

Chapter 6

Labour market outcomes

Employment provides the main source of income for most migrants. However, integrating immigrants and their offspring into the labour market is not only important from an economic perspective, but also has implications for integration in society as a whole, such as finding housing, learning the host country language and making contacts with the native-born population. However, it does not necessarily guarantee social integration.

Labour migrants tend always to be better positioned in the labour market than migrants who arrive for family or humanitarian reasons. Over time, migrants progressively acquire the specific human capital they need to succeed in the host country labour market. The most important component of this host country specific human capital is the host country language, although other factors such as knowledge about the functioning of the labour market and access to networks are also essential.

Participation in the labour market is also strongly driven by socio-demographic characteristics, in particular gender, education and age. Men have on average a higher employment rate than women, and higher education eases integration in the labour market for both genders. Likewise, the highest labour market participation is reached between 25 and 54.

Native-born offspring of immigrants do not face problems related to their human capital transferability to the host country as they are raised and educated in this country and speak its language. Labour market opportunities for native-born offspring of immigrants should therefore be equivalent to those of offspring of native-born parents with comparable socio-demographic characteristics. However, in many OECD countries, this is not the case, since networks and specific knowledge about the functioning of the labour market in the destination country does not always exist in families where both parents are foreign-born. Moreover, discrimination in hiring procedures may occur.

In this chapter, three indicators are presented: employment (Indicator 6.1) and unemployment rates (Indicator 6.2) as well as the share of the NEET group (Indicator 6.3). For a discussion on these indicators, refer to the section “Measurement” at the end of this chapter.

6.1. Employment

Outcomes and trends

Background information

The employment rate gives the proportion of employed persons among the working-age population (age group 15 to 64). The data provided below are based on the following definition of “employment” used by the International Labour Organisation: those who worked for any amount of time, even if only for one hour, in the course of the reference week or had a job but were absent from work. It includes both dependent employment and self-employment. This definition differs from that used in national statistics in some countries, which define as “employed” those who are registered by the employment services. Adjusted foreign-born employment rates are calculated on the assumption that the foreign-born population had the same age and educational characteristics as the native-born population.

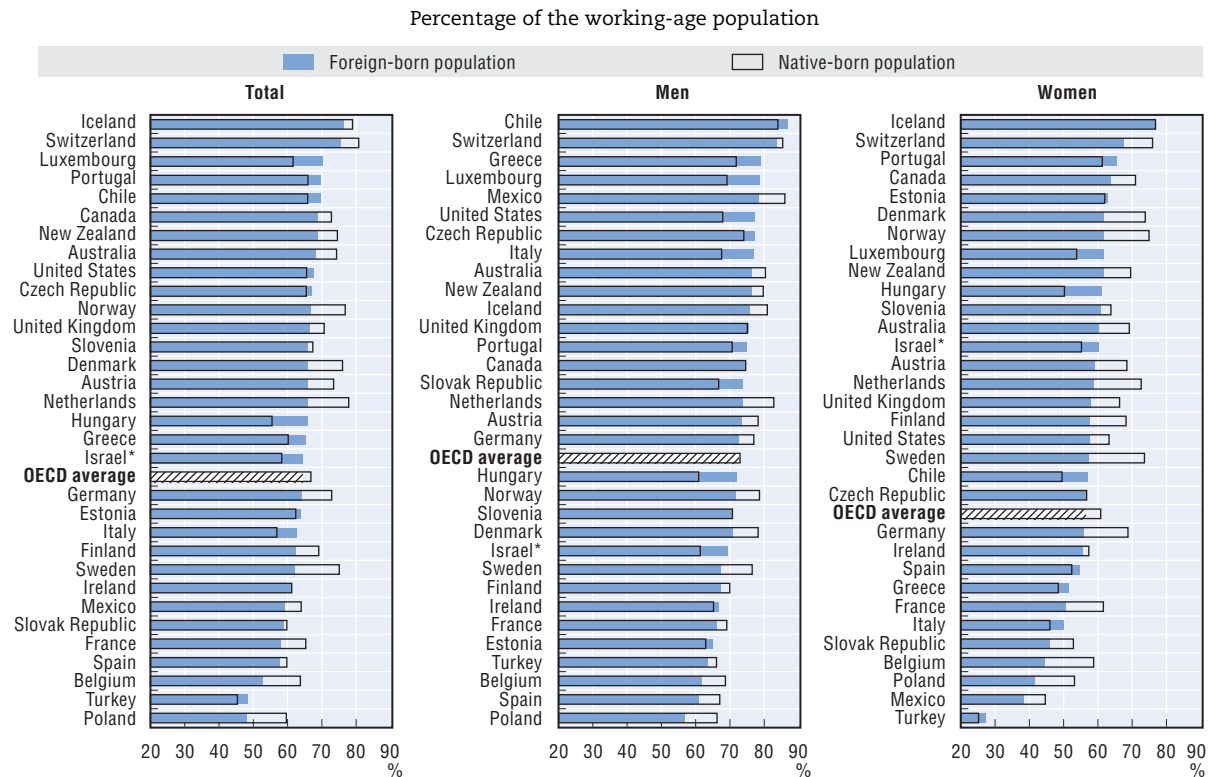
In 2009-10, the average employment rate among immigrants across OECD countries was 64% (72% among men and 56% among women). These rates range from less than 55% in Belgium, Poland and Turkey to more than 75% in Iceland and Switzerland. In countries where labour migration constitutes the bulk of flows, employment rates for foreign-born are particularly high (e.g., Portugal and Switzerland) (Figure 6.1).

Overall, the immigrant population is generally less likely to be employed than the native-born population. The differences compared with the native-born are usually larger among women than among men (Figure 6.A1.1). In Belgium, where the employment rate of immigrant women is particularly low (44.2%), and to a lesser extent in France and Germany, the gap with native-born women is large (more than 10% points). This gap is also large in the Netherlands, Norway and Sweden where native-born women have high employment rates. The same result is observed, with smaller gaps with the native-born, in Australia, Canada, Denmark, New Zealand and Switzerland. In southern Europe, as well as in Estonia, Hungary, Israel*, Luxembourg and Turkey, immigrant women are more likely to be employed than their native counterparts. The situation is more mixed among immigrant men. In a number of countries, they have relatively high employment rates and are more likely to be employed than their native-born counterparts (Czech Republic, Greece, Italy, Luxembourg and the United States) or are as likely to be employed (Switzerland).

Higher education eases integration into the labour market for both foreign and native-born populations. However, differences in employment rates of immigrants and native-born persons are much larger among the tertiary-educated than among persons with low educational attainment (Figure 6.2). On average over the OECD, low-educated immigrants have a higher employment rate than their native-born peers. This is particularly visible in countries that have had significant low-educated labour migration over the past decade, such as Greece, Italy and the United States. In contrast, in all countries with significant immigrant populations the highly educated immigrants have lower employment rates than the highly educated native-born. This suggests that the host-country labour market may not fully recognize the full value of immigrants’ formal education (see Indicator 6.4 on overqualification).

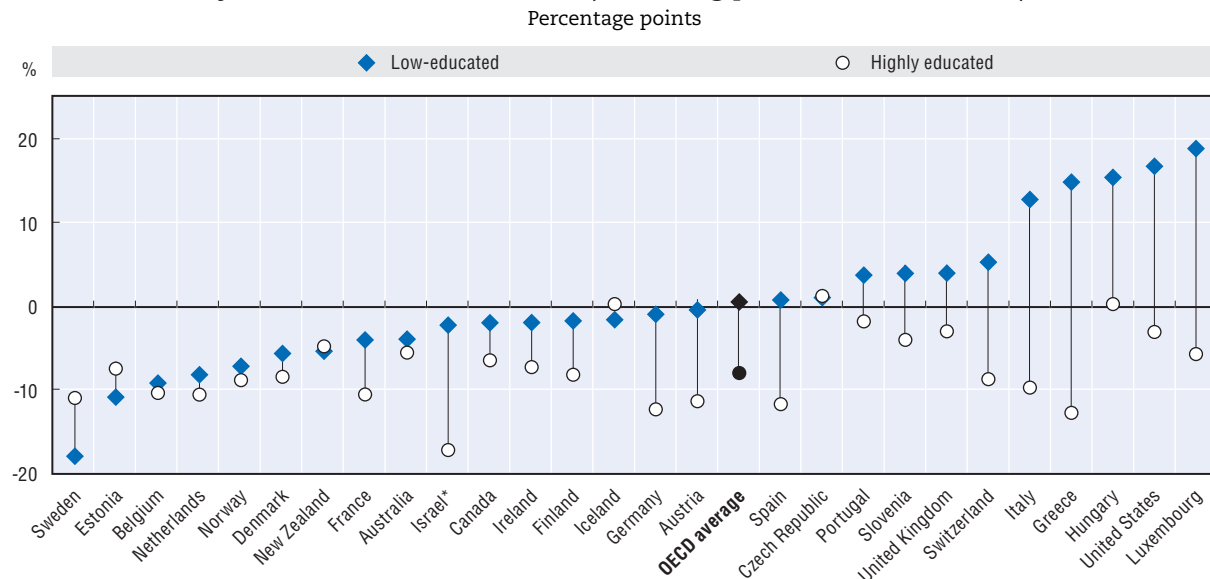
When accounting for differences in the age composition of foreign- and native-born populations, the differences between the two groups tend to increase, as immigrants are generally overrepresented in the most active age group 25 to 44. The often less favourable educational structure counterbalances this partly; nevertheless differences tend to increase in most countries since the favourable age structure dominates the latter effect. In contrast, when singling out women, accounting for age and educational differences changes little, with the exception of Germany where differences in the educational structure are particularly strong (Figure 6.A1.1).

Figure 6.1. **Employment rates of foreign- and native-born populations aged 15 to 64 by gender, 2009-10**



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Figure 6.2. **Difference in employment rate of foreign- and native-born populations aged 15 to 64 by educational level, 2009-10 (excluding persons still in school)**



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Notes and sources are at the end of the chapter.

6.1. Employment

Outcomes and trends (cont.)

On average across OECD countries, the employment rate of immigrants increased by almost 1.5 percentage points in the past decade, despite the impact of the 2008 economic crisis. However, there have been strong gender differences. Whereas there has been a strong increase of 4.3 percentage points for immigrant women, the employment rate of immigrant men declined slightly by 1.1 percentage points.

Immigrant women have seen an improvement in employment rates in most countries (Figure 6.3). The increases were particularly strong in southern European countries where many immigrant women have arrived recently as labour migrants (+10 percentage points in Italy and +6 percentage points in Greece and Spain). There have also been notable increases in Hungary (+13 percentage points), Belgium and Germany (+8) as well as in Denmark and the Netherlands (+7). Only in Iceland has there been a strong decline (-8 percentage points).

The picture is more mixed among immigrant men. Some countries that had relatively low employment rates for immigrant men at the beginning of the decade have seen big improvements. This is the case, for example, in Germany (+5 percentage points), Denmark (+4) Finland and Sweden (+3). All these countries have put a great effort into labour market integration in recent years. The strongest increase – more than 10 percentage points – was, however, observed in New Zealand. Australia and the United Kingdom also had increases of more than 3 percentage points each, reflecting a strong focus on labour migration during the decade.

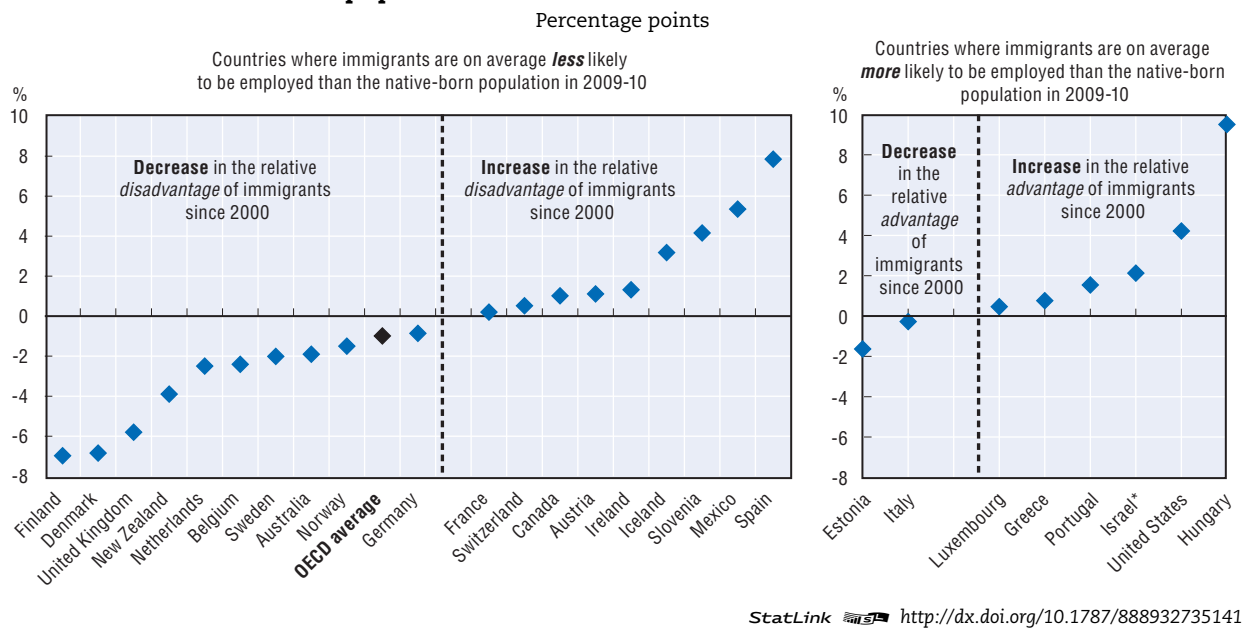
A sharp deterioration is, however, observed for immigrant men in Estonia, Iceland, Ireland, Italy and Spain. All these countries were hard hit by the crisis. With the exception of Estonia, these countries also had significant recent labour migration, often in cyclical sectors and low-skilled occupations, which tend to be particularly hit hard by declining labour market conditions during a downturn.

The evolution of immigrant employment rates can also be compared with that of the native-born, as is shown in Figure 6.4. In Denmark, Finland and the United Kingdom, the difference with the employment rates of the native-born tended to decrease since 2000-01, even if the immigrants remained less likely to be employed than their native-born counterparts in 2009-10. Conversely, immigrants' relative "advantage" (in terms of relative likelihood to be employed) disappeared in Spain and Mexico while the gap with the native-born remained roughly unchanged in Austria, Canada, France, Ireland and Switzerland. The same trend is observed in Greece, Italy and Luxembourg where immigrants are overall more likely to be employed than the native-born. Finally, in the United States, the employment rate decreased more among the native-born than among the immigrant population.

Figure 6.3. **Employment rates of the foreign-born population aged 15 to 64 by gender, 2000-01 and 2009-10**



Figure 6.4. **Change in the differences in employment rates of foreign- and native-born populations between 2000-01 and 2009-10**



Notes and sources are at the end of the chapter.

6.1. Employment

Convergence

Background information

Immigrants raised and educated in their country of origin may need some time to acquire the specific human capital required to succeed in the country of residence. The most obvious example of this type of human capital is language, but it may also include knowledge of different work practices, industrial standards, legal systems and even cultural norms (for example, the need to oneself at a job interview). Over time, these immigrants are expected to show a range of labour market outcomes similar to those of persons born and educated in the host country. This process is generally described as convergence. The situation of immigrants who arrived at a very young age may, to some extent, be comparable to that of the native-born offspring of immigrants.

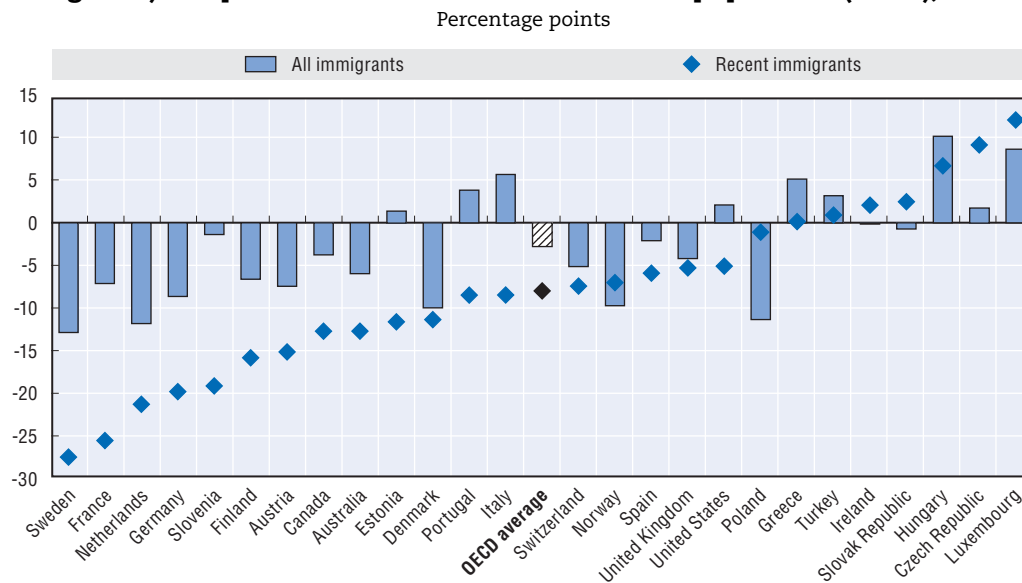
In this section, a first analysis compares the outcomes of recent migrants (those in the country for less than five years) with those of more settled migrants in 2009-10. However, this analysis does not allow for disentangling cohort effects from the impact of the duration of stay. Ideally, longitudinal data are needed to evaluate the convergence process. In the absence of such data for most countries, a “pseudo-cohort” analysis is carried out based on cross-sectional data by detailed duration of stay. That is, instead of directly following the outcomes of the same migrants over time, the outcomes of different random samples of immigrants who have all arrived in a certain year are observed in subsequent years. Since the number of immigrants with a specific year of arrival is small in most labour force surveys, data are presented for only 17 countries and are pooled over three years. Three different cohorts are presented below – migrants who entered in the country from 1994 to 1996 – referred to below as the 1994 cohort; the 1998 cohort, entered from 1998 to 2000; and the 2002 cohort, entered from 2002 to 2004.

In most OECD countries, recent immigrants (those in the country for less than five years) are less likely to be employed than more settled migrants. This trend, however, is not observed in Norway, where settled migrants also face difficulties integrating in the labour market, nor in Luxembourg, where recent migrants are even more likely to be employed than their native-born counterparts (Figure 6.5).

On average across OECD countries for which pseudo-cohort analysis could be carried out, the 2002 cohort shows a strong improvement in employment rates overall by about 10 percentage points over the first five to six years. For all three cohorts, there is a halt in the convergence process after about eight years (Figure 6.6).

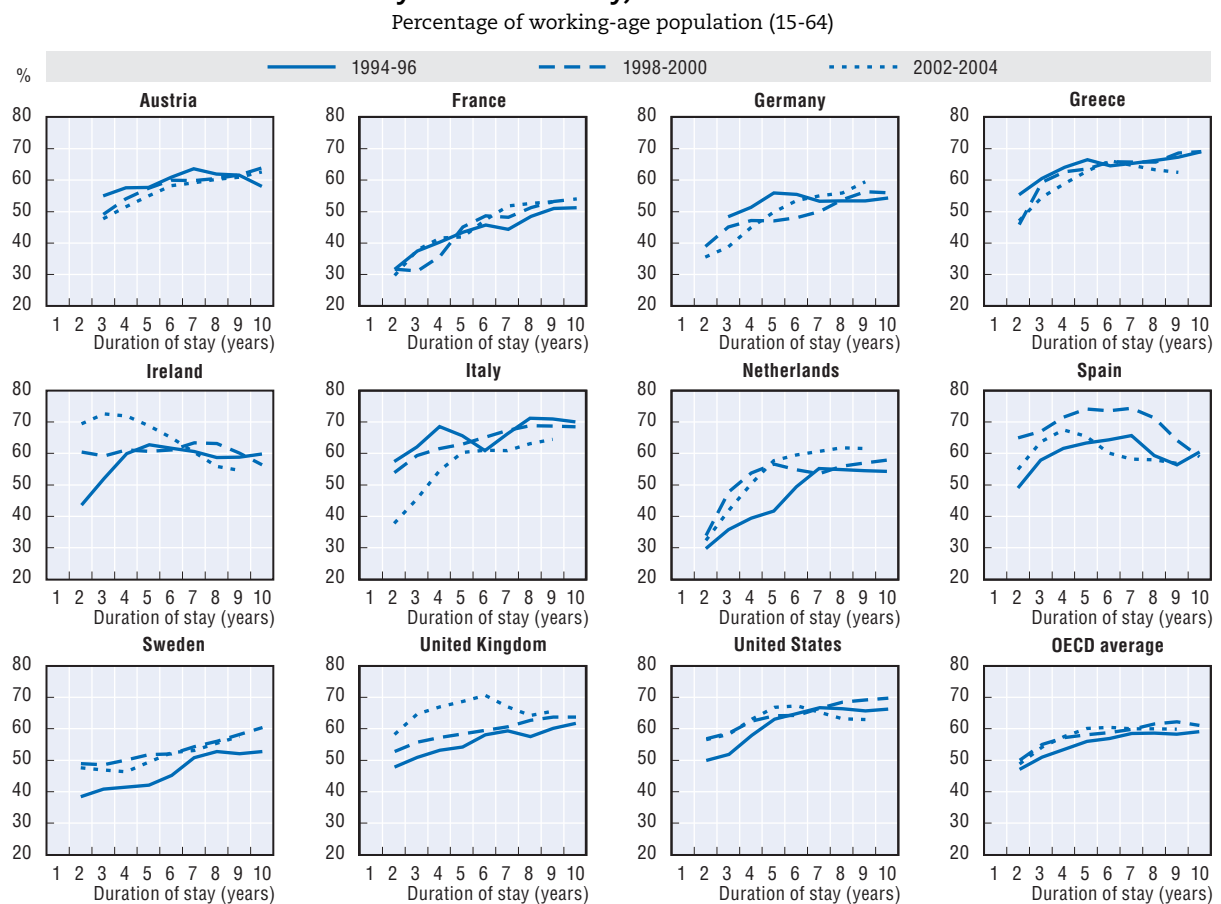
Overall, more recent cohorts depict better outcomes, in particular in the early years after arrival. This may be a result of a combination of factors, among which are an overall improvement in the employment situation after 2001, changes in the composition of flows with a larger share of labour migration in many countries, and enhanced focus on labour market integration for new arrivals. However, in countries where recent immigration consisted of labour migration to a large extent, with immigrants already having employment upon arrival – notably Ireland and Spain, as well as the United Kingdom and the United States – the economic crisis severely affected the 2002 cohort. The impact of the recent crisis on 1994 and 1998 cohorts is not visible in Figure 6.6 because the trend covers only the first ten years spent in the country of residence.

Figure 6.5. **Difference in employment rates of the foreign-born population (all and recent immigrants) compared with those of the native-born population (15-64), 2009-10**



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Figure 6.6. **Employment rate of the foreign-born population entered in 1994-96, 1998-2000 and 2002-04 by duration of stay, selected OECD countries**



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Notes and sources are at the end of the chapter.

6.1. Employment

Native-born offspring of immigrants' outcomes

Background information

The population under review is between 15 to 34 years old and is not in education. The native-born offspring of immigrants are defined as persons born in the country of residence for whom both parents are foreign-born. The reference population consists of persons for whom at least one parent is native-born.

To capture the influence of differences in educational characteristics, adjusted gaps to the employment rates of the offspring of the native-born are presented, assuming native-born offspring of immigrants have the same distribution by age and education as their native counterparts.

In 2008, the native-born offspring of immigrants had an employment rate of 73% on average across OECD countries. In most OECD countries, the native-born offspring of immigrants have more trouble finding employment than do offspring of native-born. On average, the employment rate gap between these two population groups is around 10 percentage points. The gap is especially large in Belgium and Spain (around 27% points). In Estonia, Israel and Poland, on the other hand, the native-born offspring of immigrants have higher employment rates than their counterparts with native-born parents.

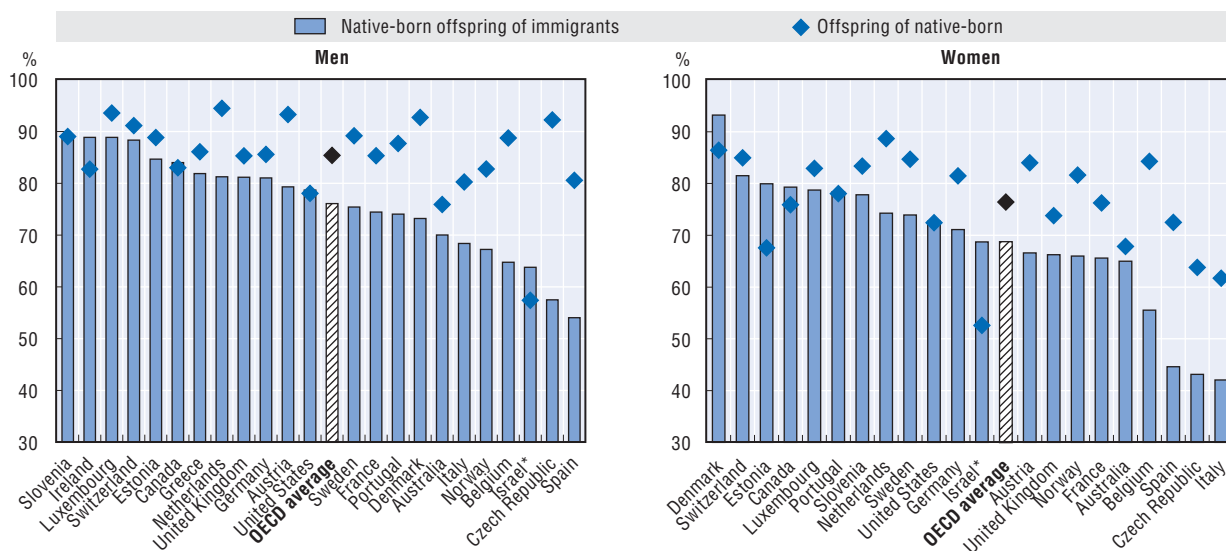
Although men with immigrant parents have on average poorer educational attainment levels than their female counterparts, women are less likely to be employed than men. Men with immigrant parents have employment rates around 77% and women 69% (Figure 6.7). The gender gap is generally bigger among native-born offspring of immigrants than among offspring of native-born. Notable exceptions are Denmark where the female employment rate of native-born offspring of immigrants is particularly high as well as Australia and Canada. In Canada, men and women have similar probability to be employed, whatever their parents' country of birth.

In many OECD countries, low-educated native-born offspring of immigrants lag behind children of native-born (Figure 6.8). The differences with the offspring of native-born are generally less pronounced among highly educated persons, except in Belgium where native-born offspring of immigrants lag behind whatever their level of education. In Spain, low-educated offspring of immigrants fare worse, but highly educated native-born offspring of immigrants do better than their counterparts with native-born parents. The opposite pattern is observed in Israel.

As shown in Figure 6.9, educational attainment levels explain a substantial part of the difference in employment rates between the native-born offspring of immigrants and the offspring of native-born parents in the Czech Republic, Germany and Switzerland, and to a lesser extent in Italy and Spain. In most other countries, the explanatory power of formal education is much smaller and a substantial unexplained gap remains.

Figure 6.7. **Employment rates by gender and parents' place of birth, persons aged 15 to 34 not in education, 2008**

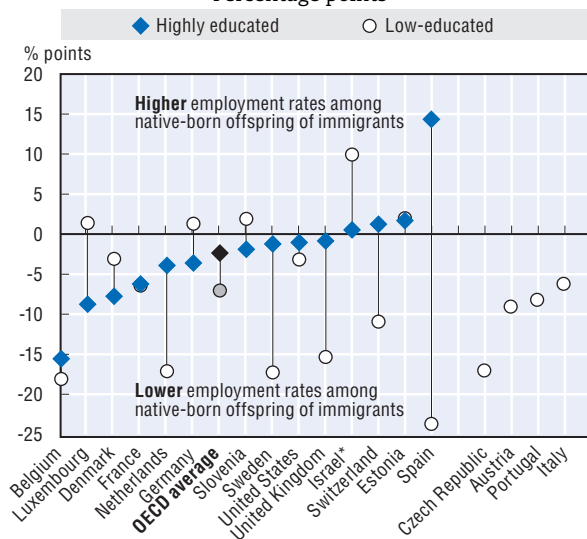
Percentage of persons aged 15 to 34



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Figure 6.8. **Difference in employment rates between native-born offspring of immigrants and offspring of native-born parents, by educational level, persons aged 15 to 34 not in education, 2008**

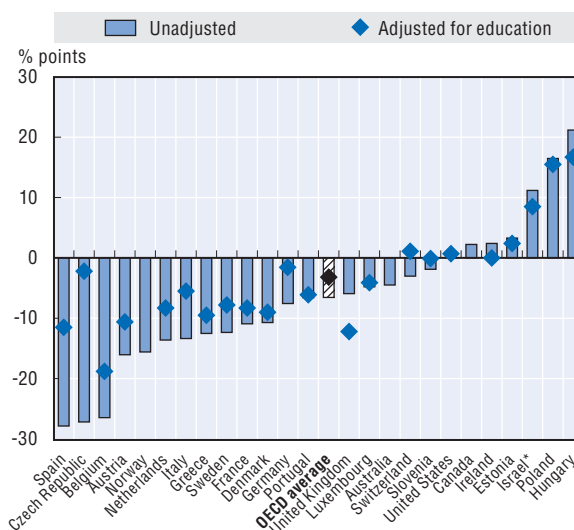
Percentage points



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Figure 6.9. **Difference in employment rates of native-born offspring of immigrants and offspring of native-born parents, persons aged 15 to 34 not in education, 2008**

Percentage points



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Notes and sources are at the end of the chapter.

6.2. Unemployment

Outcomes and trends

Background information

The unemployment rate gives the proportion of unemployed persons among the labour force (i.e., the employed plus the unemployed). According to the ILO definition, unemployed are persons without work, being available for work and currently seeking work. This definition, which is used below, differs from those in national unemployment statistics, which generally refer to those being registered as unemployed at the public employment service.

The share of long-term unemployed – the percentage of persons being unemployed for more than 12 months among the unemployed – is also presented below. It is a measure of the persistence of unemployment and thereby more broadly of social exclusion.

The figures are shown both for the population of working age (15 to 64 years old) and for youth (15 to 24 years old).

On average, the immigrant unemployment rate is about 1.5 times higher than that of the native-born – about 12% compared with 8% in 2009-10. In all OECD countries, with the exception of Hungary, the unemployment rate among immigrants is higher than that among the native-born (Figure 6.10). In Austria, Belgium, Finland, Luxembourg, the Netherlands, Norway, Sweden and Switzerland, the immigrant unemployment rate is even more than twice as high as that of the native-born population (Figure 6.11).

In terms of levels, the unemployment rate of the foreign-born has been highest in Spain (about 28%), followed by Estonia (19%) and Belgium (17%). Unemployment has been lowest in Australia and Luxembourg where it is below 7%.

Overall, there are few gender differences, both regarding the levels and the differences with the native-born. Only in Spain, Iceland and Ireland is the incidence of unemployment much larger among immigrant men than women. The reverse is the case for the Czech Republic, Greece, Italy and the Slovak Republic (Figure 6.12).

A particular problem in many OECD countries is youth unemployment (15 to 24 years old). On average across the OECD, the youth unemployment rate is more than twice as high as the overall unemployment rate. Again, immigrant youth tend to be disproportionately affected, with an average unemployment rate of almost 23%, compared with 18% for the native-born. However, there are some exceptions – namely the Czech Republic, Greece, Ireland, Italy and the United States – where unemployment among immigrant youth is lower than among native youth.

In six OECD countries, the unemployment rate among immigrant youth is above 30%: Belgium, France, Finland, Spain, Sweden and Turkey. The lowest rate among immigrant youth is observed in Switzerland, although still above 12%.

Whereas unemployment tends to be higher for the low-educated for both migrants and the native-born, differences with the native-born are most pronounced for the highly educated (Figure 6.10). The unemployment rate of highly educated immigrants is almost 9% on average in the OECD area, compared with 4.5% for the highly educated native-born. In contrast, for the low-educated there are only few differences between the two groups.

Figure 6.10. **Unemployment rates by country of birth and selected characteristics, 2009-10**

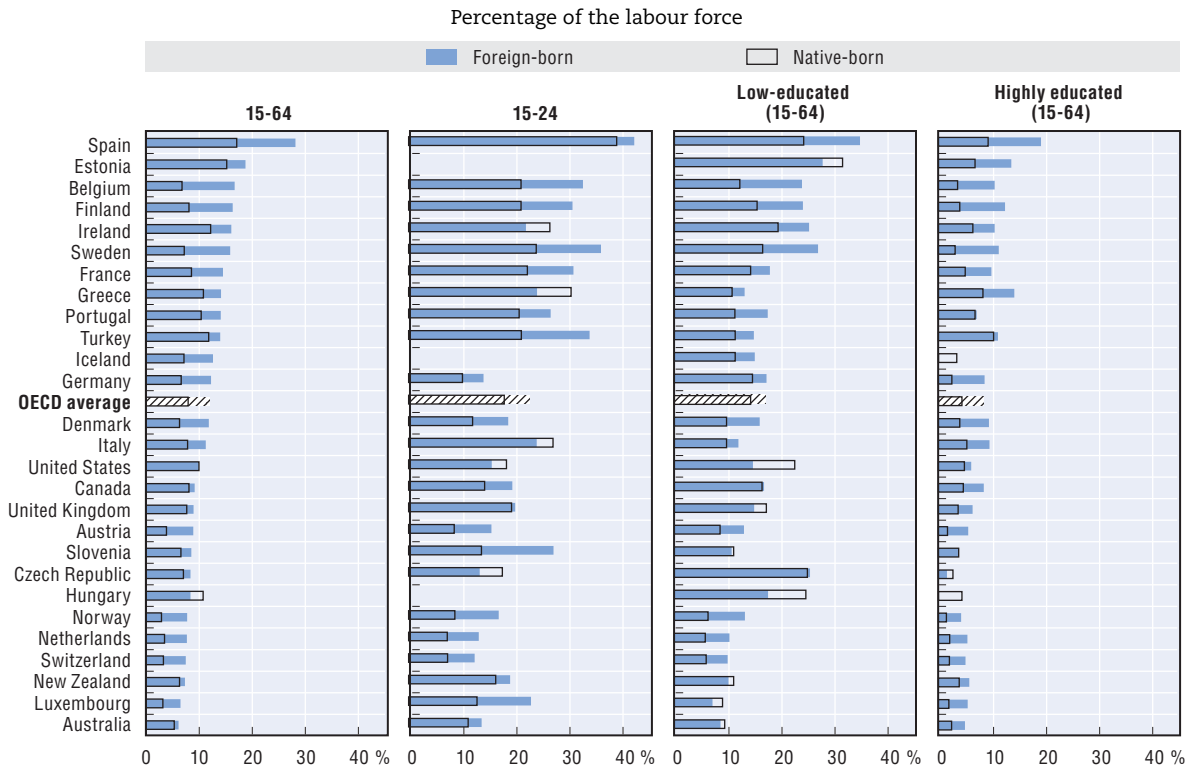


Figure 6.11. **Unemployment rates of the foreign- and native-born populations aged 15 to 64, 2009-10**

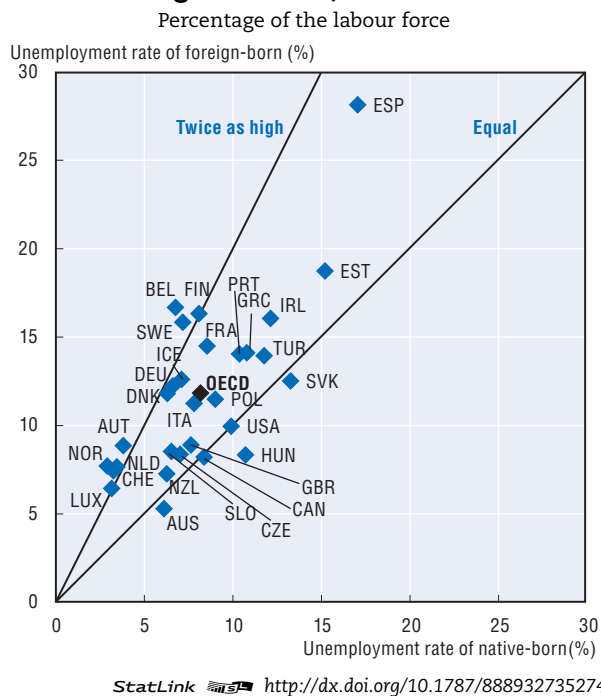
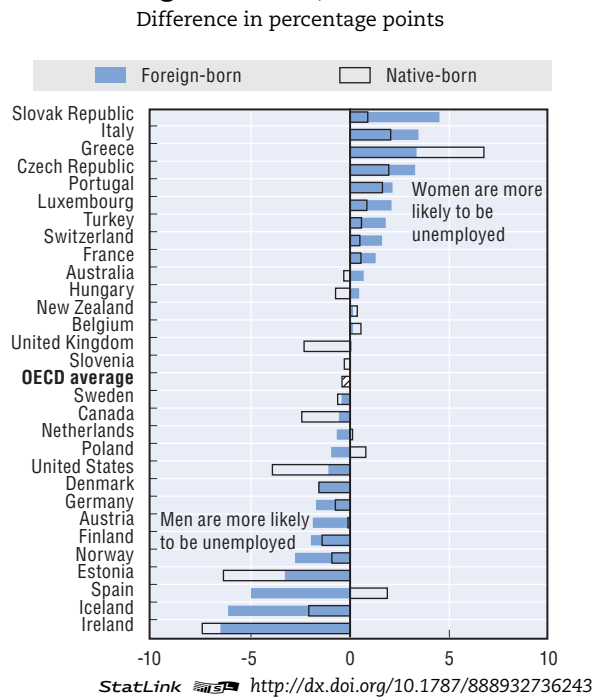


Figure 6.12. **Gender gap in unemployment rates of foreign- and native-born populations aged 15 to 64, 2009-10**



Notes and sources are at the end of the chapter.

6.2. Unemployment

Outcomes and trends

Over the past decade, the unemployment rate of immigrants has risen by 2.7 percentage points on average across OECD countries, compared with less than 1 point for that of the native-born population. That said, the situation nevertheless remains uneven. Whereas the unemployment rate declined in Australia, France, Finland, Italy and New Zealand, there have been double-digit increases in some countries hit hard by the crisis such as Iceland, Ireland and Spain. Strong increases of 5 percentage points and more have also been observed in Estonia, Sweden and the United States.

The unemployment rate among immigrants has risen more strongly than that of the native-born. Here, the picture broadly mirrors that observed in absolute terms. In countries where immigrant unemployment increased the most, such as Estonia, Iceland, Ireland, Spain and Sweden, immigrants' unemployment position relative to natives also worsened. The opposite holds for Finland. In the United Kingdom, the relative unemployment position of immigrants also improved by more than 2 percentage points (Figure 6.13).

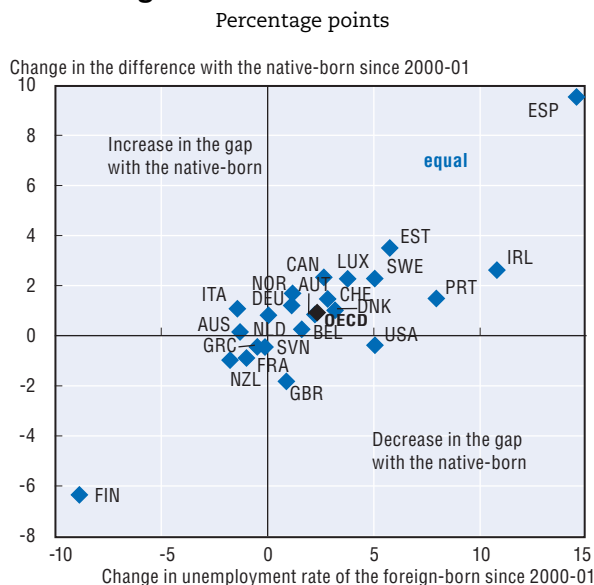
Owing to the financial crisis, unemployment has increased strongly in a number of countries, in particular in Ireland and Spain where the overall increase (native-born plus foreign-born) has been more than five percentage points. In these countries, immigrants experienced an over-proportionate increase in their unemployment rate (Figure 6.14). This is partly a result of their overrepresentation in sectors hardly hit by the crisis and among some groups that are most vulnerable in the labour market, such as the young and the low-educated. In the United Kingdom, the increase in unemployment among low-educated immigrants has been smaller than among the low-educated native-born. The reverse is the case in Ireland, Portugal, Spain and Sweden.

When unemployed, immigrants tend to find themselves more often among the long-term unemployed than the native-born, with the exception of countries in which unemployment among immigrants has recently increased the most, such as those in southern Europe. The incidence of long-term unemployment is particularly high in Belgium and Germany, where one in two unemployed immigrants has been unemployed for more than a year (Table 6.A1.3). Compared with the native-born, immigrants have a particularly high incidence of long-term unemployment in the Netherlands and Switzerland, although this figure must be viewed in the context of low overall unemployment.

Over the past decade, the incidence of long-term unemployment (as a share of total unemployment) has not increased – neither for immigrants nor for the native-born. Indeed, many of those who became unemployed during the financial crisis are not (yet) among the long-term unemployed. However, as the crisis continues in many countries, this picture may change.

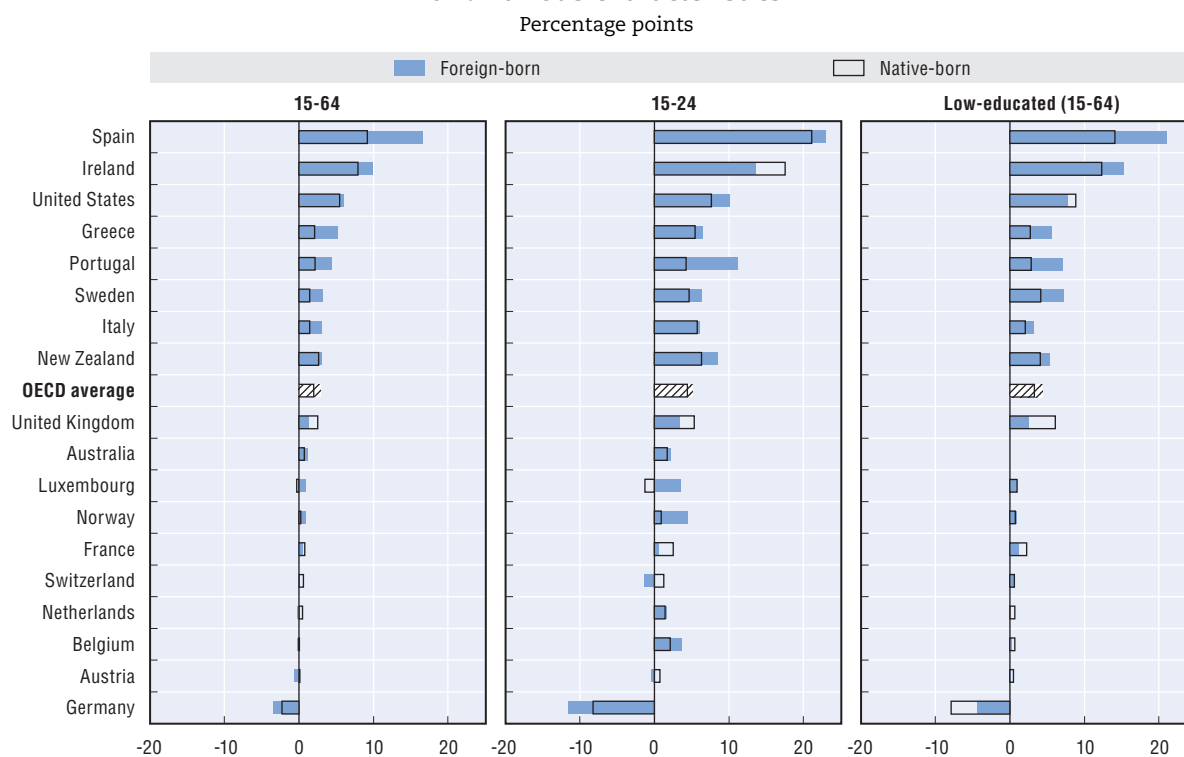
As seen above, overall across the OECD, both the immigrant employment rate and unemployment rate increased, both in absolute terms and relative to the native-born. This also shows that immigrants' overall labour market participation (*i.e.*, the unemployed plus the employed) increased quite significantly across the OECD area – by 4 percentage points. The increase has been stronger among women (+6 percentage points) than among men (+4 percentage points). For both genders, the increase was stronger for immigrants than for the native-born. Indeed, for men, the previously existing gap in labour market participation between native-born and immigrants has now closed, and it has been halved for women, where immigrant women now have only a marginally lower participation rate of about 2.5 percentage points below that of native-born men on average.

Figure 6.13. **Change in unemployment rates of the foreign and native-born populations aged 15 to 64 since 2000-01**



StatLink <http://dx.doi.org/10.1787/888932736262>

Figure 6.14. **Change in unemployment rates between 2006-07 and 2009-10, by place of birth and various characteristics**



StatLink <http://dx.doi.org/10.1787/888932736281>

Notes and sources are at the end of the chapter.

6.2. Unemployment

Native-born offspring of immigrants' outcomes

Background information

The native-born offspring of immigrants are defined as persons born in the country of residence for whom both parents are foreign-born. The reference population consists of persons for whom at least one parent is native-born. The population under review is between 15 and 34 years old and is not in education.

Data presented in this section refer to the pre-crisis year 2008 for most of the countries under review. Therefore, the tremendous increase of youth unemployment during the economic crisis in 2008-09 in many OECD countries is not yet taken into account.

The data on unemployment for the target age group 15 to 34 by parents' place of birth is limited, owing to small sample sizes, which is even more an issue for long-term unemployment. Data are therefore only illustrated for a selected number of countries.

On average across OECD countries, the unemployment rate of native-born offspring of immigrants is 13.8%, which is about 7 percentage points higher than that of descendants of native-born parents. The highest unemployment rates are observed for native-born offspring of immigrants in the Czech Republic, Italy and Spain, where about one third of persons in the labour force whose parents were both born abroad are jobless. Lowest unemployment rates of native-born offspring of immigrants are observed in Switzerland, Canada, the United States and Australia (between six and seven percent). In the latter three countries and in Israel, the native-born offspring of immigrants fare even better than descendants of native-born parents (Figure 6.15). In half of the OECD countries under review, unemployment rates for native-born offspring of immigrants are more than two times higher than those for offspring of native-born. The highest differences are observed in the Czech Republic (27 percentage points), Italy and Belgium (both above 17 percentage points).

On average in the OECD, there exist only small gender differences in unemployment rates among the offspring of immigrants (Table 6.1). However, these differences are important in two countries: the Czech Republic, where men with immigrant parents show much higher unemployment figures than women, and Spain, where women are much more likely to be unemployed. Compared with offspring of native-born, gaps between women are around two percentage points smaller than gaps observed between men.

On average, around 40% of unemployed native-born offspring of immigrants are long-term unemployed, compared with about 26% of descendants of native-born parents. Patterns of long-term unemployment are similar to unemployment patterns overall (Figure 6.16). However, in Australia almost one out of four unemployed persons whose parents were born abroad is long-term unemployed, while only six % of unemployed descendants of native-born have been looking for work for more than 12 months.

Figure 6.15. **Unemployment rates of native-born offspring of immigrants and offspring of native-born, population aged 15 to 34, 2008**

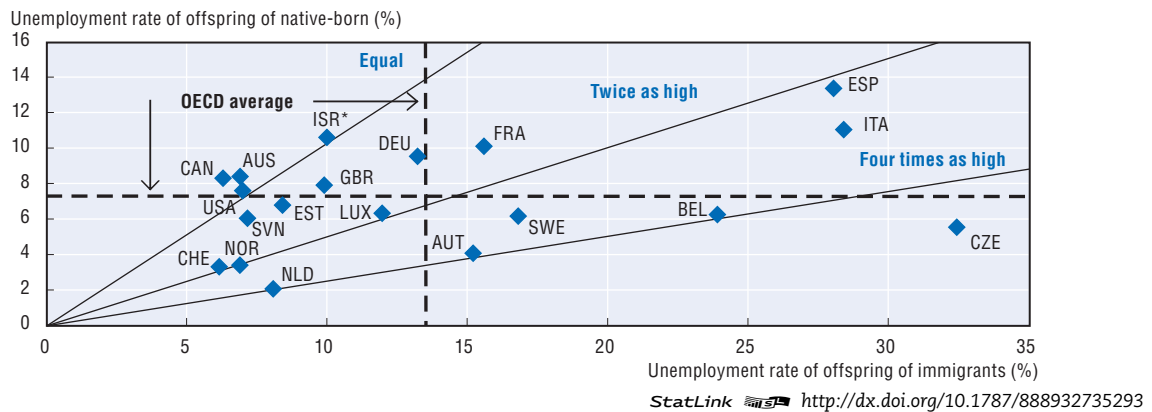
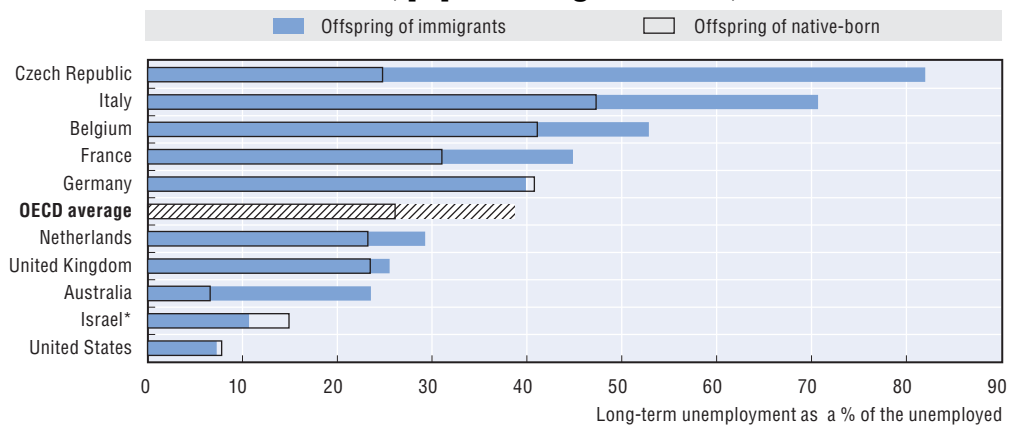


Table 6.1. **Unemployment rates of native-born offspring of immigrants compared to offspring of native-born aged 15 to 34, by gender, 2008**

	Total			Men		Women	
	Unemployment rate	Difference (+/-) with offspring of native-born persons	% of long-term unemployment (12 months or more)	Unemployment rate	Difference (+/-) with offspring of native-born persons	Unemployment rate	Difference (+/-) with offspring of native-born persons
Australia	6.9	-1.5	23.5	6.7	-1.7	7.1	-1.2
Austria	15.2	11.1	-	14.9	11.1	15.6	11.1
Belgium	23.9	17.7	52.9	22.7	16.3	25.2	19.2
Canada	6.3	-1.9	..	6.4	-2.2	6.2	-1.6
Czech Republic	32.4	26.9	82.0	36.1	31.8	24.4	17.0
Estonia	8.4	1.6	-	-	-	-	-
France	15.6	5.5	44.8	16.2	7.0	14.9	3.8
Germany	13.2	3.7	39.9	13.5	2.9	12.9	4.6
Israel*	10.0	-0.6	10.7	11.3	1.3	8.8	-2.4
Italy	28.4	17.4	70.7	28.6	19.0	-	-
Luxembourg	12.0	5.6	-	-	-	15.9	7.4
Netherlands	8.1	6.0	29.3	9.6	7.6	6.2	4.0
Norway	6.9	3.5	..	7.7	3.7	6.0	3.2
Slovenia	7.2	1.1	-	6.1	1.1	8.9	1.5
Spain	28.0	14.7	-	21.6	8.9	33.7	19.6
Sweden	16.8	10.7	-	18.8	12.9	14.5	8.0
Switzerland	6.2	2.9	-	4.7	1.4	7.9	4.6
United Kingdom	9.9	2.0	25.5	11.3	2.7	8.1	1.2
United States	7.0	-0.6	7.3	7.8	-0.7	6.1	-0.5
OECD average	13.8	6.6	38.7	14.4	7.2	13.1	5.9

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Figure 6.16. **Long-term unemployment of native-born offspring of immigrants and offspring of native-born, population aged 15 to 34, 2008**



Notes and sources are at the end of the chapter.

6.3. Native-born offspring of immigrants neither in employment nor in education or training (NEET)

Background information

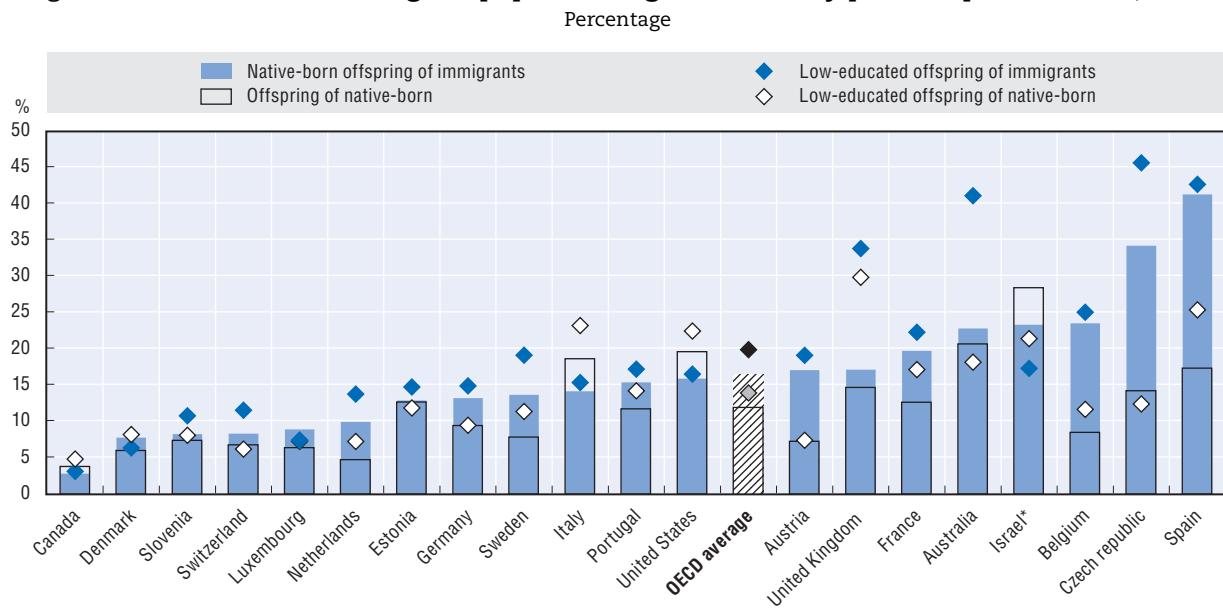
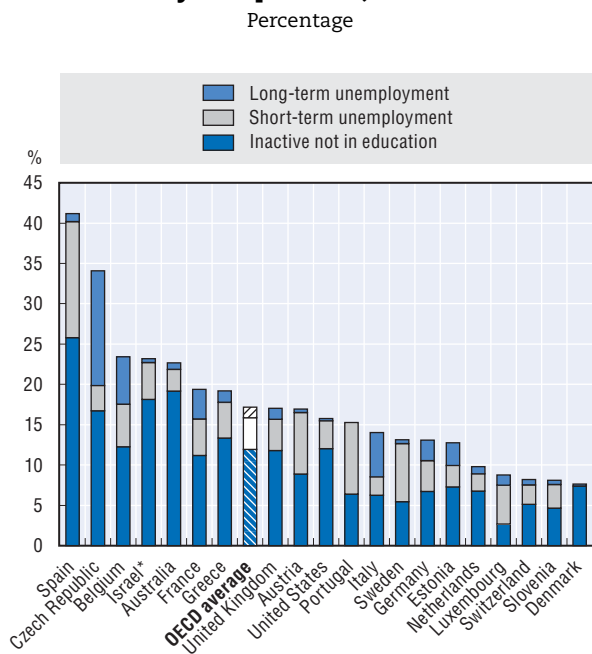
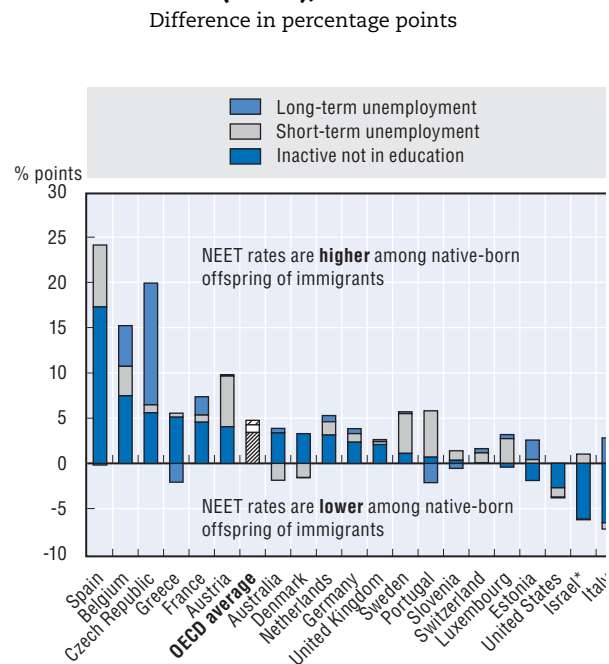
Persons neither in employment nor in education or training (NEET) in this section are young people aged 15 to 34 years. The NEET concept is seen as an alternative to youth unemployment. The unemployment rate only captures young people that are not in employment but who are seeking work. This underestimates the extent to which young people are excluded from the labour force, since persons not in education and inactive people are not covered. The different components of NEET are disaggregated by “inactive” and “not in education”, “short-term” and “long-term” unemployment to better understand country-specific patterns of the incidence and scope of NEET. Moreover, low-educated persons in NEET are treated separately in order to capture the effect of educational attainment levels.

The native-born offspring of immigrants are defined as persons born in the country of residence for whom both parents are foreign-born. The reference population consists of persons for whom at least one parent is native-born. The population under review is between 15 and 34 years old.

On average across OECD countries, in 2008, about 17% of native-born offspring of immigrants aged 15 to 34 were in the NEET category, representing five percentage points more than the offspring of the native-born. The lowest NEET rates are observed in Canada, Denmark, Luxembourg, Slovenia and Switzerland, where less than 10% of the native-born offspring of immigrants aged 15 to 34 are out of the labour market and not in education. The highest figure is observed in Spain (41%) and the Czech Republic (34%) (Figure 6.17). The difference with offspring of native-born parents is also highest in these latter two countries, with 24 and 20 percentage point difference, respectively. In Italy, Israel and the United States, the native-born offspring of immigrants are less in NEET than their counterparts with native-born parents. Overall, women fall more within the NEET category than men. The gender gap is largest in countries in which the share of inactive women is higher, such as the Czech Republic, Greece, Hungary and Italy (Figure 6.A1.2). In the United Kingdom, persons holding at most lower secondary degrees are much more affected, whatever the origin of the parents. In this country, as well as in Australia, NEET rates of low-educated native-born offspring of immigrants are almost twice as high as total NEET rates (Figure 6.17).

The disaggregation of NEET rates reveals that in most OECD countries unemployment contributes only to a small part of NEET rates for the native-born offspring of immigrants (Figure 6.18). This is especially true for Denmark where almost all persons in the NEET category are inactive and not in education, as well as in Australia, Greece, the Netherlands, Switzerland and the United Kingdom. Long-term unemployment, however, constitutes a significant share of NEET categorized persons in three OECD countries: Belgium, the Czech Republic and Italy.

Figure 6.19 presents the difference in NEET rates between native-born offspring of immigrants and offspring of native-born parents by different components. In Italy, the relatively high proportion of offspring of native-born inactive and not in education (especially among women) may explain the negative difference in NEET rates between the two groups.

Figure 6.17. **NEET rates among the population aged 15 to 34 by parents' place of birth, 2008**Figure 6.18. **NEET rates among native-born offspring of immigrants aged 15 to 34, by components, 2008**Figure 6.19. **Difference in NEET rates between native-born offspring of immigrants and offspring of native-born by components (15-34), 2008**

Notes and sources are at the end of the chapter.

Measurement

The labour force includes both the employed and the unemployed. This chapter presents employment (Indicator 6.1) and unemployment rates (Indicator 6.2). Compared with other indicators, integration into the labour market can be relatively well measured, since ample information is gathered in virtually all countries through regular large scale labour force surveys and a broad range of standard indicators are available. The employment rate is the main indicator in this respect. It does, however, tell little about the intensity and quality of employment. Since the native-born offspring of immigrants tend to be young in most OECD countries, indicators for this group are presented for the age group 15 to 34. Many people in this age group who are not working may still be in education or in training. Therefore, employment rates for this group exclude persons still in education. Moreover, the NEET rate – share of persons neither in employment nor in education or training – is also presented (Indicator 6.3).

In addition to outcomes and progress made over the last decade, there was also an effort to gauge the convergence of migrants' outcomes with those for the native-born population over the first ten years in the country. As few longitudinal tools are appropriate to evaluate the convergence over such a long period, a pseudo cohort analysis is presented on the basis of cross-sectional labour force survey data.

Notes, sources and further reading

Notes for tables and figures

In many countries, the LFS sample is selected from a stratified sampling design. In the case of Norway, the sample frame is based on the Central Population Register. As of recent, the country of birth is used as a stratification variable and therefore outcomes are not comparable to previous estimates. Only 2010 revised estimates could be calculated. Evolution in outcomes since 2000 is based on non-revised figures and therefore should be interpreted with caution. Data on native-born offspring of immigrants and on native-born parents are extracted from the Central Population Register.

Because sample sizes were not available for most countries, no statistical test was applied to test whether or not differences with the population of reference were statistically different from zero.

Figure 6.1: OECD averages (31 countries) are not comparable to averages presented in Table 6.A1.1 as the latter cover only countries for which both 2000-01 and 2009-10 data are available (27 countries).

Figure 6.2: Data for Canada and New Zealand include persons still in education.

Figure 6.6: The OECD average has been calculated for the 11 countries presented in the figure, plus Belgium, Denmark, Finland, Luxembourg, Norway and Portugal, each country having the same weight.

Figure 6.8: The sample size of highly educated native-born offspring of immigrants is too small in Austria, Czech Republic, Italy and Portugal to produce reliable estimates. OECD average for low-educated immigrants does not include those countries either.

* Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Sources***Immigrant and native-born populations:***

European Union Labour Force Surveys (Eurostat); Australian, Canadian, Israeli and New Zealand Labour Force Surveys; US Current Population Surveys.

Native-born offspring of immigrant and of native-born parents:

Labour Force Survey, 2008 ad-hoc module (Eurostat); Norwegian Population Register 2010; Australian, Canadian, Israeli and New Zealand Labour Force Surveys; US Current Population Surveys.

Further reading

OECD (2007), *Jobs for Immigrants. Vol. 1: Labour Market Integration in Australia, Denmark, Germany and Sweden*, OECD Publishing, Paris.

OECD (2008), *Jobs for Immigrants. Vol. 2: Labour Market Integration in Belgium, France, the Netherlands and Portugal*, OECD Publishing, Paris.

OECD (2010a), *Equal Opportunities? The Labour Market Integration of the Children of Immigrants*, OECD Publishing, Paris.

OECD (2010b), *Off to a Good Start? Jobs for Youth*, OECD Publishing, Paris.

OECD (2012a), *Jobs for Immigrants. Vol. 3: Labour Market Integration in Austria, Norway and Switzerland*, OECD Publishing, Paris.

OECD (2012b), *International Migration Outlook*, OECD Publishing, Paris.

ANNEX 6.A1

Statistical annex

Table 6.A1.1. **Employment rates of immigrants by gender, 15-64, 2000-01 and 2009-10**
Percentage of the working-age population and difference with the native-born in percentage points

	Total				Men				Women			
	Employment rate		Difference (+/-) with native-born persons		Employment rate		Difference (+/-) with native-born persons		Employment rate		Difference (+/-) with native-born persons	
	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10
Australia	63.3	67.9	-7.9	-6.0	72.8	76.1	-5.0	-3.9	53.7	59.9	-10.9	-8.9
Austria	62.5	65.5	-6.4	-7.5	72.6	73.0	-3.0	-4.8	53.3	58.7	-8.7	-9.4
Belgium	48.6	52.6	-13.2	-10.8	61.8	61.4	-8.4	-6.9	36.0	44.2	-17.4	-14.2
Canada	69.0	68.6	-2.7	-3.8	76.3	74.2	0.4	0.0	62.2	63.4	-5.5	-7.2
Chile	..	69.4	..	3.9	..	86.4	..	2.9	..	56.7	..	7.4
Czech Republic	..	66.9	..	1.8	..	76.8	..	3.2	..	56.5	..	0.0
Denmark	60.2	65.6	-16.9	-10.0	66.4	70.5	-14.9	-7.2	54.9	61.5	-17.9	-12.0
Estonia	63.0	63.5	3.0	1.4	70.9	64.8	7.9	2.3	56.9	62.5	-0.3	0.8
Finland	55.2	62.1	-13.6	-6.6	63.5	67.0	-8.0	-2.6	46.1	57.3	-20.0	-10.5
France	56.6	57.8	-6.9	-7.1	67.4	66.0	-2.9	-2.7	46.0	50.2	-11.0	-11.1
Germany	57.3	63.8	-9.5	-8.7	67.0	72.3	-6.6	-4.3	47.3	55.7	-12.7	-12.7
Greece	60.7	65.0	4.4	5.2	78.6	78.6	7.4	7.1	44.7	51.2	3.1	3.0
Hungary	56.7	65.5	0.7	10.2	68.8	71.6	6.1	11.0	47.3	60.7	-2.2	10.7
Iceland	87.6	75.9	0.7	-2.5	91.8	75.6	1.3	-4.9	84.3	76.3	1.0	-0.1
Ireland	66.0	60.8	1.2	-0.1	76.2	66.4	0.2	1.6	55.9	55.1	2.5	-1.9
Israel*	58.6	64.2	4.0	6.1	66.3	69.0	7.8	8.1	51.5	59.9	1.0	4.9
Italy	59.9	62.3	6.0	5.7	81.3	76.7	13.6	9.4	39.8	49.8	-0.3	4.0
Japan	66.2	..	-8.4	..	82.4	..	-6.1	..	52.2	..	-8.6	..
Luxembourg	67.9	70.0	8.3	8.7	80.0	78.5	8.2	9.7	55.8	61.4	8.6	7.8
Mexico	57.7	58.8	0.5	-4.9	78.6	78.1	-3.1	-7.4	36.1	38.3	1.4	-6.2
Netherlands	61.0	65.5	-14.4	-11.9	70.6	73.3	-13.6	-9.1	51.4	58.5	-14.8	-13.7
New Zealand	65.8	68.5	-9.5	-5.7	65.8	75.9	-8.7	-3.4	58.7	61.3	-10.2	-7.9
Norway	..	66.6	..	-9.8	..	71.4	..	-6.8	..	61.4	..	-13.1
Poland	..	47.9	..	-11.4	..	56.5	..	-9.4	..	41.3	..	-11.7
Portugal	70.8	69.5	2.3	3.9	76.8	74.5	0.3	4.3	65.1	65.1	4.5	4.1
Slovak Republic	..	58.8	..	-0.7	..	73.3	..	7.0	..	45.6	..	-7.0
Slovenia	65.7	65.6	2.8	-1.3	69.2	70.5	1.8	0.2	62.0	60.4	3.7	-3.1
Spain	62.4	57.4	5.7	-2.1	77.1	60.6	5.6	-6.1	48.1	54.3	6.4	2.2
Sweden	60.4	61.7	-15.0	-12.9	63.9	67.0	-12.8	-9.1	57.0	57.0	-17.0	-16.2
Switzerland	75.6	75.1	-4.6	-5.1	87.0	83.4	-0.9	-1.5	64.8	67.1	-7.8	-8.4
Turkey	..	48.4	..	3.2	..	63.2	..	-2.5	..	27.1	..	2.0
United Kingdom	62.1	66.1	-10.0	-4.2	71.7	75.0	-6.6	0.3	53.4	57.7	-12.5	-8.3
United States	70.4	67.3	-2.1	2.1	82.2	76.9	5.4	9.4	58.3	57.3	-10.1	-5.6
OECD average	63.4	64.9	-3.8	-2.6	73.6	72.2	-1.3	-0.4	53.4	57.9	-5.8	-4.6

Note: Japanese data cover the foreign population instead of the foreign-born. The OECD average covers countries for which both 2000-01 and 2009-10 data are available.

* Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: European Union Labour Force Surveys (Eurostat); Australian, Canadian, Israeli and New Zealand Labour Force Surveys; US Current Population Surveys; other countries: *Database on Immigrants in OECD Countries (DIOC) 2000 and 2005-06*.

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Figure 6.A1.1. Difference in employment rates between foreign- and native-born populations by gender, 2009-10

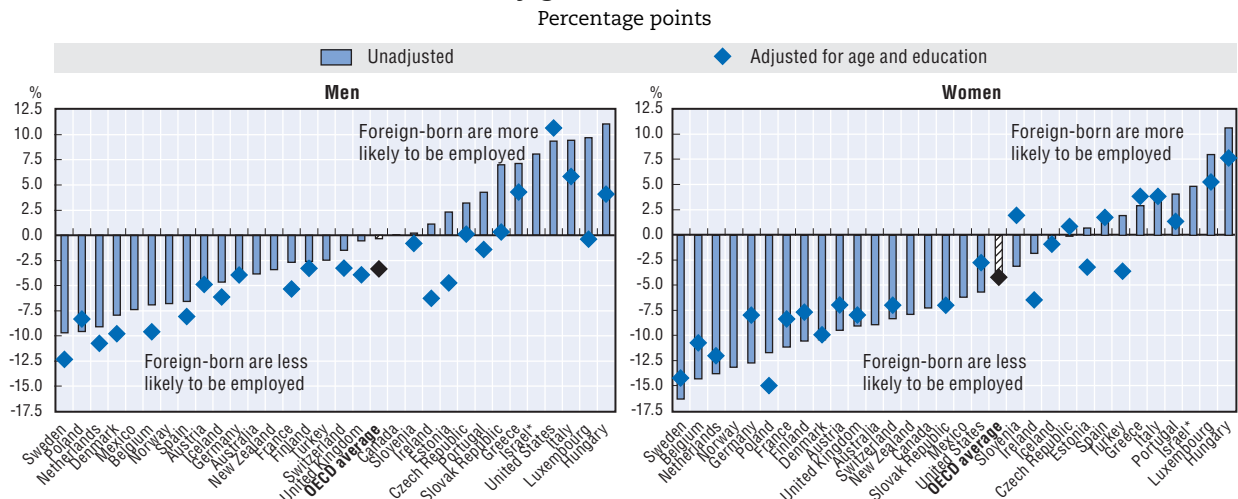
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Table 6.A1.2. Unemployment rates of immigrants by gender, 15-64, 2000-01 and 2009-10

Percentage of the labour force

	Total		Men				Women					
	Unemployment rate		Difference (+/-) with native-born persons		Unemployment rate		Difference (+/-) with native-born persons		Unemployment rate		Difference (+/-) with native-born persons	
	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10	2000-01	2009-10
Australia	7.4	6.1	0.7	0.8	7.2	5.8	0.1	0.4	7.6	6.5	1.4	1.4
Austria	10.4	8.9	-4.0	5.1	9.6	9.7	6.0	5.9	11.3	7.9	-4.4	4.1
Belgium	15.1	16.7	9.7	9.9	14.2	16.6	9.8	10.1	16.5	16.8	9.7	9.7
Canada	7.4	10.1	0.0	2.3	6.8	10.3	-1.0	1.4	8.1	9.8	1.1	3.3
Chile	..	5.1	..	-1.4	..	2.3	..	-2.9	..	8.1	..	-0.3
Czech Republic	..	8.4	..	1.4	..	7.0	..	0.8	..	10.3	..	2.2
Denmark	8.6	11.8	4.5	5.5	9.9	12.6	6.4	5.6	7.2	11.0	2.4	5.5
Estonia	13.0	18.7	0.0	3.5	12.7	20.5	-0.9	2.2	13.2	17.2	1.0	5.3
Finland	25.2	16.3	14.6	8.2	24.4	17.2	14.4	8.5	26.3	15.3	15.1	7.9
France	15.5	14.5	6.8	6.0	13.5	13.9	6.6	5.6	18.1	15.2	7.6	6.4
Germany	12.2	12.2	4.8	5.6	12.5	13.0	5.4	6.0	11.8	11.3	4.1	5.1
Greece	14.6	14.1	3.8	3.3	9.5	12.8	2.4	4.8	21.5	16.1	5.1	1.4
Hungary	4.4	8.3	-1.8	-2.4	2.5	8.1	-4.3	-2.9	6.3	8.6	1.0	-1.8
Iceland	1.0	12.6	-0.9	5.5	0.0	15.7	-1.5	7.6	1.9	9.5	-0.6	3.5
Ireland	5.3	16.1	1.3	3.9	5.3	18.9	1.2	3.4	5.3	12.3	1.5	4.3
Israel*	..	6.6	..	-0.9	..	7.2	..	-0.2	..	6.0	..	-1.7
Italy	12.7	11.2	2.4	3.4	7.2	9.7	-0.8	2.8	21.5	13.2	7.6	4.2
Japan	5.7	..	1.0	..	5.7	..	0.6	..	5.8	..	1.6	..
Luxembourg	2.7	6.4	1.0	3.3	2.2	5.5	0.8	2.7	3.4	7.6	1.3	4.0
Mexico	1.0	4.4	-0.2	0.8	1.0	3.7	-0.4	0.3	1.0	5.9	0.1	1.9
Netherlands	5.4	7.7	3.4	4.2	4.9	8.0	3.3	4.6	6.1	7.3	3.5	3.8
New Zealand	9.0	7.3	2.0	1.0	8.7	7.2	2.1	1.1	9.5	7.4	1.8	0.9
Norway	..	9.9	..	7.0	..	11.1	..	7.7	..	8.3	..	5.9
Poland	..	11.5	..	2.5	..	11.9	..	3.3	..	11.0	..	1.6
Portugal	6.1	14.0	2.2	3.7	5.6	13.0	2.6	3.4	6.7	15.1	1.7	3.9
Slovak Republic	..	12.5	..	-0.7	..	10.6	..	-2.2	..	15.1	..	1.4
Slovenia	8.6	8.5	2.5	2.0	8.7	8.5	2.7	1.9	8.6	8.6	2.1	2.2
Spain	13.6	28.1	1.6	11.1	10.9	30.4	2.6	14.2	17.4	25.4	-0.3	7.3
Sweden	10.8	15.8	6.4	8.7	11.3	16.0	6.5	8.6	10.2	15.6	6.2	8.8
Switzerland	4.6	7.4	2.7	4.2	3.4	6.7	2.2	3.7	6.1	8.3	3.4	4.8
Turkey	..	13.9	..	2.2	..	13.5	..	1.9	..	15.3	..	3.2
United Kingdom	8.0	8.9	3.1	1.3	8.6	8.9	3.1	0.2	7.3	8.9	3.0	2.6
United States	4.9	9.9	0.3	-0.1	4.4	10.4	-0.5	-1.5	5.5	9.3	1.4	1.3
OECD average	9.3	11.9	2.8	4.2	8.4	12.2	2.9	4.2	10.6	11.7	3.2	4.2

Note: Japanese data cover the foreign population instead of the foreign-born. The OECD average covers countries for which both 2000-01 and 2009-10 data are available.

* Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: European Union Labour Force Surveys (Eurostat); Australian, Canadian, Israeli and New Zealand Labour Force Surveys; US Current Population Surveys; other countries: *Database on Immigrants in OECD Countries (DIOC) 2000 and 2005-06*.

StatLink <http://dx.doi.org/10.1787/888932736110>

Table 6.A1.3. Long-term unemployment rates of the foreign-born population aged 15 to 64, 2000-01 and 2009-10

	Long-term unemployment of the foreign-born population (% of total unemployment)		Differences with the native-born (% points) +: higher than native-born; -: Lower than native-born	
	2000-01	2009-10	2000-01	2009-10
Australia	..	17.7	..	-1.4
Austria	28.4	25.8	1.3	3.8
Belgium	64.0	53.1	13.2	9.3
Canada	..	16.4	..	5.1
Czech Republic	..	37.8	..	2.1
Denmark	23.2	21.2	2.7	8.0
Estonia	52.4	42.1	7.7	5.8
Finland	20.5	27.7	-3.7	7.9
France	48.6	44.4	12.7	8.3
Germany	54.0	49.2	3.8	3.7
Greece	48.6	31.7	-6.8	-13.6
Hungary	42.1	53.5	-4.4	8.0
Iceland	25.6	12.9	19.3	1.7
Ireland	28.6	36.1	-8.4	-4.6
Italy	41.1	38.4	-21.5	-9.6
Luxembourg	24.4	25.4	-1.3	-1.7
Netherlands	..	35.6	..	12.0
New Zealand	..	9.7	..	1.2
Norway	11.9	22.0	2.1	4.3
Poland	..	31.2	..	0.4
Portugal	33.1	38.8	-9.3	-11.1
Slovak Republic	..	60.7	..	1.2
Slovenia	71.8	48.7	10.2	12.8
Spain	35.2	26.3	-5.0	-5.8
Sweden	29.7	21.7	5.7	8.6
Switzerland	35.7	36.9	13.4	13.8
Turkey	..	23.9	..	-0.4
United Kingdom	28.8	27.6	1.2	-1.2
United States	6.5	19.2	0.3	-1.0
OECD average	35.9	33.5	1.6	2.3


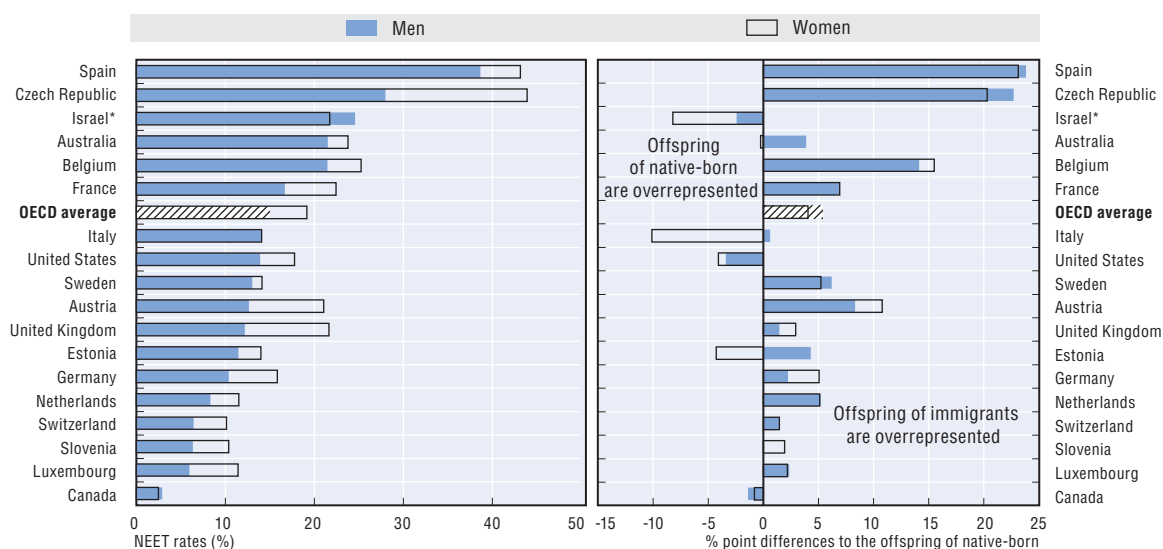
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Figure 6.A1.2. NEET rates among native-born offspring of immigrants aged 15 to 34 by gender, 2008

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