

Integrating refugees into labor markets

Economic integration of refugees into their host country is important and benefits both parties

Keywords: immigration, refugees, asylum, economic integration, resettlement

ELEVATOR PITCH

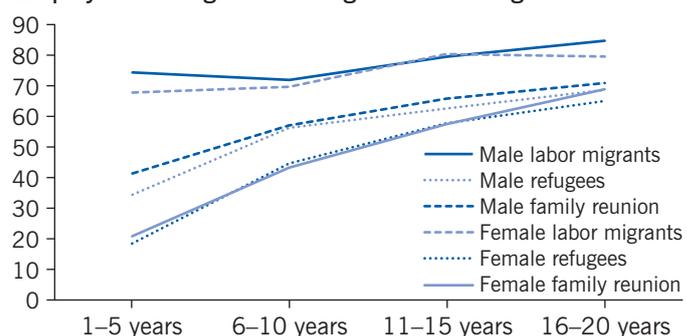
For the first time since the Second World War, the total number of refugees amounts to more than 50 million people. Only a minority of these refugees seek asylum, and even fewer resettle in developed countries. At the same time, politicians, the media, and the public are worried about a lack of economic integration. Refugees start at a lower employment and income level, but subsequently “catch up” to the level of family unification migrants. However, both refugees and family migrants do not “catch up” to the economic integration levels of labor migrants. A faster integration process would significantly benefit refugees and their new host countries.

KEY FINDINGS

Pros

- + Refugees start at a lower employment level upon arrival in host countries but subsequently “catch up,” economically, with family reunion migrants.
- + Internal migration (i.e. within the host country) of immigrants in general, and of refugees in particular, is an important factor for obtaining employment.
- + Similar labor market results (e.g. employment and income levels) are obtained for male and female immigrants in a number of different countries.
- + Results from current research seem robust, since comparable outcomes are obtained when investigating various national labor markets.

Employment integration of migrants and refugees in Sweden



Note: The employment rate for each group is shown over increasing time frames. The data depicted are from 2011.

Source: Author's own calculations based Statistics Sweden's STATIV Database.

Cons

- Refugees integrate more slowly into host countries' labor markets as compared to labor migrants.
- Loss and depreciation of human capital and credentials during the asylum procedure negatively affect refugees' labor market integration.
- Intake policies do not provide adequate assistance to refugees attempting to integrate into the host's labor market; this contributes to their poorer economic performance versus economic and family reunion migrants, particularly in the first few years after arrival.
- Refugees' less effective adaptation to the host country's labor market leads to increased individual and societal costs.

AUTHOR'S MAIN MESSAGE

The increasing flow of refugees into developed welfare states calls for more in-depth knowledge about the integration of refugees into a host country's labor market. Existing studies show that refugees have a lower employment rate and income level than family reunion migrants and labor migrants, but that over time this income and employment gap diminishes or disappears altogether. One reason for this slower adaptation process is the depreciation of human capital and credentials due to the asylum and skill accreditation processes. Policies should improve these processes to reduce both individual and societal costs.