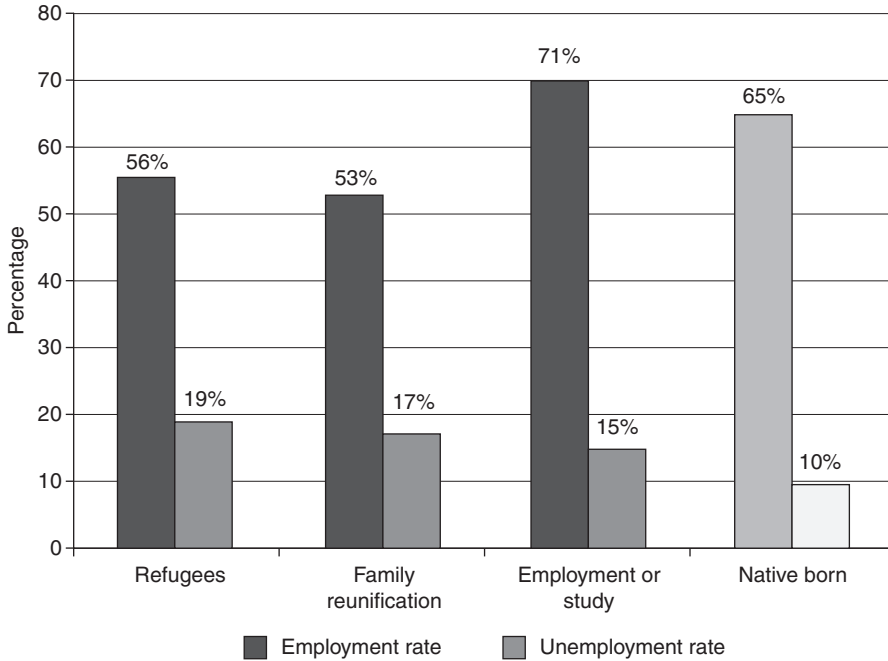


Figure 27.2 Labour market outcomes of refugees and other non-EU born migrants, 15–64 years old, in the EU

Source: EC-OECD (2016). Based on EU LFS 2014 AHM data. Data cover 25 EU countries.

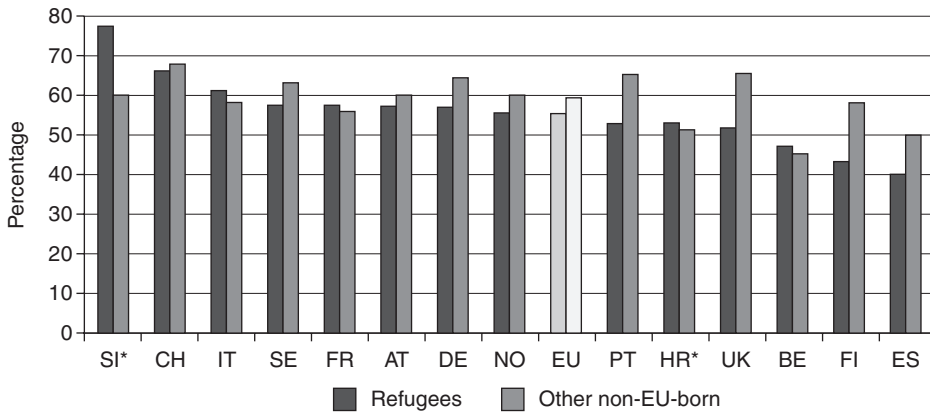


Figure 27.3 Employment rates of refugees and other non-EU born migrants, 15–64 years old, in the EU

Source: EC-OECD (2016). Based on EU LFS 2014 AHM data. Data cover 25 EU countries. *Low reliability for data on refugees in Slovenia and Croatia. Country abbreviations: SI = Slovenia, CH = Switzerland, IT = Italy, SE = Sweden, FR = France, AT = Austria, DE = Germany, NO = Norway, EU = European Union, PT = Portugal, HR = Croatia, UK = United Kingdom, BE = Belgium, FI = Finland, ES = Spain.

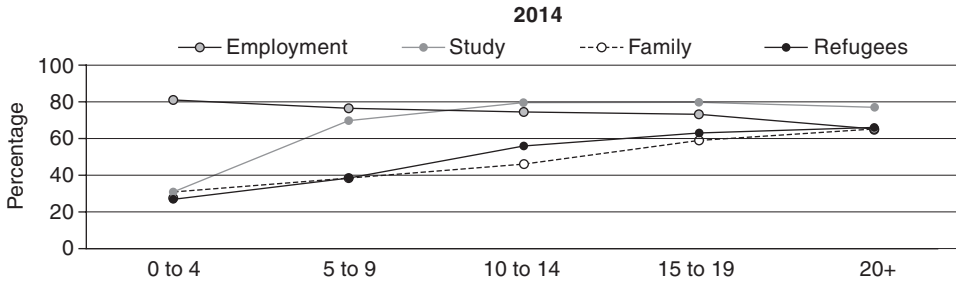


Figure 27.4 Employment rate by reason for migration and years of residence in the EU, 15–64 years old
 Source: EC-OECD (2016). Based on LFS 2014 data. Data cover 25 EU countries.

born within the borders of the EU (EC-OECD, 2016). Italy and Switzerland both score slightly favourable on the MIPEX index (see section ‘National labour market policies for refugees’). It is unclear if the differences in employment rates between these countries can be directly linked to their integration policies. Although refugees are more likely to be employed than other immigrants in some countries (e.g. Belgium, France, Italy, Slovenia and Croatia), refugees in most countries have lower employment rates than other non-EU-born immigrant groups. The employment rates of refugees do increase significantly with the time spent in the host country (Figure 27.4), but employment rates remain on average lower than those of native populations. Only after 20 years of residence, refugees have on average similar employment rates as other immigrant groups and native-born populations (EC-OECD, 2016). The average duration of unemployment for refugees is also higher than those of other groups, suggesting that refugees have difficulties finding employment after becoming unemployed.

Factors determining refugees’ labour market integration

Empirical evidence on the role of asylum and integration policies for economic integration of refugees is limited in the European context (Bilgili, 2015; Cangiano, 2014; UNHCR, 2013). Yet, there is an increasing body of literature that investigates the factors that contribute to a successful labour market integration of refugees. Most studies have been conducted in Sweden, the Netherlands, Canada, the US, and Australia (Bevelander, 2016). These countries are among the classic immigration countries in which more data is available on this particular category of migrants. Overall, the findings show that a complex mix of factors determines the economic integration of refugees.

The role of asylum policies in labour market integration

The asylum procedures of refugee-receiving countries play an important role in future economic integration or labour market outcomes of refugees. Several studies, for example, have shown a negative association between the length of the asylum process and the labour market outcomes of refugees. In the Netherlands, prolonged asylum procedures negatively impacted refugees’ human and social capital (De Vroome and Van Tubergen, 2010). Longer stays in a reception centre corresponded to a greater chance of unemployment and lower job status. During their time in asylum centres, refugees were restricted in their ability to acquire host

country language skills, work experience, education, and social networks. Similar findings from Switzerland showed that employment rates of refugees dropped by 16 to 23 per cent for each additional year of an asylum process (Hainmueller *et al.*, 2016). This was attributed to psychological stress suffered during the asylum process, depression or disempowerment of refugees, the continuity of uncertainty, and the difficulty of finding a job after having been unemployed for a long time.

Mental health effects have been studied in the field of psychology. Scholars have demonstrated that, across a wide variety of contexts, longer stays in asylum centres and prolonged procedures negatively affect mental health of asylum seekers (see e.g. Laban *et al.*, 2004, for a study in the Netherlands; Silove *et al.*, 2007, in Australia; Silove *et al.*, 2005, for a literature review). These mental health problems of refugees, in turn, are related to worse labour market outcomes in the host country (see, e.g. Beiser and Hou, 2001, for a study on Canada).

Other factors related to the asylum procedure are the housing policies or the type of accommodation provided during the asylum process. A comparative study of asylum housing in the Netherlands and the UK – the two countries with an exclusive, discouraging asylum procedure that seemingly aim for an inclusive integration for those permitted to stay – revealed important differences (Bakker *et al.*, 2016). Asylum seekers in the Netherlands are placed in large-scale accommodation centres, while asylum seekers in the UK are dispersed across the country. The Dutch system effectively segregates asylum seekers from the general population, and the lack of privacy and autonomy in these centres results in negative mental health effects (*ibid.*). In the UK, asylum seekers are often housed in deprived areas, and they often encounter a hostile environment, resulting in poorer physical health outcomes (Bakker *et al.*, 2016; Philips, 2006; Stewart, 2012).

These examples show how asylum policies and procedures that are implemented early on in the migratory process may have long-term consequences for the economic integration of asylum seekers and refugees. Specifically, the acquisition of mental health problems, or the exacerbation of existing trauma due to factors associated with the asylum procedure, affect the economic integration of refugees in the long run. Several international organizations such as United Nations High Commissioner for Refugees (UNHCR), International Monetary Fund (IMF) and World Bank are therefore calling for increasing rights for asylum seekers to work and for labour market restrictions to be reduced for asylum seekers residing in refugee-hosting countries (see, e.g. IMF, 2016). Changes in the asylum policies and practices, including providing language training to asylum seekers, the shortening of asylum procedures and removing legal obstacles to work are likely to have long-term benefits for refugees and the economies of refugee-hosting countries (see, e.g. IMF, 2016; OECD, 2015).

Integration policies and refugees' labour market outcomes

There is widespread consensus that the integration policies that countries have implemented are of crucial importance for the long-term economic integration of refugees. Literature on the impact of integration policies on the economic integration of refugees is scarce, but findings indeed suggest that integration policies have long-term effects on labour market integration. Kancs and Lecca (2016), for example, used simulations to predict the long-term economic impact of different refugee integration policy scenarios in Europe and found that, in the medium to long run, a comprehensive refugee integration policy that includes welfare benefits, language trainings, job trainings, etc., would balance the short-term costs of the implementation of such policies.

Other authors focused more on specific aspects of integration policies. Various studies mention the importance of language proficiency and the role of education and work-related

experiences in the host country (see, e.g. Beiser and Hou, 2001; Cheung and Phillimore, 2014; De Vroome and Van Tubergen, 2010). Host country language proficiency and experiences in the host country are often acquired through integration courses. De Vroome and Van Tubergen (2010) discuss the role of integration courses in the Netherlands, consisting mostly of language courses, labour market orientation courses, and information provision about Dutch society more generally, which had a positive effect on employment chances and job status. Beiser and Hou (2001) studied the labour market participation of Southeast Asian resettled refugees in Canada and found that resettled refugees, and particularly women, who spoke English as a result of the government's English as a Second Language (ESL) course, had better labour market outcomes and higher incomes than those who had not participated in the language training. Likewise, Hämäläinen and Sarvimäki (2008) showed positive results from individualized integration programs in Finland on immigrants' (including refugees) employment as well as less dependency on social welfare. These programs included sanctions for non-compliance for immigrants, creating additional incentives for participation. However, Clausen *et al.* (2009) studied mandatory labour market programmes and language courses for refugees in Denmark, and they only found a significant effect of language training on the employment rate. Bloch (2007) showed low levels of labour market activity and high levels of overqualification among refugees in the UK. Policies in the UK typically focus on employability in terms of capacity-building, yet the author suggests more attention should go to preventing discrimination, negative stereotyping in the media, and restrictive policies, which together present major barriers to labour market participation.

Another important predictor of labour market integration of refugees is the settlement or housing policy of the host country (see, e.g. Hagstrom, 2009, for an overview). Local labour market conditions in the area of settlement, including the economic conditions of the area and the availability of low versus high skilled labour, for example, play a large role in whether or not refugees are able to integrate into the labour market. Hagstrom (2009), for example, conducted a study on the housing arrangements for resettled refugees in Sweden and concluded that the poor labour market outcomes of resettled refugees were most likely due to their settlement locations, which were relatively lower populated and offered fewer job or education opportunities. Another important facet related to settlement is the availability of networks for refugees. The dispersal of refugees, which is a policy tool to reduce clustering of refugees, might have negative effects for the refugees in terms of access to networks, which makes it more difficult to integrate economically (Bakker *et al.*, 2016; Edin *et al.*, 2004; Hagstrom, 2009).

Comparing refugee housing and support in the Netherlands and the UK, Bakker *et al.* (2016) showed negative effects in terms of refugees' health regarding the lack of state support in the UK. While asylum seekers receive state support in the Netherlands after they are granted a right to stay, including subsidized housing and integration courses, refugees in the UK have to leave their temporary residence within 28 days after their refugee status has been recognized, and they receive no state support at all. The Dutch integration system positively affected refugees' health outcomes, while the UK system had a negative impact (although the situation in the Netherlands has become much more restrictive recently, likely negatively influencing integration outcomes) (Bakker *et al.*, 2016).

Another issue is related to the labour market conditions in the host country and the recognition of qualifications and diplomas that were obtained in the country of origin. Mestheneos and Ioannidi (2002), for example, conducted 143 interviews with refugees in 15 EU Member States and found that among the major obstacles for refugees to find jobs were the lack of recognition of diplomas, qualifications and previous job experiences obtained in other countries, discrimination of employers and lack of social networks. Likewise, Cheung and Phillimore (2014) found that, among other things, language competency and pre-migration qualifications

and occupations were among the most important factors explaining labour market outcomes for refugees in the UK. Overqualification is also a major issue among refugees (Bloch, 2007; Cangiano, 2014; Cheung and Phillimore, 2014; EC-OECD, 2016; Mestheneos and Ioannidi, 2002). Most refugees have obtained their qualifications in different educational systems, or have difficulties providing the necessary evidence or documentation, which makes it harder to get their qualifications acknowledged.

In addition to policies, individual characteristics of the refugees, including their age, gender, education, previous employment experiences, and marital status have an effect on their labour market integration (Bevelander, 2016). For example, higher educated refugees were found to have better labour market outcomes in Sweden (see, e.g. Bevelander and Pendakur, 2009). Mastery of the host country language is also an important predictor for employment of immigrant groups in general and refugees in particular (EC-OECD, 2016). According to the OECD estimates, if refugees possessed the same level of language skills as the native population, their employment rates would increase by ten points, which is not the case for other migrant groups (*ibid.*).

Conclusion and discussion

Increasing number of asylum applications in Europe have placed the issue of refugee integration high on the policy agenda. Yet, asylum and integration policies and their relation to the economic integration of asylum seekers and refugees remains a small research area in the vast literature on the study of integration and migration more generally. Most studies focused on labour migrants and have overlooked the particular challenges of economic integration faced by asylum seekers and refugees. This is for a large part due to the scarcity of data on refugees or asylum seekers. Furthermore, the focus in the academic literature has been on traditional immigrant-receiving countries such as the USA, Australia and Canada, with little attention for asylum seekers and refugees in the European context. More and better data therefore needs to be collected on asylum seekers and refugees in Europe and specifically in relation to the policies that are in place to support the labour market integration of refugees.

While discussing the economic integration of asylum seekers and refugees, we mainly focused on (western) European countries, even though interesting comparisons were made with other regions. Generally, refugees generally hold disadvantaged economic positions in the labour market. While their labour market outcomes improve over time, their employment rates often remain below those of native-born populations or other migrant groups.

We demonstrated that significant differences exist in asylum and integration policies across European countries and elsewhere. Whereas some countries (e.g. Scandinavian countries) hold liberal attitudes towards asylum seekers and have extensive integration programmes in place, other countries (particularly in Eastern Europe) have only recently turned their attention towards labour market integration of refugees. Convergence of national integration policies is on the European agenda and several steps have been taken towards a common European asylum and integration system. However, national practices remain a competence of individual EU governments, which consequently leads to significant differences across the countries.

The asylum and integration policies that national authorities have adopted play an important role, directly or indirectly, in the economic integration for refugees. Factors such as the length of the asylum procedure and the housing arrangements for asylum seekers are all important determinants of long-term labour market outcomes. Likewise, practices derived from integration policies such as the availability of language courses, job search assistance, and settlement

policies all have an effect on the labour market integration of refugees. However, even in countries with extensive and comprehensive integration policies, such as Sweden and Norway, refugees face challenges integrating into the labour market. Additionally, asylum procedures and integration policies also affect refugees' mental and physical well-being, which in turn affect their employability (Bakker *et al.*, 2016; Dahlgren and Whitehead, 2015). These direct and indirect effects of asylum and integration policies highlight the importance of factors beyond these policies, such as individual characteristics and the structure of the labour market, for determining refugees' labour market integration.

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