

Main findings of the joint EC/OECD seminar on Naturalisation and the Socio-economic Integration of Immigrants and their Children

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Introduction

Access to the host-country nationality is an important instrument of integration policy. The conditions under which this is granted vary widely across EU and OECD countries, and many countries have recently enhanced the role of naturalisation in the integration process through the development and extension of tools such as naturalisation tests and citizenship ceremonies.

In spite of the growing importance of naturalisation, there is still a lack of research on its implications for the socio-economic integration of immigrants and their families. With the availability of longitudinal data, this research gap is being filled gradually. Naturalisation has potentially important consequences for immigrants' integration in many domains such as the labour market, housing, language, civic participation in elections, etc.

The joint one-and-a-half day seminar of the European Commission and the OECD, held on 14 and 15 October 2010 in Brussels under the Belgian Presidency of the European Union, shed some new light on these issues, by contrasting the breadth of different experiences and policy approaches in EU and OECD countries.

Trends in migrants' access to citizenship

In 2008, the most recent year for which data are available, citizenship take-up in the OECD area exceeded 2 million for the first time. With the large inflows of immigrants prior to the recent economic recession in 2008-2009 and the expected ageing-related labour shortages which are likely to enhance the demand for labour migrants, naturalisation requests are likely to increase in the future. The question of the links between the acquisition of the host-country nationality and immigrants' integration into the economy and society is thus of key importance for EU and OECD countries.

The criteria for access to citizenship vary considerably across OECD countries. For example, minimum residence requirements for ordinary naturalisation range from three years in Australia, Belgium and Canada to ten years in Austria, Italy, Slovenia and Spain and twelve years in Switzerland. There are some indications of a convergence of policies, with many countries moving to a range of between five and eight years of residence. In European OECD countries with large and longstanding immigrant populations, there has recently been a trend towards more restrictive policies, which is partly attributable to the

perception that the integration outcomes of immigrants who had obtained the host-country nationality have not always been satisfactory. The countries of Southern Europe, for whom immigration is a more recent phenomenon and where access to naturalisation has been rather restrictive in the past, have tended to move towards liberalisation. In Central and Eastern European countries, policy concerns which are not directly linked with the integration of immigrants – such as the status of nationals living abroad and as well as that of long-standing ethnic minorities in the country – have been among the driving factors of naturalisation policies.

In most OECD countries, in addition to duration-of-residence requirements, a minimum level of proficiency in the host-country language is required. Citizenship tests, which assess immigrants' knowledge about the history and institutions of their country of residence, now exist in many countries, including Australia, Denmark, France, Germany, the Netherlands, the United Kingdom, and the United States. The introduction of these tests has generally been associated with lower numbers of applicants for citizenship. The impact of these tests on immigrants' integration remains unclear – that is, whether they help to improve outcomes or not, and even if they do improve outcomes, whether this is due to the fact that they simply introduce more selectivity or whether they incite immigrants to invest more into acquiring host-country-specific human capital. The impact which they may have on the self-identification of immigrants with the host country is also uncertain.

As obtaining citizenship is a significant event, there is a view that this should be celebrated in a meaningful way, namely through so-called “citizenship ceremonies” which stress the symbolic and emotional importance of the act of obtaining citizenship. These have been implemented in a growing number of countries in recent years, namely in Germany, France, Sweden, and the Netherlands. In other countries such as Australia they are longstanding.

An important consideration for many immigrants is whether or not they can maintain their original citizenship when they naturalise. Recently, there has been a tendency to accept *dual nationality*, especially when giving up the origin-country nationality has negative consequences for immigrants, in particular those who have maintained links (including physical investment) with their countries of origin. Indeed, legislation in origin countries concerning dual nationality seems to be often just as important a determinant of migrants' take-up of host-country nationality as the conditions for access to citizenship in the destination countries.

Naturalisation trends tend to follow migration flows with a time-lag. Meaningful comparisons of immigrants' citizenship take-up across countries thus have to account for such lags, and thus should focus on immigrants who are eligible for naturalisation – that is, long-term residents. The percentage of immigrants with long-term residence who take up the nationality of the host country varies widely across OECD countries: Canada, Sweden, the Netherlands, and Norway have relatively high rates, whereas in Luxembourg, Switzerland, and Germany few immigrants naturalise. On average across the OECD, about half of immigrants with more than ten years of residence have acquired the nationality of the host-country. Immigrants from low-income countries, in particular refugees, as well as women and immigrants with high educational attainment are more likely to be naturalised. Immigrants within free-movement zones, such as foreign-born from one EU country who live in another EU country, have the lowest propensity to naturalise. This is hardly surprising since the advantages which host-country citizenship conveys for this latter group tend to be limited.

The impact of naturalisation on the labour market outcomes of immigrants

In any analysis, it is important to keep in mind that naturalised and non-naturalised immigrants differ in many ways, because naturalisation is a selective process. Immigrants have to apply for naturalisation, and they have to meet a number of criteria before they become naturalised. Therefore, naturalised immigrants tend to have better outcomes than immigrants who have remained foreigners. To study the *impact* of naturalisation, one can thus not merely compare immigrants who have naturalised with those who have not. Instead, longitudinal data are needed which compare the outcomes of immigrants over time. The longitudinal research presented at the seminar suggests that naturalisation tends to improve labour market outcomes, in particular for the most disadvantaged immigrants, although the extent to which this is actually the case varies a lot across countries and migrant groups. One common observation is that generally the immigrants who tend to gain most from naturalisation in terms of better outcomes are also those most likely to naturalise.

The improvements in outcomes mainly relate to a higher probability to be employed in highly-skilled occupations and in the public sector. Among the five countries for which longitudinal data on the impact of naturalisation on immigrants' labour market outcomes were presented at the seminar (France, Germany, Norway, Sweden and the United States), positive effects could be discerned for a main immigrant group in all countries except Norway. Likewise, although the longitudinal studies for Sweden show a positive impact of naturalisation on immigrants from low-income countries, no impact was observed for immigrants from other EU countries. Thus, the positive impact of naturalisation on immigrants' outcomes is somewhat selective in that not all migrants who opt to naturalise gain from it.

The positive effect of naturalisation on the labour market outcomes of some migrants seems to be due to a mix of factors. First, employers face lower administrative costs if they wish to employ a naturalised person rather than a foreigner, for example, because there is no need to verify work rights.

Second, naturalisation seems to function as a signalling device for the employer for better “integration”, which in turn may be associated with higher productivity (for example, because of better language mastery or higher motivation). For example, testing studies have shown that immigrants who have naturalised get more frequently invited to a job interview than otherwise equivalent immigrant candidates who have not. The degree to which naturalisation can exert a signalling function depends in part on whether or not it is common to mention one's nationality in the application process (if it is not required for the job itself, which is rarely the case). Practices seem to differ across countries – it is common to state nationality in applications in, for example, Germany and Austria, whereas this is rarely done in Norway or Sweden. This could be the reason for the apparent lack of a “naturalisation premium” in Norway.

The degree to which signalling can take place will influence immigrants' bargaining power – both *vis-à-vis* the current employer and potential future, alternative employers. One option that becomes available with naturalisation involves jobs that require citizenship status, notably in the public sector, although the number of jobs that formally require citizenship seems to be limited in many countries.

In addition, immigrants tend to increase their investment in host-country human capital (notably language) when they decide to naturalise or thereafter, for example because they feel more strongly attached to the host country or because they expect

higher returns to this investment after naturalisation. Employers may also be more willing to invest in employees who have the host-country nationality, since the latter reduces uncertainty about the migrants' intention to stay in the country for good. Having the host-country nationality can also facilitate access to higher educational institutions and to scholarships.

Finally, there are also indirect effects of naturalisation, such as better access to housing and to credit. These can enhance immigrant mobility and hence expand the range of opportunities on the labour market (especially regarding higher-skilled and better-paid jobs).

In summary, there are different mechanisms at play regarding the impact of naturalisation on the labour market outcomes of immigrants: naturalisation removes institutional barriers, it fosters changes in employer behaviour with regard to immigrants, and naturalisation tends to be associated with a higher investment in host-country human capital.

The links between naturalisation and social integration

One needs to look at the issue of naturalisation from a broad perspective, taking into account not only immigrants' access to the labour market, but also the implications for health, housing, and social integration. In all of these areas, knowledge is limited, in part because of the lack of longitudinal data. To date, only the impact of naturalisation on immigrants' voting behaviour has been the object of in-depth empirical analysis, with data from Sweden showing that naturalisation has a direct and generally strong impact on the latter.

Naturalisation provides immigrants with more rights in the host country. By enabling full (formal) participation in political and civic life, it may contribute to strengthening identification with the host society. To which degree this is actually the case is admittedly not known.

In the domain of social cohesion, the exchanges at the seminar between the OECD countries that have been settled by immigration (Australia, Canada, New Zealand and the United States) and the European OECD countries were particularly fruitful. In the former, immigration and integration policy tends to reflect the perception of newly arrived immigrants as future citizens. Immigrants obtain permanent residence upon entry and are both expected and encouraged to naturalise after their initial settlement period. This expectation differs from the perspective of most European OECD countries where some proof of "integration" tends to be a precondition, not only for naturalisation but increasingly also for obtaining permanent residence. Naturalisation may then be perceived as the last of a series of exams or evaluations of immigrants' "integration", starting at times with pre-admission selection, and including acquisition and possibly also renewals of permanent residence. The increasing obligation for immigrants to prove their integration prior to obtaining permanent residence implies that the line between permanent residence and naturalisation becomes blurred, with immigrants who are eligible for the former also automatically fulfilling the requirements for the latter.

Policy implications

Naturalisation policy reflects the host-country's perceptions about the nature of immigration and of the integration process. As such, the role that naturalisation is seen to play in integrating immigrants varies widely – not only between countries, but also over

time. For example, the recent liberalisation of access to citizenship in Portugal and Greece mirrors the self-perception of these countries as (new) countries of immigration, where more liberal access to citizenship is seen as an element in the overall welcoming of immigrants. Likewise, until recently, successive liberalisations of access to citizenship in Belgium were introduced with a view to promoting better economic and social integration of immigrants. They have resulted in one of the most liberal naturalisation policies in the OECD area.

More generally, however, restrictions in access to citizenship tend to be on the rise, in parallel with a trend towards making immigrants' participation in integration activities compulsory. Both seem to be a response to the feeling that immigrants' integration outcomes have not always been satisfactory. A particularly interesting example is the evolution of Dutch naturalisation policy which in many ways mirrors the changing stance of Dutch integration policy over the past two decades. In the 1990s, access to citizenship was seen as a way to promote integration. Since 2003, a more restrictive stance towards naturalisation, and indeed in integration policy in general, has been taken in the Netherlands. Australia, where naturalisation has historically been seen as a logical step in a permanent migration pathway, has also tightened access to citizenship, although it still remains very liberal relative to other OECD countries. The recently introduced qualifying conditions intend to reflect an evolution in the perception of what it takes for a new immigrant to succeed and fully participate in Australian life.

A particularly challenging issue in this context is to avoid that tightened access criteria for naturalisation become implicitly discriminatory against lesser-skilled migrants. Here, alternative ways of demonstrating knowledge of the host-country language (*e.g.* oral instead of written) and other measures of "integration" are one possible solution that has been discussed in some countries. More promising, however, would be to provide specific literacy and other training to enable otherwise eligible candidates to pass the required exams.

Indeed, in the criteria for granting naturalisation and the efforts which countries make to help immigrants meet these requirements, naturalisation policy overlaps with integration policy. Where the expectation is that immigrants in their own interest will want to obtain host-country human capital (in particular the national language and knowledge of the host-country society and its institutions), support is generally offered, through support or subsidies for language and citizenship courses. Such support is generally not directly aimed at the naturalisation test, but rather at improving integration outcomes more generally. The expectation is that immigrants will want to naturalise once they have acquired a sufficient amount of host-country human capital. In contrast, when policy perceives immigrants as reluctant to invest in host-country human capital, immigrants will be required to provide proof of this investment prior to naturalisation. The prospect of the latter will then aim at encouraging acquisition of these skills and competences. In this case, preparatory courses are not necessarily subsidised, and in some cases access to permanent residence status or certain welfare payments may even be contingent on participation in such courses.

One group of migrants for whom host countries are increasingly competing are the highly-skilled, and facilitated access to nationality could help in attracting and retaining these. Nevertheless, this should be seen more as a side-effect of a liberal access to citizenship rather than an active policy to be pursued, for a number of reasons. First, many other issues play a role both for the formulation of naturalisation policy and for the attractiveness of the host country. Second, few immigrants are selected on the basis of

their skills, and seminar participants agreed that naturalisation requirements should be the same for all migrants, and not discriminate along skills levels.

One particularly important question is whether naturalisation should be seen as a boost to integration or rather a certification of the successful completion of immigrants' integration process. On the one hand, in all countries immigrants have to fulfil a number of criteria linked with integration before they can naturalise. On the other hand, it is evident that the integration process does not end with the naturalisation act. Although naturalisation practices in all countries reflect elements of both perspectives, OECD countries which have been settled by immigration tend to see naturalisation rather as a boost to integration, whereas many European OECD countries view it essentially as a certification of the successful completion of the integration process.

Conclusion

The findings regarding the positive association between naturalisation and integration outcomes for the most disadvantaged groups in the labour market need to be considered when governments consider whether to facilitate (or restrict) access to citizenship, for the children of immigrants as well as immigrants themselves. These findings have also potentially important implications for integration policy more generally. However, more needs to be known about the exact nature of the channels through which the improvements in labour market outcomes occur.

There is clearly more to the issue of citizenship than immigrants' labour market outcomes. Naturalisation has potentially important implications for immigrants' social integration. It notably provides them with voting rights, and easier access to naturalisation can thus eventually have an important impact on the political landscape. On the other hand, little is known about the impact of naturalisation on immigrants' social integration, in particular via a better access to housing.

While naturalisation can be a useful integration tool in some contexts, it is one that has to be used with caution, not least because host-country citizens may disapprove of what they perceive as a "devaluation" of citizenship.

Given the observed positive impact of citizenship on labour market integration outcomes, one could ask why not all immigrants take up citizenship as soon as they become eligible. One reason may be the lack of information about the benefits which citizenship conveys. The findings summarised here regarding the favourable impact of naturalisation thus need to be made more widely known, both to immigrants themselves and to policy makers. Institutional obstacles, notably those related to origin countries, are another explanation – and here dual citizenship seems to help, although it is not a magical solution.

Finally, the general public discourse on migration also has to be considered in the context of naturalisation, as it can have an impact both on immigrants' citizenship take-up, on employer perceptions and attitudes and on immigrant outcomes. The public discourse around migration and citizenship thus needs to be a balanced one.