Enhancing Partnerships Between Cities And Businesses For Migration

The Case of the Netherlands

Nava Hinrichs & Teressa Juzwiak

Abstract

In 2015, according to the United Nations, 244 million people worldwide were international migrants, of which 65.3 million were forcefully displaced. Ultimately, it is in cities where migrants settle, make their daily lives, and interact with the local population. Cities are faced with the challenge of effectively integrating migrants including access to the labor market, while migrants need to gain employment in order to contribute to the local economy and actively participate in their new community. Capitalizing on the skills migrants have to offer has the potential to reduce the cost that migrants could have on the welfare system and other indirect costs due to unemployment. This poses a great opportunity for businesses, which are increasingly struggling to fill skills gaps from within their local labor markets. However, migration is still a topic that generates confusion and mixed perceptions amongst businesses, and a shift in mentality is needed to capitalize on the full potential of migration. Migrants and refugees still constitute largely untapped pools of talent. Local governments are in the best position to incentivize private sector engagement via programs to better leverage migrants for positive outcomes by working in partnership and addressing issues that are relevant to businesses’ bottom line, such as return on investment. This paper reviews initiatives aimed at enhancing business-city partnerships for successful economic integration of migrants and draws lessons from them. The labor market participation of ethnic minorities facilitates their social acceptance, and prevents further social exclusion by enabling social contact between migrants and the host community, and allowing them to develop their talents. The paper also suggests ways to maximize the positive effects of labor integration of migrants through the formation of partnerships between cities and businesses.
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Introduction

Migration is a reality particularly perceived at the local level where migrants ultimately settle. It is essential for cities and other local stakeholders to understand the benefits of this reality and have the right mechanisms in place to promote integration and social cohesion. However, there is still much uncertainty and confusion on how to manage migration and make the most of it. Migrants can represent a potential pool of skills for cities and for businesses operating in those cities. Furthermore, with the right mechanisms in place, migration can be positive for cities and business, as it often brings innovation and new market opportunities. Though the question remains as to whether cities and businesses are fully capitalizing on the benefits of migration. In case they are not, what kind of mechanisms can assist in this aim? Research indicates that establishing partnerships between cities and businesses for better management of migration and integration is key to fully realize the migration potential (CEDEFOP, 2014; Juzwiak et al., 2014; WEF, 2013). This paper delves into the role of partnerships between cities and businesses to promote migrant integration, providing examples and an analysis on how they work, and suggests ways to maximize the positive effects of labor integration of migrants through the formation of partnerships between cities and businesses.

Integration and Participation: A Triple Win Model

Migration is at an all-time high. In 2015, 244 million people worldwide were international migrants (United Nations, Department of Economic Affairs, Population Division, 2015) of which 65.3 million were forcefully displaced (UNHCR, 2016). Although the movement of migrants and refugees is greatly influenced by national level policies, ultimately, it is in cities where migrants settle, make their daily lives, and interact with the local population. Cities are therefore faced with the challenge of effectively integrating migrants including access to the labor market, while migrants need to gain employment in order to contribute to the local economy and actively participate in their new community. Promoting integration revolves around the notion that migrants and refugees must be able to “fully realise their potential and positively contribute to their host societies” (Juzwiak et al., 2014, p. 6).

For cities, capitalizing on migrant talent and skills has the potential to reduce the cost that migrants could have on the welfare system and other indirect costs due to unemployment (Legrain, 2016; Martín et al., 2016). Literature on the impact of migrants and refugees on the host economy and labor market has shown varying results. For example, there is no consensus on the effect of migrant workforce on local wages, with some studies indicating that the effect is positive on both native and migrant workers (Dustmann et al., 2013; Foged and Peri, 2016). Other studies attribute the effect to the particular skill set of migrants and their complementarity to that of the native workforce (Dadush, 2014; Reed and Latorre, 2009). Migration also has the potential of affecting employment rates, as migrants demand products and services, leading to a greater need for labor in this area of businesses (Hong and McLaren, 2014; Ruhs and Vargas-Silva, 2015). Migrants also have job-creation potential as entrepreneurs, generating employment for themselves and hiring both natives and other migrants (Constant, 2014; OECD, 2012). However, it has also been observed that the migrant job-creation potential is still often lower than that of natives (OECD, 2010). Literature is also ambiguous on the net fiscal contribution of migrants, as it depends on numerous variables and context (Coppel et al., 2001), but studies conducted in the UK and the USA have shown positive outcomes (Dustmann and Frattini, 2014; Greenstone and Looney, 2010). Despite differences in outcomes, what is certain is that the effect of migrants on the host economy depends on the exact skills of migrants in relation to the native workforce (Ruhs and Vargas-Silva, 2015), as well as the characteristics of the host community and, most importantly, on the policies that are in place to promote integration.
Among businesses, migration is still a topic that generates confusion and mixed perceptions, and a shift of mentality is needed to capitalize on the full potential of migrants and refugees (THP, 2015). While highly skilled migrants have long been an essential resource for companies worldwide, there is still very little knowledge about refugees and their potential. In addition, difficult or unknown legislation, lack of competence on the topic, lack of willingness to engage with political issues, concerns for brand protection and difficulty in allocating funds to the issue are still barriers for businesses to engage more broadly in this matter (Cavicchio, 2008; Martin et al., 2016; Reitz, 2001; THP, 2015). However, research indicates that migrants have great potential for innovation by bringing new skills, knowledge, and networks that benefit both the economy at large, as well as individual businesses (THP, 2015). Tapping into the potential of non-traditional talent pools of migrants also poses a great opportunity for businesses, which are increasingly struggling to fill skills gaps from within their local labor markets (ManpowerGroup, 2016). This trend has been observed globally for the past few years as well as in the Netherlands, and is set to worsen as economies recover from the 2007-2008 recession. In addition, both empirical and anecdotal evidence indicate that diversity leads to a stronger workforce, enhances global competitiveness, and promotes innovation within and among businesses (Cavicchio, 2008; WEF, 2013). For example, a study by Marimuthu, Arokiasamy, and Ismail (2009) finds that in-company heterogeneity improves problem solving skills within teams. Diversity also increases human capital development and enables organizations to be more creative and innovative, ensuring long-term survival in the global market, and increasing financial profit (Bontis and Fitz-Enz, 2002). However, in order to boost the potential of a migrant and refugee workforce, businesses must develop the right approach and properly manage diversity (Green et al., 2002; Lazarova and Tarique, 2005) as it has been shown that only under certain circumstances can diversity have a positive outcome on business performance (Kochan et al., 2003; THP, 2015). Some studies explore specific mechanisms, such as inclusive leadership and employee resource groups (ERG) (Prime and Salib, 2014). However, further research on the exact mechanisms that lead to the development of migrant and refugee potential inside companies is needed.

Businesses and cities are not the traditional stakeholders regarding the management of migration. Nevertheless, cities have become more and more involved in promoting migrant and refugee integration, as they are better equipped to identify integration issues and create and prioritize specific policy measures to overcome them (Penninx, 2009). Businesses, on the other hand, while playing an important role in the inclusion of other marginalized groups (e.g. LGBT community, disabled individuals, and those with a distance to the labor market), are still hesitant to explicitly engage with migration issues, let alone in collaboration with local governments (THP, 2015, 2014; WEF, 2013). For example, one mechanism used by the Dutch national government is the Participatiewet, in effect since January 2015. According to this act, employers are required to employ a minimum quota of individuals with a distance to the labor market. In this context, municipalities can compensate employers with wage subsidies, as well as offering job coaching and a no-risk policy to employers. While many individuals with a distance to the labor market, in the Dutch context, include many of those with a migrant background, this policy does not take migrant specificities and challenges into account. Another recent mechanism is the Diversity Charter Platform, funded by the European Commission, whereby companies voluntarily commit to promote diversity and equal opportunities in the workplace, regardless of, for example, age, disability, gender, race or ethnic origin or sexual orientation (European Commission, 2014). Nonetheless, studies have shown that executives are unwilling to invest time or have little interest in policy debates which are not aligned with their core business (Bernhagen and Bräuninger, 2005; THP, 2014). It is therefore essential to align these mechanisms with business interests, as well

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1 In English, Participation Act.
as the particularities of migrant groups to ensure successful long-term engagement in the issue.

Despite perceptions, government and business both stand to gain a great deal by working in partnership. By working together, global migration challenges can be addressed through responsive and innovative approaches. A requirement for this effective cross-sector cooperation, however, is a thorough understanding of the different interests and perspectives of the partners involved. This in turn can only be achieved and nurtured through engagements that reward good communications and foster empathy (THP, 2014). Local governments are in the best position to incentivize private sector engagement via programs to better leverage migrants for positive outcomes by working in partnership and addressing issues that are relevant to business’ bottom line, such as return on investment. Businesses have often indicated interest in collaborating with local government, but are often unaware of how to do so (THP, 2015). Working in collaboration is essential to make migration a more successful experience for all stakeholders involved (CEDEFOP, 2014; Juzwiak et al., 2014; WEF, 2013), leading to a triple win situation for cities, businesses and migrants.

The Case for Labor Market Integration

The labor market outlook in Europe indicates that while some sectors are suffering from skill gaps, there are still high rates of overall unemployment (CEDEFOP, 2011). These structural issues are expected to worsen as productivity-driven efficiency, characterized by increased use of automation, flexible work, and more efficient work organizations, contribute to deceleration in employment growth (OECD/European Union, 2014).

These processes are expected to increase social inequalities and labor market mismatches, particularly among more vulnerable segments of the population, such as migrants (OECD, 2015). Data indicates that one in three individuals in OECD countries has been out of work for more than 12 months, twice as many as in the beginning of 2007, with long-term unemployment affecting migrants in particular (CEDEFOP, 2011; OECD, 2015). Causes for these differences include not only the skills gaps, but also uncompetitive wages, unattractive working conditions, poor recruitment policies (WEF, 2014), as well as structural problems in the educational system (Büchner, 2013). This generates both direct and indirect costs for the host society and economy.

In the long-term, there may also be consequences for second and third generations, as has been observed, for instance, in the Netherlands with second generation Turks and Moroccans (Crul and Doomernik, 2003). This is of particular concern as immigration trends in OECD countries are on the rise, with family reunification having accounted for 35% of all permanent migration in 2013 (OECD, 2015) and refugee arrivals having far exceeded expectations in 2015. Recent findings from the 2014 EU Labor Force Survey further indicate that first and second generation migrants make up 15 to 30 percent of the working age population in most Western European countries, and most migrants have lived in their destination countries for over five years (Huddleston, 2016).

These trends indicate a need for sustainable long-term strategies for labor and economic integration of migrants, with particular focus on the most vulnerable categories, such as refugees and migrants who arrive under family reunification schemes, and not only focus on highly skilled migrants. The labor market participation of ethnic minorities facilitates their social acceptance, and prevents further social exclusion by enabling social contact between migrants and the host community, and allowing them to develop their talents (Gowricharn, 2002).
Research and practice indicate that employment is a key factor in both labor market integration, as well as more general social integration of migrants (Martín et al., 2016). In particular, the first contact with the labor market in the host economy is often a determinant of the success of labor market integration and participation of migrants and refugees.

According to a study by the OECD/European Union (2014), “efficient use of the skills of immigrants and development of their potential requires a series of measures including:

1. increasing the availability of information and the take-up of recognition of foreign qualifications;
2. making sure that immigrants have access to the most efficient active labor market programs and developing flexible specific measures to improve access and impact;
3. putting immigrants more directly in contact with employers;
4. making sure that children of immigrants have access to early childhood education and care;
5. providing language training adapted to migrants’ skills in destination countries.” (pg. 4)

It is ultimately in the best interest of both cities and businesses to collaborate and put such measures into place, expediting migrant and refugee labor market integration. Without such policies, they will not be able to benefit from migrant talent and will instead bear the costs associated with the lack of integration.

Initiative Review: The Case of the Netherlands

The Netherlands is a country where migration has played an important role in shaping the current society. Since the 1960s, the Netherlands has experienced a shift from being a migrant sending country to being a migrant receiving country. These flows comprised migrants from former colonies, guest workers (individuals recruited for low skilled jobs), and refugees (Zorlu and Hartog, 2001). In response, over the past 50 plus years, the country has experimented with a variety of policies aimed at improving the labor market position of migrants and their descendants (Gowricharn, 2002), who still face (in general terms) disproportionately worse educational and labor market outcomes (Crul and Doomernik, 2003). While most policies have stemmed from the national government, cities have traditionally been the implementers of integration policy. However, as of 2013, an amendment to integration policy placed responsibility of funding and achieving integration requirements on the migrants themselves, and resulted in funding cutbacks for cities, which went from receiving 197 million Euros in national funds for integration in 2012, to zero in 2014 (Klaver and Odé, 2012; Ministerie van Binnenlandse Zaken en Koninkrijksrelaties, 2012). However, the effects of integration or lack thereof are still perceived largely at the local level, making it a concern for local authorities and other stakeholders. This has been particularly true in 2015 and 2016 with the high numbers of asylum seekers that have entered the country.

As a response to the increase in asylum requests, on 28 April 2016, an agreement was reached between the Vereniging van Nederlandse Gemeenten\(^2\) (VNG) and the national government,\(^2\) in English, Association of Dutch Municipalities.
whereby a total fund of €500 million has been made available to local city governments. These funds are directed at initiatives that aim to increase independence amongst refugees and facilitate full participation and contribution in society, including in the labor market, education, housing and healthcare (“Kabinet en gemeenten maken afspraken over participatie vergunninghouders,” 2016). This has raised the amount municipalities receive from the national government to support the integration of refugees from €1,000 to €2,370 per refugee (Zorlu and Welle, 2016). While this provides municipalities with some immediate budgetary relief, it is by no means enough to ensure complete multi-dimensional integration, with some cities choosing to provide support in some areas, but not in others. Also, these resources are not applicable to the integration of other third country nationals.

As a result of resource constraints, cities have been engaging in new and innovative solutions to promote integration and labor market participation of migrants and refugees, including engagement with the private sector.

This paper reviews initiatives aimed at enhancing business-city partnerships for successful economic integration of migrants. This includes practical initiatives in place both at the local and national level, whereby businesses and cities are working together for migrant and refugee labor market integration, as well as international fora aimed at further engaging the private sector in the migration debate. The paper also suggests ways to address the mutual needs of local cities, businesses and migrants simultaneously.

Public-private partnerships (PPPs) are “long-term contracts between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance” (Public-Private Partnership in Infrastructure Resource Center, 2015). PPPs have been used extensively in many areas of government activity to ensure more efficient provision of goods and services. However, there are many areas in which this particular form of work has not been readily applied, such as in migration and integration management. Aiming to understand collaborations between local governments and businesses on the topic of migration, and more specifically, labor market integration of migrants, this study uses a loose definition of PPPs. For this reason, we choose to employ the term business-city partnership, which encompasses any form of loose collaboration or partnership between a local level government and a business for the provision of services aimed at better integrating migrants into the economy and the labor market at the local level.

The focus on labor market integration stems from the fact that it is in this area that cities and businesses find the most obvious and direct benefits of integration. With this, however, we do not wish to dismiss the importance of other areas of integration, such as social, cultural, political, and legal, or diminish the role that cities and businesses can have in them, both separately and in collaboration.

Previous studies have also looked at the potential of collaboration between local governments and businesses for migrant integration. For instance, a 2013 report issued by the World Economic Forum presents ten case studies, analyzing the contribution and engagement of the private sector in different migration-related initiatives around the world, aiming to “make the business case for migration”. The report concludes that not only are there clear direct and indirect benefits for private sector engagement on migration, but also the role that the public sector has in facilitating the relationship between businesses and migrants (WEF, 2013). Another report by the The Hague Process on Refugees and Migration in partnership with the UNU-MERIT and it’s School of Governance, mapped partnerships in eight cities around the world, for the integration of migrants and refugees. Of a total of 121 initiatives mapped, only
ten were a result of collaborations between business and city. The most common form of partnership occurred between third actors and local governments (n=53), followed by partnerships between third actors and businesses (n=38). This indicates the importance of third actors\(^3\) in devising and implementing initiatives focused on migrants and refugees, as well as a strong potential for acting as a mediator in bringing businesses and cities together (Juzwiak et al., 2014). A more recent report by the Migration Policy Institute mapped 94 labor market integration measures for refugees and asylum seekers in nine countries, and found that there are not many examples of public-private partnerships. Of the few that were identified, some seem to have big potential, whereas others are nothing more than pro forma partnerships with no real substance (Martin et al., 2016).

These results indicate that the role of collaborations between cities and businesses is still not fully understood, and its potential not yet realized.

Methods

The present study mapped 22 initiatives (seven fora and spaces for bringing stakeholders together, and 15 actionable initiatives – please see Annex 1 for the latter) aimed at enhancing partnerships between cities and businesses on the issue of migrant and refugee labor market integration. At the time of publication, all initiatives were active. Initiatives were identified through desk research, and in consultation with experts and THP’s network. The analysis is based on publicly available information, and in a few instances, the initiatives were contacted over the telephone for fact checking and updating of relevant information. The criteria for inclusion are:

- All local and national initiatives are located in the Netherlands; and government bodies of the Netherlands must participate in the international initiatives.
- All initiatives must be a result of collaboration between at least a local government and one business. Other partners may be involved.
- All initiatives are directly aimed at facilitating or improving labor market integration of migrants and/or refugees.

The list of initiatives mapped and discussed in this paper is comprehensive, but by no means exhaustive. Given the current situation regarding refugees, and the uptake of interest on migration more generally, new initiatives emerge constantly. To the best of our knowledge, the information contained herein is accurate and reliable as of the date of publication.

Discussion

Fora and spaces for bringing together stakeholders

The Netherlands participates in a number of international fora aimed at engaging the private sector in the migration and refugee debate. These fora provide the space for businesses, policy makers and other stakeholders in the field, to discuss relevant action, policy recommendations, and areas for joint problem solving. Although they are essential to promote collaboration and share experiences, their conclusions are non-binding and it is therefore up to the country in question or participating businesses to adopt the recommendations and translate them into actionable measures. In addition, national level governments that

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\(^3\) In this context, third actors most commonly refers to civil society organizations, but may include others.
participate in these fora, meaning that implementation of actionable measures depends on communication with local level authorities.

Nevertheless, there are a number of fora aimed at convening cities, although these have only recently started debating issues such as migration and refugees, for example, Eurocities. Other fora, such as the Global Mayoral Forum on Human Mobility, Migration and Development held in Barcelona in 2014 for the first time and the Global Parliament of Mayors have so far focused on the role of cities in migrant and refugee integration, and not much space has been provided yet to expand the discussion into the role of the private sector and to actively engage with them.

We have, however, identified one initiative that convenes cities, social employment services, employer and employee associations, temporary employment associations, the Social Economic Advisory Council (SER), and refugee organizations in the Netherlands. The Taskforce \textit{Werk en Integratie Vluchtelingen} is was initiated by the Dutch Minister of Social Affairs and Employment in 2016 as a broad societal coalition to assist in refugee integration, through the promotion on knowledge sharing and capacity building.

At the international level, we have mapped six fora:

- **Global Forum for Migration and Development (GFMD):** Established in 2007, the GFMD is a voluntary, informal, non-binding and government-led process to advance understanding and cooperation on migration and development, aimed at fostering practical and action-oriented outcomes. Since 2012, the GFMD has given consideration to the business sector as a distinct and separate stakeholder, recognizing it as a vital partner of governments to achieve the potential of migration. During the last two Chairmanships, led by Sweden and Turkey, specific efforts were made to include the private sector, including the financing of research, as well as the organization of specific events for the private sector.

- **UN High-Level Dialogue on Migration and Development:** The purpose of the High-level Dialogue is to identify concrete measures to strengthen coherence and cooperation at all levels, with a view to enhancing the benefits of international migration for migrants and countries alike and its important links to development, while reducing its negative implications. The declaration of the last Dialogue, held in 2013, emphasized the need to “recognise all efforts made by […] the private sector in addressing international migration and development for the benefit of both migrants and societies and bearing this goal in mind, further emphasize the need to strengthen partnerships among all relevant stakeholders” (Paragraph 20, United Nations General Assembly, 2013).

- **World Economic Forum - Global Agenda Council on Migration:** Through the Global Agenda Council on Migration, leaders from government, companies, educational institutions and international organizations collaborate to address talent shortages and encourage innovation through redesigned talent mobility. Currently, six of the eighteen members of the board are from the private enterprises.

- **International Organization for Migration (IOM) – Migration Advisory Board:** The Migration Advisory Board advises the Director General on migration trends and on

\footnote{Since then, the Forum has been held in Quito, Ecuador in 2015 and in Quezon City, Philippines in 2016.}

\footnote{In English, Taskforce for the Work and Integration of Refugees, free translation.}
enhancing the IOM’s capacity to identify and react to current migration challenges. The Board recognizes the importance of engaging with private sector stakeholders and promotes partnerships between governments and businesses. However, currently, only one of the twelve members of the Board is from a private sector organization.

- Concordia Summit 2016 – Private sector forum on migration and refugees: The Concordia Summit held in September 2016 brought together over 2,000 business leaders from different sectors and regions. The Summit aims at promoting partnerships to achieve solutions for issues ranging from labor and migration, to health and energy. This session in particular saw distinguished business leaders address the refugee situation in Europe.

- UN Private Sector Forum: Since 2008, the UN Private Sector Forum has gathered CEOs and national governments annually to discuss global issues such as climate change, human development, and human rights. In 2016, the Forum was held in the context of the UN Summit for Refugees and Migrants. It was organized by the UN Global Compact, in collaboration with the Co-Chairs of the United Nations High-Level Meeting of the General Assembly, to address Large Movements of Refugees and Migrants, in partnership with the International Organization for Migration (IOM); Sustainable Development Goals Fund (SDGF); The UN Refugee Agency (UNHCR); United Nations Children’s Fund (UNICEF); and the United Nations Foundation.

The year of 2016 has seen an increased interest from the private sector on matters relating to migration, and in particular to the refugee situation in Europe. Of the six fora identified, four permanently revolve around the topic of migration and refugees, whereas two have had a dedicated focus for this year. The consequences and repercussions of these events are yet to be seen, and there is concern as to how to maintain private sector engagement in these events in the years to come.

**Actionable initiatives**

This study mapped 13 existing initiatives operating at national and local levels, resulting from the collaboration of at least one city government and a business. In addition, two initiatives identified are still in conceptual phase, but are based on a partnership between a business and a city. Due to the extensive number of initiatives, it is not possible to discuss them all in detail (for the list of names and short description of each, please consult Annex 1). This section therefore aims to review and analyze the main trends and learnings from these initiatives.

**Concentration in larger cities:** The majority of initiatives operate in larger cities, with eight of them in Amsterdam, followed by three in Utrecht, and two in Rotterdam, Eindhoven, The Hague, and Groningen, each. This may be attributed to the high concentration of migrants and refugees in larger cities, as well as a larger availability of resources. The city of Amsterdam, in particular, is well known for having initiated innovative measures regarding migrant and refugee integration in the past. Five of the initiatives also operate in more than one location, often including smaller cities. Implementation of certain initiatives in smaller cities has been linked to the existence of Asylum Seeking Centres (AZCs6), where they are being implemented in partnership with the Centraal Orgaan opvang asielzoekers7 (COA).

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6 *Asielzoekerscentrum*, in Dutch.
7 Central Agency for the Reception of Asylum Seekers, responsible for the reception, supervision and departure (from the reception location) of asylum seekers coming to the Netherlands.
Two of the initiatives are operating at national level, although both are based in Amsterdam. In both cases, the objective is to promote integration by facilitating networks, the organization of events and projects with the aim of empowering refugees and facilitating their integration process. Therefore, they make extensive use of social media as a tool to promote and organize their activities.

In addition to the two initiatives that are still in the conceptual phase, at least three other existing initiatives are negotiating with a number of city governments to expand their implementation.

Focus on refugees: Out of the 13 initiatives mapped, and the two initiatives that are still in the conceptual phase, at national and local levels, 12 were created to cater exclusively the labor market needs of asylum seekers and refugees/status holders. The remaining three initiatives also provide services for this group, but target a broader audience that includes primarily migrants or those with a migrant background, as well as individuals with a distance to the labor market such as the unemployed and those on welfare. Based on evidence from previous studies (Juzwiak et al, 2014), this trend is a clear response to the recent flows of individuals seeking asylum in the Netherlands, and more generally in Europe.

While evidence indicates that refugees in particular have much to gain from tailor-made initiatives that focus on their specific vulnerabilities and circumstances (Martín et al., 2016), the Baanbrekend initiative by Randstad in partnership with 38 cities around the Netherlands also shows that it is possible to include refugees into existing frameworks by making the necessary adjustments. The Baanbrekend initiative, created in 2011, is intended for social assistance beneficiaries under the Participation Act, with a short distance to the labor market, meaning individuals that can be employed within a period of three to six months. After successfully placing more than 9,000 individuals, Randstad saw the opportunity to partner with COA in an effort to place refugees into employment. A successful six-month pilot was run in Utrecht and in Musselkanaal, between December 2015 and May 2016, where out of the 95 job-ready refugees that participated, 61% were able to find employment. Of these, 34% were employed in paid work, 9% were placed in another form of paid work experience, 11% in an unpaid work experience placement, and 7% were placed in volunteer work (Bloemscheer, 2016). Since the pilot, Randstad has initiated 18 partnerships with COA in cities around the country.

Aim for quick, but not necessarily paid, employment: Training and job matching are the main services offered by the mapped initiatives (n=6 and n=7, respectively), followed by facilitating networking (n=5), and skills assessment (n=4). Most of the initiatives offer more than one service, as these are often complementary and address different facets of labor market integration. Other services include providing migrants with mentoring or coaching, as well as volunteer work or internships, both in non-for-profit organizations, as well as in businesses. The focus on training and job matching indicate a trend aiming for quick employment. Traditionally, refugee integration in particular has followed a very linear pattern, whereby housing and language are the priorities, followed by education and employment. The results from this mapping indicate that there is more awareness in breaking away from this model, although with a couple of caveats: a) most initiatives target only status holders, meaning those who have had their asylum seeker request approved and are entitled to work in the Netherlands; and b) the asylum seeking process is rather long, with a minimum waiting period of six months, however, in reality, due to the large demands, they have seen longer waiting periods of often up to a year. This is of particular concern as it leads to further delays in labor market integration, with potential negative consequences in the long-term. Training and preparation to enter the labor market is therefore an excellent way to prevent
idleness, to keep skills current and updated, as well as specifically orienting refugees on the Dutch labor market context.

**Small scale and tailor made:** As discussed, the majority of initiatives have been designed to cater specifically to the refugee target group. They have therefore taken on a smaller scale and appear to be tailor made to address specific challenges faced by this target group. In addition, the mapped initiatives are all based on collaborations, which on the one hand, allow for a more comprehensive approach, drawing from different pools of expertise, but on the other hand, require extensive liaising between the different partners and management of different interests. Therefore, smaller scale initiatives are much more manageable and desirable to reach the designated outcomes. Nevertheless, all initiatives have the potential of being expanded to other cities.

**Too soon to evaluate:** The vast majority of initiatives mapped have been created in the last couple of years as a direct response to the large numbers of asylum seekers and refugees arriving in the Netherlands. Therefore, we observe that many are still in the pilot phase, and two are still in the conceptual phase, making it too early to assess the real impact of these initiatives both on the target group, and the society at large. While short-term impacts are expected to be positive, it is difficult to predict long-term impacts at this stage. Regarding short-term evaluation, for initiatives being implemented during the asylum seeking process, or while status holders are still residing in government provided shelters, it is fairly easy to obtain feedback, measure progress, and determine impact. However, once status holders are allocated housing, it becomes harder for authorities and implementing partners of the initiatives to accompany the individual’s progress. The particular focus on refugees also presents problems with long-term evaluation as they are given permission to stay for a period of only three or five years. Long-term stay is not guaranteed and will therefore depend on a series of factors including the duration of the conflict in their countries of origin (the majority originate from Syria), as well as refugees’ willingness to return or remain in the Netherlands, and the allowances made by the Dutch government in the latter case.

**The role of cities:** Only two of the initiatives identified were initiated by a municipal government. Specifically, the *Amsterdam Werkt Voor Iedereen* 8, a covenant initiated by the Municipality of Amsterdam, whereby different partners make agreements on their contribution to the city’s approach of helping refugees take the step into employment, entrepreneurship, or education. This covenant is the follow-up and an expansion on the covenant “The Next Step”, signed at the end of 2015. For instance, as a part of this covenant, an important supermarket chain in the Netherlands, Albert Heijn, has committed to offer temporary work experience positions to refugees, aiming at learning to work and cooperate in a Dutch company, creating a work-life balance, and practicing and learning the Dutch language in a professional work environment. Other signatories include educational institutions, government agencies, employer associations, civil society, employment agencies, and other corporations. As of this year, partners at the national level government have also joined the covenant, including the Dutch Ministry of Social Affairs and Employment, and the COA.

Based on our findings, the role of the city and its relationship with businesses has also been characterized by a client-service provider relationship. For instance, in the cases of InCheck and the Competence Card, both initiatives have been developed as services that provide a skill assessment and profiling of refugees. This service is marketed to municipalities, giving them information on the refugees that are relocated to their conscriptions and allowing them

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8 In English, Amsterdam Works for Everyone, free translation.
to develop more targeted interventions or initiatives. In remaining cases, the city also acts as a facilitator of networks and knowledge exchange, as well as a potential funder.

The role of businesses: Five of the existing initiatives and both of the initiatives that are still in the conceptual phase were started by businesses. This is a significant finding, which confirms previous research on this topic. We can see that businesses are not only more involved with the topic of migration, but are also more open to working in collaboration with city government, and, most importantly, are taking the lead. When discussing labor market integration, this has particular importance, as it allows for initiatives that cater directly to the business needs, making labor market integration more successful and sustainable. During our research, we also came across three specific cases in which businesses had developed their own initiatives for the employment of migrants and refugees, but these were not included in this study as they were not working in collaboration with local governments. This shows that there are still barriers to overcome. In addition, business involvement, particularly in the refugee issue has been strongly driven by Corporate Social Responsibility (CSR) policies. The humanitarian aspect of the response to the refugee situation makes the topic less politically charged and controversial, increasing the returns for business engagement. This trend is positive overall. Nevertheless, long-term commitment from businesses is still to be seen. In particular, the question remains as to whether this may translate into greater private sector involvement in the broader migration debate, especially if the flow of refugees reduces significantly.

One initiative worthy of mention is VluchtelingTalent, a foundation established as the result of the interest from several companies in the agrifood and horticultural sectors to assist in refugee employment and tap into this labor pool. Although not yet operational, the initiative aims to provide more than 1,000 refugees with an agriculture background with an adapted learning route to work in the sector, and eventually place them in employment. The foundation is currently negotiating with over 24 city governments to explore the possibility of implementing their program.

In the remaining initiatives, businesses also take on the role of funders, and, most importantly matching partners for refugee employment.

The role of third actors: The remaining initiatives (n=6) have been initiated by third actors. In this context, the term third actor refers to any stakeholder that is not a city government or a business, and this includes not-for-profit organizations, educational institutions, international organizations, and national government agencies. In our sample, the majority of initiatives were set up by third actors, indicating that there is still a significant role for them to play in bringing businesses and cities together. For example, the THP Migrant Training and Placement Programme was specifically developed to form pathways of cooperation between cities and businesses to design solutions aimed at improving labor market outcomes for migrants. The Programme was first implemented in the city of Rotterdam, and will soon be implemented in the City of Amsterdam as well. The aim is to identify structural skills gaps in the city in order to train and place migrants in businesses. The Programme is completely tailor-made to the specific city and skills context, and can be adapted to the needs of businesses, migrants, and refugees. This solution has a mid- to long-term approach and is meant to bridge the gap between public and private sector engagement in migration.

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9 In English, Refugee Talent, free translation.
Partnerships: Maximizing the Benefits of Migration

The findings of this study suggest that the recent inflow of asylum seekers and refugees to the Netherlands has had an important impact in the response, organization, and involvement of local stakeholders regarding the topic of migration. Despite recent budget cuts and changes in the provision of integration services at the local level, city authorities identified the need to cater specifically to this new group, aiming at the long-term impacts of labor market integration of the refugee population. However, special budget allowances made by the national governments to cater to this specific group may also be a driver in the decision to provide services for refugees in particular, as opposed to other migrant groups.

At the same time, we have observed a significant increase in the engagement of businesses in the migration issue, with particular focus on labor market integration of refugees. Much of this response has been justified from a humanitarian perspective and explored through the development of Corporate Social Responsibility policies.

Despite these developments, there is still room for improvement regarding the effective partnering of local level government and businesses with the specific aim of addressing migration-related issues. In fact, many of the initiatives mapped in this study were initiated by businesses, which contradicts the trend observed in other studies (Juzwiak et al, 2014). Changes in the political mood, difficulties in justifying integration assistance for newcomers to the electorate, failure to guarantee long-term impact, and increasing pressure for local services and a sense of competition between locals and newcomers may be influencing local governments’ capacity to mobilize other stakeholders and to take the initiative. These changing trends highlight precisely the need for better and more coordinated action between cities and businesses. Enhancing partnerships between the two stakeholders would increase capacity and resources, as well as greater resilience in dealing with challenges including political difficulties. Third actors and not-for-profit organizations are in a particularly advantageous position to broker engagement from both the public and private sectors, as well as to promote partnerships, which would go a long way in bridging the current gap.

With the above in mind, the study identifies important observations and some implications for the three stakeholders if they are to reap the rewards of the influx of skills that migrants have to offer:

**Local governments**

- Cities should approach migrant and refugee flows from an ‘opportunity perspective’, which implies that the city’s response should go beyond the humanitarian approach, while ensuring an integrated service provision.

- Vulnerable categories of migrants and refugees require tailor-made responses, as many are not in a position to ‘take responsibility for their own integration’.

- Cities could do more to make engagement with migration and refugee issues more appealing to the ‘core business’ of companies. This would require a change in the approach and terminology adopted by city authorities in reaching out to companies.

**Businesses**

- Businesses have great potential to start initiatives, particularly in providing employment opportunities for migrants and refugees.
• For businesses, partnering with the city and third actors facilitates access to the target group (migrants and/or refugees) and provides the necessary support to integrate this ‘untapped labor pool’.

• Business engagement with refugees should move beyond Corporate Social Responsibility. This would allow companies to have medium to long-term positive impact on their core operations, with the potential to extend their engagement to other migrant groups.

Third actors

• Third actors are in an advantageous position to broker and mediate engagement in migration and refugee issues from both local governments and businesses. However, this requires that third actors learn how to effectively communicate and answer to the needs of both stakeholders.

• It is beneficial to take a practical and open approach to the definition of partnerships, as limiting this definition could prevent the recognition of existing efforts and the establishment of new collaborations.

• Not all partners need to have equal roles in the partnerships, as the objective is to enhance each partner’s capabilities; for example, cities or businesses may act as funders or clients of a service, and not necessarily act as implementing partners.

To conclude, this paper shows that migrants and refugees can have a positive effect on the host society’s economy, in particular when supported by tailor-made labor market integration efforts. Our research indicates that partnerships between local governments and businesses are still rare but have the potential to enhance the effects of labor market integration. This presents an opportunity for third actors to bridge the gap between these two stakeholders, and although benefits are not perceived immediately, partnerships provide an opportunity to invest in medium to long-term results.
## Annex 1: Mapped initiatives

<table>
<thead>
<tr>
<th>Level of implementation</th>
<th>Name of Initiative</th>
<th>Initiator</th>
<th>Other partners</th>
<th>Short description</th>
<th>Target group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>Amsterdam werkt voor iedereen</td>
<td>City of Amsterdam</td>
<td>Many partners, including the Dutch Ministry of Social Affairs and Employment, COA, the Free University of Amsterdam, the University of Amsterdam and VNO-NCW</td>
<td>In this covenant, initiated by the city of Amsterdam, the different partners make agreements on their contribution to the Amsterdam approach of helping refugees move into work, entrepreneurship and education faster. The covenant is the follow-up step and expansion on the covenant “The Next Step” that was signed at the end of 2015.</td>
<td>Refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Baanbrekend</td>
<td>Randstad</td>
<td>Dutch municipalities and COA</td>
<td>Baanbrekend is the result of a cooperation between Dutch municipalities and Randstad Nederland. The goal is to place recipients of social assistance into work within a period of 3 to 6 months. Baanbrekend uses the Randstad network and vacancy database to accomplish this goal. A specific variation of the broader program was designed to cater to refugees.</td>
<td>Social beneficiaries under the Participation Act, including refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Business-City Partnership</td>
<td>The Hague Process on Refugees and Migration (THP)</td>
<td>Cities and Businesses</td>
<td>In a comprehensive and tested process THP first examines present and future structural labor shortages and skills gaps in the city, as well as how migrants experience the labor market. THP interviews key players in local businesses and in local government to learn about their needs. In the second step, THP develops a tailor-made training program based on these needs and finds suitable trainees from the migrant talent pool. Finally, the upskilled migrants are placed into jobs within the relevant businesses.</td>
<td>Migrants and refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Competence Card</td>
<td>Lievens HRI &amp; Meurs HRM</td>
<td>COA, City of Tilburg, Tilburg University (ReflecT)</td>
<td>The Competence Card represents a gradual integration of refugees. It begins with a broad self-assessment in order to build a profile of characteristics, talents and ambitions of a refugee. On the basis of this broad registration they can then look for suitable opportunities in terms of education or (voluntary) work.</td>
<td>Refugees and status holders</td>
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<tr>
<td>Local</td>
<td>Hack your Future</td>
<td>Initiated by 5 independent individuals</td>
<td>Github, Optimizely, Insided, Quint Wellington Group, McKinsey, OranjeFons, Start Foundation, SIDN Fonds</td>
<td>HackYourFuture is an educational program that helps refugees in the Netherlands learn computer programming. The program is focused on teaching how to program quickly, acquire skills that are demanded in the job-market, and connect refugees with companies that hire programmers.</td>
<td>Refugees</td>
</tr>
<tr>
<td>Local</td>
<td>InCheck</td>
<td>L&amp;D Support</td>
<td>Cities of Zaanstad, Schagen, Barneveld, Alphen a/d Rijn, Ede, and Delfztjil</td>
<td>InCheck provides an overview aimed at facilitating (labor) market integration of refugees. The large number of requests, the language barriers, assessing their educational and work background, and finding good networks that lead to work, study or social integration opportunities in The Netherlands, requires good insights into each individual. InCheck collects and provides this information to different organizations.</td>
<td>Refugees and status holders</td>
</tr>
<tr>
<td>Local</td>
<td>New Future Collective (conceptual phase)</td>
<td>ITC Plus, Design for Humanity, AMN</td>
<td>Inretail, Net in Nederland</td>
<td>Refugees (with and without status) can associate themselves with multiple types of social and economic activity by using the platform of New Future Collective. The goal is not only to find a job but to develop any form of further personal development and creating a relevant network. Knowledge of both the demand and supply side is thereby crucial. In addition to being able to connect people to opportunities, it is obviously important that both provider and user of an opportunity go through a knowledgeable process together so the expectations are realistic. By actively evaluating the success and outcomes, the service can be fine-tuned and yields can grow.</td>
<td>Refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Stichting Nieuw Thuis Rotterdam</td>
<td>De Verre Bergen Foundation</td>
<td>Gemeente Rotterdam, COA, VluchtelingenWerk Zuidwest Nederland</td>
<td>The program offers housing and integration services (including language courses, and facilitating access to education and the labor market) to 200 Syrian refugee families in Rotterdam.</td>
<td>Syrian refugees</td>
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<tr>
<td>National</td>
<td>Refugee Start Force</td>
<td>Initiated by independent individuals</td>
<td>Many partners, including the Amsterdam Museum, Re/Start, Het Concert Gebouw, NOS, Academie van de Stad, Amsterdamse Orde van Advocaten, hvoquerido, Museum Willet-Holthuysen, No Office, AmalnaVentures, Salon the Muséologie, and Page Design</td>
<td>Refugee Start Force aims to give refugees a shortcut into the Dutch society. Through their community they match refugees with local professionals, organizations and companies in the region based on professions, skill sets and expertise. Their community equips refugees with the contacts and knowledge needed to realize their professional ambitions. Their guiding objective is to empower refugees to participate in the Dutch society and in the labor market, and built a successful life in The Netherlands.</td>
<td>Refugees</td>
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<tr>
<td>Local</td>
<td>Refugee Talent Hub</td>
<td>Accenture</td>
<td>Aegon, AkzoNobel, Arcadis, Baker &amp; McKenzie, C&amp;A, ISS, Matchcare, Monsterboard, NS, Randstad, SKIPP, Taal aan Zee/Vluchtelingenacademie, UAF, VluchtelingenWerk Nederland, De Haagse School</td>
<td>The Refugee Talent Hub is an ecosystem of refugee talent, businesses, government and NGOs. The purpose of the Refugee Talent Hub is to match refugee talent based on their skills with an internship, job or other work experience. In addition, the Refugee Talent Hub provides &quot;Meaningful Waiting&quot; for refugees who are waiting in the asylum procedure and to those who are not ready for the job market yet.</td>
<td>Refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Stagestraat Stad &amp; Co</td>
<td>Many partners, including the City of Amsterdam, Werkgevers Servicepunt, Maasstraat, WoensXL, Gelderlandplein, the City of Utrecht, and Overvecht</td>
<td>By helping young people, returning workforce (herintreders), and status holders find work through an internship, Stagestraat improves their socio-economic position and also that of the companies providing the internship positions. This improves the vitality of society.</td>
<td>Refugees and status holders</td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>The Refugee Company</td>
<td>Initiated by independent individuals</td>
<td>Many partners, including Student Hotel, Knowledge Mile, We the city, HvA Innovatielab, BKB, Charlie &amp; Mary, Booking.com, Roest, Movement on the Ground, Film Festival Movies that matter, House of Denim, Design Thinkers, and Fabcity</td>
<td>The Refugee Company aims at speeding up integration of refugees into society by empowering refugees and providing them with the right networks. They facilitate labor market integration by allowing newcomers to utilize their talents, and assisting them in setting up a business or finding paid employment.</td>
<td>Refugees</td>
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<tr>
<td>Local</td>
<td>Vergunninghouders &amp; Werk regio Eindhoven</td>
<td>City of Eindhoven</td>
<td>COA</td>
<td>By cooperating with the COA, the City of Eindhoven has better insight into the knowledge and profiles of status holders. The primary goal of the project is to match status holders to open vacancies. In order to bring about such matches between an employer and a status holder, and to make it sustainable, the City of Eindhoven itself offers internships. The City also encourages other companies in the region to do the same.</td>
<td>Refugees and status holders</td>
</tr>
<tr>
<td>Local</td>
<td>Vluchtingen Investeren in Participeren</td>
<td>Vluchtelingenwerk Nederland</td>
<td>Many partners, including Manpower, Asito, Kringloop, Rabobank, educational institutions and local level governments</td>
<td>The project aims at placing 1500 refugees into work and thus improve their participation in the labor market. They do this by: a) offering training on the Dutch labor market, b) providing personal coaching to participants, c) connecting potential employers to refugees and d) garnering support from local governments.</td>
<td>Refugees</td>
</tr>
<tr>
<td>Local</td>
<td>Stichting Vluchteling Talent (conceptual phase)</td>
<td>Rabobank, LTO Nederland and different agricultural educational institutes</td>
<td>In talks with 24 municipalities including Leeuwarden, Joure, Smallingerland, Heereveen and Groningen</td>
<td>Stichting Vluchteling Talent helps status holders with a relatively large distance to the labor market through an adapted learning route to suitable work in a sustainable future in the agricultural and food sector. The ambition of Stichting Vluchteling Talent is to provide more than 1,000 status holders with work placement in the first two years.</td>
<td>Refugees</td>
</tr>
</tbody>
</table>
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