

## PRESS RELEASE

Vienna, 2 December 2019

### “Integration works”: Three new wiiw studies reveal increasingly high employment rates among recently arrived refugees in Austria

A large number of refugees from Syria, Afghanistan and Iraq have arrived in Austria in recent years, especially in 2014-16. **Three major new studies by the Vienna Institute for International Economic Studies (wiiw)** have established important new insights into the associated **integration challenges**, with significant policy relevance.

First, we find that after **only two years after arrival, the employment rate of refugees starts to converge quite quickly with that of Austrians and non-refugee migrants**. After seven years in Austria, non-European refugees are as likely to be employed as other migrants from low income countries outside Europe. Second, we establish that **social contact with Austrians strongly facilitates employment prospects**. Third, the **mental health situation of refugees**, especially among the young, is **precarious** and must be further addressed.

These findings suggest that intensive **integration efforts made by national authorities are having an impact**. However, for particular groups—above all women, the young and the elderly—more work needs to be done.

The **key conclusions** of the studies are as follows:

- *Highly restricted access to the Austrian labour market for asylum seekers and refugee-specific challenges, such as physical and psychological distress or lack of German language competence, result in **low employment rates among refugees in the first years after their arrival** in Austria.*
- *However, **two years later the employment rate of refugees starts to converge both with the Austrian-born population and non-refugee migrants**. This reflects legal access to the labour market, increased language competence, social integration, and training and assistance from the public labour market office.*
- ***After seven years in Austria, non-European refugees are as likely to be employed as other migrants from non-European low-income countries.***
- *However, **not all groups of refugees succeed equally**. Even after several years, **females, the elderly and the highly educated** are less likely to be employed than their equivalents among Austrians and non-refugee migrants.*
- *The **social integration of refugees and their employment prospects are strongly interrelated**. Social networks - especially with Austrians - are essential to assist refugees in finding jobs.*
- *The ability to speak and understand German to an advanced level is important for both social and labour market integration.*
- ***About 30% of the refugees show moderate or severe mental health problems**. Adequate psychosocial assistance and psychotherapy are therefore a key priority for policymakers. We find that sound mental health is key to the social and labour market integration of refugees.*

In 2014-16, a large number of refugees arrived in Austria, mainly **from Syria, Afghanistan and Iraq**. Along with Germany and Sweden, Austria absorbed the largest number of asylum seekers per capita in the EU-28. In Germany about 1.2 million asylum seekers were registered in 2015 and 2016 compared to 131,000 in Austria and 199,000 in Sweden. On a per capita basis, Sweden received 17 asylum applications per 1,000 inhabitants in 2015 (in 2016 this came down to 3), Austria 10 (reduced in 2016 to 5) and Germany 6 (increased in 2016 to 9).

**Integrating** these refugees into the Austrian economic and socio-cultural fabric is a **significant challenge**. This is complicated by the fact that the **recent movement of refugees is different from previous groups of refugees in Austria**, who predominantly came from other European countries. This is reflected in terms of age, cultural and religious background, languages spoken and levels of education.

### **Catching-up after a difficult start**

In the first year after arrival in Austria, access to the Austrian **labour market is strongly restricted** for refugees. Furthermore, **physical and psychological distress** (reflecting the fact that many come from war zones, the difficulties during their journey to central Europe and stress after arriving), as well as **insufficient German language skills**, can hinder successful labour market integration in the early years. However, we find that after a difficult start, the **employment rates of refugees start to converge** with both the Austrian-born population and other types of migrants (arriving for economic, family reunion and education purposes). After seven years in Austria, non-European refugees are as likely to be employed as non-European migrants.

### **Some groups of refugees face particular challenges**

Our results also show that the labour market integration process is not the same for all refugees. **Female, elderly and highly educated refugees integrate more slowly** into the Austrian labour market than their equivalents among Austrians or non-refugee migrants. This calls for a more differentiated labour market policy depending on the specific circumstances of different refugees.

### **Social integration is essential for the labour market integration of refugees**

We also find that the **social integration and labour market integration of refugees**, which are generally treated as two separate domains, **are strongly interrelated**. Particularly, stronger social integration (measured by extent and intensity of social contacts as well as by reliance on supports from such contacts) helps refugees to also better integrate into the Austrian labour market. In this context, stronger social contacts with Austrians are of key importance for refugees' employment prospects. This shows that in addition to labour market integration measures, **policies to enhance social contact with Austrians** are key for refugees' quicker and smoother transition into employment.

### **Facilitators of labour market integration**

We find evidence that refugees with **higher levels of education** (Matura and beyond) are more likely to be employed than refugees with lower levels of education. This indicates a clear need to make it easier for refugees to have their **qualifications recognised** in Austria, and to encourage and support their **access to (further) education**. Similarly, refugees with advanced German speaking and comprehension skills not only have better employment prospects, but are also more strongly socially

integrated, particularly with Austrians. This **underscores the importance of early and good quality language courses.**

### **Mental distress is a major challenge for refugees on their way into Austrian society**

A significant proportion of the refugees settled in Austria experience **high levels of psychological distress**. **20%** were found to have **severe mental health problems**, another **11% moderate problems**. **Younger refugees** (aged 15–34) are **particularly vulnerable**. Unsurprisingly, refugees with serious mental health problems are socially less integrated, and have poorer employment prospects.

Mental health problems do not simply diminish of their own accord once refugees arrive in Austria. However, when psychotherapy is available and steps towards integration are successfully taken, the psychological strain diminishes. Those steps include gaining asylum status, receiving treatment for physical health problems, acquiring language competence, (re)establishing good social relationships, family reunion and entering the labour market. Thus, attention to **providing psychosocial assistance, psychotherapy and health services adapted to the requirements of refugees** help to **improve overall integration perspectives** (including labour market integration) and counters potential longer-term marginalisation.

### **Contacts:**

Michael Landesmann, Project coordinator (landesmann@wiiw.ac.at; 01-533 66 10 39)

Stefan Jestl, Author (jestl@wiiw.ac.at; 01-533 66 10 21)

Sandra M. Leitner, Author (sandra.leitner@wiiw.ac.at; 01-533 66 10 54)

Sebastian Leitner, Author (leitner@wiiw.ac.at; 01-533 66 10 46)

### **Link to the wiiw studies:**

***'The Effect of Stressors and Resilience Factors on Mental Health of Recent Refugees in Austria'*** by Sebastian Leitner, Michael Landesmann, Judith Kohlenberger, Isabella Buber-Ennser and Bernhard Rengs, wiiw Working Paper No. 169, November 2019

Link: <https://wiiw.ac.at/p-5105.html>

***'Various Domains of Integration of Refugees and their Interrelationships: A Study of Recent Refugee Inflows in Austria'*** by Michael Landesmann and Sandra M. Leitner, wiiw Working Paper No. 168, November 2019

Link: <https://wiiw.ac.at/p-5104.html>

***'Employment Gaps Between Refugees, Migrants and Natives: Evidence from Austrian Register Based Labour Market Data'*** by Stefan Jestl, Michael Landesmann, Sebastian Leitner and Barbara Wanek-Zajic, wiiw Working Paper No. 167, November 2019

Link: <https://wiiw.ac.at/p-5101.html>