PROMOTING THE SUCCESSFUL SCHOOL-TO-WORK TRANSITION OF CHILDREN OF IMMIGRANTS IN OECD COUNTRIES*

Chapter 10
A major transition for young people is the shift from a state of economic dependence to becoming economically productive. The transition from school to work is the marker highlighting this change. Young people's medium- and long-term labour market outcomes are significantly affected by their levels of schooling. Young people with secondary or tertiary education, for instance, are increasingly advantaged in the labour market relative to their less educated peers in terms of earnings, job stability and upward mobility. School-to-work transitions differ across countries and are affected in different and important ways by global demographic, social, political and economic transformations.

This chapter focuses on the school-to-work experience of children of immigrants aged 20-to-29 in the member countries of the Organisation for Economic Co-operation and Development (OECD). These children are of growing relevance to policy makers in many countries, since they are entering their labour markets in increasing numbers. In many European countries, children of immigrants – boys and girls alike – tend to have lower educational achievement than children of non-immigrant parents, as well as poorer labour-market outcomes. In general, the risk of being marginalised in the labour market is higher for female children of immigrants than for their male counterparts. Concern is most acute in relation to children whose immigrant parents are poorly educated.

Encouraging the successful integration of children of immigrants into the education systems and labour markets of more-developed countries is a win-win proposition: It provides jobs for those seeking to earn their way for the first time and fills a need for labour among the aging populations of more developed countries. Such integration is closely linked to the education level of immigrant parents and their socioeconomic status. Any policy intervention that attempts to improve children's access to schooling and prospects for a successful school-to-work transition must start with their parents' integration into the labour market, through training and other measures that promote access to employment.

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Early childhood education and care starting at the pivotal age of three is another important factor, especially because it increases exposure to a host country’s primary language.

**ISSUES AND CHALLENGES**

Children of immigrants represent a significant share of the future labour force. In about half of all OECD countries, children of immigrants account for 10 per cent or more of the 20-to-29-year-old age group. They thus represent a significant portion of countries’ future workforce. This group includes both children born in the host country of immigrant parents (the so-called ‘second generation’) and those who emigrated with their parents to the host country before the age of 18 (the ‘1.5 generation’). This group of youth (including both ‘generations’) is largest in Luxembourg and Switzerland, representing 40 per cent and 27 per cent, respectively, of all 20-to-29-year-olds in those countries. In other European OECD countries studied, as well as Canada and the United States, the share is between 11 and 19 per cent (see Figure 10.1).

**Fig 10.1. Percentage of the population aged 20 to 29 who are not in school and are the children of immigrants, selected OECD countries, c. 2007**

Born in host country of immigrant parents

- Parents from higher-income OECD countries
- Parents from lower-income countries

Migrated to host country with parents

- Born in a higher-income OECD country
- Born in a lower-income country

*Note: OECD refers to the average of all countries for which full data are available. Figures for children of immigrants who migrated with their parents are not available for Australia and Denmark. Figures for children of immigrants born in the host country are not available for New Zealand and Spain. For a detailed description of variables, see: Liebig and Widmaier (2010), Methodological Annex.*

In seven out of 12 OECD countries for which data are available, the 1.5 generation is larger than the group of second generation in the 20-to-29-year age bracket. This is the case in the Nordic countries, Switzerland, Austria, Germany and the United States, reflecting large migrant inflows into these countries during the second half of the 1980s and the 1990s. In contrast, the second-generation population is larger in Canada, France, Belgium, Luxembourg and the United Kingdom.\footnote{\textsuperscript{4}}

Comparing the situation of the children of immigrants across OECD countries is not a straightforward exercise. Their situation in different countries reflects the diversity of immigrant populations themselves. This diversity is reflected in the education and labour-market outcomes of children of immigrants, which are strongly correlated with those of their parents (Box 10.1).

\begin{quote}
**Box 10.1. Young migrants and their parents represent a diverse array of nationalities**

Immigrant parents come from a wide range of countries, reflecting the history of migration to OECD member states after World War II. In Austria, Denmark, Germany, the Netherlands, Norway and the United States, 90 per cent or more of the parents of second-generation children aged 20-to-29 came from lower-income countries; only in Switzerland and Luxembourg do parents from lower-income countries constitute a clear minority (32 per cent and 5 per cent, respectively) among this group (Figure 1).

During the era of ‘guest worker recruitment’ in European OECD countries, Turkey was a main source of migrant workers. More than one-third of the children of immigrants who were born in the host countries of Austria, Denmark, Germany and the Netherlands had parents from Turkey. In all European OECD countries for which data are available, Turkey is one of the three main countries of origin for parents of these children. Morocco ranks second, accounting for at least 20 per cent of such parents in Belgium, France and the Netherlands. Pakistan is the main country of origin of parents of second-generation children aged 20-to-29 in Norway, and the second most important country of origin in the United Kingdom (after India).

Among foreign-born children, parental country of origin tends to be more diverse. In most OECD countries, a large majority of young immigrants were born in lower-income countries, reflecting the shift in migration flows from these countries over the past two decades. A substantial portion of young immigrants came from successor countries of the former Yugoslavia, reflecting the large humanitarian flows following conflicts in the region. In Austria and Switzerland, young people from the former Yugoslavia account for almost half of all children of immigrants.

The age structure of children of immigrants differs in OECD countries. In those with a long history of immigration, they are represented in all age groups, although often over-represented among younger cohorts. In countries with a shorter history of immigration, such as the southern European OECD countries, children of immigrants are only now starting to enter the labour market in large numbers, at a time where labour-market conditions have become very difficult for all new entrants.
Educational outcomes are influenced by parents' education and status. Parental levels of education and socio-economic status appear to have a strong influence on their children's educational achievement. The OECD's Programme for International Student Assessment (PISA), rates students' knowledge and skills in mathematics, science, reading and cross-curricular competencies at age 15 – that is, towards the end of compulsory education. The results show strong links between the skills level of immigrants and the educational attainment of migrant offspring. In OECD countries that have allowed access to immigrants based on their qualifications and the country's labour-market needs (such as Australia, Canada and New Zealand), the average educational achievement level of second-generation youth (prior to controlling for their parents’ socioeconomic background) is about the same as that of children of non-immigrants, or slightly better. However, children of immigrants tend to lag behind in reading skills. At the other end of the spectrum are countries such as Belgium and Germany, where the recruitment of low-skilled immigrant labour has been particularly pronounced in past years.

On average, children of immigrants (both 1.5 and second generations) tend to perform at least as well as children of non-immigrants in Australia, Canada, New Zealand and the United States – all OECD countries that were originally settled as a result of immigration.

The opposite is true in all European OECD countries for which data are available. In these countries, with the exception of the United Kingdom, both male and female children of immigrants tend to have fewer years of education than their non-immigrant peers.

Low levels of education and socio-economic status of parents are the likely determinants of these lower educational outcomes among children of immigrants in European OECD countries. These two factors appear to explain almost all of the educational disadvantages of children of immigrants with European backgrounds, but only explain half of the disadvantages of children of immigrants with non-European backgrounds.5

Gaps in labour-market outcomes reflect education levels. The labour market situation of second-generation youth and those who emigrated at a young age is largely influenced by their educational achievement, but other factors are at play as well.
Across OECD countries for which data are available, the average unemployment rate for children of immigrants is about 1.6 times higher than for children of non-immigrants. This holds true for both the 1.5 and second-generation youth of both genders.

The gaps are particularly large in Belgium and the Netherlands. Employment rates for children born in those countries to immigrant parents are more than 20 per cent lower than those of male and female youth of the same age born to non-immigrant parents. The differences are also stark – on the order of 10 per cent for both men and women – in Austria, Denmark, France, Germany, Norway and Sweden. In contrast, little difference is observed in employment rates in Australia, Canada, Switzerland and the United States. In the United Kingdom, the differences between employment rates for male children of immigrants and non-immigrants are also minor (Figure 10.2).

**Fig 10.2. Employment rates of children of immigrants and children of non-migrants, aged 20-29 and not in school by gender, c. 2007**

![Employment rates chart](image)

Note: Figures for children who migrated with their parents are not available for Australia and Denmark. Figures for children born in the host country of immigrant parents are not available for New Zealand and Spain. OECD refers to the average of all countries for which full data are available. For a detailed description of variables, see: Liebig and Widmaier 2010, Methodological Annex.

Source: See Figure 10.1.

Of greatest concern are young people on the margins of the labour market – that is, those who have few years of schooling and are neither studying nor employed or in training. With few exceptions, children of immigrants are more likely to fall into this group, and women are more vulnerable than men, especially young women immigrants. Figure 10.3 demonstrates that female children of immigrants in Europe are more likely than men to be out of school and out of work.
Differences in labour-market outcomes across countries and among specific origin-country groups are substantial and persistent. For example, children of immigrants whose parents migrated to OECD countries from less-developed countries face particularly difficult obstacles. Differences in educational attainment explain about one-third of the employment gap for men and almost half of the gap for women.

Some of the explanations for these gaps between the offspring of immigrants and non-immigrants relate to the supply side of the labour market (that is, individual characteristics of potential employees), while others reflect issues tied to demand in host countries (attitudes and behaviours of those involved in the recruitment process, as well as rules and norms governing the function of labour-market institutions).

**OPPORTUNITIES AND GOOD PRACTICES**

Language skills and early childhood education are key. Mastering the language of the host country represents a critical first step in the educational performance of children of immigrants, and evidence suggests that pre-school education is particularly important in this respect, starting at age three. Facilitating access of 1.5- and second-generation children to childcare facilities at this sensitive stage in their development is key to integration and a basic prerequisite for future performance in education and employment.
Early childhood education and care is important for a number of reasons. First, it facilitates early contact with the host country’s primary language, which is often not spoken at home among immigrant families. Second, pre-school education gives children a head start in terms of the cognitive and social skills needed for school. Furthermore, pre-school education represents an opportunity to be in close contact with the people and institutions of the host country, enhancing knowledge about the educational system and social integration, not only among children but also their parents.

Differences in the language spoken at home and socioeconomic background account for a large part of the performance gap between the children of immigrants and non-immigrants. Therefore, language-centred policies, such as early home reading activities and more hours for language learning at school, should be fostered. The earlier the contact with the host country’s language the better the outcomes, since proficiency in the language of instruction is a precondition for learning.

Enrolment in early childhood education and care can also offset disadvantages resulting from an unfavourable socioeconomic background. Measures targeting children around the ages of three or four appear to be most effective in this regard, and even more beneficial to immigrant than non-immigrant children. Pre-school education is a strong determinant of academic achievement, especially for disadvantaged children. In Germany, for example, participation in early childhood education and care increased by more than 55 per cent the chance that a child of immigrants would attend the highest and most challenging track of secondary education. A French study revealed a similar pattern, showing that participation in early childhood education and care programmes at age three has a positive effect on the educational outcomes of children of immigrants.

In 2009 about 70 per cent of the children of immigrants who were 15 years old and living in an OECD country reported having attended pre-school for at least one year (Figure 10.4). Participation rates were highest in Belgium, France and the Netherlands, where more than 90 per cent of such children attended at least one year of pre-school. In Australia and Ireland participation rates were only 40 per cent. On average, children of non-immigrant parents have pre-school education participation rates that are 3 percentage points higher than the children of immigrants. Such gaps are particularly
large in Greece, Italy, Mexico and New Zealand. In a small number of OECD countries (including Canada, Finland, Israel, Slovenia and Switzerland), children of immigrants have higher pre-school participation rates than their non-immigrant counterparts.

Fig 10.4. Percentage of 15-year-olds reporting that they had attended pre-school for at least one year

Source: OECD PISA database, 2009

Policies can help lower barriers to employment. Demand-side barriers to employment can be reduced by putting appropriate policies in place. Indeed, lowering barriers – such as discrimination based on national origin – is a prerequisite for creating equal opportunity societies and fostering sustainable social cohesion.

Convincing evidence of the persistence of discrimination can be seen through field experiments that test the behaviour of employers during the recruitment process. In these studies, fictitious jobseekers with equivalent formal qualifications are paired, but given names signalling that they belong either to the majority population or a
minority group. These and similar studies on discrimination were conducted in many OECD countries; all found that discrimination is at work against jobseekers from minority groups. It is not uncommon for persons with a foreign-sounding name, but otherwise equivalent curriculum vitae (CV) and qualifications, to have to submit five times as many job applications as candidates with more mainstream-sounding names.14

This, and the fact that in some OECD countries differences in labour-market outcomes between children of immigrants and non-immigrants are most pronounced at the high end of the qualification spectrum, indicates that so-called ‘statistical discrimination’ is at play. This occurs when an employer judges an applicant not based on his or her expected individual productivity, but rather on preconceptions about the average productivity of the group to which the person belongs.

Another demand-side barrier for the children of immigrants relates to the fact that, in most countries, vacancies are filled using informal recruitment channels, rather than advertisements or employment agencies.15 This is typically the case with respect to apprenticeships, where initial contact with the employer is often established informally. Individual personal networks constitute important assets, but immigrants and their children have less access to networks of people linked to the labour market, particularly with respect to the most rewarding jobs.

Familiarity with labour-market functioning is also crucial to access. This involves knowledge about how to draft a CV and cover letters, identify appropriate job opportunities and respond and react during recruitment interviews. This can be a
problem for the children of immigrants originating from countries where practices and norms, both procedural and cultural, are different from those of their host country. Since information about labour-market functioning is at least in part transmitted via parents or close friends, children of immigrants tend to have a structural disadvantage in this regard.

Although a number of factors can help explain the unfavourable labour-market situation of many children of immigrants, little is known about the relative importance of these factors. Nevertheless, demonstrable ways have been found to foster labour-market integration among children of immigrants, as described in Box 10.3.

**Box 10.3. Good practices: Integrating children of immigrants into the labour market**

- **Promote parents’ access to employment and training opportunities**
  - Enhance access to employment and training for immigrant parents, to increase their upward mobility and that of their children.

- **Foster early and frequent contact with the host country’s language**
  - Promote participation in early childhood education and care at the critical age of three, ideally in parallel with integration measures for their immigrant mothers.
  - Provide language testing and extensive language support in pre-primary education for those in need.

- **Disseminate information on job openings and the functioning of the labour market, and enhance mentoring and network-building**

- **Help employers overcome their aversion to risk in hiring**
  - Promote enterprise-based training
  - Facilitate temporary employment as a springboard to more stable employment
  - Better prepare the children of immigrants for apprenticeships and support them in apprenticeship searches
  - Promote employment of the children of immigrants in the public sector as a role model for the private sector

- **Tackle labour-market discrimination**
  - Maintain balanced public discourse on migration
  - Create a strong legal framework to prevent discrimination
  - Conduct regular monitoring of discrimination through test studies and communicate findings widely and effectively
  - Employ tools that promote diversity at the workplace

Most programmes seeking to tackle the school-to-work transition are geared to the mainstream, and do not directly target children of immigrants. Nevertheless, the latter
should have the same access to these programmes as other job seekers. This means not only the *right to* equal access (which is generally the case, even for those with a foreign nationality) but also *real* access. Enhancing transparency and information is an important first step in this direction. To assess whether children of immigrants are under-represented in high-quality labour market programmes, some form of monitoring must be in place, and appropriate actions taken if such monitoring reveals under-representation.

While mainstream policies are the rule, some additional measures that are indirectly targeted to the children of immigrants may also be needed. Since discrimination against immigrants appears to be based largely on stereotypes concerning the productivity of a given population group, measures that help them prove their true productivity have proven promising. Mentoring seems particularly beneficial in this regard, and a number of countries have put in place large-scale mentoring programmes with demonstrable success. Depending on the design, such programmes tackle a whole range of obstacles: not only do they help employers and others overcome prejudices, but they also transmit to immigrant workers tacit knowledge about the functioning of the labour market and provide access to formal and informal networks.

With the same objectives in mind, several countries have put forward ‘diversity’ policies, aimed at tackling both explicit and implicit discrimination in access to employment. Occasionally, the lines between diversity policies and affirmative action blur. The U.S. experience with affirmative action indicates that it can be a useful tool, in conjunction with other policies.\(^{16} \)\(^{17} \)

Tackle segregation of least-educated immigrants. Ethnic segregation appears to be less detrimental than socioeconomic segregation, but the two types of segregation frequently coincide and interact. Indeed, a significant part of the under-performance of immigrant students seems to be linked to their concentration in disadvantaged schools. But recent OECD analysis of PISA data suggests that ethnic segregation in schools is generally only a problem when it occurs in disadvantaged schools; that is, when it coincides with a concentration of low parental education.\(^{18} \) Yet, this is a combination that occurs quite often, particularly in European OECD countries. Measures that help to avoid ‘concentrations of disadvantage’ in schools can thus be expected to provide great benefits to children of immigrants.
KEY MESSAGES

- Children of immigrants constitute a substantial and growing share of youth in the labour markets of OECD countries, but their employment levels are often below those of national youth.

- In European OECD countries, in contrast to the U.S. and other countries settled by migration, children of immigrants tend to lag behind their non-immigrant peers in education and employment. Educational and labour-market outcomes for children of immigrants are strongly linked to their parents’ educational attainment and socioeconomic status and to opportunities to access apprenticeships and training.

- Integration of immigrant parents through employment and training is a first step in improving outcomes for their children. For children, early contact with the host country’s language through early childhood education is also key, as are programmes to discourage discrimination by employers.

POLICY RECOMMENDATIONS

- Focus on parents. Policy interventions seeking to improve children’s access to school and the school-to-work transition should include integrating their parents into labour markets through training and other measures to promote access to employment.19

- Promote early childhood education and care. Policies and measures to increase participation by children of migrants in early childhood education are essential, given the considerable evidence pointing to the positive impact of kindergarten and other pre-school activities on their educational outcomes.

- Develop job training opportunities. Policies are needed to encourage educational institutions to actively seek out apprenticeships and other training opportunities in the workplace and encourage children of immigrants to apply. Schools could also be a source of information about the functioning of the labour market for young immigrants.
- Use caution in targeting measures exclusively to the children of immigrants. Wage subsidies have proven to be particularly effective in improving immigrants’ access to regular employment in several countries; apprenticeship subsidies could play a similar role among children of immigrants. Intensified job matching and counselling are other tools that may compensate for statistical discrimination and lack of networks. (See Box 2 for an overview of good practices identified by previous OECD studies).

A more detailed analysis of the integration of children of immigrants into the labour markets of OECD countries is available at: http://dx.doi.org/10.1787/220823724345
NOTES

1 Note, however, that for France, children of foreign-born parents who had French nationality at birth were excluded. The same applies for Belgium. For the Netherlands, the children of parents from Indonesia have been excluded (for a detailed description of variables, see Methodological Annex of: Liebig, T. and S. Widmaier, “Overview - Children of Immigrants in the Labour Markets of OECD and EU Countries”, in: OECD (2010), Equal Opportunities? The Labour Market Integration of the Children of Immigrants, OECD Publishing, Paris). These adjustments have been made to exclude the offspring of expatriates who returned from former colonies (for details, see OECD, 2008, Jobs for Immigrants (Vol. 2): Labour Market Integration in Belgium, France, the Netherlands and Portugal, OECD Publishing, Paris).

2 The term 'second generation' is used in this chapter to describe the native-born offspring of foreign-born parents. Although the term is not entirely clear, and the term "native-born offspring of immigrants" would be preferable, it is used here for the sake of convenience and consistency with the other chapters in this publication.

3 Data for Australia and New Zealand are only partially available, but indicate that the shares in these two countries are likely to be around 20 per cent. Exact data for Spain are not available either; an estimate suggests that children of migrants account for less than 5 per cent of the age group 20-to-29.

4 The size of the population of children of immigrants born in the United Kingdom could be overestimated, since the classification is based on self-declared ethnic origin (for a detailed description of variables, see: Liebig and Widmaier 2010, Methodological Annex).


6 The particularly unfavourable situation of the children of immigrants born in the Netherlands contrasts with the somewhat more favourable assessment in OECD 2008. This is because the children of immigrants born in the host country, referred to in OECD 2008, include those who have only one foreign-born parent. This is a relatively large group in the Netherlands, and also one that has relatively favourable outcomes. The differences demonstrate the importance of having a uniform definition of the target group when comparing the outcomes of the children of immigrants across countries.


10 Ibid.

11 Magnuson et al. (2008), op. cit.


19 A detailed discussion of measures to promote the labour market integration of immigrants who arrived as adults is beyond the scope of this chapter. For good practices that work, see the OECD’s work on "Jobs for Immigrants" (OECD 2007, 2008 and 2012a).