

## *Chapter 1.*

# **SUMMARY OF THE MAIN FINDINGS ON THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN**

This introductory chapter summarises some of the key themes covered and lessons learned in the second round of OECD reviews on the labour market integration of immigrants and their children. The topics below have emerged as common themes in the four countries covered, in addition to those that were already highlighted in the first summary publication (OECD, 2007a).<sup>1</sup>

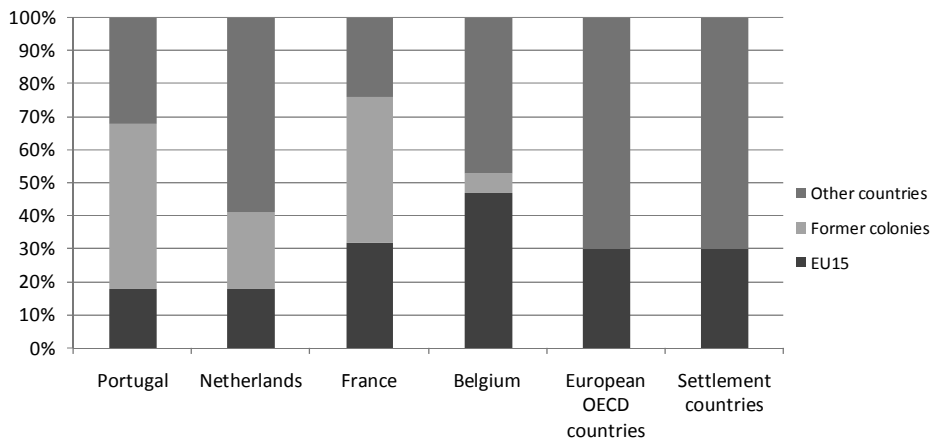
### **I. Overview of the four countries covered**

The four countries covered in this report (Belgium, France, Portugal and the Netherlands) differ with respect to their migration history and labour market integration record. Three of them, Belgium, France and the Netherlands, have been longstanding countries of immigration. Portugal's experience with immigration is more recent, and shaped by its traditional status as a country of emigration. In many ways, the picture in Portugal mirrors that observed in the other three countries in the late 1960s and early 1970s – relatively recent, large-scale labour immigration, now followed by family reunification.

At the same time, there are also several common traits regarding the current picture of the immigrant population (Figure 1.1). All four countries are members of the European Union. In Belgium, immigrants from other EU countries account for almost 50% of the stock of working-age immigrants in 2006. In Portugal, which is the country with the smallest share of EU immigrants among the foreign-born in the four countries under review, the figure is still around 20%.

All four countries also have had significant post-colonial-type migration. This is most pronounced in France and Portugal, where about half of immigrants were born in a former colony. A priori, one might expect that immigrants from former colonies would have some advantages in the labour market compared with immigrants from other non-OECD countries. They tend to have some mastery of the language of the host country, and ready access to networks of family and friends. In addition, the education system in the origin country is often similar to that of the host country.

- 
1. Updates on recent developments in the four countries that were covered in the first round of OECD reviews (Australia, Denmark, Germany and Sweden) are available under [www.oecd.org/els/migration/integration](http://www.oecd.org/els/migration/integration). These summaries, which have been provided by national authorities, provide further evidence of the continuing importance attached by many OECD member countries to the labour market integration of immigrants and their children. Some of the new developments they describe echo the recommendations presented in the prior OECD reviews.

**Figure 1.1. Composition of the foreign-born population in the four countries reviewed, 2006**

*Note:* The OECD average is calculated over the total population with all nationalities foreign-born. The average excludes Iceland. The stock of immigrants for Portugal is identified by nationality. “Settlement countries” include Australia, Canada, New Zealand and the United States. Data on averages of European OECD and of settlement countries are from around 2000.

*Source:* *OECD International Migration database* (2005), data for the Netherlands: Central Bureau of Statistics (2005), data on averages of European OECD and of settlement countries: *OECD database on Immigrants and Expatriates*.

The outcome evidence on this point is, however, rather mixed. In the Netherlands, immigrants from the former colony of Suriname indeed fare better than the other main migrant groups, but the picture is less favourable regarding immigrants from the Netherlands Antilles.<sup>2</sup> In Portugal, immigrants from the former colonies in Africa and from Brazil have labour market outcomes that are below those of other migrant groups, but nevertheless do not appear unfavourable when compared with the labour market outcomes of immigrants in other OECD countries. In France, labour market outcomes of immigrants from the former colonies lag behind those of the native-born, and of southern European migrants.<sup>3</sup>

The post-colonial migration waves in the four countries under review were also accompanied by large-scale repatriation of former emigrants and their children. The migration of repatriates from North Africa in the early 1960s was largest in France in absolute size (an estimated 1.5 million, or about 3% of the population at the time), although in relative terms the migration of the “retornados” to Portugal was larger (depending on the estimate, between 500 000 and 1 million – that is, 6-10% of the population). Although also non-negligible, the post-colonial repatriation flows to the Netherlands and Belgium were much smaller. Many repatriates were already born in the former colonies as children of former emigrants, and thus “foreign-born”. Since they are indistinguishable in most labour-market-relevant aspects from the native-born population in the countries under review, repatriates should not be considered “immigrants” for the purpose of these studies. Wherever possible, they have thus been excluded from the analysis in the country chapters.

2. Migration from the Netherlands Antilles (and Aruba) is not truly post-colonial, as these territories are still part of the Kingdom of the Netherlands (see the chapter on the Netherlands for more detail).
3. In Belgium, the number of immigrants from the former colonies has been much more limited than in the other three countries. In addition, they cannot be easily distinguished in the data from the foreign-born children of repatriates. This paragraph thus refers to the other three countries.

As noted above, France, Belgium and the Netherlands are longstanding countries of immigration, and experienced significant flows of “guestworker”-type migration between the 1950s and the early 1970s. Much of this earlier labour migration and subsequent family reunification – which still accounts for a large part of immigration to the three countries – was from Morocco and Turkey. Indeed, these two are among the main origin countries in all three countries. Immigration from Morocco and Turkey has been heavily weighted towards the low-educated, and employment rates of women from these countries are low in all major reception countries. The low educational attainment of these and other key migrant groups has also affected the native-born children of immigrants, both with respect to their educational attainment and their labour market outcomes.

Portugal’s experience as a country of large-scale immigration is more recent, and most immigrants have come for employment. At the same time, Portugal has been a longstanding country of emigration – and some outflows are still occurring. This very different situation makes Portugal a somewhat special case *vis-à-vis* the other three countries, with outcomes that often differ significantly.

A common challenge facing all four countries is the recent diversification of migration *flows*, with larger shares of new immigrants coming from non-traditional source countries. This has been most apparent in Portugal, where past immigration was predominantly from the former colonies, but recent immigrants often came from countries with no apparent ties with Portugal. This diversification has provided new challenges for integration policy, notably with respect to language training, but also regarding the recognition of foreign qualifications and knowledge about available jobs.

Table 1.1 shows the key labour market indicators of the native- and foreign-born populations in the four countries under review. With the exception of Portugal – where this is linked with the recent and labour-market-oriented nature of most immigration to that country – immigrants have lower employment rates than the native-born. This is particularly the case for women. The relatively unfavourable employment situation of immigrants in Belgium, France and the Netherlands also holds when comparing these countries with other European OECD countries and with the OECD settlement countries.

A second key observation is that in all four countries and for both genders, the unemployment rate of immigrants is significantly higher than that of the native-born. This result is not limited to the four countries under review. Indeed, a higher probability of being unemployed is also observed in most other OECD countries, including the settlement countries.<sup>4</sup>

For France, the Netherlands and Portugal, data on the wages of immigrants are also available.<sup>5</sup> As Figure 1.2 shows, in most countries, immigrants tend to earn less than the native-born. This also holds for the three countries under review, with the exception of immigrant men in Portugal. Among the three countries, the overall gaps are smallest in Portugal, and largest in the Netherlands – only immigrants in the United States face larger wage differentials *vis-à-vis* the native-born.

- 
4. One exception is the United States, where the low unemployment of immigrants nevertheless seems to be linked with the fact that many immigrants are labour migrants with an irregular status for whom unemployment is generally not an option. It seems that irregular migrants are being covered by the American Community Survey and respond in a significant way (see OECD, 2008). This appears to be also the case for the Current Population Survey which has been used for the calculation of the labour market indicators.
  5. For a more complete overview of wage differentials between immigrants and the native-born, see OECD (2008).

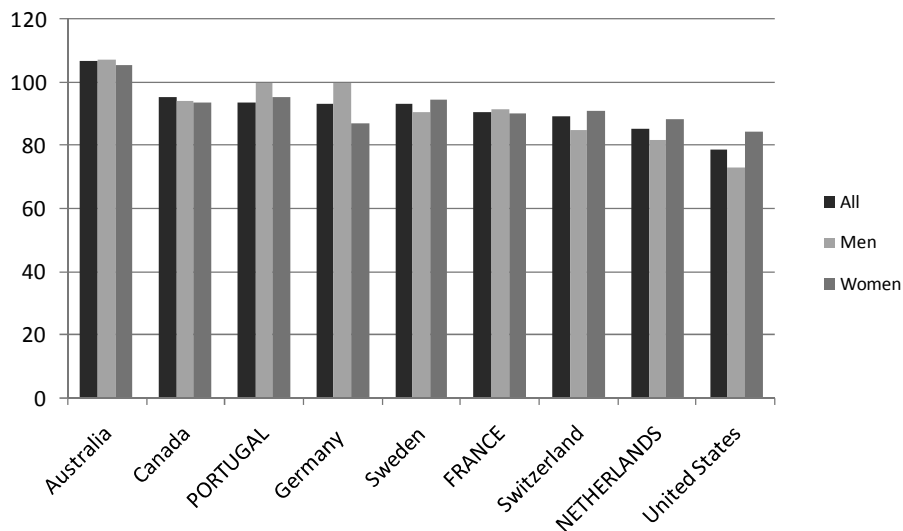
**Table 1.1. Main labour market indicators of the native and foreign-born populations in the countries surveyed, 15-64 years old, 2007**

		Belgium	France	Netherlands	Portugal	Average of European OECD countries <sup>1</sup>	Average of settlement countries <sup>2</sup>
<b>Employment-population ratio</b>							
Men	Native-born	69.7	69.2	82.9	73.4	75.7	81.5
	Foreign-born	60.9	67.7	70.9	79.5	75.0	82.7
Women	Native-born	57.2	61.3	70.9	61.4	62.9	70.4
	Foreign-born	41.5	50.1	54.6	67.1	57.1	62.9
<b>Unemployment rate</b>							
Men	Native-born	5.5	7.2	2.7	6.9	4.8	5.4
	Foreign-born	15.8	11.9	7.5	7.3	8.5	4.9
Women	Native-born	7.5	7.6	3.6	9.9	6.3	5.2
	Foreign-born	17.2	15.1	7.7	12.1	10.8	6.0

1. Hungary, Poland and the Slovak Republic are excluded from the average of the European OECD countries because of small sample size.

2. "Settlement countries" include Australia, Canada and the United States for 2006 (Canada for 2000).

Source: European OECD countries: European Union Labour Force Survey (2007); average of settlement countries: OECD (2008), *International Migration Outlook*.

**Figure 1.2. Median wage levels of immigrants, employed persons aged 15-64, 2005/2006**  
(native-born = 100)

Source and Note: OECD (2008), *International Migration Outlook*.

## 2. Key issues and findings

### *The economic situation remains key to labour market integration*

In all four countries under review, the national economic situation has been one of the most important factors in shaping the labour market outcomes of immigrants. Immigrants' labour market indicators tend to be disproportionately affected by an economic downturn, and also show stronger improvement (at least in absolute terms) than those of the native-born when the economy is performing well. There are a number of possible reasons for this, including the types of jobs which immigrants perform – often less stable, low-skilled employment at the margin of the labour market. Such employment tends to be more affected by the economic situation.<sup>6</sup> Likewise, immigrants are more often employed in cyclically-sensitive sectors such as construction.

An economic downturn can have a *long-lasting* negative impact on the aggregate outcomes of immigrants, particularly when many immigrants arrived just prior to an economic downturn and when the downturn is linked with a fundamental structural change affecting sectors with strong immigrant employment.<sup>7</sup> Belgium, Denmark and the Netherlands experienced strong recessions in the early 1980s. In all three countries, these recessions seem to be the source of the low aggregate employment outcomes of immigrants. In countries where the recession was somewhat less pronounced, such as in Germany, Sweden and France, immigrants' labour market outcomes did not compare unfavourably with those of the native-born until the early 1990s.

The (past) economic situation has also been the key factor in explaining the more favourable labour market outcomes of immigrants in Portugal. Much of immigration has been recent and linked with employment opportunities; immigration was also often of an irregular nature with employment being a precondition for regularisation.

### *Integrating very low-qualified immigrants remains a key policy challenge*

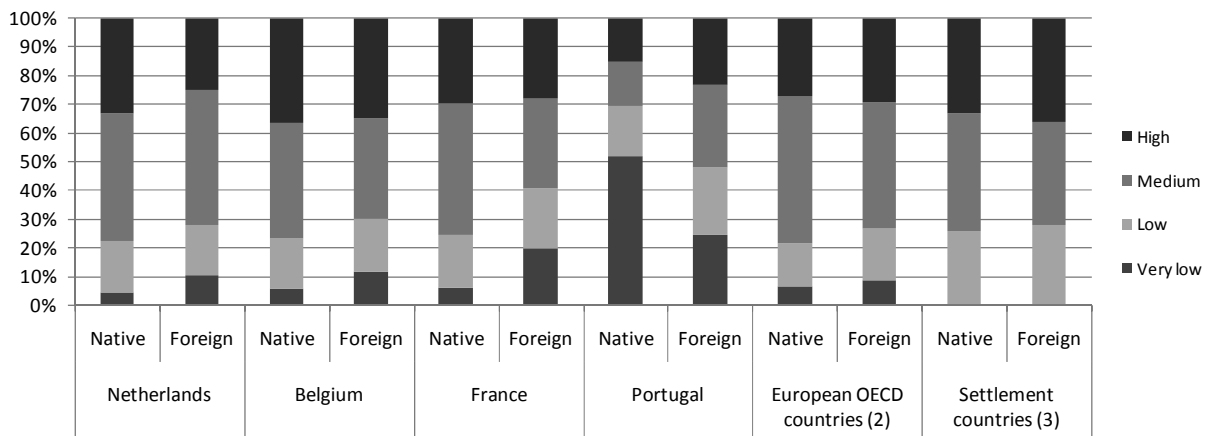
One decisive factor in the labour market integration of immigrants is their educational attainment, since the employment probability increases with the educational attainment – albeit generally less than for the native-born.<sup>8</sup> Belgium, France and the Netherlands all have immigrant populations that have on average a lower educational attainment than the native-born.<sup>9</sup> As Figure 1.3 shows, large numbers of immigrants have not even completed the lower secondary level that is often considered necessary for full participation in the labour market and society. In addition, structural change is shifting demand towards more high-skilled employment (see *e.g.* Acemoglu, 2002), although demand for certain low-skilled occupations is also rising.

Integrating low-skilled immigrants into the labour market is also hampered by the disincentives of the tax and benefit system, which often result in high marginal effective

- 
6. It is also possible that employers are more likely to lay off immigrants than natives during a downturn.
  7. In addition, when new immigrants arrive during adverse economic conditions, they take longer to find work and this weakens their longer term integration process (see OECD, 2007a).
  8. The Netherlands is a noteworthy exception in this respect.
  9. The educational attainment of immigrants in Portugal is also very low, but not on the aggregate lower than that of the native-born population which is, however, among the lowest in the OECD. Nevertheless, even in Portugal, immigrants are overrepresented among those who are illiterate.

tax rates at typical entry jobs for immigrants, which make low-skilled employment unattractive for them. There can also be institutional demand-side barriers to immigrants' employment, for example, strict employment protection legislation and/or relatively high minimum wages. Such obstacles apply in principle to both immigrants and the native-born, but immigrants tend to be disproportionately affected since their employment is more often low-skilled. In addition, these barriers can amplify employer hiring reluctance and information asymmetries that disfavor immigrants. There are a number of policy options to tackle these challenges, such as cuts in benefits; lower taxes at the bottom end; reductions in minimum wages; the introduction of in-work benefits or wage subsidies; easing employment protection; or a combination of the above. The appropriate policy mix depends on the country setting, but equity considerations would seem to imply that any measure should not make immigrants worse off than natives who are in a comparable situation. Because of this, and since the objective of a better labour market performance of immigrants is generally not seen as an argument for substantive changes in the overall policy framework for the entire population, policy makers have tended to opt for indirectly targeted measures. One such measure that has been applied in a number of countries under review thus far, in particular in Denmark (see *Jobs for Immigrants*, Vol. 1), but also in the Netherlands, has been wage subsidies. The evidence to date suggests that such subsidies can have a disproportionately beneficial effect on immigrants, if carefully designed.

**Figure 1.3. Educational attainment of the native- and foreign-born populations in OECD countries under review, persons aged 25-54, 2006/2007 average<sup>1</sup>**



1. Very low (ISCED 0-1), low (ISCED 2), medium (ISCED 3-4), high (ISCED 5+).

2. European OECD countries: category “very low” not available for Norway and the United Kingdom.

3. Settlement countries average for 25-64 population, only three education levels are available (low: ISCED 0-2). Settlement countries include Australia, Canada, New Zealand and the United States. Data refer to around 2000.

Source: European Union Labour Force Survey (2006/2007), Settlement countries: *OECD database on Immigrants and Expatriates*.

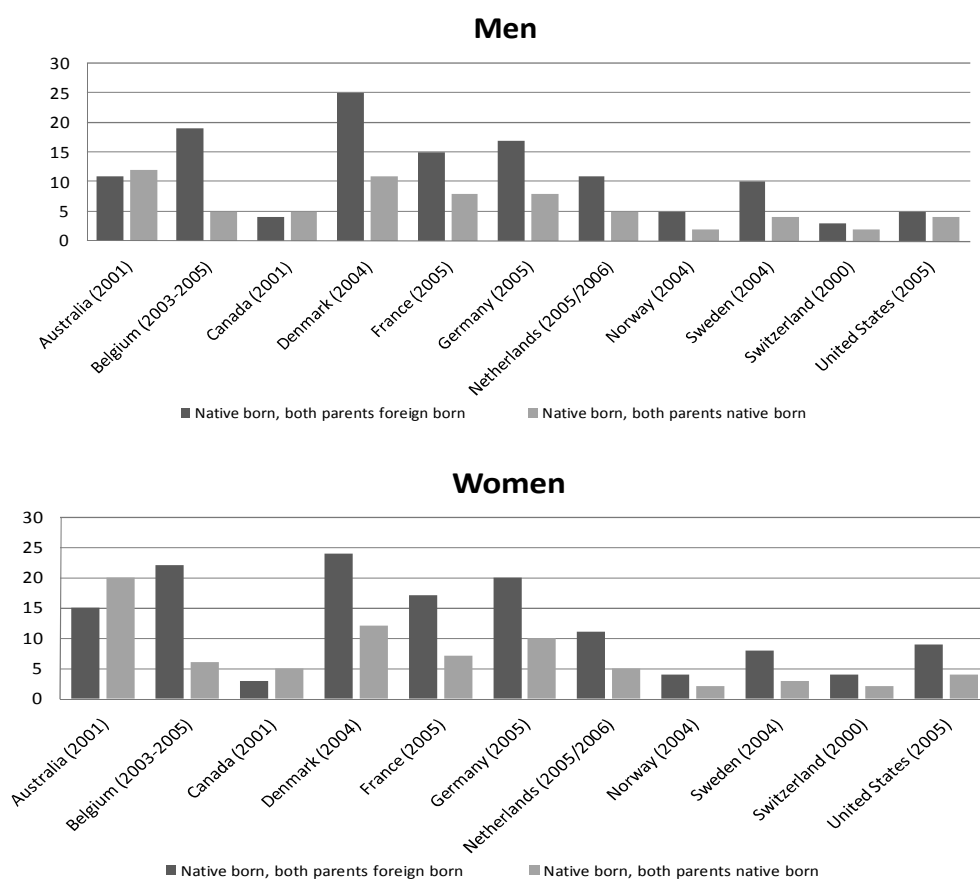
### ***The situation of the children of immigrants is often unfavourable, and a high percentage is at the margin of the labour market***

Knowledge of the labour market integration of the native-born children of immigrants – the so-called “second generation” – is increasing, in part because in many countries, they are now entering the labour market in greater numbers. The available evidence thus far shows persisting difficulties for them in integrating into the labour market. This is a

key challenge in all three countries with a longstanding immigration experience, *i.e.* Belgium, France and the Netherlands.

Among the native-born children of immigrants in the three countries, a high percentage has both low education and is not in employment (Figure 1.4). This figure is highest in Belgium and Denmark, and the differences between children of natives and children of immigrants are also larger in Belgium than in any other country for which data are available. The group of youth with low education and not in employment, which includes significant numbers of school dropouts, has been the target of several policy measures in the countries that have been reviewed thus far. For example, Belgium, France and Denmark have introduced specific targeted (or indirectly targeted) measures. This has often required significant special efforts as these youth at the margin of the labour market are often out of the reach of the mainstream labour market and social services.

**Figure 1.4. Children of native-born vs. children of foreign-born, percentage without upper secondary degree and not in employment, persons aged 20-29 and not in education**



*Note:* Data for France excludes native-born children of those foreign-born parents who had French nationality at birth. Adjustments were also made for Australia, Denmark and Switzerland (see OECD, 2007a).

*Source:* Belgium: Labour force survey linked with register data (data provided by INS), Netherlands: data provided by Statistics Netherlands, Switzerland: Census (2000); Denmark, Norway and Sweden: Population register (2004); Germany: Microcensus (2005); Australia and Canada: Census (2001); France: European Union Labour Force Survey (2005); United States: Current Population Survey March 2005 supplement; United Kingdom: Labour force survey (third quarter 2005).

The “Work-up” project in Belgium (Flanders) provides an example. Specialised consultants, a large share of whom have a migration background themselves, have been employed to activate native-born children of immigrants. These consultants are “fieldworkers” who provide individual support and guidance for young persons with a migrant background who are out of the labour market. They also communicate to the mainstream services the specific obstacles of these migrants and thereby help to improve those services. The project is publicly funded, but carried out with the support of migrant associations which conduct complementary actions such as intensive individual counseling and group sessions, which are services generally not offered by the mainstream public employment agencies.

### ***Foreign qualifications are often discounted on the labour market***

Integration efforts have focused not only on low-qualified immigrants, but also on the high-skilled. All OECD countries favour high-skilled immigration, and France and the Netherlands in particular have recently introduced a series of measures to promote immigration of the highly-skilled. For this to be a successful and sustainable strategy, it is important to ensure that adequate use is made of immigrants’ skills. However, in all eight countries which have been reviewed thus far there is ample evidence that foreign qualifications and work experience are largely discounted on the labour market. Immigrants enjoy lower returns in terms of employment probabilities and wages when their diploma has been acquired abroad, particularly in a non-OECD country (see also OECD, 2007b).

Whether this is due to information asymmetries, discrimination or actual non-equivalence of foreign degrees is difficult to ascertain. Some light on this issue can be shed by surveys which include objective measures of skills in addition to information on the origin of the degree (Box 1.1). Table 1.2 provides some information on this with data from the International Adult Literacy Survey (IALS).

In the aggregate, before controlling for the literacy score, the employment of highly-qualified immigrants is much lower than that of the native-born (model 1). There seems to be a large discount on the labour market for foreign qualifications (models 2 and 3), but none if immigrants have domestic qualifications. The observed discount for foreign qualifications is only significant if they are earned in non-OECD countries. In the aggregate, after controlling for literacy, immigrants’ employment chances are no longer different from the native-born for men – this is also observed for women after accounting for country effects. Only immigrants with a degree from non-OECD countries still remain at a large and significant disadvantage, but the effect is reduced by about half compared to the specification that does not control for the IALS score.

This suggests that some of the discount is due to lower literacy – which in turn indicates that foreign degrees from non-OECD countries may indeed not always be fully equivalent to those acquired in OECD countries (see also Ferrer *et al.*, 2006). The generally much higher employment probability of immigrants with foreign education when they are in settlement countries gives a tentative indication that recognition problems may be less pronounced in these countries.<sup>10</sup> This could be because employers in these countries have more exposure to immigrants with good qualifications.

10. Note that the probability shown in Table 1.2 is an interaction effect between foreign education and settlement country, that is, the general effect of being a highly-qualified immigrant in a settlement country is already controlled for.



### **Box 1.1. Analysing labour market outcomes of highly-qualified immigrants with the International Adult Literacy Survey (IALS)**

Foreign degrees are frequently discounted in the labour market, both in terms of access to employment and wages. Do the observed lower returns to foreign degrees reflect a lower skill level of immigrants relative to natives, or do they reflect uncertainty or discrimination of employers with respect to foreign degrees? Controlling for objective skills measures allows one to shed some further light on this important question. If controlling for objective skills measures reduces observed differences in the return to foreign *vis-à-vis* domestic qualifications, then at least part of the observed discount would seem to be attributable to the fact that immigrants' (foreign) degrees are associated with lower skills.

With the International Adult Literacy Survey (IALS), objective measures of literacy, defined as “the ability to understand and employ printed information in daily activities, at home, at work and in the community, to achieve one’s goals and to develop one’s knowledge and potential”, are available. The IALS considers three categories of literacy: prose literacy, document literacy and quantitative literacy. In each category, tasks are assigned (understanding of prose text, interpreting a document, etc.) and rated according to difficulty on a scale from 0 to 500.

In 1994, the survey was conducted in English- and French-speaking Canada, in France, Germany, Ireland, the Netherlands, Poland, Sweden, French- and German-speaking Switzerland and the United States. In 1996, Australia, Belgium, Great Britain, New Zealand and Northern Ireland were added, followed in 1998 by Chile, the Czech Republic, Denmark, Finland, Hungary, Italy, Norway, Slovenia and Italian-speaking Switzerland, bringing the number of countries participating in the survey in 1998 to a total of 21.

For the analysis of the impact of having foreign qualifications on employment (Table 1.2) and wages (Table 1.3), IALS samples of highly-educated (ISCED 5 or above) native- and foreign-born persons of age 15-64 are used. The sample for the earnings analysis contains only employed individuals. Data on earnings are not available for all countries. Included are Belgium, Canada, Switzerland, Denmark, Finland, Great Britain, Germany, Ireland, Italy, Netherlands, Norway, New Zealand, Sweden and the United States. For each country the sample weights were normalised. This ensures that each country is represented in proportion to its sample size. Across all countries, the sample contains an average of about 9% foreign-born. The average score over all three literacy categories – prose, document and quantitative – was used as the skill measure.

Three different models are included in the analysis, separately by gender, and both with and without controlling for country-specific effects. Model 1 examines whether there is a significant employment or earnings gap between immigrants and natives. Model 2 tests whether the observed gap is related to the fact that immigrants may have foreign degrees. In Model 3, controls for settlement countries are included to investigate whether foreign qualifications are valued higher in these countries. The settlement countries included are Canada, the United States and New Zealand. Model 4 in Table 1.2 further distinguishes between foreign degrees obtained in OECD countries and in non-OECD countries.<sup>11</sup> All regressions are first conducted without controls for the IALS score, and subsequently with controls.

Results are reported as percentage point differences in the probability to be employed compared to being not in employment (Table 1.2); and to be in the highest income quintile compared to the (combined) probability of being in other income quintiles than the fifth (Table 1.3). These figures correspond to marginal effects in a logistic regression (Table 1.2) and an ordered probit regression (Table 1.3), calculated at the sample means of the respective variables.

11. It was assumed that immigrants educated abroad obtained their education in the country of birth.

**Table 1.2. Percentage points differences in the probability of employment for persons with tertiary education, foreign-born compared to native-born, by origin of the diploma, persons aged 15-64**

		Men							
		Without controls for individual countries				With country dummies			
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Without IALS score	<i>Control variables</i>								
	Foreign-born	-6***	-	-	-	-6***	-	-	-
	-highest education in host country	-	-5	-5	-5	-	-4	-4	-4
	-highest education abroad	-	-7***	-10***	-	-	-7***	-11***	-
	-highest education in OECD country	-	-	-	-9	-	-	-	-9
	-highest education in non-OECD country	-	-	-	-14***	-	-	-	-13***
	-residing in settlement country	-	-	3*	-	-	-	3**	-
<i>(reference: native-born)</i>									
With IALS score	Foreign-born	-2	-	-	-	-2	-	-	-
	-highest education in host country	-	-2	-3	-2	-	-2	-2	-2
	-highest education abroad	-	-2	-3	-	-	-2	-4	-
	-highest education in OECD country	-	-	-	-4	-	-	-	-5
	-highest education in non-OECD country	-	-	-	-3	-	-	-	-3
	-residing in settlement country	-	-	2	-	-	-	2	-
	<i>(reference: native-born)</i>								
		Women							
		Without controls for individual countries				With country dummies			
		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
Without IALS score	<i>Control variables</i>								
	Foreign-born	-15***	-	-	-	-12***	-	-	-
	-highest education in host country	-	-9	-6	-9	-	-4	-4	-4
	-highest education abroad	-	-20***	-23***	-	-	-17***	-23***	-
	-highest education in OECD country	-	-	-	-17	-	-	-	-17**
	-highest education in non-OECD country	-	-	-	-31***	-	-	-	-32***
	-residing in settlement country	-	-	5	-	-	-	6	-
<i>(reference: native-born)</i>									
With IALS score	Foreign-born	-9***	-	-	-	-6**	-	-	-
	-highest education in host country	-	-9	-6	-9	-	-4	-4	-4
	-highest education abroad	-	-9***	-13***	-	-	-8**	-13***	-
	-highest education in OECD country	-	-	-	-11*	-	-	-	-13**
	-highest education in non-OECD country	-	-	-	-14***	-	-	-	-17***
	-residing in settlement country	-	-	6	-	-	-	7*	-
	<i>(reference: native-born)</i>								

\*\*\*/\*\*/\* significance 1%/5%/10% level, respectively. Shaded estimates are not significant at the 10% level.

1. Countries include Belgium, Canada, Denmark, Finland, Germany, Ireland, Italy, Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States.

2. Total sample size is 10 783.

3. The native-born are the reference group. All regressions include controls for age (ten-year age groups). Models 3 and 4 also include controls for settlement countries.

4. Model 4 includes a category “missing” for countries where detailed information on the country of birth was not available. This is the case for Canada, Denmark, New Zealand, Norway and the United States.

Source and Note: See Box 1.1.

Table 1.3 shows that there is also some wage discount for foreign degrees,<sup>12</sup> as measured by the probability of being in the highest income quintile. Again, this effect disappears once differences in literacy are taken into account. For men, there is even some indication of a slight wage premium for immigrants with domestic qualifications after including the IALS score in the regression.<sup>13</sup>

12. Because of sample size problems, no distinction has been made between OECD and non-OECD origin of the diploma for those with education abroad.
13. Note that this may partly reflect stronger positive selectivity for immigrants who are in employment.

**Table 1.3. Percentage points differences in the probability of being in the highest income quintile for persons with tertiary education, foreign-born compared to native-born, by origin of the diploma**

		Men					
		Without controls for individual countries			With country dummies		
		(1)	(2)	(3)	(1)	(2)	(3)
Without IALS score	<i>Control variables</i>						
	Foreign-born	-4	-	-	-5	-	-
	-highest education in host country	-	3	7	-	4	5
	-highest education abroad	-	-9**	-14***	-	-11***	-16***
	-residing in settlement country (reference: native-born)	-	-	15**	-	-	10
With IALS score	Foreign-born	1	-	-	1	-	-
	-highest education in host country	-	7	12*	-	9	10
	-highest education abroad	-	-2	-4	-	-4	-6
	-residing in settlement country (reference: native-born)	-	-	10	-	-	5
			Women				
		Without controls for individual countries			With country dummies		
		(1)	(2)	(3)	(1)	(2)	(3)
Without IALS score	<i>Control Variables</i>						
	Foreign-born	-3	-	-	-1	-	-
	-highest education in host country	-	4	6	-	3	3
	-highest education abroad	-	-4	-4	-	-5*	-4
	-residing in settlement country (reference: native-born)	-	-	1	-	-	-1
With IALS score	Foreign-born	0	-	-	0	-	-
	-highest education in host country	-	2	5	-	1	1
	-highest education abroad	-	-2	-3	-	-1	-3
	-residing in settlement country (reference: native-born)	-	-	6	-	-	4

\*\*\*/\*\*/\* significance 1%/5%/10% level, respectively. Shaded estimates are not significant at the 10% level.

1. Countries include Belgium, Canada, Denmark, Finland, Ireland, Italy, Germany, New Zealand, Norway, Sweden, Netherlands, Switzerland, the United Kingdom and the United States.

2. The total sample size is 8 227.

3. The native-born are the reference group. All regressions include controls for age (ten-year age groups). Model 3 also includes controls for settlement countries.

Source and Note: See Box 1.1.

### ***Accreditation of prior learning would seem disproportionately advantageous to immigrants, but they rarely benefit from it***

Because of information asymmetries<sup>14</sup> regarding immigrants skills and formal qualifications, one would a priori expect that they would benefit disproportionately from measures which certify skills (acquired both formally and informally). Such accreditation of prior learning (APL) exists in many OECD countries, and Portugal, the Netherlands and France have recently introduced measures related to this. Data on the effectiveness of such measures and/or on the participation of immigrants in them are rarely available. Where they exist, they indicate that immigrants tend to be underrepresented in APL-type measures, suggesting that the scale and scope of this tool for the labour market integration of immigrants is not yet fully exploited, and that awareness of this may be lacking on both sides (*i.e.* both the administration providing such measures and the migrants themselves).

14. This is an economic term meaning that employers will generally have less knowledge about immigrants' skills than the immigrants' themselves.

***Naturalisation is often seen as promoting integration, and there is some evidence that this is actually the case***

A common theme in the four reviews is the impact of having the host country's citizenship on the labour market outcomes of immigrants. The Netherlands and France had for many years been among the frontrunners within the European OECD countries regarding ease of access to citizenship. Naturalisation had been seen as a way to foster integration, although in the Netherlands, policy became somewhat more restrictive over the past decade. In Belgium, successive liberalisations in the citizenship law have resulted in what is currently, together with Canada, the most liberal access to citizenship in the OECD. Portugal also used to have a rather restricted access to citizenship – with the exception of immigrants from its former colonies – but this has changed recently, to reflect the new immigration picture in the country.

Naturalised immigrants generally have better labour market outcomes than foreign-born foreigners, even after controlling for other factors such as education, country of origin, and length of stay. While there is some positive selectivity in the decision to apply for citizenship – those who are better integrated tend to be more inclined to naturalise – improvements in labour market outcomes for those who became citizens are also observed in longitudinal studies following the same people over time (*e.g.* Bratsberg *et al.*, 2002). The favourable impact of naturalisation on labour market outcomes for immigrants may be linked with doubts by employers about the permit duration, and more generally about the eventual length of stay, for those who have not naturalised. Likewise, employers may be reluctant to make the effort of verifying foreigners' papers and/or the labour market access related with these. Such doubts may hamper labour market integration. Employers may also take naturalisation as a sign of a positive commitment to integration and/or motivation. Finally, it is also possible that the migrants themselves, once they make the decision to naturalise, invest more in host-country specific human capital. The improved labour market outcomes observed in longitudinal studies may thus not necessarily be linked with citizenship *per se*, but rather reflect a return to this enhanced investment. Which of these explanations is the driving factor behind the improved outcomes is difficult to ascertain from the available data. This is unfortunate since they can have different and potentially important policy implications. It is also not clear whether a more lenient access to citizenship may impact on the strength of these factors. If that were the case, there may be a trade-off regarding more generous access to citizenship – persons who would not have accessed citizenship otherwise could benefit, while the overall labour market premium for having the citizenship of the host country may decline. In any case, for whatever reason, one clear result is that naturalisation has a favourable impact, and this needs to be made more widely known to immigrants and the general public.

***The public sector can be a motor for integration through its hiring choices***

One sector where access to citizenship promotes integration is the public sector, which accounts for an important part of employment in all four countries under review.<sup>15</sup> Although many non-statutory positions are open to non-citizens, there is often some

15. Due to different definitions, it is difficult to estimate the full size of the public sector in OECD countries. Data from the 2007 European Union Labour Force Survey show that in Belgium and France, about 10% of total employment is in the public administration – which nevertheless only accounts for part of the public sector. In the Netherlands and Portugal, this figure is 7%, which is around the average for European OECD countries.

uncertainty regarding this.<sup>16</sup> The more limited career perspectives for non-citizens may also prevent them from entering the public sector. As a result, in virtually all OECD countries immigrants are underrepresented in the public sector.

This is unfortunate, since the public sector can be a motor for integration. Firstly, employment in the public sector provides the government with a lever to aid immigrants' labour market integration, as it has a more direct influence on its own employment decisions than on those in the private sector. Secondly, by employing immigrants, the public administration acts as a role model for the private sector. In addition, if in fact immigrants find employment in the public administration, this can also increase the visibility of immigrants in daily life. Finally, employment of immigrants in the public sector can contribute to enhancing the understanding of immigrants' needs by public institutions. When immigrants are employed in certain key occupations such as teaching, they can also serve as a role model for others, notably immigrant youngsters.

Because of this, OECD countries have introduced policies aimed at enhancing the share of immigrants and their children in public sector employment, both overall and with respect to higher-level functions. Belgium and the Netherlands in particular have longstanding comprehensive policies in this respect, and these seem to have met with some success.<sup>17</sup> The policies in place tackle the different points in the recruitment process where immigrants are at a structural disadvantage. This has included the broad-based introduction of anonymous CVs, special apprenticeship places for young people with a migration background to give them a first step into the labour market, and special training to help them pass the recruitment tests.<sup>18</sup>

More controversial have been specific target quotas for the employment of immigrants and their children in the public sector. These require the registration of persons with a migration background, which is a contentious issue in many countries. They have also met with skepticism since quotas, where stringently applied, may raise questions concerning the quality of the chosen candidates.

***Discrimination is a problem in all countries, and new testing methods for discrimination shed more light on the driving factors behind it***

Part of the less favourable labour market outcomes of immigrants is undoubtedly due to discrimination. However, its presence and therefore the extent to which it presents an obstacle to employment (and subsequent career advancement) is difficult to quantify. Even after controlling for observable differences in socio-economic characteristics, remaining gaps in employment or earnings may be due to other factors that affect productivity or access to employment. One way of overcoming this problem is to conduct testing studies on the basis of random applications to job offers by natives and immigrants (or their native-born children) with similar characteristics. Such studies have demonstrated the prevalence of significant discrimination in hiring in three of the four countries under review (Belgium, France and the Netherlands).<sup>19</sup>

- 
16. EU legislation also obliges EU member countries to give EU nationals access to most jobs in the public sector.
17. By contrast, in France, the low employment of immigrants and their children in the public sector accounts for all of the difference in employment rates between these two groups.
18. Note that these policies can, in principle, apply to the private sector as well as to the public sector.
19. Portugal has not been the object of such testing thus far.

In recent years, a number of new and often elaborate methods have emerged that allow for alternative ways of testing for discrimination. For example, in the Dutch testing study by De Graaf-Zijl *et al.* (2006), candidates differed with respect to ethnic background, but also regarding other randomised characteristics such as job-search channel, language mastery, and appearance. Speaking with an accent lowered the chances of being offered a job only somewhat, but for severe language difficulties there was a large penalty. Using data from a vacancy database in the Netherlands in the context of low unemployment, Altinas *et al.* (2007) found that the CVs of persons with a non-Dutch sounding name were downloaded as often as those of persons with a Dutch-sounding name. Earlier studies that were conducted under less favourable labour market conditions did, however, provide rather strong evidence for discrimination (Bovenkerk *et al.*, 1995). This seems to suggest that under tight labour market conditions, employers may no longer be able to afford the costs of strongly discriminating in hiring.

Recent studies also seem to indicate that employers are looking for signs of integration, such as taking up the host country's nationality or changing one's name to acquire a "domestic" name. In France, having French nationality significantly reduced the number of applications necessary to obtain a job interview (Cediey and Foroni, 2007). However, the magnitude of the effect differed strongly by occupation – it reduced the number by a factor of about five for an accounting position, but only by about a quarter for a job as a waiter. In general, discrimination was stronger in services, and in high-skilled occupations. The study also indicated that having a French-sounding name seems to have a stronger impact on improving candidates' chances of being called for an interview than having French nationality, although this also has a significant and positive impact.

Similarly, Arai and Skogman Thoursie (2006), using longitudinal data on name changes for Sweden, demonstrate that immigrants experience greater earnings growth once they have changed their name to a Swedish one.

### ***To combat persisting disadvantages in access to employment, affirmative action and diversity measures have been introduced***

In light of the prevalence of discrimination, many OECD countries have developed comprehensive antidiscrimination legislation in recent years. It is difficult, if not impossible, to isolate the effect of such anti-discrimination legislation on immigrants' labour market outcomes from other factors. It is often argued that anti-discrimination legislation has raised awareness of the issue and led to a decline in overt discrimination, but that *de facto* discrimination has not declined. In other words, discrimination now may be more "hidden". One example is high language proficiency requirements for jobs where such proficiency is not actually necessary.

The perceived lack of effectiveness of anti-discrimination legislation and the persistence of other structural obstacles to immigrants' employment have prompted governments to take more pro-active measures to combat discrimination, particularly of the implicit kind. A new policy line emerging in OECD countries in this context is known as *diversity policy*. Belgium in particular has recently become a frontrunner in this, inspired by earlier Dutch policies of the 1990s. Diversity policies aim at achieving equal opportunities for disadvantaged groups in the labour market (including immigrants and their children) by incentives and measures with strong indirect targeting. Practices in Belgium (notably in Flanders) included, for example, the exclusive opening of certain job vacancies to disadvantaged groups in the labour market for a limited period, and financial

and administrative support for companies who try to diversify their staff both in the hiring and promotion process. It is often difficult to distinguish such measures from affirmative action, notably when financial incentives are in place that intend specifically to favour disadvantaged groups such as immigrants in the hiring process. In Belgium, for example, there are higher refunds on social security contributions for employers when hiring the children of immigrants. Whereas diversity policies are generally based at the level of the individual enterprise, affirmative action tends to have a broader scope and/or focuses on other areas, notably the schooling system. Elements of affirmative action in education also exist in all four countries with the exception of Portugal, and in the Netherlands and France they are longstanding.

Diversity measures have almost never been subject to in-depth evaluation, making it difficult to judge their effectiveness. This is an area where it would be useful to invest in evaluation in order to determine whether such measures are effective or not.

### ***OECD countries benefit from enhanced sharing of experience***

One might expect that countries with a more recent immigration experience such as Portugal would lag behind with respect to integration policy and infrastructure when compared with longstanding countries of immigration such as France. However, it is also true that they can benefit from the past experiences of other countries regarding effective practices, and have the opportunity to take a fresh new look at integration. Because of inertia in the political process, it may also be easier to create new structures than to transform long-established ones.

Portugal's system of immigrant support centres at the local and national level provides an example of new and innovative practices that have not only benefited from the experiences in other OECD countries, but also from the experiences that Portugal's large expatriate community has had abroad.

### ***“Civic integration” policies are becoming widespread, although it is not clear whether they have a beneficial impact on labour market integration***

To facilitate the integration of immigrants, a number of OECD countries have introduced special introduction programmes. In France, the Netherlands and Belgium (Flanders), these have taken the form of “civic integration” policy. “Civic integration” is generally not primarily targeted at labour market integration, but rather at integration in the society, measured by language mastery and knowledge of the host country's institutions and history. Participation in civic integration courses tends to be obligatory for most new arrivals, and basic language knowledge is sometimes even required prior to entry for family reunification migrants.

Mastery of the host country's language and some basic knowledge of its institutions are prerequisites for integration, not only in the labour market but also in the society as a whole. However, there is a balance to be achieved between the duration of such programmes or the linguistic mastery required of participants, on the one hand, and the objective of early labour market entry. There is evidence that such measures can retard labour market entry, which is a critical element for labour market integration - not only in the short run, but also in the longer term. As a result, the scarce evidence on their effectiveness shows a rather mixed picture.

### ***Monitoring of outcomes and evaluation of policies is still too often neglected***

One common theme in the reviews has been the lack of evaluation of policy measures. This is particularly important when they have ambiguous effects, or when the effects differ from those on the native-born. Language training, for example, can enhance immigrants' labour market prospects, but may also prevent them from entering the labour market quickly since it may postpone job search. In addition, the effect may differ by migrant group. For highly-skilled immigrants, for example, the nature of the employment sought may require better language mastery. Regarding active labour market policy instruments, the scarce available evidence suggests that they can have different impacts on immigrants than on the native-born. Since such instruments can be costly, proper evaluation is a prerequisite to better targeting and, thereby, enhanced effectiveness. Thorough monitoring and evaluation generally have to be planned upfront, and can be costly, in particular when the necessary data infrastructure is lacking.

Whatever the reasons for this lack of evaluation, the unfavourable labour market outcomes of immigrants in countries such as Belgium, France and the Netherlands, all of which have for many years invested significant amounts in integration, raises the issue of programme effectiveness. Either the programmes are not effective, or they are too small, or the situation would be even worse in their absence. In spite of the clear merits of monitoring and evaluations, their absence leaves the important question of effectiveness largely unanswered.

### ***There is a trend towards putting responsibilities for integration in specialised ministries or agencies***

The integration of immigrants and their children is a challenge that affects many different public services and policies at all government levels. In all four countries under review, new specialised entities in charge of immigration and/or integration policy have emerged in recent years, reflecting the growing importance of the topic. In France and the Netherlands, separate ministries with responsibility for immigration and/or integration policy have been created, following the longstanding example of the settlement countries. While such ministries do not have formal power over all policy fields related to integration, they typically co-ordinate the activities of the other ministries that are involved in the integration process. This type of "policy concertation" is also apparent in Portugal, through the High Commission for Immigration and Intercultural Dialogue.



## *References*

- Acemoglu, D. (2002), “Technical Change, Inequality and the Labour Market”, *Journal of Economic Literature*, Vol. 40, No. 1, pp. 7-72.
- Altintas, N., W. Maniram and J. Veenman (2007), *Discriminatie van hogeropgeleide allochtonen?*, Erasmus University, Rotterdam.
- Arai, M. and P. Skogman Thoursie (2006), “Giving up Foreign Names: An Empirical Examination of Surname Change and Earnings”, Linnaeus Center for Integration Studies, SUCLIS Working Paper No. 2007:1, Stockholm University.
- Bovenkerk, F., M.J.I. Gras and D. Ramsodh (1995), “Discrimination against Migrant Workers and Ethnic Minorities in Access to Employment in the Netherlands”, *International Migration Papers*, No. 4, International Labour Office, Geneva.
- Bratsberg, B., J.F. Jr Ragan and Z.M. Nasir (2002), “The Effect of Naturalization on Wage Growth: A Panel Study of Young Male Immigrants”, *Journal of Labor Economics*, Vol. 20, No. 3, pp. 568-597.
- Cediey, E. and F. Foroni (2007), “Les discriminations à raison de l’origine dans les embauches en France”, International Labour Office, Geneva.
- De Graaf-Zijl, M. *et al.* (2006), “De onderkant van de arbeidsmarkt vanuit werkgeversperspectief”, SEO, Universiteit van Amsterdam, Amsterdam.
- Ferrer, A., D.A. Green and C.W. Riddell (2006), “The Effect of Literacy on Immigrant Earnings”, *Journal of Human Resources*, Vol. 41, No. 2, pp. 380-410.
- OECD (2007a), *Jobs for Immigrants (Vol. 1): Labour Market Integration in Australia, Denmark, Germany and Sweden*, OECD, Paris.
- OECD (2007b), *International Migration Outlook*, OECD, Paris.
- OECD (2008), *International Migration Outlook*, OECD, Paris.

## *Table of Contents*

Summaries of country chapters .....	15
-------------------------------------	----

### **CHAPTER 1. SUMMARY OF THE MAIN FINDINGS ON THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN**

1. Overview of the four countries covered .....	25
2. Key issues and findings .....	29
References .....	41

### **CHAPTER 2. THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN IN BELGIUM**

Introduction .....	43
1. The framework for integration.....	44
1.1. Overview of employment outcomes.....	44
1.2. The history of immigration to Belgium.....	47
1.3. Evolution of integration policy.....	51
1.4. Labour market access of immigrants.....	54
1.5. Distribution of responsibilities among the key actors .....	56
1.6. Main programmes and policies in place .....	59
2. Key issues .....	65
2.1. Integration of immigrants .....	65
2.2. Integration of the offspring of immigrants .....	77
Summary and Recommendations .....	91
References .....	99
<i>Annex 2.1.</i> Supplementary tables.....	102
Glossary .....	107

### **CHAPTER 3. THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN IN FRANCE**

Introduction .....	109
1. A preliminary diagnosis.....	110
2. A historical overview of immigration to France since 1945.....	115
2.1. Migration movements.....	115
2.2. The crisis of the 1970s and its repercussions: an immigration that was more regulated and oriented towards family reunification .....	116
3. Migration and integration policy .....	117
3.1. The access to nationality: integration by citizenship.....	117
3.2. The opening up to immigration and the organisation of reception policy after World War II.....	118

3.3. Since the 1970s: the economic crisis, the slowdown in immigration, and the reinforcement of the objective of integration.....	118
4. Recent French integration policy.....	119
4.1. Government and institutional actors with respect to integration policy .....	119
4.2. Reception policy .....	121
4.3. The Reception and Integration Contract (CAI) .....	123
4.4. Integration measures following the post-arrival period.....	126
4.5. Naturalisation policy .....	127
5. A closer look at labour market outcomes of immigrants.....	128
6. The offspring of immigrants.....	139
6.1. Educational policies for immigrant children .....	143
6.2. Policies to address unfavourable educational outcomes.....	145
6.3. Labour market outcomes of the children of immigrants.....	148
7. The policy response to the inadequate labour market outcomes of the offspring of immigrants.....	152
7.1. City Policy ( <i>Politique de la ville</i> ).....	152
7.2. ZUS-targeted programmes .....	154
7.3. The city contracts ( <i>Contrats de ville</i> ) .....	155
8. Labour market agents and programmes and the children of immigrants.....	156
8.1. The “ <i>Missions Locales</i> ” and PAIO.....	156
8.2. Employment programmes for youth.....	158
8.3. Youth access to mainstream labour market programmes in ZUS areas .....	164
9. Discrimination and selective hiring practices.....	167
Summary and Recommendations .....	171
References .....	181
Glossary .....	185

#### **CHAPTER 4. THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN IN THE NETHERLANDS**

Introduction .....	189
1. Overview of the labour market outcomes of immigrants in the Netherlands .....	190
2. The background for integration .....	194
2.1. The evolution of immigration to the Netherlands and the main origin groups.....	194
2.2. The evolution of integration policy .....	200
2.3. Key actors.....	206
3. Key issues in immigrants’ integration .....	208
3.1. Immigrants’ characteristics and their impact on labour market outcomes .....	208
3.2. Specific aspects of the Dutch labour market and economy and their links with immigrants’ integration .....	217
3.3. The impact of integration policy on labour market outcomes of immigrants .....	232
3.4. The integration of the children of immigrants and the issue of education .....	236
3.5. Discrimination .....	247
Summary and Recommendations .....	250
References .....	259
<i>Annex 4.1.</i> Supplementary figures and tables.....	265
Glossary .....	267

## CHAPTER 5. THE LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN IN PORTUGAL

Introduction .....	269
1. A first glance at the labour outcomes .....	270
2. The framework for integration.....	274
2.1. Portugal’s evolution as a country of immigration .....	274
2.2. Key actors and the services provided to migrants .....	283
3. Key issues related to the labour market integration of immigrants and their children .....	288
3.1. Labour market indicators of the principal migrant groups.....	288
3.2. Outcomes of recent arrivals.....	289
3.3. The qualifications of migrants.....	292
3.4. The issue of “overqualification” .....	294
3.5. The sectors and occupations in which immigrants work.....	297
3.6. The wages of migrants .....	299
3.7. The working conditions of migrants .....	300
3.8. Immigrants and the informal economy .....	302
3.9. Immigrants and the Portuguese language.....	304
3.10. The role of the public employment service .....	305
3.11. Immigrants’ self-employment .....	306
3.12. The housing of immigrants .....	307
3.13. The integration of the children of immigrants.....	310
3.14. Discrimination.....	313
3.15. New developments .....	314
Summary and Recommendations .....	316
References .....	323
<i>Annex 5.1.</i> The ten main origin countries of foreigners with legal presence in Portugal, 1986, 1996 and 2006 .....	328
<i>Annex 5.2.</i> Regression results for the employment of immigrants .....	329
<i>Annex 5.3.</i> Regression results for the unemployment of immigrants .....	329
<i>Annex 5.4.</i> Analysis of the overqualification of foreigners. ....	330
<i>Annex 5.5.</i> Analysis of the wages of foreigners.....	330
Glossary .....	331

### List of Boxes

Box 1.1. Analysing labour market outcomes of highly-qualified immigrants with the International Adult Literacy Survey (IALS) .....	33
Box 2.1. Immigrants from Morocco and Turkey and their labour market integration .....	49
Box 2.2. Statistics on ethnic background and the definition of “migrants” .....	55
Box 2.3. Data on immigrants’ integration in Belgium .....	56
Box 2.4. Activities of the social partners in Flanders.....	58
Box 2.5. Diversity plans .....	61
Box 2.6. Adaptation classes.....	83
Box 2.7. Activation for persons beyond the reach of employment services: the Work-Up project .....	87
Box 3.1. New data on the children of immigrants and those of persons born abroad as French nationals .....	141

Box 3.2. NS-EJ (New services – youth jobs/ <i>Nouveaux Services – Emplois Jeunes</i> ) .....	159
Box 3.3. Evaluation of Labour Market Programmes.....	160
Box 3.4. Vocational platforms ( <i>Plates-formes de Vocation</i> ).....	162
Box 3.5. Recent policies towards youth from ZUS areas.....	166
Box 4.1. The definition of “migrants” in the Dutch context.....	192
Box 4.2. Immigrants from Morocco and Turkey and their labour market integration .....	196
Box 4.3. The <i>Wet Samen</i> .....	205
Box 4.4. Data and research on the labour market integration of immigrants and their children in the Netherlands .....	208
Box 4.5. The diversity concept of the Dutch police .....	228
Box 4.6. Non-governmental initiatives to help disadvantaged children: the Weekend School project.....	242
Box 5.1. Data on immigrants’ labour market integration in Portugal .....	272
Box 5.2. Integration services under a single roof: the National Immigrant Support Centres (CNAI).....	285
Box 5.3. Overcoming barriers: the role of intercultural mediators in the SEF .....	286
Box 5.4. From construction workers to medical doctors: recognition and bridging courses ....	297
Box 5.5. The <i>Escolhas</i> programme.....	312
Box 5.6. Recent policy developments related to immigrants’ labour market integration .....	315

## List of Figures

Figure 1.1. Composition of the foreign-born population in the four countries reviewed, 2006 ..	26
Figure 1.2. Median wage levels of immigrants, employed persons aged 15-64, 2005/2006 ....	28
Figure 1.3. Educational attainment of the native- and foreign-born populations in OECD countries under review, persons aged 25-54, 2006/2007 average .....	30
Figure 1.4. Children of native-born vs. children of foreign-born, percentage without upper secondary degree and not in employment, persons aged 20-29 and not in education .....	31
Figure 2.1. Evolution of the employment/population ratios of nationals, foreigners and foreign-born, by origin, in Belgium since 1983, 15-64 years old .....	47
Figure 2.2. Evolution of foreign (F) and foreign-born population (FB) in Belgium by main origin groups, 1970-2005 .....	51
Figure 2.3. Evolution of the five main foreign-born populations in Belgium compared to the corresponding nationalities .....	54
Figure 2.4. Overrepresentation of the foreign-born among the low-qualified, 25-64 years old, 2004/2005 average .....	65
Figure 2.5. Differences in employment rates between foreign- and native-born and the impact of the qualification structure, 2003-2004, 15-64 years old.....	66
Figure 2.6. Gaps in the employment rates of immigrants compared to the native-born ( <i>i.e.</i> rates of native-born <i>minus</i> rates of foreign-born) by duration of residence, 15-64 years old .....	70
Figure 2.7. Employment in the public administration in OECD countries, 2004/2005 .....	75
Figure 2.8. Distribution of pupils by sex, nationality and stream, students in 12 <sup>th</sup> grade .....	79
Figure 2.9. Success rate at the end of the secondary education by linguistic community, sex, nationality and stream, around 2005.....	79
Figure 2.10. Gaps in employment rates between the native-born children of immigrants and the children of natives, 20-29 and not in education, latest available year .....	86

Figure 3.1.	Employment-population ratios and unemployment rates of native- and foreign-born men and women aged 15-64, 2005 .....	111
Figure 3.2.	Employment-population ratios and unemployment rates of recent arrivals, all foreign-born persons and native-born persons, 1994-2004, three-year averages, France .....	113
Figure 3.3.	The foreign-born population as a percentage of the total population, by age group, selected OECD countries, 2005.....	129
Figure 3.4.	Educational attainment of the native- and foreign-born populations aged 25-64, annual average, 2001-2005 .....	130
Figure 3.5.	Employment-population ratios and unemployment rates, native-born persons and foreign-born persons by duration of residence, 2003-2005 average, selected OECD countries .....	132
Figure 3.6.	Difference between the employment-population ratios and the unemployment rates of native-born and foreign-born persons, by sex, educational attainment and duration of residence in France, 2003-2005 averages .....	138
Figure 4.1a.	Evolution of the employment/population ratios of native- and foreign-born populations since 1992 (two-year moving averages), by origin country, 15-64 years old.....	193
Figure 4.1b.	Evolution of the unemployment rate (national definition) of native Dutch and “non-western ethnic origin”, 15-65 years old.....	194
Figure 4.2.	Evolution of the immigrant population since 1972.....	195
Figure 4.3.	Composition of permanent-type migration to OECD countries, 2006.....	199
Figure 4.4.	Inflows of foreign nationals and unemployment rate in the Netherlands .....	200
Figure 4.5.	Percentage points differences in employment rates between foreign- and native-born and the impact of the qualification structure, 15-64 years old, 2005/2006.....	210
Figure 4.6.	Percentage-point gaps in the employment rates of immigrants compared to the native-born ( <i>i.e.</i> rates of native-born <i>minus</i> rates of foreign-born) by duration of residence, 15-64 years old, 2005/2006.....	215
Figure 4.7.	Employment rates of the 1997 immigrant cohort in the years after arrival, by migration category .....	216
Figure 4.8.	Incidence of part-time and full-time employment for native- and foreign-born women 15-64 years old, 2006 .....	217
Figure 4.9.	Wage and employment of immigrants relative to the native-born, 15-64 years old, 2005/2006.....	220
Figure 4.10.	Distribution of wage classes for the native- and foreign-born in the Netherlands, 15-64 years old and not in education .....	221
Figure 4.11.	Percentage of employed earning no more than the minimum wage per hour, different groups of native- and foreign-born aged 15-64, by gender and not in education .....	221
Figure 4.12.	Sources of income for native Dutch and selected foreign-born groups, men and women aged 15-65, 2004 .....	223
Figure 4.13.	Employment of foreign-born in the public administration in selected OECD countries, 15-64 years old, 2005/2006 .....	228
Figure 4.14.	Main sectors of activities of foreign- and native-born self-employed, 15-64 years old, 2005/2006.....	230
Figure 4.15.	Annual naturalisations as a percentage of the foreign population, selected European OECD countries, 1992-2006.....	232

Figure 4.16. Gaps in employment-population ratios <i>vis-à-vis</i> native-born, for naturalised and non-naturalised immigrants aged 15-64 from non-OECD countries with ten years or more residence, 2005/2006.....	233
Figure 4.17. Employment of the second generation and the impact of educational attainment, by gender, selected OECD countries, latest available year.....	244
Figure 4.18. Employment rate of native Dutch, immigrants and the second generation one year and a half after leaving school, 2001-2006 average.....	246
Figure 5.1. Evolution of the employment rate of the native-born and of foreign-born foreigners in Portugal since 1992.....	272
Figure 5.2. Evolution of the unemployment rate of Portuguese and foreign nationals since 2001.....	274
Figure 5.3. Evolution of the foreign population with valid residence papers in Portugal, by main nationality groups since 1980.....	279
Figure 5.4. Composition of the (legal) permanent-type migration inflow into OECD countries by category of entry, standardised definition, 2004/2005 average.....	290
Figure 5.5. Index of sectoral disparity between native- and foreign-born employment for various OECD countries, 2005/2006 average.....	298
Figure 5.6. Percentage of employed women and men working in elementary occupations or as service workers in Portugal, by origin, 2005.....	299

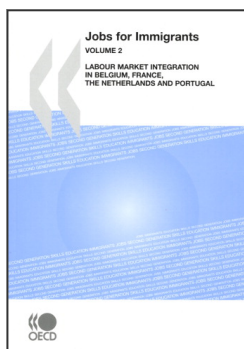
## List of Tables

Table 1.1. Main labour market indicators of the native and foreign-born populations in the countries surveyed, 15-64 years old, 2007.....	28
Table 1.2. Percentage points differences in the probability of employment for persons with tertiary education, foreign-born compared to native-born, by origin of the diploma, persons aged 15-64.....	34
Table 1.3. Percentage points differences in the probability of being in the highest income quintile for persons with tertiary education, foreign-born compared to native-born, by origin of the diploma.....	35
Table 2.1. Labour force characteristics of the native- and foreign-born populations, 15-64 years old, selected OECD countries, 2004/2005 average.....	46
Table 2.2. Distribution (in %) of the population by place of birth and nationality, 1995 and 2005.....	53
Table 2.3. Employment-population ratios for native-born and immigrants by sex, educational attainment and origin of degree, 2001.....	66
Table 2.4. Employment rates of women by qualification level and origin of the highest qualification, 15-64 years old.....	68
Table 2.5. Share of employment in the public sector among total employment in Belgium, by nationality, country-of-birth and job type, 2001.....	75
Table 2.6. Self-employment of immigrants and native-born in various European OECD countries, 1995 and 2005.....	76
Table 2.7. Educational attainment of children of natives and the second generation, 20-29 years old and not in education, 2003-2005 average.....	80
Table 2.8. PISA 2003 results for the children of immigrants.....	81
Table 2.9. Employment rates for children of natives and the second generation, by origin countries, region, gender and qualification level, 20-29 years old and not in education, 2003-2005 average.....	85
Table 2.10. Estimated average duration of unemployment (in months) of young persons after school-leaving in Flanders.....	86

Table 3.1.	Employment and unemployment rates of immigrants, second generation, native-born aged 20-29 and not in education, by gender and educational level ...	114
Table 3.2.	The immigrant population by country of origin, 1975-2005 .....	117
Table 3.3.	Employment and unemployment outcomes for the native- and foreign-born population by country/region of origin, 2001-2005 pooled data .....	131
Table 3.4.	Labour force indicators, foreign-born by duration of residence, differences relative to the native-born, 2003-2005 averages, France .....	133
Table 3.5.	Odds of employment and of unemployment of the foreign-born relative to the native-born, by nationality status, educational attainment, duration of residence and origin, men and women, France, 2005 .....	135
Table 3.6.	Odds of employment of foreign-born relative to native-born persons aged 15-64, selected OECD countries, 2004 and 2005.....	139
Table 3.7.	Distribution of the population aged 15+ and of the population of working-age by origin, France, 2005 .....	140
Table 3.8.	Labour market outcomes of immigrants and their children according to the parents' place of birth and the nationality at birth, 2005.....	142
Table 3.9.	Student performance in reading at age 15 of foreign- and native-born children of immigrants, 2003 .....	143
Table 3.10.	Labour force outcomes for children of immigrants and of the native-born, France, 2005.....	149
Table 3.11.	Odds of being employed and unemployed for native-born children of immigrants relative to children of the native-born, France, 2005.....	151
Table 3.12.	Employment situation of native-born children of immigrants and of the native-born, France, 2005.....	151
Table 3.13.	Rate of access to subsidised jobs and traineeships of non-employed youth under 25.....	165
Table 4.1.	Labour force characteristics of the native- and foreign-born populations, 15-64 years old, selected OECD countries, 2005/2006 average .....	191
Table 4.2.	Employment rates by migration category in the Netherlands and Australia, one year and three years after arrival, 15-64 years old .....	199
Table 4.3.	Population by education level, 25-54 years old, 2005/2006 .....	209
Table 4.4.	Gap in the employment rates between native and foreign-born, by gender and educational attainment, 15-64 years old, 2005/2006.....	210
Table 4.5.	The labour market outcomes of highly-educated migrants in selected OECD countries, 15-64 years old, 2005/2006 .....	212
Table 4.6.	Overqualification among the foreign-born and its determinants (odds ratios) .....	213
Table 4.7.	Determinants of women's employment (odds ratios) .....	218
Table 4.8.	Determinants of log hourly wages for native and foreign-born in the Netherlands, 15-64 years old employed and not in education.....	222
Table 4.9.	Share of self-employment among the employed immigrants and native-born aged 15-64, various European OECD countries, 1995 and 2005/2006.....	229
Table 4.10.	PISA 2006 results for the children of immigrants and education of their parents .....	236
Table 4.11.	Evolution and composition of employment native Dutch and the second generation, aged 15-39 and not in education.....	246
Table 5.1.	Labour force characteristics of the native- and foreign-born populations, 15-64 years old, selected OECD countries, 2005/2006 average .....	271
Table 5.2.	Labour market indicators of natives and foreign-born foreigners in Portugal, by origin group and gender, 15-64 years old, 2001 .....	289



Table 5.3.	Employment rates of recent arrivals and longer-term immigrants in Portugal, by nationality group, 15-64 years old, by gender, 2001.....	291
Table 5.4.	Unemployment rates of recent arrivals and longer-term immigrants in Portugal, by nationality group, 15-64 years old, by gender, 2001 census.....	291
Table 5.5.	Distribution of qualification levels of immigrants and native-born in various OECD countries, 25-54 years old, 2005/2006.....	292
Table 5.6.	Distribution of qualification levels of foreign-born foreigners, by origin group, 25-54 years old, 2001.....	293
Table 5.7.	Percentage of highly-qualified working in low- and medium-skilled jobs in private enterprises in Portugal, 15-64 years old, 2005.....	294
Table 5.8.	Percentage of highly-qualified employed who are working in low-and medium-skilled jobs, 15-64 years old, 2005/2006 average.....	294
Table 5.9.	Key indicators of working conditions, 15-64 years old, 2005/2006.....	301
Table 5.10.	Key channels for employment search (% of channels used to obtain current employment), all employed persons (excluding self-employed) aged 15-64 years, 2005-2006.....	305
Table 5.11.	Self-employment rates of foreign- and native-born populations aged 15-64 years in selected OECD countries, 2005/2006.....	306



**From:**

## **Jobs for Immigrants (Vol. 2)**

Labour Market Integration in Belgium, France, the Netherlands and Portugal

**Access the complete publication at:**

<https://doi.org/10.1787/9789264055605-en>

### **Please cite this chapter as:**

OECD (2008), "Summary of the main findings on the labour market integration of immigrants and their children", in *Jobs for Immigrants (Vol. 2): Labour Market Integration in Belgium, France, the Netherlands and Portugal*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264055605-2-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).