

## Chapter 2. Using statistics to assess migrant integration in OECD regions

*This chapter assesses the geographic distribution and integration of migrants across OECD regions along multiple dimensions. Based on a new database for 29 OECD countries, it describes the demographic and socio-economic profile of migrants in OECD regions and also presents evidence on changes in the size of regional migrant populations. The chapter sheds light on the integration of migrants by analysing their labour outcomes and well-being compared to native-born in the same region. The chapter also presents novel evidence on public perception of migrants across regions. Finally, a number of regional characteristics that could explain differences in migrants' labour market outcomes are investigated.*

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

## Introduction

The integration of migrants is one of the most important and pressing challenges policy makers in OECD countries face. Adequate data is essential for articulating the right integration policies and informing public debate; without it, countries cannot empirically evaluate policies nor assess the impact of changes in integration measures. Detailed information on migrants' presence and labour market outcomes within OECD countries is also vital, allowing countries to elicit patterns and developments that not only differ across countries, but also across regions within the same country.

While there have been initiatives to compare migrants' integration outcomes nationally (OECD and European Union, 2015), no systematic subnational analysis has so far been conducted. This chapter fills this gap and provides empirical evidence on migrant characteristics and outcomes in OECD regions. The analysis builds on a new dataset compiled by the OECD (Diaz Ramirez et al., 2017)<sup>1</sup> as well as on previous work by the OECD and the European Union on indicators of immigrant integration (OECD and European Union, 2015). It also argues that the subnational dimension is vital when assessing migrants' integration across OECD countries. Apart from information on migrants in general, this chapter also includes an assessment of how asylum seekers hosted in reception centres are distributed across the different regions in 18 European countries (and across municipalities in 6 countries).

## Key findings

Both migrants' characteristics and integration outcomes vary widely within countries. The data demonstrate that, compared with the native-born, migrants are more concentrated in metropolitan regions, especially capital-city ones. Within the population of migrants, there are also clear disparities in the geographic distribution and in outcomes between recent and settled migrants as well as between EU and non-EU migrants.

Migrants face significant integration challenges in the labour market. They have higher unemployment rates, are more likely to be over-qualified for their jobs and earn lower incomes than native-born. The income gap between migrants and native-born, documented for European regions, is particularly pronounced in urban regions.

The structure of regional economies, especially sectoral composition, is significantly related to migrants' labour market outcomes. The presence of relatively established migrant communities appears to facilitate the search for jobs equivalent to migrants' educational attainment.

Relative housing conditions, which directly affect individuals' well-being, are worse for migrants in urban regions. The difference between migrant and native-born populations in the share of households living in overcrowded dwellings is greater in urban than non-urban areas.

Migrants are more likely to be seen as providing an important contribution to the local economy in regions with larger migrant communities and lower unemployment among the native-born.

## Data description, indicators and sources

All indicators used in this chapter are part of a new *Database on Migrants in OECD Regions* developed by the OECD (OECD, 2017a).<sup>2</sup> The majority of these indicators are at the Territorial Level 2 (TL2), as data limitations did not allow for further geographical disaggregation (Box 2.1).

### Box 2.1. What are ‘TL2 regions’?

Regions within the 35 OECD countries are classified on two territorial levels reflecting the administrative organisation of countries. The 398 OECD “Territorial Level 2” (TL2) regions are those at highest subnational administrative level, for example, the federal states in Germany. These regions can differ widely in geographic characteristics and patterns of agglomeration of population and economic activities. In other words, TL2 regions across OECD countries can exhibit different degrees of urbanity and rurality. A region that contains a large city potentially extending beyond its regional boundaries will be very different from another region with no large city and very low density patterns.

In order to account for these differences and to facilitate the interpretation of the indicators presented in this report, TL2 regions are classified into three types: 1) mostly metropolitan; 2) mixed; and 3) mostly non-metropolitan. The methodology employed in building this classification is mainly based on the share of regional population living in functional urban areas (FUAs). FUAs provide a definition of cities based on an economic perspective rather than an administrative one. Such definition is consistently applied across countries and constitutes the unit of analysis of the *OECD Metropolitan Database*. A FUA usually encompasses a cluster of contiguous municipalities that have a high-density core and a functionally connected commuting zone (OECD, 2012).

A TL2 region is classified as mostly metropolitan if the share of regional population living in FUAs is above 70% or if part of the regional population lives in a metropolitan area larger than 1.5 million inhabitants. A TL2 region is classified as non-metropolitan if the share of population living in FUAs is lower than 50%. In all other cases, regions are classified as mixed.

The 2 241 OECD “Territorial Level 3” (TL3) regions correspond to administrative regions, with the exception of Australia, Canada, and the United States. These TL3 regions are contained in a TL2 region, with the exception of the United States for which the Economic Areas cross the States’ borders. For New Zealand, TL2 and TL3 levels are equivalent and defined by Regional Councils. All the regions are defined within national borders.

Source: OECD (2012), *Redefining “Urban”: A New Way to Measure Metropolitan Areas*, <http://dx.doi.org/10.1787/9789264174108-en>; OECD (2017b), *OECD Territorial Grids*, <http://stats.oecd.org/wbos/fileview2.aspx?IDFile=cebce94d-9474-4ffc-b72a-d731fbd75b9>.

The main data sources are the European Community Labour Force Survey (EU-LFS, data provided by Eurostat) for the European OECD countries as well as the American Community Survey for the United States, the Canadian Labour Force Survey for Canada,

the National Survey of Occupation and Labour for Mexico and the Survey of Education and Work (SEW) for Australia. Outcomes on housing and income are currently only available for EU countries and stem from the EU Survey of Income and Living Conditions (EU-SILC). Indicators on attitudes towards immigrants are derived from the European Social Survey and Gallup World Poll. To allow for statistical representativeness at the regional level, different waves are often pooled together to produce the indicators (see Annex A for details). Most indicators are available for around 318 regions of 29 OECD countries out of 398 regions in total in the OECD. Data from EU-SILC allow for the identification of rural/intermediate and urban areas for 19 European OECD countries. Indicators from the European Social Survey were obtained for 237 regions of 24 European OECD countries and Israel,<sup>3</sup> while data from the Gallup World Poll allow for the coverage of 385 regions of the 35 OECD countries.

The indicators can be categorised into three broad groups (Table 2.1). The first group consists of socio-demographic characteristics of the foreign-born population, such as age structure, duration of stay, place of birth (EU or non-EU foreign born for European regions), and educational attainment. The second group of indicators encompasses the integration outcomes of migrants, with a focus on labour market integration and well-being (housing conditions and disposable income). Finally, the third group includes indicators on attitudes towards, and public perception of, migrants. Whenever possible, indicators across European regions were created separately for EU and non-EU migrants. In some instances, such a distinction would yield sample sizes that are not large enough to provide a valid and robust estimation.<sup>4</sup> In those cases, the database provides data for all migrants.

**Table 2.1. Groups of indicators in the Database on migrants in OECD regions**

Indicator group	Description
Socio-economic characteristics	The first group of indicators provides information on the basic socio-economic characteristics of the foreign-born at the regional level, including place of birth, duration of stay, educational attainment and age.
Migration integration outcomes	The second group of indicators provides information on migration integration outcomes, with a specific focus on labour market integration, housing conditions and household disposable income. The participation of migrants in the labour market is critical to the success of their integration, as it provides them with a source of income and an opportunity to become part of the country's social fabric. Access to affordable good-quality housing also plays an important part in migrants' successful integration, providing them with adequate shelter and being positively associated with other key integration outcomes, including better health, educational outcomes and access to employment. As an essential component of individual economic well-being, income is the third migration integration outcome analysed as part of this chapter. Income plays a vital role in enabling integration, as it allows migrants to meet their basic needs and enhances progress in other dimensions of migrants' well-being, such as life expectancy, health and educational attainment. <sup>1</sup>
Attitudes towards migrants	The third group of indicators provides information on regional attitudes towards migrants. Public acceptance of migration across regions is a key condition to the successful integration of migrants at the regional level, facilitating social cohesion and influencing the design of migration integration policies at the regional level.

1. An additional set of integration indicators not explored in this chapter is available in the new subnational database and listed in Annex A.

In this chapter and in the new *Database on Migrants in OECD Regions*, migrants are defined by place of birth. Unlike citizenship, this criterion does not change over time, it is not subject to country differences in legislation and it is thus adequate for international comparisons. As such, the terms “foreign-born” and “migrants” will be used

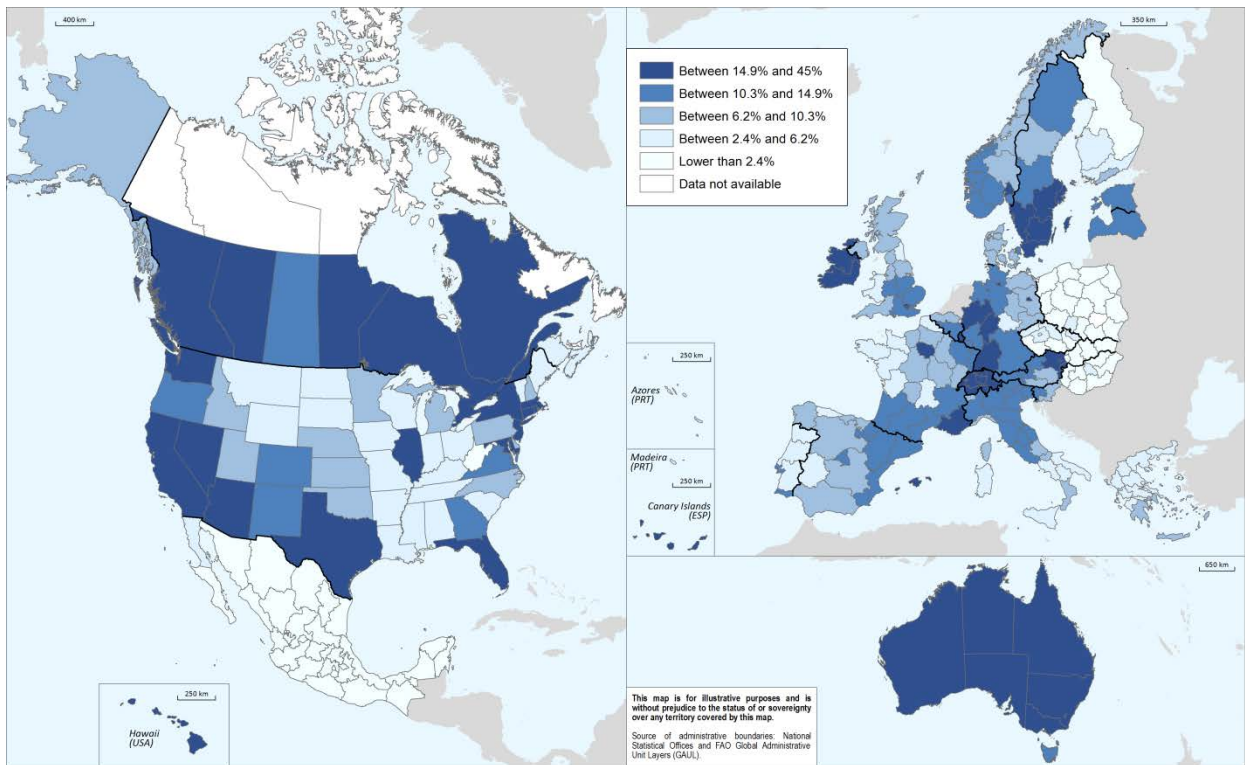
interchangeably in the following sections. While it facilitates international comparison, this criterion also has limitations and may sometimes lead to an under or over-estimation of migrants at the regional level. For example, it does not account for the border changes that have happened in countries such as Poland, the Baltic countries, the Czech and Slovak Republics, Slovenia and Croatia (OECD, 2015, p. 16). Moreover, it may include foreign-born people that are nevertheless nationals, such as the ones born abroad by chance.

Annex A provides further details about the available indicators in the *Database on Migrants in OECD Regions*. Due to the infrequent availability of subnational data on immigrants across countries, the majority of statistics are limited to one point in time. Notable exceptions are the presence of migrants, their age, duration of stay, and educational attainment, for which data from 2005 have also been collected from previous OECD work (Brezzi et al., 2010), which allows for the examination of the respective changes at the regional level.

## The geographic distribution of migrants in OECD regions

### *Variation in the size of migrant populations*

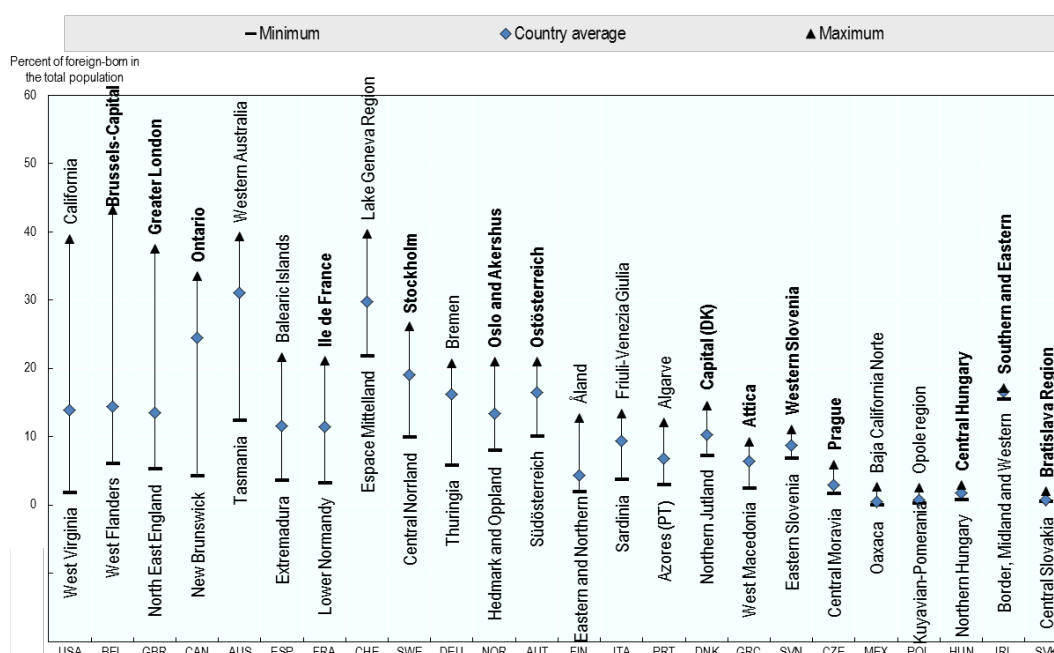
Migrants' regional distribution differs greatly across OECD countries (Figure 2.1). In most of the countries analysed, regions with more than 15% of foreign-born populations co-exist with regions where foreign-born populations represent less than 6% of the total regional population. In countries such as Belgium, the United Kingdom or the United States, the variation in the regional distribution of migrants is considerably larger than in Australia, Ireland, Norway or Switzerland, where most regions have similar population shares of foreign-born individuals.


**Figure 2.1. Distribution of migrants across OECD regions, 2014-15**

Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Migrants are more concentrated in mostly metropolitan regions than are native-born individuals. Around two-thirds of the foreign-born population live in metropolitan regions across the OECD, 6 percentage points more than the average of 58% for the native-born population. In all but two countries, Slovak Republic and Slovenia, the majority of migrants live in metropolitan regions. In the United Kingdom, this concentration is particularly striking, reaching 82% of the foreign-born population.

The concentration of migrants is especially strong in capital-city regions. In 14 out of the 24 countries for which data was available, the capital-city region reports the highest population share of foreign-born individuals (Figure 2.2). In Brussels-Capital and Greater London, foreign-born individuals even account for more than one-third of the total regional population (Figure 2.2). Regions such as California, Western Australia, Lake Geneva and Ontario also have comparably large migrant populations. In terms of overall population shares, Australia and Switzerland have the largest foreign-born communities, which account for roughly 30% of the entire population.

**Figure 2.2. Regional disparities in the distribution of foreign-born populations, 2014-15**

Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695467>

In Europe, where a distinction between EU foreign-born and non-EU foreign-born populations can be made, there is a noticeable difference between EU and non-EU migrants' geographic dispersion. Non-EU migrants are more geographically concentrated than EU migrants. The former are much more likely to live in capital-city regions while the latter spread more evenly across different regions in each country. For instance, in France, Sweden or the United Kingdom, the population share of non-EU foreign-born in the respective capital-region is more than twice as large as that of their EU peers.

In interpreting these disparities, the different set of challenges that these two groups face in order to successfully integrate should be considered. For instance, non-EU migrants living in Europe will usually face more difficulties in getting their qualifications legally recognised and valued in the labour market, while European education systems are more streamlined and recognition of credentials is more automatic (OECD, 2015, p. 316). Non-EU migrants also face more legal barriers with regard to employment in the public sector (OECD, 2015, p. 25). Understanding the regional composition of EU and non-EU migrants can be a relevant step towards developing tailored regional migration policies.

Asylum seekers are not covered as part of the resident population by labour force surveys. Therefore, they are not included in the resulting statistics on the presence of migrants, even though their number has significantly increased in many OECD countries in recent years. Box 2.2 provides an overview on the distribution of asylum seekers in regions across Europe, based on a separate data collection directly from official government sources. It sheds light both on the magnitude and the location pattern of asylum seekers.

### **Box 2.2. OECD stocktaking exercise of the location of asylum seekers across regions in Europe**

The number of asylum seekers has been increasing rapidly since 2011 in OECD countries. In both 2015 and 2016 the number of asylum seekers in the OECD reached 1.65 million people, four times the value registered in 2011. Almost three-quarters of asylum requests were registered in European OECD countries (OECD, 2017d). The measurement of the inflows of asylum seekers has consequently gained more importance. In this framework, while at the national level there have been systematic data collections across countries by different international organisations such as the United Nations High Commissioner for Refugees (UNHCR) and Eurostat, there is currently no systematic evidence on the location of asylum seekers across regions, except for recent attempts to collect data on reception centres by AIDA (Asylum Information Database), UNHCR and the International Organisation for Migration (IOM).

The distribution of asylum seekers across the different regions (in 12 countries at TL3 level and for 6 countries at municipal level) within a selection of European countries was assessed through an ad hoc analysis from official governmental sources undertaken by the OECD. The data collection targeted the stock of populations in the reception system in a given point in time and in a given location in 18 European countries of the OECD. This population consists of asylum seekers in the reception system (including first, second and emergency reception centres). The resulting localisation of asylum-seekers may not necessarily reflect their final destination but may instead correspond to their location in reception facilities while waiting for their claims to be processed. Asylum seekers are defined as all individuals who have requested international protection and whose claim for the protection status has not yet been determined. The analysis undertaken by the OECD covers 18 countries at the scale of TL3 regions while for 6 countries it provides information up to the municipal level (Box 2.1). All information was collected from National Statistical Offices, governmental agencies or entities entitled by governments to monitor and communicate asylum statistics. As the monitoring systems in place in the different countries are not always consistent, differences in the capacity to track exactly the same target group can be observed. More specifically, in some countries it is not possible to distinguish with precision the specific group of asylum seekers – i.e. individuals who seeks international protection – from those that have already been granted the protection status but are still in the reception centres.

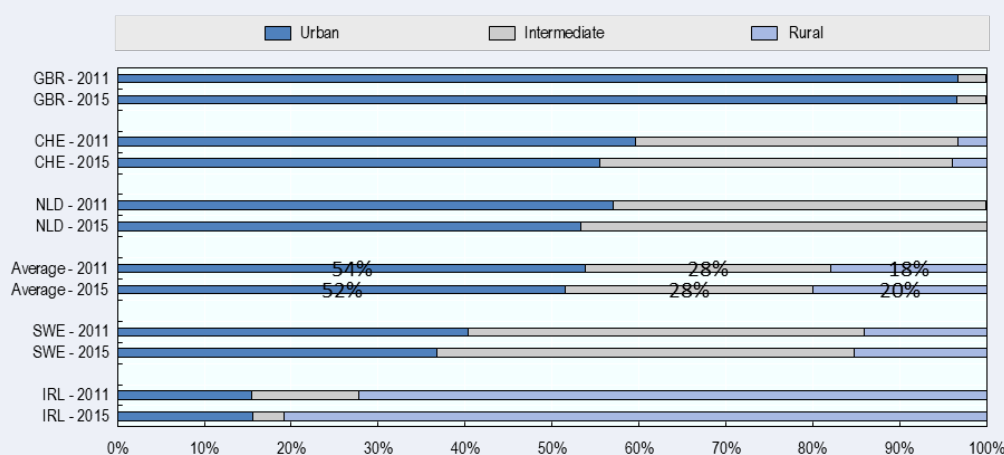
In absolute terms, most asylum seekers are located in the largest cities, often the national capitals. In 2016, the TL3 regions of Vienna and Rome were the ones hosting the highest number of asylum seekers in their respective countries, while in 2014 the regions hosting the largest number of asylum seekers were Berlin in Germany and Västra Götaland in Sweden.

The geographic concentration of asylum seekers can be assessed by looking at their distribution along the urban-rural hierarchy. This can be done for all 18 countries at the scale of the OECD small regions (TL3). All regions are in fact classified in “predominantly urban”, “predominantly rural” and “intermediate”



according to the share of regional population living in high-density centres. Compared to the total resident population, asylum seekers are on average less concentrated in predominantly urban regions. Across the countries considered, 42% of the asylum seekers are hosted in predominantly urban regions while the share of resident populations in such regions is 46%. However, the degree of urban concentration of asylum seekers can differ substantially across countries. In Latvia and in the United Kingdom, for example, asylum seekers are particularly concentrated in cities, while in Belgium, Ireland and Norway the reception of asylum seekers is more a rural phenomenon. When information was consistently available over time, it is observed that the share of asylum seekers in rural areas has on average increased between 2011 and 2015 (see the following figure). The dispersal measures implemented in several of the countries considered might have played a role in this respect.

**Distribution of asylum seekers by type of region, year and country**



In 6 of the 18 countries covered by this analysis, the information on the location of asylum seekers was available also at the municipal scale, which allowed for much higher geographical detail. At this scale, the concentration of asylum seekers across space is more visible than at the regional level and evidence tends to confirm that asylum seekers are relatively more evenly distributed across places than resident population and thus that the presence of asylum seekers is not necessarily an urban phenomenon. On average, in the six countries considered, asylum seekers are mostly located outside cities (57%), where cities are defined consistently across countries through the concept of functional urban areas (OECD, 2012). The opposite is observed for the total resident population (41%). However, observed patterns are different across countries. While in France there is a relatively higher concentration of asylum seekers within FUAs, the contrary happens in Norway.

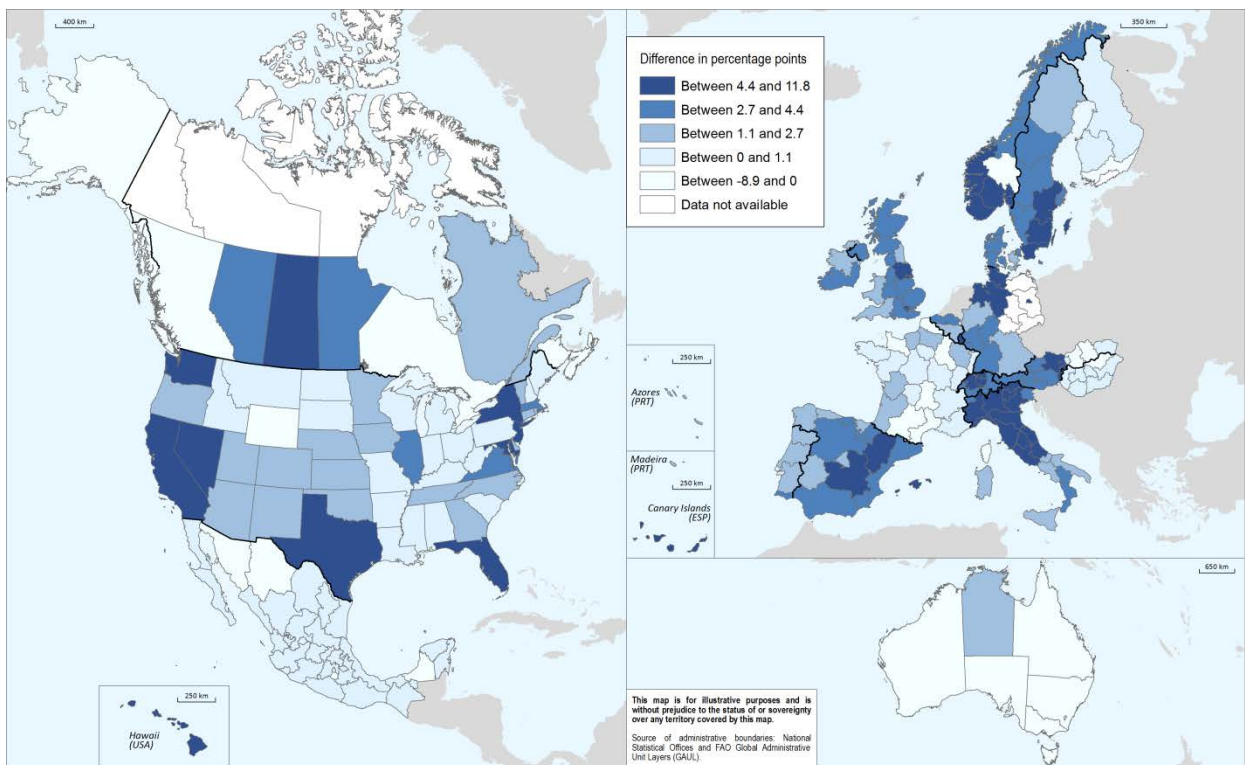
*Source:* Proietti, P. and P. Veneri (2017), “The location of hosted asylum seekers across regions and cities”, paper presented at the 31st OECD Working Party on Territorial Indicators, May 2017.

### *Changes in migrants' presence across regions: 2005 to 2015*

Similarly to the regional distribution of migrants', the change in the population shares of migrants between 2005 and 2015 differed significantly between OECD regions, ranging from an increase in the migrant population of 12 percentage points to a decrease of 9 percentage points (Figure 2.3).

Overall, in 20% of the regions the share of foreign-born individuals decreased. Among the remaining 80 %, some regions stand out by the large increase in their migrant population (relative to native-born). Most regions in the north of Italy and Germany, as well as in the south of Sweden and Norway, recorded increases in the population share of migrants between 5 and 12 percentage points. In Australia and France on the other hand, many regions saw a relative decline, or only modest increase, in the share of migrants of their entire population.

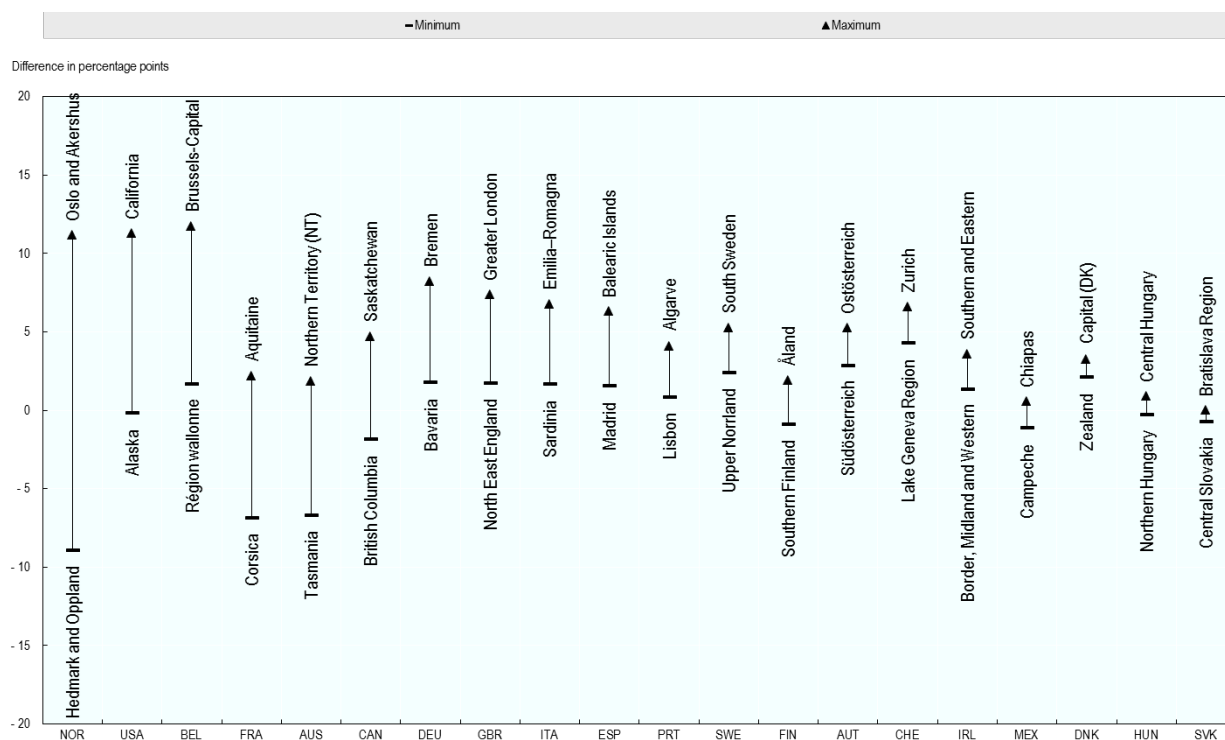
**Figure 2.3. Changes in the presence of migrants, 2005-15**




Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Within OECD countries, regions differ substantially with respect to the change of their migrant populations, with capital-city regions recording larger increases. Norway, the United States, and Belgium display the largest inter-regional differences in the change in the presence of migrants. The difference between the regions that recorded the largest increase (Oslo and Akershus, California, and Brussels) and the regions with the lowest increase/largest decrease (Hedmark and Oppland, Alaska, and Region Wallone) exceeded more than 10 percentage points and even 20 percentage points in Norway (Figure 2.4). Migrants are not only concentrated in capital-city regions; their share also increased the largest in capital regions in many countries.

Figure 2.4. Regional changes in the presence of migrants, 2005-15



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
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A closer look at the regional characteristics reveals that migrants were drawn to prosperous regions rather than economically dynamic ones (Table 2.2). Gross domestic product (GDP) per capita levels in 2005 are positively correlated with increases in the regional population shares of migrants, while GDP growth rates between 2004 and 2015 were not significantly different between regions according to their increase of the foreign-born population. In addition, regions with relatively larger migrant communities in 2005 experienced, on average, greater growth of such communities, suggesting that migration is predominantly increasing in regions where the existing communities were relatively large.

**Table 2.2. Regional characteristics of migration increases**

Variables	Change in the presence of foreign-born individuals (2005-15)		
	(1)	(2)	(3)
Annual growth of GDP per capita (from 2005 to 2014)	-0.0222		
	(0.147)		
GDP per capita of 2005		4.45e-05**	
		(1.95e-05)	
Presence of foreign-born individuals in 2005 (in % of regional population)			0.130***
			(0.0368)
Constant	3.785***	2.025**	1.931***
	(0.666)	(0.973)	(0.646)
Observations	236	236	236
R-squared	0.464	0.510	0.539
Country fixed effects	Yes	Yes	Yes

Note: OLS regressions with country-fixed effects. Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. GDP per capita at constant prices of 2010 (PPP).

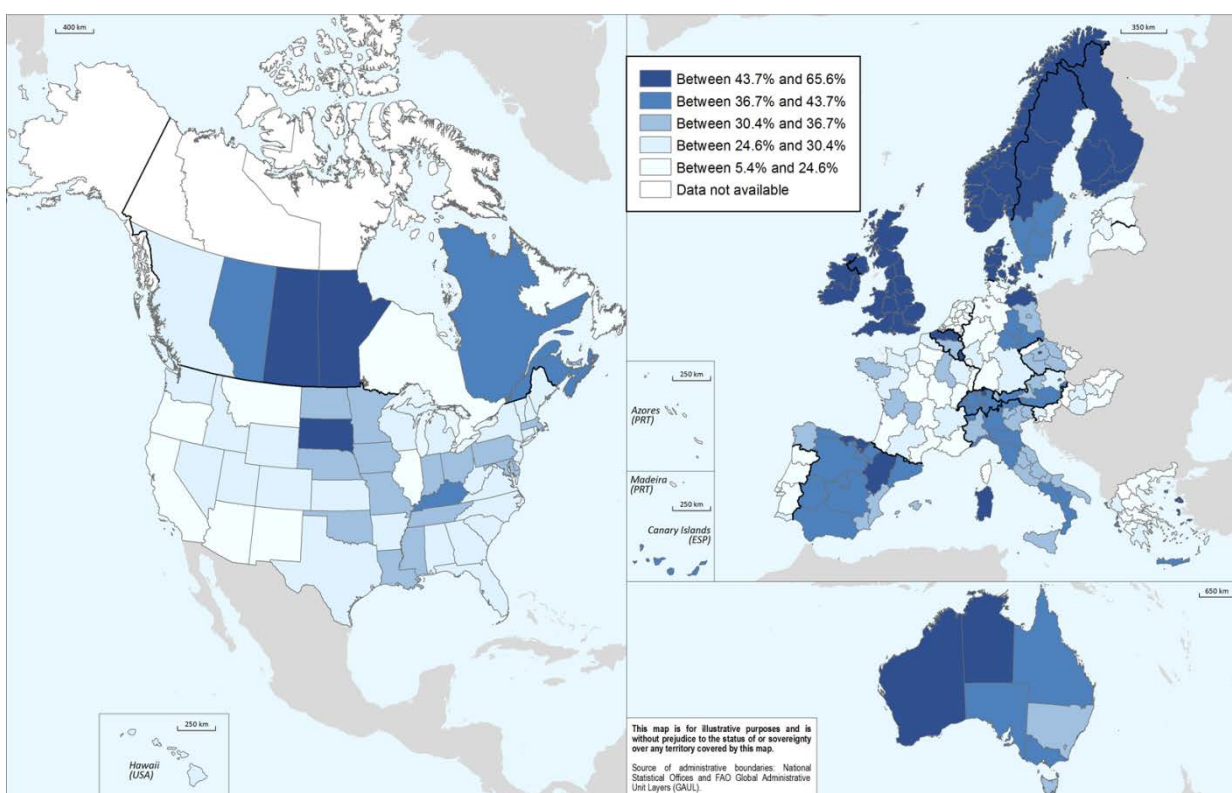
Source: Author's elaboration based on OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

### *Recent versus settled migrants*

Nine in ten OECD regions gather more settled than recent migrants in total foreign-born populations, but recent migration has been substantial in some parts of OECD countries (Figure 2.5). However, in (almost) all regions in Australia, Scandinavia, Spain and the United Kingdom, recent migrants account for 30% or more of the entire regional population of foreign-born individuals. Across the OECD, countries differ substantially in their inter-regional distribution of settled and recent migrants. Around one-third of the countries covered display a difference of more than 20 percentage points between the region with the lowest share and the region with the highest share of recent migrants in total foreign born populations, with Canada, Greece and Spain having the largest inter-regional differences.

The duration of stay, the number of years between the arrival and the survey year, is a defining characteristic of migrants given its positive impact on integration outcomes. Longer presence in a country is associated with improved integration outcomes (OECD, 2015: 21). The duration of stay can be particularly relevant in the context of EU member countries, where it is critical for non-EU migrants' ability to obtain national permanent residency or the European Union's long-term resident status. Such status usually requires a minimum of five years of uninterrupted residence in the host country. Without it, non-EU migrants face greater integration obstacles than their EU peers in the same country.

Therefore, recent migrants often face specific integration challenges that require tailored regional integration policies and initiatives, including pre-arrival support, integration settlement services, and language and vocational training (European Commission, 2016), a point that is further developed in the checklist of this report (Chapter 3. ). In both the OECD<sup>5</sup> and the EU<sup>6</sup> areas, about one-third of migrants have arrived in the last ten years – respectively 22 and 13 million recent migrants.

**Figure 2.5. Share of recent migrants among foreign-born populations, 2014-15**

Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

### *Within-country dispersion of migrants' educational attainment*

On average, the share of highly educated individuals is higher among migrants than among native-born across OECD regions. However, this finding can mask important differences that exist between EU and non-EU foreign-born individuals in the case of European regions.

The educational attainment of migrants is of strong interest because it has been shown to improve their prospects of employment and integration (Aeberhardt, Coudin and Rathelot, 2017).<sup>7</sup> It could thus be viewed as a vital integration outcome. However, most foreign-born individuals entered their host resident country as adults after acquiring their education abroad (OECD and European Union, 2015). Therefore, educational attainment in this study (of foreign-born) describes migrants' ability to succeed in the labour market rather than their success in the host country's education system.<sup>8</sup> In 2013, migrants were, on average, more educated than the native-born population in the OECD. One-third of migrants of working age held a tertiary education degree in the OECD area, against 29% for the native-born population (OECD and European Union, 2015, p. 132). This situation is more nuanced across the European Union, where only one in five non-EU foreign-born individuals holds a tertiary education degree, against about 30% of the EU migrants and 25% of the native-born population (OECD and European Union, 2015).

Although education is a predictor of integration outcomes, highly educated migrants face specific problems. The average employment shortfall of foreign-born individuals relative to their native-born peers tends to be higher for highly educated migrants than low-

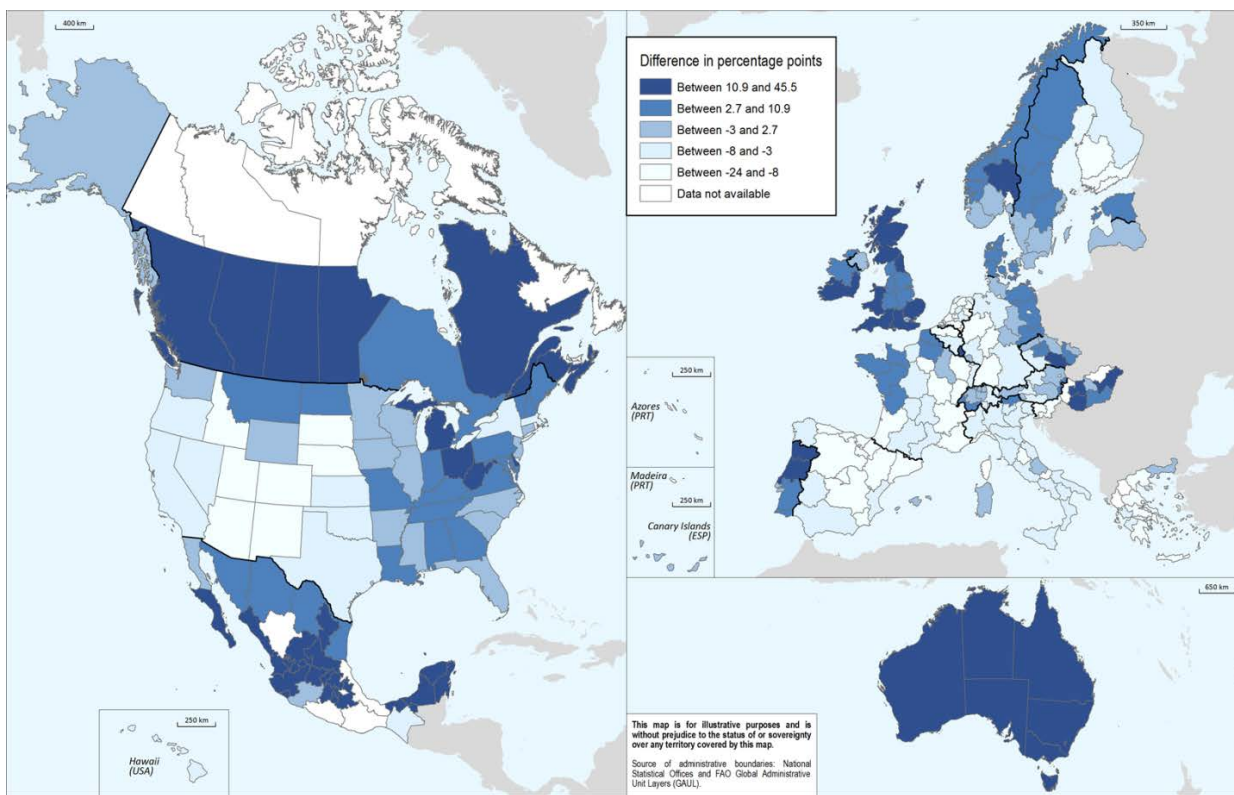
educated ones, which will be demonstrated in the section below on over-qualification. This could be explained by the difficulties highly educated migrants face in obtaining official recognition for their academic qualifications (OECD, 2015, pp. 82-83).

A hotly debated topic in the literature on immigration is whether increases in labour supply due to immigration adversely affect native-born' wages as economic theory would predict. Older studies gave ambiguous answers to this question. Fundamental challenges to such an analysis were: 1) the fact that no counterfactual scenario could be observed (wages of native-born without changes in immigration); and 2) that attention was paid to average effects rather than heterogeneity of effects. In any such assessment, the local impact of immigration has to be considered, since the dispersion of immigrants and local differences in their characteristics and skills are likely to cause variation in the regional effects (Vanselow, Liebig and Kaplanis, 2016). Recent studies demonstrate that migrants' entry into local labour markets can lower wages of native-born that compete for similar jobs and might adversely affect employment of native-born (Dustmann, Schönberg and Stuhler, 2017; Borjas and Monras, 2016). At the same time, however, some groups of native-born workers actually benefit because their skills are complemented by migrants' skills. Consequently, immigration can have a significant distributional impact.

Assessing the regional distribution of migrants' human capital can help to analyse possible effects migration can have on local labour markets and in particular shed light on its heterogeneity based on the complementarity or competitiveness of native-born' and migrants' skills and education. Finally, it helps design migration integration policies that match the educational levels of migrants with specific regional needs and foster skill complementarities.<sup>9</sup>

The difference in educational attainment between native-born and migrants varies widely across regions (Figure 2.6). The heterogeneity in educational differences is less pronounced in Australia, Canada, and northern and southern Europe, when compared to the United States as well as central and western Europe. In some countries, such as the United Kingdom, Ireland, Norway or Sweden, almost all regions have relatively more highly educated migrant than native-born population (Figure 2.6). Australia and Canada stand out in this regard as in all regions migrants are around 10 percentage points more likely to be tertiary educated than native-born. On the other side of the spectrum, Spanish, Greek, German and Italian regions have mostly more educated (as measured by percentage of individuals with tertiary education) native-born than migrant populations.

**Figure 2.6. Regional differences in the share of migrants and native-born with tertiary education, 2014-15**



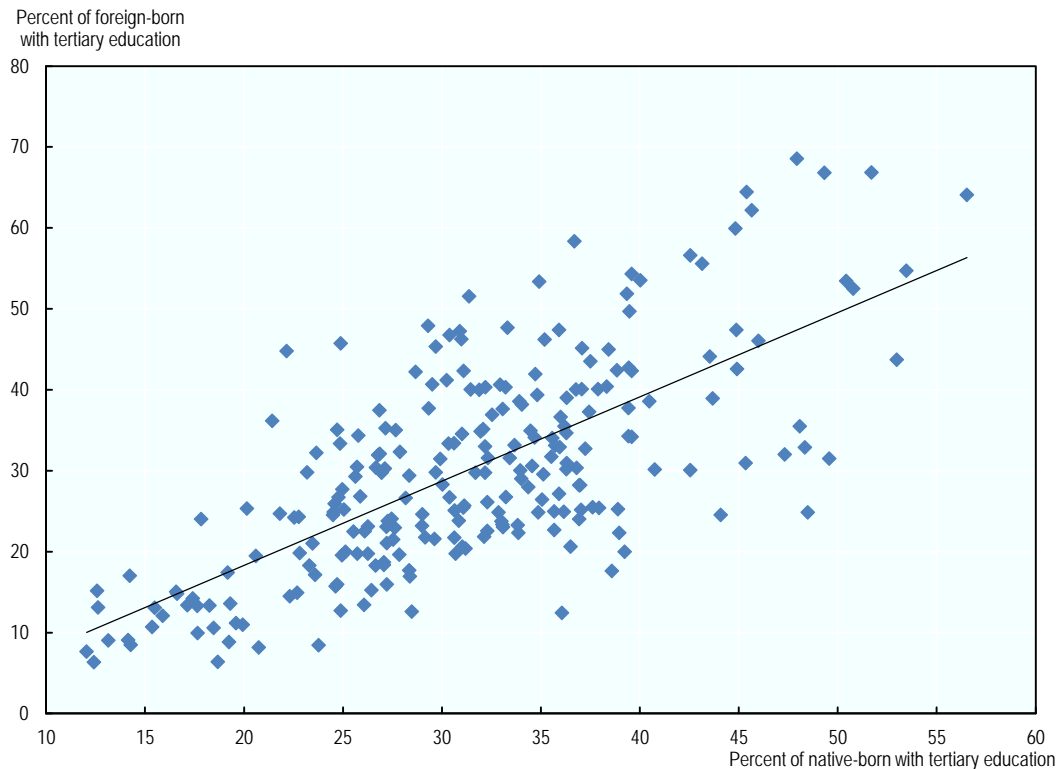
Note: FB=foreign born; NB=native born.


Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Highly educated migrants tend to be located in regions with a more highly educated native-born population. The share of highly educated migrants is positively correlated with that of the native-born with tertiary education at the regional level (Figure 2.7). In the majority of countries, the regions with the greatest share of tertiary-educated native-born also attract the largest share of highly educated migrants (Figure 2.7). On the contrary, such clustering is not observed for regions with relatively low shares of tertiary-educated people.

In Europe, capital-city regions tend to gather both the largest shares of highly educated migrants and native-born. Among European OECD countries, capital-city regions are the primary location of both migrant and native-born tertiary-educated individuals. In 13 out of 24 countries, the share of tertiary-educated population share is the largest in the respective country regardless of the country of birth of individuals.

**Figure 2.7. Share of migrants with tertiary education vs. share of native-born with tertiary education, 2014-15**



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695505>

In general, highly educated foreign-born individuals are more likely to be concentrated in certain regions than their native counterparts. Furthermore, there is a clear discrepancy in the average level of migrants' education between Australia, Canada and northern Europe on the one hand, and southern and eastern Europe on the other. Regions located in the former have been most successful in attracting highly educated foreigners, their share reaching more than 40% in many cases. In contrast, the share of migrants with tertiary education in Europe rarely surpasses 25% or even 20% in regions in southern or eastern Europe.

The fact that the composition of migrants in terms of educational attainment, stay in the host country, legal status (European Union vs. non-European Union), and age, is very heterogeneous across regions implies that there cannot be a universal approach to successful economic /labour market integration. Instead, all the different regional features of migration should be taken into account to design effective integration policies targeted to the characteristics of the place.



## Migrants' labour market outcomes across OECD regions

In the labour market, migrants' outcomes fall considerably short of those of native-born. In most regions, migrants lag behind native-born in terms of employment rates and average income, while recording higher rates of unemployment. The regional dimension is fundamental to address these gaps as the degree to which migrants fare worse in the labour market is highly context dependent and varies across OECD regions.

### *Differences in employment/unemployment rates*

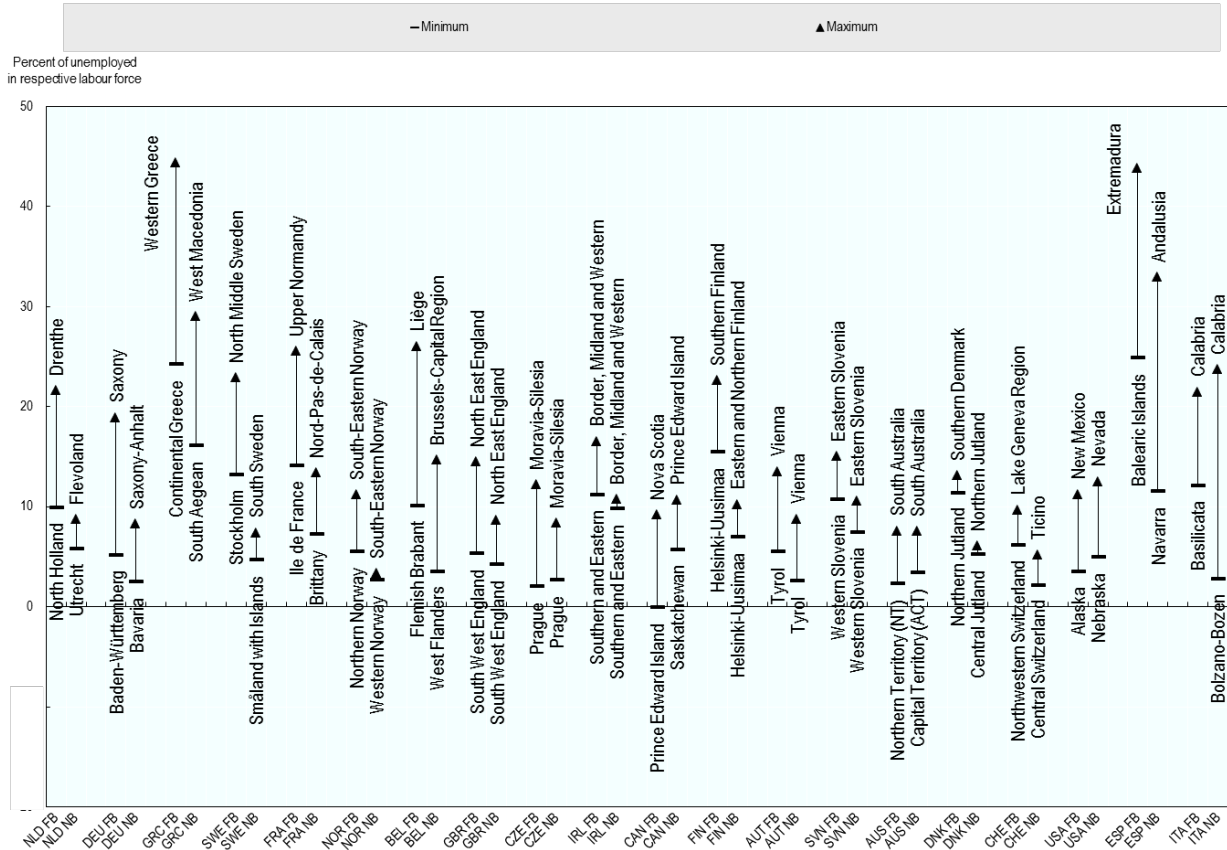
Employment is a core aspect of the integration process. It is not only vital for economic integration, but also has implications for broader social integration, such as finding adequate housing, learning the host-country language and interacting with the native-born population. In 2014-15, 11% of the migrant population was unemployed in the OECD area, 2 percentage points higher than native-born populations. In the European Union, the gap is even larger. Migrants' unemployment rate reached 14.5% compared to 10% among native-born (OECD, 2017e). In European OECD regions, this difference is primarily driven by non-EU migrants who record significantly lower employment than their EU peers (see the section below, "EU migrants and non-EU migrants face different challenges"). Understanding such disparities in labour market outcomes across regions is a requirement for designing effective integration policies.


Unemployed migrants are more spread out across regions than unemployed native-born (Figure 2.8). In 18 out of the 20 countries for which data were available, regional variation in the unemployment rates is larger for migrants. In the Netherlands, Germany, Sweden, the United Kingdom, Ireland, Finland and Norway, the regional disparities in the unemployment rates of the foreign-born population are even more than twice as large as those of the native-born population. In contrast, Spain and Italy both display unemployment rates of native-born that are more regionally dispersed than those of migrants. In Italy, this can be partly explained by higher unemployment rates in southern regions than in the northern and central regions (Bertola and Garibaldi, 2006).

Employment rates are, in the vast majority of OECD countries, decisively lower for foreign-born populations than native-born in both metropolitan and non-metropolitan regions (Figure 2.9). Employment is crucial for migrants' integration: it can provide the means to afford a decent standard of living and to find adequate housing, it facilitates learning the host country's language and it increases interactions with the native-born. Examining the regional pattern of migrants' employment rates relative to that of native-born is a requirement for designing effective policies that can boost migrants' integration in labour markets across all types of regions, and in particular, non-metropolitan regions, where the employment shortfall of migrants is on average larger.

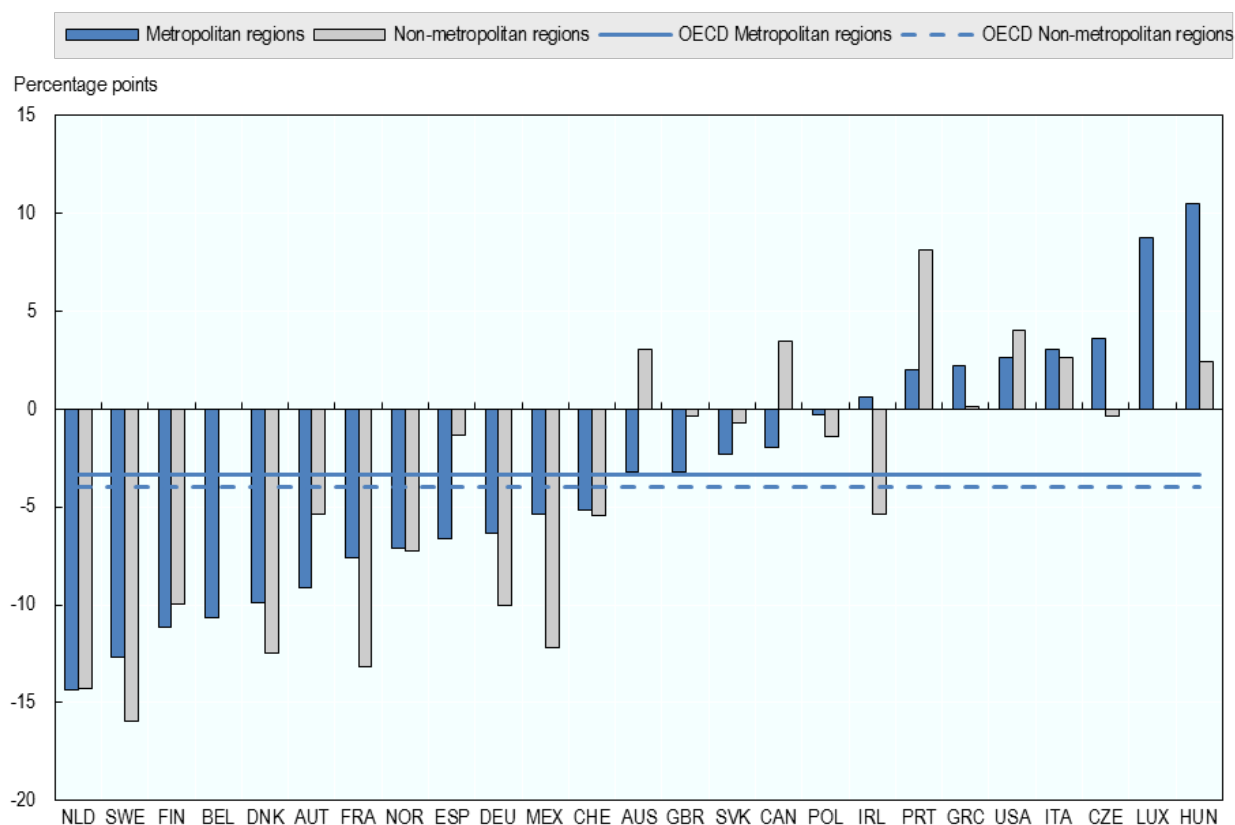
The gap in the shares between employed, working age native-born and migrants is particularly large in western European regions. In the Netherlands, Sweden, Finland, Belgium, Denmark, France and Germany, the gap ranges from 7 to 15 percentage points. Overall, the employment gap is slightly larger in non-metropolitan than in metropolitan regions. However, in several countries such a distinction is very relevant. For instance, in France, Germany, Mexico, or Ireland, the employment shortfall of migrants relative to native-born is significantly more severe in non-metropolitan regions.


Figure 2.8. Regional unemployment rates of native- and foreign-born populations, 2014-15



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695524>

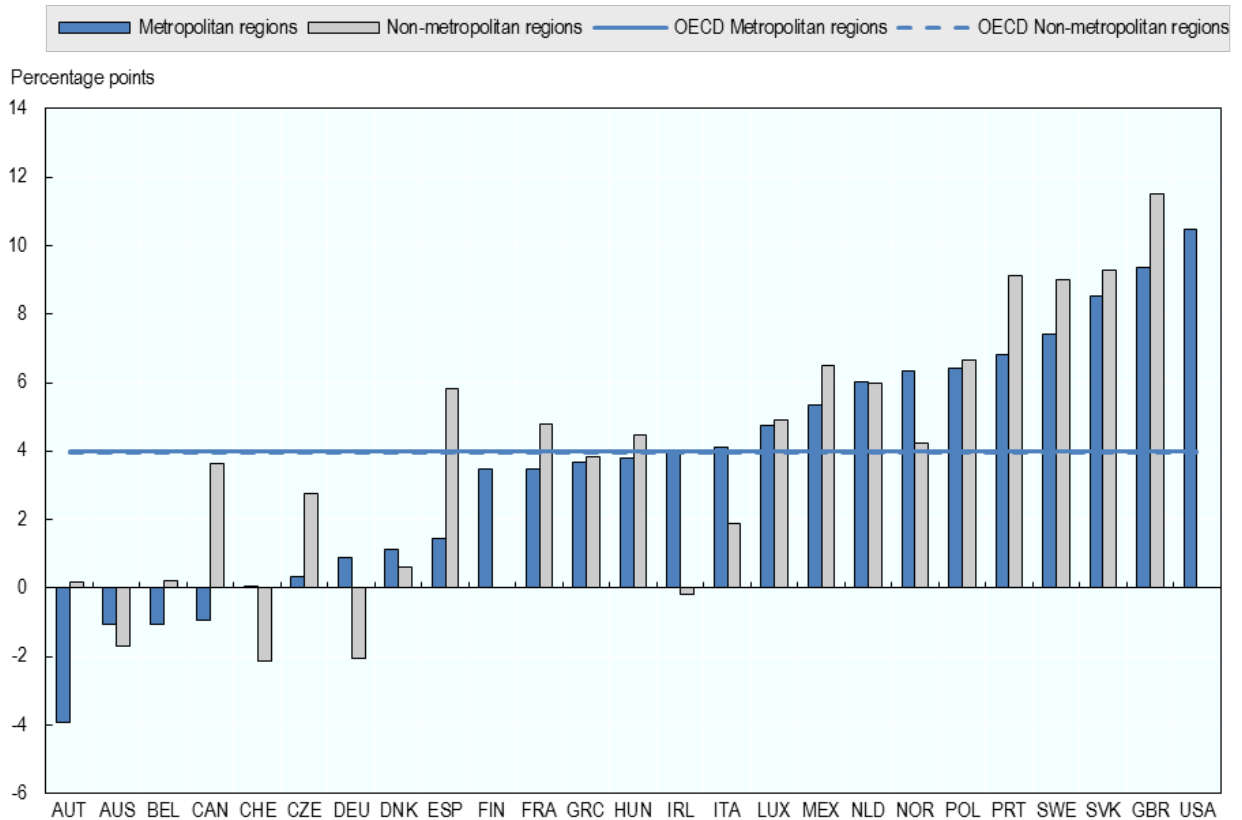
**Figure 2.9. Employment gap between foreign-born and native-born populations by type of region, 2014-15**




Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695543>

The current lack of migrants' integration into labour markets in the OECD area becomes even more apparent when the unemployment rates of native-born and migrants are compared. Unemployment among migrants across OECD regions is, on average, 4 percentage points higher than for native-born (Figure 2.10). Behind this large average difference lies a lot of inter-regional and international variation. At the country level, the largest differences are observed in the Slovak Republic, the United Kingdom and the United States, reaching approximately 8 to 10 percentage points. Regionally, the distinction between mostly metropolitan and non-metropolitan regions is vital in accounting for migrants' unemployment gap in Austria, Canada or Spain on the one hand, and Switzerland and Germany on the other. While in the former, migrants' relative unemployment (compared to native-born) is worse in non-metropolitan than in metropolitan regions, the reverse is the case for the latter.

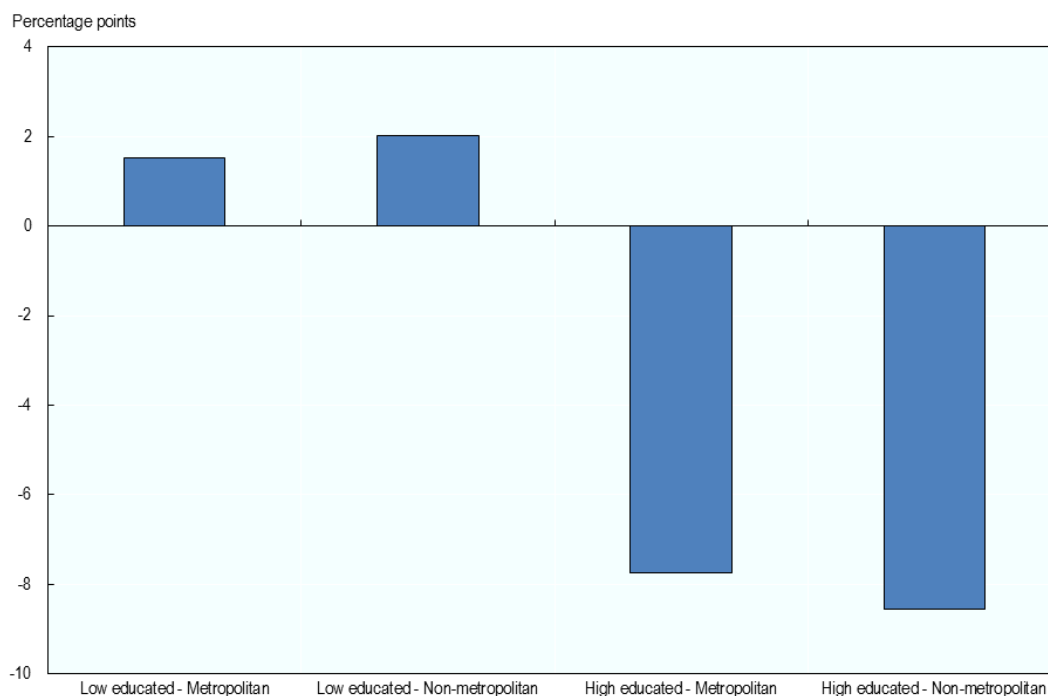
**Figure 2.10. Unemployment differences: Foreign-born vs. native-born populations by type of region, 2014-15**




Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695562>

The employment gap of migrants relative to native-born only exists among the group of highly educated. Even though employment among tertiary-educated migrants is more than 20 percentage points higher than among foreign-born populations with low levels of education, the gap in employment rates between migrants and native-born is limited to highly educated individuals, both in metropolitan and non-metropolitan regions (Figure 2.11). This finding could be indicative of the impediments migrants encounter in having their qualifications recognised in host countries, which are likely to be more cumbersome for tertiary-educated foreign-born individuals. Therefore, the educational composition of migrants in each region is another dimension that should be considered when developing integration policies. Furthermore, it is important to analyse the labour market integration of migrants by examining whether their skills and qualifications are used adequately or instead wasted, which can be assessed by looking at the match of their education and the requirements of their jobs.

**Figure 2.11. Difference in employment rates between foreign and native-born populations by level of education and type of region, OECD average, 2014-15**



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695581>

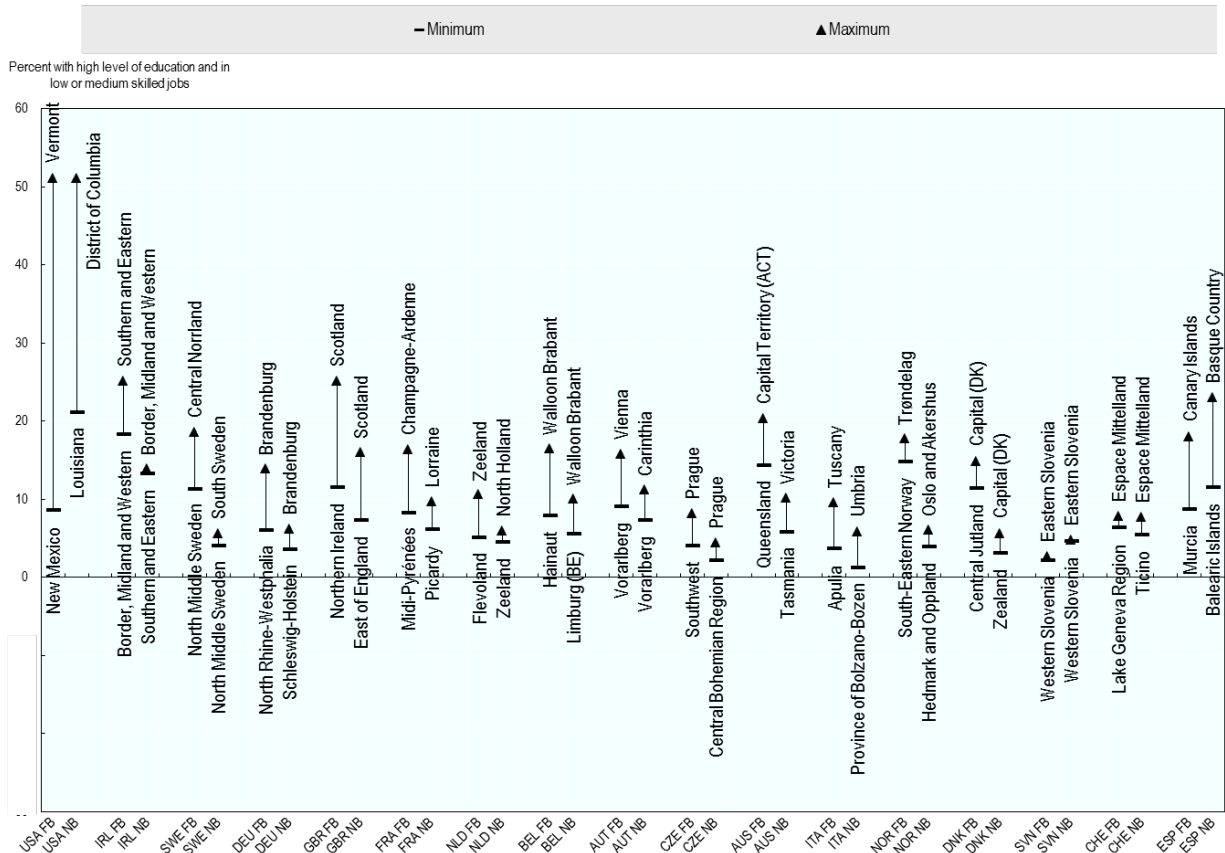
### *Over-qualification and migrant employment*


Across the OECD area, migrants are more likely to be over-qualified for the work they do than are the native-born. At the same time over-qualification rates of migrants vary more across regions than over-qualification rates of native-born. Over-qualification, defined as having tertiary education and working in a low- or medium-skilled job, is a recurring issue for migrants and is often associated with a waste of skills (OECD and European Union, 2015). In 2015, more than one-third of employed foreign-born individuals with a tertiary education degree were over-qualified across the OECD and the European Union, whereas the qualification rate of native-born was only 25% (OECD and European Union, 2015: 116).

Although this difference might be partly explained by poorer education standards in countries of origin compared to OECD host countries, there are several factors that could potentially be mitigated (OECD, 2014a). For instance, migrants often encounter linguistic difficulties, struggle to understand local labour markets and, importantly, can face formidable obstacles in the bureaucratic process of getting foreign degrees and qualifications acknowledged. Over-qualification not only has a negative impact on migrants' job satisfaction and well-being, but research has shown that higher skills and qualification mismatch also tend to be associated with lower labour productivity, which can severely dampen a region's economic development (Adalet McGowan and Andrews, 2015). Among OECD countries, regional variation in the difference in over-qualification between native-born and migrants is especially strong in the United States, Ireland, Sweden, Germany and the United Kingdom, while Switzerland and Spain stand out as the

only countries where regional disparities are (marginally) larger for the native-born population (Figure 2.12).

**Figure 2.12. Over-qualification rates of native- and foreign-born populations across regions, 2014-15**



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695600>

In several countries (Ireland, Sweden, Norway, Denmark and Australia), over-qualification is so much more frequent for migrants that the lowest regional level of migrants' over-qualification is still greater than the highest regional level of native-born over-qualification in the country. In Ireland and Sweden, Norway and Denmark, the regional levels of over-qualification of the foreign-born are always higher than those of native-born, which could be attributable to the fact that these countries have a large share of refugees among the highly educated migrants; a group that has more difficulties in getting their foreign qualifications recognised (Dumont et al., 2016).

### *EU migrants and non-EU migrants face different challenges*

When analysing migrant employment outcomes in Europe, the distinction between EU and non-EU foreign-born populations is pivotal. The former enjoy easy and full access to their host country's labour market, based on the freedoms of movement and labour, whereas the latter face significantly more severe impediments. Such challenges can

consist of getting their qualifications and education acknowledged or just acquiring the necessary documentation to enter the labour market.

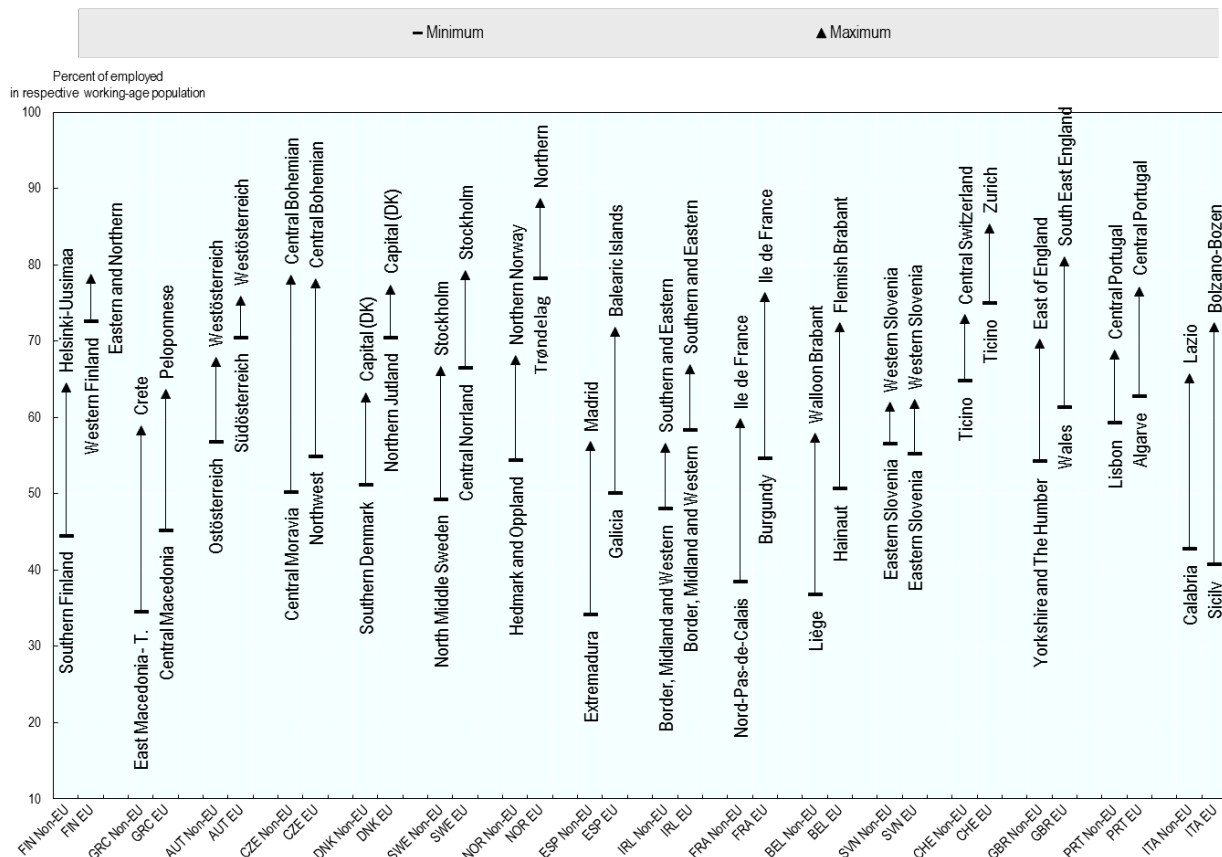
Besides these additional obstacles, EU and non-EU migrants also differ in various other aspects such as their gender and age structure. Non-EU migrants also display different levels of geographic concentration, as non-EU migrants are more heavily concentrated in mostly metropolitan regions or capital cities (see the section above on variation in the size of migrant populations). Finally, as discussed above in the section on within-country dispersion in migrants' educational attainment, they differ in their educational attainment (OECD and European Union, 2015). EU migrants are 10 percentage points more likely to be tertiary-educated than non-EU migrants. For these reasons, labour market outcomes across regions are likely to differ between these two groups of migrants.


In fact, employment rates of EU migrants are, on average, significantly above those of non-EU migrants across European OECD regions (Figure 2.13). For countries such as Spain, Denmark, France, the Netherlands, or Norway, the regional average employment of EU migrants surpasses that of their non-EU peers by more than 10 percentage points. In Greece, Hungary or Italy, such differences are much more muted. These large discrepancies are caused by two aspects: 1) (relatively) low employment among non-EU migrants; and 2) very high employment among EU migrants. New evidence shows that, within the European Union, migrants born in another EU country display even larger employment rates than native-born (European Commission, 2017).<sup>10</sup>

Employment rates are not only higher for non-EU migrants; they also display greater regional disparities (Figure 2.13). Despite these differences, the top-performing regions in terms of employment correspond in most countries for EU and non-EU migrants. On the contrary, in the majority of countries, the worst-performing region with regard to migrant employment differs between EU and non-EU migrants.

Based on this finding, European policy makers need to take into account whether local migrant communities consist of EU or non-EU foreign-born individuals. These groups are geographically dispersed, have different skills and educational attainment and record, as documented, significantly different levels of labour market integration. As a consequence, integration strategies in Europe should be tailored to the local profile of migrant communities and the different challenges that EU and non-EU migrants face.

**Figure 2.13. Employment rates of non-EU and EU foreign-born populations across regions, 2014-15**



Source: OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.  
 StatLink  <http://dx.doi.org/10.1787/888933695619>

### *Income gaps between migrants and the native-born*

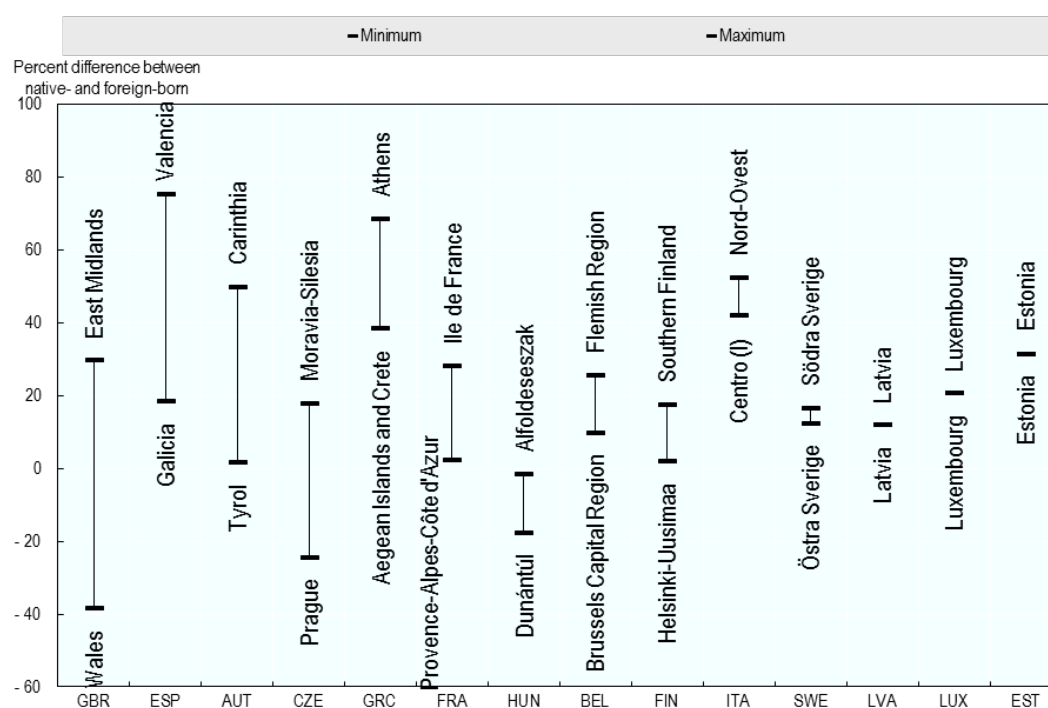
Income matters for migrants' integration, beyond its indication of the degree of labour market integration. Income allows migrants to meet their basic needs, and is positively associated with progress in other dimensions of well-being including health, life expectancy and educational attainment (OECD, 2013, p. 28). In contrast, poverty generates adverse effects on migrants' well-being, including poor housing conditions and limited skills improvements. At the same time, income is widely perceived to be a suitable measure for approximating performance in the labour market and is thus used to examine the evolution of migrants' economic assimilation (Borjas, 2015). Across OECD countries, the median income of migrant households tends to be lower than that of native-born by 17%, reaching EUR 17 000 per capita (OECD and European Union, 2015, p. 162).

Given the large observed gaps between native-born and migrants in terms of employment and over-qualification, it is unsurprising that migrants also record lower incomes. In most European OECD regions, migrants' average equivalised disposable household income tends to be lower than that of native-born populations. In 90% of the covered regions, average equivalised disposable household income is higher for native-born than for



foreign-born individuals. In fact, in 11 out of the 14 countries covered all regions display positive differences between native-born and migrants in average equivalised disposable household income (Figure 2.4). The regions of Valencia in Spain and Athens in Greece display the largest relative differences between the average equivalised disposable household income of native-born and migrants, reaching 75% and 69%, respectively (Figure 2.14). The United Kingdom, Czech Republic and Hungary stand out as the only countries where migrants' average equivalised disposable household income is higher than that of the native-born populations in at least two regions. This fact is likely driven by the large capital-city regions (London, Prague, Budapest), where large parts of the highly skilled labour force comes from abroad. In contrast to most European-OECD regions, migrants in Wales report a much higher equivalised disposable income, by around 38%, than native-born.

**Figure 2.14. Percent difference between native- and foreign-born populations in average equivalised disposable household income across European-OECD regions, 2012-14**



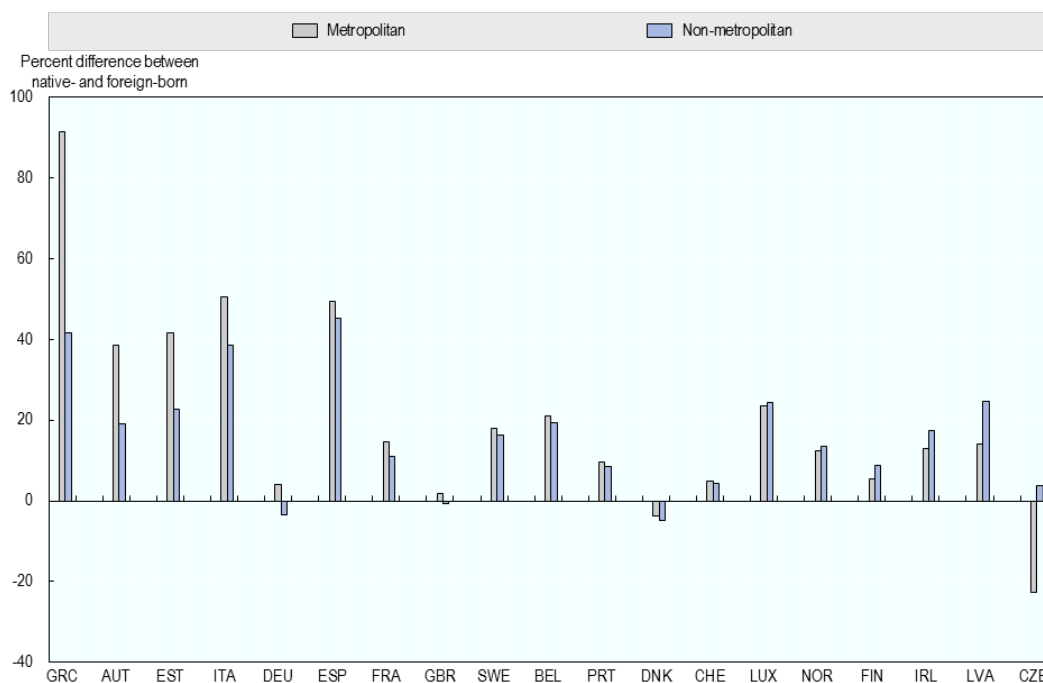
Note: Data are from 2012-14 for all countries except Finland and France (2013-14), and Belgium (2014).

Source: Authors' elaboration, based on EU Statistics on Income and Living Conditions.

While migrants in European OECD countries have on average lower household incomes than native-born in urban, intermediate, and rural areas, this income gap is larger in urban areas (based on the municipal classification of respondents' area included in EU SILC).<sup>11</sup> The mean difference in average equivalised household income between migrants and native-born reaches 20% and 16%, respectively (see Figure 2.15). Overall, for 15 out of the available 19 countries, the difference between native and foreign born in household disposable income is positive in both urban and rural/intermediate areas. In Germany and the United Kingdom, migrants actually have higher average equivalised household disposable income than native-born in rural/intermediate areas but not in their urban counterparts. Greek urban areas display the highest relative difference, with urban native-born having a 92% higher equivalised household disposable income than urban foreign-

born individuals. Denmark stands out as the only country where foreign-born individuals hold on average a higher equivalised disposable income than native households in both urban and rural/intermediate areas.

**Figure 2.15. Percent difference between native- and foreign-born populations in average equivalised household disposable income across urban and rural areas, 2014**



*Note:* Data for Germany are from 2012. See Endnote 10 [for further information on the methodology used to define urban, intermediate and rural areas in the income section].

*Source:* Authors' elaboration, based on EU Statistics on Income and Living Conditions.

### *The role of regional characteristics in migrants' integration outcomes*

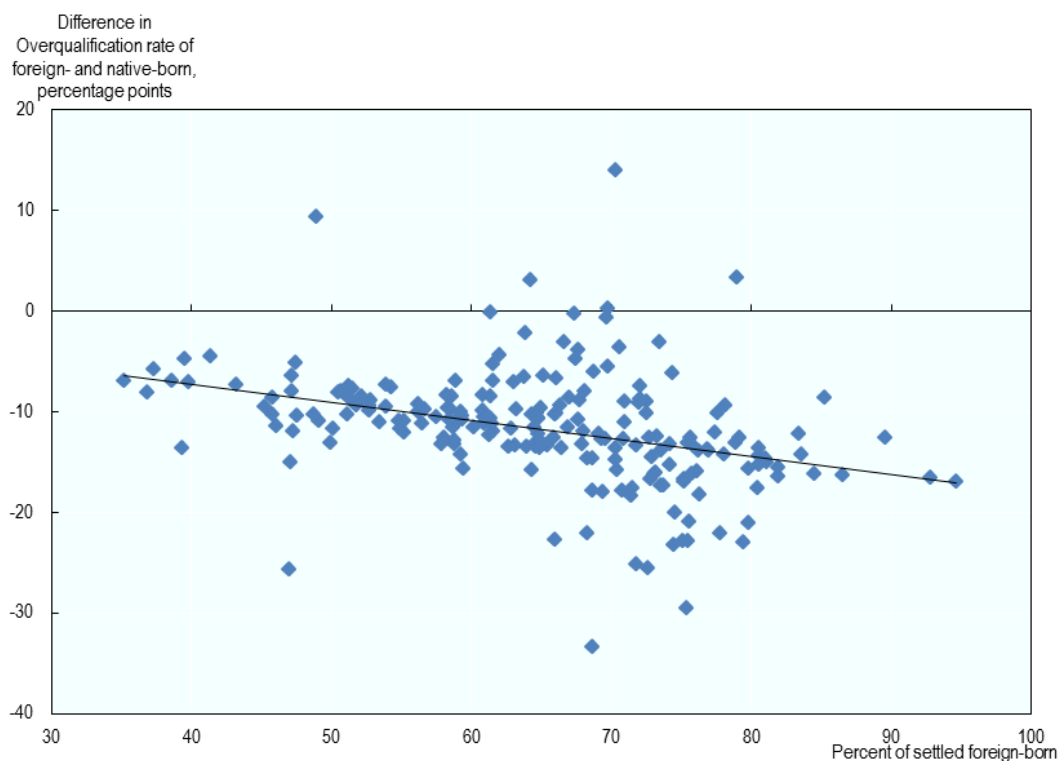
Integration outcomes of migrants in the labour market vary enormously across OECD regions. While differences between migrants and native-born in terms of unemployment or finding jobs that correspond to one's qualifications are negligible in some regions, a large gap between the native-born and migrants exists in other regions. From a policy point of view, it is of utmost importance to elicit whether there are any regional characteristics that contribute to better integration outcomes.

Migrants often settle in regions of their new host countries with already relatively larger existing communities from their country of origin (Brezzi et al., 2010; Chiswick and Miller, 2004). One of the explanations for this phenomenon is that existing diaspora communities help alleviate the initial cultural, linguistic, and administrative challenges that new immigrants face. While residing in such ethnic communities can inhibit the acquisition of the host country language, it may also increase business opportunities and stimulate entrepreneurship among migrants (Edin, Fredrikson and Aslund, 2003).

Although migrants in OECD regions are, on average, much more likely to be over-qualified for their jobs than native-born, this gap is lower in regions with relatively more established migrant communities (Figure 2.16). A greater share of settled migrants, those

that have been in the host country for at least ten years, among the entire regional migrant population is significantly correlated with a narrowing of the over-qualification gap.

**Figure 2.16. Native-born-migrant over-qualification differences and settled migrant communities, circa 2012-14**



*Note:* The regression is based on OLS estimation and controls for country-specific fixed effects and displays the component-plus-residual plot.

*Source:* Authors' elaboration, based on the European Social Survey and OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

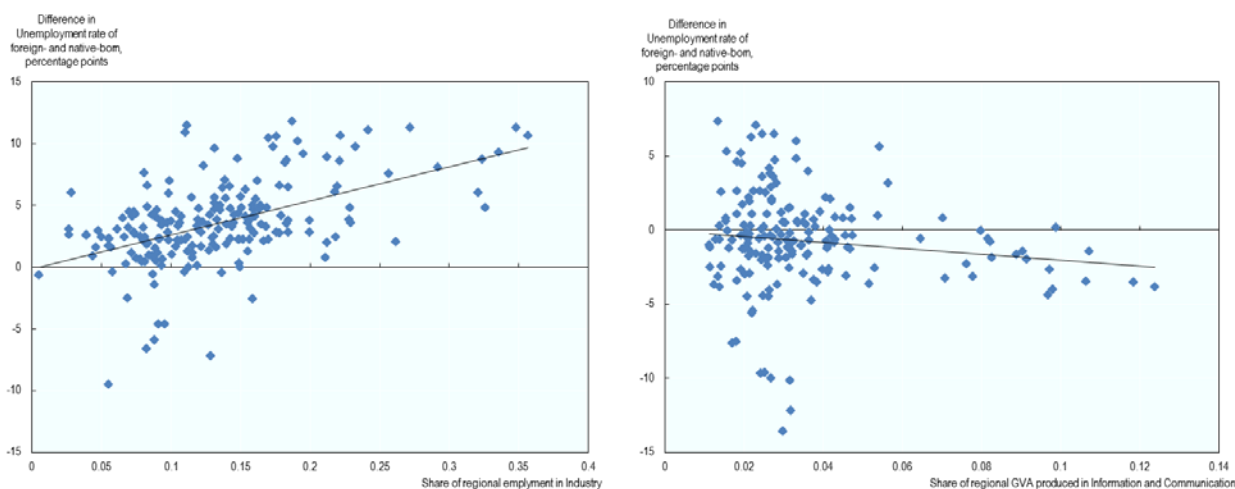
This finding could have two potential explanations. First, the results can be interpreted as a natural consequence of institutional challenges (e.g. getting foreign qualifications and degrees recognised) and labour market search frictions new migrants face. These diminish over time and more settled migrant communities can therefore be expected to be less likely to have jobs that are not equivalent to their qualifications. An alternative interpretation of this finding is centred on the role of existing migrant communities. Living in diaspora communities reduces labour market search frictions and can improve information on job opportunities. Empirical evidence lends support to the latter explanation. Based on examining exogenous location choices within the same country, living in an ethnic enclave, i.e. an area with a large compatriot community is found to improve labour market outcomes (Edin, Fredrikson and Aslund, 2003).

Another regional characteristic that appears to be associated with the labour market integration of migrants is the regional economic structure. Across OECD countries, regions differ vastly in their economic structure from industry-focused to more service-oriented or high-tech regions. This sectoral composition of regional economies can be captured by looking at the sectoral distribution of employment or the sectors' contributions to regional gross value added (GVA). In fact, the sectoral composition of

regional economies is significantly correlated with better or worse integration outcomes of migrants, even after controlling for country-specific fixed effects.

Regions relying on more “traditional” sectors, as measured by the share of regional employees in industry or construction, record on average larger unemployment gaps for migrants (Figure 2.17a).<sup>12</sup> In contrast, regions that rely relatively more on high-tech sectors in terms of their contribution to the overall regional GVA record lower differences in unemployment rates between foreign- and native-born populations (Figure 2.17b). For instance, a larger regional GVA is negatively associated with migrants’ unemployment gaps.

**Figure 2.17. Economic structure and the unemployment gap, circa 2012-14**



*Note:* In both panels, the regressions are based on OLS estimation, control for country-specific fixed effects and cluster standard errors at the country level. The results are statistically significant ( $p$ -value $<0.05$ ) and prevail even if one controls for whether a region is mostly metropolitan or not.

*Source:* Authors’ elaboration, based on OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Two factors seem to be correlated with the previously documented household income gap between the native-born and migrants across European OECD regions. First, regions with larger migrant shares from outside the European Union record larger income gaps between migrants and native-born. This finding confirms the earlier finding that the employment gap between migrants and native-born is driven by non-EU migrants (see Figure 2.13). Second, the nature and conditions of employment matter. Migrants are more likely to be employed without having a permanent contract. Regions where the gap in labour contracts is larger also display larger differences in income between migrant and native-born households.

### Migrants’ access to housing and housing conditions

Migrants in European OECD regions are also more likely to be exposed to housing conditions that negatively affect their well-being. Migrants are more likely to live in overcrowded dwellings than native-born across all regions but tend to be worse off in urban areas.<sup>13</sup>

Access to good-quality housing is a core dimension of migrants' well-being and successful integration. Limited access to acceptable housing conditions and housing instability are indeed linked to lower educational outcomes, high risks of social exclusion and health-related issues (Salvi del Pero et al., 2016, p. 10). Moreover, housing, especially the provision of social housing, is a regional or local competence in most countries. Across the OECD area, migrants are less likely to own their homes and are more likely to live in substandard housing than the native-born population (OECD and European Union, 2015). In some instances, such differences have been demonstrated to persist across generations (Gobillon and Solignac, 2015). They are also more exposed to housing cost overburden than native-born households, an issue which can lead to households' cutback on other needs, including health care (Salvi del Pero et al., 2016).

Previous analyses have emphasised the importance of the subnational and local levels in the relationship between migration and housing (OECD, 2016a). Migrants' concentration in specific regions and urban areas suggests that migration's impact on local infrastructure and housing could be larger at the subnational level than what is observed on average at the national level. Due to its concentration, large migrant inflows can aggravate existing problems regarding the local housing infrastructure, especially social housing (OECD, 2016b, p. 110). As a result, limited housing and social housing availability could contribute to exacerbating anti-migration views. Subnational governments across OECD countries can play a significant role in housing-related policies and investments since housing and community amenities are the third largest field of subnational direct public investments after economic affairs and education in the OECD (OECD, 2014b, p. 5).

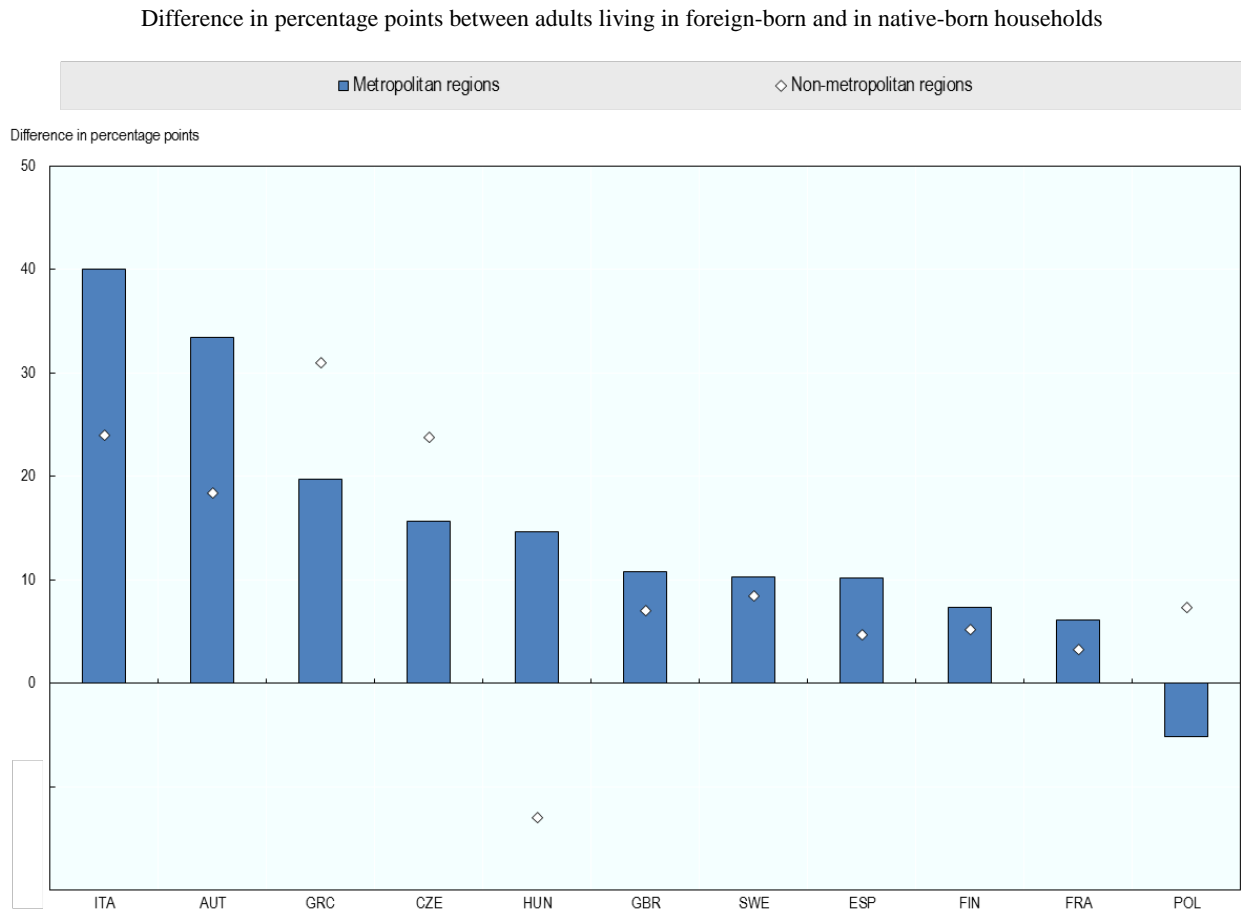
For those reasons, it is fundamental to understand the subnational distribution of migrants' access to good-quality housing in the OECD area relative to native-born in order to design inclusive and tailored migration policies that ensure migrants can benefit from acceptable housing standards across all regions and simultaneously address potential competition for affordable housing with local native populations. In the following sections, evidence on two key housing indicators, namely living in an overcrowded dwelling and living in deprived housing conditions, is presented. The indicators distinguish between rural and urban (including intermediate regions), as housing conditions tend to differ between these types of regions, and – as presented above - immigrants tend to be highly over-represented in urban regions.

### ***Overcrowded housing***

In most European OECD countries, migrants are more likely to live in overcrowded dwellings than native-born across all regions, but tend to be worse off in urban areas. Living in an overcrowded dwelling tends to be more frequent among migrants in urban areas than in other areas (OECD, 2017e). Nonetheless, both in urban and non-urban regions, large proportions of migrants are affected by overcrowding. In Greece and Italy for example, at least 40% of adult migrants in either type of area live in an overcrowded dwelling.

However, both in urban and non-urban regions, migrants are much more likely to live in an overcrowded dwelling than the native-born population (Figure 2.18). In half of the European OECD countries covered, the difference in the overcrowding rate in urban regions is comparable to that in non-urban areas. Countries in which the overcrowding rate gap is larger in urban areas include Italy, Austria and Hungary. Conversely, the gap is more pronounced in rural regions in Greece, the Czech Republic and Poland.

**Figure 2.18. Adults living in overcrowded dwellings, by household migration status and type of region, 2014**



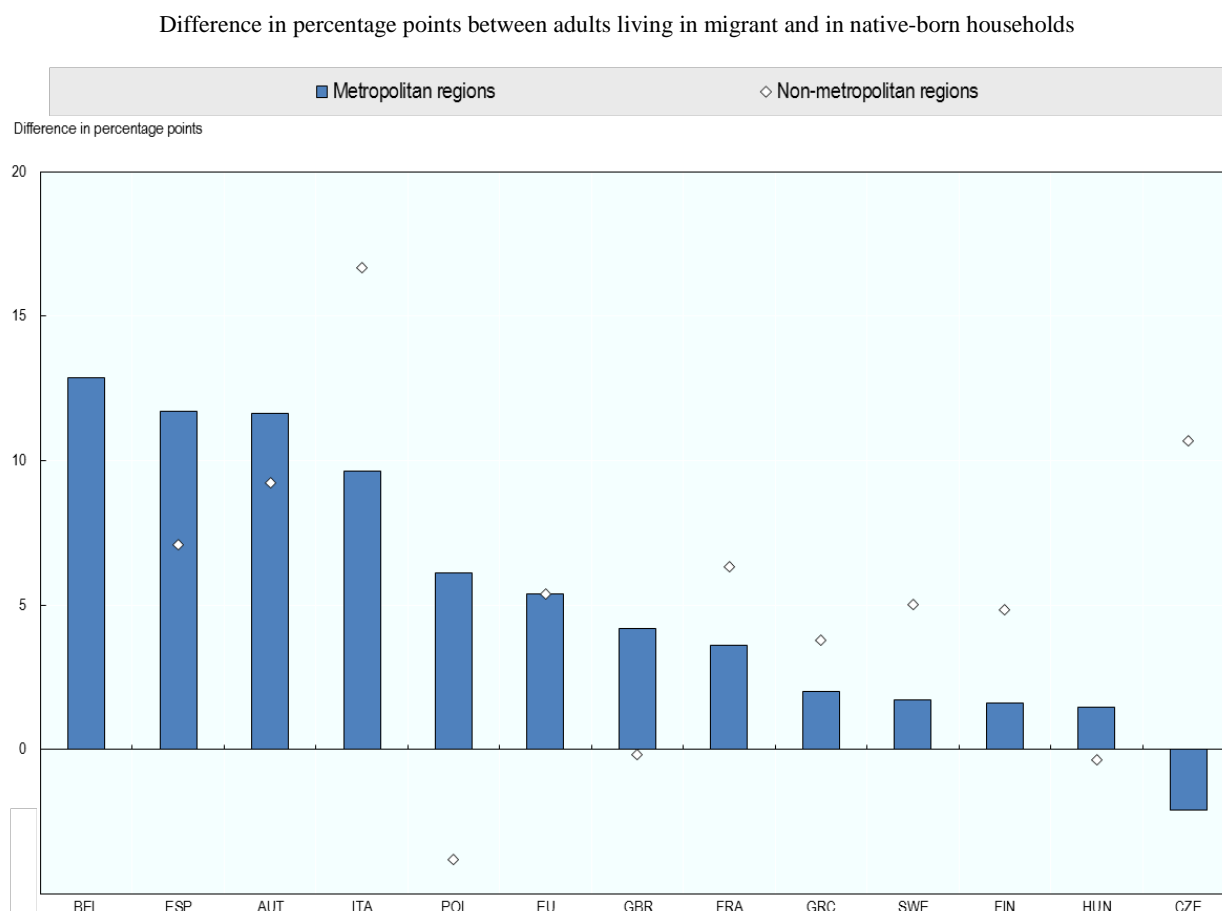
*Notes:* Data for Sweden is from 2013. See OECD and European Union (2015) for a detailed definition of overcrowding.

*Source:* Authors' elaboration, based on EU Statistics on Income and Living Conditions.

### ***Deprived housing***

Across all types of European OECD regions, migrants are also more likely to live in deprived housing conditions than native-born, i.e. in housing with subpar conditions such as a leaking roof, damp walls, floors or foundation, or no bath nor shower room.<sup>14</sup> Regardless of level of urbanisation, deprived housing conditions are much more frequent among migrants (Figure 2.19).<sup>15</sup> In Belgium, Spain, Austria and Italy, the difference is considerable, reaching around 10 percentage points. For the European Union, the average gap in acceptable housing conditions between native-born and migrants is equivalent for non-urban and urban areas. However, in some countries there can be significant differences. For instance, in Italy or the Czech Republic the share of migrants living in deprived housing is larger in non-urban areas. Conversely, migrants in Spain, Poland or the United Kingdom tend to more affected by deprived housing conditions in urban areas than in non-urban areas.

**Figure 2.19. Adults living in deprived housing conditions, by household migration status and degree of urbanisation, 2014**



*Notes:* Data for Sweden is from 2013. See OECD and European Union (2015) for a detailed definition of deprived dwelling.

*Source:* Authors' elaboration, based on EU Statistics on Income and Living Conditions.

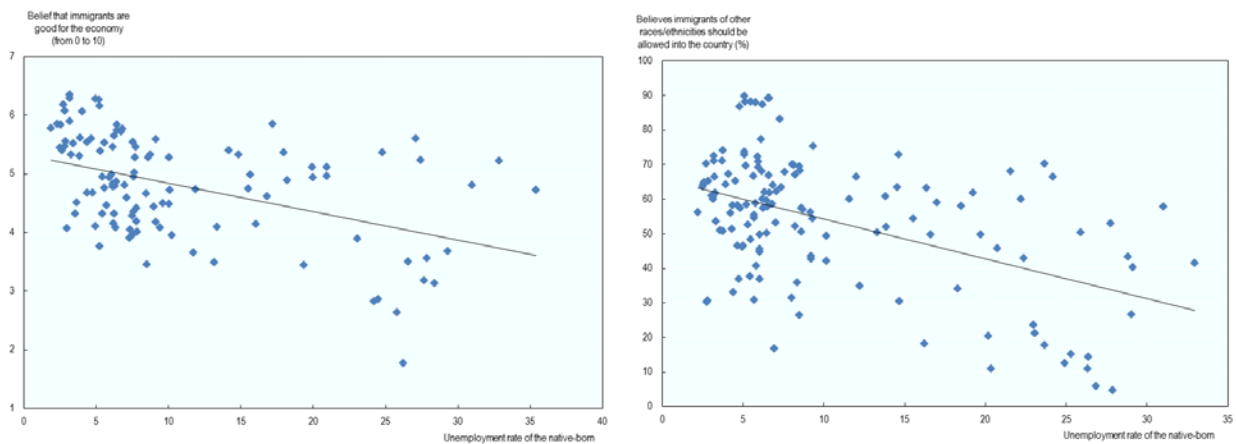
## Public opinion and attitudes towards migrants

In assessing migrants' integration as well as their well-being, public perceptions about, and opinions of, migrants can offer insights. First, such information is reflective of whether migrants have found social acceptance in their host countries. Second, it might also reveal to what degree the integration of migrants in regional economies, i.e. their employment and economic contribution to a region's prosperity, has been successful or is perceived as successful.

The effect of migration needs to be considered at the local level where it depends on regions' economic and socio-economic characteristics (OECD, 2016a). For instance, in a region where the unemployment rate is relatively high, competition for jobs can arise between migrants and native-born, particularly if they share similar skills, which could yield higher levels of anti-migration attitudes, making it more difficult for migrants to integrate.

In fact, in those regions where the native-born have lower unemployment rates, views on the positive impact of migration are higher (Figure 2.20, left panel). Similarly, residents of European OECD regions where the native-born have relatively high unemployment rates are also less inclined to support migration from poorer countries or from a different ethnicity/race (Figure 2.20 right panel). The correlation of native-born' unemployment rates with negative views on migration is higher and more significant than the correlation with the actual unemployment of migrants in the respective region itself. In fact, the gap in employment between the foreign-born and native-born is not significantly correlated with public attitude towards migration. These findings suggest that the economic conditions of native-born are highly relevant for their attitudes towards migrants. In contrast, migrants' actual economic contribution to a region, relative to that of the native-born, is not essential in shaping public perception on migration.

**Figure 2.20. Native-born unemployment rate and public perception of migrants, circa 2012-14**



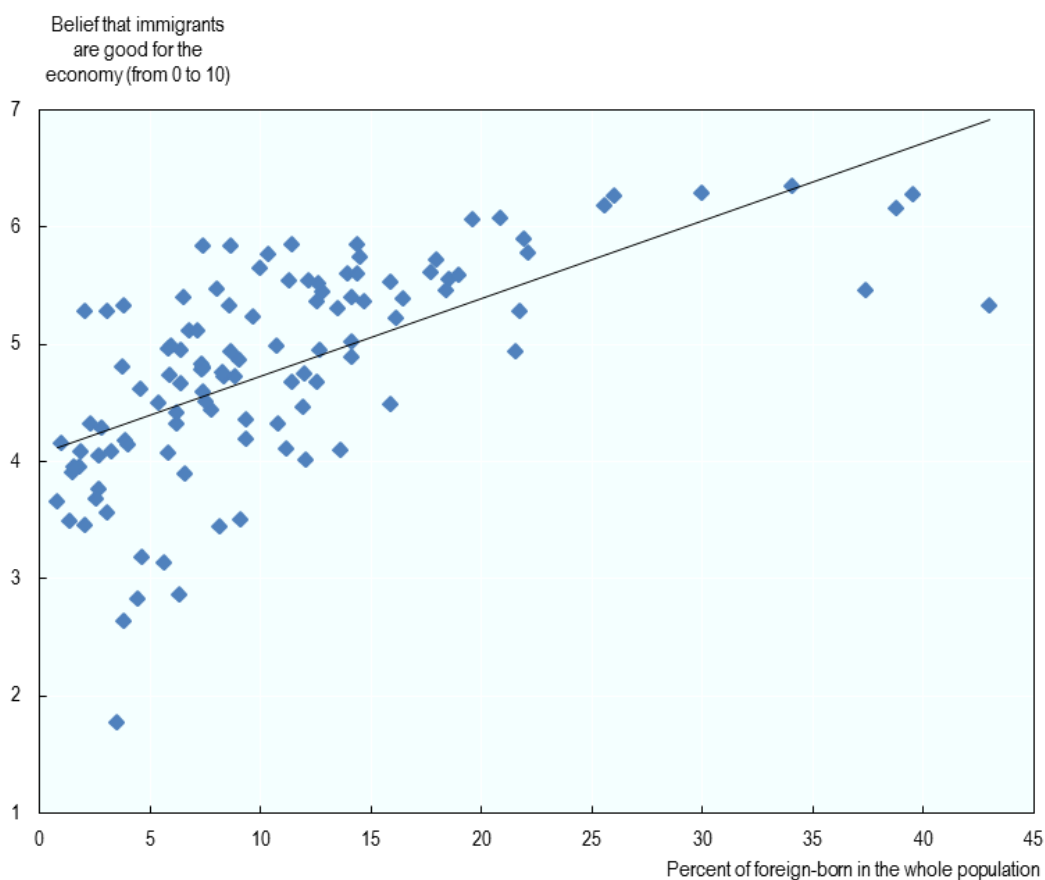
*Note:* Indicators on attitudes from the European Social Survey are built by pooling together waves 4 to 6, which corresponds to the period 2008-13.

In the first panel, the correlations are statistically significantly different from 0 at the 0.05 level even when excluding regions with unemployment rates above the 20% (correlation of 0.32) or when excluding all the regions of Greece and Spain (correlation of 0.45) – the countries with some outliers in regional unemployment. In the second panel, the correlations are statistically significantly different from 0 at the 0.01 level.

*Source:* Authors' elaboration, based on the European Social Survey and OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Positive regional views on migrants, on the other hand, are associated with larger migrant population shares. In regions with larger migrant communities, residents tend to view migrants' contribution to the economy more positively (Figure 2.21). Across regions, experience with diversity is associated with lower problems in accepting migrants. As such, this could be indicative of a “diversity culture” that builds over time and perceives diversity as an enriching contribution.



**Figure 2.21. Migrant population shares and public perception of migrants, circa 2012-14**

*Note:* The percent of foreign-born in the population was estimated using the EU Labour Force Survey of 2014 and 2015. Indicators on attitudes from the European Social Survey are built by pooling together waves 4 to 6, which corresponds to the period 2008-13. The correlation is statistically significantly different from 0 at the 0.05 level.

*Source:* Authors' elaboration, based on the European Social Survey and OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

Do large increases of migration, concentrated in specific areas, have a negative effect on how migrants are perceived? Migration might be assumed to be felt most strongly at the local level, as competition for social services and amenities as well as for jobs can arise. However, the data show otherwise. Table 2.3 correlates the increase in the migrant population between 2005 and 2015, i.e. the increase in the migrant population with a set of indicators on positive attitudes towards migrants and migration in general. In regions with relatively large migration between 2005 and 2015, residents held on average more favourable opinions on, and tolerant attitudes towards, migration.

**Table 2.3. Changes in the size of migrant populations and attitudes towards migrants**

Variables	(1) Immigration good for country's economy (0-10)	(2) Immigrants make country better place to live (0-10)	(3) Country's cultural life enriched by immigrants (0-10)	(4) Allow immigrants from poorer countries outside Europe (%)	(5) Allow immigrants of same race/ethnic group (%)	(6) Allow immigrants of different race/ethnic group (%)
Change in the presence of migrants from 2005 to 2015	0.0414** (0.0170)	0.0347** (0.0137)	0.0549*** (0.0179)	0.394 (0.242)	0.430** (0.207)	0.683* (0.349)
Constant	4.359*** (0.125)	4.493*** (0.105)	5.456*** (0.137)	54.44*** (3.048)	71.04*** (2.731)	53.28*** (2.800)
Observations	102	102	103	102	102	102
R-squared	0.810	0.838	0.778	0.857	0.857	0.840
Country fixed effects	Yes	Yes	Yes	Yes	Yes	Yes

*Note:* All regressions are based on OLS estimation and account for country-specific fixed effects. Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

*Source:* Author's elaboration, based on European Social Survey and OECD (2017c), *OECD Regional Statistics* (database), <http://dx.doi.org/10.1787/region-data-en>.

## Conclusion

This chapter has presented a first comprehensive description and assessment of the integration of migrants at the subnational level across the OECD, based on a novel dataset (OECD, 2017a). The presence of migrants differs widely across regions, with a strong concentration in metropolitan regions. Furthermore, the composition of migrant communities in terms of educational attainment and age structure varies significantly locally. For those reasons, detailed regional information on the local realities of migrants and their integration is necessary to design effective policies.

Migrants differ not only from the native-born population in where they live or in their socio-economic characteristics, but also in their employment outcomes and well-being conditions. Across OECD regions, they are much less likely to be employed, but much more likely to be over-qualified for their jobs than native-born. Factors that can facilitate the labour market integration of migrants are the existence of established migrant communities that have been in the host country for more than ten years as well as an economic structure of the regional economy that is geared towards high-tech service sectors, rather than industry or construction.

In European regions, a clear discrepancy exists between EU and non-EU migrants. EU migrants are 10 percentage points more likely to be highly educated and also display significantly larger employment rates than non-EU migrants. On average, migrants in Europe also fare worse in well-being outcomes than their native-born peers. They have markedly lower household incomes and are relatively more exposed to adverse housing conditions. Such differences between native-born and migrants are most strikingly observed in urban (densely-populated) areas.

Effective integration policies need to take into account such regional differences between migrants' education, legal status (EU vs. non-EU citizens) and their geographic concentration in order to address migrants' integration obstacles. In particular, policy

makers need to evaluate the impediments migrants face in contributing fully to the local economy. They also need to consider the local economic and political realities. Economic difficulties among native-born, such as pervasive unemployment, can give rise to anti-migrant sentiments, which might further hamper the success of integration measures.

The ongoing refugee crisis with its additional, large migratory inflows to the OECD area constitutes an unprecedented challenge for policy makers. Such large increases in migration have even been shown to affect local electoral outcomes in some regions (Dustmann, Vasilje and Piil Damm, 2016; Halla et al., 2017). In order to be effective, migrant integration policies need to also include an analysis of the effects of migration on the native-born in aspects such as social services, wages or employment, and how this works at the local and regional levels.

## Notes

1. Regional integration indicators were produced jointly by the Economic Analysis, Statistics and Multi-Level Governance Section (CFE) and the International Migration Division (ELS).
2. Regional integration indicators were produced jointly by the Economic Analysis, Statistics and Multi-Level Governance Section (OECD Centre for Entrepreneurship, SMEs, Regions Cities [CFE]) and the International Migration Division (OECD Directorate for Employment, Labour and Social Affairs [ELS]).
3. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
4. Eurostat provides such threshold values for by country and year.
5. Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and United States.
6. As above, excluding Australia, Canada and New Zealand.
7. Aeberhardt, Coudin and Rathelot document ethnic employment gaps between French and migrants with North African parents along education and a continuous employability measure based on individuals' characteristics. The gap narrows with larger levels of employability.
8. This could be different if data on the nationality or the country of birth of individuals' parents were observed. In that case, the educational outcomes of children of migrants who went through the same educational system as their native-born peers could be meaningfully assessed.
9. Another dimension that can be examined via the new database is the regional distribution in the age structure of migrants. For instance, the share of young or working-age migrants can be examined across regions and compared to the respective figures for native-born. A detailed description of the regional heterogeneity in this regard can be found in OECD (2017d).
10. The finding is also confirmed when looking at the regional average based on the new subnational migration database (OECD, 2017e).

11. With regards to income levels, urban and rural areas are identified based on the EU-SILC methodology, which segments municipalities based on population density. Urban areas correspond to the “densely populated” areas of the EU-SILC classification and rural/intermediate areas include both the “intermediate” and “thinly populated” areas of the EU-SILC classification. See [http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Revision\\_of\\_the\\_degree\\_of\\_urbanisation](http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Revision_of_the_degree_of_urbanisation).
12. Sectors are based on the ISIC Rev. 4 classification.
13. Urban and non-urban areas are defined according to the degree of urbanisation of respondents’ municipalities provided by EU-SILC.
14. Definition of deprived housing conditions: [http://ec.europa.eu/eurostat/statistics-explained/index.php/EU\\_statistics\\_on\\_income\\_and\\_living\\_conditions\\_%28EU-SILC%29\\_methodology\\_-\\_housing\\_deprivation](http://ec.europa.eu/eurostat/statistics-explained/index.php/EU_statistics_on_income_and_living_conditions_%28EU-SILC%29_methodology_-_housing_deprivation).
15. Exceptions to this observation are rural areas in Poland and urban areas in the Czech Republic, i.e. regions with fairly small migrant communities.

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## **Part II. Objectives for effectively integrating migrants and refugees at the local level**

*Part II presents 12 policy objectives that draw upon the migrant integration challenges countries are facing at the local level. These objectives are accompanied by some possible policy responses and feature good practice examples of initiatives implemented by the case study cities.*

## Introduction

Chapter 2. illustrated some of the challenges related to integration at the regional level (TL2). This part gathers 12 key evidence-based points for reflection, in order to aid policy makers and practitioners in the development and implementation of migrant integration programmes, at local, regional, national and international levels.

These points are presented as objectives, as first identified in a *Checklist for Public Action to Migrant Integration at the Local Level*. This Checklist highlights for the first time common points and cross-cutting messages/lessons learnt around policy frameworks, institutions, and mechanisms that feature in policies for migrant and refugee integration. Some of the policy objectives concern multi-level governance framework and mechanisms as they are the ones setting the context within which local authorities make their decisions. Higher levels of government can provide the relevant incentives for successful integration in this context.

The 12 objectives and corresponding tools have been organised around 4 “blocks” (see box below). Together, the objectives and blocks provide a practical tool to help decision makers integrate migrants, including persons seeking international protection. At the beginning of each section (block), relevant statistics are presented.<sup>1</sup> The lessons learnt and good practices that have been implemented are discussed under each objective.

### A checklist for public action to migrant integration at the local level

#### Block 1. Multi-level governance: Institutional and financial settings

Objective 1. Enhance effectiveness of migrant integration policy through improved vertical co-ordination and implementation at the relevant scale.

Objective 2. Seek policy coherence in addressing the multi-dimensional needs of, and opportunities for, migrants at the local level.

Objective 3. Ensure access to, and effective use of, financial resources that are adapted to local responsibilities for migrant integration.

#### Block 2. Time and space: Keys for migrants and host communities to live together

Objective 4. Design integration policies that take time into account throughout migrants’ lifetimes and evolution of residency status.

Objective 5. Create spaces where the interaction brings migrant and native-born communities closer

#### Block 3. Local capacity for policy formulation and implementation

Objective 6. Build capacity and diversity in civil service, with a view to ensure access to mainstream services for migrants and newcomers

Objective 7. Strengthen co-operation with non-state stakeholders, including through transparent and effective contracts.

Objective 8. Intensify the assessment of integration results for migrants and host communities and their use for evidence-based policies.



**Block 4. Sectoral policies related to integration**

Objective 9. Match migrant skills with economic and job opportunities.

Objective 10. Secure access to adequate housing.

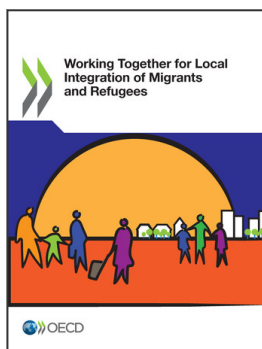
Objective 11. Provide social welfare measures that are aligned with migrant inclusion.

Objective 12. Establish education responses to address segregation and provide equitable paths to professional growth.

**Notes**

1. The data have been extracted from the case studies for the ten cities (Amsterdam, Athens, Barcelona, Berlin, Glasgow, Gothenburg, Paris, Rome, Vienna and Altena, a small city in Germany) and the answers collected from 57 additional European cities and 5 municipal associations through a short ad hoc questionnaire circulated among EURO CITIES and the Council of European Municipalities and Regions (CEMR) members and from the statistical pillar of the work will be presented.





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