



Network Building Conference LABOUR-INT 2
“Labour Market Integration of Migrants – A Multi-Stakeholder Approach”
Tuesday, 11 & Wednesday, 12 June 2019

Session on “Presentation of the Expert Group on Skills and Migration”

LABOUR MARKET INTEGRATION OF ASYLUM-SEEKERS AND REFUGEES IN EUROPE: AN EVOLVING CHALLENGE

Introductory presentation by Ferruccio Pastore (FIERI)

1. The Expert Group on Skills and Migration (EGSM) was already an important articulation in the original Labour-Int 1 project, and we hope it will also be able to play a significant role in this follow-up.

In Labour-Int1, the EGSM focused broadly on the role of social partners in promoting and supporting the labour market integration of migrants and refugees. This time, building on the collective expertise that we have gained, and considering the evolution in the field, we will take a **somehow narrower focus**, and we will concentrate our work on the crucial issue of skills assessment, looking at different ways, approaches and methods in which this essential function can be carried and at how the effectiveness of skills assessment can be assessed itself. So, what we will perform can be called a **reflexive exercise of assessment of an assessment**.

2. Before getting to the specific tasks and objectives of LABour-Int 2’s EGSM, let me say just a few words about the broader context in which this exercise takes place.

First important point to stress is that labour market integration of refugees has for **long been a non-issue at European level**. Integration of third country nationals is a relevant policy domain for the EU since the early 2000s, but the specificities associated with integration of humanitarian migrants have only come to the fore in the last few years, quite clearly under the pressure of the large, but very asymmetrically distributed, inflows of 2015 and 2016.

So it is important to remind that this particular EU policy is a **quite recent one** and it was triggered by a quite special contingency.

3. Today, that contingency has changed substantially. In 2018, first-time asylum applications in the EU-28 marked a decrease from 655,000 in 2017 to 581,000. This followed a much larger decrease (over half a million) between 2016 and 2017.

Now, the inflows of persons seeking protection are **back to the physiological levels** they had before the 2015 and 2016 peaks. Some argued that the large flows of 3 years ago were the ‘new normal’ for Europe. Well, right now, this is not the case, and we seem to be back to the ‘old normal’. Even though we should not forget

that **this normalisation is happening at a high price**, particularly in terms of massive human rights abuses in some sending and transit regions, primarily in Lybia.

Besides, we should be aware that **this reduction in flows is itself contingent**, and that things could change again, perhaps also very quickly. And in front of this scenario, our collective level of preparedness is very low. Our governance, although clearly dysfunctional, is still unreformed and **we lack any serious contingency planning** in case of new waves of large-scale new arrivals, from Lybia or from elsewhere in the region.

4. Whatever the future may hold for us, for the time being, the issue of labour market integration of refugees is relatively circumscribed, it is **sizeable only in a handful of member states** (while in other it is almost unexistent) and it pertains mainly to the integration of the massive arrivals of 2015-2016.

So the bulk of the persons we are talking about can not really be defined newcomers any more. Most of them are in the EU since three or four years: still a relatively recent inflow, but certainly **not a complete novelty**.

5. What is also important to stress it that the labour market context has changed significantly compared to 3-4 years ago. General economic improvements lead to labour market improvements, both of natives and of immigrants in general. But this has happened at very different pace in different parts of Europe, and for different groups of migrants, with **EU workers generally recovering quicker and faring better than third country nationals**.

In some countries and for some groups, the integration outlook is still much worse than before the crisis, not so much in quantitative terms, but even more in terms of quality of occupation, for example due to **persistingly high or even increasing rates of over-qualification and under-paying**.

In the meantime, after several years of stagnation, **labour immigration is on the rise again**, especially through temporary channels. From our point of view, this is an important signal, and not necessarily a positive one. Because it means also the a growing labour demand cannot be satisfied by existing pools of inactive or unemployed recent immigrants, like the ones that have arrived via Greece and the Balkans, or via Lybia, over the last few years. In other words, **employers call for new inflows, because the existing pools of immigrants, including refugees, do not manage to intercept the new demand**.

6. So let's come to the core question: what is the current state of integration of those relatively recent cohorts of migrants, what are, in particular their labour market outcomes? Unfortunately, the general answer cannot be but a disappointing one, namely **"Too early to tell"**.

Models predicting the impact of large refugee inflows tend to **converge in predicting small (if any) negative impact on both unemployment levels and salaries of natives**. But, as it is clearly stated in the latest International Migration Outlook of the OECD:

"A comprehensive assessment of the actual labour market impact in European countries, in terms of wages and employment, based on observed outcomes, will only be feasible in a few years, with sufficient hindsight" (IMO 2019 p. 131).

OECD analysts also add that:

"Most migrants who have been admitted as refugees in European countries since 2013 have just started entering the labour market today, and labour market entry of those refugees who have arrived since 2015 will stretch over the coming years." (p. 156).

7. But what about the policy response? First thing to stress, given what I have just said about the scarcity of direct evidence about labour market outcomes of post-2015 arrivals, is that policies are still **lacking solid and**

clear parameters of evidence, in order to be designed and adjusted. Then, of course, one could ask if evidence-based policy is a real goal of policymakers in this field, which is far from certain, but this would bring us a bit too far from our topic today.

8. A second thing to stress about the policy response is that we are witnessing a **remarkable proliferation of policy experimentation, but in a very uneven way**.

Labour-Int 1 showed us very clearly that policy efforts (and related outcomes) to support labour market integration of recent immigrants **vary enormously from country to country** and in some case also from region to region and from city to city.

This is not surprising, as it is a reflection of deep variations in the amount of human and financial resources available, in the quality of national and sub-national administrations, of national politics, and so on and so forth. But it is nevertheless a key point that we should never forget.

9. What can be said in general terms, though, is that, in most countries, we are witnessing a **shift in policy focus and priority from reception to integration** (I use this conventional distinction knowing that what is meant concretely by reception and integration varies from country to country, and that the distinction itself is intrinsically blurred).

But this shift from reception to integration takes place in a way that is itself far from homogeneous. In particular, there is a **growing polarisation emerging between countries where the public investment in integration remains constant, or even grows**. This is generally the case in the largest receiving countries in northern Europe. **And another bunch of countries where the decline in arrivals and the loss of salience of the issue provides an argument for reducing dramatically such investment**, at a stage in which it would certainly be still needed.

10. This is linked with another issue that crucially affects integration, namely **the issue of residence status**. We know very well that the composition of 2015 and 2016 inflows changed very much along the two main routes, the Aegean and the Central Mediterranean ones. In particular, the composition changed in terms of main drivers of migration and consequently of recognition rates.

Here too, we witness a **polarisation between countries where a tendency towards gradual status consolidation progresses, and countries where this is not the case**, in the sense that administrative status remains precarious, or even decays. This is for instance the **case of Italy**, where the suppression of temporary protection for humanitarian reasons risks to generate a wave of 'irregularisation'.

OECD estimates that the cumulative number of rejected asylum-seekers could reach 1.2 million by the end of 2020, but this could be even higher, if restrictive policy trends exacerbate.

And we know very well from Labour-Int 1, from direct experience and from several studies, that **security of status is a key factor for employers** in decisions about recruitment, investment in training, contract renewal, etc.

11. To conclude, a few more specific words on skills assessment. The identification and validation of skills, including informal and non-formal ones, has **quickly and rightly been identified as a key challenge** in the case of the kind of irregular, humanitarian flows that marked so dramatically the last few years.

This awareness has brought and is bringing to a **proliferation of experimental approaches, both public, private and hybrid, often based on innovative uses of ICTs**. To the point that Refugee-Tech has become a

general label used to define a whole new field of experimentation in the broader field of Social Innovation and Tech-for-social-good.

As we all know, the Commission has contributed to this diffuse effort, by launching and then adapting the **Skills Profile Tool** about which Dennis Van Gessel will tell us more later in this session.

Other EU agencies have also mobilised resources, such as CEDEFOP, with the **REF-VET project** that Antonio Ranieri will illustrate later.

12. All this is very important, and the capacity that we will demonstrate to learn from this wave of pilot projects and policy experiments will make a critical difference in the long-term integration outcomes of large cohorts of migration, and maybe also, one day that we all hope is not too distant, also in the reconstruction of their sending countries, and especially of Syria.

But we should also be aware – and this will be my final remark - that **skills assessment is not enough**. Unfortunately, pre-migration skills are sometimes not very significant, and in any case **pre-migration skills tend to deteriorate if they are not cultivated**, if people remain too long in the reception system, or are confined in low-skilled and highly exploitative informal jobs.

So it is crucial that we do not disconnect reflection and action on skills assessment from reflection and action on **skills expansion and/or reconstruction**. And this, I think, is a frontier that we must absolutely not lose sight of.