


Integration of immigrants : Some lessons on economic integration of immigrants from OECD country reviews and other studies

29 May 2006




Georges Lemaitre

Non-member Economies and International Migration

Labour market integration

- Theory (Chiswick) : Entry wages of immigrants are below those of native-born but converge over time with investment in and acquisition of country-specific human capital
- Practice: A mixed picture
 - Does not necessarily apply to recruited workers with jobs upon arrival
 - Extension to employment => Employment rates may be higher than those of natives 
 - Process of structural adjustment can disrupt the process
 - May not be enough investment


Integration - complicating factors

- Composition of migration varies by destination country
 - Origin countries
 - Migration category 
 - Educational attainment
- Outcomes vary according to
 - Country of origin
 - Migration category 
 - Economic cycle 

Integration policies

- Immigrant selection
- Introduction programmes at time of entry and for a few years thereafter
 - Language and citizenship courses
 - Vocational training, work experience
 - Recognition of foreign qualifications
- After this => mainstream labour market programmes
 - Policies targeted at immigrants generally viewed as problematical
 - But indirect targetting
 - More funds for PES offices in high immigrant areas
 - Zones franchises
 - Benefit from other policies and programmes by virtue of being overrepresented in target groups

Results for Sweden

- Story was quite positive in late 80s and early 90s
- Very high influx of asylum seekers in early nineties
- Deep recession of early 90s => immigrants strongly overrepresented among layoffs, even after multiple controls 
- Recovery has been slow
 - Importance of personal networks for job search (60% of jobs), use increases during downturns (Behtoui 2004, unpublished)
 - Temporary agency work as a springboard for more stable employment (Andersson and Wadensjö 2004)



Odds ratios for employment relative to non-employment in 2001 for immigrants to Sweden having arrived in 1997.

Swedish language instruction in 1997-1998	None	reference
	1-300 hours	ns
	300+	~1.5
Compensation during training	None	reference
	1-9999	~2.0
	10000+	~2.3
Early employment status	Employed in 1997	1.463
	Employed in 1998	3.587
Migration category	Humanitarian	reference
	Protection	0.779
	Studies	ns
	Family ties	1.177
	Work	1.776

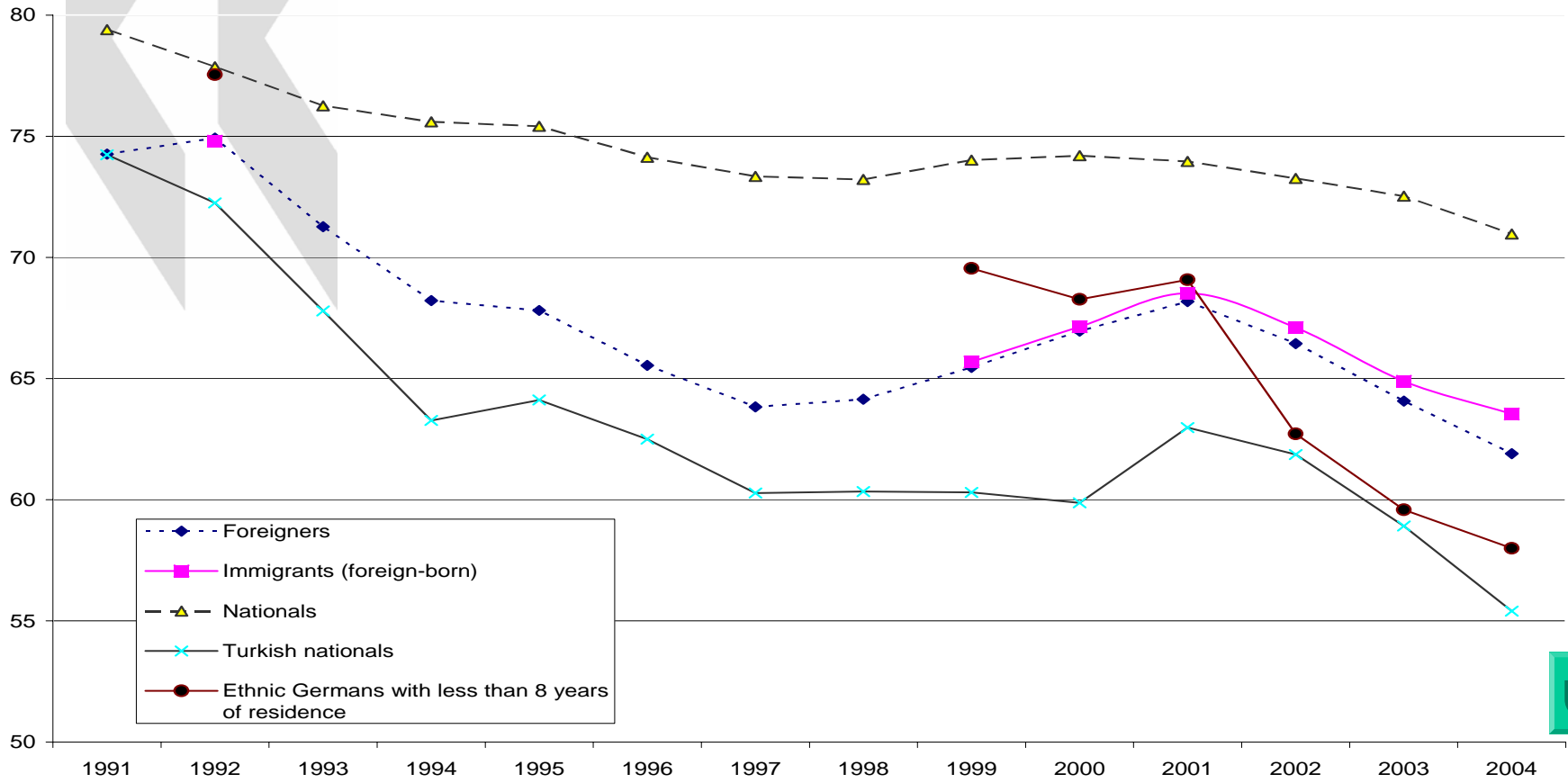
Source: STATIV, Swedish Integration Board.
Quoted odds ratios are significant to $p < .001$.
N=13657.

Controls for age, sex, educational attainment, marital status, region of origin.

Results for Germany

- Story during nineties
 - High influx of asylum seekers
 - 2.5-3 million « ethnic Germans » not easily identifiable in official statistics
 - Deteriorating situation of immigrants relative to German nationals 
- Only recent recognition of status as « country of immigration », with 12.3% foreign-born.
- Situation of second generation poor
 - Unfavourable educational results (PISA study)
 - Inadequate representation in apprenticeship places
 - Poor labour market outcomes 

Employment-population ratios of German nationals and immigration-related groups, men, 1991-2004, ECLFS.



Results for Australia

- High-immigration country (approximately 0.75% of population per year, 23% foreign-born).
- Strong selection policies characterised by requirement for:
 - Good (vocational) English
 - Age < 45
 - Occupation on skilled occupation list
 - Skills assessment (pre-arrival recognition)
 - Recent skilled work (except for finishing students)
- With extra points for
 - Australian qualifications
 - Occupation on shortage occupation list
- Reaction to deteriorating outcomes of recent arrivals (pre-1996)

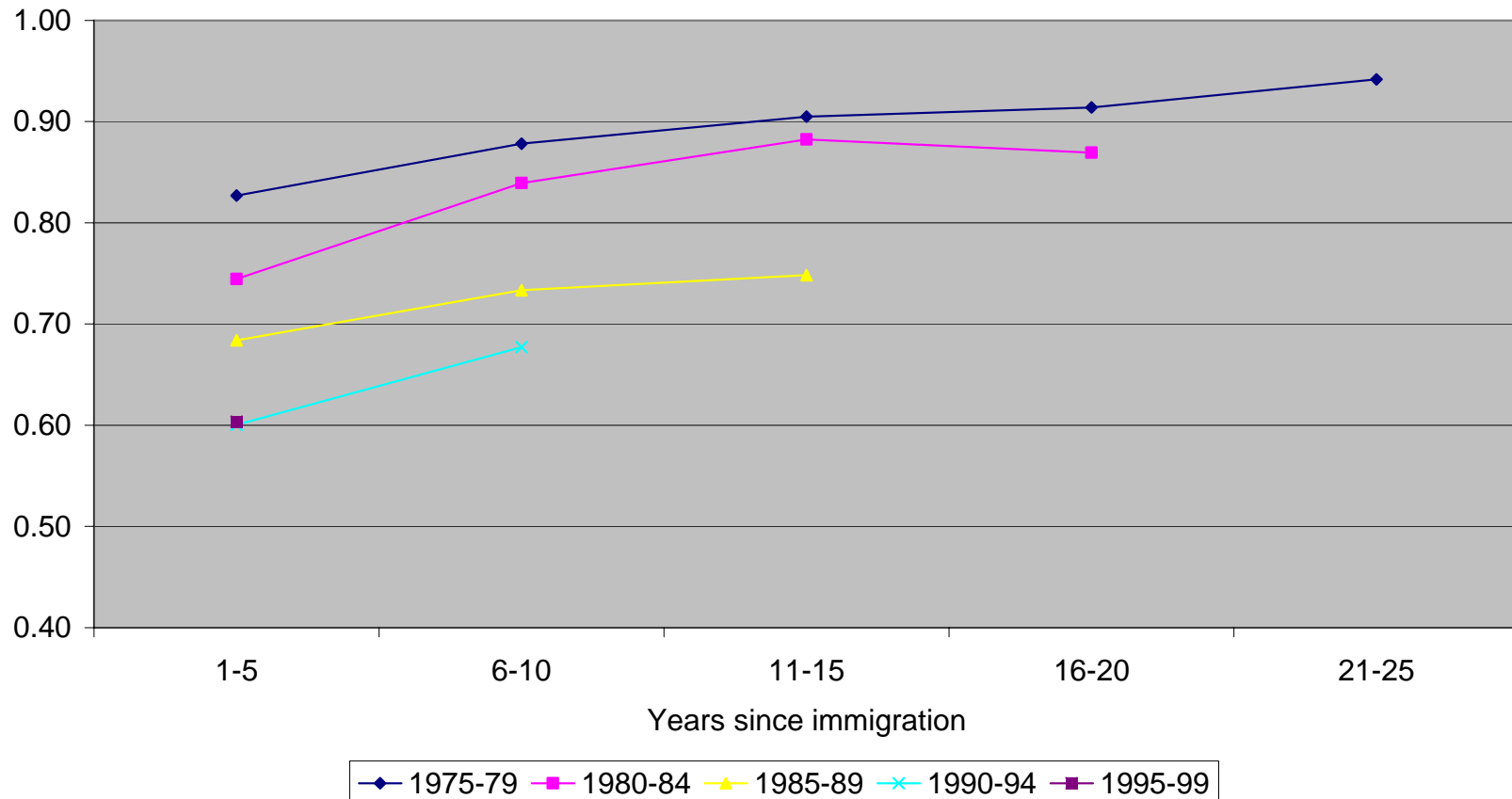
Odds ratios for employment relative to non-employment 18 months after arrival, immigrants having arrived in Australia in 2000,.

Migration category	Family and accompanying family of workers	reference	
	Skilled migrant - principal applicant	2.096	<0.001
	Humanitarian	0.174	<0.001
English spoken at least well at arrival		3.692	<0.001
Post-secondary qualifications			
	From non-English speaking country	reference	
	From Australia	1.241	0.295
	From other English-speaking country	1.700	<0.001

Source: Longitudinal Survey of Immigrants to Australia
 Controls for educational attainment, age, sex, marital status

What has happened to immigrant earnings in Canada?

Earnings of immigrants relative to native-born, Canada, men 16-64, by entry cohort.



Deteriorating earnings decline (Picot and Sweetman 2005)

- Observations:

- Returns to foreign experience have dropped to zero
- Result is concentrated among immigrants from newer source regions
- But no earnings decline among young (25-29) immigrants, only among 30+

- Reasons:

- Literacy => accounts for little
- Technology divide?
- Growing importance of new/soft skills?

- Policy implications

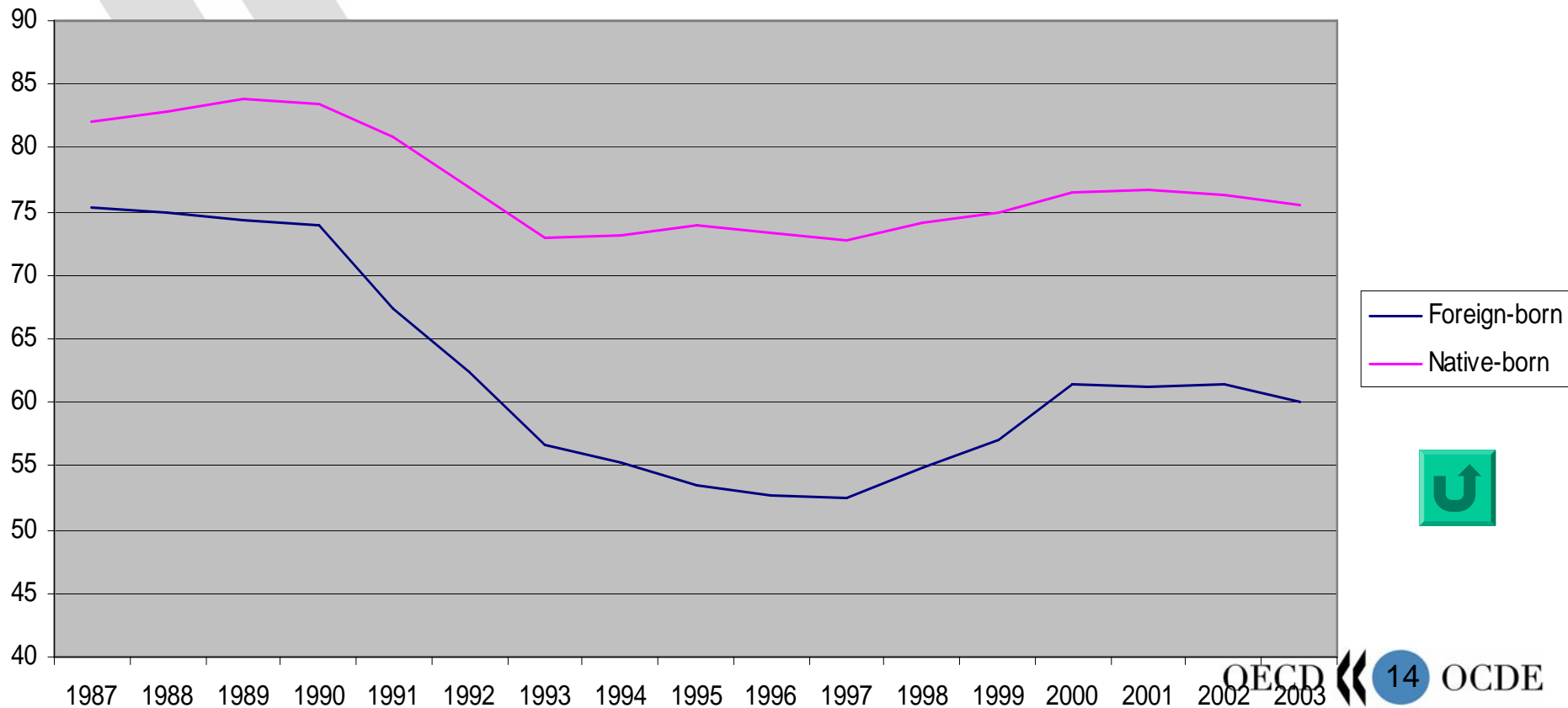
- Move towards in-country selection
 - Of international students
 - Of skilled temporary workers (viz. H1B)
- Heightened emphasis on qualifications/skills assessment

Concluding observations

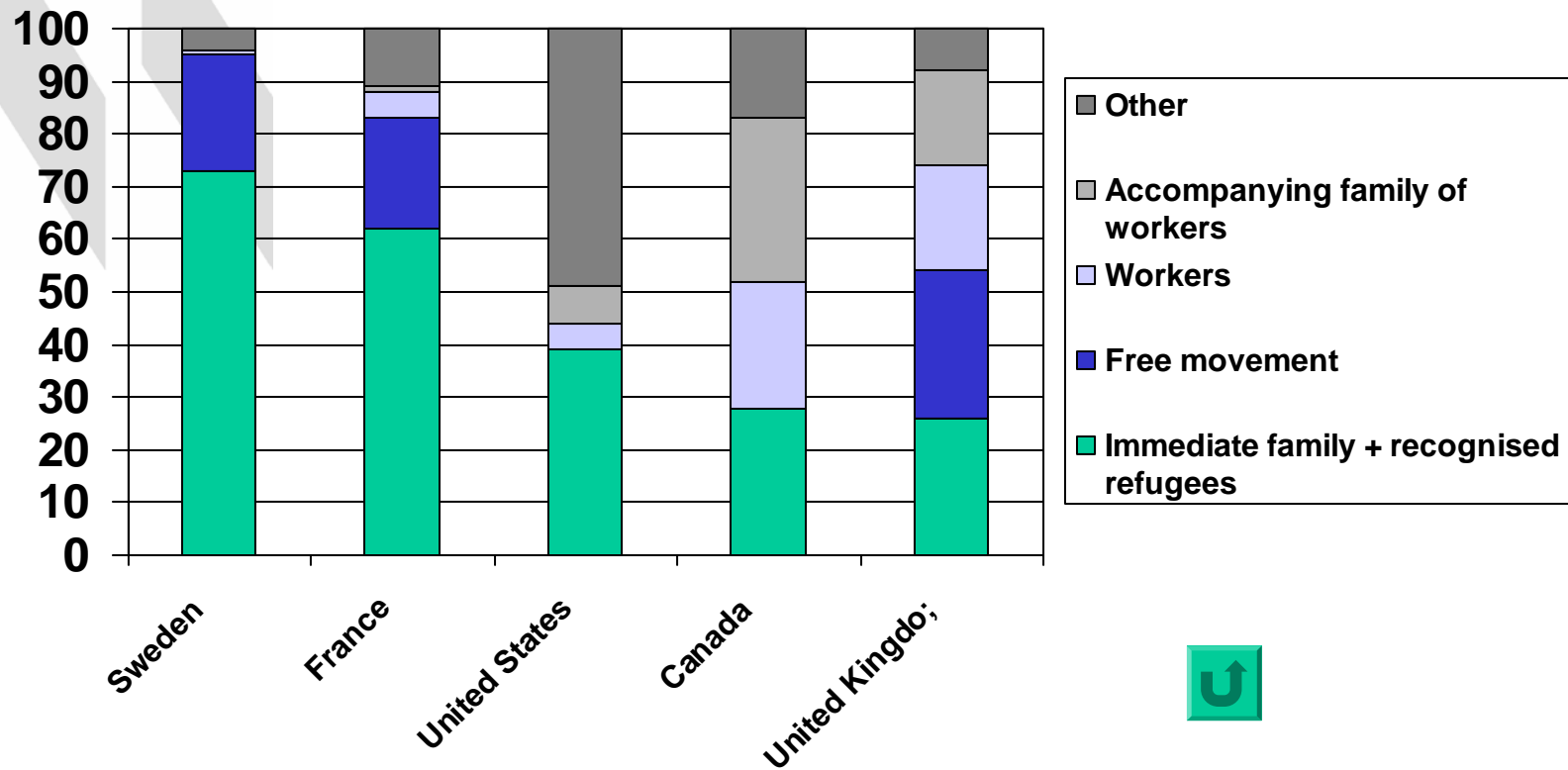
- Situations across countries are very diverse
 - Hard to generalise
- Integration difficulties are appearing even among high-skilled
- Second-generation effects are surprising
 - Most common where immigration was low-educated
- Strong emphasis on integration in all countries

The selective impact of the economic crisis and recovery on immigrants

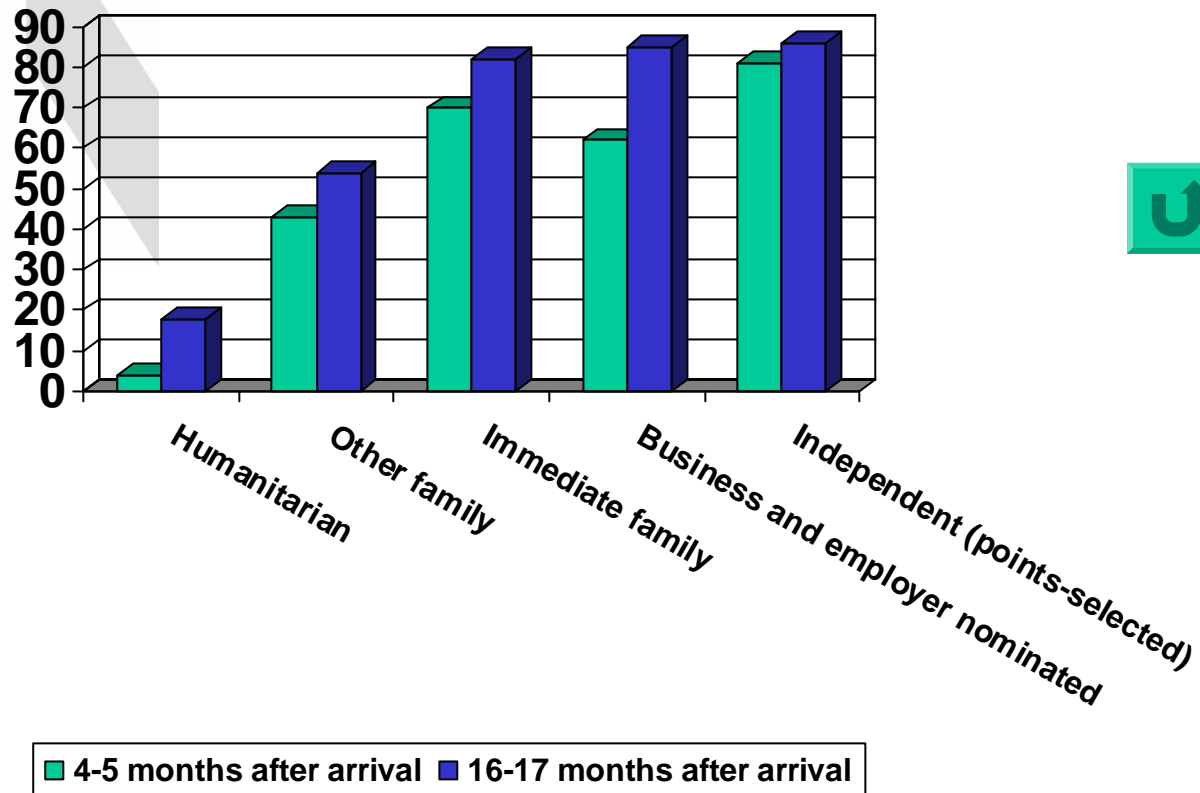
Chart 2. Employment-population ratios, Sweden, foreign- and native-born, 1987-2003.



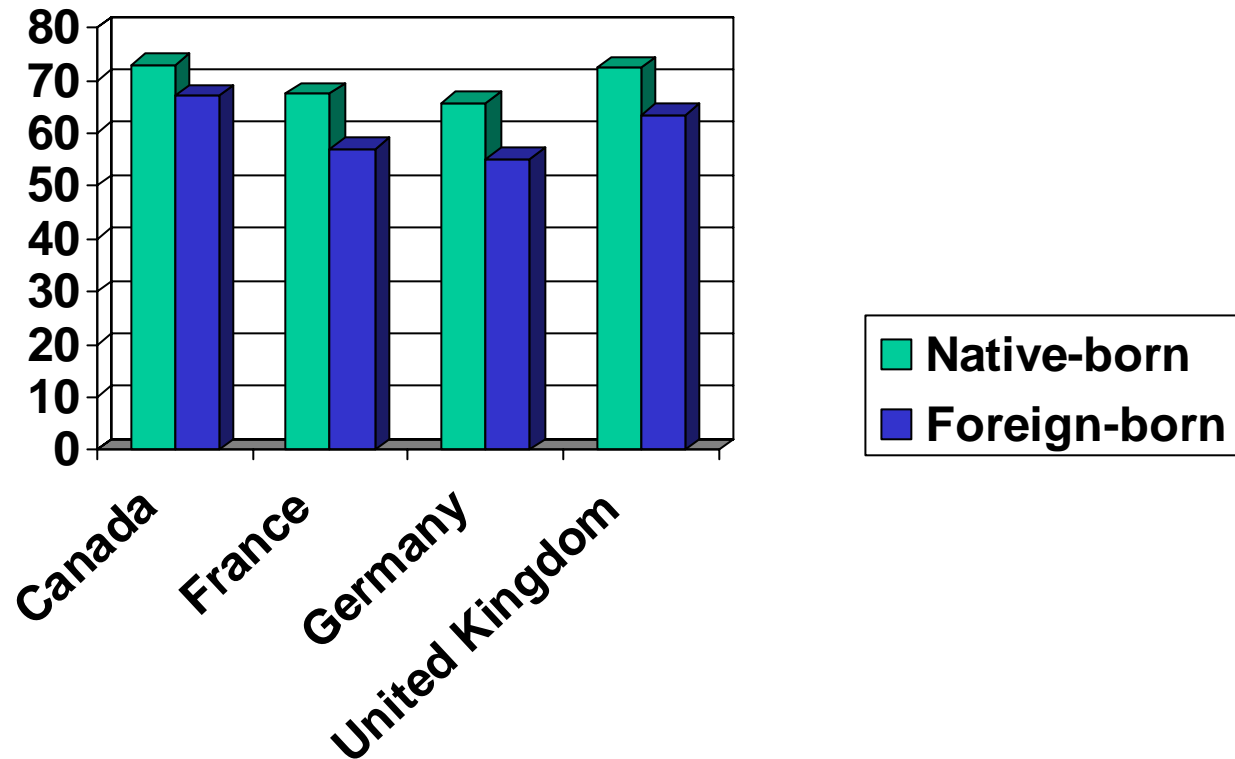
Immigrant categories, long-term-migration, 2003.



Employment/population ratios, 1998 immigrant cohort, Australia.



Employment-population ratios, selected countries, 2004.



Employment-population ratios, selected countries, 2004.

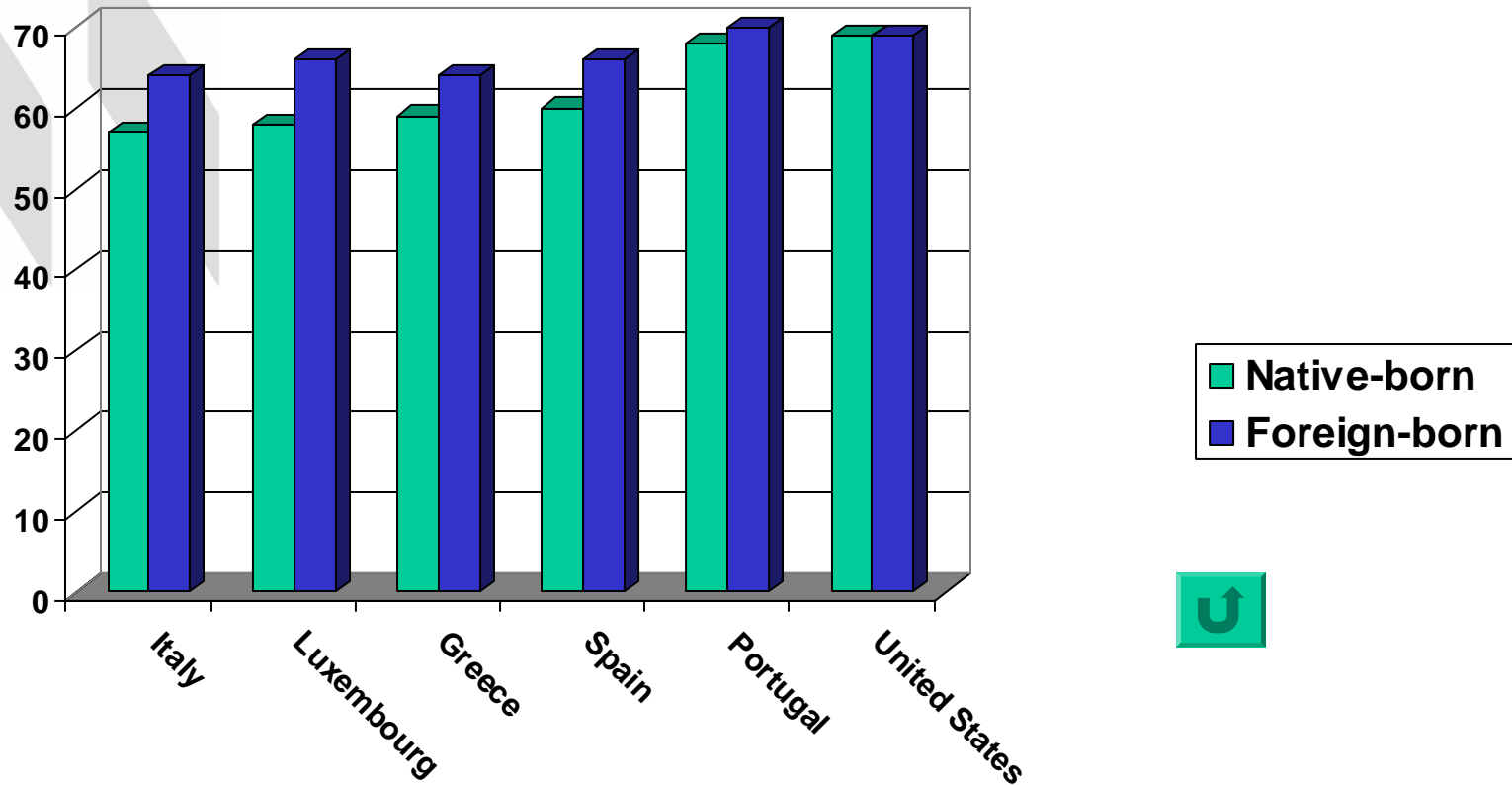


Chart 3a. Employment population ratios of the native-born population and the foreign-born population by duration of residence, women, Sweden 1987-2003.

