



What it means for higher educationⁱ

The Labour Market Integration of Immigrants and their Children – OECD International Migration Outlook 2014¹

What are the qualifications, skills and labour market outcomes of immigrants?

- In 2012, there were 115 million immigrants in OECD countries, about 10% of the total population. Since 2000-01, the share of immigrants has grown in every OECD country except Estonia and Israel, and the highly-educated immigrant population has grown by 70%.
- Most working-age immigrants are in work. Their average employment rates, although slightly lower, are comparable to those of the native-born population. However, highly educated immigrants face lower employment rates than the native-born with a similar educational level.
- On average in OECD countries, foreign-born adults are over-represented among both the low-educated (i.e. lower secondary education or below) and the highly educated (i.e. those with tertiary-level degrees).
- Immigrants have, on average, lower skills than their native counterparts, regardless of formal education levels.
- The native-born children of immigrants, while having higher skills on average than immigrants, still do not perform as well as the children of native-born parents. Also, in some European OECD countries, children of immigrants report feeling more discriminated against in the labour market than immigrants themselves.

What are the factors impacting immigrants' labour market outcomes?

- Insufficient command of the host country language is strongly associated with poor labour market outcomes.
- Employment rates tend to improve with time in the host country, slightly more for women than for men.
- Immigrants are disproportionately affected by economic crises, as they tend to work in cyclical jobs and occupations. During the last economic crisis, immigrants in hard-hit Southern European countries, which typically held lower-skilled jobs, saw a sharp rise in their unemployment rates.
- Employers tend to undervalue foreign qualifications and skills, while immigrants and their children tend to lack key connections to employers and an understanding of the host country's labour market.
- Discrimination, which can be further exacerbated by slack labour markets, is a demonstrated problem that reduces the incentives for immigrants to invest in education and training and harms both the economy and social cohesion.

What it means for higher education

- **Play a stronger role in the assessment and recognition of foreign credentials**, by developing and offering, possibly as a service, expertise in this area, involving employers and other third parties, including professional bodies and public authorities in charge of the recognition of qualifications in regulated professions. Higher Education Institutions (HEIs) could also contribute to enhancing transparency in the process and committing to a fair and efficient treatment of requests that are directed to them.
- **Develop targeted study and training programmes**, such as flexible and condensed bridging programmes, targeting specific skill and knowledge gaps (including work-relevant language training), and including work experience components.
- **Better connect students with an immigrant background to work experience opportunities**, by partnering with employers, through mentoring programmes with alumni with native-born parents and a similar field of study, and by actively encouraging students with an immigrant background to take part in alumni and professional networks.
- **As HEIs are providers of teacher education, consider pedagogy to foster success of immigrant children in schools**, e.g. to address gaps in basic skills, cultural awareness, tackling discrimination.
- **Consider initiatives to promote diversity of higher education institution (HEI) staff** and the proportion of both academic and non-academic staff with an immigrant background.

1. This *Quarterly Brief* provides key highlights from OECD (2014), "Labour market integration of immigrants and their children: Developing, activating and using skills"*, in *International Migration Outlook 2014*, OECD Publishing, Paris, http://dx.doi.org/10.1787/migr_outlook-2014-5-en. *This chapter was prepared by Thomas Liebig (OECD) and Thomas Huddleston (Consultant).



The *International Migration Outlook 2014* is a publication from the OECD Directorate for Employment, Labour and Social Affairs. While it is one of the on-going publications of the OECD's Continuous Reporting System on Migration, this special edition was prepared for the December 2014 High-Level Policy Forum on Migration. The Forum focused on approaches to mobilising immigrants and their skills for economic success. This Brief focuses on findings from Chapter 2 of the Outlook on the labour market integration of immigrants and their children and how to better develop, activate and use their skills.

The characteristics of immigrant populations, their qualifications and skill levels vary across OECD countries

Over the past 15 years, the share of immigrants in the total population has increased in all OECD countries except Estonia and Israel. However, the size of immigrant populations varies widely: from less than 5% in most Central European countries, Chile, Japan, Korea, Mexico and Turkey, to between 20% and 30% in Australia, Canada, New Zealand, and Switzerland, and over 40% in Luxembourg. The composition of immigrant populations also varies, e.g. by reason for migration, by education and skill level, the share of recent arrivals vs. long-standing immigrant population, or by country of origin. The Outlook identifies five groups of destination countries that share similar characteristics.

Table 1. OECD countries grouped by characteristics of immigrant populations

1. Long-standing destination with many recent and high-educated immigrants	Australia, Canada, New Zealand, United States; Luxembourg, Switzerland, the U.K.	Immigr./total pop.: 12 to 28% (43% in Luxembourg) Long tradition, large share of highly educated migrants, substantial employment-driven immigration
2. Other longstanding destinations	Austria, Belgium, France, Germany, the Netherlands; Sweden; Israel and Estonia	Immigr./total pop.: 12 to 16% (24% in Israel) Long-settled foreign-born population, incl. through low skilled "guest worker" migration post WW2, family reunification, humanitarian
3. New destinations with many low-educated labour migrants	Southern European countries	Immigr./total pop.: 7 to 14% Low-educated, recent labour immigrants from non-OECD countries; strongly affected by the crisis
4. Other new destinations	Ireland and Scandinavia (except Sweden)	Immigr./total pop.: 8 to 17% Many recent immigrants, including from EU (free mobility); humanitarian and family-related
5. Emerging destinations with small immigrant pop.	Central Europe, the Americas, East Asia, Turkey	Immigr./total pop.: generally well below 5% Integration policies are recent and focus on specific groups

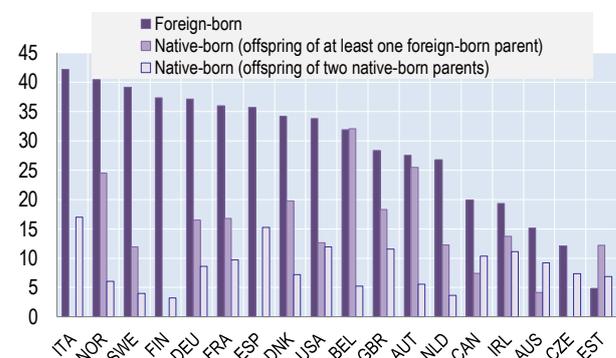
Source: based OECD (2014), "Labour market integration of immigrants and their children: Developing, activating and using skills", in *International Migration Outlook 2014*, OECD Publishing, Paris, Figure 2.4, http://dx.doi.org/10.1787/migr_outlook-2014-5-en.

Based on OECD data, including the [PISA 2012 study](#) and the [OECD Survey of Adult Skills](#), the Outlook reveals a complex picture in terms of immigrants' qualifications and skills.

On average in OECD countries, foreign-born adults are over-represented among both the low-educated (i.e. lower secondary education or below) and the highly educated (i.e. those with tertiary-level degrees). Immigrants also have lower information-processing skills, on average, than their native-born peers – this is true regardless of educational levels. Part of this may result from immigrants' weaker command of the host country language, in which literacy tests are conducted. It may also stem from immigrants' prior education in schools and higher education systems that do not perform as well as those of the host country. This seems supported by the better performance of the children of immigrants (who go through the host country's educational system) compared to their peers (who arrived towards the end of obligatory schooling) in all OECD countries where a significant difference exists except Austria. Yet, there is still a sizeable gap between the children of immigrants and those of the native-born. This may be due in part to an intergenerational transmission of disadvantage, suggested by performance gaps shown in successive rounds of PISA studies among children born of native parents and children of immigrants.

There is a particular concern regarding youth with an immigrant background who are, with the exception of Estonia, largely overrepresented among low achievers in literacy skills, as shown in Figure 1. Given the strong linkage between information processing skills, such as literacy, and employment outcomes, and in particular the risk of being Not in Employment, Education or Training (NEET), youth with an immigrant background form a group warranting specific and intensive policy attention.

Figure 1. Low achievers in literacy among 16- to 34-year-olds by migration status and parental origin



Source: OECD (2014), "Labour market integration of immigrants and their children: Developing, activating and using skills", in *International Migration Outlook 2014*, OECD Publishing, Paris, Figure 2.9, http://dx.doi.org/10.1787/migr_outlook-2014-5-en.

Note: The low achievers in literacy are adults with literacy scores below 226.



Many obstacles hinder immigrants' full labour market integration

A majority of immigrants are in work in OECD countries, except Greece and Turkey. However, employment rates vary significantly among countries, from less than 55% in Belgium, Greece, Turkey and Spain, to over 70% in Australia, Canada, Norway, New Zealand, Luxembourg, Switzerland, and Iceland. Employment patterns also depend on educational level: highly educated immigrants have lower employment rates on average than their native-born peers, in all OECD countries except Chile and the Slovak Republic. By contrast, low-educated immigrant workers are, on average, even slightly more likely to be in work as the native-born, but with significant country differences. This leads to distinct challenges: many highly educated immigrants are struggling to find adequate employment, while many low-educated immigrants are trapped in low-skill jobs and in-work poverty. The discounting of immigrants' qualifications on the labour market concerns in particular those with foreign degrees from lower-income countries.

Another worrying finding based on preliminary analysis of data from the Survey of Adult Skills is the persisting gap in employment rates between children of non-immigrants and native-born children of immigrants, even after controlling for both education and skill levels. This signals an underuse of the skills of young people from immigrant parents, and points to a host of structural issues that limits their labour market integration, beyond education and skills.

A critical obstacle relates to the host country language. While measuring language proficiency is challenging – it is often examined through self-assessment, for lack of better tools – there is a strong negative correlation between language difficulties and labour market outcomes, regardless of immigration entry category and the level and country of qualification.

Specific labour market challenges also impact immigrants. First, they are disproportionately affected by general economic conditions, as they are overrepresented in cyclical occupations and sectors. This has been particularly clear in Southern European countries during the recent crisis. By contrast, in countries like Germany, Austria and the United Kingdom, where labour market conditions have been more favourable, immigrants were able to close part of the gap in employment rates compared with the native-born. Secondly, employers face difficulties in identifying and judging the qualifications and skills of

immigrants; as a result they tend to undervalue foreign qualifications and work experience. Thirdly, immigrants and their children lack professional networks and are often not familiar with the host country's labour market structure and hiring practices.

Finally, discrimination remains an important problem. The Outlook provides results from recent CV testing studies from 17 OECD countries. They show that it is not uncommon that immigrants and immigrants' children have to send out at least twice as many applications as those with native-born parents before they secure a job interview. While one could expect to see lower employment rates as a result of this and factors such as immigrants' lower educational attainment on average, immigrants and children of immigrants seem to make additional efforts to find work or accept lower-skilled jobs. In addition, in European OECD countries, native-born children of immigrants report feeling discriminated against more often than immigrants themselves, while the reverse is true in non-European OECD countries that were settled by migration.

Implications and policy pointers

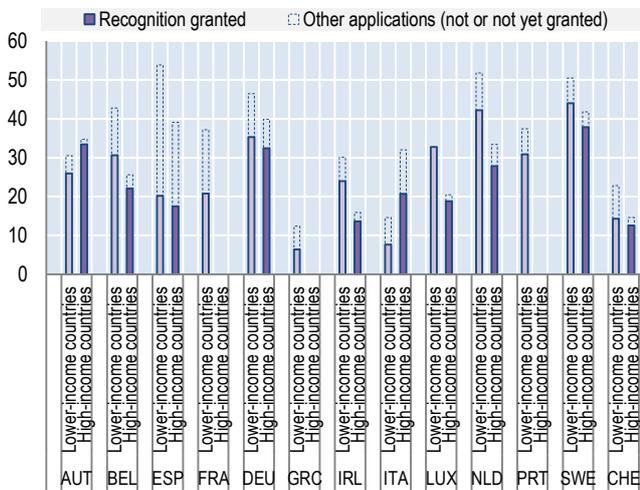
The Migration Outlook uses the framework of the OECD Skills Strategy to identify interventions that can help immigrants and their children develop and activate their skills and put them to use.

Such interventions cover a wide range of policy areas, including not only labour market, education and training measures, but also encouraging take-up of the host-country citizenship; making hiring immigrants more attractive to employers; better connecting immigrant mothers to child care options or strengthening anti-discrimination laws and enforcement mechanisms.

There is also a strong role for education and training policies. With respect to putting immigrant skills to use, the Outlook underscores the importance of encouraging immigrants with foreign qualifications to engage in formal assessment and recognition processes, which are associated with higher employment rates, better jobs and reduced over-qualification. Such processes appear to be underutilised, in part because they remain mostly used by the tertiary-educated – often to continue higher education in the host countries, given the high value placed by employers to host-country degrees. Yet even among this group, take-up is low (see Figure 2).



Figure 2. Percentage of highly educated immigrants, aged 15-24, who apply for accreditation of their foreign qualifications, 2008



Source: OECD (2014), "Labour market integration of immigrants and their children: Developing, activating and using skills", in *International Migration Outlook 2014*, OECD Publishing, Paris, Figure 2.21, http://dx.doi.org/10.1787/migr_outlook-2014-5-en.

HEIs often play a key role in these processes, which should be transparent and efficient, but also developed in co-operation with social partners to ensure employers support the outcomes. Another key set of policy pointers relates to better connecting immigrants to the labour market. In this area, HEIs may help students with an immigrant background to identify work experience opportunities, engage in alumni and professional networks, and take part in entrepreneurship programmes and activities.

Developing the skills of immigrants and especially those of their children is where education stakeholders may have the greatest role to play. The

Outlook provides insights particularly relevant to the design of tertiary-level bridging programmes. Those found most effective are targeted and individualised, thus speeding up rather than delaying labour market entry. They also embed both profession-specific and/or workplace experience and vocation-specific language training in the curriculum. Countries like Australia, Austria, Belgium, Canada, Germany and Sweden provide subsidies to offset some of the cost of these programmes.

More broadly, the Outlook outlines the importance of providing quality, labour market oriented, language training to all immigrants. This issue likely concerns other stakeholders more directly, but HEIs may have a role to play in designing effective language training.

Finally, providing equal opportunities in education, from early childhood to postsecondary education is critical. Vocational education and apprenticeship have both been found to be effective in facilitating school-to-work transitions, particularly in countries with high quality systems such as Austria, Germany, and Switzerland. At the tertiary level, supports for children of immigrants also warrant attention, given the diversity of profiles and performance levels of cohorts that will enter higher education in the next years, as evidenced by the latest PISA survey (2012). HEIs may thus need to consider measures such as diversifying their academic and non-academic staff, enhancing transparency in the process, and providing targeted supports to ease the transition and success of students with an immigrant background in higher education.

To learn more about OECD data and the Higher Education Programme

OECD (2014), *International Migration Outlook 2014*, OECD Publishing, Paris, http://dx.doi.org/10.1787/migr_outlook-2014-en, www.oecd.org/migration/international-migration-outlook-1999124x.htm. For further information on the OECD work on migration and the integration of immigrants and their children, please contact: Thomas.Liebig@oecd.org or migration.contact@oecd.org.

The OECD Higher Education Programme (IMHE) is a permanent forum in which education professionals worldwide can exchange experiences and benefit from shared reflection, thought and analysis in order to address issues that concern them.

The Programme's activities have a global reach and include monitoring and analysing policy making; gathering data; and exchanging new ideas, as well as reflecting on past experience. These activities assist members to contribute to the development of higher education internationally, nationally and locally.

The Programme's strategic position within the OECD provides members with access to the OECD's rich evidence base, as well as to a recognised international network, drawing together higher education professionals, leaders, and policy makers, managers and researchers.

To learn more about the OECD Higher Education Programme, please visit our website: www.oecd.org/edu/imhe. Membership of the Programme is open to higher education institutions, government departments, agencies and other organisations involved in higher education. If you would like to join the OECD Higher Education Programme, please contact us at imhe@oecd.org.

ⁱ Note: This paper 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. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.