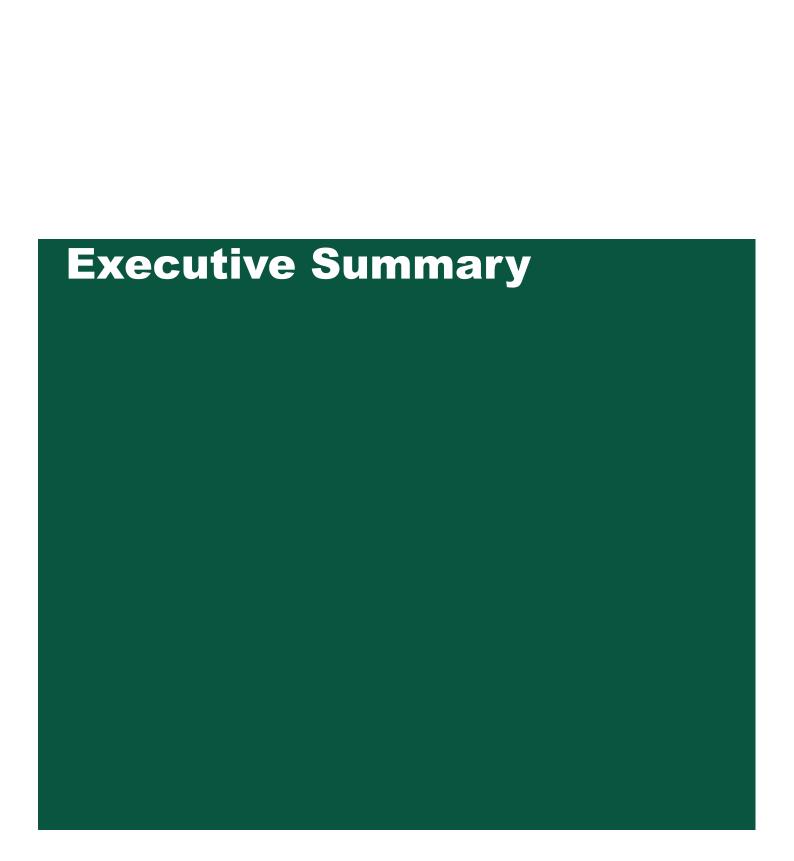
Extending the Right to Work to Asylum Seekers in Scotland: evaluation, analysis, and policy options

Expert Advisory Group on Migration and Population

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Since 2002, UK policy regarding asylum seekers' right to work has been highly restrictive in the conditions for eligibility it places on both asylum seekers (12-month delay, not their fault) and jobs (Shortage Occupation List (SOL) only) and is increasingly out of line with the policy choices of other countries. However, this has not always been the case. Before mid-2002 asylum seekers in the UK were allowed to work after a waiting period of 6 months from submission of their asylum claim.

The Scottish Government has stated its vision of Scotland as an internationally responsible, welcoming, and compassionate country. This is supported by cross-party consensus within the Scottish Parliament, across local authorities and civic organisations, as well as broader public opinion: in 2021, 77% of Scots surveyed in polling for the Scottish Refugee Council agreed that asylum seekers should have the right to work to support themselves and their family.¹

This report sets out to evaluate the consequences of policies determining the right to work for asylum seekers. It seeks to assess what the outcomes may be, were the current policy conditions to change, granting asylum seekers in Scotland the right to work at an earlier stage in their process of applying for leave to remain and with fewer restrictions on the jobs for which they can apply. It evaluates a range of limitations which may require mitigation, were such a policy change to be pursued.

The report reviews the current UK position and discusses existing evidence on the impacts of restrictive versus more expansive policies in other countries. It draws on evidence from 8 international case studies, selected to cover a range of approaches both to restrictions and to the provision of support for asylum seekers (see Appendix), as well as available evidence from academic and third sector studies² in the UK. It presents research commissioned directly from the National Institute of Economic and Social Research (NIESR) on the impact that granting the right to work to asylum seekers could have on Scotland's economy, including the impact on employment, GDP, tax revenue and government expenditure.

Key Findings

Evidence from both UK studies and international cases indicate that exclusion from the labour market has strong negative impacts on asylum seekers' material and emotional well-being, and on integration outcomes in both the longer and more immediate term.

Our review of policy developments and decisions in other countries indicates that these have often included consideration of the contribution working asylum seekers might make to national economic, workforce-related, and demographic challenges, particularly where they are subsequently granted leave to remain.

The analysis by NIESR suggests that granting the right to work to people seeking asylum in Scotland would add £30 million per year on average to the Scotlish economy

¹ The poll of 1000 people from across Scotland was conducted by Survation in September 2021 and asked about a range of issues relating to refugee rights. Scottish Refugee Council (2021) New polling shows Scotland welcomes refugees - Scottish Refugee Council

² It should be noted that many third sector studies have been undertaken or commissioned by organisations campaigning for restrictions to be lifted. In the absence of data from more neutral sources, we refer to the findings of this work, but always acknowledge its provenance.

if granted immediately on arrival, or £16 million per year if granted after a six-month waiting period. These figures are based on a calculation of increased revenues and reduced costs. Increased revenues from income tax and national insurance would have a direct impact on the UK economy leading to indirect positive consequences for the Scottish economy, whilst increased council tax would be paid directly to those Scottish local authorities hosting working asylum seekers. Reduced costs would come from working asylum seekers no longer requiring support through the National Asylum Support Service (NASS). The calculations have had to be made using a range of assumptions due to the lack of accurate data on skills profiles of asylum seekers or reliable quantitative evidence regarding their likely labour force participation rates. Calculations are therefore based on an assumption that asylum seekers would enter the labour market with the same range of salaries and the same success in finding work as other UK residents moving from benefits to employment. This modelling includes asylum seekers who enter the labour market and no longer need support via S4/95/98, and the continuation of the status quo for other asylum seekers not entering the labour market, even if they have the right to work. However, it has not been possible in the scope of this report to quantify the likely costs of the various employability services and additional safety nets proposed below, which we deem important to the success of a change in policy. These would necessarily offset some of the fiscal gains.

The consequences of restricting the right to work policy to only shortage occupations (as is the current UK Government policy), also requires consideration. There is no evidence from the countries examined in the appendix to support such an approach. The only country to have tried this approach with regard to asylum seekers is Australia, where it has proven ill-conceived with no clear benefits to either the sectors involved or the asylum seekers themselves. The policy has since been scrapped by the Australian government.

Taken together these findings suggest a case for reconsidering current restrictions.

Our findings also offer substantial evidence that granting the right to work is not a straightforward solution. There are considerable challenges and barriers to successful employment and integration which persist for asylum seekers even where less restrictive policies are in place. Learning from the 8 international case studies demonstrates clearly that the full benefits of a right to work policy may only be realised if it is supported by a wider infrastructure of adequate reception, settlement and integration services, including housing, the timely processing of asylum claims, and adequate welfare support to protect against poverty and destitution.

Given the uncertainties and insecurities surrounding asylum seekers' status, their financial vulnerability and minimal access to wider support, their needs for language learning and employability support, as well as the extent of structural barriers and discrimination they are likely to face on entering the labour force, careful consideration and deliberate remedy is required. Without this, a lifting of restrictions would likely result in minimal change for the majority of asylum seekers who would not anyway be able to gain employment and expose those who do to high risks of exploitation and continued poverty.

Key learning points

Identify where the powers, capacity and experience lie to support a proposed change

Immigration, asylum, and border controls remain areas of reserved policymaking over which the Scottish Government has no direct jurisdiction. While the UK Government retains the power to grant asylum seekers permission to work and determine the jobs they can occupy, the Scottish Government has devolved powers over employability, skills and training, some areas of welfare and equalities. This offers significant levers to influence the implementation of a right to work pilot.

Scotland's local authorities, third and public sector service providers, employers and communities have gained considerable experience in recent years, providing employability services and English language classes for both refugees and people arriving through resettlement schemes and complementary visa pathways. This could provide a foundation for the development of a distinctive approach to employability support in the context of an extended right to work. Careful thought would need to be given to how existing policy levers could be used to best effect and what balance of integration into mainstream services versus development of specialist and tailored support would be required and feasible if a pilot scheme to allow asylum seekers to work were to be proposed.

Create a clear and simplified system with guidance for employers and employees

The often-prolonged uncertainty of asylum seekers' status, and the risks for both employers and employees associated with non-compliance (deliberate or accidental) with complex rules surrounding restricted working can act as disincentives to well-intentioned employers, as well as increase asylum seekers' vulnerability to exploitation. A regionally differentiated system could introduce a further layer of complexity and potential confusion for both employers and asylum seekers. A Scottish pilot scheme would need to lay out very precisely the geographical boundaries on which it would operate. Would there be a requirement for example that the asylum seeker's place of residence, the registered employer, and the job itself all be located (solely) in Scotland?

The structure of Scotland's business landscape with its higher percentage of small and medium sized employers should also be considered. Administrative burdens and risks associated with uncertainty can be more difficult for smaller employers to absorb and tailored support and information for employers may be necessary if a pilot is to succeed.

Alongside this, checks and support systems would need to be in place to prevent exploitation and support working asylum seekers to understand their rights as employees. Involving trade unions as strategic partners in conversations around the development of a pilot scheme would be beneficial in this regard.

Ensure increased employability for asylum seekers is supported through tailored services, integration into mainstream support and by tackling structural barriers, inequalities and discrimination.

In addition to the development of services to support asylum seekers into work, wider impediments including existing inequalities within the labour force, structural barriers and discrimination by employers and employment agencies would need to be tackled. This is especially important as focusing exclusively on individual capacity building and training for employability can simply raise expectations and increase frustrations. Moreover, asylum seekers would be especially vulnerable to exploitation if structural barriers remain unchallenged.³ Potential interventions which may reduce these risks could include working with employers and policymakers to challenge discriminatory or other poor practices, raising awareness of asylum seekers' rights and potential to contribute, and addressing structural barriers in the labour market.

Prevent in-work poverty, homelessness and loss of access to financial support/housing.

A pilot offering the right to work to asylum seekers in Scotland would need to consider the potential vulnerabilities and insecurities that the loss of accommodation and other support might bring, particularly where asylum seekers might find employment in low-paid and/or insecure work. Consideration would need to be given to how people would be supported through any gaps in employment and what safety nets would be in place to support asylum seekers to access appropriate housing and reduce the risk of them falling into rent arrears or other financial difficulties due to low wages.

Evidence from international case studies shows that wider support measures, including subsistence payments and access to employment and training not only facilitate asylum seekers' entry to the labour market but can also support them during a transition period where they are looking for employment or establishing themselves as financially independent on a more stable basis. A Scottish pilot might draw on the experiences of other countries which offer an allowable earned income before support is withdrawn to consider what kinds of support would be available, or whether some form of staggered or top-up payment could boost the incomes of low-paid workers and ease the transition into work. Such measures already feature to some extent in the UK benefits system, either in the form of allowable income before tax and before benefit reductions, or tax credits for low income households. Consideration might be given to extending these to asylum seekers who are particularly vulnerable to low pay and poverty.

The gendered nature of the asylum process results in a higher proportion of women being designated dependants rather than primary applicants in family asylum claims. To avoid a further gendered inequality consideration could be given to extending the right to work to family members, as is the case in Canada. This would have further benefits of increasing potential incomes to asylum seeker households and reducing women's vulnerability to sexual exploitation and gender-based violence.

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³ Bloch, A. (2008). Refugees in the UK Labour Market: The Conflict between Economic Integration and Policy-led Labour Market Restriction. Journal of Social Policy, *37*(1), 21-36, pp.26 & 30.

Include the appropriate range of stakeholders in designing policy, learn from existing experience and ensure that responsibilities for implementation are properly resourced.

Local authorities and third sector partners already play a central role in supporting asylum seekers, refugees and people who have arrived through resettlement schemes and complementary visa routes. Many have gathered considerable experience of providing support, including employability and language learning services, as well as access to housing and crisis support. This could form a starting point for developing place-based approaches to support asylum seekers into work, flexible enough to take account of the diversity of Scotland's local labour market conditions and the uneven spread of existing services and third sector specialist organisations.

The challenges of supporting effective and coherent approaches and the considerable burden placed on local authorities at a time of budget constraints and high demand for services from other parts of the population should not be underestimated. Experience from the US, Canada, Belgium, Germany and the Netherlands all illustrate how easily already-overstretched public services can fail to meet the increased need that comes with greater numbers of asylum seekers. Local authorities would need additional capacity (financial, human resource and expertise) if support for asylum seekers to enter the labour market is to be added to their responsibilities. This would need to include financial resources from Scottish Government or the Home Office to expand existing services and support programmes and a framework to facilitate shared learning between places.

Partnership working with third sector providers, volunteers and community-based groups who can offer support for language learning, self-confidence, buddying and other employability support would also be important. This has been evidenced in experiences of welcoming and supporting the integration (including labour market integration) of people who have arrived in the UK through resettlement programmes and complementary visa routes, as well as in the German example presented in the appendix.

Asylum seekers are likely to face considerable challenges even if they are able to secure employment and employers themselves would have to overcome (or accept) a variety of barriers and risks to employing people with inherently insecure status. At the same time, employers have a crucial role to play in ensuring that asylum seekers with the right to work receive appropriate training and support to enter, thrive in and progress through the workplace. It would be essential therefore to involve employers directly as stakeholders in discussions surrounding the design of any proposed pilot scheme extending asylum seekers' right to work.

Right to work should provide pathways to settlement and mitigate the risks around temporary status

The recent rise in global displacement and the arrival of greater numbers of asylum seekers in some countries has tested the limits of their reception and integration policies and infrastructure (USA, Canda, Belgium, and the Netherlands, for example). As a result, there has been a tendency across many countries in recent years to

replace pathways to permanent settlement (residency, citizenship, more secure work status) with greater conditionality and/or more temporary work visas.

However, evidence from nearly all the countries examined in the appendix shows that long periods of uncertainty around asylum status, arising either from backlogs, the issuing and renewing of temporary work visas, or other restrictive conditions, yield poor outcomes for all, not least asylum seekers themselves. The cautionary lesson from Australia is that the move towards 'permanently temporary migration' has caused harm, created second-class citizens of many asylum seekers, and weakened social cohesion.⁴

The New Scots Refugee Integration Strategy has a stated vision to support all refugees and asylum seekers regardless of their route to arrival 'to rebuild their lives from the day they arrive'. Making this a reality for asylum seekers could involve extending the support, rights and entitlements that are currently on offer to refugees to asylum seekers in order to speed up their integration. This would be in line with the International Monetary Fund (IMF) recommendation to lower barriers and ease restrictions to work eligibility during the asylum processing phase, as Germany did with notable success after the arrival of asylum seekers in 2015/16, implementing a series of early interventions to speed up their integration. With particularly long waiting times for the processing of asylum claims in the UK at present — an issue over which Scotland has little control - providing such support during this period would help put asylum seekers on a clearer pathway to integration and settlement.

Arguably, there is a trade-off between what the evidence shows (that early interventions facilitate the quicker integration of asylum seekers), and the reluctance of many governments and regional authorities to invest in asylum seekers who may eventually have their claim refused, or who may wish to invest in supporting asylum seekers but face competing investment priorities.

However, the international evidence serves as a reminder that not facilitating access to work and wider settlement in the community still 'costs' governments, not just in terms of economic inactivity, but also in terms of wasted human capital, the wellbeing of asylum seekers themselves, and the additional costs of supporting these individuals while their status is waiting to be resolved. Countries like Sweden, the US and Canada, grant comparatively quicker access to work for asylum seekers while claims are being processed precisely because they want to utilize their skills and labour while also helping them become 'self-sufficient.'

⁴ Parkinson, M. et al (2023), <u>Review of the Migration System. Final Report 2023</u>. Australian Government, Department of Home Affairs.

⁵ Scottish Government (2018a) New Scots Refugee Integration Strategy 2018 - 2022.

⁶ Konle-Seidl, R. and Bolits, J. (2016) <u>Labour Market Integration of Refugees: Strategies and good practices</u>, European Parliament: Brussels.

1

Introduction

This report sets out to evaluate the consequences of policies determining the right to work for asylum seekers. It seeks to assess what the outcomes may be, were the current policy conditions to change, granting asylum seekers in Scotland the right to work at an earlier stage in their process of applying for leave to remain and with fewer restrictions on the jobs for which they can apply. It evaluates a range of limitations which may require mitigation, were such a policy change to be pursued.

The report reviews the current UK position and discusses existing evidence on the impacts of restrictive versus more expansive policies here and in other countries. It draws on available evidence from academic and third sector studies⁷ in the UK, as well as evidence from 8 international case studies, where right to work policies vary across a scale from expansive to restrictive (Australia, Canada, Sweden, Portugal (right to work granted immediately); Belgium, Germany, (right to work granted after 4 and 3 months), US and Netherlands (right to work granted after 6 months).⁸ The report further presents research commissioned directly from the National Institute of Economic and Social Research (NIESR) on the impact that granting the right to work to asylum seekers could have on Scotland's economy, including the impact on employment, GDP, tax revenue and government expenditure.

Since 2002, UK policy has been highly restrictive and increasingly out of line with the policy choices of other countries. In general, asylum seekers have no right to work in the UK before their asylum claim is upheld. Those who have been waiting more than 12 months for a decision on their asylum claim may apply for permission to work, so long as the delay in resolving their claim is deemed to be not their fault. If permission is granted, they may apply for jobs on the Shortage Occupation List (SOL) but remain ineligible to apply for or take up any other kind of employment. They may not register as self-employed or set up a business. The scheme is more restrictive than those in many other countries in the conditions for eligibility it places on both asylum seekers and jobs. These restrictions do not apply to those who arrive through designated resettlement schemes, such as the Vulnerable Persons Resettlement Scheme, or via complementary visa routes, such as those for Ukrainian nationals, who have the right to work from day one.

The key stated purpose of the policy, since its introduction by the UK Labour government in 2002, has been to create a "clear distinction between economic migration and asylum". This rationale has been retained by successive governments, bolstered by a view that access to the labour market could act as a 'pull factor', encouraging asylum seekers to choose the UK as a destination over other countries, as well as concern that a proportion of asylum applicants are in fact economic migrants seeking work rather than 'legitimate' refugees seeking sanctuary.

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⁷ It should be noted that many third sector studies have been undertaken or commissioned by organisations campaigning for restrictions to be lifted. In the absence of data from more neutral sources, we refer to the findings of this work, but always acknowledge its provenance.

⁸ Detailed insight into each of these 8 examples are provided in an annex.

⁹ Gower, M., McKinney, CJ. and Meade, L. (2022). <u>Asylum seekers: the permission to work policy</u>, House of Commons Library Research Briefing, p. 5

The current UK policy has been subject to challenges via private members bills, parliamentary questions, and judicial reviews, as well as from third sector advocacy organisations, businesses, and religious groups.¹⁰ A Home Office review ordered by the Conservative government in 2018 was concluded in 2021, at which time the government decided not to change the existing policy.

Those seeking reform of the rules governing the right to work for asylum seekers have argued that an easing of restrictions to allow asylum seekers earlier access to a wider range of jobs would support integration and reduce destitution and other harms to asylum seekers' mental and physical well-being.¹¹ It has also been argued that allowing asylum seekers to work would reduce the burden on public finances, as well as offering benefits to the workforce through increased diversity and filling skills shortages.¹²

In the remainder of this introductory chapter, following a brief discussion of the situation of asylum seekers in Scotland and the strategic position of the Scottish Government, we explore the background to the current UK policy in a little more depth. We explore the ways in which the policy has been justified and explore the evidence around these. Chapter 2 then goes on to discuss the rationale for a change of policy highlighting three key themes: the potential benefits to the workforce; the social impacts of improved integration outcomes; and the opportunity to improve asylum seekers' health, well-being and longer-term protection from exploitation and inequality. Here and for the remainder of the report we integrate a discussion of UK-based studies and debate, with insights and evidence from the international case-studies which are laid out in more detail in the annex.

Chapter 3 has been authored by researchers at the National Institute of Economic and Social Research (NIESR). Following a review of NIESR's previous work in which they projected the impacts for the UK economy of lifting work restrictions on people seeking asylum¹³, Scottish Government commissioned NIESR to undertake a similar analysis using the Scotland version of the National Institute Global Econometric Model (NiGEM). This has enabled NIESR researchers to estimate the potential fiscal savings and tax gains from lifting the right-to-work restriction, and simulate their effects on Scotland's economy, including the impact on employment, GDP, tax revenue and government expenditure.

Chapters 4 and 5 consider the challenges and barriers to successful employment for asylum seekers and the capacity within Scotland to provide the necessary support to overcome these. Multiple challenges for both asylum seekers and potential employers need to be carefully considered if a pilot scheme to allow earlier access to the labour market is to be effective. Under current legislation, asylum seekers who are granted

¹⁰ Ibid. p, 7-8. The most prominent third sector challenges have come from the Lift the Ban coalition of over 200 advocacy groups, employers, and religious organisations.

Migration Advisory Committee (2021) <u>Migration Advisory Committee</u>: <u>annual report, 2021</u>, pp. 28-32
 Refugee Action (2020) <u>Lift the Ban: Why giving people seeking asylum the right to work is common sense</u>

¹³ Aleynikova, E. and Moseley, M. (2023) <u>The Economic and Social Impacts of Lifting Work</u> Restrictions on People Seeking Asylum, NIESR Discussion Paper No. 549

permission to work and manage to find a job are liable to lose access to the minimal monetary support and accommodation they receive from the state. With a No Recourse to Public Funds (NRPF) status attached to working asylum seekers¹⁴, if they are only able to find low-paid and/or insecure employment they may remain at considerable risk of poverty and vulnerable to homelessness and labour exploitation. Employers too are likely to experience risk and uncertainty and will need clear information and support if they are to respond positively and supportively to a change in policy. Both as a result of individual asylum journeys and their consequences, and due to structural barriers and discrimination within the labour market, asylum seekers are likely to be at heightened risk of marginalisation and exploitation. Close attention would need to be paid to the best ways to mitigate these multiple risks. Chapter 5 explores Scotland's capacity to support asylum seekers into employment and considers some of the challenges of resource allocation this might entail. We conclude our report by laying out those findings which we see as most relevant to informing any planned change of policy and summarising lessons which we hope can be helpful should there be an appetite to design a possible delivery model for a pilot scheme in Scotland.

1.1 Asylum Seekers in Scotland and the strategic position of the Scottish Government Immigration, asylum, and border controls remain areas of reserved policymaking over which the Scottish Government has no direct jurisdiction. Nevertheless, the Scottish Government has stated its vision of Scotland as an internationally responsible, welcoming, and compassionate country. This has been reflected in proactive responses to resettlement initiatives and in policies to support welcome and integration for asylum seekers and refugees. The New Scots Refugee Integration Strategy, in place since 2014, has a stated vision to support all refugees and asylum seekers regardless of their route to arrival 'to rebuild their lives from the day they arrive'. The wider Population Strategy, 'A Scotland for the future', reaffirms the Scottish Government's commitment to the National Performance Framework which prioritises well-being, and social values of 'kindness, dignity and compassion' for all.

More broadly, there is cross-party consensus within the Scottish Parliament, across local authorities and civic organisations, supporting a largely positive view of refugee settlement. Public opinion is also generally supportive of welcoming refugees. A poll

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¹⁴ People with a No Recourse to Public Funds (NRPF) attached to their status as either migrants or asylum seekers are not eligible to claim most benefits, tax credits or housing assistance that are paid by the state. Benefits from which people with NRPF status are excluded Universal Credit; State Pension Credit; Personal Independence Payment; Attendance Allowance; Carer's Allowance; Disability Living Allowance; Housing Benefit; Health in Pregnancy Grant; Child Benefit; Social Housing & Homelessness Assistance; Council Tax Reduction Schemes They are also excluded from claiming many Social Security Scotland benefits, such as Child or Adult Disability Payments; Carer's Allowance Supplement; Scottish Child Payment; Funeral Support Payment; Job Start Payment; Child Winter Heating Assistance; Winter Heating Payment; payments made from a Welfare Fund under the Welfare Funds (Scotland) Act 2015. They may claim benefits based on national insurance (e.g. Statutory Sick Pay; Statutory Parental Leave Payments; Job Seeker's Allowance etc.) once they have built up sufficient contributions.

¹⁵ Scottish Government (2018a)., p. 10

¹⁶ Scottish Government. (2021). A Scotland for the future: opportunities and challenges of Scotland's changing population

conducted for the Scottish Refugee Council in 2021 found 64% support for Scotland to maintain or increase the number or refugees it welcomes; 82% agreed that people deserve to live in dignity while their asylum claim is being processed, and 77% of Scots agreed that asylum seekers should have the right to work to support themselves and their family.17

Scotland's political leaders have also expressed a view of immigration more broadly as beneficial in easing Scotland's demographic and labour force concerns. This perspective is reflected in several commissioned reports from this independent Expert Advisory Group¹⁸ as well as in a number of Scottish Government policy documents.¹⁹ This view also appears to be well-aligned with Scottish public opinion: a recent survey on Scottish attitudes to immigration for work conducted by the independent think tank Migration Policy Scotland, found that 75% agree that immigration fills jobs for which it is hard to find workers, and 59% agree that it brings people to areas that need them.²⁰

The New Scots Refugee Integration Strategy (NSRIS) applies equally to asylum seekers, refugees and those arriving through resettlement programmes, and includes a vision of Scotland that 'enables everyone to pursue their ambitions through education, employment, culture and leisure activities'.21 Integration is defined in this context as 'a long-term, two-way process, involving positive change in both individuals and host communities, which leads to cohesive, diverse communities'.²² In keeping with Ager and Strang's framework of indicators of integration, within which employment is the first of ten domains, 23 the strategy emphasises the importance of early integration into education and work as the basis for future resilience and positive contribution to communities and the economy.

The Scottish Government has in the past used devolved powers to support integration and employability services and support for asylum seekers. Two consecutive English for Speakers of Other Languages (ESOL) strategies (2007-2020), for example, ensured ringfenced funding for ESOL provision and extended entitlement to attend language classes free of charge to all asylum seekers from their first day of arrival in

¹⁷ The poll of 1000 people from across Scotland was conducted by Survation in September 2021 and asked about a range of issues relating to refugee rights. Scottish Refugee Council (2021) New polling

shows Scotland welcomes refugees - Scottish Refugee Council

18 See for example: Expert Advisory Group on Migration and Population (2019) Immigration policy and demographic change in Scotland: learning from Australia, Canada and continental Europe; Expert Advisory Group on Migration and Population (2021) Family migration: understanding the drivers, impacts and support needs of migrant families; Expert Advisory Group on Migration and Population (2022) Place-based policy approaches to population challenges: Lessons for Scotland.

¹⁹ Scottish Government (2021) A Scotland for the future: opportunities and challenges of Scotland's changing population; Scottish Government (2022) Rural visa pilot proposal: September 2022; Scottish Government (2023) Building a New Scotland: migration to Scotland after independence.

²⁰ Kyambi, S. and Kay, R. (2023) Attitudes to Immigration: A view from Scotland, Migration Policy Scotland, p. 14. Note this survey asked about attitudes to immigration for work, and not about attitudes to those arriving for reasons of humanitarian protection.

²¹ Scottish Government (2018a), p. 10.

²² Ibid, p. 10

²³ Ager, A. and Strang A. (2004) 'Indicators of Integration. Final Report' Home Office Development and Practice Report 28, p. 3.

Scotland.²⁴ Scottish Government funding, through the equality budget, has also been used to support a variety of third sector projects and organisations to provide 'employability support, English language classes, mental health support and cultural activities aimed at integrating refugees and asylum seekers in their local communities'.²⁵ The structures put in place to facilitate these kinds service provision in the past, could be used to introduce a broader range of services and support for asylum seekers, including more targeted employability support, in the context of an extended right to work.

In June 2023 there were 5,323²⁶ asylum seekers receiving support from local authorities in Scotland. Until recently, almost all of Scotland's asylum seekers were housed in Glasgow, the first Scottish city to accept asylum seekers as part of the UK Government's dispersal scheme in 1999. Whilst Glasgow remains host to the largest number of Scotland's asylum seekers (4,520), the extension of dispersal arrangements to other Scottish areas has also seen small but growing numbers in Aberdeen, Perth and Kinross, Edinburgh, Renfrewshire and elsewhere. Other local authorities have recently housed growing numbers of people arriving in Scotland for protection. Under the 'Homes for Ukraine' scheme for example, over 20,600 Ukrainian nationals have arrived to the UK with a visa sponsored by the Scottish government.²⁷ Prior to this, from 2015, virtually all of Scotland's local authority areas had accommodated Syrian nationals through the Syrian Vulnerable Persons Resettlement Scheme. As noted above, those arriving through such complementary routes and schemes are able to work. Experiences of these groups and of local authorities and other organisations supporting them may help to understand some of the benefits and challenges, as well as levels of support required for a pilot scheme extending the right to work to asylum seekers to be successful.

1.2 Background to the current UK policy

Before mid-2002, asylum seekers in the UK were allowed to work after a waiting period of 6 months from submission of their asylum claim. This concession was removed in 2002 by the Labour government and the right to work was denied to all asylum seekers with very few exemptions, based on Home-office caseworkers' discretion in 'exceptional cases'.²⁸ A key stated aim of the change in policy was to distinguish asylum seekers from economic migrants. The government also put forward the argument that since decision-making on asylum claims had accelerated, with fewer asylum seekers waiting over six months for a decision, the six-month concession was unnecessary.

²⁴ Stella, F. and Kay, R. (2023) <u>Language learning and migrant 'integration' in Scotland: exploring infrastructure, provision and experiences</u>. Final Project Report. Glasgow: University of Glasgow.

²⁵ Scottish Government (2018a)., p. 77

²⁶ Home Office (2023) <u>Immigration system statistics data tables</u> Asy_D11: Asylum seekers in receipt of support, by support type, accommodation type and local authority

²⁷ Department for Levelling Up, Housing and Communities (2022) <u>Ukraine Sponsorship Scheme: Visa data by country, upper and lower tier local authority</u>. A further 5,500 have arrived with visas sponsored by individuals located in Scotland.

²⁸ Gower, McKinney and Meade (2022)., p.9

In 2005, a concession allowing the right to work for those whose claims had not been resolved after 12-months was reintroduced in compliance with an EU directive on reception conditions for asylum seekers.²⁹ Following a Supreme Court determination in 2010, this right was extended to those whose claims had been refused but who had made further submissions which had been pending for more than 12 months. However, at the same time, the Conservative-Liberal coalition government introduced a new restriction limiting asylum seekers with the right to work to apply only for jobs on the Shortage Occupation List (SOL). This bar on asylum seekers working in jobs other than those on the SOL was justified on the grounds that it was in line with wider immigration policy. The latter being guided at the time by concern to reduce immigration from beyond the EU and aiming 'to direct foreign workers to jobs which cannot be filled by the resident work force'.30 It was further suggested that a more generous policy allowing asylum seekers to work in jobs which other overseas applicants might not be eligible to apply for through the points-based system was unfair and could encourage fraudulent claims.³¹ Repeated calls for a review of the policy were rejected on these grounds.

A Home Office review was announced in 2018 and concluded in 2021. A number of judicial reviews during the same time period led to clearer statements about the potential for discretion, for example in complex immigration cases, for victims of trafficking, and where child welfare is involved.³² The Migration Advisory Committee also published a report in 2021 calling for a change in policy. Nevertheless, at the conclusion of the review the UK Government decided to retain the existing policy with no change, restating previous governments' concerns about a 'pull factor', the potential for encouraging fraudulent claims, as well as risks of undercutting the resident labour force.³³

The restrictions placed on asylum seekers' rights to work since 2002 have been controversial and contested. Challenges have been raised repeatedly in parliament through private members' bills, parliamentary questions and proposed amendments from the House of Lords; in the courts through judicial reviews and supreme court rulings; and from the third sector – most prominently by 'Lift the Ban' - a coalition of advocacy organisations, religious groups and businesses. ³⁴ The UK Government's Migration Advisory Committee has also recommended that the government review its policy questioning in particularly whether the waiting time before asylum seekers can apply for the right to work should be reduced to six months and querying the restriction to SOL jobs. ³⁵

In 2002, when the concession allowing asylum seekers to work after 6 months was removed, this was justified in part on the basis that processing of decisions had

²⁹ Directive 2003/9/EC, January 2003, OJ 2003 L 31/18, Article 11, cited in Gower, McKinney and Meade (2022)., p. 9

³⁰ Home Office, IA HO0017 Impact assessment: Permission to work for asylum seekers and failed asylum seekers, 26 July 2010, cited in Gower, McKinney and Meade (2022)., p. 11 ³¹ Ibid.

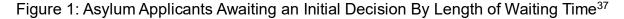
³² Gower, McKinney and Meade (2022)., p. 7-8.

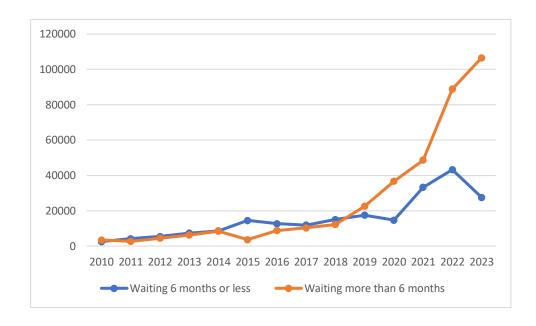
³³ HCWS452, 8 December 2021, cited in Gower, McKinney and Meade (2022)., p.12

³⁴ Gower, McKinney and Meade (2022)., p. 7-8

³⁵ Migration Advisory Committee (2021), p. 32

become more efficient and few people were waiting that long. Since that time decision-making has deteriorated significantly and the backlog of claims grown exponentially. Figure 1 below illustrates the growth in both numbers and proportion of asylum applicants waiting over 6 months for an initial decision to their claim. These figures do not include those whose claim is under further review, for example where an appeal has been lodged. According to a report of the House of Commons Public Accounts Committee, in June 2023, there were 'around 175,000 people awaiting a decision on their asylum claim. Around 91,000 people (52% of the total backlog) had been waiting for a decision for at least a year, having made an asylum claim before the Nationality and Borders Act came into force on 28 June 2022'. 36





Many of those awaiting decisions for over 6 months are eventually granted asylum. Yet prolonged periods outside of the labour force are likely to have a detrimental impact on their longer-term integration and employability outcomes.³⁸

As noted above the original, and lasting, justification for the existing policy has been that more generous rights to work might act as a 'pull factor' encouraging asylum seekers to choose the UK over other safe countries. No evidence has been presented to support this claim. Indeed, the whole premise of distinctive and identifiable push/pull factors which can be used to predict patterns of migration has been widely critiqued. Researchers have argued instead that a much more complex set of drivers and

³⁸ Migration Advisory Committee (2021), p. 32

³⁶ Public Accounts Committee (2023) <u>The Asylum Transformation Programme. Seventy-Sixth Report of Session 2022–23 HC 1334</u> House of Commons

³⁷ Home Office <u>Immigration statistics</u>. Asylum applications awaiting a decisions (Asy_D03), all points are 31 December except for 2023 which is 30 June

barriers shape patterns of movement and migrant decision-making, especially in instances of forced migration and movement for protection reasons.³⁹

A recent study of the impact of Germany's decision to open its borders to over one million asylum seekers in 2015, found no evidence of a subsequent 'pull effect.' Rather, structural factors, such as conflict and economic hardship, were found to have motivated individuals to leave their country. 40 A wider systematic review of both qualitative and quantitative studies exploring factors determining asylum seekers' choices of destination country within Europe found that 'it is extremely difficult for researchers to identify a single variable which acts as the primary 'pull". The authors conclude that this 'suggests that the insistence of the UK Government that labour market access acts as a pull factor is not grounded by evidence.'41

More detailed insight from research on asylum seekers' decision-making and choices regarding destination country has shown that this is rarely based on any systematic knowledge of rights and entitlements in the receiving country.⁴² On the contrary, decisions are often hastily made and asylum seekers exercise relatively little choice. Where drivers for choosing the UK have been identified, these are due to existing family or other personal ties, language ability, and a broad belief that Human Rights and the rule of law are respected in the UK, rather than detailed knowledge of specific rights.⁴³ It has been pointed out that these factors often stem from previous colonial ties between the UK and asylum applicants' countries of origin and do not lend themselves to change through public policy interventions.⁴⁴

Researchers have also tried to identify a corelation between policies governing labour market access and numbers of asylum applications to different European countries. Mayblin and James' systematic review, cited above, used data collected in 2014 on asylum applications to European countries ranked according to policies governing labour market access for asylum seekers. They found no corelation between differential access to the labour market and higher or lower numbers of asylum applications.⁴⁵ An earlier study, using data from 1985-1999, did find a correlation, but only in the short term. Restricting labour market access suppressed applications for up to one year, after which restrictions on labour market access ceased to have any effect.46

³⁹ Garelli, G. and Tazzioli, M. (2021). Migration and 'Pull Factor' Traps. Migration Studies, 9(3), pp. 383-399; Mezzadra, S. (2004). The Right to Escape. Ephemera, 4 (3), pp. 267-275.

⁴⁰ Tjaden, J. and Heidland T. (2021). Does Welcoming Refugees Attract More Migrants? The Myth of the 'Merkel' Effect. Kiel Working Paper 2194. Kiel Institute for the World Economy.

⁴¹ Mayblin, L., and James, P. (2016). <u>Is access to the labour market a pull factor for asylum seekers</u>, Policy Briefing: 03/16.2, University of Warwick, p.2

⁴² In a survey of 246 people carried out by Lift the Ban coalition members, 72% said that they had not known prior to arriving in the UK that people seeking asylum are not allowed to work. Only 16% had been aware of this before their arrival. Refugee Action (2020)., p. 8.

⁴³ Mayblin and James, (2016); Robinson, V., and Segrott, J. (2002). Understanding the Decision-Making of Asylum Seekers, Home Office Research Study 243; Crawley, H. (2010). Chance or Choice? Understanding Why Asylum Seekers Come to the UK, British Refugee Council.

44 Mayblin and James, (2016). p. 4

⁴⁵ Ibid, p. 3

⁴⁶ Thielemann, E.R. (2004) Asylum Destination Choice What Makes Some West European Countries

In the UK, the number of asylum applications did fall considerably after the introduction of restrictions to employment, from a peak of 84,132 in 2002, to a twenty-year low point of 17,916 in 2010. Since then however, with no substantial change of policy, numbers have risen again to a new peak of 81,130 in 2022. ⁴⁷ Fluctuations and renewed increases over a twenty-year period when the restrictions on asylum seekers working have remained constant, suggests this is neither a consistent nor a decisive factor. Indeed, across the EU as a whole, numbers of applications for asylum fell from 421,470 in 2002, to a low point of 197,410 in 2006, and only began to rise steeply and consistently again from 2010, peaking at 1,322,850 in 2016. ⁴⁸ Since this EU-wide pattern of peaks and falls is very similar to that seen in the UK, despite the highly varied national regimes and differential access to the labour markets between EU countries, it seems to point again to other geopolitical factors rather than domestic policies as drivers.

A further rationale put forward by successive UK governments for restrictions on asylum seekers' rights to work, and particularly for the ban on asylum seekers working in jobs beyond the SOL, has been that they should not have more favourable access to the labour market than other groups of migrants. This argument has been suggested both on the grounds of 'fairness' in a time of generally restrictive migration policies and for fear that more generous access to work might encourage lower skilled economic migrants to make 'fraudulent' claims for asylum to improve their prospects of employment. This latter suggestion has been refuted as failing to understand the circumstances or motivations of undocumented migrants:

It is the availability of work which attracts low-skilled economic migrants and in the absence of a visa, it is easier to stay hidden illegally than to apply for asylum and become visible to the authorities. Asylum seekers in the UK are finger-printed, issued with a biometric ID card, required to present at a reporting centre on a weekly basis, and are liable to detention. Applicants with little legitimate claim for asylum are more liable to be detained and their chance of deportation is greatly increased. Applying for asylum would therefore put such individuals' migration-for-work project in grave jeopardy.⁴⁹

The UK Migration Advisory Committee in its 2021 report recommended that the restriction limiting eligible jobs to those on the SOL should be removed, as 'this was never the purpose of SOL, and the original reasoning behind this restriction does not seem to be particularly coherent.' ⁵⁰ Moreover, the rationale for this condition was originally made at a time of a more generally restrictive migration regime operating alongside a principle of free movement for migrants moving within the EU. Changes to the migration system since 2021 have in fact resulted in a more liberal migration regime. Both skills and salary thresholds have been lowered to allow foreign workers to apply for a wider range of posts in recognition of the UK's labour market needs. As noted above, Scottish public opinion appears particularly sympathetic to a view of

More Attractive Than Others? European Union Politics, 5(2), pp.155-180.

⁴⁷ Sturge, G. (2023). <u>Asylum statistics</u>, House of Commons Library Research Briefing, p. 11. Figures are for main applicants only.

⁴⁸ European Council. (2023). Asylum applications in the EU - Consilium (europa.eu)

⁴⁹ Mayblin and James. (2016)., p. 4.

⁵⁰ Migration Advisory Committee. (2021)., p. 32

immigrants as meeting labour market needs rather than competing with other workers for jobs⁵¹. In this regard, a loosening of restrictions on asylum seekers' right to work could be relatively uncontroversial.

⁵¹ Kyambi and Kay. (2023)., p. 14. The survey found less than 15% of people in Scotland agreed that immigrants take jobs away from local workers.

2

Rationale for Change

Having explored the background to the current UK policy, its justifications, and challenges to these, we now explore the potential benefits of a change in policy – for the workforce, for society in improved integration outcomes, and for asylum seekers' well-being and longer-term prospects. In doing so we also consider evidence from other countries with less restrictive policies regulating labour market access.

2.1 Potential benefits for the UK/Scottish workforce

UK policy in this area increasingly stands out from trends in other European and Organisation for Economic Cooperation and Development (OECD) countries. It is highly restrictive and inflexible and denies the potential benefits of allowing asylum seekers to help fill skills shortages or meet related demographic challenges. This is in direct contradiction to the views of both Scottish Government and wider Scottish public opinion on the need for and potential benefits of immigration. We do not wish to suggest that migration for humanitarian protection should be constrained by or contingent on wider demographic or economic policy goals and needs. Nevertheless, consideration of the consequences of such movements should explore the potential benefits as well as understanding the possible burdens and risks.

International research and agencies including the OECD have pointed out that displaced migrants can offer significant economic potential to receiving countries, bringing new skill sets, perspectives and experiences.⁵² Across Europe, flows from third countries have been viewed as bringing potential to fill gaps in low and high skilled occupations; address labour market imbalances; increase tax contributions; and spur innovation and economic growth.⁵³ Where there is evidence of economic benefits relating to third country immigration however, the specific contribution of asylum seekers is not documented making these impacts hard to quantify. Chapter 3 below offers readers a view of predicted economic impacts for Scotland of a change in policy.

Those advocating for a change in policy have also argued that the potential asylum seekers have to offer is not realised in the UK. A survey of 246 asylum seekers and refugees conducted in 2018 by Lift the Ban found high rates of education and previous work experience, even amongst those whose countries of origin have very high unemployment rates as a result of war, unrest and other crises.⁵⁴ A further skills audit of 283 asylum seekers and refugees conducted in 2020 found that 45% had worked previously in jobs classified as 'essential' during COVID restrictions, and 1 in 7 had experience of work in health or social care.⁵⁵

Business leaders and employers have also expressed a view that fewer restrictions to employment for asylum seekers would have a positive effect. A survey of 1000 business leaders conducted by Lift the Ban in 2019 found that 67% were in favour of allowing asylum seekers to work after 6 months. 66% agreed that such a relaxation of restrictions would ease skills shortages, and 64% agreed that it would benefit the

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⁵² Glimer (2020) <u>Scotland Policy Brief 3: Improving labour market access for refugees in Scotland;</u> OECD/UNHCR (2018) Engaging with employers in the hiring of refugees.

⁵³ European Parliament (2015), <u>Third Country Migration and European Labour Markets. Integrating Foreigners</u>. European Parliament Briefing.

⁵⁴ Refugee Action. (2020)., p.15

⁵⁵ Ibid p.28

UK workforce through diversifying skills.

An OECD survey of German employers who have hired asylum seekers and refugees found that more than 80 per cent were broadly or fully satisfied with their work, ⁵⁶ and a number of Dutch businesses have already helped over 13,000 refugees enter the job market through training, mentorship, direct employment, and other activities. ⁵⁷ Like the Dutch example, many of the initiatives involving employers target refugees, whose status has already been determined. However, should asylum seekers be allowed access to the labour market, or decisions on asylum claims be made more quickly, then there is arguably no reason why these initiatives cannot engage many of the same people earlier on in their journey towards finding work.

Qualitative studies engaging more directly with the lived experiences of asylum seekers have also highlighted their frustration at being denied an opportunity either to support themselves or to make a positive economic and social contribution through working. Many have expressed a strong desire to use their skills and experience for the benefit of their new host communities sometimes emphasising their match to essential jobs and areas with skills shortages.⁵⁸

You can do so much in life, you can offer a lot, you know, to the world. You can do a lot but you can't, because your hands are tied. You can't do anything... The waiting kills you inside. It's like a mental torture. Thinking you cannot do anything... You are alive but you're not alive at the same time.⁵⁹

With all my skills and education in public health, I cannot get a job in the UK in the middle of a pandemic. Because I am an asylum seeker ... I could have been doing something positive for people's health by putting my knowledge and expertise into practice. Giving asylum seekers the right to work benefits the government, too. It will have a bigger workforce to actively contribute to the development and economy of the country, and the person seeking asylum can also gain the financial autonomy that enables them to support themselves and their families.⁶⁰

These potential contributions are potentially particularly significant in the context of a rapidly ageing Europe that faces increased longevity and shrinking birth rates. According to the European Commission's projections, the European labour force (aged 20-64 years) is expected to decline by 8.2 per cent (or by around 19 million people) between 2023 and 2060.⁶¹ The COVID-19 pandemic has only accelerated this

⁵⁶ Degler, E. and Liebig, T. (2017). <u>Finding their Way, Labour Market Integration of Refugees in Germany</u>. OECD.

⁵⁷ PRESS RELEASE: Major Dutch companies double down on support for refugees, pledging to help nearly 22,000 refugees enter the job market - The Tent Partnership for Refugees (last accessed October 2023).

⁵⁸ See for example Glimer. (2020); Refugee Action. (2020)., pp. 42-44

⁵⁹ Laila, cited in Refugee Action. (2020)., p. 34

⁶⁰ Farhat, cited in Refugee Action. (2020)., p. 13.

⁶¹ European Commission. (2015). <u>The 2015 Ageing Report. Economic and Budgetary Projections for the 28 EU Member States (2023 – 2060).</u> European Commission: Brussels.

phenomenon, with an increase in excess mortality and a decrease in life expectancy across many Member States. 62 A shrinking working age population will have to sustain aspects of the welfare state that are already under growing pressure, such as pension and healthcare services, as well as more severe labour and skill shortages. While the share of asylum seekers legally residing in the EU may not be high. 63 they tend to be younger and more mobile than EU nationals.⁶⁴

In Scotland there are also concerns about population ageing and decline. Scotland's population is currently projected to peak at 5.53 million around 2033 beginning to fall thereafter. This decrease is due primarily to lower birth rates and children below 16 years of age are the group predicted to decline most sharply in number from 901,200 in mid-2022 to 739,200 by mid-2045 – a decline of 18%. The working age population (those aged 16-64) is projected to decrease only very slightly over the same period. by 10,000 people. 65 Nonetheless, this is a more significant decline than elsewhere in the UK where the working age population will continue to grow. Moreover, population ageing and decline is uneven across Scotland with some areas of the country much more affected than others.⁶⁶

In the wider international context, the UK is increasingly an outlier as many other countries have already recognised the potential contributions that asylum seekers and refugees can make.⁶⁷ The Canadian government, which has almost no restrictions on the right to work for asylum seekers, has deliberately leveraged international migration to counter its ageing population and fulfil employment needs across the country. In 2022, asylum claimants, along with those on work or study permits, were the lead contributors to Canada's record population growth, with international migration accounting for nearly all that growth (95.9 per cent). This is not to say that there haven't been challenges associated with this growth, but it has made Canada a world leader amongst G7 countries for population growth.⁶⁸ Portugal too, with its long history of emigration, one of the fastest declining populations in Europe, a historically low birth rate, and an old-age dependence ratio that is set to top the EU by 2050, has promoted immigration as a way of addressing its demographic crisis.⁶⁹ In 2022, an amendment

⁶² Kiss, M. (2022). <u>Demographic Outlook for the European Union 2022</u>. European Parliamentary Research Service (EPRS).

⁶³ In July 2023, 87,000 asylum applications were received compared to a total population of 461 million across the EU+ (the 27 European Union Member States plus Norway and Switzerland). This converts to 190 applications per million population, or about 1 application for every 5.300 persons. European Union Agency for Asylum. (2023). Latest Asylum Trends | European Union Agency for Asylum (europa.eu).

64 European Commission. (2023). Statistics on Migration to Europe. European Commission.

⁶⁵ Office for National Statistics (2023) Projected Population of Scotland (2020-based)

⁶⁶ Expert Advisory Group on Migration and Population. (2022).

⁶⁷ For example, in June 2023, Germany passed radical new laws to attract skilled third country nationals in an attempt to stave off labour shortages which have been described as the biggest threat facing the German economy. After years of low employment, German business leaders are now sounding the alarm about the lack of workers – a problem exacerbated by an ageing population. These issues of low unemployment, labour shortages and an ageing population are not unique to Germany. See Immigration from third countries made easier (anerkennung-in-deutschland.de). ⁶⁸ Statistics Canada. (2023). Canada's Population Estimates: Record-high population growth in 2022. ⁶⁹ European Commission. (2015). Portugal: Brazilians to stop population shrinkage and contribute to labour market; Wise, P. (2022). Emigration and low growth fuel Portugal's demographic crisis. Financial Times, 20 January.

to the Asylum Act meant that asylum seekers in Portugal could work from the moment of their asylum application. They face no geographical, sectoral or occupational restrictions in the labour market and benefit from the same conditions of employment as nationals, including those relating to salaries and working hours.⁷⁰

Each of the eight countries considered as part of this study have considered how humanitarian protection routes might also help address economic and demographic needs, even if their attempts to implement this have not always worked. Australia's Safe Haven Enterprise Visas (SHEVs) were introduced in 2014 to channel asylum seekers into industries and locations in the Australian labour market that had a shortage of workers.⁷¹ And as far back as 2008, Sweden's labour reforms were motivated primarily by a need to meet labour and skills shortages. These included a change which allowed refused asylum seekers to switch tracks to a labour migrant visa route if they could demonstrate that their skills and experience were needed in Sweden.⁷²

2.2 Improved integration outcomes

Those arguing in favour of a change in policy have consistently noted the potential for improved integration outcomes and evidence of a longer-term detrimental impact caused by lengthy exclusion from the labour force. In its 2021 report the Migration Advisory Committee cites international evidence that extended periods without the right to work have a lasting negative impact on employment rates for refugees once their asylum claims are decided. ⁷³ This is of particular importance given that significant numbers of asylum seekers are eventually granted refugee status or other leave to remain in the UK. Delays and barriers to their integration during their, sometimes prolonged, wait for a decision on their asylum claims could have lasting repercussions for wider social indicators of equality, inclusion and social cohesion.

The most recently available home office statistics show that, where there is a known final outcome, the final grant rate for asylum claims in each of the last ten years for which data is available has been between 50% and 77%.

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⁷⁰ Portuguese Refugee Council. (2023). <u>Country Report: Access to the labour market. Portugal</u>. Asylum Information Database, European Council on Refugees and Exiles.

⁷¹ These have now been scrapped. SHEV was highly restrictive and poorly conceived. See the Australian case study in the Appendix for more details.

⁷² With hindsight, these reforms were found to have gone too far, opening up the labour market to the extent that many asylum seekers were left vulnerable to exploitation. However, the key driver for these changes at the time remained the need to fill labour shortages through migration, including the humanitarian protection route. See the Swedish case study in the Appendix for more details.

⁷³Migration Advisory Committee. (2021)., p. 31; see also: Ruiz, I., and Vargas-Silva, C. (2021). What Works for Improving Refugee Outcomes in High-Income Countries? Policy Insights for the UK. COMPAS, University of Oxford; Marbach M, Hainmueller J, Hangartner D. (2018) The long-term impact of employment bans on the economic integration of refugees. Science Advances;4(9): eaap9519. Marbach et al found that employment rates were around 20 percentage points lower for those who had had to wait an additional seven months to access the labour market and that this employment gap persisted for around 10 years.

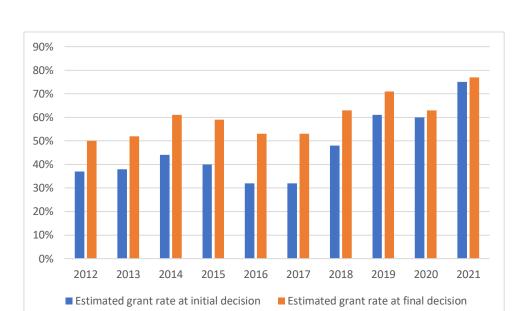


Figure 2: Outcomes of Asylum Applications: Grant Rate at initial and final decisions⁷⁴

Once refugee status is granted, the UK Government and broader public consensus supports the need for rapid and successful integration of refugees, and that employment is a central pillar of this.⁷⁵ Where asylum seekers have experienced a prolonged enforced absence from the labour market, this process necessarily begins from a more difficult starting point.⁷⁶ This has repercussions for individuals, as explored in the following section. It also brings economic costs: refugees struggling to enter the labour market or to progress to better paid employment are vulnerable to exploitation and likely to continue to need publicly funded support and benefits over a longer period. Where this leads to entrenched inequalities in the longer term it may result in social tension, undermining more successful models of two-way integration.⁷⁷

One study, which assessed nearly 30 years' worth of data from nineteen European countries, found that asylum seekers who were banned from working ended up in worse quality jobs once they received permission to work. They also reported lower language proficiency and were more likely to receive benefits. The same study found that exposure to a ban on arrival reduces employment probability in post-ban years by 15 per cent, an impact driven primarily by lower labour market participation. Moreover, these effects were found to be non-linear in ban length, confirming that the very first

⁷⁴ Home Office Immigration Statistics, year ending June 2023, table Asy_D04. Most recent year for which data is available is 2021. Grant rate does not include withdrawn applications.

⁷⁵ Ager and Strang. (2004); Bloch. (2008)

⁷⁶ Refugee Action. (2020)., p. 20

⁷⁷ The <u>New Scots Refugee Integration Strategy 2018 - 2022</u> (p. 10.) defines integration as 'a long-term, two-way process, involving positive change in both individuals and host communities, which leads to cohesive, diverse communities'

months following arrival play a key role in shaping integration prospects and last up to ten years post arrival.⁷⁸

Germany's response to the 2015/16 large-scale arrivals of asylum seekers to Europe is a good example of where early access to the labour market, along with supportive integration measures, can lead to successful integration. Germany was the only country to suspend the Dublin agreement and take in over one million asylum seekers during this time. 75 per cent were younger than 40 and most had higher levels of education than other migrants. German policymakers introduced a series of regulations to improve the speed and efficiency of asylum procedures while also providing a range of integration courses. Asylum seekers from countries with high protection rates were able to start integration courses before receiving a decision on their application. By 2018, 72 per cent of asylum seekers had been granted protection in Germany, gaining the right to work without restrictions, 79 and the integration courses, coupled with available language support, were a key contributing factor to the resulting high employment rates amongst this group. 80 An impressive 49 per cent of those who came since 2013 were able to find steady employment within five years of arriving. 81

Attitudinal research has suggested that the British public is aware of the relationship between a right to work and improved employment and integration outcomes. In 2018, the National Conversation on Immigration, a public consultation on immigration and integration undertaken by British Future and Hope not Hate, included a survey of 3,677 people. This found that 71% agreed with the statement 'when people come to the UK seeking asylum it is important they integrate, learn English and get to know people. It would help integration if asylum-seekers were allowed to work if their claim takes more than six months to process'. Only 8% disagreed. In 60 citizens' panel discussions conducted alongside the survey in cities and towns across the UK, participants linked this support for the right to work to both economic and social integration outcomes. They viewed work as an important point of contact and a means to breaking down barriers and mutual misunderstandings between diverse groups.⁸²

2.3 Improved health and well-being and reduced potential exploitation for asylum seekers

A final set of arguments that have been advanced in favour of change, focus on the consequences of the current policy for asylum-seekers' mental and physical health. Studies with asylum seekers have found that the stress and anxiety experienced by those waiting for longer periods for an outcome of their claim is exacerbated by their

⁷⁸ Fasani, F., Frattini, T., and Minale, L. (2020). <u>Lift the Ban? Initial Employment Restrictions and Refugee Labour Market Outcomes, CEPR Discussion Papers 14765</u>.

⁷⁹ Brücker, H. Jaschke, P. and Y. Kosyakova. (2019). <u>Integrating Refugees and Asylum seekers into the German Economy and Society: Empirical Evidence and Policy Objectives</u>. Migration Policy Institute: Brussels.

⁸⁰ Ibid.

Brücker, H., Kosyakova, Y. and Schuß, E. (2020a). "Fünf Jahre seit der Fluchtmigration 2015:
 Integration in Arbeitsmarkt und Bildungssystem macht weitere Fortschritte." IAB-Kurzbericht. No. 4.
 Rutter, J., and Carter, R. (2018). National Conversation on Immigration, Final Report. p. 98.

exclusion from the workforce.⁸³ The longer this period lasts the greater the risk of extreme poverty and destitution both for main applicants and for any adult dependants or children accompanying them.⁸⁴ Lengthy experiences of deprivation, combined with the uncertainties of awaiting a decision, can take a considerable toll on mental and physical health. Survey research into mental health disorders amongst asylum seekers in Australia concluded that lack of employment was one of the most significant factors, doubling the likelihood of a person developing a major depressive disorder.⁸⁵ Another study which looked at the impact of employment restrictions found that those asylum seekers who were banned from working had more health problems.⁸⁶

Qualitative research exploring asylum seekers' lived experiences in the UK has highlighted similar concerns. In interviews conducted by Refugee Action for their 2020 report 'Waiting in the Dark', asylum seekers described the period as one of limbo, and 'like prison'. Depression, shame and anxiety were described as the outcomes of forced inactivity which denied them dignity and social connections, as well as the opportunity to provide for themselves and their families.

We should at least have the right to set up our life, to work while we wait. If I am allowed to work, it would help me a lot. It would also help me integrate better. ... I could do so much. This would make me proud of myself and it would help me a lot. It would help me support my kids and mum. I would help feed them.⁸⁷

Examples and case studies, as well as survey findings, presented by Lift the Ban in their 2020 report demonstrate that work is central to asylum seekers' attempts to rebuild their lives. Beyond economic autonomy and security, work can act as a gateway to other aspects of well-being and integration including, a sense of purpose and belonging, opportunities to make social connections, the chance to contribute socially and economically through appropriate use of existing skills and development of new ones, improved physical and mental health.⁸⁸ The benefits of working for asylum seekers are therefore argued to be complementary to and interact with the wider economic and social benefits outlined earlier in this section.

Simply extending a formal right to work may be insufficient however, to improve the well-being of many asylum seekers. Indeed, the benefits of granting access to work can be significantly undermined by long waiting times for work permits and delays in processing claims and determining status. The uncertainties and insecurities associated with prolonged waiting periods interrupt access to services, create

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⁸³ For example, see Hvidtfeldt, C., Petersen, J. H. and Norredam, M. (2019). <u>Prolonged Periods of Waiting for an Asylum Decision and the Risk of Psychiatric Diagnoses: A 22-Year Longitudinal Cohort Study from Denmark</u>. <u>International Journal of Epidemiology</u>, 49(2), pp. 400-409.

⁸⁴ Adult dependants have no right to work whilst the main applicants' asylum claim is unresolved and are excluded from the opportunity to apply for permission to seek work after 12 months. This has gendered implications since most adult dependants are women. Refugee Action. (2020)., p. 43. ⁸⁵ Hocking, D., Kennedy, G., and Sundram, S. (2015). Mental Disorders in Asylum Seekers: The Role of the Refugee Determination Process and Employment. The Journal of Nervous and Mental Disease, 203(1), pp. 28-32.

⁸⁶ Fasani, F., Frattini, T. and Minale, L. (2020).

⁸⁷ Mariyan, cited in Refugee Action. (2020)., p. 43

⁸⁸ Refugee Action. (2020)., p.4.

difficulties in establishing stable housing, and have long-term repercussions for employment outcomes as can be seen clearly across most countries that are dealing with the recent rise in global displacement. In Canada, which had 199,548 claims still pending in August 2023,89 delays have been shown to interrupt education, careers and career-building, resulting in substantial periods of unemployment⁹⁰ as well as atrophy of a person's skills. 91 In Belgium, the recent crisis in reception facilities caused by a backlog of cases and increasing numbers seeking protection, has restricted asylum seekers' access to health care and led to a deteriorating medical situation among those who are destitute. In the US, long delays to processing claims has impeded the general health and wellbeing of asylum seekers while depriving them of access to key support services. These delays have tended to push asylum seekers into the underground economy where they are vulnerable to deportation and exploitation. Backlogs and delays can also cause prolonged separation of families and make it more difficult to retain pro bono legal representation.92 To be successful therefore, a scheme providing improved access to employment for asylum seekers would need to meaningfully confront other challenges and barriers to their well-being and particularly those associated with their access to suitably secure and properly paid employment. Chapter 4 of this report explores these and other risks associated with a change of policy in more detail.

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⁸⁹ Immigration and Refugee Board of Canada. (2023). <u>Recent trends - Immigration and Refugee</u> Board of Canada.

⁹⁰De Jong, S. (2019). A window of Opportunity? Refugee staff's employment in migrant support and advocacy organizations. Identities, 26(3)., pp. 321-338.

⁹¹ Hooper, K., Desiderio, M. V. and Salant, B. (2017). <u>Improving the Labour Market Integration of Migrants and Refugees: Empowering Cities through Better Use of EU Instruments</u> Migration Policy Institute Europe: Brussels.

⁹² See related case studies in the Appendix.

3

Economic Impacts for Scotland

3.1 Introduction

As the previous chapters have discussed, being able to work would have substantial impact on the livelihoods of people applying for asylum, by allowing them opportunities to support their own livelihoods and to start integrating into their new communities. At the same time, as chapters 4 and 5 explore in more detail, such policy change would have significant implications for the welfare system and third sector support provision, as it would be crucial to ensure that support to overcome any barriers to employment would be available and measures to address potential risks of exploitation were in place. This chapter adds to the wider discussion on the implications of lifting the right-to-work restrictions by estimating the potential impacts for Scotland's economy and labour market.

Under current UK policy, asylum seekers can apply for the right to work if they have been waiting for the outcome of their application for longer than 12 months. However, if this right to work is granted, those individuals can only take up the jobs listed on the Shortage Occupations List (SOL). There is no publicly available data on the uptake of SOL jobs by asylum seekers, however, as discussed elsewhere in this report, there are significant barriers for the uptake of those jobs, including highly specialised skills requirements and issues of recognition of qualifications obtained abroad. For those reasons, this analysis assumes that the policy change of granting asylum seekers in Scotland the right to work would not involve the SOL restriction, but rather would allow individuals to apply for any jobs.

Previous NIESR analysis estimates that granting the right to work to asylum seekers on arrival in the UK would increase tax revenue by £1.3 billion, reduce government expenditure by £6.7 billion, and increase UK GDP by £1.6 billion⁹³. Given the potential for such policy change to bring about significant economic impacts, it is important to understand the scale of potential impact not only on UK-wide but also on subnational levels.

The primary impact of lifting the right-to-work restriction for Scotland's labour market would come from a greater number of people who are able and willing to work entering it. This could be significant in the context of labour force shortages. Hence, such immigration system reform could contribute to addressing the needs of Scotland's economy, particularly in the longer term. This would, in part, depend on the skills profile of those claiming asylum. The evidence on the skills profile of asylum applicants is limited, making it is difficult to definitively state how their profiles might or might not align with the needs of the sectors currently experiencing labour shortages. However, of the limited evidence, we know that asylum applicants often display a wide variety of skills⁹⁴. This is likely because those fleeing conflict and persecution do so for reasons unrelated to their skill level or economic ambitions. Therefore, our assumption is that their skill level is varied. As a result of those individuals moving into the labour market, we could expect to see further impacts on the economy, namely tax revenue increases

⁹³ Aleynikova, E. and Mosley, M. (2023) <u>The Economic and Social Impacts of Lifting Work Restrictions on People Seeking Asylum</u>. NIESR Discussion Paper No. 549.

⁹⁴ Holtom, D. and Iqbal, H. (2020). <u>Refugee Employment and skills support study. GSR report number</u> 20/2020. Cardiff: Welsh Government.

and savings to the public purse, assuming asylum seekers achieve the same labour market outcomes as an average worker in the economy. Those asylum seekers who were able to successfully find jobs after being granted the right to work, would contribute to the UK economy by paying taxes and would be less reliant on financial or housing support. Those fiscal impacts would be relevant to the central UK Government rather than the Scottish Government, however Scotland's economy would also feel some of these impacts, as the impacts spread across the UK economy along with increased direct tax take such as through increased income tax or council tax receipts.

3.2 Asylum data for Scotland

As asylum policy is the responsibility of the Home Office and is defined for the UK as a whole, most data on asylum applications are UK-wide. The data available for Scotland are on the numbers of individuals in receipt of asylum-related support from Local Authorities in Scotland.

As of June 2023, there are 5,323 individuals in receipt of support from Local Authorities in Scotland while they wait on the outcomes of their asylum applications.

This number is spread highly unevenly by Local Authority (as seen in the Figures 3 and 4 below). By far the largest number are located in Glasgow City, where 4,520 people are in receipt of asylum-related support.

Figure 3: Asylum Applicants in Receipt of Support by Local Authority in Scotland



Notes: the size of the markers are based on the proportion of asylum applicants in a given region. A link to an interactive version of the chart can be found here.

Source: NIESR Analysis of Asylum applications awaiting a decision and Asylum seekers in receipt of support⁹⁵.

⁹⁵ Home Office (2023) Asylum and Resettlement - Asylum applications awaiting a decision; Home Office (2023) Asylum and Protection - Asylum seekers in receipt of support by Local Authority.

Table 1: Numbers and Shares of Asylum Applicants in Receipt of Support by Local Authority in Scotland

Local Authority	Per Cent of those claiming S4/S95/S98	Number of those claiming S4/S95/S98
Aberdeen City	2.22%	113
Angus	0.02%	1
City of Edinburgh	1.12%	57
Clackmannanshire	0.02%	1
Dumfries and Galloway	0.04%	2
Dundee City	0.18%	9
East Lothian	0.02%	1
Falkirk	0.85%	43
Fife	0.04%	2
Glasgow City	88.87%	4,520
Inverclyde	1.34%	68
Midlothian	0.02%	1
Moray	0.04%	2
North Ayrshire	0.02%	1
North Lanarkshire	0.06%	3
Perth and Kinross	2.12%	108
Renfrewshire	1.75%	89
South Ayrshire	0.02%	1
South Lanarkshire	1.20%	61
West Dunbartonshire	0.06%	3

Source: NIESR Analysis of Asylum applications awaiting a decision and Asylum seekers in receipt of support.

The geographical spread of asylum seekers currently located in Scotland may not match precisely where those individuals would choose to go if granted the freedom to work and support themselves. These are typically driven by work opportunities and existing familial links. It is not possible to state with confidence precisely where asylum applicants would disperse to, therefore we take the current geographical spread is indicative of the potential spatial impacts of lifting the right-to-work restriction on asylum seekers.

3.3 Methodology

The methodology for this analysis is two-step. Firstly, we estimate the costs associated with imposing right-to-work restrictions on asylum seekers and the potential gains to the economy from those individuals being able to work. Secondly, we apply those changes or 'shocks' to the Scotland version of the National Institute Global Econometric Model (NiGEM-S), to estimate the impact on the Scotlish economy⁹⁶. NiGEM is a leading global macroeconomic model, used by both policymakers and the private sector for economic forecasting, scenario building and stress-testing. There are over 7,500 variables within NiGEM, which can be tailored to model and forecast the impact of different events or policy-choices, incorporating own assumptions and judgements.

Unit Cost Analysis

The first step of the analysis is to estimate the potential changes (or units) that would occur in Scotland's economy as a result of this policy change.

Our analysis estimates the potential gains to Scotland's economy from:

- 1. An increase in income tax and National Insurance receipts due to a higher the number of workers in the labour market, and
- 2. An increase in council tax revenue.

These taxes are chosen based on the availability of estimates of potential tax implications from people entering work (mentioned below). We also estimate the costs associated with imposing the right-to-work restrictions on people applying for asylum, which would be reduced if asylum seekers were granted the right to work. Those costs are:

- 1. Financial support through Section 95 (S95), Section 98 (S98) and Section 4 (S4) (outlined below),
- 2. Housing support, and
- 3. Reduced healthcare costs.

Labour force expansion. We start by estimating the number of working age people applying for asylum in Scotland. The Home Office datasets that provide the information on the numbers of asylum seekers dispersed in Scotland do not provide a breakdown by age. We hence use the data on the overall proportions of asylum applications in the UK to produce this estimate for Scotland. As of June 2023, there are 5,323 individuals in receipt of support from Local Authorities in Scotland while they wait on the outcomes of their asylum applications. Some asylum seekers located in Scotland may not be in receipt of this support and are therefore not captured by this data. From

⁹⁶ National Institute for Economic and Social Research, <u>National Institute Global Econometric Model</u>

UK-wide data we know these individuals are in the minority at around 31% of the total asylum population⁹⁷. We can assume that the asylum population in Scotland is around 7,700 by assuming there is a similar proportion of people seeking asylum in Scotland but not in receipt of S95, S98 or S4. As these figures include children, and the intention of this analysis was to estimate to what extent adult asylum seekers could contribute to the economy, UK data was again used to estimate the proportion of asylum seekers in Scotland who would be of working age. The UK data indicated that 78% of asylum applicants are aged between 18-69, and by applying this proportion to Scottish figures, it was estimated that 6,000 people could gain the right-to-work while claiming asylum in Scotland.

As a comparative scenario, we provide this analysis under the assumption that only those waiting longer than six months on the outcome of their asylum application are granted the right to work. To do so, we take the UK wide proportions of asylum applications awaiting a decision for more than six months, which is 68%. We adjust the 6,000 people assumption down to 4,100 accordingly.

In our scenario, those granted the right-to-work enter the workforce immediately. The reasons for this and robustness checks are stated below. Our analysis assumes that around 64% of those find a job based on typical employment patterns in Scotland estimated within NiGEM, this results in a final shock of an increase in the labour force by 3,900 people (or 2,600 people in the six-month scenario).

Tax gains. We then explore the potential changes in tax receipts as a result of those individuals entering work. We estimate the increases in income tax and National Insurance receipts which we base on a modelling exercise undertaken by the Department of Work and Pensions (DWP) that can be found in the Unit Cost Database maintained by the Greater Manchester Combined Authority which simulates the effects of a person in receipt of Job Seekers Allowance (JSA) entering work⁹⁸. We use this as the most plausible scenario to simulate asylum seekers entering work, rather than assuming all applicants get minimum wage jobs. This choice of scenario is due to (i) there being no data available on asylum seekers entering work in Scotland or in the UK ii) previously cited evidence shows that the education and skill backgrounds of asylum applicants are highly varied⁹⁹.

As we have aimed to calculate the economic contribution of allowing asylum seekers the right to work in an abstract sense, rather than providing a context specific analysis, we do not make any assumptions about '2023 specific' factors. Nor do we seek to calculate the impacts of barriers to employability for those who have been prohibited from working for a substantial amount of time. Instead, our scenario is based on assuming that those claiming asylum have that right from the point of arrival, and face no greater barriers to finding employment than other UK residents who move from benefits to work.

⁹⁷ Home Office (2023) Asylum and Resettlement - Asylum seekers in receipt of support.

⁹⁸ GMCA (2023) 'Cost Benefit Analysis'.

⁹⁹ Holtom, D. and Iqbal, H. (2020) Refugee Employment and skills support study. GSR report number 20/2020. Cardiff: Welsh Government.

Based on these assumptions, we can expect an asylum applicant entering work to contribute an additional £6,000 through increased income tax and national insurance (GMCA, 2023).

Asylum applicants being allowed to work and provide for themselves would likely mean that those who are able to find jobs would be able to pay council tax, rather than being exempt under current policy. To produce estimates of the gain local government would make from this policy change, we take the average council tax bill of £1,400 per year, and apply it to the number of assumed asylum seekers entering work. Capturing regional variation of where asylum applicants may choose to be located if they are able to work is challenging, since the current data on the LAs where asylum seekers are located is influenced by the dispersal policies of the Home Office accommodation.

Financial support. While asylum applicants have no recourse to public funds, if they are at risk of destitution or already destitute they qualify for financial support, covered by Section 95 (S95), Section 98 (S98) and Section 4 (S4). S95 (along with Section 4) provides people with £6.40 per day (£45 per week) should they be at risk of becoming destitute otherwise, whereas S98 provides people with £9.10 per week for those in full board Home Office accommodation who already appear destitute and are awaiting on a decision on the S95 application. The latest data on asylum seekers supported by Local Authorities in Scotland shows that, as of June 2023, 4,660 individuals in Scotland were in receipt of Section 95 support, 109 individuals were in receipt of Section 98 support and 554 individuals were in receipt of Section 4 support¹⁰⁰.

Housing costs. We capture the cost to the Home Office of having to house people seeking asylum who cannot house themselves while they do not have the right to work. To cost for this, we use existing estimates from the National Audit Office (NAO) who have studied the cost of housing asylum applicants¹⁰¹. Since there is variation in the housing costs based on where the person seeking asylum is housed and in what type of accommodation, we use average cost to produce our estimates. The average estimated cost (uprated to 2023 prices) is £660 per month, or around £8,000 per year.

Healthcare costs. The relationship between work and health is well-documented. In the case of people applying for asylum, this relationship is magnified by the social isolation and the destitution that being out of work causes. While asylum seekers have no recourse to public funds, they are able to access the NHS, thus their exacerbated health carries with it an economic cost as well as the cost for the individuals. To capture the potential health effects of lifting the right-to-work restriction, we use another DWP modelling exercise, which estimates the reduced healthcare needs due to an improved wellbeing following JSA recipients entering work¹⁰².

¹⁰⁰ Home Office (2023) Asylum and Protection - <u>Asylum seekers in receipt of support by Local</u> Authority.

National Audit Office (2020) Home Office: Asylum accommodation and support. London: Dandy Booksellers Ltd.

¹⁰² DWP (2010) The department for work and pensions Social Cost-Benefit Analysis Framework. Working Paper 86.

Other costs. There may be other costs or savings that would occur as a result of lifting the right-to-work restriction, which are harder to estimate. Firstly, there would be an administrative cost of implementing this policy change, such as the cost of issuing work permits. However, this is not included in this analysis due to a lack of evidence to base such estimates on. The Home Office states that it would anticipate "substantial" administrative cost associated with "moving asylum seekers on and off support as they cycle through periods of employment and support" 103, however as they do not publish any estimates of this cost, this is hard to estimate and incorporate in the modelling of fiscal impacts. There are also potential savings that are not included in this analysis, for similar reasons of limited quantitative evidence available. Lifting the right-to-work restriction would likely result in the cutting of the costs associated with monitoring and imposing this restriction, such as some of the costs of enforcement visits to uncover instances of people working while being subject to this restriction. The existing barriers to work asylum seekers face could result in lower participation rates among those granted the right to work. Brell et al (2020) find evidence of lower short-term employment rates among the refugee population in high income countries¹⁰⁴. The relationship between lower participation rates and the repercussions of the right-to-work restriction itself is discussed in qualitative terms in chapter 4. However, there is currently insufficient quantitative insight to allow us to include this in our analysis simulating the removal of this restriction.

The subsequent analysis estimates the overall impact of this policy change on Scotland's economy (measured as nominal GDP). Each tax gain is apportioned to the Scottish government directly, which in turn impacts future tax rates due to allowance for the government in our scenario to respond to changes in economic conditions (known as government solvency). The fiscal savings outlined above would benefit the UK economy as a whole. For example, the Scottish Government would benefit from additional income tax revenues from increased employment. At the same time, the exact impact on Scotland's budget would be determined through the operation of the Fiscal Framework which sets out the funding arrangements between the Scottish Government and the UK Government.

Calibrating a Macroeconomic Model

The analysis outlined above estimates the changes that would occur in Scotland's economy and labour market if asylum applicants were allowed to work while waiting on the outcome of their applications. When estimating the impact of those changes on the economy, it is important to account for the potential feedback multiplier effects. For example, if the government can reduce its expenditure on support for asylum applicants, it could use this windfall to increase public sector investment which would have a positive effect on output and eventually increase future tax intake (see Figure 4 for an illustration). There is also an income effect, as moving from £45 per week to a wage will increase the amount of money asylum applicants can spend in the economy, which again could increase output and subsequent tax intake. There can

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¹⁰³ Home Office (2021) <u>Asylum Policy: Statement made on 8 December 2021</u>, UK Parliament Written questions, answers and statements.

¹⁰⁴ Brell, C., Dustmann, C., & Preston, I. (2020). The Labor Market Integration of Refugee Migrants in High-Income Countries. The Journal of Economic Perspectives, 34(1), 94–121.

also be negative feedback effects too, for instance an increase in the working age population could be associated with an increase in the competition for jobs. This in turn could drive down wages and subsequent tax take.

Including these feedback multipliers requires the use of a comprehensive macroeconomic model. We use the Scotland version of the National Institute Global Econometric Model (NiGEM-S), which can be set to reflect the estimates from the above analysis for Scotland's economy. The first *shock* we apply is the increase in the working age population. We allow NiGEM-S to compute a probability of an asylum applicant being successful in finding work, based on the wider labour market factors, such as a typical labour force participation rate of around 65%. The second *shock* applied to the model is the fiscal savings from a reduction in UK government expenditure on supporting people seeking asylum following the right-to-work restriction being lifted. This *shock* is applied to the assumed number of people who find work, whereas the current level of support is applied to those who are assumed not to find work under our studied scenario.

This analysis therefore is limited by the following key assumptions:

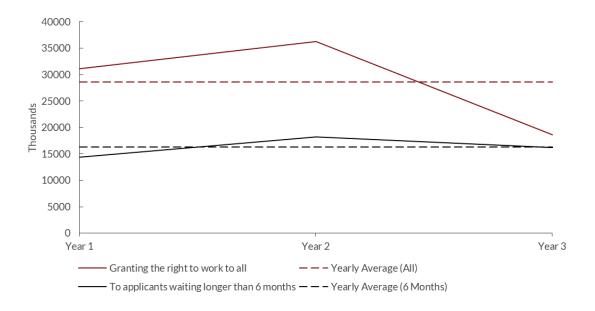
- 1. The right to work is not subject to further restrictions on the types of jobs asylum applicants can take up, such as a SOL restriction.
- 2. Only 64% of those granted the right to work find a job based on NiGEM estimates of the Scottish economy. This is based on our macroeconomic model's prediction of the probability of both being economically active and finding a job, which is based on the wider labour market factors.
- 3. There are no further reforms to the entitlements that asylum applicants have, i.e., those individuals who are assumed to not enter work under this analysis are assumed to receive the current level of support from the Government. We also do not include estimates of support services to facilitate successful entry to the labour market due to a lack available estimates.
- 4. Those who, upon being granted the right to work, are able to find a job do so immediately. This is a simplifying assumption to aid interpretability of the findings. This not a reflection of reality: as other chapters explain, potential barriers to employment for forced migrants can result in delays in asylum seekers looking for work being successful in securing jobs, and the right support should be in place to overcome those barriers. However, for the purposes of our quantitative analysis, robustness checks have been conducted and did not identify that this assumption poses any issues on the overall numerical findings.
- 5. The *shock* is a one-off event based on the 2023 asylum application levels. Our analysis does not make predictions about future flows of forced migration, as this is dependent on a wide range of factors including levels of conflict internationally, natural disasters and impacts of climate change.

3.4 Results

We project that granting the right to work to people seeking asylum in Scotland would add £30 million per year on average to the Scotlish economy via nominal GDP if granted to all those seeking asylum in Scotland. If, like many other European nations, the right to work is granted only to those waiting longer than six months, the annual

GDP impact would be lower, at around £16 million per year. Figure 4 displays the profile of this increase over a three-year horizon. The impact in the latter scenario last longer than the former before beginning to taper off. This reflects any feedback effects taking longer to influence the results in the latter scenario, as positive and negative secondary impacts can take time to influence the results. The dotted line displays the yearly average in both scenarios, which can be interpreted as the steady state impact.

Figure 4: GDP Impact from Granting the Right to Work to People Seeking Asylum in Scotland



Source: NIESR Analysis of data on Asylum applications awaiting a decision, Asylum seekers in receipt of support and NiGEM-S¹⁰⁵

Therefore, lifting the right-to-work restriction on asylum applicants is likely to have a significant contribution to Scotland's economy. This policy change would therefore have scope to support multiple priorities of the Scottish Government, by not only supporting integration of refugees and asylum seekers from arrival, but also by benefitting local economic growth and communities. As discussed in the previous chapters, for the policy change to be successful it would need to be accompanied by the right level of support to address potential barriers to employment and risks of exploitation.

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¹⁰⁵ Home Office (2023) <u>Asylum and Resettlement - Asylum applications awaiting a decision</u>. Published: 25 May 2023. Home Office (2023) <u>Asylum and Protection - Asylum seekers in receipt of support by Local Authority</u>.

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Challenges and Barriers to Successful Employment for Asylum Seekers

There is very little data available on the numbers, profile or experiences of asylum seekers taking up the right to work in the UK under current restrictions. The Home Office has not been able to provide data on the numbers granted permission to work after 12 months¹⁰⁶. Third sector organisations working directly with people seeking asylum report that numbers are low, and those who go on to find work in jobs on the SOL fewer still.¹⁰⁷ A survey of 246 asylum seekers conducted in 2018 by Lift the Ban, found that although 94% said they would like to work, only 36 individuals had applied for permission to work. Permission had been granted to 8, of whom only 2 had been able to find work.¹⁰⁸

It is worthy of note that changes to the SOL since 2018 have expanded the range of jobs potentially available to asylum seekers. These changes would have no impact on the low numbers granted permission to work but could increase the likelihood of finding a job for those to whom permission is granted. The current SOL includes a range of professional jobs such as engineers, maths/science teachers, social workers, doctors, nurses, and other healthcare professionals. An asylum seeker wishing to apply for any of these roles would need to have relevant recognised qualifications and experience. A change to the SOL in February 2022 added care workers and home carers to the list. 109 For these roles training may be provided on the job and there is not always a requirement for prior qualifications. The SOL does therefore offer jobs which are likely to be suited to the skills and experience of some asylum seekers, however for most jobs they would still require to hold recognised qualifications. There is limited evidence as to how recruitment of potentially larger numbers of asylum seekers, for example to jobs in health and social care, might work since few countries have restricted asylum seekers to specific shortage occupations or sectors. 110 From one country that did try to fill labour shortages in specific sectors through the humanitarian route (Sweden). the lesson that emerges is the need for adequate protections to be in place to ensure that workers in low paid, low-skilled sectors are not left open to exploitation. 111

This chapter explores the considerable barriers which both asylum seekers as potential employees and their potential employers face even where permission to work is granted. Given the extent of these challenges and the important role that employers can play in ensuring that asylum seekers with the right to work receive appropriate training and support in the workplace, it would be beneficial to involve employers directly as stakeholders in discussions surrounding the design of any proposed pilot scheme extending asylum seekers' right to work.

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monitoring of collective agreements, amongst other things.

¹⁰⁶ Gower, McKinney and Meade. (2022)., p. 7

¹⁰⁷ Refugee Action. (2020)., p. 6, footnote 6.

¹⁰⁸ Refugee Action. (2020). p. 14.

¹⁰⁹ Gower, McKinney and Meade. (2022)., p. 8 ¹¹⁰ Of the eight countries examined as part of this study, only one has attempted this approach.

¹¹¹ As part of the 2008 labour reforms, Sweden allowed refused asylum seekers to switch track to being a labour migrant if they could demonstrate that they had the skills and experience needed in Sweden. The main goal was to increase labour migration from third countries to occupational sectors experiencing labour shortages. However, these reforms went too far, putting many workers at risk of exploitation in low-skilled sectors. This prompted OECD to express concern and to call for closer

4.1 Impacts on access to income support and accommodation

Asylum seekers considering an application for permission to work may be given pause by the potential consequences for their existing package of support, including access to accommodation. Under existing regulations in the UK, those who do gain permission to work after 12 months and are successful in finding a job on the SOL are likely to lose most - if not all - of their entitlements to National Asylum Support Service (NASS) support. A recent asylum support briefing from 'Right to Remain' provides the following advice for asylum seekers seeking permission to work:

If you receive permission to work, this will not affect your asylum support. However, if you start working and have an income ... you will have a legal duty to notify the Home Office of this. The Home Office will then review your situation to see whether or not you are still considered 'destitute'. The outcome of this will depend on your specific situation. ... If your income is less than your weekly asylum support subsistence (less than £47.39 per week), the amount of subsistence will likely be reduced but not stopped. If your income is more than your weekly asylum support subsistence (more than £47.39 per week), then the Home Office will likely stop giving you the weekly subsistence because you would no longer meet the destitution requirement. ... In this situation, if you receive both weekly subsistence and asylum accommodation, and it is clear that your income is more than the weekly subsistence but not enough to pay for private accommodation, the Home Office may stop your weekly subsistence and ask you to pay some contribution for your asylum accommodation instead of expecting you to move out.¹¹²

It is not clear from this advice how, or how quickly, an asylum seeker who had found work and had their NASS stopped would be able to reinstate it were they to lose their job, or be unable to continue working, for whatever reason. Some aspects of the decision-making, particularly around accommodation, are also clearly at the discretion of the Home Office and there is no evidence of any safety net, for example for working asylum seekers who lose their asylum accommodation and find themselves unable to afford suitable private accommodation.

A No Recourse to Public Funds (NRPF) condition is linked to the right to work for asylum seekers. This means that those in employment, even where this is low paid, do not have any right to housing assistance or most other social security benefits. The Home Office has countered claims that allowing asylum seekers to work would bring fiscal benefits, arguing that any employment asylum seekers would secure is likely to be close to the minimum wage. In the current economic climate it seems reasonable to suggest that asylum seekers receiving minimum wage, potentially working on insecure or variable hours contracts (e.g. in social care), and with no recourse to public funds, would experience considerable poverty, especially if they also have to pay for private accommodation. As other work in the field of forced

¹¹² Right to Remain (2023) <u>Asylum Support: financial support and Accommodation</u>. Right To Remain Toolkit, July 2023.

¹¹³ Law Centre NI (2022) Work for asylum seekers Briefing 1: applying for permission to work

¹¹⁴ HCWS452, 8 December 2021, cited in Gower, McKinney and Meade (2022)., p. 16.

migration and vulnerability to poverty and exploitation has shown, such experiences are often significantly gendered, with women put at greater risk of sexual exploitation and gender-based violence.¹¹⁵

A pilot offering the right to work to asylum seekers in Scotland would need to consider the potential vulnerabilities and insecurities that the loss of accommodation and other support might bring. How would asylum seekers who had taken up a job but been unable to sustain their employment be supported in any interim period before NASS support and asylum accommodation might be reinstated? What structures would be in place to support asylum seekers should they fall into rent arrears or other difficulties due to low wages?

All of the eight countries examined in the appendix offered some kind of financial support to asylum seekers whilst their claims were being processed. These were all more generous than NASS support, although in Australia, cuts and restrictions have led to increasing cases of homelessness and poverty. Each of the other seven countries had in place not just easier access to the labour market than the UK, but also wider support measures, including some form of medical provision, subsistence payments and access to employment and training support. These not only facilitate asylum seekers' entry to the labour market but can also support them during a transition period where they are looking for employment or establishing themselves as financially independent on a more stable basis. In Quebec, Canada, for example, while waiting for a decision on their asylum application, asylum seekers can access: temporary shelter; assistance in finding permanent housing; free information sessions on life in Quebec; last resort financial assistance; 116 preschool, elementary and secondary school education; non-subsidised childcare services; universal employment services; French courses; legal aid and social services. 117

There are also examples of where income can be earned without it affecting benefit levels. This helps to ease the transition to work, while also guarding against low incomes and in-work poverty. In Quebec, where the basic benefit available to asylum seekers is \$725 per month for an adult, an additional \$200 per adult may be earned without reducing the benefit amount, meaning that asylum seekers can take up work without facing an immediate reduction in their financial assistance. This is the same allowable work income that is also applied to Canadians on the Social Assistance Program, which is aimed at those who have a severely limited capacity for employment. In Germany, the monthly rate for a single adult asylum seeker is €410 and €369 for a single adult in an accommodation centre.¹¹¹8 Asylum seekers may also

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¹¹⁵ Phillimore, J., Jamal, Z., Noubani, A., Hourani, J. and Baillot, H. (2022) <u>Forced migration and sexual and gender-based violence: findings from the SEREDA project in Scotland</u>. Birmingham: University of Birmingham.

¹¹⁶ Last-resort financial assistance is for those who are in a precarious financial situation. The purpose of this is to provide financial support for the time it takes to integrate into the labour market and participate actively in society.

¹¹⁷ Gouvernement du Qubec. (2023). Asylum seekers.

¹¹⁸ Correct as of January 2023. Hoffmeyer-Zlotnik, P., and Stiller, M. (2023a). <u>Forms and levels of material reception conditions</u>. Asylum Information Database, European Council on Refugees and Exiles.

receive up to €200 if they take up some types of voluntary work without it affecting these benefits.

A scheme to extend the right to work to asylum seekers in Scotland might consider providing a similar allowable earned income before the loss of benefits or accommodation to offer some protection against the 'cliff edge' prospect of losing all support immediately. The UK benefits system, in its current form, already makes some provision for this for UK citizens. UK citizens are permitted to earn no more than £167 per week, after tax, while still retaining their benefits. Alternatively, some form of staggered or top-up payment could boost the incomes of low paid workers and ease the transition into work, similar to the current system of tax credits for UK households on low incomes. These measures offer some degree of protection for low-income households in the UK and so it would make sense to consider extending these measures to asylum seekers, who are particularly vulnerable to low paid work and the risk of poverty. Where further measures which would benefit all vulnerable workers on low incomes who are at risk of poverty are identified, these could also be extended to working Asylum seekers.

4.2 Risk and Uncertainty for both employers and asylum seekers

A survation poll of 1,006 Business leaders conducted in 2019 for Refugee Action and the Lift the Ban coalition found 66% would consider hiring someone seeking asylum for a vacancy in their business. However, the complexity and multiple restrictions surrounding permission to work for asylum seekers in the UK introduce an administrative burden and an element of risk for both job seekers and employers. This is compounded by the increasingly punitive UK system and 'hostile environment' policies which have included criminalising both employers and employees if right to work checks are found not to have been properly conducted.

Qualitative research with asylum seekers who have been granted permission to work has found confusion around which jobs may be applied for. A refugee interviewed in research for Lift the Ban, recalled his experience of seeking employment after having been granted permission to work 12-months into his asylum claim:

I was over the moon when I got my permission to work. I was so happy. I started ringing recruitment offices and started looking for work. But then I got an interview and I got a job in retail again and the employer called me to say that they rang the Home Office and they declined the permission to work because I am not allowed to work in retail. 120

In this case the confusion was resolved by a call to the Home Office, and the asylum seeker was left without employment. Had the employer failed to check however, both could have faced fines or even imprisonment.

Earlier studies with refugees have noted that fines and other penalties for employers hiring people without the correct documentation create reluctance to consider

¹¹⁹ Refugee Action. (2020)., p. 19

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¹²⁰ Refugee Action. (2020)., p. 25.

applications from refugees.¹²¹ The consequences of hostile environment policies for other groups whose status is complex or uncertain, and the potential for employers and others (landlords, statutory service providers, health services) to discriminate in order to avoid risk have been amply demonstrated, not least by the Windrush scandal. A recent report has highlighted how the current employer-sponsored visa system in the UK forces vulnerable migrants to accept exploitative work conditions from their UK sponsors due to the short timeframe, high cost, and administrative difficulty involved in changing jobs. These risks, it shows, are amplified by the UK's under-resourced and fragmented labour enforcement system.¹²²

Beyond these immediate administrative risks, the uncertainties of asylum seekers' everyday lives, their immediate and longer-term futures, create disincentives for employers. Asylum seekers are constrained to comply with Home Office requirements in ways which do not apply to other employees. They may be required to attend at a Home Office reporting centre at regular intervals or at short notice. If their claim is refused, they may be detained or required to leave the country, again with little notice. Even if their claim is accepted and they are granted leave to remain this may be for a limited period only. Each of these restrictions and uncertainties create potential difficulties for asylum seekers in meeting the expectations of their employers and requirements of their employment. They may also create strong disincentives for employers, especially those with longer-term or permanent contracts to offer, or with jobs that require investment in training and career progression of an employee. Consequently, asylum seekers are likely to be exposed to higher risks of exploitation and precarity within the labour market.

These issues are not unique to the UK. In the Netherlands, despite legislation which permits asylum seekers easier access to work than the UK currently does, it is very hard for them to find work in practice. Employers are not eager to hire an asylum seeker due to the assumed administrative hurdles and because of the limited time they may be employed for. Similarly, in Australia, some employers refuse to hire asylum seekers on temporary visas because of the uncertainty around their status, leading to wasted human capital and financial stress. ¹²³ A study of refugees and asylum seekers as workers in Australia found that the profound uncertainty of visa status, duration and application outcomes; the operation of non-refoulement; ¹²⁴ their lack of social protection; the permanent threat of visa cancellation; the possibility of unauthorised work; and the broader radical institutional exclusion experienced by refugees and asylum seekers in Australia today all contribute to their increased vulnerability. ¹²⁵ The Refugee Council of Australia has highlighted the temporary nature of bridging visas as

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¹²¹ Hurstfield, J., Pearson, R., Hooker, H., Ritchie, H. and Sinclair, A. (2004). Employing Refugees: Some Organisations' Experiences, Brighton: Institute for Employment Studies.

¹²² Sehic, A. and Vicol, D. (2023). <u>Systemic Drivers of Migrant Worker Exploitation in the UK</u>. Work Rights Centre.

¹²³ See the related country case studies in the appendix.

Non-refoulement is a fundamental principle of international law that forbids a country receiving asylum seekers from returning them to a country in which they would be in probable danger of persecution.

¹²⁵ Berg, L., Dehm, S. and Vogl, A. (2022). <u>Refugees and Asylum Seekers as Workers: Radical Temporariness and Labour Exploitation in Australia</u>. <u>UNSW Law Journal</u>, 45(1), p. 39.

one of the key causes of workplace exploitation for people seeking asylum. A recent review of the Australian migration system identified temporary status and visa conditions as being two out of three main factors driving vulnerability to exploitation. The review found clear evidence of systemic exploitation including underpayment for work, health and safety breaches, and unfair dismissal, with asylum seekers reluctant to challenge these conditions because of the threat of potential deportation and visa cancellation. The authors conclude that this creates the risk of an emerging permanently temporary underclass made up of asylum seekers who have been working in Australia for long enough to integrate into the community, but are prevented from doing so by their permanently temporary status. In recognition of this, in February 2023, the Australian Government cleared the way for some 20,000 asylum seekers on temporary visas to apply for permanency.

This set of risk factors and barriers create additional concerns that a pilot to offer enhanced rights to work for asylum seekers in Scotland would need to consider carefully. A regionally differentiated system would introduce a further layer of complexity and potential confusion for both employers and asylum seekers. The pilot would need to lay out very precisely the geographical boundaries on which it would operate. Would there be a requirement that the asylum seeker's place of residence, the registered employer and the job itself all be located (solely) in Scotland? The structure of Scotland's business landscape with its higher percentage of small and medium sized employers should also be considered. Administrative burdens and risks associated with uncertainty can be more difficult for smaller employers to absorb¹³¹ and tailored support and information for employers may be necessary if a pilot is to succeed. Alongside this checks and support systems would need to be in place to prevent exploitation and support working asylum seekers to understand their rights as employees.

4.3 Impacts of Trauma and Distance from the Labour Market

Asylum seekers may also face barriers to applying for permission to work, and struggle to successfully find appropriate employment once granted permission, because of their previous experiences of trauma (both physical and psychological), poor health and prolonged absence from the labour market. Dispersal policies and periods in detention may on the one hand have moved people away from social networks that might otherwise facilitate access to jobs, whilst limits on asylum seekers' geographical

¹²⁶ Refugee Council of Australia. (2022). <u>Submission to the 'Migration System for Australia's Future'</u> Discussion Paper.

¹²⁷ Parkinson, M. et al. (2023). Review of the Migration System. Final Report 2023. Australian Government, Department of Home Affairs. p. 81; Reilly identifies similar drivers of vulnerability in specific relation to SHEV visa holders. Reilly, A. (2018). The Vulnerability of Safe Haven Enterprise Visa Holders: Balancing Work, Protection and Future Prospects, University of New South Wales Law Journal 871, 41(3).

¹²⁸ Berg, Dehm and Vogl, (2022).

¹²⁹Ibid. p. 2.

¹³⁰ Many of these people have been in the country for over a decade, have worked, paid taxes, and integrated into their community but face limited rights to work, study or get a mortgage.

¹³¹ Kyambi. S. (2020). <u>Ready Steady Go? Preparedness for the UK's New Immigration System</u>. Migration Policy Scotland, p. 11-12

¹³² Mayblin and James, (2016)., p.4.

mobility can make it harder for people to move to take up employment where it is available. The New Scots Refugee Integration Strategy notes barriers for refugees, all of which would impact asylum seekers, including: low self-confidence, anxiety, unfamiliarity with the UK labour market, difficulties with getting prior qualifications or experience recognised, lower English language competence, and difficulties obtaining references. These barriers can make it particularly difficult for refugees or asylum seekers to find 'meaningful' employment, rather than just taking 'any job'. 134

This suggests that considerable tailored support would be required in order for people to successfully re-enter the labour market. Even where resettlement schemes have offered immediate access to the labour market, often combined with bespoke packages of support for language learning and employability, people have nonetheless struggled to find jobs. Of all comparable schemes Homes for Ukraine, has the highest employment rate at 32%. Reported barriers for both Syrian and Ukrainian resettlement schemes include language issues, lack of recognition of qualifications, absence of transport and childcare. 137

4.4 Discrimination and Structural Barriers

In addition to the specific barriers discussed above, asylum seekers entering the labour market would likely be exposed to the same barriers and inequalities that have been reported in relation to employment experiences of refugees and other migrants. Intersecting factors including age, gender, race, religion, English language skills, education and qualifications, training, length of residence, and region of residence have all been shown to impact on refugees' employment. Refugees, as well as other groups of migrant workers, have been found to experience significant underemployment, often working in low-paid secondary employment rather than in professional jobs matching their education levels, and with earnings considerably lowered as a result. 139

Employment disadvantages which have been documented as affecting minority ethnic workers based on religion or race, including pay gaps, lower rates of recruitment, retention, and progression, and higher exposure to precarity and exploitation¹⁴⁰ would likely impact on asylum seekers who share these characteristics. Similarly, known barriers which refugee women face when seeking employment would also likely affect

¹³³ Bloch (2008)., p. 4

¹³⁴ Scottish Government (2018a)., p. 33

¹³⁵ Glimer (2020).

¹³⁶ Broadhead, J. (2023). <u>Building an Infrastructure for Community Led Welcome in the UK: Learning from the Mobilisation of the Homes for Ukraine Scheme. Inclusive Cities Policy Brief</u>. COMPAS, University of Oxford.

¹³⁷ Karyotis, G., Mulvey, G. and Skleparis, D. (2021). <u>Young Syrian refugees in the UK: a Two-Tier System of International Protection?</u> Journal of Ethnic and Migration Studies, 47(3), pp. 481-500. ¹³⁸ Bloch (2008).. p. 6.

¹³⁹ ibid, p. 6; Fernández-Reino, M. and Rienzo, C. (2022). Migrants in the UK Labour Market: An Overview, The Migration Observatory, University of Oxford, p. 14; Ruiz, I. and Vargas-Silva, C. (2018) Differences in Labour Market Outcomes Between Natives, Refugees and Other Migrants in the UK. Journal of Economic Geography, 18(4), pp. 855–885.

¹⁴⁰ Office for National Statistics. (2021). Ethnicity pay gaps: 2019; The Scottish Parliament. (2020). Race Equality, Employment and Skills: Making Progress? Equalities and Human Rights Committee. SP Paper 584, 3rd report (Session 5).

women asylum seekers. These include issues linked to trauma, experiences of gender-based violence, lower levels of education and previous employment experience, domestic responsibilities and burdens, and family opposition to education/employment. Furthermore, since women are less likely than men to be the primary applicant in family asylum claims, they are currently more likely to be completely excluded from any opportunity to apply for the right to work regardless of how long they have been awaiting a decision on their claim. The rectify this gender imbalance a pilot could be extended to include adult dependants of asylum applicants.

Existing studies of employability for refugees and asylum seekers have highlighted the extent of structural barriers, including racism, as well as the impacts of wider policies and systems affecting asylum seekers lives – constant monitoring, experiences of dispersal, risk of detention and removal. All of the eight countries examined as part of this study had more liberal right to work schemes than the UK, and yet structural barriers to and within the labour market still persisted long after labour market entry. Sweden has a big gap in employment rates between foreign and native-born populations, even though the gap has been shown to narrow over time. In Belgium, structural barriers include provisional and precarious residence status, disparities in healthcare, the fact that foreign diplomats are not considered equivalent to national diplomas, and labour market discrimination.¹⁴³

Immigration systems and policies that prioritise managed migration, border security and the 'criminalisation' of 'illegal' migration can also work as structural barriers to employability. Putting in place policies, laws and procedures that are often then successfully challenged in the courts, but which in the meantime create a hostile environment in which asylum seekers find it harder to integrate, undermine their settlement and heighten mistrust in the public's perception of the Government's ability to manage migration.¹⁴⁴ How a government treats immigrants, through its rhetoric and policies, has been shown to strongly influence how immigrants and the public interact with and think of each other. Key findings from the Migrant Integration Policy Index (MIPEX) conclude that restrictive policies create a 'vicious circle' of exclusion that reinforces fear and separation, while inclusive policies not only increase positive attitudes and interactions between the public and immigrants, but also create an overall sense of belonging, well-being and trust. 145 Australia's experience with irregular maritime arrivals demonstrate how easily media outlets and politicians can stoke disproportionate fear about uncontrolled entries for political gain. This has been evident in the UK and also in the Netherlands, where broader pressures in housing, health and other services, have been causally linked to asylum seekers in the political

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¹⁴¹ Scottish Government (2018a)., p. 17.

¹⁴² Refugee Action. (2020)., p.7; Cheung S., and J. Phillimore, J. (2016). Gender and Refugee Integration: A Quantitative Analysis of Integration and Social Policy Outcomes. Journal of Social Policy, 46(2), pp. 211-230.

¹⁴³ Vluchtelingenwerk Vlaanderen (2023a). <u>Access to the labour market</u> Asylum Information Database. European Council on Refugees and Exiles.

¹⁴⁴ For example, the UK Supreme Court ruled against the Government in June 2023, stating that Rwanda could not be treated as a safe third country as asylum seekers may be sent to their home country.

¹⁴⁵ Migrant Integration Policy Index. (2020). Policy Indicators: Key Findings.

discourse, and have contributed to the 2023 general election win by far-right politician Geert Wilders.

Above all, however, Australia's experience highlights how ineffective such policies and accompanying political rhetoric can be in understanding and addressing the complex push factors that compel people to leave their homes. ¹⁴⁶ This is evident in the UK Government's recent defeat in the High Court relating to their policy to send asylum seekers to Rwanda.

Previous recommendations for policy interventions to support increased employability have argued strongly for a focus on tackling these wider impediments, alongside services for asylum seekers or refugees. It has been made clear that a focus on individual capacity building and training for employability is less helpful if the structural barriers remain, indeed it may simply raise expectations and increase frustrations. While tackling wider barriers, such as hostile policy rhetoric at the national level, may be harder to change, other interventions could include working with employers and policymakers at the regional level to challenge discriminatory or other poor practice, raising awareness, amongst both employers and wider local communities, of asylum seekers' rights and potential to contribute, and addressing structural barriers in the labour market. This might include a focus on inappropriate or discriminatory interview practices, challenging an over-reliance on online recruitment resources, or inappropriate English language expectations. 148

A pilot scheme to offer enhanced rights to work for asylum seekers in Scotland would require thought to be given to such wider issues. In the following section we discuss existing support services and initiatives in Scotland, and beyond, which might be relevant to the development of such a pilot scheme.

¹⁴⁶ The 'criminalisation' of the people smuggler and the policy of offshore processing in Australia did not work in 'stopping the boats.' Any eventual slowing of the boats was down to the country's pushback of boats at sea, which is illegal under international law. Notwithstanding the harm caused to those asylum seekers - for example, the detention centre on Manus Island was ultimately ruled illegal by the supreme court, forced to shut, and Australia had to pay more than \$70 million in compensation to more than 1,000 people it had illegally detained on the island - Australia has also spent over \$9.5 billion of taxpayers' money over the past decade in implementing this policy of offshoring. Reports of abuse, torture and neglect on Nauru continue and the policy has done nothing to stop people from seeking the services of people smugglers in order to find a place of safety. The UK's 'stop the boats' policy shows a failure to learn from Australia's mistakes.

¹⁴⁷ Bloch (2008)., p. 5 &9; Glimer (2020)., p. 1

¹⁴⁸ Glimer (2020)., p. 2-3.

5

Scotland's capacity to support asylum seekers with the right to work

Whilst the power to determine whether asylum seekers are granted permission to work and in which jobs is retained by the UK Government, the Scottish Government has devolved powers over employability, skills and training, some areas of welfare and equalities. This offers significant levers to influence the implementation of a right to work pilot. Some of these, for example the Fairer Scotland Action Plan which lays out 50 actions to reduce poverty and tackle inequality by 2030, are noted in the New Scots Refugee Integration Strategy as policy levers for delivering support to refugees and asylum seekers. 149 However, careful thought needs to be given to how such policy levers could be used to best effect and what balance of integration into mainstream services versus development of specialist and tailored support is required and feasible. Moreover, effective support would need to cut across a wide range of areas and competences including for example Jobcentre Plus and local colleges, universities and training providers in support focused specifically on employability but linking this to support in adjacent but crucial areas such as housing, childcare and access to trauma recovery services¹⁵⁰. The third sector could assist in a variety of ways and befriending services, buddy schemes in the workplace, one-to-one language support and other initiatives are of great value. However, care should be taken not to overstretch or overreach the capacities of the voluntary sector and this should complement rather than fill gaps in public sector support.

The constantly changing composition of asylum seekers presents a challenge for developing effective support services. Movements of people driven by conflict, crises and persecution are unpredictable. The most affected nationalities and social groups shift over time, sometimes rapidly. This means that the employment related characteristics of asylum seekers potentially requiring support to enter the labour force would be diverse and dynamic. ¹⁵¹ Education and employment experience, English language skills and literacy rates, family sizes, age, gender and cultural norms vary greatly both within and between nationalities. The routes by which people have entered the asylum system, their experiences of fleeing conflict or persecution and the journeys they have taken since leaving their countries, produce varying degrees of physical and psychological trauma impacting on physical and mental health. This all suggests that carefully tailored services, or at very least tailored training and advice to frontline workers in local authorities and mainstream services would be required. ¹⁵²

Thought would also need to be given to the diversity of Scotland's local labour market conditions and to the uneven spread of services and third sector specialist organisations in different parts of Scotland. The majority of specialist services are located in Glasgow, due to its longer history of receiving asylum seekers through the UK dispersal policy. However, resettlement schemes for Syrian vulnerable persons, the Homes for Ukraine scheme and more recent dispersal arrangements have led to the development of support services in other areas and experience of working with refugees across a wider spread of Scottish local authorities. This could form a basis

¹⁴⁹ Scottish Government (2018a), p. 24.

¹⁵⁰ See Broadhead (2023) for a discussion of experiences of the Homes for Ukraine scheme in this regard.

¹⁵¹ Migration Advisory Committee (2021)., p 30; Bloch (2008)., p. 5-6

¹⁵² Glimer. (2020)., recommendation 3, p. 4

for developing place-based approaches to support with resource and responsibility devolved to local authorities working in partnership with third sector providers.¹⁵³

However, the experience of Homes for Ukraine and other resettlement programmes has demonstrated the challenges of supporting effective shared learning and coherence in approaches, ¹⁵⁴ as well as the considerable burden placed on local authorities at a time of budget constraints and high demand for services from other parts of the population. Housing would need to be considered if asylum seekers are to lose their NASS accommodation as a result of taking up work. As the recent problems in the US, Belgium and Canada have shown, high rental prices make it near impossible for many asylum seekers to secure affordable housing, leading to homelessness among many and overstretched shelters and other charitable organisations.

Local authorities would need additional financial resources and the relevant expertise if support for asylum seekers to enter the labour market is to be added to their responsibilities. This should include additional financial resources from Scottish Government or the Home Office to expand existing services and support programmes and a framework to facilitate shared learning between places.

5.1 Employability services

The Scottish Government has a long-term focus on increasing employability within the population as a whole and funds a range of mainstream services, some of which already include work with refugees and might form the basis of expanded services for asylum seekers with the right to work. Skills Development Scotland deliver guidance and employability support for people of all ages across Scotland, including access to modern apprenticeships. 155 This programme is currently open to refugees and people with humanitarian protection status, and there is an equalities action plan for modern apprenticeships in Scotland. 156 Fair Start Scotland, was launched in 2018 157 with the aim of supporting those Scottish residents facing the greatest challenges and multiple barriers to re-enter employment. It is a devolved employment service, offering tailored events and advice, including some work already focused on the needs of refugees. women, and ethnic minorities. The Scottish Government's Volunteering Support Fund, as well as the independent Voluntary Action Fund, both already work with asylum seekers, who are allowed to undertake unpaid volunteering. This volunteering support could be adapted to include a greater focus on transitions to paid employment if expanded rights to work were granted. For all the above programmes and services thought would need to be given to whether funding, capacity and expertise would allow for expanded work with asylum seekers to be done well.

Scotland also has some existing specialist employability services for refugees, for example the Bridges Programme. These are geographically concentrated in Glasgow and already experience considerable excess demand and precarious or insufficient

¹⁵³ Glimer. (2020)., p. 3

¹⁵⁴ Broadhead (2023).

¹⁵⁵ See for example Skills Development Scotland - Become an Apprentice

¹⁵⁶ See Skills Development Scotland (2021). <u>Apprenticeship Equality Action Plan. Final Report 2015-</u>2021.

¹⁵⁷ See Scottish Government. (2018b). Fair Start Scotland Launch

funding. Expanding and or replicating such specialist support to meet the needs of asylum seekers entering the labour force across a wider range of Scottish locations would require additional resource and co-ordination. Furthermore, the experience of these services demonstrates the need for an intersectional approach which takes account of the specific needs and barriers to employment for women, for LGBT people, or for people with disabilities. Issues regarding accessibility to support services should be mainstreamed and not restricted to services focusing only on these subgroups.¹⁵⁸

As discussed in earlier sections of this report, asylum seekers would face considerable barriers when entering the labour force and many may need tailored one-to-one support, which is sensitive to diversity of needs in order to overcome these. ¹⁵⁹ Work readiness programmes, digital skills training, opportunities for work shadowing, assistance with CVs, and coaching or buddy schemes to help people understand realistic employment aspirations and to integrate into the workforce will all be required. Issues around recognition of qualifications, including clarity around which aspects need to be updated or converted and what re-training is available, are also likely to be significant sticking points. ¹⁶⁰ Resource to provide asylum seekers and employers free access to reliable information on this from services such as ECCTIS¹⁶¹ would be needed.

Portugal has made recent changes to ensure that the skills recognition of foreign qualifications held by those seeking protection is not a further barrier to accessing work, training or education. ¹⁶² Following the temporary protection regime put in place for displaced Ukrainians, the Portuguese government has made exempt a number of bureaucratic requirements such as the legalisation of documents issued by foreign entities and certification of copies in order to make recognition of foreign qualifications easier. The law also established that beneficiaries of temporary protection, who hold foreign certificates or diplomas that are not recognised in Portugal, must be ensured access to a higher education institution granting a degree in the same field upon request. ¹⁶³

All of the eight countries examined in the appendix provide some limited employability support to asylum seekers. For example, asylum seekers in Sweden can access language training and the public employment service to find work, and the German system permits those with 'a good prospect to remain' to access language and civic orientation courses. These measures aim to make the most of the long waiting periods that asylum seekers may experience by allowing participants to settle more

¹⁵⁸ Glimer (2020)., p. 3.

¹⁵⁹ Bloch (2008)., pp. 29-33

¹⁶⁰ Bloch (2008)., p. 30

¹⁶¹ Ecctis (an abbreviation for Educational Counselling and Credit Transfer Information Services) is a UK regulated body which provides information, advice and opinion on academic, vocational and professional qualifications and skills from all over the world. It operates recognition services for the UK government and can provide support and advice to individuals and organisations.

Asylum Information Database (2022) <u>Access to Socio-Economic Rights for Beneficiaries of Temporary Protection</u>. European Council on Refugees and Exiles, p. 24
 Government of Portugal decree

¹⁶⁴ 'Good prospect to remain' is based on nationality and related recognition rates. As of 2021, these countries were Eritrea, Syria and Somalia. Afghanistan was added in 2022.

quickly into their new life. However, the bulk of more comprehensive employability support is aimed at refugees rather than asylum seekers, even though it is widely recognised that the latter would benefit from the same provision in speeding up their integration. For this reason, the International Monetary Fund (IMF) recommends lowering barriers and easing restrictions to work eligibility during the asylum processing phase. However, there is an inevitable tension between this and the reluctance of most governments and regional authorities to invest in asylum seekers who may eventually have their claim refused.

The OECD has recommended that, for those with high prospects of being allowed to stay, restrictions should be lifted to facilitate rapid labour market. This is an approach Germany has adopted with considerable success in streamlining and processing its applications. However, fast-tracking applications based on nationality and recognition rates is not without its risks, particularly for those seeking protection from environmental disasters or gender-based persecution for example, who may come from countries that are not on any 'priority' list.

Arguably, there is a trade-off between what the evidence shows (early employability support facilitates quicker integration for asylum seekers) and the competing investment priorities of many governments. That said, not facilitating access to work still 'costs' governments in terms of wasted human capital, and countries like Sweden, the US and Canada, have granted much quicker access to work for asylum seekers while claims are being processed precisely because they want to utilize their skills and labour while also helping them become 'self-sufficient.'

5.2 ESOL (English for Speakers of Other Languages) provision and access to support for language learning

The significance of English language learning for employability and other aspects of refugee integration is well known and has been recognised by the UK Government in the enhanced entitlements and intensive minimum provision (8 hours per week, with funded childcare) stipulated for those coming through resettlement routes. In Scotland, the significance of English language learning has been acknowledged in policy terms, through two consecutive ESOL Strategies for Scotland (2007-2014 and 2015-2020), as well as in the recognition of language as a key aspect of successful settlement in the New Scots Refugee Integration Strategy (2018-22). However, a decision not to renew the Scotland ESOL strategy in 2020, but rather to incorporate ESOL into a wider Adult Learning Strategy, has signalled a lack of strategic vision for the sector and a failure to address issues linked to under-resourced, piecemeal, and disjointed provision.

At present levels of provision and access to classes vary greatly across Scotland and involve a wide array of providers including further education colleges, local authorities and third sector organisations. Whilst asylum seekers in Scotland already have access to ESOL classes free of charge, there is ample evidence of excess demand, particularly in Glasgow city and many people are unable to access classes at the

¹⁶⁵ Konle-Seidl and Bolits. (2016).

¹⁶⁶ Migration Advisory Committee (2021)., p. 32; Karyotis, Mulvey and Skleparis. (2021)., p. 13

¹⁶⁷ Stella and Kay (2023)., pp. 21-2

required level or for the number of hours they need. Conversely learners in rural areas can be scattered and provision either insufficient, or remote from their place of residence with access further inhibited by limited transport links and childcare options. Providers in Glasgow, Aberdeen city and Edinburgh are more used to working with learners who have arrived through humanitarian protection routes in both bespoke and mixed classes. In other parts of the country provision has, until much more recently, been catering mainly for migrant workers and their families. More recent provision for those on resettlement routes has been mainly in bespoke classes. These have often combined aspects of language learning with wider support for employability and social integration in creative ways, for example with buddy schemes, language cafes and cultural programmes. However, such bespoke provision also brings a risk of fragmentation and the hollowing out of services for other groups without dedicated funding. These trade-offs would need to be given careful consideration in developing ESOL provision to support the needs of asylum seekers with a right to work.

Looking elsewhere, language training has been described as the cornerstone of integration policy in Germany. The Germany introduced Integration Courses after the influx of asylum seekers in 2015/16. These provided 600 hours of language training and 100 hours of civic orientation to asylum seekers from origin countries with high recognition rates. When demand increased, the number of available places in the Integration Course was also increased to meet this. The effectiveness of this provision is clear. In a study of asylum seekers who had arrived since 2013, only about one per cent of them declared having good or very good German language skills on arrival. However, a follow up with the same group in 2018, showed that figure had increased to 44 per cent. The elanguage training is still available.

Evidence shows that participation in language courses at the earliest opportunity pays off. For this reason, the OECD, the United Nations High Commissioner for Refugees (UNHCR) and the IMF all recommend early engagement in language training. The European Commission suggests this should be within the first three months of arrival.¹⁷²

Evidence from other OECD countries also suggests that vocational language training during employment is one of the most effective forms of language training, albeit expensive. However, a combination of labour shortages across several countries may encourage employers to invest in integrating asylum seekers into jobs in the same way as they are now helping many refugees. For example, many German companies are now implementing 'dual training' or their own programmes to ease access to their

¹⁶⁸ Stella and Kay (2023)., pp.36-8

¹⁶⁹ Stella and Kay (2023)., pp. 46-7

¹⁷⁰ Degler and Liebig (2017).

¹⁷¹ Brücker, Jaschke, and Kosyakova (2019).

¹⁷² Konle-Seidl and Bolits (2016).

workplaces for refugees, and Canada is the latest country to announce help for employers to hire skilled refugees in order to address labour shortages.¹⁷³

Speedier decisions and clarity on asylum seekers' status would greatly help employers who are looking to widen the scope of this investment as a means to address their labour shortages. It would be essential to involve employers directly as stakeholders in discussions surrounding the design of a pilot scheme extending asylum seekers' right to work and to explore with them opportunities to improve access to language learning and support for training and progression.

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¹⁷³ Government of Canada (2023) <u>Tackling the labour shortage by helping more skilled refugees and other displaced people build their careers in Canada</u>.

6

Key Considerations and Learning points

This report has reviewed evidence from existing UK and international reports regarding the often severely negative impacts of exclusion from the labour market for asylum seekers' well-being, as well as on integration outcomes in both the longer and more immediate term. We have also considered the possibility that countries which allow earlier access to their labour markets in fact benefit from the economic and demographic contributions of those who migrate for protection reasons. The original analysis of potential economic impacts for Scotland of a change in policy, support the view that asylum seekers could potentially make a modest economic contribution were the ban on work to be lifted.

The analysis by NIESR suggests that granting the right to work to people seeking asylum in Scotland would add £30 million per year on average to the Scottish economy if granted immediately on arrival, or £16 million per year if granted after a six-month waiting period. These figures are based on a calculation of increased revenues and reduced costs. Increased revenues from income tax and national insurance would have a direct impact on the UK economy leading to indirect positive consequences for the Scottish economy, whilst increased council tax would be paid directly to those Scottish local authorities hosting working asylum seekers. Reduced costs would come from working asylum seekers no longer requiring support through the National Asylum Support Service (NASS). The calculations have had to be made using a range of assumptions due to the lack of accurate data on skills profiles of asylum seekers or reliable quantitative evidence regarding their likely labour force participation rates. Calculations are therefore based on an assumption that asylum seekers would enter the labour market with the same range of salaries and the same success in finding work as other UK residents moving from benefits to employment. This modelling includes asylum seekers who enter the labour market and no longer need support via S4/95/98, and the continuation of the status quo for other asylum seekers not entering the labour market, even if they have the right to work. However, it has not been possible in the scope of this report to quantify the likely costs of the various employability services and additional safety nets proposed below, which we deem important to the success of a change in policy. These would necessarily offset some of the fiscal gains.

The consequences of restricting the right to work policy to only shortage occupations (as is the current UK Government policy), also requires consideration. There is no evidence from the countries examined in the appendix to support such an approach. The only country to have tried this approach with regard to asylum seekers is Australia, where it has proven ill-conceived with no clear benefits to either the sectors involved or the asylum seekers themselves. The policy has since been scrapped by the Australian government.

Taken together this evidence suggests a clear case for reconsidering current restrictions.

And yet, our extensive appendix, which offers learning from the experiences of 8 countries, with a wide range of approaches both to restrictions and their easing and to the provision of support for asylum seekers, demonstrates that there are no easy answers. The consequences of providing asylum seekers with a right to work at

whichever point in their application process, are deeply enmeshed with questions surrounding their access to other forms of support – monetary, accommodation, healthcare, integration and employability services – as well as with wider rhetoric and principles which underpin national policies governing asylum, migration, social security and employment.

This report has shown clear evidence of the considerable challenges and barriers to successful employment which persist for asylum seekers even where less restrictive policies are in place. Given the uncertainties and insecurities surrounding their status, their financial vulnerability and minimal access to wider support, their needs for language learning and employability support, as well as the extent of structural barriers and discrimination they are likely to face on entering the labour force, careful consideration and deliberate remedy is required. Without this a lifting of restrictions will likely result in minimal change for most asylum seekers who will not anyway be able to gain employment and expose those who do to high risks of exploitation and continued poverty.

With this in mind, we close our report by drawing attention to six key learning points which should be carefully considered if a change of policy is proposed:

1. Identify where the powers, capacity and experience lie to support a proposed change.

The Scottish Government has devolved powers over employability, skills and training, some areas of welfare and equalities. This offers significant levers to influence the implementation of a right to work pilot. Scotland's local authorities, third and public sector service providers, employers and communities have gained considerable experience in recent years, providing employability services and English language classes for both refugees and people arriving through resettlement schemes and complementary visa pathways. This could provide a foundation for the development of a distinctive approach to employability support in the context of an extended right to work. Careful thought needs to be given to how existing policy levers could be used to best effect and what balance of integration into mainstream services versus development of specialist and tailored support is required and feasible if a pilot scheme to allow asylum seekers to work were to be proposed.

2. Create a clear and simplified system with guidance for employers and employees.

The often-prolonged uncertainty of asylum seekers' status, and the risks for both employers and employees associated with non-compliance (deliberate or accidental) with complex rules surrounding restricted working can act as disincentives to well-intentioned employers, as well as increase asylum seekers' vulnerability to exploitation. A regionally differentiated system could introduce a further layer of complexity and potential confusion for both employers and asylum seekers. A Scottish pilot scheme would need to lay out very precisely the geographical boundaries on which it would operate. Would there be a requirement for example that the asylum seeker's place of residence, the registered employer, and the job itself all be located (solely) in Scotland?

The structure of Scotland's business landscape with its higher percentage of small and medium sized employers should also be considered. Administrative burdens and risks associated with uncertainty can be more difficult for smaller employers to absorb and tailored support and information for employers may be necessary if a pilot is to succeed.

Alongside this, checks and support systems would need to be in place to prevent exploitation and support working asylum seekers to understand their rights as employees. Involving trade unions as strategic partners in conversations around the development of a pilot scheme would be beneficial in this regard.

3. Ensure increased employability for asylum seekers is supported through tailored services, integration into mainstream support and by tackling structural barriers, inequalities and discrimination.

In addition to the development of services to support asylum seekers into work, wider impediments including existing inequalities within the labour force, structural barriers and discrimination by employers and employment agencies would need to be tackled.¹⁷⁴ This is especially important as focusing exclusively on individual capacity building and training for employability can simply raise expectations and increase frustrations. Moreover, asylum seekers would be especially vulnerable to exploitation if structural barriers remain unchallenged.¹⁷⁵ While barriers such as hostile policy rhetoric at the national level may be harder to change, potential interventions which may reduce these risks could include working with employers and policymakers to challenge discriminatory or other poor practices, raising awareness of asylum seekers' rights and potential to contribute, and addressing structural barriers in the labour market.

4. Prevent in-work poverty, homelessness, and loss of access to financial support/housing.

A pilot offering the right to work to asylum seekers in Scotland would need to consider the potential vulnerabilities and insecurities that the loss of accommodation and other support might bring, particularly where asylum seekers might find employment in low-paid and/or insecure work. How would asylum seekers who had taken up a job but been unable to sustain their employment be supported in any interim period before National Asylum Support Service payments and asylum accommodation might be reinstated? What structures would be in place to support asylum seekers should they fall into rent arrears or other financial difficulties due to low wages?

Evidence from international case studies shows that wider support measures, including subsistence payments and access to employment and training not only facilitate asylum seekers' entry to the labour market but can also support them during a transition period where they are looking for employment or establishing themselves as financially independent on a more stable basis. Several countries provide an allowable earned income before imposing a reduction in benefits or loss of accommodation. This offers some protection against the 'cliff edge' prospect of losing

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¹⁷⁴ Glimer (2020)., p. 1

¹⁷⁵ Bloch (2008)., pp.26 & 30.

all support immediately. A Scottish pilot should consider what kinds of support would be available, or whether some form of staggered or top-up payment could boost the incomes of low-paid workers and ease the transition into work. Such measures already feature to some extent in the UK benefits system, either in the form of allowable income before tax and before benefit reductions, or tax credits for low-income households. Consideration might be given to extending these to asylum seekers who are particularly vulnerable to low pay and poverty.

The gendered nature of the asylum process results in a higher proportion of women being designated dependants rather than primary applicants in family asylum claims. To avoid a further gendered inequality consideration could be given to extending the right to work to family members, as is the case in Canada. This would have further benefits of increasing potential incomes to asylum seeker households and reducing women's vulnerability to sexual exploitation and gender-based violence.

5. Include the appropriate range of stakeholders in designing policy, learn from existing experience and ensure that responsibilities for implementation are properly resourced.

Local authorities and third sector partners already play a central role in supporting asylum seekers. Many have gathered considerable recent experience of providing support, including employability and language learning services, to refugees and to people who have arrived through resettlement schemes and complementary visa routes. This could form a starting point for developing place-based approaches to support asylum seekers into work, flexible enough to take account of the diversity of Scotland's local labour market conditions and the uneven spread of existing services and third sector specialist organisations.

The challenges of supporting effective and coherent approaches and the considerable burden placed on local authorities at a time of budget constraints and high demand for services from other parts of the population should not be underestimated. Experience from the US, Canada, Belgium, Germany and the Netherlands all illustrate how easily already-overstretched public services can fail to meet the increased need that comes with greater numbers of asylum seekers. Local authorities will need additional capacity (financial, human resource and expertise) if support for asylum seekers to enter the labour market is to be added to their responsibilities. This would need to include financial resource from Scottish Government or the Home Office to expand existing services and support programmes and a framework to facilitate shared learning between places.

Partnership working with third sector providers, volunteers and community-based groups who can offer support for language learning, self-confidence, buddying and other employability support will also be important. This has been evidenced in experiences of welcoming and supporting the integration (including labour market integration) of people who have arrived in the UK through resettlement programmes and complementary visa routes, as well as in the German example presented in the appendix.

Asylum seekers are likely to face considerable challenges even if they are able to secure employment and employers themselves will have to overcome (or accept) a

variety of barriers and risks to employing people with inherently insecure status. At the same time, employers have a crucial role to play in ensuring that asylum seekers with the right to work receive appropriate training and support to enter, thrive in and progress through the workplace. It would be essential therefore to involve employers directly as stakeholders in discussions surrounding the design of any proposed pilot scheme extending asylum seekers' right to work.

6. Right to work should provide pathways to settlement and mitigate the risks around temporary status

The recent rise in global displacement and the arrival of greater numbers of asylum seekers in some countries has tested the limits of their reception and integration policies and infrastructure (USA, Canda, Belgium, and the Netherlands, for example). As a result, there has been a tendency across many countries in recent years to replace pathways to permanent settlement (residency, citizenship, more secure work status) with greater conditionality and/or more temporary work visas.

However, evidence from nearly all the countries examined in the appendix shows that long periods of uncertainty around asylum status, arising either from backlogs, the issuing and renewing of temporary work visas, or other restrictive conditions, yield poor outcomes for all, not least asylum seekers themselves. The cautionary lesson from Australia is that the move towards 'permanently temporary migration' has caused harm, created second-class citizens of many asylum seekers, and weakened social cohesion.¹⁷⁶

The New Scots Refugee Integration Strategy has a stated vision to support all refugees and asylum seekers regardless of their route to arrival 'to rebuild their lives from the day they arrive'.¹⁷⁷ Making this a reality for asylum seekers could involve extending the support, rights and entitlements that are currently on offer to refugees to asylum seekers in order to speed up their integration. This would be in line with the International Monetary Fund (IMF) recommendation to lower barriers and ease restrictions to work eligibility during the asylum processing phase,¹⁷⁸ as Germany did with notable success after the arrival of asylum seekers in 2015/16, implementing a series of early interventions to speed up their integration. With particularly long waiting times for the processing of asylum claims in the UK at present – an issue over which Scotland has little control - providing such support during this period would help put asylum seekers on a clearer pathway to integration and settlement.

Arguably, there is a trade-off between what the evidence shows (that early interventions facilitate the quicker integration of asylum seekers), and the reluctance of many governments and regional authorities to invest in asylum seekers who may eventually have their claim refused, or who may wish to invest in supporting asylum seekers but face competing investment priorities.

However, the international evidence serves as a reminder that not facilitating access to work and wider settlement in the community still 'costs' governments, not just in

¹⁷⁶ Parkinson, M. et al (2023).

¹⁷⁷ Scottish Government (2018a)

¹⁷⁸ Konle-Seidl, R. and Bolits, J. (2016).

terms of economic inactivity, but also in terms of wasted human capital, the wellbeing of asylum seekers themselves, and the additional costs of supporting these individuals while their status is waiting to be resolved. Countries like Sweden, the US and Canada, grant comparatively quicker access to work for asylum seekers while claims are being processed precisely because they want to utilize their skills and labour while also helping them become 'self-sufficient.'

Appendix: International Case Studies

This appendix sets out eight country case studies regarding the right to work for asylum seekers. The purpose of these case studies is to highlight how the right to work has been implemented in different countries, and how it plays out in practice, so that lessons might be extracted for the Scottish context should policy conditions change and asylum seekers in the UK be granted the right to work.

The eight countries have been selected because they offer varying degrees of restrictions on the right to work, varying degrees of support to asylum seekers, and different policy contexts:

- Australia, Canada, Sweden and Portugal (right to work granted almost immediately);
- Germany (right to work after three months);
- Belgium (right to work after four months); and
- USA and Netherlands (right to work after six months)

The information presented in this Appendix is based on the evidence available and correct at the time of writing. However, the dynamic nature of regulations and policymaking in relation to asylum seekers and refugees; the changing ideologies and rhetoric across political parties; and socio-economic and demographic changes make this kind of comparative work, and the task of providing robust evidence, challenging.

That said, at the time of writing, there are some common themes that emerge across these countries that are worth highlighting here. The first is that the drivers of the right to work policies for asylum seekers most commonly include: consideration of international human rights obligations; the facilitation of self-sufficiency among this group; and the need to meet economic and demographic challenges around labour shortages and ageing populations. The second common theme that emerges is that granting the right to work is no panacea. It has many potential benefits, but it also needs to be supported by a wider infrastructure of adequate reception, settlement and integration services, as well as an effort to tackle structural barriers around discrimination and inequality which persistent well into employment and hinder wider integration in the community.

Finally, a common trend across many of these countries has been their reaction to the rise in global displacement. The arrival of greater numbers of asylum seekers has tested the limits of reception and integration policies and infrastructure and has seen pathways to permanent settlement replaced with greater conditionality and/ or temporary work permits. Coupled with backlogs and delays in processing asylum claims, this has left many asylum seekers increasingly vulnerable and unsure about their future as they wait longer for the resolution of their status.

Australia: Almost no restrictions on Right to Work

Australia ranks third among top refugee resettlement countries worldwide and has long boasted of its acceptance of relatively large numbers of refugees, who are identified for resettlement by the United Nations High Commissioner for Refugees (UNHCR). Since World War II, the country has accepted almost one million refugees for resettlement.

A key driver of this has been a commitment to human rights. Like the UK, Australia is party to some of the key international human rights conventions and supports the work of the UNHCR, recognising the central tenet of the Refugee Convention that 'refugees' should not be returned to a place where they face persecution. More broadly, Australia is also considered to be a nation of immigration given that its population base and continued growth is built on immigration.

In recent years, however, Australia has become a leading exponent amongst developed countries of offshore processing of people entering or being in Australia without a valid visa. For those who arrive by boat without a valid visa, Australia has a policy of mandatory detention and offshore processing. This has proven controversial and cast a shadow over its reputation as a welcoming country. These polices have been predicated on 'breaking the business model' of people smugglers by denying asylum seekers access to Australian territory. They have been enacted by successive governments who have seen electoral advantage in the adoption of restrictive policies, even though historically, the vast majority of those seeking refuge have been found to be people who are owed protection under the Refugee Convention.

Right to work depends on visa status

In Australia, the right to work for asylum seekers is dictated by a person's visa status. However, most asylum seekers are given a bridging visa until their claim is decided, which often includes the automatic and immediate right to work. In practice, this means that most people seeking asylum have the right to work in Australia, albeit temporarily.¹⁷⁹

- 1) Those with a right to work: People who arrive on a **valid refugee and humanitarian visa** can stay, work and study in Australia permanently. Those who are already in Australia on a valid visa and who wish to seek asylum may also stay, work and study in the country permanently if their application for a Protection visa is successful.
- 2) Those with no right to work: For those who arrive without a valid visa, Australia has a policy of detention and offshore processing. During this time, you are not permitted to work although you may be eligible for a temporary visa which could grant you a temporary right work for a restricted time period see below.
- Restricted right to work: Temporary protection visas (TVPs) and Safe Haven Enterprise Visas (SHEVs) have been issued since 2013 and 2014 respectively. They have been issued to those who arrive without a valid visa and who want to seek asylum; those who are refugees; or those who satisfy Australia's protection criteria. If eligible, a person can live, work or study in the country for three years under a TVP, or five years under a SHEV, after which time they can reapply.

(Resolution of Status (RoS) visas have replaced TVP and SHEV since February 2023. RoS visas allow for the permanent resolution of status for certain visa holders, including TVP and SHEV holders who arrived in Australia

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¹⁷⁹ Refugee Action (2020); Newman, A. et al. (2018). <u>A Guide for Employers. Supporting access to employment for people from a refugee or asylum seeking background</u>. Deakin, Monash and Australian National Universities.

before February 2023. If successful, a RoS visa allows a person to stay and work in Australia permanently and enjoy all rights and entitlements that permanent residents enjoy.

Bridging visas are temporary visas that generally allow a person to stay in the country after their current visa ceases and while their new visa application is being processed. Not all bridging visas allow a person to work, but many do allow access to work until a claim is decided.¹⁸⁰

The rest of this case study will focus largely on those asylum seekers who fall within the last category (restricted right to work) since those who arrive on refugee and humanitarian visas already have the right to work.

The drivers behind the Right to Work

The population of temporary migrants in Australia has grown in recent years, including those on TVPs, SHEVs and bridging visas. As of October 2022, there were 19,614 people on TVPs or SHEVs that needed to be periodically reviewed.

The drivers behind the right to work policy have been punitive in nature. TVPs provide a temporary right to work and were reintroduced in 2013 in response to the increased numbers of asylum seekers arriving by boat between 2009 and 2013. They were designed to discourage future boat arrivals by denying them any prospect of transition to a permanent visa. Although framed as necessary in order to save lives at sea, it was repeatedly stated that "the reintroduction of [TPVs] is a key element of the Government's border protection strategy to combat people smuggling and to discourage people from making dangerous voyages to Australia." 185

As part of political negotiations to get this legislation passed at the time, the SHEV visa was created to accompany TPVs and introduce a pathway to resettlement if asylum seekers lived and worked in regional Australia for three-and-a-half years out of the five-year duration. Moreover, the SHEV visa was designed to channel visa

¹⁸⁰ Refugee Action (2020).

¹⁸¹ In December 2022, there were 19,693 people with temporary refugee status – 5,389 on TPVs and 14,294 on SHEVs, according to the Refugee Councilof Australia (2023), Refugee Council welcomes plan to end cruel temporary protection policy. Taken together with all those on other temporary visas such as New Zealand citizens, students, working holiday makers and temporary skilled migrants, it meant that on December 31st 2022, there were a total of 1.8 million temporary migrants in Australia with work rights (Parkinson, M. et al., 2023), See also: Australian Government.(2023). Review of the Migration System. Department of Home Affairs, p. 42.

Refugee Council of Australia. (2022). <u>Submission to the 'Migration System for Australia's Future'</u> Discussion Paper.

¹⁸³ Sometimes referred to as the 'legacy caseload.' This refers to a group of about 30,500 asylum seekers who arrived by boat before January 2014 and who experienced lengthy delays in the processing of their asylum claims. The Rudd government abolished temporary protection visas in 2008 but they were reintroduced y the Coalition in 2014 as one plan of Operation Sovereign Borders, which was designed to deter asylum seekers arriving by boat.

¹⁸⁴ Asylum Insight Facts and Analysis (2021). <u>The Legacy Caseload — Asylum Insight;</u> Krock, M. and K. Bones. (2015). <u>Australian Exceptionalism: Temporary Protection and the Rights of Refugees. (last accessed October 2023).</u> Melbourne Journal of International Law, 16, pp.1-28.

¹⁸⁵ Explanatory Statement, Migration Amendment (Temporary Protection Visas) Regulation 2013 (Cth), 1; Explanatory Memorandum, Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Bill 2014 (Cth), 6.

holders into industries and locations in the Australian labour market that had a shortage of workers.

The Right to Work leaves many vulnerable

The right to work in Australia leave many vulnerable to destitution, exploitation and an indefinite future.

Evidence shows that legislative and government policies in Australia have created a temporariness for asylum seekers and refugees that is punitive in design. For example, a key cause of workplace exploitation for people seeking asylum is the lack of work rights and the temporary nature of bridging visas. 187

A recent review of the Australian migration system identified temporary status and visa conditions as being two out of three main factors driving vulnerability:

"Temporary status means a migrant does not have an ongoing right to stay in Australia and can be subject to visa cancellation and deportation if visa conditions are breached or become ineligible for a further visa if visa settings are changed.... Visa conditions can increase the risk of migrant exploitation by regulatory conditions driving power imbalances between employers and migrants. Restrictions on a visa holder's ability to change employers and dependence on an employer's continued support to access the Australian labour market and, perhaps, eventual pathways to permanent residence, limit a migrant worker's capacity to resist, report or leave exploitive situations." ¹⁸⁸

Berg et al (2022) identified distinct vulnerabilities to workplace exploitation experienced by refugees and asylum seekers as a consequence of their immigration status, including: the profound uncertainty of visa status, duration and application outcomes; the operation of non-refoulement; their lack of social protection; the permanent threat of visa cancellation; the possibility of unauthorised work; and the broader radical institutional exclusion experienced by refugees and asylum seekers in Australia today.¹⁸⁹

The scale and extent of exploitation among asylum seekers has not been documented in a systematic way. Nevertheless, available evidence reveals a range of working conditions experienced by asylum seekers that fall short of minimum labour standards in Australia. ¹⁹⁰ These include systemic underpayment, work and safety breaches, and unfair dismissal. ¹⁹¹

Right to work is not a panacea

¹⁸⁶ Berg, Dehm and Vogl. (2022).

¹⁸⁷ Refugee Council of Australia (2022).

¹⁸⁸ Parkinson, M. et al (2023), p. 81; Reilly, A. (2018) identifies similar drivers of vulnerability in specific relation to SHEV visa holders.

¹⁸⁹ See Berg, L. et al. (2022), p. 39

¹⁹⁰ For example, see Howe, J. et al. (2019). <u>Towards a Durable Future: Tackling Labour Challenges in the Australian Horticulture Industry.</u> University of Adelaide. This report by labour experts found that the horticulture industry is structurally reliant on undocumented workers and recommended that the Department resolve their status.

¹⁹¹ Berg, L. et al. (2022).

Asylum seekers who have the right to work continue to face barriers to finding work and increased vulnerability.

As stated above, little is known about the experiences and participation of TPV, SHEV and bridging visa holders. However, the barriers that refugees face are also likely to be in play with asylum seekers. They include a lack of Australian work experience, difficulties in overseas skills and qualifications recognition, and limited English language skills. Similarly, the employment outcomes for temporary protection visa holders are likely to reflect the dominant patterns in employment outcomes for refugees in the initial years of settlement – unemployment, underemployment and loss of occupational status – and may be exacerbated by their temporary status and limited eligibility for support that assists with labour market integration. It is likely that they are also funnelled into low paid, low skilled jobs, regardless of their human capital. 192

The temporary nature and future uncertainty around a prospective employee's status can negatively affects employers' willingness to employ them. Although many asylum seekers have in-demand skills, local work experience and a strong desire to work, many Australian employers refuse to hire workers on bridging visas, leading to deskilling, exploitation and financial stress.¹⁹³

State and federal support is inadequate

The system of state support for asylum seekers does not adequately support a transition into work or a basic standard of living.

The system is designed to incentivise labour market participation and self-sufficiency. However, in its current form, there is little evidence to show that it supports this transition to work, addresses any of the barriers to work, or economically benefits asylum seekers. Instead, the system appears to place both those in and out of work at greater risk of poverty, potential exploitation at work, and homelessness.

As soon as an asylum seeker takes up work, they lose the federal government's Status Resolution Support Services (SRSS) payment. This 'transitional support' is designed to support asylum seekers who are waiting for the government to assess their refugee application and prevent them from becoming destitute, given that they do not have access to Centrelink¹⁹⁴ and associated state support.¹⁹⁵ Eligibility for this support has been significantly tightened in recent years and the budget slashed, with the Government claiming that "SRSS is not a social welfare Program and financial

¹⁹² Settlement Services International. (2016). Working it out. Occasional Paper 1. SSI: Ashfield NSW.

¹⁹³ Robertson, S. and A. Runganaikaloo. (2014). <u>Lives in Limbo: Migration Experiences in Australia's education-migration nexus. Ethnicities.</u> 14(2), p. 208-226.

¹⁹⁴ Centrelink delivers income support and other payments to Australians. It is part of Services Australia - an Australian Government department delivering payments and services on behalf of a number of government programs including Medicare and Child Support.

¹⁹⁵ Refugee Council. (2022). <u>Thousands of people seeking asylum living in poverty.</u> Refugee Council, Australia.

assistance is only intended to support individuals who are unable to work while resolving their immigration status." ¹⁹⁶

As such, there are only around 1,500 people in 2023 who are in receipt of SRSS funding, down from around 25,000 in 2015.¹⁹⁷ This means that out of the over 70,000 people seeking asylum in Australia awaiting an outcome on their visa application, only 2% have access to social support.

For those few who do receive SRSS, it is not enough. At the maximum level, it provides a single person with \$42 a day, ¹⁹⁸ leaving thousands well below the poverty line. The Refugee Council estimated that this accounted for around 10,000 of those who were still awaiting a decision, including children, the elderly and people with disabilities. ¹⁹⁹

For those who enter work and do lose SRSS, the picture is not much better. There are restrictive conditions on bridging visas that mean that they are not eligible to access public or community housing, or federal income support. And because Australia's social security system operates on a residency and needs based approach, as opposed to direct social security contributions from employers and individuals, it means that asylum seekers are automatically excluded from it because they are not residents. A person has to be an Australian resident, at minimum, to access the social security system and the Newly Arrived Residents Waiting Period (NARWP)²⁰⁰ does not count any time a person travels outside of Australia or the time spent in Australia on a temporary visa.

The NARWP is designed to incentivise early economic participation and self-sufficiency among migrants by limiting migrant access to various social supports. As such, the range of payments the NARWP applies to, and the length of the waiting period, have both increased over time.²⁰¹

The NARWP has been described as driving migrants to work below their skill level and preventing them from up-skilling, both of which reduce migrants' long-term contribution. NARWP also commenced at a time when most permanent migrants had not spent any time onshore, yet today many migrants have for some time already contributed to Australia through taxation as they commenced a temporary visa. As such, there is a concern that the NARWP is unfair when migrants have made significant economic contributions to Australia. A recent review of the migration system in the country concluded that there was limited systematic analysis of the

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¹⁹⁶ P Australian Government. (2018). <u>Status Resolution Support Services (SRSS) Programme.</u> Operational Procedures Manual. Department for Home Affairs. p. 186.

¹⁹⁷ Asylum Seeker Resource Centre. (2023). <u>Policy Through Poverty: The impact of excluding people seeking asylum from mainstream social support.</u> ASRC: Victoria.

¹⁹⁸ \$42 is approximately £21 if using an exchange rate correct as of September 2023. Asylum seekers in the UK are entitled to £47.39 (approx. \$90 Australian dollars) and housing if they need.

¹⁹⁹ Refugee Council. (2022). <u>Thousands of people seeking asylum living in poverty.</u> Refugee Council, Australia.

²⁰⁰ This is the time a person spends in Australia as a resident.

²⁰¹ Parkinson, M. et al (2023), p. 151.

²⁰² Ibid p. 152

impacts of NARWP on migrant outcomes, even though it had created significant savings for the government budget.²⁰³

However, charities, aid agencies and support organisations report that asylum seekers experience chronic housing insecurity, homelessness, financial insecurity, poverty and the threat of eviction as a result of both declining levels of SRSS and/ or a lengthy lack of access to social security payments due to their exclusion from NARWP. This has been heightened in 2023 by the soaring rental prices in the country which have meant that asylum seekers are struggling to find affordable places to rent.²⁰⁴

Right to Work and labour shortages

Linking the right to work with labour shortages has not worked in Australia.

In theory, the SHEV had the twin benefit of linking asylum seekers to the labour market, potentially channelling them into areas of need and offering them a pathway to settlement that was broadly consistent with the government's philosophy on the relationship between work and welfare. Arguably labour migration and humanitarian protection are based on different rationales but they can intersect. Labour market participation provides asylum seekers with the opportunity to contribute and integrate into the host country while facilitating their pathway to longer-term settlement. However, it is important that refugees and asylum seekers have equal access to labour protections under state law and that those laws comply with International Labour Organization (ILO) conventions.

SHEV emerged from a political compromise, and as such, little scrutiny was given to the type of work SHEV holders might engage in, how they might contribute to the economy, their prospects of finding work, and if they did find work, their potential vulnerability in the labour market.²⁰⁷ For example, SHEV is not a visa that was designed as part of a regional development strategy and there is no federal funding dedicated to facilitate the settlement of people on a SHEV in 'regional Australia'.²⁰⁸ As such, there is little evidence as to how far SHEV visa holders have contributed to easing labour shortages, partly because there is poor visibility of temporary visa holders in general and their role in the labour market.²⁰⁹ One comprehensive literature review in 2016 concluded that almost nothing was known about people seeking asylum and their experiences of work in terms of empirical research.²¹⁰

²⁰⁴ The Guardian. (2023). <u>In Australia's severe rental crisis</u>, asylum seekers are increasingly desperate for a place to live.

²⁰³ Ibid.

²⁰⁵ United Nations High Commissioner for Refugees and International Labour Office, 'Labour Mobility for Refugees: Workshop in Geneva, 11–12 September 2012 – Summary Conclusions' (Report, October 2012)

²⁰⁶ Many bridging visas provide limited work and study rights in Australia.

²⁰⁷ Reilly (2018).

²⁰⁸ Kenny, M. et al,. Submission 55: <u>Submission to the Joint Standing Committee On Migration.</u> <u>Inquiry into Migration in Regional Australia.</u>

²⁰⁹ Parkinson, M. et al (2023)., p. 6.

²¹⁰ Leay, C., Lumbus, A., and Hartley, L. (2016). People Seeking Asylum in Australia and Their Access to Employment: Just What Do We Know?. Cosmopolitan Civil Societies Journal 8(2), pp. 63-83.

What is known is that the bar for permanent settlement with a SHEV visa was considered to be so high at the time of conception as to be near-impossible to achieve, meaning that asylum seekers on this visa faced very little chance of ever qualifying for permanent settlement.²¹¹ This left SHEV visa holders vulnerable to exploitation in the workforce in their efforts to satisfy the restrictive visa pathway requirements.²¹²

'Permanently temporary migration' causes harm

The rise in 'permanently temporary migration' has caused harm and created secondclass citizens. Australia's visa settings have unintentionally enabled a cohort of migrants to become permanently temporary. These people have been working in Australia for long enough to integrate into the community, but remain temporary. ²¹³ Citing little support in Australia for a 'guest worker' society, a recent review of the migration system stated that "Countries where workers stay for extended periods, with no pathway to permanent residence, little access to state support and limited family reunion rights, are not role models for Australia."²¹⁴ It confirmed what the ethics literature reveals which is that, over time, migrants lose their connection with their home countries and become embedded in the Australian community. After this point, sending migrants home has the potential to cause harm both to the migrant and to Australia's social cohesion.²¹⁵

The review found clear evidence of systemic exploitation and the risk of an emerging permanently temporary underclass. It concludes that, cumulatively, these factors erode public confidence.²¹⁶

In February 2023, the Government went some way to redressing these issues by clearing the way for some 20,000 people on TPVs and SHEVs to apply for permanency. This gave them the same rights as permanent residents and ensured that they no longer remain in limbo regarding their status. These affected people who have worked, paid taxes, and integrated into their community but faced limited rights to work, study or get a mortgage.

However, it only applies to those who entered Australia before Operation Sovereign Borders started in 2013 and who hold or have applied for a protection visa. This leaves significant numbers still uncertain as to their immigration status. In October 2022, Australian Government statistics revealed that 70 per cent of the 96,371 people in the onshore processing process are waiting for a decision from Home Affairs, Administrative Appeals Tribunal (AAT) or federal courts.²¹⁷

²¹¹ Scott Morrison, 'Reintroducing TPVs to Resolve Labor's Asylum Legacy Caseload, Cambodia' Transcript of Press Conference, Canberra, 25 September 2014) 5, cited in Reilly (2018).

²¹² Reilly (2018).

²¹³ Parkinson et al. (2023)., p. 98.

²¹⁴ Ihid P 99

²¹⁵ Carens, J. (2013). The Ethics of Migration, Oxford University Press: Oxford.

²¹⁶ Parkinson et al. (2023)., p. 2.

²¹⁷ Department of Home Affairs (2022). Onshore Processing Statistics, October 2022.

Canada: Almost no restrictions on Right to Work

Canada is known for its relative openness to asylum seekers and is often touted as a world leader in refugee resettlement. In 2022, Canada welcomed over 47,500 refugees from over 80 countries, making it the top resettlement country in the world for the fourth year in a row.²¹⁸

Each year Canada grants permanent residence to approximately 30,000 refugees as part of a refugee protection process comprising of two main components: the Refugee and Humanitarian Resettlement Program administered outside Canada, and the In-Canada Refugee Protection Process.²¹⁹

The Refugee and Humanitarian Resettlement Programme, which helps refugees outside of Canada and their country of origin who need protection, is not considered here since they already meet the conditions of the Refugee Convention (many are referred by the UNHCR) and are granted immediate support on arrival to Canada. Resettlement then takes place through different resettlement programmes, including the Government-Assisted Refugees (GAR) programme and the Private Sponsorship of Refugees (PSR) programme. ²²⁰

Under the In-Canada Refugee Protection Process, which is the main focus here, those seeking protection can make a claim at any border crossing or airport, as well as certain government offices inside Canada. However, asylum seekers are required to make a claim for asylum in the first country that they arrive in, so this has to be Canada if the claim is to be approved. In 2021, more than 1,500 asylum seekers entered the country without authorisation but, unlike in other countries, this does not lead to criminal prosecution or automatic detention once they claim asylum (or while their claim is being processed). It can take up to two years for officials to decide whether to grant an applicant protected status, but once that status is granted, most asylum seekers are immediately eligible to apply for permanent residency. In limited circumstances, some unsuccessful asylum seekers may qualify for permanent residency under the humanitarian category.²²¹

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²¹⁸ Government of Canada (2023). News release: <u>Canada doubles resettlement spaces for human rights defenders.</u>

²¹⁹ Canadian Citizenship and Immigration Resource Centre (2021). <u>Refugee Protection</u>. CCIRC: Montreal

The Government of Canada facilitates the travel of GARs to Canada, grants them permanent residency upon arrival, and covers the costs of their resettlement for one year. GARs are entitled to services such as orientation sessions and life skills training through the Resettlement Assistance Programme. After their first year in Canada, all resettled refugees are eligible for means-tested government social programs. The private sponsorship of refugees (PSRs) are sponsored by groups of private individuals in Canada. PSR Holders (SAHs) are organizations that have a signed agreement with the Canadian government to sponsor a refugee or refugees, or to assist other sponsoring 'constituent groups' with their applications. Faith-based organizations play an outsized role in private sponsorship, accounting for 75 per cent of SAHs. Refugees can also be sponsored by 'Groups of Five', whereby five or more Canadian citizens and/or permanent residents, who demonstrate their financial means and sponsorship ability, enter into an agreement to support a refugee or refugees. Private sponsors provide settlement assistance to the refugees under their care for one year.

221 Failed claimants receive a conditional removal order and must leave Canada within 30 days of their decision. However, rejected claimants may seek a stay of removal and apply for leave for judicial review; apply for a temporary resident permit; apply for a pre-removal risk assessment; apply for

Canada's approach to humanitarian protection

A key driver underlying Canada's approach has been its long history over the last half century of welcoming immigrants and valuing multiculturalism. This has been reflected in the legislation of the 1960s and 1970s. A 1971 policy first articulated the government's support for cultural diversity, and legislation in 1976 explicitly set out Canada's commitment to refugees. It also cast immigration as a tool for meeting the country's cultural, economic and social objectives. Like the US, immigration has significantly shaped Canadian culture and society. Foreign-born people now make up about one-quarter of Canada's population, which is one of the highest ratios for industrialised Western nations.

Demographic and economic reasons have also shaped Canada's approach to humanitarian protection. The Canadian government has deliberately leveraged international migration, including the humanitarian route, to counter its ageing population and fulfil employment needs across the country. In 2022, asylum claimants, along with those on work or study permits, were the lead contributors to Canada's population growth, making Canada a leader amongst G7 countries for population growth. In the twelve-month period from 1 January 2022 to 1 January 2023, Canada's population grew by over 1 million people, the highest annual population growth rate (+2.7 per cent) on record since 1957. International migration accounted for nearly all that growth (95.9 per cent), countering an ageing demographic and fuelling economic growth.²²²

Its approach to asylum seekers and refugees is also driven by a commitment to human rights and Canada is a signatory to the 1951 Geneva Convention Relating to the Status of Refugees and its 1967 Protocol.

Right to work requires a permit

All asylum-seekers have the right to work in Canada if they have a work permit. They can apply for a work permit by checking the box for this on their asylum application form. Once they have been found eligible to make a claim, have completed their medical examination, and given their biometrics, the Immigration, Refugees and Citizenship Canada (IRCC) will automatically process and issue them a work permit.

However, this process has recently been expedited because of the considerable strain that Canada's asylum system has found itself under due to sustained high levels of asylum seekers seeking Canada's protection. The lifting of COVID-19 pandemic-related border restrictions also contributed to a renewed surge in asylum claims in Canada, resulting in critical delays in the early stages of asylum claims processing. These delays prevented timely access to work permits for asylum seekers, leaving many without the opportunity to access employment and support themselves

permanent residency on humanitarian and compassionate grounds; appeal their decision to the Refugee Appeal Division (RAD); or seek judicial review through the Federal Court.

²²² Statistics Canada (2023). <u>Canada's Population Estimates: Record-high population growth in 2022</u>.

financially or contribute to the Canadian economy. This, in turn, placed additional pressure on provincial and territorial social assistance and other critical support.²²³

From November 2022, the Canadian government began to process work permits for asylum seekers as soon as they found them eligible, and before they refer them to the IRCC. Claimants still have to fill in an application, complete a medical examination and give their biometrics, but no longer have to wait to be referred to the IRCC to obtain a work permit.²²⁴

Family members may also be eligible for a work permit if the main applicant is making a claim and needs a job to pay for food, clothing and shelter, and the family member is with them in Canada, plans to work and is also applying for refugee status.

State and federal support for asylum seekers

The federal government provides support to asylum seekers who are awaiting the processing of their asylum claim. They do this in several ways. This includes temporary hotel accommodations, interim federal health benefits, and legal aid. The federal government also supports asylum seekers indirectly through funding to the provinces. This includes funding to support interim housing through the Interim Housing Assistance Program (IHAP), and though funding for other social services through the Canada Social Transfer and the Canada-Quebec Accord.²²⁵

In Quebec, for example, asylum seekers can access the following while waiting for a decision on their asylum application: temporary shelter; assistance in finding permanent housing; free information sessions on life in Quebec; last resort financial assistance; preschool, elementary and secondary school education; non-subsidised childcare services; universal employment services; French courses; legal aid and social services.²²⁶

Last-resort financial assistance is for those who are in a precarious financial situation. The purpose of this is to provide financial support for the time it takes to integrate into the labour market and participate actively in society. In Quebec, the basic benefit is \$725 per month for an adult. This stands in stark contrast to the situation in the UK, where asylum seekers have no recourse to public funds, including mainstream welfare benefits and housing.

Importantly, income may be earned up to \$200 per adult without reducing the benefit amount, meaning that asylum seekers can take up work without facing the loss of all their financial assistance. This is the same allowable work income that is also applied to Canadians on the Social Assistance Program, which is aimed at those who have a severely limited capacity for employment.

Strained capacity in the asylum system

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²²³ Government of Canada. (2022). <u>Temporary public policy to exempt refugee claimants, in Canada, from certain requirements for open work permit issuance.</u>

²²⁴ Government of Canada. (2023). <u>Claim refugee status from inside Canada: Work and study permits</u>

²²⁵ Government of Canada. (2022). <u>CIMM – Federal Support for Asylum Seekers</u>.

²²⁶ Government of Quebec. (2023). Asylum seekers.

Under the accelerated process described above, the standard time for issuing a work permit is 30 days once an application has been reviewed and the medical exam results have been received.²²⁷

However, delays and a backlog of claims are still a feature of the system due to the recent rise in global displacement. These delays and restrictions on land border crossings have left asylum seekers at risk of destitution and exploitation. In 2022, Canada had over 90,000 asylum claims to process. In 2023, that is set to increase, with over 60,000 applications having been lodged so far.²²⁸ As of August 2023, there were 199,548 claims still pending.²²⁹ This means some asylum seekers are left waiting months or even years to have their application processed.

The number of claims has also been driven by unofficial crossings from the United States, which have increased in recent years as Donald Trump severely restricted access to the US. Under the Safe Third Country Agreement, asylum seekers are required to make claims in the country where they first arrive. The 2004 agreement applied to land-based ports of entry but not to irregular or unofficial crossings, including that of Roxham Road, a rural county road in the forests of upstate New York, which has become the funnel for asylum seekers attempting to cross the border into Canada. In 2022, nearly 40,000 people entered Canada through this route. This prompted Quebec's premier to demand that the Government resettle claimants in other provinces amid concern that Quebec's capacity to take care of asylum seekers had been exceeded. As a result, there have been reports of social services and housing coming under pressure, with a rise of asylum seekers in homeless shelters and in need of food banks.²³⁰ In Toronto, asylum seekers who were turned away from shelters in the summer of 2023, found themselves sleeping on the street.²³¹

In 2023, the agreement was amended to apply to the length of Canada's land border, rather than just ports of entry. This initially led to a dramatic drop in the number of people intercepted at unofficial crossings, but there are questions about how safe this is, with reports of smugglers helping people to cross the border and wait undetected until the two-week period (under which they can be sent back) lapses.²³²

The recent pressures on the system have shown the disparities between the levels of support available to refugees and the more fractured network of support that is available to asylum seekers who are waiting for their claim to be processed, or for eligibility hearings. Refugees can apply for permanent resident status (including for immediate family members), allowing them to live, work and study anywhere in

²²⁷ Government of Canada. (2023). <u>How long will it take for me to get the work permit under</u> the accelerated process for asylum claimants?

²²⁸ Government of Canada. (2023). Asylum claims by year – 2023.

²²⁹ Immigration and Refugee Board of Canada. (2023). Recent trends.

²³⁰ CBC News. (2023). <u>Quebec's social services under pressure from influx of asylum seekers: advocates.</u>

²³¹ CBC News. (2023). <u>Asylum seekers left sleeping on Toronto streets amid funding stalemate between city, feds.</u>

²³² Reuters News. (2023). <u>Canada shut its land border to asylum seekers. More refugees came anyway.</u>

Canada and receive most social benefits, such as education and healthcare. Thereafter, they can apply for Canadian citizenship.

Delays in processing claims can also have a wider impact on settlement and integration. Prolonged asylum claims have been shown to interrupt education, careers and career-building, resulting in substantial periods of unemployment²³³ as well as atrophy of a person's skills.234

Labour market outcomes

Robust data on the employment rate of asylum seekers in Canada is not available. However, data on refugee outcomes in the labour market indicates that they are likely to face significant barriers to work and that their outcomes are likely to lag behind other immigrant and native workers.

Despite Canada granting the right to work, it is estimated that the unemployment rate among refugees is the highest (nine per cent) among all immigrants in Canada.²³⁵ Even for those who do manage to secure employment, it may be several years before their earnings converge with those of Canadian workers.²³⁶ Refugees tend to experience certain barriers more acutely, such as the complicated migratory process, which includes time in refugee camps, and transit between neighbouring countries, often resulting in the loss of valuable work-related documents and credentials.²³⁷

Furthermore, even those who secure employment may have to endure several years before their earnings equalise with those of their Canadian counterparts. Evidence points to skill devaluing, 238 bias and discrimination in hiring practises, 239 the role of points-based selection policies.²⁴⁰ and the impact of familial structures.²⁴¹ There has

²³³De Jong. (2019).

²³⁴ Hoope, K., Desiderio, M. V. and Salant, B. (2017). Improving the Labour Market Integration of Migrants and Refugees: Empowering Cities through Better Use of EU Instruments (migrationpolicy.org). Migration Policy Institute Europe: Brussels.

²³⁵ Picot, G., Zhang, Y. and Hou, F. (2019). Labour market outcomes among refugees to Canada. IDEAS Working Paper Series from RePEc. Statistics Canada: Ottowa.

²³⁶ Wilkinson, L. and Garcea, J. (2017). The economic integration of refugees in Canada: a mixed record? Migration Policy Institute: Washington, DC.

²³⁷ Krahn, H., Derwing, T., Mulder, M. and Wilkison, L. (2000). Educated and underemployed: Refugee integration into the Canadian labour market. Journal of International Migration and Integration/ Revue de l'integration et de la migration internationale, 1:1, p. 59 -84

²³⁸ Bauder, H. (2003). 'Brain abuse,' or the devaluation of immigrant labour in Canada. Antipode, 35:4, p. 699-717; Creese, G. and Wiebe, B. (2012). Survival employment: Gender and deskilling among African immigrants in Canada. International Migration, 50:5, p.

²³⁹ Fuller, S., and Martin, T. F. (2012). <u>Predicting immigrant employment sequences in the</u> first years of settlement. The International Migration Review, 46:1, p. 138-190.

²⁴⁰ Warman, C. et al. (2015). The portability of new immigrants' human capital: Language, education, and occupational skills. Canadian Public Policy. Analyse de Politiques, 41(Supplement 1), S64-S79.

²⁴¹ Dyson, D., Roos-Walker, E., and Hannan, C. A. (2019). A systems approach to immigrant families and the labour market. H. Bauder (Ed.), Putting family first: Migration and integration in Canada UBC Press, p. 92.

also been a negative impact from the COVID-19 pandemic. Job losses as a result of the pandemic were more significant for recently-arrived immigrants, who saw a reduced employment rate during the initial months of the pandemic compared to Canadian-born workers.²⁴²

The impacts of right to work

While there are benefits to both asylum seekers and Canadian society of a right to work policy, there is little quantifiable evidence of the specific benefits to Canadian employers, the Canadian government and asylum seekers themselves. While something is known of immigrants' and refugees' contribution to sectors such as engineering, healthcare, IT, banking and finance and transportation, data has not been systematically gathered to show which sectors asylum seekers go into and what their work conditions are like.

One reason for this may simply be the longstanding and widely acknowledged contributions of migrants to Canada in terms of filling key labour and skill shortages, and in terms of being a driver of population growth. Notwithstanding recent issues with the rising numbers of claimants, the Canadian public has held favourable views of immigration for decades and so, the need to evidence their impacts may not be considered necessary. In 2022, a survey found that less than 30 per cent of Canadian felt immigration levels were too high. Support or immigration extends beyond public opinion to include the media, business, labour organisation and civil society. All of Canada's major political parties agree on the fundamental features of the immigration system and anti-immigrant campaigns are rare. Part of this is down to the Canadian Government's efforts to promote and embrace a policy of multiculturalism and make diversity part of the national identity, but Canada also does not have the large-scale irregular migration which has fuelled backlash in many other countries, including the US. In this sense, Canada benefits from 'place luck' as it is not easily accessed by asylum seekers through either land, water or air travel.

While asylum policy has tended to generate more controversy, this backdrop has undoubtedly meant that Canada's openness to those seeking protection, and their right to seek work and contribute to Canadian society, culture and the economy, has not faced any serious reversal of policy.

Sweden: Almost no restrictions on Right to Work

Sweden is often singled out as having the most inclusive integration policy for migrants in general and refugees and their families in particular.²⁴⁵

²⁴² Cornelissen, L., and Turcotte, M. (2020). <u>Persistent overqualification among immigrants</u> and non-immigrants.

²⁴³ Environics Institute. (2022). <u>Canadian public opinion about immigration and refugees.</u>
²⁴⁴ Reese, L. A., and Ye, M. (2011). Policy versus Place Luck: Achieving Local Economic

Prosperity. Economic Development Quarterly, 25(3), pp. 221–236.

²⁴⁵ Huddleston, T., Bilgili, O. and Vankova, Z. (2015). <u>Migrant Integration Policy Index 2015</u>. Barcelona/ Brussels: CIDOB and MPG; Wolffhardt, A., Conte, C., and Huddleston, T. (2019). <u>The European benchmark for refugee integration: A comparative analysis of the national integration evaluation mechanism in 14 EU countries</u>. Migration Policy Group: Brussels.

The origins of this lie in a commitment to human rights (Sweden ratified the UN convention of refugees in 1954 and the right of asylum was fully implemented in the new Foreigner Act of 1954). The origins of Swedish integration policy can also be traced back to the ideological concept of 'welfare-state citizenship'246 which has manifested itself in subsequent laws. The Foreigner Act, for example, enabled permanent residency (bosättningstillstånd) and the equal status of foreigners in the labour market. Since then, Swedish reception policies and laws have been deeply interconnected with integration. This notion of citizenship, aimed at fostering 'belonging' through social rights, informed the way in which Sweden would receive newcomers, a central principle being to prepare the newcomers for labour market participation and turn them into 'self-sufficient' individuals. Since then, reception legislation has been characterised by a remarkable institutional stability and a strong objective of equal rights, responsibilities and opportunities.²⁴⁷ The reforms that were launched in 2008, however, and which are discussed in more detail below, were also partly motivated by the need to fill labour shortages in sectors where it was proving hard to recruit.

In spite of this, the employment gap between native born and foreign born is among the largest among all OECD countries²⁴⁸ and the situation is particularly difficult for asylum seekers and refugees.²⁴⁹ As a result, the Swedish Government have implemented a series of reforms to integration policy, starting with the Establishment Law in 2010.²⁵⁰ However, high unemployment rates among refugees and their reunited families persisted and continue to present a challenge for integration policy.²⁵¹ This has prompted the government to invest significantly in labour market integration, reorganise its flagship Introduction Program for refugees, and experiment with new policy solutions.

Following the arrival of significant numbers of refugees to Europe in 2015/16, the number of asylum applications in Sweden increased dramatically. In 2015, a total of around 163,000 persons applied for asylum in Sweden, of which around 51 000 came from Syria. As a result of this and of the pressures this put on services such as housing, in November 2015, the government announced a change in the asylum and

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²⁴⁶ Barthoma, S. et al. (2020). <u>Reception Policies, Practices and Responses</u>. Sweden Country Report. RESPOND Working Paper, Uppsala University.

²⁴⁷ Qvist, M. (2012). Styrning av lokala integrationsprogram: Institutioner, nätverk och professionella normer inom det svenska flyktingmottagandet. Linköping Studies in Arts and Science, No. 562. Linköping: Department of Social and Welfare Studies, Linköping University.

²⁴⁸ OECD (2019). International Migration Outlook 2019. OECD Publishing: Paris.

²⁴⁹ Luik, M. A., Émilsson, H. and Bevelander, P. (2018), The Male Immigrant–Native Employment Gap in Sweden: Migrant Admission Categories and Human Capital. Journal of Population Research. 35(4), pp. 363–398.

²⁵⁰ This followed the negative conclusions of the 2007 OECD-Lamaitre report and aimed to speed up migrant integration through employment-orientated measures. It was considered at the time to be the most significant change to Swedish integration policy in decades by the OECD, giving integration a strong labour-market orientation, with gainful employment seen as a key indicator of successful integration.

²⁵¹ Bevelander, P. and N. Irastorza. (2014). <u>Catching Up: The Labor Market Integration of New Immigrants in Sweden</u>. Washington, DC and Geneva: Migration Policy Institute and International Labour Office.

²⁵² Righard, E., Emilsson, H. and T. G. Jensen. (2020). <u>Integration into the Labour Market and Skills Training in Sweden.</u> Malmo University: Malmo.

family migration regulations, and a new three-year temporary law came into force into in 2016. After the new law, the number of asylum application dropped to 29,000 in 2016. In 2022, that number had dropped to 16,738 first applications for asylum but this was a 48 per cent increase from the previous year which saw 11,412 first applications, consistent with a general rise across many European countries.

The greatest change in the temporary law was the type of residency permit that asylum seekers are granted. Before the law change, the large majority of asylum seekers received permanent residency upon recognition. With the new law, resettled refugees are the only category who can receive a permanent residency. Those who are recognised as refugees according to the 1951 convention receives a residency permit of 3 years, and those who are given status of subsidiary protection are given a 13-month residency permit.

Some political parties changed their political positions after the arrival of refugees in 2015/16 and advocated for tougher integration policies with civic integration and income requirements for residence permits.

In June 2021, the temporary law was replaced by permanent amendments to the Aliens Act and the government brought in the following changes:

All new residence permits would now be temporary (excluding those for resettled refugees). The first time-limited permit can vary in length, but in case of extension, a two-year residence permit is the main rule regardless of the type of permit in question.

- New requirements for obtaining a permanent residence permit include a selfsubsistence requirement (adults must be able to support themselves and have a decent housing standard) and a requirement that it can only be granted after a minimum of three years.
- New maintenance requirements when relatives apply for a residence permit: a
 relative in Sweden must be able to support both themselves and the family
 members who want to apply for a residence permit, and have a home of
 sufficient size and standards for all to live in.

These changes illustrate a political shift away towards more conditional terms of residency and time-limited recognition status. The right-wing surge after 2015, provoked an increase in xenophobia and misconceptions about the future of the Swedish welfare state, issues that were largely fuelled by right-wing rhetoric. The Swedish parties' political discourse took up the notion that reception standards in Sweden should not exceed minimum EU reception standards, putting into question the nonexcludable accessibility of the Swedish welfare state.

Although the refugee crisis led to changes in asylum and family migration policies, labour market integration policies in Sweden are still regarded as broadly favourable towards migrants in comparison to many other European countries.²⁵³ In theory at least, the system is designed to provide the flexibility for employers to recruit whom they want, regardless of formal skills or objective needs in the labour market, and it

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²⁵³ Migrant Integration Policy Index. (2020). Key findings, Sweden.

seems equally safe for labour migrants and domestic workers, since labour migrants are guaranteed wages and conditions that are in line with those agreed in Swedish collective bargaining agreements.

Most asylum seekers have the right to work

Historically, the underlying principle of the Swedish integration policy has been equal rights. In line with this, efforts have been made to remove obstacles to enter the labour market for asylum seekers.

A work permit is required to work in Sweden but asylum seekers can get an AT-UND instead which means they can work without a permit.²⁵⁴ To get an AT-UND, an asylum seeker must:

- Be able to present an approved identity document or demonstrate their identity in some other way.
- Have applied for asylum in Sweden.
- Have no applied for asylum previously and had their application refused.²⁵⁵

An employer can see that an asylum seeker has an AT-UND by scanning a QR code on their LMA card.²⁵⁶ In 2020, 9,527 asylum-seekers were granted the right to seek work. In 2021, 3,943 asylum-seekers were granted the right to work. The number increased to 7,499 in 2022.²⁵⁷

Asylum seekers are then free to find work, either through the *Arbetsförmedlingen* (Swedish public employment service), employment and recruitment agencies, or through their own contacts and networks, but the onus is on them to find work and no further support is offered by mainstream public services to assist their labour market entry and integration. They do, however, have access to some language training and civic orientation outside the formal system organised by study associations, high schools and NGOs, and such initiatives are increasingly supported by the state. ²⁵⁸ These measures aim to make the most of the long waiting periods that asylum seekers may experience by allowing participants to settle in more quickly into Swedish society.

²⁵⁵ Informationsvergie. (2023). <u>Working during the asylum application period</u>. Information correct as at September 2023.

²⁵⁴ AT-UND stands for exception from the requirement for a work permit.

²⁵⁶ This is an asylum seeker card which is issued by the Migration Agency's Reception Unit, and which proves that the carrier is an asylum seeker who is allowed to remain in Sweden while they wait a decision on their application.

²⁵⁷ Migrationsverket (The Swedish Migration Agency). (2023). <u>Statistics on asylum applications</u>.
²⁵⁸ Some associations, organisations and municipalities have special activities only for asylum seekers. Participation in these is voluntary. These are known as early support efforts for asylum seekers. The activities are intended for people waiting for an asylum decision as well as for people who have been granted a residence permit but are still living in an accommodation centre. Activities include learning Swedish, getting information about Swedish society and about how the Swedish labour market works, and learning about looking after one's own and one's family's health. Participation is free of charge and in some cases, the Migration Agency can pay a travel allowance to facilitate attendance at these activities. Informationsvergie. (2023). <u>Activities during the asylum application period</u>.

Asylum seekers who have had their application refused are not allowed to work. However, if a person has been employed for more than four months before a negative decision, he or she can apply for a work permit and switch the status from an asylum seeker to a labour migrant. If they then obtain at least a one-year contract from the same employer, they can then apply for a work permit within two weeks. If successful, a work permit for up to two years can be granted. Multiple applications can be made but after four years with temporary permits, an application for a permanent residence permit is possible, provided that they have sufficient means to support and accommodate their family. The ability to switch status as an asylum seeker to a labour migrant was introduced in 2008 by the government as part of its integration policies and in order to respond to situations where rejected asylum seekers, with skills needed in Sweden, could demonstrate through their work experience that they had the required proficiency and knowledge to access the labour market.

In recent years, the number of applications for changing status has been steadily increasing. This means that one in six people whose asylum application was rejected has applied for a track change in the period 2017 - 2022. Since the system of changing tracks was introduced in December 2008, up to and including December 2021, just over 20,000 people in total have applied for a track change, of whom about 40 per cent have had their application granted.

Other supportive integration measures

Apart from the right to work, and some of the civic orientation and language activities mentioned above, there are no other measures to support the labour market integration of asylum seekers. This is important because there is no time limit for the Swedish Migration Agency to make a decision on an asylum application, meaning that applicants could be waiting months, if not years.

Housing at accommodation provided by the Migration Agency is free. If an asylum seeker has their own resources, then they must pay for accommodation themselves.

Financial assistance varies according to whether an asylum seeker is in accommodation provided by the Migration Agency or whether they are in private accommodation. In the case of the former, food is included for free, and so the allowance only covers other expenses. In the case of those in private accommodation, the allowance covers the cost of food as well. The levels of daily financial support are low and have not been increased since 1994, leaving many asylum seekers at risk of poverty and destitution. Asylum seekers are expected to live well below the Swedish minimum income, sometimes for several years, and the situation is made worse by factors such as the lack of affordable housing.²⁵⁹ For a single adult in an accommodation centre, this is €2.15 per day; for a single adult in private accommodation, this is €6.36. This is significantly lower (€190.91 per month for an asylum seeker in private accommodation) than the allowance for settled residents who are entitled to social welfare, which covers similar areas of support (€414.67).

Drivers of the Right to Work

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²⁵⁹ The European Anti-Poverty Network (2019), Poverty Report Sweden 2019. EAPN: Sweden.

The key driver of the right to work policy were labour shortages. However, the result of these policies was that they left many open to exploitation in an employer-driven system.

The labour immigration reforms that were launched in 2008 made Sweden 'the most open labour migration system among OECD countries.' These reforms abolished most state control and the restrictive rules based on labour market tests and introduced an employer-led system, which saw employers free to recruit third-country nationals, including asylum seekers, for any occupation and sector. This significantly curtailed trade union influence on labour immigration practices.

The government argued that the 'main driving force' for the 2008 reform was the labour shortages that could not 'be filled solely by people living in Sweden or other EEA countries' As such, the main goal was to increase labour migration from third countries to occupational sectors experiencing labour shortages. The idea at the time was to create an employer-driven system that would be able to respond flexibly to ever-changing needs on the labour market, while protecting the rights of migrant workers. ²⁶²

This easing of access to work was not targeted specifically at asylum seekers, but third-country nationals more generally. Nevertheless, they included a change which would allow refused asylum seekers to switch tracks to a labour migrant if they could demonstrate that their skills and experience were needed in Sweden, and numbers of asylum seekers taking this route gradually increased over subsequent years.

However, there is now evidence that these reforms went too far, putting many workers at risk of exploitation in low-skilled sectors. In the years following the reform, numerous third-country migrants, including asylum seekers, were recruited, not only to shortage occupations but also to low-skilled occupations without labour shortages. This prompted OECD to express concern and to call for closer monitoring of collective agreements, amongst other things.

According to the Swedish law, the employment conditions of third-country labour migrants must not be below the minimum level of the collective agreement or the praxis in the sector. In contrast to most other EU countries, Sweden has neither statutory minimum wages, nor any mechanisms to extend collective agreements to whole sectors. This gives trade unions a key role in promoting decent employment conditions, but as the OECD remarked at the time, it was difficult for trade unions to play a role in monitoring employers and workplaces that were not covered by collective agreements.²⁶⁴

Since then, the number of low-skilled and low-paid service jobs has grown and, as a result, the competition to get such jobs has become fierce. From an employer

²⁶⁰ OECD. (2011). Recruiting Immigrant Workers: Sweden 2011. OECD Publishing.

 ²⁶¹ Emilsson, H. (2016). Recruitment to Occupations with a Surplus of Workers: The Unexpected Outcomes of Swedish Demand-Driven Labour Migration Policy. International Migration. 54(2), p. 5-7
 ²⁶² Frodin, O. and Kjellberg, A. (2018). Migration from Third Countries to Swedish Low-wage Jobs. Nordic Journal of Working Life Studies 8:1, p. 65-85.
 ²⁶³ Ibid.

²⁶⁴ OECD (2011).

perspective 'the supply of persons available for jobs in the low-wage sector has been beneficial' and this increases the potential for exploitation.²⁶⁵

This risk of exploitation is further exacerbated by the structural features of the Swedish labour market. Most notable of these are the lack of low-skilled jobs as a share of total employment in Sweden. This is discussed below.

Structural features of the labour market

In contrast to patterns observed elsewhere in the OECD, employment disparities between the foreign and native-born populations with the same qualification level are particularly pronounced among those with low levels of education in Sweden. This structural feature of the Swedish labour market exacerbates integration. Almost one-third of immigrants hold, at most, a lower secondary education which is twice the proportion of the among the native-born. High, collective bargained entry wages and relatively knowledge-intensive production have meant that few jobs require less than an upper-secondary education, and the share of low-skilled employment in Sweden – accounting for around five per cent of total employment – is among the lowest in the OECD.²⁶⁶

This poses a particular issue for many asylum seekers since historically, many tend to be younger and lower skilled, or their qualifications are less likely to be recognised in Sweden.²⁶⁷ As such, they often find it difficult to find employment regardless of their qualifications and generally end up in work that is limited to unqualified, low-skilled sectors (e.g. working in construction, casual labour etc).²⁶⁸

A low-skilled worker competing in a sector with a surplus of labour is much more exposed and vulnerable to abuse than a highly skilled professional with access to a global labour market.

The increased supply of low-skilled labour in a country like Sweden, with few low-skilled jobs results in higher unemployment among low-skilled workers, increased competition and displacement,²⁶⁹ with asylum seekers seldom having alternative employers. This is what happened in sectors of the economy where Sweden had a surplus of labour such as jobs in the hotel and restaurant sector, janitors and home

²⁶⁵ Åberg, R. (2012). Svensk Arbetsmarknad mot Polarisering efter Millenieskiftet. <u>Arbetsmarknad & Arbetsliv</u>, 21(4), pp. 8–25.

²⁶⁶ OECD. (2016). Working Together: Skills and Labour Market Integration of Immigrants and their Children in Sweden. OECD Publishing: Paris.

²⁶⁷ Some groups of asylum seekers and refugees, such as those from Syria, are likely to be an exception to this.

²⁶⁸ Barthoma, S. et al. (2020). <u>Reception Policies, Practices and Responses.</u> Sweden Country Report. RESPOND Working Paper, Uppsala University.

²⁶⁹ In 2014, Sweden had an unemployment rate of 19% among low-skilled workers, significantly higher than the OECD average for low-skilled employment levels.

care providers.²⁷⁰ These conditions increased the risk of exploitation of asylum seekers and evidence of this has been well documented.²⁷¹

In 2022, the Swedish National Audit Office found that the system of 'changing tracks', whereby a refused asylum seeker can seek work under certain conditions by changing their status to being that of a labour migrant, can make it possible to circumvent legislation on asylum and labour immigration. In addition, they found:

"a risk of wage dumping, that sham employment goes undetected, that vulnerable people are exploited in the labour market, and that people who do not meet the criteria for changing tracks can still be granted residence and work permits." 272

While collective bargaining agreements²⁷³ and trade unions are supposed to protect these kinds of workers, it was often difficult to determine whether agreements meant that pay levels were satisfactory.²⁷⁴ Moreover, not all employers had a collective agreement in place.²⁷⁵

The reforms of 2008, and the design of the regulatory framework, put many labour migrants in a vulnerable position, especially asylum seekers many of whom were already in a disadvantaged position. As the work permit linked the migrant to a single employer in a particular occupation, and because expulsion would follow after a few months of unemployment if the migrant lost their job, very unequal power relations were created. Through the restrictions of the work permit, the legislation constructed employment relations which strongly resembled the conditions of unfree labour. On the other hand, the prospects of getting a permanent residence permit after four years of work appeared very attractive for both economic migrants and those asylum seekers who have changed track. This combination of restrictions and prospects created the condition under which the exploitation of these workers became possible.

Improving labour protection

A number of changes have been made to the system since its introduction in 2008. However, improving labour protection has proven a challenge in practise. For example, when the authorities tried to improve the protection of vulnerable low-skilled labour migrants, including asylum seekers, the controls had a negative impact on highly-qualified labour migrants. Consequently, the "flexibility" promised by the reform was largely lost as a result of over-liberalisation and more cumbersome processes.²⁷⁶

²⁷⁰ Pelling, A. (2020). <u>Opening Doors to Labour Migration: Lessons from Sweden.</u> Foundation for European Progressive Studies: Brussels.

²⁷¹ For example, see Swedish National Audit Office. (2016). <u>Summary: An effective labour immigration system?</u> Swedish National Audit Office.

²⁷² Swedish National Audit Office. (2022). <u>Changing Tracks in the Migration Process.</u> Swedish National Audit Office.

²⁷³ Employment conditions in Sweden must correspond to the conditions set in collective bargaining agreements in the relevant sector of the economy. This includes the level of pay, working conditions and the provision of insurance.

²⁷⁴ Swedish National Audit Office (2016).

²⁷⁵ One study of restaurant and cleaning workers in Stockholm found that every second worker was recruited to a company without a collective agreement. See Frodin and Kjellberg (2018).

²⁷⁶ See Pelling (2020), p. 13 for a full discussion of this problem.

When in 2011 the government commissioned the Migration Board to counteract abuse of the new rules for labour immigration, special control procedures were introduced for the berry picking industry, for example. In 2012, rules were put in place for companies with less than 50 employees in areas such as cleaning, hotels and restaurants, where a surplus of workers puts a downward pressure on wages and conditions. However, it has continued to be a challenge for the Swedish Migration Board to design the right measure of controls.

Sweden, famous for its high union density and collective agreement coverage has been put under increasing pressure over the past few decades with a decline in union density among blue-collar workers, an employment gap between the native-born and foreign-born that is one of the largest among the European OECD countries, and the arrival of a number of asylum seekers which has tested the limits of its reception and integration policies and infrastructure. Since then, the largely permanent basis upon which asylum seekers could access work as a means to progressing towards permanent residency has been replaced with temporary work permits that attach greater conditionality to the granting of permanent residency.

Portugal: Almost no restrictions on Right to Work

Portugal has a long history as a country of emigration. Despite several periods of immigration over the past half century, the share of the foreign-born population remains low in Portugal relative to other OECD countries (nine per cent compared with a 13 per cent OECD average in 2018). Until the mid-1990s, most immigrants came from the former Portuguese African colonies and to a lesser extent from Brazil. In the late 1990s and early 2000s, a new wave of labour migration came first from Eastern and South-Eastern Europe, followed by a more recent wave from Brazil. As a result, the four main nationalities of foreign residents in 2018 were Brazilian (20 per cent), Cape Verdean (eight per cent), Ukrainian (eight per cent), and Romanian (seven per cent).²⁷⁷

Most immigration to Portugal has been labour and family related. Given its geographical position, the country has historically received few asylum seekers. From 2008 until 2014, just before the 2015/16 surge in asylum seekers in Europe, Portugal granted humanitarian protection to less than 600 individuals. This number is small, both in absolute and in per-capita terms, when compared with other European OECD countries. For Portugal, humanitarian inflows represent less than one per cent of permanent migration inflows over this period.²⁷⁸

The 2015/16 surge of asylum seekers in Europe led to a tripling of asylum requests from 2014 to 2017, but even with this increase, the number of asylum requests per capita remained modest by international comparisons. Even after receiving the sixth-highest total number of refugees through the 2015–2018 EU resettlement scheme, as well as entries from various other relocation programmes, the country hosted only

²⁷⁷ OECD. (2019). <u>Finding their way: The integration of refugees in Portugal</u>. ²⁷⁸ Ihid

2,651 refugees in 2021, or 0.1 per cent of total refugees in the EU.²⁷⁹ In spite of this, the Portuguese Authorities have made efforts to develop a new and comprehensive system to relocate and facilitate the integration of asylum seekers. This has made Portugal one of the leading 'Top Ten' countries, alongside leading Nordic and traditional destination countries, in the MIPEX ranking of integration policies.²⁸⁰

Alongside its long history of emigration, a related key driver of Portugal's approach to immigration has been its demographic crisis, with one of the fastest declining populations in Europe, a historically low birth rate and an old-age dependency ratio that is set to top the EU by 2050. All of this has increased the need to promote immigration while reducing emigration.²⁸¹

Immediate right to work

Since 2022, Portugal has granted immediate rights to work for asylum seekers, with few restrictions.

According to the 2019 MIPEX rankings, Portugal leads the way among the 'newer' destination countries, far ahead of countries like Italy and Spain, when it comes to economic migration.²⁸² Ranked #1 in labour market policies, alongside Germany and the Nordics (Finland, Norway, Denmark, Sweden and Iceland), Portugal guarantees equal treatment and targeted support both for Portuguese and non-EU citizens. As such. Portugal is one of the few OECD countries in which all asylum seekers can access work shortly after arrival, facing no geographical, sectoral or occupational restrictions in the labour market.

In 2022, an amendment to the Asylum Act meant that asylum seekers could work from the moment of their application for international protection. Previous to this, asylum seekers had to wait for admission to the regular procedure²⁸³ and issuing of a provisional residence permit, which usually took around one month.

There are no limitations attached to the right of asylum seekers to employment, such as labour market tests or the prioritisation of nationals and legally resident third country nationals, and the issuing of provisional residents' permits are free of charge. The only restriction on employment enshrined in the law consists of limited access to certain categories of public sector jobs, but this is in place for all third-country nationals and

²⁷⁹ European Commission. (2021). Portugal: The commitment to hosting refugees and migrants continues; World Bank. (2022). Refugee population by country or territory of asylum - Portugal.

²⁸⁰ Migrant Integration Policy Index. (2020). Key Findings, Portugal.

²⁸¹ European Commission (2015). Wise (2022).

²⁸² Migrant Integration Policy Index (2020).

²⁸³ If an asylum seeker's application met the admissibility criteria (first stage of the asylum decision) and the claim was not considered unfounded, they are admitted to the regular procedure and they would be issued a temporary residency permit within 30 days. This is valid for 6 months (renewable for equal periods of time). If they have been admitted to the regular procedure, SEF will further assess their application and decide whether the applicant should be recognised as a refugee or not. This stage of the procedure can last up to 6 months and can be extended to 9 months in cases of particular complexity. In practice, this stage could extend beyond 9 months.

not just those seeking asylum. Asylum seekers benefit from the same conditions of employment as nationals, including regarding salaries and working hours.²⁸⁴

Changes to facilitate access to work

Portugal has recently made other changes to facilitate access to work for those with temporary protection.

Portugal has recently tried to ensure that skills recognition of foreign qualifications held by asylum seekers is not a further barrier to accessing work, training or education. Following the activation of the temporary protection regime in relation to displaced people from Ukraine, a number of legislative provisions were enacted regarding the recognition of qualifications and skills of those seeking temporary protection from Ukraine. Accordingly, such requests have priority and are exempt from a number of bureaucratic requirements such as the legalisation of documents issued by foreign entities and certification of copies. Applicants are also exempt from the payment of fees. A subsequent Decree-Law125 established procedural guidance in the event that documentation is lacking due to the experience of war. The law also established that beneficiaries of temporary protection holding foreign certificates or diplomas that are not recognised in Portugal must have guaranteed access to a higher education institution granting a degree in the same field upon request.

Although this does not yet apply to other groups who are seeking protection, the changes are a commendable approach to skills recognition, which is known to be a key barrier to the labour market integration of asylum seekers and refugees in many other countries. If proven to be impactful, there is potential for it to be applied to other groups of asylum seekers and refugees.

It is too early to assess what impact some of these changes have had on asylum seekers access to work. At the time of writing, there are no available statistics on the number of asylum seekers in Portugal who are in employment. However, what is known is that they face a number of barriers to accessing work, similar to those faced by asylum seekers in other countries. These include language skills, professional skills that are not aligned with those needed by employers, recognition of foreign qualifications, the reluctance of some employers to hire asylum seekers, lack of support networks, and limited knowledge of the local labour market and cultural norms.²⁸⁷

Germany: Right to Work granted after three months

Germany is one of the top destinations for asylum seekers and refugees in the EU. In response to the 2015/16 large-scale arrivals, Germany suspended the Dublin agreement and took in over one million asylum seekers during this time. It was the

²⁸⁴ Portuguese Refugee Council (2023).

²⁸⁵ For details of the decree, please see: <u>diariodarepublica.pt/dr/en/detail/decree-law/24-b-2022-</u>180398387.

²⁸⁶ Asylum Information Database (2022).

²⁸⁷ Portuguese Refugee Council (2023).

only European country to do this and, with relatively little experience of refugee resettlement, has seen many of those successfully find work, education and training.

Since then, a number of restrictions have been put in place regarding access to work, particularly for those in initial reception centres. These are detailed in the section below.

In 2022, a total of 244,132 first applications for asylum were lodged in Germany, compared to 190,816 in 2021. These were mainly by Syrian, Afghan and Turkish nationals. The overall recognition rate was 72 per cent, but with wide variation depending on nationality, with Syrian and Afghans having a recognition rate of 99 per cent.²⁸⁸

Right to work is granted after three months

Asylum-seekers are not allowed to work for the first three months of their wait, after which point they are subject to a labour market test. The main difference between those that are granted the right to work and those who are not is whether they have permission to stay (Aufenthaltsgestattung) or are 'tolerated' (Duldung). A tolerated stay permit is not actually a residence permit, but a temporary residence document which enables the person to stay in Germany for a limited period. It applies to those whose application has been rejected but whose removal is suspended for either legal or practical reasons. Those who hold it can legally reside in Germany for the time, but their obligation to leave still stands. Since 2022, however, it is possible for some of those with this status to legalise their stay and obtain legal residence.²⁸⁹ Aufenthaltsgestattung is only a temporary residence permit for the time that the asylum request is pending.

If an application for asylum is accepted, the person can work without restriction and has the same rights as a German citizen in the labour market. Even those who are 'tolerated' can also take up work after waiting a period of six months at the discretion of the authorities. After 15 months, asylum-seekers and those on subsidiary protection – called 'Geduldete' or 'tolerated persons' – can also work without restriction.

Requirements around control – how much one can be blamed for one's situation – and reciprocity – one's contribution to society – are also embedded in German immigration law and public discourse tends to separate 'deserving' asylum seekers from 'undeserving' economic migrants. The official label of 'tolerated' implies this and so it would seem that Germans too feel some unease with the idea of an entirely unconditional welcome for asylum-seekers.

Notwithstanding this, there seems to be a larger framing of migration in Germany as a potential asset rather than a hindrance.

Recent restrictions on the right to work

²⁸⁸ Stiller, M., and Hoffmeyer-Zlotnik, P. (2022). <u>Country Report: Germany. European Council</u> on Refugees and Exiles.

²⁸⁹ For more on this see: Hoffmeyer-Zlotnik, P., and Stiller, M. (2023b). Overview of the Main Changes Since the Previous Report Update.

Recent years have seen the imposition of restrictions to the right to work, particularly for those in initial reception centres. While applying for protection, asylum seekers do not have a right to choose the Federal state or location where they will live. Moreover, their permission to remain and work is linked to a specific place of residence and specifies the area within which they can live.

Prior to 2020, asylum seekers were barred from access to employment as long as they were under an obligation to stay in an initial reception centre (outside these centres, they could be permitted to take up employment after having stayed in the federal territory for three months). However, this limitation has been severely extended by the 2019 Skilled Workers' Immigration Act. While the initial law foresaw a maximum stay in a reception centre of three months, the maximum was extended to six months in 2015 and by 12 months in 2019, meaning that asylum seekers may now be obliged to stay in an initial reception centre for 18 months and sometimes longer.²⁹⁰

There are other restrictions that may limit access to the labour market for asylum seekers.

First, the labour market test requires asylum seekers to apply for an employment permit each time they want to take up employment. To that end, they have to prove that there is a 'concrete' job offer, i.e. an employer has to declare that the asylum seeker will be employed in case the employment permit is granted, and a detailed job description must be shared with the authorities.

Second, final authorisation must be given by the Federal Employment Agency. Decision-making power is relatively decentralised to municipal immigration bodies, so there can be some variation in implementation, but immigration officials have been found to consistently draw on ideas of 'deservingness' which relate to the CARIN criteria (control, attitude, reciprocity, identity and need).²⁹¹

Welfare support for asylum seekers

Asylum seekers are entitled to welfare support from the moment they request asylum (*Asylgesuch*) in accordance with the Asylum Seekers' Benefits Act. They do not receive the full benefits, however, until they formally gain the status of an asylum seeker through the issuance of an arrival certificate at the reception centre to which they have been assigned. In practice, this usually happens within a few days after they have reported to the authorities.

If asylum seekers live in an initial reception facility or shared accommodation, they are provided with items that count as "necessary needs." This includes food, shelter, heating, clothing, health and personal care products, and household goods. The

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²⁹⁰ Hoffmeyer-Zlotnik, P., and Stiller, M. (2023c). <u>Access to the Labour Market. Germany</u> Asylum Information Database, European Council on Refugees and Exiles; Hoffmeyer-Zlotnik, P., and Stiller, M. (2023d). <u>Freedom of Movement. Germany.</u> Asylum Information Database, European Council on Refugees and Exiles.
²⁹¹ Ibid.

protection seekers are also entitled to cash benefits ('pocket money'). For single beneficiaries, this is currently about 150 euros per month.

If food, clothing and other daily necessities are not provided in kind, asylum seekers receive a monthly cash benefit. As of January 2023, the monthly rate for a single adult was 410 Euros and 369 euros for a single adult in an accommodation centre. These rates amount to a level of about 82 per cent of regular social benefits – and less than 75 per cent for single adults living in accommodation centres. ²⁹² If asylum seekers qualify for support under the Asylum Seekers Benefit Act, then they can earn up to €200 for some voluntary activities without their benefits being reduced.

Before 2019, asylum seekers were usually granted access to regular social benefits after 15 months of benefits received under the Asylum Seekers' Benefits Act. However, the waiting period to access regular social benefits was extended by an additional 3 months in 2019 and so asylum seekers now have to wait up to 18 months before they are entitled to regular social benefits.²⁹³

Those who have already been granted international protection in another EU Member State, or whose asylum application in Germany has been rejected as inadmissible and whose obligation to leave the territory is enforceable, or those who are 'tolerated' are excluded from all social benefits after a transition period of two weeks.²⁹⁴

Asylum seekers can be housed in three types of accommodation: reception centres, collective accommodation centres and decentralised accommodation. Emergency centres were reintroduced after 2022 following a rise in the numbers of asylum seekers but they are intended to be temporary.

Asylum seekers are generally obliged to stay in an initial reception centre for a period of up to 18 months after their application has been lodged. The Federal States are required to establish and maintain the initial reception centres and, as such, there is at least one such centre in each of Germany's 16 Federal States with most Federal States having several initial reception facilities. Conditions in these facilities varies and some have recently been criticised for having sub-standard levels of living conditions by NGOs, volunteers and asylum seekers.²⁹⁵

Once the obligation to stay in initial reception centres ends, asylum seekers should, 'as a rule', be accommodated in collective accommodation centres. These accommodation centres are usually located within the same Federal State as the initial reception centre to which the asylum seeker was sent for the initial reception period. Decentralised accommodation usually refers to asylum seekers' own accommodation.

²⁹² Hoffmeyer-Zlotnik, P., and Stiller, M. (2023a).

²⁹³ Section 2(1) Asylum Seekers' Benefit Act.

²⁹⁴ Hoffmeyer-Zlotnik, P., and Stiller, M. (2023e). <u>Reduction or withdrawal of reception conditions</u>. <u>Germany</u>. Asylum Information Database, European Council on Refugees and Exiles.

²⁹⁵ Hoffmeyer-Zlotnik, P., and Stiller, M. (2023f). <u>Conditions in Reception Facilities. Germany.</u>
Asylum Information Database, European Council on Refugees and Exiles.

However, the general housing crisis in Germany means that many struggle to enter the housing market and have to stay in reception centres.²⁹⁶

Generally, access to health care is restricted for asylum seekers for the first 18 months. This precludes instances of acute disease, medical treatment, vaccinations and preventative medical checkups and care for pregnant women. After 18 months, asylum seekers are entitled to health care under the same conditions that apply to German citizens who receive social benefits.²⁹⁷

The labour market integration of asylum seekers

Germany's approach to the labour market integration of asylum seekers is widely recognised as a success.

Prior to 2015, the number of people applying for asylum in Germany was relatively low. Arrivals predominantly came from seven countries: Iraq, Turkey, Russia, Afghanistan, Kosovo, Serbia, and Syria. While asylum seekers only had to wait three months before gaining access to the labour market – one of the lowest waiting times in Europe – underemployment was high. After large numbers fled war and terrorism in Syria, Afghanistan and Iraq and arrived on Europe's shores in 2015/16, the German Chancellor, Angela Merkel, announcing "We can do this!" and suspended the Dublin agreement. Germany took in over one-million first-time asylum applications during this time, the vast majority coming from Syria, Afghanistan, Iraq, Iran and Eritrea. The majority of these asylum seekers (87 per cent) left their countries because of war, persecution or forced labour. By 2018, most of the 1.8 million people in Germany with a refugee background either had protection (refugee) status (72 per cent) or were tolerated (nine percent), while two per cent faced orders to leave the country and 17 per cent were still in asylum proceedings.

In spite of the scale of these arrivals, and many of their characteristics which indicated a more challenging experience of labour market integration, 300 evidence shows that their integration into the labour market has been slightly faster than previous cohorts of refugees into Germany. Nineteen per cent of asylum seekers who arrived in Germany in 2015 were in a job by 2017.301 Forty-nine per cent of those who came since 2013 were able to find steady employment within five years of arriving.302 Seventy-five per cent were younger than 40 and most had higher levels of education

²⁹⁶ Hoffmeyer-Zlotnik, P., and Stiller, M. (2023g). <u>Types of Accommodation. Germany.</u> Asylum Information Database, European Council on Refugees and Exiles.

²⁹⁷ Hoffmeyer-Zlotnik, P., and Stiller, M. (2023h). <u>Healthcare. Germany.</u> Asylum Information Database, European Council on Refugees and Exiles.

²⁹⁸ Degler and Liebig (2017).

²⁹⁹ Brücker, Jaschke, and Kosyakova (2019).

³⁰⁰ For example, many reported trauma and post-traumatic stress and schooling levels among these newcomers was highly polarised, with 26 per cent having only a primary education or less. See Brücker, Jaschke, and Kosyakova (2019).

³⁰¹ Ibid.

³⁰² Brücker, H., Kosyakova, Y., and Schuß, E. (2020b). <u>Integration in Arbeitsmarkt und Bildungssystem mach weitere Fortschritte</u>. IAB-Kurzbericht No. 4.

than other migrants. On arrival, only about one per cent declared having good or very good German language skills but by 2018, that figure had increased to 44 per cent. ³⁰³

Arguably, such high rates of labour market integration were and are still needed within an ageing German labour market and an economy which is facing skill and labour shortages. Indeed, within Germany, the settlement of those arriving in 2015, has been almost consistently judged to be a success. German policymakers introduced a series of regulations to improve the speed and efficiency of asylum procedures. Meanwhile, asylum seekers from countries with high protection rates were even able to start integration courses before receiving a decision on their application. By 2018, 72 per cent of asylum seekers had been granted protection in Germany, gaining the right to work without restrictions. Some 17 percent had pending claims with restricted work authorization.³⁰⁴ The integration courses, coupled with available language support, have been found to be a key contributing factor to higher employment rates amongst these groups.³⁰⁵

Since then, Germany has reinforced its support for equal opportunities for non-EU immigrants to progress into stable quality employment and one international area of strength has been Germany's targeted support measures, as well as its improving procedures to recognise foreign qualifications and skills. In 2019, MIPEX ranked Germany in the international Top Ten for labour market mobility.³⁰⁶

Government framing of the issue

Integration policies emerge as one of the strongest factors shaping not only the public's willingness to accept and interact with immigrants, but also immigrants' own attitudes, belonging, participation and even health in their new home country.³⁰⁷

The German Government, unlike some other Governments across Europe around the time of 2015 onwards, did not try and adopt the policies of far-right populists. Even though the popularity of Alternative für Deutschland (AfD) soared after the arrival of asylum seekers in 2015, the government refused to mimic their anti-immigrant policies and this can be said to have kept the country from privileging the far right.

Such successful integration has mobilized civil society. A survey published in 2017 by the Allensbach Institute for Public Opinion Research suggested that 55 per cent of Germans had contributed to the integration of refugees since 2015, either financially or through their own involvement in supportive actions.³⁰⁸ According to a 2020 study

³⁰³ Ibid.

³⁰⁴ Brücker, Jaschke and Kosyakova (2019).

³⁰⁵ Ihid

³⁰⁶ Migrant Integration Policy Index. (2020). Key findings, Germany.

This draws on 130 independent scientific studies using the Migrant Integration Policy Index (MIPEX)

³⁰⁸ Bundesministerium fur Familie, Senoren, Frauen und Jungen. (2017). <u>Engagement in der</u> Fluchtlingshilfe.

by Germany's Federal Office for Migration and Refugees, three-quarters of felt "welcome" or "very welcome."

Between 2008 and 2015, the number of employees in companies founded by migrants also grew, by 50 per cent to 1.5 million and there has been wider support from business for the integration of asylum seekers and refugees.³⁰⁹ Business associations have pushed to open the market to asylum seekers.

As a result of all this, public discourse has tended to give more thought to the economic benefits of allowing all migrants to work, namely to reduce labour shortages and maintain contributions to social security systems.

Remaining challenges

Challenges remain in addressing the capacity and condition of reception facilities, and in tackling labour market inequalities. Evidence shows that many asylum seekers were also more severely impacted by the effects of Covid-19 that German or EU nationals. Unemployment rose to a much higher degree, and they were more likely to be affected by short-term work schemes.³¹⁰

Belgium: Right to work granted after four months

Belgium was the first among industrialised nations in Europe to develop into a country of immigration. Over the last three decades, Belgium has become a permanent country of settlement for many different types of migrants, including those seeking asylum.

In 2022, a total of 36,871 applications for international protection were lodged on the Belgian territory, out of which 4,652 were subsequent applications. Throughout 2022, the Commissioner General for refugees and Stateless Persons (CGRS) granted refugee status to 10,632 persons and subsidiary protection status to 429 persons, bringing the total recognition rate to 43 per cent. Refugee status was mostly granted to Syrians (2,499), Afghans (2,467), Eritreans (1,357) and Palestinians (760). The subsidiary protection status was mostly granted to Yemenites (133), Somalians (130), Syrians (37) and Palestinians (23).³¹¹

Belgium receives a relatively small percentage of all asylum applicants from across the EU. In July 2023, the country had 2,972 applications which represented three per cent of the total number of applicants in the EU+.³¹² Despite this, reception services have been struggling to cope in recent years. Due to the large numbers of those seeking protection in Belgium, including those from Ukraine, as well as problems with

³⁰⁹ BertelsmannStiftung. (2020). <u>Selbststandige mit Migrationshintergrund: Jobmotor fur Deutschland.</u>

³¹⁰ Institute for Employment Research. (2021). Die Arbeitsmarktwirkungen der COVID-19-Pandemie auf Geflüchtete und andere Migrantinnen und Migranten. IAB Forschungsbericht 5.

³¹¹ Vluchtelingenwerk Vlaanderen. (2023b). <u>Overview of the main changes since the previous report update.</u> Asylum Information Database. European Council on Refugees and Exiles.

³¹² EU+ refers to the 27 European Union Member States, plus Norway and Switzerland. Data source: European Union Agency for Asylum. (2023). <u>Latest Asylum Trends.</u>

the asylum system itself (including a backlog of cases), there has been a crisis in reception services which started in mid-October 2021 and which is ongoing at the time of writing.

In 2022, an increased inflow of applicants for international protection, in conjunction with a reduced outflow, created extreme pressure on the reception network of FEDASIL. FEDASIL is the Federal agency responsible for the reception of asylum seekers. Despite its efforts to upscale its reception capacity and reduce pressure on the network, FEDASIL could no longer provide accommodation for all those entitled, leading to multiple convictions against the Belgian state and FEDASIL, including by the European Court of Human Rights.³¹³ The granting of the right to work in Belgium has to be seen within this context, since access to work is severely curtailed if asylum seekers cannot access the reception system in the first place.

Right to work granted after 4 months

Following the 2015/16 influx of asylum seekers to Europe, Belgium reduced the waiting period for asylum seekers to be allowed to work from 6 to 4 months following the registration of their application. Shortening the waiting period came about from a willingness to enable asylum seekers to generate their own income and become more self-sufficient.

At present, asylum seekers who have not yet received a first instance decision on their asylum case within 4 months following the lodging of their asylum application are allowed to work. The right to work is stated on their temporary residence permit card, so a separate work permit is not needed. The right to work permits asylum seekers to work in any area they choose and there are no limits on sectors or occupations.

Asylum seekers have the right to work until a decision is taken by the Commissioner General for refugees and Stateless Persons (CGRS), or in case of an appeal, until the Council for Alien Law Litigation (CALL) has notified a negative decision. However, they are not allowed to work during the appeal procedure before the CALL if the procedure at the CGRS did not last longer than 4 months. Asylum seekers who lodge a subsequent asylum application are not able to work until the CGRS declares the application admissible and until they receive an orange card. An orange card is a provision residence permit that those seeking asylum receive. It states whether or not you can work.

Other support for asylum seekers

Asylum seekers are legally allowed to stay in Belgium until a final decision has been made on their application. During this time, Belgian authorities will assign them a place in a reception centre which they cannot choose, but which is free. They are not obliged to stay at the assigned reception location and can move around the country freely but must not travel outside of Belgium. After a stay of 4 months at a collective reception centre, they can ask for an individual residence.

³¹³ European Migration Network (2023), <u>Annual Report on Migration and Asylum in Belgium</u>.

Other forms of support are tied to acceptance of a place at a reception centre. On arrival, FEDASIL, the agency responsible for the reception of applicants for international protection, makes an initial social and medical screening of the applicants and verifies whether they are entitled to and interested in reception. If so, they are accommodated in the arrival centre until a reception place adapted to their situation is found. They are then allocated a reception place where they will benefit from material assistance such as meals, clothing, medical, social and psychological assistance, a daily allowance, and access to legal assistance and services such as interpreting and training. If an asylum seeker decides not to be accommodated by FEDASIL, they are not entitled to these forms of material assistance, except for medical assistance.

All asylum seekers in reception centres can participate in activities that encourage integration and knowledge of the country. The regional Offices for Employment organise professional training for asylum seekers who are allowed to work with the aim of helping them find a job. In addition, they can also enrol in adult education courses, for which some knowledge of the national languages is required.

Asylum seekers have access to primary health care but may have to pay a minimal fee for some specialised services. Treatment is free but some treatments which are deemed too expensive are withheld. They are also entitled to a daily allowance.

Collective centres and individual shelters often work together with specific doctors or medical centres in the area of the centre or reception place. For asylum seekers who do not stay in reception centres allocated to them, or who are under reduced support because of a sanction, their right to medical aid is not affected. However, accessing it may be difficult in practise. The online reimbursement process, which has to be done before going to see a doctor, is time-consuming and it can be weeks before a response is received.³¹⁴

Once someone's asylum application has been refused, and the reception rights have ended, that person will only be entitled to emergency medical assistance.

A weakened reception system

Although right to work is granted in four months in Belgium, this sits alongside a reception system that has been considerably overwhelmed in recent years. Hence, any benefits in granting early access to work cannot be fully realised because many people simply had no access to the asylum registration procedure in the first place.

Access to the asylum procedure were severely impacted in 2022. During several periods in 2022, the number of persons allowed to apply for international protection at the 'arrival centre' was limited to the places available on that day in the reception system. Some men had to wait in line for days before being able to make their asylum application because families, minors and vulnerable people were prioritised for reception. This left a large number of single men without accommodation and, at times, FEDASIL was even temporarily unable to accommodate families and unaccompanied minors due to the severe shortage of reception places. Consequently, these men were

³¹⁴ Vluchtelingenwerk Vlaanderen. (2023c). <u>Health care. Belgium Asylum Information</u> Database. European Council on Refugees and Exiles

not yet considered 'asylum seekers' and could not claim certain fundamental rights linked to this status, such as the right to reception.

As such, these men often could not obtain their temporary residence permit since most local administrations required a fixed residence in order to issue one. Since applicants without accommodation often sleep rough, they are unable to obtain fixed residency thus making it near impossible to access work.

In 2022, the Belgian Resettlement Programme was put on hold due to a lack of reception places. Only 71 transfers were organised and the 2023 pledge was reduced from 1,400 to 500. To attract more reception partners and create more reception places for resettled refugees, resettlement funding was increased. FEDASIL upscaled its capacity, the European Commission allocated €200 million to Belgium, and the European Union Agency for Asylum (EUAA) launched an Operational Plan to support the Belgian reception network. Despite these efforts, the shortage of reception places persisted and had important legal and humanitarian consequences. The Belgian State and FEDASIL have been condemned and fined by tribunals for their inability to provide reception, and human rights and civil society organisations consistently raised concerns about the situation of applicants for international protection left without reception.³¹⁵

Other integration challenges

Apart from the issues mentioned above, asylum seekers face other barriers to accessing work, education and training. Although they are entitled to a free assistance programme and vocational training, in practise, finding a job is very difficult while claims are being processed. This is due to the provisional and precarious residence status, the limited knowledge of national languages, and the fact that many foreign diplomats are not considered equivalent to national diplomas. Labour market discrimination is also a barrier.³¹⁶

There are also disparities in healthcare. In 2019, a survey found that the organisation of health care in Belgium is unequal and inefficient, leading to differential treatment of asylum seekers based on their place of residence. The system was found to be opaque and complicated for resulting in a lack of coordination and cooperation. Access to specialised care was also found to be difficult for asylum seekers due to a slow and complex administration that has to grant permission first. The Federal Knowledge Centre for Healthcare (KCE) also identified other various thresholds that hamper access to health care, such as language barriers, a lack of interpreters and limited transportation possibilities.³¹⁷

The aforementioned reception crisis has had a further impact, restricting access to health care and leading to a deteriorating medical situation among those who are destitute.

³¹⁵ European Migration Network (2023).

³¹⁶ Vluchtelingenwerk Vlaanderen. (2023a).

³¹⁷ KCE. (2019). <u>Asylum seekers: options for more equal access to health care. A</u> stakeholder survey.

United States: Right to work granted after six months

Immigration has been, and remains still, the foundation of the United States. There are few who would contest the basic premise that immigration is necessary and beneficial for the continuing vibrancy and growth of America's economy and society. The right to asylum is laid out in law and asylum seekers are granted the same protection and support as those with refugee status. Right to work is granted after six months. However, immigration remains a contentious issue and growing numbers of asylum seekers, coupled with an inefficient asylum system, has led to a number of American cities struggling to cope with large numbers of those seeking protection.

The right to asylum is laid out in U.S. immigration law and Article 14 of the Universal Declaration of Human Rights; it is also outlined in the 1951 Refugee Convention and its 1967 Protocol. The US government granted asylum on a largely ad hoc basis until the passage of the Refugee Act in 1980, which created the current statutory basis for asylum, guaranteeing family reunification rights and providing asylees, or migrants who receive asylum, with a path to permanent residency after one year.

The law created two distinct routes for those seeking protection: refugee status and asylum. Refugees are people who meet the legal definition of persecution and apply for protection when they are outside the US. Generally, they are screened and registered as refugees by the UN and then vetted again by the State Department before travelling to the US.³¹⁸

Asylum is the route for people who are physically present in the US or at a port of entry. There are three ways in which a person may apply for asylum in the US:

- Affirmative asylum. A person who is not in removal proceedings may
 affirmatively apply for asylum through the IS Citizenship and Immigration
 Services (USCIS). If the asylum officer does not grant asylum, the applicant
 does not have lawful immigration status and they are referred to the
 immigration court for removal proceedings where they may renew the
 request for asylum through the defensive process and appear before an
 immigration judge.
- Defensive asylum. A person who is in removal proceedings may apply for asylum by filing the application with an immigration judge so that asylum is applied for as a defense against removal from the US. Unlike the criminal court system, the Executive Office for Immigration Review (EOIR) does not provide appointed counsel for individuals in an immigration court, even if they are unable to retain an attorney by their own means.

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³¹⁸ Donald Trump slashed the annual quote to its lowest level on record before President Biden lifted it to 125,000 for each year, the highest US target since the 1990s. Despite this, however, the bureaucratic hurdles have kept the actual number of resettled refugees far lower.

Expedited Asylum: A person taken into custody within 14 days of entering
the US is placed into 'expedited removal' proceedings. This is a new process
from 2022 which allows an asylum officer to review and adjudicate their
asylum claim before they are placed into formal removal proceedings.
People put through this process who are denied asylum are referred to the
immigration court for removal proceedings and further expedited hearings
on their asylum application.

Asylum seekers who arrive at a U.S. port of entry or enter the United States without inspection generally must apply through the defensive or expedited asylum processes.

Temporary Protected Status (TPS), similar to that offered by EU countries, offers migrants from designated countries permission to reside legally in the US for a period of up to eighteen months, which can be renewed by the government indefinitely. During that period, TPS holders are eligible for employment and travel authorisation and are protected from deportation. The programme does not include a path to permanent residency or U.S. citizenship, but TPS recipients can apply for those separately. Countries such as Syria and Ukraine are included on the US programme but the overwhelming majority of TPS holders (around 93 per cent) are from Latin American countries.³¹⁹

Wider support for asylum seekers

If you are granted asylum, then you have an automatic right to work in the US. However, there is a notable lack of support while a claim is pending and the support that is available when asylum is granted.

While an asylum claim is pending, it is possible to apply for Employment Authorisation (an Employment Authorization Document, or EAD). Asylum seekers can apply for this 150 days after they have filed their asylum claim. They are not eligible to receive an EAD until their asylum application has been pending for at least another 30 days, meaning that the earliest that they can work is 180 days after filing their asylum claim (or six months). If approved, EADs are valid for up to two years and asylum seekers are immediately authorised to work. With an EAD, an asylum seeker is eligible to use employment services from One-Stop Career Centres including job search assistance, career counselling and occupational skills training.

Some help is available from local organisations that are funded by the Office of Refugee Resettlement (ORR). This may include financial assistance, medical assistance, employment preparation and job placement, and English language training. Resettlement agencies play a crucial role in helping asylees find housing.

³¹⁹ Council on Foreign Relations. (2023). What Is Temporary Protected Status (TPS)?

³²⁰ This was increased to 356 days under the Trump Administration but President Biden has reversed this

³²¹ U.S Citizen and Immigration Services (2023). Asylum | USCIS.

Without assistance, and with language barriers, discrimination and high rental prices to contend with, many are forced to reply on local non-profits and shelters.

However, once a person is granted asylum, then much more support is available to them. They can work without an EAD card as their asylum grant will allow them to obtain an unrestricted Social Security card, which is all they would need to present to an employer. They may also remain in the US indefinitely and have the right to work for as long as they retain asylum status. They may also be able to petition to bring their spouse and/or children to the United States or allow them to remain in the United States indefinitely.

Apart from an EAD, those who are granted asylum are also eligible to apply for certain benefits, including an unrestricted Social Security card, cash and medical assistance, employment assistance, and a Refugee Travel Document. They may apply for a green card a year after being granted asylum.³²²

The impact of delays in processing

While asylum seekers are afforded much the same protection and support as those with refugee status, the reality is that being able to access that support is often more difficult. Those granted asylum can live and work in the US permanently, gain a path to citizenship, and apply for their family to join them, but there are practical constraints and realities around this.

First, the asylum process can take years to conclude. In some cases, a person may file his or her application or pass a credible or reasonable fear screening and receive a hearing or interview date years in the future. Backlogs, which were already long before the pandemic, have only grown longer since then due to COVID restrictions and months or years-long closures in some courts and asylum offices. The backlog of pending asylum cases in the US courts now sits at over 980,000.³²³ It is not just the high numbers of asylum seekers in recent years and the pandemic that have contributed to this, but also the diversity of nationalities and the large share arriving as families.

In 2021, the largest group of asylum seekers was from Venezuela³²⁴, followed by China, El Salvador, and Guatemala. The past decade has seen a sharp rise in asylum applications from Latin America, primarily Mexico and Central America, as migrants fled worsening violence, poverty, and political dysfunction. Of the pending asylum cases in the backlog, more than one-third are for migrants from the so-called Northern Triangle countries of El Salvador, Guatemala, and Honduras.

Asylum seekers are left in limbo and are more vulnerable while their cases are pending. This results in prolonged uncertainty for asylum seekers and their families

³²² Ibid.; Administration for Children and Families Office for Refugee Resettlement. (2022). Benefits and Services Available for Asylees Through HSS' Office of Refugee Resettlement (ORR).

³²³ Transactional Records Access Clearinghouse (2023), Immigration Court Asylum Backlog.

³²⁴ More than 7.7 million people have left Venezuela in search of protection and a better life.

abroad. It also puts them at increased risk of destitution. Uncertainty over their future impedes the employment, education, and general health and wellbeing of asylum seekers. For example, the average wait time to hear back on your EAD can be anywhere from one to four months. USCIS has a stated goal of delivering EADs within 90 days but has rarely been able to meet this self-imposed deadline. These delays tend to push asylum seekers into the underground economy where they are vulnerable to deportation and exploitation.

Backlogs and delays can cause prolonged separation of refugee families, leave family members abroad in dangerous situations, and make it more difficult to retain pro bono counsel who are able to commit to legal services for an extended period of time.³²⁵

Asylum seekers must also navigate a difficult and complex process that can involve multiple government agencies. This is made all the more difficult given the language barriers that many face.

Many advocates for asylum seekers and refugees, as well as many City mayors and support organisations, have been calling on the Government to provide a path to expedited work authorisations for newly-arrived asylum seekers, allowing them to work legally. This, some argue, would help counter America's declining working-age population and the continuing shortage of skill and labour across many of the country's sectors.

New arrivals receive almost no support

The pressures that many American cities – most notably New York³²⁶ – have recently come under is caused by the fact that new arrivals are entitled to almost no federal public support. Furthermore, many lack family or social connections in the US, making it hard to find a foothold in US communities. Unlike in the past, when those arriving without authorisation tended to avoid federal authorities, new asylum seekers who have come through the border have already been processed by the government, and so are more likely to need assistance while they wait for the outcome of their claim through the courts.

The result has been that many cities have found themselves unable to provide adequate support for those needing it and many asylum seekers have been left

³²⁵ Even with counsel, an asylum seeker has the burden of proving that he or she meets the definition of a refugee. In order to be granted asylum, an individual is required to provide evidence demonstrating either that they have suffered persecution on account of a protected ground in the past, and/or that they have a "well-founded fear" of future persecution in their home country. An individual's own testimony is usually critical to his or her asylum determination.

³²⁶ New York has come under the most pressure because of its unique obligation to provide shelter to anyone who needs it. New York City spent an estimated \$1.7 billion on shelter, food, and other services for migrants through the end of July 2023; Chicago expects to have spent \$255.7 million between August 2022 and the end of 2023; and Washington, DC spent \$36.4 million on migrant services by late August, and expects the total to reach \$55.8 million by October 2023. Source: Chishti, M., Gelatt, J., and Putzel-Kavanaugh, C.(2023). New York and Other U.S Cities Struggle with High Costs of Migrant Arrivals. Migration Policy Institute.

destitute and homeless. Additional federal funding has been made available and President Biden has moved to add Venezuela to the list of those who can be granted TPS, but Cities have had to focus on meeting many of these peoples' basic needs (food and shelter) through a patchwork of approaches and though heavy reliance on local not-for-profit organisations. Housing has been a huge challenge. All this has meant that many cities are unable to offer asylum seekers any longer-term support to integrate, such as employment services, legal aid, or healthcare.

Data on the employment rate of asylum seekers is often difficult to disaggregate from the more general data on foreign-born in the US. However, some studies have found that while refugees in the have the same likelihood of employment as other immigrants, they have significantly lower occupational status and earnings.³²⁷ The employment rate tends to increase in the short term; one study, based on data from the 2014 Office of Refugee Resettlement survey, found that it increased from less than 40 per cent to over 50 per cent in the first three years after arrival in the US, although still under the 60 per cent employment rate of the total US population.³²⁸ This is in line with evidence from other countries which shows that employment rates increase as duration in the country also increases.

However, a more recent study found that after living in the US for five years, refugees' employment actually declines, despite gaining lawful permanent residency status (a green card).³²⁹ This study suggests that the current federal government approach to refugee resettlement, with a rapid, self-sufficiency approach, does not always offer enough resources to asylum seekers and refugees for long-term success.

Netherlands: Right to Work granted at six months

The Netherlands has something of a historical reputation for being a humanitarian haven. Since famously welcoming the Huguenots, religious and political refugees fleeing France in the 17th century, the country then saw the influx of 900,000 Belgians, many Jews and others who fled Austria and Germany during the World Wars. Thereafter, the next large wave of asylum seekers were those fleeing the Yugoslav wars in the 1990s and those fleeing the conflict in Syria in 2015/16.³³⁰

In recent years, this reputation has been challenged by a rise in far-right populism which has had immigration, and a focus on Islam, at the heart of it. Some have grown deeply intolerant of newcomers, equating immigration with a rise in religious extremism and terror, and a loss of prosperity.

³²⁷ Connor, P. (2010). <u>Explaining the Refugee Gap: Economic Outcomes of Refugees Versus</u> <u>Other Immigrants</u>. <u>Journal of Refugee Studies</u>, 23(3), pp. 377-397.

³²⁸ Poutvaara, P. and D. Wech (2016). <u>Integrating Refugees into the Labor Market – A Comparison of Europe and the United States</u>. <u>ifo DICE Report</u> 14(4), pp. 32 – 43.

³²⁹ Kreisberg, A. N., de Graauw, E., and Gleeson S. (2022). <u>Explaining Refugee Employment Declines: Structural Shortcomings in Federal Resettlement Support</u>. <u>Social Problems</u>. Spab080.

³³⁰ Van Selm, J. (2019). <u>Migration in the Netherlands: Rhetoric and Perceived Reality</u> <u>Challenge Dutch Tolerance.</u> Migration Policy Institute.

However, like many European countries, the Netherlands needs immigrants, not just because of low birthrates and an ageing population, but also because of its traditionally high levels of emigration. This has already caused concern among politicians and the media but is yet to emerge as an explicit driver of migration policy, including humanitarian routes, even though Dutch population growth has been largely fuelled by immigration over the past decade.

The fears stoked by the far right also do not fit with the fact that some sectors, such as agriculture and heavy industries, are largely reliant on migrant workers, and the country's sporting and cultural life is brimming with active and engaged refugees and immigrants.³³¹

In 2022, a total of 35,535 first applications for international protection were lodged in the Netherlands, mainly by Syrian, Afghan and Turkish nationals. This is considerable increase from the 24,725 first applications seen in 2021. The overall recognition rate stood at 87.2 per cent but rose to 99 per cent for Afghans, 97 per cent for Syrians and 99 per cent for Yemenites.³³²

Recent changes in the Right to Work

The right to work in the Netherlands is possible once a claim has been pending for at least six months. After that, an employer must obtain a declaration of reception and apply for an employment licence before the asylum seeker can start working.

Prior to November 2023, an asylum seeker could only work for a limited time, which is a maximum of 24 weeks every 12 months. However, a 2023 ruling by the Dutch Council of State will now allow asylum seekers to work for more than 24 weeks per year. The Council ruled that the 24-week requirement prevented asylum seekers from gaining effective access to the Dutch labour market. It also detracted from the European Reception Directive and is contrary to European law.

Practical barriers to work

Despite having access to the labour market after six months, in practise, it is then very hard for an asylum seeker to find work. Employers are not keen to hire asylum seekers because of the administrative burden involved and because of the limited time that they might be employed for.³³³ This might be set to slowly change. Faced with labour shortages in many sectors, employers are more motivated to recruit asylum seekers and there has been a growing discussion in the media and mong politicians as to how to facilitate labour market access. A number of Dutch businesses have already helped

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³³¹ Ibid.

³³² Dutch Council for Refugees. (2023a). <u>Overview of the main changes since the previous report update.</u> Asylum Information Database. European Council on Refugees and Exiles.

³³³ Dutch Council for Refugees. (2023b). <u>Access to the labour market. Netherlands.</u> Asylum Information Database. European Council on Refugees and Exiles.

over 13,000 refugees enter the job market through training, mentorship, direct employment, and other activities, so there is potential to extend this to asylum seekers, drawing on the learning and experience gained so far.³³⁴ However, this is yet to happen.

More recently, there have been further delays to registering as an asylum seeker. Due to a high numbers of asylum applications and ongoing capacity problems at the IND, a pre-registration procedure was implemented in the last quarter of 2022. This meant it was not possible to directly submit an asylum application in Ter Apel (the Central Reception Centre where asylum seekers who enter the country by land have to register). Instead, asylum seekers had their personal basic information registered and were then transferred to a temporary shelter for 'pre-registration.' This then meant that they had to wait up to four months to receive an invitation to officially register their claim. This then led to further delays in being able to access work because it is only at the moment of official registration that the request for asylum is officially lodged in the Netherlands. From the end of 2022, the backlog of registrations was reduced, and registration was once again possible at Ter Apel, but for those who'd already been caught up in the pre-registration requirement, they continued to face delays.

There was also a decision in 2022 to extend the time limit for an asylum decision. This was six months but at the end of September 2022, the Immigration and Naturalisation Service (IND) decided to extend the time to decide on asylum requests to nine months and for any asylum application lodged after 27 September 2022, the time limit was extended to 15 months. On 3 February 2023, another extension of the time limit for issuing an asylum decision was published, meaning that the time limit for the decision on asylum applications lodged between 1 January 2023 and 1 January 2024 will also be 15 months.³³⁵

Support available for asylum seekers

Asylum seekers who enter the Netherlands by land must apply at the Central Reception Centre in Ter Apel, where they stay for a maximum of three days. After this, the asylum seekers is transferred to a Process Reception Centre (POL), of which there are four in the country. Here, they wait till to make the official asylum application at the application centre. As soon as the asylum seeker has officially lodged an asylum application, they receive a certificate of legal stay. However, due to the lack of capacity at the POL, the so-called pre-POLs were opened (to handle 'pre registration'). At both sites, however, asylum seekers have limited access to medical care and language lessons, and they receive no weekly allowance.

These reception centres form one of three types of accommodation for asylum seekers, the other two being temporary housing placements and more permanent housing. Once an asylum seeker has their certificate of legal stay, proving their request has been officially lodged, they are allowed to stay in the reception facility until housing

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³³⁴ PRESS RELEASE: Major Dutch companies double down on support for refugees, pledging to help nearly 22,000 refugees enter the job market - The Tent Partnership for Refugees (last accessed October 2023).

³³⁵ Dutch Council for Refugees. (2023a).

has been arranged for them. There is no time limit on this but the government aims to have a maximum stay of 3.5 months after issuing a certificate of legal stay. The right to reception facilities and support ends the moment adequate housing is offered.

Part of this reception support includes a monthly payment of around €239.68 per month to cover food, clothing and personal expenses, but not public transportation or medical expenses. This is approximately less than 30 per cent of the social welfare allowance for Dutch citizens aged between 21 and 67, which was 1,195.66 for a single person as of 1 January 2023.³³⁶ In addition to this, reception support includes an entitlement to public transport costs to seek legal representation/ advice; recreational and educational activities; healthcare insurance; and payment towards exceptional costs.

In 2021, there was a shortage of places in the reception centres, partly because of the pandemic and partly because of the more general shortage of rented accommodation in the country. As a result, "Hotel- en accomodatieregeling" was introduced, which gave asylum seekers who were waiting to be housed the opportunity to access temporary accommodation at the same municipality. It would host the asylum seeker for a maximum of six months, after which the municipality must have found permanent accommodation for them. The arrangement, which was only open to single beneficiaries without children, entitled the asylum seeker to the basic provisions, such as a weekly allowance and access to medical care. The asylum seekers also received an additional payment of €75 per week. The benefits stopped as soon as housing was offered. The municipality receives a payment (€8,280 plus €1,000 for guidance) for every asylum seeker participating in this arrangement.

When there was a similar shortage of places in 2022, this arrangement was prolonged for an additional three months and the target group was extended from single adults to those with children and others.

In theory, vocational training for adult asylum seekers is also available. However, in practise, many have not had the chance to learn Dutch to a sufficient level to access much of it. One reason is that Dutch language classes are not compulsory for asylum seekers, but another reason is that many are taught by volunteers instead of professional teachers. Another barrier to accessing training and education is that asylum seekers do not have a right to financial study aid from the government.ⁱ

Ongoing political issues

In July 2023, the Dutch Prime Minister, Mark Rutte, announced that his coalition government was resigning over 'insurmountable' differences about measures to curb the number of asylum seekers in the country. The Coalition had faced the scandal of overcrowding in reception centres in 2022 in which a baby died and hundreds of others were forced to sleep out in the open in squalid conditions as the number of people seeking protection outstripped the number of beds. Even though the numbers in 2023

³³⁶ Dutch Council for Refugees. (2023c). <u>Forms and levels of material reception</u> <u>conditions.Netherlands</u> Asylum Information Database. European Council on Refugees and Exiles.

are not expected to be any higher than 2022, the numbers have put a strain on a housing supply that was already under strain in a densely populated country.

Arguably, the government was already a fragile four-party coalition, which has only lasted 18 months. Moreover, even though asylum had been the issue to bring the government down, some had sought to blame other foreign migrants for concerns around the housing crisis, high gas prices and inflation, such as international students and wealthier 'expats.'ii However, the Dutch political crisis here highlights how an already-vulnerable group of people, such as asylum seekers, can become potentially more vulnerable in a climate where broader instability, or existing pressures in housing, health and other services, is causally linked to them in the political discourse.

In November 2023, far-right politician, Geert Wilders' Freedom Party (PVV) won the Dutch General Election, promising severe restrictions on immigration and asylum and threatening to make the aforementioned risk a greater possibility.



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