

Local Labour Market Training and Civic Integration Exams: Examining the Employment Outcomes of Refugees

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Abstract

In response to ongoing concerns around refugee integration in European labour markets, we examine whether the requirement of participating in labour market training improves such economic integration. Focusing on the Netherlands, we explore whether a new exam component dedicated to labour market training, known as the Orientation about the Dutch Labour Market (ONA), combined with the civic integration exam boosts refugees' labour market performance in terms of employment probability, hours worked and hourly wages. Alongside more general labour market training and education, the new ONA component requires proficiency in preparing a CV and taking a mock job interview in the Dutch language. Using rich administrative data from 2014 to 2021, we compare trajectories in the labour market performance of refugees who were obliged to take the integration exam containing the ONA component with refugees who passed the exam without this component. We reveal that after the exam, refugees who completed the ONA outperformed those that did not in employment probabilities, implying a beneficial impact of the ONA. The employment probability gap between the two groups widens over time, reaching 6.7 percentage points by the end of the period. However, we do not observe substantial differences in hours worked or hourly wages. The result also suggests that female refugees and those from Syria face persistent disadvantages in employment probabilities even after completing the ONA.

Keywords: Refugees, Labour market performance, Integration exam, Employment, Netherlands.

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