

Integrating Refugees and Asylum Seekers into the German Economy and Society: Empirical Evidence and Policy Objectives

By Herbert Brücker, Philipp Jaschke, and Yuliya Kosyakova



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Executive Summary

Germany has become the top destination for asylum seekers and refugees in the European Union, receiving around half of the 3.1 million asylum applications submitted from 2015 to 2017. The lion's share of asylum seekers to Germany have come from five countries: Syria, Afghanistan, Iraq, Eritrea, and Iran. The overwhelming majority of these asylum seekers (87 percent) left their countries due to war, persecution, or forced labor. This is reflected in high acceptance rates (50 percent of their applications for international protection were accepted, 32 percent declined, and 18 percent formally decided under the Dublin Regulation) and also in the fact that many of those whose applications were denied could not be returned to their countries of origin, at least in the short run. This has resulted in a non-negligible share of these newcomers holding so-called tolerated status. Since this status can usually be renewed for only six months at a time, it offers little certainty, with significant ramifications for employment and overall integration.

A new dataset, derived from a survey conducted by the German Institute for Employment Research (IAB), the German Federal Office for Migration and Refugees (BAMF), and the Socioeconomic Panel at the German Institute for Economic Research (SOEP), tracks newcomers who arrived in Germany between 2013 and 2016 over their first years of residence, regardless of whether or not their claims to international protection were accepted. The data offer new insights into this population's demographic and socioeconomic characteristics, and early economic and social integration trajectories, as well as how legal status shapes labor market success. Several notable characteristics of these newcomers include:

Box I. Migrants with a "Refugee Background"

In Germany, migrants with a "refugee background" are those who have submitted an asylum application but have not yet received a decision, individuals whose applications have been approved and who have received political asylum according to Article 16a of the German Constitution (Grundgesetz), protection status as a refugee according to the 1951 Refugee Convention, subsidiary protection, or protection against deportation (Abschiebeschutz), as well as individuals whose asylum applications have been rejected but whose stay in the country is tolerated (Duldung) or who have been ordered to leave Germany. Throughout this report, the term "refugee" refers to all of these groups if not otherwise stated.

- Gender and age. Compared with previous refugee cohorts and other migrants, recent arrivals are more likely to be young and male. Almost three-quarters of adult newcomers are male, and of these more than three-quarters are under age 35 (as are 65 percent of recently arrived refugee women).
- *Family status.* More than two-thirds of women have children (one-third have toddlers), and a non-negligible share of mothers (17 percent) are either single or living without their spouse.
- Mental health and trauma. Recent arrivals are more likely to have depression or post-traumatic stress compared with the German population on average, and more than half reported traumatic events during their migration (such as shipwrecks).
- *Education levels.* Schooling levels among these new arrivals are highly polarized, with 36 percent holding an upper-secondary degree and 26 percent having only a primary education or less. Vocational training levels are especially poor given the lack of a dual vocational system in many origin countries, which is a barrier given the importance of formal professional qualifications in Germany. However, many bring with them substantial work experience and professional qualifications acquired on the job.



While these characteristics, coupled with the scale of arrivals, might indicate that newcomers would struggle in Germany's labor market, evidence suggests that their integration into the labor market has been slightly faster than that of previous refugee cohorts. The survey indicates that 19 percent of refugees who arrived in 2015 were in a job by 2017, and data from the Federal Employment Agency indicate that 40 percent of working-age individuals who arrived from 2015 onwards were in work by September 2019—an accelerating trend.¹ However, their average monthly earnings were about 55 percent of those of all full-time employees in Germany, mostly due to a disproportional engagement in low-skilled occupations and considerable underemployment in jobs below their skill levels.

Evidence suggests that their integration into the labor market has been slightly faster than that of previous refugee cohorts.

Labor market outcomes are shaped by newcomers' completion of integration courses, legal status, and social networks; although legal status has (surprisingly) little effect on employment rates, it does shape the type of employment, for example, by shaping the wage level. Forty-three percent of refugees who were employed at least once in 2017 found their first job in Germany through social networks. Outcomes across indicators of labor market integration were much worse for women than for men, likely reflecting child-care responsibilities and other vulnerabilities.

Changing Policy Approaches

Germany has employed a host of policy levers to try to manage its migration and integration challenges. Many recent legislative and policy changes serve two competing goals: reducing "pull" factors that might attract further asylum seekers, while making it possible for those already in the country to settle in. Given inherent conflicts between these goals, such policies have had mixed results in terms of integration:

- Asylum processing. One of the main policies applied during the height of arrivals in 2015 to 2017 was the so-called cluster system, which was designed to speed up asylum processing times. The cluster system prioritized easy asylum cases—that is, asylum seekers from countries with high or low average protection rates—which sped up processing times overall. However, asylum seekers in other clusters waited longer. This system also enabled asylum seekers from countries with high protection rates to access integration services while they waited for their claims to be adjudicated. While efficient, this system may have come with considerable social and economic costs, since some groups of asylum seekers—including Afghans, many of whom ultimately received the right to stay—faced both slow processing times and restrictions on accessing integration services.
- *"Lane changes."* One of the big policy debates in Germany has been over so-called lane changes—the idea that rejected asylum seekers could apply to receive permanent legal status, though they would need to fulfill certain integration requirements, such as a defined length of time in work. At the moment, people who cannot be returned receive at most a six-month "toleration," which can be renewed indefinitely but results in considerable uncertainty for both tolerated individuals and employers who may be reluctant to hire them. One legislative proposal could see the introduction of longer toleration periods for individuals in employment

¹ To compare, 37.2 percent of previous refugee cohorts were employed four years after their arrival (see Figure 2).



and those starting vocational training—30 months for people in work, and three years for people with vocational training contracts, plus two years in case of the contracts' successful completion. But either requirement is hard to meet: an estimated one-third of tolerated individuals would qualify. An alternative—and a less onerous approach—would be to grant those who arrived before a certain date the right to stay, conditional on their being employed and not relying on welfare benefits.

- Work permits. Although recognized refugees are generally entitled to work without restrictions, some policies have changed for asylum seekers and tolerated individuals. On the one hand, the waiting period to receive a work permit has been reduced from 12 to three months, and some institutional hurdles have been lowered. On the other hand, asylum seekers from countries deemed to be "safe countries of origin" are no longer permitted to work, largely excluding them from economic integration even though a substantial share cannot be repatriated and may end up staying in Germany for a long period of time.
- **Distribution policies.** Another set of issues relates to the effects of policies on how asylum seekers are distributed across Germany. While refugees were once able to choose where to settle after recognition of their asylum claim, the government has introduced an obligation that they stay in the state to which they have been assigned in the course of the reception procedure for three years. Six states also impose requirements that recognized refugees remain in certain localities. While these policies seek to reduce segregation and concentration in certain areas, interfering with people's decisions about where to move can undermine labor market integration.
- Integration policies. Recent policy innovations have focused on tailoring integration supports to the needs of different groups and increasing service providers' ability to deliver programs at scale. The most wide-reaching and intensive program of integration courses comprises language training (600 hours for the general course; 900 for special courses; and 400 for intensive courses) alongside 100 further hours of instruction on topics such as the legal system, culture, and values. Germany now has specific programs for people with limited literacy as well as parents, young adults, and women. The government has also scaled up vocational language training and the assessment of professional competences. However, participation rates continue to be low, which is unfortunate given the considerable labor market returns associated with these measures.

Clearly, integration policies are only a small slice of the policy picture that shapes outcomes for asylum seekers and refugees. One aspect that is underexplored is the adjustment of mainstream child-care policies to help female refugees enter the German education system and labor market. Existing policies in some localities, such as the provision of subsidies to families caring for children at home, could be generating unintended consequences. Taking a broader view of the policy landscape and building understanding of how it is shaping newcomers' integration could illuminate new opportunities to support them and the communities in which they have settled.

I. Introduction

Germany has become the top destination for asylum seekers and refugees in the European Union. Between 2015 and 2017, the country received around half of the 3.1 million first-time asylum applications submitted across the European Union; 1.1 million asylum seekers arrived in Germany in



2015 alone.² As of December 2018, there were 1.8 million people with a "refugee background" in the country, compared to 744,000 at the end of 2014. The term "refugee background" includes beneficiaries of international protection, asylum seekers, and failed asylum seekers, although the overwhelming majority had received protection status or another type of temporary or permanent residence permit in Germany. Most of this population (1.1 million) were working age (ages 15 to 64), and thus required support adapting to both their new communities and local labor markets.³ Economic integration and social inclusion are crucial not only for the refugee population but also for the German society and economy. How to best achieve these aims poses a central political, economic, and social challenge.

This report takes stock of how refugees who arrived in Germany between 2013 and 2016 are faring, examining the evidence so far on both their economic and social integration. First, the report draws on aggregate register data and individual survey data to analyze refugees' characteristics and how these might affect their prospects of integration. The report then explores how well the newcomers are integrating, looking at both their labor market status and several social inclusion measures, such as German language proficiency, cultural values and attitudes, and social connections to the host society. Finally, the report discusses several policy issues that may affect the integration of refugees in Germany in one way or another.

Economic integration and social inclusion are crucial not only for the refugee population but also for the German society and economy.

This analysis is largely based on a novel dataset, a survey conducted by the German Institute for Employment Research (IAB), the German Federal Office for Migration and Refugees (BAMF), and the Socioeconomic Panel at the German Institute for Economic Research (SOEP) (see Box 2).⁴ This longitudinal household survey is one of only a few of its kind in major immigrant destination countries, and enables researchers to draw conclusions about recent refugee arrivals across a host of characteristics, from education levels to values and attitudes.⁵

The number of arrivals declined to around 150,000–200,000 asylum seekers per annum after 2015. The number of first-time asylum applications amounted to some 458,000 in 2015 and to 722,000 in 2016, although arrivals numbered about 1.1 million in 2015 and less than 200,000 in 2016. The difference between arrivals and first-time asylum applications can be attributed to the delayed registration of asylum seekers in Germany in 2015. See German Federal Office for Migration and Refugees (BAMF), Asylgeschäftsbericht (Nuremberg: BAMF, 2018); BAMF, Das Bundesamt in Zahlen 2017: Asyl, Migration und Integration (Nuremberg: BAMF, 2018).

³ BAMF, Aufhältige Ausländer aufgeschlüsselt nach Staatsangehörigkeit und Aufenthaltsstatus (Nuremberg: BAMF, 2018).

⁴ Herbert Brücker et al., "IAB-BAMF-SOEP-Befragung von Geflüchteten: Flucht, Ankunft in Deutschland und erste Schritte der Integration," IAB-Kurzbericht 24 (2016), http://doku.iab.de/kurzber/2016/kb2416.pdf; Herbert Brücker, Nina Rother, and Jürgen Schupp, eds., IAB-BAMF-SOEP-Befragung von Geflüchteten 2016: Studiendesign, Feldergebnisse sowie Analysen zu Schulischer wie beruflicher Qualifikation, Sprachkenntnissen sowie kognitiven Potenzialen (Berlin: BAMF, 2017), www.bamf. de/SharedDocs/Anlagen/DE/Forschung/Forschungsberichte/fb30-iab-bamf-soep-befragung-gefluechtete-2016.html; Herbert Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung: Geflüchtete machen Fortschritte bei Sprache und Beschäftigung," IAB Kurzbericht 3/2019, http://doku.iab.de/kurzber/2019/kb0319.pdf.

The survey data are complemented by administrative data sources such as asylum statistics from BAMF, the Central Register of Foreigners (Ausländerzentralregister, or AZR), and employment statistics from the Federal Employment Agency (Bundesagentur für Arbeit, or BA).



Box 2. The IAB-BAMF-SOEP Survey of Refugees

The IAB-BAMF-SOEP Survey of Refugees is a longitudinal survey of refugees, asylum seekers, and their family members in Germany. It is conducted by the Institute for Employment Research (IAB), the Research Center of the German Federal Office for Migrants and Refugees (BAMF-FZ), and the Socioeconomic Panel (SOEP) at the German Institute for Economic Research (DIW Berlin). The sampling frame of the survey is the Central Register of Foreigners (Ausländerzentralregister, or AZR) in Germany, in which each foreign national is registered by her or his legal status. The target population of the first two waves of the survey and a refresher sample on which the authors of this report base their analysis are individuals who arrived in Germany as asylum seekers between January 1, 2013, and December 31, 2016. The survey covers these individuals irrespective of their current legal status.

The total sample covers 7,430 adults (18 years and older) who were surveyed at least once. The questionnaire comprises about 450 questions addressing an individual's migration, employment, and education history; personal characteristics; health status; and integration measures such as civic participation, values, and attitudes. The household portion of the questionnaire addresses housing, infrastructure, welfare benefits, and similar issues relevant to the entire household. Using appropriate weights, the analysis in this report draws on representative evidence for these recently arrived refugees and their household members.

II. A Snapshot of the Asylum Seeker and Refugee Population in Germany

The integration and social inclusion of migrants and refugees into host countries' economies and societies begins before their arrival and must be understood in the context of their overall biographies. For one thing, people forced to leave their homes are likely to be less prepared and therefore disadvantaged compared with other immigrant groups. Migrants' family status, health and wellbeing, and education and employment backgrounds also dramatically shape their chances of integration success.

A. Country of Origin

The large majority of asylum seekers in Germany are nationals from five countries: Syria, Afghanistan, Iraq, Eritrea, and Iran.⁷ Many asylum seekers come from countries that are affected by armed conflict, the persecution of particular groups, or other human rights violations.⁸ This is consistent with the motives for migrating reported by respondents to the IAB-BAMF-SOEP Survey of Refugees: 87 percent of respondents claimed to have left their countries of origin due to war or civil war, persecution, or forced labor.⁹ The

⁶ Christian Dustmann et al., "On the Economics and Politics of Refugee Migration" (discussion paper no. 10234, Institute for the Study of Labor, Bonn, September 16), http://ftp.iza.org/dp10234.pdf; Barry R. Chiswick, "Are Immigrants Favorably Self-Selected?" *The American Economic Review* 89, no. 2 (1999): 181–85, https://inequality.stanford.edu/sites/default/files/media/pdf/Reference%20Media/Chiswick 1999 Immigration.pdf.

⁷ Two-thirds of asylum seekers in Germany come from these top five countries of origin.

⁸ Between 70 and 85 percent of asylum seekers in Germany come from countries affected by wars or warlike situations, and human rights violations, according to the Uppsala Conflict Database and the Political Terror Scale. See Brücker, Rother, and Schupp, eds., *IAB-BAMF-SOEP-Befragung von Geflüchteten 2016*.

⁹ Not everybody who comes from a country where armed conflict and political persecution are widespread receives protection after their individual circumstances are proved, but a substantial share does. See Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



acceptance rates of asylum applications broadly reflect these factors: between 2013 and 2017, 50 percent of asylum applications were approved, 32 percent were declined, and 18 percent were "formal decisions" under the Dublin Regulation, meaning the claims were deemed to fall not under German jurisdiction but that of another state. 10

As of 2018, most of the 1.8 million persons in Germany with a refugee background either had a protection status (72 percent) or were tolerated (9 percent), while 2 percent faced orders to leave the country, and 17 percent were still in asylum proceedings. The difference between this stock data and the asylum decision statistics set out above (in which nearly one-third of asylum applications were rejected) reflects several factors: some rejected asylum seekers subsequently left Germany officially or unofficially, while others later received approval on legal appeal or changed their legal status by other channels—for example, by marriage.

Accordingly, three groups can be distinguished by their legal status, and this status has specific implications for integration:

- *First, those with a protection status compose the majority of the refugee population.* This group has a legal status that allows them to stay in Germany, potentially on a long-term basis, and provides them with privileged access to integration programs.
- Second are those still waiting for a decision on their asylum applications or whose legal status is uncertain. Part of this group has already had their asylum claims rejected and is waiting for a final court ruling.
- Third are those whose presence in the country is "tolerated." Their legal status remains highly uncertain as they might be subject to deportation at any time, although for many deportation is not a realistic option due to factors such as the unwillingness of their origin countries to take them back, missing papers, security conditions in their countries of origin, or personal reasons (such as poor health).

Because many refugees from all of these groups are likely to stay in the country in the mid- to long term, Germany's integration policies must address all three groups, although the policy approaches may differ by legal status.

B. Age, Gender, and Family Status

The characteristics of the population with a refugee background in Germany attest to the risks and difficulty of their migration journeys. First, refugees are disproportionally young: 75 percent of adult males and 65 percent of adult females were 35 years old or younger in 2017 (compared with 28 and 25 percent of the adult population in Germany, respectively). Second, the refugee population is mainly male: 73 percent of adult refugees are male, and 27 percent are female. There are substantial differences

¹⁰ Formal decisions comprise cases that do not fall under German jurisdiction since the asylum seekers they involve arrived in the European Union via another state subject to the Dublin Regulation (e.g., so-called Dublin cases), where asylum applications have been withdrawn, or when the applicants no longer reside in Germany. See BAMF, Das Bundesamt in Zahlen 2017; BAMF, Aufhältige Ausländer.

¹¹ DESTATIS, Bevölkerung und Erwerbstätigkeit, Schutzsuchende. Ergebnisse des Ausländerzentralregisters 2018 (Wiesbaden: Statistisches Bundesamt 2019).

¹² The figures for the refugee population have been taken from the IAB-BAMF-SOEP Refugee Survey (weighted values); the figures for the German population are averaged from microcensus data and consider those ages 15 to 34 as a share of those ages 15 years and above. See DESTATIS, "Bevölkerung, Erwerbstätige, Erwerbslose: Deutschland, Jahre, Geschlecht, Altersgruppen. Code: 12211-0003," accessed 2018, www-genesis.destatis.de/genesis//online/data?operation=table&code=12211-0003&levelindex=0&levelid=1575365134644

¹³ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



in refugees' family and household structures by gender: more than half of male refugees were single, compared with only 24 percent of female refugees (Table 1). Considerably more refugee women lived with their spouses and/or children than did refugee men, and 17 percent of the adult women versus 2 percent of the men were single parents.

Table 1. Family and Household Status of Refugees in Germany, by Gender, 2017

Family and Household Status	Share of All Refugees (%)	Share of Men (%)	Share of Women (%)
Single	44	51	24
without children	41	50	15
with children	3	1	9
with toddlers*	1	0	2
With spouse in household	36	27	61
without children	9	8	11
with children	27	19	50
with toddlers*	15	10	28
With spouse out of household	19	21	12
without children	16	20	5
with children	3	1	8
with toddlers*	1	0	3
Other/unclear	2	1	3
Total	100	100	100
Observations	5,444	3,293	2,151

^{*} Toddlers are defined as children ages 3 years old and younger.

Notes: All figures on children refer to the respondents' own children residing in the same household. Figures referring to less than ten observations in the survey are marked in italics. Percentages may not add up to 100 due to rounding.

Source: Herbert Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung: Geflüchtete machen Fortschritte bei Sprache und Beschäftigung," *IAB Kurzbericht* 3/2019, http://doku.iab.de/kurzber/2019/kb0319.pdf, based on IAB-BAMF-SOEP Survey of Refugees 2017, weighted.

These gendered differences in family structure shape the integration processes of male and female refugees, as will be discussed further in this report. Female refugees with children, particularly with toddlers, have fewer opportunities to take part in integration supports such as language programs. They also participate less in education and, eventually, have substantially lower employment rates than their male counterparts.¹⁴

C. Potential Trauma and Health Status

Refugees often have greater exposure to traumatic events than other migrants, triggered by wars, violence, and persecution—both in their countries of origin and in transit countries. For ethical reasons, the IAB-BAMF-SOEP Survey of Refugees has not asked respondents questions about issues such as violence toward individuals and their families, the loss of family members and friends, or individual persecution. However, it does ask questions about violent experiences during the migration process. While about one-third of the survey participants were not willing to answer these questions, 56 percent of those who did answer reported traumatic events during migration. Among other experiences, 13 percent reported experiencing a shipwreck.¹⁵

¹⁴ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

Hanna Brenzel et al., *Flüchtlingsmonitoring: Endbericht* (Nuremberg: IAB, 2019), <u>www.bmas.de/DE/Service/Medien/Publikationen/Forschungsberichte/Forschungsberichte-Arbeitsmarkt/fb528-fluechtlingsmonitoring-endbericht.html</u>.



These experiences are likely to negatively affect the mental and physical health of refugees. Indeed, self-reported psychological wellbeing is considerably lower in the refugee population than the German population. Similarly, refugees are more likely to experience depression-related symptoms, post-traumatic stress disorder, and psychological disorders—all of which are likely to hinder social and economic integration, for instance by making it harder to find and retain work. The prevalence of such health-related risks is disproportionally high among females and individuals above the age of 40.

D. Personality

While personality is not often discussed in the migration literature, the experience of migration is likely to select for personality types in ways that could have relevance to social and economic integration. On the one hand, the psychological wellbeing of asylum seekers and refugees is likely to be destabilized by personal experiences of war, violence, and persecution. On the other hand, the high risks and costs of forced migration may positively select for personal characteristics such as resilience. The IAB-BAMF-SOEP Survey of Refugees employs well-established socio-psychological concepts in order to shed some light on this issue. Its findings for refugees are compared with those for the native-born and total immigrant populations in Germany from the general SOEP household survey, which uses the same concepts.

This comparison suggests that the asylum seeker and refugee population is significantly more self-confident than both the native-born population and other migrants in Germany. Refugees also display more openness, extroversion, agreeableness, and conscientiousness compared with the native born and other immigrants, and lower levels of neuroticism, according to questions that draw on the "Big Five" personality traits. Moreover, they display relatively high levels of positive reciprocity (i.e., returning favors) and relatively low levels of negative reciprocity (i.e., retaliating). However, and somewhat surprisingly, this group is less inclined to take risks than the native-born population in Germany on average. Previous research has found high levels of self-confidence, openness, extroversion, agreeableness, conscientiousness, and positive reciprocity to be positively correlated with economic success in the labor market. Considering this research, the results of the IAB-BAMF-SOEP Survey of Refugees suggest that the personal traits of refugees in Germany might further their chances of social and economic integration.

E. Human Capital Endowments

Although refugees tend to have higher education levels than is the average in their countries of origin,²² there is a substantial skill gap relative to the overall German population.²³

¹⁶ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

¹⁷ Michèle V. K. Belot and Timothy J. Hatton, "Immigrant Selection in the OECD," *The Scandinavian Journal of Economics* 114, no. 4 (2012): 1105–28; Dustmann et al., "On the Economics and Politics of Refugee Migration."

¹⁸ The comparison groups follow the definition of the German Socio-Economic Panel (GSOEP): "other migrants" are those people who have a direct migration background, i.e. were born abroad.

¹⁹ The "Big Five" model is well-established in psychology and classifies the personality of individuals along five main psychological dimensions: openness, conscientiousness, extraversion, agreeableness, and neuroticism. See Murray R. Barrick and Michael K. Mount, "The Big Five Personality Dimensions and Job Performance: A Meta-Analysis," *Personnel Psychology* 44 no.1 (1991): 1–26.

²⁰ Brenzel et al., Flüchtlingsmonitoring.

²¹ Samuel Bowles, Herbert Gintis, and Melissa Osborne, "Incentive-Enhancing Preferences: Personality, Behavior, and Earnings," *American Economic Review* 91, no. 2 (2001): 155–58; Ellen Nyhus and Empar Pons, "The Effects of Personality on Earnings," *Journal of Economic Psychology* 26, no. 3 (2005): 363–84.

²² Lucas Guichard, "Self-Selection of Refugees" (paper presented at the ifoCEMIR Junior Economist Workshop on Migration Research, Munich, June 16–17, 2017).

²³ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



Schooling levels²⁴ are heavily polarized among the refugee population, with large shares possessing a secondary or other higher-level schooling (e.g., polytechnical education), or conversely, having little education at all (see Table 2). At the upper end of the schooling spectrum, 42 percent of all refugees have attended (and 36 percent completed) an upper secondary or polytechnical school, compared with 40 percent of the overall German population to complete such schooling.²⁵ In turn, another 32 percent of refugees have attended (and 23 percent completed) secondary school, compared with 55 percent of the overall German population to complete secondary schools. Crucially, a much larger share of the refugee population has limited or no education, compared to the German population. While only one-tenth of the adult population in Germany has not completed secondary school, 41 percent of the refugee population left school without a secondary school diploma (and some of these refugees never entered secondary school); 13 percent possess no school education at all. Many refugees have an interrupted education, as illustrated by the difference between attendance and completion rates; this is often linked to the outbreak and duration of armed conflicts.²⁶

Table 2. Education Levels of Refugees in Germany, by Gender, 2017

	School Attendance			School Degree		
Type of school	Share of All Refugees (%)	Share of Men (%)	Share of Women (%)	Share of All Refugees (%)	Share of Men (%)	Share of Women (%)
No school	13	11	17	_	_	_
Primary school	13	13	13	_	_	_
Secondary school	32	33	29	23	24	19
Upper secondary school	38	39	37	33	33	32
Other school (e.g., polytechnical school)	4	4	4	3	3	3
Total	100	100	100	59	60	54
Observations	5,100	3,075	2,025	5,125	3,089	2,036
	Vocational Training and University Attendance			Vocational Training and University Degrees		
Type of educational institution	Share of All Refugees (%)	Share of Men (%)	Share of Women (%)	Share of All Refugees (%)	Share of Men (%)	Share of Women (%)
No professional training	75	74	80	_	_	_
Vocational training	8	8	5	6	6	4
College/university/doctorate	17	18	14	11	11	11
Total	100	100	100	17	17	15
Observations	5,378	3,259	2,119	5,378	3,259	2,119

Source: Hanna Brenzel et al., Flüchtlingsmonitoring: Endbericht (Nuremberg: IAB, 2019), www.bmas.de/DE/Service/Medien/Publikationen/Forschungsberichte/Forschungsberichte-Arbeitsmarkt/fb528-fluechtlingsmonitoring-endbericht.html, based on IAB-BAMF-SOEP-Survey of Refugees 2017, weighted.

²⁴ For an analysis of the educational structure of the refugee population, it is important to distinguish between schooling levels on the one hand and vocational training and college and university studies on the other.

²⁵ DESTATIS, "Bevölkerung, Erwerbstätige, Erwerbslose." On average, such a schooling degree requires 12 years of schooling. While only 35 percent of the refugee population had completed this type of schooling, 42 percent had started it.

²⁶ As a rule of thumb, the share of individuals who finished school declines with the length of armed conflicts, and sending countries such as Afghanistan are particularly affected.



The gap between the refugee population and the population in Germany is even larger in the area of vocational training and postsecondary education. Only 8 percent of refugees in Germany have undertaken (and 6 percent completed) vocational training, while 17 percent have attended (and 11 percent completed) university or college. These levels are well below the 59 percent of the German adult population with vocational training degrees and a further 18 percent with a university or college degrees.²⁷

The low levels of refugee individuals with advanced, and especially vocational, training degrees pose a substantial hurdle for labor market integration. This is particularly true in the German labor market, which places very high importance on professional qualifications compared to English-speaking countries, in part because of the dominance of Germany's dual vocational training system.²⁸ The refugee population in Germany seems to be aware of this fact: about 44 percent of survey respondents planned to acquire a school degree in Germany, while 68 percent were considering participating in vocational training or attending a university in Germany.²⁹

F. Work Experience

While the levels of vocational training and university studies are rather low among the refugee population in Germany, many have considerable work experience and, as a consequence, have acquired substantial professional skills on the job. Three-quarters of refugee men and more than one-third of refugee women worked before their arrival in Germany, either in origin or transit countries. On average, this experience lasted ten years for men and 11 years for women.

Despite the low shares of refugees with vocational training or university degrees, the survey reveals that those with work experience have performed an array of complex professional tasks. One-third worked in white-collar roles (10 percent in management positions) before arrival in Germany, another third were self-employed, 30 percent worked in blue-collar roles and the remaining 3 percent in civil service jobs. While 15 percent performed assistant tasks with low levels of complexity, 65 percent performed qualified professional tasks (i.e., tasks that require vocational training skills), 6 percent performed complex specialized tasks (e.g., technical tasks), and 15 percent performed highly complex expert tasks (e.g., as engineers, physicians, lawyers). This distribution is relatively close to that of the German workforce, although the skill requirements for these tasks may differ in other countries.

III. Evidence of Integration: How Are Recent Arrivals Faring?

Asylum seekers and refugees typically face greater barriers to finding work than other migrants.³² First, refugees often suffer from interruptions in their work and education trajectories due to the social and economic situation in their home and transit countries. Second, the migration of refugees is typically driven by factors outside of their control (e.g., war, genocide, and persecution), so it tends to be less voluntary and more unpredictable. As a result, they may have been unable to prepare for their move in ways that would

²⁷ DESTATIS, "Bevölkerung, Erwerbstätige, Erwerbslose."

²⁸ Jutta Allmendinger, "Educational Systems and Labor Market Outcomes," European Sociological Review 5, no. 3 (1989): 231–50.

²⁹ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

³⁰ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

³¹ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

³² Pieter Bevelander, "The Employment Integration of Resettled Refugees, Asylum Claimants, and Family Reunion Migrants in Sweden," *Refugee Survey Quarterly* 30, no. 1 (2011): 22–43.



improve their integration prospects, for instance by learning the language of their destination country or gathering relevant information about job opportunities.

A. Labor Market Integration

Since the early 1990s, refugees in Germany have taken longer to enter work and earned lower wages than other migrants.³³ Five years after arrival, 55 percent of refugees and 82 percent of other migrants had found their first job in Germany (see Figure 1).³⁴ Ten years after arrival, 22 percent of refugees and only 9 percent of other migrants had still not found their first job. While the employment rates of both groups eventually reach 70 percent, it takes twice as long for refugees as for other migrants (14 versus six years, respectively, on average; see Figure 2).

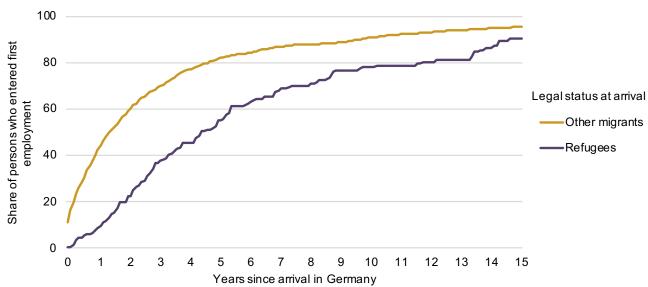


Figure 1. Transition Rates of Refugees and Other Migrants to a First Job in Germany in 2015, by Years since Arrival

* The Kaplan-Meier method estimates the survival function S(t), that is, the probability that until time t no first job entry has occurred yet. For example, S(t=5)=0.75 indicates that by the time t=5, 75 percent of the population have not yet entered their first job. The counter-probability F(t), meaning the probability that a first job entry occurred up to a certain point in time, can be determined by simply inverting the survival function: F(t)=1-S(t). *Notes:* Persons who work full time and part time, work marginally, or are in company training are counted as employed. Figures refer to the IAB-SOEP Migration Sample question on respondents' legal status upon arrival in Germany to distinguish between refugees (= arrived "as an asylum seeker or refugee") and other migrants (= otherwise). Only individuals ages 18 to 64 at the time of their arrival to Germany are considered in the sample. The sample covers migrants who arrived in Germany in the period from 1990 to 2013 (i.e., before the 2015 surge in refugee arrivals).

Source: Author calculations using data from the IAB-SOEP Migration Sample (Waves 1, 2, 3) linked to the Integrated Employment Biographies (IEB) data.

³³ To better analyze the evolution of the labor market integration outcomes of recently arrived refugee cohorts, it is possible to draw a benchmark for other immigrants, using the IAB-SOEP Migration Sample, which provides data on immigrant cohorts since the beginning of the 1990s.

³⁴ These refugee cohorts arrived in Germany between 1990 and 2013 and stemmed mainly from Arabic-speaking countries and the successor states of Yugoslavia. See Tanja Fendel and Yuliya Kosyakova, "Ökonomische und soziale Integration von Geflüchteten in Deutschland: Mögliche Lehren aus vergangenen Erfahrungen," *Geographische Rundschau* 3 (2017): 30–37.



Employed share of persons Legal status at arrival Other migrants Refugees Years since arrival in Germany

Figure 2. Employment Rates among Refugees and Other Migrants in Germany in 2015, by Years since Arrival

Notes: Persons who work full time and part time, work marginally, or are in company training are counted as employed. Figures refer to the IAB-SOEP Migration Sample question on respondents' legal status upon arrival in Germany to distinguish between refugees (= arrived "as an asylum seeker or refugee") and other migrants (= otherwise). Only individuals ages 16 to 64 at the time of first employment in the IEB data are considered. Source: Author calculations using data from the IAB-SOEP Migration Sample (Waves 1, 2, 3) linked to the IEB data.

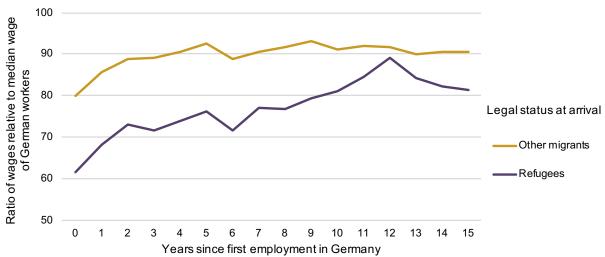


Figure 3. Wage of Refugees and Other Migrants Relative to Native-Born Germans in 2015, by Years since First Employment in Germany

Notes: Persons who work full time and part time, work marginally, or are in company training are counted as employed. Figures refer to the IAB-SOEP Migration Sample question on respondents' legal status upon arrival in Germany to distinguish between refugees (= arrived "as an asylum seeker or refugee") and other migrants (= otherwise). The wage gap between the German workforce and refugees and other immigrants is calculated as the ratio of the median wage of the respective groups. Median wages refer to the daily earnings of full-time employees in the IEB data by the observation year and years since initial employment. Only individuals who were ages 16 to 64 and employed full time at the time of first employment (in the IEB data) are considered. Source: Author calculations using data from the IAB-SOEP Migration Sample (Waves 1, 2, 3) linked to the IEB data.



The earnings of refugees and other migrants also differ. In their first year of work, asylum seekers and refugees earn two-thirds of what German nationals earn, increasing to 76 percent after five years (the figures for other migrants are 86 percent in the first year and 93 percent in the fifth; see Figure 3).

Recent data point to a similar trajectory for the refugee cohorts arriving since 2013.³⁵ IAB-BAMF-SOEP Survey of Refugee data suggest that 19 percent of the refugees arriving in 2015 were in employment in 2017, that is, about two years after their arrival. Data from the German Federal Employment Agency suggest that 40 percent of working-age refugees who arrived starting in 2015 were in employment by October 2019, that is, some four years after arrival.³⁶

These initial results suggest that recently arrived refugees are finding employment slightly faster than previous refugee cohorts in Germany, which is remarkable given that the conditions for their labor market integration are in many respects less favorable.³⁷ First, the impacts of war and persecution are particularly acute in the lives of recent arrivals (e.g., those from Syria), many of whom undertook very risky journeys that resulted in a high prevalence of post-traumatic stress disorder. Second, recent arrivals have lower levels of educational attainment on average than did previous cohorts, particularly in vocational education. Third, the pace and scale of these arrivals led to delays in their registration, the asylum process, and access to basic supports such as housing. Fourth, the large number of refugee arrivals has created more competition for jobs in certain parts of the labor market—although the upswing in the business cycle has created high demand for all types of labor in Germany.³⁸

These initial results suggest that recently arrived refugees are finding employment slightly faster than previous refugee cohorts in Germany.

The data from the IAB-BAMF-SOEP Survey of Refugees imply that refugee employment rates increase with their length of residence in Germany. In the second half of 2017, 9 percent of those who arrived in 2016 were employed, compared with 19 percent of those who arrived in 2015 and 36 percent of those who arrived in 2014. The average (gross) monthly earnings of asylum seekers and refugees in full-time work amounted to roughly 1,600 euros, around 55 percent of the average earnings of full-time employees in Germany.³⁹ But because a significant share of refugees are working part time or completing work with internships and training, the average gross monthly income of all working-age refugees was much lower, corresponding to roughly 1,000 euros.

Several factors contribute to refugees' labor market integration:

 Utilization of integration supports. Refugees who have completed integration courses or used other employment services tend to have higher employment rates. When comparing participants and nonparticipants, almost one-third of refugees who completed the introduction

³⁵ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

³⁶ To approximate the labor market integration of the refugee population, the ratio of employment growth to the growth of the working-age population (ages 15 to 64) has been calculated for individuals from the eight main sending countries of refugees to Germany for the time period from December 31, 2014, to September 30, 2019. For an outline of the method used, see Herbert Brücker, "Arbeitsmarktintegration von Geflüchteten beschleunigt sich" (paper presented at the IAB-Forum, Nuremberg, September 7, 2018).

³⁷ Herbert Brücker and Yuliya Kosyakova, "Die Arbeitsmarktintegration von Geflüchteten läuft besser als erwartet," IAB-Forum, Nuremberg, January 24, 2019.

³⁸ Brücker and Kosyakova, "Die Arbeitsmarktintegration von Geflüchteten."

³⁹ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



program provided by BAMF⁴⁰ were employed in the second half of 2017, compared with only half this level among those who had not yet participated or were currently participating.⁴¹ The employment rate of graduates of the more advanced European Social Fund (ESF)-BAMF program (which is based on integration courses and requires a minimum A2 level of German) was even higher, at 35 percent.⁴² Likewise, the employment rates of those who had taken advantage of labor market services provided by the Federal Employment Agency (e.g., career advice, assistance creating a job profile, competence assessments, or placement in further education courses) were also significantly higher (31–32 percent). Moreover, refugees' transition rate to their first job in Germany was twice as high for those who completed integration measures as compared to those who had never participated, when controlled for observable characteristics.⁴³ Given that a significant share of refugees were still in integration courses in the second half of 2017, and that enrollment in these supports keeps refugees from participating in the labor market, it is reasonable to expect that employment rates will continue increasing in the near future as they complete their courses.

- *Legal status.* While the legal status of refugees (e.g., pending asylum application, recognized or tolerated status) does not affect employment rates, it does shape earnings, which suggests that it has an impact on the type of employment refugees eventually find. Somewhat surprisingly, those with rejected or pending asylum applications are found in gainful employment as often as refugees who have been granted protection status.⁴⁴ This result may be explained by higher incentives to find work for individuals with tolerated status, since employment may improve their chances of remaining in Germany. Moreover, refugees with protection status might invest more time and energy in language and training programs as well as in the job search process in order to receive better job offers and higher earnings. This hypothesis is supported by the fact that individuals who have had their asylum claims approved earn more than those whose stay in the country is only tolerated. Moreover, the approval of an asylum application accelerates entry into the first job in Germany⁴⁵ and results in higher earnings.⁴⁶ Conversely, a lengthy asylum procedure significantly delays the transition to the first job, likely due to factors such as skills decay, reduced work aspirations due to insecure status, and the effects of post-traumatic stress disorder.
- **Social networks.** Personal networks play an essential role in the job search: 43 percent of refugees who were employed at least once in 2017 found their first job in Germany through family members, friends, and acquaintances. The structure of personal networks seems to be essential for successful job entry; personal contacts with Germans play a more important role than coethnic networks.⁴⁷
- *Gender.* Refugee women fare worse in the German labor market than do refugee men. Comparing men and women with similar observable characteristics (such as family structures, human capital endowment, and asylum status), suggests that the probability of being employed is 12 percentage points higher for men than women; for those in partial or full-time

⁴⁰ The integration courses provided by BAMF and are the most comprehensive in the nation. They are not restricted to language instruction but also include orientation classes that provide information on German legal, cultural, and historic issues. In most cases, integration courses offer students their first opportunity to formally acquire language skills.

⁴¹ While these descriptive correlations are of course biased by the relatively skilled and able refugees participating in these programs, the positive effects hold even when controlling for a whole set of observable individual differences. See Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁴² Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁴³ Hanna Brenzel and Yuliya Kosyakova, "Geflüchtete auf dem deutschen Arbeitsmarkt: Längere Asylverfahren verzögern Integration und Spracherwerb," *IAB Kurzbericht* 6/2019, www.iab.de/194/section.aspx/Publikation/k190208302.

⁴⁴ This result is robust if it is controlled for observable characteristics and in regressions with individual fixed effects. See Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁴⁵ Brenzel and Kosyakova, "Geflüchtete auf dem deutschen Arbeitsmarkt."

⁴⁶ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁴⁷ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



employment (i.e., not in marginal employment), the probability is 8 percentage points higher. The estimated wages of refugee men are also around 90 euros/month higher than those of refugee women. Among the working refugee population, women also face higher risks of being overqualified for their jobs. Unlike refugee men, most women live in couples and have children in the household, about half of whom are 3 years old or younger. These family characteristics are among the major factors behind refugee women's disadvantage in terms of employment opportunities.48

Even among those refugees able to find work, many fail to find a job commensurate with their skills and experience and with the potential for upward progression. Only 44 percent of refugees work in jobs with qualification requirements that correspond to their formal qualification level. 49 In addition, 31 percent work in occupations for which they are formally overqualified, but 25 percent are in occupations for which they do not have the appropriate formal training. Refugees with academic qualifications are more likely to end up in the jobs for which they are formally overqualified than skilled refugees with vocational training and similar qualifications. On the other hand, a considerable share of refugees who do not have formal vocational qualifications are employed as skilled labor in the German labor market, probably owing to skills acquired through many years of professional experience.⁵⁰

On the whole, however, refugees often carry out work activities in Germany that place fewer demands on the skills they have acquired formally or informally than did the activities they once carried out in their home countries.⁵¹ This underemployment is likely due to a host of causes: lack of German language skills. problems transferring human capital to a labor market with different skills requirements, the desire to enter work quickly, and employers actively recruiting workers in low-paid manual jobs for which labor shortages are widespread.

B. Social Integration

Finding work alone does not guarantee that newcomers have settled into their new societies. Although socioculturally isolated populations may be economically very successful, a lack of a shared social and cultural identity between migrants and the wider society is often negatively correlated with successful labor market integration and may contribute to labor market segmentation between migrants and the native born.⁵² Moreover, aspects of refugees' social and cultural integration, such as German language proficiency, values and attitudes, and contacts with the native-born population, can affect labor market integration.

⁴⁸ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁴⁹ The qualifications acquired were measured based on the International Standard Classification of Education (ISCED) of the Organization for Economic Cooperation and Development (OECD); the qualification requirements were measured based on the classification of occupations (KldB) of the IAB and the Federal Employment Agency—the model of the job structure in Germany. The KldB includes four groups of professions: (1) helpers (unskilled or semi-skilled activities that require no vocational qualification or require regular one-year vocational training); (2) skilled labor (skilled activities that require at least two years of vocational training, or graduation from vocational school); (3) specialists (complex specialist activities that require qualification as a master craftsman or technician, equivalent technical school or college degree, graduation from a professional academy, or university bachelor's degree); and (4) experts (highly complex activities that require the completion of university studies of at least four years). See Wiebke Paulus and Britta Matthes, The German Classification of Occupations 2010—Structure, Coding and Conversion Table (Nuremberg: Research Data Center of the BA at IAB, 2013), http://doku.iab.de/ fdz/reporte/2013/MR 08-13 EN.pdf.

⁵⁰ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."51 Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁵² Asadul Islam and Paul A. Raschky, "Cultural Distance, Immigrants' Identity, and Labour Market Outcomes" (discussion paper 21/13, Department of Economics, Monash University, Australia, 2013), 1-40.



1. Language Proficiency and Language Acquisition

German language proficiency is a critical determinant of refugees' successful and sustainable integration into the German labor market and society. In addition to improving their labor market chances and wages,⁵³ better destination-language skills help societal integration by enabling refugees to make contact with locals.⁵⁴

Virtually no refugees possessed German language skills upon their arrival (see Figure 4).⁵⁵ However, recently arrived cohorts have steadily improved their language proficiency. The share of refugees with self-reported good or very good German language skills increased from 12 percent in the first year after arrival to 41 percent within three years of arrival in Germany.

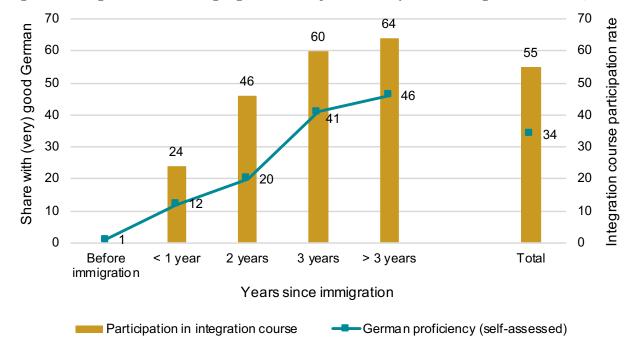


Figure 4. Refugees' German Language Proficiency and Participation in Integration Courses, 2017

Note: To derive German language proficiency, the authors calculated the mean of self-reported reading, speaking, and writing competence (ranging between 1 ["none"] and 5 ["very good"]). (Very) good German language proficiency is coded as 1 if the calculated measure reaches at least a level of 4 (otherwise coded as 0).

Source: Brenzel et al., Flüchtlingsmonitoring, based on IAB-BAMF-SOEP-Survey of Refugees 2017, weighted.

Strong differences exist, however, between subgroups in terms of German speaking competence. At the time of the 2017 survey, 44 percent of male interviewees compared with 26 percent of female interviewees stated that they spoke German (very) well; however this difference shrinks to 7 percentage points if only childless refugees are considered. ⁵⁶ Refugees from Syria often report (very) good

⁵³ Barry R. Chiswick, Yew Liang Lee, and Paul W. Miller, "Family Matters: The Role of the Family in Immigrants' Destination Language Acquisition," *Journal of Population Economics* 18, no. 4 (2005): 631–47; Christian Dustmann and Francesca Fabbri, "Language Proficiency and Labour Market Performance of Immigrants in the UK," *The Economic Journal* 113 (July 2003): 695–717

⁵⁴ Borja Martinovic, Frank van Tubergen, and Ineke Maas, "Dynamics of Interethnic Contact: A Panel Study of Immigrants in the Netherlands," *European Sociological Review* 25, no. 3 (2009): 303–18.

⁵⁵ Brücker et al., "IAB-BAMF-SOEP-Befragung von Geflüchteten."

⁵⁶ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."



speaking competence (approximately 42 percent).⁵⁷ In contrast, only about one-third of refugees from other countries affected by wars, persecution, and political crisis,⁵⁸ and one-quarter of those from the remaining countries do so.⁵⁹ One of the reasons for this is that asylum seekers from countries whose nationals have good prospects of having their asylum applications approved (those from Eritrea, Iraq, Iran, Somalia, and Syria) are given priority access to integration courses (see Section IV.B.).

Improved German language proficiency goes hand in hand with participation in integration courses. While in the first year after immigration almost one-quarter of refugees participated in integration courses, the data indicate that this was likely to jump to two-thirds within three years (see Figure 4). In 2017, roughly 75 percent of refugees had undertaken or completed at least one language course. ⁶⁰ The rate is considerably higher for men⁶¹ and for those whose asylum applications were approved. ⁶² On average, 38 percent of refugees who attended a language course reported (very) good language skills, as opposed to 12 percent of those who had not attended such courses. This result holds for a whole set of programs, with the highest gains from participation in the ESF-BAMF course, which provides targeted job-related language skills. ⁶³ The gains refugee women derive from participating are particularly high—this positive relationship is, however, counteracted by the presence of children or partner in the household, eventually due to missing offers and readiness to use child-care facilities. ⁶⁴ Beyond that, duration of stay, contacts with native-born Germans, residence in a private apartment or house (as compared to a shared accommodation with other refugees), higher education and work experience before arrival in Germany, health, and rejection of an asylum request are systematically correlated with German language proficiency or improvement. ⁶⁵

2. Cultural Values and Normative Attitudes

Values and attitudes can also affect integration, both directly and indirectly. Different political values and attitudes toward the rule of law, as well as personal, family, and communal values, can create barriers between newcomers and Germans. Moreover, values can be considered an integral part of ethnic identity, ⁶⁶ and a lack of host-country identity among newcomers in Europe has been found to hinder their labor market integration. ⁶⁷

Many refugees come from countries governed by dictators in which democratic traditions and civil-society structures have been weakly developed or destroyed in recent years. However, this does not, as might be expected, result in low levels of support for democracy. Figure 5 shows, on the contrary, that refugees support free elections, civil rights protection, and welfare distribution even more than German nationals. The only exception is that refugees expressed more support for religious leaders

⁵⁷ Brenzel et al., Flüchtlingsmonitoring.

⁵⁸ Other countries experiencing war and crisis include Afghanistan, Iraq, Eritrea, Iran, Nigeria, Pakistan, and Somalia.

⁵⁹ Brenzel et al., Flüchtlingsmonitoring.

⁶⁰ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁶¹ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung"; Yuliya Kosyakova and Hanna Brenzel, "Teilnahme an Maßnahmen zum Spracherwerb sowie zur Bildungsbeteiligung in Deutschland," in *IAB-BAMF-SOEP-Befragung von Geflüchteten 2016: Studiendesign, Feldergebnisse sowie Analysen zu schulischer wie beruflicher Qualifikation, Sprachkenntnissen sowie kognitiven Potenzialen,* eds. Herbert Brücker, Nina Rother, and Jürgen Schupp (Nuremberg: IAB-Forschungsbericht, 2017), https://www.bamf.de/SharedDocs/Anlagen/DE/Forschung/Forschungsberichte/fb30-iab-bamf-soep-befragung-gefluechtete-2016.html.

⁶² Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁶³ However, the ESF-BAMF course targets a selected group of refugees: only 9 percent attended such a course in 2017.

⁶⁴ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung"; Kosyakova and Brenzel, "Teilnahme an Maßnahmen zum Spracherwerb sowie zur Bildungsbeteiligung in Deutschland."

⁶⁵ Brenzel et al., Flüchtlingsmonitoring.

⁶⁶ Jean S. Phinney and Anthony D. Ong, "Conceptualization and Measurement of Ethnic Identity: Current Status and Future Directions," *Journal of Counseling Psychology* 54, no. 3 (2007): 271–81.

⁶⁷ Alberto Bisin et al., "Ethnic Identity and Labour Market Outcomes of Immigrants in Europe," *Economic Policy* 26, no. 65 (2011): 57–92.

⁶⁸ Brücker et al., "IAB-BAMF-SOEP-Befragung von Geflüchteten."



playing a role in the interpretation of laws (18 percent compared with 9 percent in the German population)—a belief that is likely to find much greater support in many refugees' countries of origin.⁶⁹

Some larger differences, relative to the German population, appear with respect to family values. Differences regarding gender values are relatively low: similar shares of refugees and German nationals reported that they consider paid employment important for a woman's independence, and that the education of daughters is as important as the education of sons. However, a smaller share of refugees than Germans were tolerant of abortion, premarital sex, and homosexuality, reflecting the fact that many come from countries with more conservative social norms and stronger religious convictions. Although acceptance of domestic violence is very low in both groups, refugees rejected it at a higher level than Germans.

This paints a complex picture: On the one hand, the refugee population surveyed seem to be rather similar to German respondents in terms of political values and attitudes and, interestingly, gender values at least at the abstract level. On the other hand, larger differences appear with respect to family values, where cultural differences come to the surface. Altogether, the values and attitudes of the refugee population look much more similar to those of German interviewees than to those of the populations in their countries of origin. This suggests that the refugee population is highly selective in terms of values and attitudes.

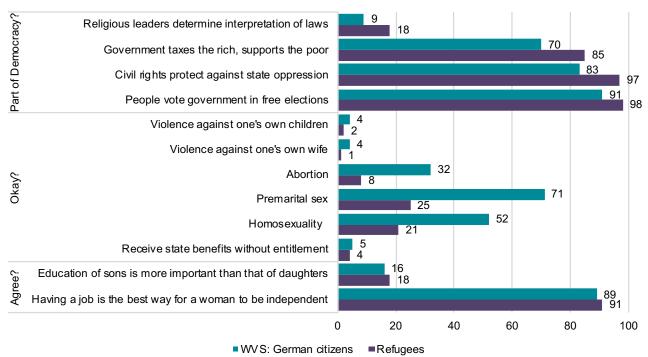


Figure 5. Support for Democratic and Other Values among Refugees and Citizens in Germany, 2017

Notes: The answer scales vary depending on the question and data set. Those that offered survey takers an even number of response options had these options divided into an upper "support" category and a lower "reject" category. If there was an odd number of response categories, a neutral middle category was coded as "no answer."

Source: Brenzel et al., Flüchtlingsmonitoring, based on IAB-BAMF-SOEP-Survey of Refugees 2017 (for data on refugees), and World Values Survey (WVS), Wave 6, 2010–14 (for data on German citizens), weighted.

⁶⁹ Brenzel et al., Flüchtlingsmonitoring.

⁷⁰ Brenzel et al., Flüchtlingsmonitoring.



3. Social Ties

Because their migration is typically out of their control,⁷¹ and because they often cannot choose which country or region they end up in,⁷² refugees are likely to have limited preexisting networks in the country of destination. Developing new social ties—especially those based on frequent contact with natives—is therefore important to refugees' social and economic inclusion. Connections outside their own ethnic communities are particularly vital⁷³ because they come with access to different information and can thus result in greater access to labor market opportunities, housing, and other valuable resources.

Almost two-thirds of refugees interviewed in 2017 spent time with Germans whom they did not necessarily count as friends at least once a week. This is about the same share as those who had regular contact with people from their own country. Almost half met with Germans they considered friends at least weekly. Refugees with liberal values and attitudes had more diverse networks: tolerance toward homosexuality and premarital sex was associated with greater contact with Germans. Language also matters; almost half of respondents who met German friends at least once a week reported good or very good language skills, as opposed to less than one-quarter of those with less frequent contacts.

Refugee women tended to have less contact both with other migrants and Germans, which may adversely affect their labor market integration. There are several reasons for this. These women are more likely to have family members to care for, are more likely to immigrate with family members, and are less likely to be in work, reducing their opportunities to interact in different spheres of life.

IV. Recent Policy Changes

A host of policies pertaining to asylum procedures, working rights, and the redistribution of asylum seekers across federal states all have a considerable bearing on integration. Germany has made numerous changes across these elements of the asylum system as well as to integration policies themselves in recent years. New legislation pertaining to tolerated individuals—the *Act for Skilled Labor Immigration*—was just decided a few months ago in the Bundestag. Many legal and policy changes seek to strike a balance between the two competing goals of curbing the inflow of asylum seekers by increasing pressures on some or all of the population, and facilitating integration at least for those with better prospects of staying. Perhaps as a result of the inherent tension between their aims, many of the policy changes have had ambiguous implications for integration.

⁷¹ Chiswick, "Are Immigrants Favorably Self-Selected?"

⁷² Michele Battisti, Giovanni Peri, and Agnese Romiti, "Dynamic Effects of Co-Ethnic Networks on Immigrants' Economic Success" (working paper 22389, National Bureau of Economic Research, Cambridge, MA, 2016); Anna Piil Damm, "Ethnic Enclaves and Immigrant Labor Market Outcomes: Quasi-Experimental Evidence," *Journal of Labor Economics* 27, no. 2 (2009): 281–314.

⁷³ See, for example, Mark S. Granovetter, *Getting a Job: A Study of Contacts and Careers*, 2nd ed. (Chicago: University of Chicago Press, 1995); Alejandro Portes and Julia Sensenbrenner, "Embeddedness and Immigration: Notes on the Social Determinants of Economic Action," *American Journal of Sociology* 98, no. 6 (1993): 1320–50; Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000).

⁷⁴ Brenzel et al., Flüchtlingsmonitoring.



A. Asylum Changes

I. Asylum Procedure

Lengthy asylum procedures have a negative impact on labor market integration by delaying the start of integration programs and, in some cases, preventing asylum seekers from working.⁷⁵ German policymakers have therefore sought to improve the efficiency and speed of asylum procedures in order to guarantee legal certainty for asylum seekers at an early stage. The so-called cluster procedure, which was used between 2015 and 2017, groups asylum seekers based on the potential complexity of their cases to speed up average processing times. Asylum seekers were grouped into Cluster A (countries of origin whose nationals have a high rate of having asylum applications approved),⁷⁶ Cluster B (countries of origin with a low protection rate), Cluster C (complex cases), and Cluster D (Dublin cases). The cluster procedure reduced waiting times overall by processing the easy cases first, but it also led to more variation: asylum seekers from some clusters faced even longer procedures.⁷⁷

The cluster system also governed access to integration programs. Asylum seekers from countries with high protection rates (Cluster A) were entitled to begin accessing integration services before their applications had been adjudicated. In contrast, the other groups with lower chances of receiving protection were excluded from these programs, both in order to efficiently target resources to those with the best prospects of staying in Germany and to reduce incentives for prospective migrants to misuse the asylum route. Many individuals therefore ended up with lengthy asylum procedures and delayed access to services. Since early integration measures are essential to prevent human capital from devaluing (alongside loss of motivation and increased incentives to work in the informal economy), this may have created social and economic problems—especially since many people in these clusters would go on to stay in Germany.⁷⁸

On balance, the costs of delaying some asylum seekers' access to language programs may outweigh the risks of granting such access. Since the costs of language programs are relatively low, the individual and social returns on investment in such measures might be relatively high. Meanwhile, the counterargument—that language and integration services might act as a pull factor—lacks empirical evidence. High expected earnings and welfare benefits, rather than integration services, are more likely to encourage would-be economic migrants to move, though these are much harder to access for individuals whose asylum applications are rejected. Finally, given that integration programs are time-consuming and attendance can take up an entire working day, they largely restrict opportunities for activities in the informal economy.

2. Restrictions on Employment

Legal rights to work are clearly important determinants of labor market integration. In recent years, reforms have both eased labor market access for refugees and asylum seekers and created further obstacles. Refugees whose asylum applications have been approved have unrestricted labor market access, but they may nonetheless encounter residence-related barriers in the form of restrictions

⁷⁵ Brenzel and Kosyakova, "Geflüchtete auf dem deutschen Arbeitsmarkt"; Moritz Marbach, Jens Hainmueller, and Dominik Hangartner, "The Long-Term Impact of Employment Bans on the Economic Integration of Refugees" (working paper 17-03, IPL Working Paper Series, Immigration Policy Lab, Stanford University, 2017); Jens Hainmueller, Dominik Hangartner, and Duncan Lawrence, "When Lives Are Put on Hold: Lengthy Asylum Processes Decrease Employment among Refugees," Science Advances 2, no. 8 (2016): 1–7.

⁷⁶ This comprises Eritrea, Iran, Iraq, Syria, and Somalia.

⁷⁷ Refugees allocated to Clusters A and B had the highest priority, and so received a quick decision on their claims.

⁷⁸ For instance, individuals from Afghanistan still have relatively high approval rates (between 40 and 50 percent) but were not in the priority cluster.



on their free movement that may impair their job search and, hence, labor mobility.⁷⁹ Moreover, time limits on residency permits (e.g., for those with a subsidiary protection status⁸⁰) may hamper investment in country-specific human capital and long-term job contracts.

Asylum seekers and tolerated persons, on the other hand, are able to work after a certain waiting period. This period was reduced from 12 months to three months in 2014;⁸¹ however, eligibility to work is conditional on the approval of both the Immigration Offices (Ausländerämter) and the Federal Employment Agency. The approval of the Immigration Offices depends on, among other things, determining that asylum seekers are not in removal procedures or under the jurisdiction of another EU Member State (under the Dublin Regulation).⁸² However, these conditions are not clearly outlined and create considerable uncertainty that may discourage employers from hiring asylum seekers, according to anecdotal evidence from employers and asylum seekers themselves.⁸³

The approval of the Federal Employment Agency, on the other hand, is subject to three criteria: (1) a test of (local) labor market conditions, which basically aims to reduce labor supply in the downturn of the business cycle; (2) a comparability test of the conditions of work and remuneration (*Vergleichbarkeitsprüfung*), which attempts to prevent wage dumping and unfair employment; and (3) a priority test (*Vorrangprüfung*), which determines whether another person with priority status (i.e., a German or EU national) is able to fill the relevant position.

Although the priority test does not represent a high hurdle in practice, it is widely regarded as bureaucratic and ineffective.

The priority test was largely suspended by the *Integration Act in 2016* for approximately three-quarters of labor market districts in Germany but is still in play for the remaining quarter, which most comprises districts with high unemployment rates. Although the priority test does not represent a high hurdle in practice, it is widely regarded as bureaucratic and ineffective due to the difficulties of proving whether an open position could be filled by a German citizen or EU national instead of a third-country national, such as a refugee. ⁸⁴ The comparability test is also controversial, particularly in prosperous economic areas with high wages. This can create an obstacle for refugees and other immigrant workers with limited host-country work experience. Moreover, all of these employment restrictions create significant bureaucratic tasks for firms, and thus could discourage the hiring of refugees. ⁸⁵

⁷⁹ Brenzel and Kosyakova, "Geflüchtete auf dem deutschen Arbeitsmarkt"; Herbert Brücker, Philipp Jaschke, and Andreas Hauptmann, "Wohnsitzauflage für anerkannte Geflüchtete. Beschränkungen der Wohnortwahl können Chancen auf Arbeitsmarkt-integration senken," *IAB-Kurzbericht* (forthcoming).

⁸⁰ The residency permit of individuals with subsidiary protection lasts for one year and has to be prolonged thereafter, while residency permits of refugees who are approved according to the 1951 Refugee Convention last for three years in the first place. See BAMF, *The Stages of the German Asylum Procedure: An Overview of the Individual Procedural Steps and the Legal Basis* (Nuremberg: BAMF, 2016), https://www.bamf.de/SharedDocs/Anlagen/EN/Publikationen/Broschueren/dasdeutsche-asylverfahren.pdf? blob=publicationFile

⁸¹ Two amendments to the German asylum legislation in 2013 and 2014 (§61 Asylum Act, AsylG).

⁸² The Dublin Regulation determines which EU Member State is responsible for the adjudication of an asylum claim, namely the Member State that played the most significant role in arrival (e.g., through fingerprinting).

⁸³ Association of German Chambers of Industry and Commerce (DIHK), "DIHK kritisiert Rechtsunsicherheit für Ausbildungsbetriebe" (press release, August 15, 2018).

⁸⁴ A priority test could be maintained if it indeed helps to reduce the justified fears of the local population. However, it should be limited to exceptions and only implemented in the case of unfavorable economic conditions with a simultaneously poor labor market situation.

⁸⁵ Nicole Gürtzgen, Alexander Kubis, and Martina Rebien, "IAB-Stellenerhebung: Geflüchtete kommen mehr und mehr am Arbeitsmarkt an," *IAB Kurzbericht* 14/2017: 1–8, www.iab.de/194/section.aspx/Publikation/k170613307.



To minimize the incentives for individuals from safe third countries to move to Germany for economic reasons, the 2016 *Integration Act* prohibits labor market access for asylum seekers from safe countries of origin, who are required to stay in reception centers while their applications are processed. This group is therefore largely excluded from economic integration,⁸⁶ even though some will eventually receive protection and a substantial portion of those who do not cannot be repatriated, in particular if their countries of origin are not willing to facilitating their return or if they lack identification documents.⁸⁷

3. "Lane Change" of Residence Status

In Germany, as in other destination countries, dealing with individuals whose asylum applications have been declined is an important policy question. At the end of 2018, some 180,000 tolerated individuals were recorded in Germany, of whom 135,000 were of working age and many had been in Germany for long periods.⁸⁸

Generally, migrants who cannot be returned to their origin countries for the foreseeable future are granted short-term tolerations—generally not longer than six months—after which authorities re-examine whether obstacles to deportation are still present. This often results in so-called chain tolerance, which can cause considerable uncertainty for both individuals and employers. It may also hinder investment in their language proficiency and other country-specific human capital. Nonetheless, tolerated persons have higher employment rates than persons who have had their asylum applications accepted. Debate in Germany has therefore focused on whether tolerated individuals should be able to "change lanes" to a more permanent legal status after a certain period of time and subject to various integration achievements.

The new *Act for Skilled Labor Immigration* (*Fachkräfteeinwanderungsgesetz*) represents a compromise in this respect. It does not provide a full change in legal status for tolerated persons but prolongs the time during which certain individuals cannot be deported. There are two types of extended tolerations: an "employment toleration" (*Beschäftigungsduldung*) and a "vocational training toleration" (*Ausbildungsduldung*), both of which are attached to a range of requirements, including having been in work or having a vocational training contract. Employment toleration grants an immigrant the right to stay in Germany for 30 months, and the vocational training toleration allows for a stay of three years (the usual length of a training period) plus another two if the migrant receives an employment contract.

Because toleration is not a residence permit, there is considerable discretion on the part of Immigration Offices to decline applications for both types of toleration, and they can be easily withdrawn. As a result, they offer limited gains in terms of legal uncertainty, meaning migrants may still find it hard to plan their lives and some employers may still be reluctant to hire them.

Altogether, only a small share of tolerated individuals in Germany are likely to qualify for employment and vocational training toleration, as the required 18 months of employment is hard to achieve

⁸⁶ Although asylum seekers from safe countries could be approved if they have proof of personal endangerment, this is rarely the case since these origin countries often have laws that prevent prosecution. Hence, their approval is an exception, not a rule.

⁸⁷ Franziska Schreyer, Angela Bauer, and Karl-Heinz P. Kohn, "Betriebliche Ausbildung von Geduldeten: Für den Arbeitsmarkt ein Gewinn, für die jungen Fluchtmigranten eine Chance," *IAB Kurzbericht* 1/2015, www.iab.de/194/section.aspx/Publikation/k150119306.

⁸⁸ Figures are from the Central Register of Foreigners.

⁸⁹ Brenzel and Kosyakova, "Geflüchtete auf dem deutschen Arbeitsmarkt."

⁹⁰ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

⁹¹ For employment toleration, conditions include having been a "tolerated" individual for more than a year, not being in removal procedures, having worked full time for 18 months (part time, in the case of single parents), being self-sufficient for 12 months, and having a certain level of spoken German. For the vocational training toleration, these include having been "tolerated" for more than six months and having a vocational training contract.



considering the labor market barriers discussed above. At a maximum, towards the end of 2018 an estimated one-third of the 135,000 tolerated individuals who are of working age might qualify for these types of tolerations in the short term, based on approximate employment rates for this group.

An alternative approach that would create more legal security without serving as a "pull factor" would be to offer amnesty to individuals who arrived before a certain date in Germany and who can prove that they have been employed and have not relied on welfare benefits for a certain time period. Given the overall number of working-age individuals with tolerated status and their low employment rate, the number of individuals who would qualify for such an amnesty would be limited as well. The relative advantage of this strategy over prolonged toleration is that such a policy would create a substantial gain in legal certainty for those who qualify for amnesty and would thus tend to increase investment in integration. Also, it would create only minimal further immigration incentives, since the cutoff date rules out the possibility that new arrivals would benefit from the measure. Of course, the success of such a policy on this front depends on a clear commitment that it will not be repeated in the short term.

4. Residency Obligation

Immigrants often tend to cluster in particular areas and with peers of the same nationality. For instance, in Germany, the majority of immigrants lives in and around the Ruhr area. 92 Ensuring that all 16 German Länder receive their fair share of newcomers is a necessity for both economic and political reasons. Newly arrived asylum seekers are distributed, first, across the Länder according to an annually updated quota based on tax revenue and population numbers (Königsteiner Schlüssel) and, second, within states following similar but state-specific criteria.

For asylum seekers whose applications are being considered or have been rejected, freedom of movement is restricted within the first three months of stay. Until the *Integration Act* came into force in August 2016, those whose applications had been accepted were free to choose where to live. However, concerns were raised about high rates of secondary migration, mostly from economically weak to booming regions, and about the development of social ghettos and parallel societies once freedom of movement is obtained. As a result, the government implemented a residency obligation that compels recognized refugees to reside in the state in which they claimed asylum for three years. Six prosperous, highly populous federal states—including Bavaria, Baden-Württemberg, and North Rhine-Westphalia—go one step further and determine their place of residence at the district or even municipality level because of concerns about segregation in particular areas. Commentators are divided on whether this policy helps or hinders integration. A recent study that suggests it may delay access to employment echoes similar findings from a seminal study of a similar policy in Sweden and a 2018 study at the European level.

⁹² Alan B. Krueger and Jörn-Steffen Pischke, "A Statistical Analysis of Crime against Foreigners in Unified Germany," *Journal of Human Resources* (1997): 182–209.

⁹³ For a similar settlement policy for asylum seekers that was implemented in Sweden in 1985, previous research shows high secondary migration after mobility restrictions ceased. See Pers-Anders Edin, Peter Fredriksson, and Olof Åslund, "Ethnic Enclaves and the Economic Success of Immigrants—Evidence from a Natural Experiment," *The Quarterly Journal of Economics* 118, no. 1 (2003): 329–57.

⁹⁴ The study finds that enforcing the residence obligation reduces a refugee's chances of employment, relative to the counterfactual situation without a residence obligation. See Brücker, Jaschke, and Hauptmann, "Wohnsitzauflage für anerkannte Geflüchtete."

⁹⁵ Edin, Fredriksson, and Åslund, "Ethnic Enclaves and the Economic Success of Immigrants"; Francesco Fasani, Tommaso Frattini, and Luigi Minale, "(The Struggle for) Refugee Integration into the Labour Market: Evidence from Europe" (discussion paper 11333, IZA Institute of Labor Economics, Bonn, Germany, 2018).



B. Language and Integration Programs

The integration courses provided by BAMF, described above, have the highest coverage among the refugee population. They are open both to asylum seekers whose claims have been accepted and, since November 2015, to those with good prospects of having claims approved and tolerated individuals. These courses comprise language training (600 hours for the general course, 900 hours for special courses, and 400 hours for intensive courses) alongside 100 further hours of instruction on topics such as the German legal system, culture, and values.

Recent changes to these BAMF-provided courses have sought to improve take-up rates and ensure that content is appropriate to the needs of different groups. As part of the *Integration Act* from August 2016, recipients of either unemployment or asylum seeker benefits (*Asylbewerberleistungsgesetz*) can be compelled to participate. Special courses have been designed for people with limited literacy as well as parents, young adults, and women. BAMF has also sought to increase the reach of integration courses through, for example, streamlining the recruitment process for language teachers. Despite these efforts, the data show that women's participation rates in particular lag behind. Moreover, restricting access to integration courses to only those asylum seekers who, based on nationality, have good prospects of staying has substantially delayed the language acquisition of other large groups.

Restricting access to integration courses to only those asylum seekers who, based on nationality, have good prospects of staying has substantially delayed the language acquisition of other large groups.

Between November 2015 and the end of 2017, an additional set of German courses, focused on language skills needed on the job, was introduced. Known as the ESF-BAMF program, this was aimed at refugees and asylum seekers who had already acquired German at an A1 level (according to the Common European Framework of Reference for Languages) and were eligible to work. This program has since been replaced by a similar one, known as Vocational German Language Promotion, which is funded by the German government since the EU-funding of the ESF-BAMF program has expired. Conducted in cooperation with vocational schools and local firms, the courses consist of job-related language training, theoretical vocation-specific topical instruction in schools to help participants attain certain qualifications, and on-site visits to firms. Moreover, the Federal Employment Agency offers a set of job-related integration supports that specifically seek to assess newcomers' job competence, further qualifications, and promote placement in suitable jobs. Nevertheless, the data reveal considerable deficiencies in the utilization rates of such job-related integration supports, ⁹⁸ which is unfortunate, given the considerable labor market returns associated with them. ⁹⁹

Beyond state-supported language courses, a variety of private integration and language programs are provided by local initiatives and volunteers in Germany. A representative survey estimates that 25 percent of the German population over 16 years of age have actively supported refugees beyond money

⁹⁶ These include asylum seekers from Syria, Iraq, Iran, and Eritrea, starting in November 2015, and Somalia starting in August 2016.

⁹⁷ Janne Grote, "The Changing Influx of Asylum Seekers in 2014–2016: Responses in Germany. Focussed Study by the German National Contact Point for the European Migration Network (EMN)" (working paper 79, BAMF-EMN, Nuremberg, 2018).

⁹⁸ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung"; Brenzel et al., Flüchtlingsmonitoring.

⁹⁹ Yuliya Kosyakova and Steffen Sirries, "Large-Scale Immigration and Labour Market Integration: First Lessons from the Recent Past in Germany," *Intereconomics* 52, no. 5 (2017): 263–69; Brücker et al., "IAB-BAMF-SOEP-Befragung von Geflüchteten."



and commodity contributions since 2015, and that most volunteer efforts lie in language instruction. However, the data suggest rather modest labor market returns to such courses. 101

C. Other Policies

I. Family Reunification

Family unification policies can have a significant effect on integration, because being separated from one's family can adversely affect wellbeing and social integration. For instance, a 2018 report found that the happiness and wellbeing of refugees with core family members still living abroad are well below that of comparable refugee groups. ¹⁰²

In principle, recognized refugees have the right to reunification with their spouses and minor children. This is according to German, European, and international law. But amid the large influx of asylum seekers and political concerns about future increases in arrivals, in 2016 the German government suspended the right to family reunification for refugees under subsidiary protection for two years (until March 2018), which affected about one-third of refugees with protection status. The total number of spouses and minor children living abroad of refugee with a protection status in Germany can be estimated at 150,000 to 180,000 (with about 50,000–60,000 of those affected holding subsidiary protection). After harsh criticism from human rights activists and disagreement between the governing grand coalition partners, exceptions were allowed, particularly for persons having custody of unaccompanied minors. Since August 2018, family reunification for refugees under subsidiary protection is possible again, up to a limit of 1,000 people per month (§36a of the *Residence Act*). Considering the evidence on how splitting families affects personal wellbeing and mental health, these policies might plausibly have had a detrimental impact on the integration of the affected individuals.

2. Gender Policies and Child Care

Most recently arrived refugees are only at the beginning of their educational and labor market careers in Germany. But not all are progressing at the same pace. Compared with males, female refugees are less likely to participate in language programs, utilize integration supports, or be enrolled in vocational and academic courses. Wide gender gaps also exist in labor market access, the rate of education-occupation mismatch, and wages. In turn, female refugees have fewer social contacts with Germans than do male refugees. Family responsibilities—the presence in a family of small children, in particular—seem to constitute the main factor behind females' educational and labor market disadvantages, as well as their lack of societal integration.

Altogether, the gender gap in employment and other important measures of integration is substantially larger among the refugee population than among the native born and other immigrant groups in

¹⁰⁰ German Federal Ministry for Family Affairs, Senior Citizens, Women, and Youth (BMFSFJ), *Engagement in der Flüchtlingshilfe: Ergebnisbericht einer Untersuchung des Instituts für Demoskopie Allensbach* (Nuremberg: BMFSFJ, 2018).

¹⁰¹ Kosyakova and Sirries, "Large-Scale Immigration and Labour Market Integration."

¹⁰² Ludovica Gambaro, Michaela Kreyenfeld, Diana Schacht, and C. Katharina Spieß, "Lebenszufriedenheit von Geflüchteten in Deutschland ist deutlich geringer, wenn ihre Kinder im Ausland leben," *DIW Wochenbericht* 85, no. 42 (2018): 905–16.

¹⁰³ Members of the core family of individuals who have a protection status as refugees according to the 1951 Refugee Convention or received political asylum according to Article 16a of the German Constitution are still entitled to immigrate to Germany.

¹⁰⁴ Herbert Brücker, "Familiennachzug: 150.000 bis 180.000 Ehepartner und Kinder von Geflüchteten mit Schutzstatus leben im Ausland" (paper presented at the IAB-Forum, Nuremberg, October 19, 2017).

¹⁰⁵ Kosyakova and Brenzel, "Teilnahme an Maßnahmen zum Spracherwerb sowie zur Bildungsbeteiligung in Deutschland."

¹⁰⁶ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung."

¹⁰⁷ Brenzel et al., Flüchtlingsmonitoring.

¹⁰⁸ Brücker et al., "Zweite Welle der IAB-BAMF-SOEP-Befragung"; Brenzel et al., Flüchtlingsmonitoring; Kosyakova and Brenzel, "Teilnahme an Maßnahmen zum Spracherwerb sowie zur Bildungsbeteiligung in Deutschland."



Germany. Helping refugee women enter education and work should, therefore, be a key priority in promoting their integration. The potential instruments here may include offering child care and, if necessary, financial assistance. Tailored integration supports might include child-care facilities that can both free women to enter the labor market and enable young children of a refugee background to socialize with children from other backgrounds. Against this backdrop, mainstream policies that provide government aid for parents caring for children at home, as opposed to sending them to kindergarten, could be generating unintended side effects. Such a program was active throughout Germany until 2015, with the political aim of promoting parents' freedom of choice. However, in July 2015 the Federal Constitutional Court deprived the federal government of legislative power and overturned the law.¹⁰⁹ Similar programs persist at the state level in Bavaria and Saxony.

V. Conclusions

It is hardly surprising that the labor market integration of refugees in Germany proceeds at a slower rate than that of other immigrant groups, given the detrimental effects of forced migration and various institutional hurdles hampering their economic integration. Nevertheless, progress in integration and participation can be observed over time. Over the course of a few years, marked improvements can be seen in refugees' language skills, personal networks, participation in education and training, and rates of employment. But the findings of this analysis also indicate areas in need of improvement include language development, use of the education and training system, entry into the labor market—especially for women—and appropriate health care.

German policies in recent years have sought to accelerate asylum procedures by prioritizing some groups over others, which has benefited some asylum seekers by providing quick asylum decisions and supporting related labor market gains. But this has come at the expense of nonprioritized groups, who have suffered from prolonged wait times and a lack of access to resources. At worst, the exclusion of certain groups from integration supports such as language courses may have come at high economic and social costs by, for example, allowing human capital to decline in the meantime or by pushing people into the informal economy.

Looking ahead, Germany, like all other destination countries, faces the question of how to deal with asylum seekers whose applications have been rejected but who cannot be deported—at least not in the near term. The new *Act for Skilled Immigration* offers such groups the opportunity to apply to stay for a fixed time period, if they are well integrated in the labor market and meet further criteria. However, the potential gains in legal certainty are limited, since these extended "tolerations" can be withdrawn, and their length is already limited. Another, more effective, option could be to allow such migrants to "change lanes" to a temporary residence permit, available to individuals who arrived before a cutoff date and who fulfill certain integration criteria. This would create greater legal security without increasing migration incentives.

Integration policymakers should also prioritize the closing of gender gaps that hinder refugee women's socioeconomic inclusion. A variety of integration policies effectively foster language proficiency and labor market integration, and have been shown to hold particular benefits for women; however their participation lags behind men's. Although some programs do exist that tailor their offerings to women, these should be extended and paired with information campaigns to promote participation. First priority should be given to offering child care to facilitate the course and labor market participation of refugee women whose family obligations may otherwise contribute to their social isolation.

¹⁰⁹ German Federal Constitutional Court, "Keine Gesetzgebungskompetenz des Bundes für das Betreuungsgeld" (press release, July 21, 2015), www.bundesverfassungsgericht.de/SharedDocs/Pressemitteilungen/DE/2015/bvg15-057.html.



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