

Abstract of advisory report:

**[Refugees and Work: A New Interim Review]**

[(Vluchtelingen en Werk: een nieuwe tussenbalans, 18/05)]

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The Social and Economic Council of the Netherlands (SER) is deeply concerned about the approach adopted in helping refugees who hold a residence permit to find work. In its report *Vluchtelingen en werk: een nieuwe tussenbalans* [Refugees and Work: A New Interim Review], the Council notes that the situation is a fragmented one. For example, there are still major regional disparities, initiatives are often only on a small scale, and the continuity of initiatives is uncertain due to insufficient or only temporary funding.

**Summary**

Many refugees who have arrived in the Netherlands in recent years and hold a residence permit (*statushouders* – “status holders”) have great difficulty in finding paid employment. Benefit dependency among this group is therefore very high. In the view of the Council, this is an urgent societal and socio-economic issue, a view that is acknowledged by the Dutch government.<sup>1</sup>

Various initiatives have recently been developed to increase social participation among status holders. Initiators include public authorities, implementing parties, educational institutions, refugee organisations, and individual employers.

In this report, the Council focuses on a large number of these initiatives, mainly on the approach chosen and the results it achieves. It also identifies several cornerstones for achieving success, and indicates how greater use can be made of this more personalised support for status holders.

The report thus offers an update on the situation as outlined in the Council’s report of December 2016<sup>2</sup> which dealt with problems regarding the integration of status holders into the labour market and pointed out the importance of accelerating the provision of support for them. That acceleration has partly taken place: more efforts are being made to ensure quick, promising outplacement from reception centres, municipalities are paying greater attention to status holders when guiding people into the labour market, and there are also an increasing number of examples of parties – both public and private – linking up to arrange joint training and work programmes.

At the same time, however, the Council concludes that the intended acceleration has not yet been achieved in all areas, as shown, for example, by the figures (from Statistics Netherlands, “CBS”) in the box below. The urgent need for continuing efforts to increase labour-market participation among status holders therefore still remains as great as ever. The Council considers that various different circumstances and obstacles – legislative, financial, and policy-related – still prevent the wider implementation of an

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<sup>1</sup> See the letter from the Minister of Social Affairs and Employment to the Dutch House of Representatives (30 March 2018), entitled *Verdere Integratie op de Arbeidsmarkt: de economie heeft iedereen nodig!* [Further Integration on the Labour Market: the Economy Needs Everybody!]

<sup>2</sup> *Nieuwe wegen naar een meer succesvolle arbeidsintegratie van vluchtelingen* [New Routes to More Successful Labour-Market Integration of Refugees]. SER report, December 2016.

early and more personalised approach. As a result, the initiatives described provide an encouraging picture, but the Council also notes that they do not yet involve enough status holders and employers. As a result, important opportunities are left open.

### **The labour market position of status holders: some key figures**

According to the CBS (2018), it would seem that no more than 11% of the adult asylum seekers who received a residence permit in 2014 are in paid work as employees or self-employed persons two and a half years later. A large proportion of those with work are active in the hospitality industry (30%) or the temporary employment sector (24%). According to the CBS, this usually involves a fixed-term contract and part-time work. Only 1% of working status holders are self-employed. Benefit dependency among this group is high: 84% of the 18 to 65-year-olds who received a residence permit in 2014 are receiving social assistance benefit two and a half years later.

### **Successful elements in supporting status holders**

The obstacles referred to do not alter the fact that, in the view of the Council, there are numerous initiatives involving an approach that takes greater account of the opportunities and possibilities of status holders. These practical examples differ greatly in terms of their focus, aims, and target group. What they all have in common, however, is that they are all based on the idea that status holders are best served by an early and integrated approach. This means providing them with support as soon as possible on their road to social participation, and that that support should involve a combined approach, with attention to language, education, and work experience. Specific elements in such an approach are:

- *Integration right from day one*

Targeted interventions to assist status holders in the central reception centres make it possible to initiate progress, at an early stage, towards social participation in the outplacement municipality. Good language-learning facilities and opportunities to do volunteer work have proved very important in this context. Activities within the framework of the "Early Integration and Participation" programme run by the Central Agency for the Reception of Asylum Seekers (COA) have also contributed. All new status holders who receive their permits through the general asylum procedure are now linked to a municipality, with maximum account being taken of their employment history or education (screening and matching). However, it has proved extremely important in this context to minimise the distance that the municipality concerned is away from the reception centre. Only then can the municipality already commence a specific support process while the status holder is still living at the reception centre.

- *Language learning as part of guidance and training*

Commencing the programme to guide the status holder into education or work simultaneously with the civic integration process means that a lot of time can be saved; it also allows the language training to be in line with the individual status holder's prospects. The civic integration period is increasingly being used to improve status holders' opportunities for entering education and the labour market. Various initiatives also make clear the need to offer language training in combination with education and work, so that the social prospects of status holders can be specifically addressed. The practical examples emphasise the importance of these integrated programmes, not only in terms of guidance into the labour market and vocational training but also company and sector initiatives.

- *Additional support and personalised guidance*

Analysis of the many practical examples shows that a successful approach is inextricably linked to a number of changes in the standard range of facilities and arrangements. This mainly concerns the adaptation or intensification of available reintegration or guidance

arrangements, the provision of preliminary programmes for participation in vocational or higher education, measures aimed at proactively approaching employers (including through “matching” sessions), and the provision of long-term support and guidance. Customised programmes have turned out to be vital in helping status holders into training and long-term work.

- *Ongoing support*

Effective interaction, coordination, and cooperation between the various implementing parties at local and regional level has been no easy matter. Nevertheless, many projects make it clear that different parties are needed to provide effective support for status holders. It is very important here to have short lines of communication between, on the one hand, the municipality – as the party with primary responsibility for policy – and other parties in the region on the other. In an increasing number of regions, attempts are being made to link up with both educational institutions and the business community. These parties appear increasingly willing to create special facilities for status holders, although support from municipalities is often indispensable for this.

The practical examples described show that providing an integrated range of facilities at an early stage can ensure more effective support for status holders. At the same time, it is clear from the many programmes described that achieving rapid success is not always realistic, given that many status holders turn out to be too “distant” from the labour market. It is only by means of personalised support and long-term guidance that large groups of status holders can be prevented from losing touch with the labour market.

### **Prospects for broader, personalised support**

The practical examples described make clear which elements can contribute to providing early, integrated support for status holders and thus to ensuring more long-term integration of this group into the labour market. A number of concerns – as previously expressed by bodies including the Council itself and the Scientific Council for Government Policy (WRR) – are thus increasingly being addressed. However, the Council also notes that the sum total of these initiatives results in a rather fragmented landscape. Many initiatives are either only project-based or temporary in nature. There is therefore an insufficient range of long-term facilities, and the regional and local differences as regards the approach selected are also still considerable. As a result, status holders are not always eligible for the same kind of support and guidance. Last but not least, it should be noted that many initiatives focus on specific groups of status holders or are only on a small scale. Many status holders have therefore not yet been able to benefit from more effective support. The result of all this is that insufficient use is still being made of new insights.

From the conversations with the many initiators, it becomes clear that implementing more effective support – which is still only limited – is associated with a variety of factors. Those factors are dealt with below, with a number of prospects being offered for taking the necessary steps.

#### *Changes to the way the central reception process is organised*

In order for programmes aimed at social participation to commence at an early stage, it is important for municipalities to begin with such programmes while status holders are still housed at the central reception centres. Consideration should then already be given to the best way of coordinating civic integration and guidance into education or work. It would seem, however, that starting early in this way is hampered by the way the reception is organised. Outplacement municipalities find themselves faced with status holders from various different reception centres, which may also be located far from the municipality. Organising the reception process differently, with status holders being outplaced from dedicated centres within the region, can speed up their integration considerably.

#### *Importance of coherent policy on language, education, and work*

The way the civic integration process for status holders is organised in the Netherlands means that municipalities cannot influence that process or the choice of a language courses provider. The lack of municipal control of civic integration means that in many cases there are still separate, sequential programmes, in which the language is first learned and only then is there an attempt to link up with education and the labour market. This stands in the way of an expeditious approach. The civic integration legislation needs to be amended so as to make possible combined or integrated programmes involving both education and guidance into the labour market. In this connection, the Council endorses the current government's plans to strengthen that link. Obligatory, personalised civic integration as part of a broader policy aimed at participation can count on broad support in decentralised policy and implementation practice.

#### *Sufficient resources for additional support*

There are also concerns about the resources available for integration and participation programmes for status holders. Such extra support has proved to be important for both municipal and sector initiatives. If these reintegration-focused initiatives cannot be implemented (objectifiably) due to inadequate State funding, the Council considers it important to find a solution for this as soon as possible. The temporary provision of extra resources for municipalities within the framework of the Implementation Agreement on the Increased Inflow of Asylum-Seekers [*Uitwerkingsakkoord verhoogde asieliinstroom*] in the 2016–2017 period gave a boost to customised policy for furthering the integration of status holders. The same applies to support for sectoral initiatives implemented by the social partners.

#### *National quality framework for support provision*

Responsibility for participation policy lies with the municipalities, and the role of central government is limited. A risk that becomes apparent in practice is presented by the major differences in approach between municipalities. Not only is there a difference as regards the policy adopted – a logical consequence of the decentralisation policy – but also in the quality of the support provided for the status holders. In the Council's opinion, the government's plans for adjusting the approach to civic integration policy offer opportunities for imposing national quality requirements for how dual and integrated programmes are to be arranged. It should be noted that the Government Coalition Agreement already refers to the importance of measures that can be deployed in all municipalities. Based on the many practical examples in the present report, the Council believes that there are three elements that need to be incorporated into a national quality framework, namely that the approach adopted should be early, combined, and continuous.

#### *Reinforcing coordination at regional level*

Effective cooperation and coordination between the various at local and regional level parties that draw up and implement policy has not proved easy either. In that context, there is an insufficiently cohesive infrastructure within which parties can easily stay in touch with one another and from which joint initiatives can be developed. The advent of regional coordinators has led to significant progress in this regard. The coordinators have established new forms of cooperation in a number of regions, and they can also tackle municipalities about the importance of playing a central role in this as policy-makers. In the Council's opinion, reinforcing, expanding, and maintaining these regional connections will benefit continuity in the support provided.

#### *Special efforts for status holders with limited prospects of participation*

Many initiatives involving educational institutions and employers focus on status holders with discernible prospects for social participation. For many status holders, however, those prospects remain unclear as regards the short term, or they still have a long way to go. Municipalities appear to be developing few targeted programmes for this group. Without additional efforts, however, the opportunities for this group to participate in society are extremely limited. In order to avoid long-term dependence on social assistance as far as possible – and therefore permanently high costs for the public purse – even more intensive support is consequently needed for this group. Municipalities will

need to provide that support, helped by central government and in cooperation with implementers in their region.

### **Shared responsibility**

In the view of the Council, these perspectives make clear that the long-term integration of status holders into the labour market requires efforts on the part of various different parties. It is in the interests of the State, the municipalities, and private and civil-society organisations – taking account of their own tasks and responsibilities – to improve status holders' participation in Dutch society.

Central government can be required to arrange the legal frameworks and regulations in such a way that they promote a more coherent policy with regard to language, education, and work. The Council also believes that central government should facilitate and support effective policy and implementation at decentralised and sectoral level. This can only be achieved by providing sufficient resources, offering demonstrably effective interventions, and encouraging knowledge-sharing.

It is the municipalities that have primary responsibility for actually guiding status holders into the labour market. Doing so requires continuous, personalised support. The differences in the chosen approach turn out to be very considerable, with some municipalities opting for the quickest route into work and others paying greater attention to more long-term support and guidance into the labour market. Changes in existing methods have proved important in this regard in order to guide status holders towards a more sustainable position on the labour market. In this context, municipalities can share more of their knowledge and experience and cooperate with one another so as to benefit to a greater extent from proven successes. There is also still much to be gained in terms of cooperation with other parties in the region, including civil-society organisations, educational institutions, and employers. It has become clear that an early, integrated approach needs to be based on coordination and cooperation. Municipalities need to pursue such an approach explicitly.

Last but not least, action is also required on the part of the social partners. With the worsening shortages on the labour market, status holders are becoming more and more interesting for employing organisations.<sup>3</sup> An increasing number of companies are opening up to this supply of employees and offering work experience placements and language courses. Partly in that context, it is relevant that the Dutch Labour Market Orientation programme also focuses on the role of the social partners within the Dutch labour system. The changing labour market and the attitude of companies have proved to be an important link as regards increasing opportunities for paid employment. Willingness to offer status holders an opportunity can be increased. Support on the shop floor is indispensable for this, and it is here that trade unions and employee representatives can play an important role. The Council also stresses the importance of sectoral and regional agreements, supported by the provision of sufficient resources. The experience gained in the context of a number of sector initiatives is promising in this respect. Conversely, public local and regional services will need to respond sufficiently to the demands of employers and employees.

The Council believes that a more comprehensive and effective approach can only be achieved if the disappointing social participation of status holders is tackled as a shared challenge. In that context, it is also relevant to note that on 13 April 2018 the Minister of Social Affairs and Employment requested the Council to produce an exploratory study of the long-term integration of newcomers on the labour market. The issue involved is a

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<sup>3</sup> At the presentation of the Council's recent advisory report on *Energietransities en werkgelegenheid* [Energy Transition and Employment] (19 April 2018), it was stated that the initiatives launched at regional level in the context of the energy transition to retrain and involve more people also offer opportunities, for status holders and other groups, and that this will make the labour market more inclusive. See <https://www.ser.nl/nl/actueel/nieuws/2010-2019/2018/20180419-energiestransitie-werkgelegenheid.aspx>

broader one than that addressed in the present report. The requested study will need to determine what can be done to prevent groups of newcomers (and further groups) from remaining distant from the labour market. It also concerns the role that municipalities, the social partners, and other parties can play in this regard. The requested study gives the Council the opportunity to explore various matters in greater detail that are not dealt with, or dealt with less explicitly, in the present report.