

Executive Summary of the Third Migration Observatory Annual Report

“Immigrant Integration in Europe”

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This is the third edition of the Migration Observatory annual report on immigrant integration (www.dagliano.unimi.it).

As in previous years, in the first part we use data from the latest edition of the European Labour Force Survey (2017) to provide a concise, easily accessible and up-to-date source of reference regarding the size, characteristics, and relative economic performance of immigrants in EU countries¹.

In the second part we take a longer-term perspective, and for the first time we study the experience of six EU countries – France, Germany, Italy, Spain, Sweden and the UK – in the last twenty years (1995-2016), paying special attention to long term assimilation patterns and using data from earlier editions of the EULFS.

The key findings are summarized below.

Part I: Immigrant economic integration in 2017

Immigrant population: size and characteristics

BOTTOMLINE: One in ten residents of the European Union is an immigrant. Most immigrants live in EU15 countries and have been in their current country for more than five years. The number of immigrants in the EU has increased by about two million per year over the last two years. Non-European migrants account for less than half of the foreign population. The share of tertiary educated immigrants and natives is strongly correlated across countries.

¹ We also included the members of the European Free Trade Association (EFTA): Iceland, Liechtenstein, Norway and Switzerland.

- In 2017 the number of immigrants in the European Union was 53.1 million, roughly 10% of total population. Most of them (48.2 million) live in a EU15 country, where they account for 12% of total population.
- There is significant heterogeneity in immigrant concentration across countries, which ranges from 0.1 – 0.2% in Romania and Bulgaria to around 20% in Cyprus and Sweden, 30% in Switzerland and even 50% in Luxembourg.
- Most immigrants have been in their current country of residence for a long time: only 20% have lived in the country for five years or less. This number rises to more than 25% in Cyprus, Denmark, Ireland, Luxembourg and the UK and to 31% in Germany.
- More than half of the immigrants in EU countries are European. EU mobile citizens account for 38% of the foreign-born population in the EU. An additional 16% was born in a European country outside of the EU. Africa and the Middle East account for 19% of all immigrants, with an additional 16% coming from Asia and 11% from the Americas or Oceania.
- The gender composition is on average quite balanced, with only a slight majority of women (52%).
- At the EU level, about one third of immigrants have tertiary education, one third at most upper secondary, and the remaining third has at most completed lower secondary education.
- There are significant differences in immigrants' education across member states, which broadly reflect the educational level of natives: countries with higher shares of university-educated natives also have higher fractions of immigrants with tertiary education. Among the countries with a large share of immigrants, Denmark, Ireland, Norway, Sweden, Switzerland and the UK all have more than 38% of university-educated natives and immigrants. On the contrary, Italy has the lowest share of university-educated natives and immigrants (20 and 14% respectively).

Employment

BOTTOMLINE: Immigrants have lower employment probability than natives, especially in Central and Northern Europe. The UK, Italy and Ireland are among the countries with the smallest immigrant-native gap. Differently from previous editions of this report, these gaps are not due to differences in age-gender-education profiles.

- On average across Europe, immigrants are 8.1 percentage points less likely to be employed than natives, which marks a decline in employment probability with respect to 2016.

- Employment gaps relative to natives are especially large in Northern and Central European countries such as the Netherlands (-17.2 p.p.), Sweden (-16.9 p.p.), Germany (-15.7 p.p.) or France (-13.5 p.p.) and smaller in the UK (-2.7 p.p.), Italy (-1 p.p.) and Ireland (-0.4 p.p.).
- Differences in employment probabilities cannot in general be explained by a different composition of the native and immigrant populations in terms of age structure, gender mix and education. This result indicates that on average immigrants' age-gender-education profiles make them very similar to natives in terms of employability.
- The probability of employment is higher for immigrants who have spent more time in the host country. The immigrant-native gap decreases by almost ten percentage points (from 16.1 to 6.4 p.p.) between immigrants with at most 5 years of residence and those who have been in the country for six years or more.

Occupational status and income

BOTTOMLINE: Immigrants are more concentrated than natives in the least prestigious occupations. They are also disproportionately more likely to be in the lowest income deciles. Differences in occupational distribution account for more than half of the immigrant-native income gap.

- Immigrants' occupational distribution is more polarised than that of natives. Immigrants are as likely as natives to work in high-status and high-pay occupations, they are more concentrated in the least prestigious occupations, and they are missing from the middle of the occupational distribution.
- Immigrants are 70% more likely than natives to be in the bottom decile of the national income distribution and 25% less likely to be in the top decile.
- More than half of the immigrant-native difference in the probability of being in the bottom income decile can be explained by differences in occupational distribution

Part II: Long term integration: an analysis of the last twenty years for France, Germany, Italy, Spain, Sweden and the United Kingdom

Immigrant population: size and characteristics

BOTTOMLINE: The share of immigrants in the population increased everywhere in the last twenty years. Different growth rates led to a relative convergence of immigrant shares across countries. The importance of the EU15 as countries of origin decreased over time. The concentration of immigrants in working age segments of the population has increased over time. Immigrants' educational distribution is more polarised than natives', a feature that has increased over time especially in Germany, France and Sweden.

- Between 1995 and 2016, the number of immigrants has increased in all the main migration countries in the EU. In 2016, the countries with the largest share of immigrant population were the United Kingdom and Sweden with 14.6 and 20% of foreign-born population respectively.
- In 1995, around one third of immigrants were from Western EU countries. This share decreased over time and by 2016 at most one in four immigrants were from EU15 countries, while the majority came from outside the EU. In 2016, the highest shares of immigrants from the New EU Member States are in Germany (22%), Italy (23%) and the United Kingdom (21%).
- Migration is balanced across gender. With respect to age, immigrants are concentrated in the young and working age groups of the population and this fact has become more pronounced over time.
- In the last 20 years migration seniority increased everywhere except for Germany and Sweden, where the share of immigrants residing in the country for more than 10 years declined between 1995 and 2016. The highest increases in immigrant seniority happened in Italy and especially in Spain, where the share of immigrants residing in the country for more than 10 years increased from 25 to 68%.
- The share of high educated immigrants reflects that of natives in all the countries and years considered. However, immigrants present a more polarised distribution across education levels with higher shares of low educated compared to natives. This feature has become more pronounced over the last 20 years, especially in Germany, France and Sweden.

Naturalisation and marriage

- Naturalisation rates differ widely across countries, reflecting also differences in citizenship acquisition policies. Naturalisation is the slowest in Italy and Spain, with respectively 10 and 16% of naturalised immigrants after 10 years of residence in the country. Conversely, Sweden is the country with the fastest naturalisation of foreign-born residents (74% after 10 years).
- About one in two immigrants cohabits with their spouse. In 2016, around 70% of spouses were immigrants.

Employment

BOTTOMLINE: Employment probability gaps tend to close with time spent in the host country but they persist everywhere except for Italy. In most countries low educated immigrants have faster and more complete employment assimilation relative to similarly educated natives, except for Sweden and the UK.

- Over the last 20 years, immigrant-native employment gaps increased in Spain and Italy, remained stable in France and Germany, and decreased in Sweden and the UK. Differences in demographic characteristics do not explain these gaps.
- Employment probability gaps shrink with time in the host country. Full convergence is not achieved in any country except for Italy, where it happens after six years.
- One year after migration, the immigrant-native differential is especially large in Italy (-40 p.p.), France (-42.1 p.p.) and Sweden (-39.8 p.p.). After ten years in the country, immigrants have higher or very similar employment probability than natives in Italy (4.7 p.p.), the United Kingdom (-1.5 p.p.) and Spain (-3.2 p.p.). Differentials are larger in France (-12 p.p.), Germany (-14.8 p.p.) and Sweden (-17 p.p.).
- Employment assimilation profiles do not change significantly if we compare immigrants and natives with similar individual characteristics.
- Employment probability gaps for low educated immigrants relative to similarly educated natives are smaller than for those with high education in Sweden and the United Kingdom. In all the other countries, low educated immigrants relative perform better, in relative terms, than high educated ones.

Income

BOTTOMLINE: Immigrants' higher likelihood of being in the bottom earnings decile does not fully disappear with time spent in the host country.

- Immigrants are more likely to be in the bottom decile of the income distribution in all years and countries, except in the United Kingdom after 2013.
- This feature is more pronounced in Italy and Spain, where immigrants are between 7.7 and 13.4 percentage points more likely to be in the 10% of the population with lowest income.
- Job and occupational characteristics account for about half of such difference in all years.
- Immigrants' likelihood of being in the bottom income decile does not fully converge to that of natives anywhere.
- The gap is quite stable over time spent in the country in the United Kingdom, Germany and France, where the initial differential is also lower. On the contrary, in Italy and Spain, initial gaps are much larger but they decrease with time in the country converging to those of the other countries.

Occupation

BOTTOMLINE: The occupational distribution of immigrants relative to natives worsened significantly in the last twenty years.

- Immigrants tend to be more concentrated than natives in the bottom part of the occupational distribution: this feature increased significantly in 2016 with respect to 1995 in all countries.
- The comparison between earlier and more recent immigrants shows that recent immigrants' occupational distribution is more different from natives than that of earlier immigrants. The difference in their relative occupational distribution did not change very much over the last 20 years.