

Demography, securing skilled personnel and labor market integration of refugees (II)

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Agenda

1. Labor market integration of refugees in Germany
 - 1.1 Characteristics of the refugees
 - 1.2 Labor market integration
2. Overall economic effects
 - 2.1 Labor force potential
 - 2.2 Public expenditure
3. Recommendations

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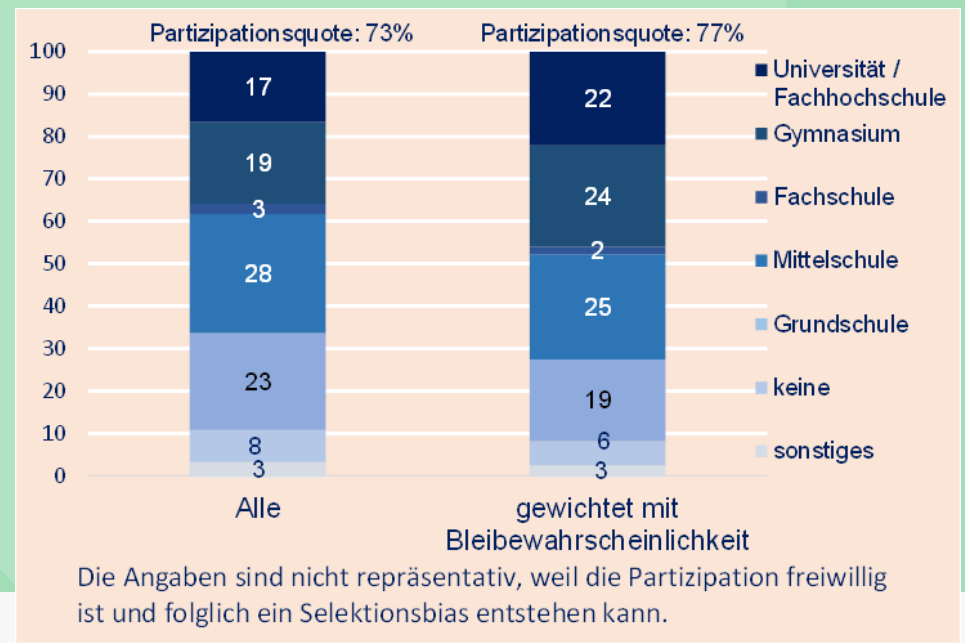
2.2 Public expenditure

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1.1 Characteristics of the refugees

- Results from exemplary analyses and simulations (experience in previous periods of inflowing refugees or experience in other countries)
- Special characteristics of the refugees
 - 55% U25; Over 70% male
 - Educational distinction – strong polarization
 - High motivation and educational orientation



1.2 Labor market integration

- Labor market integration of refugees in 2015:
 - Evidence and simulation from IAB–Soep investigations of refugee migration since the mid–1990s
 - **Rate of integration into the labor market**
 - After 14 years increase to 70 percent
 - **Earnings**
 - After 15 years still considerably lower
 - **Forced Residence requirement**
 - Longer time span for taking up employment and lower earnings

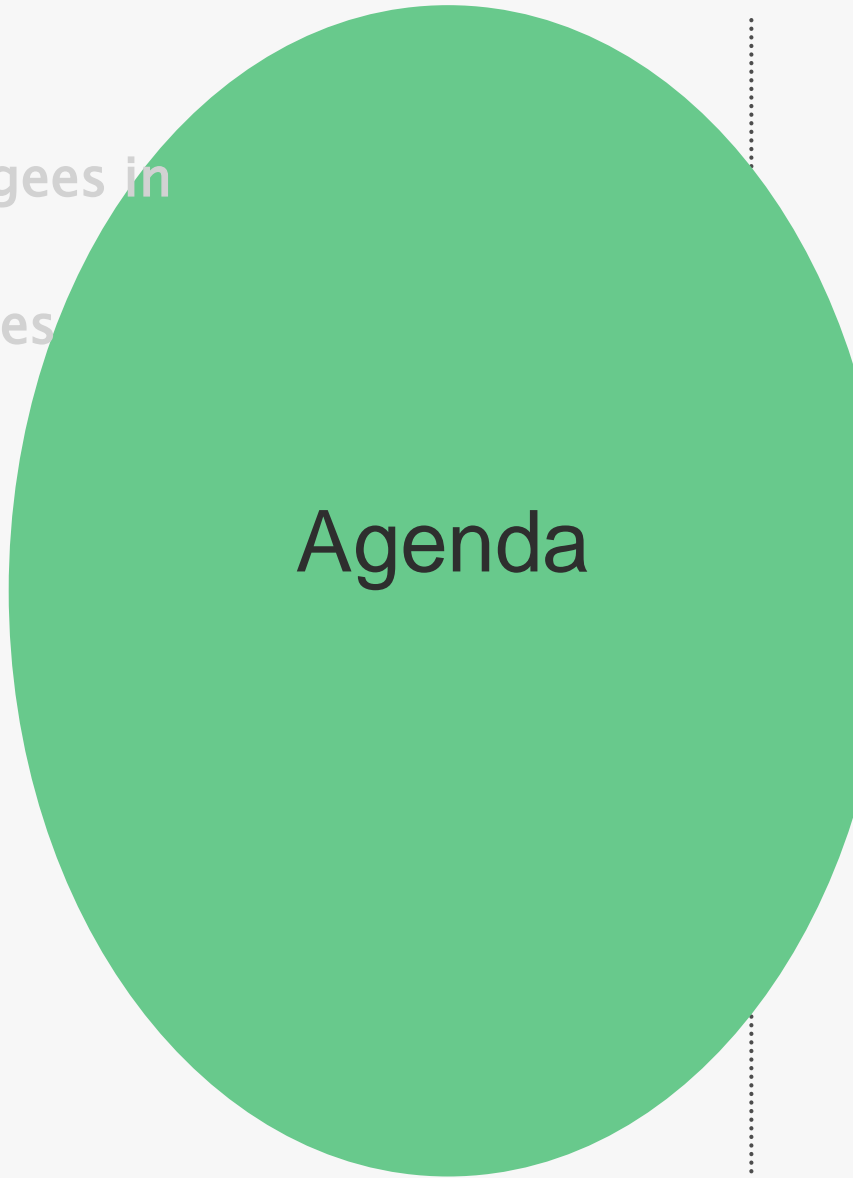
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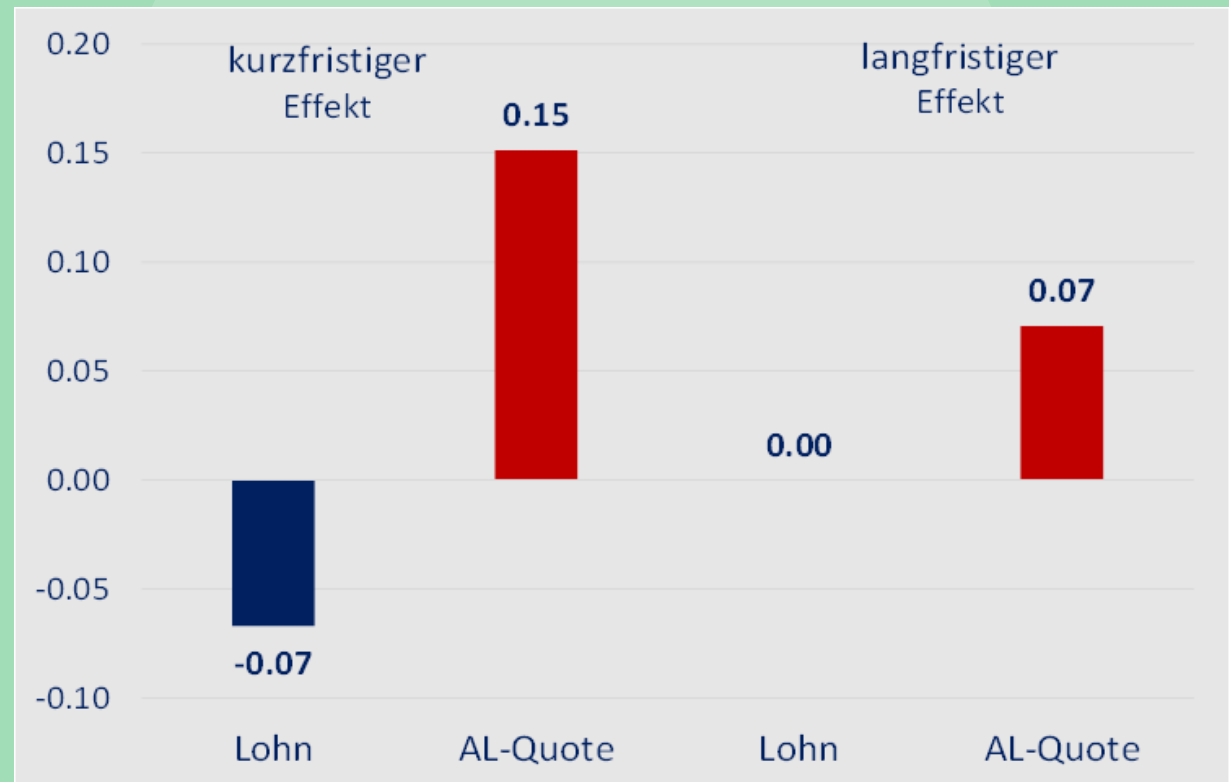
- 2.1 Labor force potential
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2.1 Labor force potential

- Simulation (IAB) for labor force of 450,000



2.2 Public expenditure

- Estimates of expenditures/ benefits (positive balance in the medium- and long run)
- Concepts of defining and measuring costs and benefits (short-, medium- and long run development)
- Expenditures
 - Language/integration, education, training, qualification
 - Access to work programs (government, social security, companies/employers)
 - Transfer payments for unemployment, low income, non-employed persons (such as family members), other transfers
- Benefits
 - Promotion of economic growth (commercial investments and expenditures for industrial goods and services – as infrastructure for administration, living, care; living expenses; consumer demand; transport)
 - Closing of labor shortage, productivity increases, taxes, contributions

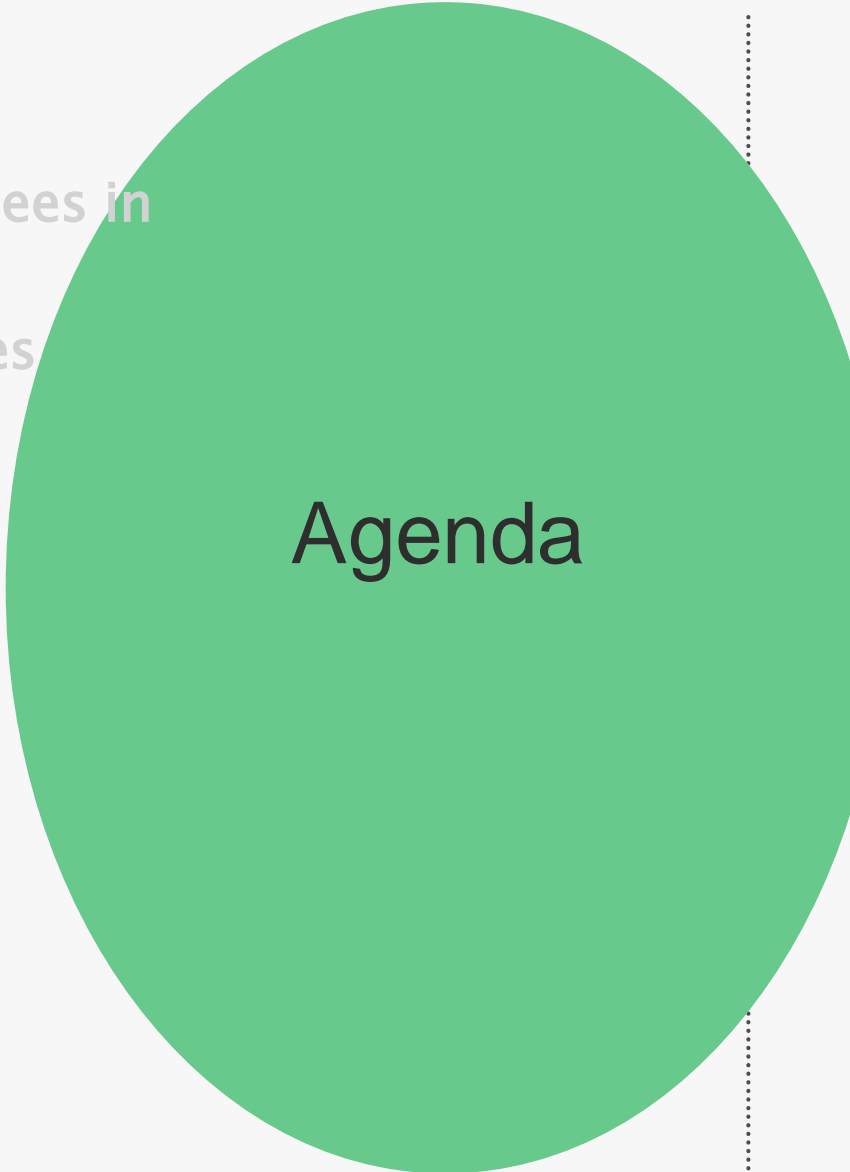
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- Development of language skills
 - Job-related/ complementary, tailormade, performance differentiation (Increase in the number of hours in language courses can have opposite effects!)
 - Combination of part-time work with work related language courses;
- Access to work and training already during asylum procedure;
- Abandoning of restrictions in access to labor market for refugees (for instance rigorous testing procedures, priority checks vis a vis other migrants and non migrants)
- Creating Legal transparency and certainty for asylum proceedings/ probability to stay/ protection against expulsion– improvement in the integration legislation



3. Recommendations (1)

- Development of employment services, qualification, integration, publicly subsidized employment
- Efficient procedures for recognition of professional qualifications; Certification of skills without formal qualifications – Evaluation of experience in EU countries
- Reduction of employment barriers for women (cultural aspects, family responsibilities, education/ qualification)
- Support of qualification-related work and living mobility - in particular distribution to communities and housing supply

3. Recommendations (2)



- **Networking** (labour-administration, collective-parties, employer federations, educational institutions, refugee associations, churches)
- Promotion of cooperation with the private sector, especially SMEs
- Examples in Germany
 - Training initiative by the craft industry, the BA, the BMBF for 10,000 training places
 - Network "Together"
- Availability of quantitative and qualitative sufficient public company advisors

3. Recommendations (3)