

*Most immigrants have jobs. That's good news both for their own economic situation and that of their host countries, which benefit from immigrants' talent and from the taxes they pay. But immigrants and young people from immigrant families could do even better, especially when it comes to meeting their full potential.*

*This edition of **Migration Policy Debates** looks at policy approaches that can help migrants find jobs and, especially, jobs that match their skills.*

## How can migrants' skills be put to use?

Immigrants now account for almost 1 in 10 people living in OECD countries and are a growing presence in our societies and workforces. It is for these reasons that OECD countries have made it a policy priority to ensure that immigrants and young people from immigrant families are integrated into the labour force. But there are barriers to making this happen, not least ensuring that immigrants are able to make best use of their skills.

### Effective policies to ensure immigrants and their children meet their potential

#### "Recognise" and value the skills immigrants bring with them

- *Work with social partners to develop procedures for evaluating and recognising foreign qualifications and skills.*
- *Make these procedures the starting point of integration programmes and raise awareness of their benefits.*
- *Put immigrants in contact with employers and help them gain early work experience.*
- *Make sure immigrants benefit from mainstream active labour market policies, including wage subsidies.*
- *Encourage immigrants to adopt the citizenship of their host country.*
- *Identify and remove barriers to employment in the public sector.*
- *Tackle stereotypes and false perceptions by disseminating fact-based evidence on migration issues.*

#### Help immigrants develop the skills they need to live and work in their new homes

- *Provide language and introduction programmes, but ensure they do not delay immigrants from finding work.*
- *Focus on vocational language training and provide it – where possible – on the job.*
- *Equip all immigrants with the basic skills for succeeding in the labour market.*
- *Provide more opportunities for immigrants with foreign qualifications to take bridging courses.*
- *Make sure immigrants can learn about how the host-country labour market functions.*
- *Use mentorship.*
- *Encourage immigrants to enrol their children in early childhood education, starting at the age of three.*
- *Encourage immigrants with children to bring them to the host country as early as possible.*
- *Find places in education, employment or training for the children of immigrants who completed their compulsory education in their own countries.*
- *Avoid concentrating the children of low-educated immigrants in just a few schools.*

#### Put immigrants' skills to good use

- *Ensure that all long-term immigrants have full access – i.e. without a labour market test - to the labour market.*
- *Implement tailor-made approaches for young people from disadvantaged immigrant families.*
- *Make sure that immigrant women have equal access to integration measures.*
- *Link training for immigrant mothers with childcare opportunities.*
- *Raise awareness of discrimination and take action against it.*
- *Engage employers through diversity policies and monitor the outcomes.*
- *Make sure that immigrant entrepreneurs have equal access to credit and start-up support.*

## Most immigrants work, but their potential is often underused

Over the past two decades, immigration flows have become more diverse across the OECD. This applies not only to immigrants' countries of origin and destination, but to their education levels and categories of entry – labour, free movement, family reunification and humanitarian. This growing diversity poses challenges both for integration and integration policy.

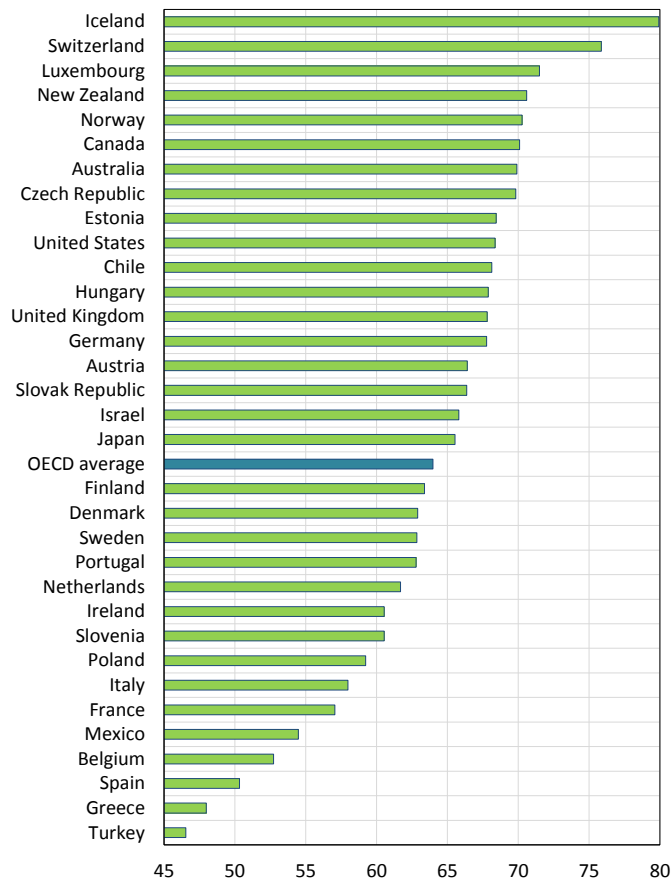
Nevertheless, most immigrants have jobs. On average, low-educated immigrants and their native peers have comparable employment rates. However, this is not true of highly educated immigrants. In virtually all OECD countries their employment rates are lower than those of their native counterparts. And, even when they are employed, they have an almost 50% higher chance of being overqualified for their job.

The recent recession has added to the challenges. Since the beginning of the global economic crisis in 2007, the average employment rates of immigrant men in OECD countries declined by two percentage points, although it remained stable for immigrant women.

It is clear, then, that OECD countries are failing to utilise much of the potential that immigrants offer. Qualifications and work experience from abroad, particularly non-OECD countries, are widely undervalued. One reason is that immigrants often acquire their work experience in different languages and labour markets. Similarly, their qualifications may come from education systems that may perform – or may be perceived as performing – less effectively than the host country's. There are also challenges for employers in determining the value and usefulness of skills that immigrants have acquired through work experience and training in their origin countries.

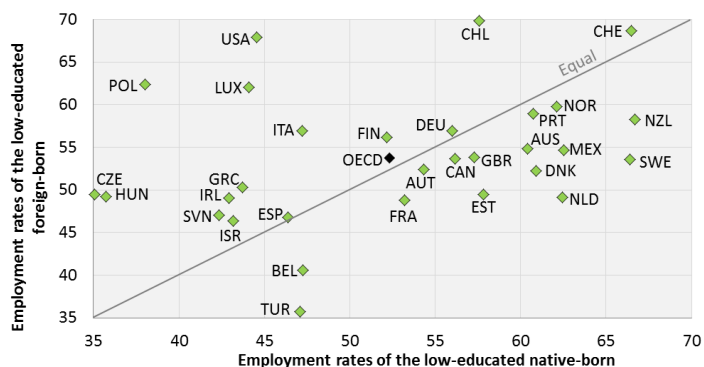
## In virtually all countries, the majority of immigrants is in employment

*Employment rates of the foreign-born (15-64), 2013*



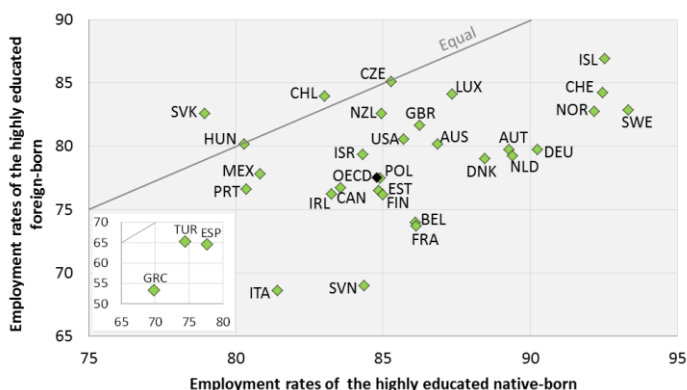
## Low-educated migrants are more likely to have jobs than their native peers

*Employment rates of low-educated natives and immigrants (15-64) who are not in education, selected OECD countries, 2013*



### Highly educated migrants are less likely than their native peers to have jobs

Employment rates of highly educated natives and immigrants (15-64) who are not in education, selected OECD countries, 2013



### Young people from immigrant families face multiple barriers to integration

While it might be difficult to assess skills that immigrants have acquired abroad, this is not the case when it comes to young people from immigrant families who have been raised and educated in the host country. Their success in finding work is widely considered an integration “benchmark”. In OECD countries, it is clear that they, too, face barriers to integration. On average in the OECD, young native-born (aged 15 to 34) with immigrant parents are 5 percentage points less likely to have a job than their peers without a migration background. The employment gap is about the same in both public and private sectors.

#### Young people from immigrant families are less likely to have jobs than young people without a migration background

Percentage points difference in public and private employment for native-born youth (15-34) of immigrant parents compared to youth with native parents, selected OECD countries, 2008-09



What is blocking the integration of these young people? Several factors are at work, including low levels of contact with potential employers, limited access to the networks through which many vacancies are filled and lack of knowledge of how the labour market functions. For example, CVs and

job application covering letters tend to be highly country-specific. Mentorship programmes can help tackle these obstacles and have met with some success.

Discrimination is also a factor. Candidates with names perceived as sounding “immigrant” often have to submit twice as many job applications as people with similar qualifications and experience but with a name that sounds “native”. There is an emerging trend in workplace policy for businesses to tackle discrimination through voluntary diversity measures. These can include companies volunteering to be audited for potentially discriminatory hiring practices, and then implementing measures to diversify their staff. Such efforts may be supported by consultants paid by the public employment services.

Efforts to encourage integration need to start young, especially for the native-born children of low-educated immigrants. It is crucial that they start receiving early childhood education and care in the host country from the age of three or four. Yet the children of immigrants are still often underrepresented in this form of education and care. As for children born abroad, early family reunification should be encouraged as each year of delay further sets back educational outcomes.

### The starting point for integration is taking stock of immigrants’ skills

To integrate adult immigrants, the point of departure is to take stock of their qualifications and skills. This initial step should be designed into integration programmes, which should themselves be tailored to meet specific needs. The available evidence suggests that procedures for recognising foreign qualifications and converting them into their host-country equivalents are highly valued by employers and are associated with better labour-market outcomes. In Austria, Belgium, Germany, Ireland, the Netherlands and Sweden, for example, at least 75% of tertiary-educated immigrants who asked for recognition of their qualifications were granted it.

Yet, few immigrants seem to seek to have their qualifications recognised. One reason is the lack of transparency surrounding the procedures and the large number of actors involved, particularly in heavily regulated professions. Recent reforms in

several OECD countries have responded by putting in place contact points to inform applicants and, ideally, to pass on their applications directly to those in charge of the process. Those who do not manage to translate their foreign qualifications into a host-country degree of a similar level should be helped to find ways to bridge the gap between their qualification and the requirements of the host country. However, procedures for doing this are underdeveloped in most countries.

A much broader issue is the validation of skills – acquired both formally and informally. It is a measure from which immigrants would be expected to benefit disproportionately, yet they are underrepresented among people who seek to have their skills evaluated.

### Learning the local language is the single most important skill for immigrants

Immigrants have many skills that the labour market should value more, but they also need to develop new ones – most notably the host-country's language. According to OECD calculations, immigrants who report language difficulties have over-qualification rates that are 25 percentage points higher than similar immigrants with stronger language skills.

Not surprisingly, governments spend more on language training than on any other component of immigrant integration policy. But in order to be effective, training must account of different needs and be geared towards labour market integration. One way to do this is by providing vocation-specific language training, ideally on-the-job. Although such training is costly, it is an investment that appears to pay off.

For immigrants who lack basic skills, significant investment must often be made to ensure they can function in the host country. In several countries, between 15 and 20% of immigrants aged 25 to 54 have attended only primary education. Here, it is important to focus on those migrants who are most likely to remain in the host country.

### Integration needs to be seen as an investment that will pay off over time

Effective policies need not always be a major drain on the public purse. However, some certainly do require significant investment. At a time when most OECD countries face severe budget constraints, integration needs to be seen as a long-term investment. Previous OECD work on the fiscal impact of migration has shown that raising immigrants' employment levels to those of natives in countries such as Belgium, France and Sweden would generate between 0.5 and 1 percentage point of GDP in fiscal revenue.

Access to integration programmes should not, therefore, be dependent on the group to which the immigrant belongs, but rather on his or her settlement prospects and needs. Ultimately, integration can only fully succeed if all immigrant groups have a chance to realise their potential.

#### References

OECD (2014), "Labour Market Integration of Immigrants and their Children: Developing, Activating and Using Skills", *International Migration Outlook 2014*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/migr\\_outlook-2014-en](http://dx.doi.org/10.1787/migr_outlook-2014-en).

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#### Useful links

[www.oecd.org/migration](http://www.oecd.org/migration)

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