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Comparing Labour Market Mobility for Refugees in Germany, Italy, and

Slovakia

Abstract: O Border countries such as Italy and Greece receive a disproportionate amount of asylum seekers as compared to inland countries such as Germany. The restrictions as laid out by the Dublin Regulation state that migrants must claim asylum in the first country they enter, causing many to remain in the Mediterranean countries while their claim is being processed. Though these migrants are granted rights once they become refugees, this does not offer them the same freedom of movement that EU citizens enjoy. Because of this restricted flow of movement, many are unable to seek out job opportunities in countries that have more to offer such as Germany and Sweden. It is harder then to have access to the labour market, and in turn is more difficult for refugees to integrate into society. My research will compare refugee integration into the labour market in Italy and Germany, as well as in Slovakia, whose stance on refugees and integration is very much a representation of the eastern bloc. I will also attempt to argue that a new policy is needed that loosens the restrictions of movement for refugees within the EU.

Border countries such as Italy and Greece receive a disproportionate amount of

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flow of movement, many are unable to seek out job opportunities in countries that have more

to offer such as Germany or Sweden. It is harder then to have access to the labour market,

and in turn is more difficult for refugees to integrate into society. The question then becomes:

how are countries with a higher ratio of refugees to job opportunities able to integrate

migrants into the labour market as compared to countries with an equal or low ratio of

refugees to job opportunities? By looking at Italy, Germany, and Slovakia respectively and how they are integrating refugees into their societies, one is able to generally assess the current situation within Europe. Not only to there need to be changes implemented within the Dublin Regulation, but there must also be a move towards recognizing qualifications as well as an increased emphasis on language learning in order for refugees to fully integrate into society.

The height of the migrant crisis in 2015 brought about emphasis on the factors of the Dublin Regulation that had failed. The disproportionate amount of asylum seekers in the Mediterranean countries such as Italy and Greece, coupled with a regulation that stated asylum applications should be processed in the first country of arrival caused massive problems within Europe and created a bottleneck effect for the processing systems. The Dublin Regulation as it stood prior to 2015 had no notion of the sheer amount of asylum seekers making their way into European territory and did not foresee the problems that a "first country of arrival" system would create. In the wake of the crisis, members of the European Commission proposed a new Legislation that would replace the current Dublin III Regulation – this would come to be known as Dublin IV. As laid out by the European Commission:

The objectives of the Dublin Regulation – to ensure quick access of asylum applicants to an asylum procedure and the examination of an application in substance by a single, clearly determined, Member State – remain valid. It is clear, however, that the Dublin system must be reformed, both to simplify it and enhance its effectiveness in practice, and to be equal to the task of dealing with situations when Member States' asylum systems are faced with disproportionate pressure.¹

While keeping the current regulation on the country of first arrival's responsibility for processing asylum applications, the new regulation would provide a threshold for the number

¹ Dublin IV Proposal COM(2016) 270 final.

of asylum seekers, triggering the distribution of applications throughout Europe rather than within one country. Chapter VII, Article 34 of this proposed legislation - the Corrective allocation mechanism - would be "applied where that Member State is confronted with a disproportionate number of applications for international protection..."2 In order to be considered "disproportionate" the Commission has set the number at 150% of the reference share.³ This is determined by looking at individual Member States' population size as well as the GDP.4 There has also been laid out a semi-"opt-out" clause, that is, Member States that refuse to accept their share of asylum applicants will have to provide a "solidarity contribution" of 250,000 Euros per applicant.⁵ Member States may also see a refusal to relocate applicants from their country, as well as limitations on their access to EU funds.⁶ There had been a resolution on 12 April 2016, proposing that the asylum application system be overhauled so that applicants were considered by the European Union as a whole, rather than by the individual countries in which they had landed.⁷ However, the Commission decided against this, instead opting to work with the existing criteria while making small changes.8

² Dublin IV Proposal COM(2016) 270 final.

³ Anja Radjenovi, "Reform of the Dublin System." European Parliamentary Research Service, 2019.

⁴ "EU Asylum Reform: Parliament's Stance on Dublin Regulation | News | European Parliament." June 20, 2018.

⁵ Radjenovic, "Reform of the Dublin System."

⁶ "EU Asylum Reform: Parliament's Stance on Dublin Regulation | News | European Parliament."

⁷ Radjenovic, "Reform of the Dublin System."

⁸ Radjenovic, "Reform of the Dublin System."

Alleviating pressure from those "frontline" countries experiencing a bottleneck phenomenon in its disproportionate number of asylum application would only serve to better help migrants to integrate into society. While changes to the current Dublin III Regulation would help asylum seekers upon arrival, once migrants are granted refugee status there needs to be services available to help integrate into society. One of these is the creation of "A European Partnership for Integration Offering Opportunities for Refugees to Integrate into the European Labour Market". The European Commission states that the Partnership should be based on the following principles:

- 1. Labour Market integration should be supported as early as possible, as finding employment is fundamental to becoming part of the host country's economic and social life;
- 2. Successful integration efforts should benefit and bring value to refugees as well as to the entire workforce, companies, economy, and society at large, ensuring that no skill or competence is wasted;
- 3. Successful labour market integration necessitates a multi-stakeholders approach, involving public authorities, employment services, Social and Economic partners, business organizations, chambers of commerce and industry, skilled crafts chambers, companies and workers, public services' employers, education and training providers and civil society organizations, in full respect of the role and competences of each of these actors.¹⁰

Programs created in order to aid refugees also include the "Skills Tool for Third Country Nationals" as well as the European Alliance for Apprenticeships.¹¹ In its Action Plan on the Integration of Third Country Nationals, the European Commission does not rule out the prospect of incentives for Member States to facilitate integration of its migrants, recognizing

⁹ A European Partnership for Integration Offering Opportunities for Refugees to Integrate into the European Labour Market. European Commission, 2017.

 $^{^{10}}$ A European Partnership for Integration Offering Opportunities for Refugees to Integrate into the European Labour Market.

 $^{^{11}}$ A European Partnership for Integration Offering Opportunities for Refugees to Integrate into the European Labour Market.

that without such, some of the Member States would have no reason to change their policies (such as the Visegrad countries). ¹² Establishing centres within countries of departure in order to educate refugees on what to expect in the host countries, as well as providing language and job training, can also bolster faster and more effective integration. ¹³

Another problem refugees face once situated within a European Member State is being overqualified or over-skilled when faced with job prospects. According to Eurostat; "more than 40% of third-country workers with high level education work in medium or low-skilled occupations compared to 20% of host-country nationals." One of the ways to alleviate this problem is by instituting a program that would provide skills recognition amongst third-country nationals, especially refugees, as they may not be able to provide sufficient documentation for their qualifications. The European Commission has set out to do just this by developing a "Skills and Qualifications Toolkit" in order to help refugees the opportunity to gain recognition for their skills in a relatively quick manner. Another option is to promote to EU Blue Card program so that Member States may come to use this system of immigration in a manner as widespread as current immigration methods. By expanding the Blue Card so that it may cover refugees, highly skilled migrants may have an easier time of integrating into the labour market as they will be able to access employment opportunities that match their skill level. The current EU Blue Card Directive does not cover those who are under

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¹² Communication from the Commission of the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions Action Plan on the Integration of Third Country Nationals, 2016 O.J. C, COM(2016) 377 Final.

¹³ COM(2016) 377 final.

¹⁴ COM(2016) 377 final.

¹⁵ COM(2016) 377 final.

¹⁶ COM(2016) 377 final.

"temporary protection" however it does include those who have been granted international protection under Directive 2011/95/EU.¹⁷ By opening up avenues for asylum seekers to access to the labour market, migrants will have a better chance of integrating into the host countries. Many of these programs are merely proposals at this point in time, with much of the responsibility placed on the individual Member State rather than on the EU as a whole. In comparing how countries in various regions and with differing attitudes towards refugees, one looks to the following: Italy, Germany, and Slovakia.

Italy has been on the frontlines for the duration of the refugee crisis given its geographical location on the Mediterranean, as well as its close proximity to North African countries. Exorbitant amounts of asylum seekers have landed on Italian shores, causing the rise of populist sentiments in the country, citing cultural and religious differences, the lack of jobs, failure to integrate, and any other minute reason in an attempt to close off its borders. Despite hostility towards asylum seekers, those who have been granted refugee status within Italy have done a fair job of integrating into the labour market. Italy allows access to the labour market prior to the nine-month wait time laid out in the Reception Conditions Directive, allowing refugees the ability to integrate into society faster than in other EU countries. In fact, in a Eurostat report, non-EU citizens have a higher activity rate than Italian nationals (72.6% versus 67.9%). Though this encompasses all foreign citizens and not just refugees, it does give us an indication that there is effort to integrate into the labour

¹⁷ Proposal for a Directive of the European Parliament and of the Council on the Conditions of Entry and Residence of Third-Country Nationals for the Purposes of Highly Skilled Employment, COM(2016) 378 final, 2016/0176 (COD).

¹⁸ COM(2016) 377 final.

¹⁹ Piotr Juchno, "Migration Integration in the EU Labour Market in 2015." Eurostat, 2016.

market at a high level. The main problem within the Italian labour market, however, is the regional disparity between the north and the south. Industry is concentrated in the north, while asylum seekers land in the south as well as in Sicily. In fact, according to the 2019 Country Report for Italy, the country contains both the largest and smallest rates of being at risk of poverty and social expulsion (AROPE) with Sicily at 52.1% and Bolzano at 8.5%.²⁰ Because most asylum seekers are landing in the southern regions of the country, it will be more difficult for these migrants to quickly integrate into Italian society, as the rates of AROPE are so high. Though some regions in central Italy have seen improvements in their rates, the south has been rather stagnant, with the average falling only ~3 pps. from 44.7% to 42.3%.21 As well, Italy has failed to implement its National Plan for the Integration of Beneficiaries of International Protection, reducing its budget for reception facilities, keeping the sluggish pace of the application process, only making it more difficult for refugees to integrate after the long wait.²² And it is not for lack of funds that this project has been stopped. In a 2018 Council Recommendation for Italy, the European Council wrote that the required adjustment towards the medium-term budgetary objective for 2017 as been reduced" to take into account these additional costs," referring to the "impact of the exceptional inflow of refugees and the protection against seismic risks". 23 Despite budgetary leeway from the EU, Italy has still been unable (or, more likely, unwilling) to implement measures that will alleviate the burden on the current application system. All the same, Italy remains fairly good

²⁰ Country Report Italy, SWD(2019) 1011 final, Brussels 2019.

²¹ SWD(2019) 1011 final.

²² SWD(2019) 1011 final.

²³ Council Recommendation for Italy COM(2018) 411 final.

at its ability to integrate refugees into the labour market. Ranked 14th out of 38 countries in 2015 on the Migrant Integration Policy Index (MIPEX) in labour market mobility, stating that the government in 2014 had opened up public sector jobs not only to long-term residents, but to "beneficiaries of international protection" as well.²⁴ Despite a vocal opposition to asylum seekers in Italy, the country has done fairly well in integrating its refugees into the labour market, a feat that should be lauded especially so because of the massive numbers of asylum seekers that have landed on Italian shores since the beginning of the migrant crisis.

Germany quite obviously keeps with its current international reputation of a welcoming country for refugees. Ranked 4th for labour market mobility in the 2014 Migrant Integration Policy Index, Germany has taken steps to recognize foreign qualifications with its 2012 Recognition Act.²⁵ It remains, however, that there are still challenges for highly educated migrants in trying to find work, more so than those who are less educated.²⁶ In its 2018 recommendations for Germany, the European Council reported:

Socio-economic background remains a considerable determinant of educational outcomes and labour market integration...Particular challenges exist for students with a migrant background. Compared with native-born students, they are much more likely to underachieve in basic skills and leave school early or drop out of university. Also the labour market potential of people with a migrant background is not fully used.²⁷

Germany also has a significant difference in the activity rates between nationals and non-EU citizens at -18.3 pps., (83% versus 64.7%) far larger than the European average of -7.2

²⁴ "Italy | MIPEX 2015." Www.mipex.eu. Accessed April 05, 2019. http://mipex.eu/italy.

²⁵ "Germany | MIPEX 2015." Www.mipex.eu. Accessed April 05, 2019. http://mipex.eu/germany.

²⁶ "Germany | MIPEX 2015."

²⁷ Council Recommendation for Germany COM(2018) 405 final.

pps. ²⁸But much like Italy, who has reduced the time period for access to the labour market, Germany has eased its own conditions. ²⁹ The main hurdle to refugee integration into the German labour market is the lack of knowledge of the German language, as well as "lack of experience with informal rules on the German labour market" according to the 2019 Country Report on Germany. ³⁰ The good news is that from 2016 to 2017 the number of registered with the FEA (Federal Employment Agency) doubled, as well as the numbers of refugees applying for employment training. ³¹ There is no shortage of jobs within the labour market, and the European Council recommends more investment in areas such as education and training, social inclusion, and housing in order to fully integrate refugees into the labour market. ³² Germany's general welcoming attitude towards refugees has made it easier for these migrants to integrate into society, however there is still work that needs to be done in order to swiftly and fully integrate these members into the labour market.

Slovakia's attitude towards refugees very much represents the views of the Visegrad countries, ranking 37th out of 38 countries, ahead of only Turkey according to the Migrant Integration Policy Index.³³ Anti-immigrant sentiment, coupled with a low employment rate and decelerating GDP growth, Slovakia has not taken many steps to ensure the integration of its migrants.³⁴ In fact it was not until 2014 that a policy for integration was established,

²⁸ Juchno, "Migration Integration in the EU Labour Market in 2015."

²⁹ COM(2016) 377 final.

³⁰ Country Report Germany 2019, SWD(2019) 1004 final, Brussels 2019.

³¹ SWD(2019) 1004 final.

³² SWD(2019) 1004 final.

^{33 &}quot;Slovakia | MIPEX 2015." Www.mipex.eu. Accessed April 05, 2019. http://mipex.eu/slovakia.

³⁴ "Slovakia | MIPEX 2015."

though these policies have hardly aided in any changes. MIPEX states: "[T]he 2007 Citizenship Act significantly restricted the path to citizenship. Only 1 out of the 18 changes on immigration policy since 2010 improved SK's MIPEX score, but this amendment was both introduced and removed in the same year."35 Asylum seekers will benefit from avoiding Slovakia all together, as MIPEX goes on to report that labour market mobility is "more likely to hinder than help long-term integration in SK...non-EU residents' skills are wasted by limited access to labour market, unemployment services/support and recognition of qualifications/skills."36 Despite this statement, activity rates among non-EU citizens remain higher than that of Slovak nationals (81.3% for non-EU citizens versus 76.2%).³⁷ Much like Italy, Slovakia also experiences regional disparity, with higher unemployment rates in the east of the country and labour shortages in the west.³⁸ Though much of the migration is from Serbia and Ukraine, 2018 saw a 40% increase in foreign workers from the previous year, refugees undoubtedly among those numbers.³⁹ Despite continuing labour shortages that may attract migrants, Slovakia still needs to overcome the lack of access to social and healthcare services as well as available Slovak language classes in order to better serve its migrant population in its attempt to integrate. 40 But Slovakia has begun to make small steps in the right direction. In 2018 the requirements for employing migrants from third countries were relaxed and according to the 2019 Country Report for Slovakia, the country had introduced a

³⁵ "Slovakia | MIPEX 2015."

³⁶ "Slovakia | MIPEX 2015."

³⁷ Juchno, "Migration Integration in the EU Labour Market in 2015."

³⁸ Council Recommendation for Slovakia COM(2018) 424 final.

³⁹ Country Report for Slovakia 2019, SWD(2019) 1024 final, Brussels 2019.

⁴⁰ SWD(2019) 1024 final.

"simplified procedure for filling designated scare jobs in districts with unemployment levels below 5%." Despite these small improvements, Slovakia still has much work to do in its efforts to integrate its migrant population into the labour market.

Despite move to change to current policies in the European Union, the question still remains: what is to be done? Many of these policies to better help refugee integration are still within the proposal stage, not yet ready to be adopted on a wide scale as individual Member States battle to have their own interests heard, especially with the rise of populist movements across Europe. Countries such as Germany could benefit from increased emphasis on language training as well as recognizing skills that highly educated refugees may possess in order to better distribute refugees among job sectors that are seeing shortages in labour. Countries with regional disparity such as Italy and Slovakia would do well to promote movement into the areas that have better job opportunities, for example, the north of Italy and the west of Slovakia. This is especially important in Italy where most refugees arrive in the southern areas of the country where unemployment is highest. While Italy has a generally favourable attitude towards migrants, the increase in right wing and populist movements has spurred disdain towards migrants. This is also true in Slovakia where integration of refugees is one of the worst in the EU. One can attempt the integrate migrants into society as much as one wants with language training, skills recognition, and access to social institutions, however these can only go so far in areas that are hostile to refugees.

It appears that in this case, then, changing policies are easier than changing attitudes, and the European Union would do better at providing as much access to and opportunities for integration into Member States by alleviating some of the current roadblocks for refugees.

⁴¹ SWD(2019) 1024 final.

The changes proposed within Dublin IV would be a good starting point, allowing countries overburdened with asylum applicants to better share the load amongst EU countries that could otherwise benefit from an increase in available labour. Countries such as Germany, France and Sweden would profit in areas that are experiencing labour shortages. It would also help alleviate the bottleneck effect that has been caused by disproportionate amounts of claimants in Mediterranean countries that otherwise do not have the resources to efficiently process applications. Countries would also benefit from an increase in the use and effectiveness of the Blue Card Scheme if it were coupled with recognition of job skills and education, as this would place high skilled refugees into occupations that would match their skill level as well as provide labour in areas that are underserved. By looking at Germany, Italy, and Slovakia, one is able to determine how the various regions of Europe are reacting to and processing the number of asylum applicants within the EU; Italy representing the Mediterranean, Germany the central countries with booming economies, and Slovakia among the eastern bloc. By looking at individual Member States as well as the policies that the EU as a whole is attempting to propose, one is able to look at the various aspects that are required in order to better serve refugees in trying to integrate into the host countries, chief among them being the mobility within the labour market.

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