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Executive Summary of the 9th Migration Observatory Report “Immigrant Integration in Europe”

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This is the ninth edition of the Migration Observatory annual report on immigrant integration in Europe.

The report is articulated in two parts. In the first part, we use data from the latest edition of the European Labour Force Survey (2023) to provide a concise, easily accessible and up-to-date source of reference regarding the size, characteristics, and relative economic performance of immigrants in European countries. In the second part, instead, we shift our focus to their native-born descendants – commonly referred to as second-generation immigrants. We assess their demographic profile, educational attainment, employment outcomes, and the role of citizenship in shaping their labour market integration.

We show that while second-generation immigrants fare better than the first-generations in many respects, significant disparities persist compared to natives with native-born parents.

The key findings are summarised below.

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PART I - IMMIGRANT INTEGRATION IN EUROPE IN 2023

IMMIGRANT POPULATION - SIZE AND CHARACTERISTICS

BOTTOMLINE: More than one in ten residents in Europe is an immigrant. This ratio increases to 15% in EU14 countries, where most immigrants live. The number of foreign-born residents in Europe has slightly increased from 2022 to 2023. About one in five immigrants living in a European country in 2023 have emigrated within the previous five years. More than half of the immigrants are European. The share of tertiary-educated natives and immigrants is strongly correlated across countries.

- In 2023, immigrants account for 12.6% of the total European population. Most of them (50.3 million) live in a EU14 country, where the share of immigrants in the population is 15%.
- Immigrant concentration is highly heterogeneous across countries. The share of immigrants ranges from as low as about 0.35% in Romania and Bulgaria to as high as 23% in Sweden, 33% in Switzerland and 55% in Luxembourg.
- In 2023, about one in five immigrants (18%) living in a European country had emigrated within the previous five years, whereas in 2022, this share was 16.5%. Among the countries with more than 1% of immigrants in the population, only the Netherlands, Portugal, Czech Republic, Cyprus, Malta and Poland have this share above 25%.
- Most immigrants (54%) were born in another European country: 30% come from an EU member state, while an additional 24% were born in a European country outside of the EU. Among the other areas of origin, Africa and the Middle East account for 17% of all immigrants, while 16% come from Asia and 12% from the Americas or Oceania.
- Among the foreign-born population, 52% are women. Only in Romania, Malta and Slovenia, significantly more than 50% of immigrants are men.
- Slightly less than one-third of immigrants have tertiary education, slightly more than one-third have completed lower secondary education, and the rest have reached upper secondary education. However, the educational levels of immigrants vary considerably across destination countries.

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- 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.
- Italy has the least educated immigrants (14% have tertiary education) and the second lowest (after Romania) share of natives with tertiary education (23%). Conversely, Luxembourg and Ireland have among the highest shares of tertiary-educated immigrants, respectively 58% and 65%.

EMPLOYMENT

BOTTOMLINE: Immigrants have a lower probability of employment than natives, especially in central and northern Europe. The employment gap is stable relative to 2022. Differences in age-gender-education profiles cannot explain gaps.

- On average, across Europe, immigrants are 9 percentage points less likely to be employed than natives. The employment probability gap is essentially stable with respect to 2022.
- Employment gaps are more sizable in central and northern European countries like the Netherlands (-16 p.p.), France and Germany (-13 p.p.), and Belgium (-12 p.p.), and smaller in Italy (-3 p.p.), the Czech Republic (-2.6 p.p.) and Cyprus (-2 p.p. In Ireland, Portugal and Iceland, immigrants are as likely as natives to be employed; in Luxembourg and Malta, the differential is positive.
- Immigrants' age-gender-education profiles cannot fully explain differentials in employment probabilities.
- The employment probability of EU immigrants is only 2 percentage points lower than that of natives, whereas immigrants from outside the EU display a disadvantage of nearly 12 percentage points. Such differences do not depend on age-gender-education profiles: the same individuals would face fewer difficulties finding a job if they were EU rather than non-EU citizens. Institutional factors like free mobility within the EU and the normative framework 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 ten percentage points lower (17 vs 7 p.p.)

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between immigrants with less than five years of residence and those who have been in the country for six years or more.

OCCUPATIONAL STATUS

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.

- Immigrants' occupational distribution is more polarised than that of natives. Immigrants are much more concentrated than natives in the least qualified occupations and are absent from the middle part of the occupational distribution (measured by the ISEI index).
- EU immigrants are employed in more prestigious and better-paid occupations than non-EU immigrants.
- Immigrants' probability of working in an elementary occupation is 12 percentage points higher than natives. Likewise, natives are more concentrated than immigrants in the three highest-paid occupational categories: managers, professionals and associate professionals (48% vs 35%).
- The concentration in elementary occupations is higher for non-EU than EU immigrants. The share of non-EU immigrants in elementary occupations does not significantly change with years since migration. Non-EU immigrants who have been in the country for no more than five years are 15 p.p. more likely than natives to work in an elementary occupation. This differential is just 1.5 p.p. lower among their co-nationals who have emigrated earlier.
- Differences in individual characteristics between immigrants and natives can explain only a small part of the occupational disadvantage of immigrants. They account for 22% of the differential probability of having an elementary occupation and 35.5% of the differential probability of working in one of the three highest-paid occupational categories.
- In countries where the occupational distribution of immigrants is similar to that of natives, immigrants tend to perform better also in terms of employment probability. A

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higher immigrant likelihood of being at the bottom of the occupational distribution relative to natives is associated with a more significant employment probability gap. This correlation suggests that misallocation across occupation and employment assimilation are associated, not alternative.

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PART II - SECOND GENERATION IMMIGRANTS IN EUROPE SIZE AND CHARACTERISTICS

BOTTOMLINE: Second-generation immigrants represent a growing but still relatively small share of the European population. Their presence is highest in Western European countries with longer histories of immigration.

- In 2023, second-generation immigrants accounted for 4% of the European population aged 0-74, with an additional 5% having a mixed background (one foreign-born and one native-born parent). These shares are higher in EU14 countries, where second-generation immigrants make up 6% of the population.
- The largest concentrations of second-generation immigrants are found in Luxembourg (10%), Belgium, Germany, and Switzerland (8%), and Austria and France (7%). In contrast, their presence remains marginal (below 1%) in most Central and Eastern European countries.
- Second-generation immigrants are significantly younger than both first-generation immigrants and natives. Their average age in EU14 countries is 24, compared to 42 for first-generation immigrants and 41 for natives. Most second-generation immigrants (42%) are in the 0-14 age range, and an additional 27% is aged 15-29.

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EDUCATION

BOTTOMLINE: Second-generation immigrants achieve higher education levels than their foreign-born parents but remain at a disadvantage compared to natives.

- Among working-age individuals (25-64), second-generation immigrants are 6 percentage points less likely than natives to attain tertiary education. This disadvantage increases to 9 percentage points when accounting for differences in age and gender.
- At the lower end of the educational spectrum, in the EU14 second-generation immigrants are 5 percentage points more likely than natives to have low education (at most lower-secondary education). This gap is one third that of first-generation immigrants.
- Educational disadvantages are more pronounced for the descendants of non-EU than of EU migrants.

EMPLOYMENT AND OCCUPATIONAL STATUS

BOTTOMLINE: Second-generation immigrants have higher employment rates and are employed in better paid jobs than first-generation immigrants but continue to face a disadvantage compared to natives.

- Across the EU14, second-generation immigrants are 5 percentage points less likely to be employed than natives. The employment gap is larger in some countries, particularly Belgium (-17 p.p.), France (-8 p.p.), and the Netherlands (-7 p.p.).
- In contrast, in Luxembourg, Norway, and Portugal, second-generation immigrants are more likely than natives to be employed.
- Differences in age, gender, and education do not fully explain the employment gap, suggesting that other factors linked to their immigration background play a role.
- Second-generation immigrants have a 20% higher probability than natives to work in elementary occupations.
- At the top of the occupational ladder, second-generation immigrants are 9% less likely than natives to hold high-skilled jobs. This gap is entirely explained by differences in education and age structure.

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- Descendants of EU migrants have occupational profiles more similar to natives, while those of non-EU origin face greater disadvantages.

NEET (*Not in Employment, Education, or Training*) RATE

BOTTOMLINE: Second-generation immigrants are more likely than natives to be NEET, a pattern that is driven by those of non-EU origin.

- Among individuals aged 15-29, second-generation immigrants have a NEET rate 2 percentage points higher than natives, meaning they are 20% more likely to be neither in work nor education.
- In general, countries with a higher NEET share among natives also display high NEET share among second-generation immigrants.
- The NEET rate among second-generation EU migrants matches that of natives. However, second-generation migrants of non-EU origin are 2.5 percentage points more likely than natives to be neither in employment, education, nor training, a 25% higher likelihood.

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CITIZENSHIP AND LABOUR MARKET OUTCOMES

BOTTOMLINE: Citizenship acquisition is associated with better labour market outcomes for second-generation immigrants, but access to citizenship remains uneven across countries.

- In 2023, 75% of second-generation immigrants in Europe held the citizenship of their country of residence. This share is higher (77%) for second-generation migrants of non-EU origin than for those of EU origin (70%).
- More educated migrants are generally more likely to hold citizenship. In the EU14 78% of low-educated second-generation migrants, but 92% of those with tertiary education, are citizens of their country of birth and residence.
- Naturalisation rates vary widely: in Sweden, the Netherlands, and Portugal, over 95% of second-generation migrants hold citizenship, while in some countries, legal barriers limit access to citizenship.
- Second-generation immigrants who are citizens of their country of birth are 3 percentage points more likely to be employed than their non-naturalised counterparts. The employment advantage is still 2 percentage points even after adjusting for education and demographic factors.
- Holding citizenship is also associated with better occupational status. Second-generation migrants without citizenship are 5 percentage points (equivalent to 50%) more likely to be employed in elementary occupations than those with citizenship, and 16 percentage points (equivalent to 23%) less likely to work in a highly skilled job.

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