

Abstract of advisory report:

**[Integration through work: creating more employment opportunities for newcomers]**

[(Integratie door werk: meer kansen op werk voor nieuwkomers 19/04)]

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The Social and Economic Council of the Netherlands (SER) argues that refugees who hold a residence permit (known as 'status holders') should receive more effective support in their search for work. The successful integration of these newcomers requires a customised approach and a comprehensive regional infrastructure that municipal authorities, employers and employees can fall back on. Changes in legislation, policy and practices will be needed to achieve these objectives. In view of the precarious position of these refugees in society, the Council considers that a decisive approach is needed.

**Summary**

Status holders in the Netherlands have a very unfavourable position in the labour market. Three and a half years after obtaining a residence permit in 2014, an average of only 25 percent of adult status holders have a job and 67 percent receive social insurance benefits. They are also at a much higher risk of falling into poverty, with women and low-literate individuals being particularly vulnerable. Social engagement lags far behind that of the native Dutch population and other migrant groups. Although their situation has improved slightly over time, there is a risk of long-term unemployment and benefit dependency. It is important for these newcomers to engage with society and to develop their talents. Employers must be in a position to do their part in providing work and training. Unfortunately, systemic issues, current policy practices and the quality of service still raise barriers to achieving better results.

This study, carried out at the request of the Minister of Social Affairs and Employment, describes options for increasing the labour market participation of status holders and, potentially, other newcomers to the Netherlands. The study examines the causes of the 'refugee gap' and attempts to explain why it occurs. Both individual attributes and the Dutch economy and society play a role in this context. It is important to note that status holders not only have to deal with migration-related disadvantages but also face other specific obstacles.

The study goes on to describe policy-related impediments from various perspectives: that of status holders themselves, municipal authorities, employers, and employees. What emerges is evidence of a broad consensus on the inadequacy of existing policies and the possibilities for improvement.

The study identifies various systemic and implementation issues. Systemic issues relate mainly to weak consistency between language-training and employment participation policies, complex rules pertaining to the employment of specific target groups (both for job-seekers and employers), a lack of coordination and consistency in regional labour market policies, and the limited resources for providing vigorous support to these newcomers. There are considerable local and regional discrepancies in employment guidance and job retention policies and practices and as a result, status holders and employers do not take full advantage of the available opportunities. These discrepancies

manifest themselves in the degree of personal service provided and the level of (organised) expertise, coordination and cooperation, among other things.

Drawing on a large number of interviews, research examining effective, tried-and-tested interventions, and a brief survey of experiences in other countries (see Appendix 3), the study highlights the importance of a customised approach, the significance of education, the possibility of fast-tracking entry into the labour market, and the role of diversity policy in employing organisations. These factors have proven to be valuable not only in helping status holders to find work but also to remain in employment in the longer term.

Below are a few of the Council's main recommendations:

- If support is to be successful, it requires policies and practices to be adapted to the needs of both the status holder and the employer. Such customisation involves a demand-driven approach, combined or work-study programmes, the pooling of expertise and long-term support (when necessary). A better support infrastructure is needed, as well as an approach that caters for both newcomers and employers. To set up customised projects and services, municipal authorities must have sufficient authority to determine their own policy and enough financial leeway. After all, it is mainly at local level that customisation will need to be pursued. Other parties, including volunteer organisations, schools, and health and welfare institutions, also have a valuable role to play in this context.
- Customisation can be achieved in the form of various support programmes. Successful approaches in the Netherlands and abroad show that status holders have a better chance of participating in the labour market when language-training and employment pathways are combined, when they have broad access to vocational and higher education, when they can be fast-tracked into the labour market by focusing on their existing competences, and when they network with employers.
- Customisation also means improving the supply of information at local level. Finding the right form of support and guidance has turned out to be a very complicated process for status holders. Streamlining this process involves giving them a central and identifiable point of contact that offers them support or refers them further.
- Policies and practices vary too much at local level. A more coherent regional policy – with adequate coordination, cooperation and shared use of facilities – will provide more effective support for status holders. The Council considers the labour market regions as an appropriate level for such coordination and cooperation, helping to mitigate local weaknesses.
- Local commitment can be boosted by embedding policy and practices in a comprehensive regional social infrastructure. Customisation at local level requires a region-wide infrastructure that offers a wide range of (additional and sometimes specialist) facilities. In the Council's view, the municipalities that function as regional centres should be put in a position to create this infrastructure in cooperation with individual municipalities and many other interested parties in the relevant labour market region. The Council recognises that the main role of the national government will be to facilitate this process and not to make it compulsory.
- The national government can promote this process by means of the new Civic Integration Act (*Inburgeringswet*) and the Work and Income (Implementation Structure) Act (SUWI). It can also apply financial leverage by providing funding to municipalities that function as regional centres, for example as it now does for Regional Action Plans under the multistakeholder Employment Prospects initiative (*Perspectief op Werk*).
- The national government must focus more explicitly on the quality of service and performance, rather than on applying the rules and on short-term results. The presence of a solid knowledge infrastructure is also an important national responsibility. In addition, the Council asks the national government to remove as many financial

constraints as possible. It is up to municipal authorities to clarify where they most feel these constraints.

– Those tasked with building a comprehensive regional social infrastructure for vulnerable groups should always consider whether and how status holders can also benefit from it. Appropriate support for status holders will, however, require special facilities and support. The specific causes of the 'refugee gap' call for careful consideration of the support provided, the facilities mobilised and the parties involved.

– Last but not least, the involvement of employers and employees is crucial to the successful integration of status holders and other newcomers into the labour market. The Council calls on employers to commit to an open and diverse organisational culture. There are both economic and social arguments that support openness and diversity, but the Council also notes that businesses have an interest in recruiting talented status holders. Employees and their representatives can also contribute. The Council recommends that the social partners, municipal authorities and other relevant parties regularly discuss the integration of status holders and other newcomers during meetings of the Regionale Werkbedrijven and other regional labour market bodies.

The Council drew attention to the civic integration of status holders in two previous publications (*SER-Signaleringen*). It has also shared successful practices and expanded on and disseminated information through its Employment Pointer for Refugees (*Werkwijzervluchtelingen.nl*). The Council will continue to monitor developments in this area with interest and comment as appropriate.