

Working Together for Integration

Skills and Labour Market Integration of Immigrants and their Children in Flanders

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Rationale

- Flanders' population of migrants and their offspring is not large in international comparison, but growth has been among the fastest in the EU
- Amidst a tight labour market, labour market integration outcomes have improved, yet they continue to be unfavourable in international comparison
- Flanders has comprehensive integration policy in place, including broad range of targeted and mainstream policies to improve labour market integration

Aim & structure

- In-depth analysis of Flemish integration system highlighting its strengths, weaknesses and potential areas for improving effectiveness of existing efforts
- 6 chapters: Assessment and recommendations; Context of integration policy; Integration of new arrivals; Developing, activating and using migrant skills; Strengthening demand for migrant skills; Integration of young people with migrant parents

Data & methods

- Cross-country (EU-LFS, PISA, TIMMS, PIRLS) and national survey data (EAK, SID, Barometer Samenleven)
- Flemish administrative data: CBSS, CBCI, VDAB, WSE (linked)
- Interviews with stakeholders from across Flemish integration system and field mission to four cities and municipalities

Flanders swiftly adapted its integration framework to accommodate for the specific challenges arising from the inflow of **refugees from Ukraine** following Russia's war of aggression. These measures are discussed in **boxes in the different Chapters**

Working together with local stakeholders on identifying co-ordination challenges and bottlenecks in Flemish integration system

Antwerp

- > With 530 000 inhabitants, the largest city in Flanders
- > The share of inhabitants who are migrants or native-born to migrant parents increased sharply between 2000 and 2022, from 23% to 55%
- > Has its own Integration Agency (Atlas) which allows to pilot integration policies and initiatives

Mechelen

- > Medium-sized city of 90 000 inhabitants, situated between Antwerp and Brussels
- > In 2022, more than one in three inhabitants had foreign-born parentage (coming from 16% in 2000)
- > Two decades ago, a poor reputation: high polarisation, social deprivation and crime
- > Nowadays, a reference point for local integration policy in Flanders and well beyond

Tienen

- > Smaller city (36 000 inhabitants) in province of Flemish Brabant
- > Very rapid growth of its population of foreign-born parentage over the past decade (from 4% in 2000 to over 24% in 2022)
- > In part due to high internal migration driven by low housing prices relative to surrounding cities
- > Increasing diversity is strongly testing local integration system

Heusden-Zolder

- > Medium-sized municipality (34 000 inhabitants) in province of Limburg
- > Longstanding migrant presence due to history as former mining region
- > In 2022, four in ten inhabitants had foreign-born parentage, modestly up from three in ten two decades earlier
- > High and longstanding concentration of immigrants and their offspring in underprivileged neighbourhoods (*cit ewijken*)



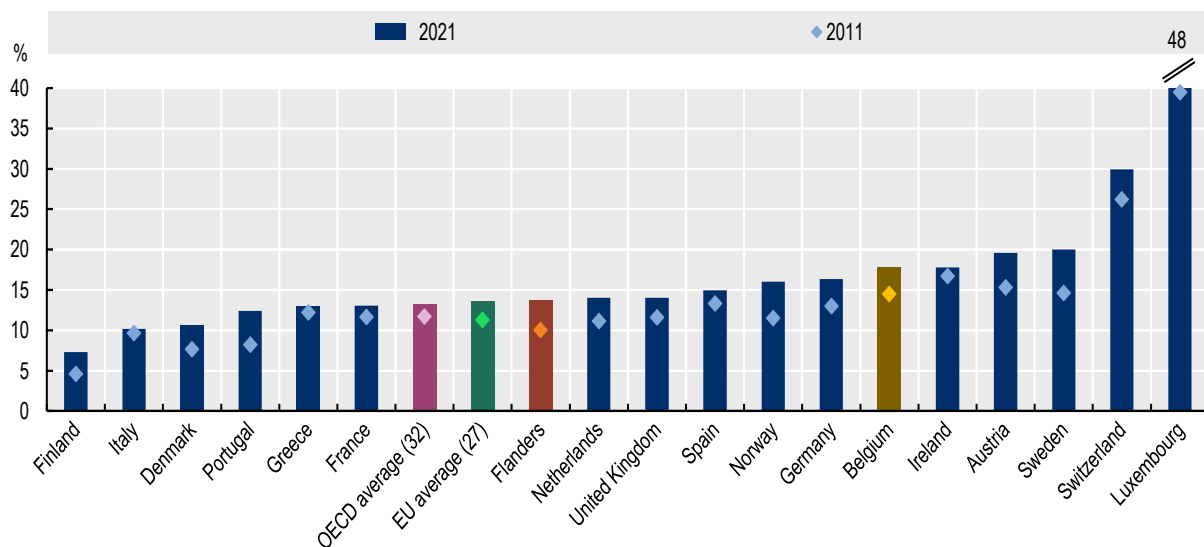
The context for integration



The migrant population is rapidly increasing and diversifying

Migrants account for 14% of the population in Flanders

Share of immigrants in the total population, 2021, Flanders and selected European OECD countries



Note: Total population.

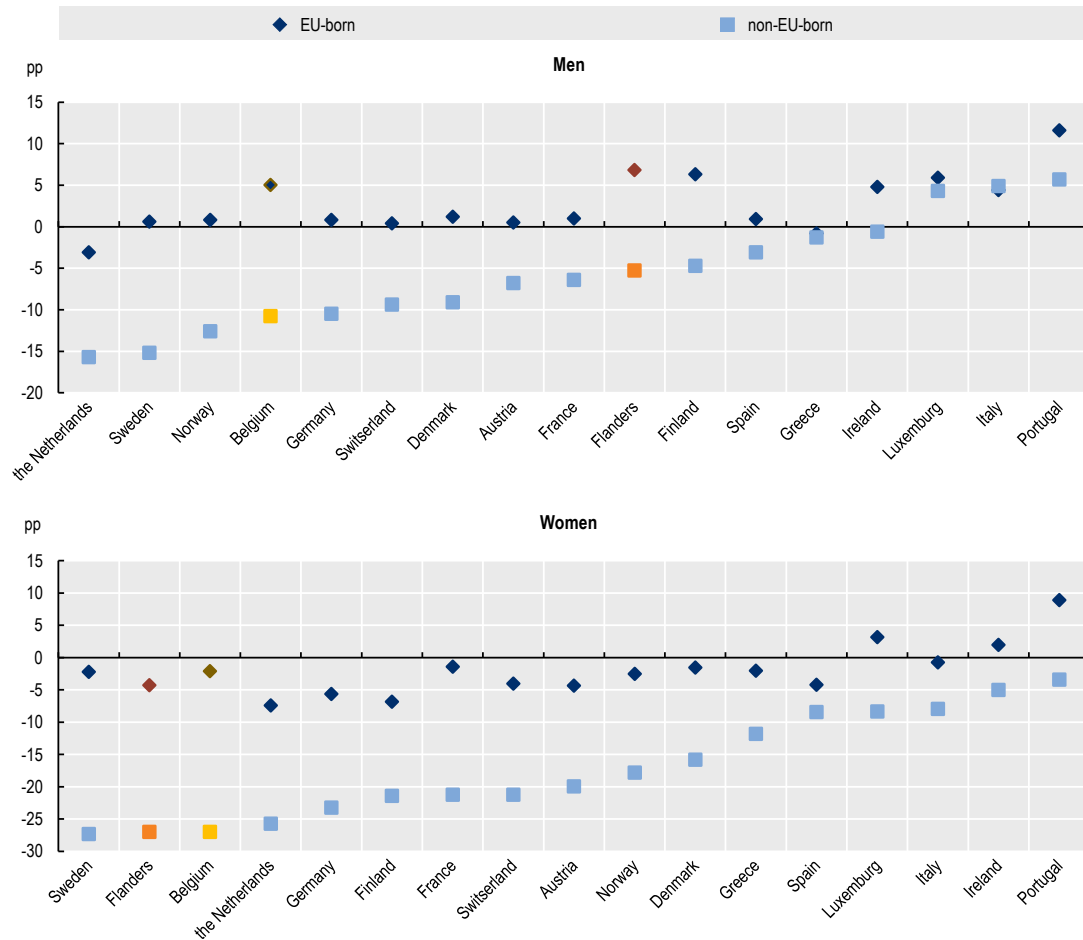
Source: OECD International Migration Outlook 2021; Flanders and Belgium: Statistics Belgium

- **Immigrant share** only slightly above EU average, but **increase** over past decade **among the highest** (37% increase)
- **Four in ten immigrants** are **EU-born**, a large proportion in international comparison
- **Free mobility** accounted for **60%** of permanent new arrivals over the past decade, often in context of labour market prospects
- Most permanent non-EU-born migrants arrived either for **family** or for **humanitarian reasons**
- Despite being on the rise, relative importance of migration from non-EU countries for **work-related reasons (10%)** remains limited



Despite improvement, labour market integration outcomes remain unfavourable in international comparison...

Employment gap vis-à-vis the native-born, by sex and place of birth, 2021, Flanders and selected European OECD countries



- Few EU countries experienced similarly strong **improvement** over the 2016-21 period in terms of **reducing (un)employment gaps** of FB vis-à-vis NB
- Labour market outcomes in Flanders continue to **vary widely** by migrants' **region of origin, gender and reason for migration**
- Besides lower employment, immigrants have less favourable job characteristics
 - With **large** FB-NB gaps regarding the share in **low-skilled and low-paid work**
 - But average to **small** FB-NB gaps regarding the share in **atypical employment**
 - Disadvantage is largest for non-EU migrants, but also present for **EU migrants**

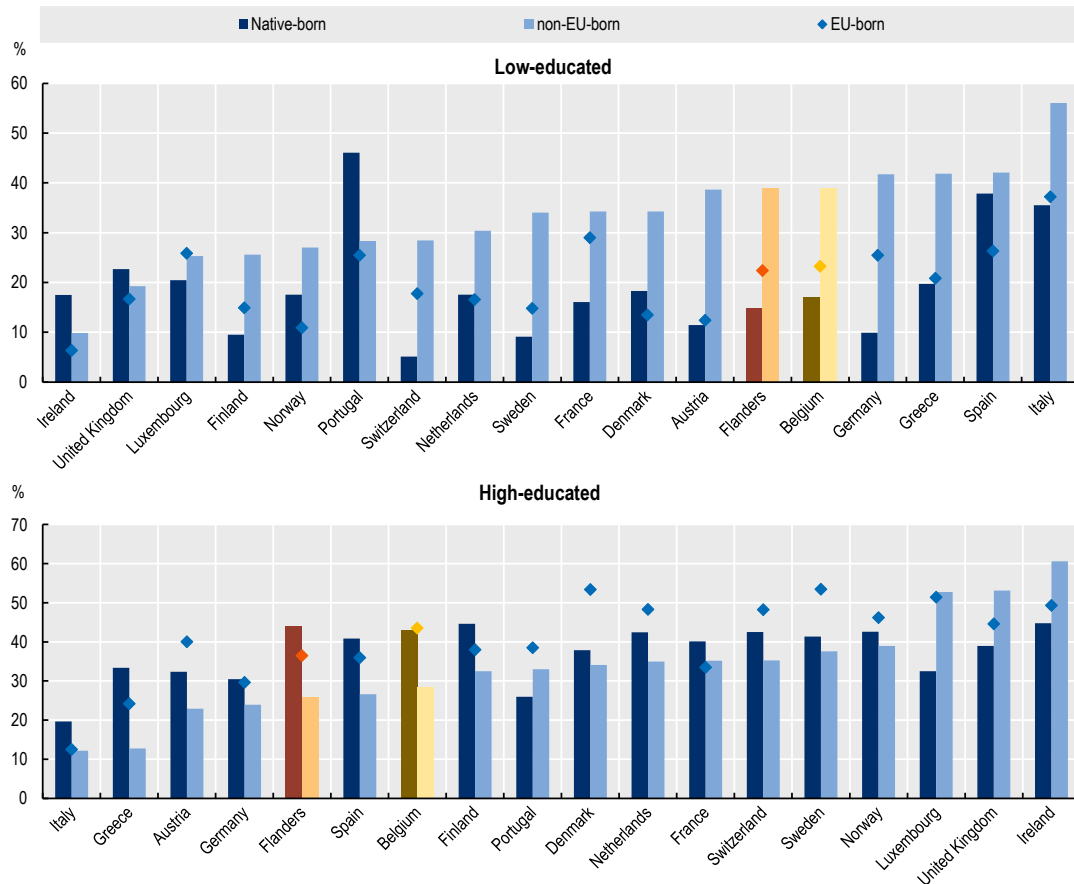
Note: Population aged 15 to 64, not in education. A negative employment gap refers to an advantage of the native-born over the foreign-born. Source: OECD Secretariat calculations based on EU-LFS; Belgium and Flanders: national LFS.



...which is only partly due to lower educational attainment among migrants

The educational attainment of migrants born outside the EU is not favourable in international comparison

Share of low- and high-educated, by place of birth, 2020, Flanders and selected European OECD countries



- > Almost **four in ten** non-EU-born migrants hold **at most a lower secondary education**, more than twice the share among native-born
- > The share of **highly educated** non-EU-born migrants is also **well below the EU average**
- > High proportion of non-EU-born migrants with **no more than a primary level of education**: with **one in five** among the highest in the EU
- > Research consistently shows that educational attainment accounts for only a limited part (**less than 20%**) of employment gap between non-EU migrants and native-born

Note: Population aged 15 to 64, not in education. Educational attainment against the International Standard Classification of Educational Degrees (ISCED). People falling into ISCED groups 0-2 (no more than a lower secondary level of education) are described as having low education. Those with ISCED 5-6 hold a tertiary education and are classified as highly educated.
 Source: OECD Settling In 2022 (forthcoming); Flanders: OECD Secretariat calculations based on national LFS.



Recommendations regarding early integration efforts

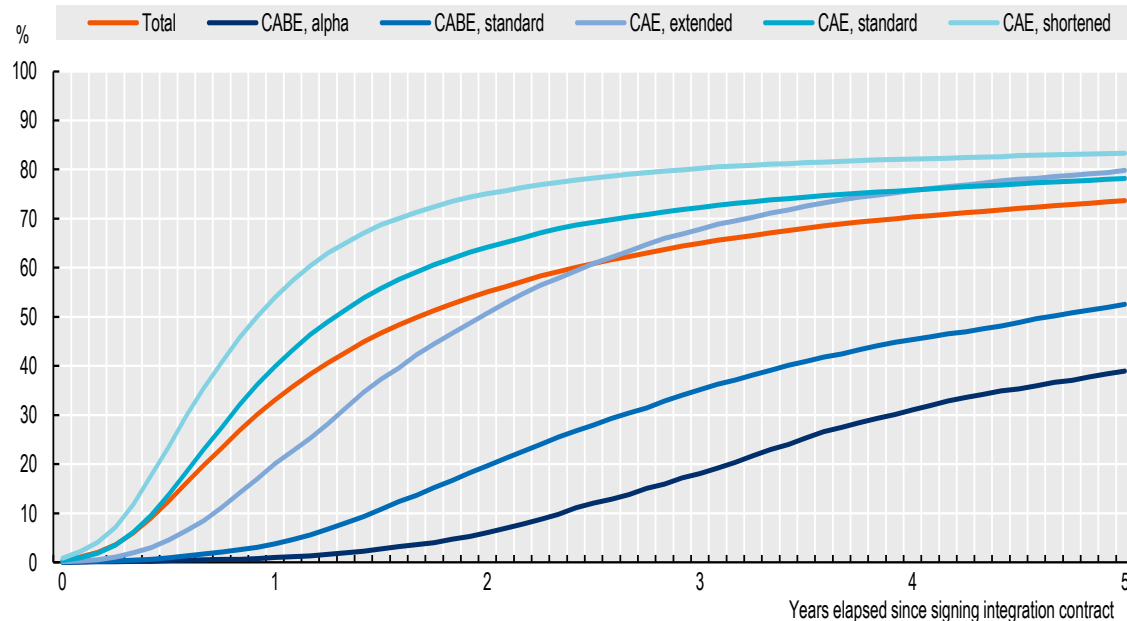


Strong integration framework, yet important challenges remain and need to be addressed

Cornerstone of early integration efforts is the **civic integration programme**

4 “pillars”: Dutch language training, civic orientation, trajectory to work, and network and participation trajectory

Cumulative incidence of **obtaining an integration certificate**, by time since signing an integration contract and Dutch as a second language advice, 2015-21, Flanders



Note: Permanent migrants (aged 18 to 59 at arrival) who settled in Flanders between 2015 and 2019 and signed an integration contract. The cumulative incidence, or failure function, is computed as 1-S_t from the life table using the Kaplan-Meier approach.

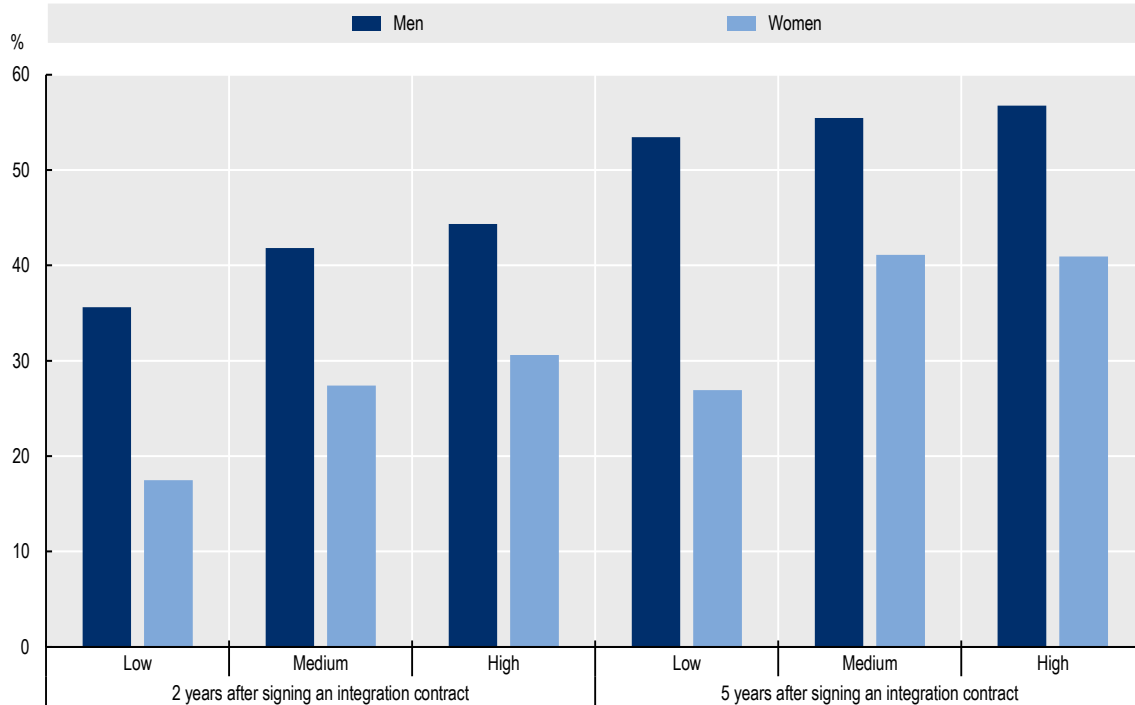
Source: OECD Secretariat calculations based on Crossroads Bank for Civic Integration data.

- > **Language outcomes remain unsatisfactory:** 3 years after having settled, **six in ten participants** attained level **A2**; less than **one in five** attained level **B1**
- > Heavy focus on **formal** language training leads to **long** civic integration trajectories: average duration is **17m**, but ranges between **12m** for fastest language learners to **37m** for slowest language learners
- > Civic integration trajectories remain mostly **sequential**, with **little parallel training**
- > Responsibilities for integration are shared by many actors, highlighting the **need for more effective cooperation and co-ordination** in integration efforts – division of tasks **varies strongly by local context**



Few migrants have employment once the civic integration programme ends

Share in employment, 2 and 5 years after signing an integration contract, by sex and educational attainment at arrival, 2005-2016, Flanders



Note: Permanent migrants (aged 20 to 59 at arrival) who settled in Flanders between 2005 and 2015 and signed an integration contract.
Source: OECD Secretariat calculations based on the MIA panel (see Chapter 3).

- > Especially low-educated migrants and migrant women **continue to have specific needs** after this period
- > After 2 years, 36% of low-educated men and 17% of women were employed. After 5 years, these figures increase to 53% and 27%, respectively
- > **Integration support** for migrants is mostly **untargeted** after completion of civic integration
- > **VDAB** offers various activation measures to support jobseekers' employment entry, but **migrants benefit less from measures that work best**
- > **Vocational language training** remains **underused**: one in ten *participants* take up such training within 6 years after arrival
- > **Few migrants receive formal upskilling**: only 3% of low-educated *participants* obtain **formal domestic education** within 6 years after arrival



Recent reforms have addressed some of these shortcomings, but their impact needs to be closely monitored

The new **Integration and Civic Integration Act**, which is being implemented since January 2022, introduces a significant reform of the civic integration programme

- Ends early **separation between active and inactive** in integration activities
- Close to **six in ten participants** register with VDAB, but **large differences between migrant groups**
- Registration comes **early in integration trajectory**, creating a gap between known and required Dutch language proficiency

Obligatory registration with VDAB within 2 months after signing contract

Unemployed newcomers need to prove B1 within two years after civic integration ends

- 16% of non-EU migrants say **Dutch language skills** represent **most important obstacle to suitable job**
- Heavy focus on **academic curricula** and limited scope for informal language learning has **not produced strong results** in the past
- **Likelihood to achieve B1 level 5 years after arrival** ranges from **18%** for low-educated to **30%** for high-educated
- **Employment return** of higher formal language levels is **unequal** across migrant groups

- **Integration fee** and **standardised tests** may **reduce participation** of those 'entitled' to participate
- **Discontinuation of refund policy** for transport and childcare expenses may **reduce participation** of migrant mothers
- **Asylum seekers** are allowed to work (>4m) and **need more guidance** to engage with host society (↔ federal action plan)

Fee for integration training
Standardised tests
Tightening of target group

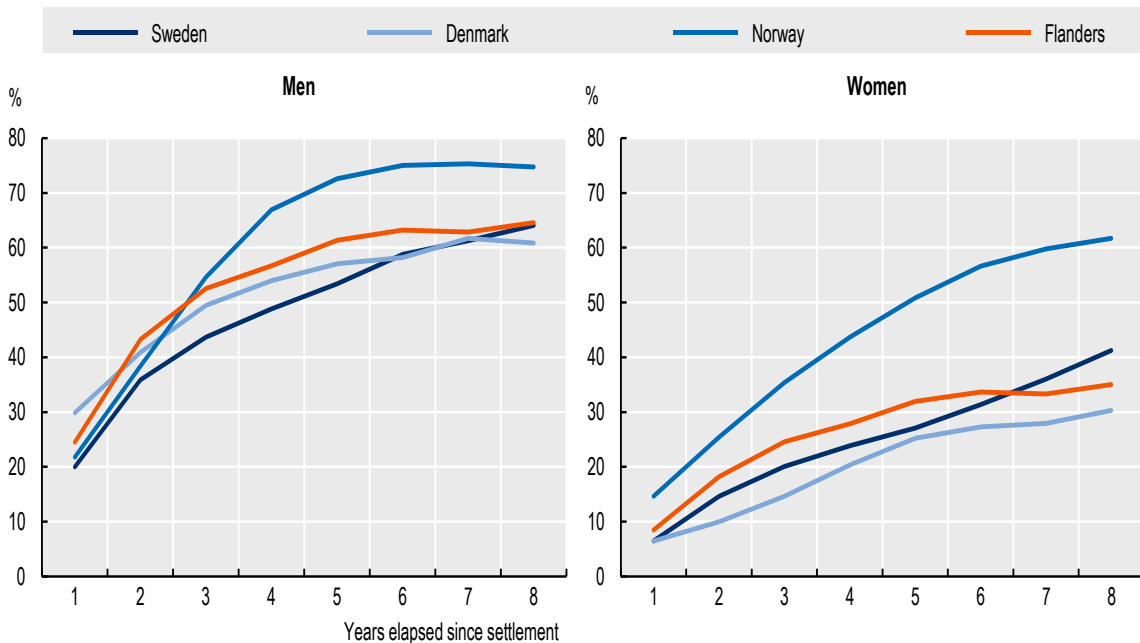
Obligatory network and participation trajectory to promote social integration

- **Promising and unique** in OECD
- May put **considerable pressure** on (smaller) **municipalities**, who need to **design and provide** trajectories despite in some cases **limited expertise and experience**
- Challenge to **ensure that participation projects** are **sufficiently tailored** to migrants' individual needs



Flanders' emphasis on rapid labour market integration can conflict with goal of sustainable employment

Estimated employment trajectories of refugees and family immigrants reunified with refugees, by sex, 2008-16, Denmark, Norway, Sweden, and Flanders



Note: Refugees and family migrants reunified with refugees (aged 20 to 55 at arrival) who settled in the host country between 2008 and 2015. Only those who participated in civic integration/introduction programme are included. For Flanders, 'refugees and family migrants reunified with refugees' were selected, instead of 'refugees and family migrants reunified with refugees' as in the Nordic countries. Average predicted probabilities for Flanders are based on two logistic regressions (for men and women), with employment as the dependent variable. The independent variables are years elapsed since settlement, age at arrival, age in the year of observation, marital status, presence of young children (<6y) at arrival, category of entry (refugee, subsidiary protection, family), level of education at arrival, and year of observation. The regressions for the Nordic countries additionally include place of birth and local unemployment rate as independent variables (see Hernes et al. (2019)^[24])

Source: Nordic countries: OECD Secretariat adapted from (Hernes et al., 2019^[24]); Flanders: OECD Secretariat calculations based on the MIA panel (newpop) (see Box 4.1).

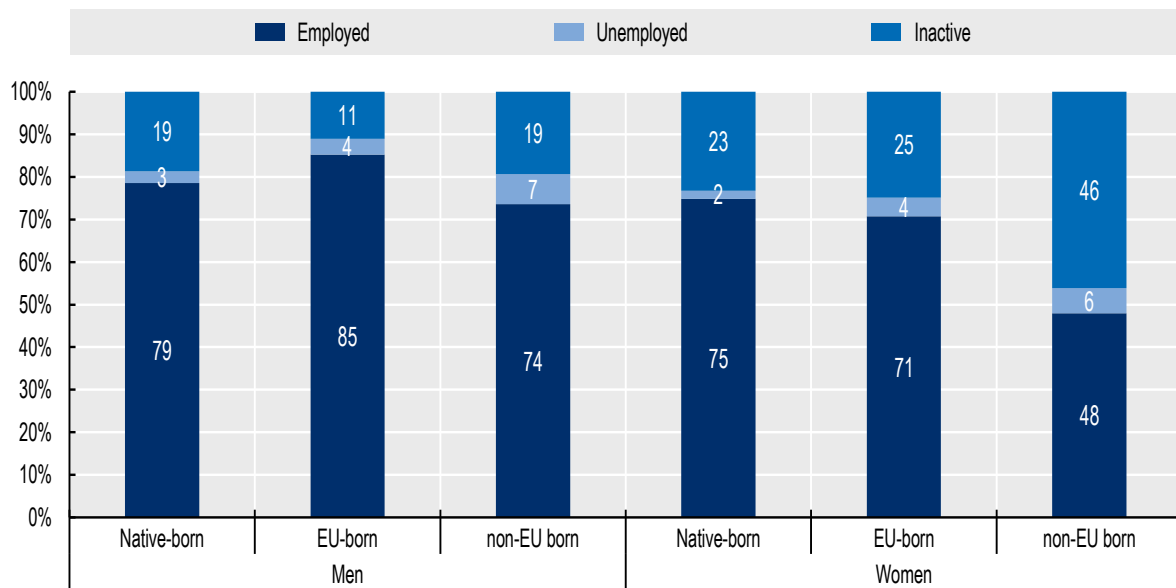
- > **Early contact** with labour market is **important** to set new arrivals on a positive integration pathway
- > However, **sustainability of employment is an issue** in Flanders, as established migrant groups are often struggling to integrate and have become quite distant from the labour force
- > **Upskilling and job quality** are important elements in addressing this
 - > Denmark focuses on **rapid** employment
 - > Sweden and Norway focus on **relevant** employment
- > Given low education levels of many new arrivals in Flanders, **adult education needs to be more central to integration efforts**



Migrant women are struggling to integrate, and many remain locked in inactivity

The low labour market attachment of non-EU migrant women is of particular concern

Labour market status, by sex and place of birth, 2021, Flanders



Note: Population aged 20 to 64.

Source: OECD Secretariat calculations based on the national LFS.

- > Family responsibilities, discrimination (headscarf), lack of language and digital competencies and prior bad LM experiences are the main barriers cited by migrant women
- > Points to the need for **systematic follow-up** and **second chance offers**
 - > Norway's "Job opportunity" programme
 - > Germany's "Strong in the workplace" programme
 - > Finland's "Your turn, mothers" project

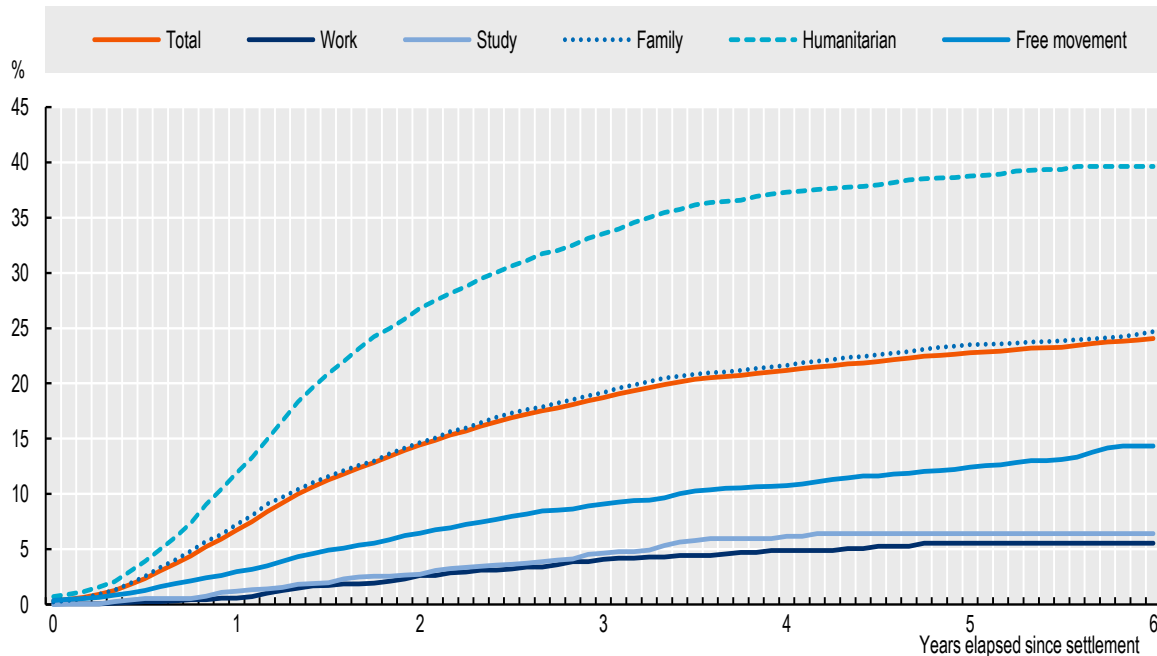


**Recommendations regarding
the recognition and validation
of migrant skills**



Highly educated migrants see their foreign qualifications largely discounted, and further improvements in the recognition process are needed

Cumulative incidence of **having a recognised foreign degree**, by time since settlement and category of entry, 2015-21, Flanders



Note: Permanent migrants (aged 18 to 59 at arrival) who settled in Flanders between 2015 and 2019 and signed an integration contract. Only migrants who had foreign tertiary education at arrival are included. The cumulative incidence, or failure function, is computed as $1-S_t$ from the life table using the Kaplan-Meier approach.

Source: OECD Secretariat calculations based on linked data from the Crossroads Bank for Civic Integration and the Flemish PES (see Box 4.1).

- > **Employment gap** vis-à-vis native-born is particularly **pronounced** among **highly educated** migrants in Flanders (15 pp)
- > High-educated migrants find their foreign qualifications largely **discounted**, as is evidenced by substantial **overqualification rates** (41% of highly educated non-EU migrants)
- > Recognition of foreign qualifications **accelerates** migrant jobseekers' **employment entry** (albeit modestly: **by 3-4 pp**)
- > Despite advanced recognition framework, **few migrants use existing recognition offers**, showing that further **improvements are needed**
- > **Validation of professional qualifications** is promising, but remains very **small-scale** (600 persons/year)
- > Among *participants* with high foreign qualifications, **less than one in ten obtains formal domestic education** within 6 years after arrival, despite good range of adult education options at different levels



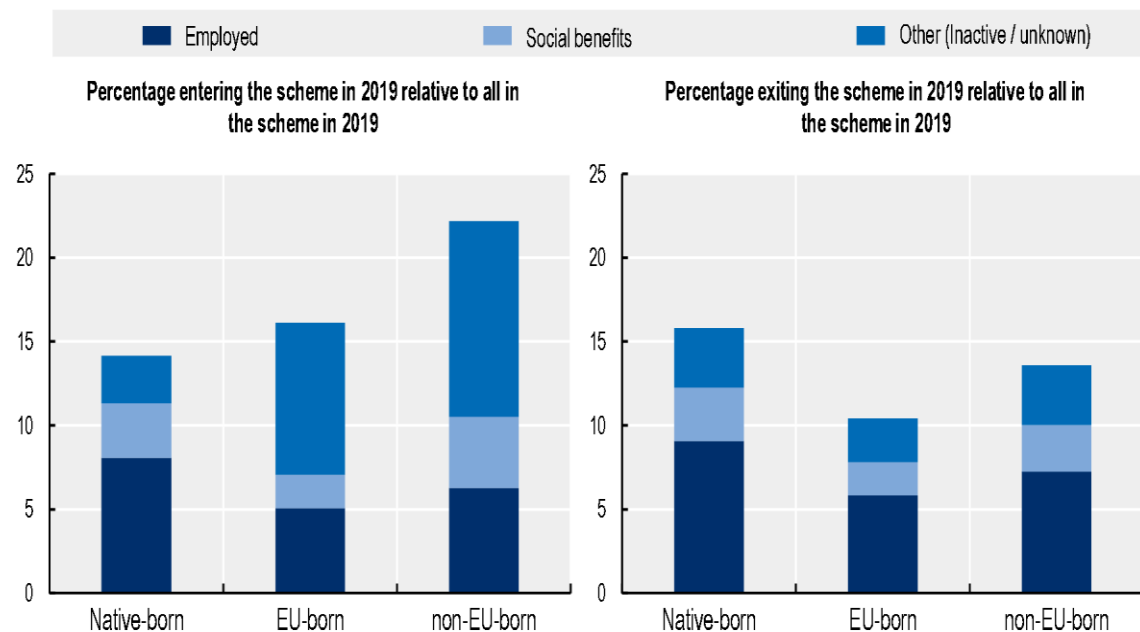
**Recommendations regarding
the demand for migrant skills**



Incentives to boost the demand for migrant skills do not always improve long-term integration

Migrants are more likely to enter the service voucher scheme and less likely to leave it

Entry into and exit out of the service voucher scheme relative to all in the scheme in 2019.



Note: In the Department of Work and Social Economy data, a service voucher worker is identified as a person who is employed using Flemish service vouchers, meaning she is employed by a service voucher user residing in Flanders. Some of the workers may hence reside in Wallonia or Brussels.

Source: OECD Secretariat calculations based on data from the Department of Work and Social Economy enriched with Crossroads Bank for Social Security data.

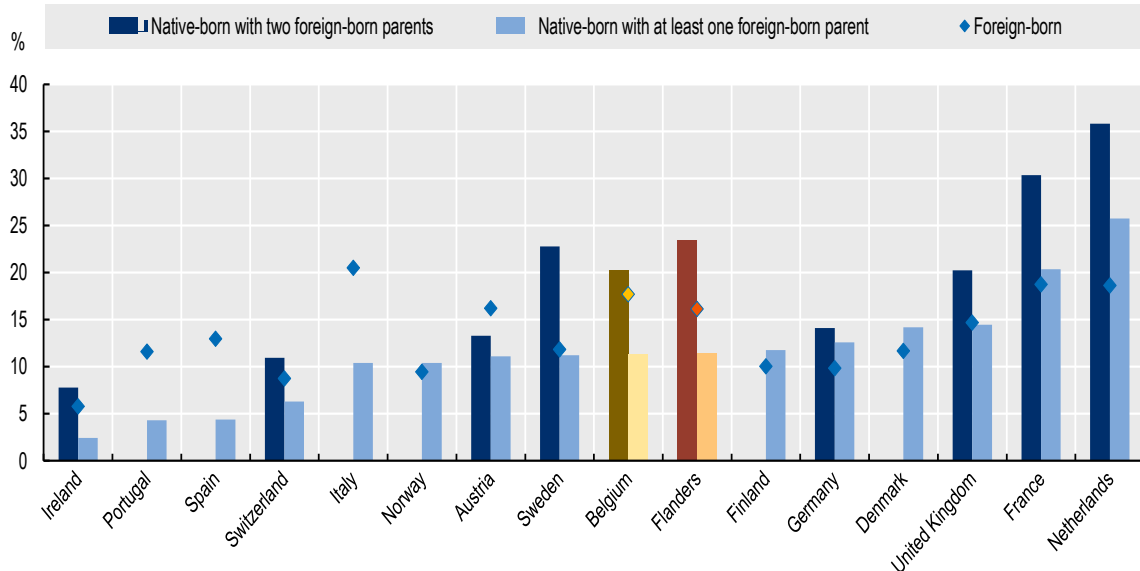
- > **Wage subsidies** (doelgroepenbeleid) form an important element in Flanders' approach to tackle demand-side barriers to employment, but in contrast to other OECD countries, **immigrants are underrepresented**
- > What is more, wage subsidies for the low-educated seem to have **little effect** on jobseekers' **employment outcomes in the long run**
- > The **service voucher scheme** gradually became an important employer of migrant women (they make up 50% of the scheme employees), but **rarely offers to offer passage to non-subsidised work**
- > **One in six** of the non-EU migrant women working in the scheme are **highly educated**, and thus get **trapped in domestic work** for which they are effectively **overqualified**



Both perceived and direct discrimination remain prevalent in the Flemish labour market

Perceived discrimination is high among immigrants and their native-born offspring

Share of youth who consider themselves members of a group that is discriminated against on grounds of ethnicity, nationality, or race, by place of birth and parents' place of birth, 2012-18, Flanders and selected European OECD countries



Note: Population aged 15-34. Perceived discrimination is measured as the sentiment of belonging to a group that is discriminated against on grounds of ethnicity, nationality, or race.

Source: OECD Secretariat calculations based on data from the European Social Survey 2012-18.

- > In addition to sentiment of discrimination, field experiments show that the **actual incidence of discrimination remains widespread**
- > Flanders aims to tackle hiring discrimination more effectively through **sector-specific actions** – results are still out
- > **Tackling implicit discrimination** often needs raising awareness and increasing the transparency of recruitment practices and outcomes
- > Flanders' equal employment policy measures have become **less targeted**
 - > Despite positive evaluation, career and diversity plans were **replaced by "Focus on Talent"**
 - > Resulted in **weaker attention to integration and diversity issues**



Main take-aways



Main take-aways

- > Flanders has a **highly developed integration policy** in international comparison
- > Recent reforms go in the right direction, but mainly **focus on new arrivals**
- > Large structural challenges remain, notably for **settled migrants and their children**
- > To address these, a comprehensive **action plan for integration** should be considered, involving all main stakeholders and policy domains
- > **Key areas** for this action plan should include:
 - > More investment in **upskilling**
 - > Strengthening **validation of previously acquired skills**, beyond formal qualifications
 - > More structured experience sharing and policy guidance at the **local level**
 - > Stronger focus on **migrant women**, notably regarding outreach and support
 - > **Early intervention** for children of immigrants
 - > Smoothing **school-to-work transitions** of migrant offspring