

Economic Integration of Syrian Refugees in Europe

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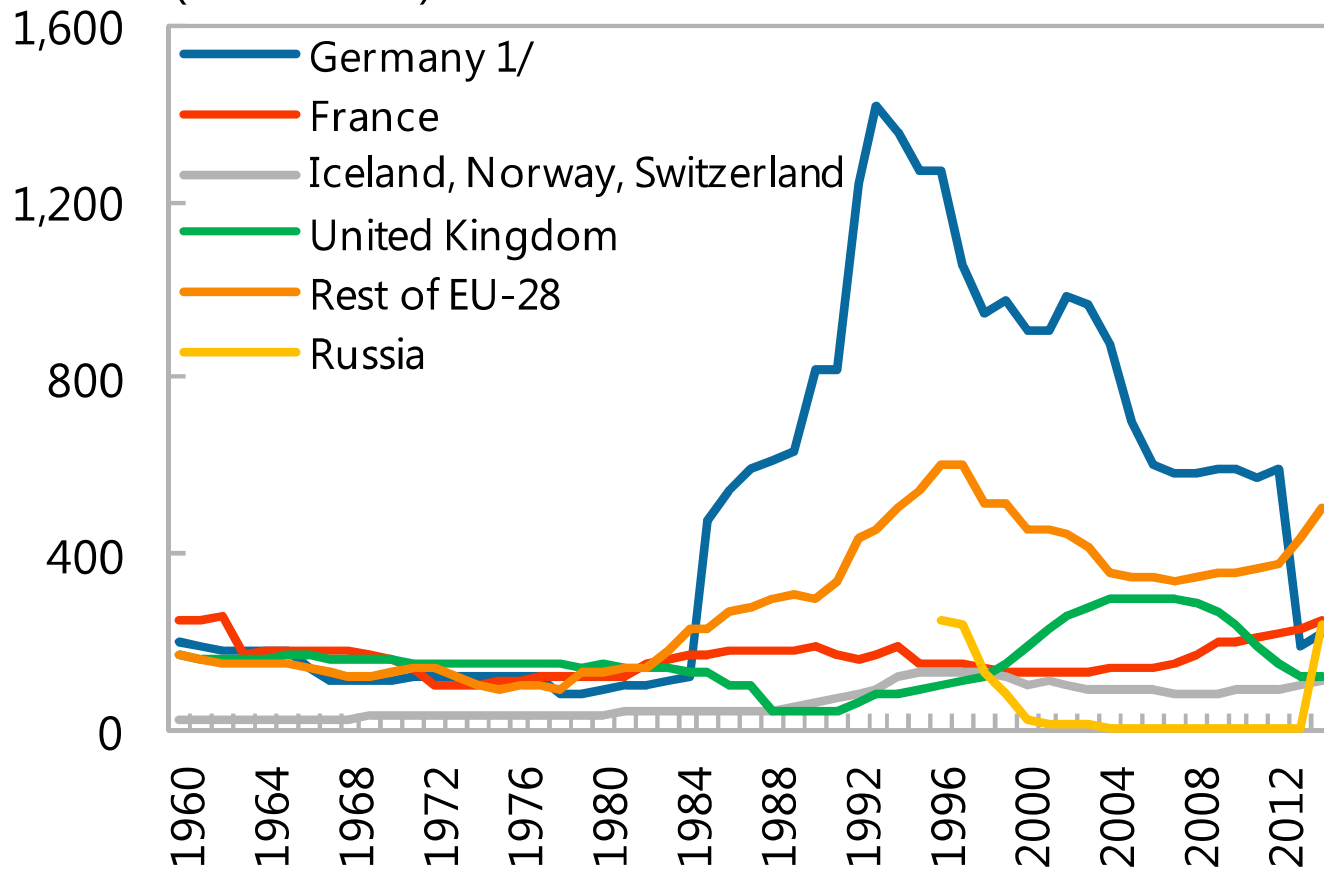
Project

- Supported by the Pardee Global Human Progress Initiative
- This project is intended to serve as a basis for future proposals to be submitted for external funding
- Provide an understanding of economic integration of Syrian refugees in Europe
 - Only slightly more than 10% of Syrians who have fled the conflict are seeking safety in Europe
- Average time of refugee return is 17 years
 - Important to promote opportunities for refugees to build livelihoods in host countries

The number of refugees living in European countries now is still low compared to the 1990s

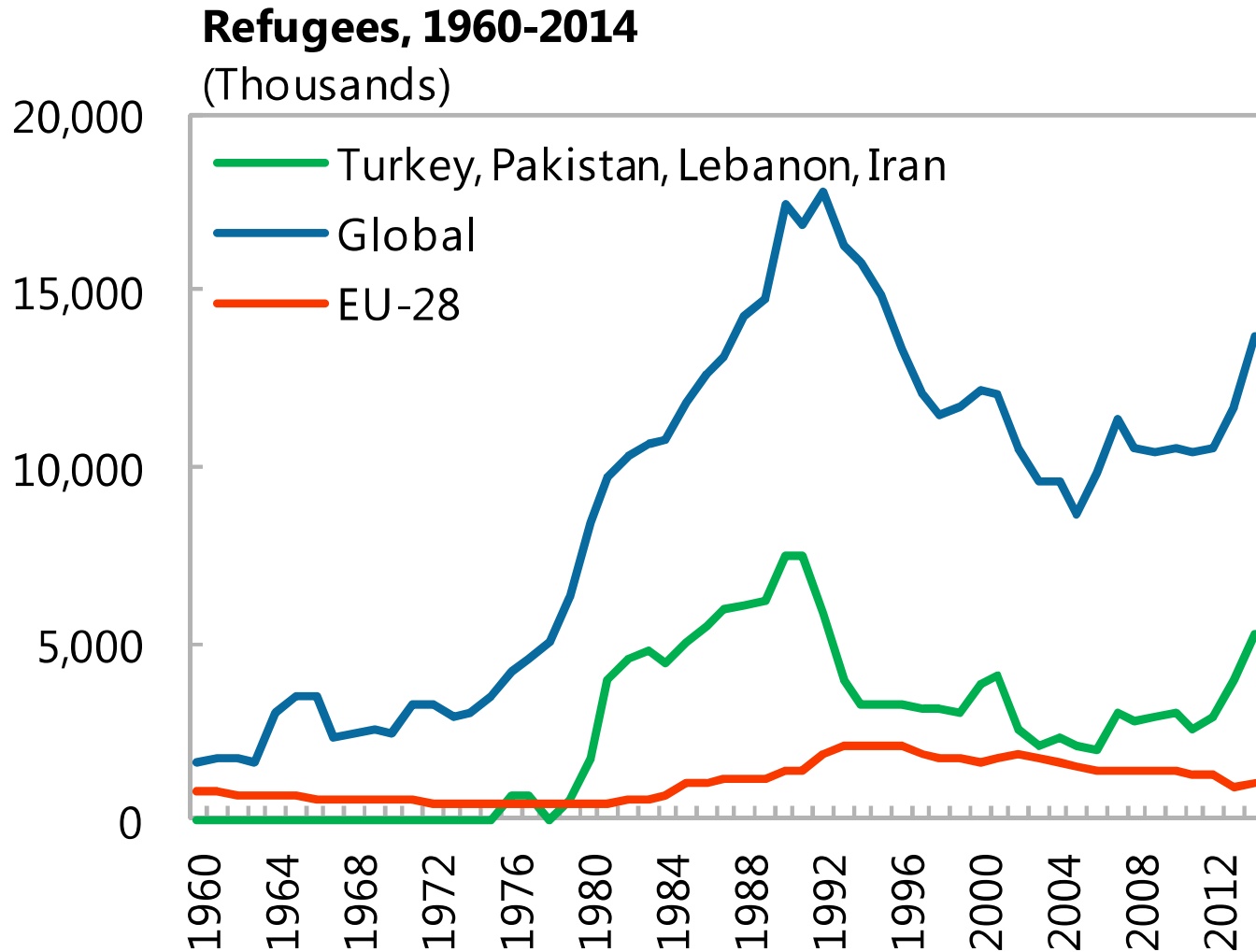
Refugees, 1960-2014

(Thousands)



1/ Due to a national change in definition, the number of refugees in Germany was reduced in 2013.

Of about 14 million refugees worldwide, only 1 million live in the EU



Source: IMF 2016.

Syrian refugees and asylum seekers

- **Registered refugees:**

~5,092,828

- Turkey: 2,733,044 (6/30/16)
- Lebanon: 1,033,513 (6/30/16)
- Jordan: 657,433 (7/4/16)
- Iraq: 249,395 (6/30/16)
- Egypt: 117,168 (6/30/16)
- North Africa: 29,275 (5/18/16)
- Other countries: ~273,000

<http://data.unhcr.org/syrianrefugees/asylum.php>

- **Asylum applications in Europe: 1,037,760** (April 2011–April 2016)

- Germany: 332,494
- Serbia/Kosovo: 313,445
- Sweden: 110,333
- Hungary: 72,505
- Austria: 39,131
- Netherlands: 31,963
- Denmark: 19,545
- Others: 118,344

Sources:

[3RP Regional Refugee & Resilience Plan, 2016–2017](#)

<http://data.unhcr.org/syrianrefugees/regional.php>

Our activities

- **Literature review:**
 - Understand costs and benefits of integrating immigrants into the economy
 - Explore legal, economic, political, social, and cultural constraints experienced by refugees
- **Labor force surveys of native population:**
understand pre-existing economic conditions and major sectors contributing to employment and output in host communities
- **Policy recommendations:** provide lessons learned about integration of refugees in Europe

Literature review

- We will use **DistillerSR** to systematically organize documents, in order to answer these questions:
 - What are the **costs and benefits** of integrating immigrants into a host country's economy?
 - What are the **various constraints** that prevent Syrian refugees from being incorporated into labor markets in the Middle East and Europe?
- Specific criteria and relevant search terms will identify articles and reports in different databases:
 - e.g., Google Scholar, Scopus, and NBER

Data analysis

- Our initial approach was to analyze labor surveys of the **native population** in host countries
 - What are possible occupations that would benefit from having a greater supply from refugees?
 - How do these trends differentiate by host countries?
- We have been also contacting agencies, universities, and other institutions to access **data on refugees**
 - Individual level or aggregate level
 - Possibility of “matching” skills of refugees and those needed by host countries

Data on natives and others

- Surveys from European Foundation (Eurofound)
 - 2004–2013 European Company Survey
 - 2003–2012 European Quality of Life Survey
 - 1990–2015 European Working Conditions Survey
- European Social Survey (since 2001, every 2 years)
- Eurostat of the European Commission
- 2015 Jordanian Population Census
- Migrant Integration Policy Index (MIPEX) Database
- OECD Migration Database
- World Bank Migration and remittances data

Data on refugees

- UNHCR refugee registration database and household surveys
- UNHCR MENA Region
- UNHCR Data for Jordan
- UNICEF Jordan
- World Bank MENA Region team
- Oxfam: livelihoods of Syrian refugees in Lebanon
- Norwegian Refugee Council and Harvard Law School
- Syrian Refugee Health Access Survey in Jordan, Lebanon
- IMF, The Refugee Surge in Europe: Economic Challenges
- United Nations Data

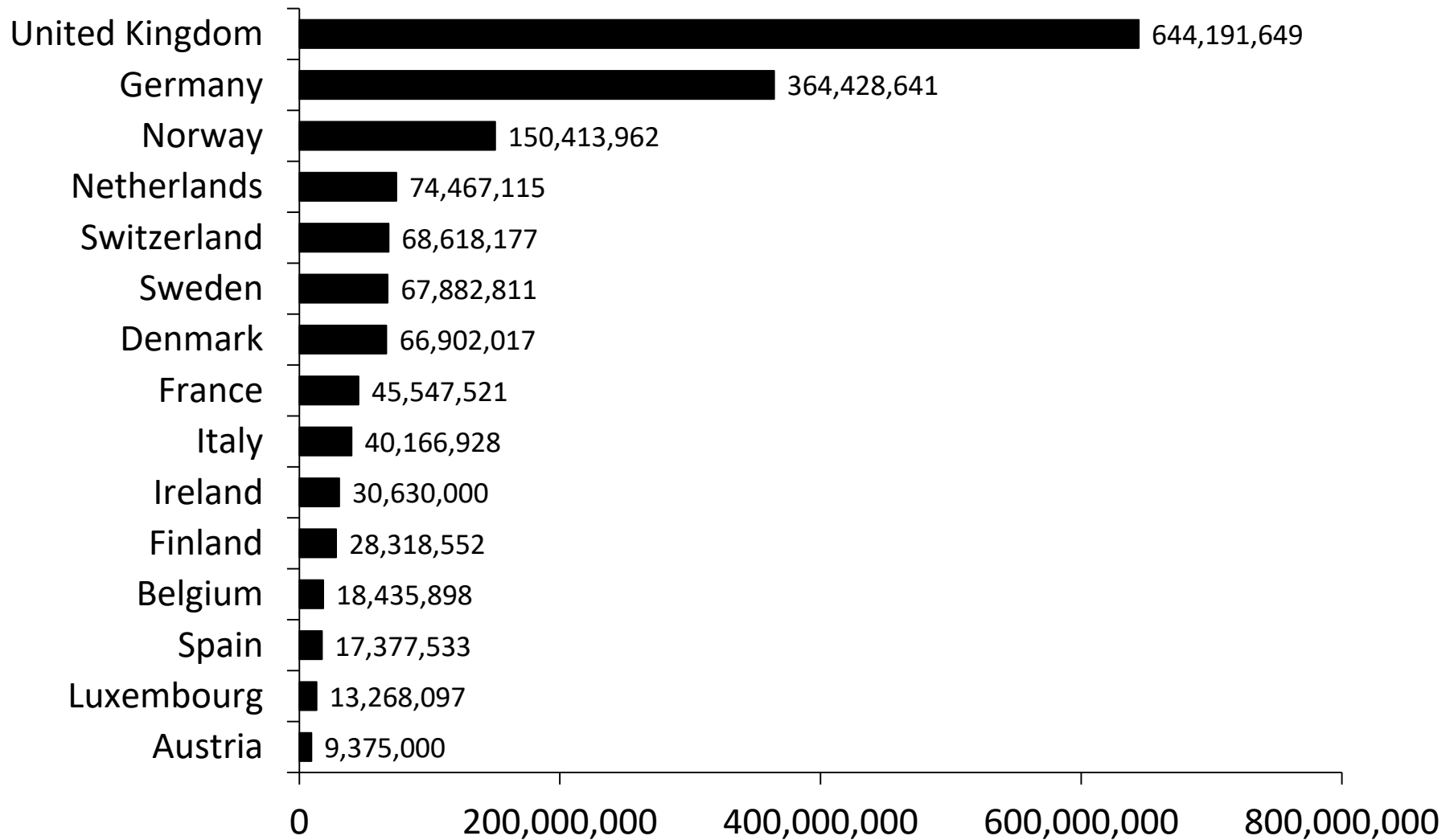
Previous recommendations

- Europe should implement a comprehensive plan of action built on existing laws and policies: (Orchard et al. 2014)
 - Activate a regional humanitarian admission and temporary protection regime
 - Expand resettlement programs
 - Develop alternative legal routes for refugees
 - Combat anti-immigrant sentiment
- What actually happened? ...

European response

- Some improvements have been made, but the Europe's admission of Syrian refugees remains low
- Greece and Bulgaria are the closest and most accessible to refugees
 - Allegations of forced removal and mistreatment
- UK response has been to contain the crisis in Syria and to make minimal efforts to increase admission
- Containment of crisis to Syrian region is unviable
 - Neighboring countries are overwhelmed

Humanitarian aid to Syria in Euros



EU-Turkey agreement

(March 18, 2016)

- New irregular migrants will be returned to Turkey
- For every Syrian returned to Turkey from Greece, another Syrian will be resettled from Turkey to EU
- Turkey will prevent new routes of irregular migration
- EU will increase resettlement of refugees residing in Turkey
- Accelerate visa liberalization for Turkish citizens to EU
- Financial support for Turkey's refugee population
- €3 billion in 2016 and another €3 billion by 2018
- Improve humanitarian conditions inside Syria

Criticism of EU-Turkey agreement

- Agreement violates long-standing international prohibitions on collective expulsion (UNHCR)
- Leaders changed the discourse of large-scale mechanism to send back irregular migrants
- Current speech indicates the need to implement a process that respects individual asylum rights
- Governments hope that message about agreement will deter arrivals without having to test its legality

EU Regional Trust Fund

- EU is the leading donor in the international response to the Syrian crisis with over €6.1 billion
- Trust Fund addresses longer term resilience needs of Syrian refugees in Jordan, Lebanon, Turkey, and Iraq
- Provide education, training, health care, water, sanitation, hygiene, infrastructure, economic recovery
- Incentivize work permits in neighboring countries
- Implementation of a trade initiative to apply lower taxes for manufactured products exported to EU
- World Bank is also providing interest-free loans

Economic aspects of refugees (IMF 2016)

- Short-term macroeconomic effects
 - Modest increase in GDP growth
 - Expansion in labor supply
 - Concentrated in Germany, Sweden, Austria
- Medium and long-term growth
 - Lower employment rate and wages than natives, but effects diminish over time
 - Depends on refugee integration into labor market
 - Language
 - Transferable job qualifications
 - Barriers to job search
 - Legal work constraints during asylum application¹⁷

Significance of policies (IMF 2016)

- Minimize restrictions on working
- Wage subsidies to private employers
- Temporary exceptions to minimum wages
- Ease self-employment (access to credit)
- Facilitate skill recognition
- Reduce restrictions on geographical mobility
- Adverse effects on wages and employment of natives are limited and temporary
- If refugees work, they pay taxes and contribute to social security, offsetting effects of population aging
- **We intend to verify specific economic sectors by host countries**