

Improving labour market access for refugees in Scotland

Key findings and recommendations

Executive summary

Access to the labour market is a key element of displaced migrants' 'integration' experiences. Labour market access provides displaced migrants with financial stability and sustainability, the development of community networks and positive health outcomes. It also provides benefits to local and national economies. Displaced migrants bring new skills-sets, perspectives and experiences to the labour market, and the medium to long-term fiscal impact of refugee labour market access are likely to be positive.

In the UK, asylum seekers do not have access to the labour market and so support for displaced migrants focuses on refugees for the duration of their leave to remain. Refugee labour market access is subject to both devolved and reserved governance. Though the Scottish Government does not have power over immigration controls, it has policy control over areas related to labour market training, and to business development. Until recently, support for refugee labour market access in Scotland has focussed on the provision of employability and skills development services.

While this remains a vital element of refugee support, it has meant two emerging areas of interest – (1) enterprise and entrepreneurship and (2) employer engagement – remain under-developed. GLIMER Research argues that an over-emphasis on refugee employability services neither addresses the full scope of labour market opportunities in Scotland nor the structural barriers to the labour market encountered by refugees. We argue that equivalent focus on policymakers and employers is necessary to address these conditions.

We also argue that increased consideration needs to be given to the local labour market conditions in Resettlement areas outside the Central Belt. While valuable lessons can be learned from Resettlement employability successes, a 'one size fits all approach' is not appropriate Scotland-wide where there is significant local-level diversity. This policy brief notes that there are likely to be significant changes and challenges to the labour market in Scotland in 2020, and suggests that in this environment improving refugee access to the labour market is critical. This policy brief presents our research findings and makes recommendations for how this can be done.

Methods and empirical research

GLIMER is informed by a combination of policy analysis and qualitative research with multi-party stakeholders. This policy brief is reliant on ethnographic fieldwork and in-depth semi-structured interviews with stakeholders from devolved and local government, the third sector and community groups. We worked across several locations that included both the site of Dispersal (Glasgow) as well as areas involved in the Vulnerable Person's Resettlement Scheme (VPRS).

The GLIMER (Governance and the Local Integration of Migrants and Europe's Refugees) project is jointly funded by JPI Urban Europe and Horizon 2020.

Bringing together researchers and practitioners from five lead institutions – the University of Edinburgh, the University of Glasgow, Università della Calabria, Malmö Universitet and the Mediterranean Institute of Gender Studies – it researches how issues relating to governance impact displaced peoples' experiences of integration in contemporary Europe.

Project website: glimer.eu



Context

Overview

Providing financial stability and sustainability, skills development, the development of community networks and links to positive physical and mental health outcomes, access to the labour market is a social and holistic element of displaced migrants' lives, and a key indicator of integration.

Refugees bring new skills-sets, perspectives and experiences to the labour market. In the UK, refugee-owned businesses are more likely to be employers and generate further job market opportunities. Meanwhile, whilst the fiscal effects of refugee labour market access are 'minor' in the short-term, they are likely to be positive in the medium to long term.

However, labour market access for displaced migrants remains highly politicised. Successive UK Governments have considered it a 'pull' factor for displaced migration, and have almost entirely restricted asylum seekers from paid work. While refugees have full access to the labour market, 'hostile environment' conditions, restrictive periods of leave to remain and structural racism create additional barriers to employment.

The Scottish context

Labour market access for displaced migrants in Scotland is governed by the UK's devolved settlement. The Scottish Government is unable to intervene on labour market issues related to immigration controls, but it has powers over employability, skills and training and business development. Though the Home Office therefore has power over *who* can access the labour market, Scottish Government has influence over *how* this happens.

Until recently, policy regarding labour market access for displaced migrants in Scotland focussed on the provision of employability services, duties met predominantly by the third and public sector in Glasgow. However, policymakers and stakeholders have observed growing demand for and interest in services related to (1) refugee enterprise and entrepreneurship and (2) employer engagement. These developments come at a time when the rollout of the Vulnerable Person's Resettlement Scheme across all 32 local authorities in Scotland mean that responses need be cognisant of a broad range of needs and environments.

Refugee labour market categories in Scotland

Labour market provision for displaced migrants in Scotland therefore falls into three categories with varying degrees of resourcing and policy development.

1. *Employability services*

Though there is a high demand for refugee employability services in Scotland, there are a limited number of organisations with refugee employability expertise. Services provided include skills recognition, skills development, sector-specific training, sector-specific ESOL and interview skills. The majority of services are provided by the third sector and are located in Glasgow.

2. *Enterprise and entrepreneurship*

Enterprise support is predominantly provided by Business Gateway, a non-governmental body with local capacity. Business Gateway provide 'mainstreamed' enterprise services, which include assistance with developing a Business Plan, and potential financing options, and to which refugees have access. In Glasgow, a limited number of third sector organisations provide specialist refugee enterprise services. In Resettlement areas outside the Central Belt, local authority Resettlement teams have developed their own enterprise strategies.

3. *Employer development*

In recent developments, some third sector organisations and local authority Resettlement teams have developed relationships with public and private sector employers. Collaborations include employer 'training' to improve refugee recruitment and retention, and 'brokering' roles in which service providers have successfully matched refugees with employers.

Challenges and potentials

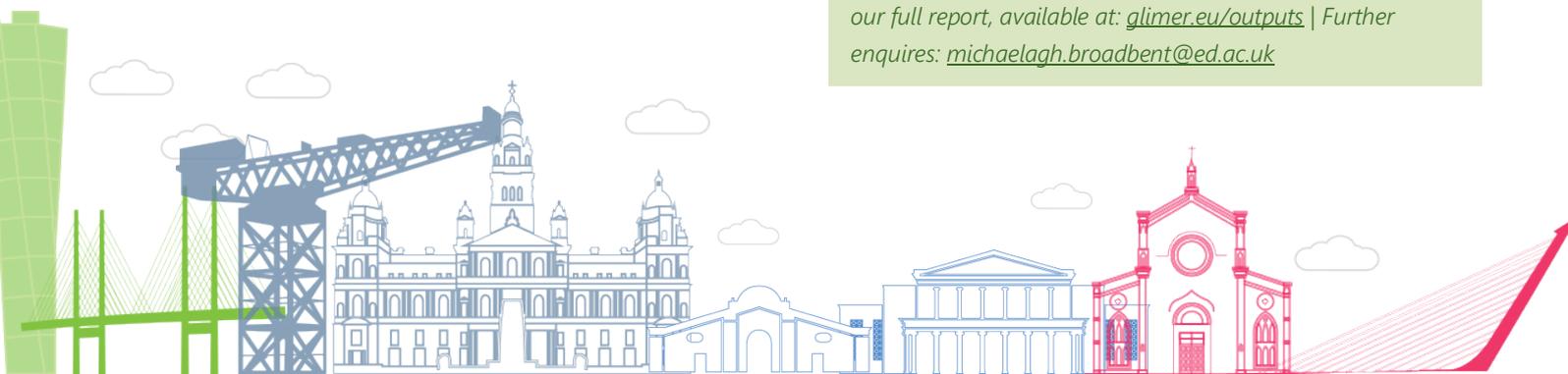
There are likely to be significant changes and challenges to the labour market in Scotland in 2020, making refugee access to the labour market critical. However, refugee labour market support is unevenly weighted towards employability, and aspects of the labour market with considerable potential are under-developed. Following Resettlement, responses require a Scotland-wide approach, that actively takes into account (1) the specific barriers to refugee labour market access and (2) the diversity of local labour market environments.



Findings

1. **There is a gap between provision for employability support for displaced migrants and equivalent support for (a) refugee enterprise and entrepreneurship and (b) employer training.** An over-emphasis on refugee employability does not address structural barriers to the labour market, for which employers and policymakers are responsible.
2. **With their capacity for close partnership working, there is potential for smaller and rural local authorities to provide high levels of support to Resettled refugees.** However, there is also evidence of a two-tier geography of displacement across Scotland (i.e. more intensive support outside Glasgow, but more services available in Glasgow).
3. **Successes in refugee employment and enterprise, and in employer engagement have been the result of intensive local activity, and often are reliant upon the dedication of key individuals rather than national policy or infrastructure.** As a result, support mechanisms are inconsistent and precarious.
4. **Employability services**
 - a. **Despite demand and emphasis in *New Scots*, there are very limited specialist refugee employment services in Scotland.** Existing services are over-subscribed and subject to time-limited funding. Funding streams are especially vulnerable in a post-Brexit environment.
 - b. **Labour market conditions impose additional barriers to the employment of refugee women.** Stakeholders reported that there were benefits to providing employability programmes specifically tailored to the needs of refugee women; however, at the time of research, the only existing service had closed down due to lack of resources, and no future services were anticipated. Stakeholders also reported (a) inconsistent childcare provision (b) childcare provision only for women-targeted services. These conditions perpetuated gendered expectations that women fulfil caring duties, and prevented women from fully accessing services.
5. **Enterprise and entrepreneurship**
 - a. **Enterprise and entrepreneurship services are inconsistent in their support for refugees. Many local Business Gateway offices only offer 'mainstreamed support' without consideration of specific barriers and some local authorities operate a 'no interpretation' policy.**
 - b. **Mainstream financing options for potential refugee entrepreneurs are very limited.** Mainstream financing options require (a) credit history (b) potential for high growth (c) evidence of leave to remain that covers loan repayment periods. Due to immigration controls, refugees are unable to meet these criteria. Whilst there is potential for refugees to draw on alternative sources of funding, information about this is limited and underexplored in Scotland.
 - c. **Successes in developing refugee enterprises have been the result of (a) dedicated local support (b) tailored approaches to local labour market conditions and (c) a willingness to revisit approaches to English language requirements.**
6. **Employer engagement**
 - a. **Organisations and employers that do not actively consider labour market conditions for refugees are likely to perpetuate barriers to recruitment and retention.** Barriers include: interview practices that are inappropriate for refugees, over-reliance on online recruitment resources, or inappropriate English language expectations.

GLIMER Scotland Team: Professor Nasar Meer, Dr Timothy Peace, and Dr Emma Hill. This policy brief is supported by our full report, available at: glimer.eu/outputs | Further enquires: michaelagh.broadbent@ed.ac.uk



Findings continued

- b. **The 'hostile environment' is likely to deter employers and organisations from employing refugees.** This is particularly the case for small businesses, or businesses in Resettlement areas with little experience of employing refugees.
- c. **There is substantial interest from private sector employers in recruiting refugees.** At the time of research links between refugees and employers were facilitated by the third sector and some Resettlement teams, which either brokered relationships after being approached by business, or actively sought out business connections.

Recommendations

Below, we make recommendations designed to improve labour market access for refugees in Scotland. Recommendations correspond to the findings above, and are as follows:

1. **Expand existing Scottish Government policies to (a) encompass all aspects of labour market access and (b) ensure active consideration of refugee barriers**
 - Expand *New Scots* labour market recommendations to include enterprise, entrepreneurship and employer engagement.
 - Ensure Economic and Employability policies related to 'mainstream' employability, enterprise and labour market equalities actively consider refugee-specific provisions.
2. **Avoid a 'one size fits all' approach to refugee labour market access**
 - Service providers should more comprehensively support refugee populations and Resettlement teams located outside the Central Belt. National and local government should explore options for assisting this work.
3. **Develop a national approach towards labour market access for refugees that ensures local employability and labour market services are informed about and supported on issues related to displaced migration**
 - Provide enhanced training and support for local officers to ensure labour market approaches that are tailored to and appropriate for local labour market conditions.
4. **Increase resourcing for refugee employability services**
 - Ring-fence resourcing to support specific, publicly-sponsored services for refugee women.
 - Develop programmes to support the long-term potential of refugees 'far from the labour market'.
 - Consider funding potential from existing third sector/private sector partnerships
- 5(a). **Consider revisions to how Business Gateway approaches providing displaced migrants with enterprise and entrepreneurship support**
 - Formalise support for interpreting provision across Business Gateway services.
 - Design services to take into account barriers related to language and immigration status. Standardise this approach across local BG branches.
 - Promote increased engagement between Business Gateway National Unit and CoSLA's Strategic Migration Partnership Team.
- 5(b). **Improve financing options for refugee entrepreneurs**
 - Reconsider options for small-scale loans, and revised terms of repayments for refugee clients provided by public institutions (such as Business Gateway and the Scottish Investment Bank).
 - Develop a nationally-accessible database of potential enterprise funding.
- 5(c). **Consider how all aspects of the 'Bute approach' inform enterprise successes when developing similar initiatives in other localities**
 - Include English language learning solutions alongside business development initiatives.
 - Consider a flexible approach to English language provision that does not necessarily rely on accreditation pathways.
6. **Take national responsibility for improving employer approaches to refugee recruitment and retention**
 - Develop capacity in Scottish Government to actively support and encourage refugee/employer brokering initiatives.
 - Develop publicly available information, or a public campaign, detailing mechanisms and benefits of employing refugees.

