

Qualifications and the labour market integration of immigrants and their children

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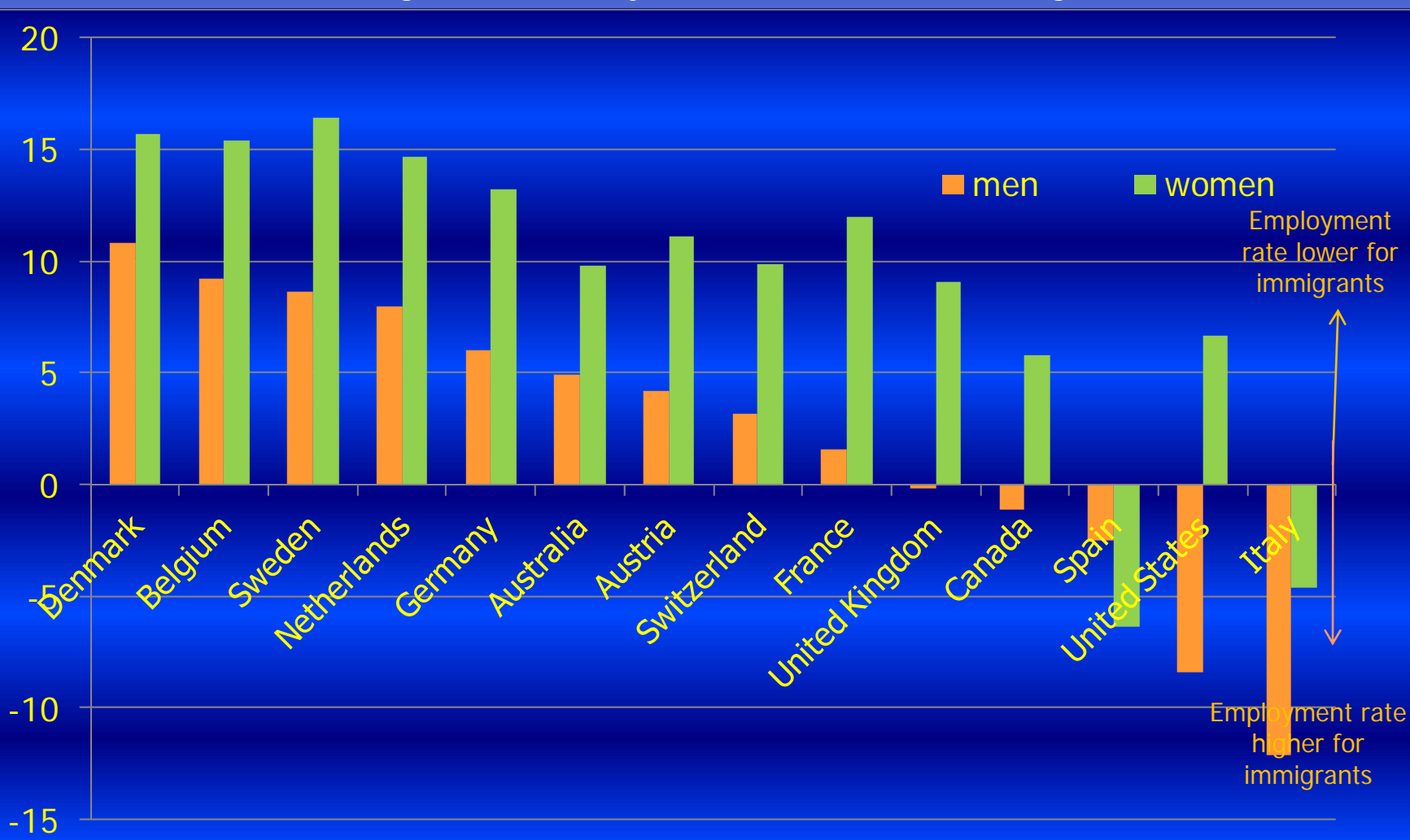
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The OECD reviews on the labour market integration of immigrants and their children

- **Country reviews for 10+ OECD countries**
(« *Jobs for immigrants* » (Vol. 1 and 2 – Vol. 3 (inkl. Austria) is in preparation)
- **Taking a human capital perspective**
 - How do the skills and experience of immigrants compare with those of the native-born?
 - Are the skills of immigrants « equivalent » to those of the native-born who have the same formal qualification levels – and does this matter?
 - What means are available to immigrants to « transmit » / « communicate » their skills and experience to employers?
- **Native-born children of immigrants (“second generation”)**
 - Growing presence in the labour market in many OECD countries
 - Expectance of outcomes that are at least similar to those of the children of natives with the same socio-economic background
 - “Benchmark” for labour market integration
- **Employment rate as the key integration indicator – not only for labour market integration**

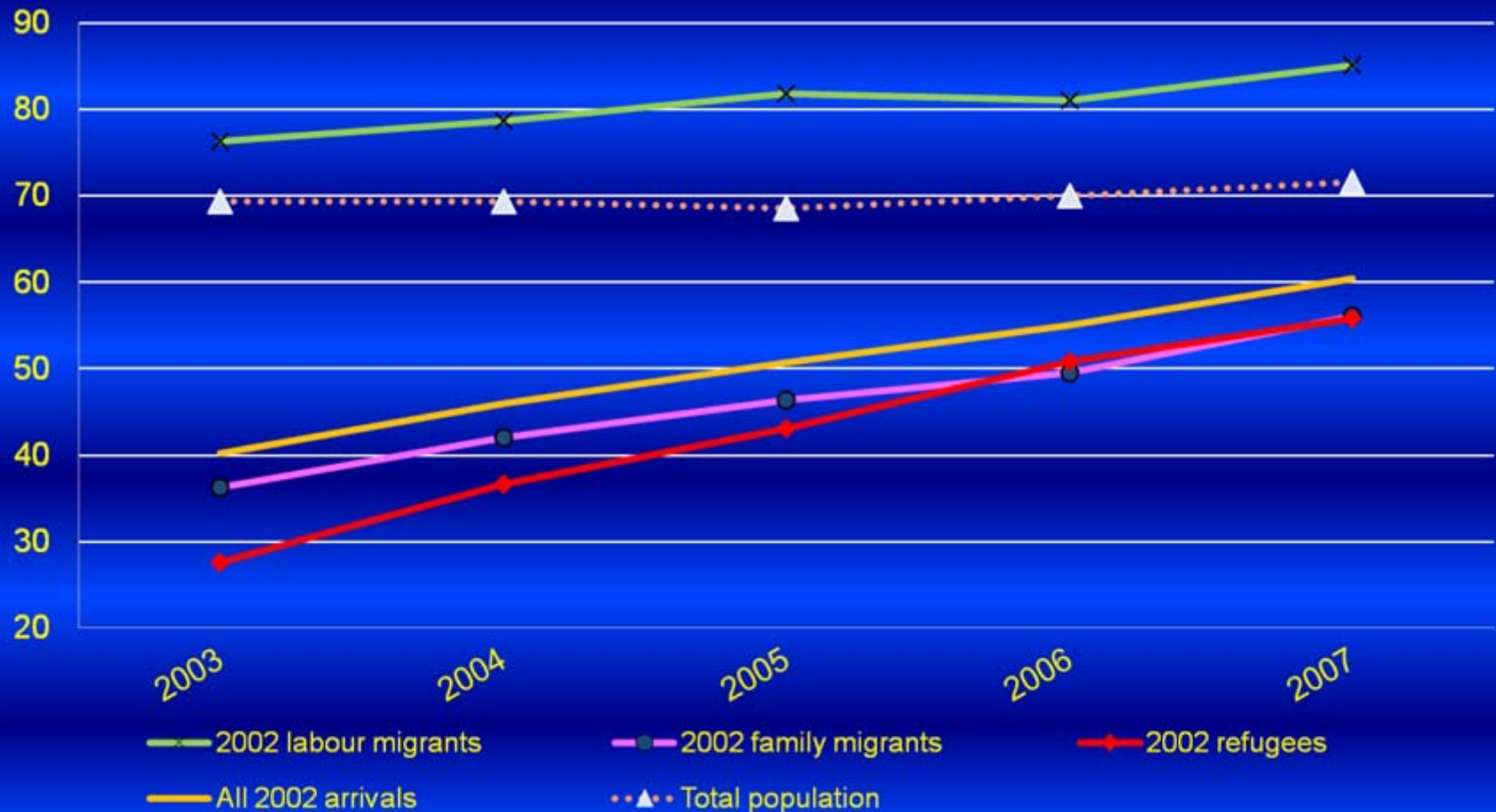
Already prior to the crisis, there has been lower employment of immigrants in most countries, but outcomes varied greatly

Percentage point differences in the employment/population ratios between native and foreign-born 15-64 years old, 2007/2008 average



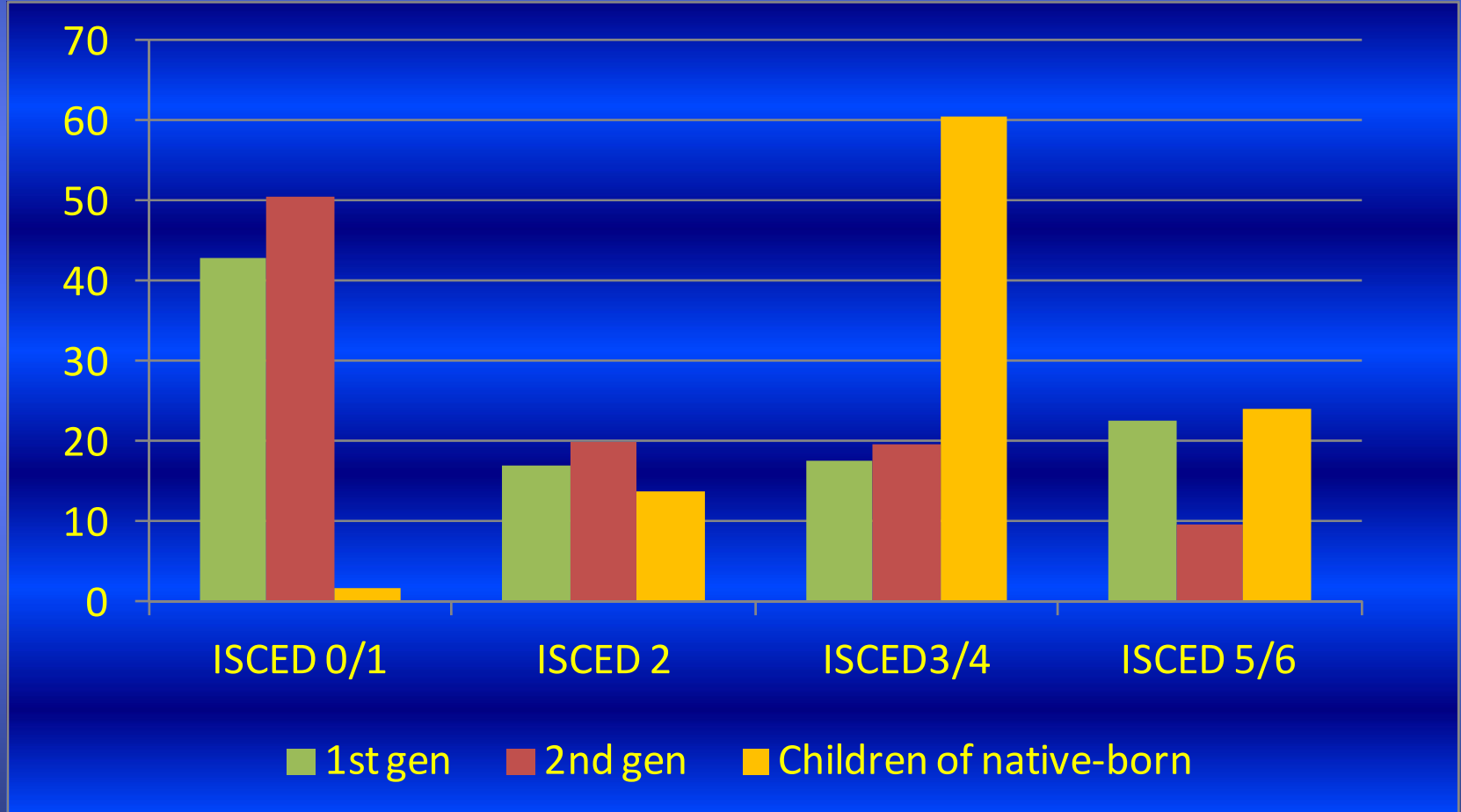
Migrants' category of entry is the most important determinant of outcomes but there is some convergence over time

Evolution of the employment/population ratios of the 2002 migrant cohort in Norway, by migration motive, compared to the native-born population



Immigrant parents are often very low-educated

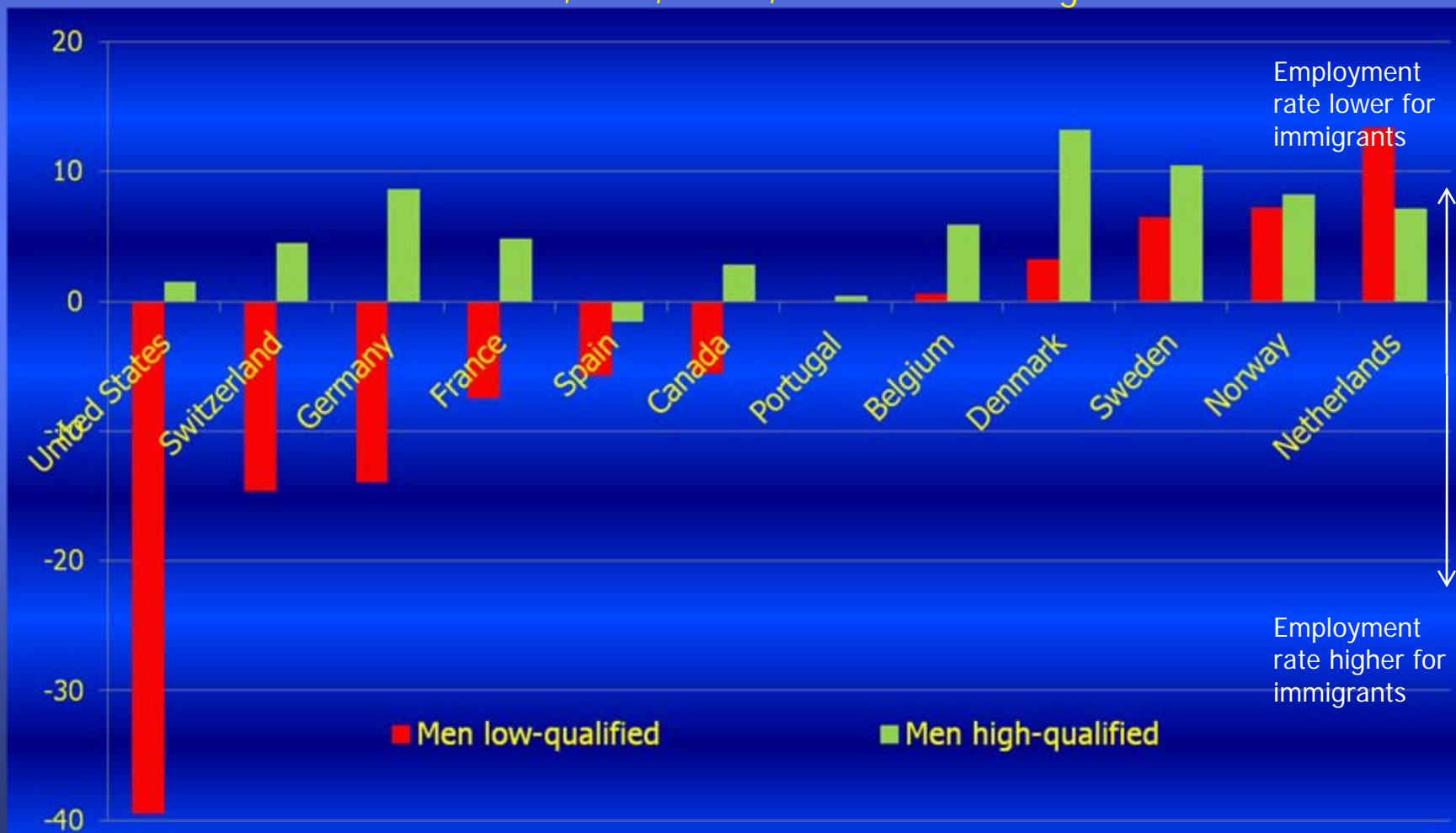
Percent of mothers in each educational attainment level, by immigrant status of children, Germany, PISA 2003



This raises the question of adequate "comparisons", notably of education outcomes between children of immigrants and children of natives

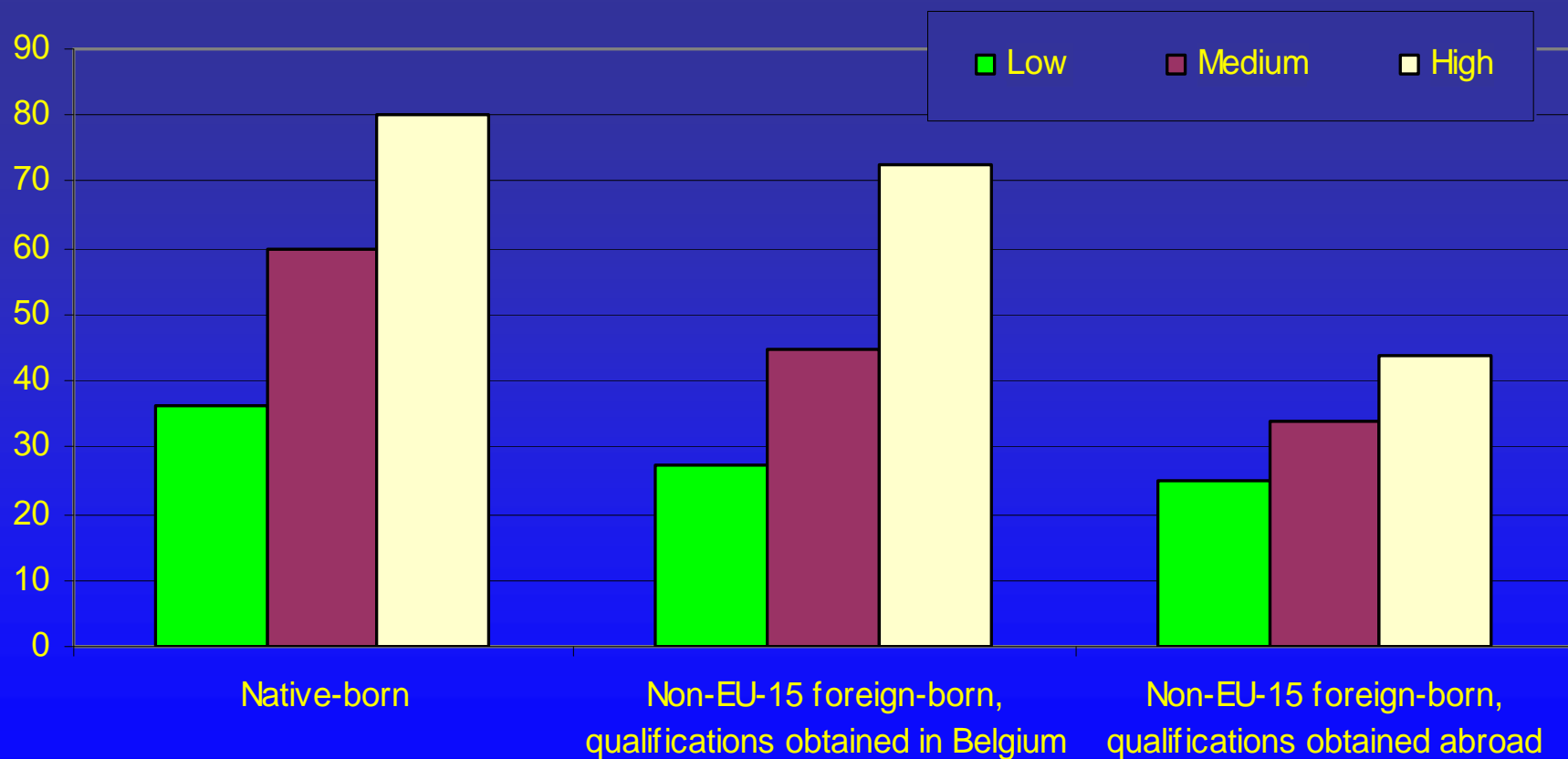
Employment rates by education level between immigrants and the native-born compare less favourably for *high-qualified* immigrants

Differences in the employment rates by education level between immigrants and the native-born, men, 15-64, 2005/2006 average



This is partly due to the fact that foreign qualifications acquired in non-OECD countries are largely discounted on the labour market

Employment/population ratios by qualification level in Belgium, 15-64, women, 2001



Even when employed, immigrants with tertiary degrees from lower-income countries find themselves more often in less-skilled and lower-paid jobs

Other observations concerning labour market integration

- Generally, immigrants encounter problems in entering the labour market, but good wage progression once employed
- Early labour market entry is an important determinant of long-term labour market outcomes
- The impact of active labour market policy is not necessarily the same on immigrants and on the native-born
- Programmes which provide a first step into the labour market (work experiences measures) tend to be especially effective, in combination with (language) training and personalised counselling
- Wage subsidies have often met with some success, but they are rarely used
- Well-designed mentorship programmes proved to be both effective and cost-efficient
- Accreditation of prior learning (APL) seems to be a promising tool, but is rarely used for immigrants

Integration of skilled labour migrants

A side note on challenges and responses by admission policies

➤ Overqualification

- Foreign qualifications largely discounted
- Foreign experience not valued on the labour market
=> increase onshore selection (e.g. students)

➤ Qualifications vs. skills

- Qualifications from different countries are not necessarily equivalent, and do not always directly translate into skills
- Lack of systems for recognitions of qualifications / validation of skills
=> add wage level requirements

➤ Getting employment and remaining employable

- Employer-selected labour migration does not ensure adaptation to a changing economy
- Points-based selection does not necessarily mean that immigrants have (good) jobs
=> provide extra points for people with job offers

The recognition of foreign qualifications

– some key issues

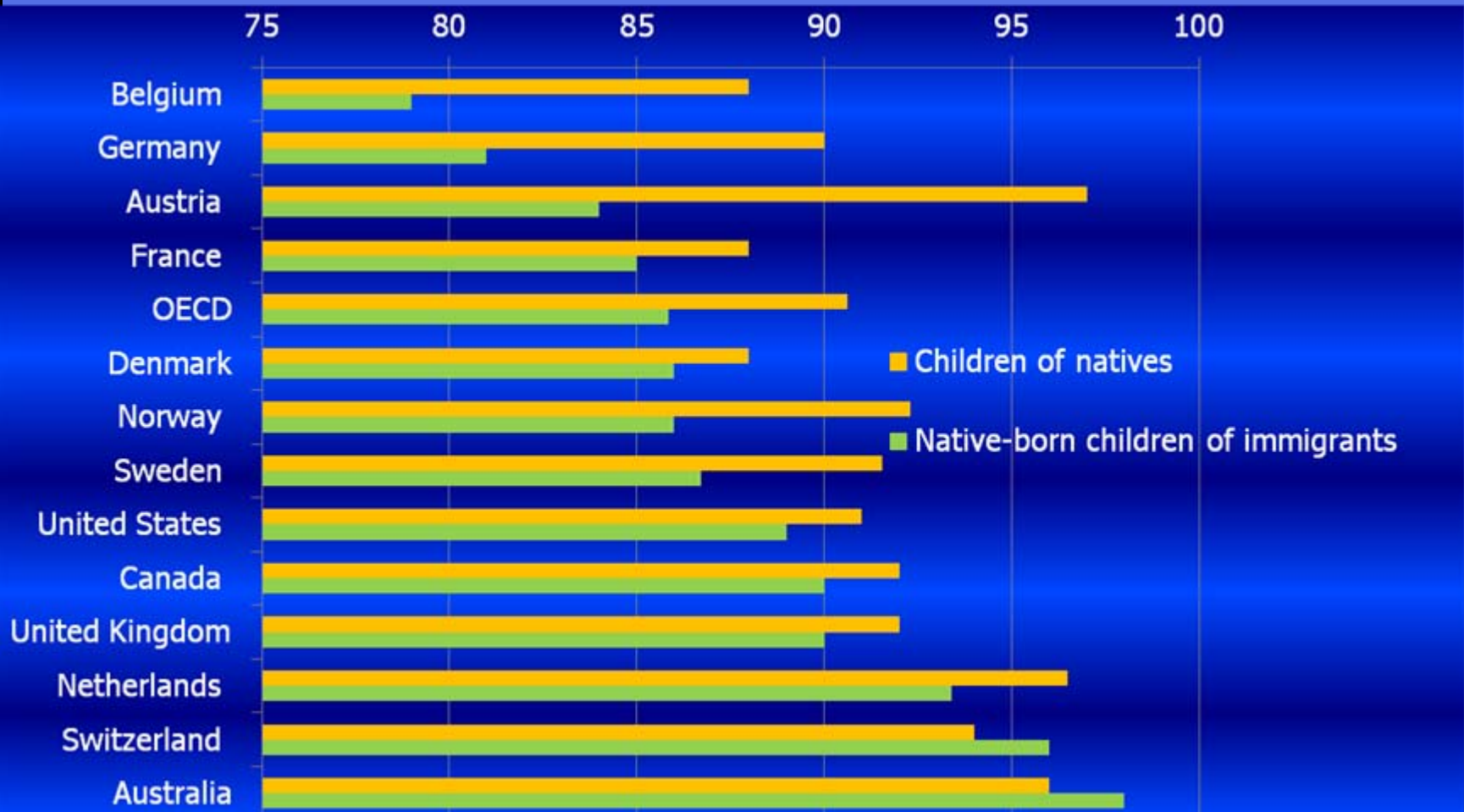
- About half of the differences in outcomes are attributable to a lack of linguistic competence and real non-equivalence of degrees acquired in lower-income countries
- There is evidence that recognition helps in getting better jobs, but relatively few migrants actually seek recognition
- The procedure often tends to be clear at the academic level and for non-regulated professions, but is less transparent at the secondary level and for regulated professions
- Verification of documents is sometimes a challenge (e.g. for refugees from Iraq)
- The outcome tends to be non-binding, with the exception of employment in the public administration (wage-scale) but may be relevant in anti-discrimination cases

The recognition of foreign qualifications – recommendations

- Involve all actors (including social partners) and get their incentives right: Establish clear guidelines to the institutions in charge, and provide incentives for their effective implementation.
- Make the formal assessment and subsequent recognition of foreign credentials an integrated part of the introduction programme for new arrivals
- Where appropriate, link the outcome of the recognition process with bridging offers
- Enhance transparency by establishing a one-shop information and service centre for assessment and recognition of qualifications at all levels
- Use APL more systematically for immigrants
- Manage expectations: not all cases of overqualification are due to recognition problems!

Limits of recognition and bridging : Even highly-educated native-born children of immigrants have lower labour market outcomes than comparable children of natives

Employment/population ratios of highly-educated children of natives and native-born children of immigrants, men, 20-29 and not in education, around 2007



The reasons for the difficult labour market situation even for highly-educated immigrant offspring are difficult to ascertain

- Is it essentially a class issue?
- Lack of networks?
- Lack of knowledge about labour market functioning?
- (Other) information asymmetries?
- (Statistical) discrimination? => testing studies reveal that the incidence of discrimination is higher than commonly thought
 - Employers seem to be looking for « signs » of integration
 - Naturalised migrants from less developed countries tend to have higher employment rates and to earn more
=> Joint OECD/EC seminar on naturalisation and socio-economic integration under the Belgian EU presidency (14 & 15 October 2010, Brussels)
 - Immigrants who changed their name also earn more
 - ***Amenable to policy intervention!***

Thank you for your attention!

For further information on the OECD's work on
integration:

www.oecd.org/els/migration/integration

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