



Closing Keynotes – Cornelia Lüthy, Vice Director of the State Secretariat for Migration

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Refugee Integration Policy in Switzerland: Milestones and Challenges

Sprechnotiz | Note de présentation

Introduction

I think it has become once more obvious today that migration and integration will remain on Europe's agenda as one of the most challenging topics. In many sectors, Europe's dependency on foreign workforce will further increase in the coming years. Other sectors have suffered or have literally collapsed in the Covid-19-pandemic, and Europe struggles with high unemployment rates. On top of that, the worldwide economic consequences of the pandemic will set new push factors for humanitarian migration. Drawing your attention on the **Swiss Refugee Integration Policy** for the next few minutes, I'll try to make the point that investing in sustainable integration **will be more than ever key to face these challenges.**

In order to do this, I will mainly walk you through 3 points: 1) I start with some key facts on integration policy in Switzerland 2) I will elaborate on the impact and immediate response to the Covid-19-crisis, and 3) I'll put a spotlight on successful examples of Swiss refugee integration programs and promising pathways for the future.

I. Swiss integration policy: a whole of society approach

Switzerland is an immigration country. Of the 8.6 million inhabitants registered in 2019, 2.1 million did not hold Swiss citizenship. This means that **25% of those working in Switzerland are foreigners.** For instance, in the care sector, 33% of the staff is of foreign origin, even 46% among doctors¹.

¹ <https://www.hplus.ch/fr/chiffresstatistiques/moniteur-des-hopitaux-et-cliniques-de-l-ensemble-de-la-branche/personnel/structure-du-personnel/personnel-hospitalier-etrangers-et->

So far, **counting on Migration and integration in the Swiss labor market pays out.**

Several studies came to the conclusion that the free movement of persons with the EU did not cause a reduction of wages or increasing unemployment in Switzerland.

Regarding **refugees and temporary admitted persons**, they show a good and constantly improving labour force participation rate: In the first 4 to 5 years after entry, the participation rate is already 20 to 30 per cent. **After 7 years it reaches approx. 50 per cent².**

One of the success factors behind this is a migration and integration policy that enables and commits every migrant to be part of our economy. This can only be achieved by **a whole of government approach. What does this mean exactly?**

Like many Western countries, Switzerland needs economic migration of high skilled workers to strengthen and innovate its economy. This phenomenon takes now place in a context of an **ageing population** and a **quick development of new technologies**. The gap between demand and domestic workforce will therefore most likely increase further.

However, the more the race on international talents increases, the more important it will be to **set a strong policy signal to every citizen, including to resident migrants and refugees that they belong to the domestic workforce**, to the domestic potential that needs to be invested in. This is true for elder citizens, for the less educated, and particularly for the weakest such as refugees.

The economic reason behind this approach is **that investing in social cohesion and economic participation lowers social costs on the long run**. Countries that combine labour market integration and complementary immigration in a sustainable way are also economically successful.

In this context, against the backdrop of the 2015 refugee crisis AND the need to make maximal use of domestic workforce, Switzerland developed its integration policy on three main pillars: **Encourage, demand and dialogue**

This means, Switzerland requires both, a full commitment of the migrant to make an effort to integrate into the host economy and society, and on the other hand, we also seek the commitment of Swiss employers and citizens to give refugees a chance.

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² [file:///C:/Users/U80853344/Downloads/ber-arbeitsmarkt-va-flue-d%20\(1\).pdf](file:///C:/Users/U80853344/Downloads/ber-arbeitsmarkt-va-flue-d%20(1).pdf)

Integration policy must prepare refugees **to the realities of the local labor market.**

Therefore, Switzerland follows the principle: education and training comes first. Why is that? The **Swiss labor market is demanding** and highly competitive. 44.4 percent of the population has a tertiary education, which is above the European average.

Now, many refugees in Switzerland do not have completed post-compulsory education or have no formal education at all. In fact, among the first generation, this amounts roughly to 30%. On the other hand, our **refugee population is relatively young.** Over 50% are under 25 years old!

This is both, a huge potential and a challenge for education and training. There is for example solid evidence that **investing heavily in language training is decisive.** A study by Hangartner and Schmidt shows that refugees who speak the local language are twice as likely to gain a foothold in the labor market after five years.

To secure the commitment of every migrant in Switzerland, language requirements are legally linked to the status. In order to receive a residence permit, a specific level of local language has to be achieved, for citizenship a higher level is required. **If integration fails and language goals are not reached, cantonal authorities can withdraw permits.**

To activate this potential and to meet these challenges, we have put in place several policy programs. While the **Cantonal Integration Programs** cover all migrants, including European and other labor migrants who voluntarily call for a support to integrate in Switzerland, the **Integration Agenda Switzerland** is compulsory and includes all refugees and temporary admitted persons in Switzerland. In this program, each refugee receives individual support based on a personal skills assessment and the setting of specific goals. Each refugee has a **job coach** who supports and challenges him in the entire process. After 5 years, at least two thirds of the younger refugees shall start vocational training. In order to achieve this, Swiss national and cantonal governments tripled the amount of the per capita integration lump sum from 6'000 to 18'000 francs which actually sums up to 132 million francs per year.

The Cantonal Integration programs and the Integration Agenda are effective tools to encourage and train individual migrants. **Estimates underpin a significant return on investment:** According to calculations made by the Confederation and the cantons, the cumulative social assistance costs per annual refugee cohort will amount to roughly 1.2 **billion** francs. With the additional measures of the Integration Agenda, this cost is reduced to roughly 800 **million** francs.

The Integration Agenda sets goals that must be met by the Cantons. Along with the program, we are **introducing a monitoring** that will show how labour market participation, vocational training, income levels and the dependency on social welfare among refugees is changing over time. This monitoring will be supplemented with a program of in depth studies. **This will help us to further improve the existing programs, by anchoring our policies on facts and evidence.**

II. The impact of Covid-19 on integration policy and immediate responses

It is still far too early to pin down what the long-term **impacts of the Covid-19 crisis** on the success of integration policies will be. However, two short-term observations may be important here:

- 1) Anti-Corona-measures, such as border-closings and entry bans, brought immigration figures to a sharp halt and provided an upsetting example of how fragile our international recruitment system is. In Switzerland, numbers of work permits for non-EU-workers issued in 2020 have overall dropped by 25%, as a result of the border closures in March and subsequent immigration restrictions to combat the COVID-19 pandemic. While the number of permits issued in April fell by 78%, we observed a strong acceleration in the granting of permits as soon as restrictions were lifted. The significant higher consumption of quotas for the months of August and September 2020 compared to the same months of the previous year also confirms **the need for catch-up. These massive changes in immigration numbers are impressive**, particularly because Switzerland always provided exceptions for cross border-, or essential workforce. **It points at the crucial value of open borders in an interdependent and globalized economy and forces us to think about alternative, more crisis-proofed supply chains and recruitment programs.**
- 2) Secondly, the Covid-19 crisis had immediate effects on unemployment rates and the risk of poverty. The number of people in employment fell sharply during the first wave, it recovered in the summer but collapsed again in the winter. The Swiss economy will presumably still suffer in the coming months and recent figures of the Swiss State Secretariat for Economic Affairs show that employment perspectives are likely to be difficult, especially in low skills-sectors such as gastronomy and tourism or personal services, where migrant employment rates are particularly high.

What are the immediate responses to these challenges? Let me sketch two short examples:

a) To avoid unfair disadvantages for migrants under the exceptional situation caused by COVID-19, **we have softened administrative deadlines, for example to prove sufficient language level or the absence of social welfare dependency.** The basic idea here is, that the slowing down of language testing due to the pandemic or the imminent collapse of professional sectors should not hinder a still possible integration process on the longer term.

b) In the field of language-training, we **encourage and support providers of integration** measures to teach the teachers how to use online platforms and how to provide access to migrants. In this way, the vast majority of integration offers continued through online courses, using creative platforms, social media, digital tools and much more, to reach and teach learners. The **Goal was not to interrupt the integration process of these people or worsen their isolation.** For those with language level A1 to A2, an exception was made to allow integration measures on the spot, while strictly observing the rules of hygiene and social distancing.

The aim of these immediate reaction is to avoid further social disruptions, make necessary short-term adaptations to ongoing integration programs and to collect data to evaluate the need for further investments and policy adaptations.

III. Successful Swiss integration programs and promising pathways to the future

Let me now give you some insight in successful Swiss integration programs and in how they need to adapt in times of Covid-19. For several years now, we run a set of pilot programs to promote the employability of refugees.

One is called Integration Pre-Apprenticeship or in short, INVOL

INVOL offers a preparatory year, partly in school and partly with internships in the labor market. The goal is to **enable participants to be up to enter vocational training afterwards.** Our results show that up to **70%** of the participants are successful to do so. The INVOL-program has been developed in close collaboration with the social partners and the private sector. It allows migrants to be **ready school-wise** but also to better understand the reality of the Swiss labor market.

Despite COVID-19, 700 temporary admitted persons and refugees completed an **Integration Pre-Apprenticeship** in 18 cantons in the past school year. Over 500 of them found a follow-up solution in basic vocational training. From the coming school year, INVOL will be opened up to people with similar training needs from EU/EFTA and third countries. INVOL will also be offered in further occupational fields, for example the ICT sector.

Once more, the success factor to reach our goals was a comprehensive approach involving all actors. We could only bridge the gap during the pandemic because of our strong **partnership with branch associations and industries as well as employers.** The same is true for the cooperation between all state actors in labor market integration, the public employment service, disability insurance, integration promotion and social welfare.

((FiZu : wage subsidies to promote integration))

Cooperation between integration promotion, public employment service and employers is at the heart of the pilot program “**FiZu**”, or “**Financial subsidies**”. It includes wage subsidies and funding for further training. We launch it, right now, in January 2021. With this program, we want to **convince employers to hire people from the asylum sector on a long-term basis.** Planned over 3 years, it aims to integrate sustainably **900 refugees** in the labour market. 14³ cantons will participate in this year’s pilot program, 15⁴ in 2022.

Our main objective is to integrate on the long run. It means that we have to think more carefully about which **occupational fields** will offer refugees prospects for **sustainable integration.** The pandemic definitely accelerates the ongoing technological shift. In times of social distancing and closed borders, the new possibilities offered by digitalization are promising and mostly welcome. Therefore, **integration strategies and programs** will need to look out for **new partners.**

There is, in fact, substantial job growth in areas such as **digital economy** or the so-called **green economy and technology** but also in the **health sector.** The professional integration of refugees must **take advantage of these changes** and **create opportunities in growth sectors,**

The issue with this fields is, that they are on average more demanding when it comes to qualifications. Creating access to these **high qualifying-jobs** for our target-group is a

³ Aargau, Appenzell Ausserrhoden, Fribourg, Genève, Graubünden, Jura, Luzern, Neuchâtel, Obwalden, St Gallen, Schaffhausen, Thurgau, Waadt und Wallis.

⁴ Berne

challenging but promising task. I would like to draw your attention to an innovative program in the ICT sector that has been recognised internationally for its excellence.

PowerCoders

The "**Power.Coders**" program, a "Refugee Programming School", gives participants **direct access to the ICT industry**. Candidates follow a 13-week training course in programming. After passing the exam, they complete a 6-12 month internship". Doing this, Power.Coders contributes to the **mobilization of the potential** in a rapidly growing field with a lack of local skilled workforce.

Christian Hirsig, an IT-company owner, privately founded Powercoders. It is a non-profit association, supported by the confederation, cantons and companies. It is free of charge for the selected participants. The three-year pilot phase was carried out in over 80 ICT companies and concluded in June 2020. Around 90% of the 148 participants were placed in an ICT internship after the program. Of the 33 participants who took part in the first two training courses, 22 now have now a permanent job or apprenticeship in the ICT sector.

These examples show, that in times of pandemic and economic downturn, **further investments in integration is more important than ever – and more challenging at the same time** - because it means to adapt to the disruptions in the labor market and to **invest even more in the upskilling of migrants** – and here of course – we will also **reach limits**. We must accept that some refugees do not have the potential to follow vocational or tertiary education. This challenge needs to be addressed in a different way.

SESAM

The **SESAME pilot program** is a good example. It takes advantage of another contextual change: **the inversion of the age pyramid**.

SESAM aims to train refugees in the care sector, a sector that has relied for many years on foreign workforce. The project includes measures to support migrant women and refugees in successfully completing the Red Cross Nursing Assistant course, with the aim to integrate durably in a job. **Almost 90 per cent of the participants found a job afterwards**. After the pilot phase co-financed by the SEM, the training program for care assistants was **taken over by the Red Cross**. The program has also been able to adapt to the pandemic, in particular with the use of digital tools and platforms.

IV. Take Away Lessons and Outlook

- Switzerland's overall concern is to **make a maximum use of its domestic workforce and potential.**
- An effective integration policy has to factor in the reality of the local labor market. **In a highly skilled labour market like Switzerland this means to invest heavily in language training and education to give people long-term job perspectives while meeting the economy's need for skilled workers.**
- Refugees and other vulnerable and poorly trained migrants represent a major challenge in this respect. **Nonetheless, education and training is a priority for this target group as well.** For those who cannot keep up with our labor market, social integration and a gradual low-threshold access to work must be the target. Wage subsidies can build an important bridge here.
- **We must understand and handle continuous and disruptive changes in the labor market and create opportunities for refugees in growth-sectors,** while taking into account the potential and the limits of each individual. The covid-19 crisis and its effects **calls for even stronger investments in integration policies – and makes them more challenging at the same time.** Countries who find effective ways to integrate refugees and other vulnerable migrants into the digital, the green economy and the health sector, will do probably the right thing.
- Successful integration policy builds on **databased evidence, impact-evaluation and monitoring.** As the human and economic return on investment often comes with a **substantial time lag, long-term perspectives and keeping a steady course in periods of crisis** are key.
- From that point of view, the Swiss Cantonal Integration Programs and the Integration Agenda are **successful but heavy tankers on a long journey.** They need the **company, the challenge and the pioneering of smaller agile boats, reaching out for new ideas and new partners. Pilot programs and private initiatives can take this role.** On the backdrop of the Covid-19 crisis and its challenges, we might need more private investors, foundations or other private actors mobilizing seed capital for integration projects, e.g. to foster entrepreneurship of refugees. We might also need to understand better, what the needs of the heavily shaken traditional integration sectors such as gastronomy are, and how migration flows react to the crisis. From this angle, we might have to think about how to bring in more participation and impulses from outside the system.

That is why opportunities such as Avenir Suisse is giving us today are so important.

Thank you again for the chance to share – and I am now keen to hear your thoughts and to discuss your questions.