



**LUISS** Guido  
Carli

LIBERA UNIVERSITÀ INTERNAZIONALE DEGLI STUDI SOCIALI

DEPARTMENT OF POLITICAL SCIENCE

CHAIR OF INTERNATIONAL ECONOMICS

# **The Economic Impact of Refugee Integration: Recent Experiences in Europe**

Prof. Giuseppe De Arcangelis

**SUPERVISOR**

Prof. Paolo Canofari

**CO-SUPERVISOR**

Lorenzo Grilli

637822

CANDIDATE

**Academic Year**

2019/2020

# The Economic Impact of Refugee Integration: Recent Experiences in Europe

<b>INTRODUCTION</b>	<b>3</b>
<b>THE DEFINITION OF REFUGEE AND THE EVOLUTION OF THE INTERNATIONAL REFUGEE SYSTEM</b>	9
<b>SUMMARY OF THE DEFINITIONS OF REFUGEES</b>	13
<b>THE NUMBER OF REFUGEES AND ASYLUM APPLICATIONS IN THE WORLD</b>	15
<b>THE ORIGIN AND DESTINATION COUNTRIES OF REFUGEES</b>	17
<b>THE PUSHING FACTORS FOR ASYLUM MIGRATION</b>	20
<b>THE ECONOMIC INTEGRATION OF REFUGEES INTO THE EUROPEAN ECONOMIC SYSTEM</b>	<b>23</b>
<b>THE LABOUR MARKET OUTCOMES OF THE FOREIGN-BORN POPULATION IN THE EU MEMBER STATES</b>	23
<i>Differences related to gender</i>	26
<i>Differences related to education</i>	28
<i>Differences related to age</i>	29
<i>Wages and living conditions</i>	30
<b>THE LABOUR MARKET OUTCOMES OF THIRD-COUNTRY NATIONALS IN EU MEMBER STATES</b>	31
<i>Employment</i>	33
<i>Unemployment</i>	34
<i>Over-qualification and educational attainment</i>	35
<i>Wages and living conditions</i>	38
<b>THE LABOUR MARKET OUTCOMES OF REFUGEES IN EU MEMBER STATES</b>	41
<i>Employment</i>	41
<i>Differences related to gender</i>	46
<i>Wages and living conditions</i>	49
<b>MAIN FINDINGS</b>	50
<b>REFERENCES</b>	51
<b>THE FACTORS INFLUENCING THE ECONOMIC INTEGRATION OF REFUGEES</b>	<b>52</b>
<b>FLIGHT</b>	52
<b>JOURNEY</b>	52
<b>INTERMEDIATE DESTINATIONS</b>	53
<b>ARRIVAL</b>	53
<b>LANGUAGE, EDUCATION, AND TRAINING</b>	53
<b>SOCIAL NETWORKS</b>	54
<b>HEALTH</b>	55
<b>PUBLIC POLICIES</b>	56
<i>Policies affecting the process of asylum recognition of refugees</i>	56
<i>Policies affecting the economic integration of refugees</i>	57
<i>Policies affecting the social and civic integration of refugees</i>	58
<b>A. Dispersal Policies</b>	58
<b>B. Family Reunification Procedures</b>	59
<b>C. Benefits and subsidies</b>	60
<b>D. Orientation and introduction courses</b>	60
<b>E. Measures to assist the most vulnerable groups</b>	61
<i>Implemented policies by each country</i>	62
<b>REFERENCES</b>	63

<b><i>THE ECONOMIC IMPACT OF ASYLUM MIGRATION FLOWS</i></b>	<b>64</b>
<b>OTHER SCHOLARS' FINDINGS</b>	65
<b>THE ECONOMIC IMPACT OF REFUGEES IN EUROPE</b>	68
<i>GDP</i>	69
<i>Employment</i>	70
<i>Unemployment rate</i>	72
<i>Wages and earnings</i>	73
<b>REFERENCES</b>	75
<b><i>DISCUSSION AND CONCLUSION</i></b>	<b>77</b>
<b><i>BIBLIOGRAPHY</i></b>	<b>79</b>
<b><i>SUMMARY</i></b>	<b>83</b>

## ***Introduction***

In the last ten years, particularly since 2015, European countries have been reached by vast and extensive asylum migration flows, mainly composed by asylum seekers and refugees. *Asylum seekers* are those who seek “protection from persecution or serious harm in a country other than their own and awaits a decision on the application for refugee status under relevant international and national instruments” (European Commission, n.d.). On the other hand, *refugees* are those “who, owing to a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership of a particular social group, is outside the country of nationality and is unable or, owing to such fear, is unwilling to avail themselves of the protection of that country, or a stateless person, who, being outside of the country of former habitual residence for the same reasons as mentioned before, is unable or, owing to such fear, unwilling to return to it” (European Commission, n.d.) These waves of asylum seekers and refugees have deeply impacted and affected EU countries from politics to economy, from policies to public opinion. Indeed, regarding the latter aspect, several studies and surveys conducted by scholars and European institutions have registered a rise in anti-refugee, and generally anti-migration feelings and sentiments. Examining the result of the *Standard Eurobarometers*, surveys counting almost 1000 face-to-face interviews published twice per year by the European Commission, it is possible to appreciate how migration altered EU citizens’ fears and opinions. Indeed, in the *Standard Eurobarometer 80* published in 2013, people ranked unemployment and the general economic situation as the two most important issues their own countries were facing, respectively with 49% and 33% of the preferences. Only 12% of the interviewed answered immigration, which was considered as the fourth priority for the single countries.

	EB67 Sp. 2007	EB80 Aut. 2013	2007-2013	
Unemployment	34 %	49 %	▲ +15	Increase of economic concerns
Economic situation	20 %	33 %	▲ +13	
Rising prices\ inflation	18 %	20 %	▲ +2	
Crime	24 %	11 %	▼ -13	Decrease of social concerns
Health and social security	18 %	12 %	▼ -6	
Immigration	15 %	12 %	▼ -3	
Terrorism	12 %	2 %	▼ -10	
Pensions	12 %	10 %	▼ -2	
The educational system	9 %	8 %	▼ -1	
Taxation	8 %	11 %	▲ +3	
Housing	8 %	5 %	▼ -3	
Protecting the environment	7 %	5 %	▼ -6	
Energy related issues	4 %			
Defence\ Foreign affairs	2 %	*	*	
Government debt	*	14 %	*	

Figure 1 from European Commission's Standard Eurobarometer 80

Furthermore, the previous outcomes were similarly observed also at the European level. As a matter of fact, the majority of the interviewed considered the economic situation and unemployment the two most concerning issues the European Union was challenging in 2013. The economic situation was considered the main problem by 45% of the interviewed, followed by unemployment (36%), while immigration ranked fourth with 16% of preferences.

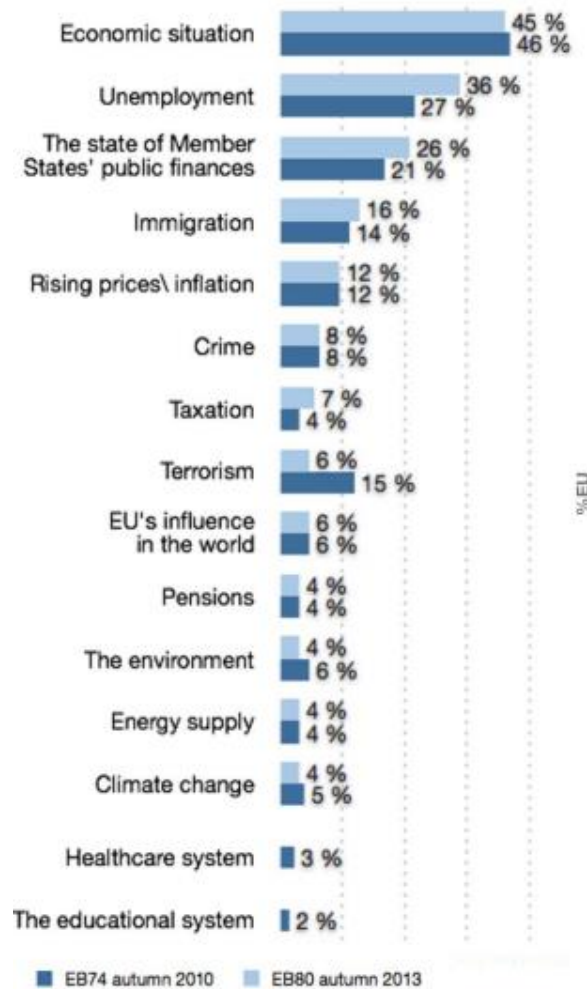


Figure 2 from European Commission's Standard Eurobarometer 80

The concern of European citizens towards immigration was also analysed by Timothy J. Hatton<sup>1</sup>. In the paper *Asylum Migration to the Developed World: Persecutions, Incentives, and Policy*, Hatton affirms that from 2004 to 2012 only the 10% European citizens survey “ranked immigration in their top two issues” (Hatton, 2020). Moreover, in the same period, the anti-refugee sentiment recorded a fall, on average, by 14.3 percentage points. In 2014, the anti-refugee feeling averaged 26.6%, “ranging from 7.6 percent in Portugal to 47.0 percent in the Netherlands” (Hatton, 2020).

The situation completely changed during 2015 and 2016. In 2015, over 30% of the European population ranked immigration as the two most concerning issues. This fear was particularly strong in Germany, where immigration obtained 75% of the preferences. The anti-refugee feeling broke out all over Europe, with the exception of Ireland, Spain, and the United Kingdom. For instance, “in Germany, anti-refugee sentiment increased by 17 percentage points and in Hungary by 26 percentage points” (Hatton, 2020).

<sup>1</sup> Professor of Economics at the University of Essex and Research Fellow of the Centre for Economic Policy Research (CEPR), of the Centre for Research and Analysis of Migration (CReAM) and of the Institute of Labor Economics (IZA).

### Anti-refugee and Anti-immigration Opinion in 17 European Countries

	2002	2014	2016	Change 2002–2014	Change 2014–2016
Applicants for refugee status (% disagree or disagree strongly)	40.9	26.6	36.1	-14.3	9.5
Immigrants of different race/ethnic group (% few or none)	48.3	42.3	41.8	-5.9	-0.5
Immigrants from poor countries (% few or none)	47.8	50.4	43.9	2.6	-6.5

*Source:* European Social Survey, cumulative file.

*Note:* The first row is the percentage of respondents who “disagreed” or “disagreed strongly” with the statement: “the government should be generous in judging applications for refugee status.” The second and third rows are the percentages of respondents who replied “a few” or “none” to the question: “to what extent do you think [country] should allow. . . people of a different race or ethnic group from most [country] people” and “. . . people from the poorer countries outside Europe.” These are the unweighted averages for the following countries: Austria, Belgium, Czech Republic, Finland, France, Germany, Hungary, Ireland, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, and the UK.

*Table 1 from Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

The rising fear and concern still take place nowadays, as stated by the European Commission’s *Standard Eurobarometer 89*, published in spring 2018. Immigration was ranked as the most important issue, regarding the EU level. Indeed, 38% of the answered indicated this topic as one of the two most concerning issues. Immigration was ranked “as the most important issue facing the EU in 21 Member States (up from 14 in autumn 2017)” (European Commission, 2018). In particular, the main results were registered in Estonia (62%), the Czech Republic (58%) and Hungary (56%). Immigration is seen as the second most important issue in all the other Member States, apart from Portugal. In Portugal, immigration is only fifth with 16% of mentions.

Terrorism ranked second with 29% of mentions. On the other hand, both economic situation (18%) and unemployment (14%) registered a fall in preferences, ranking, respectively, third and fifth. However, it is interesting to note, in comparison with the data of autumn 2017, the decrease of both immigration and terrorism (respectively -1% and -9), while the economic situation and unemployment rose by one percentage points each.

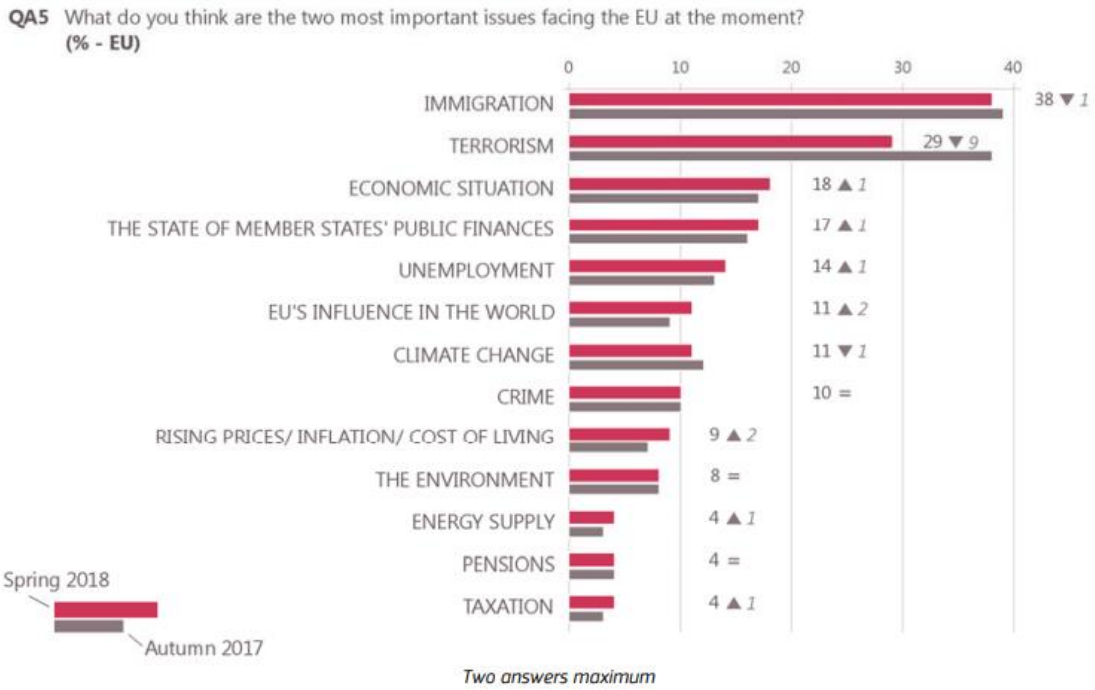


Figure 3 from European Commission's Standard Eurobarometer 89

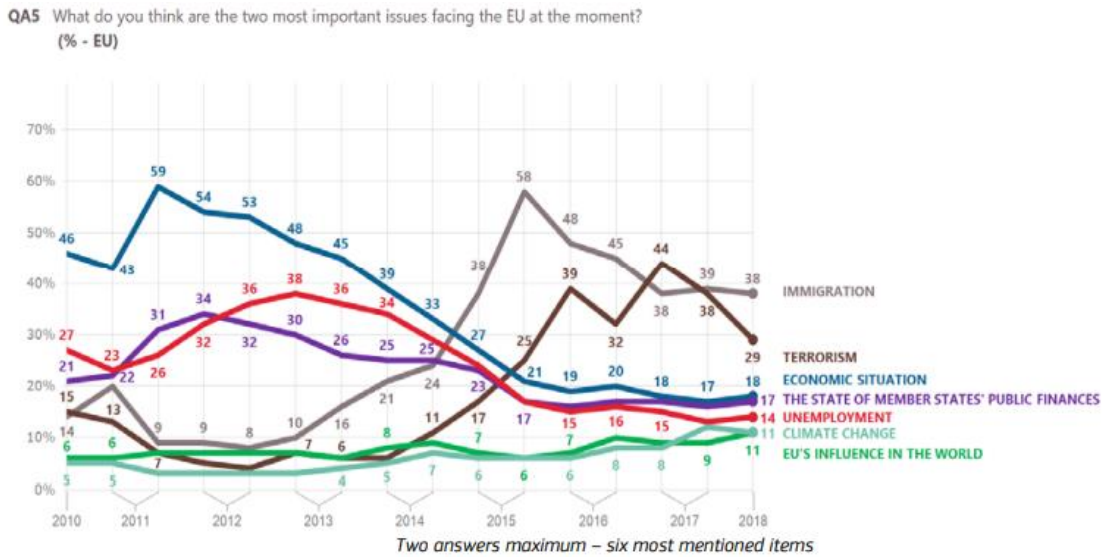


Figure 4 from European Commission's Standard Eurobarometer 89

Nonetheless, the result regarding the two most important issues facing situation the individual countries were moderately divergent. Unemployment is still considered the main concern, obtaining 25% of mentions. The health and social security ranked second with 23% of preferences and an increase by 3 percentage points since autumn 2017. “Immigration is in third position (21%, -1 percentage point” (European Commission, 2018) since autumn 2017).



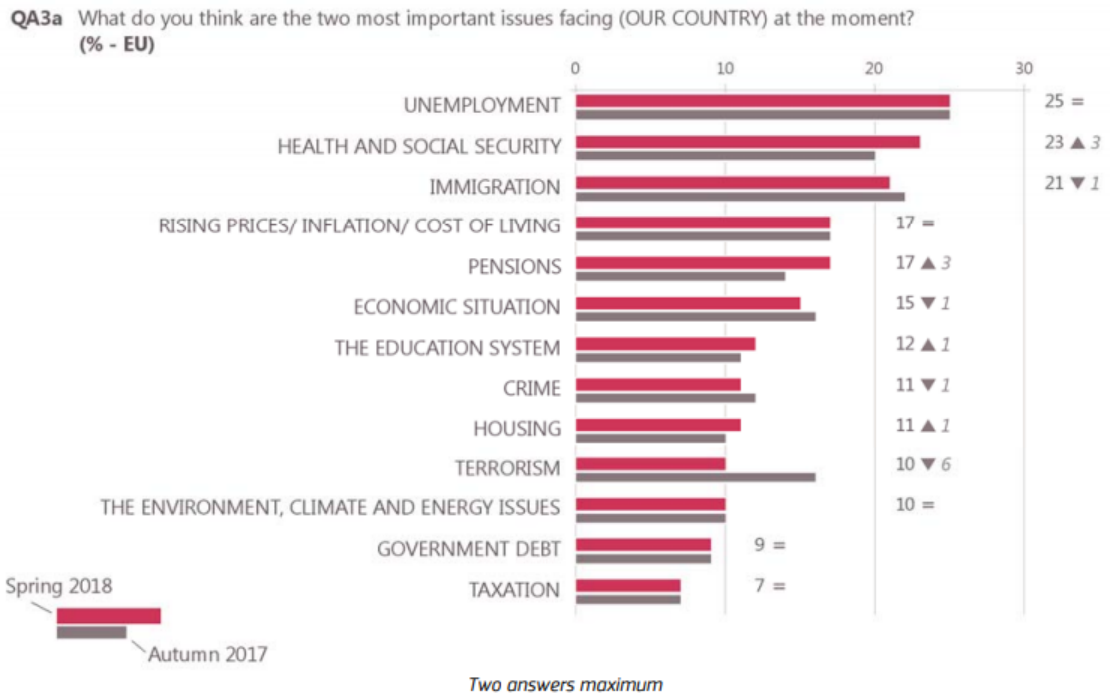


Figure 5 from European Commission's Standard Eurobarometer 89

Given the rising influence and concern of the population towards immigration, this topic has become one of the focus of the political debate in most of the Member States. Frequently, immigration has been also considered as a threat to the stability of the economic systems. For this reason, the aim of this dissertation is to analyse the economic impact of refugees, regarding both the access of refugees in the economic system and the effects of such access. Nonetheless, before advancing in the analysis, it is necessary to give a clear definition of the term refugee in order to distinguish the similarities and the differences between refugees and economic migrants. Furthermore, it is necessary to draw a general picture and overview of the asylum migration phenomenon.

## **The Definition of Refugee and the Evolution of the International Refugee System**

The first examples of immigration policies date back to post-war World War I. Indeed, before the war, policies such as border controls were minimum. Moreover, there was no legal and official distinction between those migrating for economic reasons and those fleeing because of political and humanitarian motivations.

After World War I, the first immigration policies were adopted, such as “introduction of passports as a proof of identity” (Hatton, 2020). In addition, refugees started to be recognized as a different group, characterized by different aspects and characteristic, from the economic migrants. The millions of people who were displaced after the war were considered refugees and the countries and the international system were trying to provide legal status and recognition for them.

During the 1930s, the focus of the protection shifted “from the effects of displacement to the causes of persecution as group-specific mandates” (Hatton, 2020), because of the rise and the establishment of the Fascist and Nazi regimes. The situation was worsened by the blast of World War II. In 1945, at the end of the war, “there were over 30 million displaced persons in Europe, not counting the 13 million ethnic Germans expelled mainly from Czechoslovakia, Poland, and the Soviet Union” (Hatton, 2020). In addition, despite the fall of the authoritarian regimes in Italy and Germany, millions of people were still fleeing from the violence and persecutions perpetuated by USSR. In order to face the dramatic situation of post-war WWII, the *International Refugee Organization* was created in 1946. The International Refugee Organization lasted in January 1952 and its services concerned “the care and maintenance of refugees in camps vocational training, orientation for resettlement, and an extensive tracing service to find lost relatives” (The Editors of Encyclopaedia Britannica, n.d.).

The successor of the International Refugee Organization was the *Office of the United Nations High Commissioner for Refugees* (UNHCR). The UNHCR was created in 1949 and it promulgated the *UN Convention Relating to the Status of Refugees* in 1951. The Convention, ratified by 145 States, establishes “the term *refugee* and outlines the rights of the displaced, as well as the legal obligations of States to protect them” (UNHCR, 1951). Article 1 declares that the term refugee shall apply to any person who “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it” (UNHCR, 1967). Moreover, the Convention establishes the duties and the obligations of the States towards refugees. In particular, the Convention provides that each State which has signed the Convention must implement a procedure with the aim of assessing the validity of each

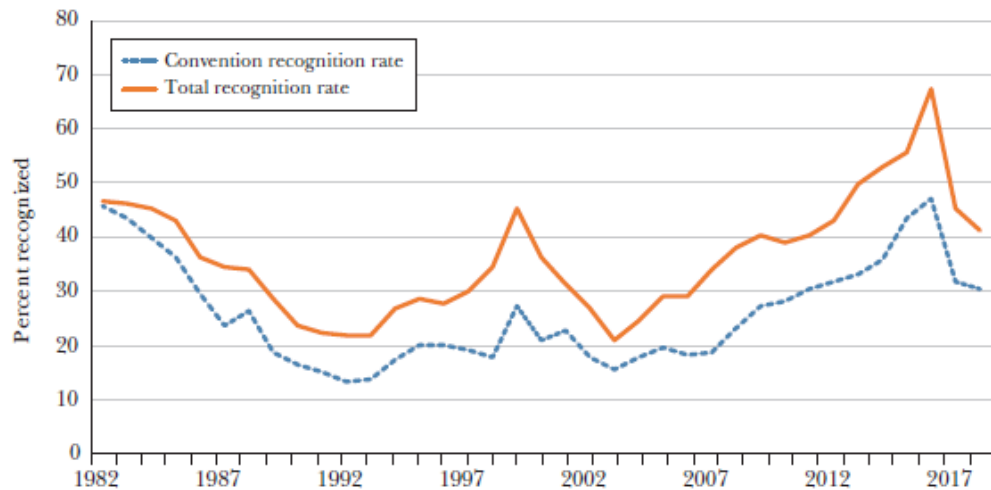
asylum claim and application. Secondly, in Article 33(1), the Convention establishes that States must not send a person back “to a place where that person’s life or freedom would be threatened” (Hatton, 2020). Finally, the Convention states, in Article 31, that the illegal entry or presence in the country must not be considered a reason for any kind of prejudice for the outcomes of the procedure determining the refugee status.

In 1969, the UN Convention’s definition was widened by the *Organisation of Africa Unity (OAU) Convention Governing the Specific Aspects of Refugee Problems in Africa*, also known as *OAU Refugee Convention* or the *1969 Refugee Convention*. The Convention establishes that “the term refugee shall also apply to every person who, owing to external aggression, occupation, foreign domination or events seriously disturbing public order in either part or the whole of his country of origin or nationality, is compelled to leave his place of habitual residence in order to seek refuge in another place outside his country of origin or nationality” (UNHCR, 1969).

These principles were reaffirmed and strengthened by the *1984 Cartagena Declaration on Refugee*, a non-binding document which was signed and adopted by 10 Latin America countries: Belize, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Venezuela. In addition, the Cartagena Declaration increased the extension of the term refugee by including “among refugees persons who have fled their country because their lives, safety or freedom have been threatened by generalized violence, foreign aggression, internal conflicts, massive violation of human rights or other circumstances which have seriously disturbed public order” (OAS, 1984).

Focusing on Europe, more restrictive and selective immigration policies were introduced during the 1990s to cope with the events that were agitating the continent, such as the fall of the Berlin Wall and the Kosovo War. The outcome of such policies was a widening of the divergence between asylum applications and the rate of recognition of such claims, as showed by the picture below.

### The Refugee Recognition Rate for 24 Countries, 1982–2018



Source: 1982 to 2005 from UNHCR, Statistical Yearbook for 2001 tables C26 and C29, and 2005 tables C27 and C30; 2006 to 2018 from UNHCR, Global Trends for 2006 to 2018, table 10.

Note: The countries included in the weighted recognition rates are: the EU-15 (excluding Luxembourg), the Czech Republic, Hungary, Poland, Norway, Switzerland, Australia, New Zealand, Japan, Canada, and the United States.

Figure 6 from *Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

The most important law regarding the European Union in the field of asylum migration is the *Dublin Regulation*, also known as *Dublin III Regulation* after the *Regulation 604/2013* and previously addressed as *Dublin II Regulation*. Anyhow, the actual EU definition regarding the term refugee can be found in the *EU Qualification Directives*. The *Council Directive 2004/83/EC* of 29<sup>th</sup> April 2004 on “minimum standards for the qualification and status of third country nationals or stateless persons as refugees or as persons who otherwise need international protection and the content of the protection granted” ( Official Journal of the European Union, 2004), amended in 2011 by the *Directive 2011/95/EU* of the European Parliament and of the Council “on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted” (Official Journal of the European Union, 2011) establishes “the full and inclusive application of the Geneva Convention relating to the Status of Refugees of 28 July 1951 (Geneva Convention), [...] thus affirming the principle of non-refoulement and ensuring that nobody is sent back to persecution” ( Official Journal of the European Union, 2004). According to the 1951 Convention, refugee “means a third country national who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, political opinion or membership of a particular social group, is outside the country of nationality and is unable or, owing to such fear, is unwilling to avail himself or herself of the protection of that country, or a stateless person, who, being outside of the country of former habitual residence for the same reasons as mentioned above, is unable or, owing to such fear, unwilling to return to it” ( Official

Journal of the European Union, 2004). Furthermore, the Directive also establish the criteria in order to classify someone as a *person eligible for subsidiary protection*. A *person eligible for subsidiary protection* is “a third country national or a stateless person who does not qualify as a refugee but in respect of whom substantial grounds have been shown for believing that the person concerned, if returned to his or her country of origin, or in the case of a stateless person, to his or her country of former habitual residence, would face a real risk of suffering serious harm [...] and is unable, or, owing to such risk, unwilling to avail himself or herself of the protection of that country” ( Official Journal of the European Union, 2004).

## Summary of the definitions of refugees

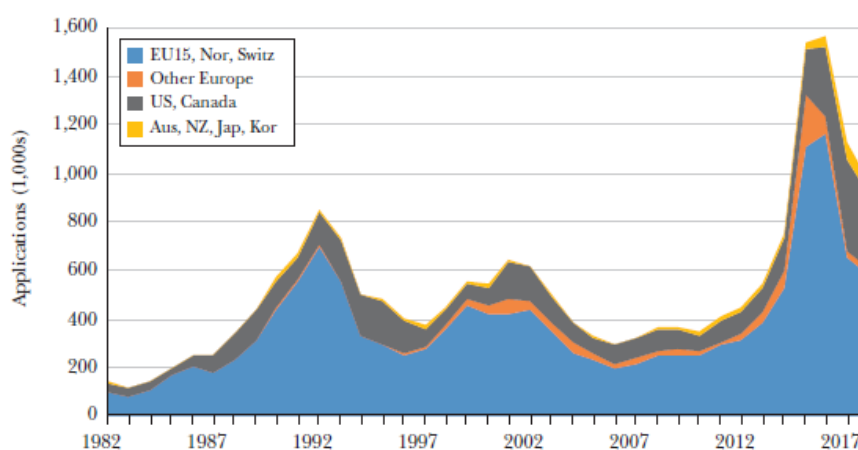
- 1951 UN Convention Relating to the Status of Refugee:* Any person who “owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it”;
- 1969 Refugee Convention:* “The term refugee shall also apply to every person who, owing to external aggression, occupation, foreign domination or events seriously disturbing public order in either part or the whole of his country of origin or nationality, is compelled to leave his place of habitual residence in order to seek refuge in another place outside his country of origin or nationality”;
- 1984 Cartagena Declaration on Refugee:* Extension of the term refugee by including “among refugees persons who have fled their country because their lives, safety or freedom have been threatened by generalized violence, foreign aggression, internal conflicts, massive violation of human rights or other circumstances which have seriously disturbed public order”;
- Council Directive 2004/83/EC:* Establishes “the full and inclusive application of the Geneva Convention relating to the Status of Refugees of 28 July 1951 (Geneva Convention)”. Furthermore, the Directive also establishes the criteria in order to classify someone as a *person eligible for subsidiary protection*. A *person eligible for subsidiary protection* is “a third country national or a stateless person who does not qualify as a refugee but in

respect of whom substantial grounds have been shown for believing that the person concerned, if returned to his or her country of origin, or in the case of a stateless person, to his or her country of former habitual residence, would face a real risk of suffering serious harm [...] and is unable, or, owing to such risk, unwilling to avail himself or herself of the protection of that country”.

## The Number of Refugees and Asylum Applications in the World

As showed by the picture below, from 1980s to 2010s the number of asylum applications to Western countries has increased significantly. The peaks were reached as a consequence of the fall of the Berlin Wall, the dissolution of the Soviet Union and the Kosovo War in the 1990s, and, more recently, of the crises in Middle East and Arab countries, especially the Syrian Civil War. Most of these waves of asylum seekers and refugee hit European countries, “which received 76 percent of total applications over the 37-year period, and especially Western Europe (71 percent)” (Hatton, 2020).

Asylum Applications to Western Countries, 1982–2018



Source: 1982 to 2000 from UNHCR, Statistical Yearbook for 2001, tables C1 and C2; 2001 to 2013 from UNHCR, Asylum Levels and Trends, 2005, 2009, and 2013, table 1; 2014 to 2018 from OECD, International Migration Outlook 2019, table A3.

Note: Annual number of persons applying for asylum, excluding repeat applications and appeals.

Figure 7 from *Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

According to the UNHCR, the total number of refugees in the world, at the end of 2016, was equal to 22.5 million. Refugees were one-third of the total *forcibly displaced persons*, which were nearly 66 million. The term *forcibly displaced persons* “includes those displaced within their home country (41.3 million) and Palestinians (5.5 million) who come under a separate mandate” (Hatton, 2020).

These trend and proportions were similar in 2018. At the end of the year, there were 70.8 million forcibly displaced people. 41.3 million people were internally displaced, while the refugees were 25.9 million. Over half of the refugees were under the age of 18. Moreover, 3.5 million people were asylum seekers.





Figure 8 from the World Bank

## The Origin and Destination Countries of Refugees

As represented by the picture below, the most prominent origin countries of refugees over the decade 2009-2018 were situated in the Middle East, in Africa and Asia. More specifically, two-thirds of refugees in 2018 came from just five countries: Afghanistan, Myanmar, Somalia, South Sudan, and Syria. Notwithstanding, it is interesting to note the presence of some European countries, such as Serbia, Russia, and Albania. There is also a rise in asylum applications from Latin American countries, like El Salvador, Guatemala, Mexico, and Venezuela. Indeed, as stated by the UNHCR, “the greatest number of new asylum applications in 2018 was from Venezuelans” (UNHCR, 2019). Finally, it must be noted that, despite “China and India appear on the list, [...] the number of applications is small relative to their populations” (Hatton, 2020)

**Asylum Applicants to Western Countries by Origin: Total, 2009–2018**

<i>Origin country</i>	<i>Total (000s)</i>	<i>Origin country</i>	<i>Total (000s)</i>	<i>Origin country</i>	<i>Total (000s)</i>
Syria	1,098.9	Albania	183.7	Georgia	97.4
Afghanistan	629.7	El Salvador	180.7	Guinea	87.3
Iraq	429.0	Somalia	176.1	Sri Lanka	84.0
Serbia	295.4	Mexico	160.4	Ukraine	79.3
Pakistan	275.2	Guatemala	138.3	Dem. Rep. Congo	71.0
Nigeria	252.8	Venezuela	133.9	Gambia	71.0
Eritrea	244.9	Bangladesh	123.8	Algeria	70.4
China	244.4	Honduras	109.9	Haiti	70.2
Russia	212.2	Turkey	106.9	Sudan	65.2
Iran	201.1	India	99.9	Mali	64.2

*Source:* Calculated from OECD, International Migration Database.

*Note:* Asylum applications from the top 30 origin countries to the EU28 plus Australia, Canada, Japan, South Korea, New Zealand, and the United States over the decade 2009 to 2018.

*Table 2 from Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

The most prominent countries hit by this flow were the European ones. According to Neumayer<sup>2</sup>, European countries, between 1980 and 1990, received about 75% “of all asylum applications lodged in industrialized countries” (Issifou, 2020). These data were confirmed by Missirian and Schlenker<sup>3</sup> that, in 2017, found that the EU and OECD countries received over 60% of asylum applications. Indeed, as shown by the table below, between the top 20 destination countries, 16 are European. Considering the total number of applications, Germany, France, and Italy are the leading countries in Europe. However, in proportion with their population, the main hosting country is Sweden, followed by Austria, Hungary, and Switzerland.

<sup>2</sup> Neumayer, E., 2005, *Asylum Recognition Rates in Western Europe: Their Determinants, Variation, and Lack of Convergence*, *Journal of Conflict Resolution*, 49 (1), pp. 43–66.

<sup>3</sup> Missirian, A. and W. Schlenker, 2017, *Asylum Applications and Migration Flows*, *American Economic Review*, 107 (5), pp. 436–40.

### Asylum Applicants to Western Countries by Destination: Total, 2009–2018

Destination country	Total (000s)	Per 1,000 population	Destination country	Total (000s)	Per 1,000 population
Germany	1,986.4	24.4	Switzerland	210.7	25.9
United States	1,462.1	4.6	Belgium	195.4	17.6
France	665.1	10.1	Netherlands	185.8	11.0
Italy	553.9	9.2	Australia	167.5	7.2
Sweden	478.1	49.3	Spain	135.0	2.9
United Kingdom	318.0	4.9	Norway	109.9	21.6
Hungary	276.6	28.0	Poland	77.4	2.0
Canada	270.5	7.7	Denmark	75.2	13.3
Austria	263.9	30.8	Finland	67.4	12.4
Greece	245.9	22.5	Japan	63.5	0.5

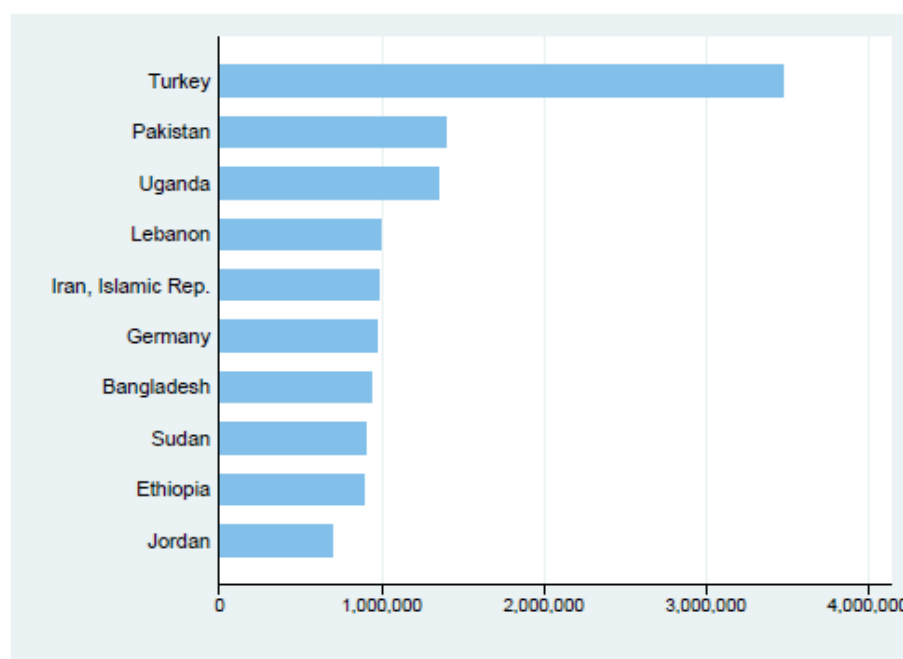
Source: Calculated from OECD, International Migration Database.

Note: Asylum applications over the decade 2009–2018 from all origin countries. The numbers in this table include applicants who were stateless or of unknown nationality. The figure for the United States includes both affirmative and defensive applications and has been adjusted by the OECD to reflect the number of individuals.

Table 3 from *Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

Yet, even though European countries receive most of asylum claims and applications, the majority of refugees lives in developing countries. In 2017, Germany was the only EU country between the top 10 hosting countries of refugees. The other nine were mainly situated in the Middle East and Africa, with Turkey ranking first in the list.

### Top ten destination countries for refugees, 2017

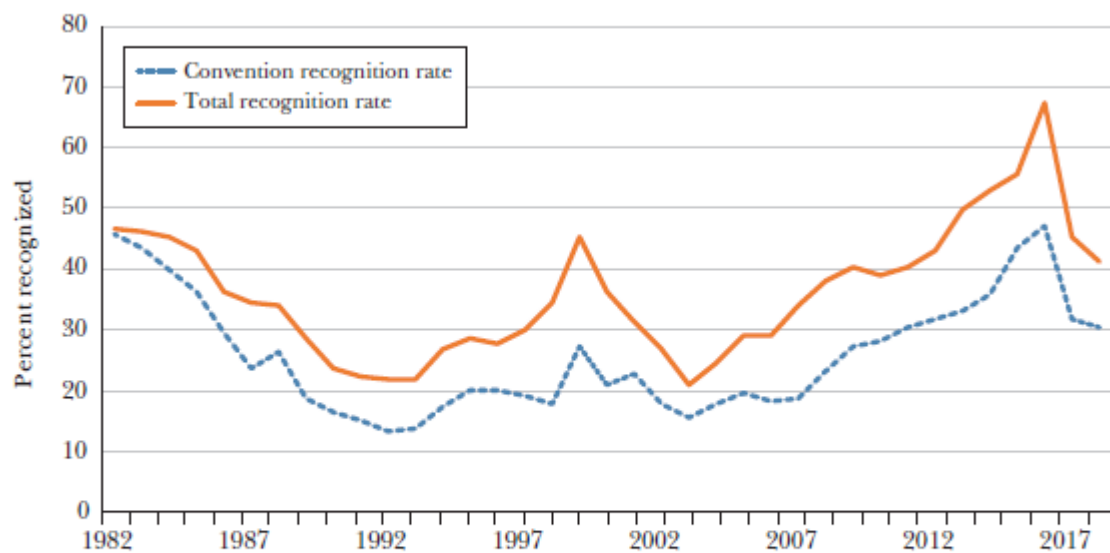


Source: Author's calculation based on UNHCR data

Figure 9 from *Understanding Decisions Made on Asylum Applications in Host Countries*

Indeed, since the 1990s the refugee recognition rate for the European countries started to diverge significantly from the number of applications. While in 1980s the number applications and the recognition rates were closed together, they started to diverge since the 1990s, reaching the peaks during 2000-2001 as well as during 2015-2016. This divergence was a consequence of more tightening and restrictive policies that were adopted to cope with the increasing number of asylum migration flows. As a consequence, the EU countries “present the lowest acceptance rate (13 percent) of refugee status according to the 1951 Geneva Convention. The acceptance rates average 25 percent in non-EU-OECD countries and 30 percent in the rest of the world” (Issifou, 2020).

### The Refugee Recognition Rate for 24 Countries, 1982–2018



Source: 1982 to 2005 from UNHCR, Statistical Yearbook for 2001 tables C26 and C29, and 2005 tables C27 and C30; 2006 to 2018 from UNHCR, Global Trends for 2006 to 2018, table 10.

Note: The countries included in the weighted recognition rates are: the EU-15 (excluding Luxembourg), the Czech Republic, Hungary, Poland, Norway, Switzerland, Australia, New Zealand, Japan, Canada, and the United States.

Figure 10 from *Asylum Migration to the Developed World: Persecution, Incentives, and Policy*

## **The Pushing Factors for Asylum Migration**

The asylum migration flows that have reached Europe since 2010s can be mainly explained as a consequence of violent and shocking events occurring in the origin countries, such as “genocide, civil war, dissident conflicts, and political regime transitions” (Hatton, 2020).

Nonetheless, also economic aspects play an important role. In 2009 Hatton found out that the asylum migration that occurred in the 1980s and 1990s could mainly be explained by the economic factors rather than political and humanitarian ones. According to Hatton, there was a negative relationship between asylum migration and GDP per capita in origin countries, “in the proportion that asylum applications decrease by 6% with a 10% increase in GDP” (Issifou, 2020). The influence of economic factors was also studied by Mayda<sup>4</sup> in 2010 and Ortega and Peri<sup>5</sup> in 2013. These scholars reported “large and significantly positive effects of destination-country income per capita on migration, but smaller and sometimes insignificant negative effects of origin-country income” (Hatton, 2020).

Finally, also “proximity and access are important in determining the volume of asylum applications” (Hatton, 2020). Access, in particular, can be influenced by the migration policies adopted by each country. For instance, a country can strengthen its border surveillance, tighten visa policies, or increase carrier sanctions. An example is the *Rapid Border Intervention Teams*, created in 2007. With such tool, an EU Member State, “facing an exceptional influx of illegal immigrants” (De la Rica, et al., 2013), can ask for and use other member states’ of border guards. This tool was used, for instance, by Italy in 2011, when the country had to face a vast arrival of people fleeing from the Libyan crisis. Another tool was inaugurated by the Spanish government and it consists of a cooperation between the governments of the European countries and the governments of the African ones, with the aim of strengthening the control into the African borders and reducing the time for repatriation. Moreover, according to the EU countries, another aim of the policy is to reduce both the number of arrivals and the deaths in sea. However, several non-governmental organizations, and especially the UNHCR, have strongly condemned the agreements between EU and African countries. Particularly, the UN High Commissioner for Refugees has denounced the critical conditions of the Libyan prisons and penitentiaries in which refugees and asylum seekers are confined.

---

<sup>4</sup> Mayda, Anna Maria, 2010, *International Migration: A Panel Data Analysis of the Determinants of Bilateral Flows*, *Journal of Population Economics* 23 (4), 1249–74.

<sup>5</sup> Ortega, Francesc; Peri, Giovanni, 2013, *The Effect of Income and Immigration Policies on International Migration*, *Migration Studies* 1 (1), 47–74.

## References

De la Rica, S., Glitz, A. & Ortega, F., 2013. Immigration in Europe: Trends, Policies and Empirical Evidence. *Institute of Labor Economics (IZA)*, IZA Discussion Papers(7778), pp. 1-98.

European Commission, 2013. *Standard Eurobarometer 80*. [Online]

Available at:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/1123>

[Accessed 10 May 2020].

European Commission, 2018. *Standard Eurobarometer 89*. [Online]

Available at:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2180>

[Accessed 10 May 2020].

European Commission, n.d. *EMN Glossary Search*. [Online]

Available at: [https://ec.europa.eu/home-affairs/what-we-](https://ec.europa.eu/home-affairs/what-we-do/networks/european_migration_network/glossary_search/refugee_en)

[do/networks/european\\_migration\\_network/glossary\\_search/refugee\\_en](https://ec.europa.eu/home-affairs/what-we-do/networks/european_migration_network/glossary_search/refugee_en)

[Accessed 10 June 2020].

Hatton, T. J., 2020. Asylum Migration to the Developed World: Persecution, Incentives, and Policy. *Journal of Economic Perspectives*, 34(1), pp. 75-93.

Issifou, I., 2020. Understanding Decisions Made on Asylum Applications in Host Countries. *Policy Research Working Paper*, 1(9153), pp. 1-39.

OAS, 1984. *Cartagena Declaration on Refugees, Colloquium on the International Protection of Refugees in Central America, Mexico and Panama*. [Online]

Available at: [https://www.oas.org/dil/1984\\_cartagena\\_declaration\\_on\\_refugees.pdf](https://www.oas.org/dil/1984_cartagena_declaration_on_refugees.pdf)

[Consultato il giorno 11 May 2020].

Official Journal of the European Union, 2004. *COUNCIL DIRECTIVE 2004/83/EC on minimum standards for the qualification and status of third country nationals or stateless*. [Online]

Available at: [https://eur-](https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:304:0012:0023:EN:PDF)

[lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:304:0012:0023:EN:PDF](https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:304:0012:0023:EN:PDF)

[Accessed 11 May 2020].

Official Journal of the European Union, 2011. *Directive 2011/95/EU on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content*. [Online]

Available at: <https://eur-lex.europa.eu/eli/dir/2011/95/oj>

[Accessed 11 May 2020].

The Editors of Encyclopaedia Britannica, n.d. *International Refugee Organization*. [Online]

Available at: <https://www.britannica.com/topic/international-organization>

[Accessed 11 May 2020].

The World Bank, n.d. *International migrant stock, total*. [Online]  
Available at: <https://data.worldbank.org/indicator/SM.POP.TOTL>  
[Accessed 11 May 2020].

UNHCR, 1951. *The 1951 Refugee Convention*. [Online]  
Available at: <https://www.unhcr.org/1951-refugee-convention.html>  
[Accessed 11 May 2020].

UNHCR, 1967. *Convention and Protocol relating to the Status of Refugees*. [Online]  
Available at: <https://www.unhcr.org/3b66c2aa10>  
[Accessed 11 May 2020].

UNHCR, 1969. *OAU Convention Governing the Specific Aspects of Refugee Problems in Africa*. [Online]  
Available at: <https://www.unhcr.org/about-us/background/45dc1a682/oau-convention-governing-specific-aspects-refugee-problems-africa-adopted.html>  
[Accessed 11 May 2020].

UNHCR, 2019. *Figures at a Glance*. [Online]  
Available at: <https://www.unhcr.org/figures-at-a-glance.html>  
[Accessed 11 May 2020].

United Nations High Commissioner for Refugees (UNHCR); Department of International Protection (DIP); Protection Information Section (PIS), 2006. *UNHCR Master Glossary of Terms*. [Online]  
Available at: <https://www.refworld.org/docid/42ce7d444.html>  
[Accessed 10 June 2020].

## *The Economic Integration of Refugees into the European Economic System*

After having established and analysed the differences between economic migrants and refugees, it is now possible to inspect the economic integration of third-country nationals into the economic systems and labour markets of the European countries. Several economic and social outcomes and indicators will be considered and evaluated, such as the employment rate, the unemployment rate, the gender, the educational attainment, and the countries of origin of migrants. In order to highlight the similarities and the differences between economic migrants and refugees and their processes of economic integration, the chapter will be structured in three parts. First of all, the data on all migrants (including both EU foreigners and third-country nationals) will be analysed. Secondly, the data on non-EU migrants will be covered. Finally, the data on refugees will be studied.

### **The labour market outcomes of the foreign-born population in the EU Member States**

Overall, migrants generally face worse economic outcomes and situations than the nationals of EU Member States. In 2018, the EU-wide average unemployment rate of migrants was equal to 10.6%, reaching the peaks in the Southern European countries, like Greece (28.6%), Spain (20.7%) and Italy (13.7%), plus Sweden (15.7%), France (14.6%) and Finland (14.1%), while touching the bottom levels in Eastern countries, such as the Czech Republic (2.5%), Hungary (4.6%), Poland (4.7%) and the Slovak Republic (5.2%).

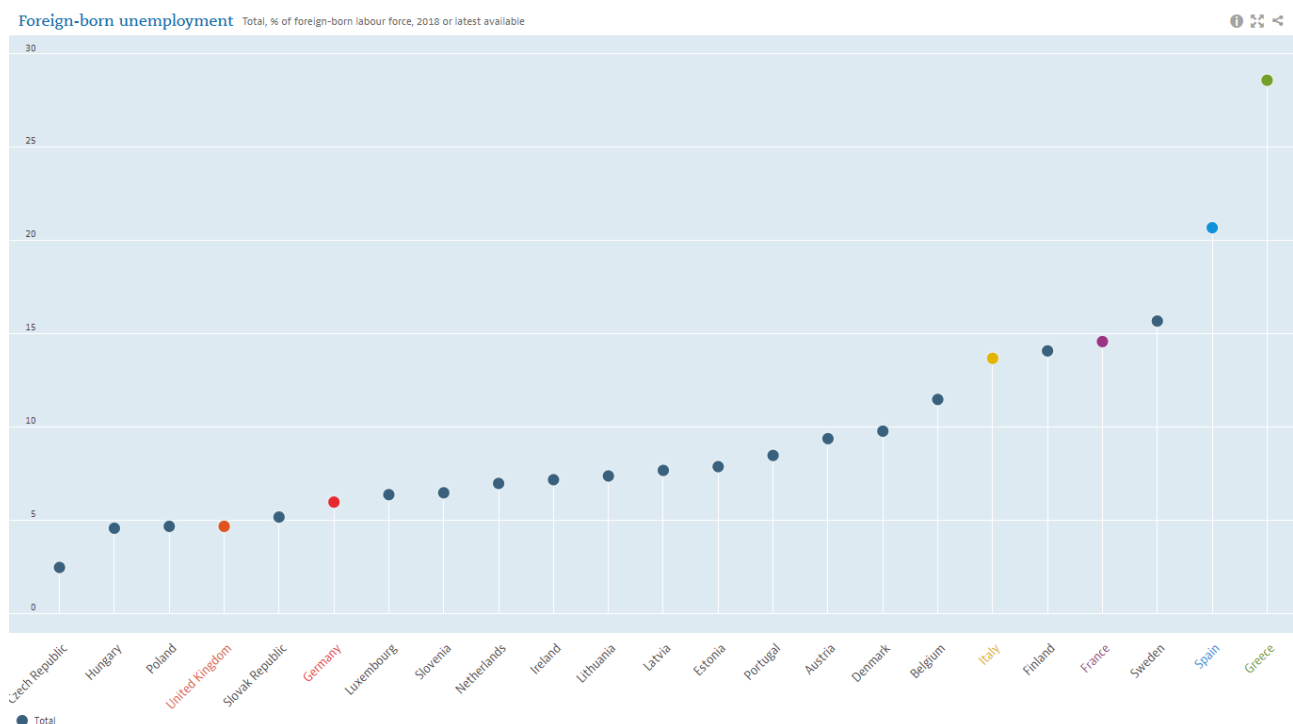


Figure 11 from OECD Data on Foreign-born unemployment



Similarly, examining the data on employment, the best performing countries in this field were the Eastern ones, registering rates over the 70%. As a matter of fact, the foreign-born employment in the Czech Republic was equal to 79.4%, 73.3% in the Slovak Republic, 73% in Poland, 71.7% in Hungary, 71.1% in Lithuania and 70.1% in Estonia. Likewise, also Portugal and the United Kingdom recorded migrants' employment rates over the 70%, respectively 75.1% and 73.7%. On the other hand, at the bottom of the list, there were Greece (52.8%), Belgium (58.3%), France (58.5%), Italy (60.9%) and Spain (61.6%). Overall, the EU average employment rate of the foreign-born population was equal to 66%, increasing by 1.6 percentage points from 2017.

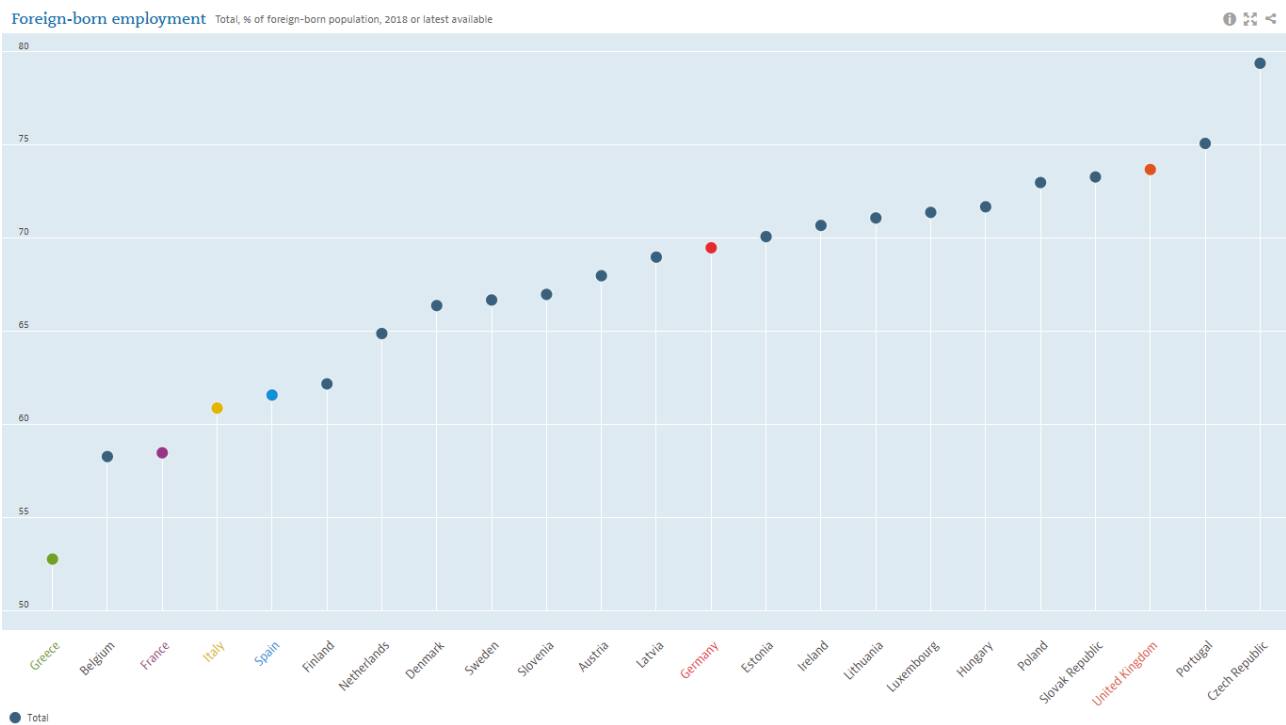


Figure 12 from OECD Data on Foreign-born employment

## Immigrants' labour market outcomes in OECD countries in 2018

	2018		Annual change		Gap with the native-born in 2018	
	Percentages		Percentage points			
	Unemployment rate	Employment rate	Unemployment rate	Employment rate	Unemployment rate	Employment rate
Australia	5.5	72.0	-0.4	+1.2	0.1	-3.0
Austria	9.4	68.0	-1.3	+2.5	5.7	-6.4
Belgium	11.5	58.3	-1.8	+1.8	6.8	-7.7
Canada	6.4	72.3	-0.4	-0.4	0.6	-2.0
Chile	7.5	76.9	+1.7	+3.1	-0.8	16.7
Czech Republic	2.5	79.4	-0.5	+1.9	0.2	4.8
Denmark	9.8	66.4	-0.8	+1.4	5.5	-10.6
Estonia	7.9	70.1	+1.4	-1.6	2.7	-5.2
Finland	14.1	62.2	-1.7	+1.9	7.0	-10.6
France	14.6	58.5	-0.8	+1.9	6.3	-7.9
Germany	6.0	69.5	-0.4	+1.4	3.1	-8.1
Greece	28.6	52.8	-1.3	+0.1	10.0	-2.3
Hungary	4.6	71.7	+1.2	-2.0	0.9	2.5
Iceland	5.1	82.5	+2.4	-5.6	2.6	-2.8
Ireland	7.2	70.7	-1.0	+1.7	1.8	2.7
Israel	3.5	78.8	-0.2	-0.1	-0.8	12.1
Italy	13.7	60.9	-0.5	+1.0	3.4	2.8
Korea	4.6	70.9	-	-	-	-
Latvia	7.7	69.0	-0.3	+2.4	0.1	-3.0
Lithuania	7.4	71.1	+0.9	+1.0	1.2	-1.4
Luxembourg	6.4	71.4	-1.5	+0.6	2.0	9.6
Mexico	4.1	51.8	-0.1	-0.4	0.7	-9.7
Netherlands	7.0	64.9	-1.9	+1.9	3.6	-14.3
New Zealand	4.1	77.2	-0.5	+0.8	-0.5	-0.5
Norway	7.9	69.7	-1.2	+0.3	5.0	-6.8
Poland	4.7	73.0	-3.6	+3.1	0.8	5.7
Portugal	8.5	75.1	-1.5	+0.8	1.4	6.0
Slovak Republic	n.r.	73.3	n.r.	+3.5	n.r.	5.7
Slovenia	6.5	67.0	-2.0	+0.7	1.4	-4.6
Spain	20.7	61.6	-2.7	+1.9	6.5	-1.0
Sweden	15.7	66.7	+0.2	+0.4	11.8	-14.1
Switzerland	7.9	76.6	-0.1	+0.7	4.5	-5.3
Turkey	12.1	47.4	-3.3	+1.2	1.0	-4.7
United Kingdom	4.7	73.7	-0.5	+1.2	0.7	-1.2
United States	3.5	71.6	-0.5	+0.7	-0.6	2.4
<b>OECD average</b>	<b>8.7</b>	<b>68.3</b>	<b>-0.7</b>	<b>+0.8</b>	<b>2.9</b>	<b>-2.4</b>
<b>OECD Total</b>	<b>7.1</b>	<b>69.0</b>	<b>-0.7</b>	<b>1.0</b>	<b>1.4</b>	<b>1.9</b>
<b>EU28</b>	<b>10.6</b>	<b>66.0</b>	<b>-1.0</b>	<b>+1.6</b>	<b>4.1</b>	<b>-2.9</b>

*Note:* Korea: The rates refer to the long-term resident foreign-born population aged 15-59 who is foreign or was naturalised within the last five years; Chile: The rates are for the year 2017 and the evolution presented is for the period 2015-17; "OECD Total" (weighted average) and "OECD average" (simple average) exclude Chile, Korea and Japan.

*Source:* European countries and Turkey: Labour Force Surveys (Eurostat); Australia, Canada, Israel; New Zealand: Labour Force Surveys; Chile: *Encuesta de Caracterización Socioeconómica Nacional (CASEN)*; Korea: Survey on Immigrants' Living Conditions and Labour Force and Economically Active Population Survey of Korean nationals; Mexico: *Encuesta Nacional de Ocupación y Empleo (ENOE)*; United States: Current Population Surveys.

Table 4 from *International Migration Outlook 2019*

With reference to both employment and unemployment, wide gaps between the shares and rates of foreign-born workers and their national peers were registered. As a matter of fact, in 2018 the foreign-born unemployment rate was higher by 4.9 percentage points than the unemployment rate of the native population, reaching the peaks in Sweden (+11.8), Greece (+10) and Finland (+7).

Likewise, the employment rate of immigrants, in 2018, was lower by 2.9 percentage points than the employment rate of nationals, reaching the peaks in Sweden, where migrants' employment rate was lower by 14.1 percentage points than the native-born employment rate, and in Denmark and Finland, where migrants' employment rates were lower by 10.6 percentage points than the native-born employment rates, as well as in the Netherlands (-14.3%). Nonetheless, there were also countries in which the foreign-born employment was higher than the one of nationals. Such countries were Luxembourg (+9.6), Portugal (+6), Poland (+5.7%), the Slovak Republic (+5.7%), the Czech Republic (+4.8%), Italy (+2.8%) and Ireland (+2.7%).

“However, beyond the overall employment in labour market outcomes of immigrants in most OECD” (OECD, 2019) and European countries, there were “some key differences across immigrant groups according to their gender, age, education and regions of origin” (OECD, 2019).

#### *Differences related to gender*

Indeed, generally speaking, “at the EU level, progress in labour market outcomes benefited both immigrant women and men [...]. In the majority of European countries, however, the improvement has been stronger among immigrant men” (OECD, 2019).

In 2018, the European average employment rate of men foreigners was equal to 75.4%, reaching the peak of 91.2% in the Slovak Republic. On the other hand, women foreign-born employment rate was equal to 60.4%, with the lowest rates registered in Greece (40.4%), Italy (50.2%) and France (50.3%). The greatest disparities were recorded in the Slovak Republic (91.2% for men while 56.1% for women), Italy (73.9% for men while 50.2% for women) and Greece (67.9% for men while 40.4% for women).

Similarly, the European average unemployment rate of male migrants was equal to 9.9%, while the unemployment rate of female immigrants was equal to 11.4%. In this case, the greatest disparities were registered in Greece (22.9% for men while 35.2% for women), Spain (19.1% for men while 22.3% for women), Portugal (6.9% for men while 10% for women), Italy (11.9% for men while 15.8% for women) and Finland (11.9% for men while 16.6% for women). However, it is interesting to note that in Lithuania (8% for men while 6.9% for women), Germany (6.6% for men while 5.1% for women), Belgium (12.4% for men while 10.5% for women) and Austria (9.6% for men while 9.2% for women) the unemployment rates were higher for men rather than women, even

though such results and outcomes could be influenced by the lowest participation rates of women into the labour markets.

### Labour market outcomes of foreign-born in OECD countries by gender, 2018 compared to 2017

Percentages

	Total			Men			Women		
	Unemployment rate	Employment rate	Participation rate	Unemployment rate	Employment rate	Participation rate	Unemployment rate	Employment rate	Participation rate
Australia	5.5	72.0	76.2	4.7	79.9	83.8	6.5	64.3	68.8
Austria	9.4	68.0	75.1	9.6	75.3	83.3	9.2	61.2	67.4
Belgium	11.5	58.3	65.9	12.4	65.7	74.9	10.5	51.3	57.4
Canada	6.4	72.3	77.3	6.0	78.4	83.4	6.7	66.6	71.4
Czech Republic	2.5	79.4	81.4	1.8	88.1	89.8	3.4	70.0	72.5
Denmark	9.8	66.4	73.6	9.0	72.6	79.7	10.7	60.4	67.7
Estonia	7.9	70.1	76.1	7.9	74.1	80.4	7.9	66.5	72.2
Finland	14.1	62.2	72.4	11.9	70.0	79.5	16.6	54.9	65.8
France	14.6	58.5	68.5	13.8	67.9	78.7	15.6	50.3	59.6
Germany	6.0	69.5	73.9	6.6	76.7	82.1	5.1	61.8	65.2
Greece	28.6	52.8	73.9	22.9	67.9	88.1	35.2	40.4	62.3
Hungary	4.6	71.7	75.2	4.3	78.6	82.2	4.9	64.8	68.2
Iceland	5.1	82.5	87.0	n.r.	87.1	91.8	n.r.	78.0	82.2
Ireland	7.2	70.7	76.2	6.4	78.4	83.7	8.2	63.3	68.9
Israel	3.5	78.8	81.6	3.8	80.8	84.0	3.2	77.0	79.6
Italy	13.7	60.9	70.6	11.9	73.9	83.8	15.8	50.2	59.6
Latvia	7.7	69.0	74.8	7.1	75.4	81.2	8.2	64.0	69.6
Lithuania	7.4	71.1	76.8	8.0	73.6	80.0	6.9	68.9	74.0
Luxembourg	6.4	71.4	76.3	5.9	75.4	80.2	7.0	67.2	72.3
Mexico	4.1	51.8	54.1	4.2	66.8	69.7	4.1	36.7	38.3
Slovak Republic	n.r.	73.3	78.9	n.r.	91.2	93.4	n.r.	56.1	65.1
Slovenia	6.5	67.0	71.7	4.6	75.6	79.3	8.9	58.0	63.7
Spain	20.7	61.6	77.6	19.1	68.5	84.6	22.3	55.6	71.6
Sweden	15.7	66.7	79.1	15.4	70.5	83.3	16.0	63.0	75.0
Switzerland	7.9	76.6	83.1	7.0	83.8	90.1	8.9	69.3	76.1
Turkey	12.1	47.4	53.9	11.1	68.5	77.1	14.3	27.9	32.6
United Kingdom	4.7	73.7	77.3	3.9	82.6	86.0	5.6	65.5	69.4
United States	3.5	71.6	74.2	3.0	82.8	85.4	4.2	60.7	63.3
OECD average	8.7	68.3	74.8	7.8	76.4	82.8	9.7	60.8	67.2
OECD Total	7.1	69.0	74.3	6.4	78.4	83.8	7.9	60.0	65.1
EU28	10.6	66.0	73.8	9.9	74.4	82.6	11.4	58.2	65.7

*Note:* A blue (striped grey) shading means an increase (decline) in the participation or employment of more than 1 percentage point or a decline (increase) in the unemployment rate of more than 1 percentage point. n.r.: not reliable. "OECD Total" refers to the weighted average and "OECD average" to the simple average of the countries presented excluding Chile, Japan, and Korea.

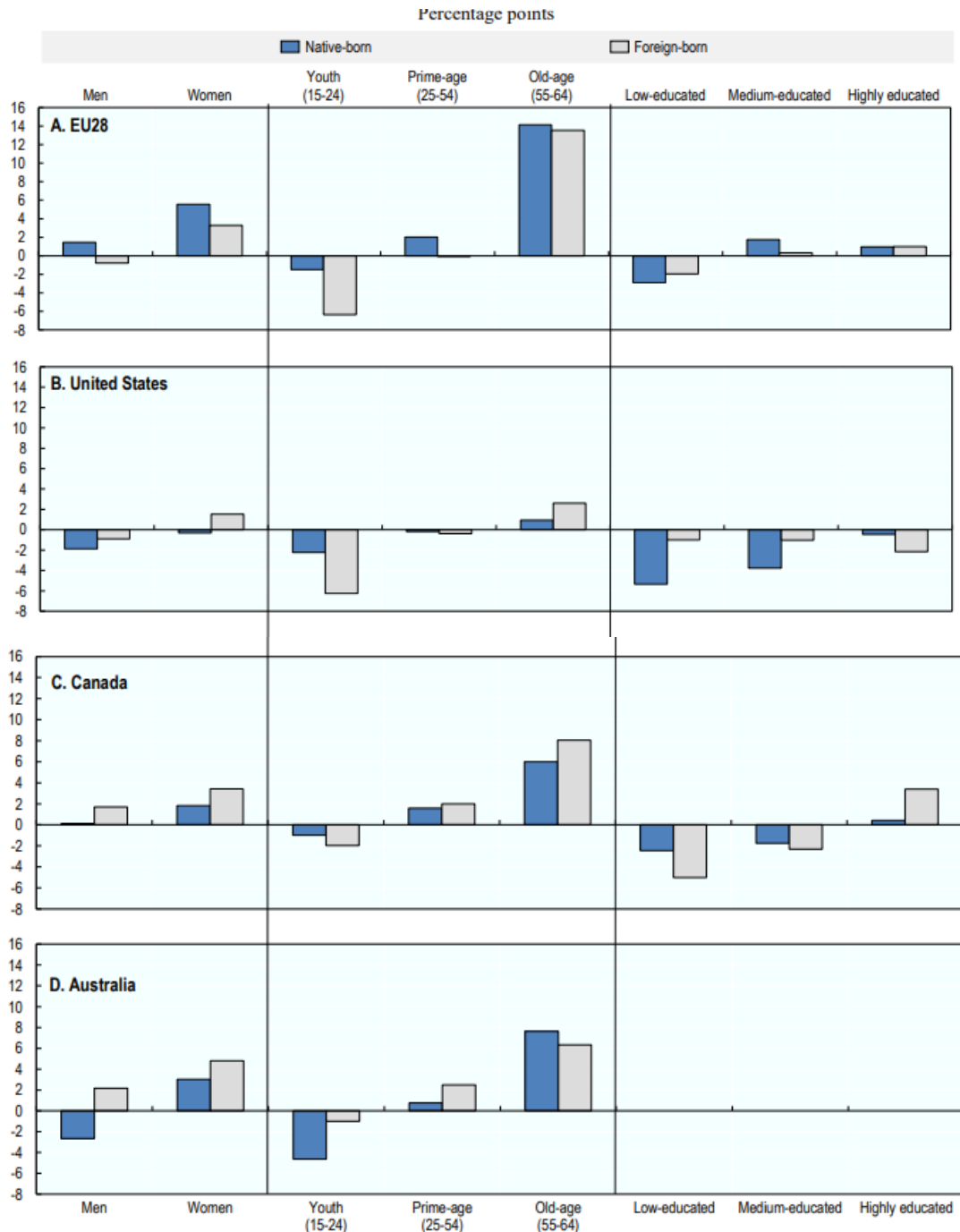
*Source:* European countries and Turkey: Labour Force Surveys (Eurostat); Australia, Canada, Israel, New Zealand: Labour Force surveys; Mexico: *Encuesta Nacional de Ocupación y Empleo* (ENOE); United States: Current Population Surveys.

Table 5 from *International Migration Outlook 2019*

Differences related to education

Furthermore, it is worth noting that, between 2007 and 2018, the shares of third-country nationals with low educational attainment have declined. On the other hand, the employment rates of those highly educated have increased by one percentage point.

**Change in the employment rate across various demographic groups, 2018 compared to 2007**



Note: The reference population is the working-age population (15-64). "Low-educated" here refers to less than upper secondary attainment; "Medium-educated" to upper secondary and post-secondary non-tertiary; "Highly educated" to tertiary. The data for European countries refer to the first three quarters only.

Source: Panel A: Labour Force Surveys (Eurostat). Panel B: Current Population Surveys. Panel C: Labour Force Surveys. Panel D: Labour Force Surveys.

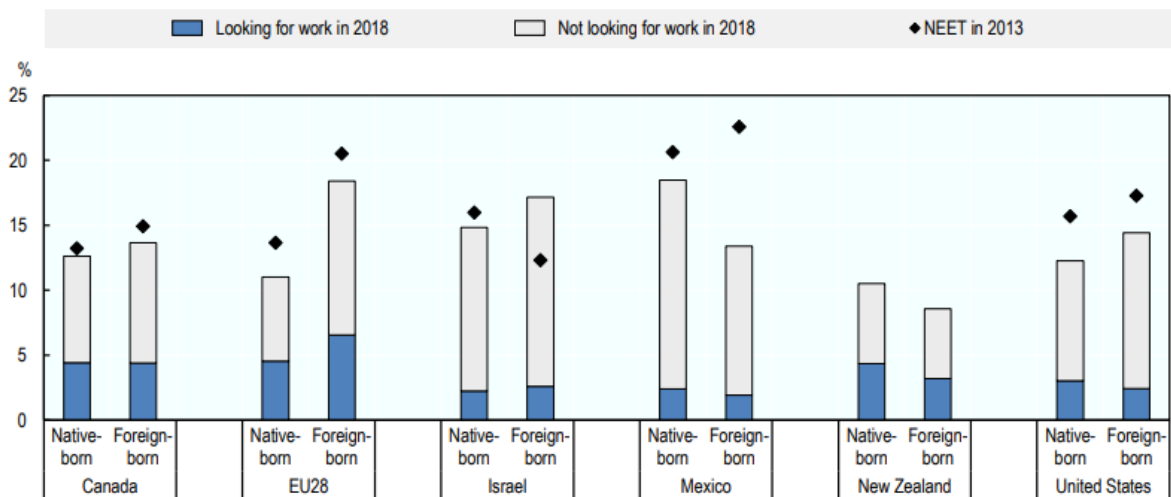
Figure 13 from International Migration Outlook 2019

*Differences related to age*

Addressing age, it is important to take a look at those, aged 15 to 24 years old, who are Neither in Employment, Education or Training (NEET). Overall, more than 18% of young migrants were neither in employment, education or training in 2018, compared to 11% of nationals. Moreover, two-thirds of NEET migrants were not looking for a job, “against 59% of their native peers” (OECD, 2019), nor were registered at a public employment office.

**NEET rates by place of birth in selected OECD countries, 2013 to 2018**

Share of the population aged 15-24 that is not in employment, education or training



*Note:* The data for European countries refer to the first three quarters only. Compulsory military service is excluded from the calculation.

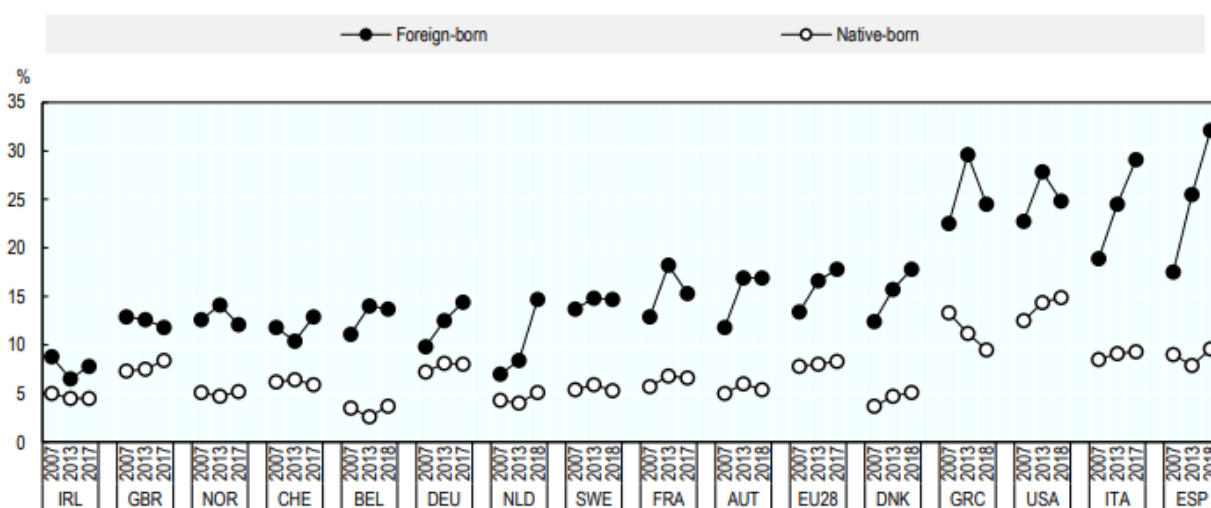
*Source:* EU28: Labour Force Surveys (Eurostat); New Zealand, Canada, Israel: Labour Force surveys; Mexico: Encuesta Nacional de Ocupación y Empleo (ENOE); United States: Current Population Surveys.

Figure 14 from International Migration Outlook 2019

### Wages and living conditions

Notwithstanding the general progress and improvement in the economic and labour market outcomes of migrants, “the proportion of immigrant workers living below the poverty threshold has increased in many EU countries, and generally at a stronger pace than for natives” (OECD, 2019). As a matter of fact, in 2017, the share of third-country nationals which were considered poor across the European Union was equal to 18%, against 8% of the national peers. More specifically, the poverty rates of migrants have increased in Spain and Italy, “where about 30% of foreign-born workers were poor in 2017-18” (OECD, 2019).

**Poverty rates of workers by place of birth in selected OECD countries, 2007, 2013 and 2017-18**



*Note:* The poverty rate used here is the share of workers living below the poverty threshold as defined by Eurostat (60% of the median equivalised disposable household income in each country).

*Sources:* European countries: Eurostat dataset (population aged 18-64) [ilc\_iw16] extracted on 10 July 2019; United States: Current Population Survey (population aged 15-64).

*Figure 15 from International Migration Outlook 2019*

The concurring effect of such poverty rate is the quantity of immigrants working in low-skilled jobs. Generally, across the OECD countries, almost 20% of immigrant workers was employed in low-skilled jobs, against 10% of national workers. Regarding the European Union, the highest rates of poverty rate and the greatest gaps with nationals were registered in Southern Europe, apart from Portugal. Finally, the probability of working in low-skilled jobs was even higher among women.

### **The labour market outcomes of third-country nationals in EU Member States**

As stated above, however, disparities were not only related to gender, age, or educational attainment, but also to the countries and sub-regions of origin. As a matter of fact, analysing the economic outcomes and indicator of third-country nationals and EU foreigners, it is possible to see the gaps and differences between them. Those disparities were recorded also by the OECD which declared: “reflecting the overall trends in employment, many migrant groups have experienced an improvement in their labour market conditions over the period 2013-18, although not to the same extent” (OECD, 2019). For instance, those coming from the North-African region suffered from more disadvantaging situations than those coming from the Sub-Saharan Africa. As a matter of fact, despite decreasing “by more than seven percentage points in the European Union” (OECD, 2019) since 2013, around 21% of the North-African born were still unemployed in 2018. On the other hand, “the Sub-Saharan African-born as well as intra-EU migrants [...] experienced a strong reduction in unemployment” (OECD, 2019).



**Employment and unemployment rates by region of origin in selected  
OECD countries in 2013 and 2018**

Percentages

Region of birth	Employment rate		Unemployment rate		
	2013	2018	2013	2018	
Australia	Other Oceania	75.7	77.2	6.2	5.7
	Europe	73.9	77.9	4.5	4.0
	North Africa and the Middle East	47.7	50.9	12.1	10.7
	Sub-Saharan Africa	74.1	75.6	6.1	6.9
	Asia	66.7	69.4	6.4	5.7
	Americas	73.7	79.1	5.3	5.0
	<b>Foreign-born (total)</b>	<b>69.7</b>	<b>72.0</b>	<b>5.9</b>	<b>5.2</b>
	<b>Native-born</b>	<b>73.3</b>	<b>74.9</b>	<b>5.8</b>	<b>5.4</b>
Canada	Sub-Saharan Africa	65.3	69.9	12.3	9.5
	North Africa	60.8	69.5	14.8	8.0
	Middle East	59.1	61.4	12.0	9.7
	Asia	69.4	72.6	8.1	5.7
	Europe	74.3	77.3	5.8	5.4
	Oceania	79.2	76.4	5.8	3.4
	Central and South America and Caribbean	71.8	73.2	8.7	7.0
	Other North America	70.8	69.5	6.4	5.1
	<b>Foreign-born (total)</b>	<b>69.9</b>	<b>73.8</b>	<b>8.2</b>	<b>5.9</b>
	<b>Native-born</b>	<b>73.2</b>	<b>74.4</b>	<b>6.9</b>	<b>5.7</b>
EU countries	EU28 and EFTA	66.2	72.0	13.5	8.3
	Other European countries	54.9	62.2	19.7	13.0
	North Africa	45.6	50.3	28.9	21.1
	Sub-Saharan Africa	58.7	64.9	21.1	14.0
	Middle East	50.6	50.2	22.0	22.0
	North America	69.1	70.8	6.4	6.9
	Central and South America and Caribbean	56.8	64.7	27.2	16.1
	Asia	64.3	66.1	10.4	6.9
	Other regions	62.6	66.2	11.4	11.2
	<b>Foreign-born (total)</b>	<b>60.9</b>	<b>65.0</b>	<b>17.1</b>	<b>12.0</b>
<b>Native-born</b>	<b>64.3</b>	<b>67.4</b>	<b>10.3</b>	<b>7.2</b>	
United States	Mexico	66.2	70.9	7.7	3.7
	Other Central American countries	73.6	74.9	6.5	3.5
	South America and Caribbean	69.0	73.6	8.7	4.1
	Canada	73.2	71.3	6.2	2.7
	Europe	70.6	75.4	6.2	3.0
	Africa	66.9	71.4	9.4	4.5
	Asia and the Middle East	68.1	69.2	5.3	3.0
	Other regions	63.6	68.8	7.8	4.6
	<b>Foreign-born (total)</b>	<b>68.4</b>	<b>71.6</b>	<b>7.0</b>	<b>3.5</b>
	<b>Native-born</b>	<b>65.7</b>	<b>69.2</b>	<b>7.7</b>	<b>4.1</b>

*Note:* The population refers to working-age population (15-64) for the employment rates and to active population aged 15-64 for the unemployment rate. 'EU countries' does not include Germany because data by region of birth are not available for this country in 2013. Therefore, results are not comparable to those presented in Table 2.1. The regions of birth could not be made fully comparable across countries of residence because of the way aggregate data provided to the Secretariat are coded. The data for European countries refer to the first three quarters only.

*Source:* European countries: Labour Force Surveys (Eurostat); Australia, Canada: Labour Force Surveys; United States: Current Population Surveys.

### Employment

With regard to employment, the 2017 the employment rate of non-EU nationals was equal to 55%, compared to 68% of EU nationals and 64.6% of foreign-born populations. In countries such as Finland, Sweden, and Greece, with a large share of low-educated migrants, the employment rate of third-country nationals was even lower. No country managed to reach the *Europe 2020*<sup>6</sup> employment rate target (equal to 75%) among third-country nationals. Only Germany, the Netherlands, Denmark, and Sweden were able to hit such goal among nationals. To the contrary, the European average employment rate of migrants from other EU countries was very close to that target, being equal to 73% and eight countries managed to reach the 75% threshold.

As seen above, however, the outcomes were not the same for all the migrants. For instance, women suffered from more serious and difficult outcomes. Indeed, non-EU born women were less economically active, 55% of them were “part of the labour market and 45% employed” (OECD/EU, 2018). For their national peers, those rates grew up to, respectively, 68% and 63%.

Finally, disparities were also influenced by the level of education. Even though highly-educated workers generally had more chances and probabilities of being employed rather than those with lower educational attainments regardless their nationality, the widest divergences were registered “among the highly than the poorly educated” (OECD/EU, 2018). As a matter of fact, the EU average employment rate of highly-educated third-country nationals was lower by 16 percentage points than those of their national peers. Contrarily, the EU average employment rate of poorly-educated third-country nationals was lower by 4 percentage points than those of their national peers. Actually, in Southern European countries, low-educated non-EU workers were equally or even “more likely to have a job than their national peers” (OECD/EU, 2018).

---

<sup>6</sup> *Europe 2020* is a strategy proposed by the European Commission in 2010. It emphasizes “smart, sustainable and inclusive growth in order to improve Europe's competitiveness and productivity and underpin a sustainable social market economy” (Eurostat, n.d.). In order to reach such goal, the European Union has established targets and goals to reach in several fields and areas: employment; research & development; climate change & energy; education; poverty and social exclusion.

### Employment rates of third-country nationals, by level of education

Difference in percentage points with nationals, 15- to 64-year-olds not in education, 2015-16

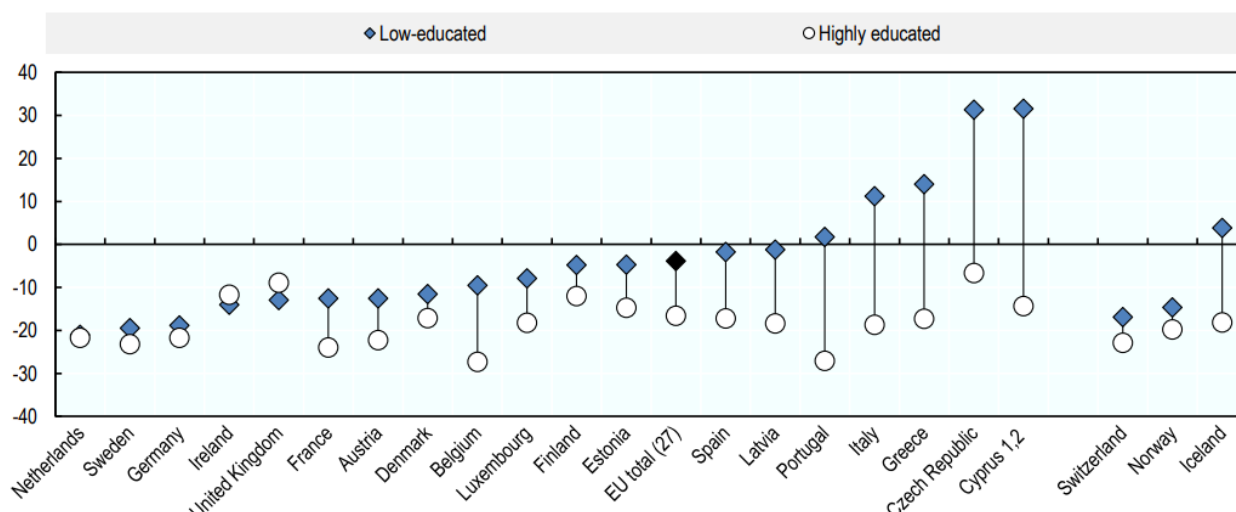


Figure 16 from *Settling in 2018: Indicators of Immigrant Integration*

### Unemployment

As well as for employment, a huge gap was recorded in unemployment. In fact, the unemployment rate of non-EU born nationals was equal to 16.5%, more than double that among nationals (7%) and higher by five percentage points than the unemployment rate of the foreign-born (11.6%). The unemployment rates of third-country nationals reached 25% in Spain and Greece. The differences in unemployment between nationals and non-EU migrants were “particularly pronounced in Belgium, France and [...] Sweden” (OECD/EU, 2018), reaching or overcoming the threshold of 15 percentage points. Actually, in all Northern European countries the unemployment rates of the poorly-educated third-country nationals were “over twice those of nationals” (OECD/EU, 2018).

Mirroring the data on employment, “workers with little education had higher unemployment rates irrespective of their nationality” (OECD/EU, 2018). As a matter of fact, the rate of unemployment among third-country nationals with low educational attainments was equal to 23%, reaching the highest levels in Sweden, Spain, and Belgium. On the other hand, the rate of unemployment among third-country nationals with high educational attainments was equal to 13%. As a consequence, the unemployment rate of poorly-educated migrants was 10 percentage points higher than those of highly-educated immigrants. However, disparities between nationals and non-EU migrants were “wider among the highly than the poorly educated” (OECD/EU, 2018). The widest gaps were recorded in Belgium, Sweden and all German-speaking countries, where non-EU immigrants with high levels of education were “at least four times more likely to be unemployed than their national peers” (OECD/EU, 2018).

Over-qualification and educational attainment

Another disparity was recorded in the over-qualification rate, meaning the “share of highly educated [...] who work in a job that is [...] classified as low- or medium-skilled” (OECD/EU, 2018). As a matter of fact, while 42% of non-EU workers were over-qualified, this rate dropped down to 22% among EU nationals. In particular, this phenomenon was largely spread in Southern Europe, “affecting at least two-thirds of highly educated third-country nationals” (OECD/EU, 2018). For instance, in Italy the share of third-country nationals working in over-qualified conditions was four times higher than the rate of nationals. In Portugal, the former was five times higher than the latter. On the other hand, in Luxembourg and in the United Kingdom the over-qualification rates among third-country nationals were lower by 10 percentage points than the rates of nationals.

Interestingly, this phenomenon hit almost equally both male and female third-country nationals. Indeed, even though in many countries women were more likely to work in an over-qualified position than men, no matter their nationality, among third-country nationals “the over-qualification ratio between third-country female nationals and their host-country peers was similar than that for men , around two to one” (OECD/EU, 2018).

**Over-qualification rates, by citizenship and gender**

Percentages of highly educated, 15- to 64-year-olds, 2015-16

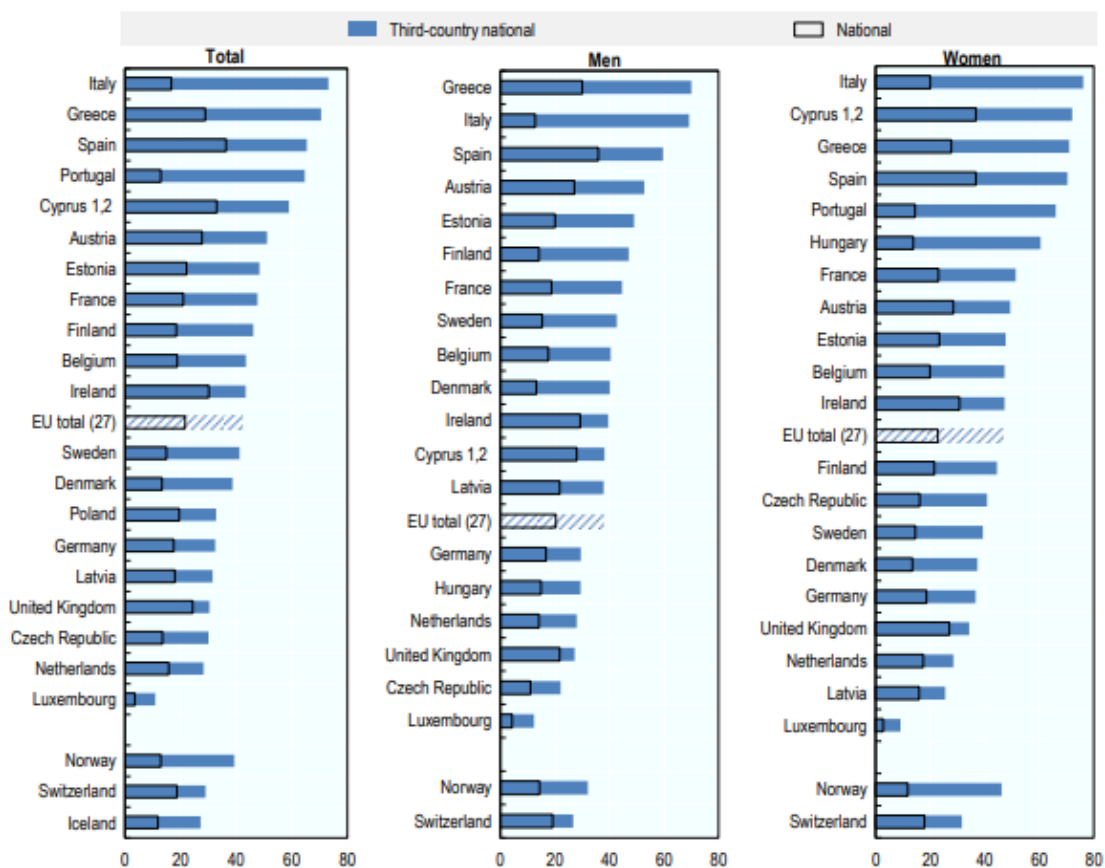


Figure 17 from *Settling in 2018: Indicators of Immigrant Integration*

A possible way to counteract the over-qualification phenomenon was to hold a host-country degree. In fact, holding a host-country degree cut by 50% “the over-qualification rates of non-EU nationals in Sweden, Germany and the Netherlands, compared to their foreign-educated peers” (OECD/EU, 2018).

Speaking of over-qualification, the educational attainment of third-country nationals should also be examined. In general, non-EU migrants had “lower levels of educational attainment than nationals” (OECD/EU, 2018). In total, third-country nationals with a low level of education were almost 6.4 million. In percentage, the share of poorly-educated third-country nationals was equal to 45%, “almost twice that of nationals, of whom 23% went no further than lower secondary school” (OECD/EU, 2018). Contrarily, almost 3.3 million third-country nationals were highly-educated, representing 24% of the non-EU population and lower by five percentage points than the share among nationals. The largest amount of low-educated non-EU immigrants resulted to live “in countries of longstanding immigration” (OECD/EU, 2018), such as Southern European countries, Latvia and Estonia. For instance, almost half of non-EU migrants in Italy, Spain, Greece, and France had lower secondary school attainments. Likewise, in Germany the number of low-educated people was four times higher among third-country migrants than nationals. By contrast, “over half [...] in Ireland and the United Kingdom had at least completed short-cycle higher education programmes, about 1.5 times as many as nationals. [...] In Poland and the Slovak Republic, [...] non-EU nationals were almost twice as likely to be highly educated than host-country nationals” (OECD/EU, 2018).

## Low- and highly educated, by citizenship

Percentages, 15- to 64-year-olds, 2015-16

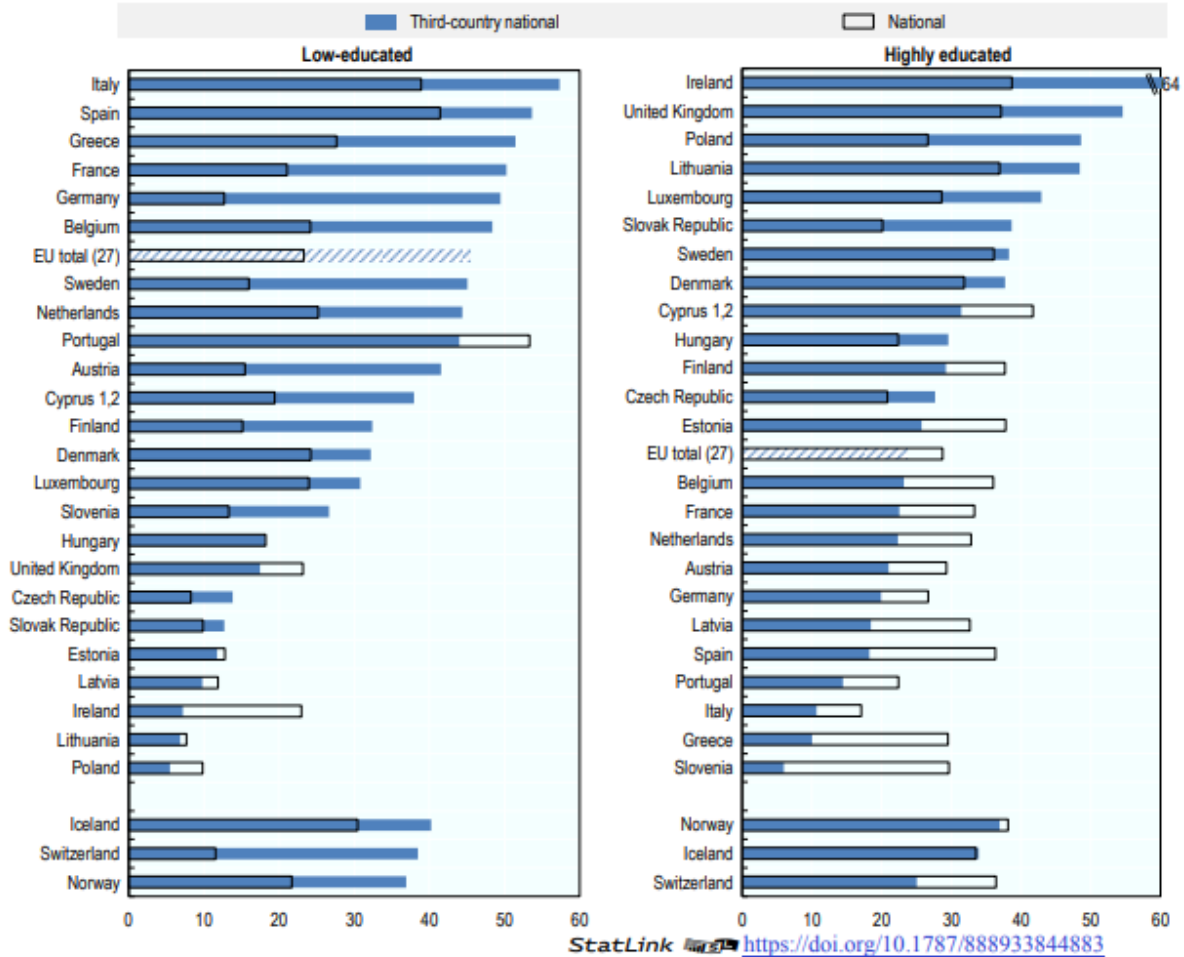


Figure 18 from *Settling in 2018: Indicators of Immigrant Integration*

Finally, it is noteworthy that 2.6 million non-EU nationals, representing 19% of the third-country population aged 15 to 64 years old, were “considered to have very low levels of education [...] and they went no further than primary school” (OECD/EU, 2018).

### Wages and living conditions

Such disparities and divergences had an influence over both the wages and living conditions of third-country nationals. First of all, there was a huge gap between nationals and non-EU nationals annual disposable household income. For instance, in Benelux, Spain and Sweden, the non-EU nationals annual disposable household income was lower than 60% of nationals' median income. Overall, the European average median income for non-EU nationals is equal to €10.5000, "compared to host-country nationals' EUR 13 700 and EU foreigners' EUR 13 800" (OECD/EU, 2018).

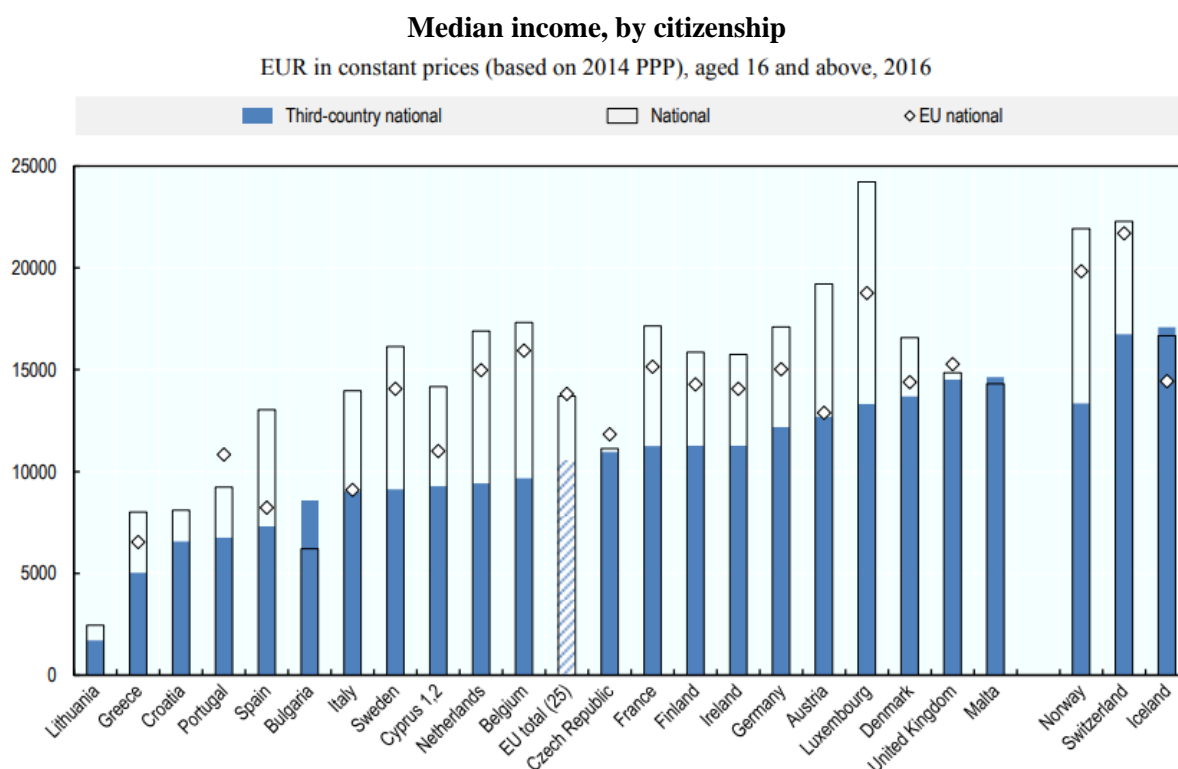


Figure 19 from *Settling in 2018: Indicators of Immigrant Integration*

Consequently, "third-country nationals (TCN) were strongly overrepresented in the lowest household income decile. A full 24% live in such households EU-wide, while less than 4% lived in a household in the highest income decile. Only in four countries were third-country nationals overrepresented in the highest income decile: The United Kingdom, Lithuania, the Czech Republic and Bulgaria. Further, only in the latter two were third-country nationals more often represented in the highest income decile than in the lowest. In the vast majority of countries, the household top income decile was about 3 to 6 times the amount of the lowest decile, and this ratio was broadly similar among nationals and non-EU nationals" (OECD/EU, 2018).

### Income deciles of third-country nationals

Percentages, aged 16 and above, 2016

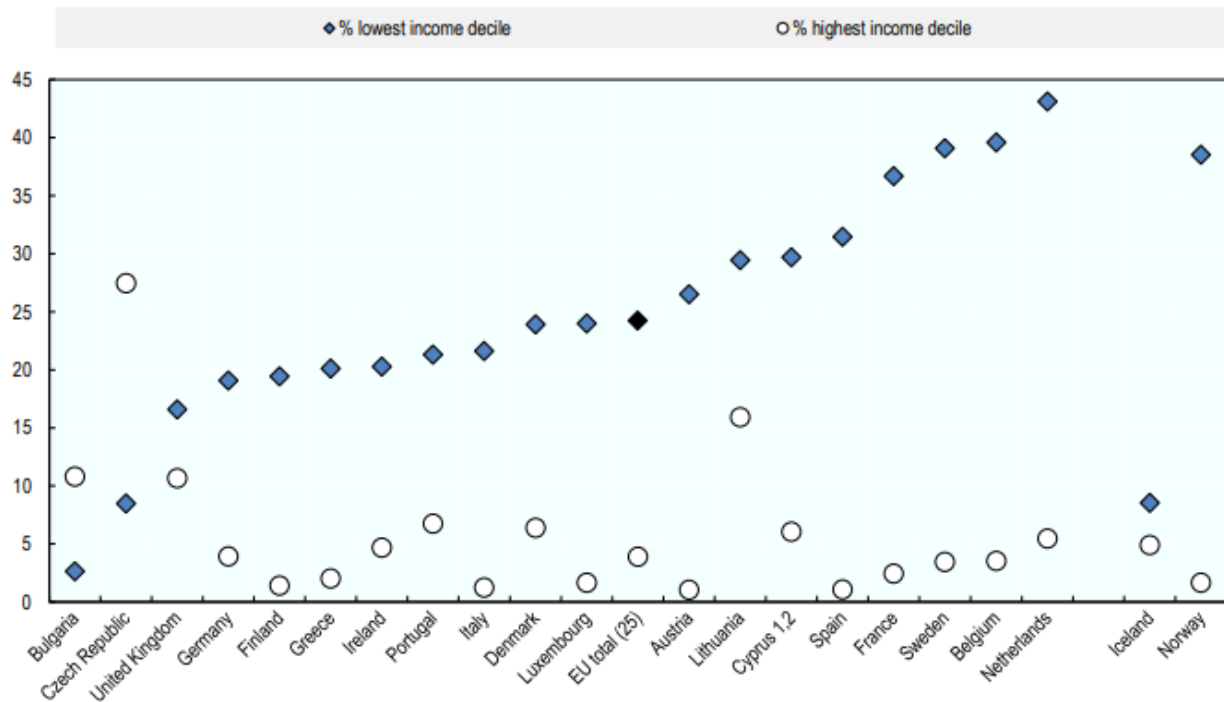


Figure 20 from *Settling in 2018: Indicators of Immigrant Integration*

On the other hand, this rate was equal to 24% for EU foreigners and 17% for nationals. “In most countries, more than one-third lived in poverty, rising to over half in Belgium, the Netherlands, Sweden and Spain. Fewer than a quarter were affected in four countries only, namely the United Kingdom and Malta, both destination countries for the highly educated, as well as Bulgaria and the Czech Republic” (OECD/EU, 2018). However, “the widest in-country differences came in Luxembourg where non-EU nationals were over 4 times more likely than nationals to be poor. Gaps were also high in longstanding destinations like the Netherlands, Belgium, and France as well as in Sweden. In Central Europe and the United Kingdom, discrepancies were narrower between host- and third-country nationals, with the latter less likely than the former to be poor only in Bulgaria” (OECD/EU, 2018).



### Relative poverty rates, by citizenship

Percentages, aged 16 and above, 2016

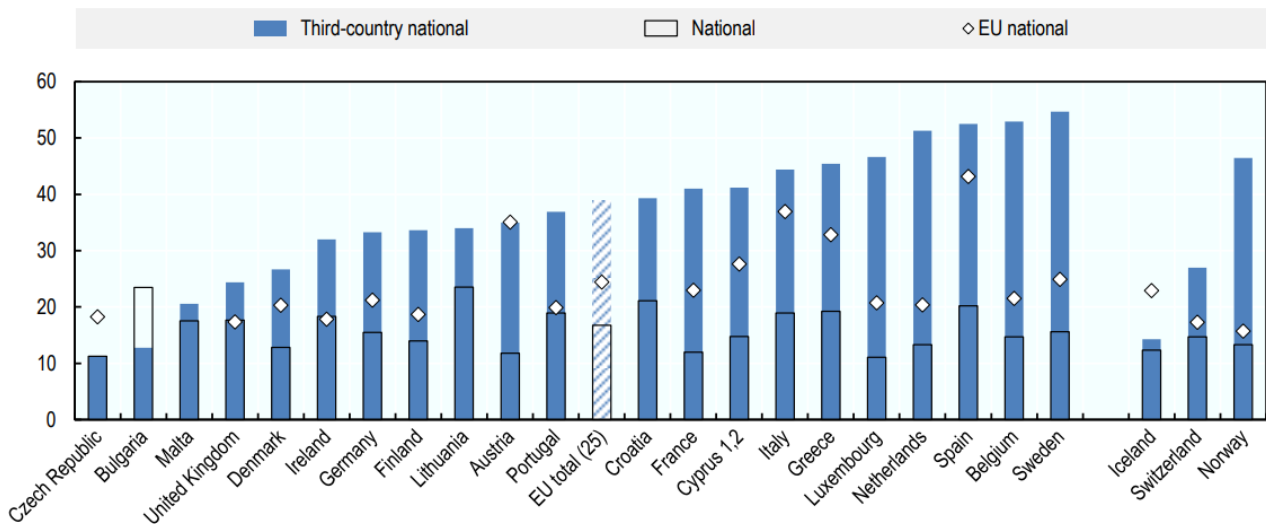


Figure 21 from *Settling in 2018: Indicators of Immigrant Integration*

Related to the annual disposable household income is the aspect of housing tenure. In 2017, there was a huge difference between the share of non-EU migrants owning the accommodation they lived in, which was lower than 25%, and the rate of nationals, which was higher than 72%. For EU nationals, the rate of home ownership was equal to 37%, higher than the share of third-country nationals “and just over half the rate of nationals. [...] The lowest shares came in Austria, Belgium, Ireland, Italy and Sweden with less than one-fifth” (OECD/EU, 2018).

### Rates of home ownership, by citizenship

Percentages of all households, 2016

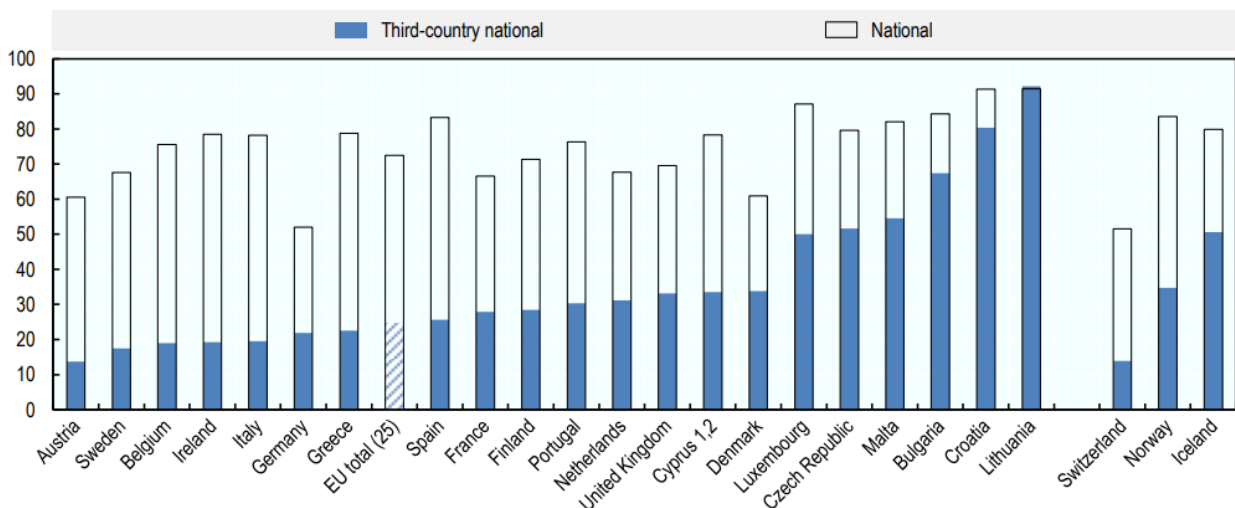


Figure 22 from *Settling in 2018: Indicators of Immigrant Integration*

## **The labour market outcomes of refugees in EU Member States**

After having examined the data on migrants and third-country nationals, it is now possible to inspect the data on refugees. Several surveys and studies, such as *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*<sup>7</sup> and *The Labor Market Integration of Refugee Migrants in High-Income Countries*<sup>8</sup>, “have revealed that refugees and other humanitarian migrants’ labour market outcomes are worse than those of other categories of migrants” (OECD, 2019). For instance, in 2018, one in five migrants from the Middle East were unemployed in the European Union.

### Employment

In *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*, Francesco Fasani, Tommaso Frattini and Luigi Minale found out that, in 2014, the employment rate of refugees was 7.8 percentage points lower than the rate of non-humanitarian migrants. On the other hand, the unemployment rate of refugees was 3.1 percentage points higher than the rate of economic migrants. The refugees experiencing the most challenging and difficult situations were “those from areas that account for the majority of current refugee waves” (Fasani, et al., 2018), in particular Africa and the Middle East.

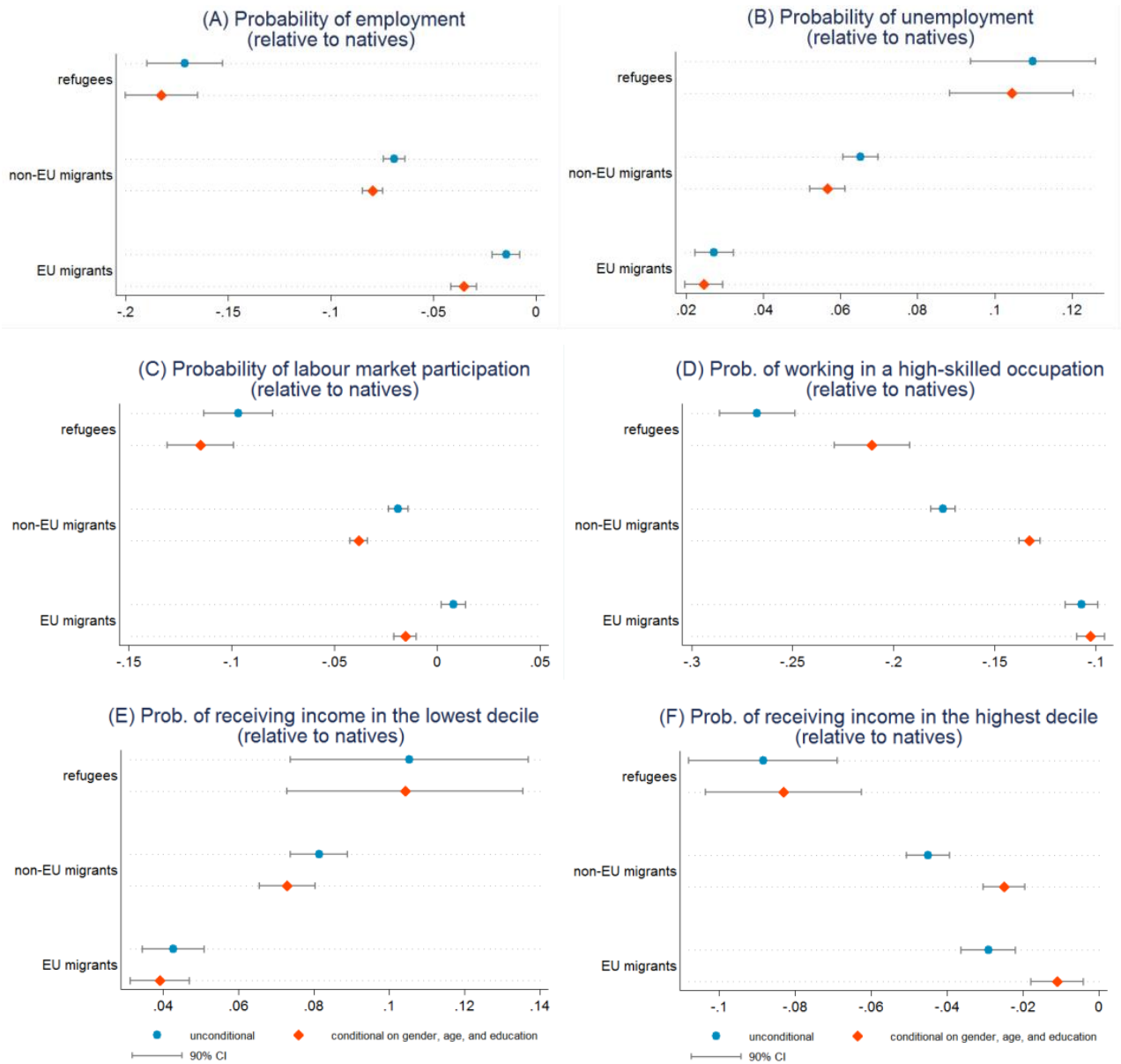
Similarly, there were different outcomes between refugees and third-country nationals. On the one hand, the employment, unemployment, and participation rates of refugees were, respectively, equal to 60%, 16% and 71%. On the other hand, the employment, unemployment, and participation rates of non-EU nationals were, respectively, equal to 65%, 14% and 76. For natives, those shares corresponded to 72% for employment, 7% for unemployment and 78% for participation.

---

<sup>7</sup> The paper written by Francesco Fasani (*QMUL, CReAM, IZA and CEPR*), Tommaso Frattini (*University of Milan, LdA, CReAM, IZA and CEPR*) and Luigi Minale (*Universidad Carlos III de Madrid, CReAM and IZA*), analyzes the labor market outcomes and performances of refugees “across several EU countries and over time” (Fasani, et al., 2018).

<sup>8</sup> The paper written by Courtney Brell, Christian Dustmann and Ian Preston, analyzes the labor market integration of refugees in several high-income countries.

## Refugee-native and immigrant-native gaps in labour market outcomes



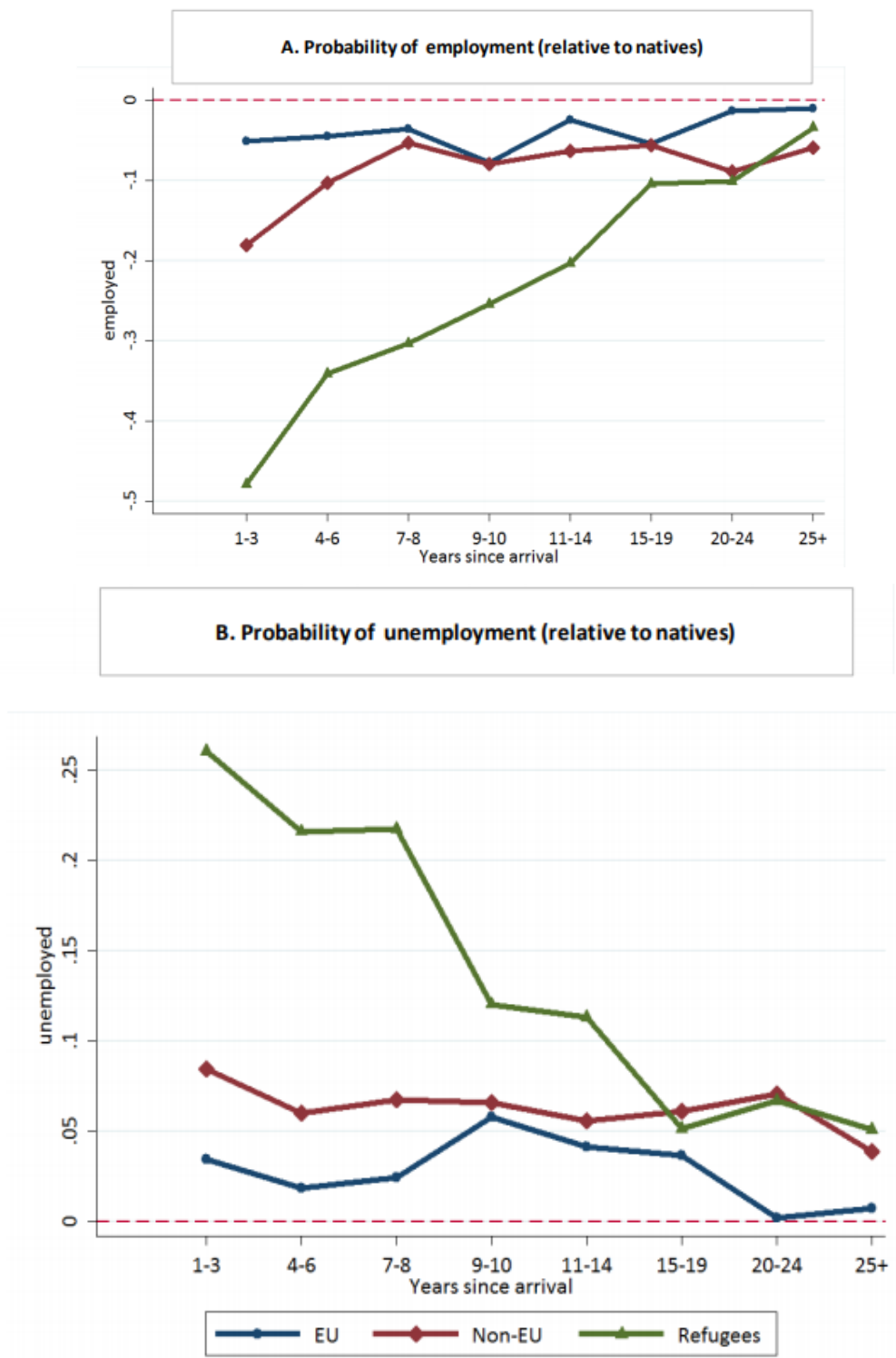
*Notes.* The figure shows the unconditional and conditional differences (and 90 percent confidence intervals based on robust standard errors) for various labour market outcomes between EU and non-EU migrants and natives, as well as between refugees and natives. The dependent variable is, alternatively, a dummy for whether the individual is employed (A); job hunting versus being in employment (B); employed or job hunting versus being out of the labour force (C); employed in a high skilled occupation versus being employed in other occupations (D); in the bottom decile of the national income distribution (E); or in the top decile of the national income distribution (F). Unconditional estimates are obtained from linear probability regressions that include destination country–observation year interaction dummies. Conditional gaps further control for gender, age and education. The sample comprises individuals aged 25–64 surveyed in 2008 or 2014. We also report 90 percent confidence intervals based on robust standard errors.

*Figure 23 from (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*

However, in *The Labor Market Integration of Refugee Migrants in High-Income Countries*, Courtney Brell, Christian Dustmann, and Ian Preston noted that, in general, “employment rates of refugee migrants are very low immediately after arrival in the host country, but typically increase quite rapidly over the first few years after migration. However, there is significant heterogeneity between countries” (Brell, et al., 2019). For instance, in the United Kingdom the employment rate of refugees was lower than 20% in the first two years after arrival, while in all the other countries were registered higher shares of employment.

Moreover, the employment rates of humanitarian migrants increased at a different pace across countries. For instance, in Sweden the employment rate of refugees increased rapidly and steeply, managing to reach the level of employment of nationals in almost ten years, while in Finland the rate remained constant and the gap never managed to close.

## Employment and unemployment gaps with natives by years since arrival



*Notes.* Figure 2A outlines the evolution of the percentage point difference in employment probability (conditional on age, gender and education plus destination country–interview year fixed effects) between natives and EU migrants (blue circles), non-EU migrants (red diamonds) and refugees (green triangles) by years in the host country. The sample comprises individuals aged 25–64 surveyed in 2008 or 2014. Figure 2B illustrates the evolution of the percentage point difference in unemployment probability (conditional on age, gender and education) between natives and EU migrants (blue circles), non-EU migrants (red diamonds) and refugees (green triangles) by years in the host country. The sample comprises individuals aged 25–64 who were employed or job hunting when surveyed in either 2008 or 2014.

Figure 24 from *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*

From the figures and tables above, it is worth noting the positive relation between employment rates of refugees and the years since arrival. Furthermore, it should be pointed out that “while employment of other immigrants is close to flat for several countries in the second period, refugees continue to experience growth, indicating an integration process of longer duration” (Brell, et al., 2019). Consequently, comparing the data among refugees with 11 to 19 years of residency with those of third-country nationals with the same period of residency, the gap is finally closed. Indeed, it is possible to affirm that “it takes over 15 years for refugees to converge with those of non-EU migrants” (Brell, et al., 2019).

**Employment Growth Rates of Refugees and Other Immigrants over Time since Arrival**

<i>Host country</i>	<i>Refugees 0–5 years</i>	<i>Other immigrants 0–5 years</i>	<i>Refugees 5–10 years</i>	<i>Other immigrants 5–10 years</i>
Australia	0.067	0.083	—	—
Canada	0.030	0.012	0.020	0.006
Denmark	0.073	0.066	0.019	0.020
Finland	0.027	0.007	0.012	0.012
Germany	0.048	0.026	—	—
Norway	0.111	0.000	0.010	–0.003
Sweden	0.076	0.058	0.044	0.025
United Kingdom	0.058	0.061	—	—
United States	0.056	0.048	0.023	0.011
Average	0.061	0.040	0.021	0.012

*Source:* The results are based on data from the following sources (for details see the online Appendix): Australia—BNLA, HILDA; Canada—Census; Denmark—Administrative registers; Finland—Administrative registers; Germany—SOEP; Norway—Administrative registers; Sweden—Administrative registers; United Kingdom—SNR, LFS; and United States—ACS.

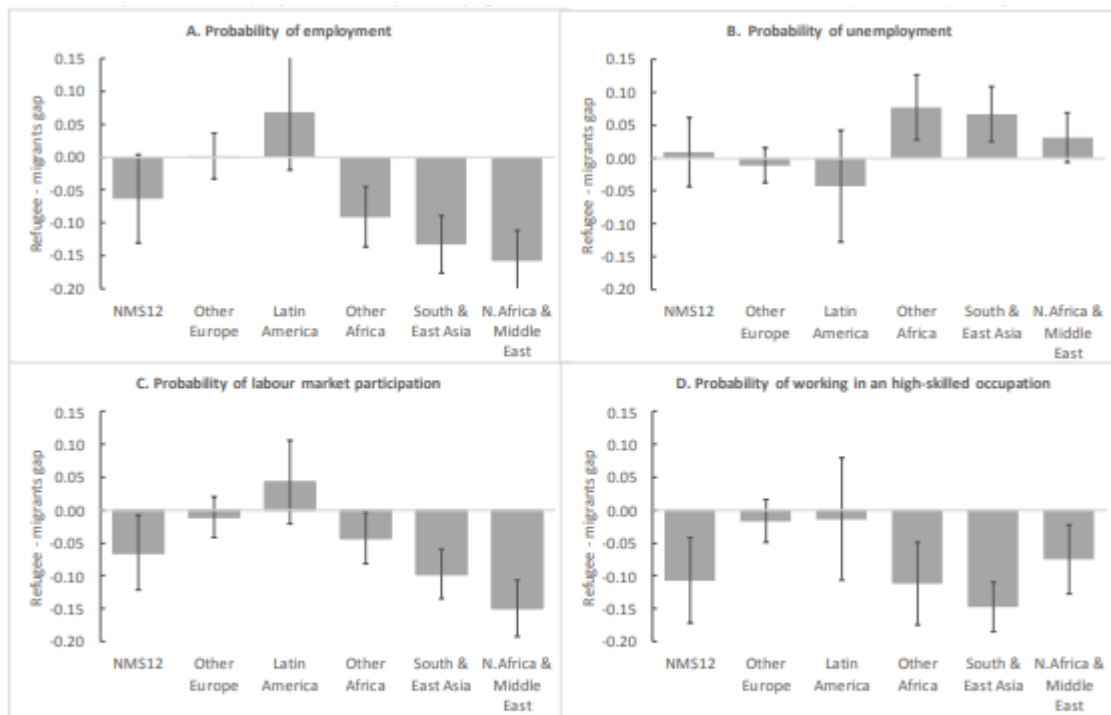
*Note:* The table shows average growth of employment rates for refugees and other immigrants. The second column shows the average yearly increase in the refugee employment rate observed during the first five years of residency in the host country, and the analogous figures for nonrefugee immigrants are displayed in the third column. The fourth and fifth columns similarly show the average yearly increases in employment observed for refugees and other immigrants during the period between five and ten years after arrival in the host country. The precise sample groups vary in their construction due to having been obtained from different data sources (see the online Appendix), but generally consist of working-age males and females.

*Table 7 from The Labor Market Integration of Refugee Migrants in High-Income Countries*

However, the labour market outcomes are not the same for all refugees. Also in this case, labour market indicators and outcomes are different according to countries of origin. Indeed, “the labour market outcomes of refugees from European countries outside the EU15 [...] were not too dissimilar from those of comparable immigrants from the same regions, with any differences tending to be statistically insignificant” (Brell, et al., 2019). On the contrary, the largest disparities in employment were recorded among humanitarian migrants from North Africa and the Middle East. Similarly, the widest divergences in unemployment were registered between refugees from the

rest of African countries. Finally, refugees from South and East Asia were the less likely to work in skilled jobs and occupations.

### Refugee-immigrant gaps in labour market outcomes by area of origin



*Notes.* The figure illustrates the conditional refugee–non-EU 15 migrant differences in various labour market outcomes, together with the corresponding robust standard error-based 90 percent confidence intervals. We estimate the regressions separately for each area of origin, controlling for gender, age, education, as well as interaction between destination country dummies and observation year or entry cohort dummies. The dependent variable is, alternatively, a dummy for whether the individual is employed (A); job hunting versus being in employment (B); or employed or job hunting versus being out of the labour force (C). The sample comprises non-EU15 immigrants aged 25–64 surveyed in 2008 or 2014.

Figure 25 from *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*

#### Differences related to gender

In addition to countries of origin, the previous data must be divided and examined according to gender. As well as among economic migrants, refugee women were less likely to be employed than men. However, such ratio of probability was even lower among female refugees rather than among third-country nationals and natives in every country.

Comparing the data between refugees, the gap between female and male refugees' employment rates was particularly accentuated in the first years after arrival. However, while the ratio of female employment among third-country nationals did manage to shrink and close over the years, the same pattern did not occur among refugees men, where their employment rate remained persistently smaller than that of natives and male refugees.

### Female versus male refugee-immigrant employment gaps by years since arrival

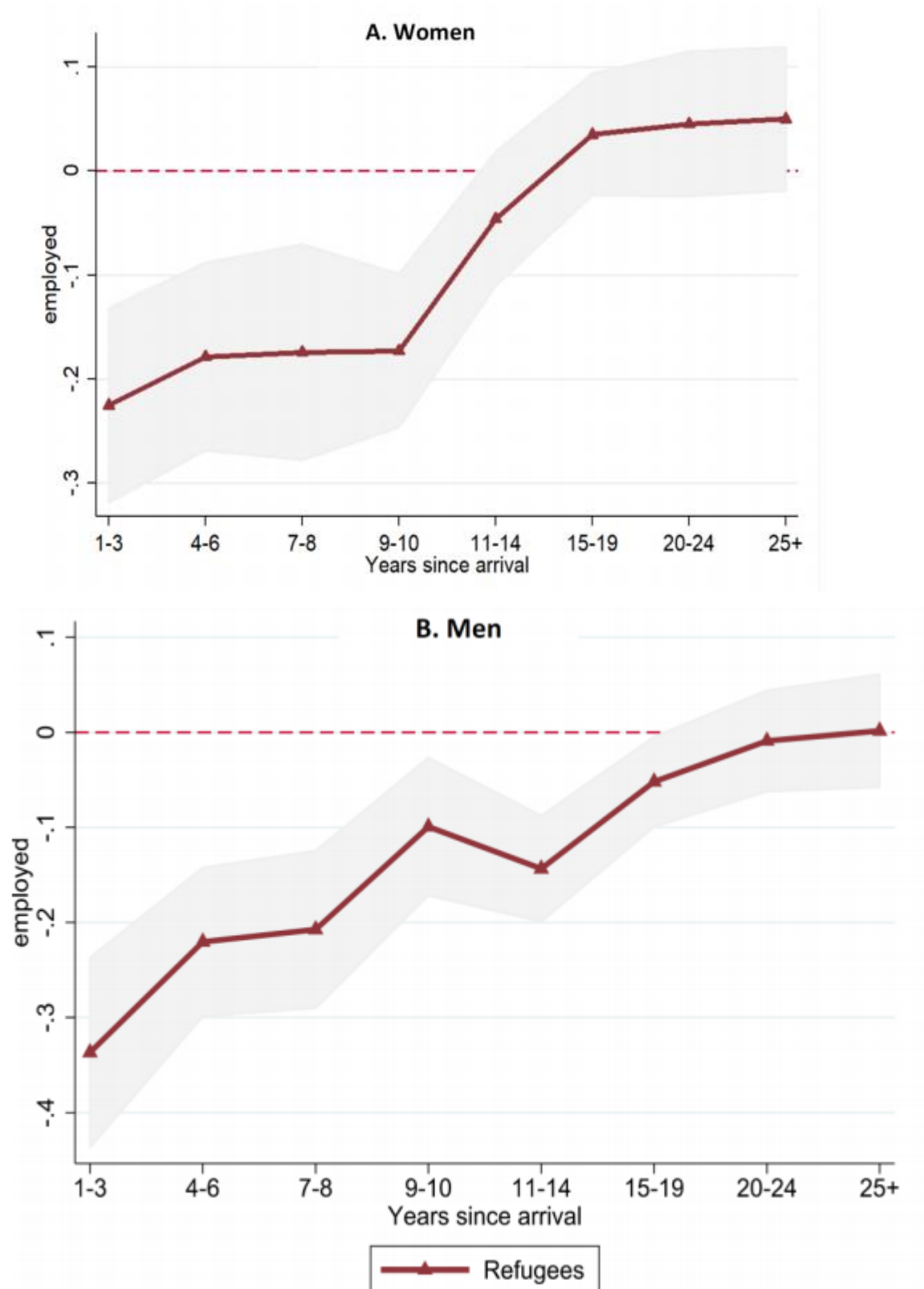


Figure 26 from *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*



Such results are even more marked and notable considering that the vast majority (60%) of the refugee population was male, a percentage much higher than those of third-country nationals, among which men represented 47-48% of the population.

Furthermore, comparing the data on third-country nationals and refugees, it is noteworthy that the disparity between the employment of female refugees and female migrants was smaller than the one between male refugees and male migrants. Indeed, while the employment rate of female refugees was lower by five percentage points than their immigrants' counterpart, the employment rate of male refugees was lower by 11 percentage points than their third-country national peers. Moreover, after the arrival, refugee women were “23 percentage points less likely to be employed than similar female immigrants, while the gap for men was 33 percentage points” (Fasani, et al., 2018). Similarly, women managed to close the divergence between their third-country nationals counterpart faster than men. Indeed, the gap between female migrants and refugees became insignificant after 11-14 years after arrival. On the other hand, it takes 20-24 years to close the gap between male refugees and other immigrants.

“Similar patterns held for unemployment and participation. Conversely, little gender difference was observable in the [...] refugee– immigrant gap in skilled occupation probability” (Fasani, et al., 2018).

### Refugee-immigrant gaps by gender

	Employment		Unemployment		Participation		Skilled occupation	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Refugee - Women</b>	-0.051***	-0.050***	0.019	0.010	-0.041**	-0.046***	-0.085***	-0.068***
	(0.019)	(0.018)	(0.016)	(0.016)	(0.018)	(0.017)	(0.021)	(0.020)
<b>Observations - Women</b>	37,533	37,533	24,865	24,865	37,533	37,533	21,581	21,581
<b>Refugee - Men</b>	-0.122***	-0.108***	0.059***	0.043***	-0.083***	-0.087***	-0.101***	-0.067***
	(0.015)	(0.015)	(0.014)	(0.014)	(0.013)	(0.012)	(0.016)	(0.015)
<b>Observations - Men</b>	31,595	31,595	28,035	28,035	31,595	31,595	24,778	24,778
<b>Host Country*Year</b>	YES	YES	YES	YES	YES	YES	YES	YES
<b>Age, Education</b>		YES		YES		YES		YES
<b>Entry Cohort*Host Country FE</b>		YES		YES		YES		YES
<b>Entry Cohort*Source Area FE</b>		YES		YES		YES		YES
<b>Baseline Probability Women</b>		0.584		0.134		0.674		0.283
<b>Baseline Probability Men</b>		0.779		0.122		0.888		0.304

*Notes.* The table reports the coefficients for a refugee migrant dummy, estimated using separate linear regressions for women and men with either an employment dummy, an unemployment dummy, a participation dummy, or a skilled occupation dummy (whether employed in a high-skilled or other occupation) as the dependent variable. The sample comprises non-EU15 immigrants aged 25–64 surveyed in 2008 or 2014. The two bottom rows report the unconditional means of the outcome variables for female and male non-refugee migrants. All specifications include destination country–observation year interaction dummies. “Age and education” are dummy variables for five–year age groups and for at most upper secondary or tertiary education (with at most lower secondary education as the excluded category). “Source Area” are dummy variables covering the seven major source regions (13 EU new member states; other European countries; North Africa and Middle East; other African countries; South and East Asia; North America and Oceania; Latin America). “Entry cohort” are dummy variables for year (or groups of years) of arrival in the host country. Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 8 from *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*

### Wages and living conditions

Ultimately, refugees were even more likely to work for lower wages and to be employed in a low-skilled job. Such probability was equal to 22% for refugees, 26% for third-country migrants, 44% for nationals.

As regards to wages, the “share of refugees in the top income decile is only 3 percent, less than half the corresponding value for non-EU migrants (7 percent) and about a quarter of the natives’ share (12 percent)” (Fasani, et al., 2018). However, over time refugees managed to increase their earnings and wages “but not, in most countries, markedly faster than other immigrants” (Brell, et al., 2019). On the contrary to employment rates that grew steeply and markedly in the first years after arrival, wages of refugees experienced slower but constant growths. Nonetheless, refugees never managed to close the divergence in wages with natives and other migrants, not even in the long term.

### **Wages of Refugees Compared to Other Groups**

<i>Host country</i>	<i>Years since migration</i>	<i>Refugee to native wage ratio</i>	<i>Refugee to other immigrant wage ratio</i>
Australia	2	0.697	0.761
Canada	2	0.408	0.634
Finland	2	0.329	0.388
Germany	2	0.496	0.735
Norway	2	0.554	0.858
Sweden	2	0.502	0.628
United States	2	0.401	0.487
Canada	10	0.583	0.689
Finland	10	0.633	0.678
Norway	10	0.762	0.886
Sweden	10	0.745	0.894
United States	10	0.547	0.701

*Source:* The results are based on data from the following sources (for details see the online Appendix): Australia—BNLA, HILDA; Canada—Census; Finland—Administrative registers; Germany—SOEP; Norway—Administrative registers; Sweden—Administrative registers; and United States—ACS.

*Note:* The table compares average wage levels of employed refugees to those of other immigrants and natives for various host countries at two and ten years after migration to the country. The third and fourth columns show the ratio of refugee wages to natives and other immigrants, respectively. The precise sample groups vary in their construction due to having been obtained from different data sources (see the online Appendix), but generally consist of working-age males and females recorded as being in employment.

*Table 9 from The Labor Market Integration of Refugee Migrants in High-Income Countries*

## **Main Findings**

The previous economic findings and outcomes can be summarized and schematized as follow:

- Overall, migrants, and especially, refugees, face worse and more unfair economic outcomes and conditions than their nationals and European peers;
- Refugees have lower shares and rates of employment and participation in the labour market than nationals, EU foreigners, and third-country economic migrants;
- Similarly, refugees have higher shares and rates of unemployment than nationals, EU foreigners, and third-country economic migrants;
- Moreover, refugee women face even worse economic conditions and outcomes than male refugees;
- However, despite being lower in the first years after arrival, refugees manage to increase their economic indicators, catching up to the levels registered by third-country nationals;
- Such outcomes have an influence over the wages and living conditions of refugees. As a matter of fact, refugees are less likely to be employed in skilled jobs, to be represented in the top decile income, and to own the house they live in;
- Finally, as well as for employment and unemployment, the wages and living conditions of refugees appear to improve with the years passed after arrival.

## References

- Brell, C., Dustmann, C. & Preston, I., 2020. The Labor Market Integration of Refugee Migrants in High-Income Countries. *Journal of Economic Perspectives*, 34(1), pp. 94-121.
- Fasani, F., Frattini, T. & Minale, L., 2018. (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe. *IZA Discussion Papers*, Issue 11333, p. 56.
- Hatton, T. J., 2020. Asylum Migration to the Developed World: Persecution, Incentives, and Policy. *Journal of Economic Perspectives*, 34(1), pp. 75-93.
- OECD/EU, 2018. *Settling In 2018: Indicators of Immigrant Integration*. [Online]  
Available at: <https://www.oecd-ilibrary.org/docserver/9789264307216-en.pdf?expires=1593682162&id=id&accname=guest&checksum=A247F23F6F8825AB630494F5DD29FD9FE>  
[Accessed 2 July 2020].
- OECD, 2018. *International Migration Outlook 2018*. [Online]  
Available at: [https://read.oecd-ilibrary.org/social-issues-migration-health/international-migration-outlook-2018\\_migr\\_outlook-2018-en#page4](https://read.oecd-ilibrary.org/social-issues-migration-health/international-migration-outlook-2018_migr_outlook-2018-en#page4)  
[Accessed 12 July 2020].
- OECD, 2019. *International Migration Outlook 2019*. [Online]  
Available at: <https://www.oecd-ilibrary.org/docserver/c3e35eec-en.pdf?expires=1593243520&id=id&accname=guest&checksum=1048E2BE69365B31420A71BE50C60254>  
[Accessed 27 June 2020].
- OECD, n.d. *Employment rate*. [Online]  
Available at: <https://data.oecd.org/emp/employment-rate.htm>  
[Accessed 12 July 2020].
- OECD, n.d. *Foreign-born employment*. [Online]  
Available at: <https://data.oecd.org/migration/foreign-born-employment.htm>  
[Accessed 12 July 2020].
- OECD, n.d. *Native-born employment*. [Online]  
Available at: <https://data.oecd.org/migration/native-born-employment.htm#indicator-chart>  
[Accessed 12 July 2020].
- OECD, n.d. *OECD.Stat*. [Online]  
Available at: <https://stats.oecd.org/>  
[Accessed 12 07 2020].
- The World Bank, n.d. *International migrant stock, total*. [Online]  
Available at: <https://data.worldbank.org/indicator/SM.POP.TOTL>  
[Accessed 11 May 2020].

## ***The Factors Influencing the Economic Integration of Refugees***

The gaps and divergences between the economic outcomes and integration of refugees and those of nationals, as well as between refugees and other third-country national economic migrants, can be explained by several factors and reasons. Such reasons and causes vary from the experiences refugees have lived and witnessed to policies, from language proficiency to health status and social networks.

### **Flight**

As examined in the first chapter, refugees and asylum seekers generally flee and escape from “civil conflict, religious or ethnic persecution, lethal police corruption, or inadequate protection of minority human rights” (Brell, et al., 2019). The decision to leave one’s home in such dramatic events and conditions has repercussions on the economic selectivity of refugees, which might be expected to be lower than those of economic migrants. As a matter of fact, refugees can have high as well as low educational attainment. Furthermore, among refugees there may be both low- and high-skilled individuals. Finally, such skills and capabilities may be inadequate and superfluous with regard to the demands and the characteristics of the host-countries and their labour markets.

However, in *Refugees’ and Irregular Migrants’ Self-Selection into Europe: Who Migrates Where?*, “Aksoy and Poutvaara [...] point out that, even if economic selectivity may be expected to be less strong for refugees than for other types of migrants, it will not be absent” (Brell, et al., 2019). In point of fact, several economic aspects and factors might play a role in the decision to flee, such as the wealth that would be abandoned or the economic prospects in the possible destination country. Furthermore, economic wealth and prosperity may have an influence on the challenges and obstacles refugees have to face during their journeys. Some refugees can afford more reliable and safer way and means of reaching the host-countries, while some others have to face more risks in more challenging journeys.

### **Journey**

The journey is another step of both economic and social selectivity. Many of those running and fleeing for humanitarian reasons “remain in the country of origin” (Brell, et al., 2019). Indeed, according to the UNHCR, in 2018 42% of the total stock of displaced people were asylum seekers and refugees, while the other 58% were internally displaced. In addition, the vast majority of asylum seekers and refugees live and are hosted in countries closed and near to their origin countries. The proportion of refugees living in such countries is equal to four-fifths. Furthermore, such countries, as analysed in the first chapter, are developing countries. As a consequence, only a small part of displaced persons manages to reach European countries. Those who are able to reach the European shores are, hence, selected by the challenges, the risks, and the journey they had to

deal with. Such journey may differ greatly between them, but they are often characterized by several obstacles and risks of death. As a matter of fact, according to the UNHCR, in 2020, while 48,233 people managed to reach the Mediterranean shores from January to August, there were 443 people considered dead or missing. Similarly, in 2019 there were 123,663 arrivals and 1,319 dead or missing. In 2018, such data were equal to, respectively, 141,472 and 2,277.

### **Intermediate Destinations**

During their journey, asylum seekers and refugees may cross and live, sometimes for prolonged periods and time, in intermediate countries and destinations. Such stay could be with or without a legal authorization, in refugee camps for few days or several months and years. Refugee camps are generally rudimentary, with very low job opportunities and probabilities, along with very low standards and levels of education, health, and safety. As a consequence, living and frequenting a long period of time in such structures and places can affect the willing and capability of refugees in exploring, entering, and integrating into the economic and labour market of host-countries, causing a deterioration and a decline of the human capital of refugees. Consequently, also the resettlement policies implemented by countries and government and their outcomes are criteria of economic selectivity of refugees. However, the resettlement from a refugee camp to a developed country is not a common practice: according to the UNHCR in 2018 only 92.400 refugees were resettled in 25 developed countries.

### **Arrival**

The final step of the journey is the arrival. Even this step has influences and implications “for an asylum seeker’s [...] ability to undertake work” (Brell, et al., 2019). As a matter of fact, entering the host-country legally or illegally arriving, with or without the determination and the recognition of the asylum status, has different outcomes and influences over the process of integration into the civil, social, and economic aspects of the host-country. Those who arrives irregularly may spend time in detention or holding facilities until their case have been analysed and resolved, causing a further deterioration of the human capital, both physically and mentally.

### **Language, education, and training**

Language proficiency is another extensive barrier and obstacle to social and economic integration of refugees. According to Brell, Dustmann and Preston in their paper *The Labor Market Integration of Refugee Migrants in High-Income Countries*, “much of the gap between native and refugee employment in the European Union is argued to be accounted for by differing language skills” (OECD, 2019): while the employment rate of refugees holding at least intermediate-level skills in the host-country language is equal to 59%, such share drops down to 27% for those with low levels of host-country language proficiency. Moreover, in *(The Struggle for) Refugee Integration into the*

*Labour Market: Evidence from Europe*, Fasani, Frattini, and Minale found out that language difficulties and obstacles are the main barriers and obstructions in entering the labour market of host-countries for almost 25% of refugees. Overall, across the European Union, the share of refugees with less than ten years of residency with advanced skills in language of the host country is equal to 24%. Such share grows up to 49% among refugees with more than ten years of residency. On the other hand, the rates of other third-country national migrants in possess of advance skills in host-country language are equal to 54% among those with less than years of residency, while 69% among those with more than ten years of residency. As a matter of fact, generally, refugees have lower skills and abilities in regard to language proficiency than the other migrants. Furthermore, despite increasing slowly but substantially over time, language skills of refugees never manage to reach the levels and to fill up the gap with the other third-country nationals and economic migrants, “even decades after migration” (Brell, et al., 2019).

### **Social Networks**

Finally, social networks and connections play a fundamental role in the process of integration of refugees too. For instance, in 2012 Beaman<sup>9</sup> affirmed that a frequent phenomenon that could arise thanks to social networks is the one where workers can pass and transmit job offers and opportunities to other members of the social network who are unemployed. In the short run, as imaginable, the flow of new comings increases the unemployment rate. There are more people actively looking for a job, while the share of workers able to pass and spread information and news about job possibilities remain unchanged. However, slowly into time, some refugees are able to find a job and start working and, hence, to provide their social networks with info and news over job possibilities. “A positive information effect eventually dominates” (Brell, et al., 2019).

Accordingly, several authors<sup>10</sup> found out that “living in areas with high concentrations of co-ethnic or other minority individuals can improve the labour market outcomes of these refugees” (Brell, et al., 2019) and that, at the same time, dispersal and resettlement policies generally have negative influences in the process of economic integration of refugees by breaking and interrupting such networks and connections. Such results were also examined in the paper *Refugee Migration to Germany Revisited: Some Lessons on the Integration of Asylum Seekers*<sup>11</sup> in 2019.

---

<sup>9</sup> In 2012, Lori A. Baeman, Associate Professor at Northwestern University, wrote the paper *Social Networks and the Dynamics of Labour Market Outcomes: Evidence from Refugees Resettled in the US*, which analyses the influence on economic and labour market outcomes of social networks for refugees resettled in the United States of America.

<sup>10</sup> Such authors are: Per-Anders Edin, Peter Fredriksson, and Olof Åslund and their paper *Settlement Policies and the Economic Success of Immigrants* (2003); Anna Piil Damm and her papers *Ethnic Enclaves and Immigrant Labor Market Outcomes: Quasi-experimental Evidence* (2009) and *Neighborhood Quality and Labor Market Outcomes: Evidence from Quasirandom Neighborhood Assignment of Immigrants* (2014).

<sup>11</sup> The authors of the paper are: Herbert Brücker, Professor of Economics at the University of Bamberg and head of the department for International Comparisons and European Integration at the Institute for Employment Research (IAB) in

## Health

All of the previous aspects, steps, and experiences that have been analysed have an influence on the health of refugees. In point of fact, generally, refugees are characterized by lower levels of health with respect to other third-country nationals and economic migrants, as analysed by Osea Giuntella<sup>12</sup>, Zovanga Kone<sup>13</sup>, Isabel Ruiz<sup>14</sup>, and Carlos Vargas-Silva<sup>15</sup> in the paper *Reason for Immigration and Immigrants' Health*. Such lower levels of health can be explained by the traumatic and emotional events refugees had to live and experience, which could have an influence and affect their physiological and physical health. As a matter of fact, it is not by chance that generally refugees present mental issues and struggles. Such issues aggravate and exacerbate the difficulties refugees face while approaching and entering the labour market of host-countries. In 2015 Bogic<sup>16</sup>, Njoku<sup>17</sup>, and Priebe<sup>18</sup> found out that depression and post-traumatic stress disorder are vast and present phenomena among refugees.

Such disorders can result in antisocial behaviours and drug or substance abuse. For example, in *The Violent Legacy of Conflict: Evidence on Asylum Seekers, Crime, and Public Policy in Switzerland*, Mathieu Couttenier<sup>19</sup>, Veronica Petrencu<sup>20</sup>, Dominic Rohner<sup>21</sup>, and Mathias Thoenig<sup>22</sup> found out that people who have been exposed to and have lived periods of civil conflicts or mass killings during their childhood are generally 40% more likely to commit violent crimes rather than their counter peers who have not been exposed to such violent and dramatic situations.

Moreover, the stress and anxiety linked to and aggravated by the length of the determination process and the uncertainty related to its outcome are further obstructions in the process of integration of refugees. The uncertainty over the length of the process of recognition, over the outcome of the procedure, the fear of being deported, the insecurity about the future might worsen, exacerbate, and aggravate the capability of refugees “to recover from posttraumatic stress and to

---

Nuremberg; Jens Hainmueller, Professor in the Department of Political Science at Stanford University and also the Founder and Faculty Co-Director of the Stanford Immigration Policy Lab; Dominik Hangartner, Associate Professor of Public Policy at ETH Zurich and in the Department of Government at the London School of Economics and Political Science; Philipp Jaschke, Researcher in the "Migration and International Labour Studies" Research Department of the IAB; and Yuliya Kosyakova, Senior Researcher for IAB and lecturer at the University of Mannheim.

<sup>12</sup> Research Fellow at University of Pittsburgh.

<sup>13</sup> Post-doctoral fellow at the Centre on Migration, Policy and Society (COMPAS), at the University of Oxford.

<sup>14</sup> Fellow and Tutor in Economics at Harris Manchester College.

<sup>15</sup> Director of the Centre on Migration, Policy and Society (COMPAS) and Associate Professor at the University of Oxford.

<sup>16</sup> Unit for Social and Community Psychiatry, WHO Collaborating Centre for Mental Health Services Development, Queen Mary University of London.

<sup>17</sup> Fredericton OSI Clinic, NB, Canada.

<sup>18</sup> Unit for Social and Community Psychiatry, WHO Collaborating Centre for Mental Health Services Development, Queen Mary University of London.

<sup>19</sup> Research Chair Investissement d'Excellence (IDEX) at University of Lyon – Ecole Normale Supérieure de Lyon – GATE.

<sup>20</sup> Grant Proposal Coordinator and Research Fellow, NCCR On the Move at University of Neuchâtel.

<sup>21</sup> Professor of Economics and Co-Director of the Department of Economics at University of Lausanne.

<sup>22</sup> Professor of Economics at University of Lausanne.



integrate in society once asylum has been granted” (Bakker, et al., 2013). Moreover, the uncertainty over the outcome of the process, combined with the length of the process itself, can exacerbate the feeling of dependence of asylum seekers of refugees. Likewise, it can lower the self-confidence of refugees, reducing their willingness and capability in looking for and finding a job. “It is quite probable that a lengthy stay in asylum accommodation fosters a passive attitude, making integration a difficult task in the long run” (Bakker, et al., 2013).

### **Public Policies**

Public policies can play a fundamental role in the process of integration of refugees. On the one hand, policies enacted by governments could diminish the barriers and the obstacles refugees face. On the other hand, public policies can enhance the physical, mental, cultural, social, and economic issues and difficulties that characterize asylum seekers and refugees, as in the case of dispersal policies or the length of the process of recognition of their status.

Such policies can be categorized in three different categories, according to the area in which they have an influence: policies affecting the process of asylum recognition of refugees; policies affecting the economic integration of refugees; policies affecting the social and civic integration of refugees.

#### *Policies affecting the process of asylum recognition of refugees*

As stated above, the length of the process of recognition of the asylum status can have an influence on the labour market integration of refugees. Actually, asylum seekers, after having reached the shores and the borders of the host-countries, have no clue over the length and result of their determination and recognition process. Furthermore, “being exposed to relatively higher recognition and decision rates seem to reduce the refugee gaps we have documented so far” (Fasani, et al., 2018). For instance, the gap between the employment of refugees and those of third-country nationals seems to decrease by 5-7 percentage points in years with a high rate of recognition of asylum and refugee status. Similarly, the unemployment rate of refugees appears to decrease by 10 or 11 percentage points for those who have recognised their asylum status during period of high recognition rates.

In order to decrease the length of the recognition process, European countries have adopted several and different policies. Some countries have legislated laws and policies in order to improve the efficiency and organisation of reception centres and facilities. Some other countries have implemented a “new technology for identification purposes” (OECD, 2019). Centralised reception facilities have been set up in Germany, in order to fasten the reception of the applications of asylum seekers and the determination of their status. Asylum seekers must live in such reception facilities for the duration of the process of determination, “which should not exceed 18 months” (OECD,

2019). Similarly, more asylum procedures were established in France in 2019. An accelerated procedure is provided for those asylum seekers who have made their asylum application more than 90 days after the irregular arrival. Italy has also adopted measures in order to accelerate the process of recognition, “establishing new asylum courts to reduce a backlog” (OECD, 2019).

#### *Policies affecting the economic integration of refugees*

Several public policies targeting economic aspects, indicators and outcomes were passed too. For instance, in 2018, Germany approved several policies and measures aiming at better orienting “the integration courses to target groups and to tailor them more according to participants’ skills” (OECD, 2019). Additionally, language learning and employment possibilities are offered to asylum seekers and refugees that are not expected to leave Germany in the short term. Similarly, the French government adopted policies willing at fostering the social and administrative support tools in the fields of health, social rights and training in order to help and support the newly arrived ones during their first months after having been recognized the asylum and refugee status. Furthermore, France has also tripled the funds for the HOPE programme. The HOPE programme aims at providing an introduction to the labour market and employment by offering 8 months of language training as well as internship and apprenticeship opportunities. Moreover, the HOPE programme provides 20.000 additional housing units reserved to refugees, along with organizing helping centres and facilities for women and people suffering from post-traumatic syndrome. Finally, the French government has also adopted a new law on asylum and immigration which also aims at promoting the labour market integration of refugees. Such measures are, for instance, aimed at facilitating the match between job seekers and job offers as well as granting “professional language training adapted to the labour needs of each region” (OECD, 2019). Moreover, the period before asylum seekers and refugees can enter the labour market of the country has been lowered from nine to six months.

In February 2018, Ireland abandoned the *International Protection Act 2015*, which forbids asylum seekers and applicants to enter the labour market.

Sweden has adopted the so-called *fast tracks*, a policy “aim at transferring refugees with relevant skills and experiences to occupations where employers face difficulties in finding the right competence” (Åslund, et al., 2017). Similarly, in Norway a project was launched in 2018 in order to increase the participation and the attendance of refugees into courses of science and technology. The attendants receive an engineering recognition which is fully recognised inside the labour market, making refugees “more attractive to employers” (OECD, 2019). Speaking of classes and courses, the Norwegian government has adopted a revision of the *Introduction Act* at the end of 2018 to

improve the access to, the results, and outcomes of the introduction courses. Such courses are focused on education and qualification, work, and social integration.

Since the end of 2017, the project *My first employment in Estonia* was launched in the Eastern country. The aim of the service was to promote the employment among both asylum seekers and refugees. Wage subsidies are reserved to those employers that decide to employ refugees and beneficiaries of international protection. “In addition, certain costs are compensated (translation service costs, costs for Estonian language training or vocational training) and a reward for mentoring was introduced in early 2018” (OECD, 2019).

Similar policies were also ratified in Bulgaria, where the *National Employment Agency* (NEA) is on charge of organizing and providing special sessions of recruitment for refugees and beneficiaries of international protection, as well as incentives and subsidies to employers who hire refugees.

Always in 2018, the *Integral Migration Agenda* was adopted in the Netherlands, in order to establish several long-term policy goals and to foster the coordination between different stakeholders and the integration of refugees since their arrival.

### *Policies affecting the social and civic integration of refugees*

#### **A. Dispersal Policies**

Finally, there are also policies affecting the social and civic integration of refugees. One kind of such policy was already mentioned, and it is the dispersal policy. A dispersal policy provides that asylum seekers are generally resettled from reception centres to specific location all over the host-country. Dispersal policies have been ratified and are currently used in the Netherlands (since 1987), in Norway (since 1994), and in Ireland (since 2000).

In *(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*, Fasani, Frattini, and Minale found out that refugees which have been subject to a dispersal policy suffered for a huge gap in employment with regards to those migrants who have not been subject to such policy. “In the most restrictive specification (column 3), the refugee gap for these latter is minus 6 percentage points, rising to minus 14.8 percentage points for those who have been exposed to dispersal policy. Such negative DP effect on refugee outcomes is confirmed by the results for unemployment, participation and the probability of being employed in a skilled occupation (columns 4, 5 and 6, respectively)” (Fasani, et al., 2018). Such negative effects can be due to the lack of ethnic and social networks, likewise the “placement in disadvantaged areas” (Fasani, et al., 2018).

## Dispersal policies

	Employment			Unemployment	Participation	Skilled Occupation
	(1)	(2)	(3)	(4)	(5)	(6)
Refugee	-0.079*** (0.018)	-0.057*** (0.019)	-0.060*** (0.018)	0.028** (0.014)	-0.046*** (0.015)	-0.062*** (0.017)
Refugee * Dispersal policy <sub><i>t</i></sub>		-0.092*** (0.034)	-0.088*** (0.033)	0.022 (0.020)	-0.080*** (0.028)	-0.047** (0.020)
Host country*year	YES	YES	YES	YES	YES	YES
Gender, age, education	YES	YES	YES	YES	YES	YES
Source Area	YES	YES				
Entry Cohort*Host Country FE	YES	YES	YES	YES	YES	YES
Entry Cohort*Source Area FE			YES	YES	YES	YES
Observations	64,890	64,890	64,890	50,458	64,890	44,111

*Notes.* The table reports the coefficients for a refugee migrant dummy, as well as its interaction with an indicator of a refugee dispersal policy being active in the destination country at the migrant's time of arrival ( $T$ ), estimated by linear regression with either an employment dummy, an unemployment dummy, a participation dummy, or a skilled occupation dummy as dependent variable. The sample comprises non-EU15 immigrants aged 25–64 surveyed in 2008 or 2014. All specifications include destination country–observation year interaction dummies. "Gender, Age, Education" are dummy variables for gender, five–year age groups and at most upper secondary or tertiary education (with at most lower secondary education as the excluded category) "Source Area" are dummy variables covering the seven major source regions (13 EU new member states; other European countries; North Africa and Middle East; other African countries; South and East Asia; North America and Oceania; Latin America). "Entry cohort" are dummy variables for year (or groups of years) of arrival in the host country. Standard errors (in parentheses) are clustered at the entry cohort–host country level: \*\*\*  $p < 0.01$ , \*\*  $p < 0.05$ , \*  $p < 0.1$

*Table 10 from (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe*

### B. Family Reunification Procedures

Speaking of ethnic and social networks, another common trend among European countries has been the restriction of family reunification procedures. Since 2017, in Belgium the family reunification request of a parent is allowed and granted only if her/his child has presented an asylum application before turning 18 years old. If this condition is present, parent must not pay the costs and fees of their journey to reach their child. Moreover, the family reunification procedure must be opened and started within three months from the day in which authorities recognised the asylum status to the minor. Furthermore, since March 2019, a monthly ceiling on the number of residence permits given on the grounds of family reunification for refugees has been legislated in Denmark. Similarly, Germany established a ceiling to the number of asylum seekers and refugees that can apply for family reunification. Such ceiling is equal to 1000 applications per month.

On the other hand, in 2019 Sweden declined the restrictions on family reunification for people with a refugee status or with subsidiary protection. Such restrictions were implemented in 2015 and they provided temporary protection and stay, rather than permanent ones, "for beneficiaries of subsidiary protection" (OECD, 2019).

### **C. Benefits and subsidies**

In addition, some restrictions were also enacted with regards to the access to benefits for migrants. For example, in 2018, Austria restricted the amount of benefits granted per child, in particular reducing those provided for the second, and especially from the third child onwards. Furthermore, lower benefits and subsidies are granted to those applicants who have not finished “completed compulsory schooling in Austria, and have neither intermediate German (B1) nor advanced English language skills (C1)” (OECD, 2019).

### **D. Orientation and introduction courses**

However, European countries have also enacted policies aiming at fostering and increasing the civic and social integration of refugees. For instance, several countries have ratified policies in order to improve civic orientation courses, based on the history, the culture, the values and the knowledge of the host-country, “with the aim to promote social cohesion and help new arrivals adapt and live autonomously” (OECD, 2019). Germany provide asylum seekers with origin-country language courses which focus on the German culture, along with the steps ahead in the recognition process. Similarly, since June 2018, Norwegian municipalities must provide courses to asylum seekers living in asylum reception centres on the language, the culture, and the values of Norway. Furthermore, since 2020, in Belgium third-country nationals arriving in the country are obliged to attend civic integration programmes, which were before optional. In the Netherlands, unaccompanied minors, as well as families with children, are not only recommended but also obliged to attend introduction courses, which are financed and controlled by municipalities. Municipalities must also provide and “determine personal integration plans with each migrant” (OECD, 2019). Finally, also France legislated policies focused on the civic integration process of refugees. In 2018, France extended the duration of the *French Republican Integration Contract* (CIR) from 12 to 24 hours and the training was spread over several sessions, instead of concentrating at the beginning of the course. Also in this case, the courses focus on the so-called *Republican Pact*, which is based on the French and Republican values, such as secularism and equality between men and women. Other measures and policies have doubled the amount of school workshops for parents in order to address and guide their children to the way to success. Finally, the French government have provided scholarships for minors benefiting of subsidiary protection besides €500 culture vouchers for young foreigners regularly living in the French territory.

France also ratified policies focused and targeted to improve and foster the language proficiency of refugees. As a matter of fact, the duration of language training has been doubled from 200 to 400 hours. Similarly, 600 hours classes and courses are provided for migrants who are not capable of reading or writing “and childcare is foreseen to facilitate attendance of parents”

(OECD, 2019). In order to obtain a certificate of civic integration, as well as for long-term or residence permits, asylum seekers and refugees must now pass the A1 level in the *Common European Reference Framework* (CEF) for Languages. Similarly, in countries like Austria, Belgium, the Czech Republic, Estonia, and Poland, third-country nationals must prove to have acknowledged at least the B1 level of the host-country language to acquire citizenship. However, such measures and provisions are not extended to “children under 16, beneficiaries of international protection, victims of human trafficking and foreigners of Polish descent” (OECD, 2019). Actually, in Poland, free language, introduction, and adaptation courses are provided for all third-country residents who are enrolled in Polish schools, both adults and children. Finally, Poland has also decided to implement intercultural training for national teachers in order to foster integration.

#### **E. Measures to assist the most vulnerable groups**

Finally, European countries have also approved policies aiming at preventing and taking care of the most vulnerable groups and subjects. In Norway, immigration authorities can grant unlimited residence permit to minors between 16 and 18 years old. Similarly, unaccompanied minors which have been recognized a time-limited permit “can now have their cases reconsidered” (OECD, 2019). Mandatory introduction courses, taught in Norwegian, are provided for all families with children and unaccompanied minors.

Furthermore, other policies were adopted in order to improve the integration of children of immigrants and refugees. In September 2018, Belgium reformed and revised the *Strategic Plan on Literacy*, a plan which aims at increasing the participation in schools of migrant children and children with a migrant background, focusing in particular on children aged 2.5 to 5 years old. Bulgaria has also adopted new policies in order to increase the access to education and the probability of employment of unaccompanied minors and children, both asylum seekers and refugees.

Nonetheless, “despite the acknowledged additional difficulties migrant women face compared to migrant men in terms of labour market opportunities, policy initiatives targeted at migrant women remained scarce” (OECD, 2019).

*Implemented policies by each country*

	Dispersal Policies	Family Reunification Procedures	Benefits and subsidies	Orientation and introduction courses	Measures to assist the most vulnerable groups
Austria			✓	✓	
Belgium		✓		✓	✓
Bulgaria					✓
Czech Republic				✓	
Denmark		✓			✓
Estonia				✓	
France				✓	
Germany		✓		✓	
Ireland	✓				
Netherlands	✓			✓	
Norway	✓			✓	
Poland	✓			✓	
Sweden		✓			

Table 11

## References

- Åslund, O., Forslund, A. & Liljeberg, L., 2017. Labour market entry of non-labour migrants—Swedish evidence. *IFAU Working Paper Series*, pp. 1-47.
- Bakker, L., Dagevos, J. & Engbersen, G., 2013. The Importance of Resources and Security in the Socio-Economic Integration of Refugees. A Study on the Impact of Length of Stay in Asylum Accommodation and Residence Status on Socio-Economic Integration for the Four Largest Refugee Groups in the Netherlands. *Journal of International Migration and Integration* , pp. 431-448.
- Brell, C., Dustmann, C. & Preston, I., 2019. The Labor Market Integration of Refugee Migrants in High-Income Countries. *Journal of Economic Perspectives*, 34(1), pp. 94-121.
- De la Rica, S., Glitz, A. & Ortega, F., 2013. Immigration in Europe: Trends, Policies and Empirical Evidence. *Institute of Labor Economics (IZA)*, IZA Discussion Papers(7778), pp. 1-98.
- Fasani, F., Frattini, T. & Minale, L., 2018. (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe. *IZA Discussion Paper Series*, February, pp. 1-56.
- Hatton, T. J., 2020. Asylum Migration to the Developed World: Persecution, Incentives, and Policy. *Journal of Economic Perspectives*, 34(1), pp. 75-93.
- OECD, 2019. *International Migration Outlook 2019*. [Online]  
Available at: <https://www.oecd-ilibrary.org/docserver/c3e35eec-en.pdf?expires=1593243520&id=id&accname=guest&checksum=1048E2BE69365B31420A71BE50C60254>  
[Accessed 27 June 2020].
- United Nations High Commissioner for Refugees - UNHCR, 2020. *Operational Portal - Refugee Situations*. [Online]  
Available at: <https://data2.unhcr.org/en/situations/mediterranean>  
[Accessed 3 September 2020].



## ***The Economic Impact of Asylum Migration Flows***

Theoretically, as explained by Robert C. Feenstra<sup>23</sup> and Alan M. Taylor<sup>24</sup> in *Essential of International Economics*, in the short-run, considering other economic factors such as land and capital as fixed, immigration is expected to cause a lowering of wages among national workers. As a matter of fact, because industries “have more workers but fixed amounts of capital and land, the wage in [...] industries declines due to the diminishing marginal product of labour” (Feenstra & Taylor, 2010). Moreover, with a greater amount of labour force and workers, the production of industries grows.

In the long-run, also capital and land are mobile. Thanks to such mobility, industries are capable to keep and maintain constant their capital-labour ratios. As a consequence, the extra-labour will not be assigned and transferred to every industry, but only to the labour-intensive ones. “Moreover, along with that extra labour, some capital is withdrawn” (Feenstra & Taylor, 2010) from the capital-intensive industry to the labour-intensive one. Therefore, the capital-labour ratios remain stable. Hence, the marginal products of capital and labour, the wages and the rentals stand steady as well, despite the migration flows. “In the long-run model, when capital can move between industries, an inflow of labour has no impact on the wage and rental” (Feenstra & Taylor, 2010). Similarly, immigration does not affect the prices of goods. In the end, only industries are influenced by migration. Labour-intensive industries’ outputs are increased, while capital-intensive enterprises’ outputs are contracted.

Such theoretic model appears to be confirmed by the *Maríel Boat lift* case. The *Maríel Boat lift* case refers to the event that occurred in Miami from May to September 1980. In those months, innumerable boats full of political refugees left Cuba to reach Miami, in Florida. In five months, almost 125000 refugees arrived in Miami, increasing “the city’s Cuban population by 20% and its overall population by about 7%” (Feenstra & Taylor, 2010). Furthermore, in that period, the USA in general, and Miami, more specifically, were living a difficult economic period, characterized by a high level of unemployment. Because of the *Maríel Boat lift* case, people expected a huge further increase in unemployment, as well as a deep fall in wages. As reported by Feenstra and Taylor, the *Maríel Boat lift* migrants earned less than one-third compared to the other immigrants from Cuba living and residing in Miami. “The wages for low-skilled workers in Miami essentially followed national trends over this period, despite the large inflow of workers from Cuba” (Feenstra & Taylor, 2010).

---

<sup>23</sup> Professor of Economics at the University of California.

<sup>24</sup> Professor of Economics at the University of California.

### Other scholars' findings

According to J. Edward Taylor<sup>25</sup>, Mateusz J. Filipskib<sup>26</sup>, Mohamad Allousha<sup>27</sup>, Anubhab Gupta<sup>28</sup>, Ruben Irvin Rojas Valdesa<sup>29</sup>, and Ernesto Gonzalez-Estradac<sup>30</sup>, authors of the paper *Economic impact of refugees*, few surveys and studies have been conducted over the influence and the effects of refugees on the economies and the labour markets of host countries. Furthermore, such analyses may be discordant, heterogeneous, and divergent. Some scholars “suggest that refugees have no significant impact” (Taylor, et al., 2016). Someone else propose that asylum seeker and refugee waves provoke negative impact and shocks over the poorest part of the population of the host countries. For instance, some suggest that refugees may increase unemployment rates among the less-skilled workforce as well as decrease their wages and income. On the other hand, few academics and professors suggest positive effects “due to the income multiplier it creates” (Taylor, et al., 2016).

For instance, in the paper *Economic impact of refugees*, J. Edward Taylor, Mateusz J. Filipskib, Mohamad Allousha, Anubhab Gupta, Ruben Irvin Rojas Valdesa, and Ernesto Gonzalez-Estradac, analysed the economic impact of refugees in Rwanda, focusing in “host-country economies within a 10-km radius of three Congolese refugee camps” (Taylor, et al., 2016). The authors suggest a positive influence and impact of refugees within the host-country economy. In fact, the authors found out an increase from \$205 to \$253 in the annual income of those living within a 10 km radius around each refugee camp. Such amounts are equal to, respectively, 63% and 96% of the average per-capita income of nationals living around the two camps. Furthermore, the previous gains and profits are superior to the assistance granted by the *World Food Program*, respectively \$126 and \$120. The increasing income is mainly due to the spill over effects that result from the interaction between refugees and the host-country market, such as dealers, industries, and companies. Such spill over effects are the result of the purchasing of host-country goods and services by refugees, such as agricultural and livestock products.

However, “whereas increased demand may increase prices if supply does not respond, increased demand due to an additional refugee exerts limited upward pressure on prices around the cash camps” (Taylor, et al., 2016). As a matter of fact, the authors of *Economic impact of refugees* registered an increased in price index by 0.00034% and 0.00026% around the refugee camps.

---

<sup>25</sup> Professor of Agricultural and Resource Economics at the University of California.

<sup>26</sup> Member of the University of Georgia and of the International Food Policy Research Institute.

<sup>27</sup> Member of the Department of Agricultural and Resource Economics at the University of California.

<sup>28</sup> Member of the Department of Agricultural and Resource Economics at the University of California.

<sup>29</sup> Member of the Department of Agricultural and Resource Economics at the University of California.

<sup>30</sup> United Nations World Food Programme, East and Central Africa Regional Bureau, 00621, Nairobi, Kenya.

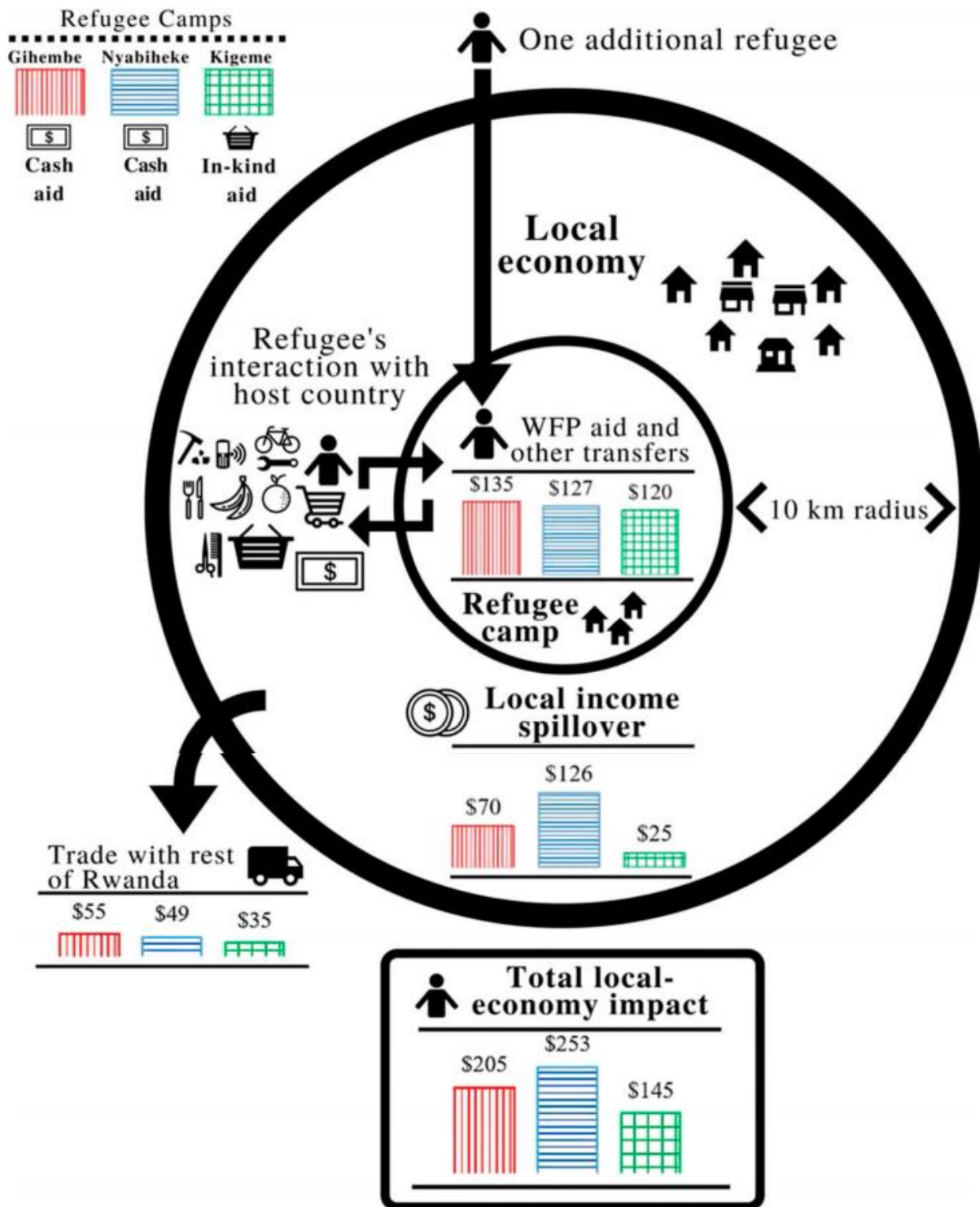


Fig. 2. Impacts of an additional refugee on income within a 10-km radius of each camp and trade with the rest of Rwanda. The bars within the refugee camp represent the WFP aid and other transfers, including the income refugees bring with them. The bars in the local economy circle are real-income spillovers within a 10-km radius of each camp, created by refugees' interactions with local markets. The total local-economy impact is the sum of all real-income increases inside and outside the camps, including spillovers to host-country households and their feedback on refugee households, for example, through employment and the prices of goods and services. These impacts, shown in the box at the bottom of the figure (Center), significantly exceed the amount given in aid (see CIs in *SI Appendix, Table S1*). The bars outside the circle (Left) show the stimulus to trade with the rest of Rwanda.

Figure 27 from *Economic Impact of Refugees*

On the other hand, in *The effect of refugee inflows on host communities: Evidence from Tanzania*, Alix-Garcia<sup>31</sup> and Saah<sup>32</sup> found “positive effects on prices of some agricultural products and a decrease in the price of food distributed in kind at refugee camps” (Taylor, et al., 2016).

Furthermore, in *Blessing or Burden? The Impact of Refugees on Businesses and the Informal Economy*, analysing the economic impact of Syrian refugees in Turkey, Onur Altindag<sup>33</sup>, Ozan Bakis<sup>34</sup>, and Sandra Rozo<sup>35</sup> find that asylum seeker and refugee flows have positive influence and impact on firms. First of all, the authors found out that an increase by one percentage point in the overall refugee population cause an increase by 4.3 percentage points in “firms electricity and oil consumption” (Altindag, et al., 2019), with particular reference to small and medium enterprises, as well as to firms working in the field of construction, restaurant, and hotel sectors. As a matter of fact, “these sectors might also be enjoying a larger aggregate demand shock due to refugee migration as housing and food are basic necessities” (Altindag, et al., 2019).

Moreover, refugee waves do have an impact on foreign direct investments. As a matter of fact, Altindag, Bakis, and Rozo discovered that a significant part of the “newly established firms are co-owned by Syrian partners, who possibly collaborate with Turkish peers to tackle the legal barriers to market entry for foreigners” (Altindag, et al., 2019). However, such results seem to be characteristic of and limited to the informal economy. As a matter of fact, officially, Turkish firms do not register any increase in the amount of employees, or in production and sales. However, the same companies register a higher consumption in electricity and other factors related to the manufacturing process. Such growth in informal economy is reflected in a decrease in native workers’ employment and wages always in the informal sector.

A similar result was discovered by Semih Tumen<sup>36</sup> in *The Economic Impact of Syrian Refugees on Host Countries: Quasi-Experimental Evidence from Turkey*. The author found out that “the refugee inflows to the treatment region reduce the likelihood of having an informal job by 2.26 percentage points for natives in those regions compared to the natives in the control region” (Tumen, 2016). Furthermore, Tumen registered a small growth in the formal employment equal to 0.46%, as well as an increase in unemployment (by 0.77%) and a decrease in the labour force participation (by 1.03%). Finally, Tumen found out that, both in formal and informal employment, “there is no statistically significant effect of the refugee inflows on the wage earnings of the native individuals” (Tumen, 2016).

---

<sup>31</sup> Professor at the Oregon State University.

<sup>32</sup> Professor at the University of San Francisco.

<sup>33</sup> Assistant Professor of Economics at Bentley University.

<sup>34</sup> Associate Professor of Economics at Bahcesehir University.

<sup>35</sup> Assistant Professor at USC Marshall School of Business.

<sup>36</sup> Professor of Economics at TED University.

Such controversies may be due to lack of data necessary to make estimations on the impact of refugees, “the complex effects refugees can have on host-country economies, and the infeasibility of an experimental approach to identify refugee impacts” (Taylor, et al., 2016).

### **The Economic Impact of Refugees in Europe**

In July 2016, the European Commission published the paper *An Economic Take on the Refugee Crisis*. In such report, the European Commission forecasted a positive although moderate short-term impact on growth as a consequence of the “unprecedented surge in the number of asylum seekers and refugees” (European Commission, 2016). According to the European Commission, the GDP of the European Union should have increased by an additional 0.2% in 2017, “compared to a baseline scenario” (European Commission, 2016). However, such impact and result should have been very different between each Member State. For instance, countries which have been more affected by the migration flows like Germany should have registered an additional GDP growth by 0.4-0.8 percentage points in 2017. Such prevision was also confirmed by the International Monetary Fund (IMF) in the report *World Development Indicators 2016*, as well as the OECD in the paper *How will the refugee surge affect the European economy?*. Such influence and impact should be mainly driven by higher public spending.

Furthermore, such effects can be different as a consequence of the skill-levels of refugees. As a matter of fact, “assuming a skill distribution similar to that of EU nationals (high-skilled scenario)” (European Commission, 2016), EU GDP could grow by 0.2 percentage points in 2017 and even increase beyond such threshold from 2018 to 2020. On the other hand, assuming low-skilled scenario (where migrants are primarily low-skilled), the European GDP is expected to grow by 0.2% in 2017, while decreasing to 0.1% by 2020.

Similarly, such effects can be traced regarding employment. As a matter of fact, in the high-skill scenario the European Commission forecasted an increase by 1.3 percentage points in 2020. In the low-skill scenario, the European Commission expected a growth equal to 0.6 percentage points in 2020.

GDP

Firstly, as it is possible to see from the picture below, since 2015, the year when Europe experienced the unprecedented flow of refugees and asylum seekers, none of the main hit countries have registered a decrease in their gross domestic product (GDP), despite from Greece in 2015 and 2016. Actually, countries like Spain and Sweden have experienced growths reaching 4% in 2015. Of course, such results were influenced by the economic rebound after the 2007-2008 economic crisis. However, it is interesting to note that the unprecedented huge wage of asylum seekers and refugees have not impacted negatively on the process of recovery of European countries.

**Real GDP growth rate - volume**

Percentage change on previous year

*Chain linked volumes, percentage change on previous period*

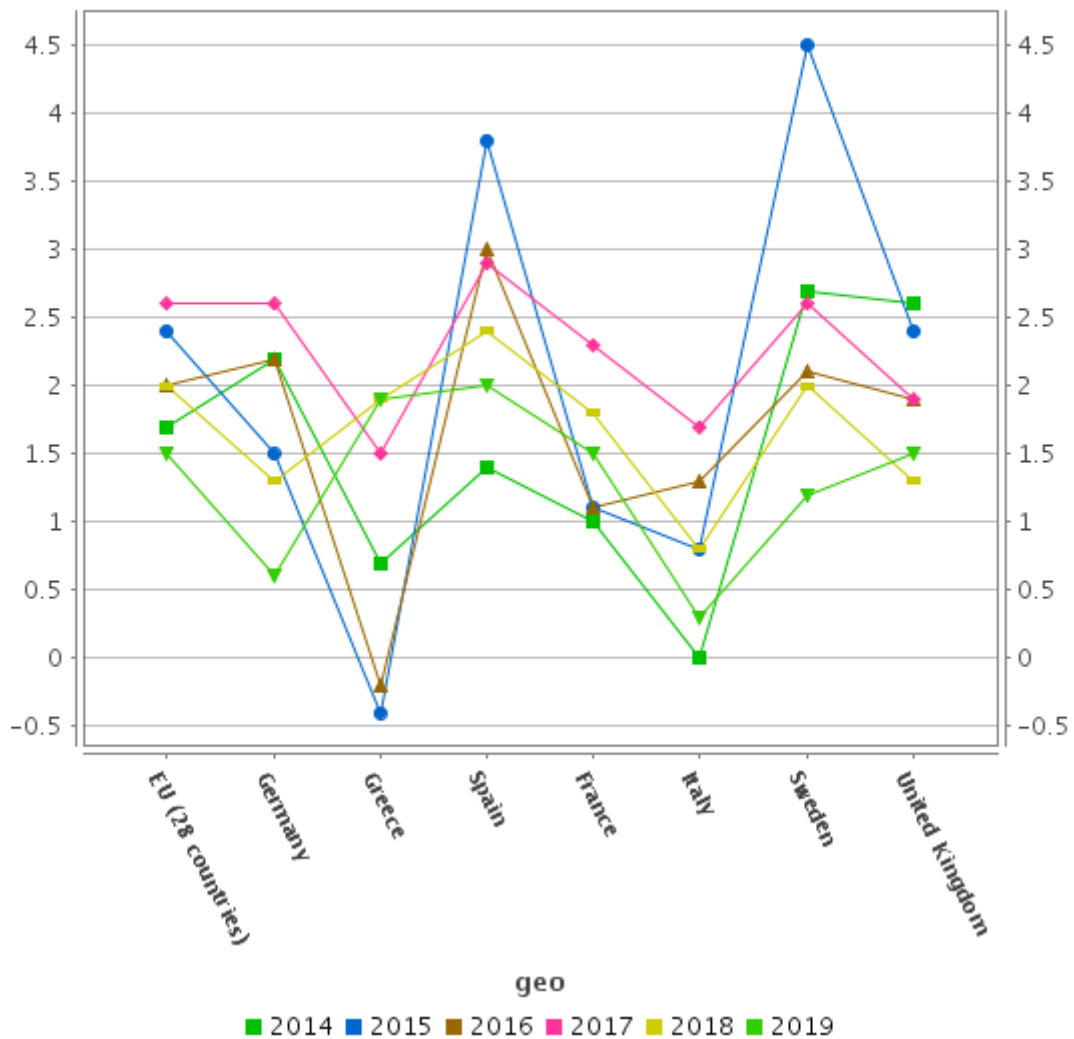


Figure 28 from Eurostat

The same pattern can be found in the data of the World Bank. As a matter of fact, it can be seen that, while decreasing from 2008, the GDP growth rate of the European Union and EU Member States has been recovering and it does not appear to be influenced negatively by the refugee migration phenomenon.

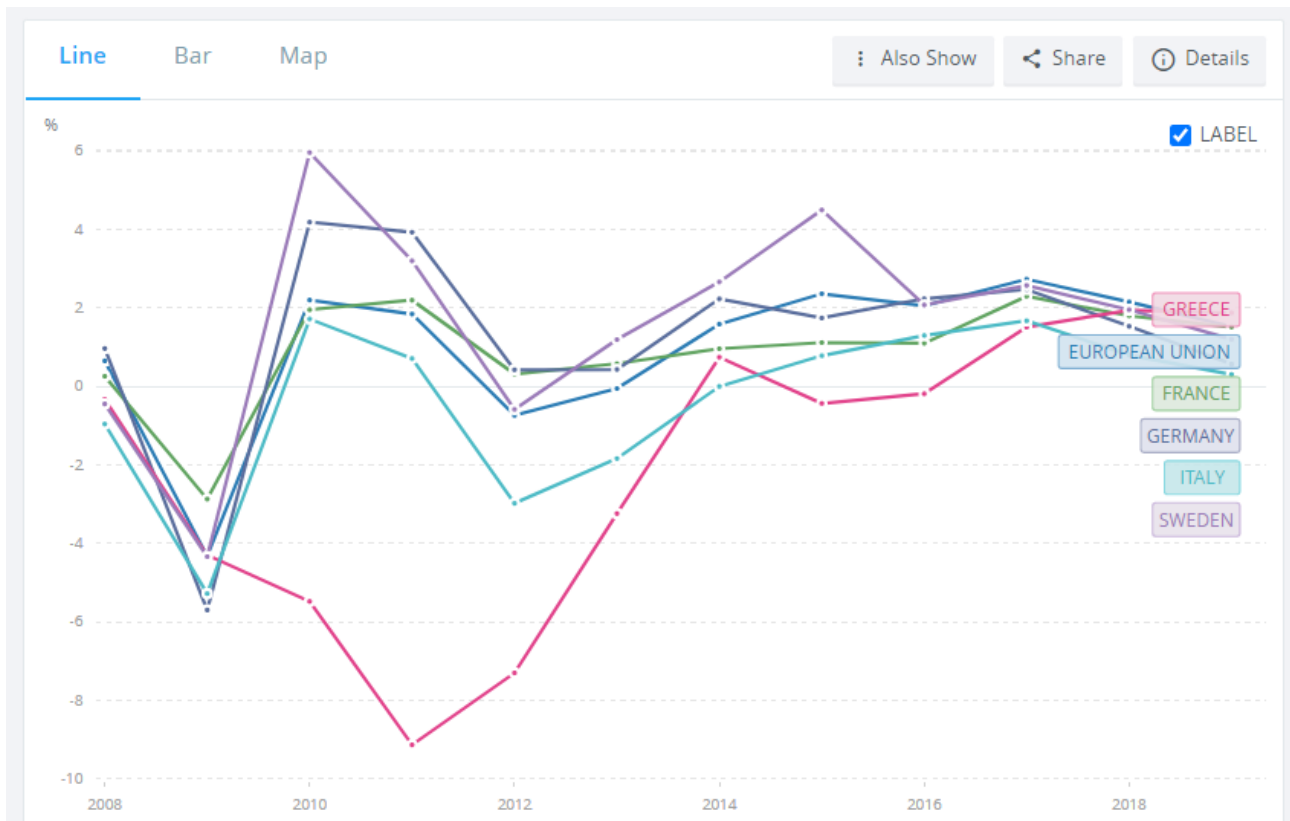


Figure 29 from The World Bank

### Employment

Overall, migration flows do not appear to be influencing employment among the European Union and the European countries. Apart from Greece, where the number of workers has been declining slightly, in all other countries, as well as in the Union as a whole, the employment rate has been increasing or keeping stable.

However, looking at the data on employment in a more specific and detailed way, it is possible to see how not all the same fields and kinds of jobs are experiencing the same trend. As a matter of fact, it is possible to note that the employment rate among those with “less than primary, primary and lower secondary education (levels 0-2)”, as well as among those with “upper secondary and post-secondary non-tertiary education” (levels 3-4) has been decreasing slightly.

On the other hand, the opposite trend has been registered among those with “tertiary education (levels 5-8)”.

Table 12 from Eurostat on employment

GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	237.417	237.844	239.012	239.843	240.339	241.083
Germany	40.990	41.117	41.932	42.094	42.094	42.424
Greece	4.747	4.738	4.732	4.701	4.657	4.634
Spain	22.814	22.767	22.657	22.558	22.607	22.803
France	29.121	29.182	29.214	29.238	29.360	29.246
Italy	25.039	24.997	25.243	25.340	25.327	25.254
Sweden	5.005	5.044	5.100	5.190	5.251	5.310
<i>Data on employment of those with less than primary, primary and lower secondary education (levels 0-2)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	18,2	17,8	17,6	17,3	17,1	16,6
Germany	12,2	12,3	12,5	12,5	12,5	12,6
Greece	26,1	24,6	22,8	21,8	20,9	17,9
Spain	34,5	34,2	33,9	33,5	33,0	32,2
France	17,1	16,1	15,3	15,4	14,7	13,8
Italy	31,7	31,4	31,2	30,6	30,2	29,7
Sweden	13,5	13,1	12,6	12,7	12,6	12,3
<i>Data on employment of those with upper secondary and post-secondary non-tertiary education (levels 3-4)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	48,8	48,5	48,3	48,0	47,6	47,2
Germany	60,1	59,3	58,7	58,4	58,1	57,3
Greece	40,2	41,3	41,9	42,2	42,2	45,2
Spain	23,5	23,9	24,0	24,0	24,1	24,0
France	44,9	44,9	44,8	44,2	43,5	43,2
Italy	48,0	47,7	47,6	47,1	46,8	47,0
Sweden	48,1	47,4	46,6	45,9	44,8	44,1
<i>Data on employment of those with tertiary education (levels 5-8)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	32,7	33,4	33,9	34,4	35,1	36,0
Germany	27,6	28,2	28,7	28,9	29,2	30,0
Greece	33,7	34,0	35,3	36,0	36,9	36,9
Spain	42,0	41,9	42,1	42,5	42,9	43,8
France	37,8	38,7	39,6	40,1	41,4	42,7
Italy	20,3	21,0	21,2	22,3	23,0	23,3
Sweden	38,2	39,3	40,7	41,1	42,3	43,3

Such trends can be influenced, in part, by the flows of asylum seekers and refugees that, as we have seen, are, on the one hand, generally characterized by low-medium levels of educational attainment and, on the other hand, tend to decrease the levels of employment in the short-term.



### Unemployment rate

Mirroring the data on employment, it is possible to note how, since 2014, the unemployment rate has been decreasing consistently. Among the countries which have been particularly hit by asylum migration flows and the resettlement of refugees, Sweden has been the only one experiencing a growth in unemployment from 2018 to 2019.

However, as well as a decrease in employment, a decrease was found also in the unemployment rate of those with “less than primary, primary and lower secondary education (levels 0-2)”. Similarly, a decrease was registered also among those with “upper secondary and post-secondary non-tertiary education (levels 3 and 4)” and tertiary education (levels 5-8).

<i>Table 13 from Eurostat on unemployment</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	6,5	6,0	5,5	4,9	4,4	4,1
Germany	3,4	3,2	2,9	2,6	2,4	2,2
Greece	15,7	14,8	14,1	12,8	11,5	10,3
Spain	16,0	14,5	12,8	11,2	9,9	9,1
France	6,4	6,5	6,3	5,8	5,6	5,2
Italy	7,1	6,7	6,6	6,4	6,1	5,7
Sweden	5,7	5,4	5,0	4,9	4,6	5,0
<i>Data on unemployment of those with less than primary, primary and lower secondary education (levels 0-2)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	18,5	17,3	16,1	14,7	13,2	12,4
Germany	11,8	11,2	10,1	9,5	8,8	7,9
Greece	28,2	26,7	26,4	24,3	22,3	21,0
Spain	33,8	31,0	28,0	25,0	22,1	20,3
France	17,1	17,6	18,0	17,0	16,1	15,5
Italy	16,6	15,6	15,7	15,5	14,6	13,8
Sweden	19,1	18,9	18,8	18,5	18,7	20,6
<i>Data on unemployment of those with upper secondary and post-secondary non-tertiary education (levels 3 and 4)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	9,4	8,6	7,8	6,9	6,2	5,7
Germany	4,6	4,3	3,7	3,3	2,9	2,7
Greece	30,2	27,6	26,2	23,9	21,8	19,7
Spain	24,2	21,6	19,2	17,0	15,5	14,5
France	10,6	10,8	10,6	10,1	9,7	9,2
Italy	11,9	11,4	11,1	10,5	10,1	9,4
Sweden	7,0	6,2	5,7	5,1	4,6	5,0
<i>Data on unemployment of those with tertiary education (levels 5-8)</i>						
GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	6,1	5,6	5,1	4,5	4,1	3,9
Germany	2,5	2,3	2,2	2,0	1,9	1,8
Greece	20,0	19,9	18,0	16,5	14,2	12,2
Spain	14,8	13,2	11,7	10,0	8,9	8,6
France	6,3	6,3	5,7	5,2	5,4	5,1
Italy	7,9	7,1	6,8	6,4	5,9	5,7
Sweden	4,4	4,3	4,0	4,1	3,7	3,7

Moreover, it is interesting to note that the long-term unemployment is decreasing as well.

*Table 14 from Eurostat on long-term unemployment*

GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	5,0	4,5	4,0	3,4	2,9	2,5
Germany	2,2	2,0	1,7	1,6	1,4	1,2
Greece	19,5	18,2	17,0	15,6	13,6	12,2
Spain	12,9	11,4	9,5	7,7	6,4	5,3
France	4,5	4,6	4,6	4,2	3,8	3,4
Italy	7,7	6,9	6,7	6,5	6,2	5,6
Sweden	1,4	1,5	1,3	1,2	1,1	0,9

Finally, positive effects and signals have been registered among the youth people neither in employment, nor in education, or training (NEET).

*Table 15 from Eurostat on NEET*

GEO/TIME	2014	2015	2016	2017	2018	2019
Spain	17,1	15,6	14,6	13,3	12,4	12,1
Italy	22,0	21,3	19,8	20,0	19,2	18,0
Sweden	7,2	6,7	6,5	6,1	6,0	5,5
European Union - 28 countries	12,4	12,0	11,5	10,9	10,4	10,1
France	11,2	11,9	11,8	11,4	11,0	10,6
Germany	6,4	6,2	6,7	6,3	5,9	5,7
Greece	19,1	17,2	15,8	15,3	14,1	12,5

### Wages and earnings

The trend that characterizes the GDP growth, the employment, and the unemployment rates is present in wages and earnings as well, as it is possible to see from the tables below.

*Table 16 from Eurostat on single persons without children earning 50% of the average earning*

GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	13.190,70	13.557,44	13.635,30	13.727,14	14.083,60	14.681,84
Germany	15.896,52	16.254,16	16.631,32	16.904,02	17.460,85	18.080,72
Greece	8.955,03	8.802,04	8.716,83	8.782,72	8.871,00	8.916,92
Spain	11.519,75	11.927,12	11.919,80	11.947,71	12.376,67	12.894,32
France	14.998,16	13.540,52	14.797,78	14.969,66	15.312,09	16.563,25
Italy	12.475,05	12.859,23	12.881,04	12.905,38	13.017,30	13.191,70
Sweden	18.036,38	17.756,62	17.927,48	18.036,92	17.379,24	17.506,56

*Data from Eurostat on single persons without children earning 67% of the average earning*

GEO/TIME	2014	2015	2016	2017	2018	2019
European Union - 28 countries	16.579,60	17.164,97	17.078,58	17.204,45	17.629,01	18.218,62
Germany	20.150,82	20.605,62	21.087,44	21.434,36	22.145,76	22.946,19
Greece	11.499,40	11.338,81	11.049,37	11.122,84	11.241,14	11.301,46
Spain	14.297,48	14.782,17	14.769,53	14.835,36	15.014,60	15.345,71
France	18.293,84	17.538,47	17.772,83	18.070,72	18.531,71	18.969,77
Italy	15.600,97	16.002,05	16.029,61	16.060,36	16.201,74	16.422,06
Sweden	23.502,77	23.142,50	23.378,03	23.530,33	22.677,85	22.839,77

In conclusion, it is possible to affirm that the asylum seeker and refugee flows that have reached Europe since 2015 have followed both the theory explained by Feenstra and Taylor in *Essential of International Economics* and the examples of several other host-countries illustrated by the previous authors. In the immediately following years after immigration, a slightly fall among national workers has been registered. However, the same migration phenomenon does not appear to have had repercussions in the gross domestic product of European countries, as well as in their unemployment rates, or in the wages and earning of workers.

## References

Altindag, O., Bakis, O. & Rozo, S., 2019. *Blessing or Burden? The Impact of Refugees on Businesses and the Informal Economy*. [Online]

Available at:

<https://poseidon01.ssrn.com/delivery.php?ID=1680890050220030660791180280780961080460690060380580660230910951111160051180990071231220250600380210961170671081221061210140830140080730020580680710771211000880821250950690240871170720940970961240120031150880970>

[Accessed 13 August 2020].

European Commission, 2016. *An Economic Take on the Refugee Crisis*. [Online]

Available at: [https://ec.europa.eu/info/sites/info/files/file\\_import/ip033\\_en\\_2.pdf](https://ec.europa.eu/info/sites/info/files/file_import/ip033_en_2.pdf)

[Accessed 19 August 2020].

Eurostat, 2020. *Annual net earnings*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\\_nt\\_net&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_nt_net&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Employment and activity by sex and age - annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi\\_emp\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_emp_a&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Employment by educational attainment level - annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi\\_educ\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_educ_a&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Long-term unemployment by sex - annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_ltu\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_ltu_a&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Unemployment by sex and age – annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Unemployment by sex, age and educational attainment - annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_educ\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_educ_a&lang=en)

[Accessed 30 August 2020].

Eurostat, 2020. *Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi\\_neet\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_neet_a&lang=en)

[Accessed 30 August 2020].

Feenstra, R. & Taylor, A. M., 2014. *Essentials of International Economics*. III ed. U.S.: Worth Publishers Inc..

Taylor, J. E. et al., 2016. Economic impact of refugees. *National Academy of Sciences*, 113(27), p. 7449–7453.

Tumen, S., 2016. The Economic Impact of Syrian Refugees on Host Countries: Quasi-experimental Evidence from Turkey. *American Economic Review*, 106(5), pp. 456-460.

## ***Discussion and Conclusion***

Hence, to conclude, the dissertation has revised and analysed several aspects concerning the impact of refugees and asylum migration flows into the economic systems of host-countries.

Firstly, the economic integration of refugees has been analysed. Examining the data by the OECD on the labour market outcomes of natives, foreigners, third-country nationals, and refugees in the European host-countries, and comparing such data between them, it has been possible to see a persistent gap not only between refugees and nationals, but also between refugees and other third-country migrants. Such gap is represented in all the economic outcomes and indicators, such as employment, unemployment, wages, and earnings. However, while refugees are never able to fill up the gap with nationals, refugees are able to register values and levels similar to those of economic migrants almost a decade after migration.

Secondly, the reasons and the causes of such gap have been analysed. The gap between refugees and other workers and people, on the one hand, is mainly due to the experiences and challenges refugees have to live and face. From the flight to the arrival, from the journey to the recognition process, refugees have to experience traumatic and exhausting events which could have an impact on the physical and mental health of refugees, as well as on their ability to work and their activity or passivity. On the other hand, public policies implemented and legislated by the host-countries do have an influence as well. Overall, across the European Union, several Member States have implemented policies which restrict the access to benefits and subsidies for refugees and third-country nationals not only regarding the economic aspect, but also regarding their ability to integrate socially, civically, and culturally.

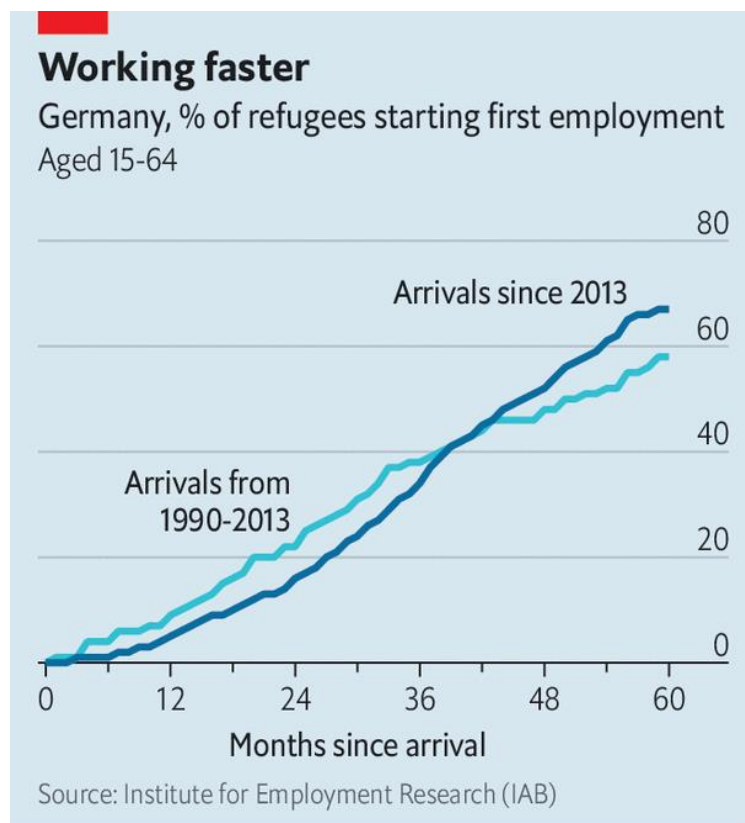
Thirdly and finally, the economic impact of refugee and asylum migration flows has been analysed. Examining the GDP, employment, unemployment, and wages growth rates of the European States, especially the ones most hardly hit by the migration flows since 2015, it is possible to see how such flows do not seem to have had a negative impact and influence on the host-countries. As a matter of fact, since 2015 European countries have registered a limited positive trend in GDP growth rate, as well as in the levels of employment and wages. At the same time, overall, unemployment is decreasing. However, if on the one hand it is possible to assert that migration flows have not negatively impacted the economic systems of European countries, it is difficult to affirm that such positive trend could be influenced or due to such flows. It is more likely that such positive trend is caused by the economic rebound and recovery after the 2007-2008 economic crisis.

Unfortunately, there are still no exact and precise surveys and studies over both the economic integration and economic impact of refugees into the economic systems of European

countries. However, similar findings were recorded by *The Economist* in the article *Five years after arrival, Germany's refugees are integrating*, published in 25<sup>th</sup> of August 2020. In such article, The Economist finds out that it takes few years for refugees to be employed and start working, as it is possible to see from the graph below. According to the article, "by 2018 43% of the working-age asylum-seekers who arrived between 2013 and 2016 were in work or training (compared with over 75% for the same age group in Germany as a whole)" (The Economist, 2020). Moreover, according to the Italian journal *Il Post*, more than 60% of refugees have had at least a job after five years after arrival.

Furthermore, even though more than 80% of employed refugees were working in skilled jobs in their origin countries, such share decreases and falls to less than 50% in Germany.

Among women, such trends and percentages are even worse. Finally, "average migrant earnings are around two-thirds the native German level" (The Economist, 2020).



The Economist

Figure 30 from The Economist

## ***Bibliography***

Altindag, O., Bakis, O. & Rozo, S., 2019. *Blessing or Burden? The Impact of Refugees on Businesses and the Informal Economy*. [Online]

Available at:

<https://poseidon01.ssrn.com/delivery.php?ID=1680890050220030660791180280780961080460690060380580660230910951111160051180990071231220250600380210961170671081221061210140830140080730020580680710771211000880821250950690240871170720940970961240120031150880970>

[Accessed 13 August 2020].

Åslund, O., Forslund, A. & Liljeberg, L., 2017. Labour market entry of non-labour migrants—Swedish evidence. *IFAU Working Paper Series*, pp. 1-47.

Bakker, L., Dagevos, J. & Engbersen, G., 2013. The Importance of Resources and Security in the Socio-Economic Integration of Refugees. A Study on the Impact of Length of Stay in Asylum Accommodation and Residence Status on Socio-Economic Integration for the Four Largest Refugee Groups in the Netherlands. *Journal of International Migration and Integration*, pp. 431-448.

Brell, C., Dustmann, C. & Preston, I., 2019. The Labor Market Integration of Refugee Migrants in High-Income Countries. *Journal of Economic Perspectives*, 34(1), pp. 94-121.

De la Rica, S., Glitz, A. & Ortega, F., 2013. Immigration in Europe: Trends, Policies and Empirical Evidence. *Institute of Labor Economics (IZA)*, IZA Discussion Papers(7778), pp. 1-98.

European Commission, 2013. *Standard Eurobarometer 80*. [Online]

Available at:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/1123>

[Accessed 10 May 2020].

European Commission, 2016. *An Economic Take on the Refugee Crisis*. [Online]

Available at: [https://ec.europa.eu/info/sites/info/files/file\\_import/ip033\\_en\\_2.pdf](https://ec.europa.eu/info/sites/info/files/file_import/ip033_en_2.pdf)

[Accessed 19 August 2020].

European Commission, 2018. *Standard Eurobarometer 89*. [Online]

Available at:

<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2180>

[Accessed 10 May 2020].

European Commission, n.d. *EMN Glossary Search*. [Online]

Available at: [https://ec.europa.eu/home-affairs/what-we-do/networks/european\\_migration\\_network/glossary\\_search/asylum-seeker\\_en](https://ec.europa.eu/home-affairs/what-we-do/networks/european_migration_network/glossary_search/asylum-seeker_en)

[Accessed 09 July 2020].

Eurostat, 2020. *Annual net earnings*. [Online]

Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn\\_nt\\_net&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_nt_net&lang=en)

[Accessed 30 August 2020].



- Eurostat, 2020. *Employment and activity by sex and age - annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci\\_emp\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci_emp_a&lang=en)  
[Accessed 30 August 2020].
- Eurostat, 2020. *Employment by educational attainment level - annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci\\_educ\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci_educ_a&lang=en)  
[Accessed 30 August 2020].
- Eurostat, 2020. *Long-term unemployment by sex - annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_ltu\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_ltu_a&lang=en)  
[Accessed 30 August 2020].
- Eurostat, n.d. *Europe 2020 - Overview*. [Online]  
Available at: <https://ec.europa.eu/eurostat/web/europe-2020-indicators>  
[Accessed 11 July 2020].
- Eurostat, 2020. *Unemployment by sex and age – annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_rt\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en)  
[Accessed 30 August 2020].
- Eurostat, 2020. *Unemployment by sex, age and educational attainment - annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une\\_educ\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_educ_a&lang=en)  
[Accessed 30 August 2020].
- Eurostat, 2020. *Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data*. [Online]  
Available at: [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci\\_neet\\_a&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsci_neet_a&lang=en)  
[Accessed 30 August 2020].
- Fasani, F., Frattini, T. & Minale, L., 2018. (The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe. *IZA Discussion Paper Series*, February, pp. 1-56.
- Feenstra, R. & Taylor, A. M., 2014. *Essentials of International Economics*. III ed. U.S.: Worth Publishers Inc..
- Hatton, T. J., 2020. Asylum Migration to the Developed World: Persecution, Incentives, and Policy. *Journal of Economic Perspectives*, 34(1), pp. 75-93.
- Il Post, 2020. *Cinque anni fa la Germania accolse un milione di rifugiati. Com'è andata?*. [Online]  
Available at: <https://www.ilpost.it/2020/08/31/integrazione-migranti-germania/>  
[Accessed 08 September 2020].
- Issifou, I., 2020. Understanding Decisions Made on Asylum Applications in Host Countries. *Policy Research Working Paper*, 1(9153), pp. 1-39.
- OAS, 1984. *Cartagena Declaration on Refugees, Colloquium on the International Protection of Refugees in Central America, Mexico and Panama*. [Online]  
Available at: [https://www.oas.org/dil/1984\\_cartagena\\_declaration\\_on\\_refugees.pdf](https://www.oas.org/dil/1984_cartagena_declaration_on_refugees.pdf)  
[Consultato il giorno 11 May 2020].

OECD/EU, 2018. *Settling In 2018: Indicators of Immigrant Integration*. [Online]  
Available at: <https://www.oecd-ilibrary.org/docserver/9789264307216-en.pdf?expires=1593682162&id=id&acname=guest&checksum=A247F23F6F8825AB630494F5DD29FDFF>  
[Accessed 2 July 2020].

OECD, n.d. *Employment rate*. [Online]  
Available at: <https://data.oecd.org/emp/employment-rate.htm>  
[Accessed 24 June 2020].

OECD, n.d. *Foreign-born employment*. [Online]  
Available at: <https://data.oecd.org/migration/foreign-born-employment.htm>  
[Accessed 12 July 2020].

OECD, n.d. *Native-born employment*. [Online]  
Available at: <https://data.oecd.org/migration/native-born-employment.htm#indicator-chart>  
[Accessed 12 July 2020].

OECD, n.d. *OECD.Stat*. [Online]  
Available at: <https://stats.oecd.org/>  
[Accessed 12 07 2020].

OECD, 2018. *International Migration Outlook 2018*. [Online]  
Available at: [https://read.oecd-ilibrary.org/social-issues-migration-health/international-migration-outlook-2018\\_migr\\_outlook-2018-en#page4](https://read.oecd-ilibrary.org/social-issues-migration-health/international-migration-outlook-2018_migr_outlook-2018-en#page4)  
[Accessed 12 July 2020].

OECD, n.d. *International Migration Outlook 2019*. [Online]  
Available at: <https://www.oecd.org/migration/international-migration-outlook-1999124x.htm>  
[Accessed 29 June 2020].

Official Journal of the European Union, 2004. *COUNCIL DIRECTIVE 2004/83/EC on minimum standards for the qualification and status of third country nationals or stateless*. [Online]  
Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:304:0012:0023:EN:PDF>  
[Accessed 11 May 2020].

Official Journal of the European Union, 2011. *Directive 2011/95/EU on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content*. [Online]  
Available at: <https://eur-lex.europa.eu/eli/dir/2011/95/oj>  
[Accessed 11 May 2020].

Taylor, J. E. et al., 2016. Economic impact of refugees. *National Academy of Sciences*, 113(27), p. 7449–7453.

The Economist, 2020. *Five years after arrival, Germany's refugees are integrating*. [Online]  
Available at: <https://www.economist.com/europe/2020/08/25/five-years-after-arrival-germanys-refugees-are-integrating>  
[Accessed 08 September 2020].

The Editors of Encyclopaedia Britannica, n.d. *International Refugee Organization*. [Online]  
Available at: <https://www.britannica.com/topic/international-organization>  
[Accessed 11 May 2020].

The World Bank, n.d. *International migrant stock, total*. [Online]  
Available at: <https://data.worldbank.org/indicator/SM.POP.TOTL>  
[Accessed 11 May 2020].

Tumen, S., 2016. *The Economic Impact of Syrian Refugees on Host Countries: Quasi-Experimental Evidence from Turkey*. [Online]  
Available at: <https://www.jstor.org/stable/pdf/43861063.pdf>  
[Accessed 13 August 2020].

UNHCR, 1951. *The 1951 Refugee Convention*. [Online]  
Available at: <https://www.unhcr.org/1951-refugee-convention.html>  
[Accessed 11 May 2020].

UNHCR, 1967. *Convention and Protocol relating to the Status of Refugees*. [Online]  
Available at: <https://www.unhcr.org/3b66c2aa10>  
[Accessed 11 May 2020].

UNHCR, 1969. *OAU Convention Governing the Specific Aspects of Refugee Problems in Africa*. [Online]  
Available at: <https://www.unhcr.org/about-us/background/45dc1a682/oau-convention-governing-specific-aspects-refugee-problems-africa-adopted.html>  
[Accessed 11 May 2020].

UNHCR, 2019. *Figures at a Glance*. [Online]  
Available at: <https://www.unhcr.org/figures-at-a-glance.html>  
[Accessed 11 May 2020].

United Nations High Commissioner for Refugees (UNHCR); Department of International Protection (DIP); Protection Information Section (PIS), 2006. *UNHCR Master Glossary of Terms*. [Online]  
Available at: <https://www.refworld.org/docid/42ce7d444.html>  
[Accessed 10 June 2020].

United Nations High Commissioner for Refugees (UNHCR), 2020. *Operational Portal - Refugee Situations*. [Online]  
Available at: <https://data2.unhcr.org/en/situations/mediterranean>  
[Accessed 3 September 2020].

## ***Summary***

The aim of the dissertation is to explore and analyse the economic integration and impact of refugees into the European economic systems. The subject of the dissertation is due to the unprecedented amount of asylum seeker and refugee flows that have hit European countries in the last years, in particular since 2015. Such analysis focuses on economic indicators like the employment rate, the unemployment rate, the level of wages and earnings. Moreover, in order to better understand and contextualise the previous outcomes, the shares and rates concerning refugees have been compared with those referred to nationals and the third-country economic migrants.

Before exploring the economic outcomes and indicators of refugees, it has been necessary to highlight the similarities and the differences between third-country national migrants. There can be *economic migrants*, which are people that decide to move from one country to another for economic reasons. On the other hand, *asylum seekers* are those who seek “protection from persecution or serious harm in a country other than their own and awaits a decision on the application for refugee status under relevant international and national instruments” (European Commission, n.d.). Furthermore, *refugees* are those “who, owing to a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership of a particular social group, is outside the country of nationality and is unable or, owing to such fear, is unwilling to avail themselves of the protection of that country, or a stateless person, who, being outside of the country of former habitual residence for the same reasons as mentioned before, is unable or, owing to such fear, unwilling to return to it” (European Commission, n.d.). There are several international treaties and conventions which help determine and establish the aforementioned categories. Those treaties and conventions are the *1951 UN Convention Relating to the Status of Refugee*, the *1969 Refugee Convention*, and the *1984 Cartagena Declaration on Refugee*. Finally, the *Council Directive 2004/83/EC* establishes the criteria in order to classify someone as a *person eligible for subsidiary protection*. A *person eligible for subsidiary protection* is “a third country national or a stateless person who does not qualify as a refugee but in respect of whom substantial grounds have been shown for believing that the person concerned, if returned to his or her country of origin, or in the case of a stateless person, to his or her country of former habitual residence, would face a real risk of suffering serious harm [...] and is unable, or, owing to such risk, unwilling to avail himself or herself of the protection of that country” (Official Journal of the European Union, 2004).

After having established the differences between economic migrants, asylum seekers and refugees, it has been possible to analyse the economic integration of the latter. The employment, unemployment, wages and earnings shares and rates have been studied. In all the previous economic outcomes and indicators, gaps and deficit between refugees and nationals, as well as

between refugees and other third-country nationals, have been noted. For instance, in 2014, the employment rate of refugees was 7.8 percentage points lower than the rate of non-humanitarian migrants. On the other hand, the unemployment rate of refugees was 3.1 percentage points higher than the rate of economic migrants. Similarly, on the one hand, the employment, unemployment, and participation rates of refugees were, respectively, equal to 60%, 16% and 71%. On the other hand, the employment, unemployment, and participation rates of non-EU nationals were, respectively, equal to 65%, 14% and 76. For natives, those shares corresponded to 72% for employment, 7% for unemployment and 78% for participation. Furthermore, it has been possible to note that, after several years after arrival, refugees manage to fill up the gap with their nationals and other third-country national counterparts. However, the employment rates of humanitarian migrants increase at a different pace across countries. For instance, in Sweden the employment rate of refugees generally increases rapidly and steeply, managing to reach the level of employment of nationals in almost ten years, while in Finland the rate remains constant and the gap never manages to close. Ultimately, refugees were even more likely to work for lower wages and to be employed in a low-skilled job. The probability was equal to 22% for refugees, 26% for third-country migrants, 44% for nationals.

However, the labour market outcomes are not the same for all refugees. Different outcomes can be due to gender, as well as to countries of origin. For instance, different levels in employment were registered between humanitarian migrants from North Africa and those coming from the Middle East. Similarly, the lowest shares in unemployment were registered among refugees from the African countries. Finally, refugees from South and East Asia were the less likely to work in skilled jobs and occupations. Moreover, the data on employment, unemployment and wages were different according to gender. For instance, refugee women were less likely to be employed than men.

There are several factors and reasons which can help explain the previous gaps and divergences. Firstly, some factors can be linked with the traumatic and challenging experiences refugees have to live and face. As already stated, refugees and asylum seekers generally flee and escape from “civil conflict, religious or ethnic persecution, lethal police corruption, or inadequate protection of minority human rights” (Brell, et al., 2019). The decision to leave one’s home in such dramatic events and conditions has repercussions on the economic selectivity of refugees, which might be expected to be lower than those of economic migrants. As a matter of fact, refugees can have high as well as low educational attainment. Furthermore, among refugees there may be both low- and high-skilled individuals. Finally, such skills and capabilities may be inadequate and superfluous with regard to the demands and the characteristics of the host-countries and their labour

markets. The journey is another step of both economic and social selectivity. Many of those running and fleeing for humanitarian reasons “remain in the country of origin” (Brell, et al., 2019). Indeed, according to the UNHCR, in 2018 42% of the total stock of displaced people were asylum seekers and refugees, while the other 58% were internally displaced. In addition, the vast majority of asylum seekers and refugees live and are hosted in “nearby countries: nearly four-fifths of refugees live in countries neighbouring their country of origin” (Brell, et al., 2019). The vast majority of those countries, as evaluated in the first chapter, are developing countries. As a consequence, only a small part of displaced persons manages to reach European countries and they “are often selected by having undertaken an especially long and difficult journey in search of a better life” (Brell, et al., 2019). Furthermore, during their journey, asylum seekers and refugees may cross and live, sometimes for prolonged periods and time, in intermediate countries and destinations. Such stay could be with or without a legal authorization, in refugee camps for few days or several months and years. Refugee camps are generally rudimentary, with very low job opportunities and probabilities, as well as very low standards and levels of education, health and safety. “Spending extended periods in a refugee camp could seriously affect future prospects for integration into a developed labour market, because there may be limited opportunities to engage in the formal workforce while residing in a camp, and so residents’ human capital may degrade over time” (Brell, et al., 2019). The final step of the journey is the arrival. Even this step has influences and implications “for an asylum seeker’s [...] ability to undertake work” (Brell, et al., 2019). As a matter of fact, entering the host-country legally or illegally arriving, with or without the determination and the recognition of the asylum status, has different outcomes and influences over the process of integration into the civil, social, and economic aspects of the host-country. “Irregular arrivals [...] may be more likely to spend time in detention while their claims are being processed, which could have impacts on mental health as well as human capital” (Brell, et al., 2019).

All of these steps and experiences can have influences and implication over the wellness and health of refugees. In point of fact, generally, refugees are characterized by lower levels of health with respect to other third-country nationals and economic migrants. Such lower levels of health can be explained by the traumatic and emotional events refugees had to live and experience, which could have an influence and affect their physiological and physical health. As a matter of fact, it is not by chance that generally refugees present mental issues and struggles, which can “only aggravate the particularly low initial economic fitness and adaptability of refugees as recovery from trauma and continuing distress over the circumstances from which the individual has fled distracts from integration” (Brell, et al., 2019). In 2015, Bogic, Njoku, and Priebe found out that depression and post-traumatic stress disorder are vast and present phenomena among refugees. These disorders

can result in antisocial behaviours and drug or substance abuse. For example, “studying the relation between exposure to conflict and violent behaviour of refugees in Switzerland, Couttenier et al. (2019) report that cohorts exposed to civil conflicts or mass killings during childhood are on average 40 percent more prone to violent crimes than conationals without this exposure” (Brell, et al., 2019). In addition, the uncertainty over the length of the process of recognition, over the outcome of the procedure, the fear of being deported, the insecurity about the future might worsen, exacerbate, and aggravate the capability of refugees “to recover from posttraumatic stress and to integrate in society once asylum has been granted” (Bakker, et al., 2013). Moreover, the uncertainty over the outcome of the process, combined with the length of the process itself, can exacerbate the feeling of dependence of asylum seekers of refugees as well as reduce their confidence, causing them “to lose their motivation for a new start after years of frustration (Ghorashi 2005; Ryan et al. 2008). It is quite probable that a lengthy stay in asylum accommodation fosters a passive attitude, making integration a difficult task in the long run” (Bakker, et al., 2013).

Another obstacle refugees often have to face is related to language proficiency. According to Brell, Dustmann and Preston in their paper *The Labor Market Integration of Refugee Migrants in High-Income Countries*, “much of the gap between native and refugee employment in the European Union is argued to be accounted for by differing language skills” (OECD, 2019): while the employment rate of refugees holding at least intermediate-level skills in the host-country language is equal to 59%, such share drops down to 27% for those with low levels of host-country language proficiency. Overall, across the European Union, the share of refugees with less than ten years of residency with advanced skills in language of the host country is equal to 24%, “increasing to 49 percent for those with more than ten-years residence (whereas the analogous figures for other non-EU born are 54 percent and 69 percent, respectively)” (Brell, et al., 2019). As a matter of fact, generally, refugees have lower skills and abilities in regard to language proficiency than the other migrants. Furthermore, despite increasing slowly but substantially over time, language skills of refugees never manage to reach the levels and to fill up the gap with the other third-country nationals and economic migrants, “even decades after migration” (Brell, et al., 2019).

Another aspect and factor that should be considered is related to social networks. As a matter of fact, social networks and connections play a fundamental role in the process of integration of refugees too. For instance, in 2012 Baeman affirmed that a frequent phenomenon that could arise thanks to social networks is the one where workers can pass and transmit job offers and opportunities to other members of the social network who are unemployed. “In the short run, new arrivals increase the number of unemployed individuals seeking job information, while the number of employed members who can provide this information remains unchanged, which implies that a

surge of recently arrived refugees has a negative effect on job finding rates in the short term. However, as refugees do become employed and thus able to pass along additional job offers, a positive information effect eventually dominates” (Brell, et al., 2019). Accordingly, several authors found out that “living in areas with high concentrations of co-ethnic or other minority individuals can improve the labour market outcomes of these refugees” (Brell, et al., 2019) and that, at the same time, dispersal and resettlement policies generally have negative influences in the process of economic integration of refugees by breaking and interrupting such networks and connections.

Finally, the process of integration of refugees is influenced and affected by the policies implemented by the host-countries. These public policies can be divided into: *policies affecting the process of asylum recognition of refugees*; *policies affecting the economic integration of refugees*; *policies affecting the social and civic integration of refugees*. Examples of policies affecting the process of asylum recognition of refugees are those aiming at reducing the length of the process of recognition of asylum seekers, as implemented by Germany, France, and Italy. Examples of policies affecting the economic integration of refugees are those aiming at better orienting “the integration courses to target groups and to tailor them more according to participants’ skills” (OECD, 2019), as implemented by France and Germany, as well as the so-called *fast tracks* implemented by Sweden. The aim of the *fast tracks* is to transfer “refugees with relevant skills and experiences to occupations where employers face difficulties in finding the right competence” (Åslund, et al., 2017). Finally, there are several examples of policies affecting the social and civic integration of refugees, such as dispersal policies, family reunification procedures, benefits and subsidies, orientation and introduction courses, and measures to assist the most vulnerable groups.

After having examined the factors and the outcomes of the process of integration of refugees, it has been possible to move forward and examine the impact of asylum seekers and refugees over the economic systems of European countries. Theoretically, as explained by Feenstra and Taylor in *Essential of International Economics*, in the short-run, considering other economic factors like land and capital as fixed, immigration is expected to cause a lowering of wages among national workers. As a matter of fact, because industries “have more workers but fixed amounts of capital and land, the wage in [...] industries declines due to the diminishing marginal product of labour” (Feenstra & Taylor, 2010). Moreover, with a greater amount of labour force and workers, the production of industries grows. In the long-run, also capital and land are mobile. Thanks to such mobility, industries are capable to keep and maintain constant their capital-labour ratios. As a consequence, the extra-labour will not be assigned and transferred to every industry, but only to the labour-intensive ones. Furthermore, “because the capital-labour ratios are unchanged in [...] industries, the marginal product of labour and capital are also unchanged. Therefore, the wage and



rental do not change at all because of the immigration of labour. [...] In the long-run model, when capital can move between industries, an inflow of labour has no impact on the wage and rental” (Feenstra & Taylor, 2010). This theoretic model appears to be confirmed by the *Maribel Boat lift* case. The *Maribel Boat lift* case refers to the event that occurred in Miami from May to September 1980. In those months, innumerable boats full of political refugees left Cuba to reach Miami, in Florida. In five months, almost 125000 refugees arrived in Miami, increasing “the city’s Cuban population by 20% and its overall population by about 7%” (Feenstra & Taylor, 2010). However, as reported by Feenstra and Taylor, “this influx of low-skilled immigrants does not appear to have pulled down the wages of other less skilled workers in Miami. The wages for low-skilled workers in Miami essentially followed national trends over this period, despite the large inflow of workers from Cuba” (Feenstra & Taylor, 2010).

Despite the theoretic model, there are different theories and hypothesis over the impact of refugees. Some scholars “suggest that refugees have no significant impact” (Taylor, et al., 2016). Someone else propose that asylum seekers and refugees’ waves provoke negative impact and shocks over the poorest part of the population of the host countries. For instance, some suggest that refugees may increase unemployment rates among the less-skilled workforce as well as decrease their wages and income. On the other hand, few academics and professors suggest positive effects “due to the income multiplier it creates” (Taylor, et al., 2016).

Analysing and examining the rates of European countries GDP, employment, unemployment, and wages, it is possible to note that asylum migration flows do not seem to have had a negative impact and influence on the host-countries. Regarding GDP, since 2015, the year when Europe experienced the unprecedented flow of refugees and asylum seekers, none of the main hit countries have registered a decrease in their gross domestic product (GDP), despite from Greece in 2015 and 2016. Actually, countries like Spain and Sweden have experienced growths reaching 4% in 2015. Of course, such results were influenced by the economic rebound after the 2007-2008 economic crisis. Furthermore, migration flows do not appear to be influencing employment among the European Union and the European countries. Apart from Greece, where the number of workers has been declining slightly, in all other countries, as well as in the Union as a whole, the employment rate has been increasing or keeping stable. Mirroring the data on employment, it is possible to note how, since 2014, the unemployment rate has been decreasing consistently. Among the countries which have been particularly hit by asylum migration flows and the resettlement of refugees, Sweden has been the only one experiencing a growth in unemployment from 2018 to 2019. Finally, the positive trend that characterizes the GDP growth and the employment rates is registered in wages and earnings as well.

Unfortunately, there are still no exact and precise surveys and studies over both the economic integration and economic impact of refugees into the economic systems of European countries. However, similar findings were recorded by *The Economist* in the article *Five years after arrival, Germany's refugees are integrating*, published in 25<sup>th</sup> of August 2020. In such article, The Economist finds out that it takes few years for refugees to be employed and start working, as it is possible to see from the graph below. According to the article, "by 2018 43% of the working-age asylum-seekers who arrived between 2013 and 2016 were in work or training (compared with over 75% for the same age group in Germany as a whole)" (The Economist, 2020). Moreover, according to the Italian journal *Il Post*, more than 60% of refugees have had at least a job after five years after arrival. Furthermore, even though more than 80% of employed refugees were working in skilled jobs in their origin countries, this share decreases and falls down to less than 50% in Germany. Among women, such trends and percentages are even worse. Finally, "average migrant earnings are around two-thirds the native German level" (The Economist, 2020).