

Finding their Way

**LABOUR MARKET
INTEGRATION OF
REFUGEES IN
GERMANY**



March 2017

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Contact:

Eva Degler

+33 (0) 1 45 24 96 10

eva.degler@oecd.org

Thomas Liebig

+33 (0) 1 45 24 90 68

thomas.liebig@oecd.org

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ACRONYMS AND ABBREVIATIONS

AZR	<i>Ausländerzentralregister</i>	Central Register of Foreign Nationals
BA	<i>Bundesagentur für Arbeit</i>	Federal Employment Agency
BAMF	<i>Bundesamt für Migration und Flüchtlinge</i>	Federal Office for Migration and Refugees
BMAS	<i>Bundesministerium für Arbeit und Soziales</i>	Federal Ministry of Labour and Social Affairs
BMBF	<i>Bundesministerium für Bildung und Forschung</i>	Federal Ministry of Education and Research
BMFSFJ	<i>Bundesministerium für Familie, Senioren, Frauen und Jugend</i>	Federal Ministry of Family Affairs, Senior Citizens, Women and Youth
BMI	<i>Bundesministerium des Innern</i>	Federal Ministry of the Interior
DIHK	<i>Deutscher Industrie- und Handelskammertag</i>	Association of German Chambers of Commerce and Industry
FIM	<i>Flüchtlingsintegrationsmaßnahmen</i>	Integration Measures for Refugees

EXECUTIVE SUMMARY

In 2015 and 2016, an estimated total of 1.2 million people arrived in Germany to ask for asylum. Although Germany had already experienced large inflows of asylum seekers in the early 1990s, the current situation is different not only in its scale, but also because many asylum seekers come from countries where the perspective of return is limited, at least in the short term.

Not every asylum seeker will ultimately obtain international protection, and a clear distinction between those who will be recognised as refugees and those who do not is essential, both in terms of integration support and for the public debate, in which asylum seekers are often referred to as refugees. This risks undermining the understanding and ultimately the acceptance of the asylum system. That notwithstanding, hundreds of thousands of those who arrived in 2015 and 2016 will obtain protection and remain in Germany, and thus have to be integrated into the labour market and society at large. This poses significant challenges, since evidence from European and non-European OECD countries shows that the labour market integration of refugees often takes significant time. While during the first five years employment rates increase rather rapidly from very low initial rates, this process then slows off considerably and eventually reaches a ceiling after 10-15 years, which is often well below that of the native-born.

Due to the duration of the asylum procedure and participation in early integration activities, the arrivals from 2015/16 are only now starting to enter the labour market. In February 2017, already about 9% of all registered job seekers in Germany were refugees and asylum seekers, with Syrians accounting for more than half of them. It is thus an apt time for assessing Germany's integration framework and evaluating recent policy changes. This review will therefore assess these measures in the light of experiences in other OECD countries and international good practice.

Experience from other OECD countries shows that the overall labour market conditions upon arrival are an important factor for the integration of refugees. From this perspective, the outlook for integration in Germany is positive. The current labour market conditions are very favourable; Germany has one of the lowest unemployment rates in the OECD, coupled with a demographic outlook that is already starting to affect the labour market by smaller incoming cohorts of youth.

Early labour market entry is a key determinant of long-term outcomes. In this regard, Germany has taken a number of measures to facilitate early labour market entry, and the current framework regarding labour market access for asylum seekers is among the more liberal in OECD countries. While subject to a number of conditions, labour market access for asylum seekers is now possible after three months. This improvement is particularly important as the average duration of the asylum process is increasing again, especially for some key groups such as Afghans for whom recognition rates are close to 50%. At the same time, there is a very uneven nationality distribution of asylum seekers for whom employment permits were requested and approved. Some nationalities with relatively few asylum seekers in the first place, and of whom few subsequently obtain refugee status, are largely over-represented among those who receive approvals for employment by the public employment services. This issue merits further investigation.

In addition to facilitating the labour market access of asylum seekers, Germany has significantly stepped up its integration efforts, both in scale and scope, and a first national integration law entered into force in August 2016. In particular, Germany has taken a number of initiatives aimed at early intervention, for example by opening the so-called Integration Courses (600 hours of language training and 100 hours of civic orientation) to asylum seekers from origin countries with high recognition rates. Indeed, language training is the cornerstone of integration policy in Germany and the number of available places in the Integration Course has been increased substantially to meet the large demand, although there is still considerable backlog.

The strong emphasis on language is appropriate, and indeed a joint employer survey by the OECD and the Association of German Chambers of Commerce and Industry together with the German Federal Ministry of Labour and Social Affairs (OECD-DIHK-BMAS survey) revealed that even for low-skilled jobs, half of all participating employers require at least good German language skills. This share increases to more than 90% for medium-skilled jobs. For these jobs, more than 40% even consider very good language skills as necessary. That notwithstanding, overall, three out of four participating employers who hired refugees or asylum seekers experienced only few or no difficulties with them in daily work. Accordingly, 85% are broadly or fully satisfied with their work performance. Among the difficulties mentioned, the lack of German language skills was most prominent – more than 60% of those employers who experienced difficulties stated that this posed considerable difficulties, followed by a lack of vocational skills, different work habits (about 25% each), and uncertainty regarding the length of stay in Germany (23%).

The overwhelming majority of employers participating in the survey – more than three out of four – consider vocational language training during the employment as very important and indeed, evidence from other OECD countries suggests that this is the most effective form of language training, albeit costly. At the same time, the number of vocational language training places is still limited in Germany. Stepping this up has rightly been identified as a priority for the coming years. Survey results also suggest that upskilling measures will be crucial for future policy making. Among those participating employers who had hired asylum seekers or refugees, the majority of positions were low-skilled (two out of three for jobs and one out of two for internships). In the future, however, employers see employment opportunities predominantly in medium-skilled (50% of employers) and high-skilled (15%) positions.

Furthermore, legal uncertainty appears to be an important issue. Almost 70% of employers participating in the survey stress the importance of more legal certainty regarding the length of stay for persons with unstable residence permits. This is an issue for several groups: i) asylum seekers; ii) persons who are denied asylum status but cannot be returned – so-called tolerated persons; and iii) persons who obtain status, but only receive subsidiary protection. Persons under subsidiary protection only receive a one-year, renewable permit. Their share has grown from 1% of all protection grants in 2015 to more than a third in 2016.

To increase legal certainty for employers, a “3+2 rule” has been implemented. This allows under certain conditions asylum seekers and “tolerated” persons (these are mostly refused asylum seekers who cannot be deported due to administrative and other obstacles) to take up an apprenticeship. It also provides the guarantee to remain for the duration of the contract (generally three years), plus two additional years for subsequent employment. Yet it appears that some local foreigners offices, who must agree for such individuals to take up apprenticeship, deny this. What happens at the level of the local foreigners offices is, however, essentially a black box, and their decisions are not centrally collected. More transparency with respect to the decisions taken by the local foreigners offices is needed. What is more, the “3+2 rule” does not apply to persons under subsidiary protection. This needs to be addressed.

In addition to more legal security, 40% and 45% of employers who participated in the survey mentioned that a specific contact person at the employment service during the employment; continuous training while in employment; and transparency regarding the qualifications and skills of asylum seekers and refugees would be very important for them.

Indeed, as in other OECD countries with high recent refugee inflows such as Finland, Norway and Sweden, much recent policy effort has gone into assessing the skills of asylum seekers and refugees. In Germany, these have generally taken the form of local pilots or are still under development, such as an interactive online testing tool of vocational skills. Moving forward, assessing what works and subsequently mainstreaming effective practices nation-wide will be an important objective.

One key challenge is the high diversity in qualification levels among recent arrivals, requiring tailor-made approaches. To this end, the provision of alphabetisation courses for illiterate persons has been stepped up significantly, accounting for more than 16% of the introductory language courses in the first nine months of 2016, but there are only few courses for the highly educated (less than 1% of the total). This shortcoming should be addressed.

Moreover, a tailor-made approach to the integration of refugees needs to go beyond language training. Indeed, experiences of other OECD countries such as Sweden suggest that the integration of the many very low-educated refugees is a key long-term challenge, and building up the basic skills to be functional in the labour market will require some time. For this group, a long-term labour market strategy that goes beyond the currently provided alphabetisation courses will be needed. Investing into building the necessary basic skills for this group should not be seen as something that will provide immediate pay-off, but as an investment into better integration in the long run, including for their children. While there have been attempts to increase asylum seekers' and refugees' work experience through a number of initiatives, targeted offers to low-skilled arrivals should be expanded. A new instrument, the so-called "Integration Measures for Refugees" (FIM) has been put in place to provide low-threshold work opportunities for up to 100 000 asylum seekers. For asylum seekers with a high chance to remain, these should be more systematically combined with more focused integration measures and upskilling. While this is formally encouraged, there is no information on whether it occurs in practice. In addition to programmes for the low-skilled, targeted integration offers for female asylum seekers and refugees should be increased, particularly with respect to job-related training.

Similarly, it is important to ensure that young arrivals receive targeted support that prepares them adequately for vocational training. There have been a number of initiatives in this respect already prior to the humanitarian crisis, and adapting and extending them to meet the increased demand will remain crucial. Furthermore, information on the German labour market and its functioning needs to be provided on a general level. For youth, this should entail the importance of apprenticeships, which are a crucial element in Germany, but rarely exist in origin countries. More generally, familiarising new arrivals with the different labour market context – including work habits – should be an important objective, which could be systematically transmitted, e.g. during the Integration Course and initial work placements. Indeed, as mentioned, of those employers who report difficulties with refugees and asylum seekers in daily working life, 1 in 4 stated that different work habits were a considerable obstacle.

Within the large group of newly arrived youth, a particularly important and challenging group are unaccompanied minors. However, their exact number can only be estimated, as they do not necessarily file an asylum claim. This is a group that often needs access to specialised, long-term support measures that do not end abruptly once they turn 18. There have been a number of local initiatives for

unaccompanied minors in Germany, but a new dispersal rule has implied that they are now often placed in areas where there is only limited support.

Like most other OECD countries, Germany tries to disperse asylum seekers and, by extension, refugees across the country. The current framework for distribution among the *Länder* is based on tax revenue and population size, but in practice largely mirrors population size, and a closer link with local labour market conditions is essential for improving labour market integration. This could be achieved either by adjusting the distribution mechanism for asylum seekers according to local unemployment rates or by trying to get a better match between local labour needs and the skills of asylum seekers and refugees, although this is admittedly difficult in the current context.

As local labour market conditions are hardly accounted for, secondary mobility would be an important factor of adjustment. Under the new integration law, refugees are obliged to stay in a given region and can further be restricted to stay in a specific local community. However, they can move if they find employment elsewhere.

With the large inflow of asylum seekers, there has been a blossoming of civil society initiatives; according to a survey in early 2016, about 11% of the German population have supported refugees, either through donations or through active engagement. Much of this early engagement aimed at meeting the basic needs of new arrivals. However, civil society engagement is not only crucial for broader social integration, but can also help asylum seekers and refugees to find jobs; more than 40% of employers who participated in the OECD-DIHK-BMAS survey and hired asylum seekers or refugees did so through the involvement of civil society initiatives, at least in part. Furthermore, it should be noted that almost 80% of participating employers who hired asylum seekers or refugees did so at least in part because of a sense of social responsibility. To use the potential of civil society, mentorship schemes with a concrete focus on employment are a particularly effective instrument, but have not yet been widely implemented in Germany.

Since integration is a cross-cutting issue, co-operation between different stakeholders is an issue in all OECD countries. In Germany, an additional layer of complexity is added by the federal structure of the country. In addition, there is a change in the responsibility for labour market integration from the Federal Employment Agency (in charge during the asylum process) to the Jobcenters, which are in charge of social assistance recipients, including those who obtain protection. Further increasing co-operation and data transfer between these two agencies will be important. A stronger co-operation between the Jobcenters and the local foreigners offices would also be beneficial. Recent initiatives for one-stop-shops combining different services under one roof should be extended. Moreover, a closer and more systematic co-operation between Jobcenters and the Federal Office for Migration and Refugees – who are in charge of language tuition – would be crucial when co-ordinating language training. First steps in this direction have already been taken.

In summary, although there was an integration system for refugees in place prior to the humanitarian crisis, the crisis revealed its shortcomings not only with respect to the scale, but also the scope of the measures. With a strong support from civil society, Germany has reacted relatively quickly and adapted its integration framework to facilitate the integration of asylum seekers and refugees. This, coupled with positive labour market conditions, provides a favourable context to promote labour market integration. The priority of early intervention measures has been on providing basic language training and facilitating labour market access for asylum seekers, which are important steps in the right direction. Moving forward, the challenge will be to embed the often somewhat isolated initial integration measures into a co-ordinated longer-term strategy that accounts for the diversity of refugees, and that provides them with the skills to make them long-term employable in the German labour market. This relates not only to vocational language and skills, but also to knowledge

about labour market functioning. At the same time, it is evident that rapid labour market integration will often not be possible, especially for many women and low-educated refugees. Indeed, for the latter group rapid integration may conflict with the objective of ensuring long-term employability. More generally, given that most of those with international protection are unlikely to return to their origin countries in the near future, their integration should be seen as an investment.

Against this backdrop, the following actions are recommended to further improve the labour market integration of asylum seekers and refugees:

A. Improve the framework for integration management

- Enhance transparency on work permit decisions at the local foreigners offices, including by systematic data collection on their decisions
- Assess which of the pilots for the assessment of skills are effective, and subsequently mainstream them nation-wide
- Monitor the implementation of the recent facilitations regarding labour market access for asylum seekers and their impact on specific nationalities

B. Enhance co-ordination between stakeholders

- Systematically involve the Jobcenters in the initial labour market-oriented integration measures, including skills assessment, during the asylum phase
- Make sure that decisions by the Federal Office for Migration and Refugees on language training are well co-ordinated with the Jobcenters
- Provide a single entry portal for all online-based language courses for asylum seekers and refugees

C. Develop more targeted support for refugees and increase the employment focus of integration activities

- Provide for more differentiation in the language courses offered to asylum seekers and refugees, particularly for the high-skilled
- Provide more systematic information on the labour market functioning and work habits in Germany, including in the Integration Courses
- Continue to provide support to employers in the early phase of refugee employment, for example by regular follow-ups from specialised case-workers from the public employment services
- Increase the offer of upskilling measures, particularly for the low-skilled, and take a long-term approach
- Continue to enhance the offer of vocational language training, ideally on the job

D. Make sure that legal requirements do not hamper labour market integration

- Ensure that the 3+2 rule for those who enter into apprenticeships is applied consistently across the country

- Establish a 3+2 scheme for those with subsidiary protection who enter into apprenticeships, similar to the scheme in place for asylum seekers and tolerated persons
- Factor in local labour market conditions in the dispersal of asylum seekers

E. Continue to build on civil society for integration

- Promote mentorships with a focus on employment on a larger and more systematic scale

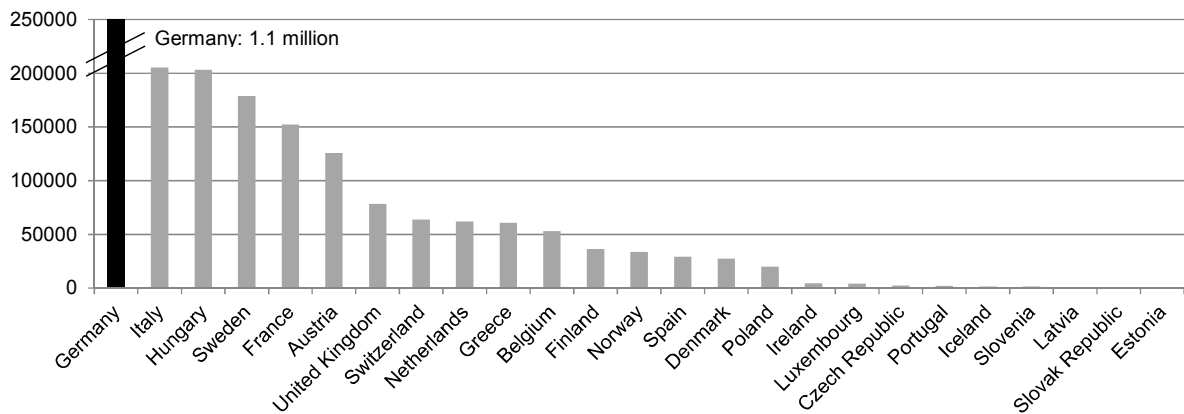
CHAPTER 1

INTEGRATION OF REFUGEES: A UNIQUE CHALLENGE FOR GERMANY?

Introduction

In 2015 and 2016, according to the latest estimates of pre-registrations for asylum by the Federal Ministry of the Interior, almost 1.2 million persons arrived in Germany with the intention of asking for asylum. This is the largest inflow ever registered since World War II in an OECD country, except Turkey (Figure 1.1).¹

Figure 1.1. Asylum applications in 2015/2016, in European OECD countries

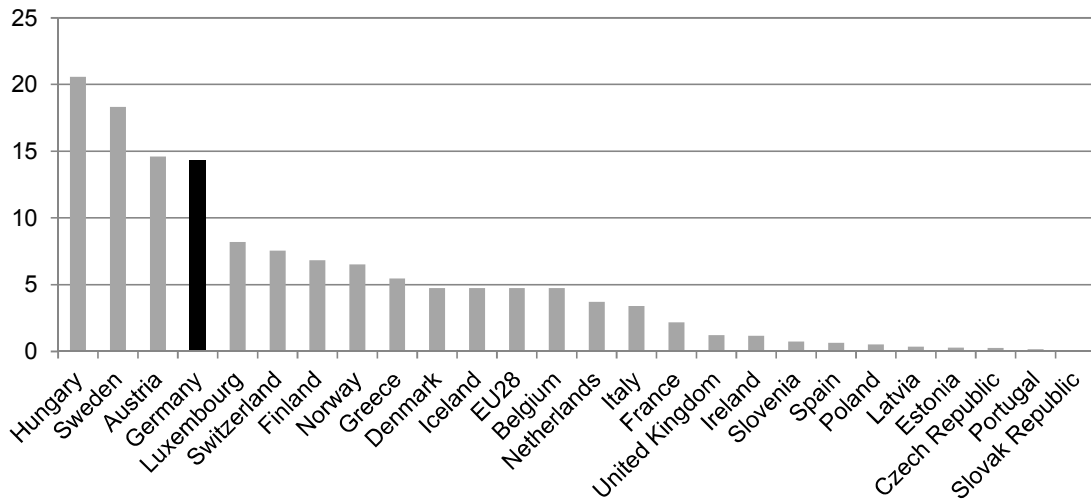


Note: Hungary is a special case here since the overwhelming majority of registered asylum seekers just transited and did not stay in the country.

Source: Data from Eurostat. 2016 data are preliminary.

However, relative to their population, Sweden had even higher inflows and Austria experienced a similar level compared to Germany (Figure 1.2).

1. This record number must be qualified, however. The neighbouring countries of Syria are much more affected. There are more than 3 million Syrians under temporary protection in Turkey – although these did not file an asylum request – and more than one million and more than 640 000 people who sought refuge in Lebanon and Jordan, respectively.

Figure 1.2. Inflows of asylum seekers in 2015/16 into European OECD countries, per 1 000 population

Note: Hungary is a special case here since the overwhelming majority of registered asylum seekers just transited and did not stay in the country.

Source: Data from Eurostat. 2016 data are preliminary.

Due to Germany's unique system of pre-registration, the bulk of the 2015 inflows were only registered in 2016 as asylum seekers (see Box 1.1 which provides an overview of the measurement issues and the definitions used). More than 700 000 persons from the 2015/16 inflows are likely to obtain some sort of international protection in Germany and will thus have to be integrated into the labour market and society.² This provides many challenges for the integration system.

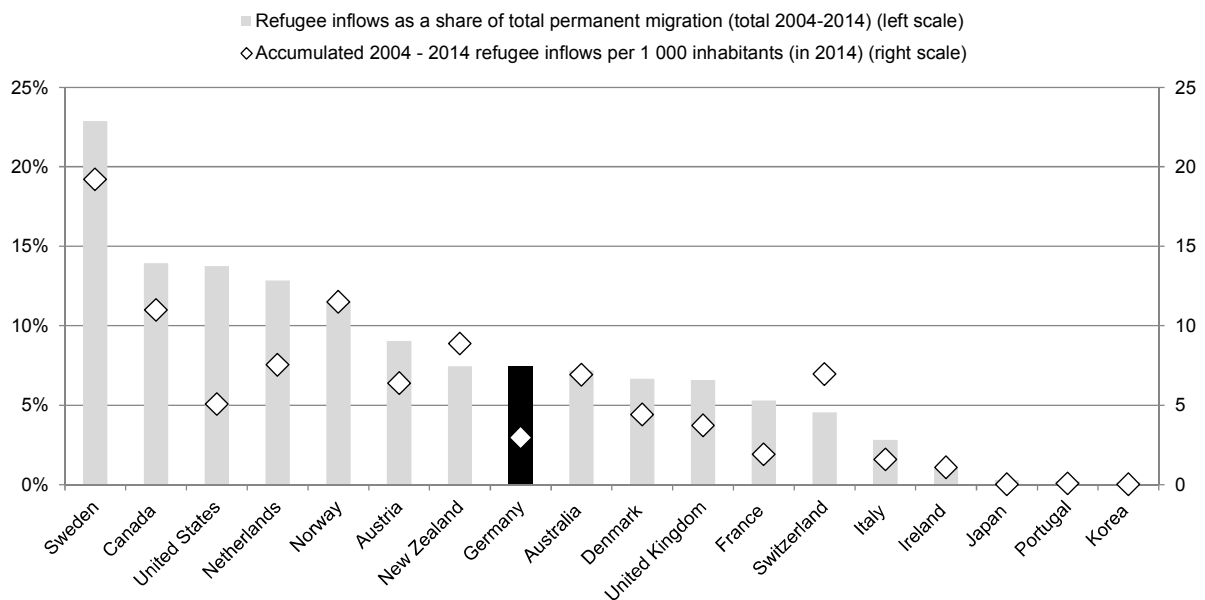
Although the scale of the current inflow is unprecedented, large numbers of asylum seekers are not a new phenomenon for Germany. Already in the early 1990s, there was a peak in asylum seekers arriving in Germany, associated with the fall of the Iron Curtain and the wars in the former Yugoslavia. Almost 440 000 arrived in 1992 alone. At the time, recognition rates were very low and most persons seeking protection from the former Yugoslavia only obtained a so-called toleration (see Box 1.1 for a definition). What is more, at the time, people with a toleration did not have access to the German labour market, at least not in the first years after arrival. Economic conditions were also unfavourable, as Germany struggled with the post-unification challenges and integration policy was poorly developed.³

At the same time, given the conditions in the origin countries and the geographic proximity, return was more likely than is currently the case. Most of the asylum seekers from the early 1990s eventually returned. The framework conditions for integration were thus very different than it is currently the case (see also Chapter 2).

2. This takes the nationality composition of the 2015/16 inflows and assumes 2016 recognition rates by nationality (data from Eurostat).
3. In parallel with the large inflow of asylum seekers in the early 1990s, Germany also experienced large-scale immigration of so-called Ethnic Germans from Central and Eastern Europe, a group which also had very little labour market attachment (see Liebig, 2007 for a discussion).

As growing numbers of the 2015 arrivals are entering the employment services and the labour market, it is an apt time for an initial assessment of Germany's integration policies for asylum seekers and refugees. This report intends to provide such an initial evaluation and to make recommendations on how best to move from an emergency response to a sustainable and efficient integration system. It also aims at evaluating how Germany is doing in international comparison. Indeed, a range of other OECD countries have longstanding experience with integrating refugees. In several cases, refugees either made up for a much larger share of their past immigrant inflow than in Germany and/or countries hosted more refugees relative to their population (Figure 1.3). This is notably the case in the Scandinavian countries, which have a long tradition of hosting refugees and experience in integrating them into the labour market, and which have developed elaborate integration policies such as structured 2-3 year introduction programmes.

Figure 1.3. Flow of refugees and others in need of international protection from 2004 to 2014, selected OECD countries



Source: OECD Migration Database.

Against this backdrop, the remainder of this report is structured as follows: following a brief overview of the characteristics of recently arrived asylum seekers (Section 1.2), Chapter 2 discusses current labour market conditions and the outlook for integration (Section 2.1). In the preparation of this report, extensive consultations with employers were undertaken, including a joint survey with the German Chamber of Commerce (DIHK) and the Federal Ministry of Labour and Social Affairs. This survey and its key findings are presented in Section 2.2. Recent policy initiatives are then assessed against good practices from other OECD countries (Chapter 3), before concluding (Chapter 4).

Box 1.1. Not everyone is a refugee

In public debate – in Germany as elsewhere – the terms “asylum seeker”, “refugee” and “migrant” are often used synonymously. However, it is important to distinguish between them, not only because of a risk of confusion but also because otherwise it may be perceived by the public – and by prospective migrants – that any person entering Germany and claiming asylum will be allowed to stay, independent of an actual need of protection, thereby undermining the acceptance and functioning of the asylum system.

Migrant is a generic term for anyone moving to another country with the intention of staying for a certain period of time – in other words, arrivals who are not tourists or business visitors. It includes both permanent and temporary migrants with a valid residence permit or visa, asylum seekers, and undocumented migrants.

The United Nations defines long-term migrants as persons who move to a country other than their usual residence for a period of at least a year, so that the country of destination effectively becomes their new country of usual residence (United Nations, 1998). The OECD defines permanent migrants as people whose status enables them to stay in the host country under the circumstances that prevailed at the time they arrived (OECD, 2007a). In this group, four broad main categories may be distinguished: long-term migrants within a free-mobility zone, labour migrants, family migrants, and persons in need of international protection.

Refugees or persons in need of international protection refer to people who have successfully applied for asylum and have been granted some sort of protection, which can be either formal refugee status according to the Geneva Convention or to the German fundamental law. It can also refer to migrants resettled through humanitarian programmes with the assistance of the UNHCR or through private sponsorship – often the case in Australia, Canada and the United States. Furthermore, it includes persons granted **subsidiary protection**, which is given to a person who does not qualify as a refugee, but would risk of serious harm if returned to his or her country of origin. For the sake of simplicity, terms “refugee” and “person in need of protection” are used interchangeably in this publication and include persons under subsidiary protection.

Asylum seekers are people who have formally applied for asylum, but whose claim is pending. In contrast to most other OECD countries, Germany has a two-tiered asylum registration system by which people are first registered as prospective asylum applicants (under the so-called “initial registration of asylum candidates” – EASY). They are subsequently invited to formally file an asylum request. In light of the massive inflow in 2015 and early 2016, this has resulted in long delays in asylum seeking, as most new arrivals were only formally registered in the asylum statistics in 2016.

In practice, currently about 50-70% of asylum seekers are granted refugee status, while the rest have to leave the country. If people remain after being denied refugee status, they are required to leave Germany or otherwise are deported or may become undocumented migrants. However, in many cases they cannot be returned to their origin country due a number of specified obstacles (e.g. health problems; administrative obstacles), and the deportation is temporarily suspended. These people receive a **toleration** in Germany, which is not a residence title but a certification of the temporary suspension of deportation. In contrast to the early 1990s, efforts are now being made to avoid tolerations, as this is associated with a very unclear situation. At the end of 2016, about 153 000 persons were tolerated in Germany. Data on durations from June 2016 show that about a third had been in Germany for more than 3 years. Like asylum seekers, people with a toleration have access to the labour market under certain conditions.

Unaccompanied minors are persons below the age of eighteen who arrive without an adult responsible for them, or minors who are left unaccompanied after they have entered the territory. In Germany, however, they do not necessarily file an asylum claim (and are thus not always counted as asylum seekers), in which case they generally obtain a toleration once their status as unaccompanied minor is established.

1.1. Key characteristics of recent flows of asylum seekers to Germany

Asylum statistics and demographic characteristics

In 2015/16, Syrian nationals had been the main group of origin of asylum seekers, followed by Afghan and Iraqi nationals (Table 1.1). Not every asylum seeker obtains international protection and can thus remain in Germany (see Box 1.1), but for some main countries of origin, recognition rates in 2016 were high with 98% for Syrians, 92% for Eritreans and 70% for Iraqis. In contrast, recognition rates for Afghan and Iranian applicants (56% and 51%, respectively) were below the total recognition rate of 62%.

Table 1.1. First-time asylum applications by main origin, 2015 and 2016

	Total 2015 and 2016	2015	2016
Syria	424 907	158 657	266 250
Afghanistan	158 394	31 382	127 012
Iraq	125 900	29 784	96 116
Albania	68 658	53 805	14 853
Kosovo*	38 007	33 427	4 580
Eritrea	29 730	10 876	18 854
Iran	31 820	5 394	26 426
Pakistan	22 683	8 199	14 484
Serbia	22 735	16 700	6 035
Nigeria	17 916	5 207	12 709
Other	223 519	88 468	135 051
Total	1 164 269	441 899	722 370

* This designation is without prejudice to positions on status, and is in line with United Nations Security Council Resolution 1244/99 and the Advisory Opinion of the International Court of Justice on Kosovo's declaration of independence.

Source: BAMF.

Among those with a positive decision, the share of applicants receiving subsidiary protection status has strongly increased from about 1% in 2015 to more than 35% in 2016. Persons with subsidiary protection status receive a renewable residence permit for one year and their family members abroad are only eligible for family reunification after a period of two years. Otherwise, they have the same rights as persons with a more stable protection status.

At the end of December 2016, 434 000 asylum requests were still pending. In 2016, the average duration of an asylum procedure was around 7 months, an increase by 2 months over 2015, partly because the BAMF has started working on more complex cases that were still open from the previous year. In the third quarter of 2016, the average duration varied from less than four months for Syrians to 9 months for Afghan and Eritrean applicants, 15 months for Iranian applicants and 16 months for Somali applicants.

However, the time between entering the country, at which time the pre-registration generally occurs, and the filing of a formal application has to be added to these processing times (see Box 1.1). Indeed, asylum seekers may have already been in Germany for several months before they receive an appointment to lodge their application. There is currently no information on the duration of these waiting times.

Most asylum seekers are young, with a peak in the share at the age of 18 and a progressive decline in the age-share thereafter. Almost 70% of all applicants were men, and among those, 34% were aged between 16 and 24. The age structure among women was much more even, with only about 20% in this age range.

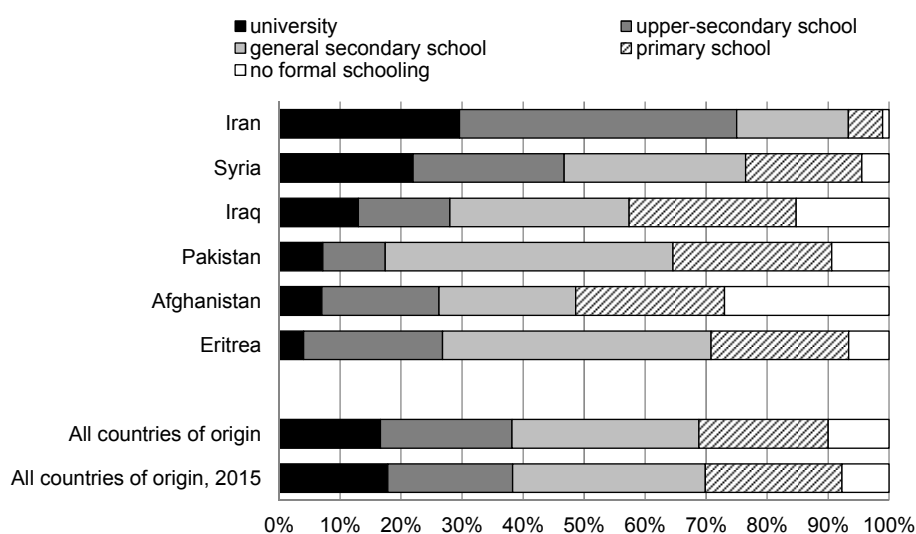
In a 2015 survey among refugees from the main origin countries, 85 % of all respondents stated that they would like to remain in Germany indefinitely, with particularly high numbers among the Afghans and Iraqis and somewhat lower numbers among the Syrians (Worbs and Bund, 2016). Syrians were also much more likely than the other groups to be uncertain regarding their intended length of stay, with more than 21% responding “I do not know”.

Qualification levels

Reliable data on the qualification levels of the asylum seekers who entered in 2015/2016 do not exist. The best data on the skills of asylum seekers comes from the BAMF, where more than 70% of all adult asylum seekers (18 and older) applying in 2015 were asked about their educational background as well as their professional qualifications and language skills (Rich, 2016). However, participation was voluntary and the BAMF does not assess the validity of the information.⁴ Nevertheless, the figures for the main nationalities are similar to those observed in other OECD countries such as Sweden or Norway, which have more systematic statistics.

One key observation is that there are large differences between the main countries of origin. Figure 1.4 shows that the shares of applicants who attended university or upper secondary school are relatively large among Iranians and Syrians, but considerably lower among applicants from Iraq, Pakistan, Eritrea and Afghanistan, where shares of those with no formal schooling are higher than shares of university-educated applicants.

Figure 1.4. Educational background of asylum applicants in the first half of 2016, by highest education started in origin country, and comparison with 2015



Note: Non-responses (about 20%) were excluded.

Source: Data from Rich (2016) and Neske and Rich (2016) based on BAMF data.

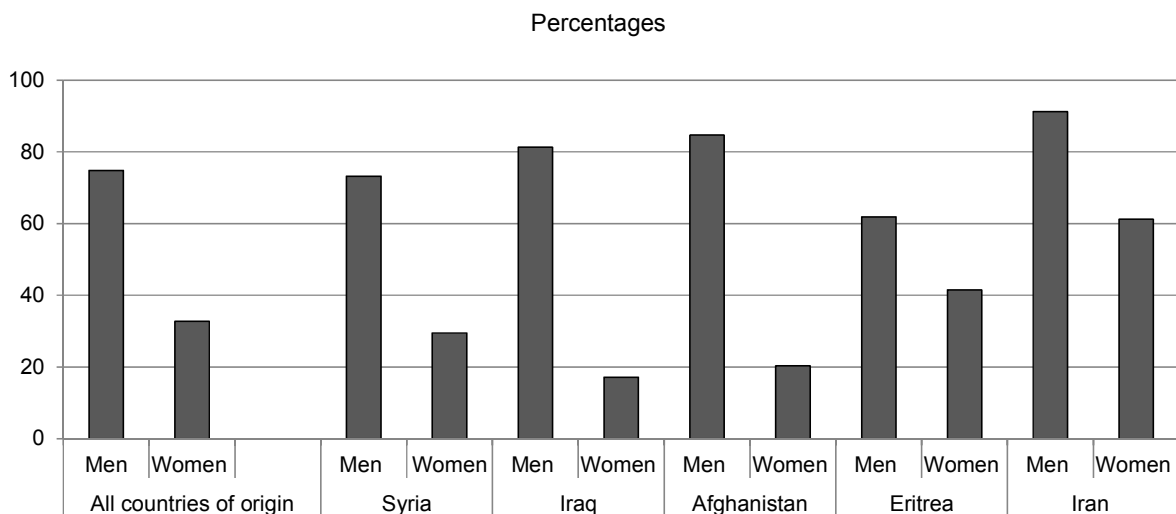
4. Practitioners in other OECD countries report that the information collected through self-declaration during the asylum process are often unreliable, as applicants may provide incorrect information if they think that a certain education level will increase their chances of obtaining asylum.

Globally, preliminary data for the entire year of 2016 on adult asylum seekers show that 11% had no formal schooling at all and a further 20.5% just attended at most four years of primary school (Schmidt, forthcoming).

Previous employment

Data from the 2015 survey also showed that previous employment in the country of origin differs considerably according to gender, with women having much lower employment rates (Figure 1.5). Gender gaps are particularly pronounced for applicants from Afghanistan and Syria.

Figure 1.5. Previous employment rates among adult recent asylum seekers in countries of origin



Source: Data from Rich (2016) based on BAMF data.

A closer analysis shows, however, that employment gaps between men and women are strongly connected to women's educational level. Employment rates among university-educated women are similar to those of university-educated men (Rich, 2016), but gender gaps are large for the low-educated. This indicates that low-educated women face additional hurdles to integrate into the German labour market, as they are less likely to have gained work experience in their country of origin.

Another survey – this time conducted in 2016 among a representative sample of 2 300 asylum seekers and refugees who had entered Germany between January 2013 and February 2016 – showed somewhat higher figures of previous employment than the 2015 survey. Around 73% of respondents had gathered work experience in their country of origin (women: around 50%). Of these, 30% were manual workers, 25% employees, 13% employees in a managerial position and 27% self-employed (IAB-BAMF-SOEP Survey, 2016).

Labour market access and participation

Recognised refugees – including those with subsidiary protection - have full access to the labour market. For asylum seekers and for persons with a toleration, the situation is more complex, however, most of them can apply for an employment permit after a waiting period of three months (for a more detailed discussion see Section 3.2). Figures on the current labour market outcomes of recently arrived asylum seekers and refugees are not consistently available in Germany. Data from the Federal Employment Agency only allow for a distinction of refugees, asylum seekers and tolerated persons

among the registered job seekers, the unemployed, and participants in active labour market measures since June 2016. However, there is no distinction possible with respect to the length of stay, i.e. some of these may have arrived well before 2015.

According to the latest data from the Federal Employment Agency, in February 2017, around 455 000 refugees, asylum seekers and tolerated persons were registered at the Employment Agency as searching for work. This is more than 9% of all registered job seekers in Germany (Table 1.2). Syrians with a refugee status accounted for more than half of this figure. However, of the 455 000, the large majority was still participating in integration-related measures, and thus only 177 700 were registered as unemployed and available for work (6.4% of the total unemployed job seekers; see Table 1.3).

Table 1.2. Persons registered as job seekers by legal status and main countries of origin, February 2017

	Refugees	Asylum seekers	Tolerated persons	Total
Total	357 578	90 772	6 309	454 659
<i>of these:</i>				
Syria	234 241	17 491	499	252 231
Afghanistan	19 054	21 594	879	41 527
Iraq	29 768	11 043	422	41 233
Eritrea	18 293	3 292	143	21 728
Iran	8 628	8 460	351	17 439
Pakistan	2 353	3 976	294	6 623
Somalia	3 267	2 378	196	5 841
Nigeria	896	3 228	177	4 301
Other	41 078	19 310	3348	63 736
Total of all registered job-seekers, including German nationals and other migrants				4 863 915

Source: Data from the BA.

Table 1.3. Persons registered as unemployed by legal status and main countries of origin, February 2017

	Refugees	Asylum seekers	Tolerated persons	Total
Total	143 120	31 849	2 770	177 739
<i>of these:</i>				
Syria	85 439	6 680	190	92 309
Iraq	13 609	3 646	183	17 438
Afghanistan	9 147	6 992	335	16 474
Eritrea	5 912	1 083	48	7 043
Iran	3 874	2 259	123	6 256
Pakistan	1 192	1 578	140	2 910
Somalia	1 495	746	90	2 331
Nigeria	436	1 147	77	1 660
Other	22 016	7 718	1584	31 318
Total of all registered unemployed, including German nationals and other migrants				2 762 095

Note: In the German statistics, the unemployed are a sub-group of the job seekers. There are several criteria to distinguish between the two groups, the most important of which is availability to work. For example, asylum seekers who are not (yet) allowed to work may still register as jobseekers. What is more, persons in integration measures may register as jobseekers although they are currently not available to work.

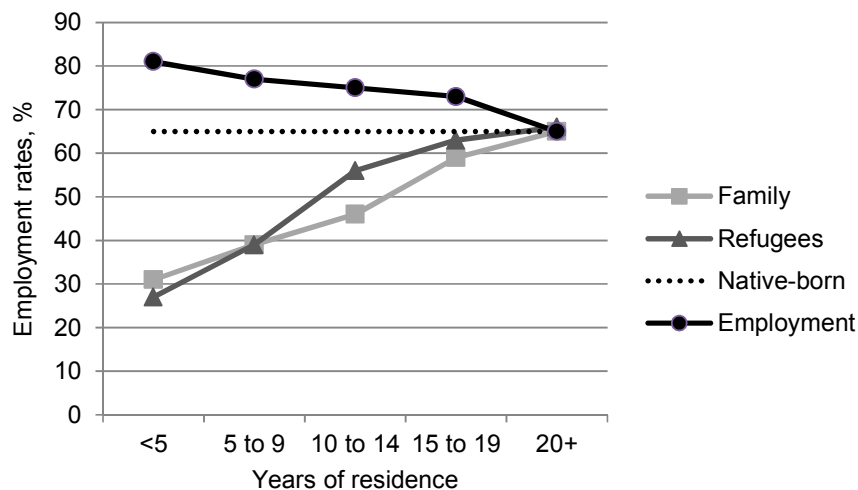
Source: Data from the BA.

In October 2016, around 75 600 asylum seekers, refugees and tolerated persons participated in active labour market measures (ALMP) administered by the Federal Employment Agency,⁵ which is around 8% of all participants. Of these 75 600, asylum seekers accounted for over 31 800, while refugees accounted for 41 500 and tolerated persons for the remainder (around 2 300). The bulk of this group (55 000) were in activation and low-threshold upskilling measures, where they accounted for 23% of all participants.

The employment statistics – as well as pre-June 2016 figures in the unemployment statistics – only distinguish by nationality (i.e. not by duration of residence or by permit type) – as a proxy, changes in the employment of persons from the main source countries (Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia and Syria) are taken to measure the employment of the recent arrivals.⁶ These figures show an increase in the employment of these nationals by 40 000 between November 2015 and November 2016.

In the 2016 IAB-BAMF-SOEP Survey, 31% of the pre-2014 arrivals had a job, compared with 22% of the 2014 arrivals and 14% of those who arrived in 2015 and early 2016. These figures of low initial outcomes but rapid progress in the early years are in line with those observed in other OECD countries, and historically in Europe (see Figure 1.6 and Box 1.2).⁷

Figure 1.6. Employment rate by immigrant categories and duration of stay in European OECD countries, 2014



Note: Calculations are based on EU LFS 2014 AHM. Data cover 25 countries of the European Union.

Source: EU-OECD (2016).

5. This number does not include those who participated in language courses, which are administered by the BAMF.
6. Note that changes in the employment situation of persons from these countries who have arrived in Germany many years ago will also be included in this figure.
7. Note that the data underlying Figure 1.6 are not longitudinal, but rather cross-sectional. They may thus reflect in part different refugee cohorts. Nevertheless, the picture is as expected, i.e. refugees who have been longer in the country have better outcomes.

Box 1.2. Integration of refugees into the labour market – findings from other OECD countries

The OECD has conducted reviews of the labour market integration of immigrants and their children in 14 countries, and the integration of refugees was a focus in many of these, most notably in Denmark, Norway and Sweden. Indeed, most existing literature on the labour market integration of immigrants is from the Scandinavian countries. These countries do not only have a long tradition in hosting refugees, but also have register systems which allow to distinguish refugees from other migrant groups and to track their outcomes over time.

One consistent finding from the literature has been that employment rates of refugees *increase strongly in the first five years*, from very low rates initially, but then this process slows off considerably and eventually reaches a ceiling after 10-15 years which is often well below that of the native-born (see e.g. for Sweden OECD, 2016a; for Denmark Schultz-Nielsen, 2016). Similar findings have been made with respect to earnings (for Finland: Sarvimäki, forthcoming). Damas de Matos and Liebig (2014) find for European OECD countries that refugee employment rates are about 20 percentage points below those of native-born with similar socio-demographic characteristics. In some cases, employment rates even decline again after some time in the host country, pointing to the need of continuing integration support even after the initial integration process (see for Norway, Bratsberg et al., 2016). However, whether and when the convergence process eventually stops, differs strongly between destination countries, and within countries by entry cohorts and origin country groups (see e.g. for Sweden Åslund et al., forthcoming).

A further consistent finding has been that economic conditions upon arrival matter greatly for refugees' long-term integration prospects (see OECD 2007b), and that *refugees' employment is more cyclical* than that of native-born. For Norway, Bratsberg et al. (2016) find that refugees' employment is five times more sensitive to changes in the local unemployment rate than the employment of native-born. The authors also find that for refugees, a lower-level host-country education is associated with better outcomes than a higher degree from their origin country, confirming earlier studies from other countries which also find a *very strong discount of refugees' foreign qualifications* (for the Netherlands Hartog and Zorlu, 2009; for European OECD countries Damas de Matos and Liebig, 2014). However, although tertiary qualifications do not receive any additional return in terms of employment over that to upper secondary qualifications from the same origin countries, there is a strong and positive difference between upper secondary education and basic education levels (see e.g. for Sweden OECD, 2016a).

There are also marked gender differences, with *female refugees having much weaker labour market attachment* than men and higher gaps vis-à-vis native-born women.

It is noteworthy that among those without employment in the 2016 IAB-BAMF-SOEP survey, 78% indicated that they “definitely want to work”. This mirrors findings of a previous survey among refugees in Germany by the BAMF, where labour market integration was by far the most often mentioned objective during their stay in Germany (Worbs and Bund, 2016). However, there are considerable gender gaps. In the BAMF-IAB-SOEP study, around 86% of male participants indicated that they would definitely want to work, compared to 60% of women. Respectively, around 11% and 25% stated they would probably want to do so.

1.2. Main stakeholders in Germany's integration policy on federal, regional and municipality level

As in other OECD countries, there is a large number of different stakeholders involved in the different aspects related to the labour market integration of asylum seekers and refugees. The federal structure of the country adds an additional layer to this complex setting. Whereas the federal government is largely responsible for setting the legal framework for integration, e.g. regulating

language courses or access to the labour market, the federal states (*Länder*) are tasked with the concrete implementation and often have considerable leeway in this process. In addition, they can implement their own, regional integration support measures if they wish to do so. Indeed, many regional governments have implemented integration measures and pilot projects to support the labour market integration of asylum seekers and refugees.

Furthermore, *municipalities* are important actors in the integration process. Although they have to implement federal or regional legislation, they often operate with considerable discretion, particularly when legislation is open to interpretation or conflicting with other parts of the law. How this discretion is used differs considerably across municipalities, with some large municipalities having developed relatively elaborate additional support structures.

The *Federal Office for Migration and Refugees* (*Bundesamt für Migration und Flüchtlinge*, BAMF in the following) is affiliated with the Ministry of the Interior and is responsible for assessing asylum applications as well as designing and implementing general and vocational language courses. Language courses are implemented by local education providers, such as adult education centres or language schools that have to be accredited at the BAMF. The agency therefore has a dual role; processing asylum applications as well as supporting integration of migrants.

The *Federal Employment Agency* (*Bundesagentur für Arbeit*, BA in the following) is under the supervision of the Ministry of Labour and Social Affairs and has a key role in supporting asylum seekers and refugees in finding employment and increasing their professional skills. The BA has ten regional directorates that are responsible for implementation and regional labour market policies. On the local level, there are 156 Employment Agencies responsible for implementing and delivering services. In principle, the Employment Agencies deliver services that are financed by unemployment insurance contributions and therefore accessible only to those who have paid social security benefits in the past. However, Employment Agencies are also in charge of labour market integration during the asylum process, for those where this is an issue (see the discussion of co-ordination issues in Chapter 3 for an in-depth discussion). In principle, asylum seekers from countries with high recognition rates, such as Syria and Iraq, have access to all general labour market measures. However, partly because of capacity constraints and their participation in Integration Courses during the asylum process, in practice few actually benefit from such measures.

In addition to the Employment Agencies, there are also 303 so-called “Jobcenters” in Germany which are run either by municipalities themselves, or jointly with the local Employment Agencies. The Jobcenters provide labour market integration services for the long-term unemployed and recipients of social welfare benefits, as well as for refugees (i.e. after a positive asylum decision). This implies that in practice, the Jobcenters are tasked with the bulk of labour-market integration-related measures.

1.3. Overview of recent policy developments

Since late 2014, there has been a large number of policy initiatives in reaction to the increased flow of asylum seekers, many of which aimed at facilitating labour market integration. Chapter 3 provides an in-depth discussion and analysis of the implementation issues related to the legal changes and policy measures, which are briefly outlined below.

A key element of these changes regarded labour market access for asylum seekers. There has been a gradual liberalisation for asylum seekers who are likely to obtain asylum on the one hand, and restrictions for other groups with very low recognition rates on the other hand. In parallel, efforts have been taken to ensure that integration measures start early on – ideally already during the asylum process. A key distinction line is drawn between asylum seekers with high chances to remain, i.e.

applicants from countries of origin where recognition rates are above 50%, and those with lower chances. Furthermore, recent policy changes have sought to introduce “incentives” for integration, but also increased possibilities for sanctions, notably for those who refuse to participate in certain integration measures.

Whereas refugees have the same access to the labour market and integration measures as everyone else, a number of legislative measures have facilitated the access to the labour market for asylum seekers and tolerated persons. These related both to waiting times and labour market testing. In 2014, the government reduced waiting times for asylum seekers to enter the labour market from nine to three months, and in August 2016 temporarily suspended parts of the labour market testing procedure for asylum seekers (the so-called priority check) in the majority of districts. These liberalisations do not apply to nationals from origin countries which are considered safe, and the list of safe origins has been extended in 2015, as part of broader asylum legislation packages.⁸ Table 1.4 provides an overview of the current situation regarding access of asylum seekers, refugees and tolerated persons to the labour market and to integration measures.

The latest significant legislative changes regarding integration were introduced in the first national law exclusively dedicated to integration. The new Integration Act, that entered into force in August 2016, foresees to further increase the availability of Germany’s main integration instrument, the Integration Course, which combines language training and civic orientation. Under the new Act, participation can be mandatory for asylum seekers and refugees. Already in October 2015, the Integration Courses were made accessible for asylum seekers with high chances to remain in the country. At that time, the amount of hours for orientation courses (practical, cultural and historical information on Germany) was increased from 60 to 100 hour. The language component (600 hours) remained unchanged.

The Integration Act also introduced a new programme, the “Integration Measures for Refugees” (*Flüchtlingsintegrationsmaßnahmen*, FIM in the following). This programme seeks to create around 100 000 low-threshold “work opportunities” specifically for asylum seekers – except those from safe countries of origin.⁹ These work opportunities do not constitute formal employment, but instead seek to activate asylum seekers and provide a first insight into working life in Germany.

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8. The list now includes all Member States of the European Union, as well as Albania, Bosnia and Herzegovina, Ghana, Kosovo, the Former Yugoslav Republic of Macedonia, Montenegro, Senegal and Serbia (as of December 2016). Discussions whether to include Algeria, Morocco and Tunisia are on-going. Asylum seekers from safe origin are not allowed to work and are required to live in reception centres during the asylum procedure. Moreover, deportations of rejected asylum seekers were facilitated in 2015 by specifying grounds for detention and limiting to what extent health issues could be a reason for postponing deportation. A further tightening concerned persons with subsidiary protection status, a group which has been growing substantially in 2016 not only in absolute numbers, but also in relative terms as a share of all positive asylum decisions. Persons under subsidiary protection cannot apply for family reunification until 2018.
 9. The programme’s name is somewhat misleading, since it is only open to asylum seekers. This confusion of terminology is problematic, but unfortunately common in public discourse in Germany (see Box 1.1).

Table 1.4. Access to integration measures and the labour market according to legal status

	Refugees	Asylum seekers	Tolerated persons
Access to the Integration Course	yes	only for selected origin groups with high recognition rates	only when toleration was granted due to humanitarian or personal reasons
Access to labour market measures from the Employment Agency or Jobcenter	yes	yes (waiting periods differ by measure and recognition rates)*	yes (waiting periods differ according to measures)
Waiting periods for:			
Labour market access	immediate	after 3 months**	after 3 months**
Access to vocational training	immediate	after 3 months**	immediate**
Access to preparatory traineeships (EQ)	immediate	after 3 months **	after 3 months **
Access to internships not part of a training programme (3 months or less) ***	immediate	after 3 months **	after three months**

Note: except for refugees in the Integration Course, there is no legal right to participate in integration measures. For active labour market policies, it is up to the Employment Agency or the Jobcenter to decide which measures will be conducted.

* This does not apply to asylum seekers from origins considered as safe.

** Certain conditions apply.

*** Other rules apply for longer internships.

Under the Integration Act, recognised refugees are now required to remain in the same *Land* that hosted them during the asylum procedure for three years. This settlement restriction was largely motivated by the wish to avoid secondary migration to urban areas and to make sure that financial burdens are shared equally. To enforce this rule, refugees are only entitled to social assistance if they remain in the *Land* where they have been assigned to. Refugees can apply for an exception at the foreigners office under a number of circumstances, including when they or a family member have found employment elsewhere in Germany or when they will start vocational training or tertiary education elsewhere. The Integration Act also gives the *Länder* governments the option to pass legislative decrees that further restrict residential mobility within each individual *Land*.

Furthermore, receiving permanent residence permits is now conditional on integration outcomes. Permanent residence is granted after five years and only if refugees are “well integrated” (previously: three years and without conditions on integration outcomes). This is defined as having reached A2 level in German and being able to predominantly ensure their means of subsistence. Refugees can obtain permanent residency already after three years when they have reached C1 level and are able to largely and predominantly ensure their means of subsistence.

In addition to these legal changes, funding for integration has increased significantly, with the bulk going to Integration Courses and active labour market policies. Federal funding for the Integration Courses has increased from EUR 244 million in 2015 to EUR 559 million in 2016 and EUR 610 million in 2017. The budget for vocational language learning was increased from EUR 179 million in 2016 to EUR 410 million in 2017. In addition to language training, new measures for the better assessment and recognition of foreign qualifications and informal competences were introduced. Most of these new measures are still in a pilot phase.

Moreover, the federal budget for active labour market policies within the basic security system for job seekers has increased by EUR 575 million to EUR 8.5 billion in 2016 and by EUR 900 million to EUR 8.9 billion in 2017.

Finally, federal funding for the reception of asylum seekers has also increased. Since January 2016, the federal government pays EUR 670 per asylum seeker and month to the *Länder*. These then pass this on to municipalities and decide how much they add to this lump sum. This varies strongly across regions. In December 2016, funding for the *Länder* was further increased by an additional EUR 2 billion per year until 2018 earmarked for integration measure. In addition, again until the end of 2018, accommodation costs for refugees are now also refunded by the federal government.

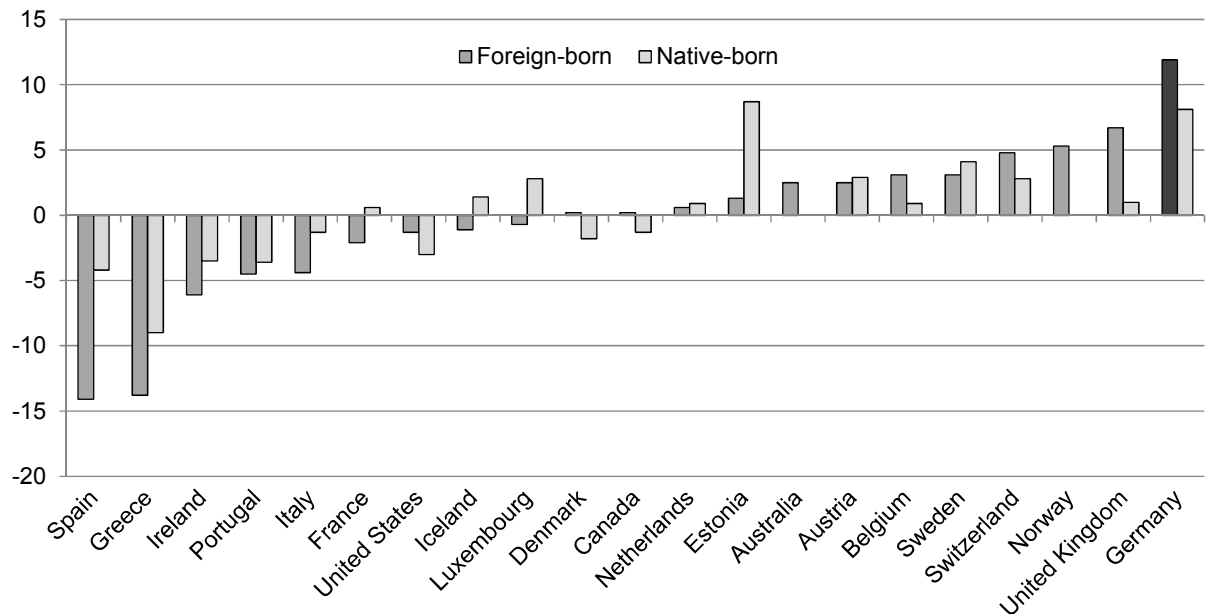
CHAPTER 2

EMPLOYMENT OPPORTUNITIES FOR ASYLUM SEEKERS AND REFUGEES: LABOUR MARKET CONTEXT AND EMPLOYERS' PERSPECTIVES

2.1. The labour market context

Overall, Germany's current labour market conditions are very favourable. Harmonised unemployment in December 2016 stood at 3.9%, the lowest level on record since harmonised statistics began in 1991 and, after Iceland, the second lowest in the OECD. Indeed, there has been a marked improvement in labour market conditions over the past decade, and immigrants' employment rates increased disproportionately (Figure 2.1). Indeed, in no other OECD country with significant immigrant presence – with the exception of Estonia for the native-born – there has been a similar improvement in labour market outcomes since 2005.

Figure 2.1. Percentage point changes in the employment-population ratio for the working-age population, between 2005 and 2015



Source: OECD Secretariat calculations based on labour force survey data.

Note: Data for Canada from 2008-2015.

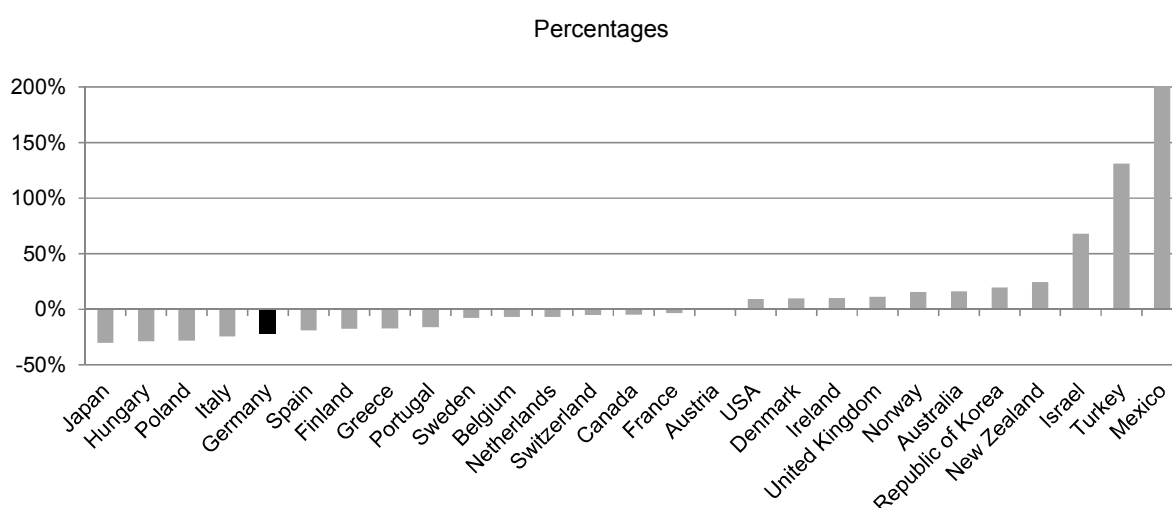
This has been coupled with a marked increase in immigration to Germany, which started already well prior to the inflow of asylum seekers, and was mainly driven by EU labour migration. Since 2012, according to the standardised statistics of the OECD Migration Database, Germany has been the second most important destination country for new immigrants in the OECD, after the United States. However, relative to its population, immigration to some smaller OECD countries – notably

New Zealand, Norway and Switzerland as well as Austria and Sweden, which were at least similarly affected by the surge in asylum seekers – has been more important.¹⁰

These are favourable framework conditions for integration, as evidence from a number of OECD countries has stressed the importance of economic conditions upon arrival for both short- and long-term integration outcomes of refugees (Åslund et al., forthcoming; Bratsberg et al., 2016; Liebig and Huddleston, 2014; OECD, 2016a, 2007b).

In spite of uncertainties, the overall longer-term labour market outlook appears favourable, also because of Germany’s demographic outlook, which is already starting to affect the labour market. Indeed, estimated labour market entries of resident youth cohorts leaving school over the coming years will be much smaller than the retirement-related outflows (Figure 2.2).

Figure 2.2. Difference between the age-related entries and exits from the working-age population in OECD countries, based on the 2015 population



Note: Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: OECD Secretariat calculations based on UN population data.

Shortages are also being felt in vocational education and training (VET), with companies having increasing difficulties in recruiting apprentices. Compared with 2015, the numbers of open training positions increased by 3% while the number of applicants decreased by 0.6%. However, strong regional differences in supply and demand for VET as well as applicants’ preferences left 8% of all positions unfilled. In absolute numbers, most positions remained unfilled in commerce and hospitality, but the ratio of applicants to open positions was also very unfavourable in crafts such as baking, plumbing or tool engineering. In the hospitality sector, on average 29 applications were handed in for 100 open positions.

10. Taking the number of asylum seekers who arrived between the beginning of 2014 and mid-2016, and assuming current recognition rates, suggests that during this period, permanent-type immigration to Germany from EU nationals was more important in numbers than migration through the asylum channel. Indeed, the job opportunities for refugees will also in part depend on how intra-EU mobility towards Germany will evolve in the coming years.

In a survey conducted by the Association of German Chambers of Commerce and Industry (DIHK, 2016), 31% of all employers offering VET placements reported that some or all positions remained vacant in 2016, a rise of 20% compared to 2006. In the hospitality sector, 61% of all companies responded that they were unable to recruit apprentices for all vacancies.

2.2. The perspective of employers

Labour market integration can only be successful when employers are willing to hire asylum seekers and refugees. Having a better understanding of how employers view their role in this process, what their experiences are and what kind of support they wish to receive is therefore crucial to ensure that integration measures become more effective.

In preparation of this review, the OECD conducted, jointly with the Chamber of Commerce (IHK) of Munich and Upper Bavaria and the UNCHR, an employer workshop in Munich on 13 December 2016, where employers shared their experiences and views with respect to the employment of refugees and asylum seekers.¹¹ In addition, the OECD and the Association of German Chambers of Commerce and Industry (DIHK) conducted jointly with the Federal Ministry of Labour and Social Affairs a survey among employers in Germany (Box 2.1). Annex A provides the questionnaire.

Box 2.1. The OECD-DIHK-BMAS survey of German employers

To gather evidence on the experiences and views of employers regarding the labour market integration of asylum seekers and refugees and their integration into the German labour market, the OECD, together with the German Ministry of Labour and Social Affairs and the Association of German Chambers of Commerce and Industry (DIHK), conducted a survey among German employers. The OECD-DIHK-BAMS survey was conducted online between January 16 and February 7, 2017. The interactive survey was disseminated via the local chambers of commerce, and about 2000 employers participated in the survey via this channel. In addition, the survey was also disseminated via the DIHK network “Companies Integrate Refugees” (*Netzwerk Unternehmen integrieren Flüchtlinge*), where a further 200 additional employers responded.

The first section collected general information about the size, industry sector and location of the company as well as about recent hires. The second section inquired about the respondents’ experiences with receiving applications from or hiring asylum seekers and refugees. Depending on employers’ answers, the section also asked about their experiences during the hiring and employment period, about (potential) policy measures and what skills asylum seekers and refugees need to have to work in their firm. A third section asked about employers’ opinion on future developments, e.g. whether they foresee employment opportunities for asylum seekers and refugees in their firms. Lastly, the majority of participants used the comment function at the end of the survey, mostly to specify some of the issues they encountered in the hiring process or during the employment period.

Participation in the survey was voluntary and responses varied across regions and company size. While participation was low in Northern and Eastern Germany, it was stronger in the Southern states – in particular in Hesse and Bavaria. Larger companies were overrepresented among the respondents, whereas companies in the Eastern part of the country were underrepresented.

11. This was part of a larger co-operation with several workshops in OECD countries on employers’ views and experiences in hiring refugees (see OECD and UNHCR, 2016b for a summary of the findings).

Box 2.1. The OECD-DIHK-BMAS survey of German employers (cont.)

Clearly, employers who had already experiences in hiring refugees or had tried to do so are over-represented in the sample. Indeed, almost 60% of employers participating in the survey had received applications from refugees or asylum seekers and among these, close to 70% have actually hired at least one of the applicants.

Employers could respond to how many asylum seekers or refugees they hired by indicating the range of new hires (e.g. 3-5 new hires). In total, the participating companies stated between 3 800 and 7 000 asylum seekers or refugees were hired between 2015 and 2017. Although the survey is not representative, it thus provides a valuable picture of the views and experiences of employers with respect to the labour market integration of asylum seekers and refugees that is based on the largest number of experiences collected so far.

Key findings from the survey include:

- About 40% of past hires were for regular jobs, a third for internships, and the remainder for apprenticeships and “introductory traineeships”.¹²
- The majority of hires of asylum seekers and refugees for regular jobs (two out of three) and for internships (one out of two) were for low-skilled positions. In the future, however, employers see employment opportunities predominantly in medium-skilled (50% of employers) and high-skilled (15%) positions.
- Regardless of company size, participating employers consider good or very good knowledge of the German language a necessary prerequisite. Even for low-skilled jobs, half of all employers require at least good knowledge. This share increases to more than 90% for medium-skilled jobs. For these jobs, more than 40% even consider very good language skills as necessary.
- More than three of four participating employers who hired refugees experienced only few or no difficulties with them in daily work, and accordingly more than 80% are broadly or fully satisfied with their work. This figure is relatively stable, independently of the size of the company or of the type of employment. Employers who hired a larger number of refugees and asylum seekers were more likely to be satisfied, however.
- Among the difficulties mentioned, lack of German language competences was most prominent – more than 60% of those employers who experienced difficulties stated that this posed considerable difficulties, followed by a lack of vocational skills, different work habits (25% each), and uncertainty regarding the length of stay in Germany (23%).
- The overwhelming majority of participating employers – more than three out of four – consider vocational language training during the employment as very important. Almost 70% also stress the importance of more legal certainty regarding the length of stay for persons with unstable residence permits. Further measures that were mentioned by between 40% and 45% as very important are more transparency on the qualifications and skills,

12. These introductory traineeships seek to support young people by preparing them for vocational education and training.

continuous training while in employment and having a specific contact person at the public employment services during the employment.

- Almost 80% of participating employers who hired asylum seekers or refugees did so at least in part because of social responsibility; 45% mentioned current or expected future labour shortages. For those who consider hiring asylum seekers and refugees in the future, but have not recruited them thus far, this point gains further in importance (to 59%) whereas the share of those who mention social responsibility decreases to 63%.
- More than 40% of participating employers who hired asylum seekers or refugees did so through the involvement of civil society initiatives, at least in part. Other important channels were the public employment services (34%), spontaneous applications (29%), employees or friends (23%); chambers of commerce/crafts (21%) and schools (20%).
- 77% of employers who hired refugees or asylum seekers stated that these were participating in integration measures while they were employed. Of those, language training is most often mentioned, with almost 90%. In more than half of these cases, language training occurs at least in part outside of the publicly provided channels – i.e. through civil society initiatives or companies themselves.

CHAPTER 3

WHERE DOES GERMANY STAND? AN EVALUATION AGAINST THE OECD LESSONS ON INTEGRATING REFUGEES AND OTHERS IN NEED OF PROTECTION

OECD countries have longstanding experience in the integration of refugees and others in need of humanitarian protection. Against this context, the OECD (2016b) recently took stock of international good practices in this area and distilled some key lessons from this (see Box 3.1).

Box 3.1. OECD lessons for the integration of refugees and others in need of protection

Lesson 1. Provide activation and integration services as soon as possible for humanitarian migrants and asylum seekers with high prospects of being allowed to stay.

Lesson 2. Facilitate labour market access for asylum seekers with high prospects of being allowed to stay.

Lesson 3. Factor employment prospects into dispersal policies.

Lesson 4. Record and assess humanitarian migrants' foreign qualifications, work experience and skills.

Lesson 5. Take into account the growing diversity of humanitarian migrants and develop tailor-made approaches.

Lesson 6. Identify mental and physical health issues early and provide adequate support.

Lesson 7. Develop support programmes specific to unaccompanied minors who arrive past the age of compulsory schooling.

Lesson 8. Build on civil society to integrate humanitarian migrants.

Lesson 9. Promote equal access to integration services to humanitarian migrants across the country.

Lesson 10. Acknowledge that the integration of very poorly educated humanitarian migrants requires long-term training and support.

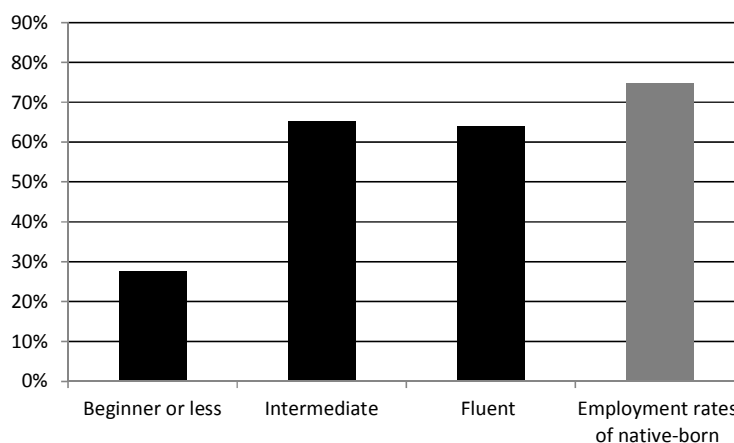
Taking these lessons and related OECD work from country-specific work as a starting point, this section assesses the current integration framework Germany in international comparison.

3.1. Providing early access to language training and other integration measures

One of the key lessons of OECD countries experiences in refugee integration is the importance of early intervention (OECD, 2014). Probably the most important skill that refugees need to build is knowledge of the host-country language, as there is strong evidence that host-country language skills strongly increase the likelihood of finding employment, already when they speak the host country language on an intermediary level (Damas de Matos and Liebig, 2014). Figure 3.1 demonstrates this for refugees living in Germany in 2014, showing that the difference in employment rates is

particularly pronounced when comparing refugees who have intermediate language skill with those who have skills of a beginner or less (65% vs. 28%).¹³

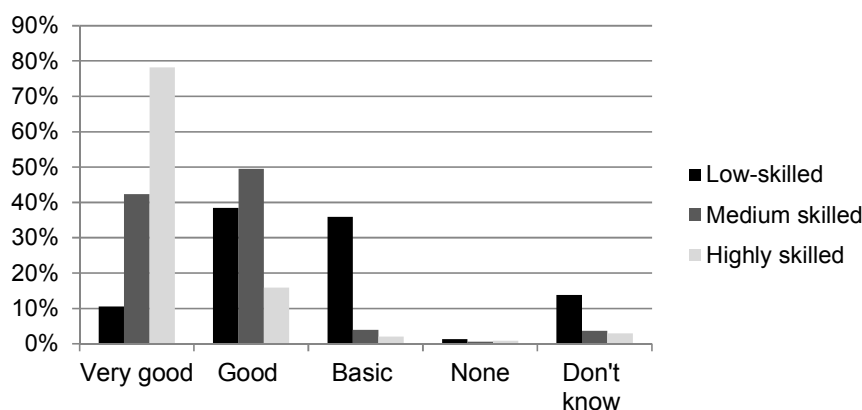
Figure 3.1. Employment rates of refugees in Germany by their level of language skills, age 15-64, 2014



Source: OECD Secretariat Calculations on the basis of the German Microcensus (data provided by the German Federal Statistical Office).

Employers who participated in the OECD-DIHK-BMAS survey also stress the importance of language skills. About 80% indicated that very good language skills are necessary for highly skilled positions in their firm, whereas 40% of respondents required very good and 52% good language skills for jobs at the medium skill level. Even for low-skilled jobs, almost 50% stated that at least good language skills were required (Figure 3.2).

Figure 3.2. Language skills deemed necessary by participating employers to work in their firm, according to skill level



Source: OECD-DIHK-BMAS Survey, 2016

13. Note that Figure 3.1 does not control for other characteristics, including country of origin, which may explain why the employment rate of fluent speakers is slightly below those of intermediate speakers. However, similar figures were found across Europe as a whole (see EU and OECD, 2016).

What is more, insufficient language skills were the most frequently stated reason for not hiring asylum seeker and refugee applicants for jobs (61%) and for not offering employment after internships or vocational apprenticeships were finished (22% and 50%). Moreover, of those participating employers who had hired refugees in the past and who indicated that they faced difficulties, insufficient language skills were the most often stated reason, with 63% of these employers reporting considerable difficulties in everyday working life.

Eligibility criteria for language courses have been broadened...

In the past two years, Germany has implemented a number of measures that broaden the access to language tuition, including soon after arrival. This includes legal reforms on the eligibility of asylum seekers for the Integration Course, Germany's core integration measure, as well as policies to increase the overall availability of integration measures.

As already mentioned in Section 1.3, the Integration Course includes 600 hours of language tuition, plus 100 hours of civic orientation. Generally, participants are supposed to reach an intermediate language level of B1, which seems to be the appropriate target given the evidence in Figure 3.1. Courses are organised by the Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*, BAMF in the following) and financed by the Ministry of the Interior. They are then implemented by accredited local education providers, such as adult education centres or language schools, and include a final exam that tests both language skills and knowledge of German society. Participants are granted a certificate if they have reached intermediate language proficiency (B1) at the end of the course. Those who reached an advanced beginner's level (A2) may obtain an additional 300 hours of language tuition.

As already mentioned, in November 2015, the German Government opened access to the course to tolerated persons and asylum seekers from countries with high recognition rates. These are defined as countries where more than 50% of applicants received protection status and currently include asylum seekers from Syria, Iran, Iraq, Eritrea and Somalia. Before this legislative change, Integration Courses were only accessible to refugees. The intention behind the change is to avoid that applicants are kept idle while waiting for the outcome of their asylum claim. It also presents a considerable change in German integration policy, implicitly acknowledging that many asylum seekers will remain in the country. Other OECD countries, such as Denmark, Norway, Sweden, Spain and Switzerland, have implemented similar measures.

... but ensuring early access has been challenging in practice

With the increased inflow of asylum seekers, waiting times for the Integration Course have increased, yet a precise estimate is difficult. To participate in the course, prospective participants have to send a request for participation to the BAMF, which then denies or approves the request. For asylum seekers from countries with high recognition rates, they can send this request once they have applied for asylum at the BAMF. When the request is approved, language courses are free of charge and prospective participants then have three months to contact a local provider, who in theory is supposed to enrol participants in less than six weeks. In the first quarter of 2016, the average time for the BAMF to process language course requests was around two months.

In 2016, the BAMF issued around 560 000 approvals to participate in an Integration Course, yet only around 320 000 people started language training in the same year. This leaves around 240 000 persons who obtained their approval for participation in 2016, but could not start language courses in

that year.¹⁴ In the IAB-BAMF-SOEP survey among asylum seekers and refugees who came to Germany between 2013 and 2016, about one third of respondents were still waiting to start an Integration Course at the time of the survey in 2016. Nevertheless, there have been considerable efforts to increase the availability of Integration Courses. In 2016, around 20 500 new Integration Courses started; almost twice as much as in 2015 (11 800).

Capacity constraints for language training are difficult to tackle quickly. To increase availability, the maximum number of participants per Integration Course was raised from 20 to 25, which is well above the numbers seen in other countries for which this information is available (OECD, forthcoming).

The key bottleneck has been recruiting new teachers. To tackle the shortage, salaries for freelance teachers in Integration Courses were increased from EUR 23 to EUR 35 per hour as of July 2016. Furthermore, the BAMF temporarily adjusted requirements for language course teachers in October 2015. Previously, teachers who did not have a university degree in teaching German as a second language were obliged to participate in a preparatory training (70-140 hours) in order to become an accredited teacher. This preparatory training has been temporarily suspended. However, teachers still have to have a university degree in language or teaching related subjects, or to prove considerable work experience as a language teacher in the private sector. Overall, in 2016, the BAMF accredited around 11 000 new teachers. Including previously active teachers, in 2016 around 19 000 teachers were providing Integration Courses.

Nevertheless, the question remains how to improve early access to language courses when the numbers of incoming migrants increase quickly. In situations with a high increase of new arrivals, online learning can be a useful approach to supplement class-based language tuition as an immediate response to teacher shortages (Box 3.2). At the same time, it has been a key challenge for all OECD countries with high inflows of asylum seekers to create integration systems that not only react swiftly to increased demand, but more generally that can be adjusted to large and largely unexpected variations in demand. Yet, given the current backlog as well as uncertainty concerning future flows, including from forthcoming family reunification and inflows of EU migrants to Germany,¹⁵ demand for Integration Courses may fluctuate at relatively high levels in the coming years. Thus, adjustments that were made in the past two years will also benefit future arrivals.

Box 3.2. Online language learning

With the increase of asylum seekers arriving in Germany, the amount of online language courses has grown substantially. A plethora of offers from broadcasting stations, Ministries, adult education centres, social partners and private developers has been made available. At this point it remains unclear how widely they are used and with what results. Moreover, they differ considerably in their comprehensiveness.

The Ministry of Education and Research has financed an online course covering the language levels from A1 to B1. Courses are aligned to the content of the Integration Course. These courses also seek to support vocational language learning by offering vocabulary exercises on 30 occupations. In 2017, only around 28 000 active participants were registered. Participants can receive a confirmation of participation; however, the online course does not lead to a recognised certificate. The BAMF is currently developing an additional tool for online occupational language learning for the Federal Ministry of Labour and Social Affairs.

14. This is a conservative estimate, as the number of language course participants in 2016 is likely to include persons who obtained their approval before 2016.
15. As noted in Section 1.2, migrants from other EU countries have accounted for the bulk of migration to Germany prior to 2015/2016. These also have access to the Integration Courses.

Box 3.2. Online language learning (cont.)

Thus, there has been a lot of development in this field in Germany that could benefit asylum seekers and refugees with ICT literacy and access to computers. While it cannot fully replace classroom-based language learning, online language learning can supplement standard offers. For instance, migrants with very specific language needs, e.g. highly skilled health professionals, could access targeted online courses more easily, as the number of participants, particularly in rural areas, are often too low to offer classroom-based language courses. Moreover, additional online courses can help participants maintain and build up their language skills once the Integration Course is over. Lastly, online courses can allow students to arrange their learning time more flexibly, for instance participating part-time or in the evening after work or child care responsibilities.

However, it will be crucial to ensure that such offers are combined with personalised support or interaction with other learners or teachers. Moreover, individual learning requires considerable self-motivation. Therefore, online language courses would have to follow a well-designed curriculum, provide opportunities to interact with other participants to improve oral German skills and find ways to keep participants motivated until the end. In addition, final exams, ideally issued by the BAMF (which is now administering all federally-funded language training), have to certify the language skills participants have obtained.

Vocational language courses are becoming an important component of Germany's integration policy, but numbers are still small

Evidence from a number of OECD countries suggests that vocational language training, ideally provided on the job, is a particularly effective labour market integration measure (Liebig and Huddleston, 2014). This is also confirmed by participants of the Employer Survey. When asked what policy measures would be particularly important for the labour market integration of asylum seekers and refugees in their company, 76% mentioned vocational language courses during employment – by far the highest percentage of all possible responses.

Already since 2008, the German Government has been offering vocational language tuition (so-called ESF-BAMF Courses, co-financed through the European Social Fund). In October 2015, the government decided to make vocational language tuition a core element of integration policy and introduced the new programme “Vocational Language Training” (*berufsbezogene Deutschsprachförderung*) as a follow-up to the Integration Course.¹⁶ Both courses are open to asylum seekers from countries with high recognition rates.

Participants in ESF-BAMF courses are supposed to have participated in an Integration Course and to have reached at least German language skills at the A1 level or, if they have not participated, to have a certified German language skill level of B1 or higher. Courses include work-specific language tuition, including for instance vocabulary for communication in the workplace or how to write emails, as well as a training module. The content of the training module depends on the course provider as well as the individual skills profiles of participants, but they are supposed to include three components: specialised classes, an internship and site visits. Specialised classes can include, for instance, job application training, information about different occupations in Germany and IT training. There is also the possibility for course providers to offer classes only for certain occupational fields, e.g. in health care.

16. Hence, during 2016, both types of vocational language courses were running in parallel. By the end of 2017, the new programme will have fully replaced ESF-BAMF courses.

Including language tuition, the training module and the internship, an ESF-BAMF course can last up to six months and comprise 730 lessons. Teachers document participants' progress during the course and issue a certificate of attendance at the end. Furthermore, course providers can also hire social workers, if this is deemed necessary, as well as "job coaches" who, for instance, help organise site visits, support participants in their search for an internship or offer support during the internship.

In 2014, around 26 000 migrants participated in an ESF-BAMF course. Of these, 12% were asylum seekers and 2% tolerated persons. The number of refugees among participants is not centrally recorded by the BAMF. Data from the BAMF shows that numbers of participants have remained similar in the 2015 and 2016 (24 000 and 29 000 participants, respectively) and the share of asylum seekers has slightly increased to around 14% each year.

Data from the BAMF shows that among the 1 600 courses in 2016, the majority were on general vocational orientation (38%) and general vocational language skills (28%). The remaining courses were focused on specific occupational fields.

The first vocational language courses under the new programme "Vocational Language Training" have started in July 2016 and are open for asylum seekers from countries with high recognition rates. For 2016, the federal government has reserved EUR 179 million in its budget for vocational language courses. Including the ESF-BAMF courses, the BMAS estimates that funding is sufficient to finance the participation of about 100 000 persons in 2016. For 2017, the aim is to finance 175 000 placements with an overall budget of EUR 410 million.

In addition to these measures which focus on the German language, there have also been a variety of initiatives aimed at providing basic information on daily life in Germany in the main origin languages of refugees. Australia has gone a step further by providing telephone translation services (Box 3.3), a service that seems particularly useful in a context like in Germany where most refugee arrivals do not speak the language and are often placed in smaller communities where access to onsite translation is difficult.

Box 3.3. Translating and Interpreting Services in Australia

Australia provides elaborate Translating and Interpreting Services (TIS) as a complement to the English language training provided. The nationwide TIS are available to anybody in Australia requiring interpretation support. It has a long tradition, with free-of-charge translating and interpreting services being provided since 1958 and 1973, respectively.

The services are both provided on-site and via telephone. The latter are available 24 hours a day, 7 days a week, and in more than 160 languages through a network of 2 500 translators. For medical practitioners, there is a free-of-charge priority line, which ensures that an interpreter for the most common foreign languages is available within a few minutes. There are also special priority lines for emergency purposes. Telephone translation services are also provided for free to community-based non-profit organisations, which provide settlement services, as well as generally for local governments and trade unions. Within the first two years after arrival or grant of permanent settlement, most immigrants also have access to free document translation services, including education and employment references.

Most other translation services are fee-based. In practice, however, many immigrants will not bear the costs themselves, as their respective counterpart (e.g. a telephone company whose bill they do not understand, a bank where they want to open an account, etc.) often agrees to pay the fee.

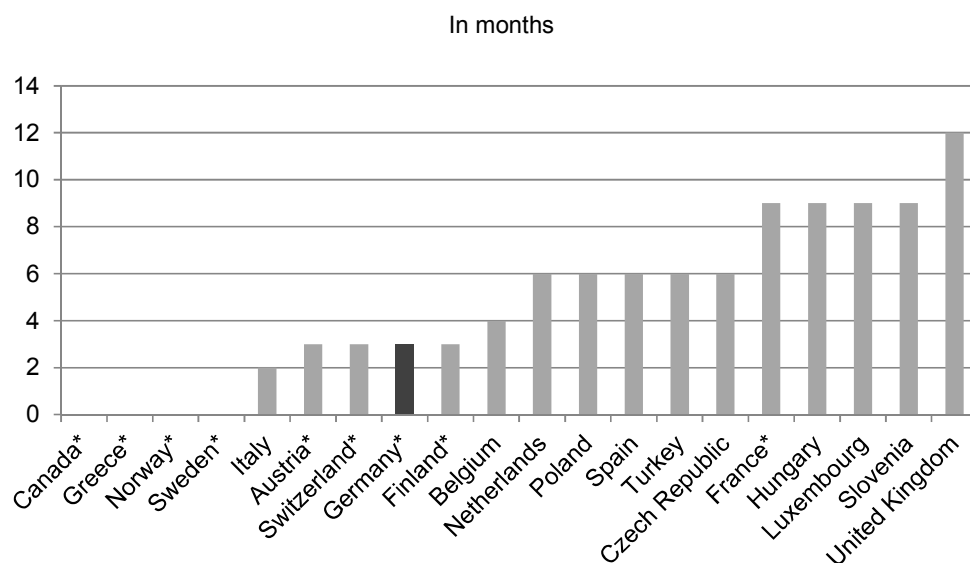
Concluding, the legal framework has been adapted to facilitate integration early on by allowing asylum seekers with high chances of receiving international protection to access language courses. However, as in other OECD countries that have experienced high inflows of asylum seekers, increasing the availability of language courses has been a challenge. Overcoming capacity constraints will take some time, but is a necessary investment from which future arrivals will also benefit. Recruiting qualified teachers and developing high-quality online language courses to supplement class-based offers will therefore remain an important challenge for future policy making.

3.2. Facilitating labour market access for asylum seekers

Evidence from other OECD countries shows that the earlier refugees enter the labour market, the better their integration prospects in the long run (see e.g. OECD, 2007b). A precondition for this is legal access to the labour market. While refugees have generally unrestricted access to the labour market in the large majority of OECD countries, asylum seekers face restrictions to do so, as countries seek to avoid that persons apply for asylum in order to get access to the labour market.

Long periods of inactivity do not only impact negatively on future employment chances, but can also have a negative psychological impact on people in need of protection who are eager to rebuild their life. Asylum seekers without authorisation to work may turn to informal work, where they are also more prone to exploitative work conditions. As a result, all OECD countries provide some labour market access for asylum seekers but at the same time have put in place certain restrictions for asylum seekers, such as waiting periods and labour market tests (see Figure 3.3).

Figure 3.3. Most favourable waiting periods for labour market access for asylum seekers in selected OECD countries, around 2016



* Under certain restrictions.

Source: Data from OECD (2016b).

Yet, these restrictions can also create considerable bureaucratic overheads for employers who wish to hire asylum seekers. Facilitating labour market access for asylum seekers therefore also implies to keep a balance between built-in safeguards and streamlined and efficient bureaucratic procedures that do not deter employers.

Waiting times for asylum seekers and tolerated persons have been lowered and labour market tests were relaxed

Already in 2014, the German Government reduced minimum waiting times for labour market access after filing the asylum claim for asylum seekers and tolerated persons¹⁷ from 9 and 12 months, respectively, to 3 months for both groups. This rule does not apply, however, to asylum seekers from safe countries of origin, who are generally not allowed to take up work during the asylum procedure. Furthermore, while asylum seekers are living in first-reception facilities, they are not allowed to work. The minimum requirement to stay in these facilities is six weeks, but can be extended to up to six months.

Nevertheless, facilitating labour market access for asylum seekers and tolerated persons indicates that Germany has learnt from past experiences in the early 1990s where people from Yugoslavia were largely excluded from the labour market and subsequently struggled gaining a foothold in the labour market. Allowing earlier labour market access also corresponds to a larger trend across OECD countries as many have eased labour market access for asylum seekers in the past years (OECD, 2016b).

For asylum seekers who have been in Germany for more than 3 but less than 15 months, a labour market test applies, and the local foreigners office and the Federal Employment Agency (BA) both have to agree. This is only possible if the asylum seeker already has a job offer. Furthermore, asylum seekers cannot be self-employed.

Asylum seekers have to submit their request at the local foreigners office. In a number of cases, the local foreigners office can directly grant an employment permit, for instance for a number of shortage occupations and highly skilled occupations that surpass a certain salary threshold. Furthermore, the approval of the BA is not necessary for specific introductory traineeships (so-called *Einstiegsqualifizierungen*) and some types of internships.

In all other cases, however, the approval of the BA is necessary, in addition to that of the local foreigners office. The BA assesses whether working conditions and payment for the position are in line with local employment conditions. Before August 2016, the procedure also included a priority check where the BA had to assess whether there is a German or EU citizen registered as job-seeking and eligible for the position. As of August 2016, however, this priority check has been suspended for three years in the large majority of BA districts.¹⁸ Nevertheless, some districts that still conduct these checks are urban centres in Bavaria and North Rhine-Westphalia with high shares of asylum seekers (e.g. Munich, Nuremberg, Dortmund and Duisburg). Furthermore, priority checks continue to be conducted in Mecklenburg-Vorpommern.

However, if asylum seekers have been in Germany for 15 months or longer, no priority check is conducted anywhere. Nevertheless, the BA still has to assess whether the position corresponds to local

17. Tolerated persons can be denied labour market access when the foreigners office has the impression that they are actively delaying their deportation, e.g. by hiding ID cards or giving false evidence. By the end of 2016, around 153 000 tolerated persons were registered in Germany. Approximately a third of them were from the Balkans. The number of tolerated persons has remained rather stable over the past two years, with 113 000 persons registered in 2014 and 155 000 in 2015.

18. There are 156 BA districts in Germany.

employment conditions. Only after four years, the BA is not consulted anymore. The BA has two weeks to assess these requests and according to legislation, an employment permit is considered as automatically granted if no decision is made in this time period.¹⁹

The BA approves most requests for employment authorisation, yet how local foreigners offices use their discretion is unclear

In 2016, the BA approved around 85 000 out of 102 000 requests for employment permits for asylum seekers. Most decisions were made for positions in the hospitality sector (28%) and for cleaning and gardening jobs (14%). The remaining 17 000 rejected requests in 2016 were denied for a number of reasons. Around 4 700 did not pass the priority check, 6 700 were rejected because employment conditions were below standard, and an additional 1 500 requests were rejected on both grounds. Table 3.1 provides an overview of the main nationalities for which employment was approved for those asylum seekers with between 3 and 15 months after filing the asylum claim. By means of comparison, at the end of September 2016, there were 316 000 asylum seekers with between 3 and 15 months of residence in Germany.²⁰

Noteworthy is that a number of countries with relatively few inflows are among the top ten (Table 3.1). What is more, a number of nationalities from countries with low recognition rates are high on the list. It is unclear whether this uneven representation is a sign of asylum seekers coming to Germany with the intention to work rather than seeking protection, but this issue seems to merit further monitoring.

It should be kept in mind that these numbers only contain requests that foreigners offices have passed on to the BA, and that not all approvals will result in an employment. Local foreigners offices have substantial discretion; they can still deny a request after BA approval, or even decide to deny it outright (i.e. not passing a request to the BA for assessment). Data on the decisions of local foreigners offices are not available. However, in consultation rounds with employers, it was repeatedly stated that immigration authorities denied requests and that there is little transparency as to why this is the case. At this point, the exact scope of this issue remains unclear. Furthermore, it is likely that there are regional differences in how often immigration authorities deny requests. Therefore, more transparency on how local immigration authorities deal with this issue would be crucial.

Thus, while labour market access has been simplified, in practice it remains a rather complex procedure for employers as both local immigration offices and the BA still have to approve employment requests. Furthermore, rules differ according to the type of work (internships, jobs, vocational training).

19. There are currently only rough estimates for how long it takes to assess these requests. In mid-December 2016, 99.8% of requests are assessed in 14 days or less if all necessary information is provided by the employer and the local immigration authorities. Including those cases where information is not sufficient, 86% of the cases are assessed in 14 days or less. Overall, 96% of all requests are decided upon in 28 days or less (personal correspondence BA). Thus, it appears that these assessments are processed rather quickly in the large majority of cases.

20. Note that these figures cannot be compared directly, since the latter is a stock figure and the former a flow.

Table 3.1. Approvals for employment permits 2016 in comparison with the size of the potentially eligible groups at the end of Q3-2016

	Top ten origin nationalities for approvals for employment permits of asylum seekers with less than 15 months residence in Germany, 2016	Top ten origin countries of persons in the asylum process since more than 3 and less than 15 months, end of Q3-2016
Afghanistan	9 512	78 095
Pakistan	9 319	11 755
Syria	5 416	67 187
Iraq	4 241	49 116
Nigeria	3 546	7 788
Iran	2 162	14 684
Bangladesh	1 363	n.a.
Gambia	1 229	n.a.
Albania	938	3 069
India	870	n.a.
Eritrea	n.a.	7 145
Russian Federation	n.a.	5 227
Other	9 064	60 589
Total	47 660	316 550

Note: This only includes data for asylum seekers who have been in the asylum procedure for less than 15 months, to avoid a bias against nationalities with shorter processing times.

Source: Data from the Federal Employment Agency.

Asylum seekers in vocational education and training can receive a temporary permit

As already mentioned, with the Integration Act, asylum seekers in apprenticeships have the right to receive a toleration status for three years and are guaranteed that during their education they will not be deported even when their asylum claim is denied. If they find employment immediately after completion of their training, they can remain in the country for an additional two years (so called 3+2 rule). If the completion of the apprenticeship does not result in immediate employment, the toleration status is extended for 6 months to allow them to search for a job. This employment has to correspond to their qualification level.

This regulation not only creates a strong incentive for VET students to finish their training, but also gives employers more certainty. Insecure legal status can strongly restrict migrants' *de facto* access to the labour market as employers may not be willing to hire persons for whom it is not clear whether they are allowed to remain in the country. Particularly for vocational education and training, which includes a considerable investment for the side of the employer, having more certainty regarding the legal status is highly important. Among those employers who participated in the Employer Survey and had hired apprentices, 33% indicated that the insecure legal status of their apprentices posed some or considerable difficulties in everyday working life.²¹

21. However, since most employers who hired apprentices also hired refugees and asylum seekers in other categories (interns, regular jobs, etc.), it cannot be ascertained that this number applies only to apprentices.

Thus far, there is no data on how many toleration permits have been granted by the local foreigners offices under this “3+2” scheme.²² While it seems that not all regional governments have decided to fully implement it, it nevertheless presents a considerable improvement for employers and can therefore facilitate labour market access for asylum seekers with high chances of obtaining refugee status. However, it will be important to ensure that there is consistent and transparent implementation of this new regulation across the country.

All in all, Germany has adapted its legislation and facilitated access to the labour market for asylum seekers, while also putting in a number of safeguards to avoid abuse. Besides, labour market tests have been simplified. However, to what extent local foreigners offices use their discretion remains a black box. A better understanding of would be crucial to assess their role in this process.

3.3. Developing dispersal policies that take employment prospects into account

Local labour market conditions can have a considerable, long-term impact on refugees’ labour market outcomes. Evidence for Sweden, for instance, shows that living in areas with high unemployment rates affects employment rates and earnings of refugees negatively for at least ten years (Åslund and Rooth, 2007).

Most OECD countries have dispersal policies in place that seek to arrive at a fairly even distribution of asylum seekers across the country. These schemes largely aim to arrive at an equal sharing of responsibilities and financial burden across regions and to avoid the risk of segregation. Yet, dispersal schemes that take into account local labour market conditions and employment prospects are still rare (OECD, 2016b). Moreover, when faced with a sudden increase of asylum seekers, the availability of housing often becomes an issue. Since affordable housing is often located in areas with weaker local labour market conditions, the possibilities of placing new arrivals in areas with comparatively strong labour market needs are often limited. Nevertheless, whenever feasible, it is crucial to avoid allocating asylum seekers to areas where local labour market conditions are less favourable. In Sweden, a change in the dispersal policy in the early 1990s from a placement that mainly focused on available housing to a placement that took local labour market conditions into account has been associated with large improvements in outcomes: 6 percentage points higher employment rates, 25% higher income, and 40% lower welfare dependency eight years after settlement (Edin et al., 2004). In addition, in rural regions, it is crucial to settle asylum seekers in areas where they have access to public transport in order to ensure that they can reach integration programmes or jobs.

Asylum seekers are allocated across the country largely without factoring in municipalities’ employment conditions

In Germany, local labour market conditions of regions are taken into account to a limited extent by calculating the share of asylum seekers each *Land* has to host based on its tax revenue (two thirds) and population size (one third) (the so-called “*Königsteiner Schlüssel*”).²³ However, the resulting distribution largely mirrors population size (Table 3.2).

22. The BA does not have to agree to apprenticeships.

23. Once asylum seekers have arrived in Germany and have been pre-registered, they are then told in which Land they will be settled during their asylum application.

Table 3.2. Shares of asylum seekers allocated to each region compared to the region's share among the total population

Region	Share of asylum seekers in percentage	Percentage of total population
North Rhine-Westphalia	21.2%	21.7%
Bavaria	15.5%	15.6%
Baden-Württemberg	12.9%	13.2%
Lower Saxony	9.3%	9.7%
Hesse	7.4%	7.5%
Saxony	5.1%	5.0%
Berlin	5.1%	4.3%
Rhineland-Palatinate	4.8%	5.0%
Schleswig-Holstein	3.4%	3.5%
Brandenburg	3.1%	3.0%
Saxony-Anhalt	2.8%	2.7%
Thuringia	2.7%	2.6%
Hamburg	2.5%	2.2%
Mecklenburg-Vorpommern	2.0%	2.0%
Saarland	1.2%	1.2%
Bremen	1.0%	0.8%

How asylum seekers are then allocated to municipalities depends on the respective *Land*. The large majority, however, uses population size to determine the number of asylum seekers municipalities receive (Geis and Orth, 2016). Thus, on the regional level, employment opportunities are largely not factored in.

Furthermore, the aim to distribute asylum seekers more equally across the country is currently weakened by how the BAMF organises the processing of asylum claims. To reduce processing times regional BAMF offices, which are responsible for assessing asylum claims, have specialised on certain countries of origin to ensure that country experts can be present when claims are assessed. This applies both across, but also within individual *Länder*. Asylum requests from Sudanese nationals, for instance, are solely processed in Lower Saxony, whereas all 2015 applicants from Morocco and Algeria were only sent to North Rhine-Westphalia, Baden Württemberg, Lower Saxony and Saxony. Thus, *Länder* where BAMF offices process claims from applicants with little chance of obtaining refugee status also host higher shares of asylum seekers who are not allowed to work. In addition, higher rejection rates do not necessarily imply that migrants – either voluntarily or by force – leave the country.

Besides, in some *Länder* there is a further differentiation across administrative districts. In Bavaria, for instance, only one office is responsible for all Iranian applicants, whereas in Baden-Württemberg all applicants from Nigeria, Tunisia and the Russian Federation are processed by one office. Therefore, the “specialisation” of the regional BAMF offices can have a considerable impact on the distribution of asylum seekers and refugees across and within regions. While specialised offices may be needed to ensure that country experts can assess claims, it also leads to an imbalance across and within the *Länder* and unequal responsibility sharing.

Thus, how asylum seekers are currently settled in Germany depends for some applicants on their country of origin, and otherwise on chance. Yet, being placed in a municipality with little employment or integration opportunities can have long-term consequences, particularly in regions where settlement restrictions are in place once they receive refugee status. Therefore, it is fundamental that additional

criteria, e.g. local unemployment rates, are considered when regional governments allocate asylum seekers to municipalities.

Secondary migration of refugees is restricted between regions...

An important question is what happens after asylum seekers receive refugee status. There is indeed evidence that, prior to the current policy, refugees tended to move towards urban centres and to the west of Germany once they received status. In cities such as Berlin, Hamburg and Essen, 6-8 out of a 1 000 inhabitants are refugees, approximately twice as much as the national average (Geis and Orth, 2016). Furthermore, refugees tend to leave the five regions in Eastern Germany. While they are hosting around 16% of asylum seekers, the shares of refugees living there lies around 8%. Similarly, for Bavaria, these numbers lie at 16 and 9%, respectively. However, data on secondary migration is limited. Internal movement in Germany is measured by de- and new registrations in the municipalities, yet does not record legal status. In the Central Register of Foreign Nationals (*Ausländerzentralregister*, AZR in the following), address and status changes are not collected systematically (SVR, 2016). Although the evidence above suggests that secondary migration has been an issue in the past, its exact scope in the current context remains unclear. Similarly, it is unclear where refugees are precisely moving to and for what reasons, e.g. assumed employment opportunities, larger shares of co-ethnics or family reasons.

Before August 2016, refugees were free to move within Germany once they had received status. Yet, with the introduction of the Integration Act, refugees are required to remain in the same *Land* that was responsible for their asylum determination for a duration of three years. To enforce this restriction, refugees are only entitled to social benefits if they remain in the *Land* that they were originally allocated to.

Refugees can move to another *Land* under certain conditions, but have to file a request at the local immigration authorities. A move has to be granted when they or a family member have found employment elsewhere in Germany (at least 15 hours a week, minimum income of approximately EUR 700) or when they will start vocational training or tertiary education elsewhere. Furthermore, participation in specific integration measures, such as traineeships or preparatory language courses for university, can also qualify. Exceptions can also be made when close relatives live in other parts of the country or in specific cases of hardship. Given that refugees are legally entitled to move for employment and education, it seems that the necessary flexibility of not hindering integration elsewhere is given. However, unfortunately there is currently no data available that shows how many refugees have applied for an exception and how often these requests are rejected on other grounds.

... and also within some regions free settlement has been restricted

With introduction of the Integration Act, *Länder* governments have also been authorised to further restrict the place of residence within each individual *Land*. They can, for instance, request refugees to remain in a given municipality or district. Alternatively, they may be forbidden to move to certain areas, particularly when shares of foreign-born are already high there. In addition, regional dispersal mechanisms need to take into account local labour market conditions. As of January 2017, 4 out of 16 *Länder* have passed decrees that request refugees to live in a specific municipality or district (Baden-Württemberg, Bavaria, Saxony-Anhalt and North Rhine-Westphalia). Elsewhere, refugees are still free to move within the *Land*, but not within Germany.

North Rhine-Westphalia, for instance, has developed a mandatory dispersal scheme for refugees that takes into account multiple factors, including a proxy for local employment conditions within the *Land*. It accounts for population size (80%), territorial size (10%) and the municipality's

unemployment rate (10%). Furthermore, municipalities received a 10% “reduction” if there is little affordable housing and another 10% if they are already hosting disproportionately high shares of EU migrants from Central and Eastern Europe who receive social benefits. Remaining shares are then distributed across the other municipalities. Municipalities are obliged to host all refugees that are allocated to them through this scheme. This regulation entered into force in December 2016, thus it remains to be seen how this scheme will be implemented in practice.

Concluding, dispersal mechanisms for asylum seekers should consider local employment prospects when allocating them to municipalities. Thus far, however, this is rarely the case. Accounting for local economic conditions in the distribution is particularly important when refugees have to stay in the same municipality for a number of years.

While settlement restrictions for refugees can ease the pressure on municipalities, such restrictions can only facilitate integration if also they ensure a certain level of flexibility to not hinder integration. To assess whether job- and training-related mobility is hampered in practice, decisions of local immigration authorities on moving requests would need to be more transparent and monitored.

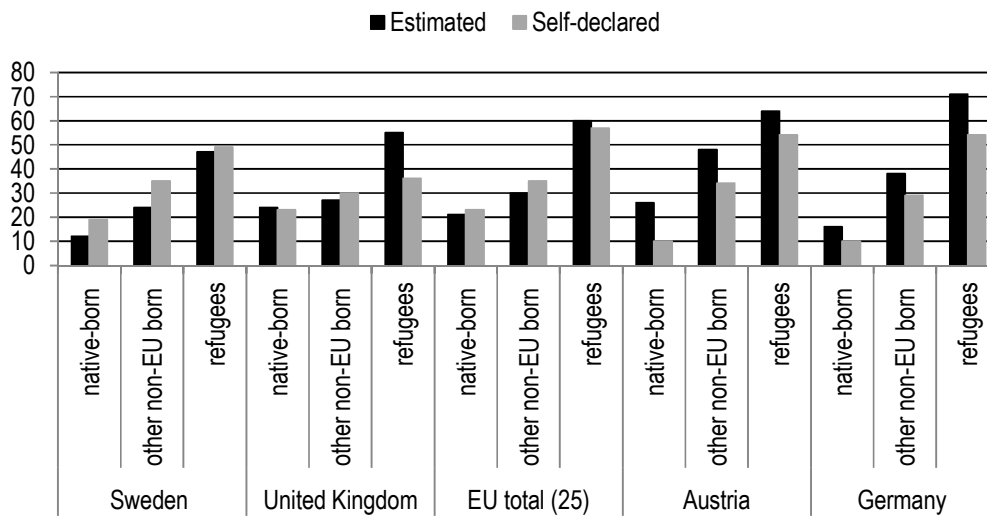
3.4. Assessing professional skills, qualifications and work experience early on

The starting point for better using the skills of asylum seekers and refugees is to take stock of the qualifications and skills that they already possess. Already well prior to the recent inflow of asylum seekers, Germany had put considerable effort into this. To improve the recognition of foreign qualifications a nation-wide framework was implemented with the introduction of the Recognition Act in 2012. Under this act, all migrants, including asylum seekers and refugees, with a qualification obtained abroad are legally entitled to go through a recognition process that tests whether their professional qualifications obtained abroad are equivalent to the respective qualification in Germany (for an in-depth discussion, see Annex B). However, for the standard recognition process, migrants need to present documentation of their diplomas and qualification. Therefore, assessing the qualifications and skills of asylum seekers and refugees presents a new challenge as many of them have limited or no documentation.

Nevertheless, assessing and recognising their qualifications is crucial, as Figure 3.3 demonstrates. While other obstacles also contribute to over-qualification, e.g. language skills or *de facto* non-equivalence of diplomas, employed refugees with tertiary education are considerably more likely to be over-qualified for the type of work they are doing than other population groups. These differences remain regardless of whether over-qualification is self-reported or measured by comparing respondents’ occupational level with the degree obtained. Although this is an issue everywhere, in Germany, among refugees in 2014, this share has been particularly large (Figure 3.4).

Furthermore, professional skills were often acquired informally. In addition to the recognition of formal qualifications, this requires to introduce additional measures that allow for the recognition of prior learning, rather than solely relying on standard measures for qualification recognition.

Figure 3.4. Over-qualification among native-born, other non-EU born and refugees with tertiary education in selected EU countries, in 2014



Note: Calculations based on the EU LFS 2014 Ad-Hoc Module. Data cover 25 countries of the European Union. Data from Germany are from the Federal Statistical Office. Estimated over-qualification refers to tertiary-educated persons working in jobs at levels 4-9 (i.e., medium and low-skilled jobs) in the International Standard Classification of Occupations (ISCO).

Source: OECD-EU, 2016

There have been many projects on skills assessment for asylum seekers and refugees

In many OECD countries that were strongly affected by the humanitarian crisis, improving the assessment of the skills and qualifications of asylum seekers and refugees has been a priority for integration policy (see Box 3.4 for an innovative example from Norway). Indeed, this is probably the area in which most policy innovation took place in reaction to the crisis (OECD, 2016b).

Over the past two years, Germany has introduced a number of pilot projects specifically targeted at asylum seekers and refugees to assess skills without having to rely on formal documentation of qualifications or work experience. These measures usually combine early skills assessment with other integration measures, such as language learning or upskilling measures. Generally, they are open to asylum seekers with high chances to obtain refugee status. In addition, a substantial number of regional governments have implemented their own, additional pilot schemes that assess asylum seekers' and refugees' skills.

In 2014, a pilot project “Early Intervention” was introduced to assess the skills of asylum seekers in nine German cities, running until the end of 2015. Nationals from nine countries of origin with relatively high asylum recognition or low return rates were eligible to participate in the pilot (Afghanistan, Egypt, Eritrea, Iran, Iraq, Pakistan, Somalia, Sri Lanka and Syria). Participants were selected based on their educational background; most of the participants were relatively well qualified. The BA then conducts a skills assessment interview with participants, yet this was found to be difficult due to language barriers and lacking documentation (Daumann et al., 2015). After this assessment, participants had access to regular measures of the Employment Agency, such as career counselling, upskilling measures or qualification recognition. Based on their individual profile, case workers then refer participants to the respective measure. The programme is supposed to be combined with language tuition, however, this also proved to be difficult in practice. How language courses were organised differed considerably across regions, yet all case workers interviewed stated that a more extensive provision of language courses would be crucial for the success of the project.

Box 3.4. A skills self-assessment tool for asylum seekers and refugees in Norway

Norway has been developing a tool to map the individual skills and qualification of asylum seekers and refugees. The tool consists of about 70 different questions, covering languages, school and education; and for those with poor educational background, the tool maps basic skills like abilities to use a watch or handle a mobile phone etc. The tool also maps work experience and interests in order to have a foundation to evaluate the individual's possibilities in the Norwegian labour market. There are also questions about their family and network in Norway, which can provide a foundation for the placement decision, based on the assumption that their network supports work possibilities.

The tool is constructed to route respondents to the set of questions relevant to them. For instance, respondents with higher education do not have to answer questions about subjects in primary school. In this way, no respondent is asked meaningless questions, or even close to all 70 questions. The test only uses standardised responses like yes and no, or lists from which candidates have to select the most suitable answer, e.g. regarding their education. The tool is available in the most common 20 languages among asylum seekers.

Since late 2016, the tool is used on all new asylum seekers arriving Norway, first until July 2017. The tool is also tested on a few selected refugee reception centers with asylum seekers and refugees. Five of these centers will also be testing a further new measure which is providing extended language and vocational training in addition to the skills assessment. These centers are only for those who have obtained international protection, or who most likely will receive permits. In this context, the mapping tool aims at identifying where to start the qualification process and to develop measures for the individual.

Although there were two evaluations of the pilot, there is relatively little quantitative evidence. Around 1 100 asylum seekers participated, 15% of them women. Among all participants, around 70 found employment, mostly in the low-skilled sector, and around 30 began vocational training once the measure was finished (Dietz and Trübswetter, 2016). These low transition rates were found to be due to a lack of language and job-related skills. Thus, it was argued that a more long-term approach would be necessary.

Moreover, the evaluations of the project have highlighted a broader, structural problem of an early intervention including asylum seekers, which relates to the transfer of responsibility for labour market integration within the public employment services (Büschel et al., 2015; Daumann et al., 2015). Within the PES, two different agencies are tasked with administering ALMPs and social benefits: the Employment Agencies (BA) and Jobcenters. The BA is in charge of the asylum seekers, whereas Jobcenters are responsible for refugees. However, this implies that once asylum seekers receive refugee status, contact persons change and background data and information need to be transferred from one agency to the other. This often poses considerable difficulties in practice (see also Section 3.8). In some of the cities, agreements were made between Employment Agencies and Jobcenters about how to finish the measure once the legal status of participants had changed.

A number of *Länder* have tried to introduce one-stop shops to facilitate co-ordination. For example, North Rhine-Westphalia made an adapted version of the pilot available in all local employment agencies and provided additional language courses. As a result of this, so-called Integration Points were introduced that bring together case workers from the BA, the Jobcenters, the foreigners office and social services, which not only increase co-operation between these agencies tasked with labour market integration, but also renders the process easier for participants. This also facilitates the transition when asylum seekers receive refugee status. In August 2016, the BA has launched a new programme for refugees and asylum seekers with high chances to remain in the country. The programme KompAS lasts six to eight months and seeks to combine language learning with

a skills assessment and other measures to facilitate labour market participation. Such other measures can include counselling when applying for jobs, support in finding an internship or information on job profiles and necessary qualifications. The course is co-ordinated with the Integration Courses, so that participants can be enrolled in both in parallel. Currently there is no information on the number of participants available.

Already prior to the refugee crisis, the Federal Ministry of Education and Research launched the project “Prototyping” in 2011 to assess informal qualifications of people without formal documentation of their credentials, as is often the case for asylum seekers and refugees. The programme was adapted in 2015 into “Prototyping Transfer”, which seeks to strengthen knowledge transfer and wider availability of the measure. Although there is a strong focus on asylum seekers and refugees, this programme is open to everyone, regardless of legal status. The project runs from 2015 to 2017 with seven partners from local Chambers of Commerce and Chambers of Crafts. The partners conduct skills analyses that test participants’ professional skills, for instance through work samples and interviews with experts in the given occupational field. Again, there is currently no information available on the number of asylum seekers or refugees who benefited from this. Another project, ValiKom, started in 2015 and aims at developing and testing a standardised procedure for assessing and recognising informally-acquired vocational skills.

In addition to these initiatives, there have been a number of others, including an interactive computer-based testing of vocational skills for persons without formal qualifications. This tool is currently being developed by the BA together with the foundation Bertelsmann and will be made available to Employment Agencies and Jobcenters. Assessments are developed for around 30 occupations and are planned to take around four hours. They can also be conducted in languages other than German.

The challenge is now to decide what projects should be up-scaled on a federal level

While there has been considerable policy development in this area, skills assessment has remained on a pilot or regional level. However, particularly for skills assessment it is important to avoid that a plethora of different (pilot) measures with diverging contents and validity exist in parallel. Instead, measures should be standardised and transparent; otherwise their signalling to employers will remain limited. Therefore, a thorough assessment of these pilots – in terms of their impact on labour market integration – will be necessary to decide which ones should be up-scaled and implemented across the country. In this process, it will be important to involve employers and to ensure that skills assessments are complemented by upskilling measures if necessary.

Given the high numbers of asylum seekers and refugees with informal skills or limited documentation of their professional background, there is a need for pragmatic, easy-to-implement solutions that complement more sophisticated assessment procedures. This could, for instance, include a standardised CV for asylum seekers and refugees listing their skills and competencies that is issued by the BA or Jobcenter. In this respect, Norway’s experience could again be of interest to Germany. It recently piloted a so-called Qualification Passport for refugees that record highest completed qualification, work experience and language proficiency, which could be an interesting starting point.

All in all, pilot projects discussed above seem to have only benefited a fraction of asylum seekers and refugees so far. There has been considerable activity in this area and a positive development towards combining skills assessment with language learning and job-related training. However, very little is known how this works out in practice. Moreover, seeing the experiences of the Early Intervention pilot, it seems that these programmes are too short to adequately prepare asylum seekers or refugees for the labour market; language learning and up-skilling measures will take time. While it

is important to upscale skills assessment programmes – also to avoid that different instruments with diverging validity exist in parallel – it would be now crucial to gather more evidence as is currently available to decide what projects should be up-scaled and how they may have to be adapted before.

3.5. Developing targeted integration measures

As has been seen in Section 1.2, asylum seekers and refugees are a highly heterogeneous group with regards to their educational and professional background. Both language and job-related training need to account for this heterogeneity – not only for faster integration, but also since courses that are not adapted to the level of the participants can demotivate. For low-skilled refugees lacking basic skills, providing adequate offers will often imply long-term support (OECD and UNHCR, 2016a). This is fundamental not only to increase their chances of obtaining employment, but also to ensure that employment is durable.

Germany, in contrast to the Scandinavian OECD countries, does not have long-term, individualised integration programmes.²⁴ Instead, there are a series of separate measures in place, some of them adjusted to the specific needs of migrants, such as illiterate or young migrants.

Targeted language learning is increasing for some groups...

With respect to Germany's main measure, the Integration Course, there are special courses for parents, women, young people (up to the age of 27) and illiterate migrants as well as intensive courses for participants that are expected to learn faster. These courses are adapted both regarding their length and the content. None of these courses are specific to refugees, although they obviously account for the bulk of new participants. Intensive courses for fast learners, for instance, comprise 400 hours of language tuition and 30 hours of orientation. Migrants lacking basic literacy can participate in alphabetisation courses, whereas offers for young migrants include aspects relevant for their age groups, such as applying to apprenticeships. In addition, the BAMF is currently developing follow-up language courses for participants who failed the Integration Course as well as courses for participants who are literate, but not write in Latin script in order to avoid that they are placed in alphabetisation courses for illiterate migrants (planned start: March 2017). Indeed, experiences from other OECD countries such as Finland show that this group often advances relatively quickly in language learning, but need special initial support.

Courses for parents provide not only language tuition, but also inform parents about the school system in Germany and can last up to 960 hours. This rather unique course has been in place since 2005, but underwent a number of revisions since. Teachers can also introduce parents to the teachers of their children and support parental involvement in their children's education. Courses for migrant women touch upon similar aspects, but seek to target migrant women who would otherwise not participate in mixed-gender courses. These courses can be organised part-time to take into account possible family responsibilities. Indeed, this is the case in more than 70% of courses for women.²⁵

The diversification of the training has gradually started. Between January and September 2016, 3 in 4 participants were enrolled in a general Integration Course (Table 3.3). 17% were enrolled in

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- 24. Norway, for example, has a longer introduction programme for low-skilled refugees (three years instead of two).
 - 25. The share of part-time courses in Germany is relatively high among all course types. In total, more than 50% of all courses are part-time.

alphabetisation courses, 5% in Integration Courses for young migrants and 3% in courses for women and parents. Less than 1% participated in intensive courses for fast learners.

Table 3.3. Participation in Integration Courses by course type, 2015-16

	2015		Jan-Sept 2016	
	Absolute	Percentage	Absolute	Percentage
General Integration Course	139 729	77.9	184 413	74.9
Alphabetisation course	22 089	12.3	41 381	16.8
Courses for parents and women	8 422	4.7	6 286	2.6
Courses for young migrants	7 470	4.2	11 702	4.8
Intensive courses	1 000	0.6	978	0.4
Other integration courses (e.g. courses for the deaf)	688	0.4	1 365	0.5
Total	179 398	100	154 589	100

Note: Courses for parents and courses for women are two separate courses, but have been combined in the BAMF statistics.

Source: Data provided by the BAMF.

Most progress in terms of numbers has been made regarding alphabetisation courses, whereas courses for other groups are still lagging behind the likely demand.²⁶ While the prioritisation of alphabetisation courses was a sensible choice, it will be a long-term task to now increase the offers for women and families as well as young migrants and fast learners. However, such courses will be crucial to ensure that support is better aligned with participants' language needs. Particularly for young refugees, who constitute a large share among new arrivals, offers should be expanded to ensure that the Integration Course can be used to provide targeted information about the German labour market, apprenticeships and application training. Furthermore, courses for fast learners currently do not mirror the share of highly qualified refugees in Germany. Therefore, increasing their availability is important to ensure effective language learning for the highly skilled. With the expansion of vocational language courses as a follow-up to the Integration Course steps were made to further diversify language tuition (see Section 3.1), yet a more targeted approach already in the Integration Course will remain important.

...as is targeted support to gain basic initial work experience

Young people who are not ready yet for vocational education and training can participate in special traineeships (so-called *Einstiegsqualifizierungen*, EQ in the following). EQs offer the possibility to do a traineeship for six to twelve months in an occupational field, similar to the first year of an apprenticeship. The programme targets young people, including asylum seekers, who have not managed to obtain an apprenticeship, who are not entirely ready yet to immediately start an apprenticeship, who have learning difficulties or who are socially disadvantaged. Trainees are paid around EUR 200 per month while employers receive a lump sum of around EUR 100 for social security contributions. This measure is in place since 2004. Evaluations of how this programme

26. In the 2016 IAB-BAMF-SOEP survey, around 5% of asylum seekers and refugees were illiterate, and another 7% have only limited literacy skills. Applying this share to the number of newly arrived asylum seekers in 2015 and 2016 (1.2 million), and assuming that the overall recognition rate of about 60% in 2015/2016 also applies to this group, around 90 000 refugees in Germany needed alphabetisation courses, which is not far from the number that is likely to be reached in the first half of 2017.

increases young people’s job-readiness and skills have been overall positive, and around 60% of participants are found to continue with regular VET programmes after their EQ.²⁷

Currently, numbers of asylum seekers and refugees among the participants are low but are gradually increasing. In November 2016, the latest month for which data are currently available, 3 200 participated in EQ measures (in August: 1 200), and accounting for 29% of all participants.²⁸

Furthermore, Germany has recently introduced a special programme for asylum seekers (excluding applicants from safe countries of origin) and refugees within its Federal Volunteer Service.²⁹ The programme is running from 2016 to 2018, providing funding for the creation of 10 000 placements per year; EUR 50 million have been allocated for this purpose. Volunteers will either support asylum seekers and refugees or, if volunteers themselves are asylum seekers or refugees, they can also be placed into “regular” volunteering position, e.g. in kindergartens, retirement homes or other social service providers. Volunteering can also be part-time and there is no age limit to participation.³⁰ Participants receive a means-tested support of up to EUR 381 maximum per month in 2017. In case language skills are not sufficient, participants may obtain a four-week intensive language course in the beginning and can also receive additional language tuition during the their volunteer placement.

Specific “Integration Measures for Refugees” have been introduced, but the effectiveness is unclear

Apart from these measures which specifically target young refugees, since August 2016 there is a programme providing basic work experience for asylum seekers, the so-called “Integration Measures for Refugees“ (*Flüchtlingsintegrationsmaßnahmen*, FIM in the following). The programme seeks to offer low-threshold work opportunities for asylum seekers and to provide a first experience of the German labour market. However, these work opportunities do not constitute regular employment. Instead, work opportunities always have to be additional to the work that is already carried out by regular employees. For each position, the BA has to assess whether this condition is fulfilled. Furthermore, work opportunities can only be offered by municipalities or other government agencies as well as charities, but not by employers in the private sector. Participants receive a lump sum of EUR 0.80 an hour, which is meant to cover their additional expenses arising from the work opportunity. Higher expenses are covered additionally. Their activities are not supposed to fill any existing vacancies or labour market needs. FIM is a temporary measure running from August 2016 to end of 2020, with the aim of 100 000 placements per year. For each year, EUR 300 million has been assured. Most of the budget is not for the participants themselves, but for the placement institution and for the administrative overhead.

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27. These numbers from the Federal Employment Agency refer to EQ participants before the increase of asylum seekers and refugees in Germany. The large majority of participants are therefore native-born young Germans.
 28. It is too early to fully estimate the effectiveness of the measure for asylum seekers and refugees, but among those respondents of the Employer Survey who had EQ interns, 90% were rather or fully satisfied with their work performance. This is slightly above the figure for all employers who hired asylum seekers or refugees (85%).
 29. Similar programmes also exist on a regional level (the so-called Voluntary Social Year, *Freiwilliges soziales Jahr*).
 30. In the general volunteering programme, most participants are young adults.

Funds are distributed to the regional governments according to the share of asylum seekers they are hosting according to the federal allocation mechanism. The measures are then administered under the regional offices of the BA. Work opportunities can last for a maximum of six months and up to 30 hours a week. Thus, full-time working asylum seekers receive a maximum lump sum of EUR 96 a month in addition to social benefits. Participation can be made obligatory and asylum seekers who refuse to participate face cuts in social benefits. While reception centres receive EUR 85 a month per placement, for placements outside reception centres the lump sum amounts to EUR 250. This is supposed to cover municipalities' costs for recruitment, implementation and supervision as well as expenses for material, work clothes and possibly transportation.

Already since 1993, asylum seekers can be requested to take up work opportunities, either inside or outside the reception centre and currently also receive a lump sum of EUR 0.80 an hour to cover expenses. At the end of 2015, around 3 700 asylum seekers participated in such measures in reception centres, most of them from Syria or Afghanistan. 80% of participants were men.

Under FIM, 75% of placements need to be outside the reception centres to expose participants to external work environments. Typical activities include gardening, cleaning and maintenance of public amenities as well as supporting roles in child and elderly care. A new element in FIM compared with the scheme for asylum seekers that is in place since 1993, is the obligation of placement institutions to assess asylum seekers' skills and competencies.

To offer work opportunities, placement institutions, in most cases municipalities, have to propose potential FIM placements to the agency responsible for administering social benefits for asylum seekers. This agency is generally the district administration. This agency then contacts the local employment agency of the BA, which in turn assesses whether these work opportunities fulfil all legal requirements. If this assessment is positive, the district administration and the municipality can start searching for participants. It is currently not monitored how long this process takes.

Due to this administrative process, it is unclear how many asylum seekers have participated in FIM. As of February 2017, only around 23 000 placements had been requested and around 18 000 placements were approved by the BA. There are no centrally available data to which extent administrative district and placement institutions actually filled these spots. It is thus unclear how many asylum seekers have participated and already finished the measures in 2016. Nevertheless, even when assuming that all 18 000 approved placements were filled, participation thus far has been well below the target of 100 000 participants for the first year.

These low numbers may be due to the fact that – by the nature of the programme design – municipalities do not actually need these positions, as FIM placements cannot respond to actual labour needs. It is sensible to avoid that FIM placements are used as a substitute for regular jobs, yet it also reveals somewhat opposing policy aims: increasing asylum seekers' work experience and employability, while placing them into rather menial work that does not correspond to an actual demand. Furthermore, all other integration measures, such as the Integration Course, take priority over FIM; once asylum seekers can participate in other integration measures, for instance a language course that cannot be combined with FIM, participation in FIM may stop.³¹ Therefore, municipalities cannot be sure how long asylum seekers can remain in these placements.

31. Municipalities can combine FIM with other integration measures, e.g. part-time Integration Courses, yet it is not clear how this works out in practice.

Concluding, it remains unclear whether these placements actually provide a first step into the German labour market, or whether they are merely keeping participants occupied. There is no data on what type of work asylum seekers are doing, how long they are working per week or whether they simultaneously participate in language courses. However, it will be important to ensure that these work opportunities actually provide an opportunity for participants to increase their skills. Whether this is the case is unclear. One option could be to systematically combine FIM with other measures that increase participants' skills. In the past, under the general work opportunities scheme in place since 1993, some municipalities have gone this route, for instance the city of Munich, where work opportunities have been used as a means to combine language tuition with counselling and work placements in firms that usually employ and train long-term unemployed.

Combining FIM with other measures would arguably be more costly and it might be necessary to adjust the lump sum given to placement institutions, particularly when they provide upskilling measures. However, it would increase the chance of participants gaining quality work experience.

Targeted support for self-employed is limited...

In the IAB-BAMF-SOEP survey, about 30% of asylum seekers and refugees who came to Germany between 2013 and 2016 stated that they were self-employed in their country of origin. Refugees have access to regular support measures for self-employment, yet it seems that so far relatively few have managed to start their own business. In the IAB-BAMF-SOEP survey, only about 2% stated that they were currently self-employed. Moreover, data from the Employment Agency show that 30 000 persons received financial support for starting their business in August 2016, only 60 (0.2%) were refugees.

These low figures are not surprising, since starting one's own business requires considerable know-how and a certain amount of financial resources. This includes not only language skills, but also the ability to understand the legal framework and to navigate German bureaucracy. Therefore, this process can take time.

Up to now, there have only been a few local pilot projects to support entrepreneurship of refugees. A pilot project in the *Land* of Brandenburg was started in 2017 that seeks to support refugees and asylum seekers who are likely to receive refugee status by connecting them to mentors and providing funding for their planned business. While this is a promising regional pilot, more efforts would be needed – in close co-operation with the Employment Agencies and Jobcenters – to ensure that refugees obtain the necessary support for self-employment, where appropriate. Other OECD countries have for many years already tried to tap into the entrepreneurial skills of refugees. Sweden, for example, has a specialised branch in its entrepreneurship support organisation, ALMI, which provides advice for entrepreneurs with a foreign background who are in the process of starting a business or who are already running one, and many of the beneficiaries are refugees (see OECD 2016a). In Norway, too, there have been considerable efforts in promoting entrepreneurship among refugees and other migrant groups (Liebig, 2007).

...and more effort could be put into integrating refugee women

Specific challenges concern refugee women, who often struggle to access the labour market. In Germany, as in other OECD countries, the educational background of refugee women tends to be lower than that of men, and they are more often inactive or unemployed. In addition, as has been seen in Section 1.2, women are less likely than men to have worked in their country of origin (50% and 81%, respectively). The difference is largest for the low-educated but almost disappears for the highly educated (Rich, 2016; see also the IAB-BAMF-SOEP survey). Thus, one would expect that

particularly low-educated refugee women would need job-related training and support to find employment. To which degree this is actually the case is not known, although available data on participation in Integration Courses suggest that women are underrepresented (Brücker et al., 2016).

In 2016, the Federal Employment Service introduced “Perspectives for Female Refugees”, an instrument that includes vocational language training, site visits at companies and counselling. Participants can also receive support when organising child care during the programme and very young children can be brought to the course. Measures under the programme are relatively short and supposed to run for four months, part-time. There is also a similar programme, “Strong in the Job”, funded by the Ministry of Family Affairs, Senior Citizens, Women and Youth for which all migrant women and natives with a migrant background are eligible. Under this programme, around 90 local projects are currently funded. However, in contrast to the refugee programme, language training is not a central component.

The key challenge is now to increase the availability of programmes for women that need specific support, but also to ensure that they are more strongly represented in general support measures, such as vocational language training, EQ traineeships and skills assessment programmes. More efforts would be needed to reach out to refugee women and to ensure that they are adequately represented in these measures. This also implies that child care options need to be offered more systematically as a part of these measures.

In summary, targeted integration measures have been expanded in the area of language learning for migrants with little or no literacy skills. Yet, for other groups, e.g. young migrants, the availability is still limited. A notable – albeit not new – example is the EQ traineeship that is increasingly offered to asylum seekers and refugees to prepare them for vocational education and training. However, at this point it remains highly unclear whether work opportunities – the largest measure in this area – actually increase participants’ employability. Furthermore, given the large shares of women³² and previously self-employed refugees, and the specific issues faced by these groups, it seems important to provide more targeted support to enter the labour market. However, support programmes for these two groups are currently very limited.

3.6. Providing support for unaccompanied minors

Among the arrivals in 2015 and 2016, unaccompanied minors (UAM) are a large and particularly vulnerable group who require special support, such as specialised housing, legal guardians and educational support, often outside the regular school system. Many of these tasks are under the responsibility of regional governments and municipalities. Their reception and integration tends to be much more costly than that of other groups. Data from other OECD countries such as Austria and Norway suggest that (immediate) expenditure on UAMs is three to five times higher than for adult asylum seekers (OECD, 2017).

Asylum procedures take long and comparatively few UAM apply

In 2015-16, around 50 000 asylum applications of UAM were lodged in Germany, mostly from Afghan and Syrian nationals (42 and 28% of all UAM, respectively). For Syrian, Iraqi and Eritrean UAM, recognition rates were above 90% in 2016 and for applicants from Afghanistan around 70%. However, asylum procedures for UAM take long; on average ten months in 2014, seven months in 2015 and eight months in 2016. These figures are above those of other asylum seekers. Moreover,

32. About 60% of female asylum applicants in 2016 are between 16 and 64 years old.

there are large differences in processing times. Whereas cases of Syrian UAM were decided on average within seven months in 2016, it took about 8 months for applicants from Iraq, ten months for Afghan and Eritrean applicants and 14 months for Somali applicants. The majority of applicants are close to adulthood; in 2015, around 70% of applicants were between the age of 16 and 17.³³

Nevertheless, the numbers of newly arrived UAM are larger than what asylum statistics suggest. This is not only due to time lags between entering the country and applying for asylum, but also because UAM do not necessarily apply for asylum. Exact data on how large this share is, is not available.³⁴

UAM cannot apply for asylum by themselves, as all UAM are appointed a legal guardian. The guardian's consent is needed for all decision that parents would normally take (e.g. enrolment in school, medical procedures). Consequently, legal guardians also decide whether UAM apply for asylum or not. During the asylum procedure, they then accompany UAM to all formalities and hearings.³⁵ Yet, with the increase of UAM in the past years, ensuring a sufficient number of legal guardians has been a challenge. In a survey among 1 400 social service providers for UAM, three in four respondents indicated that it takes at least one month to appoint a legal guardian (BumF, 2016). In a number of cities, initiatives have formed that seek to recruit and train volunteers to act as legal guardians. Furthermore, a single legal guardian can be in charge of up to 50 minors.

UAMs who do not apply for asylum are mostly given toleration status. As deportations are only possible if there is written documentation that a family member or youth services will take care of them upon their arrival in their country of origin, they very rarely happen in practice. Therefore, large numbers of UAM remain in Germany as tolerated migrants. However, this is a rather insecure legal status and can become problematic once UAM reach adulthood.

Targeted support is not guaranteed when UAM turn 18

Once UAM turn 18, support through child and youth welfare services (e.g. sheltered housing and psycho-social support) is not guaranteed anymore. Before turning 18, UAM – through their guardian - can apply for an extension of child and youth services until they are 21. Whether or not these requests are granted is at the discretion of the local authorities. While there is no data how often requests are denied, experts noted that rejections have been increasing and that targeted support often cannot be provided anymore (BumF, 2016). Furthermore, it seems that there are regional differences in how local authorities decide on these requests (Espenhorst, 2015).

A key challenge for UAM who arrive at the end of obligatory schooling is to make sure that they build the basic skills that are needed for a lasting integration into the labour market. Evidence from Sweden (Çelikaksoy and Wadensjö, 2015) suggests that their initial employment rates are relatively high, in spite of low formal qualifications. This raises issues of employability in the long run (OECD, 2016a and 2016b). Indeed, stakeholders report that UAM often do not want to enter into apprenticeship, because they prefer to earn money quickly. This suggests that the long-term advantage of education and training needs to be better communicated.

33. As of 2016, statistics do not differentiate anymore between those younger or older than 16.

34. The numbers of UAMs arriving in Germany can be estimated with statistics on the numbers of UAMs taken into custody by local youth welfare offices. In 2015, around 42 300 UAMs were taken into custody (in 2014: 12 000). 16 000 UAM applied for asylum in the same year, and 34 000 in 2016.

35. Before 2015, legal guardians were only required until the age of 16.

The new dispersal scheme leads to a more even distribution, yet may be too inflexible

In November 2015, Germany changed its dispersal policy UAM. Prior to the change, the responsibility fell to the districts in which UAM were registered for the first time. This led to a strong over-representation of UAM in large cities. In 2013, around 60% of UAMs taken into custody were in ten cities, with Frankfurt, Berlin, Hamburg and Munich receiving the largest numbers (Kemper and Espenhorst, 2014). With large inflows since, such concentration has been leading to considerable housing and personnel shortages, with resulting difficulties to provide adequate support for UAMs in these municipalities.

To achieve a more even responsibility sharing, UAM are now distributed to the regions according to the same dispersal mechanism that applies for asylum seekers (see above). While this eased the pressure on some large municipalities, other municipalities that did not have previous experience with the integration of UAM were struggling. Hosting UAM requires specific expertise and capacity of youth services, immigration offices and education providers. Therefore, in cities that hosted larger numbers of UAMs in the past, specific infrastructure was developed over time among different organisations working on providing housing, psycho-social support, education measures and legal counselling (BumF, 2015).

Given the very specific needs of UAMs, dispersing them to all municipalities with little or no experience also has its drawbacks, as adequate support is not guaranteed. Under the current scheme, many small municipalities need to build up the infrastructure to host and integrate UAM, which also includes preparing and training youth welfare offices and schools.

Concluding, the first step to improve the integration of UAMs is to ensure that legal guardians have a manageable case load. Furthermore, given the specific needs of UAM, targeted support measures are crucial, yet currently they can be terminated once UAM turn 18. Considering that many of them arrive relatively close to their 18th birthday, it would be important to ensure that targeted support and integration measures continue beyond the age of 18. Lastly, while achieving a more even dispersal of UAM is a good approach, the current system that allocates UAM to all municipalities may be too inflexible as hosting and integrating UAM requires considerable know-how and co-ordination among different actors. A more efficient approach could be to build up UAM-specific support structures in a larger number of municipalities to avoid concentration in a few large cities, while at the same time not dispersing UAM to all municipalities.

3.7. Building on civil society to facilitate labour market integration

The civil society plays a fundamental role in facilitating labour market integration of asylum seekers and refugees. Indeed, in the OECD countries that have been settled by migration, such as in Canada and the United States, civil society tends to play a more important role in refugee integration than the government itself. In the German integration setting, non-governmental organisations, immigrant associations, local initiatives and the social partners have a longstanding role in the provision of integration services, although they are often government-funded (see Liebig, 2007). During a large and unexpected inflow of refugees such as Germany has been facing, civil society has been stepping in where policy cannot be up-scaled sufficiently or quickly enough.

Up to now, most civil society effort has been on meeting the immediate needs of asylum seekers and refugees. Indeed, Germany's impressive humanitarian response in the fall of 2015 was only possible through the engagement of volunteers, filling in where the state could not react quickly enough. According to a survey, between November 2015 and May 2016, around 11% of the German population stated that they are or have supported refugees, either through donations or through active

engagement, e.g. helping in reception centres or offering language courses (Ahrens, 2016). Civil society engagement has also helped to address limited availability of language courses. In the OECD-DIHK-BMAS Employer Survey, almost 50% of employers who had asylum seekers or refugees participating in integration measures stated that at least some were, half in language training that was organised by civil society or Chambers of Commerce.³⁶

Supporting refugees in finding employment has not been a primary focus, although there is some evidence that this is also non-negligible. Among the participating employers in the OECD-DIHK-BMAS survey who hired asylum seekers and refugees, more than 40% were put in touch with these through civil society initiatives, for at least some of the asylum seekers and refugees concerned. A further 21% mentioned the Chambers of Commerce.

Indeed, German employers and in particular the Chambers of Commerce have played an important role in facilitating labour market integration. The employers' associations have sought to support their members by providing information on the hiring process and funding opportunities. A good example of the active role that employers' associations have played in reaction to the inflow of asylum seekers is the network "Businesses integrate refugees" (*Unternehmen integrieren Flüchtlinge*), initiated by the Association of German Chambers of Commerce and Industry (DIHK). Around 1 200 businesses are members of network, which offers information on legal questions and a platform to exchange experiences and good practices.

In addition, numerous civil society initiatives, often in form of Start Ups, have been launched that seek to match employers and asylum seekers or refugees online, offering, for instance, platforms where employers can post job openings and applicants can contact them directly. Others also offer additional support, for instance by providing CV and IT training during the application process. This – largely IT-based – involvement of civil society initiatives is a new development in Germany and it will be important to follow how these programmes contribute to labour market integration and how effective they are.

While civil society initiatives cannot necessarily replace government-funded integration services, their role in supporting refugees to find employment is crucial. Volunteers can, for instance, help in the application procedure and use their own networks to get asylum seekers and refugees in touch with employers. Such one-on-one mentorship can therefore be particularly helpful for refugee groups that are further removed from the labour market, e.g. refugee women with little or no work experience in their country of origin. Many OECD countries therefore rely on mentorship schemes for refugees as a cost-effective way to facilitate labour market integration. A number of countries, including Canada and Denmark, large-scale mentorship programmes have been implemented that connect volunteers with refugees. The available evidence on mentorship thus far suggests that this is a relatively effective labour market integration tool (OECD, 2014). In Germany, a large number of mentorship programmes have emerged on a local level, the majority focussing on supporting new arrivals in everyday activities, language learning and bureaucratic procedures. In contrast, mentoring programmes with an explicit aim to help refugees find employment are relatively scarce and, where they exist, small-scale.

Concluding, civil society initiatives have blossomed in the past two years; in fact, the sustained engagement of volunteers, NGOs and employers has been essential in the initial response to the large

36. However, asylum seekers or refugees in the same firm also often benefited from government-organised language training. Indeed, in total more than 60% of employers with asylum seekers or refugees participating in integration measures mentioned that these were participating in language courses organised by the government.

inflow of asylum seekers. While volunteer initiatives cannot replace professional, government-funded integration services, in the coming years it will be important to support and further tap into the potential of civil society initiatives with respect to labour market integration. Supporting mentorship initiatives at a larger scale should be an important element in this.

3.8. Improving co-ordination across governance levels and among different stakeholders

In all OECD countries, the labour integration of asylum seekers and refugees is a cross-cutting policy issue that includes, in addition to different ministries at the central government level, a large number of stakeholders, such as municipalities, the public employment services, foreigners offices, social partners and language course providers as well as migrants' associations and volunteers. Ensuring that these actors work together, despite sometimes diverging institutional aims, is crucial to obtain an overall coherent policy framework and to increase efficiency. Germany's federal structure adds another layer of complexity.

The co-operation between the BA and Jobcenters needs to be enhanced

As seen above, within the public employment services, both the Employment Agency (BA) and the Jobcenters are tasked with supporting the labour market integration. Whereas the BA is responsible for the integration of asylum seekers, refugees are supported by the Jobcenters. Therefore, once asylum seekers receive refugee status, responsibility is transferred from the BA to the Jobcenters. Currently, there is no standardised procedure on how this transition is organised, and indeed, difficulties along this process have been highlighted in a number of studies (see for instance Aumüller, 2016; Daumann et al., 2016; Knuth, 2016). While an increasing number of regional Employment Agencies and local Jobcenters have agreed on a transition procedure, a standardised mechanism might bring more consistency into this process. To ensure a closer co-operation between the BA, Jobcenters and other local actors, as already mentioned, several *Länder* have recently introduced one-stop shops for asylum seekers and refugees.³⁷ Additionally, a working group consisting of members from the federal and the *Länder* governments has compiled guidelines for the set-up of regional contact points.

Since Jobcenters are responsible for labour market integration of refugees, one might question the current system. An alternative to stronger co-ordination would be to make Jobcenters responsible for the labour market integration of both asylum seekers and refugees.

37. In North Rhine-Westphalia, these so-called "Integration Points", the BA, Jobcenters as well as municipal authorities – mostly local foreigners and social welfare offices – are represented to provide information, administrative acts and integration measures both for asylum seekers and refugees. Other partners in Integration Points can include youth welfare offices, the IQ Network (involved in qualification recognition) or representatives of Employers' Associations. Similar one-stop shops for refugees and other migrant groups have been implemented across Portugal (OECD, 2007b), and in a number of major cities in Europe. Linked with the introduction of the Integration Points once asylum seekers receive refugee status, all measures, which were initiated by the Employment Agency during the asylum process, are continued until their scheduled end. To facilitate data exchange between the BA and the Jobcenter, asylum seekers are asked to sign a declaration of consent in the beginning, stating that they agree to their personal file being passed on within the Integration Point. The fact that employees of the BA, Jobcenters and local foreigners offices work in the same building also facilitates personal exchange and makes procedures more efficient.

The co-ordination of language courses should receive more attention and a closer co-operation with the Jobcenters would be necessary

The BAMF is tasked with co-ordinating both the Integration Courses and the vocational language courses. About 100 regional co-ordinators, who work in external offices across the country, are responsible for ensuring that the implementation of Integration Course works out on the ground and that Integration Courses are linked to other measures that occur on a *Länder* and municipal level. This includes co-ordination with local language course providers, foreigners offices and Jobcenters to assess how many courses are needed. Regional co-ordinators are also responsible for quality assurance of the Integration Courses and have to evaluate whether local course providers adhere to quality standards. Thus, regional co-ordinators are crucial contact points to ensure the planning, co-ordination and quality of all language courses offered by the BAMF. With the comprehensive introduction of vocational language learning planned for 2017 which will be under the auspices of the BAMF, responsibilities of the regional co-ordinators will be further enhanced.

Considering their large portfolio, the number of regional co-ordinators seems small – on average, one co-ordinator was in charge of more than 3 000 course participants in 2016. Given these limited resources, it would be particularly important to involve Jobcenters systematically in the planning process for language courses.

Data exchange among different government agencies is slowly improving

The key administrative information source on refugees and asylum seekers is the Central Register of Foreign Nationals (AZR). Prior to the refugee crisis, information on asylum seekers and refugees in Germany was poor, partly because only very limited socio-demographic information was recorded in this register, as it is locally administered by the foreigners offices, with other agencies not having access. In February 2016, an Act for Improved Data Exchange was introduced, which aimed at addressing this shortcoming. Among other things, different government agencies, including the BA, Jobcenters as well as youth and health services, now have access to the AZR and are supposed to provide information on a person's education and professional background as well as language skills. In addition, the register records participation in an Integration Course or vocational language course. This information is not only collected for asylum seekers and refugees, but in principle for all newly-arrived non-EU nationals.

At the end of January 2017, around 36 000 persons were registered with information on their qualifications and skills, thus still a rather small share of new arrivals. While this centralised collection of data is a useful approach to ensure that all relevant agencies have the same basic information, it seems that more efforts are needed to ensure a more comprehensive registration of skills and educational background early on. One current obstacle seems to be that very detailed information is demanded, which regularly results in missing information. It will be essential that the database provides simple and user-friendly recording options that do not require a complex coding of the relevant variables but that is consistently implemented.³⁸

In summary, in the current framework where both the BA and the Jobcenters are tasked with labour market integration, co-ordination between those agencies has often been difficult in practice. While there have been efforts to improve collaboration, the structural challenge of having two agencies involved in supporting labour market integration of asylum seekers and refugees remains.

38. For example, education levels could be recorded according to years of schooling rather than trying to translate foreign degree into the German education system as is currently the case.

Therefore, it could be discussed whether Jobcenters should be made responsible for the integration measures of both asylum seekers and refugees. Likewise, co-ordination could also be improved regarding language training, where regional co-ordinators of the BAMF have an increasingly important role and thus need to involve Jobcenters in the planning, to ensure that language training supports labour market integration and is not a stand-alone measure.

CHAPTER 4

CONCLUSION

In contrast to labour migrants who are accepted on the basis of their economic contribution, refugees are not selected according to German labour market needs. As such, their labour market integration tends to be more challenging than for other groups. Indeed, Germany's reaction to the recent humanitarian crisis should be primarily judged in humanitarian terms, and not in terms of increasing labour supply.

Furthermore, a significant part – though far from all – of those who asked for asylum in 2015/16 will obtain protection and thus need to be integrated. Taking into account the situation in the main countries of origin, these have a high probability to remain and settle in Germany. Labour market integration in particular will be essential not only for refugees becoming full and autonomous members of German society, but also for ensuring social cohesion. This is a considerable challenge; although there is a lot of potential and motivation among refugees, tapping into this will often require significant time and active support.

That notwithstanding, the overall framework conditions for refugee integration in Germany are relatively favourable. Labour market conditions are positive, and the integration framework has seen a number of adaptations that go in the right direction. Indeed, over the past two years, Germany has taken impressive steps to welcome and integrate refugees – both through government action and civil society initiatives. The strong engagement of the latter is an asset that will bear fruit well beyond refugee integration. It could be tapped in further by moving the focus more strongly to labour market integration, for example through mentorship programmes that focus on helping refugees to get both the networks and the tacit knowledge about labour market functioning that are crucial for obtaining employment.

Compared with international good practice, with the recent measures taken, Germany is now among the most advanced countries in terms of early intervention, i.e. early access to the labour market and early access to integration measures. At the same time, there is a balance to be obtained between measures that facilitate early labour market integration and maintaining the integrity of the asylum system. This is also important for public acceptance. With respect to asylum seekers, this implies to focus on persons in the process with high chances to remain. The assessment and recognition of refugees' skills will be a further strongpoint if those current pilots which are found to be effective are subsequently mainstreamed.

In other areas, Germany is still lagging behind international good practice. For example, while the objective of dispersing asylum seekers and refugees across the country is understandable, more thought has to be put in making sure that there is a better match between the distribution of asylum seekers and refugees and local labour market conditions. As this is admittedly difficult to do, job-related secondary moves should not be hampered. To this end, administrative obstacles to job-related moves need to be lowered.

Improvements are also needed with respect to co-operation between the various stakeholders, as this is a prerequisite for an effective and efficient integration policy. The high influx of asylum seekers has revealed structural obstacles in how refugee integration is organised. While there has been some progress on this front, more action is needed to better co-ordinate the divided responsibility of the public employment services, where Employment Agencies are responsible for the labour market integration of eligible asylum seekers – for reasons which are not entirely clear - and Jobcenters for refugees. More transparency with respect to the decision making at the level of the local foreigners offices would also help in this respect.

Furthermore, the Integration Courses need to be embedded in a long-term strategy in co-ordination with other measures. This implies a more tailor-made approach to integration in general that also responds to the large skills diversity of refugees. Indeed, this diversity poses a particular challenge and will also require a stronger focus on vocational skills and job-related training. First steps in this direction have already been taken, and it will be important to continue along this route.

It will take some time until the measures already taken, and those proposed in addition in this review, will show the effect. Against this backdrop, a long-term horizon must be taken. This requires early intervention and targeted (and often costly) measures for those who already have some of the skills needed in the German labour market but whose skills need adaptations and upskilling to make the best use of these. For those lacking basic skills, building the skills that are needed to be long-term employable should be seen as an investment that may only provide a return in many years, but a return that goes beyond the labour market and extends to broader social inclusion. It also extends across generations in terms of good prospects for the integration outcomes for their children.

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ANNEX A

THE OECD-DIHK-BMAS SURVEY QUESTIONNAIRE

Part A: General information about your company: all respondents

A1) In which federal state is your company's main office located?
(obligatory question)

- a) Baden-Württemberg
- b) Bavaria
- c) Berlin
- d) Brandenburg
- e) Bremen
- f) Hamburg
- g) Hesse
- h) Mecklenburg-Vorpommern
- i) Lower Saxony
- j) North Rhine-Westphalia
- k) Rhineland-Palatinate
- l) Saarland
- m) Saxony
- n) Saxony-Anhalt
- o) Schleswig-Holstein
- p) Thuringia

- q) Outside of Germany

A2) How many employees work for your company in Germany (including all branch offices)?
(obligatory question)

- a) 1-9
- b) 10-49
- c) 50-249
- d) 250 or more

A3) What is your company's main sector of activity?
(obligatory question)

The industrial classification code (ISIC) is indicated in brackets.

- a) Mining and quarrying (B)
- b) Manufacturing (C)
- c) Electricity, gas, steam and air conditioning supply (D)

- d) Water supply; sewerage, waste management and remediation activities (E)
- e) Construction (F)
- f) Wholesale and retail trade; repair of motor vehicles and motorcycles (G)
- g) Transportation and Storage (H)
- h) Accommodation and food service activities (I)
- i) Information and communication (J)
- j) Financial services and insurance activities (K)
- k) Real estate activities (L)
- l) Professional, scientific and technical activities (M)
- m) Administrative and support service activities (N)
- n) Public administration (O)
- o) Education (P)
- p) Human health and social work activities (Q)
- q) Arts, entertainment and recreation (R)
- r) Other service activities (S)

Part B: General questions: all respondents

B1) Imagine you want to hire new employees. In order to work for your company, what level of German language skills would be necessary for the following qualification levels?

	Very good language skills	Good language skills	Basic language skills	Language skills are not important	This qualification level is not relevant for my company/don't know
For low-skilled positions (positions that require compulsory education or less)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For medium-skilled positions (positions that require at least vocational training)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For highly skilled positions (positions that require at least further professional qualifications or tertiary education)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

B2) In the past two years, did you receive applications for jobs, apprenticeships or internships from asylum seekers or refugees?

“Applications” can also include more informal ways of getting in contact (e.g. through the Employment Agency, Jobcenter or civil society initiatives as well as contacts that employers initiated themselves)

(multiple choice possible)

- a) Yes, for jobs (→ B3)
- b) Yes, for apprenticeships (→ B4)
- c) Yes, for preparatory traineeships (EQ traineeships) (→ B6)
- d) Yes, for internships (→ B5)
- e) No (→ Part D)
- f) Don't know (→ Part D)

*

Asylum seekers filed an asylum claim in order to obtain refugee status and are waiting for a decision.

A refugee has received a positive decision on his/her asylum application and therefore has the right to protection and to (temporarily) remain in Germany. The category “refugee” includes:

- Refugees under Art. 16 of the Basic Law
- Refugees under the Geneva Convention
- Refugees with subsidiary protection status
- Resettled refugees

B3) Regarding jobs, for which qualification levels did you receive applications, including unsolicited applications?

(multiple choice possible)

- a) For low-skilled positions (positions that require compulsory education or less)
- b) For medium-skilled positions (positions that require at least vocational training)
- c) For highly skilled positions (positions that require at least further professional qualifications or tertiary education)
- d) Don't know

B 3.1) Did you hire these applicants for jobs?

(obligatory question)

- a) Yes, all applicants (→ B3.2)
- b) Yes, some applicants (→ B3.2 + B3.3)
- c) No, none of the applicants (→ B.3.3)
- d) Don't know

B 3.2) How many asylum seekers or refugees did you finally hire and for which qualification level?

	No one	1	2	3-5	6-10	More than 10	Exact number unknown
For low-skilled positions (positions that require compulsory education or less)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For medium-skilled positions (positions that require at least vocational training)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For highly skilled positions (positions that require at least further professional qualifications or tertiary education)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total number, if qualification level is not known	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*B 3.3) Why did you not hire (some of) these applicants?
(multiple choice possible)*

- a) No vacancies available
- b) Already sufficient applications from other suitable candidates
- c) Legal requirements not known or too complicated
- d) Not worth it, as it is unclear how long asylum seekers/refugees will remain in Germany
- e) Difficulties in assessing qualifications and professional skills
- f) German language skills did not seem sufficient
- g) Qualifications and professional skills (apart from language skills) did not seem sufficient
- h) Clients/other employees were sceptical about hiring asylum seekers/refugee
- i) Worries that motivation or work habits are too different
- j) Don't know
- k) Other reasons

if other reasons: B 3.3.1 If possible, please briefly specify these other reasons:

B4) Regarding apprenticeships, have you hired applicants for apprenticeships?
(obligatory question)

- a) Yes, all applicants (→ B4.1)
- b) Yes, some applicants (→ B4.1 + B4.2)
- c) No, none of the applicants (→ B4.2)
- d) Don't know

B4.1) How many asylum seekers or refugees did you finally hire as apprentices?

No one	1	2	3-5	6-10	More than 10	Exact number unknown
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*B4.2) Why did you not hire (some of) these applicants?
(multiple choice possible)*

- a) No vacancies available
- b) Already sufficient applications from other suitable candidates
- c) Legal requirements not known or too complicated
- d) Not worth it, as it is unclear how long asylum seekers/refugees will remain in Germany
- e) Difficulties in assessing qualifications and professional skills
- f) German language skills did not seem sufficient
- g) Qualifications and professional skills (apart from language skills) did not seem sufficient
- h) Clients/other employees were sceptical about hiring asylum seekers/refugee
- i) Worries that motivation or work habits are too different
- j) Don't know
- k) Other reasons

if other reasons: B4.2.1 If possible, please briefly specify these other reasons:

B5) Regarding internships, for which qualification levels did you receive applications, including unsolicited applications?

(multiple choice possible)

- a) For low-skilled positions (positions that require compulsory education or less)
- b) For medium-skilled positions (positions that require at least vocational training)
- c) For highly skilled positions (positions that require at least further professional qualifications or tertiary education)
- d) Don't know

B5.1) Have you hired these applicants as interns? (obligatory question)

- a) Yes, all applicants (→ B5.2)
- b) Yes, some applicants (→ B5.2 + B5.3)
- c) No, none of the applicants (→ B5.3)
- d) Don't know

B5.2) How many asylum seekers or refugees did you finally hire as interns and for which qualification level?

	No one	1	2	3-5	6-10	More than 10	Exact number unknown
For low-skilled positions (positions that require compulsory education or less)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For medium-skilled positions (positions that require at least vocational training)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
For highly skilled positions (positions that require at least further professional qualifications or tertiary education)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Total number, if qualification level is not known	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

B5.3) Why did you not hire (some of) these applicants?
(multiple choice possible)

- a) No vacancies available
- b) Already sufficient applications from other suitable candidates
- c) Legal requirements not known or too complicated
- d) Not worth it, as it is unclear how long asylum seekers/refugees will remain in Germany
- e) Difficulties in assessing qualifications and professional skills
- f) German language skills did not seem sufficient
- g) Qualifications and professional skills (apart from language skills) did not seem sufficient
- h) Clients/other employees were sceptical about hiring asylum seekers/refugee
- i) Worries that motivation or work habits are too different
- j) Don't know
- k) Other reasons

if other reasons: **B.5.3.1 If possible, please briefly specify these other reasons:**

*B6.1) Regarding preparatory traineeships (EQ traineeships), did you hire applicants for EQ traineeships?
(obligatory question)*

- a) Yes, all applicants (→ B6.2)
- b) Yes, some of the applicants (→ B6.2 + B6.3)
- c) No, none of the applicants (→ B6.3)
- d) Don't know

B6.2) How many asylum seekers or refugees did you finally hire as EQ trainees?

No one	1	2	3-5	6-10	More than 10	Exact number unknown
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*B6.3) Why have you not hired (some of) these applicants?
(multiple choice possible)*

- a) No vacancies available
- b) Already sufficient applications from other suitable candidates
- c) Legal requirements not known or too complicated
- d) Not worth it, as it is unclear how long asylum seekers/refugees will remain in Germany
- e) Difficulties in assessing qualifications and professional skills
- f) German language skills did not seem sufficient
- g) Qualifications and professional skills (apart from language skills) did not seem sufficient
- h) Clients/other employees were sceptical about hiring asylum seekers/refugee
- i) Worries that motivation or work habits are too different
- j) Don't know
- k) Other reasons

if other reasons: B6.3.1. If possible, please briefly specify these other reasons:

Part C: Past experiences: only respondents who hired asylum seekers or refugees in the past two years as employees, apprentices, interns or EQ trainees (Yes at B3.1a or b; B4a or b; B5 a or b)

You indicated that you hired asylum seekers or refugees in the past two years. Your experience with these employees, apprentices or interns are particularly important to us.

C1) All in all, I am satisfied with their work performance
(obligatory question)

○	○	○	○		○
Fully disagree	Somewhat disagree	Somewhat agree	Fully agree		Don't know

C2) How did you get in contact with asylum seekers or refugees?
(multiple choice possible)

- a) Employment Agency/Jobcenter
- b) Chambers of Commerce/Crafts
- c) Vocational schools
- d) Language course providers

- e) Recommendation from other asylum seekers/refugees
- f) Civil society initiatives (e.g. NGOs, churches, local initiatives)
- g) Employees or acquaintances

- h) Unsolicited applications from asylum seekers/refugees
- i) Social media
- j) Private-sector recruitment companies or temporary employment agencies
- k) Other

- l) Don't know

C3) Why did you decide to hire asylum seekers or refugees?
(multiple choice possible)

- a) Asylum seekers/refugees have skills that complement those of other employees in my company
- b) Social responsibility
- c) Difficulties in finding other suitable candidates
- d) Asylum seekers/refugees are particularly motivated
- e) Wish from other employees
- f) Securing (skilled) labour supply in the long-term

- g) No specific reasons
- h) Other reasons

if other reasons: C3.1) If possible, please briefly specify these other reasons:

C4) Did you experience difficulties with asylum seekers or refugees in daily work life?

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

If C4 “considerable” or “few difficulties” → C5

C5) What exactly poses difficulties in daily work life?

1. Insufficient German language skills

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

2. Insufficient professional skills

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

3. Different work habits

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

4. Uncertainty regarding their length of stay in Germany

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

5. Scheduling conflicts with integration measures or administrative appointments

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Considerable difficulties	Few difficulties	No difficulties	Don't know

C6) Have you experienced other difficulties in daily work life that were not mentioned?

If so, please briefly specify these difficulties: _____

C7) Did asylum seekers or refugees participate in integration measures while they were working for your company?

- a) Yes (→ C8)
- b) No
- c) Don't know

C8) In which integration measures did asylum seekers or refugees participate?
(multiple choice possible)

- a) Language courses, organised by the government
- b) Language courses, organised by companies or Chambers of Commerce
- c) Language courses, organised by civil society initiatives

- d) Mentorship programmes

- e) Measures of the Employment Agency/Jobcenters
- f) Don't know

- g) Other measures

If other measures: C8.1) If possible, please briefly specify these measures:

Only respondents who hired asylum seekers or refugees for JOBS

You indicated to have hired asylum seekers or refugees for jobs in the past two years. We now have some specific questions about your experience.

C9.1) How many of the asylum seekers or refugees that you hired in the past two years are still working for your company?
(obligatory question)

- a) All (→ C10.1)
- b) Some (→ C10.1+ C11.1)
- c) No one (→ C11.1)

- d) Don't know

C10.1) Do you intend to prolong these contracts?

- a) Yes, for all
- b) Yes, but only for some
- c) No, for no one

- d) Don't know

C11.1) Why do (some of) these asylum seekers or refugees do not work in your company anymore?
(multiple choice possible)

- a) Contract ended
- b) Difficulties in prolonging the employment permit

- c) Insufficient German language skills
- d) Insufficient professional skills
- e) Insufficient motivation

- f) Employees were unhappy with salary or working conditions
- g) Employees have found work in another company
- h) Employees moved within Germany or have left the country

- i) Don't know

- j) Other reasons

if other reasons: C11.1.1) If possible, please briefly specify these other reasons:

Only respondents who hired asylum seekers or refugees for apprenticeships

You indicated to have hired asylum seekers or refugees for apprenticeships in the past two years. We now have some specific questions about your experience.

C9.2) Have you offered a job at the end of the apprenticeship or do you have the intention to do so? (obligatory question)

- a) Yes, for all
- b) Yes, but only for some (→C10.2)
- c) No, for no one (→C10.2)

- d) Don't know

C10.2) Why did you not offer a job to (some of) these apprentices? (multiple choice possible)

- a) No vacancies available
- b) Unstable residence permit

- a) Insufficient German language skills
- b) Insufficient professional skills
- c) Insufficient motivation

- c) Apprentices moved within Germany or left the country
- d) Apprentices were not interested in a job in this sector/our company
- e) Don't know

- f) Other reasons

if other reasons: C10.2.1) If possible, please briefly specify these other reasons:

Only respondents who hired asylum seekers or refugees for internships or EQ traineeships

You indicated to have hired asylum seekers or refugees for internships or EQ traineeships in the past two years. We now have some specific questions about your experience.

C9.3) Have you offered a job/apprenticeship at the end of the internship or the EQ traineeship, or do you have the intention to do so?

(obligatory question)

- a) Yes, for all
- b) Yes, but only for some (→C10.3)
- c) No, for no one (→C10.3)
- d) Don't know

C10.3) Why did you not offer a job/apprenticeship to (some of) these interns?

(multiple choice possible)

- a) No vacancies available
- b) Unstable residence permit
- a) Insufficient German language skills
- b) Insufficient professional skills
- c) Insufficient motivation
- a) Interns moved within Germany or left the country
- b) Interns were not interested in a job in this sector/our company
- c) Don't know
- d) Other reasons

if other reasons: C10.3.1) If possible, please briefly specify these other reasons:

Part D: Possibilities in the future: all respondents

Your assessment of the future:

D1) In the future, where can you imagine possibilities for hiring asylum seekers or refugees in your company?

(obligatory question)

- a) Internships (→D2)
- b) Apprenticeships (→D2)
- c) Jobs (part-time) (→D3 or D4)
- d) Jobs (full-time) (→D3)
- e) In none of these areas (→D9)
- f) Don't know (→D2)

D2) Could you also imagine hiring asylum seekers or refugees in the future?

(obligatory question)

- a) Yes (→D3 or D4)
- b) No (→D9)
- c) Don't know (→End)

→D3: only respondents who did not hire asylum seekers or refugees

D3) Why can you imagine to hire asylum seekers or refugees?*(multiple choice possible)*

- i) Asylum seekers/refugees have skills that complement those of other employees in my company
- j) Social responsibility
- k) Difficulties in finding other suitable candidates
- l) Asylum seekers/refugees are particularly motivated
- m) Wish from other employees
- n) Securing (skilled) labour supply in the long-term
- o) No specific reasons
- p) Other reasons

if other reasons: D3.1) If possible, please specify these other reasons:

D4) On what qualification levels would these potential positions for asylum seekers or refugees be located mostly?

- a) Low-skilled positions (positions that require compulsory education or less)
- b) Medium-skilled positions (positions that require at least vocational training)
- c) Highly skilled positions (positions that require at least further professional qualifications or tertiary education)
- d) Don't know

And finally: Measures that could support your company

D5) Please rate how important the following measures would be to you in order to facilitate the recruitment of asylum seekers or refugees.

- 1) Support to get in contact with potential candidates

○	○	○	○		○
Not important at all	Rather not important	Rather important	Very important		Don't know

- 2) (Stronger) exchange with other companies that have already made experiences in hiring asylum seekers/refugees

○	○	○	○		○
Not important at all	Rather not important	Rather important	Very important		Don't know

3) Support to better assess the qualifications and (professional) skills of asylum seekers/refugees

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

4) More legal certainty for (potential) employees with unstable residence permits

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

D6) Are there other measures that would make the recruitment of asylum seekers or refugees easier for you?

If so, please briefly specify these measures: _____

D7) Please rate how important the following measures would be to you while asylum seekers or refugees work in your company.

1) Vocational language courses for asylum seekers/refugees

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

2) Contact person (e.g. at the Employment Agency, Jobcenter or Chambers of Commerce) while asylum seekers/refugees work in your company

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

3) Medical or psychological support for asylum seekers/refugees

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

4) Up-skilling and training measures

<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Not important at all	Rather not important	Rather important	Very important		Don't know

D8) Are there other measures while asylum seekers/refugees are employed in your company that would be important to you?

If so, please briefly specify these measures: _____

Only respondents who also in the future do not see possibilities to hire asylum seekers or refugees for jobs, apprenticeships, internships or EQ traineeships**D9) Why do you not see possibilities in the future to hire asylum seekers or refugees?**
(multiple choice possible)

- a) No vacancies expected (→ End)
- b) Low-skilled jobs are increasingly less in demand
- c) Already sufficient applications from other suitable candidates
- d) Legal requirements not known or too complicated
- e) Not worth it, as it is unclear how long asylum seekers/refugees will remain in Germany
- f) German language skills of asylum seekers/refugees are often not sufficient
- g) Qualifications and (professional) skills (apart from language skills) are often not sufficient
- h) Clients/other employees were sceptical about hiring asylum seekers/refugee
- i) Worries that motivation or work habits are too different
- j) Don't know
- k) Other reasons
if other reasons: **D8.1) If possible, please briefly specify these other reasons:**

And finally: Measures that could support your company

D10) Could the following measures influence your assessment?

	Yes	No	Don't know
Support to get in contact with potential candidates			
(stronger) exchange with other companies that have already made experiences in hiring asylum seekers/refugees			
Support to better assess the qualifications and (professional) skills of asylum seekers/refugees			
More legal certainty for (potential) employees with unstable residence permits			

D11) Are there other measures that could influence your assessment?

If so, please briefly specify these measures: _____

D12) Could the following measures while asylum seekers or refugees would be working in your company influence your assessment?

	Yes	No	Don't know
Vocational language courses for asylum seekers/refugees			
Contact person (e.g. at the Employment Agency, Jobcenter or Chambers of Commerce) while asylum seekers/refugees are working in the company			
Medical or psychological support for asylum seekers/refugees			
Up-skilling and training measures			

D13) Are there other measures while asylum seekers or refugees would be working in your company that could influence your assessment?

If so, please briefly specify these measures: _____

Thank you for your participation!

Your assessment will contribute to the further development of integration policy.

Your answers were registered.

We are happy to hear your comments and feedback.

You can comment here: _____

If you would like to be notified once the study is published, please enter your email address. Your email address will be used for this purpose only.

Your email address: _____

Or email the OECD at: eva.degler@oecd.org

ANNEX B

THE STANDARD RECOGNITION PROCESS FOR FOREIGN QUALIFICATIONS IN GERMANY

The assessment and recognition of foreign qualifications has been a focus areas of Germany's integration efforts well before the refugee crisis. Already in 2012, a national Recognition Act was introduced. This entitled everybody with a qualification obtained abroad, including asylum seekers and refugees, to go through a recognition process that assesses whether these foreign qualifications are equivalent to the respective qualification in Germany.³⁹ The new law presents a considerable improvement to the situation prior to 2012, when only specific migrant groups (e.g. EU migrants) had the right to the procedure. The so-called IQ Networks (Integration through Qualification Networks) have a key role in the recognition process (see Box B.1).

Box B.1. "Integration through Qualification" – IQ Networks and their role in the recognition procedure

The IQ Network has been in place since 2005 and operates as a German-wide network with the aim to facilitate qualification recognition. Regional offices in all 16 *Länder* co-ordinate local programmes. As of October 2016, around 120 contact points provide information and counselling. In addition, the Network offers around 140 projects that include upskilling measures if counselling or the recognition procedure showed that qualifications are not sufficient. Such upskilling measures can include both professional training as well as language tuition and most of them are currently provided for health care professionals.

The networks differ across *Länder*, but most include a large number of actors relevant in the field of qualification recognition, such as Chambers of Commerce, municipalities, social partners, civil society and church organisations as well as technical colleges, language course providers and PES.

For the timeframe 2015-18, the network focuses on providing counselling on qualification recognition, upskilling measures and training measures for other relevant actors, such as the PES

Depending on the profession and the agency responsible for the implementation, costs of the procedure can range between EUR 100 and 1 000 (BMBF, 2015). Applicants can apply for a reimbursement of the fees and costs of the procedure by the Employment Agency or Jobcenter which decides a case-by-case basis. As of December 2016, additional funding has been made available until 2019 for migrants with low incomes, who can now apply directly at the IQ Networks for a grant of up to EUR 600 (BMBF, 2016).

39. The Recognition Act only applies to clearly-defined professions. High school diplomas as well as university degrees correspond to broader occupational profiles (e.g. social scientist, linguist, chemist) are assessed by a different body, the Central Office for Foreign Education (*Zentralstelle für ausländisches Bildungswesen*).

In 2015, about 22 000 applications for recognition were assessed. Countries of origin are highly diverse; the top 20 countries of origin make up for less than half of all applicants. Romanian and Polish applicants were the largest groups, with around 2 000 applications each. Around half of the qualifications assessed were obtained in another EU country and only around 800 Syrian and 300 Iranian nationals applied in 2015. However, in the second half of 2015 already 2 800 or 20% of people participating in pre-counselling at the IQ Networks were asylum seekers or refugees. More than half of these were Syrian nationals (BMBF, 2016). The majority was highly educated; about 75% of asylum seekers and refugees participating in counselling had a university diploma. However, it is unclear how many of them then entered the recognition procedure in 2015.

Recognition rates are generally high; around 74% of the applications processed in 2015 were judged to be fully equivalent to the respective German qualification and only 3% of applications are rejected. Remaining applications were awarded partial equivalence with the possibility of participation in upskilling measures. It should be kept in mind, however, that these high recognition rates partly reflect that applicants receive personal consultation prior to handing in their application (around 160 000 between 2012 and 2015). This “pre-screening” therefore ensures that applicants already have high chances of having their qualifications recognised.

Past recognition rates for applicants from the main origin countries of refugees were slightly lower, except for Syrian nationals (Table B.1).

Table B.1. Percentage of applicants whose qualifications were fully recognised, according to country of origin, 2012-14

Syria	77%
Iran	64%
Iraq	64%
Afghanistan	51%

Note: Applicants are identified by citizenship, not by legal status. N= 2031.

Source: BMBF (2016).

