OECD/EU INDICATORS OF IMMIGRANT INTEGRATION: Findings and reflections

Meiji University, Tokyo
26 May 2016

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Overview on the integration indicators

• Joint work by the European Commission and the OECD

• First broad international comparison across all EU and OECD countries of the outcomes for immigrants and their children

• 34 key indicators on the integration of immigrants and their children, including:
  – Extensive contextual information on the demographic characteristics of immigrants and their children
  – Five main areas of integration: Employment, education and skills, social inclusion, civic engagement and social cohesion

• 2 special chapters:
  – Third-country nationals in the EU (“Zaragoza indicators”)
  – Youth with a migration background

• Peer groups of countries which have a similar relative size and composition of the immigrant population
In the OECD, one person in five has a migration background – but only one in 50 in Japan.
There is large diversity in the magnitude of immigration flows...

Permanent inflows to OECD and EU countries, 2003-11 and 2012-13
Annual averages in percentage of the total population

Source: OECD International Migration Database
Composition of permanent migration, by category (2012/13)

Total = 100

Source: OECD International Migration Database

**incl. accompanying family of workers
Migrants’ category of entry is the most important determinant of outcomes for new arrivals, but there is some convergence over time.

Employment rate by immigrant category and duration of stay in European OECD countries, 2008

The average duration of 5-6 years can be shorter if the economic climate is favourable and integration policy well-designed.
Recent arrivals have problems to integrate in virtually all countries

Differences in employment rates of recent (<10 years of residence) and settled (>=10 years) immigrants compared to those of native-born, persons aged 15-64 years old, 2012-13

Percentage points

Differences in the outcomes of recent arrivals across countries largely reflect differences in the composition of the immigrant intake by migration category
Differences in employment rates compared with native-born are often large for the high-educated, but less so for the low-educated.

Cross-country differences for the low-educated are largely driven by differences in the composition by migration category (labour, family, humanitarian).
Migrants are often overrepresented at both ends of the educational spectrum.
Possible explanations for immigrants’ lower labour market outcomes

I. Issues related to the transferability of qualifications and skills acquired abroad

II. Language skills

III. Networks and knowledge about labour market functioning

IV. Employers’ attitudes and discrimination
The returns to foreign qualifications in terms of employment are lower than those to host-country education...

Employment rate by education level in Europe

- Native-born
- Host-country Education
- Foreign Education
...and those to **non-EU qualifications** are lower than those to **EU qualifications** at all levels of education.

**Employment rate by education level in Europe**

![Employment rate by education level in Europe](chart)

- Native-born
- Foreign Education
- Foreign Education EU27
- Foreign Education non-EU27

OECD
The foreign-born who lack host-country language proficiency are a group with cumulative disadvantages (lower education levels, more likely to have foreign education and to be humanitarian migrants, etc.).

But even after accounting for these, they face a 14%-point lower employment rate than other immigrants…

…and an over-qualification rate that is on average 17%-points higher.

For labour migrants without language problems, one observes no longer a higher incidence of overqualification.
Mean literacy scores of 16-34 immigrant and native-born persons by level of education, 2012

Part of the difficulties migrants face are associated with lower language and literacy skills.

Source: OECD/EU (2015)
Qualification is not a guarantee of success for immigrants

- The share of high-educated among the immigrant population has grown by four percentage points since 2006-07
- High-educated immigrants face more difficulties in getting a job than their native-born peers…
- …and when in employment, those with foreign education face a much higher incidence of overqualification
  - 41% vs. 29% for those with host-country qualification
  - Almost two-thirds immigrants have foreign qualifications
- As a result, tertiary qualifications do not necessarily protect from poor living conditions
  - 11% face in-work poverty (5% for their native-born peers)
Low-educated are relatively often employed, but their integration outcomes in other domains tend to be unfavourable

- High employment rates come often at the price of low job quality
- The result is a high incidence of in-work poverty (37% vs. 17% for low-educated native-born) and overcrowded housing conditions (29% vs. 11%)
- Many lack basic skills
  - 32% of immigrants have only basic skills (native-born: 13%)
  - Only half of those employed participate in job-related training, compared with two thirds for their native-born peers
  - This raises the question of employability
Those with a migrant background account for a large and growing proportion of youth

Note: * 15 – 34 years old

“migrant background” refers to youth who either immigrated as children or are native-born with at least one immigrant parent.
In Europe, offspring of immigrants are twice as often among the most marginalised.

Youth (15-34) who are both low-educated and not in employment, education and training (NEET), by origin of parents, around 2013

Youth with a migrant background have suffered disproportionately from the crisis.

In some countries, education is a particularly strong driver for integration.
That notwithstanding, native-born offspring of immigrants tend to fare better than their foreign-born peers - but gaps remain.

Inactivity rate among women, by migration background, persons not in education, 2012-13

- Native-born with two foreign-born parents (15-34) (%)
- Native-born with two native-born parents (15-34)
- Foreign-born entered as adults (15-34)
Possible explanations for lower labour market outcomes of immigrants and their children

I. Issues related to the transferability of qualifications and skills acquired abroad

II. Language skills

III. Networks and knowledge about labour market functioning

IV. Employers’ attitudes and discrimination
There is a high sentiment of discrimination among immigrant offspring in Europe

Persons who consider themselves members of a group that is or has been discriminated against on the ground of ethnicity, nationality or race, selected OECD countries, 2002-12

As a percentage of all foreign-born/native-born with two foreign-born parents, persons aged 15-64 and 15-34
Integration outcomes of immigrants are more cyclical than those of native-born.

Change in unemployment rates of the 15-64 persons by place of birth between 2006-07 and 2012-13.
Focus on Germany and France

- Both countries are longstanding immigration countries, with significant low-educated migration in the past
- Outcomes of children of immigrants are unfavourable in both countries
- But significant improvement in integration outcomes in Germany (in absolute terms and relative to France) over the past ten years, driven by a mix of
  - good economic conditions,
  - higher-educated new arrivals (largely from the EU),
  - policy attention to the issue,
  - and a relatively balanced public discourse…at least until recently
Overview: comparisons across peer groups – how do immigrant vs. native differences compare with those in other countries?

<table>
<thead>
<tr>
<th>Settlement countries</th>
<th>Longstanding countries of immigration</th>
<th>Destinations with significant recent and humanitarian migration</th>
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<tbody>
<tr>
<td>Australia</td>
<td>Luxembourg</td>
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<td>New Zealand</td>
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<td>Canada</td>
<td>United Kingdom</td>
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| Employment          | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Overqualification   | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Poverty             | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Overcrowding        | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Health              | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Youth: PISA scores  | current trend                        |                                             |                                             |
|                     |                                     |                                             |                                             |
| Youth: NEET rate    | current                             |                                             |                                             |
### New destinations with many recent labour migrants

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<thead>
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<th>Low-educated</th>
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<td>Greece</td>
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### Countries with immigrant population shaped by border changes

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<th>Youth: Education (PISA)</th>
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New challenges

- Increasing heterogeneity of immigration flows - both in terms of category (labour, family, free mobility, humanitarian) and skills levels within these categories - requires more tailor-made approaches.

- For immigrants lacking basic skills, significant and long-term investment must be made without immediate pay-off.

- In Southern Europe, many low-skilled labour migrants arrived just prior to the crisis, raising issues of long-term employability and appropriate target groups (i.e. who is likely to stay?)

- Family migrants who do not depend on benefits are often neglected in integration measures, although they are a key group – and the impact extends on their children.
New challenges (cont.)

• Children of immigrants are entering the labour market in growing numbers, and their outcomes are often unfavourable.

• Large inflows of humanitarian migrants, many of whom traumatized by the experience of war, and their settlement in countries with little experience in dealing with such flows.
Conclusions on the indicators

- For most indicators, immigrant-native differences in any given country are much smaller than the differences between the native-born in the top and worst performing countries.

- Although there is no single champion, immigrants in European OECD countries tend to fare less well than immigrants in the OECD settlement countries (Australia, Canada and New Zealand)…which also have much higher migrant shares.

- The high proportion of (highly-educated) labour migrants is a main reason why the OECD countries that have been settled by migration fare relatively well on most indicators.

- Indeed, the composition of past migration in terms of category (labour, family, humanitarian) explains most immigrant/native-born differences across countries.
Conclusions on the indicators (cont.)

- Having a high educational attainment is, by itself, no guarantee for good integration outcomes for immigrants themselves, but it is strongly associated with good outcomes for their children.

- The unfavourable outcomes of the native-born offspring of immigrants in most European OECD countries are linked with the low educational attainment of the generation of their parents.

  Achieving good outcomes for the offspring of low-educated immigrants probably represents the single most important integration challenge facing OECD-countries.
Integrating immigrants:
a framework for policy options

Using

Making sure skills are used to their full potential:
- Recognizing skills
- Gaining experience
- Accessing help

Developing

Developing critical missing skills with strategic investments in:
- Children: ECEC and apprenticeships
- Adults: bridging courses and further training
- All: language courses

Activating

Ensuring skills are not wasted by remaining inactive
- Activating immigrants: particularly NEET and women
- Activating employers: overcoming discrimination
- Activating immigrants as employers: promoting entrepreneurialism
Conclusion: Integration as an investment

- The vast majority of the foreign-born and their offspring are in employment...
- …But much potential remains unused
- There is no silver bullet and no one-size in integration policy
- Effective policies do not necessarily come along with high costs to the public purse...
- …But some do – and here integration must be viewed as an investment
  - Early intervention (for new arrivals and for children)
  - Pursue policies where the pay-off is not immediate (unemployed or inactive; women with children)
  - Access to integration offers should depend on settlement prospects and needs
For further information:

EU-OECD Indicators of Immigrant Integration:
https://www.compareyourcountry.org/indicators-of-immigrant-integration

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