

## **Jobs for Immigrants (Vol. 2): Labour Market Integration in Belgium, France, the Netherlands and Portugal**

### **Summary and Recommendations**

#### **FRANCE**

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*France has a long history of immigration...*

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Unlike most European countries, the French experience with immigration predates the post-World War II period. France in the nineteenth century saw itself as a haven for persons in search of freedom or persecuted for political reasons in their own countries. With industrialisation and growing labour needs, France became a destination country for labour migrants, especially from Belgium and Italy, a situation which continued after World War I. In 1931, France had already 2.7 million immigrants accounting for 6.5% of its population.

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*...and as in other countries, the extensive labour inflows of the post-war period ended after 1973.*

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The 1950s saw the beginning of substantial inflows of labour migrants from Italy, Spain, Portugal and North Africa to satisfy generally lower skilled labour needs in the post-war industrial expansion. These movements came to halt after the first oil crisis in 1973 but family and humanitarian migration continued.

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*Despite the long experience with migration, there was no formally defined integration policy until recently.*

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Because of the early experience with immigration, services for immigrants were developed early on in France and were provided mainly on an as-required basis. There was no systematic integration programme in place, however, and it was tacitly assumed that the institutions in place were adequate to deal with the long-term integration of

immigrants and their families. Labour market integration was not perceived as a problem, since the early arrivals were workers and had jobs either prior to, or shortly after, disembarking. With the official stop to labour migration in 1974, however, many of the workers remained in France and brought in their families. The permanent nature of the migration was acknowledged early on, with the right of spouses to work being formally recognised in 1978.

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*Nevertheless, labour market outcomes for immigrants who have been in France for over a decade compare relatively favourably with those of the native-born of the same educational status.*

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With the trend rise in structural employment after 1973, immigrant outcomes worsened relative to those of the native-born, especially for men, in particular those of foreign nationality. Beginning in the 1980s, new arrivals and new entrants to the labour market who had arrived in France as children also saw a deterioration in outcomes. Nonetheless, in comparison to many other countries, current labour market outcomes for immigrants who have been in France for some time (more than ten years) are generally favourable compared to native-born men of similar age and educational attainment and this for many countries of origin, both OECD and non-OECD. The situation for immigrant women, however, is less positive, except for women from southern Europe. However, current outcomes for *recent* arrivals (those having entered over the last five years) are among the poorest in Europe and have been like this since at least the mid-1990s.

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*New entrants, whether immigrants and/or youth, find it difficult to get a foothold in the French labour market. While many immigrants speak French upon arrival, integration appears to be especially difficult for the more highly educated among them.*

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This is symptomatic of a slow integration of immigrants into the labour market, a characteristic shared with other new entrants into the French labour market, namely youth. The difficult insertion for new entrants is a structural feature of the French labour market and any improvement in this area will undoubtedly help immigrants to some extent. However, the issue of the general functioning of the French labour market is beyond the scope of the review.

The slow integration of immigrants takes place despite the fact that language is less of a problem for new arrivals than in other countries. Indeed, fully two-thirds of persons signing the new integration contract (and almost all immigrants sign this) already have the level of proficiency required to obtain French nationality. The evidence indicates as well that it is the more highly educated immigrants who are having the most difficulties in the labour market in relative terms and that the situation has been slowly worsening over the past decade. Lower educated migrants (men in particular), on the other hand, rapidly achieve outcomes similar to those of persons of similar age and education born in France.

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*The services for new arrivals are limited in scope and need to be enhanced, especially with respect to basic information about the workings of the French labour market.*

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Given the difficulties encountered by recent arrivals in the labour market and the long integration process, the overview of the operations and institutions of the French labour market (a one and one-half hour optional session) provided to new immigrants at the time of the signing of the integration contract seems inadequate. More needs to be done here to better convey to immigrants the requirements and expectations of French employers, the institutions and agencies that are best equipped to deal with their particular difficulties and the means whereby their competences can be identified and certified. This is all the more necessary since immigrants are precisely the persons who are less likely to have the personal and labour market contacts that can help compensate for a limited knowledge of the labour market and that can facilitate finding work.

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*Procedures for the recognition of foreign qualifications and experience need to be significantly improved.*

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In addition, the current procedures in place to assess foreign qualifications and work experience are insufficient. The procedures that determine the equivalence of foreign qualifications do so largely in cases where the applicant is interested in pursuing further studies in France or where eligibility for competitions for entry to certain institutions is being determined. These procedures are not applied in cases when the applicant is interested in having his/her qualifications assessed for presentation to employers. It is unlikely that the current “attestation” situating immigrants’ qualifications in the education system of the country of origin provides potential employers with the kind of information needed to have a reasonable idea of how the qualifications of potential job applicants compare to those with which they are familiar. The existing procedures need to be extended to cover broader situations, in particular persons seeking some assessment of equivalence for the labour market. Likewise, in cases where the immigrant has work experience (obtained abroad) of a nature that would be of value in the labour market, the means in place to validate such work experience in a French context ought to be extended.

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*Subsidised jobs should be a favoured labour market policy instrument in the face of employer mistrust of foreign qualifications and experience.*

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In other countries, subsidised jobs have been shown to be an effective tool to overcome employer hiring reluctance with respect to immigrants, especially when there is uncertainty about the value of foreign qualifications and experience, and to provide immigrants with the opportunity to demonstrate what they can do. These are particularly effective in reducing the hiring risk for employers *vis-à-vis* candidates whose future on-the-job performance is something of an unknown. Thus, France should give serious considerations to targeting recent immigrants under current or proposed wage subsidy programmes. There may be deadweight costs as a result, but they are worth the price if the wage subsidy programmes expand job opportunities for immigrants and speed up their transition into work.

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*Immigrants educated in France also have difficulties finding employment, so there are clearly other issues at stake.*

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The fact that immigrants who arrived when young and were educated in France also have initial difficulties in the labour market suggests that the early integration problems encountered by highly qualified immigrants are not purely due to the fact that employers are unable to evaluate their human capital. Many such immigrants may suffer from the discrimination and negative stereotyping which young native-born children of immigrants experience.

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*Language provision seems adequate for new arrivals, but the language learning rights accorded to employed persons should be extended to all persons of working age.*

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With regard to persons arriving with little to no knowledge of French, the Reception and Integration Contract provides up to 400 hours of language teaching. This is what empirical results from other countries show is close to the upper limit beyond which further language teaching does not yield additional returns. However, a recent change in the laws provides employed immigrants with the *right* to (further) language training, but no such provision exists for those not employed, although it is possible for the unemployed to obtain financed language training, subject to budgetary constraints. It would be advisable to recognise language-training rights for persons employed not in employment, whether or not they are looking for work. Given that knowledge of French contributes to integration generally, it is recommended that the 400-hour provision for new arrivals be made a permanent one, which if not used at time of entry, could be drawn upon at a later time, for example in the event of job loss, should the need for improving language proficiency arise, or prior to naturalisation, for which a minimum level of proficiency must be demonstrated.

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*The situation of the “second generation”, on the other hand, is much less favourable, and their progress through the educational system, including pre-school, needs to be supported if their disadvantages are to be overcome.*

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The situation in France of the children of immigrants is much less favourable than it is for their parents, in particular for children of African and Maghreb origins. Their educational attainment levels are low, with significant numbers leaving school without an educational qualification. Generally, low-educated immigrant families are much less equipped to invest time and effort in the education of their children, a fact which penalises them in the French educational system. Their progress through the educational system, including the pre-primary period, needs to be much better accompanied if they are to make up for their handicaps and if the traditional role of the educational system in reducing socio-economic inequalities, is to be upheld.

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*The additional amounts targeted at schools in disadvantaged areas need to be directed towards measures that can yield concrete results, such as reductions in class size. Assistance at the pre-primary level needs to be improved and sustained throughout compulsory schooling.*

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The French educational system has in the past invested more in priority education zones where the children of immigrants are more concentrated but the impact of such investment has been weak. The funds have gone largely towards higher pay for teachers willing to teach in these areas, which may help but is not in itself a guarantee of better outcomes. The subsidies could also usefully be spent on measures which research suggests are likely to yield results, such as a significant reduction in class size or pedagogical methods that are better adapted to the pupil population. Such changes are indeed already under way, with more human resources going into a more limited number of schools with disadvantaged populations, but it is too early to tell what the impact has been. What is clear, however, is that there is a need to intervene *much earlier*, indeed at the pre-primary level, and to sustain such investment over time. Studies have shown that the results of examinations at entry into lower secondary education are largely predictable by the results of examinations at entry into primary education. Children of immigrants have also been shown to profit the most from pre-primary education if they enter at an early age. A stronger focus on results at this level will be less costly and will avoid the difficult task of attempting to make up for lost time further on in the educational system, let alone following the completion of schooling.

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*PISA results suggest that delays in the family reunification of children has an adverse impact on their later educational performance.*

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With respect to immigrant children themselves, the OECD Programme for International Student Assessment (PISA) has shown unambiguously that every year spent in the country of origin has, on average, a negative impact on their assessment results observed at age fifteen. Children who arrive at age 10 are on average the equivalent of two years behind in assessment results at age fifteen. This suggests that family reunification needs to occur early, so that the children can be exposed as early as possible to the French educational system and French society.

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*School and homework support structures need to be enhanced.*

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The French educational system, moreover, places a premium on parental assistance with homework and educational motivation, which many immigrant parents having limited education themselves are much less able to provide. Older siblings may play a substitute role in this regard, but results suggest that this is not enough. Therefore, the plan to enhance the school and homework support structures currently in place is a welcome step in the right direction.

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*Labour market insertion is difficult for new entrants, particularly those with low attainment levels, but outcomes remain inadequate even after adjusting for this.*

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By the time the children of immigrants enter the labour market, many are already at a serious disadvantage with regard to educational attainment. This places them at a particular handicap in a difficult labour market which emphasises formal qualifications and work experience in hiring. The difficult conditions of entry for youth in general, with high unemployment, the multiplication of traineeships and the temporary character of many entry jobs, are even more difficult for children of immigrants. However, even after adjusting for educational attainment, outcomes for native-born children of immigrants remain inadequate compared to those of children of the native-born, so that there is clearly more than qualification deficiencies at play.

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*The children of immigrants have high unemployment rates, are strongly underrepresented in the public sector and are subject to discriminatory hiring practices.*

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Statistics show that the children of immigrants, in particular those of Maghreb and African origin, have much higher unemployment rates, longer durations of unemployment and are also strongly underrepresented in public sector employment compared to the native-born offspring of French parents with the same socio-economic characteristics. Evidence suggests that they are also subject to discriminatory hiring practices by employers and that this is relatively widespread.

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*Indirect targeting of children of immigrants does not seem to be working very well: residents of targeted zones are underrepresented in market-sector Labour Market Programmes.*

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The indirect targeting strategy for addressing the employment and unemployment difficulties of children of immigrants, from the point of labour market policy (as opposed to expenditures on infrastructure and on improvements of the physical environment), appears to have a limited impact, in the sense that it does not lead to better-than-average access to labour market programmes for disadvantaged youth, not even those designed specifically with this group in mind. Residents of “sensitive urban zones” (ZUS) tend to be underrepresented in many labour market programmes, especially those geared to the market sector, and this without even taking into account their characteristics. Priority should be given to ensuring that the ZUS share of participants in active labour market programmes represents at least its share of the target populations.

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*A direct monitoring of programme outcomes for persons of immigrant origin should be put in place in existing follow-up surveys and combined with a rigorous evaluation to establish what works.*

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In any event, if the programme targeting of the population of immigrant origin, for reasons of principle and tradition, cannot be direct, there is no reason for the assessment of the programme outcomes to omit a focus (among others) on the population of immigrant origins. It would also be useful if these surveys were to include more systematically a “control group”. Without a better assessment of the impact of programme participation on outcomes, it is extremely difficult to determine whether programmes are working as designed for specific (implicit) target groups and whether progress is being made. It is vital to develop a culture of rigorous evaluation of programmes if progress is to be made in determining what works and what does not for immigrants and their children.

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*Exemptions in tax-free zones should be better targeted, in order to reduce the deadweight costs.*

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The payroll-tax exemptions for firms in tax-free zones have considerable deadweight costs, since many of the persons hired under the subsidies are job-changers rather than unemployed persons. In addition, the impact on employment and unemployment in the local area appears to be limited, with barely 30% of jobs going to residents in the zones, although more may be going to residents of the wider ZUS area. Unless the objective is indeed to bring more economic activity into deprived areas, there are some obvious loopholes here that could be closed and more encouragement provided to hiring unemployed persons from the surrounding area. A programme which provides smaller exemptions for hirings of job changers or of persons from outside the deprived area would introduce a better balance between the objective of encouraging economic activity and that of improving employment prospects for persons in the deprived areas themselves.

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*As in other countries, mentoring seems to work and is highly cost-effective. It should be strongly expanded.*

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A number of programmes appear to be yielding some positive results. The most obvious is that of *mentoring*, which here as in other countries appears to be a highly cost-effective way of helping young people of immigrant background into employment, as well as building links between them and the business community. Mentoring can provide job searchers with information about the “rules of the game”, as well as the kind of behaviour at job interviews and in the workplace that can help reassure employers that they are in familiar territory. French participation in voluntary work is common and there is a large pool of persons who could be drawn upon to build bridges in this way between the French mainstream and the portion of children of immigrant background who are geographically and socially isolated.

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*Programmes which involve personalised accompaniment also yield good results and should be encouraged.*

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It also seems to be the case that labour market programmes that involve some form of regular accompaniment, such as the former TRACE and the current CIVIS, are effective in placing disadvantaged youth into jobs. Likewise, empirical results suggest that intermediaries such as the ANPE or temporary employment agencies tend to reduce the incidence of screening out by employers of applicants with immigrant backgrounds.

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*Children of immigrants are strongly underrepresented in the public sector, and remedial action in this area should be given a high priority.*

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The public sector, although used at times as a stop-gap to provide subsidised temporary jobs to youth with employment difficulties, is the sector in which children of immigrants are the most underrepresented in total employment, even after correcting for educational attainment. Indeed, their underrepresentation here accounts for much of the employment-rate differences between children of immigrants and children of the native-born. Lack of knowledge about opportunities may be part of the answer. It would appear as well that the examination and competition procedures for public sector jobs, among them the French culture part of the examination as well as the oral interview, may be structural impediments to entry for offspring of immigrants. To address this, a better dissemination of information to persons of immigrant origin on public-service employment and on the centres set up to prepare public sector competitions is needed. Although this is already part of the “55 measures in favour of integration” of the Interministerial Committee on Integration, the extent of underrepresentation would argue for attributing this a much higher priority. There is a precedent for such action: the public sector has been used in the past to favour integration of other “difficult” populations, such as residents of the French West Indies, who, like the children of immigrants, were also French nationals.

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*The PACTE is unlikely to have much impact on the public sector employment imbalance.*

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The PACTE programme, which facilitates entry into the public service for persons without qualifications or experience, is too small in scale to correct the imbalance in public sector employment, particularly since a reduction in the size of the public service is currently underway and promises to accelerate in the near future. And as is the case for other government programmes indirectly targeted at young persons of immigrant origin, there is no clear evidence that persons of immigrant background are actually getting a significant share of PACTE positions. The unequal outcomes in the public sector described above merit a much greater effort than the PACTE. The public sector is not only not serving as a model for private sector employers, it is a poor performer with regard to the employment of the children of immigrants.

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*Discrimination and / or selective hiring practices are common and this phenomenon needs to be monitored on a regular basis.*

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Given the scale of the selective hiring practices identified in “testing” studies, outright discrimination is necessarily an issue, but it is difficult to identify precisely. Current policy measures involve addressing specific cases when there is a complaint, promoting diversity and tolerance and sensitising key players to the problem, but it is hard to see what can be done that is demonstrably effective more generally. However, with the demonstrated extent of selective hiring practices in France and the negative effect this has on social cohesion, a formal and regular monitoring of the phenomenon would not be out of place. The kinds of testing procedures implemented in the several studies carried out up to now yield without question useful measures for monitoring both the scale of the phenomenon and, if repeated at regular intervals, its evolution over time.

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*The anonymous CV seemed like a potentially effective tool for reducing the frequency of selective screening, but little has come of it.*

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Although the anonymous CV has made its way into French law, there has been no application decree nor is there any indication that any experimentation is under way, as was promised at the time the law was passed. A number of enterprises have implemented this in their recruitment procedures, but there are no assessment data on the impact for persons of immigrant origin (although there are for women and youth), so that it is difficult to say what impact this may have had on the hiring of persons of immigrant origin. Discrimination testing results suggest that certain employers selectively screen further down the recruitment process when they cannot or find it difficult to do so initially. However, these results do not take into account the possible impact of introducing the anonymous CV on behaviour and attitudes *within* the enterprise.

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*Some of the discrimination seems to be “soft” and thus especially amenable to policy intervention.*

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The discrimination testing results have revealed if not always outright racism, then at least a widespread mistrust by employers of young persons of African origin. There are a number of indications, however, which suggest that some such behaviour may be “soft”, and thus amenable to policy intervention. Among these are the significant impact of naturalisation, of having a French first name and of the involvement of intermediaries in improving the employment prospects of youth of immigrant origin. The French labour market is in general a difficult one for young persons and the empirical results suggest that young persons of African origin must make at least three times the number of applications to obtain a job interview, let alone find a job, that youth with French-born parents do. This is a telling comparison and needs to be disseminated more widely, especially since empirical results suggest that private sector employers do eventually hire youth of immigrant origin almost to the same extent as those of non-immigrant origin, despite on-average lower formal qualifications. This suggests greater job-search efforts on the part of youth having immigrant parents.

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*Giving persons with low formal qualifications the chance to demonstrate what they can do is an excellent initiative, which should be expanded.*

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Unlike the case for immigrants, the situation with respect to their children is not unfamiliar qualifications, but often the lack of them or a mistrust by employers of persons with certain origins because of a negative public image. To deal with the lack of formal qualifications among the children of immigrants (or youth in the population at large for that matter), the Vocational Platforms (*Plates-formes de Vocation*) seem an excellent initiative, although it would be important to know why only about one third of those positively assessed move directly into employment, as well as the eventual outcomes for those directed into “professionalisation” contracts. This is an initiative that merits a closer follow-up and encouragement because it deals with that segment of the population for which it is difficult to turn back the clock.

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*For children of immigrants as well, subsidised jobs are the means to overcome employers’ reluctance to hire persons of uncertain productivity.*

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As is the case for immigrants, subsidised jobs can an effective way of moving the children of immigrants into employment in the face of employers’ reticence to take risks. The objective is not necessarily to create net jobs, but to offset the effects of demonstrated selective screening behaviour by many employers.

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*All stops are being pulled out to address the labour market difficulties of the children of immigrants.*

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Generally, recent government initiatives concerning the integration of immigrants and their children in the labour market leave the impression that all stops are being pulled out to address a problem that is seen as critical for the future of France, especially with the large cohorts of children of immigrants entering the workforce. The situation is viewed as a crisis and the policy reaction in response to social outbursts has been widespread.

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*A number of major issues need to be addressed more directly.*

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Although it is undoubtedly the case that efforts on a broad front ensure that nothing is neglected, there are a number of areas that deserve a more direct and concerted effort. Three such issues have been highlighted above:

- the already poor results at entry into primary schools, despite the almost universal pre-school system;
- the large under-representation of children of immigrants in the public sector;
- the widespread presence in the private sector of selective screening procedures during job recruitment.

Improvements in each of these areas would contribute significantly to enhancements in outcomes for persons of immigrant origin.

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*The issue of integration needs to be addressed in a co-ordinated fashion across policy areas.*

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Tackling immigrant integration and the inadequate labour market outcomes among many children of immigrants is a whole-of-government process, involving many diverse issues such as the functioning of labour markets, education policies, housing policies, immigrant concentration, and the efficacy of city policy. This is a major challenge for the machinery of government, at central, regional and local levels, and one which concerns interactions with the social partners and a wide range of NGOs dealing with immigrants and their children. The creation in 2007 of a ministry centralising responsibility for immigration and integration in one place should in principle help to ensure this.

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*The risk of disaffection by children of immigrants can be counteracted by appropriate policies in favour of integration.*

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French society is already paying a price in terms of disinvestment and disaffection by children of immigrants, in reaction to both past and current unfavourable outcomes, but this is not an irretrievable situation. Governments have a role to play in ensuring a positive view of immigration and a more effective integration. Appropriate policies, some of which are already in place and some which need to be reinforced or made more effective, can contribute significantly in this regard.