



# Press Release 8th Migration Observatory Report "Assimilation and skill-mismatch"

by Tommaso Frattini (Università di Milano and Centro Studi Luca d'Agliano) with Angela Dalmonte (Centro Studi Luca d'Agliano)

The Migration Observatory of Centro Studi Luca d'Agliano (LdA) and Fondazione Collegio Carlo Alberto (CCA) in Turin has published the eighth annual report on the economic integration of immigrants in Europe, written by Tommaso Frattini with Angela Dalmonte. The report will be presented on Friday, 22nd March at 17:00 CET at CCA in Piazza Arbarello 8. A policy panel with Ferruccio Pastore (FIERI), Raffaele leva (Italian Ministry of Labour and Social Policies), Manuela Prina (European Training Foundation), and Chris Richmond Nzi (Mygrants) will follow. To register for the in-person event please sign up <a href="here">here</a>, for the online here.

This year, the report includes a monographic section investigating the labour market integration of tertiary educated immigrants, with a specific focus particularly on the skill-mismatch and on the incidence of overeducation in the context of immigrant integration in the host country labour market, as well as an update of annual data on immigrant integration into the European labour markets. The report, available at <a href="https://dagliano.unimi.it">https://dagliano.unimi.it</a> (to download the pdf click <a href="here">here</a>), is based on an original analysis of microdata from the European Labour Force Survey (EU LFS) 2022 and 2021.

The presentation of the annual report will be part of the international conference on "Immigrant Integration around the World", which will take place from 10:30 to 18:15 CET at Collegio Carlo Alberto in Turin. The conference will discuss ethnic discrimination in the labour market of European countries (Valentina Di Stasio - Utrecht University), immigrant experiences in the German (Jan Stuhler - Universidad Carlos III de Madrid) and in the US labour markets (Christoph Albert - Collegio Carlo Alberto), the integration of refugees' children in Sweden (Olof Åslund - Uppsala University) and marriage preferences of refugees in Germany (Irena Kogan - University of Mannheim).







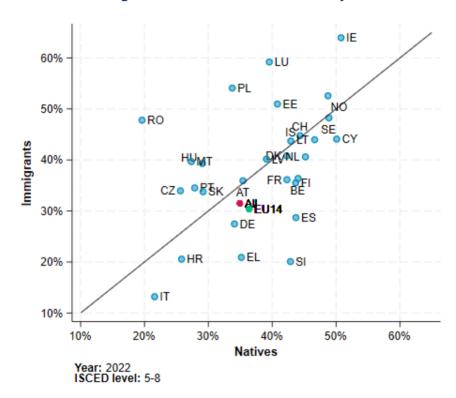
The Observatory's activities are supported by Fondazione Compagnia di San Paolo.

The key findings are summarised below.

## **ASSIMILATION AND SKILL-MISMATCH**

In Europe, about one migrant out of three (32%) has a tertiary education, similar to the share of tertiary educated among natives (34%) and second-generation immigrants (34%), i.e., native-born in the current country of residence with foreign-born parents. The countries with the highest share of graduates among natives also display a higher educated immigrant population.

Share of immigrants and natives with tertiary education



About 38% of immigrants with tertiary education obtained their degree in their current country of residence.





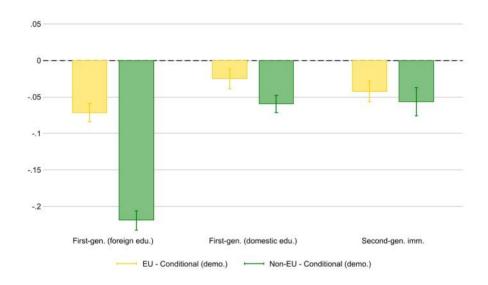


#### HIGHLY EDUCATED MIGRANTS AND THEIR PROBABILITY OF EMPLOYMENT

Highly educated migrants are less likely to have a job than highly educated natives.

In general, a higher education is correlated with a higher employment probability, Still, highly educated immigrants fare considerably worse than comparable natives in European labour markets.

Highly educated immigrant-native differences in employment, by country of education and origin



The employment probability differential is most significant for immigrants who have received their tertiary education abroad, especially those born in a country outside of the European Union.

For high-skilled foreign-educated EU migrants, the probability of employment is 7 p.p. (or 8%) lower than for similarly skilled natives. In contrast, the employment probability differential is as high as 22 percentage points (or 12%) for foreign-educated immigrants from outside the EU.

Domestically educated highly skilled immigrants, on the other hand, have a The activities of the Migration Observatory are supported by





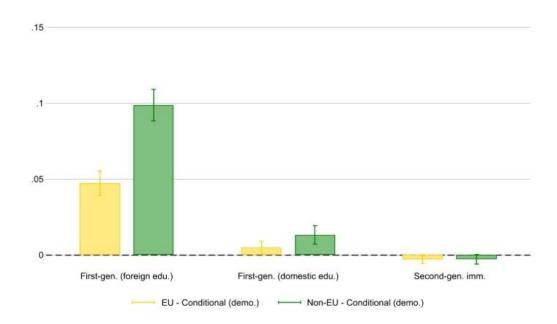


considerably lower employment probability gap (3 p.p. and 6 p.p. for EU and non-EU immigrants, respectively). Likewise, the employment probability gap of highly educated second-generation immigrants vis-à-vis natives is small and essentially the same as that of domestically educated first generations.

#### THE OCCUPATIONAL STATUS OF HIGHLY EDUCATED MIGRANTS

Foreign-educated highly skilled migrants have significantly lower job quality than natives.

Highly educated immigrant-native differences in probability of working in elementary occupations, by country of education and origin



Only about 1% of highly educated natives are employed in an "elementary", i.e., low-skill and low-pay, occupation. Instead, the probability of working in such occupations is five to ten times higher among immigrants with a foreign education: +5 p.p. and +10 p.p. for EU and non-EU immigrants, respectively.

Conversely, highly educated second generations have the same probability of working in a low-pay occupation as highly educated natives, regardless of their parents' country of birth. Likewise, first-generation immigrants with a high level of domestic education are as unlikely as natives to work in low-paying jobs (with the partial exception of non-EU migrants).





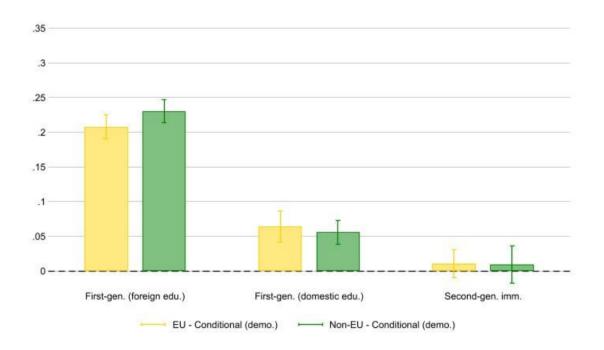


## SOVRA-ISTRUZIONE DEI MIGRANTI ALTAMENTE QUALIFICATI

Overeducation is pervasive among foreign- and domestically-educated migrants.

We define anyone with a higher education level than the education level that is more frequent among other individuals in the same age group, employed in the same occupation, and in the same country as *over-educated*. According to this definition, 38.5% of all highly educated native workers in Europe are over-qualified. Still, the share of over-qualified workers is considerably higher among first-generation immigrants from all origin areas, particularly if they have been educated in their country of origin.

Highly educated immigrant-native differences in the probability of overeducation, by country of education and origin



First-generation foreign-educated EU immigrants are 20 p.p. more likely than natives to be over-educated. The overeducation of foreign-educated non-EU migrants is only slightly higher, 23.5 p.p. more than natives.

Greece (+40 p.p.), Italy (+36 p.p.), Spain (+30 p.p.), and Finland (+29 p.p.) are the







countries (among those with more than 1% of immigrants in their populations) with the highest differentials in overeducation for foreign-educated first generations. Conversely, Luxembourg, Cyprus and Malta are characterised by the lowest differentials between natives and foreign-educated immigrants (below 10 p.p).

Domestically-educated high-skilled immigrants are significantly less likely to be over-educated than the first generations with foreign qualifications. EU (non-EU) migrants who have received their highest educational qualification in the host country are 6 (5) p.p. more likely than comparable natives to be over-educated.

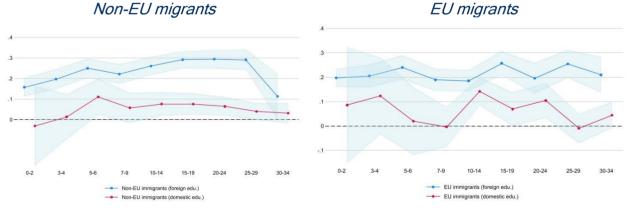
The overqualification rates of highly skilled second-generation immigrants are not significantly different from those of their native counterparts for both groups.

#### OVEREDUCATION OF HIGHLY EDUCATED MIGRANTS

Overeducation does not decrease with years since migration.

The overeducation of immigrants, from EU and non-EU countries, and with a foreign or domestic education, does not significantly change between immigrants who have been in the host country for many or few years.

Evolution of highly educated immigrant-native differences in overeducation over years since migration, by country of education and origin



While time spent in the host country increases the labour market integration of migrants in terms of participation and employment, it is not enough to significantly reduce the degree of overqualification, and consequent skill waste, that immigrants experience in the host countries.





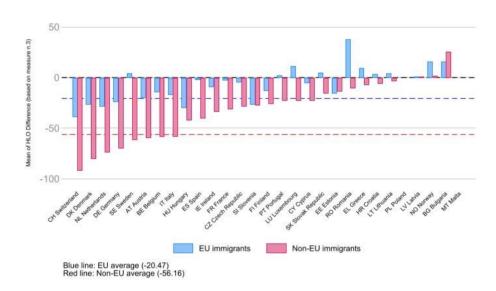


## **EDUCATION QUALITY**

Educational quality in Europe is generally higher than in highly educated migrants' origin countries.

Throughout Europe, highly educated non-EU migrants originate from countries with a lower educational quality than their host country, with the only exception of Bulgaria. Differences are highest in Switzerland, Denmark, the Netherlands, Germany, Sweden, Austria, Belgium, and Italy.

Differences in educational quality between European countries and countries of origin of their highly-educated migrants



In most host countries, highly educated EU migrants also tend to come from countries with lower educational quality. Still, differences are generally minor; in some countries, they are even zero or positive.

We use the harmonised test scores from the Harmonized Learning Outcomes (HLO) database distributed by the World Bank to proxy for the quality of educational systems across countries.







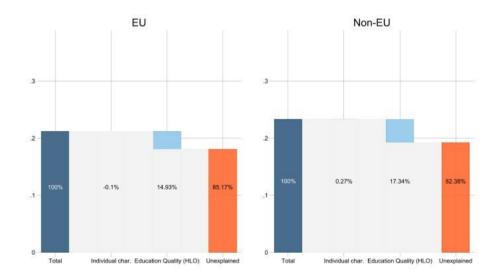
### **EDUCATION QUALITY AND OVEREDUCATION**

Educational quality explains one-sixth of high-skilled immigrants' overeducation.

The striking differences in educational quality between origin and host countries may suggest that, especially for non-EU migrants, the apparent under-performance of foreign-educated high-skilled migrants and their measured overeducation might just reflect the actual value of their educational credentials.

To assess the role of educational quality in shaping the labour market disadvantage of highly educated migrants, we decompose their overall gap into a part that is due to their characteristics (age and gender), a part that is due to the quality of the education they have received, and a remaining "unexplained" part.

Immigrant-native difference in probability of overeducation: overall and after accounting for individual characteristics and educational quality



Educational quality explains about one-sixth of the overeducation gap between tertiary educated immigrants with foreign qualifications and natives.

These findings indicate that the lower quality of immigrants' education is not the main

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reason for their skill mismatch, and highlight the need for policies to address the waste of valuable immigrants' human capital.

