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# JRC SCIENCE FOR POLICY BRIEF

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## Integration of immigrants in the labour market: assessing the employment gaps\*

### Headlines

- The **gaps** between the employment rates of EU nationals and immigrants (third country nationals) **vary widely across Member States**.
- The **gaps are large and not closing over time** in Member States that are **long-standing destination countries** for immigrants.
- **Key factors** in determining employment prospects for immigrants are **education** (including language, numeracy and digital skills), **country of origin** and **length of residence**.

### Policy context

The integration of immigrants in the labour market, mostly a Member State competence, has been a constant EU priority from the Tampere European Council in 1999 to the 'Action Plan on the integration of third country nationals'<sup>1</sup>. In addition, in the 'New Skills Agenda for Europe'<sup>2</sup> the Commission has called for an early profiling of immigrants' skills and qualifications to enable the integration process of third country nationals.

### Employment gaps in the EU labour market: an overview

The employment gap is one of the most widely used indicators of immigrants' integration in the labour market: the closer the immigrants' employment rates are to the employment rates of nationals, the more they are considered to be effectively integrated. Using the OECD migration-related classification of EU destination

Member States<sup>3</sup>, the Knowledge Centre on Migration and Demography (KCMD) conducted a descriptive analysis\* to identify patterns in employment gaps between EU nationals and third country nationals in 2006 and 2016<sup>4</sup>.

Overall, **large and stable employment gaps** exist for Member States that are **destination countries with significant recent and humanitarian migration** (Denmark, Finland and Sweden) or for **long-standing destinations** (Austria, Belgium, France, Germany, Luxembourg, Netherlands and United Kingdom).

Compared to these two groups, the employment **gaps are narrower** and tend to fluctuate more over time **for new destinations of predominantly labour**

<sup>1</sup> COM(2016) 377 final, 7.6.2016.

<sup>2</sup> COM(2016) 381 final, 10.6.2016.

\* This brief is based on the JRC Technical report: *Patterns of immigrants' integration in European labour markets*, S. Grubanov-Boskovic, F. Natale, M. Scipioni, JRC 108495 / EUR 2884 EN

<sup>3</sup> OECD, 'Indicators of immigration integration 2015: settling in'.

<sup>4</sup>In the KCMD study, employment rate is defined as the percentage of employed persons in relation to the comparable total population aged 15-64. Employment data does not include illegal immigrants.

Distance from the 75% employment rate target (blue circle) for host country nationals, mobile EU citizens and third country nationals (TCNs) by Member State (2016)\*\*

\*\*Bulgaria, Croatia, Latvia, Lithuania, Romania and Slovakia not included due to the low reliability of data.



Source: Labour Force Survey, Eurostat

**immigrants** (Cyprus, Greece, Ireland, Italy, Malta, Portugal and Spain).

Finally, for Member States whose immigration was shaped by **border changes or the presence of minorities** (Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic and Slovenia) **gaps vary considerably** both in magnitude and over time.

A further step in the analysis is to assess these patterns vis-à-vis the goals set in 'Europe 2020 - A strategy for smart, sustainable and inclusive growth' to increase the employment rate of the population aged 20-64 to at least 75%, including through the better integration of migrants in the workforce<sup>5</sup>.

In 2016, in Member States where the 75% target was reached for host country nationals (Austria, Denmark, Estonia, Germany, Netherlands, Sweden and United Kingdom), the employment gaps with third country immigrants were large. The Czech Republic stands out as an exception in this

respect, reaching the target for citizens and third country nationals alike.

In Member States where the 75% target was far from being reached, such as Greece and Italy, the employment gaps tended to be slightly positive in favour of third country nationals.

On average, mobile EU citizens' employment rate was on target across almost all Member States – with the exception of Croatia and Greece.

### Explaining the gaps: key factors

Immigrants' chances of finding work in the EU are mostly influenced by one or more of the following factors:

#### 1. Education (including language, numeracy and digital skills)

The employment gap is higher where the overall gap in education between nationals and third country immigrants is higher. Higher **educated immigrants tend to have better job prospects** than immigrants with lower education. At the same time, **third country nationals with tertiary education show lower employment rates** than EU citizens with a similar education.

#### 2. Country of origin

The employment rates of immigrants vary according to the country of origin. In particular, **immigrants from some specific regions have consistently lower employment rates**, even after their levels of education and length of residence are taken into account.

#### 3. Length of residence

Data show that **immigrants are more likely to be employed** if they have been in the Member State for **longer than 5 years**. However, the impact of the length of residence varies depending on the level of education and country of origin.

<sup>5</sup> COM(2010) 2020 final, 3.3.2010.