

Seminar on Naturalisation and the Socio-Economic Integration of Immigrants and their Children

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Closing remarks

by

John P. Martin

Director, Directorate for Employment, Labour and Social Affairs, OECD



Ladies and gentlemen,

Over the past one and a half days, we have had very fruitful discussions about a rather challenging topic – the links between naturalisation and the socio-economic integration of immigrants and their children.

In my opening remarks yesterday, I highlighted three key questions for which we hoped to find some responses. In my closing remarks today, let's see if we have found some answers to these questions.

Question 1: Do naturalised immigrants and their children fare better in the labour market and society?

For this question, we seem to have arrived at a rather clear answer: naturalised immigrants and their children have better employment prospects and higher wages than immigrants who are not naturalised. But there are significant differences between immigrants, depending on individual characteristics such as educational attainments or countries of origin. For example, there is little difference in the labour market outcomes for immigrants from free-movement zones such as within the European Union.

Question 2: Do these favourable outcomes in the labour market occur because naturalisation boosts integration, or is it rather that immigrants who are better integrated are more likely to take up host-country nationality but citizenship by itself does not have an impact?

Here the answer is less clear-cut. The evidence to date suggests that naturalisation can be an effective tool for promoting labour market integration of immigrants and their children. However, this is not necessarily the case in all countries and for all migrant groups because naturalisation is a selective process, and this selection involves not only host-country societies, but also immigrants themselves and, an often neglected factor, origin countries. All three play a role, both regarding naturalisation and integration.

Question 3. Through which channels could naturalisation have an impact on integration outcomes?

There is rather clear evidence that taking up the host-country citizenship enhances migrants' mobility in the labour market. New jobs become available to them. For example, it appears to enhance employment prospects in the public sector. More generally, having the host-country nationality seems to increase immigrants' bargaining power in the labour market. At the same time, as testing studies suggest, acquisition of host-country nationality may be interpreted by employers as a "signal" of integration – that is, indicating higher future productivity and/or a stronger commitment regarding stay in the country and also making employers more willing to invest in training for the immigrants concerned.

Although our knowledge on this topic has advanced over the past one and a half days, we still need to know a lot more about the driving forces behind the observed positive impact of naturalisation on labour market outcomes for some migrant groups. We need to distinguish between a once-and-for-all *level* effect of naturalisation on employment and/or wages, and a more permanent benefit, e.g. higher earnings growth post-naturalisation. Evidence from the country studies presented at this conference is ambiguous on this question and the factors are not clear. Research needs to address more clearly what the source of the increase in earnings is, whether it is because there are more people working after naturalisation, whether they have shifted from part-time to full-time work, what proportion of those who were working before got wage increases with the same employer after naturalisation or achieved higher wages by changing jobs. This is the sort of information that we need in order to have a better idea of what is driving the apparent naturalisation premium. We also need to know whether the benefits of naturalization are clear to immigrants and, if so, why many more immigrants do not take-up citizenship.

My final comments relate to the policy dimension.

Question 4: What follows from our discussions for the policies in our member countries?

First of all, it has become clear that immigrants with and without citizenship differ quite a lot. Immigrants from lower-income countries are more likely to naturalise, and they are also the ones who gain the most from host-country citizenship. For any given origin group, it is generally those who are better integrated who take-up host country nationality.

Perhaps more importantly, the findings regarding the general positive association between naturalisation and integration outcomes for the most disadvantaged groups in the labour market need to be considered when politicians consider whether to facilitate (or restrict) access to citizenship, for the children of immigrants as well as immigrants themselves.

But, as our discussions have demonstrated, there is 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 large-scale naturalisations can thus have an important impact on the political landscape as well. On the other hand, we heard a lot less about social integration via access to housing -- though the Belgium case study highlighted the interesting example of high home-ownership among the Turkish community.

While naturalisation can be a useful integration tool in some contexts, it is clearly 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.

There also seems to be more to the issue of citizenship for the immigrants *themselves*. After all, we have seen that there seems to be a positive impact of citizenship on labour market integration outcomes. Let me return to the question of why not all immigrants take it up virtually immediately once they become eligible? This may be due to lack of information or institutional obstacles, notably those related to the origin countries – and here dual citizenship seems to help, although it is not a silver bullet. The public discourse also has to be considered in this context, as it can have an impact both on immigrants' citizenship take-up and on the outcomes. Therefore, it is important that the public discourse around citizenship is a balanced one. There also seems to be a case for raising awareness among immigrants who are eligible for citizenship of the potential positive impact of citizenship acquisition on labour market outcomes.

Today, we have discussed the role of naturalisation policy in a broader sense, and we have learned notably that many countries try to foster the links between naturalisation and integration, for example through so-called citizenship or integration tests. We also noted a common trend in some countries to introduce or tighten such tests in recent years. It is still not clear what the impact of these and other measures are – that is, whether they help to improve outcomes and if so, whether 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 unclear. And if knowledge of the host-country language and its history as judged by the citizenship and integration tests are considered essential for integration, should host countries help immigrants to prepare for them? This brings us back to the question whether naturalisation should be seen as a reward for successful integration or an instrument in promoting it. Views on this differ.

[They notably depend a lot on *countries'* self-identification, and here there are important differences between the OECD countries that have been settled by immigration and most European OECD countries. Self-perception may also change over time. The example of Portugal is illuminating, as a country that has moved from being a country of emigration to one that is now (also) a country of immigration, and where a liberalisation of citizenship law passed unanimously in parliament. With more and more European OECD countries using labour migration as a tool – in conjunction with other policies – to help them tackle challenges related to demography, one wonders whether their views on naturalisation will further evolve and ultimately become more like those of the OECD countries that have been settled by migration, such as Australia and Canada. In the latter two countries, immigrants who arrive – both the many who are selected and those who are not, such as refugees – are perceived already as future citizens. But there are still widely diverging views concerning the acquisition of citizenship, as the example of the Netherlands has shown.]

Let me end with a big thank you to our colleagues from the European Commission, in particular the Directorate General for Employment, Social Affairs and Equal Opportunities, for their excellent collaboration. A special thanks to the Belgian authorities, and in particular the Federal Public Service for Employment, Labour and Social Dialogue, for having been such exceptional

hosts yesterday evening and having given many of us a chance to renew our youthful love with Tintin! I would also like to thank the interpreters and Destrée which has been in charge of the practical aspects of the organisation of this seminar.

Finally, my thanks to all of you for the interesting discussions we have had on this key topic.