

Labour Immigration Work for Refugees in Europe: Its Impact on Host Country’s Economy and People

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ABSTRACT: The study focuses on the impacts that refugees (humanitarian migrants) create on the economy of the country and the psychology of the people in Europe, the rise of low-wage work in Europe and a few policies (dispersal, integration to labour market) related to refugees in different European countries. The arrival of refugees has increased the low-wage market in Europe considerably which has led to negative short-term impacts but beneficial long-term impacts in terms of both, economy of the country and psychology of the people living in those countries. The policies which are already in place need reforms to make the process of refugee integration in the labour market faster which will lead to economic prosperity and much more contributions from the refugees.

To understand the various interrelated terms, we define –

Refugees as – persons fleeing armed conflict or prosecution. They are protected in the International Law under the 1951 Refugee Convention.

Migrants as – people who choose to move for a better lifestyle, education or other reasons and not because of any direct threat of persecution.

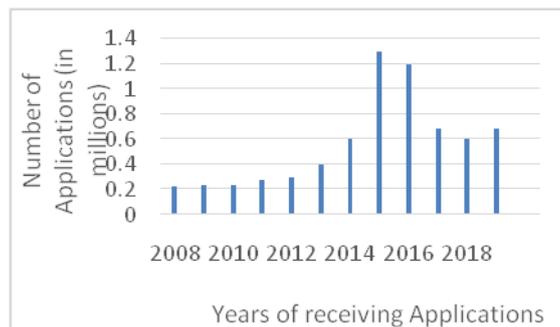
Asylum-seeker – someone who has applied for international protection under Article 3 (Protection on the basis of refugee convention) of the European Convention of Human Rights (EHCR) but whose claims have not yet been evaluated..

KEYWORDS: refugees in Europe, economy, psychology of people related to refugees, low-wage market, dispersal policies, labour integration, asylum-seeker, migrants

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According to the analysis of data from Eurostat, the European Union’s statistical agency, approximately 1.3 million asylum applications were received by the European Union(EU) in the year 2015 (the highest in a year) and have continued to arrive ever since, in huge numbers.

Figure 1: Number of Asylum Applications received by EU



Note:EU represents the European Union of 27 countries

The stark increase in the number of people seeking ‘asylum’ in European countries is attributed to the proximity of Europe to countries such as Syria, Iraq and Afghanistan whose nationals constitute about 70% of the total asylum applications received by authorities in Europe [1]. They think that, if they can get some form of protection in any of the European countries then they can search for jobs and earn a living of their own through their own skill-sets or the ones which they may acquire with time [2].

Literature review**Dispersal Policies**

These policies are devised in such a way so as to scatter the refugees in a larger geographical area upon their arrival rather than letting them choose their choice of place to reside.

Therefore to ensure that the burden does not fall only on specific local authorities in managing the newly arrived migrants, governments in the European countries make use of these dispersal policies and hence ensure effective and efficient distribution of the migrants [3].

Labour Integration

The labour integration of refugees has a large gap compared to migrants (not asylum-seekers) and natives with similar skill-sets as refugees first seek asylum and have to serve the waiting period, whereas migrants and natives do not have any such policies [3]. The waiting period differs with respect to every country's policy such as – nine months in France, six months in Netherlands, Poland and Spain, three months in Bulgaria and Germany, two months in Italy and immediately after their application is accepted in Sweden.

Growth of low-wage market

Once the refugees start working low-wage menial jobs, their demand in the market increases due to availability of cheap labour which results in growth of low-wage market in Europe [2]. Even though the low-wage market has grown in Europe, it is not a uniform growth in all countries and therefore, it is highly limited.

Its Impacts

Psychological Impact. The natives of the country are pushed up on the ladder to more skill-demanding tasks when the economy grows, leading to psychological satisfactions among them [4].

Economic Impact. The competition for manual labour increases significantly. Since refugees start getting jobs, in the coming years the impact of the 'refugee crisis' is not going to lessen, not only because more refugees will come to Europe to seek asylum, but the refugees who have already settled will also require continuous support in terms of healthcare, education and jobs to thrive.

Employment and Wages. They have reduced impact on the employment and wages and that if in a short period of time refugees get more social benefits than they pay in to tax, with passing time their contributions are set to increase as most of them are in the age group of 18-34 years and have a long working life ahead of them [5].

Asylum-seekers. It takes a little more time for them to create an impact, as they are not exposed to labour markets till their applications are accepted and if denied, they might have to move to some other place.

Methodology

Thorough analysis of the papers and reports related to the labour integration of refugees in Europe was done to understand the basic idea and the process followed since their arrival in the host country to the actual time they started working. Various policies from the International Refugee Convention, United Nations High Commissioner for Refugees and European Convention on Human Rights were studied to gain knowledge about the rights and duties of refugees. Policies related to refugees in some European countries (France, Sweden, Germany and Italy) were individually assessed to draw similarities and an overall trend among the nations. Statistical data from local media (news), Labour force Survey, European Commission were evaluated to improve accuracy. The economic impacts and growth of low-wage market in Europe were separately contemplated through study of economic papers to establish a clear relation between the two. The beliefs shared are justified from various social media reports suggesting the outcries of some natives.

Discussion**Dispersal Policies**

Dispersal policies have a backdrop - scattering the refugees reduces the chances of familiarity with a certain place which hinders their growth and leaves them exposed to a lot of new challenges to cope with.

Refugees are generally provided residential and educational facilities in areas which are underdeveloped. This difference between the quality of education provided to natives and refugees leads to lower overall growth and that segment of society remains stagnated.

Labour Markets

Refugees who are seeking asylum are not really exposed to the labour markets quickly, which leads to lesser contribution towards the economy. This is due to the slow process of accepting asylum applications.

Effects on People

Natives.Not all those who are seeking refuge are of decent nature, and may cause trouble locally from time to time making the locals of that area feel unhappy, unsafe and uneasy at times. Assessment of neighbourhoods can be done to understand the concerns of locals (if any).

Refugees.There are still a few communities who see refugees as a threat. A reason for the same could be the talks of increase in taxes by certain governments in Europe. It can spark communal hatred very easily and thus lead to work exploitation of refugees. Government should ensure protection of refugees from such unfair treatment.

Effects on Economy

Social Mobility.While considering the shift in the economy since the start of arrival of refugees, one aspect not tended to while evaluation is the social mobility of the natives.

The upward mobility of the natives when refugees take manual jobs has positive psychological impacts on natives and a blooming effect on economy.

Security of Europe.A huge chunk of money is allotted by a lot of European countries which are directly exposed to the arrival of these migrants, for security and to forbid entry of any illegal refugees. Security at international borders between European nations is also tightened to deny any chances to the refugees for movement within the countries of Europe. All of this is done with taxpayer's money which incites unrest in some sections of the society who ultimately start disliking refugees for arrival in their countries which leads to increase in taxes.

Limitations

Increase in low-wage sector: Cause

This study establishes how the low-wage sector has grown in Europe, but what is unclear is the fact that whether this growth is attributed to the rise in number of refugees in Europe or is it a result of the multi-fold growth in technology and machinery?

Social Mobility of natives: Reason

Another important limitation is related to the social mobility of the natives. Whether this upward mobility is because they deserve to work at that rank and pay or are they just promoted to give way for cheap labour?

Future Scope

A lot of research can be done to understand the psychological aspects of the natives as well as the contentment level of refugees in detail, for every society, city and country specifically, as this forms the basis of harmony among two different sets of people which is necessary for prosperity and economic growth. The need for such an extensive research is to determine whether there is a pattern in which people react to certain refugee problems or is it highly random.

Conclusion

The purpose of this study was to understand the impact that refugees create on the economy of the host country and on the psychology of the people residing in these countries (natives). Thus, labour immigration work for refugees has little but positive impact on economy of the host country and a varied psychological impact on the natives. In short-term evaluation refugees can be seen as a burden by the countries who have to provide a lot of healthcare facilities and education opportunities in the beginning to help them grow, but as time goes by, the burden eventually turns into opportunities of growing the economy as can be seen due to increase in the low-wage market of Europe. Governments need to be strict and vigilant while setting up and implementing policies while keeping in mind both, the refugees and the natives to ensure overall growth of the community of which economy is also a part. Merely accepting refugees is not going to help in upliftment of the society, their integration to the labour market is an important aspect which should be tended to in all seriousness.

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