



What do we know about the employment of refugees in Germany? Answers to some frequently asked questions.

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In 2015, the highest number of refugees arrived in Germany since the end of the Second World War. The overall number of refugees in Germany increased by 1.2 million people until the end of 2018. A recent analysis implies faster labour market integration of refugees who arrived in Germany between 2013 to 2016 than was the case for refugees from previous years. The results show that the employment rate increases with the duration of stay. These figures are an important indicator for the integration of refugees into the labour market and have therefore been widely discussed in Germany. In this interview, the authors Herbert Brücker and Yuliya Kosyakova answer key questions about the study, which was co-authored with Eric Schuß.

The analysis is based on a representative sample of the refugees and asylum-seekers who arrived in Germany between 1 January 2013 and 31 December 2016. Are the survey results representative?

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Yes. The sample of the IAB-BAMF-SOEP survey of refugees was drawn from the Central Register of Foreigners (*Ausländerzentralregister*), in which all foreigners from third countries are recorded (more information on this data set can be found on the [FDZ website](#)). The Central Register of Foreigners contains information about the residence status and the date of immigration. A sample of all adult refugees who arrived in Germany from 1 January 2013 to 31 December 2016 was drawn from this population. Other household members were also interviewed, so that the data additionally includes refugees who arrived in Germany for family reunification reasons before or after these dates. The results on refugees' employment progress published in the [IAB Kurzbericht 4/2020](#) are based on the third wave of the survey with 4,265 observations. The sample is therefore large enough to be able to make representative statements.

How should one interpret the figure that almost half of the refugees are employed five years after arrival?

The statement that 49 percent of the refugees are employed five years after arrival refers primarily to those who have been in Germany for five years. At the time of the survey, these were predominantly the refugees who immigrated in 2013. For those with a duration of stay of four years at the time of the interview, 42 percent were employed, with a duration of stay of three years 37 percent, etc. (see Figure 1).

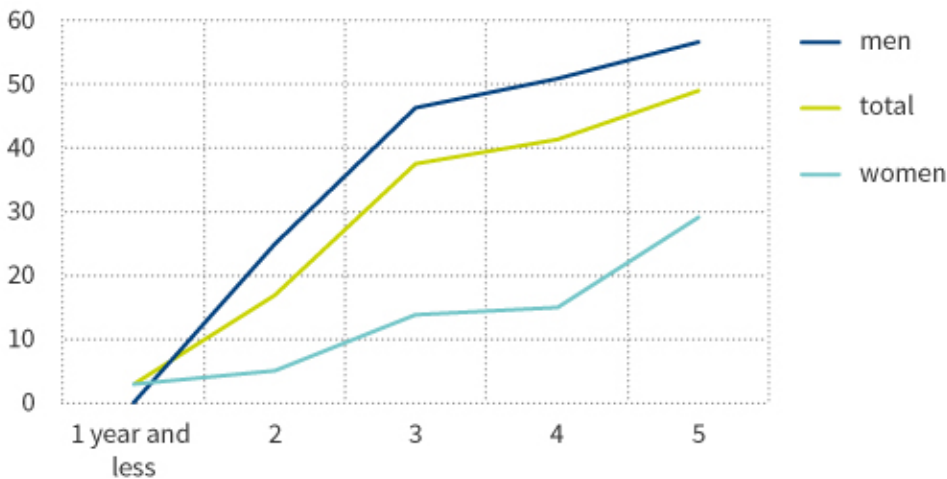
The previous waves of the IAB-BAMF-SOEP survey of refugees also show that the integration processes of previous [cohorts](#) are very similar: For example, the 2017 employment rate of refugees who arrived in 2013 was not higher than the 2018 employment rate of refugees who arrived in 2014. In fact, the employment rates of the refugees who arrived later were slightly higher than that of refugees who arrived in 2013. It is therefore likely that among refugees who arrived in 2014 and 2015, around half will be employed five years after their arrival. This applies at least if there is no general slump in the labour market, for example as a result of a severe economic recession due to the COVID-19 pandemic.

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Figure 1: Employment rates of refugees arrived since 2013 by gender and years since arrival

Employment rate as a percentage of the population aged 18 to 64



Note: According to the definition of the Federal Statistical Office, persons are considered as gainfully employed if they receive remuneration for their work. This definition also includes trainees, interns, and marginally employed persons. Observations with a positive reply regarding employment, but with zero Euros in earnings were coded as unemployed.

Legend: Five years after arrival, the average employment rate of refugees amounts to 49 percent.

Source: IAB-BAMF-SOEP survey of refugees, 2018. © IAB

Do the refugees mainly work in unskilled or low-skilled jobs?

No. According to the classification of the German [Federal Employment Agency](#), the professional activities can be divided into four skill levels: semi- and unskilled tasks, skilled tasks, complex specialist tasks and highly complex expert tasks. In the second half of 2018, 44 percent of employed refugees performed semi- and unskilled activities, 52 percent skilled activities, 2 percent complex specialists and 3 percent highly complex expert activities. The deviation of 100 percent results from the rounding of the values. The proportion of those performing semi- and unskilled activities amongst the refugees is nevertheless significantly higher than among those born in Germany: 13 percent of native Germans perform semi- and unskilled activities. However, it can be expected that through the acquisition of language skills, educational and training qualifications and professional experience, the refugees will progress up the skills ladder the longer they are in the labour market, so that the proportion of semi- and unskilled workers amongst this group will gradually decrease.

“Significantly more refugees perform semi- and unskilled activities than those

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born in Germany.”

32 percent of the refugees in employment are performing tasks which are above the level of their professional qualifications. For 40 percent, the formal professional qualification level and the work performed by refugees match. 28 percent of refugees in employment are working below their formal professional qualification level. The high proportion of those who work above their formal professional qualification level is due to the fact that many refugees have acquired professional qualifications through “training on the job” in their home countries and not through formal vocational training as is customary in Germany.

Do the refugees who work earn so little that they are largely dependent on social transfer payments?

No. The average earnings of refugees make 55 percent of the average earnings of German-born workers. However, the gap is significantly smaller when adjusting for their age: for example, the 18- to 24-year-old refugees receive 74 percent of the average earnings of German-born workers of the same age.

Whilst the average earnings of the refugees are significantly lower than the average earnings of the German-born workers, the vast majority are nevertheless not dependent on additional transfer benefits. According to statistics on benefit recipients, 30 percent of employees who come from the eight main countries of asylum (i.e. from the population groups that mainly consists of refugees) are claiming supplementary basic security benefits according to Social Security Code II (“Hartz IV”). 70 percent of employees from these countries received no benefits. Therefore, the assertion that working refugees are largely dependent on social transfer benefits despite working does not hold.

“The vast majority of refugees are not dependent on additional transfer benefits.”

Do the refugees take part in training?

By their arrival in Germany, 62 percent of refugees attained at least 9 years of general and vocational education (population born in Germany: 97%) and 40 percent attained at least 12 years of general and vocational education (population born in Germany: 49%). Against this background, successful integration into German labour market and the portability of human capital acquired in the origin and transit countries is also likely to depend heavily on the acquisition of further educational qualifications. Overall, 77 percent of refugees in Germany aspired to attend an educational institution in 2018 (men: 80%, women: 67%). While

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participation in education and training was comparably low in the first years since arrival, we observe a gradual increase in educational activities since then. By the second half of 2018, 23 percent of adult refugees had attended a general education school, vocational educational institution, college or university or participated in a vocational training measure; 15 percent have been attending a vocational or general educational institution at the time of the survey. Compared to the previous year, the share of refugees in education increased by 5 percentage points. More detailed analysis implied that among refugees who were in education in the second half of 2018, the majority had started vocational training (9%), 4 percent attended schools or participated in further education, and 2 percent attended a university or college.

“Refugee men participate significantly more often in education than refugee women.”

Refugee men participate significantly more often in education than refugee women: 26 percent of male refugees and only 15 percent of female refugees had attended education in Germany between their arrival to Germany and the second half of 2018. At the time of the survey, 17 percent of the male and 12 percent of the female refugees were in education and training.

The fact that at the time of the survey only just over a quarter of the refugees had attended an educational institution in Germany can be driven by various reasons: amongst others, insufficient language skills and general educational requirements, obstacles to admission, financial pressure to enter employment as quick as possible, and many more. Still, the share of refugees in education and training increases with the duration of stay in Germany.

Literature

Brücker, Herbert; Kosyakova, Yuliya; Schuß, Eric (2020): [Fünf Jahre seit der Fluchtmigration 2015: Integration in Arbeitsmarkt und Bildungssystem macht weitere Fortschritte](https://www.iab-forum.de/en/what-do-we-know-about-the-employment-of-refugees-in-germany-answers-to-some-frequently-asked-questions/). IAB-Kurzbericht No. 4.

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