

Executive Summary of the fourth edition of the Migration Observatory Report

“Immigrant Integration in Europe”

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This is the fourth edition of the Migration Observatory annual report on immigrant integration in Europe, which this year focuses in particular on the regional dimensions of immigration.

As in previous years, in the first part we use data from the latest edition of the European Labour Force Survey (2018) 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 countries. In the second part, instead, we explore the geography of migration.

We show that clustering and agglomeration, in regions and in occupations, play a central role in shaping immigrant integration. Immigrants' employment probability is - on average - not too different from that of natives, also because immigrants are concentrated in the most economically successful regions within a country. However, immigrants have considerably lower wages than natives, largely because they tend to be employed in low pay occupations. The tension between living in richer regions and performing low skilled jobs may contribute to explain the common misperceptions of natives with respect to immigration.

The key findings are summarized below.

PART I: IMMIGRANT INTEGRATION IN 2018

IMMIGRANT POPULATION: SIZE AND CHARACTERISTICS

BOTTOMLINE: More than one in ten residents of the European Union is an immigrant. This ratio increases to 12% in EU15 countries, where most immigrants live. The number of foreign residents in the EU has increased by about five million units between 2015 and 2018, one million with respect to the previous year. Still, four out of five migrants have been in the host country for five or more years. More than half of the immigrants are from a European country. The share of tertiary educated natives and immigrants is strongly correlated both across countries and across regions.

- In 2018 the number of immigrants in the European Union was 54.2 million, about 10.5% of the total population. Most of them (49 million) live in a EU15 country, where they account for more than 12% of the population.
- Immigrant concentration is highly heterogeneous across countries. The immigrant share ranges from as low as 0.1 or 0.3% in Romania and Bulgaria (who are still mainly sending countries), or 4.5% in Finland (the lowest among EU15 countries) to as high as 21.5% in Sweden, 30% in Switzerland and even more than 50% in Luxembourg.
- Most immigrants have been in their current country of residence for a long time: only 20% has emigrated within the previous five years. This number rises to more than 25% in Cyprus, Denmark, Ireland, Luxembourg, Malta, Sweden and the UK and to more than 30% in Germany.
- The majority of the foreign-born population (54%) originates from another European country. EU mobile citizens account for 38% of the foreign-born population of the EU. An additional 16% was born in a European country outside of the EU. Among the other areas of origin, Africa and the Middle East account for 19% of all immigrants, while 16% come 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%).
- 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. However, the educational levels of immigrants vary considerably across destination countries.
- Differences in immigrants' education across member states reflect the educational level of natives: countries with higher shares of university-educated natives also have higher fractions of immigrants with tertiary education and vice versa. For instance, Italy is the country with the least educated immigrants (14% have tertiary education) and the second lowest (after Romania) share of natives with tertiary education (20%). Conversely, Ireland and the UK have among the highest shares of tertiary educated immigrants, respectively 56 and 51%.
- The correlation between education levels is even stronger across regions (correlation coefficient 0.3) than across countries (correlation coefficient 0.2).

EMPLOYMENT

BOTTOMLINE: Immigrants have a lower employment probability than natives, especially in Central and Northern Europe. The UK, Italy, Ireland and Portugal are among the countries with the smallest immigrant-native gap in the probability of being employed. Gaps cannot be explained by differences in age-gender-education profiles.

- On average across Europe, immigrants are 7.6 percentage points less likely to be employed than natives, a slight improvement in their relative employment probability with respect to 2017.
- Employment gaps are larger in Central and Northern European countries like Sweden (-17.3 p.p.), the Netherlands (-16.3 p.p.), Germany (-14.4 p.p.) or Denmark (-13.7 p.p.) and smaller in the UK (-1.9 p.p.) and in Italy (-0.9 p.p.). In Ireland, Luxembourg and Portugal immigrants have the same employment probability as natives.
- Differences in employment probabilities cannot be explained by immigrants' age-gender-education profiles.
- EU immigrants have the same probability of employment as natives, whereas immigrants from outside the EU display a disadvantage of 12 percentage points. Such differences do not depend on age-gender education profiles: the same individual would face less difficulties in finding a job if she were an EU rather than a non-EU citizen. Institutional differences like free mobility within the EU play a central role in explaining this difference.
- The probability of employment is higher for immigrants who have spent more time in the host country. The immigrant-native gap is nine percentage points lower (15 vs 6 p.p.) between immigrants with at most 5 years of residence and those who have been in the country for 6 years or more.

OCCUPATIONAL STATUS AND INCOME

BOTTOMLINE: Immigrants are considerably more likely than natives to be employed in low-pay and low-status occupations, even after accounting for differences in personal characteristics such as education. 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 wage gap.

- Immigrants' occupational distribution is more polarized than that of natives. Immigrants are as likely as natives to work in high-status and high-paying occupation. They are however much more concentrated than natives in the least qualified occupations and they are missing from the middle part of the occupational distribution (measured by the ISEI index).
- Immigrants are 77% more likely than natives to be in the bottom decile and 29% less likely than natives to be in the top decile of the wage distribution.

- More than half of the immigrant-native difference in probability of being in the bottom income decile can be explained by differences in occupational distribution.

PART II: REGIONAL DIMENSIONS AND MIGRATION PATTERNS

REGIONAL DISTRIBUTION OF MIGRANTS

BOTTOMLINE: Immigrants are not evenly distributed across regions within each country. The distribution of immigrants across different regions shows high correlation with measures of labour market success and economic growth at the regional level. Immigrants settle in less economically successful regions only if they have good employment prospects there. For this reason, their employment probability has less geographical variation than natives'.

- On average, 19% of immigrants should change region within their country of residence to achieve the same spatial distribution as natives. This share increases to about 25% in Belgium, France and the UK, and decreases to about 10% in Sweden, which had a dispersal policy in place.
- The regional concentration of immigrants has changed heterogeneously over time.
- There is some convergence in immigrant concentration across regions over time. In fact, the growth of the foreign-born population (as a share of regional population) between 2008 and 2018 has been higher in regions with an initially lower immigrant concentration.
- Within each country, regions with a higher-than-average concentration of immigrants also have a higher than average employment rate and vice versa.
- Likewise, regions with a GDP growth above the average of their country also host a share of migrants above the national average and vice versa.
- The immigrant-native employment probability gap varies significantly across regions within a country. However, most of the variation is due to differences in natives' employment probability across regions. Immigrants are mostly concentrated in regions in which natives show higher levels of employment.
- Likewise, immigrant-native gaps in occupational status and income are larger within regions, since immigrants concentrate in more economically successful areas of each country, where also natives have better jobs and higher earnings.

MIGRATION PATTERNS

BOTTOMLINE: Around 12% of the non-EU migrants who have moved to a EU country in the previous year was living in another EU country the year before. Migration in multiple steps (transit migration) is common especially in central and northern European countries. Reaching the destination country through previous migration in another EU country is common especially for non-EU European migrants.

- Among the annual inflow of non-EU migrants settling in a EU country in every year, 11.6% were previously living in another EU country.
- In France, UK and Sweden the 13, 15 and 18% of the non-EU migrant inflows are due to migrants who were already in another EU country (not their own) when they reached their current destination. The corresponding share is 3 and 6% for Italy and Spain.
- 21% of the annual inflow of European non-EU immigrants is composed of migrants who were already living in a EU country the previous year.