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Getting Ukrainian refugees into work: The importance of early competence checks

by Martin Hofmann

The activation of the Temporary Protection Directive provides Ukrainian refugees with immediate access to employment in the EU. Skills assessments and competence checks are important tools to steer the first phase of labour market inclusion. Their aim is to match refugees' skills with labour market demands to identify additional training needs and avoid underemployment, brain waste and brain loss.

More than [3.8 million](#) Ukrainians have fled their country since the start of the Russian invasion and crossed into Poland, Romania, Moldova, Hungary, Slovakia and other neighbouring countries. On 3 March, European Union Member States agreed to activate the Temporary Protection Directive for the first time, offering immediate temporary residence and work permits to Ukrainian citizens.

Labour market participation plays a key role in integration. Employment provides economic self-sustainability and facilitates participation in the social and cultural life of the host country. The increasing demand for skilled labour in the EU and the high qualification levels of Ukrainian refugees are good prerequisites for making this process successful. Previous experience, however, indicates that obstacles in the recognition of formal qualifications and practical work experience, as well as a lack of language skills, mean that refugees often [take jobs below their qualification level](#). EU Member States are well advised to accompany labour market integration efforts with measures to avoid de-skilling and brain waste. These should include early skills assessments and competence checks, which guide the recognition of formal and informal qualifications, identify needs for additional training and develop individual blueprints for corresponding support measures.

The Temporary Protection Directive grants access to employment

Article 12 of the [Temporary Protection Directive](#) stipulates that Member States shall authorise persons granted temporary protection to engage in employed or self-employed activities as well as educational opportunities, vocational training and practical workplace experience. This gives Ukrainian refugees direct access to the labour markets of their host countries, unlike

asylum seekers, who under the regular procedure normally have to wait for a positive decision on their claim.

Decision-makers, academics and practitioners agree on the decisive role of gainful employment for the successful integration of migrants and refugees. In advanced economies, status and self-reliance, meaningful social relations and access to opportunities largely depend on labour market participation. Forced displacement destroys homes and livelihoods but also shatters plans, dreams and whole existences of those affected. Refugees feel particular pressure to rebuild their lives as quickly as possible, out of necessity but also out of the urge to deal with loss and trauma. Their high motivation to take up work immediately after arrival in the host country facilitates inclusion in the labour market – but also poses a number of risks.

Refugees frequently work below their qualifications

All available experience shows that, after a period of initial orientation, refugees manage to integrate into the labour market and catch up with other categories of migrants in terms of participation rates. Refugee populations are diverse in terms of education, language skills and age structures, but generally speaking, it can be assumed that refugees start to close gaps in employment levels quite quickly – after two to four years. It might, however, take [ten years or more](#) until they have caught up completely.

All immigrants are likely to experience problems with skills transferability and challenges in adapting to a new environment to a certain extent, regardless of the category under which they arrived. But refugees run a considerably higher risk of continuously working below their qualifications. Their high motivation, in combination with their difficult starting position, makes many refugees take up low-skilled and low-paid jobs regardless of their qualifications. And more than others, they get stuck in these occupations.

EU labour markets need qualified workers

The EU has entered a period of demographic ageing. By 2050, the EU working-age population will shrink by 37 million. Already now, many vacancies cannot be filled by domestic applicants or the intra-EU workforce. Last year, an apparent shortage of lorry drivers made the headlines, spurring fears of interrupted supply chains and missing deliveries of food, fuel and other essential goods. But shortages are reported for many other sectors and occupations as well. A recent [study by the European Labour Authority](#) reported shortages of a high magnitude for a total of 28 occupations, which together currently employ 14% of the total EU workforce.

Such shortages were identified for STEM (Science, Technology, Engineering, Mathematics) occupations, health and care professions and IT and communication experts. These developments are consistent with the impact of the socio-economic megatrends of demographic ageing and digitalisation. At the same time, shortages persist in the transport and hospitality sectors, as well as in retail, manufacturing and construction. Manual jobs do not disappear, but will require additional digital, cognitive and social skills in the future.

It is precisely these developments that will have a decisive impact on the labour market integration of Ukrainian refugees. High educational and vocational training standards, professional experience and cultural proximity will make it easier for them to access one of the more than 3.9 million job vacancies that the European Employment Services Network currently lists on the [EURES portal](#). Globally, Ukraine ranks fourth in the number of people with a higher education, with 73% of the working-age population holding intermediate or advanced degrees. Still, challenges related to the recognition of skills and qualifications as well as a lack of language proficiency will force many Ukrainian refugees to work below their qualifications.

Research on the labour market trajectories of recent refugee cohorts confirms both of these assumptions. In 2020, the German Institute for Employment Research (IAB) published a [report on the labour market outcomes of refugees](#) who had come to Germany at the height of the crisis in 2015. It concluded that employment rates were above those of previous cohorts, not least because of the effects of demographic ageing, despite many lacking formal qualifications. It underlined the significance of support measures and training, ranging from vocational education and training (VET) programmes to language courses and psycho-social support. But it also found that a significant share of refugees was working below their qualifications, making them more vulnerable during layoffs and less prepared for the changing requirements of the labour market.

Targeted support is required – early on

Support measures have to strike a balance between refugees' urge to rebuild their lives as quickly as possible and the need to provide them with the skills and qualifications that ensure sustainable employment, decent work and earnings commensurate with their skill and education levels. Meanwhile, European states have developed a broad range of measures to support this aim. Typically, they include language and orientation courses, recognition of skills and qualifications, vocational education and training, job intermediation, bridging measures and traineeships, economic incentives for employers and targeted measures for female refugees and vulnerable groups. All measures related to employment should follow a guiding

principle of integration policy, namely to intervene at the earliest possible stage of the process.

Competence checks improve labour market outcomes

Labour market integration measures should put skills and needs assessments at the very beginning to improve refugees' starting conditions and set the course for all subsequent steps. This understanding developed rather recently, in the context of the large inflows of asylum seekers and refugees in 2015-2016. State authorities realised that the high motivation of refugees to take up employment and the existing demands on European labour markets did not automatically match. Refugees often could not prove the required formal qualifications, employers were hesitant to recruit persons whose actual skill level they could not assess and labour market services found it difficult to place people with whose credentials and competences they were not familiar. To address this shortfall, they developed the concept of skills assessments or competence checks. These instruments go beyond formal qualifications, aiming to assess a broader set of usable skills and validate knowledge and competences acquired outside of formal learning environments. An important initiative in this regard is the [European Qualifications Passport for Refugees](#), which started in Greece in 2016 and provides a possibility for refugees to document their competences, even when they cannot formally prove their skills and education. UNCHR and twelve countries partner in this programme. In Switzerland, the "[Potenzialabklärung](#)" (potential clearing) follows immediately after a positive asylum decision. The clearing intends to identify a refugee's existing individual and social resources, skills and competences, learning capacity, motivation and flexibility. It assesses these elements against the background of existing societal demands and draws up a corresponding individual integration plan.

In response to the large number of refugee arrivals in 2015 Austria developed a comprehensive model of competence clearing (for a detailed overview see the [peer review of the Austrian model](#)). The main aim of the Austrian "competence check" was to get a clear picture of a refugee's employability and/or needs for further training and support measures. A particular focus was placed on the situation of female refugees, who faced even bigger challenges in accessing the labour market than their male counterparts. The programme invested considerable resources and planned several weeks for the development of an individual competence profile, including formal and informal qualifications, work experience, distinct vocation match, additional competences and individual learning needs. Additionally, it provided orientation courses, offered trial internships and prepared participants for the job search. The competence check did not aim at direct placement, but evaluations showed that

participants were more likely to take part in qualification measures and traineeships, saw themselves better oriented regarding their individual development paths and felt more empowered to take on the challenges that they would encounter along the way. Overall, the results of the pilot phase were seen as so successful that the Austrian parliament decided to make competence checks a standard module that all refugees have to pass during a compulsory integration year.

These examples provide a good basis for other Member States to consider competence checks as a permanent feature of their integration policies and to develop approaches adapted to their own national requirements. Early skills assessments support the economic integration of refugees but can also play an important role in addressing the labour market needs of their host countries.

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