

Summary Chapter 2: The Labour Market Integration of Immigrants and their Children in Belgium

The labour market integration of immigrants in Belgium is characterised by a significant heterogeneity regarding the origin and distribution of the immigrant population and their labour market outcomes. With more than 12% foreign-born in the population, Belgium has one of the larger immigrant communities in Europe.

Labour market outcomes for immigrants in Belgium are poor. Employment rates are low in international comparison, particularly for immigrants from non-EU-15 countries and for women. Only one third of immigrant women from non-EU-15 countries are in employment, and this appears to be linked with the disincentives of the Belgian tax and benefit system which result in high net replacement rates for second earners in couples with a low income. This disproportionately affects immigrant women from non-EU-15 countries as these tend to have lower qualifications than the native-born, and the foreign qualifications of those with higher levels of educational attainment seem to be largely discounted on the labour market.

Unemployment is also high, and immigrants' unemployment is almost two and a half times higher than that of the native-born. These unfavourable outcomes are not a recent development. Immigrants have been disproportionately affected by the longstanding, high structural unemployment in Belgium's industrial centres, especially in Wallonia, where many earlier immigrant cohorts settled.

A complicating factor in the Belgian case is the complex federal structure of the country. Powers related to integration are mainly at the sub-federal level, and approaches vary significantly. There is little interaction between the key actors, both within but especially between government levels, and this needs to be improved. Policies would benefit from more transparency and better co-ordination and experience-sharing. One way of doing this could be the regular elaboration of a national integration report, with a view to the identification of good and bad practices.

Testing in the past has pointed to the existence of discrimination against immigrants in hiring. The persistence of unfavourable labour market outcomes for immigrants from non-EU countries and their children, even for those with education obtained in Belgium, suggest that this is still an issue. Indeed, there has been a strong focus on anti-discrimination policies for more than a decade. In recent years, attention has gradually shifted towards a more pro-active, comprehensive diversity policy, notably in Flanders and Brussels. To achieve equal opportunity, incentives and measures with strong indirect targeting have been implemented, such as providing more weight to immigrant children in the distribution of school funding, higher refunds on social security contributions for employers when employing children of immigrants, and the exclusive opening of certain job vacancies to disadvantaged groups in the labour market (including immigrants) for a specified period. Among the countries which have been under review thus far, Belgium is the country which has the strongest policies along these lines. However, there has been no evaluation of these measures thus far. It is recommended to do this urgently in order to provide the grounds for mainstreaming of effective measures.

Belgium's provisions for naturalization are among the most liberal in the OECD, and access to citizenship is already possible for migrants after three years of residence. This has been an explicit measure to promote integration, and indeed, there is some evidence that this has contributed to a higher employment of immigrants. The effect seems to be largest for immigrants from non-EU countries. One area where this appears to have had an impact

is the public administration, which accounts for a larger share of total employment in Belgium than elsewhere. Immigrants appear to be better integrated in the public administration than in other countries, and there are a variety of measures in place which target this.

In contrast to the situation for established migrants, outcomes of recent arrivals seem quite favourable in international comparison. It is not entirely clear whether the less favourable outcomes for immigrants who have been in the country longer reflect a lack of improvement as the duration of residence increases or whether they are an indication of improved outcomes for recent arrivals.

An issue which raises particular concern are the poor outcomes for the children of immigrants. Results from the OECD PISA study have shown that the disadvantage of the second generation is larger in Belgium than elsewhere. The disadvantage of the second generation is also observed in the labour market, even after controlling for education and parental background. Language spoken at home has a strong impact on these results (particularly in Flanders), and this appears to be more pronounced than in other OECD countries. Evidence from other OECD countries suggests that much could be gained by early intervention policies, such as language stimulation for the children of immigrants at the beginning of kindergarten.