

Making Integration Work? Facilitating access to recognition and migrants' labor market performance

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Occupational recognition enables the transferability of migrants' human capital and may improve labor market integration in the host country. This paper exploits a German policy that facilitated the recognition of foreign occupational qualifications for non-EU migrants but not EU migrants in Germany. Using detailed administrative social security and survey data in a difference-in-differences design, we find that the reform increased the application probability for the recognition of non-EU migrants by 5 percentage points, increasing the share of non-EU migrants in regulated occupations, i.e. nurses, by 18.6% after the reform. Wages for non-EU migrants in regulated occupations did not decrease despite the large inflow of non-EU migrants with a recognized certificate. Overall, the results demonstrate that facilitating occupational recognition represents an effective and efficient tool for improving the labour market integration of migrants.