**Labor market integration of refugees in Austria – Part 1**

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Labor market integration of refugees is a great challenge for Austrian society. In this panel, insights gained from various research projects conducted all over Austria in the last two years will be presented. The panel will analyze the integration process, its various dimensions, determinants and interrelationships; results on what is hampering labor market integration but also how refugees can nonetheless be successful will be presented.

In the years 2015 and 2016, Austria has seen a great influx of refugees from Syria, Afghanistan, Iraq and other Middle Eastern countries. About 130,000 refugees have come to Austria and it is estimated that more than half will remain in Austria permanently.[[1]](#footnote-1)

The focus now has to be on integration, in particular German language acquisition and labor market integration. Regaining self-sufficiency is an important element of the integration process, both for refugees themselves, who regain self-confidence and independence, and for the host society, where refugee acceptance will be facilitated, if refugees are no longer dependent on government transfers (UNHCR, 2011).

But labor market integration is a lengthy and challenging process. In line with the experiences of other European countries, it is estimated that it will take about 5 years for refugees’ employment rate to reach 50% (Kurier, 2018). Data of the Austrian labor market service (AMS) show that in March 2018, 29% of all of the refugees who gained access to the labor market in 2015 and the first half of 2016 were employed (Bachler 2018).

Integration is a multi-faceted process influenced by many determinants. Important dimensions of integration e.g. cultural and social integration, but also identification interact in manifold ways with labor market integration. Drawing on a survey among recently arrived refugees conducted in 2017, Kittel et al. (2018) test hypotheses derived from Esser’s theory of integration. While the social and cultural integration dimension is found to play an important role, the impact of the identification dimension is negligible. In a similar vein, Landesmann et al. (2018a) test how different dimensions of integration interdepend by making use of a structural equation model.

Some of the barriers hampering labor market integration are related to refugees’ capital endowments – insufficient language skills and lack of usable human and social capital. But in terms of formal education, refugees from Syria and Iraq are well educated and first measurements indicate levels of education comparable to the Austrian average (Buber-Ennser et al., 2016).[[2]](#footnote-2) Refugees from Afghanistan, in contrast, often lack sufficient schooling. Despite this rather favorable profile in terms of human capital endowments, refugees face enormous hurdles. Neither educational degrees nor work experience in the country of origin can easily be transferred and used on the Austrian labor market. Eggenhofer-Rehart et al. (2018) explore the obstacles and barriers refugees encounter when trying to make use of their career capital on the Austrian labor market.

How refugees can nonetheless be successful in the face of great adversity is the topic of the paper by Verwiebe et al. (2018). Successful job search strategies of recently arrived refugees from Syria, Afghanistan, Iraq and Iran are analyzed. Personal agency and proactivity allows refugees to overcome initial barriers and enter upon positive integration pathways. At the same time, the institutional framework interacts with refugees’ agency in intricate ways, in particular regarding the usage and acquisition of human capital. Finally, social ties to the host society have been found to play a crucial role in early labor market integration. For establishing such ties, refugees’ own agency has been found to be crucial.

Two papers investigate in detail specific barriers hampering refugee labor market integration. Due to the many traumatic experiences refugees have had to endure, they often suffer mental health problems which slows down integration. The paper by Leitner (2018) investigates the prevalence of depression and anxiety syndromes among refugees in Austria. Recognition of credentials is a long and complicated process that slows down labor market integration of highly skilled refugees. The experiences of refugee doctors undergoing the process of having their credentials recognized are investigated by Gächter et al. (2018).

Labor market integration crucially hinges on the willingness of employers to “give refugees a chance”. It is therefore important to also understand the perspective of employers. Further, whereas having a paid job is one indicator of successful labor market integration, it is also important to consider what happens at the workplace. The paper by Ortlieb et al. (2018) illuminates such happenings. Drawing on semi-structured interviews with refugees working in Austria, their employers, coworkers and other experts, the paper analyses structural and social integration of refugees at the workplace.

Finally, successful integration goes beyond mere labor market integration, but is also related to issues such as housing and health. Landesmann et al. (2018b) propose a MIMIC framework (multiple indicators, multiple causes) to better understand the multifaceted integration process and the relationship between subjective wellbeing and successful integration.

**Literature**

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1. So far, from 2015 to 2017, more than 70,000 refugees were given either asylum or another type of residence permit in Austria, while 56,000 asylum procedures are still pending (BMI, 2018). [↑](#footnote-ref-1)
2. The most important difference consists of the prominence of vocational training in Austria, whereas in Syria and Iraq attending higher secondary education is more common. [↑](#footnote-ref-2)