

Labour market integration of immigrants and their children

Key findings from the OECD country studies
and related work

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Overview

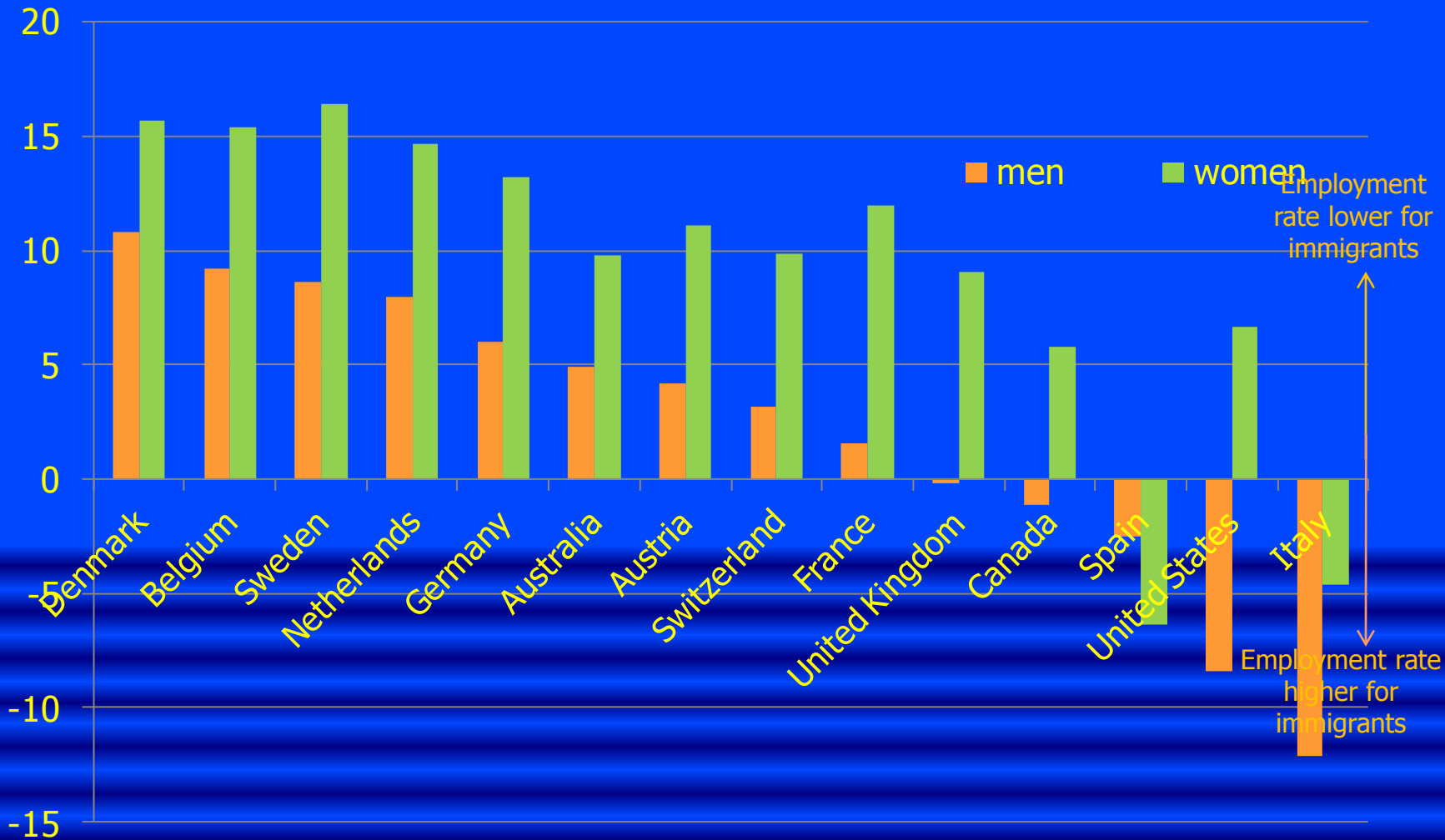
- I. Introduction
- II. Key findings
- III. Good practices for the labour market inclusion of immigrants and their children

The OECD reviews on the labour market integration of immigrants and their children

- **Country reviews for 10+ OECD countries**
(« *Jobs for immigrants* » (Vol. 1 and 2))
- **Taking a human capital perspective**
 - How do the skills and experience of immigrants compare with those of the native-born?
 - Are the skills of immigrants « equivalent » to those of the native-born who have the same formal qualification levels – and does this matter?
 - What means are available to immigrants to « transmit » / « communicate » their skills and experience to employers?
- **Native-born children of immigrants (“second generation”)**
 - Growing presence in the labour market in many OECD countries
 - Expectance of outcomes that are at least similar to those of the children of natives with the same socio-economic background
 - “Benchmark” for labour market integration
- **Employment rate as the key integration indicator – not only for labour market integration**

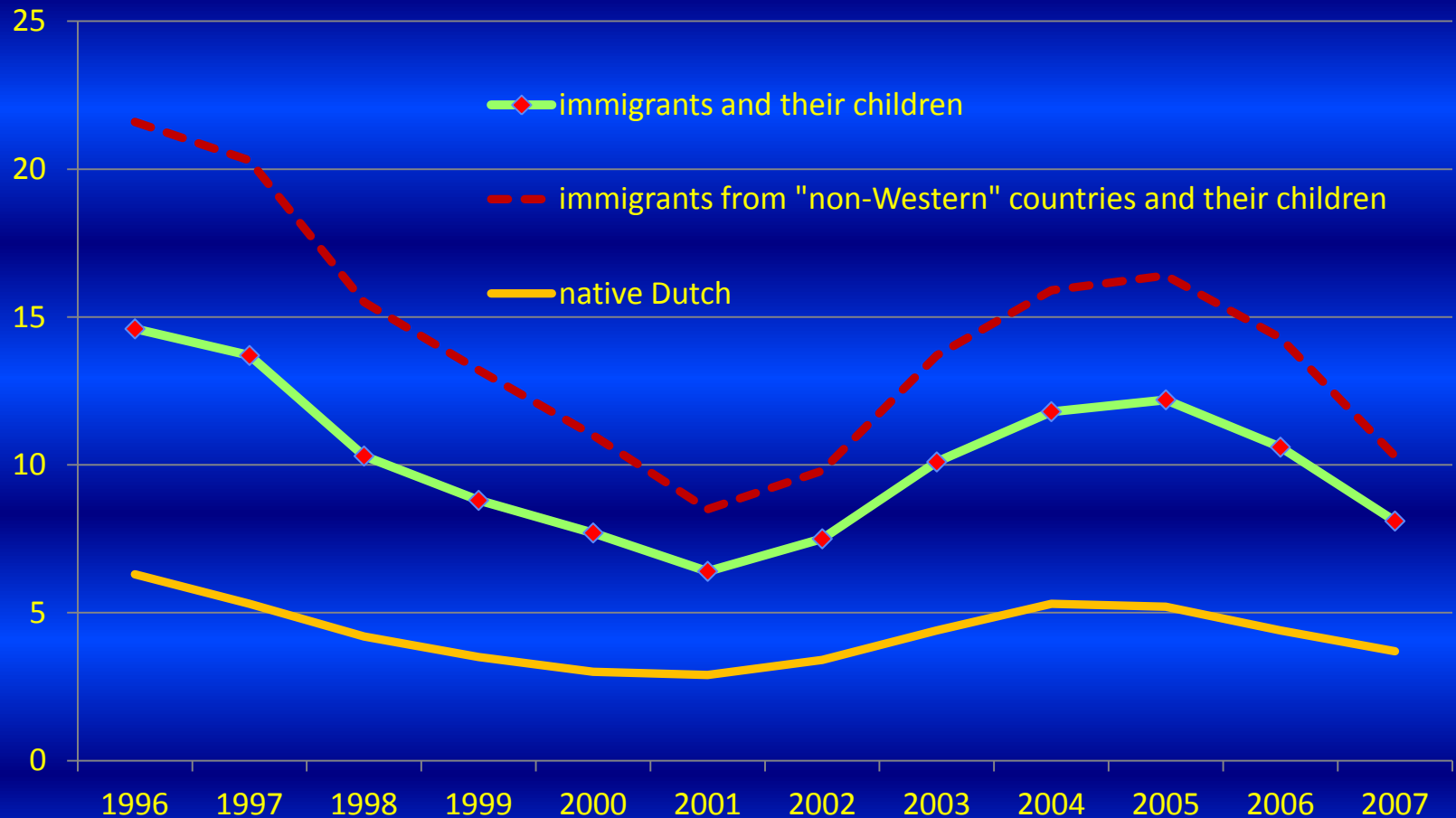
Already prior to the crisis, there has been lower employment of immigrants in most countries, but outcomes varied greatly

Percentage point differences in the employment/population ratios between native and foreign-born 15-64 years old, 2007/2008 average



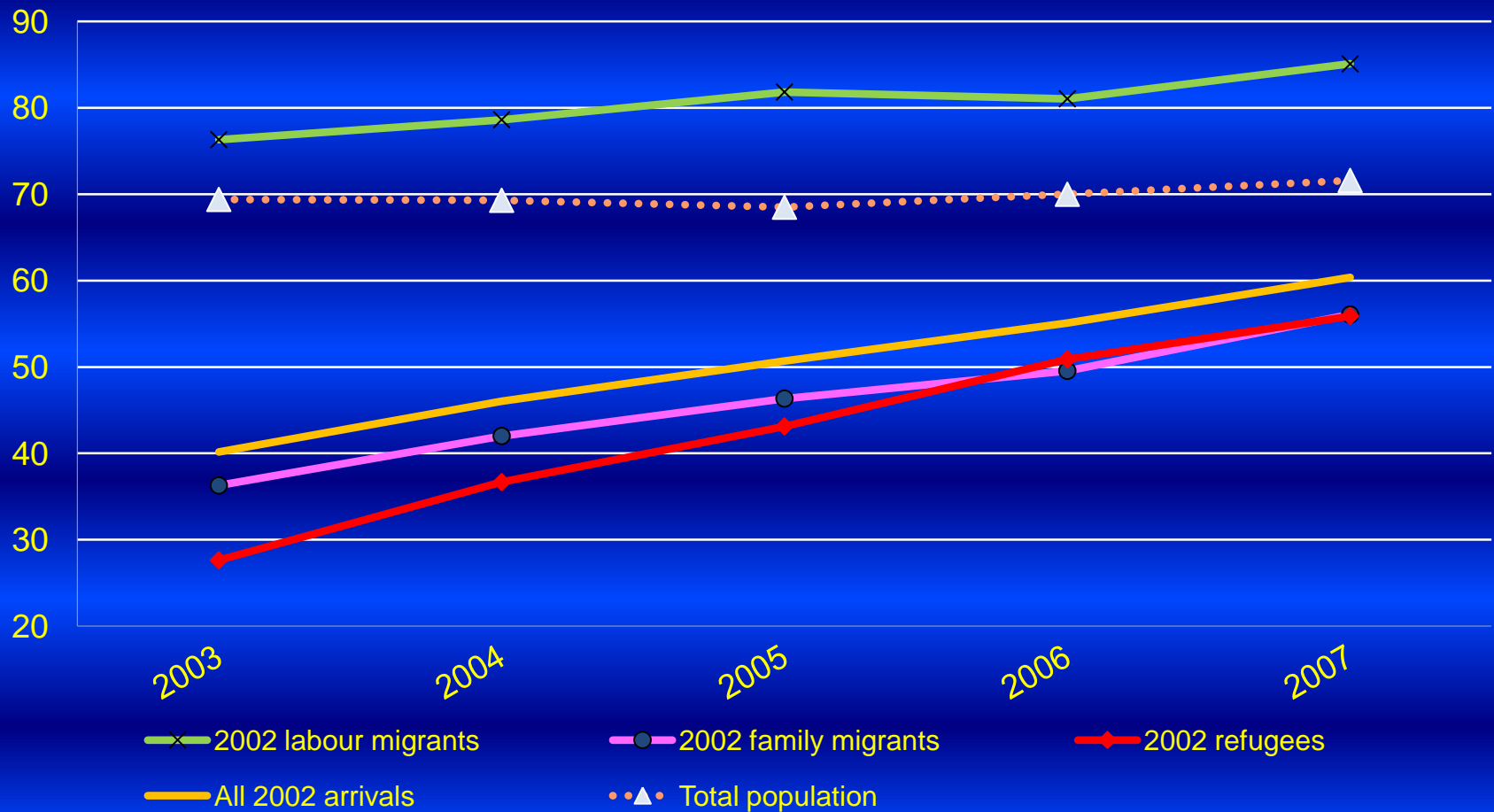
Migrants' outcomes are more sensitive to economic conditions

Unemployment rate (national definition) of native Dutch and of immigrants and their children, 15-65 years old



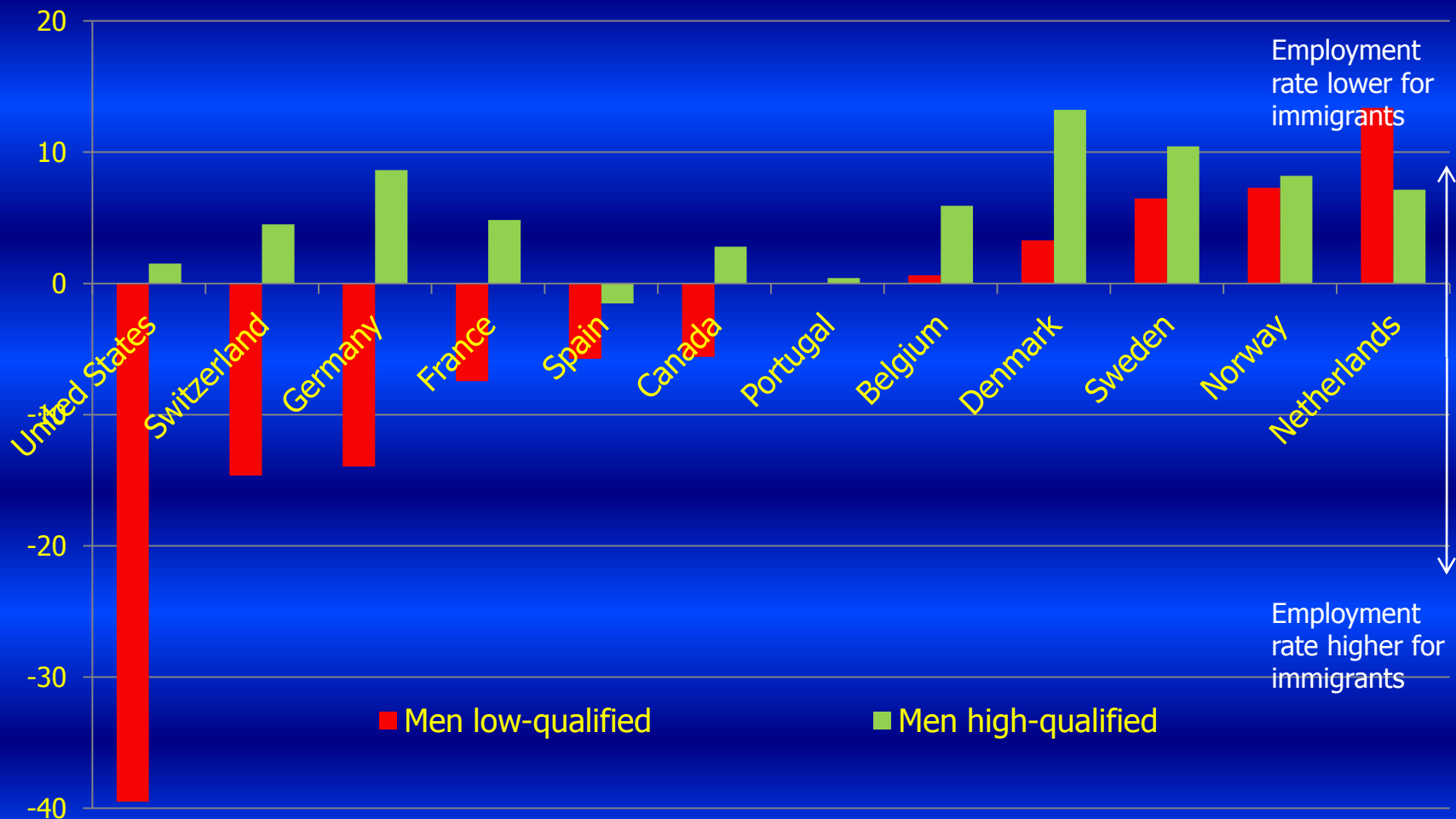
Migrants' category of entry is the most important determinant of outcomes but there is some convergence over time

Evolution of the employment/population ratios of the 2002 migrant cohort in Norway, by migration motive, compared to the native-born population



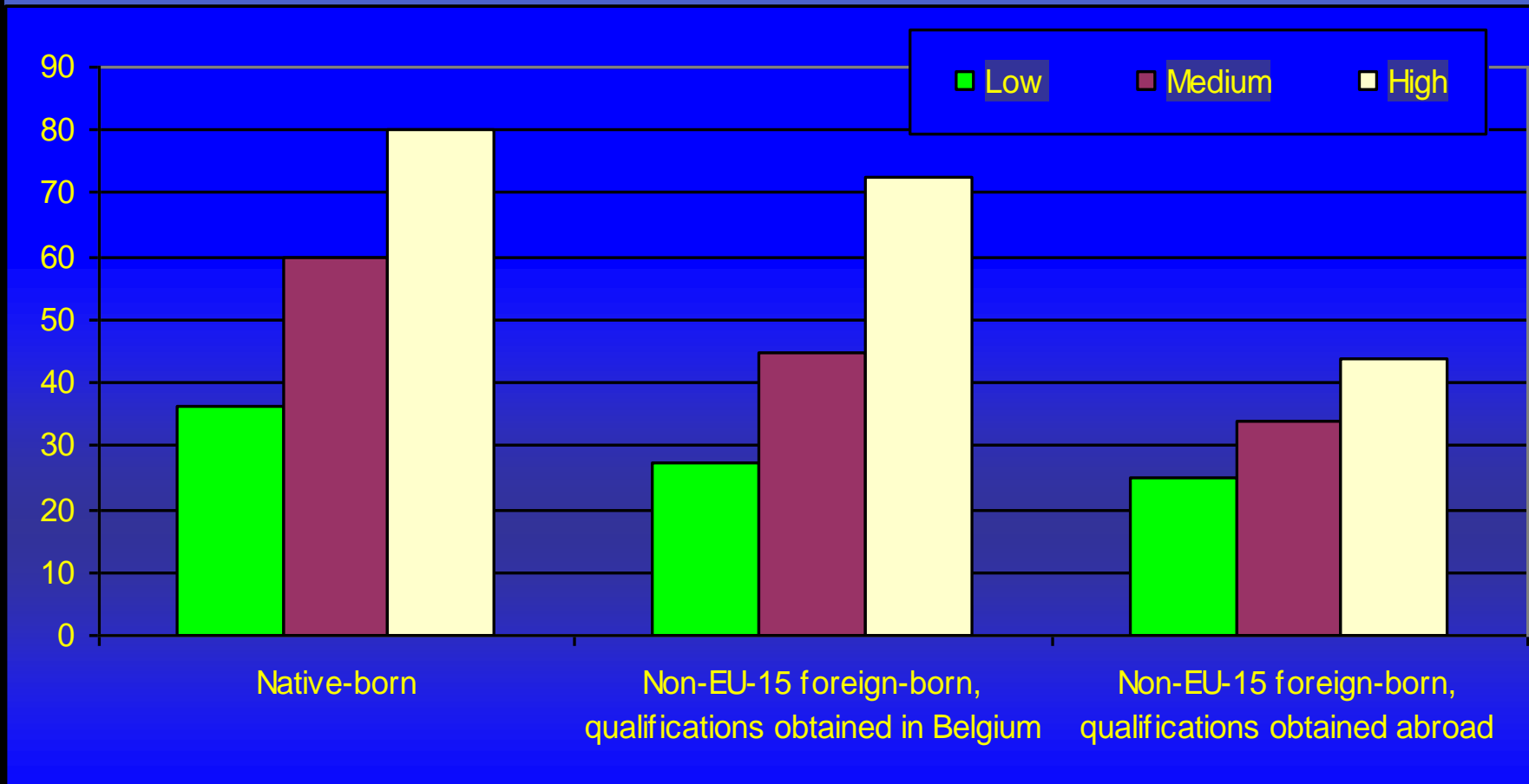
Employment rates by education level between immigrants and the native-born compare less favourably for *high-qualified* immigrants

Differences in the employment rates by education level between immigrants and the native-born, 15-64, 2005/2006 average



This is partly due to the fact that foreign qualifications acquired in non-OECD countries are largely discounted on the labour market

Employment/population ratios by qualification level in Belgium, 15-64, women, 2001



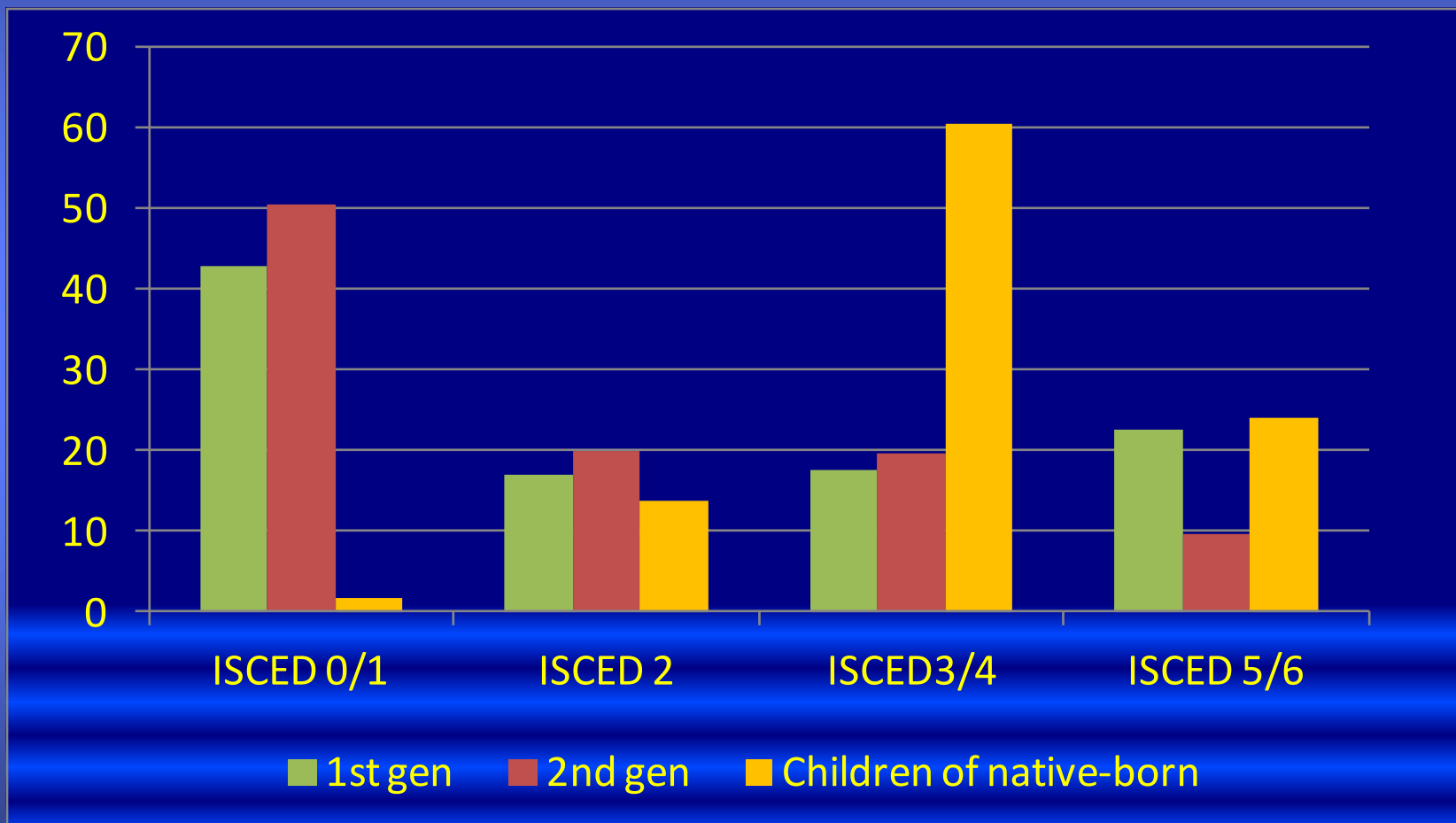
The unfavourable results are partly attributable to a lack of linguistic competence and to non-equivalence of degrees

Other observations concerning labour market integration of immigrants

- Generally, immigrants encounter problems in entering the labour market, but good wage progression once employed
- Early labour market entry is an important determinant of long-term labour market outcomes
- The impact of active labour market policy is not necessarily the same on immigrants and on the native-born
- Programmes which provide a first step into the labour market (work experiences measures) tend to be especially effective, in combination with (language) training and personalised counselling
- Wage subsidies have often met with some success, but they are rarely used
- Well-designed mentorship programmes proved to be both effective and cost-efficient
- Accreditation of prior learning (APL) seems to be a promising tool, but is rarely used for immigrants

Children of immigrants have parents who are often very low-educated

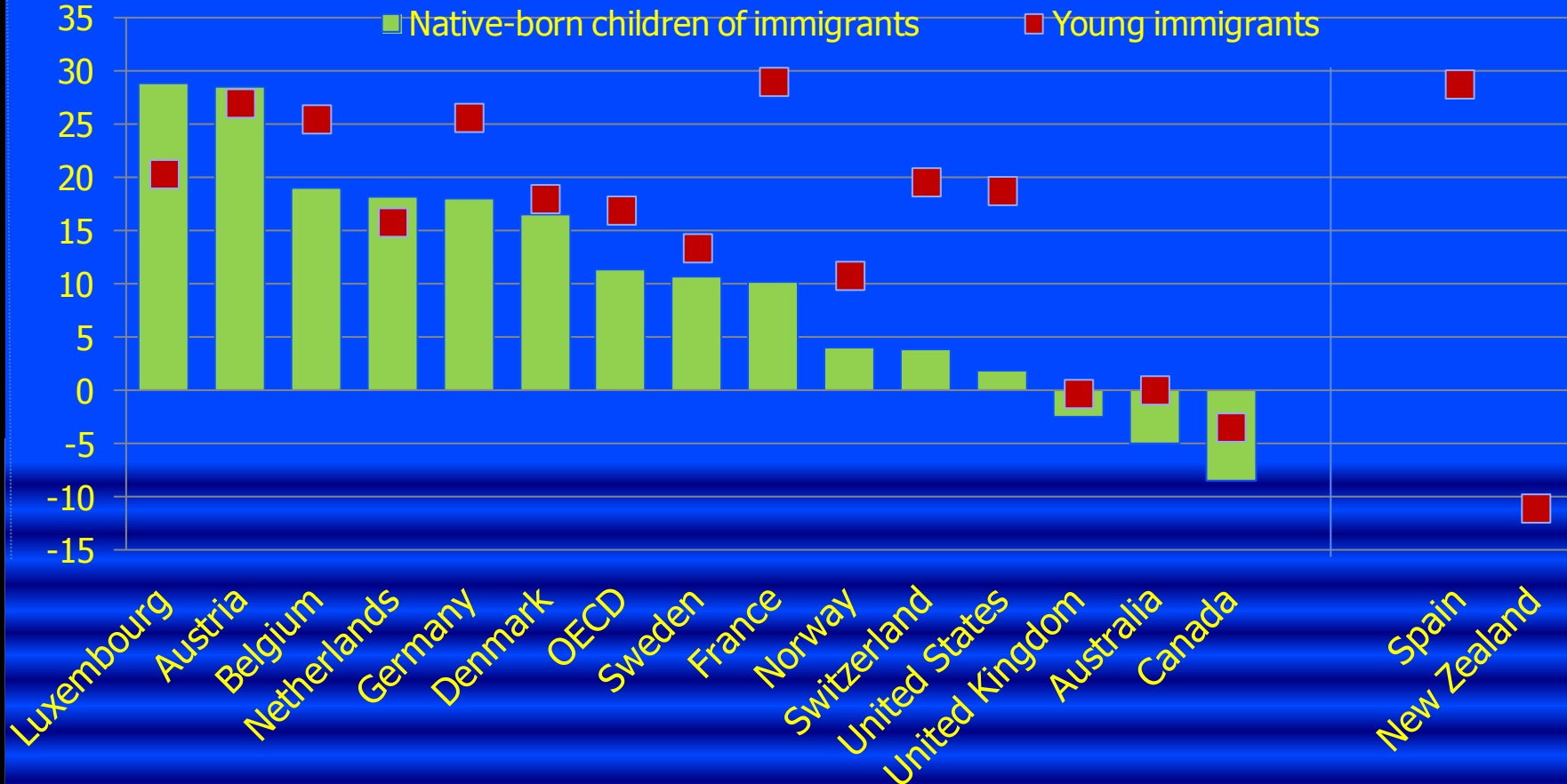
Percent of mothers in each educational attainment level, by immigrant status of children, Germany, PISA 2003



This raises the question of adequate “comparisons” of education outcomes between children of immigrants and children of natives

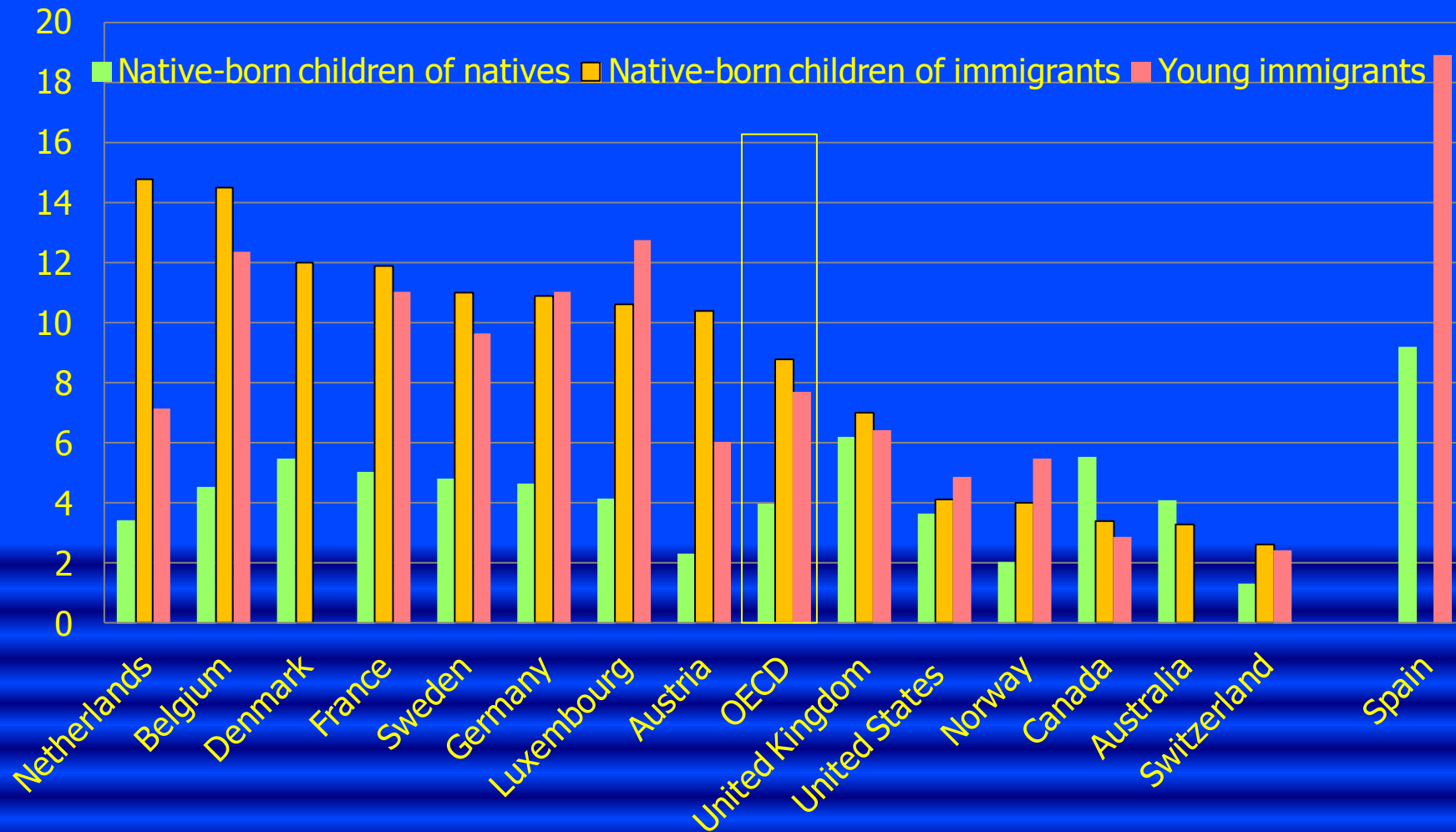
It is thus hardly surprising that children of immigrants are less educated on average

Percentage-point differences between children of immigrants and children of natives in the share of low-educated, aged 20-29 and not in education, men and women, around 2007



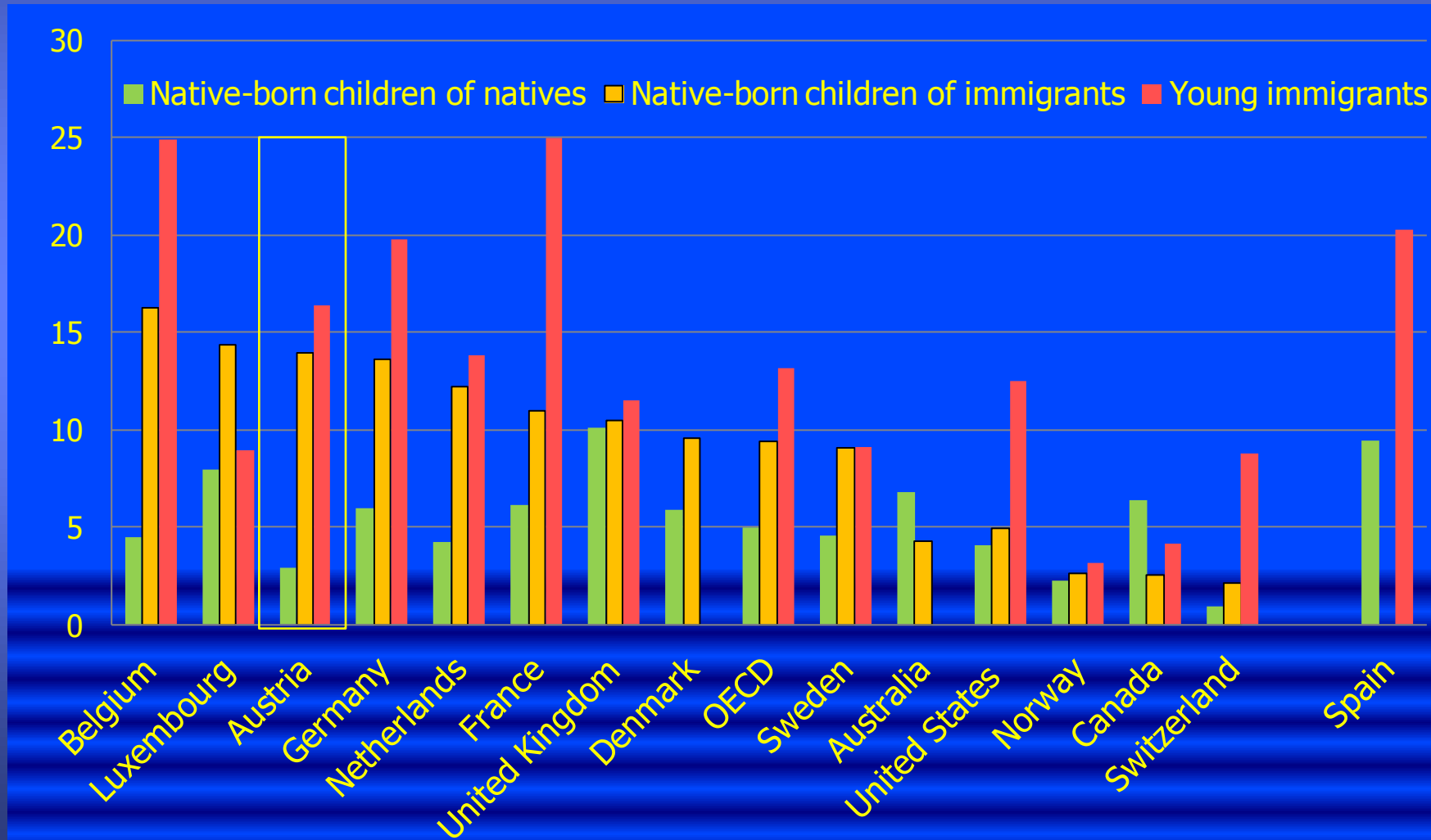
Many male native-born children of immigrants are at the margin of the labour market...

Percentage without an upper secondary degree and neither in employment nor in education, children of natives and children of immigrants, aged 20-29, around 2007, men



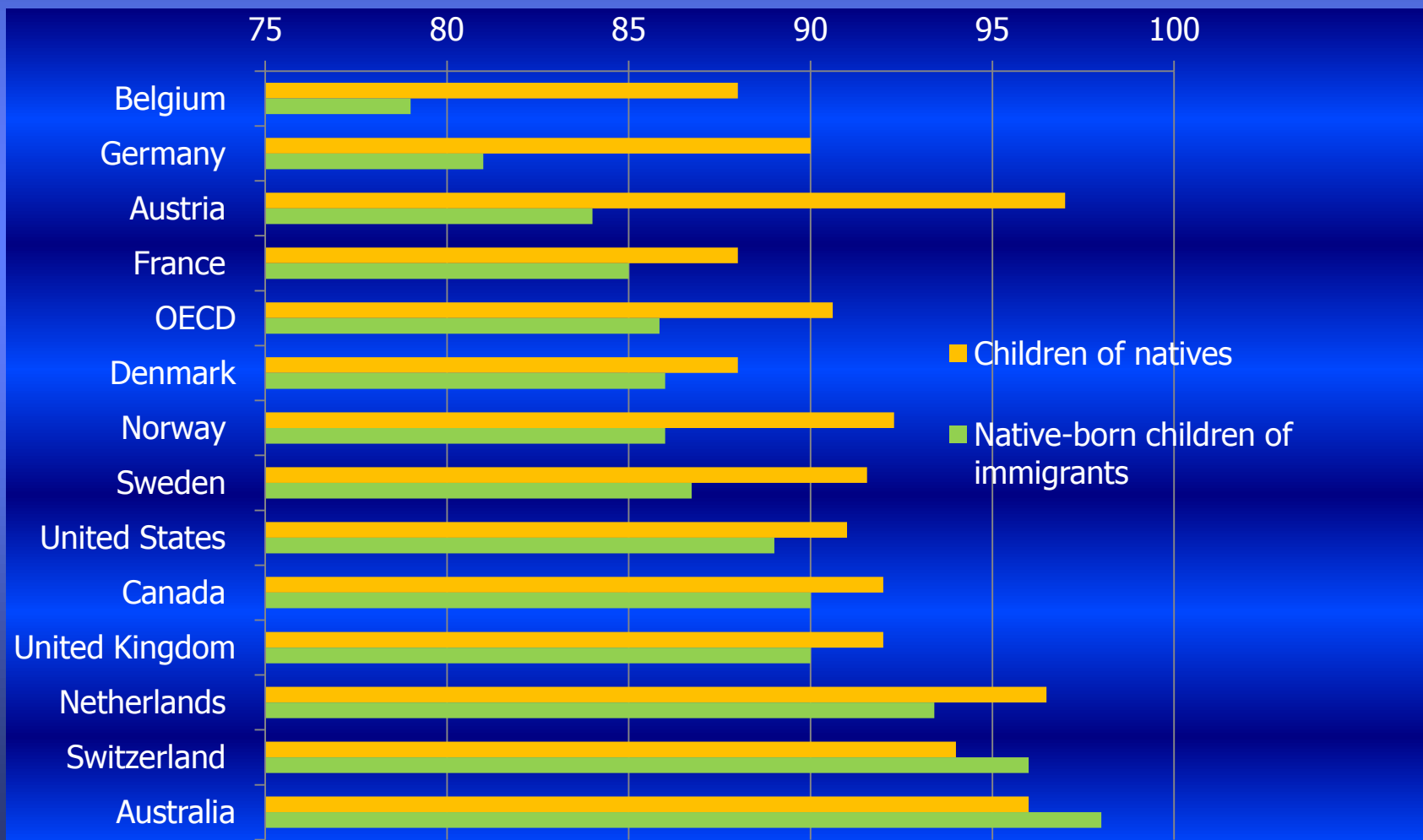
...but young immigrant women are the most marginalised group

Percentage without an upper secondary degree and neither in employment nor in education, children of natives and children of immigrants, aged 20-29, around 2007, women



But qualifications are not everything: even highly-educated native-born children of immigrants have lower labour market outcomes than comparable children of natives!

Employment/population ratios of highly-educated children of natives and native-born children of immigrants, men, 20-29 and not in education, around 2007



The reasons for the difficult labour market situation even for highly-educated immigrant offspring are difficult to ascertain

- Is it essentially a class issue?
- Lack of networks?
- Lack of knowledge about labour market functioning?
- (Other) information asymmetries?
- (Statistical) discrimination? => testing studies reveal that the incidence of discrimination is higher than commonly thought
 - Employers seem to be looking for « signs » of integration
 - Naturalised migrants from less developed countries tend to have higher employment rates and to earn more
 - => *Joint OECD/EC seminar on naturalisation and socio-economic integration under the Belgian EU presidency (14 & 15 October 2010, Brussels)*
 - Immigrants who changed their name also earn more
 - ***Amenable to policy intervention!***

Learning from good practices – some examples

- Measures to facilitate labour market entry and contacts between immigrants and employers
 - Enterprise-based training (*Vocational Qualification Networks – Germany*)
 - Temporary employment and temporary employment agency work (*Sweden, Netherlands*)
 - Wage subsidies are more effective for immigrants (*Denmark*)
 - Mentoring and network-building (*Kvinfo-Denmark, programmes de parrainage - France*)
 - Recruitment of international students and persons already in the country on a temporary status (*Australia*)

Learning from good practices (cont.)

- Facilitate rapid integration of new arrivals:
 - Early work experience is crucial: Link language acquisition with work experience (*Sweden*)
 - Adapt language courses to the needs of the labour market and to immigrants' competence levels (*Australia, Denmark*)
 - Target between 300 and 500 hours of language courses for the majority of immigrants (*Sweden, France*)
 - Incentives for municipalities to get immigrants rapidly integrated into the labour market (*Denmark, Sweden*)
 - Stepwise introduction into the labour market ("*Stepmodel*" - *Denmark, Sweden*)
 - Welcoming of immigrants via services "under a single roof" (*CNAIs and CLAIs - Portugal*)
 - Target introduction programmes towards immigrants lacking basic skills (*Norway*)

Learning from good practices (cont.)

- Provide specialised public employment services for immigrants (*NAV Intro – Norway*)
- Overcome skills recognition problems (*programmes for immigrant doctors and nurses – Portugal*)
- Implement pro-active anti-discrimination and diversity policies (*diversity plans – Belgium, France*)
- Support SMEs with respect to diversification of hiring channels (*Belgium*)
- Promote immigrant employment in the public service (*monitoring and moderate affirmative action – Norway; pre-police academy –Netherlands*)
- Enable evaluation and subsequent mainstreaming of effective practices (*Benchmarking of municipalities - Denmark*)

Thank you for your attention!

For further information on the OECD's work on
integration:

www.oecd.org/els/migration/integration