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NOTE

From: Employment Committee
To: Permanent Representatives Committee/Council
Subject: EMCO opinion on labour-market integration of refugees
- Endorsement

Delegations will find attached the above-mentioned opinion with a view to the Council (EPSCO) meeting on 15 June 2017.

Introduction

Before 2015 many Member States were already experiencing significant challenges with regard to the integration of both third-country nationals and, more broadly, people from a migrant background. These face significant barriers with regards to their integration into the labour market, education system, and access to housing. They often have worse labour market outcomes by comparison with native-born persons of the same level of education. They often earn lower wages, are more likely to work under non-standard employment contracts, and have a greater risk of losing their job than native-born persons. And they are more at risk of poverty or social exclusion compared to native-born persons, even when they are in employment.

In 2015 and early 2016 an unprecedented number of third country nationals entered the EU, mostly to seek asylum. Inflows have declined since mid-2016 but the number of asylum requests remains at high levels, with some Member States experiencing many more requests than others. Most of the recently arrived asylum seekers are young and male, with a relatively high proportion being minors. There is a wide variation in the education level of asylum seekers, depending on their socio-economic background and country of origin.

This inflow has exacerbated the existing policy challenges surrounding the integration of third country nationals, given that socio-economic outcomes for refugees are worse, on average, than those for other third country migrants.

EMCO has looked at this issue on a number of occasions and has produced this Opinion on the basis of its work. It does so in line with its mandate as set out in Article 2 of Council Decision (EU) 2015/772, and its role in policy coordination with regard to the Employment Guidelines, in particular Employment Guideline 7¹ It has consulted representatives of the Network of Public Employment Services on this Opinion.

This Opinion offers some important orientations for the labour market integration of refugees which have emerged from those discussions. It seems timely to do so at this point, given the magnitude of the challenge, the fact that this is unlikely to diminish any time soon, and the opportunities which successful labour market integration offers to Member States.

It should be stressed that this Opinion does not touch on the question of which asylum seekers are granted protection: this is a national competence of individual Member States. It seeks instead to provide policy advice for those tasked with the labour market integration of those refugees who will remain, while respecting the competences of the Member States.

Policy orientations

In general, Member States should seek to avoid the mistakes of the past and look to **take action as early as possible after arrival**.

The situation where skilled workers are employed in unskilled jobs, or are inactive or unemployed, is a waste of human capital. Well-qualified third-country nationals are often unable to fully capitalise on their qualifications if they were acquired outside the EU. Member States should therefore seek to **apply a systematic skills assessment and, where possible, recognition of qualifications**. The "skills profile tool for third country nationals", to be launched in June 2017 under the New Skills Agenda for Europe, is a welcome instrument in this context.

¹ In particular, those sections of Guideline 7 which state "*Member States should effectively activate and enable those who can participate in the labour market to do so, while protecting those unable to participate. Member States should promote inclusive labour markets open to all men and women, putting in place effective anti-discrimination measures, and increase employability by investing in human capital*".

Language acquisition is an essential part of integration: research indicates that having an intermediate level of the local language doubles the employment rate of refugees in comparison with those who have only a beginner level. It is therefore advisable to **provide language training as early as possible, tailored to the personal situation, skills, and qualifications of the individual refugee and, where possible, combined with work practice.**

The gradual integration of refugees in the labour market has tended to be very slow until now, resulting in skill losses and a weaker integration process overall. Therefore, policy-makers should aim to **facilitate early and effective labour market access and inclusion for both men and women.** Given the lack of knowledge of the local society that many refugees have compared to the native-born this must include **the provision of basic information on the host-country society, including on the functioning of the labour market and the main interlocutors for job-searching.**

Improving the education, training and professional attainment of refugees could have a strong impact not only on their labour market outcomes, but also on social participation and integration. Member States should therefore seek to **provide opportunities for VET and upskilling, including through on-the-job training.**

Member States should ensure that an appropriate balance is struck between the support from the host government (and other relevant civil society organisations) on the one hand, and the integration efforts from the refugees on the other, by **ensuring incentives for integration, education and work, while providing adequate and targeted support in a "two-way integration process."**

They should also ensure access to other important enabling services such as housing, health support, and childcare.

Experience has shown that refugees may obtain low-skilled or short-term employment before finishing their training and thus lose their support whilst they could still benefit from it. Others do not benefit fully due to employment or childcare commitments. **Integration support should therefore be designed to provide continuity and flexibility.**

Dispersion policies in housing aim at limiting pressure from asylum seekers in particular areas, but may act as an obstacle to labour market integration. Therefore **dispersion schemes should, as far as possible, take into account employment-related elements.**

EMCO's discussions have shown that the challenge of the labour market integration of refugees is complex and often involves a multitude of actors (for example, social partners, and public and private employers). Successful integration policies will require **adequate coordination among the various administrative levels in order to ensure effective delivery on the local level.** Member States should **ensure that the different layers of integration paths (language learning, civic education, social assistance, skills policies, labour market activation) work in synergy.**
