



# THE LABOUR MARKET INTEGRATION OF MIGRANTS IN EUROPEAN CITIES: BARRIERS AND STRATEGIES

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# Today's topics

- **Migrants in the European Union: Why are large cities so attractive?**
- **The labour market integration of migrants in European cities**
- **How can cities and local authorities contribute to a successful labour market integration of migrants?**



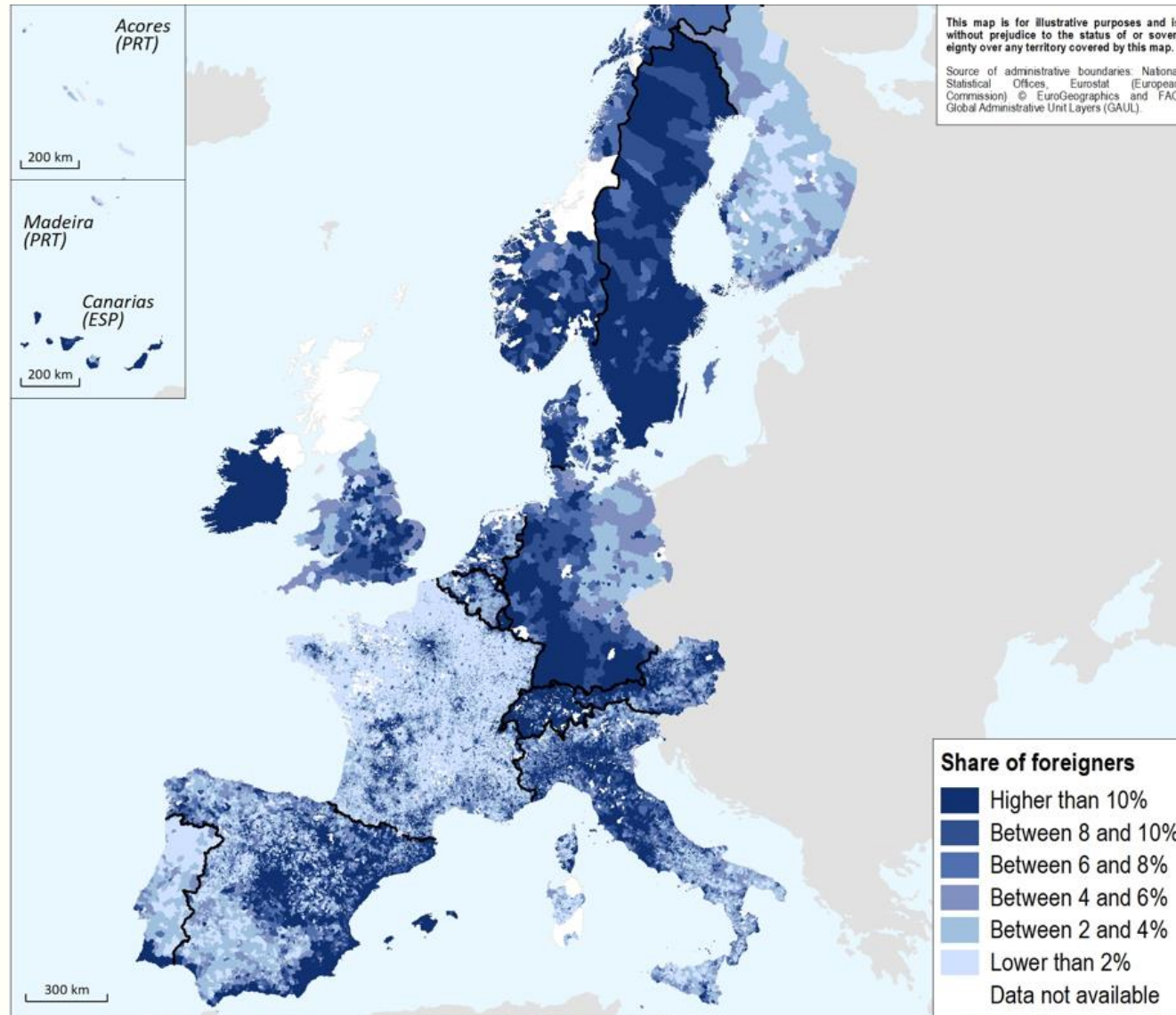
# Key messages

- **Cities will remain attractive to migrants in the future due to migrant networks and relatively better opportunities on the labour market in large cities**
- **Expanding services that contribute to the successful labour market integration of migrants is beneficial to both migrants and the destination country**
- **Successful local labour market integration programmes complement the national level and focus on strengths (rather than weaknesses) of migrants**

# Migrants in the European Union



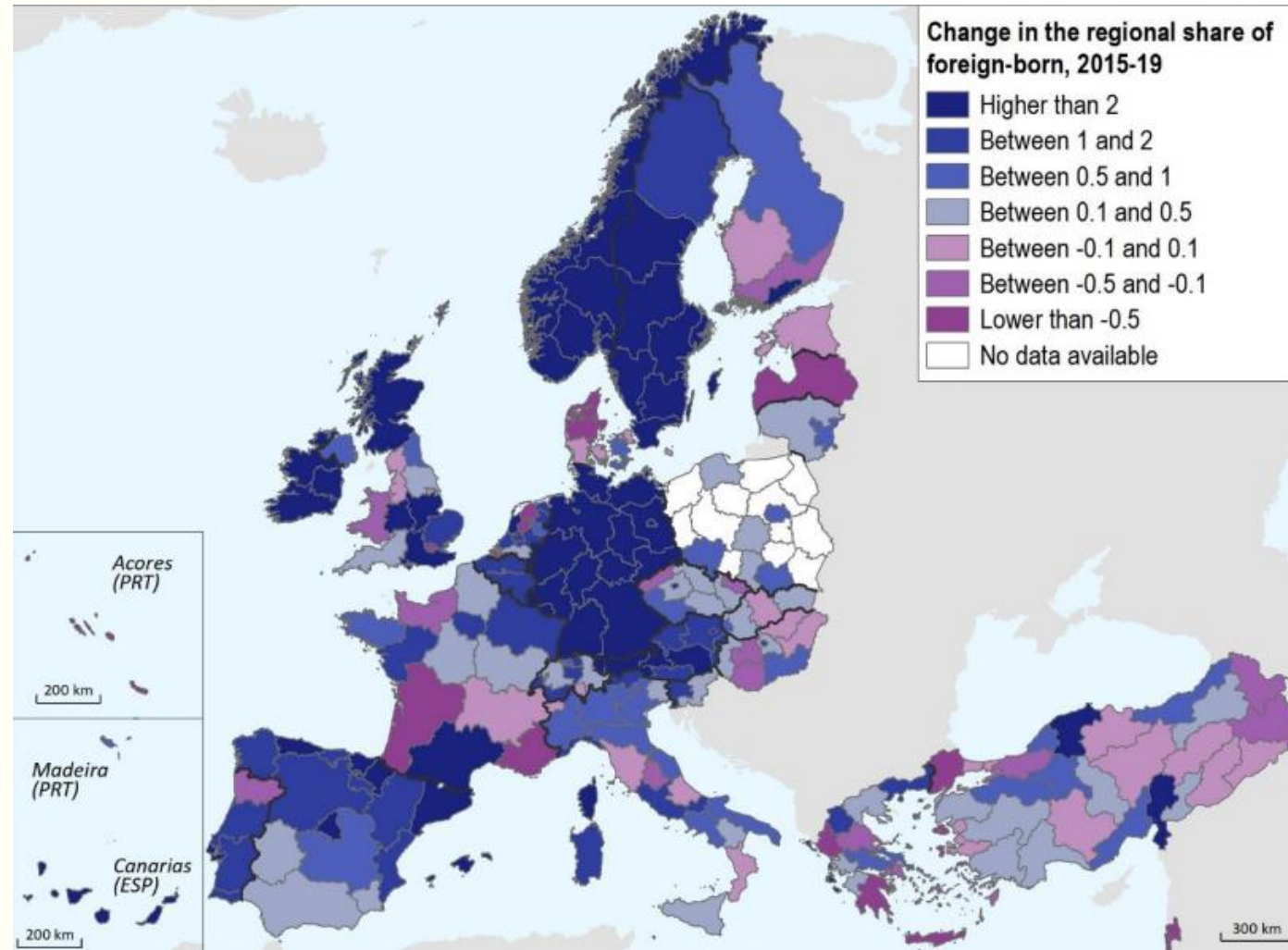
# The share of foreign-born in European regions



Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# The share of foreign-born has risen fast in German and Swedish regions in the years prior to the COVID-19 pandemic

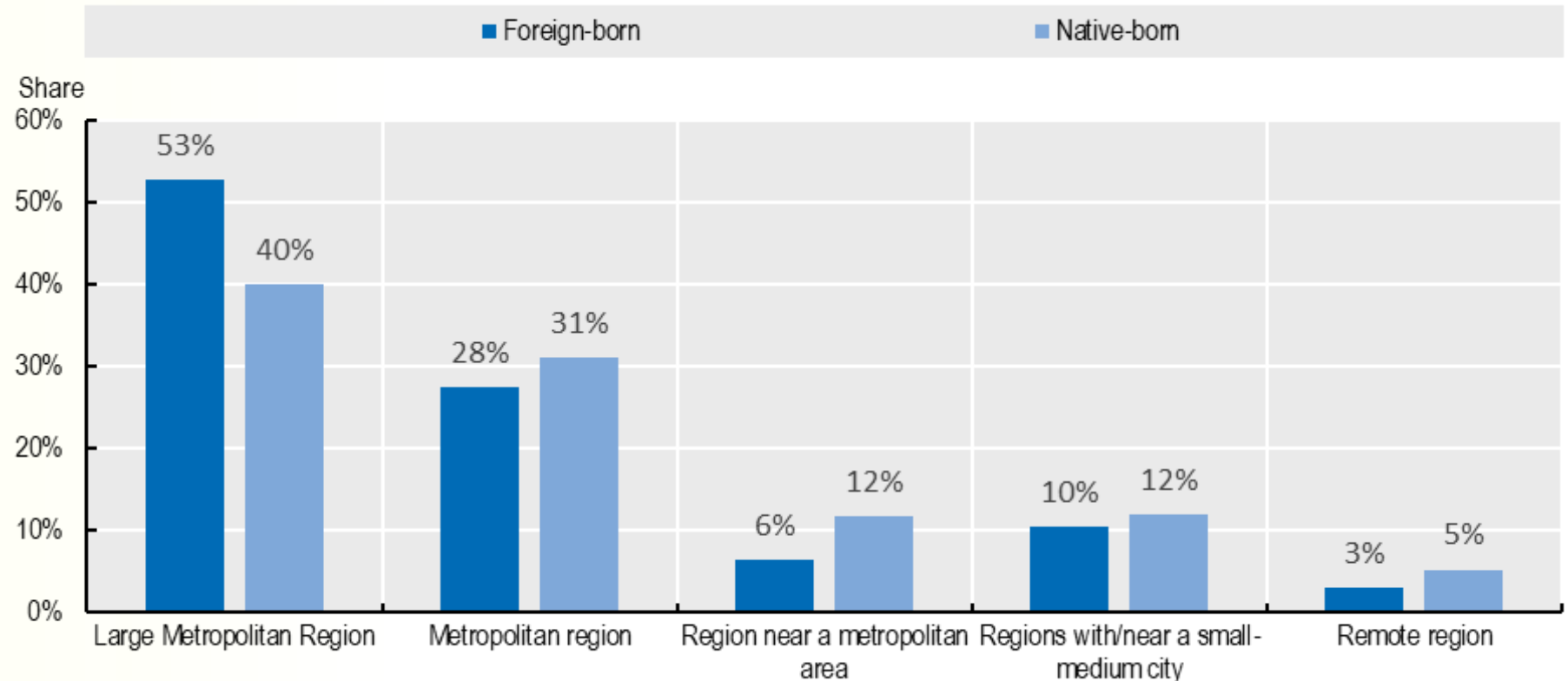


Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# Migrants in the OECD mostly live in large cities

- **53% of all migrants in OECD countries live in large metropolitan areas**
- **On the other hand, migrants are underrepresented in regions surrounding metropolitan areas in particular**

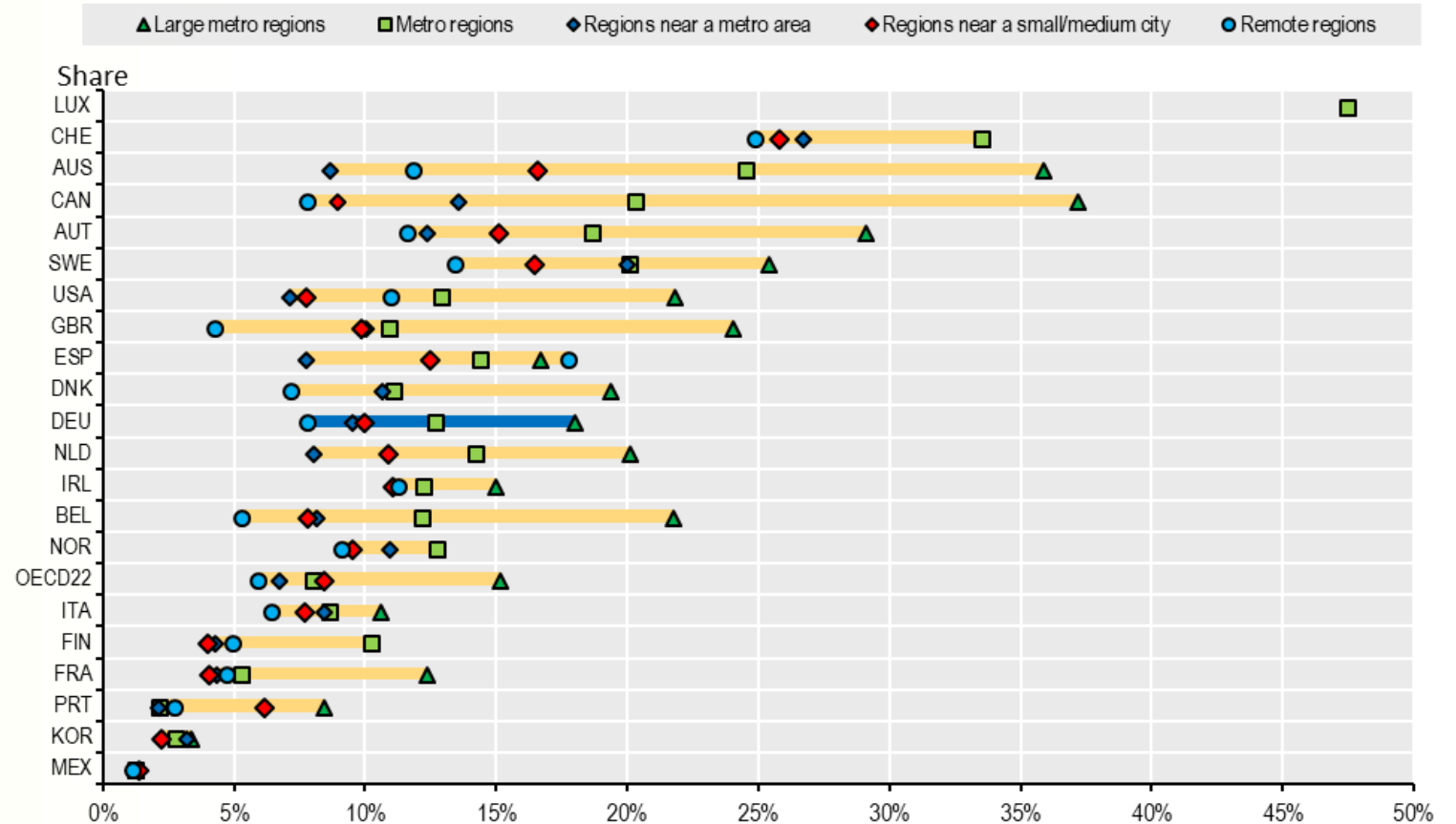


Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# Migrants in OECD countries mostly live in large cities

- The share of foreign-born in large German metro regions stood at 18% in 2019
- In remote rural areas that share is only 8% in Germany
- A similar pattern can be observed across OECD countries



Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.





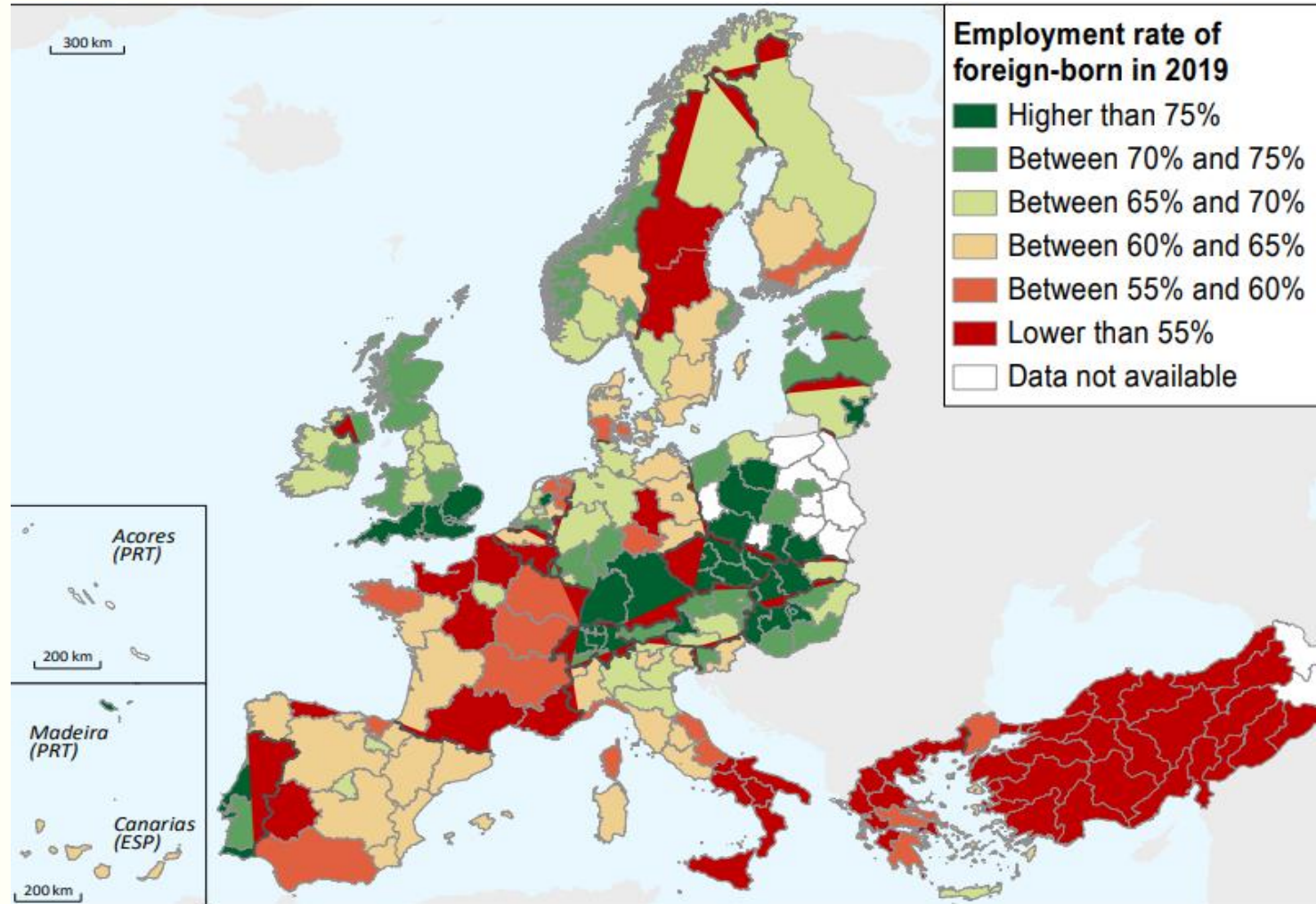
# Why do migrants mostly move into large cities?

- **Networks:** Migrants of the same origin serve as a supportive networks in the destination country (Simpson, 2017); more than 70% of the variation in migration flows into OECD countries can be attributed to networks (Beine, Docquier und Özden, 2011)
- **Labour market opportunities:** Higher income and better job perspectives in cities compared to rural areas (Bansak, Simpson und Zavodny, 2020)
- **Demographics:** Migrants are often younger than the average age of the destination country's population (Broberg und Ludolph, 2021); internal migration of young natives also mostly follows a rural-to-urban pattern.
- These „pull“ factors appear to be largely independent of „push“ factors
- **However:** Asylum seekers are assigned to regions in some OECD countries

# The labour market integration of migrants in European cities



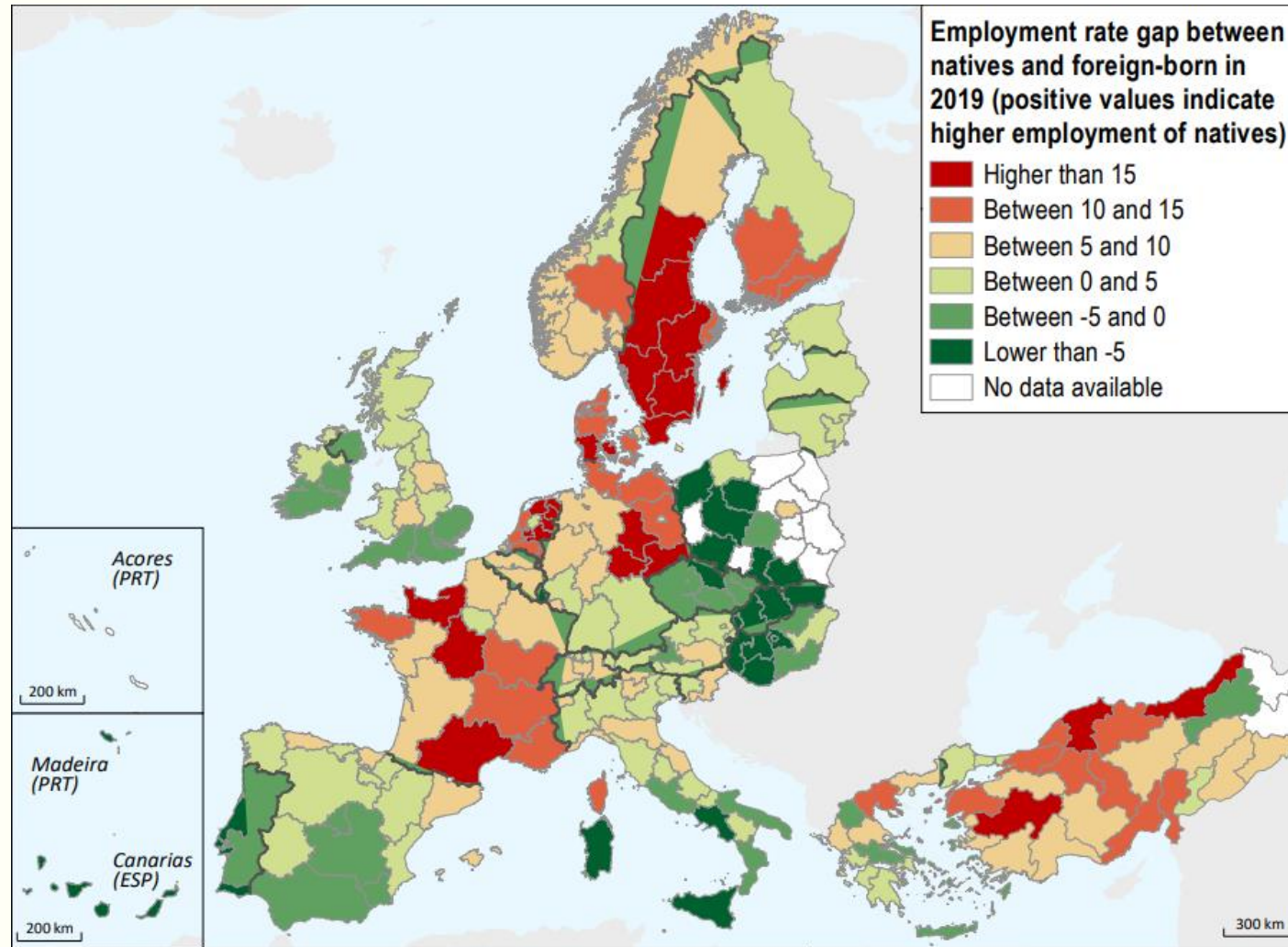
# The employment rate of foreign-borns shows high variation across European regions



Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# The gap in employment rates between natives and foreign-borns also differs widely across Europe

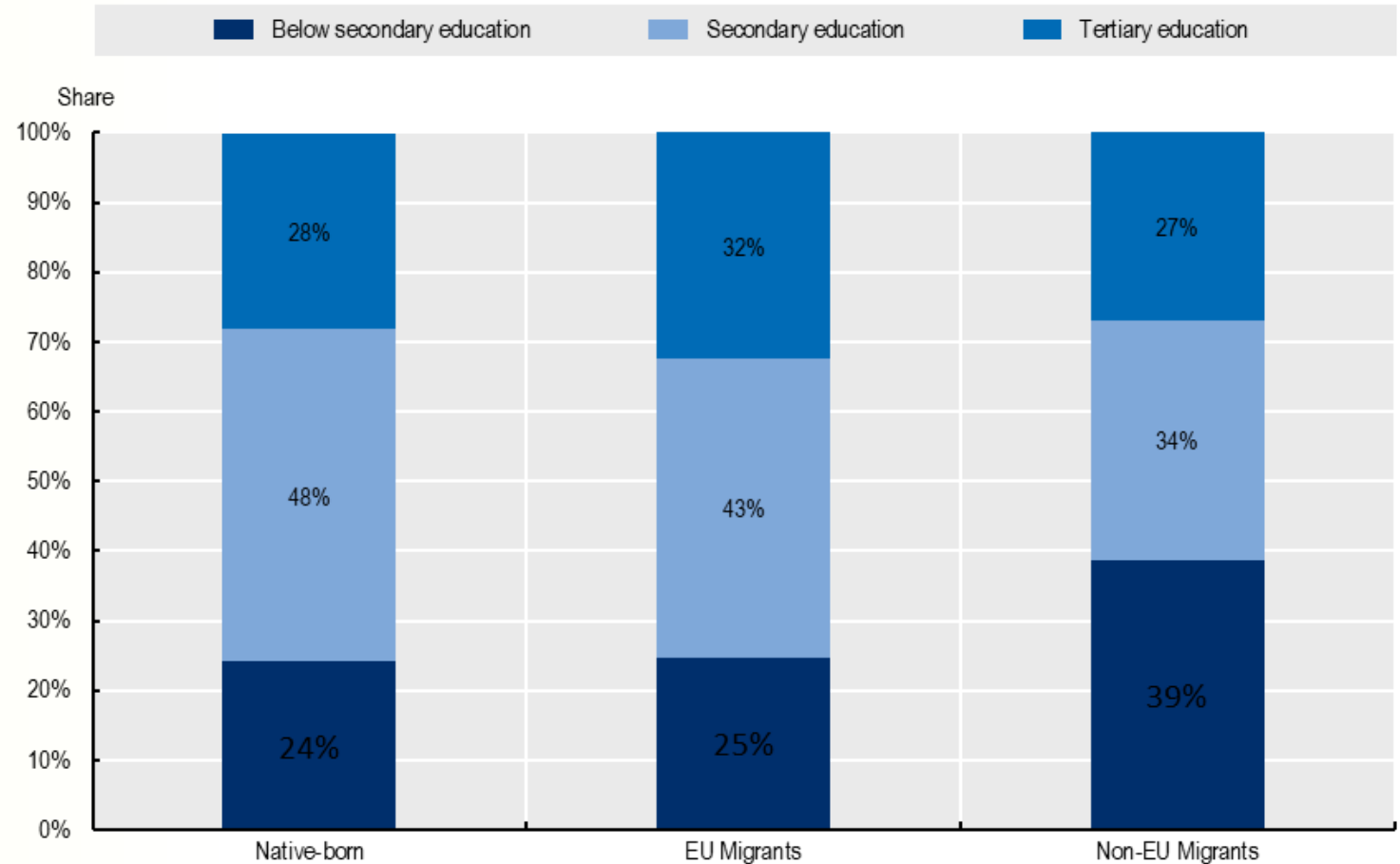


Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# Reasons for the relatively low employment rate among migrants in Europe

- Larger share of low-educated among non-EU migrants can explain parts of the employment gap
- **BUT:** In reality, the situation is more complex! (next slide)

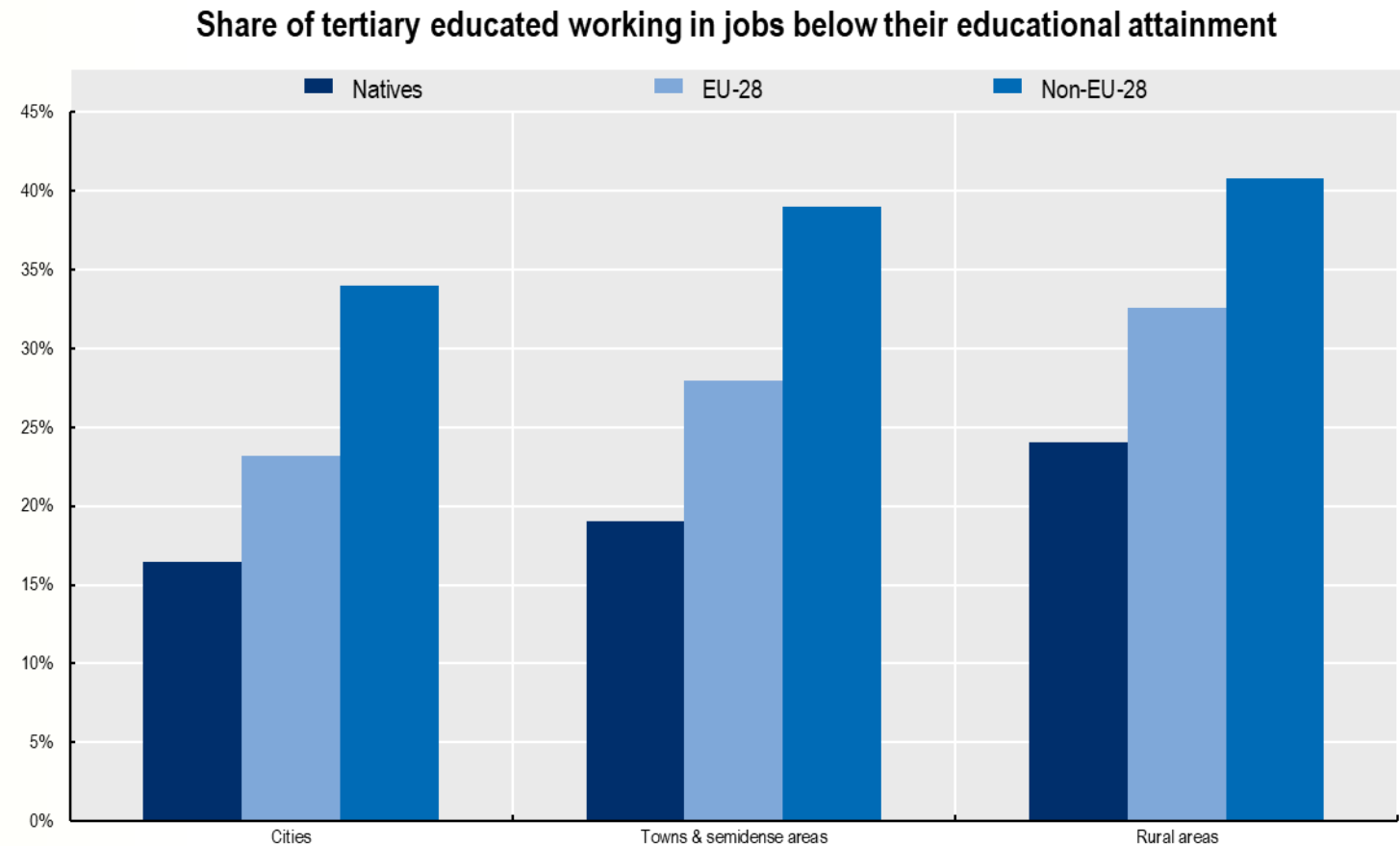


Source: Eurostat



# Reasons for the relatively low employment rate among migrants in the EU

- **Even if migrants have a similar educational attainment, they show lower employment rates and wages**
  - Differences in quality, content, and signalling of foreign degrees compared to those attained in the destination country
  - Lack of language skills
  - Lack of citizenship
  - **Discrimination**

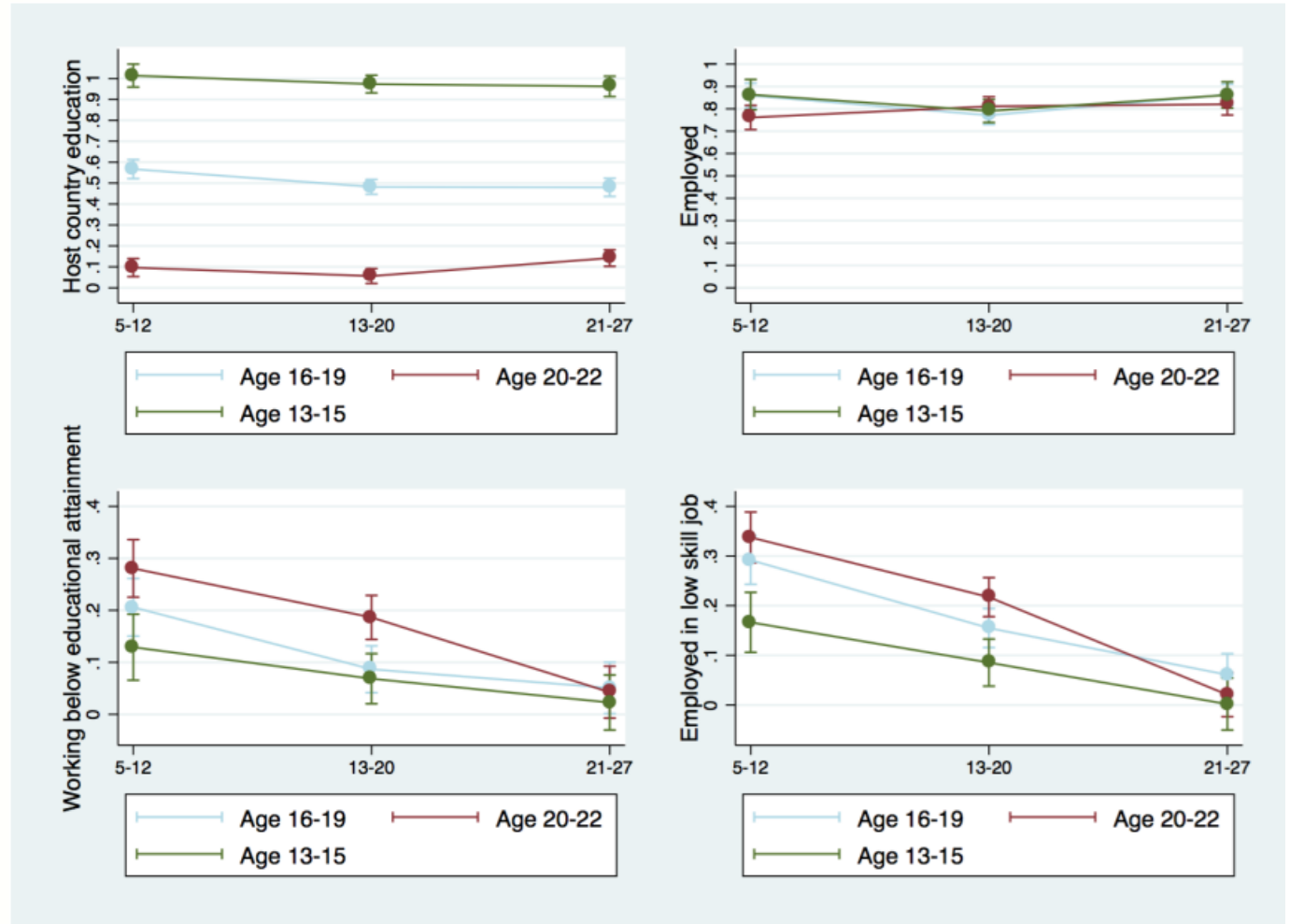


Source: OECD (2022), The Contribution of Migration to Regional Development, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/57046df4-en>.



# How important is formal education attained in the destination country for migrants' labour market position?

- Analysis in Ludolph (2021): How does the long-term labour market integration of Bosnians who escaped the Bosnian war in the 1990s vary in Austria?
- Depending on their age at the time of forced displacement, some Bosnians had finished their degrees in Bosnia, others attained similar education in Austria
- Answer: Even 20 years after immigration, those who earned degrees from Austria earned 16% more than the slightly older cohort



Source: Ludolph, L. (2021). The Value of Formal Host-Country Education for the Labour Market Position of Refugees: Evidence from Austria. CESifo Working Paper No. 9241



# Additional reasons for the lower labour market attachment among refugees

- **Little preparation for migration** (Chin und Cortes, 2015)
- **Low self-selection along characteristics relevant for the success on the labour market** (Chin und Cortes, 2015; Brell, Dustmann und Preston, 2020)
- **Allocation of asylum seekers to places within countries according to a key that ignores employment opportunities** (Edin, Frederiksson und Aslund, 2004)
- **Large uncertainty regarding the period of stay** (Cortes, 2004)
- **Long asylum procedures can have discouraging effects and hamper labour market integration** (Hainmueller, Hangartner und Lawrence, 2016)
- **High incidence of traumatic experiences lead to lower reported mental well-being** (Freitas-Monteiro und Ludolph, 2021)





# Traumatic events and the labour market integration of refugees

- **Starting point: 39% of refugees who fled to Germany in 2015/2016 had experienced financial victimisation and 36% had experienced physical victimisation during their escape**
- **Question in Freitas-Monteiro and Ludolph (2021): What are the consequences of such traumatic events for the labour market integration of refugees in Germany?**

Variable	Mean
Experienced robbery	0.133
Experienced extortion	0.155
Experienced fraud	0.287
<b>Financial victimisation</b>	<b>0.39</b>
Experienced sexual harassment	0.017
Experienced shipwreck	0.137
Experienced physical attack	0.134
Experienced incarceration	0.201
<b>Physical victimisation</b>	<b>0.359</b>

- **Result: Physical victimisation events decrease investment into host-country specific education and increase the probability of precarious work**

Source: T. Freitas-Monteiro and L. Ludolph. Barriers to humanitarian migration, victimisation and integration outcomes: evidence from Germany. 2021. LSE Papers in Economic Geography and Spatial Economics

# Local strategies for a successful labour market integration of migrants



# Local versus national strategies for the labour market integration of migrants

- **Relevant laws on immigration, the recognition of foreign degrees, migrants' access to education and the labour market and their access to the welfare system are decided by national governments**
- **What can cities do that are constrained by national level legislation?**
- **Simple answer: National governments respond to the national average; cities with large shares of migrant populations can expand migrant-specific services**
- **Nuanced answer: Identify strengths of migrants while taking local labour demand into consideration**



# Examples of local labour market integration measures targeting migrants

- **Specific example: REDI School of Digital Integration in Berlin**
  - **Idea: Coding and programming courses for refugees taught by local ICT professionals**
  - **Strengths:**
    - ✓ High labour demand in Berlin's ICT sector
    - ✓ Direct link to local employers
    - ✓ No knowledge of German required
    - ✓ No formal education required
    - ✓ Participants often young; ICT skills easy to learn
  - **Initiatives from other countries additionally combine training that responds to local labour demand with language courses**
- **General example: Passport4Work in Eindhoven**
  - **Idea: Moving from formal degrees towards skills-based job matching**
  - **Strengths:**
    - ✓ Straightforward „gamified“ skills assessment
    - ✓ Direct link to local employers
    - ✓ Can benefit migrants who struggle to get foreign degrees recognised
    - ✓ Job matching based on skills
  - **Similar initiatives exist across the Netherlands; in the medium-term, need for harmonisation**



# Summary

- **Cities will remain attractive to migrants in the future due to migration networks and relatively better opportunities on the labour market in large cities**
- **Expanding services that contribute to the successful labour market integration of migrants is beneficial to both migrants and the destination country**
- **Successful local labour market integration programmes complement the national level and focus on strength (rather than weaknesses) of migrants**

# Thank you!

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