

## Summary of Chapter 5: The Labour Market Integration of Immigrants and their Children in Portugal

The labour market integration of immigrants in Portugal is characterised by rather favourable outcomes in international comparison. The employment rates of immigrants are higher than those of the native-born, for both genders. Indeed, employment and labour market participation of immigrant women is higher in Portugal than in any other European OECD country. The picture is less favourable with respect to unemployment, and immigrants have been disproportionately affected by the less favourable labour market situation in recent years.

The high labour market participation of immigrants is attributable to the predominance of labour migration to Portugal. The number of foreigners has more than doubled over the past decade, and this growth has been linked with large-scale irregular migration of persons coming to Portugal for employment, particularly at the end of the 1990s in the context of a construction boom. This acceleration of migration flows has been associated with a strong diversification of origin countries. Whereas past migration was predominantly from lusophone countries (*i.e.*, Portugal's former colonies in Africa – the PALOP – and Brazil), a large part of migration over the past decade has been from eastern and south-eastern Europe, countries with no apparent ties to Portugal.

Many of the more recent immigrants are quite qualified, but labour demand has been mainly in low-skilled occupations, particularly in construction. Partly as a result of this, a large part of high-qualified migrants work in jobs for which they are formally “overqualified”. This is the case for more than 80% of high-qualified migrants from eastern and south-eastern Europe. In this context, there have been two rather effective projects for the recognition of foreign health professionals. A mainstreaming of these projects should be considered, particularly for occupations in which there are current or expected future shortages. Likewise, a harmonised and simplified process for academic recognition would facilitate migrants' entry into jobs which are more commensurate with their qualification levels.

Linked with the “overqualification” are large wage-gaps between immigrants and the native-born, in spite of the fact that immigrants tend to be higher qualified than the native-born (who have very low educational attainment levels in international comparison). Foreigners earn on average 20% less than the Portuguese. A wage-gap in the order of 10% or above persists even after controlling for a wide range of other factors that can influence wages such as gender, age, education, occupation and sector. At a particular disadvantage in this respect are immigrants from the PALOP, who also tend to have less favourable outcomes than other migrant groups regarding unemployment.

With the diversification in the origin countries, a need for language training for migrants and their children has evolved. Until now, however, the offer has been rather limited. In the framework of the introduction programme *Portugal Acolhe* (“Portugal Welcomes”), some basic (50 hours) language training is available. This is much below the training provided in other OECD countries which is generally in the range of 250 to 900 hours. In addition, only employed migrants benefit from the programme. There are some further language training offers, but these also tend to be small in scale and scope. There thus seems to be a clear need for more targeted, vocation-specific language training; and more language training for un- and non-employed migrants.

Notwithstanding this, given the recent nature of much immigration, the infrastructure for integration is rather developed. The Portuguese approach to integration policy is marked

by a strong focus on the welcoming of immigrants, and by a close co-operation with the stakeholders concerned. This co-operation has been facilitated by the High Commission for Immigration and Intercultural Dialogue – the ACIDI – which acts, among other functions, as an interdepartmental support and advisory structure of the government with respect to the integration of immigrants. It has *inter alia* created two National Centres for the Integration of Immigrants (CNAIs) which provide a broad range of integration services under a single roof.

Because of strong links between irregular migration (which accounted for the bulk of entries in the past), the informal economy and rather unfavourable working conditions for migrants, it should be an urgent priority to direct migration to legal channels. There is some progress on this front with the new immigration law which facilitates legal immigration and enhances transparency of the immigration system, but it remains unclear whether this will be sufficient. This should go hand-in-hand with a further strengthening of the tools to combat illegal employment and exploitation, including by a reinforcement of labour inspection.

Regarding the children of immigrants, it seems that their integration does not compare unfavourably with other European OECD countries. However, with growing numbers of children of non-lusophone migrants in the education system, more attention needs to be paid to bridging the transition in terms of language learning and other measures. Special emphasis should be placed on pre-school education. This is an area where the children of immigrants currently seem to be most underrepresented, despite the fact that experiences from other OECD countries demonstrated the particular importance of pre-school education for this group.