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**Integration through Active  
Labor Market Policies**

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**Western countries have long struggled to achieve a successful social and economic integration of immigrants. This challenge has further increased against the backdrop of recent immigration trends. In this context, labor market integration is a pivotal stepping-stone that grants opportunities for immigrants and their families allowing them to take part in the social and economic life of their host country. This project analyzes which policies are most promising in enabling immigrants' labor market access.**

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**Messages for Decision-Makers**

- **Employer discrimination remains a serious obstacle to immigrants' participation to the labor market, especially for immigrants of non-European origin.**
- **Labor market programs, especially employment subsidies, reduce the disadvantage experienced by immigrants.**
- **Employment probability should be taken into account when making certain policy decisions, such as those concerning the placement of asylum seekers among cantons or the allocation to labor market programs.**

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**Labor Market Integration of Immigrants:  
Challenges and Solutions**

The different studies carried out in this project are mostly based on a methodology aimed at investigating discriminatory behavior in a reliable and precise way. Simply put, it consists in presenting to potential employers a set of fictitious description of job applications, i.e. Curriculum Vitae (CV), from people with both native and

immigrant background (including second generation immigrants). This was done in an online-survey setting. Employers are then asked to evaluate these CVs and indicate which candidates they would be willing to hire. Advanced statistical methods allow us to extrapolate the effect of the different characteristics that were indicated in the CV (e.g. immigration background, age, participation in specific integration programs) and estimate the extent to which each one of these characteristics contributes to reducing or enhancing employers' willingness to hire the candidate.

**How Do Immigrants Perform in the  
Swiss Labor Market?**

Our analyses show that employers in the Swiss labor market tend to discriminate against immigrants. In particular, they discriminate against individuals who come from outside the EU/EFTA region. When confronted with the exact same fictitious applications of a native and an immigrant person, employers tend to evaluate more negatively the application of the immigrant than the application of the person with a native background. The only exception to this pattern regards occupations that are considered undesirable, hard or unrewarding, such as cleaning hotel rooms. These findings highlight the difficulties immigrants face when trying to access the

Swiss labor market. It also shows that they might have to accept jobs that are unattractive to natives.

### **Can Active Labor Market Policies (ALMPs) Compensate the Disadvantages of Immigrants?**

ALMPs are measures implemented by the regional job center that aim at facilitating the labor market access of unemployed individuals through, for instance, training courses, wage subsidies or temporary occupation programs. We investigate whether such policies contribute to the integration of immigrants into the Swiss labor market. We have two main findings. First, while employers assess participation of immigrants to ALMP measures either positively or neutrally, ALMP participation alone does not make up for the disadvantages that immigrants face as a consequence of their foreign background. Second, we find that immigrants tend to be allocated to those ALMPs which, based on previous evaluation studies, are known to be least effective in fostering labor market reintegration. This means that the government provides immigrants with low quality ALMPs measures.

### **How Can Immigrants Contribute to a Successful Integration into the Labor Market?**

Our study explains whether individuals with a migration background can optimize their CV in such a way to increase their chances to find employment in Switzerland. In particular, we ask if signaling a good assimilation to the Swiss culture helps them find employment. Signals of assimilation can be, for instance, participation in extracurricular activities, such as volunteering in an elderly center or the organization of swimming classes for children. We test whether indicating such activities on the CV increases the chances to obtain an employment interview compared to individuals who indicate investing their spare time in a cultural association that is linked to their country of origin. We find that engaging in typically Swiss volunteering activities does not significantly affect immigrants' labor market chances; however, engaging in a migration-related cultural association conveys to employers the image of a poorly integrated person, who is then less likely to be invited for a job interview. In other words, our findings suggest that immigrants have limited influence on how employers perceive them, and that their biggest disadvantage – which cannot be easily compensated for – is their foreign-sounding name.

### **Language Is a Key Factor That Affects Successful Labor Market Integration of Asylum Seekers**

We also investigate the effects of the Swiss policy of randomly allocating asylum seekers across its different linguistic regions. This policy does not take asylum seekers' existing knowledge of local languages into account. In other words, asylum seekers are exogenously allocated across regions where the spoken language could

either match or deviate from individual language skills. Analysis of this so-called “natural experiment” indicates that there are substantially higher probabilities of finding employment when asylum seekers are allocated to cantons with a lingua franca that matches their individual language skills. In a second step, we analyze the effect of language training after arrival in Switzerland. The findings suggest that participation to a language course can offset the reduced likelihood of employment in cases of a language mismatch. We therefore highlight a pressing policy dilemma: while random placement of refugees may be desirable for political reasons, it is massively detrimental to the economic integration process of asylum seekers and refugees.

### **Key Publications**

- Auer, Daniel. “Language Roulette – the Effect of Random Placement on Refugees' Labour Market Integration.” *Journal of Ethnic and Migration Studies* 44, no. 3 (2018): 341–62.
- Auer, Daniel, and Flavia Fossati. “Efficiency or Equality: Immigrants' Access Bias to Active Labour Market Policies.” Manuscript, presented at the 3rd ISA Forum of Sociology, Panel: Obstacles to Immigrants' Successful Labour Market Integration, University of Vienna, Austria, 2016.
- Auer, Daniel, Giuliano Bonoli, Flavia Fossati, and Fabienne Liechti. “The Matching Hierarchies Model: Evidence from a Survey Experiment on Employers' Hiring Intent Regarding Immigrant Applicants.” *International Migration Review*, 2018 (online version).
- Fossati, Flavia, Fabienne Liechti, Giuliano Bonoli, and Daniel Auer. “Can Signalling Assimilation Mitigate Hiring Discrimination? Evidence from a Survey Experiment.” University of Lausanne, 2018.
- Liechti, Fabienne, Flavia Fossati, Giuliano Bonoli, and Daniel Auer. “The Signalling Value of Labour Market Programmes.” *European Sociological Review* 33, no. 2 (2017): 257–74.