

Labor market integration of refugee immigrants across major European countries

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Following the refugee crisis of 2015, the EU has accommodated more than six million asylum seekers, corresponding to the largest demographical change since the World War. Many of these new Europeans are poorly assimilated into the labor markets, which results in high social and economic costs. Nevertheless, labor market statistics often offer a skewed picture of the problem by solely focusing on unemployment or employment levels. This note presents a more complete picture with key figures on the labor market participation of refugee immigrants of working age in the largest European refugee destination countries between the years 2015 and 2021. Aside from employment and unemployment, the figures presented here include individuals that are unavailable for work and operate outside of the labor market for various reasons, including early retirement or education.

To understand the difference outsiders can make, let us look comparatively at Sweden and the Netherlands. As can be seen in Figure 1 below, which illustrates the number of working, unemployed, and those not available for work, vary significantly across the EU countries. In Sweden, in which the per capita accommodation of refugees was among the highest in the EU, the unemployment rate among refugee immigrants is remarkably high at 23%, more than double that of the Netherlands. However, while the share of unemployed is high, the share of refugees outside of the labor market is, in relative terms, much lower in Sweden (18%). In contrast, only 8 % of the refugees in the Netherlands are unemployed but 44% of them are outside of the workforce meaning that a total of 52% of the refugees in the Netherlands are not working, compared to 41% in Sweden. This comparative example highlights the potential misrepresentation in merely looking at employment and unemployment rates, as it overlooks those that are outside of the workforce due to various reasons. Another overlooked parameter, while not included here, is self-sufficiency, which is critical in evaluating the overall integration and economic independence of refugee populations. A comprehensive understanding of these factors is essential for informed policy-making.

Figure 1. Labor Market Indicators for refugee immigrants 2015–2021 (%)

