

**Marlene Saal**  
Pforzheim University  
Tiefenbronner Strasse 65,  
75175 Pforzheim, Germany  
marlene.saal@onlinehome.de  
Phone: +491774417108

**Juergen Volkert**  
Pforzheim University  
Tiefenbronner Strasse 65,  
75175 Pforzheim, Germany  
juergen.volkert@hs-pforzheim.de  
Phone: +497071255113

UIDK: 331.5.021:005.21-054.73/(430)  
**Preliminary communication**

Received: September 5, 2019  
Accepted for publishing: October 28, 2019

This work is licensed under a  
Creative Commons Attribution-  
NonCommercial-NoDerivatives 4.0  
International License



# LABOR MARKET INTEGRATION OF REFUGEES IN GERMANY: EMPLOYERS' EXPERIENCES AND CONSEQUENCES<sup>1</sup>

## ABSTRACT

In the light of a recent surge of refugee migration to Germany, labor market integration as well as employers' experiences and consequences are key determinants of immigration's macroeconomic welfare impacts. Our contribution aims at analyzing recent empirical evidence of employers' expectations, obstacles, consequences and benefits as well as strategies to strengthen refugees' labor market inclusion. To achieve these goals, we first sketch potential negative and positive short- and long-run macroeconomic immigration effects on host countries like Germany and the decisive role of refugees' labor market integration in this respect. Then, employers' expectations and obstacles of refugee employment are discussed. Furthermore, employers' overall experiences, their engagement in hiring refugees and the resulting employment status of refugees in Germany are reconsidered. Based on secondary quantitative research and qualitative findings, we argue that refugees' labor market situation may change in the future, particularly as female refugees frequently adopt considerably higher employment aspirations in Germany compared to their countries of origin, in which they have often been restrained by diverse obstacles. We finally analyze and discuss major ways to improve refugees' labor market perspectives in general, and for female refugees specifically.

**Keywords:** Refugees, employers, labor market, female refugee employment, Germany

## 1. Introduction

Currently, there are some 1.5 million people with a refugee background living in Germany. More than one million of them immigrated to Germany since 2015 (Brücker et al., 2019: 50). Accepting the immigration of this unprecedentedly high number of refugees has been justified by German Chancellor

Angela Merkel as a "humanitarian duty to help people fleeing war" (Witte and Birnbaum, 2015).<sup>1</sup> The argument follows ethical human rights concepts based on Immanuel Kant's ethics of duties (Sandel, 2010: 103-139), international human rights agreements (Council of Europe, 2010/2017) and a "politics of dignity" (Hemel, 2019).<sup>2</sup> As such, the underlying motivation of the German Chancellor's political decision was based on human rights and not on economic utility maximizing cost-benefit analyses. Nevertheless, economists have estimated

<sup>1</sup> We thank Aurela Omaj for her formal revisions of our paper before its submission.

the economic impacts of complying with this humanitarian duty on the German economy.

From an economic short-run perspective, refugee immigration causes high fiscal costs in the first years. The government may run a deficit due to immigration-driven state expenditures for housing, language training, education, unemployment, and many more. For instance, despite a potentially positive demand effect, Bach et al. (2017: 40) have estimated relatively high state expenditures and fiscal burdens for Germany until 2020 due to the 2015 refugee immigration.

Economic long-run models of immigration predict a net income increase for Germany due to the immigration which, since 2015, is mainly driven by low-skill immigrants from countries like Syria, Eritrea, Afghanistan, Somalia and Iraq as well as from the Western Balkan (Brücker, 2015: 3). The immigration of foreign workers increases low-skill labor supply, which can reduce low-skill wages in Germany. Hence, domestic low-skill workers in Germany may be migration losers. However, the owners of other domestic production factors (notably capital owners) working in an in-migration country like Germany are supposed to gain more than the low-skill workers lose. Moreover, also taking into account changes in an in-migration as well as in an out-migration country, a net gain is predicted as the output in the immigration country increases more than the output in the refugees' country of origin decreases (Appleyard, Field, 2014: 248-258).

Empirically, the German Institute for Economic Research (DIW) together with the German Institute of Employment Research (IAB) have estimated potential effects of the cohort of 890,000 refugees who entered Germany in the year 2015 (Bach et al., 2017). They estimate the German GDP to increase by some nine billion euros, i.e. 0.3% until 2030. This primarily reflects the income increase (after taxes and social contributions) attributable to the refugees. However, also the income of the domestic population is predicted to increase by ca. 1.2 billion euros, an effect that is mainly driven by additional business and asset income as well as multiplier effects of the demand expansion on goods markets (Bach et al., 2017: 38). Excluding state expenditures for refugees' children (as these are supposed to be-

come long-run net benefits when today's children enter the German labor market after 2030), fiscal deficits are estimated to turn into fiscal surpluses in 2026 (Bach et al., 2017: 38-39).

A major assumption of long-run models is that a substantial fraction of all refugees will be able to enter and stay in the labor market. The faster and better the migrants are integrated into the labor market, the more beneficial the economic results are for both, the domestic population and the refugees. In the light of these insights, Bach et al. (2017) have called their study "Refugee integration – a worthwhile investment".

Corporate employers are the major gatekeepers with respect to the decisive question, whether and how well refugees can and will be integrated into the German labor market. In the light of the central role of German corporations as employers, this paper aims at analyzing recent empirical evidence of employers' expectations, obstacles, consequences and benefits. A further aim is to discuss strategies that foster refugees' labor market integration.

To achieve these goals, we first consider asylum seekers' potentials and obstacles in the eyes of employers in Germany. Thereafter, we elaborate the current state of employers' engagement and experiences and consider further potentials and challenges, notably the employment of female refugees. We finally discuss ways forward as well as recommendations from employers' and general economic perspectives.

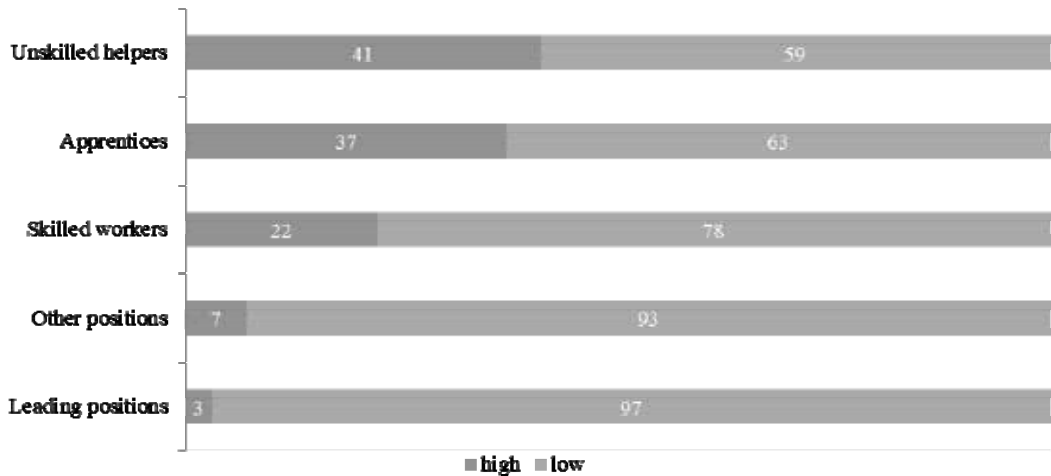
Methodologically, we mainly build on recent quantitative surveys among employers but enrich the analysis with insights of a qualitative exploration among 76 refugees in Germany who have been interviewed in the years between 2016 and 2018 (Schmidtke, Volkert, 2019).

## 2. Refugees' job potentials and obstacles – employers' perspectives

Employers in Germany see high recruitment potentials of asylum seekers mainly related to positions of unskilled auxiliary workers, apprentices and to a certain extent also with respect to skilled workers (Figure 1).

**Figure 1 Recruitment potential of asylum seekers in different positions**

Percentage of 3,000 surveyed companies who see their potential as:



Source: Battisti, M. et al. (2015:23)

According to a survey by the Ifo Institute of 3,148 companies from manufacturing, construction and retail sectors, 41% of the companies reported that they saw great potential in hiring refugees as unskilled laborers and 37% saw a high potential for recruiting refugees as trainees. However, less than a quarter of companies saw a high potential for employing asylum seekers as skilled workers. For leadership positions, refugees are hardly eligible in the eyes of German employers (Battisti et al., 2015: 23). Additionally, internships have so far been the most important way of entry into the German labor market for refugees (Flake et al., 2017: 4).

At the same time, the willingness to hire refugees is typically higher in large companies than in smaller ones (Battisti et al., 2015: 23). According to the Ifo manager survey, where 500 managers were interviewed, 8% of companies with up to 49 employees, 12% of companies with 50 to 199 employees and 24% with more than 200 employees have had experiences with refugees (Garnitz, Wohlrabe, 2016: 62).

Nevertheless, the integration of refugees into the labor market is still a major challenge. For instance, employers often have to be persuaded to hire and promote refugees, even when there is no clear prospect for it. Companies also face bureaucratic hur-

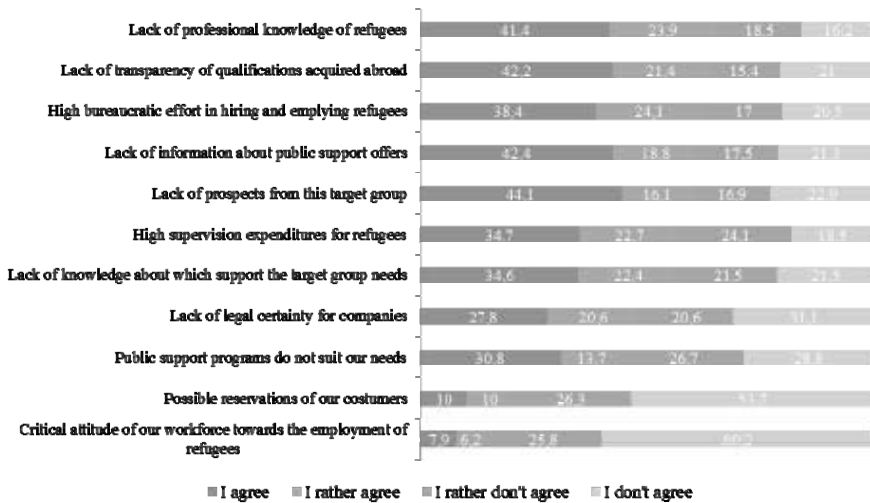
dles. Furthermore, time, effort and patience are required to look after the refugees until they are ready to enter the labor market. (Brücker et al., 2016: 10) In addition, the large number of changing contact persons in institutions, complicated structures of authorities and difficult-to-understand constructs such as changes of the legal system can make integration difficult (IAW, 2017: 40).<sup>3</sup>

Beyond that, employers mention several additional barriers that have to be overcome (Figure 2):

- **Lack of linguistic competence** in German is an obstacle for companies employing refugees, as operational processes are often not understood and everyday communication with colleagues is prevented.
- **Lack of evidence of school and professional skills** hinders refugees' access to business and educational opportunities. Firms emphasize that without certificates, assessing professional experience may be difficult.
- **The lack of knowledge of refugees about the German labor market** and the opportunities of accessing it represent further hurdles.

**Figure 2 Major corporate obstacles related to the employment of refugees**

Percentage of all n = 1,030 companies



Source: IAW (2017), Flake, R. et al. (2017:12), own figure

**2.1 Experiences regarding language skills**

In the first year after the large immigration in 2015, 97 % of 1,163 companies surveyed by the Ifo Institute cited a lack of refugees' language skills as the major barrier to integration (Bellmann, Falck, 2016: 60). Similarly, in an IAB job survey that interviewed 36 companies in Germany, one of the responding managers reported that most refugees were not sufficiently prepared for the German labor market. "Basic knowledge of the German language is required. I expected more of the employment of this clientele" (Büschel et al., 2018: 15; authors' translation).

Overall, most companies emphasized the importance of a common language. Experiences with existing language skills of the refugees, however, have been sobering, particularly in the first years. Refugees may not fulfill employers' expectations, while companies also understand that language training can only be effective in the long term. In general, workplace expectations of the required language skills depend on the following three dimensions: customer contact, occupational safety and the complexity of the work (Büschel et al., 2018: 16). It is clear that only refugees with highly advanced German language knowledge will be placed in positions with customer contact.

Corresponding to these findings, Gürtzgen et al. (2017: 4) find that 48.9% of the companies surveyed, who did not want to employ refugees in 2016, stated

that the lack of language skills of the refugees was crucial for this decision.

**2.2 Experiences regarding formal qualifications**

38% of the managers interviewed by Gürtzgen et al. (2017: 4) stated that refugees mainly have inadequate qualifications and therefore cannot be included into operational processes. Those who are employed, often work as auxiliary workers, but only a few as skilled workers (Flake et al., 2017: 7). Before 2015, companies were prepared to employ refugees as skilled workers only after 10 to 15 years. A manager explains: "The professional knowledge they [the refugees] bring with them is usually not enough. [...]For the majority of them, to qualify to a production assistant level, it already costs a lot of effort. The qualification to become a skilled worker takes years and costs a lot of money" (Büschel, et al., 2018: 21; authors' translation).

Another manager complains about the often deficient qualifications of the refugees: "75 percent of Afghans are illiterate, 60 percent of Eritreans. I received the best here in the company. They have elementary school education" (Büschel et al., 2018: 20). With regard to employment, various companies continue to report missing or deficient credentials of the specified qualifications. "There were quite a few [refugees] with certificates, which we could not employ in the company. Internships help us. [...] If you have a look at the nine people [that

we employ], then these are all highly skilled people. Among them is a lawyer, some with degrees in mechanical engineering, English studies, communication, mathematics, a career officer, a self-employed person with his own shop etc. Nevertheless, the reality looks very different. Degrees from these countries and their activities are not comparable to German degrees” (Büschel et al., 2018: 20: authors’ translation). Without suitable qualifications, various companies see opportunities in the labor market for refugees only in the area of auxiliary jobs (Büschel et al., 2018: 21).

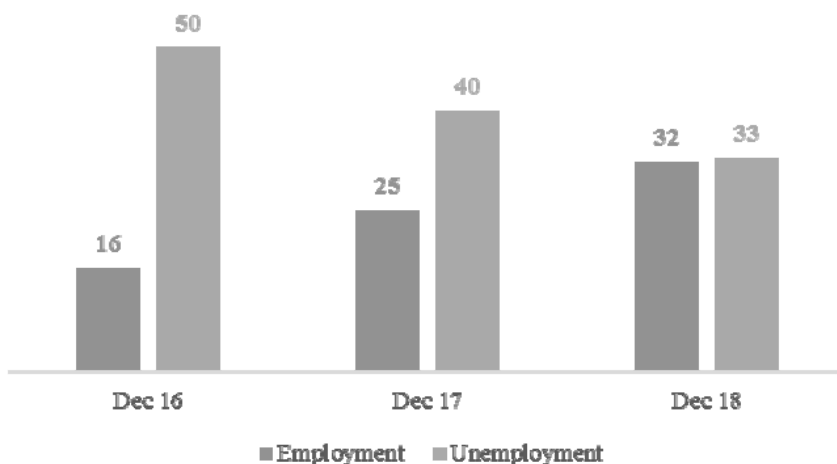
### 2.3 Experiences regarding soft skills

In the IAB job survey, in which 36 companies were asked about the role of soft skills for refugees’ labor market integration, virtues were mentioned which many refugees need to understand and adopt, such as punctuality, reliability and teamwork. The companies reported a large number of positive experiences with refugees, such as a generally high level of motivation to work. Difficulties rather emerged with different work rhythms and only occasionally with issues of equal rights. However, companies expect the refugees to adapt to the “company and its operational processes after a certain settling-in period.” (Büschel, et al., 2018: 26) Employers mention that “the refugees themselves say that a learning process is taking place in order to understand the significance of the virtues in Germany” (Büschel, et al., 2018: 24).

### 3. Employers’ engagement and experiences

As Figure 3 shows, the employment of immigrants from war-torn and crisis countries in Germany has continuously increased from December 2016 to December 2018 from 16% to 32%. The refugee unemployment rate decreased from 50% in 2016 to 33% in the same period. This development was also due to refugees’ improved language skills. In a 2017 survey, 31% of respondents estimated their German language skills to be “very good” or “good” while this was only the case for 15% in 2016. It is worth mentioning that these self-assessments of refugees show a close correlation with the interviewers’ assessments of how well the survey could be conducted in German (Brücker et al., 2019a: 53). Unemployment has also decreased considerably. Nevertheless, refugees’ labor market integration advances still more slowly than the labor market integration of other groups in Germany. Major reasons for this are lack of language skills, low skill levels and institutional hurdles (Brücker et al., 2019b: 3).<sup>4</sup> Therefore, in recent years, a number of programs have been set up to address the needs of companies and to promote integration of refugees. At the same time, many existing programs have been specifically opened up for the qualification and employment of refugees (Flake et al., 2017: 7).

**Figure 3 Employment and unemployment rates 2016/18 of refugees immigrating from war-torn and crisis countries\* in %**



\*Afghanistan, Eritrea, Iraq, Iran, Nigeria, Pakistan, Somalia and Syria

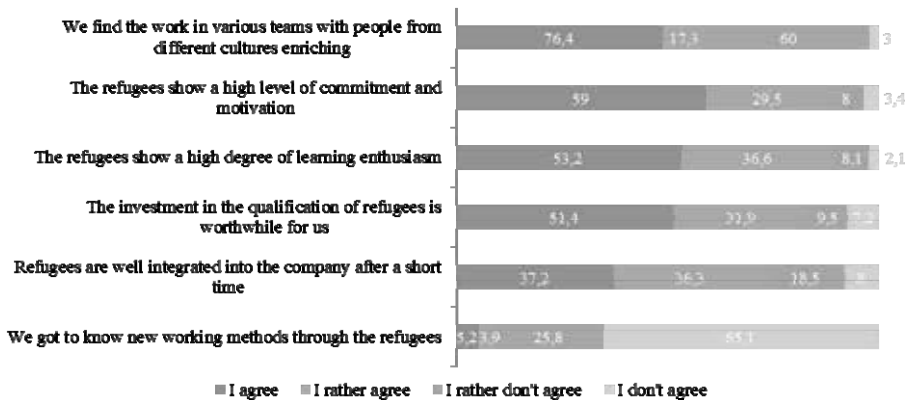
Source: IAB (2018, 2017)<sup>5</sup>, Brücker, H., Hauptmann, A., Vallizadeh, E. (2019), own graph

According to Gürtzgen et al., 33% of companies with 500 or more employees have experiences with refugees. That means they have received applications from refugees in the past, and interviewed or also hired them. 17% of companies with 500 or more employees actually recruit refugees in the end. Among medium-sized companies, the proportion of companies with refugee experience is more than 25%, whereas among micro enterprises with fewer than ten employees, it is only 6%. Taking into account that most companies in Germany are small businesses, it can be seen that a total of more small than large companies have gained experience with refugees (Gürtzgen et al., 2017: 2).

Many companies report positive experiences with the labor market integration of refugees (Figure 4). As part of a survey of the IW Personal Panel of 1,030 companies on the subject of integration of refugees into the labor market, nine out of ten companies consider the employment of refugees as enriching (93.7%). Thanks to their dedication and motivation (88.6%), refugees have mostly convinced the companies to be good employees. Eight out of ten companies also claim that investing in qualification of refugees is worthwhile for them (83.3%) (Flake et al., 2017: 10).

**Figure 4 Positive experiences with the employment of refugees**

Percentage of companies, extrapolated; Based on the 23 % of n = 1,030 companies that do employ or have employed refugees in the past three years



Source: Retrieved from Flake, R. et al. (2017:10)

Job centers report that many refugees rather find employment with employers who have migrant backgrounds themselves, as it reduces linguistic hurdles and collaboration is less influenced by cultural conflicts (Brändle, 2017: 12).

The IW Personal Panel further specifies that two-thirds of the 1,030 companies surveyed agree that supervision expenditures for refugees are high. Notably large companies mentioned this experience. SMEs seem to be able to integrate refugees with less effort, which may be due to the sometimes flatter organizational structures (Flake et al., 2017: 10). Göbel et al. (2018) confirm that over three-quarters of the companies surveyed, who employ refugees, indicate that they had few or no problems with refugees in their day-to-day operations. Employers

who employ several refugees tend to be more satisfied (Göbel et al., 2018: 4).

Based on these general potentials, obstacles and experiences from employers' perspectives, we will now analyze more specifically the hidden labor market potentials and barriers of female refugees.

#### 4. Hidden potentials and challenges: employment of female refugees

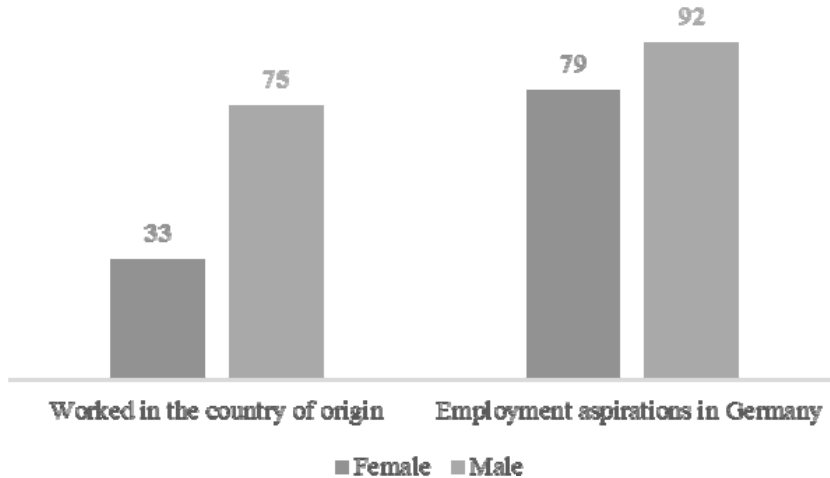
The public perception of refugees in Germany is shaped by men between 20 and 30 years of age, who represent a quantitatively significant group. Women are slightly dominated by this image and above all are characterized by their lower presence in the labor market. However, from January to September 2018, 43% of applications for asylum in

Germany have been submitted by women (Fendel, 2019: 1). The BAMF Brief Analysis of 2016 confirms that female refugees are affected by gender-related disadvantages in terms of education and labor market experience, as well as structurally unfavorable conditions for participation in German social life. In particular, the very low employment rate could lead to economic and social challenges in the medium and long term. Among male refugees, 75% have already worked in their country of origin; in Germany 92% of these men want to become gainfully employed. This increase may be partially due to obligations such as transferring remittances to families in the home country. However, it also re-

flects that refugees are very young, and many of those who arrived in Germany as adolescents who had never worked before, have become adults in the meantime and are searching for a job.

Only one third of all women who have applied for asylum in Germany had gained work experience in their country of origin. Just 6% of female refugees have been employed at least once in Germany compared to 30% of male refugees (Fendel, 2019: 1). As such, women's willingness to work and potential opportunities for labor market integration seem to be very restricted at first glance. However, once they start living in Germany, 79% of the female refugees want to work as Figure 5 shows.

**Figure 5 Female/male asylum applicants' labor market experiences and aspirations in %**



Source: BAMF (2017), Worbs, S., Baraulina, T. (2017:9-11), own figure

86 % of female refugees who are (still) not employed say that they will probably or certainly start to work in Germany (Fendel, 2019: 1). Moreover, the substantial increase of women's willingness to work is also shaped by their experiences of new opportunities for women who used to work in Germany. As a result, quite a number of female refugees have established new life goals which have not been feasible in their home countries. The related change of women's self-perception and understanding of their role and increased freedom of action have been repeatedly emphasized in our qualitative exploration among refugees. For instance, an Iraqi woman emphasized in a qualitative interview:

*„I want to change this routine [...] always this opinion that the man has to do everything; but*

*I want to achieve something else in Germany. I can also contribute and have a job [...]. My goals [are] that I have a job and education. In Iraq, it is impossible and I did not have that in mind. And these two goals I found here in Germany [...]"*  
 14\_f\_IR\_YAG\_AIP\_12m (authors' translation)

As their educational background is more limited than that among men and because they have less work experience than men (Fendel, 2019: 2), women often adapt to their limited possibilities and are prepared to make apprenticeships as a foundation for their future employment (BAMF/Worbs, Baraulina, 2017). As an Iraqi woman explains:

*“What is important for me is to make an apprenticeship, e.g. when I am cleaning our apartment or so, I always think of an apprenticeship for my*

future." [...] 15\_f\_IR\_YAG\_AA\_10y (authors' translation)

Overall, these developments of women's agency and labor market aspirations are a sign that more refugees may participate in the German labor market than anticipated in the early immigration stages of 2015 based on the low employment experiences of women in their home countries. However, in the light of the low educational level of female refugees, their labor market integration will remain a challenge to overcome in the next years.

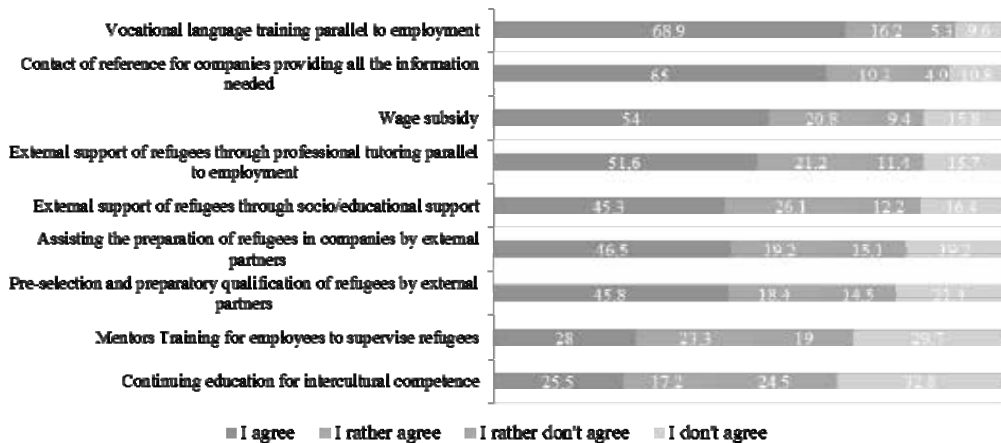
Having analyzed the state, potentials and obstacles of refugees' labor market integration, current discussions and recommendations how to further improve refugees' labor market integration are explained and discussed in the next section.

### 5. Further ways forward – employers' and further recommendations

Based on the mentioned employers' experiences, various recommendations to improve refugees' labor market integration are discussed in Germany. Figure 6 provides a first overview.

Figure 6 Incentives for hiring refugees

Percentage of companies. Base: All companies that have not employed refugees within the last three years



Source: Data by Flake, R. et al. (2017:15)

Language training, improved information and support for employers, labor market liberalization are among the major recommendations and will be discussed in the following text.

#### 5.1 Language training

As has been shown above, refugees' acquisition of the domestic language is of major importance for employers, but has also been strongly emphasized by refugees in qualitative interviews (Schmidtke, Volkert, 2019). Before 2015, German governments had invested little in refugee integration. Integration courses were open only to recognized refugees. With the implementation of the Asylum Procedures Acceleration Act on 24 October 2015, such courses

have become available to all asylum seekers regardless of their protection status. This has reduced the time refugees have to remain idle waiting for their permission to start language courses, thereby enabling more rapid labor market integration. Despite this and other first improvements, Bach et al. (2017) have shown that additional investment in language training effectiveness would not only be beneficial for refugees but would also increase the long-term positive economic effect of refugee integration on the income of the refugees and domestic population (Bach et al., 2017).

Therefore, the promotion of language skills should become a priority for all institutions engaged in integration processes. At the same time, particu-



larly access to vocational-based language support should be freely accessible for refugees soon after the asylum application has been submitted (Söhn, Marquardsen, 2017: 13).

A generally promising way is to combine employment with on-the-job language training. In a survey conducted by the Ifo Institute, 500 managers from the industrial, construction, trade and service sectors responded about ways to foster refugees' labor market access. In-service language training or other qualification measures by external providers appear to be the most popular assistance measures (87%) (Garnitz, Wohlrabe, 2016: 64).

Lack of childcare has been a major obstacle for female refugee integration. In qualitative interviews with refugees, women repeatedly mentioned that they could not participate in language courses, particularly when their husbands attended language courses at the same time and children could not be left alone in asylum seeker homes (Schmidtke, Volkert, 2019). In the meantime, language courses can be combined with childcare. Findings show how important this step is, as the share of women who participate or have participated in language and integration courses is 15 percentage points lower for women with children than for women without children (63% versus 78%). For male refugees the difference is only four percentage points (83% versus 87%). For female refugees with children aged six years and less, the difference is 22 percentage points (54% versus 78%) and just three percentage points for men (84% versus 87%) (Fendel, 2019: 3). An increasing number and scope of language courses combined with childcare will be a major step to foster women's labor market integration, as language is decisive for further education as well.

### 5.2 Investing in education and training of refugees

According to Bähr et al. (2017), refugees' labor market integration usually only takes place after prior education or training. However, advising younger refugees is frequently a challenge for placement experts, as refugees often need to be convinced to start a multi-year vocational training. Many refugees are not familiar with the dual education system in Germany, as similar schemes do not exist in their home countries. Furthermore, parents often expect their children to either rapidly make money to support the family financially or to go to university (Bähr et al., 2017).<sup>5</sup> On the contrary, the path to a vocational qualification is much longer and more

difficult for young refugees than for native young people (Knuth, 2016: 13).

Professional and competent advice, as well as targeted information, training and university preparatory measures are key to make the most of the educational potential of refugees. (Brücker et al., 2016: 12) Employers rate short-term training measures best, while longer-term measures appear to have no positive effects. Researchers as well as employers confirm that assessments of job suitability and short-term training, such as the provision of necessary knowledge and skills, have a significant positive effect on the employment of refugees, while job application training seems to be less efficient (IAW, 2017: 68).<sup>6</sup>

A specific contribution could be to provide or even to co-finance language courses or internships for younger refugees (IZA, 2015: 3).<sup>7</sup> Providers of further education need higher efforts for the vocational training of refugees than in trainings of other foreigners in Germany (Knuth, 2016: 25). Especially opportunities to combine professional development with other offers, such as counseling for the recognition of qualifications, job coaching, or the promotion of German language skills, are classified as particularly beneficial.

### 5.3 Flexible entry-level formats

For the willingness of companies to hire refugees and to invest in their training and qualification, planning security is of central importance. This could be increased by recognizing the vocational preparation year as the first part of the vocational training of refugees. In order to motivate companies to invest in the training of refugees, the so-called 3 + 2 regulation has been established within the framework of the Integration Act 2016. It states that asylum seekers are granted toleration for the entire duration of their education plus two more years for employment in the profession (Flake et al., 2017: 16).

However, in some regions of Germany this is neglected by the public administration. There, refugees are deported immediately at short notice, although they are employed or in apprenticeships. These administrative practices cause uncertainty and high transaction costs for employers as well as economic welfare losses. Peter Saalfrank (2018)<sup>8</sup>, chief executive of the Chamber of Commerce in Bavaria, emphasizes the employers' high burden to

enforce the legal concept against the public administration. He complains that 450 more firms in his region are on a waiting list to find refugees whose dropout quote is lower than that of German apprentices. He further specifies:

*"We fight specifically for each [of our refugees]" [...]. "Residence permits are unnecessarily limited to very short periods. Therefore, certainty for reliable plans is missing for firms and young people" [employed refugees]. (Saalfrank 2018; translation J. V.)<sup>9</sup>*

Hence, integration-oriented public institutions for refugees and Germans, complying with the 3+2 regulation of the German Integration Act 2016 are a major precondition to achieve planning security for employers, labor market integration for refugees and positive welfare effects for the German population.

In order to enable refugees with low language skills, starting from the German language A2 level, to enter a profession, new and more flexible formats must be created. Hereby, each company can develop and offer suitable formats such as internships or shorter and simplified training models (Salzwedel, 2018: 286).

Liberalizing the labor market is also a sensible measure. It is not only about canceling or shortening the ban on working for refugees with a limited residence and working permit, but also about grasping the possibilities and competences in such a way that it is possible to start working without the proof of foreign certificates.

Employers are more flexible than the labor market administration in this respect. They emphasize the potential of a test employment in which refugees can show their actual skills and expertise. As a manager explains in an interview (IAW, 2017)<sup>10</sup>:

*[...] "when the underlying qualification fits" [...] and someone has a vocational education in a comparable form, I know that the vocational education is different here [in Germany]. [...], "when similar tasks have already been done, I think this is no barrier, the rest we can achieve by our training. [...] when he has welded, then he will also be able to do that here." (Company 39)*

Moreover, almost three of four companies (74.8%) would find wage subsidies useful, which could compensate for refugees' lower productivity (Flake et al., 2017: 14) in early stages of employment. Additionally, employers recommend tax relief for the employment of refugees (41%) and easing of the

minimum wage (39%) as a further step to take account of refugees' lower productivity (Garnitz, Wohlrabe, 2016: 64).

As women's motivation for social and labor market participation in Germany is much higher than in their country of origin, companies should make use of this potential, thereby avoiding traditional gender roles and promoting women's potential (Worbs et al., 2016: 311). Again, part-time employment and childcare availability will be key for women to enter the labor market.

#### 5.4 High self-employment rate of workers from non-EU countries

Refugees do not only have potential as workers, but also as self-employed individuals, notably in the retail sector. Gainfully employed persons from non-EU countries have the highest self-employment rate in the trade sector. Their rather poor chances in the labor market induce their self-employment, as with their business they can specifically serve immigrants from their home country, so that language barriers are less relevant (Orhan, 2017: 43). Therefore, flexible entry level formats are also about creating new opportunities beyond education and training and include the targeted promotion of start-ups, by which refugees can become self-employed (Salzwedel, 2018: 287).

#### 5.5 Advice and support of companies

Another important step is the concrete support of those companies or employers who think about hiring refugees without being sufficiently prepared or who still have doubts about refugee employment. Information, consultations or exchange of experience can be effective methods of support (Salzwedel, 2018: 288). Companies that are already employing refugees emphasize positive experiences with integrating refugees and with support services they have used. To better satisfy this need in the future, existing programs should be aimed even more precisely at companies (Flake et al., 2017: 16). Eight out of ten companies in the IW Personal Panel survey would like to have access to a permanent contact person who provides information they specifically need. Frequently, respondents also want an external partner to assist in vocational preparation (65.7%) or a partner to take on the pre-selection and preparatory training (64.2%) (Flake et al., 2017: 14). In the survey of Garnitz and Wohlrabe (2016: 64), employers also indicate that particularly indus-

trial and construction companies would be more willing to hire refugees provided that they received external support; 36% would appreciate a better provision of information and advice.

### 5.6 High integration potential in sectors suffering from low labor supply

Given the shortage of skilled workers, manual occupations are a major opportunity to gain quick access to the labor market and to find a job for the long term. In the meantime, many companies have recognized the potential of refugees in the craft sector, and separate projects and networks have emerged in order to create new possibilities for refugees, particularly in the craft sector (Salzwedel, 2018: 292).

Nursing occupations, e.g. caring for elderly people or children, also suffer from a shortage of skilled workers and will be even more in need of motivated and educated employees in the future. They offer promising opportunities for refugees who would like to work in the social sector or bring along medical expertise. In addition, newcomers who are prepared to get trained, e.g. make apprenticeships, have good prospects for a secure job in this sector (Salzwedel, 2018: 292).

Moreover, in recent years, the German labor market has attracted more and more skilled labor. As a result of this gradual process, the number of jobs for low-skilled workers has been substantially reduced, highlighting even more the problem of structural unemployment in Germany (Vollmer, 2015: 13). Nevertheless, it would be an illusion to assume that the current refugee influx could remedy the shortage of specialists and skilled workers in Germany, since there is a mismatch of refugees' skills and labor demand requirements for professionals. The IZA therefore recommends targeting potential skilled workers among refugees. This requires systematic profiling immediately after their arrival in order to identify those refugees as early as possible whose labor market integration seems particularly promising due to their qualifications and work experience (IZA, 2015: 3).<sup>11</sup>

### 5.7 Social contacts: a major way to foster refugees' labor market integration

A well-documented positive impact on the access to employment is social networking. Although

those who use social contacts tend to have inferior knowledge of the German language, their level of education plays a minor role in this search strategy. Hence, a lack of social networks has a detrimental effect on the access to employment. However, refugees who find a job via personal networks on average score lower in economic terms than those who have found their employment via an advertisement, the public employment service or a direct application (Söhn, Marquardsen, 2017: 13). Hence, more private contacts with Germans may help refugees to use, practice and improve their language skills, which also helps them finding a job.

## 6. Conclusions

In general, the vast majority of companies are willing to contribute to the integration of refugees into the German labor market (Büschel et al., 2018: 31). Already today, companies make a key contribution to the integration of refugees as about every sixth company already has one or more refugees in training, internships or regular employment (Flake et al., 2017: 17). However, on the one side, companies generally emphasize positive experiences with refugees, on the other side, they still report about diverse challenges. To overcome these, a variety of proposals is explored by German corporations, some of which have been discussed in the former section. In addition, it has been proposed to examine how existing programs can be tailored even more to the needs of companies (Flake et al., 2017: 18).

Beyond all this, the domestic population can enhance the social and labor market integration of refugees in Germany in a very simple way. In qualitative interviews, refugees repeatedly emphasized their wish to have more social contacts with Germans, which would improve their social and labor market integration (Schmidtke, Volkert, 2019). Therefore, an unprejudiced open-mindedness together with mutual contacts are easy, promising ways to promote refugees' labor market integration with social and economic benefits for both Germans and refugees.

### Acknowledgements

We thank Aurela Omaj for her formal revisions of our paper prior to its submission. Moreover, we are grateful to the editors and to two anonymous referees for their suggestions and reviews.

## REFERENCES

1. Appleyard, D. R., Field, Jr., A. J. (2014). *International Economics*. 8th edition. New York: McGraw-Hill.
2. Bach, S., Brücker, H., Haan, P., Romiti, A., Van Deuverden, K., Weber, E. (2017), "Refugee integration. A worthwhile investment", *DIW Economic Bulletin* 3-4, German Institute for Economic Research (DIW), Berlin, pp. 33-43.
3. Battisti, M., Felbermayr, G., Poutvaara, P. (2015), "Arbeitsmarktchancen von Flüchtlingen in Deutschland: Ergebnisse einer Unternehmensbefragung", *ifo Schnelldienst*, Vol. 68, No. 22, pp. 22-25.
4. Bellmann, L., Falck, O. (2016), "Nicht alle Firmen wollen Flüchtlinge einstellen", *ifo Schnelldienst*, Vol. 69, No. 6, pp. 59-60.
5. Brändle, T. (2017), "Die Beschäftigung und Integration von ausländischen Arbeitnehmenden und Langzeitarbeitslosen in baden-württembergischen Betrieben", *IAW Brief Reports* No. 5/2017, Institut für Angewandte Wirtschaftsforschung, Tübingen.
6. Brücker, H. (2015), "Mehr Chancen als Risiken durch Zuwanderung", *Aktuelle Berichte* No. 1/2015, Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nuremberg.
7. Brücker, H., Croisier, J., Kosyakova, Y., Kröger, H., Pietrantuono, G., Rother, N., Schupp, J. (2019), "Language skills and employment rate of refugees in Germany improving with time", *DIW Weekly Report* 4-6, German Institute for Economic Research, pp. 50-61.
8. Brücker, H., Fendel, T., Kunert, A., Mangold, U., Siegert, M., Schupp, J. (2016), "Geflüchtete Menschen in Deutschland: Warum sie kommen, was sie mitbringen und welche Erfahrungen sie machen", *IAB Brief Reports* No. 15/2016, Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nuremberg.
9. Büschel, U., Hense, C., Daumann, V., Dony, E., Kubis, A., Rebien, M., Stöhr, S., Voit, A. (2018), "Betriebe und Geflüchtete. 36 Interviews im vierten Quartal 2016", *IAB-Forschungsbericht* No. 2/2018, Institut für Arbeitsmarkt- und Berufsforschung IAB, Nuremberg, May 2018.
10. Fendel, T. (2019), "Die Arbeitsmarktintegration Geflüchteter Frauen", *WISO Direkt* No. 02/2019, Friedrich-Ebert-Stiftung, Bonn.
11. Flake, R., Jambo, S., Pierenkemper, S., Risius, P., Werner, D. (2017), "Beschäftigung und Qualifizierung von Flüchtlingen in Unternehmen. Die Bedeutung von Unterstützungsangeboten bei der Integration", *IW-Trends – Vierteljahresschrift zur empirischen Wirtschaftsforschung*, Vol. 44, No. 2, pp. 3-20.
12. Flake, R., Jambo, S., Pierenkemper, S., Placke, B., Werner, D. (2017), "Engagement von Unternehmen bei der Integration von Flüchtlingen: Erfahrungen, Hemmnisse und Anreize", *KOFA-Studie* No. 1/2017, Kompetenzzentrum Fachkräftesicherung (KOFA), Institut der Deutschen Wirtschaft Köln, Cologne, March 2017.
13. Garnitz, J., Wohlrabe, K. (2016), "Managerbefragung: Erfahrung mit Flüchtlingen und ihrer Integration", *ifo Schnelldienst*, Vol. 69, No. 10, pp. 61-64.
14. Göbel, I., Brändle, T., Klee, G., Lutz, V. (2018), "Die Beschäftigung von Geflüchteten in baden-württembergischen Betrieben", *IAW Brief Reports* No. 1/2018, Institut für Angewandte Wirtschaftsforschung, Tübingen.
15. Gürtzgen, N., A. Kubis, A., Rebien, M. (2017), "Geflüchtete kommen mehr und mehr am Arbeitsmarkt an", *IAB Brief Reports*, No. 14/2017, Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nuremberg.
16. Hemel, U. (2019), „Politics of Dignity. A Bridge Between Public Theology and Economics“, in Pirner, M. L., Lähnemann, J., Haussmann, W., Schwarz, S. (Eds.), *Public Theology Perspectives on Religion and Education*, New York, Routledge, pp. 107-118.
17. Jacob-Puchalska, A. (2017), "Jedes fünfte Unternehmen hat bereits Geflüchtete beschäftigt", *ifo Schnelldienst*, Vol. 70, No. 12, pp. 84-86.
18. Knuth, M. (2016), "Arbeitsmarktintegration von Flüchtlingen. Arbeitsmarktpolitik reformieren, Qualifikationen vermitteln", *WISO Diskurs*, No. 21/2016, Friedrich-Ebert-Stiftung, Bonn.

19. Orhan, G. (2017), "Fluchtmigration: Chancen und Herausforderungen für den Einzelhandel", ifo Schnelldienst, Vol. 70, No. 4, pp. 39-44.
20. Salzwedel, A. (2018), "Herausforderungen und Chancen der Integration von Geflüchteten in den deutschen Arbeitsmarkt", in Ternés, A., Wilke, C.-D. (Eds.), *Agenda HR – Digitalisierung, Arbeit 4.0, New Leadership*, Springer VS, Wiesbaden, pp. 277-298.
21. Sandel, M. (2010). *Justice: What's the Right Thing to Do?* London: Penguin.
22. Schmidtke, J., Volkert, J. (2019). *Verwirklichungschancen, Einschränkungen und Integration Geflüchteter. Ein Projekt forschenden Lernens auf der Grundlage des Capability-Ansatzes*. Tübingen: Tübingen University Press, forthcoming.
23. Sohn, J., Marquardsen, K. (2017), "Erfolgsfaktoren für die Integration von Flüchtlingen", Research Report No. 484, Soziologisches Forschungsinstitut Göttingen, Göttingen, June 2017.
24. Vollmer, M. (2015), "Bestimmung von Fachkräfteengpässen und Fachkräftebedarfen in Deutschland", Working Paper, No. 64, Bundesamt für Migration und Flüchtlinge (BAMF), Nuremberg.
25. Worbs, S., Bund, E., Böhm, A. (2016), "Asyl – und dann? Die Lebenssituation von Asylberechtigten und anerkannten Flüchtlingen in Deutschland", Research Report, No. 28, Bundesamtes für Migration und Flüchtlinge (BAMF), Nuremberg.
26. Worbs, S., Baraulina, T. (2017), "Geflüchtete Frauen in Deutschland: Sprache, Bildung und Arbeitsmarkt", BAMF Brief Analyses, No. 1/2017, Forschungszentrum Migration, Integration und Asyl des Bundesamtes für Migration und Flüchtlinge (BAMF), Nuremberg.

## ENDNOTES

- 1 Witte, G., Birnbaum, M. (2015), "First trainloads of Syrian asylum-seekers reach Germany", *The Washington Post*, September 5, 2015, available at: [https://www.washingtonpost.com/world/syrian-migrants-reach-austria-as-hungary-retreats-from-harsher-measures/2015/09/05/2a3a6e7e-5333-11e5-b225-90edbd49f362\\_story.html?noredirect=on&utm\\_term=.a8d3995660fb](https://www.washingtonpost.com/world/syrian-migrants-reach-austria-as-hungary-retreats-from-harsher-measures/2015/09/05/2a3a6e7e-5333-11e5-b225-90edbd49f362_story.html?noredirect=on&utm_term=.a8d3995660fb) (Accessed on: March 11, 2019)
- 2 Council of Europe (2010/2017), "Konvention zum Schutz der Menschenrechte und Grundfreiheiten in der Fassung der Bekanntmachung vom 22. Oktober 2010" [Convention for the Protection of Human Rights and Fundamental Freedoms, as promulgated by October 22, 2010], *Grundgesetz*, 48. Auflage, pp. 79-95, München: Verlag C. H. Beck.
- 3 IAW (2017), "Wie kann eine gesamtwirtschaftlich erfolgreiche Integration der Flüchtlinge gelingen?", Tübingen, Bielefeld and Kiel, April 2017.
- 4 Brücker, H., Hauptmann, A., Vallizadeh, E. (2019), "Zuwanderungsmonitor", Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nuremberg, February 2019.
- 5 Bähr, H., Dietz, M., Knapp, B. (2017), "Beratung und Vermittlung von Flüchtlingen. Der lange Weg in den deutschen Arbeitsmarkt", IAB Forum, September 20, 2017, available at: <https://www.iab-forum.de/beratung-und-vermittlung-von-fluechtlingen-der-lange-weg-in-den-deutschen-arbeitsmarkt/> (Accessed on: March 18, 2019)
- 6 IAW (2017), "Wie kann eine gesamtwirtschaftlich erfolgreiche Integration der Flüchtlinge gelingen?", Tübingen, Bielefeld and Kiel, April 2017.
- 7 IZA, (2015), "Flüchtlinge in Deutschland. Herausforderung Integration", *IZA Compact*, December 2015.
- 8 Saalfrank, P. (2018), "Flüchtlinge: wir finden keine deutschen Bewerber", interviewed by Zacharias Zacharakis, *ZEIT online*, October 2, 2018, available at: <https://www.zeit.de/wirtschaft/2018-10/fluechtlinge-ausbildung-ihk-einwanderungsgesetz-schwaben> (Accessed on: March 23, 2019)
- 9 Saalfrank, P. (2018), "Flüchtlinge: wir finden keine deutschen Bewerber", interviewed by Zacharias Zacharakis, *ZEIT online*, October 2, 2018, available at: <https://www.zeit.de/wirtschaft/2018-10/fluechtlinge-ausbildung-ihk-einwanderungsgesetz-schwaben> (Accessed on: March 23, 2019)
- 10 IAW (2017), "Wie kann eine gesamtwirtschaftlich erfolgreiche Integration der Flüchtlinge gelingen?", Tübingen, Bielefeld and Kiel, April 2017.
- 11 IZA, (2015), "Flüchtlinge in Deutschland. Herausforderung Integration", *IZA Compact*, December 2015.

Marlene Saal

Juergen Volkert

## **INTEGRACIJA IZBJEGLICA NA TRŽIŠTE RADA U REPUBLICI NJEMAČKOJ: ISKUSTVA POSLODAVACA I NJIHOVE POSLJEDICE**

### **SAŽETAK**

S obzirom na nedavni porast imigracije u Republiku Njemačku, osobito izbjeglica iz kriznih područja, integracija na tržište rada, iskustva poslodavaca i posljedice za njih, uvelike određuju makroekonomske učinke imigracije. U radu se analiziraju novija empirijska saznanja o očekivanjima poslodavaca, preprekama s kojima se suočavaju, posljedicama i koristima, te o strategijama za intenzivnije uključivanje izbjeglica na tržište rada. Prvo se iznose potencijalne negativne i pozitivne kratkoročne i dugoročne makroekonomske posljedice imigracije na zemlje domaćine kao što je Republika Njemačka te odlučujuća uloga koju pritom igra integracija izbjeglica na tržište rada. Nakon toga se analiziraju očekivanja poslodavaca kad je riječ o zapošljavanju izbjeglica i prepreke s kojima se suočavaju. Nadalje, razmatraju se iskustva poslodavaca, njihov angažman u zapošljavanju izbjeglica i status izbjeglica na njemačkom tržištu rada koji iz toga proizlazi. Na temelju sekundarnog kvantitativnog istraživanja i kvalitativnih nalaza zaključujemo da bi se situacija na tržištu rada kada su u pitanju izbjeglice u budućnosti mogla promijeniti, osobito kad se uzme u obzir da žene izbjeglice često imaju značajno veću težnju da se zaposle u Republici Njemačkoj, nego li je to bio slučaj u njihovoj zemlji podrijetla, gdje im je to na različite načine bilo zapriječeno. Na kraju se raspravlja o najvažnijim načinima kako poboljšati perspektive izbjeglica na tržištu rada, pogotovo žena.

**Ključne riječi:** izbjeglice, poslodavci, tržište rada, zapošljavanje žena izbjeglica, Republika Njemačka