

# Labour Market Policy and Integration in Germany

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## 1 Introduction

Integration into the labour market is a crucial element of integration policy in Germany. It is not only one of the key interests of migrants and refugees themselves (Schiefer 2017: 4), but also enables migrants to participate in their host society economically, enter into contact with the autochthone society and gain independence. Translated into analytical categories, labour market integration can thus promote structural (i.e. regarding inclusion into the social system of the labour market itself), social (i.e. regarding social relationships) and emotional (i.e. regarding identification with the host society) integration (cf. Esser 2006: 8). This implies that a lack of integration into the labour market means more than a lack of financial resources (Boeckh et al. 2017: 222). Moreover, for some groups of migrants, a successful integration into the labour market can even be a prerequisite for a long-term right to remain (BMAS 2014b: 12).<sup>1</sup>

The following section will outline the general employment and labour market policy in Germany, including the competences of different actors in the federal framework. The second part of the report will focus on the particular rules regarding access of refugees to the labour market and to support systems. It will include a discussion of the involvement of non-profit organizations (NPOs)<sup>2</sup> in the policies fostering labour market integration. A concluding section will briefly sum up the situation of refugees in the German labour market and related support systems.

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<sup>1</sup> In particular, persons whose stay in Germany is merely “tolerated”, i.e. who do not have a legal residence title but who have lived in Germany for a number of years, can obtain a right to remain if they are able to make a living from work (§25b and §104a Residence Act/ *Aufenthaltsgesetz*).

<sup>2</sup> Non-profit organizations can be defined as entities that are organized, non-governmental, limited profit-distributing, self-governing, and voluntary (Salamon and Anheier 1997; Salamon and Sokolowski 2014). In Germany, they comprise a broad variety of organizations such as the free welfare associations (*Wohlfahrtsverbände*, confederations of organizations active in various fields of social assistance, organized along ideological and religious lines), voluntary associations (*Vereine*), private law foundations (*Stiftungen des Privatrechts*), cooperatives (*Genossenschaften*), and non-profit private limited corporations (*gGmbH*) (cf. Zimmer et al. 2016). Besides these non-profit organizations, the non-profit sector also encompasses less organized voluntary initiatives or movements.

## 2 Labour market policy in Germany

### 2.1 The policy field in general: objectives and instruments

Social policy in Germany has historically had close links with the labour market. Benefit levels in key social systems such as pensions or unemployment insurance depend on former incomes, and inclusion in health care is based either on one's position in the labour market or as a dependent relative of a worker. Labour market policy has pursued the goal of full employment<sup>3</sup> since the 1960s, and has supplemented "passive" financial transfers with "active" labour market policies aiming to integrate people into work (Boeckh et al. 2017: 83f).

The latter have been reinforced with a reform of the labour market support system in 2004, which represented a "paradigm change" (Hassel/Schiller 2010: 9). The reform was part of the government programme "Agenda 2010" that tried to reinforce economic growth, create employment and restructure the social security system. The former structures of unemployment support had been eroded by rising long-term unemployment (Eichhorst et al. 2010: 73-76). Therefore, the reforms strongly reinforced the role of basic income support in comparison with insurance-based status-preserving benefits. Moreover, high unemployment rates were attributed on the one hand to rising non-wage labour costs – which made hiring new workers unattractive for employers – and on the other hand to a lack of willingness of unemployed persons to (re-)enter the workforce. In response, the Federal Government shifted the system towards "activating" employment policies, emphasizing "workfare" measures that follow the logic of rights and obligations, summarized in the catchphrase "promoting and demanding" ("*Fördern und Fordern*") (Atzmüller 2014: 143-150). It has instituted a "work-first" approach and introduced stricter requirements of participation, introducing sanctions for non-compliance especially for the long-term unemployed (Boeckh et al. 2017: 263f; BAMF 2016: 12-14). In addition, the reforms have contributed to a further flexibilisation of the German labour market, enhancing temporary employment, labour leasing, part-time and "marginal" employment<sup>4</sup> (Eichhorst et al. 2010: 72; Atzmüller 2014: 139).

The reform has also restructured the competences of different public agencies and the social support systems available to unemployed persons. Current provisions for unemployed persons are divided between unemployment insurance (*Arbeitslosenversicherung*, regulated in the Social Code III/SGB III) and the basic income support for jobseekers (*Grundsicherung für Arbeitsuchende*, regulated in the Second Book of the German Social Code, SGB II). Benefits from the unemployment insurance are called "Unemploy-

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<sup>3</sup> It must be noted, however, that this goal was initially focused on male German citizens, while women and migrants constituted a "flexibility reserve" for the labour market and were often restricted to working as unpaid labourers in households or in menial low-paid jobs (Atzmüller 2014: 129-132).

<sup>4</sup> The term is used for employment with earnings up to 450 Euro per month. They are subject to specific rules regarding insurance contributions by employers and employees, see <http://www.bmas.de/EN/Our-Topics/Social-Security/450-euro-mini-jobs-marginal-employment.html> (last accessed 01 Mar. 2017).

ment Benefit I"/ "UB I" ("*Arbeitslosengeld I*", ALG I). Funded by the unemployment insurance contributions of employers and employees, they are part of the system of social insurances. Benefit levels depend on former incomes<sup>5</sup> and transfer payments are only granted to those unemployed persons who have been employed in a job subject to social insurance contributions for a certain time prior to becoming unemployed (Boeckh et al. 2017: 258f).

In contrast to this, basic income support for jobseekers (or "Unemployment Benefit II"/"UB II", "*Arbeitslosengeld II*" /ALG II)<sup>6</sup> is part of the means-tested social security system which is funded from general fiscal revenue. It is open to all unemployed persons who are generally able to work<sup>7</sup> if they do not have sufficient means of subsistence (e.g. from income, assets, or other transfer payments). In principle, benefit levels of basic social security are the same for all beneficiaries, even if they are supplemented by so-called social allowances (*Sozialgeld*) for e.g. dependent minors (Eichhorst et al. 2010: 71f).<sup>8</sup> Not all beneficiaries are unemployed, as benefits can also be granted to persons who are participating in active labour market measures (and are therefore not counted as "unemployed" in public statistics), who are caring for a child or whose incomes from work are insufficient (Bundesagentur für Arbeit 2016: 23-25; Eichhorst et al. 2010: 85).

Active labour market policies comprise a number of instruments, including education and training to qualify unemployed workers and enhance their "employability", counselling and placement, support for self-employed work, reduced hours compensation to prevent unemployment, or participation in transfer measures. Those services are generally available to beneficiaries of both UB I and UB II (BAMF 2016: 12-14; §6 SGB II). The participation in such measures is in part compulsory, as non-compliance e.g. regarding measures for (re-)integration into the labour market or with notification requirements can be sanctioned by the job centres with reduced benefits or disqualification periods (Eichhorst et al. 2010: 82-91; Boeckh et al. 2017: 254-258, 263).<sup>9</sup> The duties of unemployed

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<sup>5</sup> Beneficiaries receive 60 percent of their former net incomes (equalised for the 12 months prior to the unemployment) or 67 percent if the beneficiary has a child.

<sup>6</sup> Colloquially, these benefits are referred to as "Hartz IV", based on the name of a manager who was appointed leader of the commission that developed the labour market reforms in 2002.

<sup>7</sup> The "capability of working" requirement is rather broad, comprising all people who are able to work three hours per day or will be able to do so in the foreseeable future (Eichhorst et al. 2010: 81f). Those persons who do not meet this requirement are supported by Social Assistance (*Sozialhilfe*) according to Social Code XII (*Sozialgesetzbuch XII*) which is administered by the municipalities.

<sup>8</sup> Benefit levels are adjusted by federal law every year based on the inflation rate of basic goods. In 2017, the basic benefits were raised to 409 Euro per month for single-person household and 368 Euro per partner per month for households consisting of two adult beneficiaries. The benefit levels for children are lower and depend on the age of the child (cf. <https://www.bundesregierung.de/Content/DE/Artikel/2016/09/2016-09-21-erhoehung-regelbedarf.html>, last accessed 21 Feb. 2017). These benefits are complemented by the municipalities with benefits for accommodation and heating (see below).

<sup>9</sup> Due to human and citizenship rights, no person can be left completely without the minimum resources for physical existence in Germany. However, benefits in kind can replace financial benefits (§31a SGB II). The possibility of sanctions by the Employment Agencies are much lower, as they can only end the placement services provided to the unemployed persons, but cannot withdraw benefits (§ 38 (3) 2 SGB III).

persons are set forth in integration agreements (*Eingliederungsvereinbarung*) concluded between the Employment Agencies and the unemployed.

While the instruments of active and activating labour market policies have been expanded by the reform, the share of public expenditure for these policies remains lower than that of the Scandinavian countries, the Netherlands, France or Belgium; while being higher than in the Southern and Eastern European states, the UK or the USA.<sup>10</sup> Moreover, the measures in the Scandinavian countries are judged very effective by experts, whereas the measures in Germany – particularly those for the long-term unemployed serviced by the job centres – are subject to the discretionary power of the public employees. In addition, austerity measures are currently restricting the public scope of action regarding active labour market policies (Schönert et al. 2016: 22-24). Austerity is enforced irrespective of the yearly surplus of funds accumulated by the Federal Employment Agency.<sup>11</sup>

Despite active labour market policies, unemployment persists. After the peak of 4.9 million unemployed persons (or 13 percent of the working population) in 2005, the number has continually decreased to 2.8 million (7 percent) in 2015, with 1 million people being long-term unemployed (i.e. for more than 12 months). Unemployment is not equally distributed across Germany, with much higher rates in Eastern Germany, but also in some of the former industrial zones of North Rhine-Westphalia or in Bremen. In addition, so-called “atypical employment”, which is usually short-term and/or part-time work, is on the rise. In particular, less qualified workers, migrants, job entrants, as well as pensioners rely on such forms of employment, are employed in the low-paid sector or are unemployed (Bundesagentur für Arbeit 2016: 18-22; Boeckh et al. 2017: 235-245).

## **2.2 Actors and competences in the federally intertwined system**

While the European Union does not have direct competence in employment policy and social affairs, it nonetheless influences national policy-making more indirectly. Its “liberalizing bias” (Scharpf 2010: 243) fosters deregulation and welfare state retrenchment. The economic and financial crises of 2008/2009 have reinforced these trends (Atzmüller 2014: 10-21; Prosser 2016). Even so, member states can also draw on EU funds to support their own social and labour market policies. For example, the European Social Fund (ESF) can support projects for employment promotion or fostering the labour market insertion of particular groups, including those that are not covered by the regular instruments of the Employment Agencies and the job centres (Boeckh 2017: 252f).

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<sup>10</sup> Cf. OECD Social Expenditure Database (SOCX), Public expenditure and participant stocks on LMP, available at <http://stats.oecd.org/Index.aspx?DatasetCode=LMPEXP#> (last accessed 09 Mar 2017).

<sup>11</sup> Cf. <http://www.tagesspiegel.de/politik/gute-konjunktur-bundesagentur-fuer-arbeit-erwirtschaftet-milliarden-ueberschuss/19194870.html> (last accessed 30 May 2017).

**Figure 1: Actors in Germany's labour market policy**

#### Federal Employment Agency

- Central office defines the strategy of the FEA
- Implemented by the 10 Regional Directories

#### 156 Employment Agencies

- Administer UB I
- Active labour market policies
- Pay for general benefits of the basic income support (UB II)

#### Local Job Centres

- Joint organization of the local EAs and the municipalities
- Administer UB II

#### Municipalities

- Additional active labour market policies for the long-term unemployed (§ 16a SGB II)
- Pay for the costs of accommodation of the long-term unemployed

Source: own presentation based on <https://www.arbeitsagentur.de/> (last accessed 09 Mar. 2017).

At the national level, the Federal Ministry of Labour and Social Affairs is responsible for labour market policy. It is addressing issues such as employment promotion in general or for particular groups (e.g. persons with disabilities, young persons or persons over the age of 50), labour law, social security, or occupational health and safety.<sup>12</sup> The ministry is preparing labour market legislation and concepts, e.g. to prevent unemployment and strengthen the economy in Germany. The current minister is Andrea Nahles of the Social Democratic Party.

Traditionally, corporatist structures have played a strong role in German labour market and employment policy. Self-regulation through collective bargaining between the unions and employers' associations has established rules regarding labour conditions and remuneration (Schroeder/Schulz 2012). The contracts are concluded for a particular sector and are partly restricted to a particular region. However, the share of businesses that are members of the associations and that are therefore bound by the collective wage agreements is declining. The Federal Government has thus introduced a general minimum wage in 2015.<sup>13</sup> In addition to self-regulation, the so-called "social partners" (i.e. unions and employers' associations) are represented in the governing bodies of the Federal Employment Agency (FEA; *Bundesagentur für Arbeit*). It is a self-governed public body, which is federally structured with ten Regional Directories and 156 local Employ-

<sup>12</sup> Cf. <http://www.bmas.de/EN/Our-Topics/our-topics.html> (last accessed 01 Mar. 2017).

<sup>13</sup> Initially, the minimum wage was set at 8.50 Euro per hour. In 2017, it was raised to 8.84 Euro per hour (cf. <http://www.mindest-lohn.org/>, last accessed 01 Mar. 2017). It does not apply to apprentices, volunteers, participants in measures of active labour market policy or self-employed persons (Boeckh et al. 2017: 203f). In addition, certain exemptions applied for employees in particular sectors until 31 Dec. 2016.

ment Agencies (Welskop-Deffaa 2016). The Employment Agencies administer the unemployment insurance benefits (UB I) and are responsible for the active labour market policies.

The local Employment Agencies establish local job centres in collaboration with the welfare offices of the cities and districts (*Kreise*).<sup>14</sup> The job centres are responsible for the case management and disbursement of transfer payments to the long-term unemployed (UB II). The Federal Government is funding the general financial transfers that cover daily expenses. Additional benefits for particular needs or non-recurrent expenses can supplement the general benefits. The federal transfers are complemented by the municipalities that cover the costs of accommodation (*Kosten der Unterkunft*) under financial participation of the Federal Government. While federal law provides a framework for these benefits, different methods of calculation lead to differing levels of “adequate” housing costs across Germany and thus to regionally differing maximum benefit levels (Boeckh et al. 2017: 259-262; Jacobs et al. 2009). Additional active labour market instruments have been created according to the needs of some UB II recipients, including e.g. socio-psychological counselling (Eichhorst et al. 2010: 91-94). They are provided by the municipalities (§ 16a SGB II).

The division of competences and – in particular – of the costs arising for unemployed or underemployed workers has been a point of contention between the Federal Government and the Länder and municipalities for years. The calls for a stronger financial participation of the Federal Government have increased substantially alongside the rise of the number of asylum seekers, because most of them rely on social security programs administered by the cities and districts, putting a fiscal constrain on local governments. However, since December 2016, the Federal Government by law contributes significantly to the costs of integration that used to be thoroughly covered by the Länder and municipalities. The law has determined that the Federal Government will fully take over the costs of accommodation for recognized refugees for the years 2016 to 2018 and has introduced an additional lump sum to be disbursed to the Länder for integration measures.<sup>15</sup>

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<sup>14</sup> Different models of co-operation between the Employment Agency and the local Social Security Office exist. The first is the job centre model, where the municipalities are responsible for benefits such as childcare, debt counselling, transfer payments for education and housing, while the basic income support and labour market integration measures are administered by the Employment Agency. The second model comprises divided competences between the FEA and the municipalities, while under the third model (so called “Opting Model”/ *Optionskommune*) the municipalities assume full responsibility in exchange for some financial compensation (Boeckh et al. 2017: 251).

<sup>15</sup> Law on the participation of the Federal Government in the costs of integration and for the further relief of the *Länder* and municipalities (Gesetz zur Beteiligung des Bundes an den Kosten der Integration und zur weiteren Entlastung von Ländern und Kommunen, cf. [http://www.bundesfinanzministerium.de/Content/DE/Gesetzestexte/Gesetze\\_Verordnungen/2016-12-06-G-z-Beteiligung-d-Bundes-an-d-Kosten-d-Integration.html](http://www.bundesfinanzministerium.de/Content/DE/Gesetzestexte/Gesetze_Verordnungen/2016-12-06-G-z-Beteiligung-d-Bundes-an-d-Kosten-d-Integration.html) (last accessed 21 Feb. 2017).

Non-profit and for-profit actors are primarily involved in labour market policies as service providers of activating policies such as training or counselling. They are providing the services based on agreements with the responsible public agencies as outlined above or based on vouchers that are issued to the unemployed persons by the agencies (Kühl et al. 2013). The public agencies are responsible for ensuring the cost-effectiveness and quality of the services (§ 17 SGB II). In addition, non-profit organizations such as the welfare associations also try to lobby for their clients. Thus, the welfare associations take up a dual role: That of a contractor of public bodies, relying on public funding, and that of a potential opponent of public actors if they see public policies as countering the interests of their constituencies. This dual role can lead to conflicting interests of trying to ensure favourable policies for their clients without biting the hand that feeds them (cf. Schulz 2010).

### 3 Labour market integration of refugees

Most of the regulations regarding the integration of refugees into the labour market in Germany originate from the national level. The rights of refugees are closely tied to their respective residence title and in part to the duration of their stay. For some groups, the country of origin is also relevant for determining their labour market rights. This makes the legal framework highly complex. The following account aims at depicting the fundamental structure of the regulations, while not all exceptions and particularities will be described. The complexity of the legal regulations regarding the labour market integration of refugees is further complicated by the involvement of additional public agencies. In particular, the local Aliens Department (*Ausländerbehörde/Ausländeramt*) is relevant as it is responsible for the implementation of the Aliens Law. This includes e.g. the issuing of residence permits or decisions regarding work permits.

As has been described in the report on current migration trends in Germany (task 4 of this project), the group of “refugees” comprises a highly heterogeneous mix of persons regarding education, language capacities, age, gender etc. Therefore, the following description shall not be misunderstood as implying that all refugees require additional support. Even so, as has also been outlined in that report, the average educational level of refugees in Germany is estimated to be comparatively low and some particularities arising directly from the living situation of refugees in Germany concern at least the majority of refugees.

#### 3.1 Access to the labour market<sup>16</sup>

The first group consists of **recognized refugees**. This group primarily encompasses all those who have been recognized as refugees according to the Geneva Convention or having a right to asylum according to the German Constitution, or who have been

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<sup>16</sup> Due to the quickly changing legal framework, this section is mainly based on the information provided by “Projekt Q”, a project for the qualification of refugee counseling (unless otherwise noted), available at: <http://www.einwanderer.net/sozialrecht/zugang-zum-arbeitsmarkt/#c467> (last accessed 01 Mar. 2017).

granted subsidiary protection according to EU law. Those recognized refugees are deemed to be legally equal to German citizens and thus have full access to the labour market (BAMF 2016: 9-11). It comprises the permission to take up employed or self-employed work without any prior approval by a public authority.

Another group consists of those persons who have applied for asylum but have not yet received a final decision on their application (**asylum seekers** or asylum applicants). Their access to the labour market depends firstly on the duration of their stay. For the first three months, they are not allowed to take up any work. After this time, they can apply for a work permit at the local Aliens Department (*Ausländerbehörde/Ausländeramt*) if they find employment. Until the 15th month of their stay, asylum applicants' access to the labour market is subordinate to that of Germans, EU citizens and other foreigners with a more comprehensive residence title. The Federal Employment Agency (FEA) therefore needs to determine that no person belonging to one of these groups would principally be available for taking the particular job offered to the applicant. Moreover, the employment conditions such as working hours or pay may not be less favourable than those granted to other employees in a similar position (§39 *Aufenthaltsgesetz/Residence Act*). This last requirement applies for the first four years of the asylum applicants' stay in Germany. After 48 months, the applicants are still required to request permission from the Aliens Department, but no approval by the Federal Employment Agency is needed.

Apart from the duration of the stay in Germany, the asylum applicants' access to the labour market depends on their country of origin. Annex II of the Asylum Law (*Asylgesetz*) defines a number of so-called "safe countries of origin" ("*sichere Herkunftstaaten*").<sup>17</sup> Applicants from these countries are obligated to remain in the initial reception centres until their applications are decided and, if they are rejected, have to remain in those centres until their deportation. They are prohibited from working for the entire duration of their stay.

A last group consists of those persons who live in Germany with a so-called "**exceptional leave to remain**" or "**toleration**" (*Vorübergehende Aussetzung der Abschiebung/Duldung*). It confers no right of residence. Instead, the stay is merely "tolerated" temporarily because there are compelling reasons why the person – even if legally obligated to leave the country – cannot be forcibly repatriated. Reasons are e.g. an illness that would endanger the person if removed to their country of origin, or a lack of the necessary travel documents (§60a Residence Act). These persons are generally treated similar to asylum applicants, i.e. they can apply at the Aliens Department for a work permit. Those "tolerated" persons who have allegedly entered Germany to obtain social benefits, who have caused the reasons that prevent their deportation (e.g. by destroying their proof of identity), or who come from a so-called "safe third country" are prohibited from taking up work (§60a(6) Residence Act).

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<sup>17</sup> The list was expanded in 2015 and now comprises Albania, Bosnia and Herzegovina, Ghana, Kosovo, Macedonia, the Former Yugoslav Republic Montenegro, Senegal and Serbia.

**Table 1: Simplified account of refugees' access to the labour market**

Legal status	Conditions	Labour market access
<b>Recognized refugees</b>	Asylum status (German constitution), refugee status (Geneva Convention), or subsidiary protection (EU law) have been granted	Full access to the labour market – same regulations as German or EU nationals
<b>Asylum seekers</b>	Asylum application has been filed but not yet concluded	- while living in reception centres: no access - until 15 <sup>th</sup> month of stay: subordinate access
<b>“Tolerated” persons</b>	Asylum application has been rejected (or none has been filed), but deportation is impossible	- until 48 <sup>th</sup> month of stay: permission from the Aliens Department needed - no access if fraud is suspected (e.g. no proof of identity, safe country of origin etc.)

Source: own depiction.

Apart from characteristics of the refugees themselves, regulations also distinguish between different categories of work. In particular, the Federal Employment Agency is regularly publishing a so-called “positive list” of qualified jobs for which there is a lack of personnel (cf. BA 2017). For asylum seekers who possess the necessary qualifications (e.g. having completed two years of vocational training or having a university diploma) and find employment in one of the professions on this list, no proof of precedence by the employment agency is needed.

### **3.2 Instruments to foster labour market integration**

Since recognized refugees are legally equal to German citizens, they have full access to all passive and active labour market policies (BAMF 2016: 8). They will usually come under the scope of the job centres and UB II, because they have not fulfilled the requirements needed to receive UB I. For asylum applicants, the situation is different. In general, transfer payments for asylum seekers during their application procedure are based on the Asylum Seekers Benefit Act (*Asylbewerberleistungsgesetz*). The benefits according to this act are slightly lower than the basic income support (UB II). After 15 months, asylum seekers are granted benefits analogous to Social Assistance, i.e. benefits for persons incapable of working (§2 Asylum Seekers Benefit Act).

In contrast to financial benefits, asylum seekers have a claim to counselling by the Employment Agency from the onset of their stay. In addition, after three months, they are entitled to measures of employment promotion such as education or training. Those regulations shall ensure that labour market insertion can quickly be achieved by preventing long waiting times in the support system as had been the case prior to 2014 (Aumüller 2016: 14). However, the transition of the responsibility for a person from the Employment Agencies to the job centres in the case of a recognition of their asylum

application can create bureaucratic barriers and produce discontinuities in the support systems (Knuth 2016).

As asylum seekers and refugees often need additional support to achieve labour market integration, there are particular integration policies specifically established for foreigners that supplement the generally available active labour market policies. For example, federally sponsored so-called “integration courses” offer language tuition and cultural orientation to recognized refugees and other migrants. In the integration agreement with the local job centre, unemployed refugees can be obligated to participate in such an integration course (BAMF 2016: 15-18). In 2015, the Federal Government has opened the courses to asylum applicants already during their application procedure. However, the possibility to participate in the courses is restricted to those applicants with a “positive prospect of staying” (“*positive Bleibeperspektive*”), which is determined based on their country of origin. In 2016, applicants from Eritrea, Iraq, Iran and Syria were allowed to participate, because the recognition rates for applicants from these countries were higher than 50 percent (Aumüller 2016: 14). Similarly, courses supporting the occupational language capacities of refugees are mainly restricted to those who receive unemployment benefits (UB I or UB II) or who are registered as unemployed (BMAS 2014a).<sup>18</sup> All other applicants have to wait until their applications are approved to access federally funded language courses.

Those integration courses are partly combined with measures for occupational orientation. Internships shall provide refugees with information regarding the system of professions and training in Germany. As few refugees are familiar with the particularities of the German system – especially with the high reputation of vocational training – such measures shall empower refugees to make informed choices and gain some qualifications that can facilitate their later applications for training (Knuth 2016). In 2016, the Federal Government has created an additional programme called “Refugee Integration Measures” (FIM, “*Flüchtlingsintegrationsmaßnahmen*”). It shall support the early integration of up to 100,000 asylum seekers per year into the labour market by providing low-threshold work opportunities within refugee accommodations or at public or non-profit agencies. The responsible public agencies can place asylum applicants in work opportunities. The asylum seekers receive a small allowance (€0.80 per hour) for their work and are obligated to accept the placement. Asylum seekers from “safe third countries” and persons with exceptional leave to remain are excluded from the programme (Knuth 2016: 15f).

An additional federal programme “Integration through Qualification” (“*Integration durch Qualifizierung*”, or IQ Network) aims at improving the recognition of foreign qualifications.<sup>19</sup> The need for such a programme derives from the highly regulated German

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<sup>18</sup> Those courses are funded by the Federal government, partly with funds from the European Social Fund.

<sup>19</sup> See <http://www.netzwerk-iq.de/foerderprogramm-iq/programmuebersicht.html> (last accessed 01 Mar. 2017).

labour market where a variety of professions has strict requirements regarding the necessary qualifications. Those are particularly professions that may have a detrimental impact on users if they are conducted with a lack of knowledge or skills, such as doctors, lawyers, or educators. In addition to facilitating the recognition of foreign qualifications for these professions, the programme offers opportunities for supplementary qualification if the training received in the country of origin is not fully equivalent to the German standards. Moreover, alternative ways to prove a qualification – e.g. if no formal certificates can be provided due to the circumstances of the flight – are established by the Network (BAMF 2016: 15f, 19f).

### **3.3 The role of non-profit organizations in the labour market integration of refugees**

One of the problems of the German labour market policy is that it is still largely based on a so-called “normal employment biography” based on full-time, unlimited employment. This implies that the increase of workers in “atypical” employment is not necessarily fully represented in the system (Welskopp-Deffaa 2016: 218f). Similarly, migrants have for a long time been excluded from many instruments of active and passive labour market policy and are still subject to a complex legal system that regulates their access to the labour market and supporting measures.

Employers’ associations would favour a more liberal approach to labour market access for migrants, which they understand as enhancing labour supply in a context of demographic change and a lack of qualified workers.<sup>20</sup> In addition, they call for an increased flexibilisation of the labour market to combat unemployment. In contrast, unions adopt a “voice function” for their constituents, lobbying for higher employment protection, higher wages and better working conditions. Regarding the labour market integration of refugees, they are fighting against exceptions from the minimum wage for refugees and demand higher investment in qualification measures and language training.<sup>21</sup>

Even if the access of asylum seekers and “tolerated” persons to the labour market is still legally restricted, different support measures exist. They include firstly the regular toolkit of active and activating labour market policies of the Employment Agencies and job centres. Non-profit organizations are involved in providing these services on a contractual basis as outlined in chapter 2.2, and chapter **Fehler! Verweisquelle konnte nicht gefunden werden.** for instruments focused on foreigners. In addition, non-profit organizations offer additional support tailored to the particular needs of these groups. One problem is that subsidies for NPOs at the local level often favour established organizations and the large welfare associations, while newer organizations have difficulties to access funding (Klie et al. 2016: 31).

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<sup>20</sup> Cf. [http://www.arbeitgeber.de/www/arbeitgeber.nsf/id/de\\_zuwanderung-und-integration](http://www.arbeitgeber.de/www/arbeitgeber.nsf/id/de_zuwanderung-und-integration) (last accessed 01 Mar. 2017).

<sup>21</sup> Cf. <http://www.dgb.de/extra/fluechtlinge> (last accessed 09 Mar. 2017).

Firstly, the complexity of the legal framework regarding refugees' access to the labour market leads to a lack of transparency and increases uncertainty for employers. Therefore, many non-profit organizations are involved in creating networks with employers to enhance their understanding of the situation of refugees and asylum seekers in Germany and increase their willingness to employ persons despite the sometimes highly bureaucratic procedures. Non-profit organizations and volunteers who set up online job exchange portals complement these efforts.<sup>22</sup> Moreover, NPOs provide counselling and/or training to the refugees themselves. These activities can encompass e.g. help with writing applications, accompanying refugees in their search for employment or providing hands-on training. They are conducted both by more formalized non-profit organizations and by individual voluntary engagement on a one-on-one basis. The more formalized initiatives and networks have been supported between 2007 and 2015 through a Federal Programme, which was partly funded by the European Social Fund (ESF) (cf. Blaschke et al. 2015).<sup>23</sup>

Another crucial non-legal barrier for the labour market integration of some refugees is their lack of knowledge of the German language (cf. Netzwerk Unternehmen integrieren Flüchtlinge 2017: 4f). Therefore, a central activity of social groups in many cities and regions in Germany is to offer voluntary language tuition for asylum seekers, in particular during the application procedure when the participation in federal courses is highly restricted. Those activities can be rather informal, e.g. providing a venue for contacts and exchange, or more formal, in terms of providing courses with a fixed duration and number of participants. In some cases, the municipalities or *Länder* are supporting such more formal language courses financially.<sup>24</sup>

Employers and their associations have also become engaged in fostering the labour market integration of refugees. For example, an initiative "Us together" ("*Wir zusammen*") has been launched in February 2016 to provide additional internships and vocational training places for refugees. They have also installed training and counselling for the instructors themselves, who may be confronted with traumatized persons or other difficulties of the refugees. The initiative is building on prior experiences and networks between businesses, public agencies, and social groups – which had been created for the integration of disadvantaged youth – to implement the programme (Knuth 2016: 20f). Similarly, the "Network businesses are integrating refugees" ("*Netzwerk Unternehmen integrieren Flüchtlinge*") is offering employment opportunities, training and internships for refugees, sometimes supplemented by language tuition. The businesses are collaborating with non-profit organizations for entering into contact with potential employees

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<sup>22</sup> Cf. <https://www.nachhaltigejobs.de/m/jobboersen-fuer-fluechtlinge/65550672> (last accessed 30 May 2017).

<sup>23</sup> See also [http://www.xenos-de.de/xenos/DE/Ueber\\_Xenos/Bleiberecht/inhalt.html;jsessionid=0D2EA67D72BDBB4F6BF479D30DF872F5](http://www.xenos-de.de/xenos/DE/Ueber_Xenos/Bleiberecht/inhalt.html;jsessionid=0D2EA67D72BDBB4F6BF479D30DF872F5) (last accessed 28 Feb. 2017).

<sup>24</sup> For example, the State Chancellory of Saxony has funded a pilot project in Leipzig where civil society organisations offered language and cultural tuition in the initial reception centres (cf. <http://www.staedtetag.de/fachinformationen/integration/079872/index.html>, last accessed 28 Feb. 2017).

or interns, while they are less often recurring to public agencies (cf. Netzwerk Unternehmen integrieren Flüchtlinge 2017).

## **4 Concluding comments**

The policy field of labour market and employment policy in Germany is highly regulated and federally structured. This creates a complex regulatory environment that can ultimately erect significant barriers for the labour market integration of refugees. The legal access of refugees to the labour market and to supporting measures depends on their right of residence, the duration of their stay and sometimes their country of origin. While refugees who have been recognized as being in need of protection are legally equal to German citizens, asylum seekers and persons whose stay is merely “tolerated” are subject to a number of restrictions.

Apart from legal restrictions, practical limitations represent barriers to the labour market integration of refugees in Germany. Most prominently, these barriers result from a lack of German language capabilities and/or a lack of training. In general, asylum seekers and refugees are entitled to participate in active labour market policies that shall enhance their employability early on. However, language courses are restricted to a particular group of refugees. Therefore, civil society groups and organizations supplement the federally funded integration courses. They also offer additional support trying to establish relationships between employers and refugees to enhance the willingness of business owners to employ refugees. While those efforts of non-profit organizations are sorely needed, they do not establish a comprehensive support infrastructure but rather a patchwork of different approaches.

While some research on the role of non-profit organizations that support the integration of refugees into the labour market has been conducted, some open questions remain. In particular, the parallel involvement of older, more established organizations as well as new initiatives raises the question of the conditions for their participation: In which cases are established organizations at an advantage regarding the service provision for refugees? Under which circumstances do new groups appear? Are there differences in their field of activity and/or in their relations with the public administration? What are the conditions for the success or failure of new initiatives and organizations? Consequently, assessing the relations between the municipalities and particular civil society organizations will be important for evaluating their capacities and impact, as well as their potential for enhancing the labour market integration of refugees.

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