LABOUR MARKET INTEGRATION: LESSONS FROM OECD RESEARCH INTO LOCAL LEVEL INTERVENTIONS

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ABSTRACT

This article puts forward a three-pronged approach, developed by the OECD Local Economic and Employment Development (LEED) Programme, to assist local policy makers and practitioners in best supporting the integration of recent and long established immigrants into the labour market at the local level. Emphasis is placed not just on ensuring that migrants access the labour market but that there is also a clear pathway to quality employment with prospects for career development. It provides examples of successful local initiatives and concludes by outlining the importance of good governance.

INTRODUCTION

Overall, newcomers and long established migrants are less likely to succeed in the job market, and long-term unemployment among non-natives is on the rise. Furthermore, the economic downturn has hit foreign-born workers hard, particularly young migrants (OECD, 2011). Nevertheless, outcomes for migrants are far from homogeneous and differ depending on a wide range of factors, such as country of origin, age of arrival, country of destination, and socio-economic background.

The value of employment is well understood. Prosperity is strongly linked with paid employment, and higher employment rates mean less risk of poverty and exclusion. Better work and higher quality jobs not only provide greater earnings but also a chance to progress, seize opportunities and gain more satisfaction and enjoyment from work (Campbell, 2011). The benefits of employment should be accessible to all, however integration into the labour market is not always easy. For the advantages of immigration to be maximised, it is crucial that regions, cities and communities have the right mechanisms in place to ensure that long established minorities and newcomers alike are effectively incorporated into local labour markets (Froy, 2010).

The importance of investing in skill development to improve labour market outcomes for all is becoming increasingly recognised. In our globalised economy, where both capital and labour are highly mobile and technological development is advancing at a fierce pace, human resources have an increasing impact on the capacity of businesses to react and respond to new opportunities (OECD, 2008a). If communities are to prosper in today's sluggish economy, they need to ensure that their workers have the education and skills to meet the demands of employers. In particular, higher level skills are becoming ever more critical (OECD, 2009a), and this trend will only continue as low-skilled jobs are lost in the current economic downturn. In this battle for talent, skilled migrants, in particular, can offer a significant comparative advantage to local labour markets, as long as their potential is harnessed.

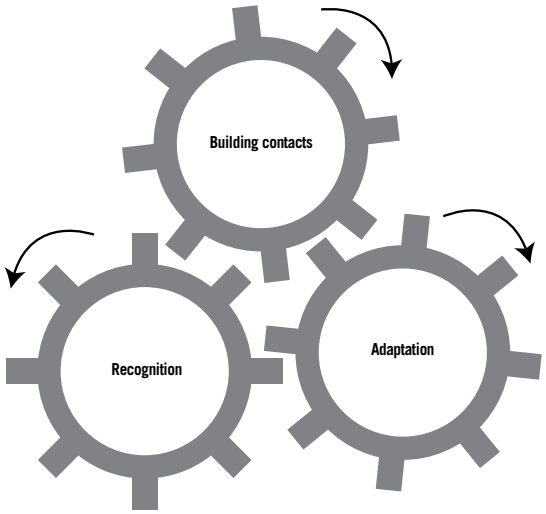
While immigration policy is often determined, designed and funded by the federal government, its impact on migrants and society is strongly felt at the local level where it interacts with other policy areas, including labour market and economic development policy (OECD, 2006; Froy, 2010). It is at the local level that many of the barriers to employment are experienced. These can include language difficulties, limited networks and social capital, lack of understanding regarding the function of employment and education systems, poor educational performance, discrimination, low aspirations and increased likelihood of living in deprived neighbourhoods. Immigrant often become concentrated in particular towns and cities, and within these, in particular neighbourhoods (OECD, 2006) that are often at a distance from employment opportunities (Stoll, 1999). Programs that aim to prepare new immigrants for the workforce are challenged by the considerable variation in local industrial bases and the nature of available employment across different local economies. The specifics of the local labour market context, and in particular the local "opportunity structure," should shape employment-related initiatives to ensure that immigrants are being prepared for jobs that actually exist (Kloosterman, van der Leun and Rath, 1999).

It is also at the ground level that local actors come together to identify holistic solutions to labour market integration problems. Given the different barriers that immigrants can face, such responses need to be flexible and broad. The diversity of policy responses required becomes even greater when we take into account the differing needs of two migrant types: i) new arrivals and ii) long established immigrants and their children.[1] Policies that support the labour market integration of new arrivals frequently focus on "management of change" objectives—for example, acquisition of a new language, adaptation to different employer expectations and workplace practices—and will not always be relevant to later generations, which often require attention to broader intergenerational issues.

TOOLS FOR LABOUR MARKET INTEGRATION

This article sets out a three-pronged approach for labour market integration, which can be applied at the local level: i) building contacts and networks, ii) supporting the recognition and validation of skills gained overseas and making the labour market more transparent, and iii) providing flexible and modular training so that migrants can quickly adapt their skills to new demands (Froy, 2010). Both recent migrants and those long established minorities can benefit from these approaches.

Figure 1: Three stages of support for local labour market integration



Source: Froy (2010)

Building contacts and networks

Accessing employment is very often not just about qualifications and skills, but about having the right connections. Like the migration process, immigrant employment is a network-driven phenomenon and the dynamics of ethnic social networks can be powerful sources of opportunity for finding employment (Froy and Pyne, 2011). Even for second and third generation immigrants, friends, kin and compatriots are often greater sources of support and resources than state-provided services. However, the drawback is that such ethnic-bound networks -which are often spatially defined—can be limiting; while helping immigrants to access initial employment, there is a lack of wider networking across the spectrum of employment opportunities. Ethnic-bound networks can channel migrants towards a narrow set of employment niches—such as construction, retail and health—and career progression outside of these areas may be limited.

To prevent clustering of migrant employment, it is important that integration programmes seek to expand migrants' social networks and to assist them in building contacts. A tried and tested method to bring migrants closer to meaningful employment is mentoring. The Toronto Region Immigrant Employment Council (TRIEC) launched the Mentoring Partnership Programme to bring together skilled recent immigrants and established professionals in occupation-specific mentoring relationships. Often skilled migrants have the education, experience and language skills to succeed in the labour market, but lack the local insights

and access to professional networks. Thus, the aim of the initiative is not for the mentor to find the mentee a job, but rather to give recent immigrants much needed insider knowledge on specific sectors and job search strategies. Since its establishment in 2004, the Mentoring Partnership Programme has facilitated over 5,300 mentoring relationships (TRIEC, 2011).

Within more established immigrant communities, the children of immigrants have higher school dropout rates than the children of natives (OECD, 2010). Moreover, they frequently have limited aspirations as a result of intergenerational poverty (Froy and Pyne, 2011). Expanding the networks of these youngsters can be useful in building confidence and identifying new opportunities for progression. In the state of Georgia in the United States, the Steps to College Programme was established in 2001 to expand the networks of young people of Latino origin. Developed in response to low graduation rates among Latino students, its annual summary test-preparation programme, held in Dalston State College, exposes young people to university life who otherwise may never have stepped onto a university campus and who often hope to be the first in their families to go to college. One of the greatest benefits of the programme is giving participants the opportunity to establish relationships with adult role models who motivate them to keep working hard and set their sights high, and to meet other young, motivated migrants (Morando, submitted). Participation has resulted in higher scoring in testing and an improved school retention rate among the target group.

Skills recognition & validation

A second type of action to improve access to employment is to support the recognition of skills. As regards the validation of formal qualifications, this action is mainly relevant for newly arrived immigrants, however, recognising and supporting the development of informal skills and qualifications is relevant across the board.

Formal qualifications

Employers, not to mention educational and public labour institutions, do not always respond well to foreign accreditations and work experience, a tendency that creates a significant problem for localities wishing to harvest the skills that migrants bring (Froy, 2010). To improve employment outcomes for skilled migrants, which are lower in most OECD countries than they are for native-born workers with the same level of educational attainment (Dumont, Spielvogel and Widmaier, 2010), and to ensure that receiving communities better utilize immigrants' skills, many localities have taken steps to facilitate the recognition of certain types of foreign qualifications, while also cataloguing more informally-attained skills.

The local government of Malmö, Sweden, has responded innovatively to the challenge and established a Centre for Validation where education and skill attainments based on foreign formal education and work experience are validated. Malmö not only has the highest share of foreign born individuals in Sweden, but it has seen that number grow rapidly, nearly doubling between 1990 and 2006 (Bevelander and Broomé, 2009). Responding to relatively high levels of unemployment among the immigrant population during the early 1990s, local authorities, working alongside state and non-state actors, began investing in skills recognition for immigrants. Today the Centre for Validation offers a variety of services ranging from evaluating individual education and suggesting suitable further education and training; evaluating acquired work competences and experiences; and offering a "competencies portfolio" to make immigrants' education and skills attainment more visible and understandable to local employers. The latter is seen as a key document for job applications. The number of people who have received validation from the centre has increased in all three services since 2004. However, qualification recognition is restricted to secondary level educational attainments; higher educational attainments can only be validated at the state level (Bevelander and Broomé, 2009).

Informal and non-formal learning

While learning that takes place in formal education and training systems is traditionally the most recognised in the labour market, in recent years attitudes towards the value of informal[2] and non-formal[3] learning have been changing. The European Commission is increasingly emphasising the need to take account of the full range of an individual's knowledge, skills and competences. This can be especially relevant when working with those who are marginalised in the labour market.

The City of Antwerp in Flanders, Belgium, has sought to become a laboratory for innovative practices in the validation and recognition of non-formal learning among youth, particularly in regard to young people not engaged in education programs, employment or training. Having attained only a low level of formal skills, or none at all, and lacking recognised qualifications, these young people are often not aware of the competences they have developed in other ways, or cannot convince potential employers of these informally-acquired abilities. A number of Youth Competence Centres across the city, mainly used by young people from an immigrant background, have adopted the competency approach to help users gain awareness of their competences and receive formal recognition of them. The municipality supported the development of a digital portfolio called C-stick to aid competency development.

A USB flash drive, the C-stick is a central database where young people can store relevant information such as personal development plans, create adjusted CVs and connect with their tutors. Designed with an easy reference interface, the C-stick is usable for different purposes such as leisure time activities, training, and job counselling (Maele, submitted).

Adaptation

In some cases it is not enough to recognise and document previously acquired skills to make them more transparent to employers. Immigrants also need to adapt their skills to new labour markets. Many of the tools and instruments that local agencies offer to help in this adaptation process are similar to those used in mainstream active labour market policies. For example, immigrants are referred to local education and training courses and are offered work experience placements. "Bridging courses," which provide intensive training that builds on previously acquired skills and which are available outside college calendar years (so speeding up the adaptation process), are especially useful (OECD, 2006).

Improving language proficiency

In addition, specialised language training is an important tool, particularly when this is offered within the context of broader occupational re-training.

Without a strong command of the dominant tongue, immigrants can be blocked from securing employment, particularly in medium and high-skilled jobs. In New York City, for example, lower levels of English fluency appear to be linked with lower income levels (Grossman, 2009). While the level of language proficiency demanded by employers varies, in general, the emphasis in training programs should be on ensuring individuals have the required language ability to function in a specific workplace (OECD, 2006).

While tuition for language training is offered to newcomers rather than established migrant communities, second and third generations may also experience language difficulties, particularly in reading and writing (Froy and Pyne, 2011). This can represent a barrier to labour market inclusion for the children of immigrants who may require additional language classes at school if the dominant tongue is not spoken extensively in the home. If left unaddressed, early language difficulties can affect longer term school performance (Nusche, 2009).

In some cases, local initiatives have been set up to address the language problems of adults and children simultaneously. The City of Frankfurt, Germany, where an estimated 38% to 40% of the population is foreign born, has a long history of training and language courses for migrant workers, and has also been experimenting with family-based learning amongst more established immigrant communities. The local municipality, together with the Office for Multicultural Affairs and the city's schools and nurseries, set up German learning classes that today have expanded to about 100 courses in Frankfurt (Froy and Pyne, 2011). Funded by city authorities and European Union funds, immigrant parents with children in primary school and kindergarden join their children in the classroom for two mornings a week to learn German. Such co-learning has benefits in addition to language acquisition. Studies have shown that children's academic success is strongly influenced by parental involvement (Nusche, 2010) and such initiatives can help form the basis for a stronger relationship between schools and immigrant parents. As a marker of the initiative's success, Frankfurt is extending the programme into secondary schools and the scheme is being taken up elsewhere in Germany.

Adaptation is a two-way street

It is important to recognize that for immigrants to successfully integrate into the labour market, adaptation is not just required from newcomers or long established migrants, but also from the labour market itself. The attitudes and practices of employers and organisations play just as important a role in shaping employment outcomes as do the backgrounds and aptitudes of migrant job seekers.

Empirical evidence indicates that discrimination in the labour market[4] may be an important force behind large and persistent disparities in employment outcomes between migrant and non-migrant populations. While it is difficult to say which factors contribute to individual labour market outcomes (such as educational attainment, human capital, and individual characteristics) even taking into account many of these, discrimination in the labour market may account for part of the ethnic gap (OECD, 2008b).

Discrimination is not just about ethnicity or background, but also colour and religion. The Muslim Employment Project in Brisbane, Australia, was initiated in conjunction with a number of government departments as part of the Australian Government's commitment to a National Action Plan to foster social cohesion. Aiming to assist unemployed Muslim people maximise their employment opportunities, a key focus area of the project has been to work with non-Muslims to change attitudes. Activities have ranged from organising community meetings with police and government representatives, to building links with jobs networks and employment service providers, to having discussions with employers regarding the advantages of employing Muslim workers and the preconceptions of Muslims that may exist amongst employers. Numerous referrals were made to employers,

and almost 40% of participants secured part-time or full-time employment from 2006 to 2010 (Hossein, submitted).

In Flanders, Belgium, an Employment Equity and Diversity policy was created in 1999 with the long-term goal of proportional participation in the labour market of immigrants and their children, and two other target groups. An accent is put on stimulating companies to become involved and supporting them in diversity management. Companies (such as Securitas, Brantano, BNP Paribas, Fortis and Zeeman) voluntarily decide to become involved and receive subsidies, counselling and support from a team of diversity managers to put in place a tailor-made diversity plan. Objectives that companies set for themselves are almost always met, and are usually outperformed (Van de Voorde, submitted). Nevertheless, there is the risk that signing up to a diversity plan can be more of a "tick the box" exercise.

Not just accession but progression

In adapting their workforce to reflect a more diverse local population, employers need to consider not only how they recruit staff with an immigrant background, but also how they progress in employment over time. People with immigrant backgrounds often risk becoming trapped in low skill, low income jobs that do not allow them to fulfill their true potential in the labour market (OECD, 2006). One way in which immigrants can benefit from public support for career advancement, along with other people trapped in lower skilled employment, is through the implementation of "career pathways".[5] In a city where almost half of the labour force is immigrants who are concentrated in low-paid work, the City University of New York (CUNY) has developed a "career pathways" approach in three key sectors in which immigrants are overrepresented: healthcare, retail, and hospitality and tourism. As part of the CUNY programme, LaGuardia Community College developed a multi-level career pathway programme to help employers map potential career progression ladders and to offer training courses to help workers to move up the ladder. These courses include, initial bridging programmes (incorporating English as a Second Language training), transition programmes (targeted at workers who have already received some training), as well as continuing education for professional development. Career pathways offer a useful "hook" for bringing together employment agencies, careers advisors, education and training bodies and industrial consortia to construct road maps into quality employment and appropriate training courses. The retail, tourism and hospitality programmes in New York have demonstrated good completion rates and there is evidence that they have led to promotion, enrolment in further education and job placements (Grossman, 2009).

CONCLUSION

LEED research has identified a variety of effective initiatives at the local level which help newcomers and minorities integrate into the labour market. These initiatives are grouped into a three-pronged process that focuses on building contacts, recognising skills and supporting adaptation to new work contexts. However, challenges remain that hamper the effective linking of immigrants to sustainable opportunities matching their skills and aspirations and offering appropriate career progression. The recent economic crisis has not made the matching process between migrant skills and employment opportunities any easier (OECD, 2011).

Good governance at the local level is crucial to ensuring that resources are combined and fed into initiatives which will really make a difference. The components of governance are not easy to get right and can be undermined by poor coordination and communication among stakeholders, a failed prioritisation of resources and a dependency on short-term, grants-based funding (OECD, 2006). While initiatives such as occupational language training, mentoring and network building, career bridging and setting out career ladders are effective, they are also resource intensive and it can be difficult to "scale them up" so as to cover a significant proportion of those experiencing problems in the labour market.

OECD LEED research has identified that in many localities support to immigrants is fragmented and piecemeal, with programme funding being spread too thinly to effectively create real change in the integration process (OECD, 2006). This is particularly challenging at a time when public sector resources are shrinking. Brokering agencies (such as TRIEC) can help to create clear road maps for local services by acting as intermediary organisations to connect services and provide knowledge platforms (Froy and Pyne, 2011).

What is more, often initiatives are not sufficiently informed on the local labour market or the local "opportunity structure" (Kloosterman, van der Leun and Rath, 1999). In order to support integration into the labour market, it is essential that local labour market information be available and well disseminated.

The extent to which policy interventions are targeted also needs to be considered (Froy and Pyne, 2011). "Backdoor targeting", which combines universal supports with more tailored interventions built-in to tackle specific labour market barriers experienced by certain groups, can be a promising way forward.

Integration into the labour market is not an automatic process and requires the commitment of immigrants themselves, local and national institutions, and communities. While immigrants are in every sense "amateurs" at

migration as they often only migrate once in their lifetimes, it is local actors, cities, rural areas and communities which have the opportunity to become "professionals" at receiving and integrating immigrants. As Gächter terms it, we must work to develop "reception competence" (Gächter, 2005). Finally, migration is an international phenomenon and as such sharing information and best practice between countries on tried and tested ways to assist labour market integration at the local level is a critical component of creating successful integration policy.

NOTES

[1] The terminology surrounding immigration is complex, and sensitive. In this article we use the terms "migrant" and "immigrant" interchangeably. To indicate those who are newly arrived in the country of destination/are first generation, the term "newcomer" , "foreign-born", "recent" and "newly arrived" are generally used. To indicate those who have been settled in the country of destination for a significant period/are second, third generation etc., terms such as "minorities" and "long established" are used.

[2] "Informal learning results from daily activities related to work, family life or leisure. It is not structured and usually does not lead to certification. In most cases, it is unintentional on the part of the learner" (EC, 2011).

[3] "Non-formal learning is not provided by an education or training institution and typically does not lead to certification. However, it is intentional on the part of the learner and has structured objectives, times and support" (EC, 2011).

[4] Discrimination in the labour market is defined as "a situation in which persons who provide labour market services and who are equally productive in physical or material sense are treated unequally in a way that is related to an observable characteristics such as race, ethnicity or gender" (OECD, 2008c).

[5] The term "career pathways" has been used in the U.S. to refer to two programme models: 1) education and training programmes that help youth simultaneously prepare for careers and transition into postsecondary education, and 2) programmes that are primarily focused on forging strong linkages between education and training, and career advancement opportunities for adults in the workforce (Grossman, 2009). In this article the second model has been selected, although many career pathway models may try to integrate both functions.

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