

The economic consequences of the flow of refugees into Belgium

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Introduction

Largely because of the war in Syria and the geopolitical instability reigning in several other Near and Middle East countries, the European Union (EU) is recording a huge number of entries of asylum-seekers since mid-2015. This humanitarian crisis comes amidst a climate of modest economic recovery and counter-terrorism efforts. This article contributes to the debate by analysing both the specific situation of Belgium and the potential economic consequences for the country.

The first section is devoted to putting this crisis into context. For the moment, it turns out that arrivals of asylum-seekers in Belgium are not enormously higher than previous waves recorded in 1993 and in the 2000s following the crises in Bosnia and Kosovo. And Belgium has not actually been affected the most. Both in absolute numbers and as a proportion of the population, the current inflow of refugees is much bigger in countries like Germany, Austria or Sweden. While the media talks about a “migrant crisis”, it is nevertheless necessary to make a distinction between economic migrants, on the one hand, and asylum-seekers, on the other. While the former come to find work, the latter are in search of a refuge and are seeking international protection.

Once the context has been established and the characteristics of asylum-seekers defined, the second part features an analysis of the economic consequences in Belgium. Initially based on the findings of previous research in this field, the

estimation is then built from the rare data available and a series of assumptions concerning integration of immigrants into the labour market and the amount of public expenditure necessary for the reception of refugees.

The third section broaches the crucial issue of immigrants’ integration into the labour market. Belgium has a lot of ground to make up here. This article examines the possible causes of the gap observed between the employment rate of residents with non-European nationality and that of Belgians. Finally, the conclusion sets out various avenues for reform of integration policies in Belgium.

1. Context

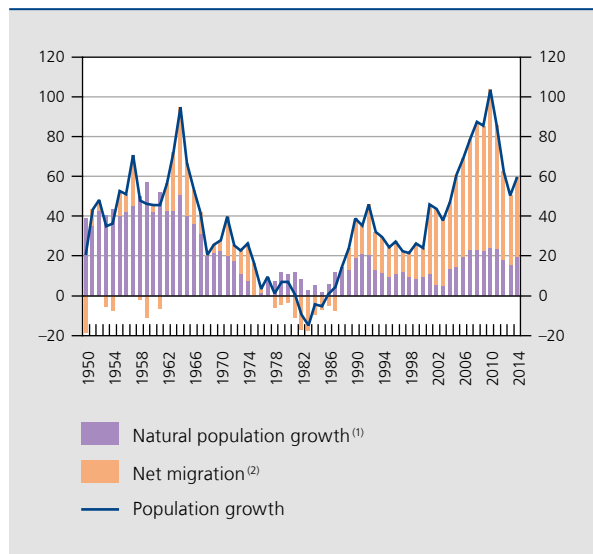
Any analysis of the current large-scale arrivals of asylum-seekers in Belgium first requires a thorough understanding of the phenomenon. In order to have a yardstick, it is essential to study past migratory flows and their composition as well as the reasons that drove the migrants to Belgium. A clear distinction will be made between refugees and economic migrants, so as to avoid any confusion as to the type of immigration in question. Once the context has been set, asylum-seekers’ individual characteristics that will or will not ease their integration into the labour market must also be established.

1.1 Brief history of migratory flows

International immigration has long played an important role in population growth in Belgium. Historically speaking, it was not until 1990 that asylum applications became an

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CHART 1 POPULATION MOVEMENTS IN BELGIUM
(thousands of persons)



Source: DGS.

(1) Difference between the number of births and the number of deaths.

(2) Difference between immigration (entries, registry changes, re-registrations) and emigration (exits, registry changes or automatic removals).

important phenomenon. Before that, arrivals of foreigners were largely due to economic migration (coal industry labour demand after the Second World War) and later, towards the end of the 1970s, family reunification.

During the year 2014, Belgium's population grew by 59 600 people, with two-thirds of this increase attributable

to net migration, a share similar to the average observed between 1990 and 2013. Since these are relatively young people, the migrants help reduce population ageing.

On 1 January 2015, out of a total of 11 209 044 inhabitants in Belgium, 1 255 286 were of foreign nationality, which is 11.2 % of the population. Among these, 68.2 % came from an EU country. The countries that are the most represented are, in decreasing order, France, Italy and the Netherlands, followed by Poland and Romania. Among non-European citizens, the largest groups are the Moroccans, followed by the Turks and Congolese.

At regional level, although Flanders posts the highest number of foreigners in absolute terms (40 % of the total foreign population live there), it is in Brussels that the proportion in relation to the total population is the highest, at 34 %. The structure of the immigrant population also varies from one Region to another. While about 35 % of the foreign populations in both the Brussels-Capital and Flanders Regions are non-EU citizens, this rate is only 25 % in Wallonia.

1.2 Distinction between refugees and economic migrants

Arrivals of asylum-seekers or economic migrants are two rather different migratory flows with very distinctive characteristics. A person coming into the host country for economic reasons is, at first, in search of a job for a certain period of time. A refugee, by contrast, is a person who has fled his or her country of origin and has the right,

TABLE 1 BREAKDOWN OF THE FOREIGN POPULATION BY REGION AND BY NATIONALITY
(thousands of persons, in % of the corresponding total population given in brackets)

	Belgium	Brussels	Flanders	Wallonia
Foreign population	1 255 (11)	399 (34)	504 (8)	352 (10)
EU	856 (68)	265 (66)	327 (65)	264 (75)
Non-EU	400 (32)	134 (34)	178 (35)	88 (25)
Main nationalities ⁽¹⁾				
EU	FR (13)	FR (15)	NL (26)	IT (29)
	IT (13)	RO (8)	PL (7)	FR (22)
	NL (12)	IT (8)	IT (5)	DE (5)
Non-EU	MA (7)	MA (10)	MA (6)	MA (4)
	TR (3)	CD (2)	TR (4)	TR (3)
	CD (2)	TR (2)	RU (1)	CD (2)

Sources: DGS, EC.

(1) CD (Democratic Republic of the Congo), DE (Germany), ES (Spain), FR (France), IT (Italy), MA (Morocco), NL (the Netherlands), PL (Poland), RO (Romania), RU (Russia), TR (Turkey).

TABLE 2 BREAKDOWN OF FIRST-GENERATION IMMIGRANTS ACCORDING TO THE REASONS FOR THEIR ARRIVAL IN BELGIUM AND THEIR NATIONALITY⁽¹⁾

(in % of the total number of corresponding immigrants aged from 15 to 64 years, 2014, percentage change from 2008 given in brackets)

	Total immigrants	Total EU immigrants	Total non-EU immigrants
Family reasons	52 (+6)	41 (-3)	48 (+0)
Education-related reasons	5 (-3)	5 (+0)	7 (-3)
Employment (job found prior to migration)	9 (-3)	20 (-1)	4 (-1)
Employment (no job found prior to migration)	11 (-1)	16 (+5)	13 (+0)
International protection or asylum	9 (+0)	0 (+0)	18 (+2)
Other reasons	12 (-1)	17 (-1)	10 (+1)

Source: EC.

(1) The total immigrants column includes immigrants of European and non-European nationalities as well as immigrants who have obtained Belgian nationality.

under Article 1 of the Geneva Convention, to ask for protection from a host country for fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion. Before the war in Syria, for example, barely 5 % of this country's population lived abroad, despite a per capita income of just 11 % of the Belgian average. In addition, only 6 % of Syrian residents wanted to emigrate if they were given the opportunity to do so (Esipova *et al.*, 2011). To have their status as refugees recognised, immigrants have to apply to the Belgian Immigration Office. As long as their case is still being assessed, they are considered as asylum-seekers.

A distinction can also be made between these two types of migrants by the scale of their arrivals on the host country's territory. While refugee inflows are volatile and depend on geopolitical situations throughout the world, economic migration involves more regular but increasingly large flows of people. Economic migrants also tend to be better monitored, just as they depend largely on whether or not a work permit is granted by the competent authority. This permit is usually only temporary, but it can be renewed. Refugees, for their part, receive an unlimited residence permit once their application for asylum has been accepted. Their likelihood of returning home is thus smaller, especially since they often keep fewer social ties with their country of origin. In view of their prospects for settling permanently, these immigrants are more inclined to invest in the host country's own human capital (by learning one of the national languages, for instance), which ultimately facilitates their integration (Cortes, 2004). Despite their lower investment and their greater likelihood of returning home, economic migrants are initially more aligned with the requirements of the labour market. Regarding refugees however, their

distribution in terms of skills, education and age is, by definition, uncertain. But for everyone, the situation on the labour market still tends to be worse than that for natives.

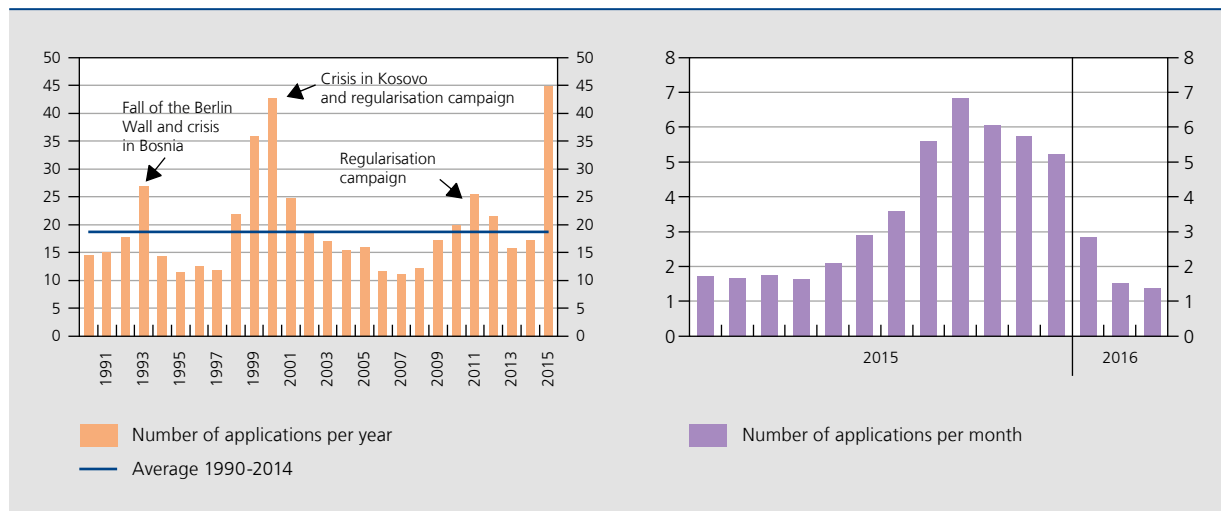
The reasons behind immigration are not just limited to asylum or employment. According to survey data gathered by the European Commission (EC), 52 % of immigrants living on Belgian territory in 2014 came for family reasons, 20 % for a job (almost half of them already had a job when they arrived), 5 % came for schooling and 9 % for international protection. The distinction per nationality shows family reunification as the main reason for immigrants from outside Europe, while work is cited most often by European citizens.

1.3 The current crisis in figures

Three major waves of immigration due to refugees have already been observed in the past⁽¹⁾: in 1993 (the fall of the Berlin Wall and the crisis in Bosnia), when 27 000 applications or the equivalent of 42 % of all entries into Belgium were registered; in 2000 (crisis in Kosovo and regularisation campaign), when 43 000 applications, or 62 % of total entries, were recorded; and, to a lesser extent, in 2011 (regularisation process), when 25 000 asylum-seekers, corresponding to 19 % of total immigration flows, came into Belgium. Together with the 44 800 applications received in 2015, the current inflow is much bigger than those seen in 1993 and 2011, but it could match that of the year 2000. The refugee status recognition rate is nevertheless higher than in the past.

(1) See Rea A. and M. Martiniello (2012).

CHART 2 OVERVIEW OF THE NUMBER OF ASYLUM APPLICATIONS IN BELGIUM
(in thousands of persons)



Source : CGRS.

While it stood at 10 % in the 1990s, the rate has reached 30 % on average of the last four years, before rising as high as 61 % in 2015. Owing to variations in scale and the diversity of causes underlying previous migratory inflows, it is hard to make any historical comparison.

The current wave of refugees spans the whole of Europe. Against a backdrop of heightened geopolitical tension, deteriorating living conditions and security fears in the countries of origin, the number of asylum applications has risen constantly in the EU since May 2015, to reach a peak of 172 000 in October and a total of 1 321 000 over the whole year. This is more than double the 2014 figure. Despite some slowdown in arrivals during the first few months of 2016, they can be expected to start rising again during the summer, both in Belgium and in wider Europe. Moreover, it was these kinds of fluctuations that had been observed during the 1999-2000 crisis. Applications for asylum lodged in Belgium accounted for 3.4 % of the total number of asylum requests registered in the EU in 2015. With more than 4 applicants per 1 000 inhabitants, Belgium is eighth on the list of host countries taking in the most asylum-seekers. In absolute figures, the leading hosts are Germany and Hungary (respectively 36 and 13 % of all applicants), while Hungary, Sweden and Austria lead the pack in terms of applicants per capita (respectively 18, 17 and 10 applicants per 1 000 inhabitants). It should nevertheless be noted that Hungary is regarded as a transit country, unlike the other three countries, which constitute the final destination for potential refugees.

To lighten the pressure on some recipient countries, the EU Council of Ministers adopted in September 2015 a relocation plan for refugees. A total of 160 000 asylum-seekers who had arrived in Italy, Greece and Hungary will be relocated across the other Member States according to a distribution key taking account of the characteristics of the host country (total population (weighted at 40 %), GDP (weighted at 40 %), the average number of past asylum applications (weighted at 10 %) and the unemployment rate (weighted at 10 %). According to these criteria, Belgium should take in an extra 5 928 asylum-seekers within the next two years. But even months after the announcement, the Commission, in its report dated 12 April 2016, emphasised the Member States' failure to take part in this plan. By this date, there had been just 1 145 relocations from Greece and Italy, and none at all from Hungary.

The EU also concluded an agreement with Turkey mainly with a view to limiting the inflow of illegal migrants arriving on Greek territory. All new illegal immigrants who had managed to get into Greece via Turkey, as from 20 March 2016, will have to go back to Turkey. Transport costs will be covered by the EU. As compensation, the EU agrees that, for every Syrian sent back to Turkey, Turkey can send on to Europe a Syrian immigrant in need according to UN vulnerability criteria. Priority will be given to migrants who have not tried to enter Europe illegally. By 20 April 2016, 325 returns to Turkey and 103 arrivals of Syrian refugees in Europe had been recorded.

The agreement also provides for a total of €3 billion to be paid out from the EU budget and from the Member States to Turkey over a two-year period. By 19 April 2016, €187 million had already been released. These funds should be used to cover expenditure on food, health care and accommodation for migrants sent back to Turkey from Greece (€60 million), and also to finance humanitarian aid needed for destitute Syrian refugees stranded on Turkish territory (€90 million). Lastly, €37 million has been allocated to the UNICEF schooling programme that benefits 110 000 refugee children.

The data collected by the EC give some information about the characteristics of these asylum-seekers in Belgium. It should be emphasised that only a part of them actually obtain refugee status or are granted subsidiary protection and thus receive the right to settle in the country. Since the beginning of 2015, arrivals have come mainly from Syria (25%), Iraq (22%) and Afghanistan (22%) and are predominantly men (70%). There is nothing new about this trend because, on average over the period running from 2008 to 2014, 65% of asylum-seekers were male.

One important feature of the current wave of asylum-seekers has been the share of unaccompanied minors. With 3 700 applications since the beginning of 2015, they now make up 7% of the total, while the average percentage between 2008 and 2014 was only 4%. Despite this upward trend in the total number of juveniles (19% of all asylum-seekers), the 18-to-34-year-old category is still the largest age group among the migrants (50% of the total).

This proportion is greater than that for the total Belgian population (21%), and also for non-EU citizens living in Belgium (37%).

There is a lack of statistics on asylum-seekers' qualifications and education levels. But there are some indicators that can be used. According to the EC, these migratory flows appear to be more heterogeneous than previous ones. The average education level among the Syrians and Iraqis is relatively higher (respectively 6.6 and 5.6 years of education⁽¹⁾) than that among citizens of other countries of origin like Afghanistan, the Democratic Republic of the Congo or Guinea. Their rate is nevertheless lower than that of migrants hailing from Russia or Serbia (the other main countries left by asylum-seekers), just as it is below the Belgian average (10.9 years in 2013). It should be noted that this indicator does not enable any assessment of the quality of the education provided. In Germany, as part of the asylum procedure, applicants can supply information about their qualifications. According to this database, it seems that 21% of Syrian refugees hold a university diploma, compared with only 15% of the total asylum-seekers. In Belgium, at the beginning of 2016, Actiris (for Brussels) was the only public service for employment that had any statistics on the education level of refugees who have signed on as unemployed job-seekers. In 2015, 56% of them were thought to be poorly educated, compared with 37% of the total pool of unemployed job-seekers in Brussels.

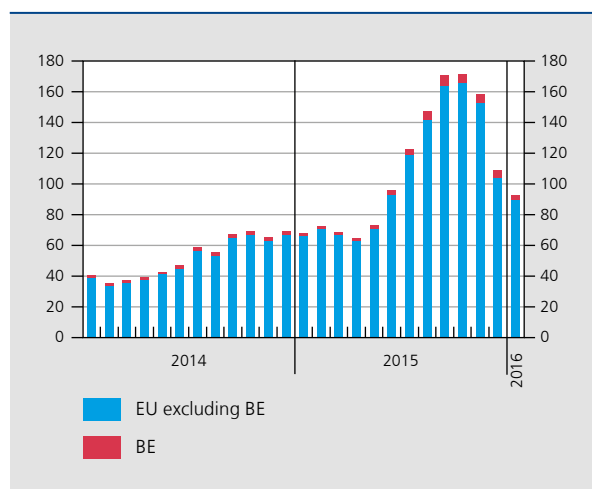
2. Measuring the economic impact of the refugee arrivals

In view of the difficulty of making a historical comparison and given the lack of information available, particularly on asylum-seekers' education levels, it is an arduous task estimating the economic impact of this wave of new entrants. The analysis will thus be based, first, on previous studies devoted to immigration in general and, secondly, on a series of assumptions using the available data on immigrants already settled on Belgian territory. A labour supply shock will then be introduced into the baseline scenario in order to estimate the effect of the additional number of asylum-seekers on GDP, employment and public finances.

2.1 Lessons from previous studies

Many studies have tried to estimate the economic impact of immigrants on the host country. These mainly concern

CHART 3 NUMBER OF ASYLUM APPLICATIONS WITHIN THE EU AND IN BELGIUM
(in thousands of persons, monthly data)



Source: EC.

(1) Data from the United Nations Development Programme (UNDP).

the labour market, and notably the impact on employment and wages, but also cover public finances, as well as the use of social protection systems. However, very few authors make any distinction between refugees and economic migrants in their analysis. The following findings are therefore valid for analysing overall rather than specific immigrant inflows.

Impact of immigration on the labour market

One of the main issues broached in the existing literature is the effect that immigration has on natives in terms of employment and wages. Corresponding in principle to an increase in the labour supply, immigration could have a negative impact on natives in cases of perfect substitution between them and immigrant workers. Yet, several research papers show that imperfect substitution occurs, mainly because of their different skills levels, their sectoral preferences (Ottaviano and Peri, 2005), or even because of their lack of knowledge of the local language (Kerr and Kerr, 2011). However, immigrants should gradually become more and more substitutable for native workers the longer they stay in the host country (Zavodny and Orrenius, 2006).

Given this complementarity between those workers, current research findings point to a neutral impact on aggregate employment of natives. This is particularly so for the wave of immigration caused by the enlargement of the EU (Kahanec and Zimmermann, 2008; Lemos and Portes, 2008), but also for the arrival of Syrians in Turkey (Akgunduz *et al.*, 2015). Analysis of all types of immigrants taken together also points up a positive or zero impact on employment of natives (Docquier *et al.*, 2014, in their study on Belgium; Izquierdo *et al.*, 2010, for Spain; Friedberg, 2001, for Israel) and a neutral effect on unemployment (Bruker and Jahn, 2011, and Bauer *et al.*, 2011, for Germany).

Adverse effects may nevertheless arise on certain segments of the labour market. For instance, a big increase in the number of low-skilled immigrants could have a negative impact on native youth employment (Smith, 2012), but also on that of immigrants who have already settled in the country (Okkerse, 2008; Blau and Kahn, 2012). These immigrants are effectively more like the newcomers and thus opt for similar jobs. In the case of young workers, their labour supply is influenced more rapidly by wage changes driven by the arrival of new migrants.

In general, the impact will depend on the distribution of existing skills levels in the region where the immigrants settle, as well as their own level of education. A fair share-out of immigrants across the territory therefore does not

necessarily imply a fair distribution of the impact on the labour market (Glitz, 2012). As immigrants tend to react more quickly to changes in labour demand, there will be market equilibrium only if a certain degree of worker mobility exists (Cadena and Kovak, 2013). So, in the long run, immigration can actually improve flexibility on the labour market and the skills match. It should be noted that when they are turned down for legal work, migrants may potentially inflate the black market's share. This is notably what has been observed in Turkey following the arrival of Syrians with no work permit (Del Carpio and Wagner, 2015).

In terms of wages, an unexpected and large wave of immigrants composed of low-skilled workers could, in theory, lead to downward pressure (De La Rica *et al.*, 2013). This theoretical impact does not take account of the existence of a minimum wage or collective labour agreements that could prevent any nominal reduction in wages. However, it can be assumed that there would be some impact on the growth rate of these wages, which would be lower than if there were no migrants coming in.

As in the employment analysis, if the immigrants are complementary to native workers, a rise in wages could even be observed for non-immigrants (Zavodny and Orrenius, 2006; Shapiro and Velluci, 2010). Empirical studies, focusing mainly on the United States (Ottaviano and Peri, 2012; Dustmann *et al.*, 2008) or on the enlargement of the EU (Lemos and Portes, 2008; Kahanec and Zimmermann, 2008), show that while there is generally no negative impact on aggregate wages of natives, the breakdown by education level produces different results. Salaries earned by highly educated natives tend to be higher after immigration, whereas the effect on wages paid to low-educated workers is ambiguous (Zavodny and Orrenius, 2006; Ottaviano and Peri, 2005). Beerli and Peri (2015) conclude that the higher wages of highly educated natives are partly justified by the fact that they are prompted to take up managerial posts, as the increase in the immigrant population boosts demand for this type of job.

As they are more substitutable for the newcomers, it would once again be the immigrants already settled in the country that would be hit by falling wages. Ottaviano and Peri (2012) have quantified this effect for the United States. While natives' average wage rises by roughly 0.6%, that of previous generations of immigrants contracts by almost 6.7%. In the long term, the impact on wages should nevertheless always be positive, because of the increase in capital investment needed to cope with larger numbers of workers and consumers (Shapiro and Velluci, 2010; Bruker and Jahn, 2011).

Impact of immigration on public finances

Inflows of immigrants into a country involve a relatively heavy budgetary cost, owing to the expense of asylum procedures, the supply of housing and material goods, the hiring of extra staff, and also on account of the integration policies that need to be put in place, and all this with no certainty as to whether they will want to settle in the country. Migrants, at least those of working age, can also bring in additional revenue once they have been integrated into the labour market. The host country also saves education and health care spending that would have been paid if immigrants were born in the country.. Moreover, as they are relatively young in comparison to the natives, immigrants could help to reduce the impact of an ageing population.

Many researchers have tried to evaluate the net fiscal impact for the host country. In most OECD countries, this impact is low in terms of GDP. Around zero on average, it is estimated to fluctuate between -1 and 1 % of GDP (Rowthorn, 2008; OECD, 2013; Vargas-Silva, 2015). These estimates depend very much on the degree of integration of immigrants into the labour market. In its 2013 report, for instance, the OECD emphasises that the less favourable net fiscal position⁽¹⁾ among immigrants is almost exclusively due to lower tax contributions rather than any heavier reliance on social benefits.

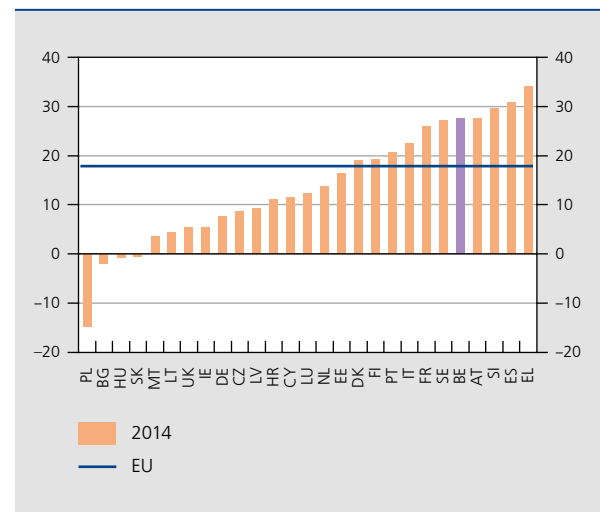
The social protection regimes in force in the various host countries also bring up many questions about the type of immigrants that they attract, and also in relation to the more or less extensive use of social benefits by migrants. Cohen and Razin (2008) have developed a theoretical model and an estimation technique for the OECD countries in order to calculate the impact of an increase in the generosity of the social security system on changes in the education level of immigrants. In cases of free entry into the territory, the impact would be negative. More generous social security systems would be more likely to attract low-skilled immigrants as their contributions would be less than their benefits.

Although, in theory, a decision by a person wishing to go and live in a host country may well be influenced by the social protection system in force, the criteria that are most often cited turn out to be differences in terms of unemployment rates and wage levels from the country of origin, the presence of social networks and geographical proximity (Giulietti, 2014). Moreover, many empirical studies reveal that immigrants do not necessarily receive more social

(1) The net tax position is the difference between what the person contributes in terms of tax and what he/she costs in terms of expenditure.

CHART 4 GAPS IN RATES OF POVERTY RISK OR SOCIAL EXCLUSION BETWEEN NATIONALS AND FOREIGNERS

(in percentage points, population aged 18 and over)



Source: EC.

assistance than the natives (Barrett and Maitre, 2011). Dustmann and Frattini (2014) have even shown that, in England, immigrants' social benefits generally tended to be lower than the natives'. The analysis of Turkish immigrants in Germany carried out by Riphahn *et al.* (2013) notes a stronger likelihood of turning to social benefit systems than the natives, but this difference disappears when social and demographic characteristics of the population are taken into account.

All the same, immigrants do face a higher risk of poverty. For example, in 2014 in Belgium, 45.5% of foreigners aged over 18 were at risk of poverty or social exclusion, while this rate is 17.8% for Belgians. The European average is 40.6% for foreigners and 22.7% for natives.

2.2 Measuring the impact of the current crisis for Belgium

Based on previous studies as well as estimates from international organisations and a series of assumptions concerning Belgium, this article attempts to assess the impact of the refugees' inflow on the Belgian economy, and more particularly on GDP, employment, unemployment and on the budgetary balance. The first section is devoted to an explanation of the model and the assumptions used, while the second section gives the findings and compares them with the estimates made by international institutions like the European Commission (EC), the

International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD).

Assumptions and methodology

Given the instability in the main countries of origin of the refugees and in view of the growing numbers from countries like Turkey, the Lebanon and Jordan, but also Hungary, Italy and Greece, the number of asylum applications lodged in Belgium is still expected to be high in 2016, even though there have been signs of a marked slowdown since January 2016. The numbers are therefore estimated to be more or less the same in 2015 and in 2016, respectively 44 800 and 45 400, and a return to normal is anticipated by 2017, i.e. 18 500 entries. The model only takes into account the extra number of asylum-seekers compared with a normal situation and so the shock recorded only concerns those asylum applications over and above the average observed between 2008 and 2014, which was roughly 1 500 per month.

To define the labour supply shock, only the refugee population aged between 15 and 64 years is taken into consideration. Only part of this group will actually obtain refugee status and thus be able to stay permanently in Belgium. The average recognition rate in 2015 and 2016 is 61 %, whereas it was only 47 % in 2014. Assuming that, without this latest wave of migrants, this rate would have remained constant at its 2014 level, there is on average a 75 % acceptance rate for the additional asylum applications. This percentage does not seem unrealistic since there are large numbers of Syrians and Iraqis arriving in Belgium with recognition rates of respectively, 98 and 72 %.

Once these refugees have been recorded as part of the working age population, it is important to know their employment and unemployment rates in order to define the labour force. According to labour force survey (LFS) data, employment and unemployment rates among immigrants are respectively around 40 and 16 % of the working age population after five years of residence. While the employment rate goes up gradually, the unemployment rate remains relatively constant throughout this period. These two rates are only applied after four months, which corresponds to the waiting period necessary to get a work permit.

Family reunification is also taken into account in the estimates. This can only take place once the status of refugee is granted. Only direct family members (ascendants and/or descendants) have the right to submit a request for family reunification. It then takes about 17 months to process the case file. According to data from Fedasil, 50 % of the

refugees are currently single people and are likely to bring their family into the country. Moreover, according to FPS Interior, 63 % of the members of reuniting families are less than 14 years old. The model therefore includes an additional arrival, after about two years, of three people per single refugee, two of whom are considered to be minors and one as part of the working age population. The same assumptions of entry onto the labour market as for refugees are applied to these people. The law governing family reunification of non-European immigrants has recently been amended. While they could previously get an unlimited residence permit after living in the country for three years, this was extended by two years on 14 April 2016 to bring it into line with rules in force for European immigrants. Each person involved in the family reunification, regardless of their nationality, now has to wait five years before being able to claim a permanent residence permit.

On the basis of assumptions calibrated beforehand and with the use of the Bank's quarterly econometric model "Noname", the macroeconomic impact of the refugee crisis on the Belgian economy has been estimated in the short and medium term. This model describes the main sectors of the Belgian economy at a relatively highly aggregate level, based on the behaviour of an average economic agent (consumer, worker, company manager, saver, investor, etc.). The model brings out the typical effects of the different shocks on the Belgian economy and will therefore, besides the aggregation of all the direct effects also take account of the second-round effects. As the way in which the total Belgian economy functions is greatly simplified in the model, the results can at best be considered "indicative". They are expressed in terms of the deviation from a baseline scenario that disregards the impact of the refugee crisis. More particularly, this also means that these calculations do not include all new asylum-seekers, but only those above the average number of asylum-seekers registered each year between 2008 and 2014. The normal stream of asylum-seekers is actually included in the baseline scenario.

These calculations are based on the assumption that this labour supply shock has no macroeconomic influence on the wage-formation process, hence the absence of any new price and competitiveness effects in this scenario. This assumption is not only consistent with the conclusions of recent publications, but also with downward wage rigidity and the fact that Belgium has a minimum wage set by collective bargaining.

As concerns emergency shelter for refugees, public authorities are having to temporarily call on the private sector to supply them with extra goods and services. The

TABLE 3 OVERVIEW OF THE INPUTS TAKEN INTO CONSIDERATION IN THE MODEL(cumulative differences from the baseline scenario, annual averages, *ex ante*, number of persons, unless otherwise stated)

	Short term		Medium term
	2015	2016	2020
Total population	+10 000	+37 900	+113 900
Working age population	+1 800	+18 800	+57 600
Labour force	+400	+6 000	+30 100
Employed population	+100	+3 000	+20 800
Unemployed population	+300	+3 000	+9 300
Inactive population	+1 400	+12 800	+27 500
Transfers to households (in € million, non-cumulative)	+20	+185	+472
Public consumption (in € million, non-cumulative)	+134	+608	+0

Sources: Budget documents, CGRS, EC, NBB.

costs incurred can be for the mobilisation of extra staff, or for the purchase of tents and food, the rental of back-up housing, etc. Expenditure of this type inflates public consumption. As public consumption is part of the aggregate demand, any increase leads to a direct increase in growth (as long as the purchases have been made in Belgium), so that initially a deterioration in the primary balance is observed. The extra provisions needed to meet this additional expenditure account for € 134, 608 and 304 million respectively for 2015, 2016 and 2017. It should be pointed out that the Growth and Stability Pact leaves the Member States some flexibility, which in principle enables them to cover the expenses resulting from the exceptional inflow of asylum-seekers without having to restore their finances by a corresponding amount. Under the preventive arm of the Pact, a country can deviate temporarily from its fiscal adjustment path towards the medium-term objective especially if the divergence results from unusual circumstances beyond its control and having a significant negative effect on the government's financial situation.

The main information needed for the model is the net reaction of the labour market to the exogenous population increase. After a certain amount of time, the new job-seekers can claim unemployment benefit, while those who do find work earn a wage. The other refugees can claim social assistance. These three components all boost household disposable income, which in turn should bring about a more or less proportional increase in private consumption. It should be noted that, on the basis of average unemployment benefit and social integration income, the Belgian government is expected to record additional expenditure of around € 185 million in 2016. A peak in

expenditure will be reached in 2019, hitting € 493 million. It will then gradually come down, as the refugees are integrated into the labour market. By 2020, it will be about € 472 million.

Findings from the model and international comparison

A whole host of legal and economic delays can hold up the absorption of such a huge inflow of refugees into the job market. In these estimates, it was assumed that, in the short term, i.e. over the 2015-2016 period, only about 3 900 people will find a job. The modest additional growth, of around 0.14 of a percentage point, which would be injected into the Belgian economy in 2015 and in 2016, is largely the result of the increase in public consumption. When this growth contribution starts to run out of steam, growth will ride more on a recovery of private consumption and the resultant investment demand. According to these computations, in the medium term, roughly 21 100 of these 28 900 new entrants into the labour force will actually find a job. The unemployment rate will therefore rise by 0.12 percentage point by the year 2020. This extra job creation and the second-round effects that it will generate, enable us to estimate that, in 2020, GDP will be about 0.17 % higher than assumed in the baseline scenario.

In the short term, it will be the extra public consumption expenditure, unemployment benefit and integration income that will weigh the most heavily on the State budget. The calculations point to a deterioration in the primary balance of around 0.16 % of GDP for 2016. As

TABLE 4 MACROECONOMIC ESTIMATES
(cumulative deviation from the baseline scenario, annual averages)

	Short term		Medium term
	2015	2016	2020
GDP (in percentage change)	0.03	0.14	0.17
Employment (in persons)	200	3 900	21 100
Unemployment (in percentage points)	0.00	0.03	0.12
Primary balance (in % of GDP, non-cumulative) . .	-0.04	-0.16	0.04

Source: NBB.

the extra public consumption expenditure starts to fall and the labour market participation rate goes up, not only will expenditure contract, but the rebound of private consumption will lead to more indirect taxation. The increase in the wage bill will thus boost fiscal and parafiscal revenues, while the slight rise in corporate profits will drive corporation tax up. So, in the medium term, the primary balance could even show a slight improvement compared with the baseline scenario.

Several international institutions have made macro-economic impact assessments of the recent inflow of refugees into the EU, and especially into Germany. Although some of their assumptions are not entirely equivalent to our estimates for Belgium, their short- and medium-term results are relatively similar to ours, with

a virtually negligible effect in 2015 and 2016 in the EU and a slightly more pronounced impact in 2020, with a change in GDP of around 0.2 to 0.3 %. The results for Germany are higher, with the impact reaching as much as 0.5 % in 2016 and 0.7 % in 2020. This is not surprising given the huge number of asylum-seekers that this country is taking in.

3. Integration of immigrants into the labour market in Belgium

The findings presented above depend heavily on the assumption that people of foreign origin will get onto the labour market. Yet, in Belgium, immigrants are less often in employment, and more often in low-skilled jobs with less favourable working conditions than the native people. There are quite a few obstacles holding up their integration into the labour market, such as recognition of their diploma, lack of knowledge of national languages, the absence of networks, or even discrimination. Despite certain policies that have already been put in place, many improvements are still possible and, indeed, necessary.

3.1 Employment rate and job quality

Throughout Europe, the integration of immigrants into the labour market tends to be lower than for native citizens; in 2014, for instance, the average gap in the employment rate came to 6.8 percentage points for population aged between 20 and 64. However, within the immigrant population itself, there are two distinct groups: European citizens, on the one hand, whose

TABLE 5 RESULTS OF ESTIMATED IMPACT ON GDP MADE BY INTERNATIONAL INSTITUTIONS
(cumulative percentage changes from the baseline scenario)

	European Union			Germany		
	EC	IMF	OECD	EC	IMF	OECD
	Short-term impact					
2015	0.06 – 0.09	0.05	n.	0.12 – 0.16	n.	0.25
2016	0.14 – 0.21	0.09	0.1 – 0.2	0.31 – 0.43	n.	0.5
	Medium-term impact					
2020	0.17 – 0.26	0.2 – 0.3	n.	0.47 – 0.72	0.5	n.

Sources: EC, IMF, OECD.

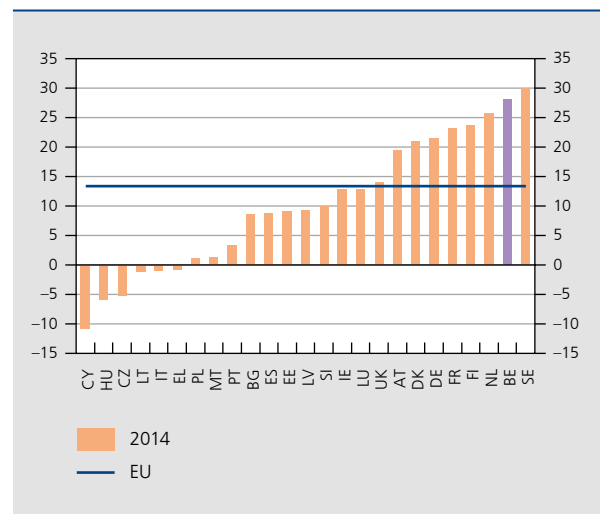
employment rate is very close to that for the natives, and non-European citizens, on the other hand, for whom getting into employment is much more problematic; the gap in the employment rate is about 13.4 percentage points on average in the EU.

In Belgium, the employment rate among non-European immigrants aged between 20 and 64 was 40.5% in 2014, compared with 68.6% for people of Belgian nationality, which leaves a gap of 28.1 percentage points. Of all the EU countries, Belgium has the second widest gap, after Sweden.

As well as their poor representation on the labour market, people of immigrant origin are more often employed in low-skilled jobs, under temporary employment contracts, and for which they are largely over-qualified. According to LFS data in 2014, 25% of the first generation of immigrant salaried workers in Belgium had a low-skilled job, while this rate was only 9% among people of Belgian origin. This difference is partly due to the fact that their level of education is on average lower than that of Belgian people (25% of natives aged between 15 and 64 years are poorly educated, compared with 40% of first-generation immigrants). The fact remains that immigrants are more often over-qualified for the job: 20% of these workers reckon they have higher skills than those required to carry out their job, compared with just 8% of natives. This rate does not come down depending on the diploma obtained because 26% of first-generation immigrants who have a higher education diploma say they are over-qualified for their current job. This can be explained by the difficulty of transposing the human capital acquired in the country of origin, owing to the lack of knowledge of the national language or because of discrimination. The resultant skills mismatch leads to a less efficient functioning of the labour market and, potentially, lower economic growth (Piracha and Vadean, 2012).

These people of foreign origin are also more often employed under temporary employment contracts (17%, compared with 7% of natives). This finding is confirmed by the FPS Employment, Labour and Social Dialogue's socio-economic monitoring report (2015), according to which people of foreign origin are over-represented in temporary employment. The branch of activity is also important as these people are much more likely to be employed in the hotels and catering and cleaning sectors than in public administration and education. Permanent access to public employment being restricted to Belgians and European citizens, this finding is hardly surprising. All these data point to a much bigger share of blue-collar workers and a much larger proportion of low wages among the non-European foreign population.

CHART 5 EMPLOYMENT RATE GAP BETWEEN NATIONALS AND NON-EUROPEAN CITIZENS
(in percentage points, population aged from 20 to 64 years)



Source: EC.

3.2 Obstacles to employment

Several factors help explain the greater difficulty that people of foreign origin have in getting onto the labour market. These factors notably include education level and the problem of recognition of skills, lack of knowledge of one of the national languages, lack of the host country's own human and cultural capital, the region where they live, the low labour market participation rate among women, or even discrimination.

Among Belgium's three Regions, Flanders has the highest employment rate among non-European foreigners, reaching almost 45%, despite a still high gap with the nationals of around 28.1 percentage points. In Brussels and Wallonia, it is not just the foreigners who suffer from a lower employment rate, but also the Belgians themselves. This suggests that the better integration in Flanders is partly to do with the economic situation of this Region.

The position of women from non-EU nations is striking: their employment rate is no more than 30.3%, whereas it is as high as 64.7% for Belgian women and 60.5% for European citizens. This situation is mainly attributable to the weak presence of women on the labour market in some countries of origin. Blau *et al.* (2011) have studied participation in employment among women in the United States and found that those whose country of origin has a strong labour market participation rate among women will also be more inclined to work in their host country, while the opposite is true in the case of a low female

labour supply in the country of origin. Family responsibility may be a second reason for inactivity. Single mothers are actually less likely to have an active career than single women without children or partnered women, with or without children, regardless of their nationality (Rea and Wets, 2015).

The lack of human and cultural capital specific to the host country may gradually go away with the growing number of years of residence, which can help boost the chances of integrating into the labour market. The employment rate has a *de facto* tendency to rise along with the time spent in Belgium. For instance, in their study of asylum-seekers in Belgium, Rea and Wets (2015) observe a net increase in the refugee employment rate four years after their arrival in the country. Moreover, obtaining Belgian nationality seems to help immigrants to get onto the labour market and reduce the risk of inactivity.

Finally, among the characteristics that can be observed among immigrants, the level of education may play a key role. Generally speaking, low-educated people tend to have a lower employment rate than the other categories in the population. This rate is only 33 % for non-European citizens, against 48 % for nationals. But it is worth remembering that 48 % of non-European foreigners established in Belgium belong to this category, while only 24 % of Belgians have a low educational level. However, even though it makes it possible to get a permanent job, a high level of education does not significantly improve the integration of foreigners into the labour market (Feld *et al.*, 2006): while the employment rate among highly-educated Belgians is over 80 %, that for non-European citizens is barely more than 50 %.

Part of the problem lies in the recognition of foreign diplomas and the value given to these qualifications on the Belgian market. By way of example, of the 54 refugees questioned as part of a study carried out by Caritas International (2014), 37 held a secondary or higher education diploma, but only nine of them had applied for equivalence. The reasons cited were first of all the cost of the application, followed by the long waiting period before receiving an answer and, lastly, not having the original diploma and the inability to request a copy in the country of origin owing to the geopolitical instability. It also appears that qualifications obtained abroad are deemed to be of less value on the host country's labour market. In their analysis of the United States, Arbeit and Warren (2013) explain that immigrants with a foreign diploma are less often in employment than immigrants holding an American diploma and they are often less well paid too (wages respectively 17 % and 11 % lower for women and for men).

TABLE 6 EMPLOYMENT RATE BY NATIONALITY, REGION, GENDER, LEVEL OF EDUCATION AND THE NUMBER OF YEARS' RESIDENCE IN BELGIUM
(in % of the population aged from 20 to 64 years, 2014)

	Nationals	EU citizens	Non-EU citizens
Total	68.6	65.7	40.5
Regions			
Brussels	58.6	70.1	40.6
Flanders	72.9	70.3	44.8
Wallonia	63.2	56.3	32.1
Gender			
Men	72.6	70.6	51.2
Women	64.7	60.5	30.3
Years of residence ⁽¹⁾			
Between 1 and 5 years	–	69.6	40.5
Between 6 and 10 years	–	71.9	48.5
More than 10 years	–	61.6	51.3
Level of education			
Low	47.6	49.3	33.0
Medium	68.2	64.2	42.6
High	83.0	81.0	52.9

Source: EC.

(1) Calculated on the basis of the country of birth and not nationality, to get round the potential selection effect: people that still do not have Belgian nationality after ten years are perhaps also those who are less well integrated. This is especially the case for non-European citizens, who are more likely to apply for Belgian nationality.

The lower level of education of immigrant parents tends to show in their children. Almost half of immigrant children whose parents are poorly educated, in turn, have at best a basic secondary education diploma⁽¹⁾. This rate is 11.7 percentage points less for people born in Belgium from parents who were also born in the country. According to the PISA study carried out by the OECD, there is a big difference between the school results of pupils with a migratory background and those of the other students, even after controlling for the socio-economic status of the parents. Immigrants are also more likely to attend schools with a disadvantaged socio-economic background. This same study informs us that, on average in OECD member countries, scarcely 6 % of immigrant students in a disadvantaged socio-economic position were among the top performers, while this rate is as much as 12 % for the native-born. There are more school-leavers among students of non-European nationality too. Among people aged between 15 and 24, 23.7 % of non-EU citizens are

(1) Data taken from the labour force surveys, 2014 *ad-hoc* module.

TABLE 7 PISA INDICATORS:
INTERNATIONAL COMPARISON
(2012)

	Differences in mathematics performance between immigrant and non-immigrant students ⁽¹⁾	Percentages of students in schools with disadvantaged socio-economic background	
		Total	Among immigrants
BE	52 (455)	29	47
DE	25 (475)	28	58
FR	37 (441)	n.	n.
NL	35 (474)	23	51
DK	40 (442)	21	56
FI	65 (439)	16	25
SE	40 (432)	18	36
OECD	21 (462)	26	37

Source: OECD.

(1) After taking account of the socio-economic status of the parents, in brackets is the average score obtained by young immigrants in mathematics.

out of work and not in education, employment or training (NEET). This rate is only 11.3 % for Belgians.

The observable characteristics of immigrants, such as age, gender, region where they settle, level of education or professional skills, are not the only elements helping to explain the employment rate gap with the natives. This gap is also partly due to other non-observed factors, like individual preferences, network effects or even discrimination. Corluy and Verbist (2014) have performed an Oaxaca-Blinder decomposition in order to measure the explained part of the employment rate gap between immigrants and people born in Belgium. According to their findings, three-quarters of this gap is attributable to different observed characteristics than the natives'. This rate drops to just one-third for people of non-European origin.

A number of authors have attempted to quantify the share associated with discrimination. To do this, they have set up an experiment where curricula vitae (CVs) including the same individual characteristics but with different names, sounding either native or foreign. In Germany, Kaas and Manger (2011) reckon that having a German name increases the probability of being asked to interview by 14 %. Andriessen *et al.* (2012) also note that no distinction is made between the various ethnic minorities, but it is between foreigners and Germans. Moreover, discrimination seems to be even greater when the job involves contact with the clients. The same conclusions are

drawn by Oreopoulos (2011) for Canada and by Carlsson and Rooth (2008) for Sweden, with a significantly lower response rate when the candidate has a foreign name. The scale of the discrimination appears to depend on the difficulty in filling the job vacancy, but also on the origin of the company manager. When very few candidates apply for a job, it becomes costly for employers to exclude part of the population, so they become less inclined to discriminate amongst candidates. Conversely, when the job vacancy can be easily filled, foreigners have to send twice as many CVs as natives (Baert *et al.*, 2013). Moreover, managers tend to take on workers of the same origin as themselves (Aslund *et al.*, 2014). As immigrants are too under-represented in this type of job, the risk of discrimination increases.

3.3 Policies encouraging integration of immigrants

At federal level, the FPS Personnel and Organisation has set up an action plan to enhance diversity. The Diversity Unit is tasked with coordination of this policy within the federal government. This is focused on three aspects: (1) gender equality; (2) getting disabled people into public employment; and (3) integration of people of foreign origin into public administration. In 2006, all the FPSs and PPSs signed the Diversity Charter, under which their presidents have committed themselves to promoting equal opportunities and diversity within the federal government. At the recruitment stage, Selor guarantees anonymity in the selection process so as not to put the target groups at a disadvantage. It should nevertheless be noted that the conditions for getting jobs in public administration are not the same for applicants who are non-European nationals or citizens of Belgian or European nationality. Only contract jobs (no permanent appointment is offered but there is a possibility of temporary contracts) are open to people of non-European nationality.

The federal government has also taken action designed to encourage equal opportunities in the economy in general. The FPS Employment, Labour and Social Dialogue has a Multicultural Enterprise Unit tasked with combating ethnic discrimination on the labour market and raising awareness among professional sectors and government bodies about the need to inform both workers and employers. This unit also runs the Equality Diversity Label launched in 2006. This label is granted to firms that have been actively involved in the promotion of diversity and equality. Once the label has been awarded to it, the company can benefit from such things as communication campaigns paid for by the public authorities.

On the regional front, Flanders was the first, as early as 1995, to tackle the issue of diversity through an inclusive and coordinated policy. Among the key instruments are actions to improve human resources policy and work organisation, as well as new job creation. Equal opportunities are also guaranteed in education via the 2002 GOK⁽¹⁾ Decree. This is based on three pillars: (1) the right of enrolment (every parent has the right to enrol their child in the school of his or her choice); (2) education and training (schools must have the opportunity to develop special mentoring so as to provide better support for children from disadvantaged backgrounds); and (3) case-by-case dialogue (local consultation platforms carry out surveys, give opinions and

offer mediation services). Lastly, in 2006, in a bid to encourage initiatives to strengthen social integration and diversity management policies, the Flemish authorities put out a call for projects entitled "Wanted: diversity managers". Firms proposing practical diversity projects can then be granted a subsidy.

In Wallonia, a plan to prevent discrimination in employment was set out by the Walloon Region government at the end of 2006. The problem is being tackled from two different angles: the worker (or the job-seeker), on the one hand, and companies, on the other hand. On the labour supply side, a raft of remedial measures on socio-professional integration have been taken, aiming, in particular, to facilitate integration of people who are vulnerable, discriminated against and excluded from the workplace. On the labour demand side, the issue is

(1) GOK: *Gelijke Onderwijskansen* (equal opportunities in education).

TABLE 8 ACCESS TO THE LABOUR MARKET FOR ASYLUM-SEEKERS: AN INTERNATIONAL COMPARISON⁽¹⁾
(from top to bottom, ranging from the strictest to the most flexible)

Country	Waiting period	Prior test	Restrictions on sectors of activity		Restrictions in practice	
UK	1 year	Yes	Yes	Only according to the list of job shortages, not under self-employed status	Yes	Usually unpaid work
AT	3 months	Yes	Yes	Only in tourism, agriculture and forestry	Yes	Priority given to nationals and Europeans; quotas; maximum six months; not possible to register to a public service for employment
DE	3 months	Yes	Yes	Not under self-employed status	Yes	Not if in an asylum centre; work permit required; need to provide proof of a job offer; after 15 months, checks by the public services for employment on suitability for the job
EL	Immediately	Yes	No		Yes	Priority given to nationals, Europeans and recognised refugees; temporary work permit
SE	1 day	No	Yes	Only in unskilled work	Yes	Authorisation to work without a permit; if application rejected, option of moving over to economic migration in event of job shortages
FR	9 months	No	No		Yes	Temporary work permit (3 months maximum), renewable; need to provide proof of a job offer
BE	4 months	No	No		Yes	Temporary residence permit until recognition as refugee; non-equivalence of diplomas and discrimination on the labour market
IT	2 months	No	No		Yes	Hard to get the residence permit needed to work; limitations on the number of integration programmes

Source: AIDA.

(1) Countries are selected on the basis of their employment rates among non-European citizens. The United Kingdom, Italy and Greece post higher levels (or smaller gaps with natives), while Sweden, France, Germany and Austria record the lowest rates (or the widest gaps). They are presented in the table according to the degree of openness of their labour market to asylum-seekers (whether or not there is a prior test, limitations on sectors of activity, length of time before access to the labour market). From top to bottom, the countries are increasingly flexible on the basis of these theoretical criteria.

being dealt with by policies of sanctions in cases of discrimination and by incentive measures intended to reward initiatives taken by firms and organisations in the field of diversity.

In the Ministry of the Brussels-Capital Region, the Equal Opportunities and Diversity Unit is in charge of internal and external missions. The unit has put together an in-house diversity management plan for the staff and it organises awareness-raising, information and communication actions. Externally, it monitors award of grants from Brussels-based associations for funding diversity projects. The unit also helps apply the territorial employment pact for the Brussels-Capital Region, in coordination with Actiris. This pact covers the diversity plans, a Charter on diversity and non-discrimination in hiring. The diversity plans imply that labour market participation is proportional to the composition of the labour force. Running for two years, they offer firms the possibility of receiving assistance in setting up a diversity policy through a management tool and financial assistance.

As regards the more specific issue of asylum-seekers, the three Regions have set up an integration programme with an induction module that they are required to follow within three months of their arrival in the country. Although these programmes have been available in Flanders for ten years now, Brussels only set them up in July 2013 and Wallonia did not do so until February 2014. These are essential especially for learning one of the national languages. For instance, according to the 2014 survey data, 24% of first-generation immigrant job-seekers considered the lack of language skills to be the main obstacle to getting a job.

Since September 2015, asylum-seekers have been able to get on the labour market four months after they have registered with the Belgian Immigration Office. The waiting period had previously been six months. Following this reform, Belgium is now among the European countries with the shortest delay for obtaining a work permit. Only Greece and Sweden have shorter waiting periods, as they allow immediate entry, as well as Austria and Germany, where workers have to wait three months. The maximum waiting period is a year, as is the case in Bulgaria, Croatia, France, Malta and the United Kingdom.

Unlike Belgium, some countries make work permits conditional on taking a test beforehand. The purpose of this test is not necessarily to assess the asylum-seeker's skills, but rather to make sure that a national or European resident is not interested in the vacancy. Other restrictions that are quite common are limits on the duration

of employment contracts and on the sectors of activity where asylum-seekers are allowed to work. Added to all this are restrictions on access to self-employment, notably in Germany and the United Kingdom. So, although it has the second biggest employment rate gap for non-Europeans, Belgium does show more openness when it comes to labour market access.

Conclusion

For the moment, the current wave of refugees is still quite comparable to some past episodes of immigration and only makes up a small part of the migratory inflow into Belgium each year. The impact on the Belgian economy should therefore remain limited as these asylum-seekers only account for 0.36% of the total population, or just 0.44% of the population of working age and 0.52% of the labour force. For the time being, these entries into the country do not imply any major shock for the labour market. Moreover, despite the high costs they can incur owing to expenditure on housing, food and equipment, reception centres, etc., our estimates point to a return to a balanced budget in the medium term, assuming there is no policy change.

To reap the advantages that these asylum-seekers can bring for the country from an economic point of view, it is essential that they can get into the labour market, failing which they run a higher risk of poverty and will be more dependent on social benefits, but it is also more likely that they will swell the ranks of the black market. To break down some of the obstacles that immigrants come up against when looking for work, some avenues can be explored. Firstly, systematic recognition of the qualification obtained in the country of origin would make it possible to better determine their level of qualification and their abilities that will be useful on the job market. In cases where it is impossible to provide the required documents, a standardised instrument for assessing qualifications and skills could be developed.

Next, knowledge of at least one of the national languages is indispensable and the opportunity to learn a language should be given to everyone, whether in work or not. Language training could be given as part of initial work experience. Rapid integration into the labour market could also be encouraged through training that is better adapted to firms' own needs, while taking account of migrants' capabilities. In this way, they could also be more evenly distributed across the country, in line with the requirements of local markets. Finally, there is a need to improve schooling trajectories of children from immigrant families by avoiding ghettoising them

in establishments with disadvantaged socio-economic backgrounds.

Rapid integration into the labour market is beneficial for future participation throughout a career. It is therefore important to give asylum-seekers the right to work as quickly as possible. Setting up a targeted support policy during the asylum application process, and again once refugee status has been granted, remains an essential instrument for helping these people. For immigrants in general, employment needs to be promoted in public services, as well as through the various forms of temporary contracts, insofar as they act as a springboard to a more stable job.

And lastly, social and anti-discrimination policies could be expanded. Diversity plans should be drawn up more

systematically, in close cooperation with the social partners. In order to encourage female employment, and more specifically help working mothers, parents could be better informed about childcare structures available for young children.

Belgium is having more difficulty than other EU countries in integrating the non-European immigrant population into its labour market. The current inflow of refugees has propelled this issue to the heart of current affairs and provides an opportunity to start a global rethink about the best policies for raising labour market participation among this under-represented group, and also for other groups of society with excessively low participation or employment rates, such as unskilled and young people, or the over-55s.

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