



The Hague Process
on Refugees and Migration

Final Research Report 2015

Rotterdam Business-City Partnership



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This report was developed and lead by THP in consultation with a multidisciplinary expert steering group consisting of:

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- **Prof. Dr. Han Entzinger**, Migration and Integration Studies, Erasmus University. Previously, Professor at Utrecht University and affiliated to the Scientific Counsel of Government Policy and the United Nations in Geneva.
- **City of Rotterdam**
- **Port of Rotterdam Authority**
- **Strategy&**

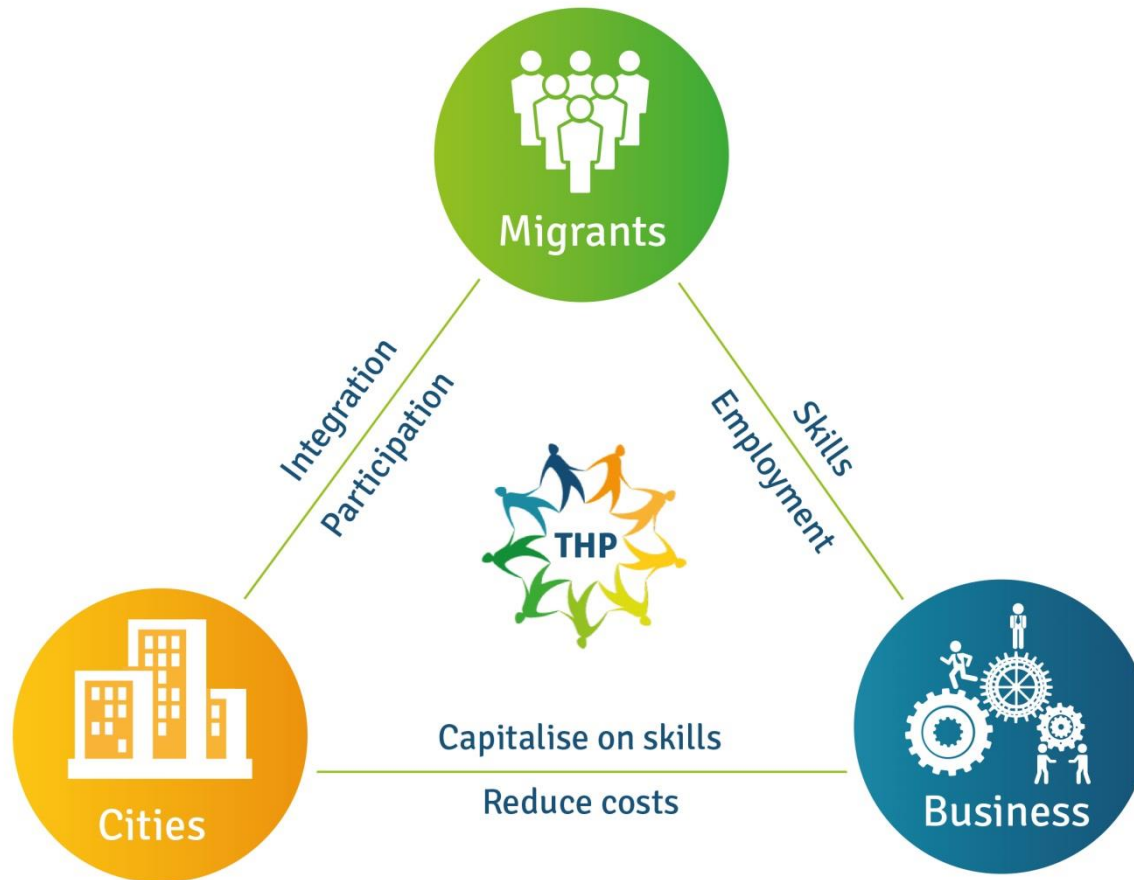
THP Research Coordinator: Teresa Juzwiak

Acknowledgements

THP would like to thank all the stakeholders that shared their expertise throughout the research process.



THP launched a Migrant Training and Placement Programme via a Business-City Partnership in Rotterdam





We conducted extensive quantitative and qualitative research by gathering data on migrants and the labour market

Approach

- Research methods used:
 - Migrant survey (1000 respondents)
 - Migrant community interviews (23 interviews)
 - Company survey (80+ respondents)
 - Company interviews (35 interviews with large companies and SME's)
 - Training institutes interviews (20 interviews)
- In the research process THP received support from:
 - Motivaction
 - Strategy& (formerly Booz & Company)
 - The scientific community, e.g. Prof. Han Entzinger (Erasmus University)

Examples of interviewed parties

Companies



Migrants



Educational & training institutes





The main research findings include:

1. **Unemployment is significantly higher among migrants**, across all education levels and generations. Migrants are disproportionately hired under temporary contracts or via agencies, underscoring the **barriers to their development in the labour market**
2. Shifts in the labour market pose additional challenges: **employers are increasing job requirements based on technological changes and a greater need for soft skills**
3. **Unemployed migrants are primarily unemployed due to lack of (hard & soft) skills** rather than due to labour market barriers – upskilling is required
4. **There is a lack of soft skills among unemployed migrants**, particularly ‘flexibility’, ‘cooperation’ and ‘creativity’. For example, analysis by education level shows that all levels lack ‘flexibility’, but **lack of other soft skills is concentrated in MBO educated migrants**
5. **Migrants often work for parochial (local) businesses**, which makes them an attractive target group for municipal employment projects
6. **Unemployed migrants are more ‘ambitious’ than unemployed non-migrants**
7. **Migrants are entrepreneurial**, but need help to become more successful. Migrant entrepreneurs are an attractive target group because **they support local economy and create more jobs than non-migrants**
8. **Migrants face a number of structural issues in accessing the labour market:** lack of networks, resistance from mid-level management to diversity, and stereotypes/discrimination



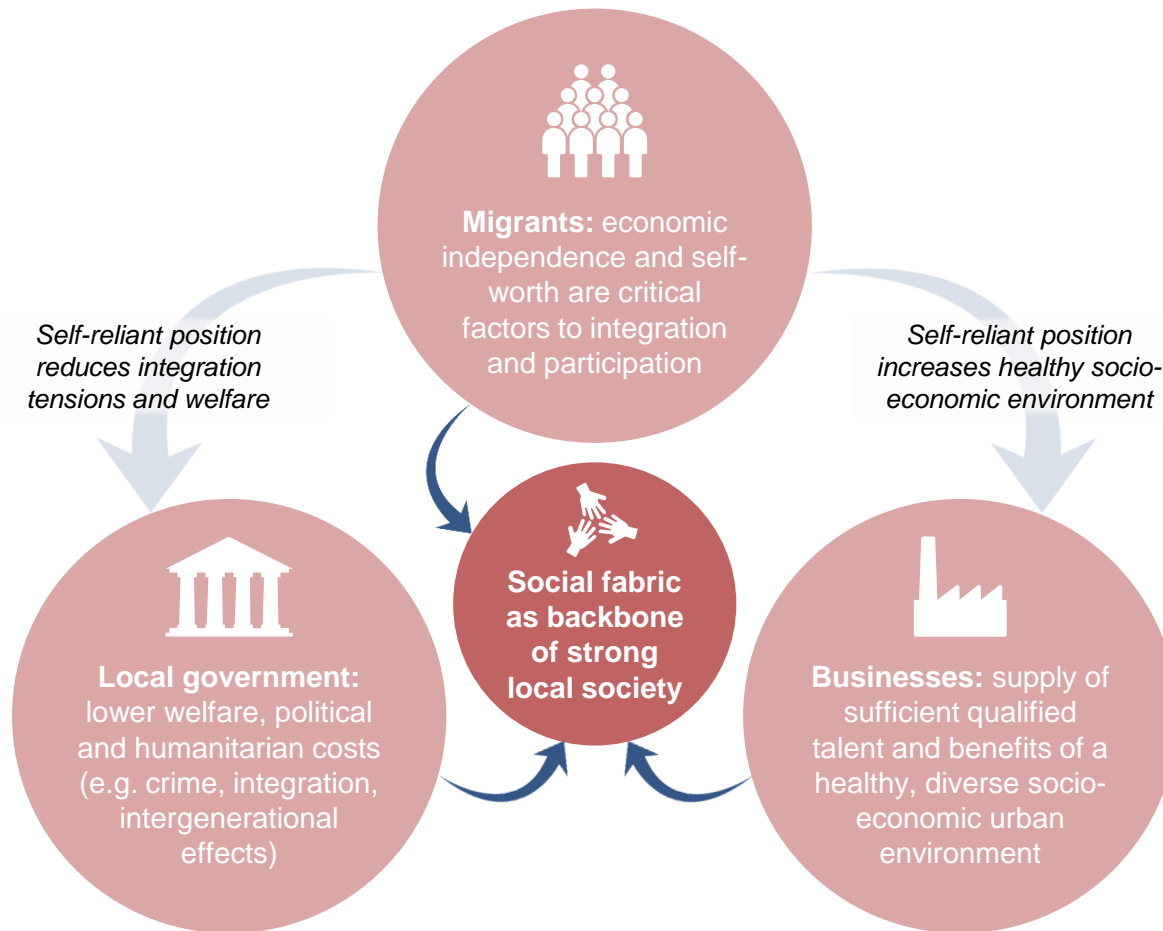
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Our research showed that greater economic independence of migrants is fundamental for improving the social fabric of cities

Problem statement



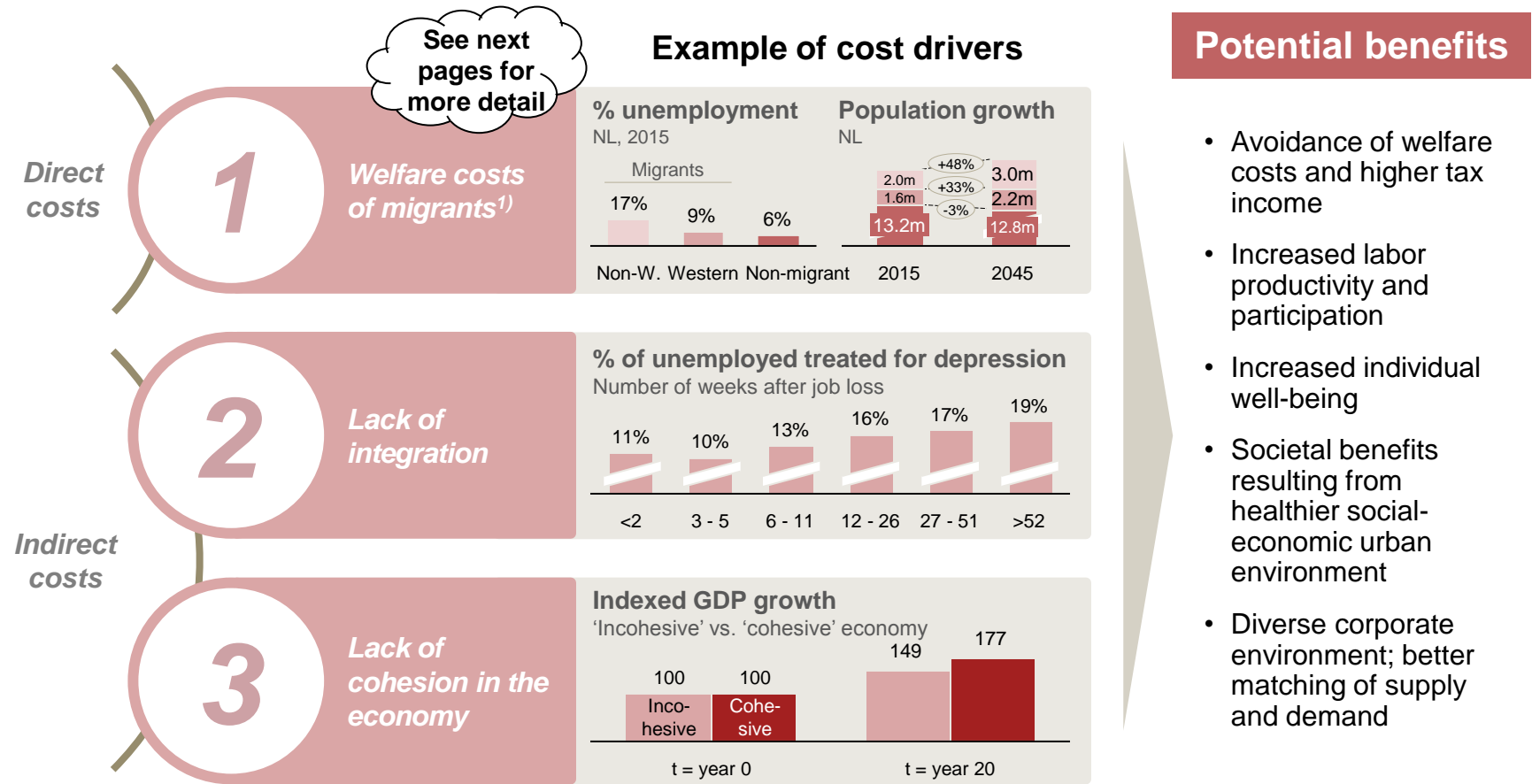
Summary

- With urban populations becoming increasingly diverse, cities need a strong social fabric that is inclusive for all citizens, keeps welfare costs low, and creates an attractive business environment
- A healthy social fabric acts as a backbone of a strong, vibrant and prosperous local society
- Increasing economic independence of migrants is fundamental for this, as it has strong spin-off effects on other societal stakeholders (businesses, local government)



By improving the self-reliant position of migrants, welfare costs can be reduced and integration and cohesion can be increased

Impact of improving the self-reliance of migrants



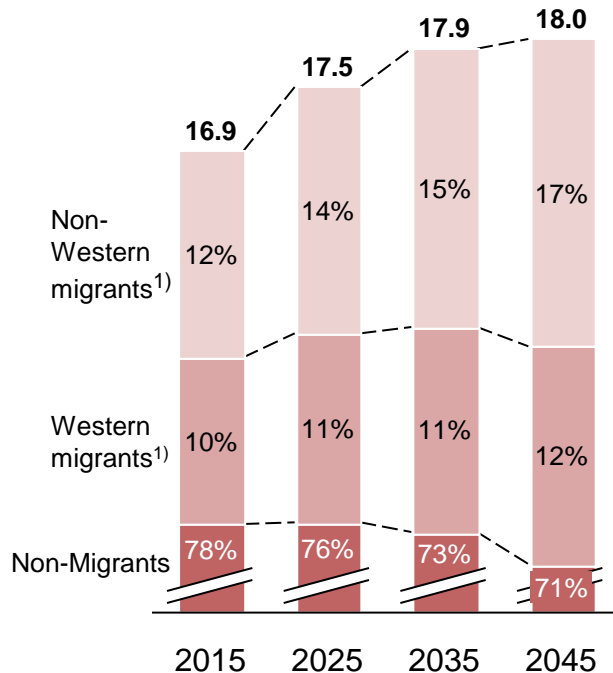
1) Migrant defined as 'allochtoon' (1st and 2nd generation migrants; 2nd if at least one parent born abroad)
Source: CBS, Society for the psychological study of social issues, OECD/Harvard

The rising number and high unemployment rates of migrants will increase welfare costs over time if nothing is done

Drivers of welfare cost increase

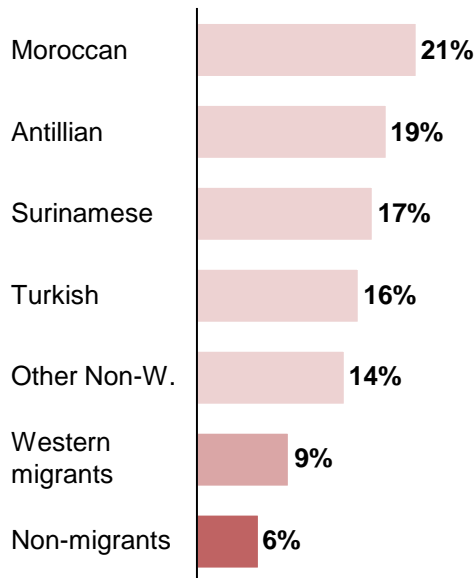
Population growth forecast

Netherlands, in millions, 2015 - 2045



Unemployment

Netherlands, %, 2014



Summary

- Relative to the total population, the percentage of non-Western migrants¹⁾ will rise from 12% in 2015 to 17% in 2050 (abs. from 2m to 3.1 people)
- Current unemployment rates among non-Western migrants are above average (17% vs. non-migrants 6%)
- Assuming differences in unemployment are structural, these trends will likely result in increasing welfare costs

1) Migrant defined as 'allochtoon' (1st and 2nd generation migrants; 2nd if at least one parent born abroad)

Source: CBS

A lack of integration negatively impacts individuals' mental and physical health

Lack of integration – indirect effects¹⁾

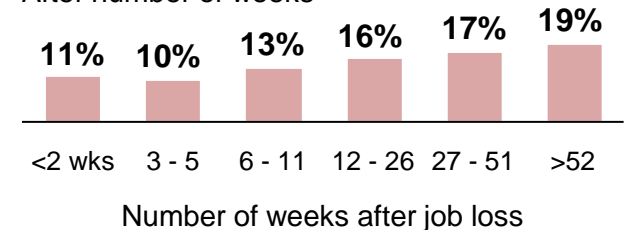
Scientific research indicates that lack of integration has strong negative effects on well-being of the unemployed:

- 1 **Mental health:** Poorer mental health reflected in lower self-esteem, increased alcohol use, higher rates of depression, and lower life satisfaction
- 2 **Life expectancy:** Mortality rates in year after job displacement are 50 to 100 percent higher than the employed population, lasting up to 20 years after job loss
- 3 **Intergenerational:** Mental stress lowering well-being of children, affecting their mental stability, reflected in moodiness, hypersensitivity, and feelings of inadequacy

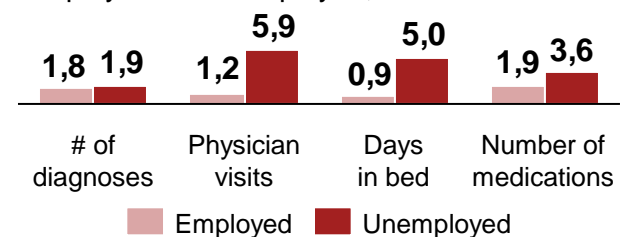
Effects on individuals also impact wider communities, affecting safety and community well-being

Examples

% of unemployed treated for depression
After number of weeks²⁾



Occurrence of physical health issues
Employed vs. unemployed, over six months³⁾



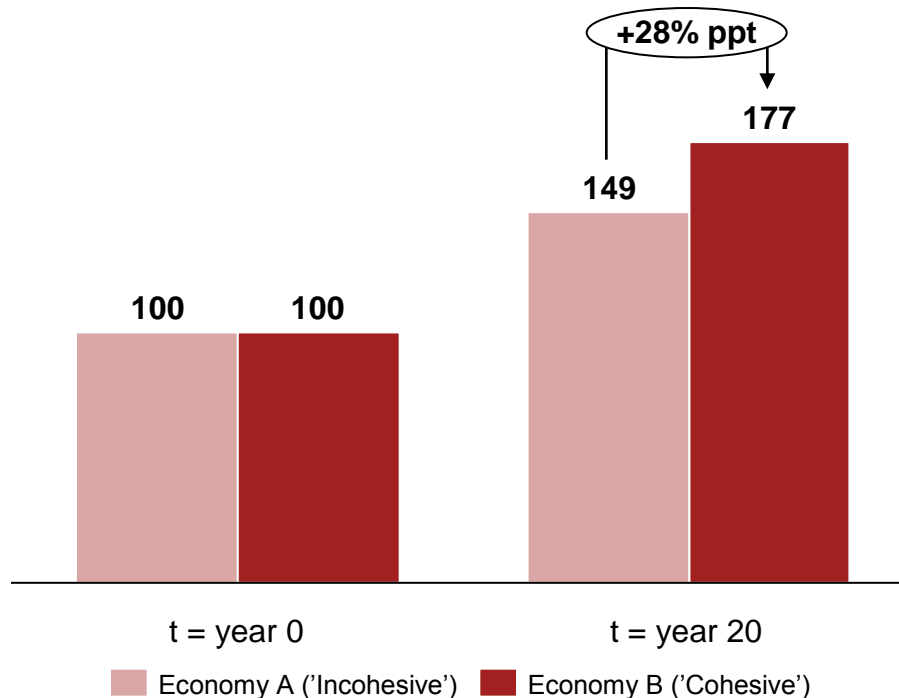
1) Source: Society for the psychological study of social issues; 2) Among US citizens (source: Gallup); 3) Based on stress impact on health for 300 men, comparing men becoming unemployed after study with equal number of men, matched for age and race, continuing to work (source: US National library of medicine)

A working and healthy social fabric has substantial value to the overall economy

Macro-benefits of social cohesion

GDP growth over 20-year period

Cohesive vs. incohesive economy (index = 100)



Summary

- Research from OECD and Harvard, based on a cross-country index of social cohesion measures¹⁾, estimates that a two-point increase on this index, produces a 28% ppt difference in cumulative economic growth over a 20-year period
- A two-point increase is equivalent to the social cohesion gaps between e.g. Botswana and Angola, Sweden and Italy, or the United Arab Emirates and Yemen
- This highlights the value of having a strong, cohesive civil society with sufficient representation of marginal groups and a collective identity into which these groups can identify

1) Cohesion measures based on level of intergroup discrimination and intergroup violence per country
Source: OECD, Harvard University



At the same time, recent technological shifts and globalization are causing shifts in the hard and soft skills demanded in Rotterdam

Impact of technological shifts & globalization on job market

Hard skills	Soft skills	Summary
<p>Technical jobs will require higher education level as shift occurs from manual work to 'process oversight' <i>O&BI/SEOR</i></p>	<p>Most important skills in the near future: providing service, cross-selling, personality and language <i>Small business owner</i></p>	<ul style="list-style-type: none">• Technology causes a major shift in the labor market from 'industrial' to 'post-industrial', which increases the focus on:<ul style="list-style-type: none">– ICT (to control the new technology)– soft skills (to perform activities that cannot be taken over by technology)• Globalization increases the demand for intercultural soft-skills and enhances the competition in the labor market• Combined these two trends will lead to a rise in the number of jobs on both the highest and lowest/elementary skill levels; redundant middle-educated employees will as a result 'crowd' the low/elementary-skill jobs• In Rotterdam, this leads to an increasing share of 'semi-professional' workers (e.g. teachers, nurses, and technical designer)
<p>Below MBO-4 there is increasing competition from eastern Europe <i>Financial services provider</i></p>	<p>More flexibility will be required as we have more and more project-based work <i>Large business owner</i></p>	
<p>Digitization and technology will have a great role in replacement. Out of 5 MBO jobs, 3 will remain on HBO level <i>Large business</i></p>	<p>Focus in the coming years will be on greater hospitality – need for more soft skills (interpersonal contact) <i>Large business</i></p>	

Source: THP interviews, O&BI/SEOR Arbeidsmarktanalyse Rijnmond 2015 (p. 67-69)



...and an increased demand for employees that are social, flexible, and well-rounded

Growing importance of soft skills

Social

Most important skills:
providing service, hard working, cross-selling, personality and language
Small business owner

Focus in the coming years will be on **greater hospitality** – need for more soft skills (interpersonal contact)
Large business

Fit with our culture is very important, we have drinks outside the office and weekend outings – requires soft skills and “personality”
Small business owner

Flexible

Flexibility is very important, as is being culturally open
Small business owner

More flexibility will be required for **project-based work**
Large business owner

Flexibility, team work skills and motivation are our prime focus
Large business

Well-rounded

All employees must have all skills; not have them divided over individuals
Small business owner

Companies want the T-profile: **specific hard skills and a range of soft skills**
Trade organization

Soft skills are the most important, as well as personality and finding a **good fit with the team**
Intermediary

Source: THP interviews



This is reflected in skills demanded in Rotterdam: typically higher educated labor with an emphasis on soft skills and ICT

Rotterdam labor market: split by sector and education level

Number of jobs, December 2012, 000s

Exp. job growth

Expected shifts in skill mix

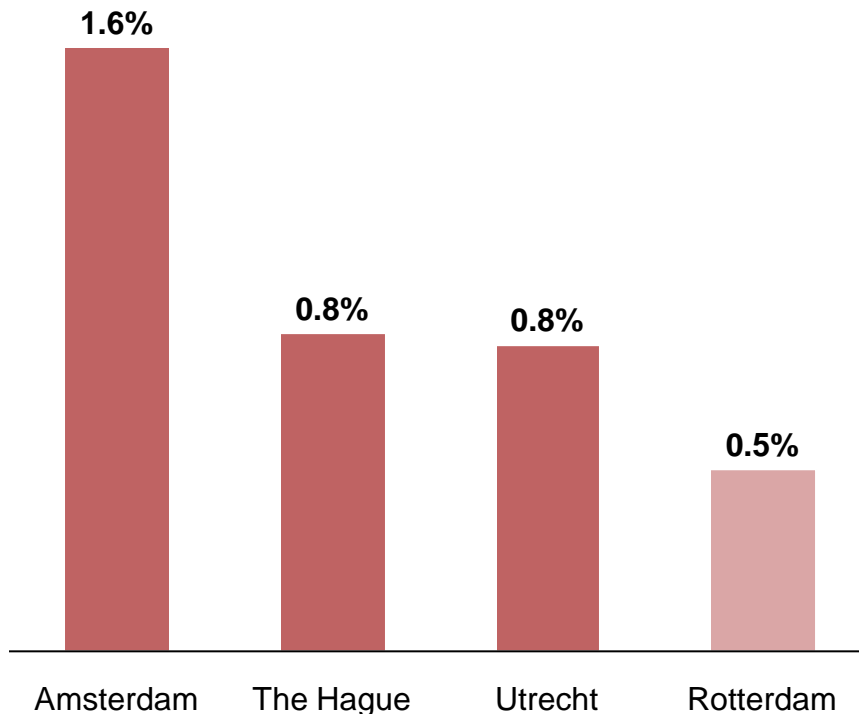
	Low	Intermediate	High			
Health and social	17	51	33	101	→	<ul style="list-style-type: none"> • At least MBO 3 needed for jobs with shortages, but typically also MBO4, HBO+ • New competencies: programming for e-health, skills to cultivate self-reliance
Business services	23	37	32	91	→	<ul style="list-style-type: none"> • Demand shift from MBO to HBO • Competency shift: MBO1/2 jobs more ICT; overall more service-oriented
Retail and repair	28	31	4	62	↑	<ul style="list-style-type: none"> • Education mix to become hourglass-shaped, lower demand for Intermediate • Competencies: soft skills / hospitality more important, technological knowledge
Industry and utilities	19	27	12	58	→	<ul style="list-style-type: none"> • Increase in education level to at least MBO3 • Next to technical skills, more knowledge-based: teamwork, problem-solving
Transport	16	24	8	48	→	<ul style="list-style-type: none"> • Growing demand for employees with MBO3 or higher • Competencies: customer-oriented, results-oriented, teamwork
Government	6	20	16	42	↑	<ul style="list-style-type: none"> • Higher demand for HBO level, especially in technical roles • Competencies: more customer-oriented due to increased citizen expectations
Wholesale	10	20	10	39	→	<ul style="list-style-type: none"> • Growing importance of ICT, higher demand for employees with HBO or higher • Broader competencies needed, incl. foreign languages and advisory tasks
Education	2	29	3	38	↓	<ul style="list-style-type: none"> • Demand to remain in HBO and higher, shortages for beta / language teachers • Competencies: interaction with parents, dealing with specific context of MBO
Construction	8	17	5	30	↓	<ul style="list-style-type: none"> • Demand for Low/Intermediate to remain stable, increased demand for HBO • Competencies: teamwork and ICT due to more complex construction process
Other	28	51	27	106		

Source: O&BI/SEOR Arbeidsmarktanalyse Rijnmond (p. 131-132, 187-189), Strategy& analysis



This technological shift, combined with slow population growth, is slowing down job growth in Rotterdam

**Growth in demand for labor:
Rotterdam vs. other NL cities¹⁾**
% job increase, 2017 vs. 2015 (CAGR)



¹⁾ Data covers cities including their metropolitan areas
Source: O&BI/SEOR Arbeidsmarkt prognose 2015-2016; Strategy& analysis

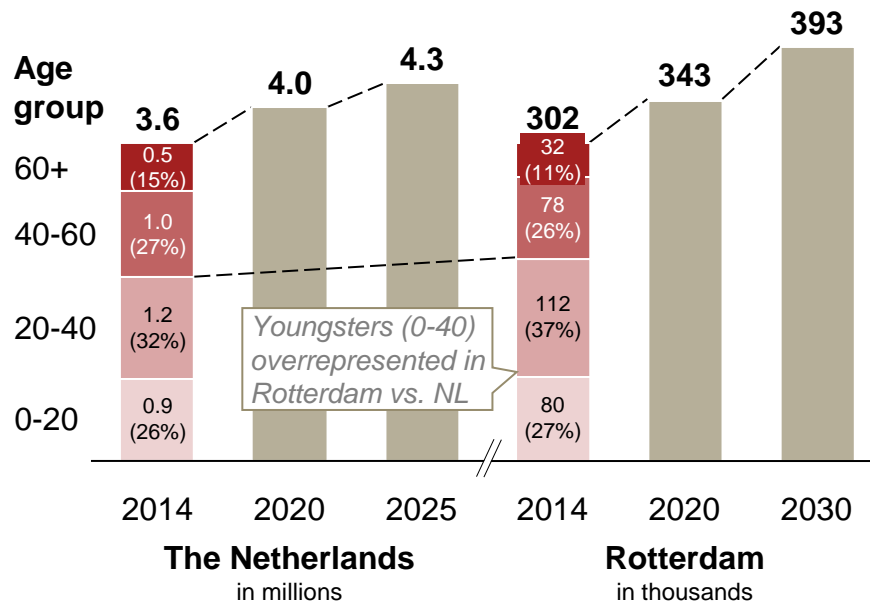
Summary

- Growth of Rotterdam labor market forecasted to be smaller versus other NL metropolitan areas
- This difference is driven by sector mix and demographics:
 - **Sector mix:** larger impact of automation trends due to Rotterdam's focus on industry and transportation (other metropolitan areas more oriented on services)
 - **Demographics:** lagging population growth in Rotterdam vs. other cities, resulting in lower demand for services and hence lower growth
- However, differences exist across main Rotterdam employment sectors:
 - Job shrinkage in industrial and financial jobs
 - Job increase in construction and business services (mainly driven by ageing workforce replacement)

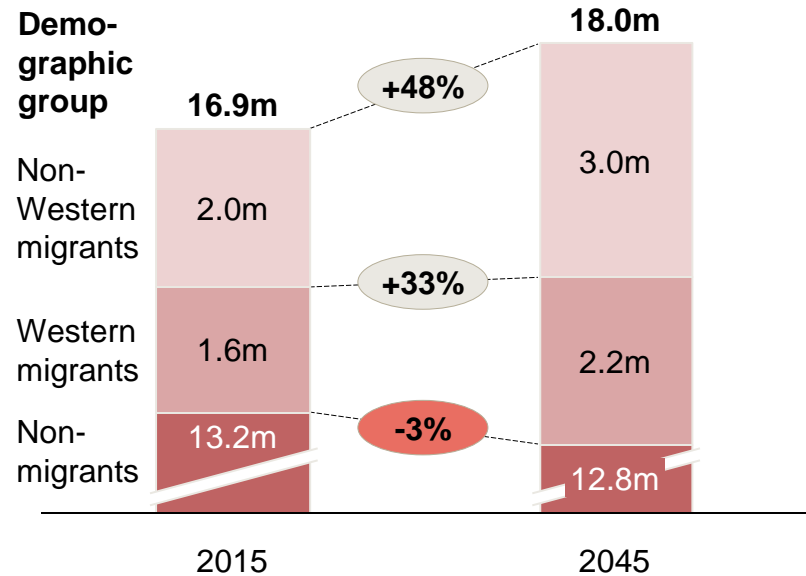


The number of migrants, especially non-Western, is growing while the non-migrant population is in decline

Number of Western/non-Western migrants
The Netherlands and Rotterdam, by age class¹⁾



Population growth
NL, 2015 vs. 2045

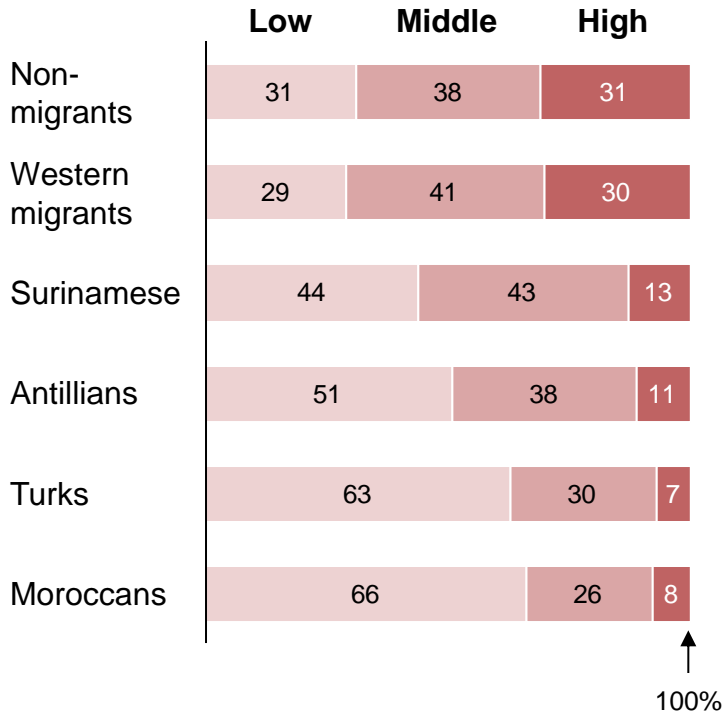


1) Persons of which at least one parent is born outside NL
Source: CBS, COS bevolkingsprognose Rotterdam 2013-2030, Strategy& analysis

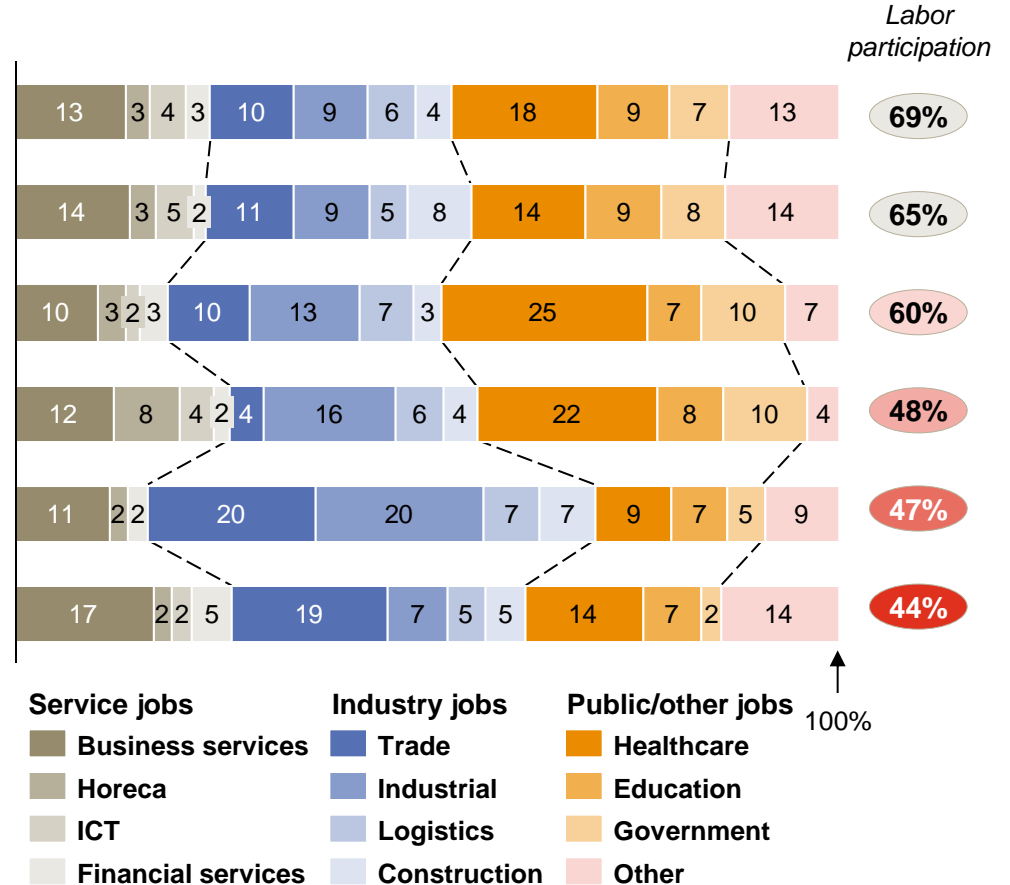


Within this group, education is low, sector employment differs substantially from non-migrants, and labor participation is low

Education mix per ethnic group
Rotterdam, 2008, percentages of total population



Sector employment per ethnic group
Rotterdam, Ø 2008-2010, percentages of labor force



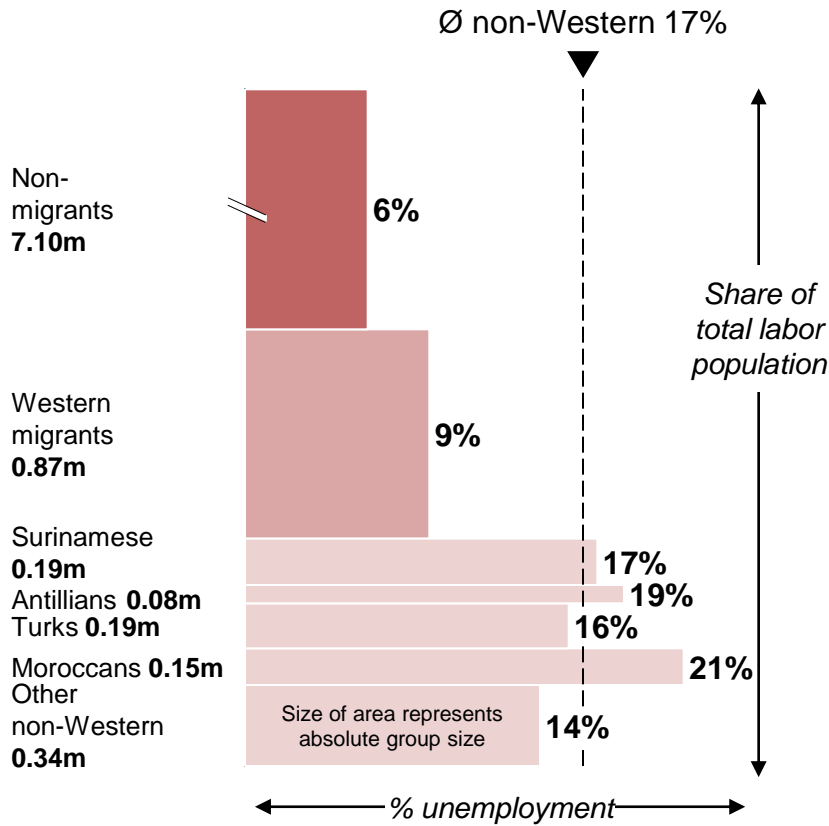
Source: CBS/Staat van integratie (p. 79, 94)



Unemployment rates among non-Western migrants are above the average, especially in the 1st generation

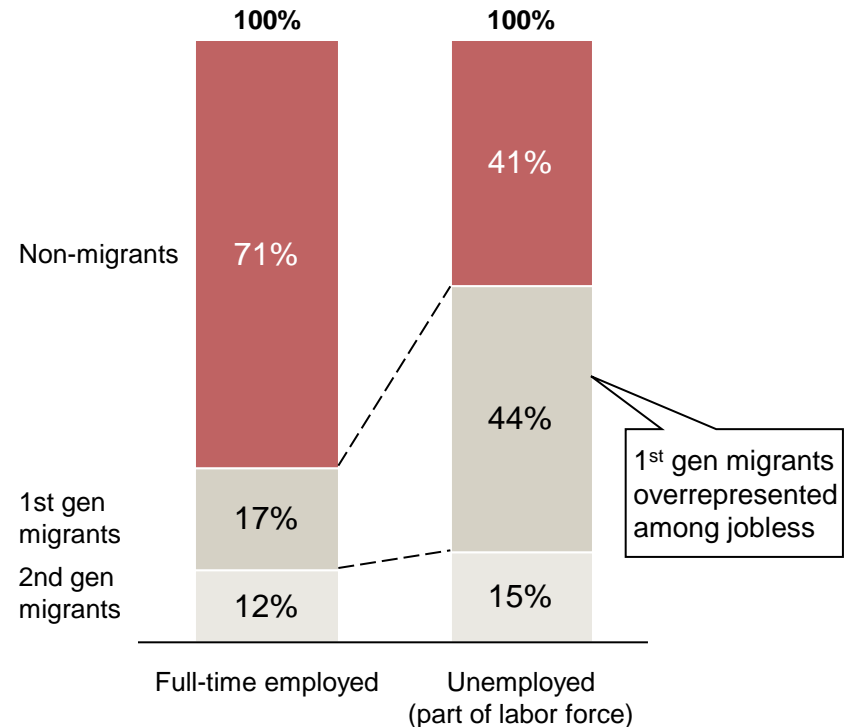
Unemployment by ethnic group

NL, Q1 2015, excluding passive unemployment



Employed/unemployed pools: non-migrant vs. migrant split

Rotterdam, 2015



Source: CBS, O&BI/SEOR Arbeidsmarktanalyse Rijnmond 2015 (p. 92)



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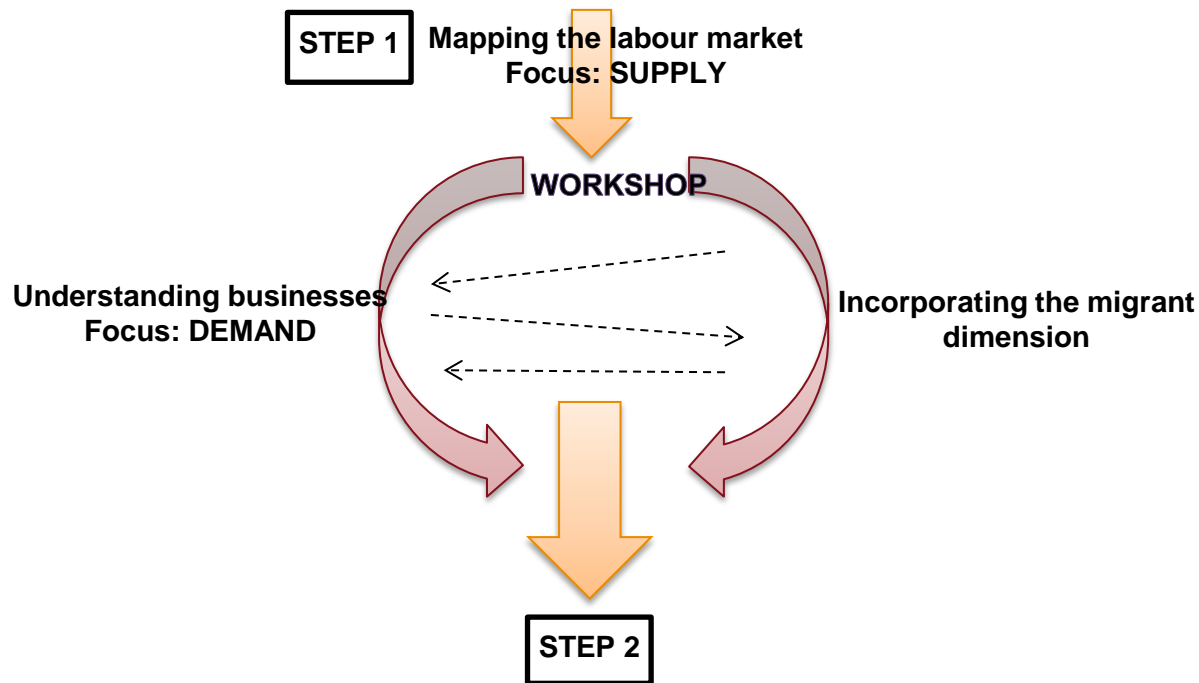
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Rotterdam Business-City Partnership STEP 1



Summary

Step 1 in the Rotterdam Business-City Partnership Project aims to understand the future labour shortages and skills gaps in the Rotterdam region. This step has two goals:

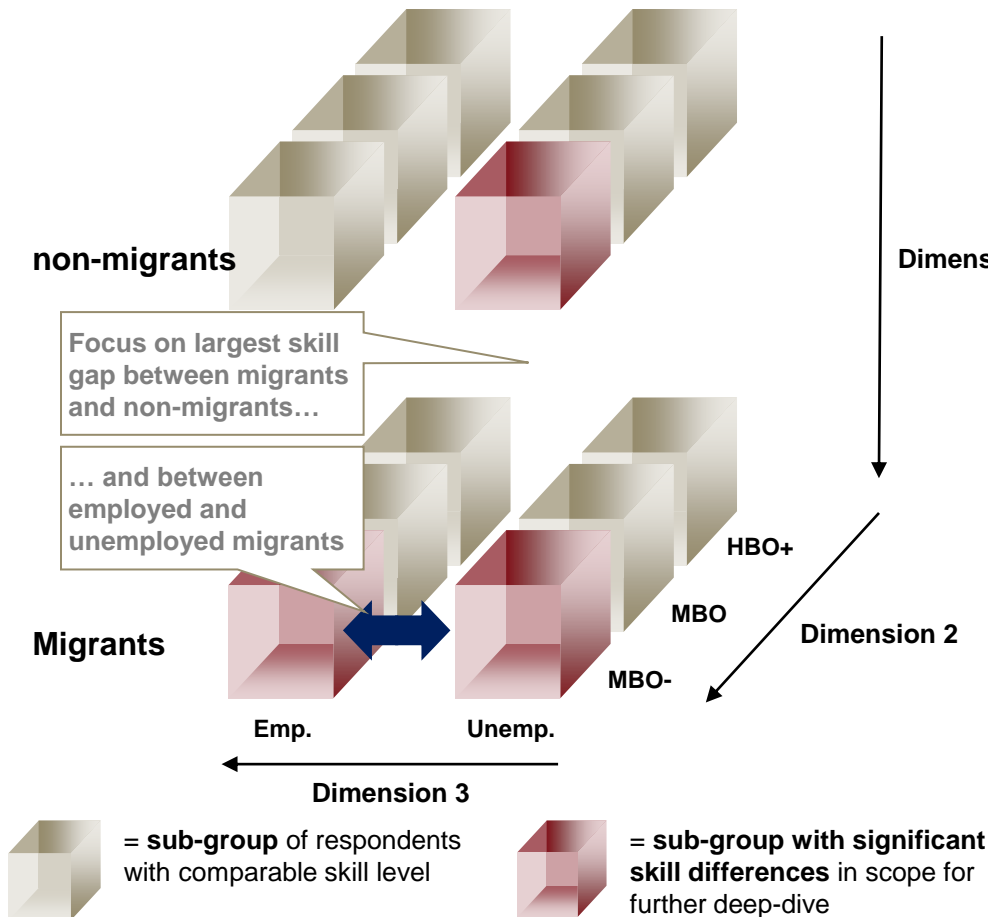
- Explore the business [demand] dimension
- Incorporate the migrant [supply] dimension

This phase allows us to build bridges between the businesses' needs and the migrant community in the Rotterdam region. While the two research strands may be initially addressed as two parallel processes, they will eventually come together and lead the path into step 2 of the project.



A large migrant survey was conducted to detect root causes of unemployment for migrants

Approach migrant survey



Approach

- Goal of survey: highlight skill differences between migrants vs. non-migrants and employed vs. unemployed migrants
- Respondents: 1000
- Focus on differences for these two subgroups on eight clustered skill clusters¹⁾:
 - Problem solving
 - Cooperation
 - Autonomy
 - Elementary skills
 - Communication
 - Flexibility
 - Integrity
 - Creativity

1) Skill clusters based on desk research and expertise of Motivaction, Strategy&, and THP



A business survey was conducted to identify the main skills gaps in the labour market

Approach

- **Goal of survey:** identify skills gaps (hard and soft skills) for businesses; identify labor market trends; identify business approach to migrants.
- **Respondents:** 80+
- **Focus on eight skill clusters:**
 - Problem solving
 - Cooperation
 - Autonomy
 - Elementary skills
 - Communication
 - Flexibility
 - Integrity
 - Creativity

1) Skill clusters based on desk research and expertise of Motivation, Strategy&, and THP



Classification of soft skills – Migrant and company surveys

Approach migrant survey

#	Cluster	Sub-Cluster	Skill
1	Problem solving		Problem analysis
			Problem solving
2	'cooperation'	Leadership	Coaching
			Group-oriented leadership
			Individual oriented leadership
		Teamwork	Conflict management
			Confronting others
			Working together
3	Autonomy	Judgement	Decisiveness
			Judgement
			Vision
		Planning	Discipline
			Planning and organizing
		Self starter	Initiative
			Independence
			Entrepreneurship
		Drive	Perseverance (1/2)
			Dedication
			Result oriented
			Perseverance (2/2)
4	Ambition		Ambition
			Development of oneself



Classification of soft skills – Migrant and company surveys

#	Cluster	Sub-Cluster	Skill
5	Elementary skills		Reading proficiency
			Writing proficiency
			Speaking proficiency
			Computer proficiency
			Proficiency in the Dutch language
6	Communication	Listening	Listening skills
		Sociability	Sociability
			Sensitivity to others
			Conversation skills
		Persuasiveness	Persuasiveness
			Oral expression
			Dare
Assertiveness			
7	Flexibility		Flexibility
			Adaptability
8	Integrity		Integrity
9	Creativity		Creativity
			Innovation



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3. Interview and Survey Results

Key Findings

Employment findings

Company survey findings



We evaluated five hypotheses for unemployment among migrants and found that “upskilling” offers potential to improve employment

Hypotheses / Drivers	Migrant survey findings	Relative importance ¹⁾
1 <i>Labour market barriers</i>	<ul style="list-style-type: none"> • Migrants are often employed through temp. contracts or via agencies • 1st Gen (< 5 yrs) probably miss network or ability to navigate market • Lack of skills appears more important than labour market barriers 	
2 <i>Practical barriers</i>	<ul style="list-style-type: none"> • A substantial share of women indicate that unavailability of day-care is a key reason for unemployment, especially among MBO-2 or lower educated • However, this issue does not appear to be migrant specific 	
3 <i>Choose for unemployment</i>	<ul style="list-style-type: none"> • Inactive unemployment is higher among migrants, esp. 1st Gen (> 5 years) • Migrants don't have a lower perception of job chances than non-migrants • A significant share of migrant females wants to stay at home, esp. 1st Gen 	
4 <i>Lack of motivation</i>	<ul style="list-style-type: none"> • Unemployed migrants are more ambitious than unemployed non-migrants • Unemployed migrants are inflexible and will need to adjust to find a job 	
5 <i>Lack of required skills</i>	<ul style="list-style-type: none"> • Migrants cite “lack of skills or diplomas” as a key reason for unemployment • 1st Gen lack elementary skills; 2nd Gen lacks ‘flexibility’ and soft skills • All education levels lack ‘flexibility’ and MBO-ers primarily lack soft skills 	

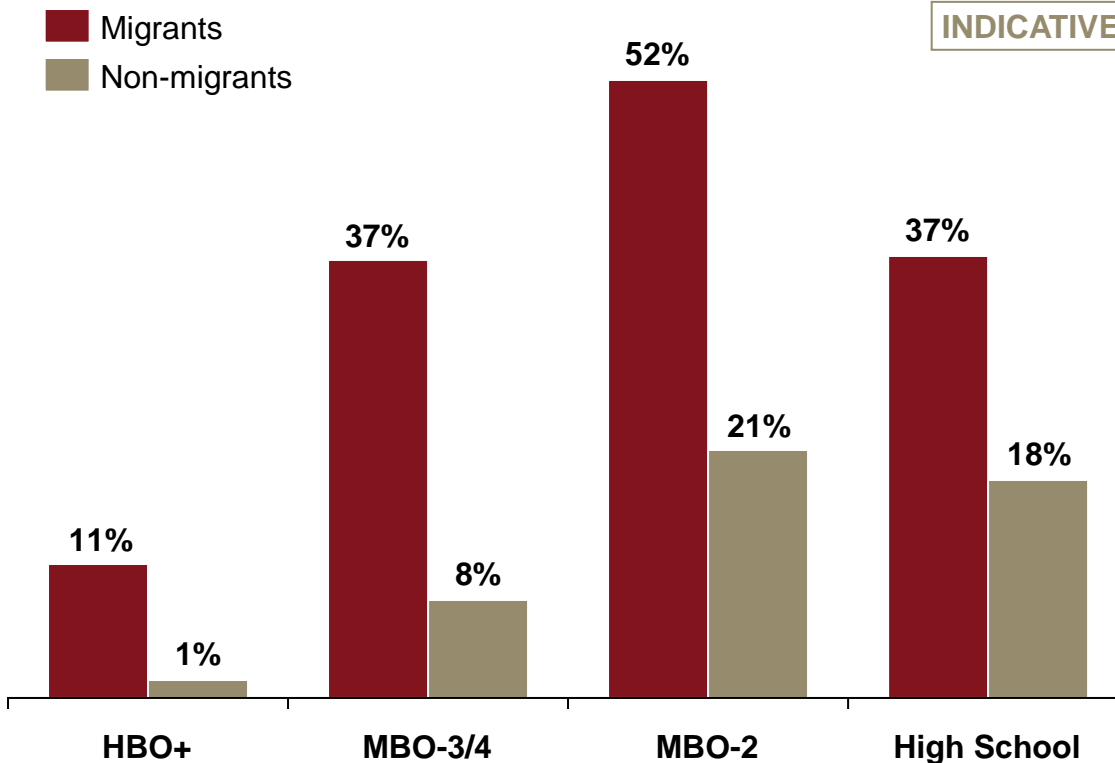
1) Relative importance of driver in explaining higher unemployment among migrants, based on evaluation of survey results

Source: Motivacion & THP migrant survey, Strategy & analysis



Unemployment is significantly higher among migrants than among non-migrants, across all education levels and migrant generations

Unemployment (% of respondents, 2015)



Summary

- Survey results confirm official CBS & UWV statistics of higher unemployment among migrants vs. non-migrants
- Both 1st and 2nd generation migrants have higher unemployment vs. non-migrants (at equal education levels)
- This indicates labour market participation problems specific to migrants
- Problems can be due to quality of migrant labour supply (e.g. 'ambition', skills) or due to demand side problems (e.g. discrimination)

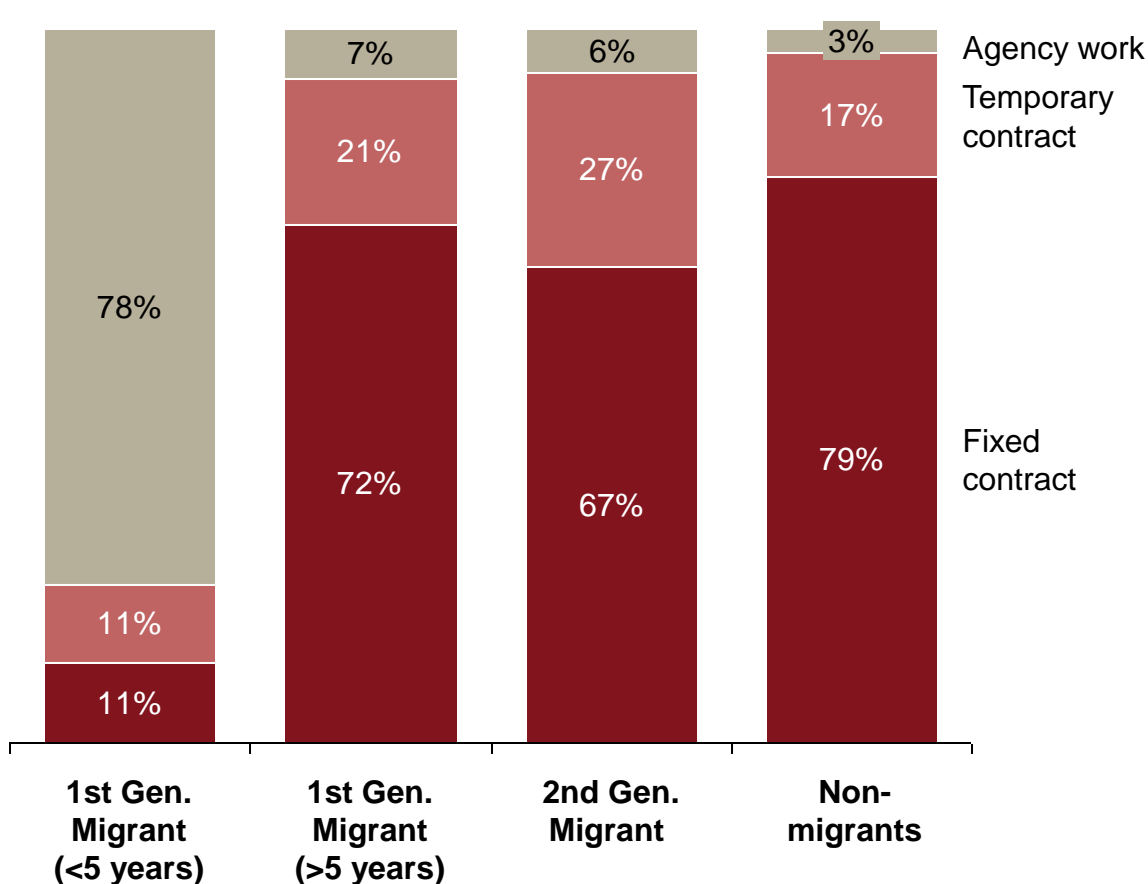
Note: Unemployed is defined as actively looking for work; survey methodology precludes definitive conclusions on unemployment for total population

Source: Motivacion & THP migrant survey, Strategy & analysis



Migrants are more often employed through temporary contracts or via agencies – This might be indicative of labour market barriers

Employment contract (% of respondents, 2015)



Summary

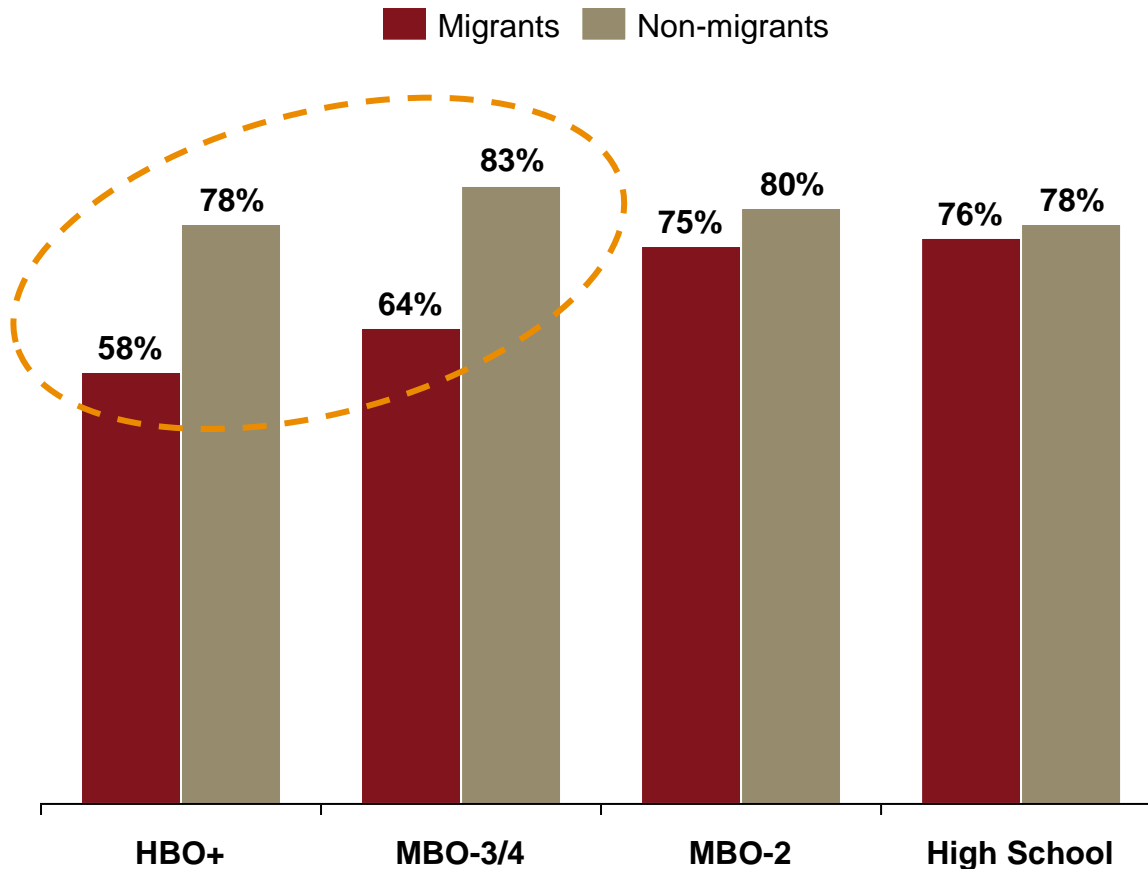
- Migrants have lower share of fixed contracts at equal education levels and age-group
- This can be caused by multiple reasons:
 - Employer preference for non-migrants
 - Inefficiencies between supply and demand (e.g. migrants lack an informal network)
 - Migrant preference or better fit with temporary jobs
 - Age structure of the migrant vs. non-migrant population
 - Migrants lack the necessary skills
- It is likely that 1st Gen <5 yrs have difficulty navigating the Dutch labour market due to unfamiliarity and lack of network

Source: Motivaction & THP migrant survey, Strategy& analysis



Highly educated migrants work more in temporary jobs than non-migrants

Fixed contracts (% of employed respondents, 2015)



Summary

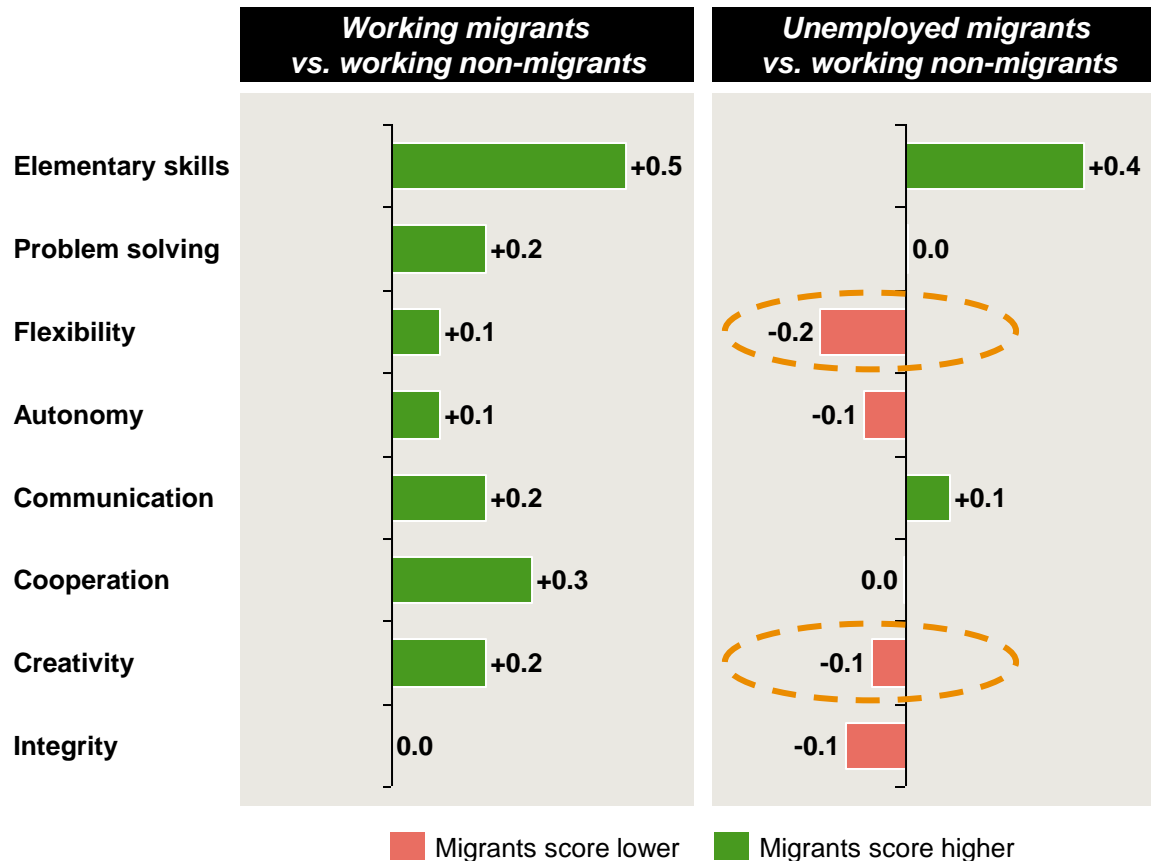
- Higher educated migrants more often have more temporary contracts than non-migrants
- For MBO-2 and lower, prevalence of fixed contracts is at a similar for migrants and non-migrants
- The lack of fixed contracts among migrants may be hindering their development in the labour market, as well as their acquisition of relevant skills
- Learning how to effectively navigate the Dutch labour market and training could improve migrant labour market development

Source: Motivaction & THP migrant survey, Strategy& analysis



Unemployed migrants are primarily unemployed due to lack of skill rather than due to labour market barriers – upskilling is required

Employment contract (% of respondents, 2015)



Summary

- Working migrants are more skilled than working non-migrants, which could be indicative of market barriers for migrants
- However, unemployed migrants are lower skilled than employed non-migrants
- Lack of skills probably prevents migrants from finding a job, rather than labour market barriers
- Companies indicate that they are looking for, but struggling to find *cooperative*, *creative*, and *flexible* employees
- Migrants lack in exactly these dimensions, so targeted upskilling could improve migrant employment

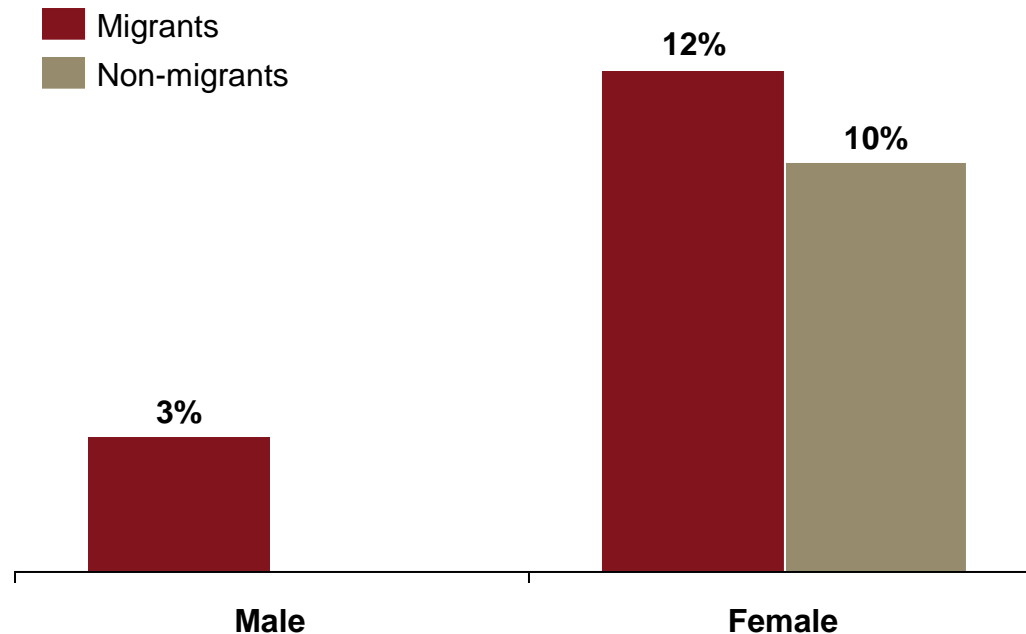
Source: Motivaction & THP migrant survey, Strategy& analysis



Practical issues like day-care prevent some women from working, but migrants are no more or less affected than non-migrants

Unemployed due to unavailability of day-care (% of respondents, 2015)

INDICATIVE



Summary

- Some migrant and non-migrant women indicate that unavailability of day-care is a reason for unemployment
- However, migrants seem equally affected as non-migrants, which suggest that this issue is not migrant specific
- Especially lower educated women (MBO-2 & lower) often cite this as a problem
- This could be due to insufficient economic incentive to work, as income increase doesn't compensate additional costs of day-care

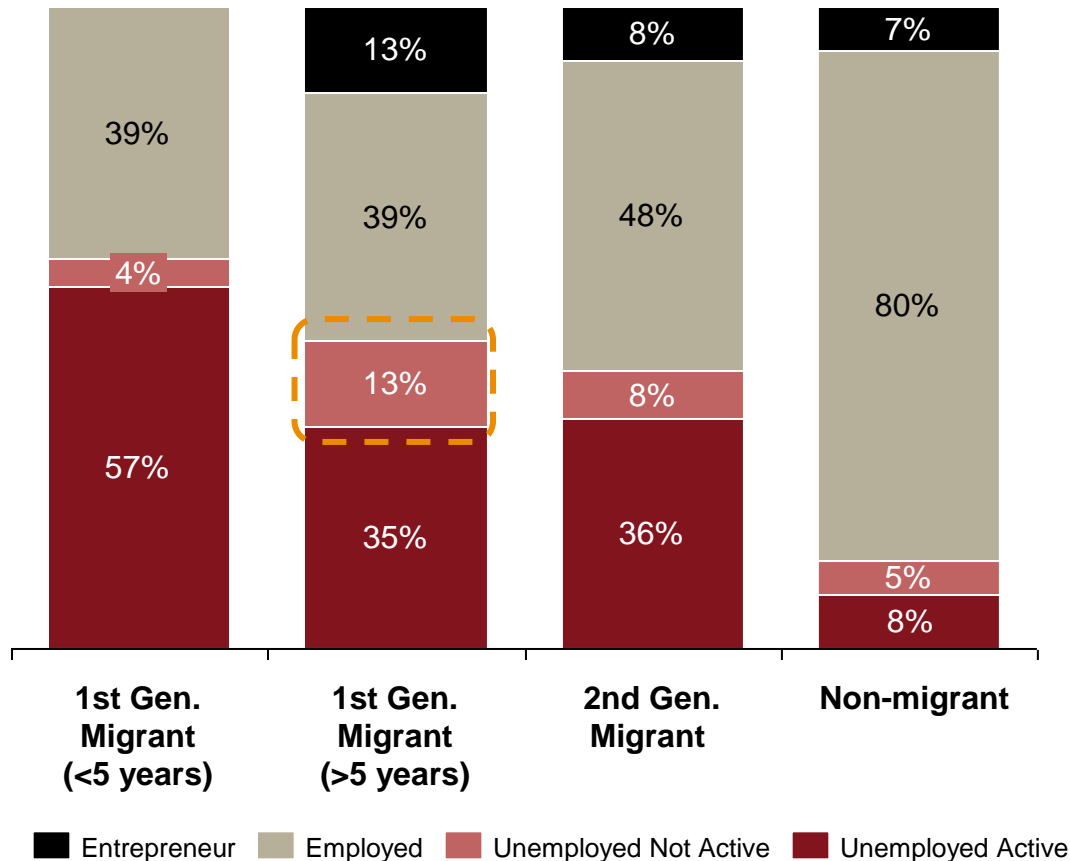
Note: Sample size at this detail level is sufficient for indicative but not for definitive conclusions

Source: Motivaction & THP migrant survey, Strategy & analysis



Inactive unemployment is higher among migrants than non-migrants, especially for 1st generation migrants (> 5 years)

Employment situation (% of respondents, 2015)



Summary

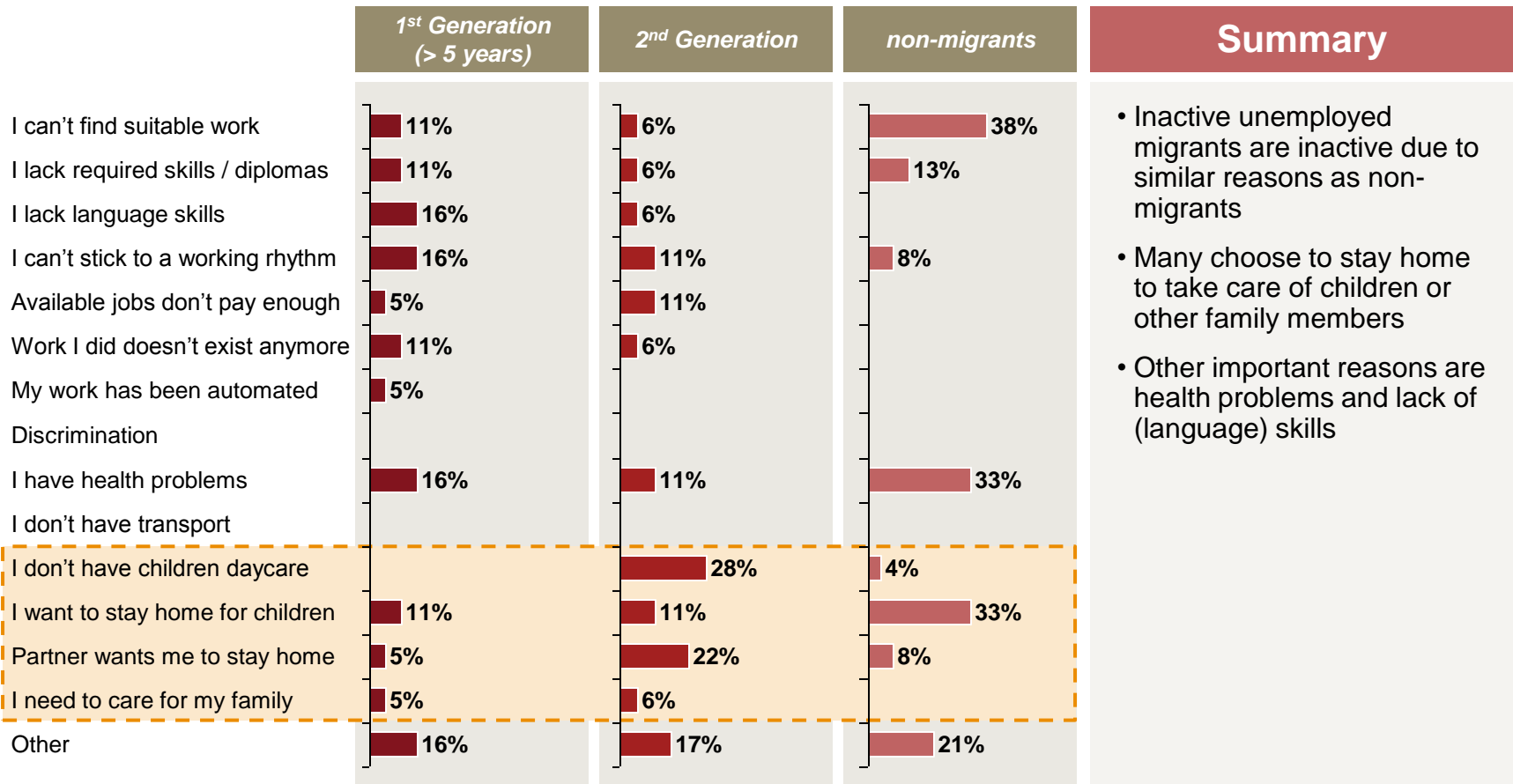
- Inactive unemployment is concentrated among MBO-2 and lower educated migrants
- Inactive unemployment is balanced across sex and age
- Only older (30-45) 1st Gen males and 2nd Gen females are more inactive, probably due to lower education levels
- Almost all inactive unemployed are Turkish, Moroccan, or Antillean
- Possible reasons for higher inactive unemployment are:
 - Lower perception of job chances vs. non-migrants
 - Relatively more deliberately choose to stay at home (e.g. to take care of children)

Source: Motivaction & THP migrant survey, Strategy& analysis



Reasons for unemployment are similar for migrants and non-migrants, where many choose to stay home to take care of family

Reasons for unemployment¹⁾ – Inactive unemployed (% of respondents, 2015)

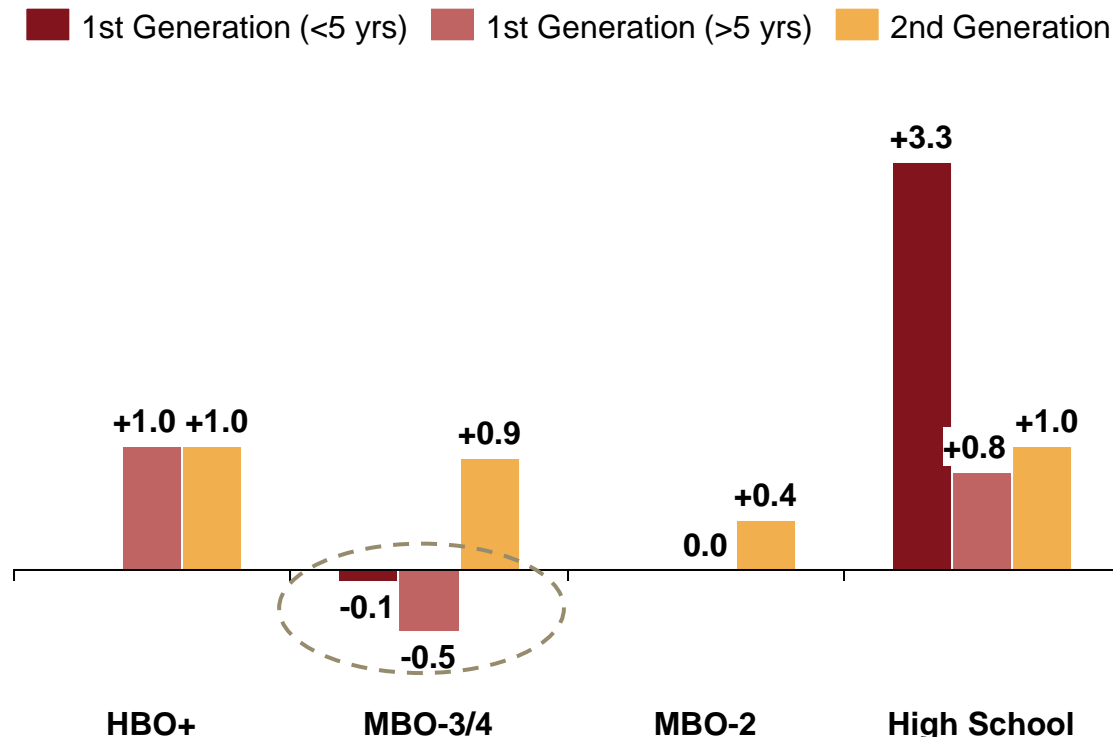


1) Multiple answers possible, excluding students
 Source: Motivaction & THP migrant survey, Strategy & analysis



Active unemployed migrants don't perceive lower job chances than non-migrant unemployed, except for 1st generation MBO 3/4

Employment expectation difference between unemployed migrants vs. non-migrants (self-reported score on 1-7 scale, 2015)



Summary

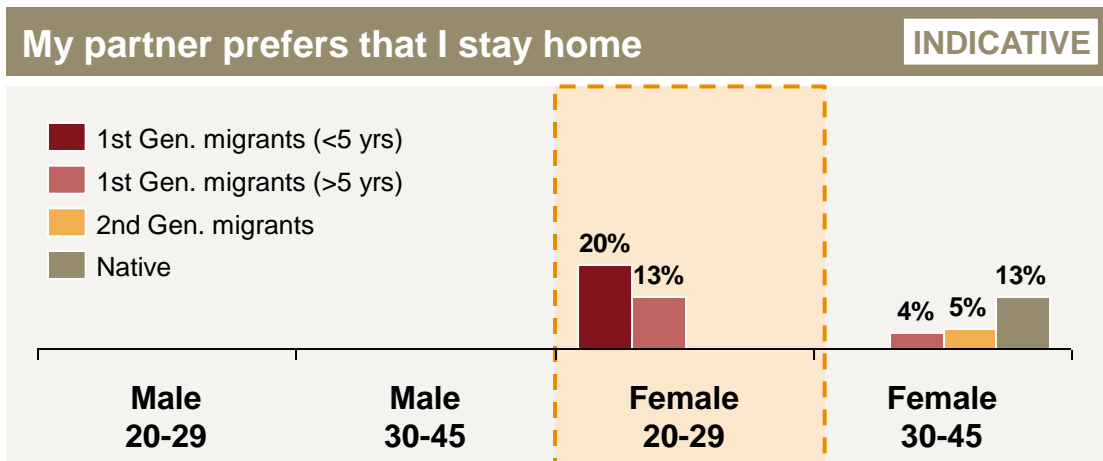
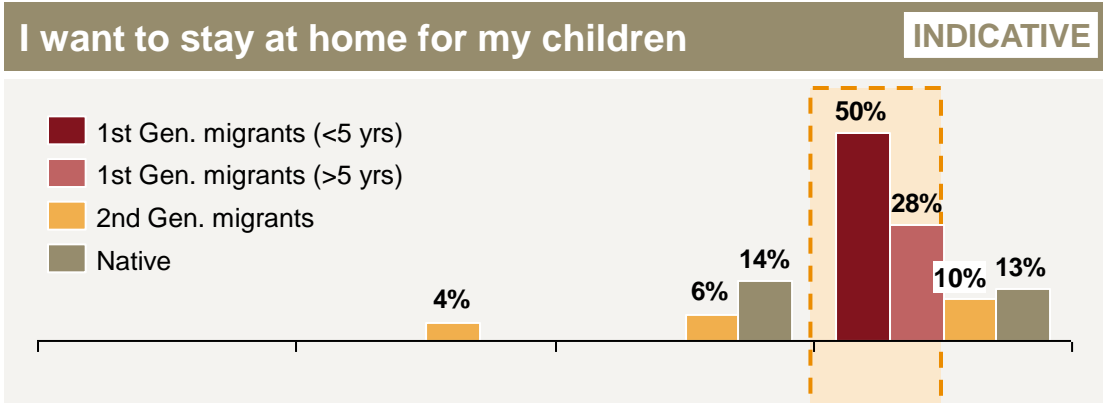
- Unemployed migrants don't have a lower perception of job chances than non-migrants
- Therefore, perception of job chances cannot explain migrant unemployment
- Only 1st Gen MBO migrants and migrants without accredited diploma have low job chance perception
- Both groups likely have lower actual job chances due to other reasons (e.g. skill-gap, no diplomas)
- This means that MBO migrants need a combination of upskilling and motivation training

Note: Unemployed is defined as actively looking for work
Source: Motivaction & THP migrant survey, Strategy& analysis



Some active unemployed migrants prefer to stay home – they might seek jobs due to external reasons such as “sollicitatieplicht”

Reasons for unemployment (% of respondents, 2015)



Summary

- A significant share 1st Gen female migrants prefer to stay at home, even though they actively look for work
- They might be active due to external reasons that don't provide the right motivation (e.g. “sollicitatieplicht”)
- Stronger economic incentives or awareness of working benefits may have better stimulating effects

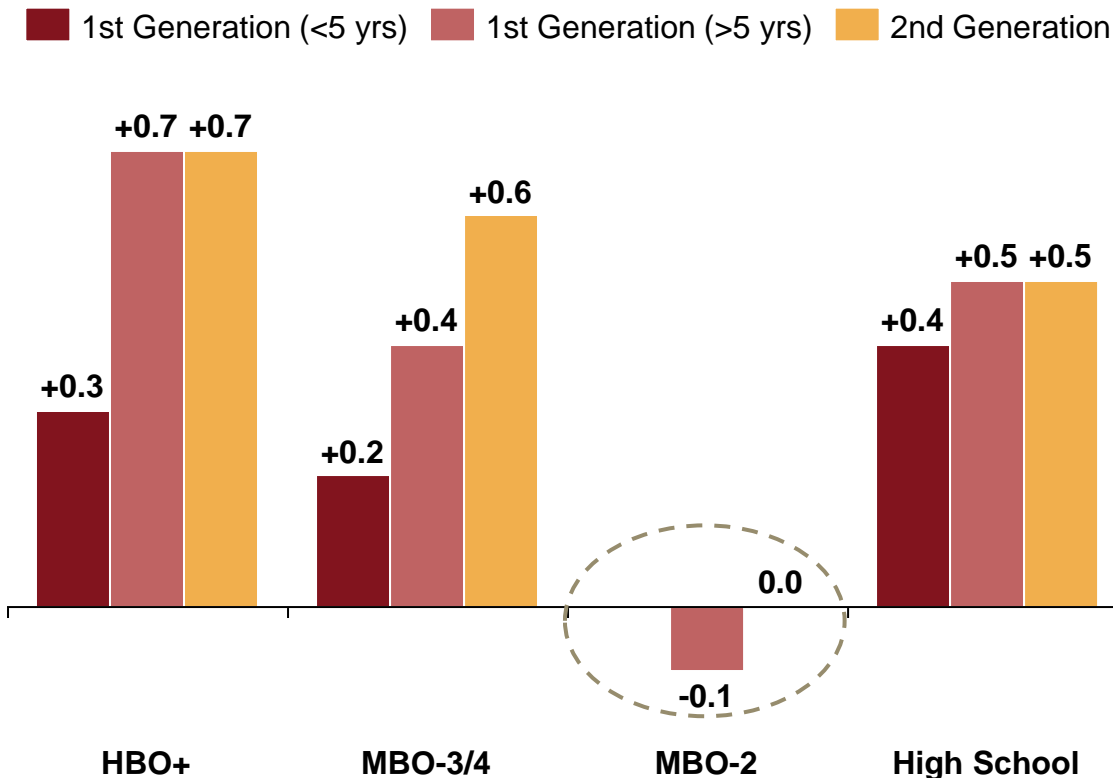
Note: Sample size at this detail level is sufficient for indicative but not for definitive conclusions

Source: Motivaction & THP migrant survey, Strategy & analysis



Unemployed migrants are more ambitious than unemployed non-migrants

'Ambition' level difference between unemployed migrants vs. non-migrants
(self-reported score on 1-7 scale, 2015)



Summary

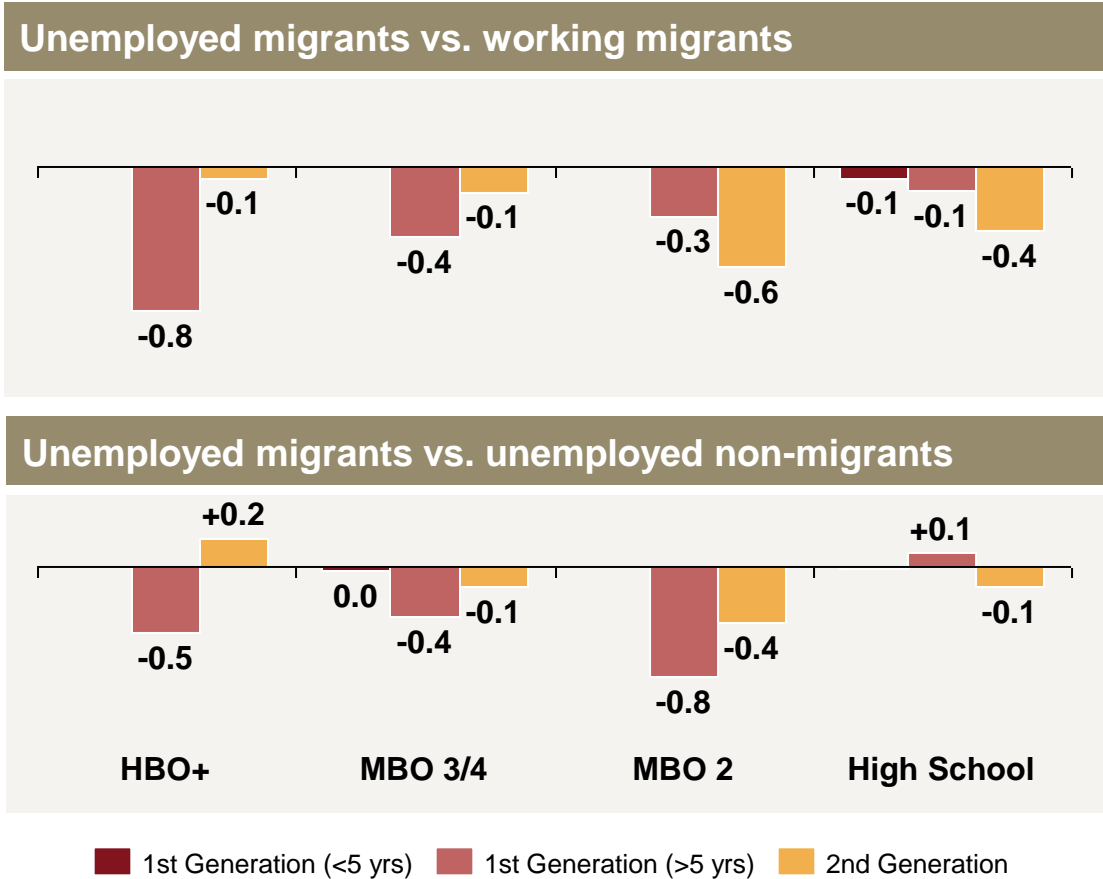
- Unemployed migrants are generally more ambitious than unemployed non-migrants
- This makes them an attractive target group for improving employment
- Young female migrants (20-29) are more ambitious than older females and men
- All ethnicities have higher 'ambition' levels than non-migrants, except for Antilleans
- Too high 'ambitions' could indicate unrealistic expectations, which might be an obstacle to finding a job
- Managing 'ambition' and expectations with a realistic career planning will be key

Note: Unemployed is defined as actively looking for work
Source: Motivaction & THP migrant survey, Strategy& analysis



Unemployed migrants score low on ‘flexibility’ and may need to adjust significantly in order to find a job

‘Flexibility’ level difference of migrants vs. non-migrants (self-reported score on 1-4 scale, 2015)



Summary

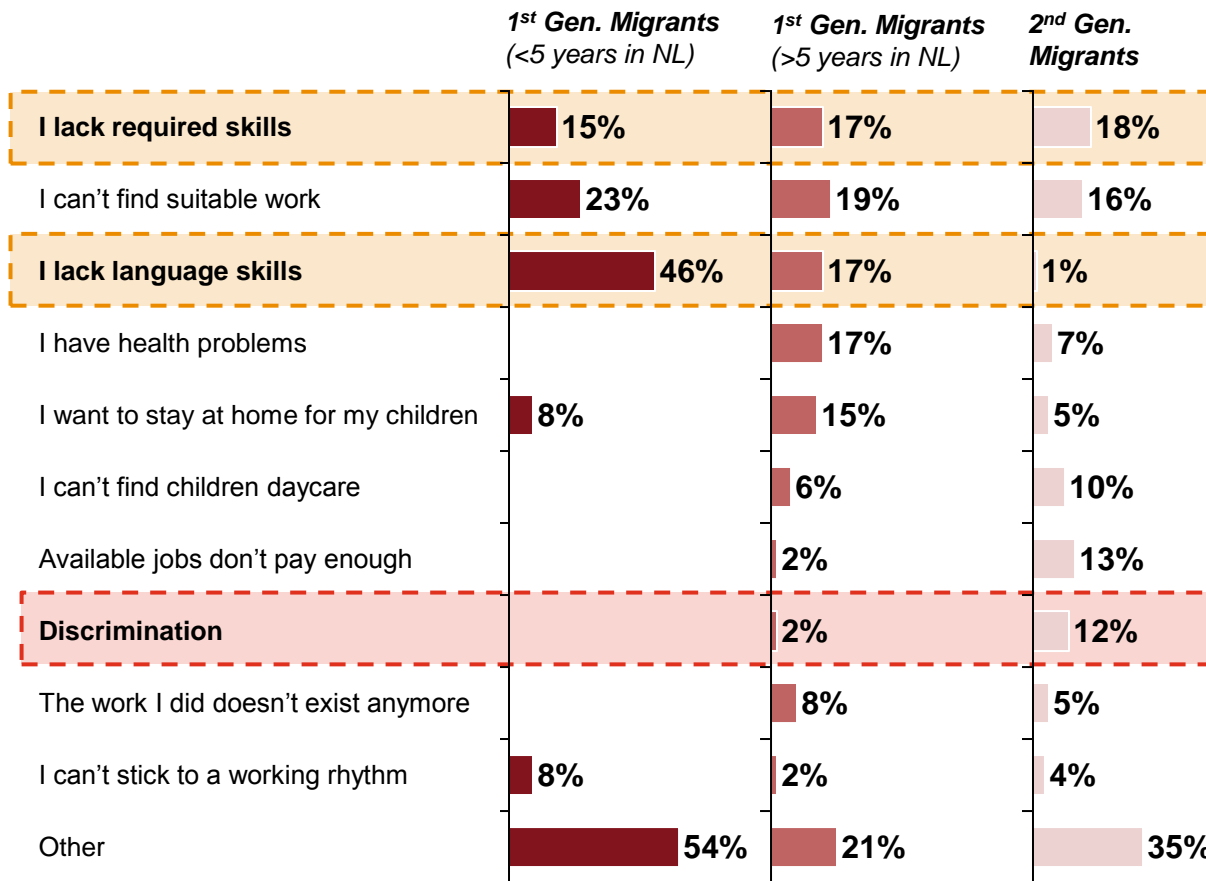
- Unemployed migrants lack ‘flexibility’ vs. working migrants and vs. non-migrants
- Antilleans and men (20-29) are the least flexible of all
- Only 1st Gen (<5 years) show equal ‘flexibility’ to non-migrants
- Companies are searching for flexible employees, but actually struggle to find them
- Companies see a growing importance for a flexible and multi-skilled workforce
- Raising awareness with migrants that lack of ‘flexibility’ is a key obstacle to finding a job is important, as well as training to improve ‘flexibility’

Source: Motivaction & THP migrant survey, THP company survey, Strategy& analysis



Migrants cite “lack of skill & diplomas” as a prime reason for unemployment – 1st generation differs from 2nd generation

Reasons for unemployment¹⁾ (% of unemployed respondents, 2015)



Summary

- All migrant generations perceive a lack of skills or diploma's as a main reason for their unemployment
- However, relative importance of skills and type of missing skills differs per generation
- Only 2nd generation migrants perceive discrimination as a reason for unemployment
- Companies confirm that key issues in finding/retaining migrants are *cultural differences, skills/diplomas, and lack of language skills*
- This highlights the opportunity of “*upskilling*” and the need for a tailored approach to improving migrant employment

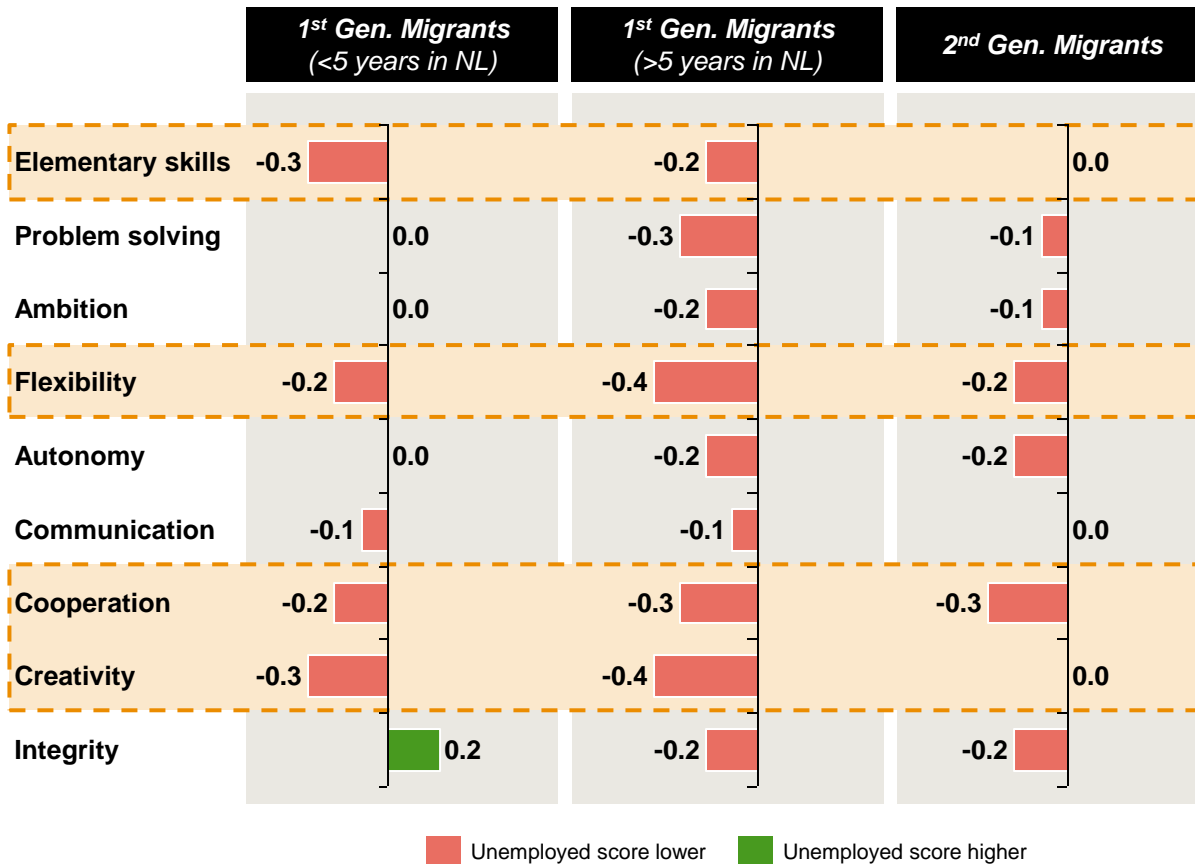
Note: Unemployed is defined as actively looking for work; 1) Multiple answers possible, excluding students

Source: Motivaction & THP migrant survey, Strategy& analysis



Skill analysis shows that new 1st Gen migrants primarily lack elementary skills while 2nd Gen lacks ‘flexibility’ and soft skills

Migrants unemployed vs. working – skill score differences (1-4 scale, 2015)



Summary

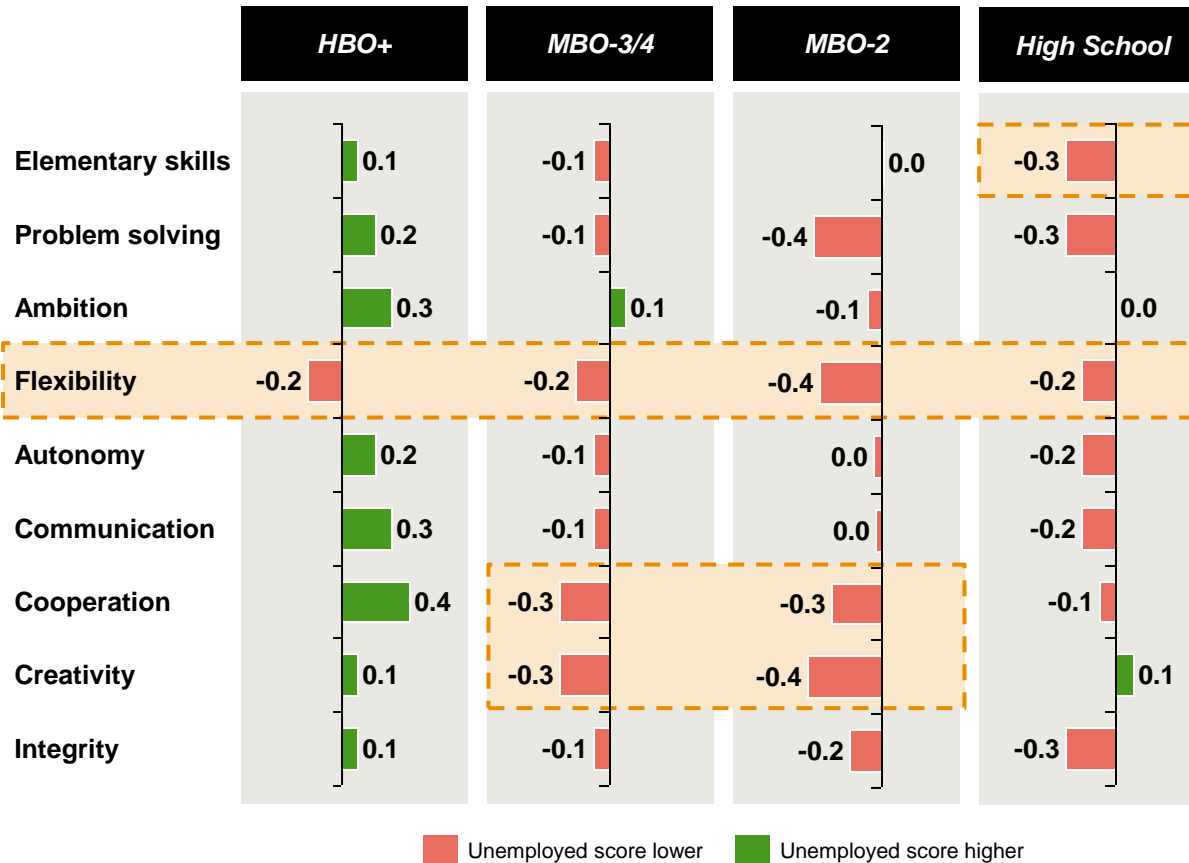
- Migrants lack skills across the board vs. working peers and vs. unemployed non-migrants
- There is a clear difference in skills between generations; a differential approach is required to close skill-gaps
- 1st Gen (<5 yrs) needs to improve elementary skills, soft skills and ability to navigate the labour market
- 1st Gen (>5 yrs) has a large skill-gap and needs training in soft skills and ‘flexibility’
- 2nd Gen has the smallest skill-gap, but needs to improve ‘flexibility’ and ‘cooperation’

Note: Unemployed is defined as actively looking for work
 Source: Motivaction & THP migrant survey, Strategy & analysis



Analysis by education levels shows that all levels lack ‘flexibility’, but lack of soft skills is a key issue among MBO educated migrants

Migrants unemployed vs. working – skill score differences (1-4 scale, 2015)



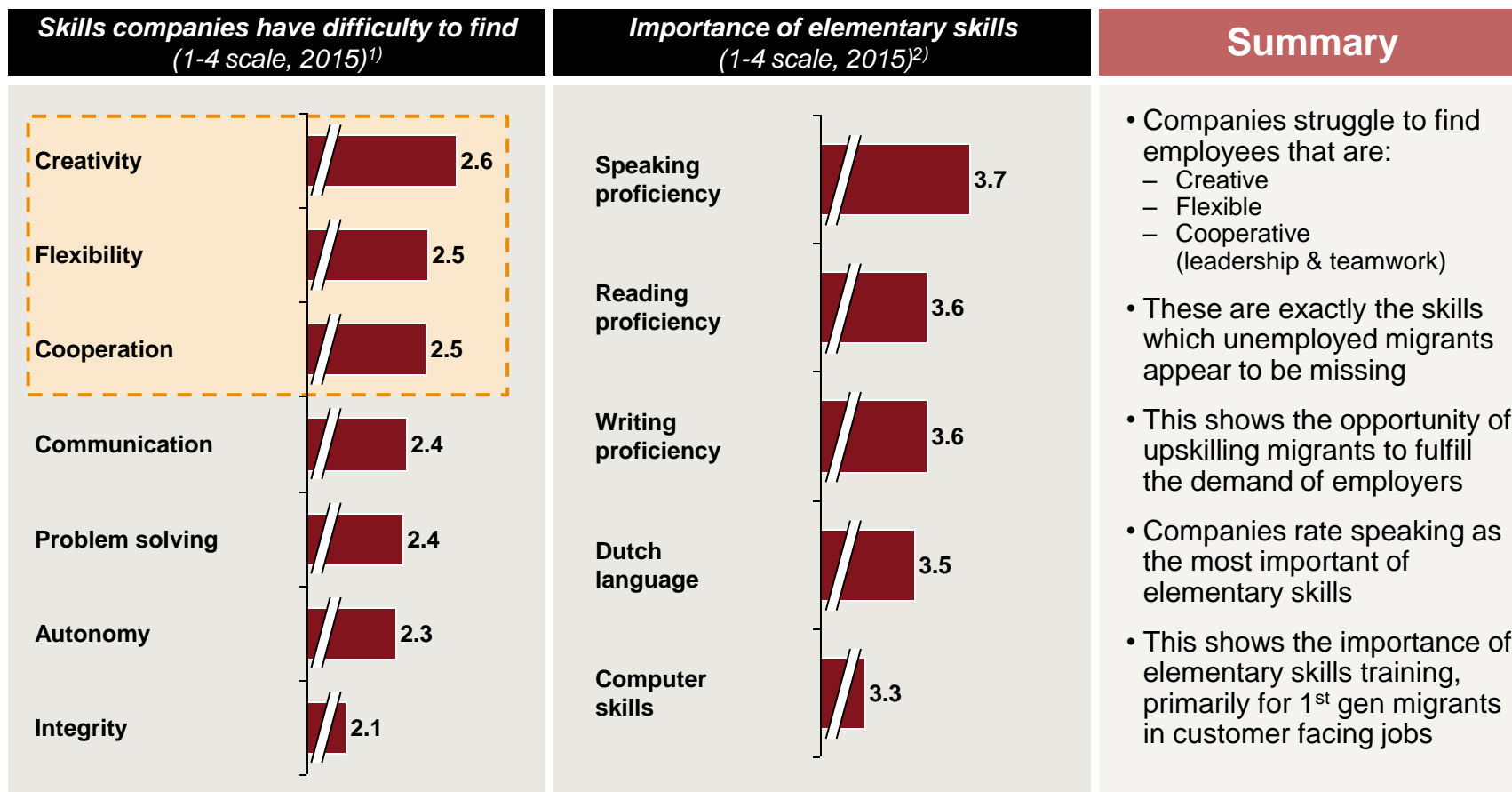
Summary

- Migrants lack in ‘flexibility’ across all education levels and generations
- HBO only lacks in ‘flexibility’, but not in other skills
- HBO has high ‘ambitions’ and expectations of pay-level and may need to broaden search
- MBO needs upskilling in ‘cooperation’ and ‘creativity’; MBO-2 also needs to improve ‘problem solving’
- High school, especially 1st Gen, needs upskilling in elementary language skills
- Soft-skill gaps are prevalent among migrant males as well as Turks, Antilleans and Surinamese (1st & 2nd Gen)

Note: Unemployed is defined as actively looking for work
 Source: Motivaction & THP migrant survey, Strategy& analysis



Companies look for, but struggle to find *creative, flexible, and cooperative*, employees – migrants need upskilling in these areas



1) A higher score means it is more difficult to find employees with that skill; 2) A higher score means that skill is more important to employers

Source: THP company survey, Strategy& analysis



3. Interview and Survey Results

Key Findings

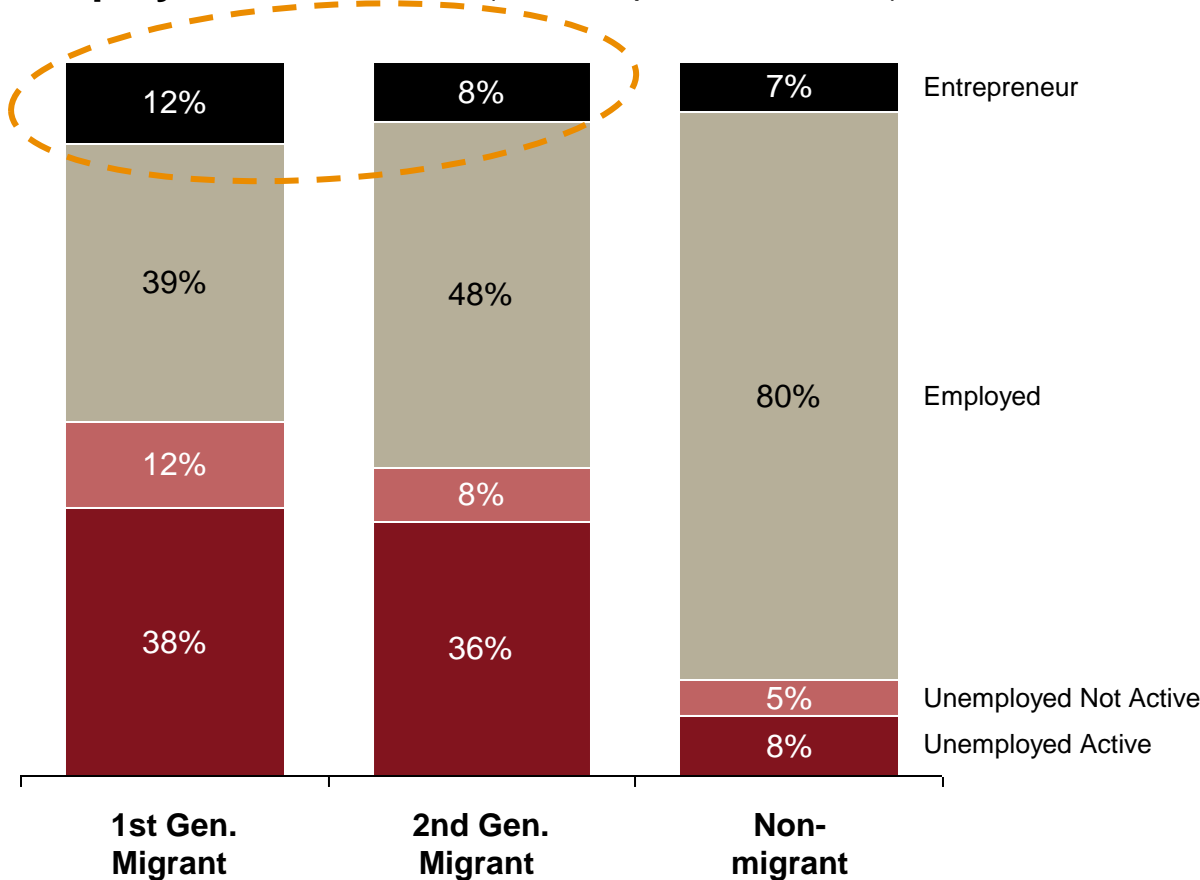
Employment findings

Company survey findings



A relatively large share of migrants is entrepreneur, but interviews suggest that they need help to become more successful

Employment situation (% of respondents, 2015)



Summary

- Migrants are more often entrepreneurs than non-migrants, across all educational levels
- Migrants have entrepreneurial ventures in similar sectors as non-migrants
- However, interviews indicate that they are less successful than non-migrants.
- Migrants often have problems with professionalizing their businesses.
- Migrants lack important skills such as navigating the Dutch system, financial education, personnel management, venturing into new markets, expanding customer base.

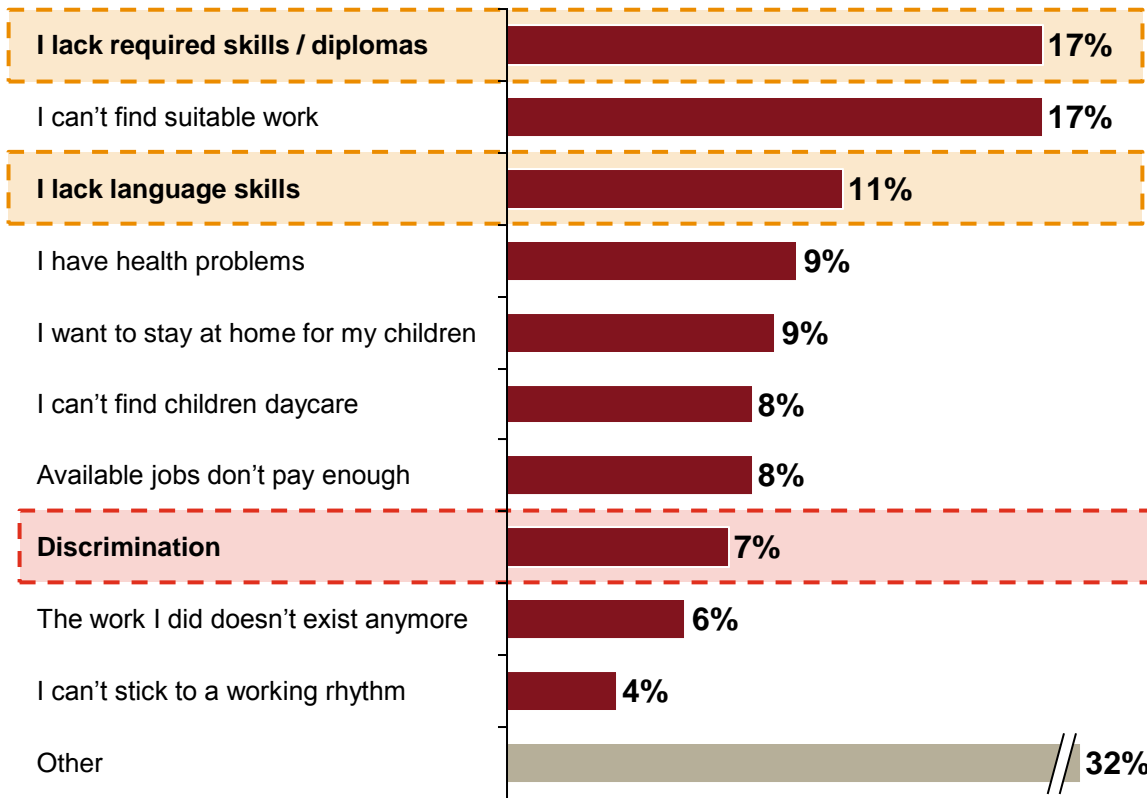
Source: Motivaction & THP migrant survey, Strategy& analysis



Unemployed migrants state “lack of required skills or diplomas” as the most important reason for unemployment

Reasons for unemployment¹⁾ (% of unemployed respondents, 2015)

Migrants



Summary

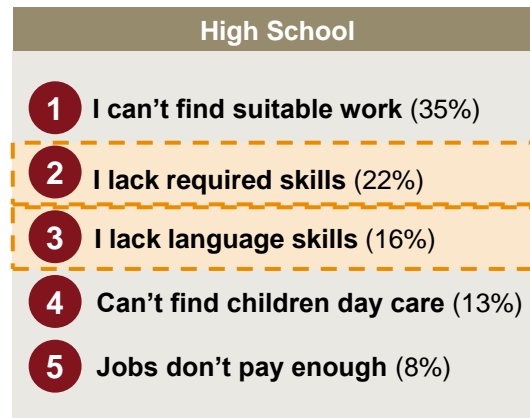
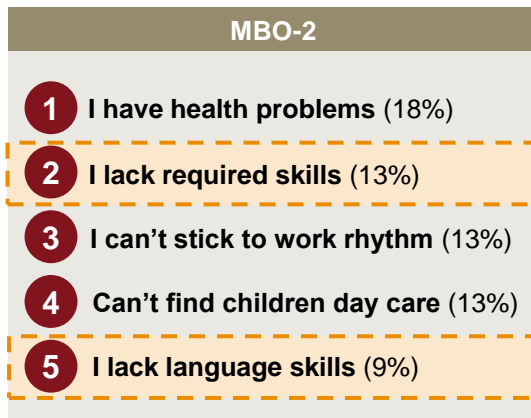
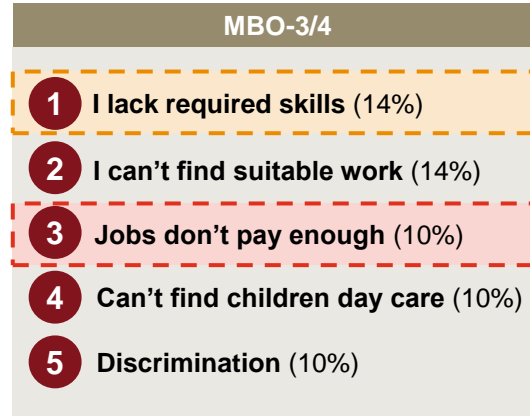
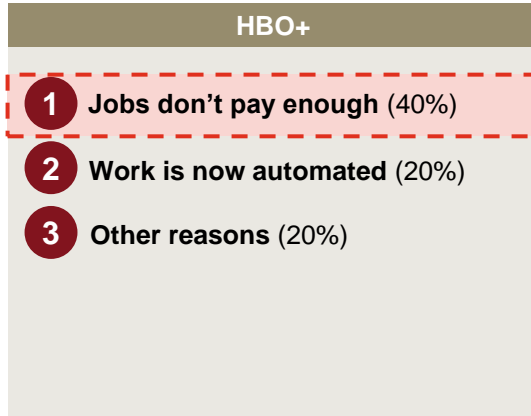
- Migrants perceive a lack of skills or diploma's as a key reason for unemployment
- This highlights an opportunity to “up-skill” migrants to improve employment rates
- Discrimination is perceived as only a minor factor in unemployment
- In fact, only 2nd generation perceives discrimination as an issue, especially MBO & lower and Moroccan & Antillean ethnicities

Note: Unemployed is defined as actively looking for work; 1) Multiple answers possible, excluding students
 Source: Motivaction & THP migrant survey, Strategy& analysis



Migrant unemployment reasons are different per education level...

Reasons for unemployment¹⁾ (% of unemployed respondents, 2015)



Summary

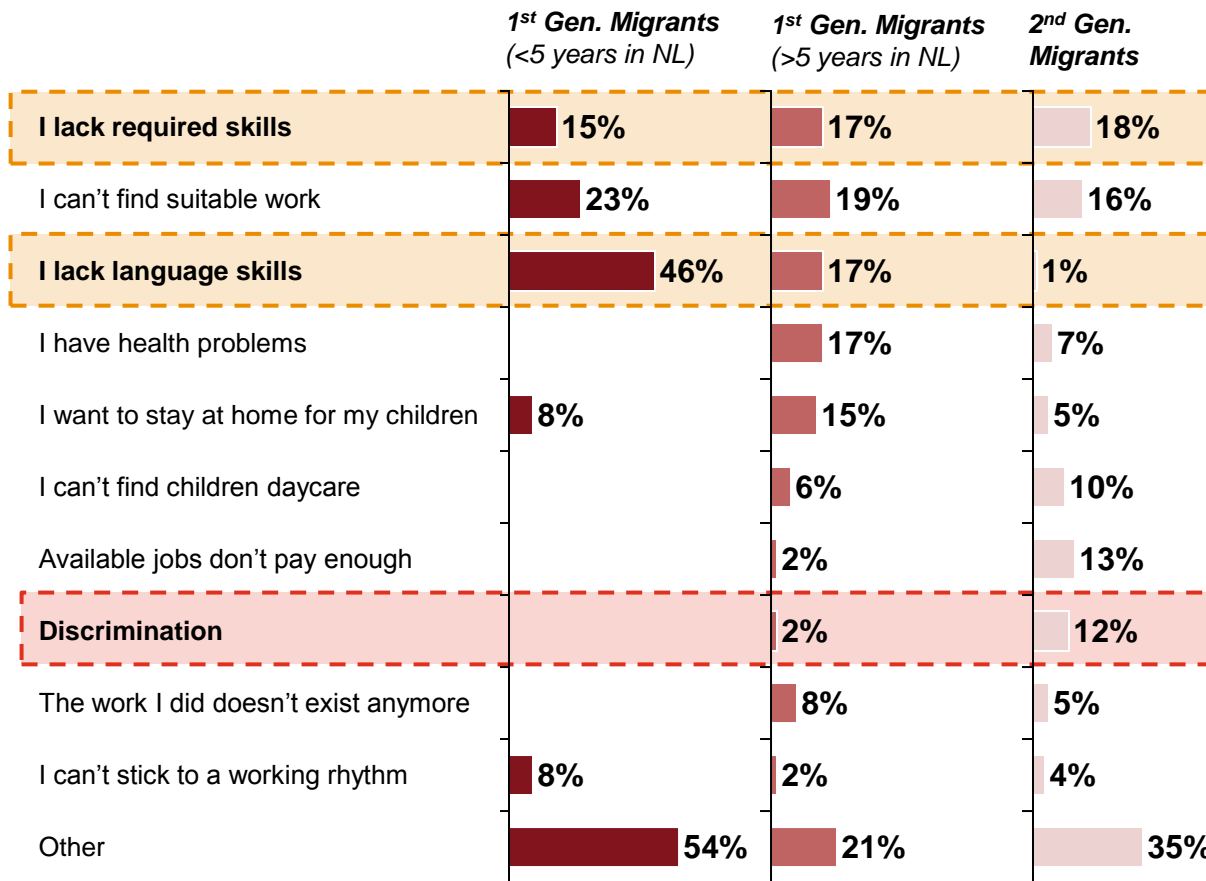
- “Lack of required skills or diplomas” is perceived as a key issue for migrants with MBO-3/4 or lower education
- Language skills are key issues for MBO-2 and lower
- Insufficient pay is primarily an issue for higher educated
- This suggests that economic incentives are badly aligned or migrants have unrealistic expectations of pay levels
- The above highlights the importance of a tailored approach to solving migrant employment issues

Note: Unemployed is defined as actively looking for work; 1) Multiple answers possible, excluding students
 Source: Motivaction & THP migrant survey, Strategy& analysis



...and also for migrant generation – This suggests that a differential approach is required to increase migrant employment

Reasons for unemployment¹⁾ (% of unemployed respondents, 2015)



Summary

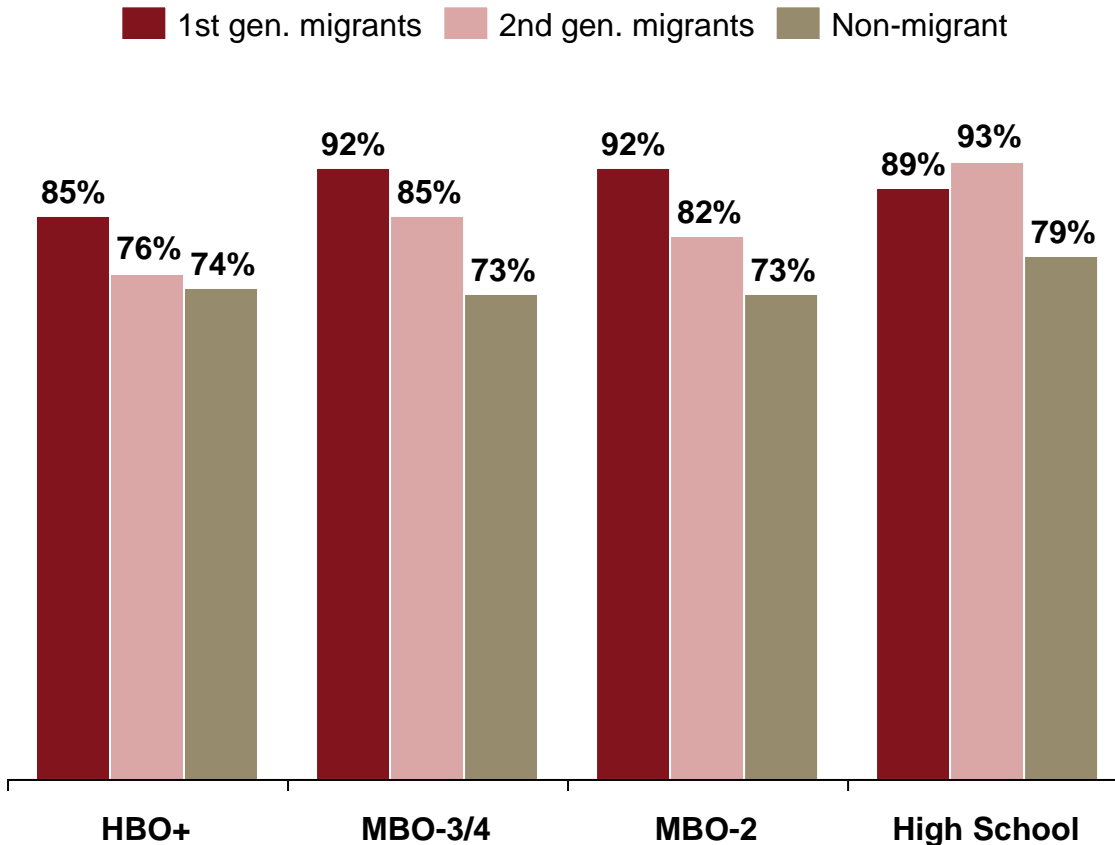
- All migrant generations perceive a lack of skills or diploma's as the main reason for their unemployment
- However, relative importance of skills and type of missing skills differs per generation
- Only 2nd generation migrants perceive discrimination as a reason for unemployment
- This highlights the opportunity of upskilling and the need for a tailored approach to improving migrant employment

Note: Unemployed is defined as actively looking for work; 1) Multiple answers possible, excluding students
Source: Motivaction & THP migrant survey, Strategy& analysis



Migrants often work for parochial (local) businesses, which makes them an attractive target group for municipal employment projects

I don't work for an international company (% of respondents, 2015)



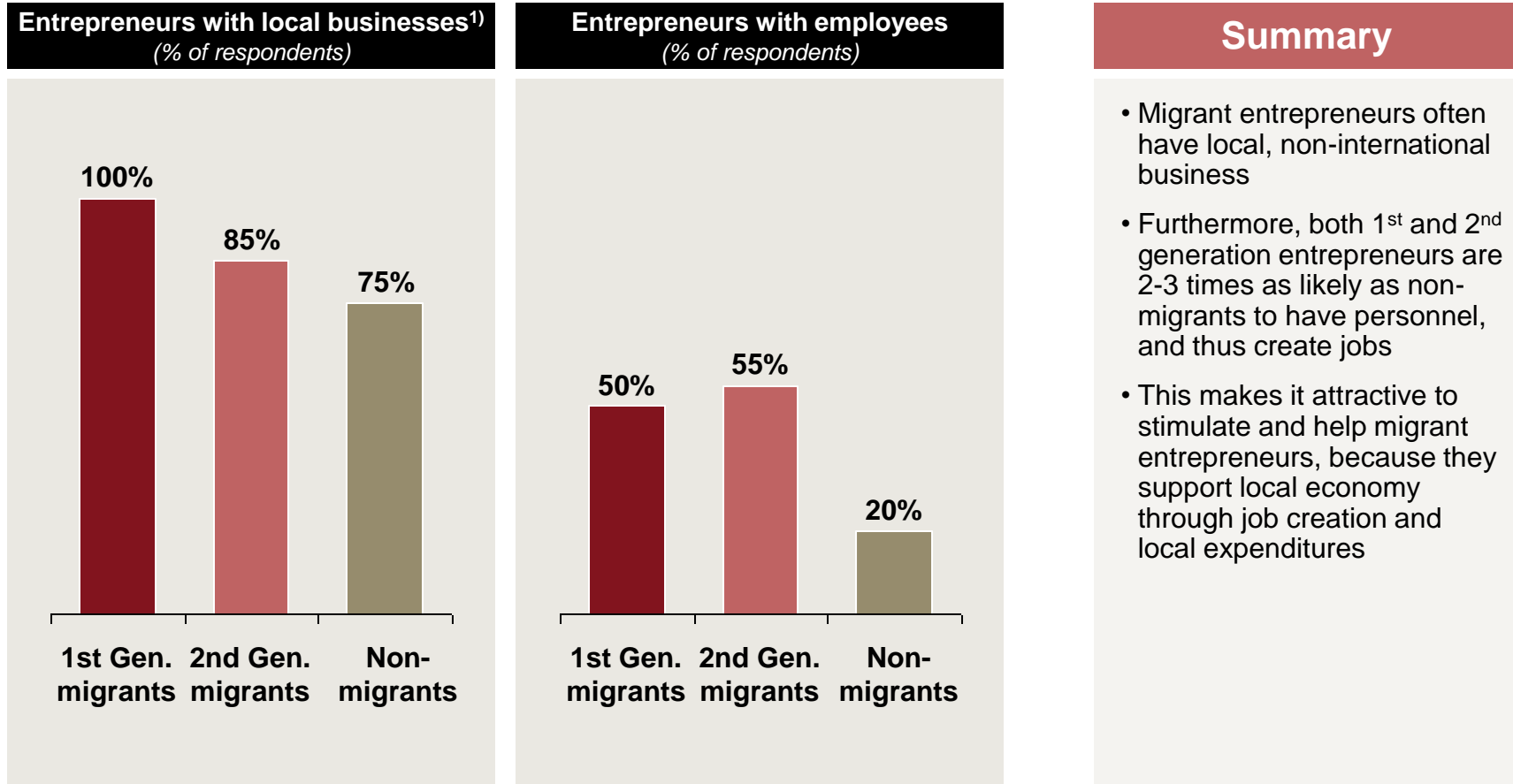
Summary

- Migrants more often work in local businesses compared to non-migrants
- Almost all 1st Gen migrants work in local businesses, irrespective of education
- This makes migrants an attractive target group for municipal employment projects, due to local spin-off (multiplier) effects
- Parochial businesses don't have as many resources for advanced solutions to their skills gaps.

Source: Motivaction & THP migrant survey, Strategy& analysis



Migrant entrepreneurs might be an attractive target group because they support local economy and create more new jobs than non-migrants



Summary

- Migrant entrepreneurs often have local, non-international business
- Furthermore, both 1st and 2nd generation entrepreneurs are 2-3 times as likely as non-migrants to have personnel, and thus create jobs
- This makes it attractive to stimulate and help migrant entrepreneurs, because they support local economy through job creation and local expenditures

1) Defined as the inverse of "Do you have an international business?"
Source: Motivaction & THP migrant survey, Strategy& analysis



3. Interview and Survey Results

Key Findings

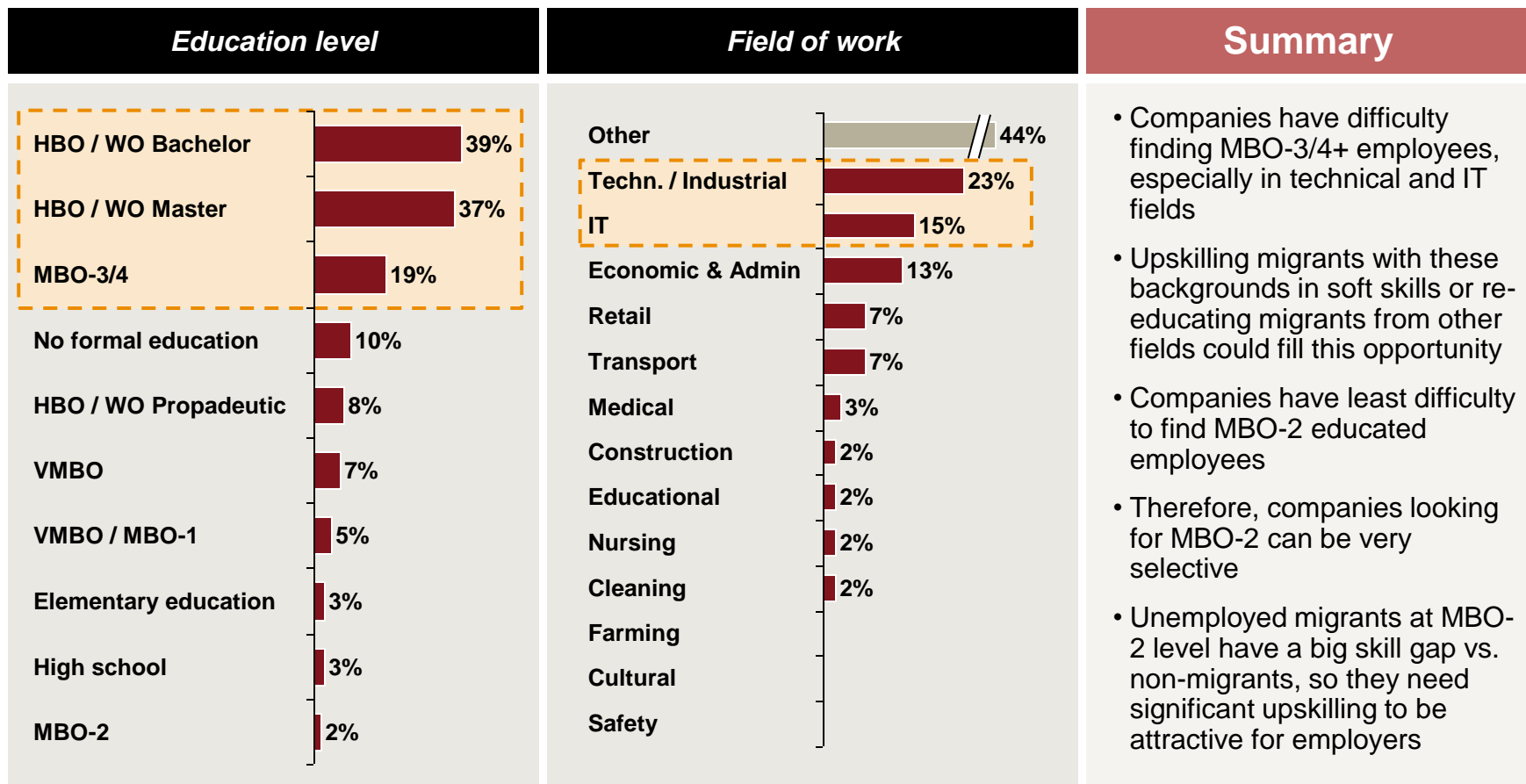
Employment findings

Company survey findings



Companies struggle to find people at MBO-3/4+, especially in Technology and IT fields – Upskilled migrants could fill this gap

Difficulty to find employees with following profiles (% of respondents, 2015)

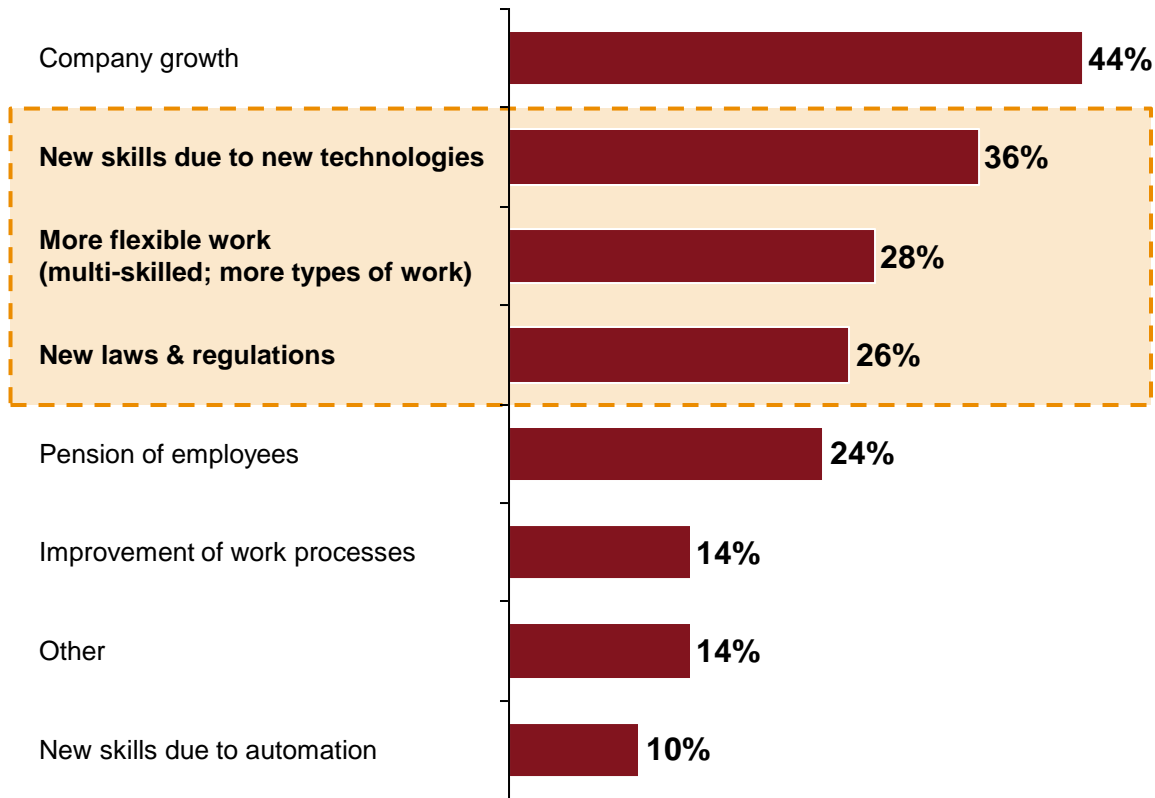


Note: Multiple answers possible
 Source: THP company survey, Strategy& analysis



Companies expect a growing importance for a flexible, multi-skilled workforce – Upskilling migrants is key for their future employability

Trends impacting job openings in next 2-5 years (% of respondents, 2015)



Summary

- Companies expect a growing importance for a flexible and multi-skilled workforce that is familiar with new technology
- >40% of companies expect an increase in temporary workers, while only ~20% expect a decrease
- Unemployed migrants are especially impacted by these trends as they are behind on 'flexibility' and latest skills
- Upskilling of migrants, especially in 'flexibility', will be even more important for future employability

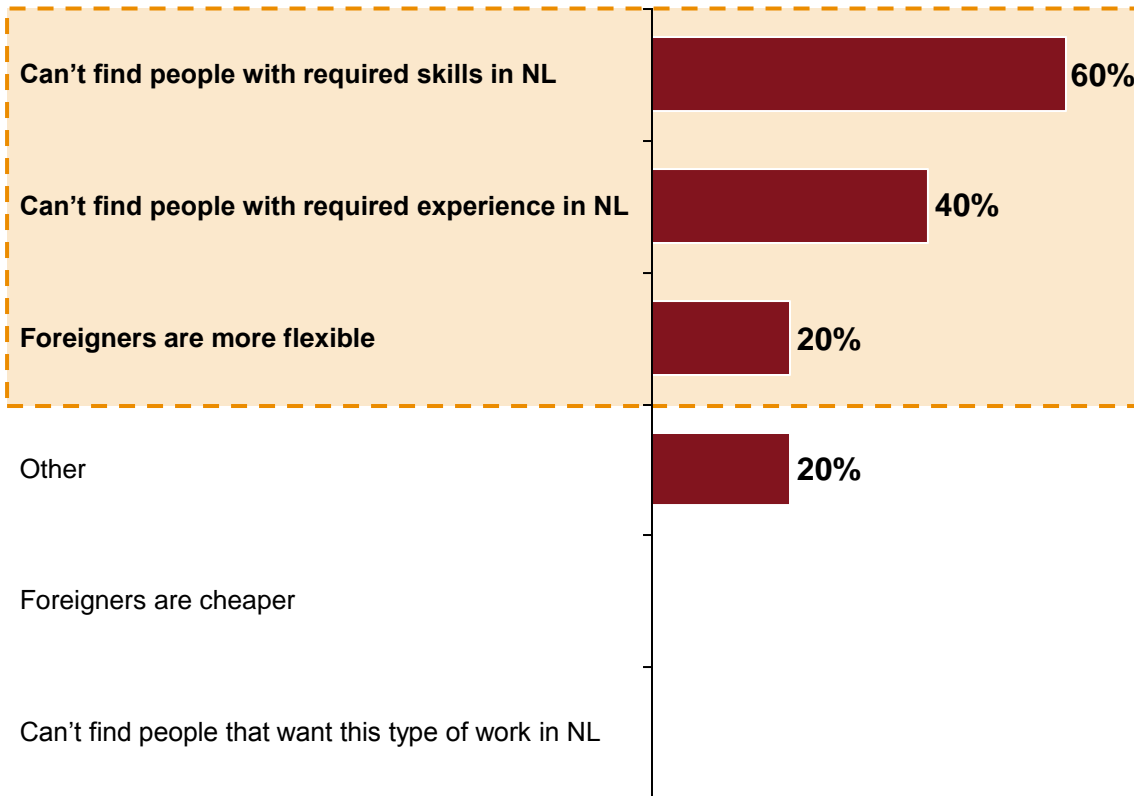
Note: Multiple answers possible

Source: THP company survey, Strategy & analysis



25% of companies look for foreigners to fill jobs that require specific skills, but they are not actively searching for migrants (in NL)

Reasons for hiring foreigners from outside NL (% of respondents, 2015)



Summary

- 25% of surveyed companies hire foreigners from outside of the Netherlands
- Skills, experience, and 'flexibility' are the main reasons for hiring foreigners
- None of the companies are specifically looking to recruit migrants (1st or 2nd Gen)
- This shows that migrants get no "easier ride" than non-migrants; they need to actively find a job themselves
- In fact, companies may even have similar expectations of migrants as of foreigners (more skilled & flexible)
- Upskilling migrants is key to improving their employment

Note: Multiple answers possible

Source: THP company survey, Strategy & analysis



CONTENTS

1. The Case for Change (pg. 8)
2. Methodology (pg. 21)
3. Interview and Survey Results (pg. 27)
4. Research on other trainings and initiatives (pg. 56)
5. Our opportunity (pg. 61)



Local initiatives that address changed demand do exist, but the migrant dimension seems underexposed

Rotterdam initiatives for labor market mismatches

NOT EXHAUSTIVE



Description

- Organization that **brings together companies** (mainly port/construction), educational institutions and the government
- Targets entire Rijnmond region; **deploys initiatives** primarily related to Rotterdam Zuid

- **'Bootcamp'**, program with multiple port companies to train new employees and solve job mismatches
- Partnership of **the port, municipality and Deltalinqs** (organization representing over 700 Rotterdam companies)

- Foundation that aims to **reduce the distance of young unemployed in Rotterdam to the labor market**
- Currently planning to move towards becoming a **social enterprise**

Examples

- **Bouwen aan Zuid**, collaboration between construction company, housing cooperative, and vocational school to facilitate practice-based learning
- **Rijnmond Reïntegratie**, re-employment of people in WW/WWB with municipality

- **Intensive 2 month full-time training program** aimed at **job-specific skills** for companies in the port of Rotterdam
- First edition aimed at metallurgical jobs; plans for **future bootcamps in e.g maintenance or logistics**

- **Improving qualifications** of jobless youngsters and **supporting their job search** with workshops, trainings and networking events
- **Buddy program** that links unemployed youngsters with working adults for exchange of knowledge and experience

Source: Company websites



Trainings and initiatives in the Rotterdam region

Bright Ideaz	NUFFIC	Port of Rotterdam	Siemens
Careermaker	Ottoworkforce	Gemeente	SPIOR
Citizen M Hotel	PBR	Hamrah + JWC	STC
DELI Project	Promen	Deltalings	Tafel Van Zeven
Erasmus University	Rabobank	NS Utrecht	Talents XL
Deltalings	Randstad	In Holland	Tornante Trainingen
DoordeWijks	Red Fabric	Zadkine	VluchtelingenWerk
ELM	RET	Ministry of Social Affairs	Werkgevers service punt
HOGIAF	Rotterdam - The Hague Airport	SBB	WMO Radar
IPC	Rotterdam Zuid Project	JINC	Young Up
McDonalds	Rotterdamse Zorg	PRIO	ChemGroep

Summary

- 90+ trainings and initiatives were identified in the Rotterdam region
- 48+ organizations were identified as acting in the region
- Despite the high number of existing trainings and initiatives, the migrant dimension is still lacking.



Abroad there are several successful initiatives improving the employability of migrants, but in NL the migrant focus is missing

Successful employability initiatives worldwide

NOT EXHAUSTIVE



- The **Integrated Basic Education and Skills training (I-BEST)** model was launched by the SBCTC (Washington state's college center) in 2004
- The programs are **aimed at migrants or people with a migrant background** with basic skill gaps
- Basic-skill teachers and professional/technical skill teachers **co-teach an integrated course of basic** (math and English skills) and **vocational skills** (including workforce certifications) training at the same time
- I-BEST programs exist for **+170 areas** (e.g. nurse assistants and early childhood education)
- Numerous **I-BEST spin-off programs** have emerged in the USA, combining basic education and skills training
- I-Best was found to have a **positive effect on employability (# hours) and average salary**



- **Swedish for Professionals (SFX)** is run by a consortium of Swedish municipalities
- SFX offers a range of intensive courses for **immigrants with a background in certain occupations** (e.g. truck driving, carpentry, programming or engineering) and focusses on professional **Swedish language related to the area of work**
- It combines **accreditation, occupational language, work placements and occasional mentoring**
- **Collaboration between the municipalities creates scale** and makes investing in occupation-specific programs worthwhile
- Outcomes are **highly successful**, majority of participants have found work two years after participating



- **ChemProjects**, based in Rijnmond area, offers training to **unemployed youngsters** with a distance to the labor market
- **One-year program** combines working and learning. Selection is based on a **thorough assessment procedure** (i.e.. competency test) and participants' **progress is periodically measured**
- **Specific focus on training of soft skills** (mental attitude), using **self developed materials** in collaboration with Schouten & Nelissen (a learning and development company)
- Simultaneously participants are **trained in job specific skills** for technical jobs in collaboration with ROVC (specialized in technical education) and **linked to a tutor** (apprenticeship) for personal guidance
- Last 4 years, **27 people were trained successfully** and are still employed

Source: Company websites, Interviews



Trainings and initiatives worldwide

Examples

Federal Emergency Management Agency	Work Life Balance	Lihua Primary School, organization Workers Family	Workplace Answers, The Value of Ethics in Business
Business Training Works	National Center for Farmworker Health	Business and Legal Resources	HR Train
The Performance Management Academy	Singapore Workforce Development Agency	Pinoy Media Center	National Association of Social Workers
Training Station	Woodfold Marco	UNICEF	SBCTC

Summary

- International trainings were researched, for soft and hard skills, both with and without the migrant dimension.



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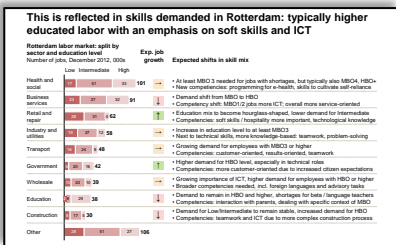


Although the supply of labour & skills does not match with demand, stakeholders are struggling to address this challenge...

Supply is not matching with demand...

...and stakeholders struggle to address it

See next pages for more detail



- Supply side: increasing demand for soft skills and higher education levels among employers

1 Companies

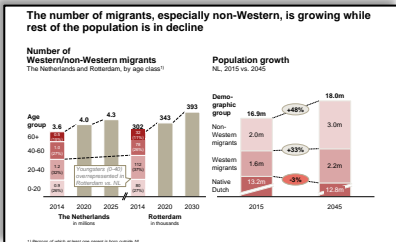
see the benefits of diversity, but cope with negative perceptions of migrants and shy away from long-term issues

2 Migrants

seem not to be fully able to tap into available labor market opportunities

3 Existing labor market initiatives

are not typically focused on migrants



- Demand-side: unemployed migrants with low education and not possessing skills such as [pending survey]



Companies see the benefits of diversity, but cope with negative perceptions of migrants and shy away from long-term issues

- ✓ Importance of diversity
- ✗ Negative migrant perception
- ✗ Focus on short term

Our current management is almost all-white; it **should be a reflection of the actual population**
Large business

There are large **differences in mindset** between different ethnic groups; some are just willing to work more hours
Intermediary

Employers, esp. smaller ones, are **not bothered by mid-/long-term labor market issues**
O&BI/SEOR

Having **white, old, Dutch men as the dominant group in our company** poses a challenge, as they perceive people from other backgrounds differently
Large business

As entrepreneur, my **hiring preferences are driven by perceived skills and qualities** of each ethnic group
Small business owner

In the short term, employers fulfill most of their labor needs by **attracting workers that are already employed**
O&BI/SEOR

We **seek for a mix of cultures** – alters the culture of the team and makes people more open to receive feedback
Small business owner

Some migrant groups are seen as **more rough on the edges**
Large business

Companies are **not taking the role they should take in** further training
Intermediary

Source: THP interviews, O&BI/SEOR Arbeidsmarktanalyse Rijnmond 2015 (p. 192)

Migrants seem not to be fully able to tap into available labor market opportunities

Lack of awareness among migrants

Educational institution **rarely give good guidance and support** to students on findings internship placements
Minority organization

In our hiring labour pool, we **don't see many CVs/applicants from non-Dutch nationalities**, even though we have a shortage of around 20 interns each year
Large business

Young migrants typically **lack a good professional network**
Minority organization

We do **not have many applicants from the migrant labour pool**
Small business owner

Source: THP interviews



Local initiatives that address changed demand do exist, but their approach is incomplete to provide a comprehensive solution

	Target Group	Activities	Against unemployment	Tailored to business	Migrant dimension	Placement
ELM	International employees	Soft skills-, reintegration-, networking- & cultural training, also for Dutch employees going to work abroad	✗	✓	✓	✗
Hamrah	New migrants & unemployed youth	Training on how to function in the Dutch labor market by having the target group work in one of the 5 mini-co-operations (e.g. lunch room, gym)	✓	✗	✓	✗
Red Fabric	People with distance to labor market	Hard and soft skills training, courses, coaching & internships to meet company needs	✓	✓	✗	✓
STC	Employees	Company-tailored training programs for employees in the Port & Logistics sector	✗	✓	✗	✗
Deltalinqs	Technical (future) employees	8-week boot camp for (potential) employees of companies that need professionals with specific technical skills	✗	✓	✗	✓



Based on our research, THP developed a tailor-made solution answering to the needs of cities, businesses, and migrants

Training

Soft Skills

- Soft skills can make a difference in getting (and staying) in a job.
- Migrants are particularly prone to experiencing difficulties in developing these skills
- Soft skills are often determined by the socio-cultural context and meanings.

Hard Skills

- Provide some work experience and training required to meet business demand.
- Trainees work in small groups, with those of comparable levels.
- Practical skills training is combined with thorough instructor led training.

Placement

In-Company Placement

- Successful trainees are immediately placed in vacancies with the client company.
- THP provides clients with support after placement, aiming to ensure retention of newly trained migrants.

Company Preparedness

- THP Engages in long-term relationship- and trust-building with clients and city officials, including the signing of a MOU;
- Communicates the benefits of migrants and diversity in-company to clients;
- Offers tailor-made in-company diversity training aimed at managers and existing staff.



THP's tailor-made solution is easily scalable

✓ Meets Business Demand

- Tailor-made training addresses each client's specific needs.
- The right balance between developing hard and soft skills is always ensured.
- Trainees are fully prepared to be placed within the client company upon completion of the training.

✓ Caters to City-Specific Context

- The target group for training is determined in with local government, and according to their priorities.
- Tailor-made solutions can be implemented together with existing initiatives in the city.
- The two-step solution of training and placement results in fewer welfare costs and long-term benefits.

✓ Addresses Challenges Faced by Specific Migrant Groups

- Trainees are selected based on requirements in line with company needs.
- All trainees are migrants, refugees, or have a migrant background*.
- Training is tailored based on assessment of trainees to enhance learning experience.

*THP does not consider country of origin or ethnicity a selection requirement.