

Úttekt OECD um málefni innflytjenda á Íslandi

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4. sept 2024



SKILLS AND LABOUR MARKET INTEGRATION OF IMMIGRANTS AND THEIR CHILDREN IN ICELAND

Reykjavík, 4 September 2024

Hlöðver Skúli Hákonarson

International Migration Division

OECD Directorate for Employment, Labour and Social Affairs

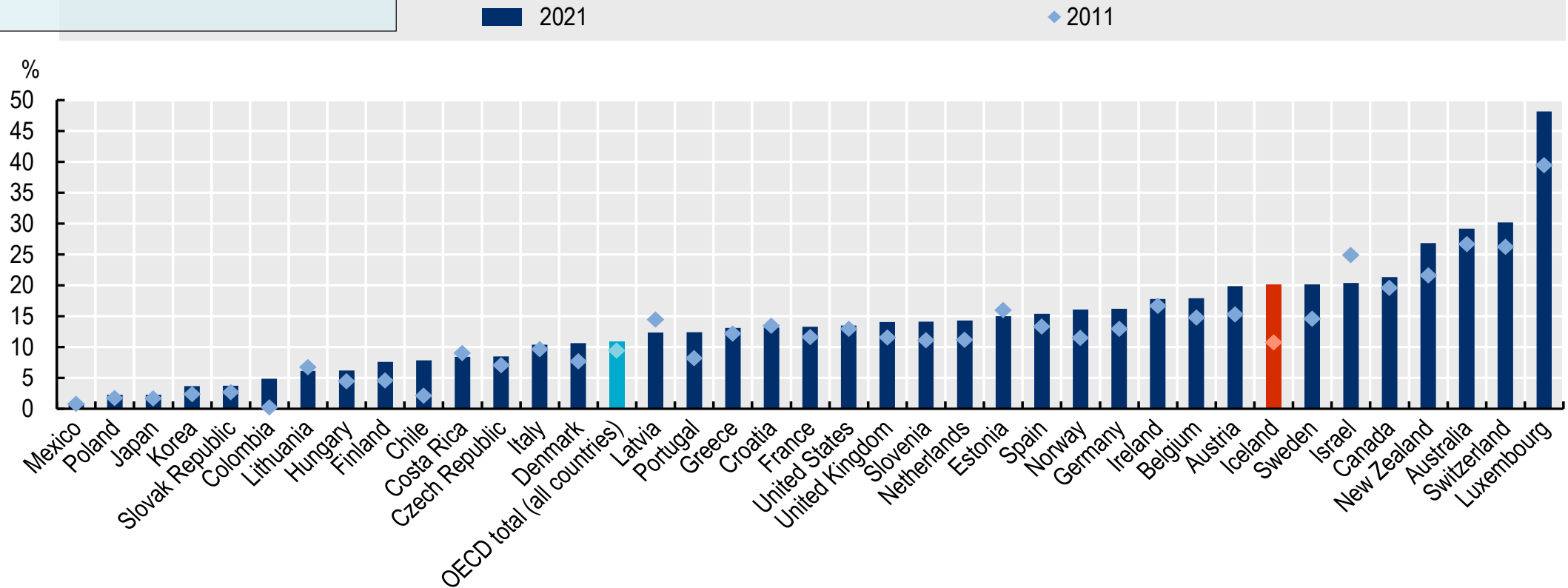




Iceland had the strongest growth in the migrant population across all OECD countries over the last decade

- » Since 2011, the share of the foreign-born **doubled** in Iceland
- » **80%** of migrants are EU-born, the largest share in the OECD

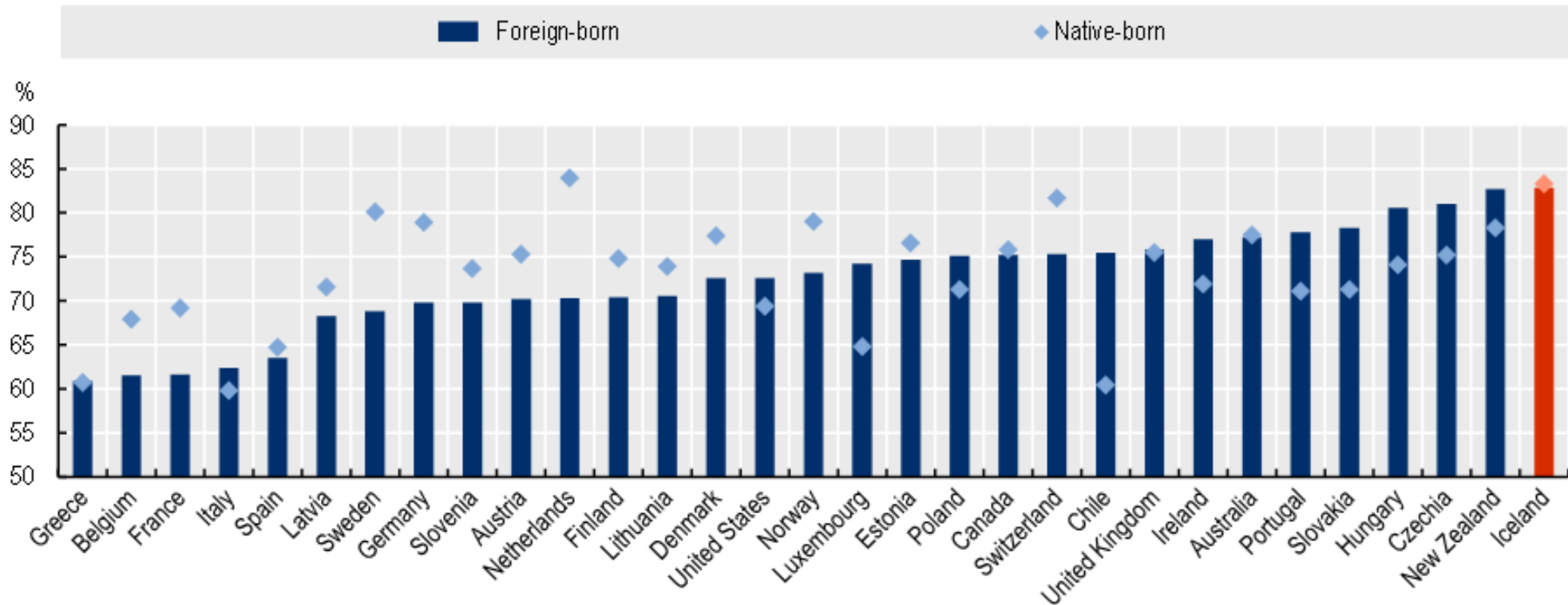
Foreign-born shares of total populations
All ages, 2011 and 2021 or most recent year





Employment rates are the highest in the OECD

Employment rates of the foreign- and the native-born
15- to 64-year-olds, pooled 2021-2022



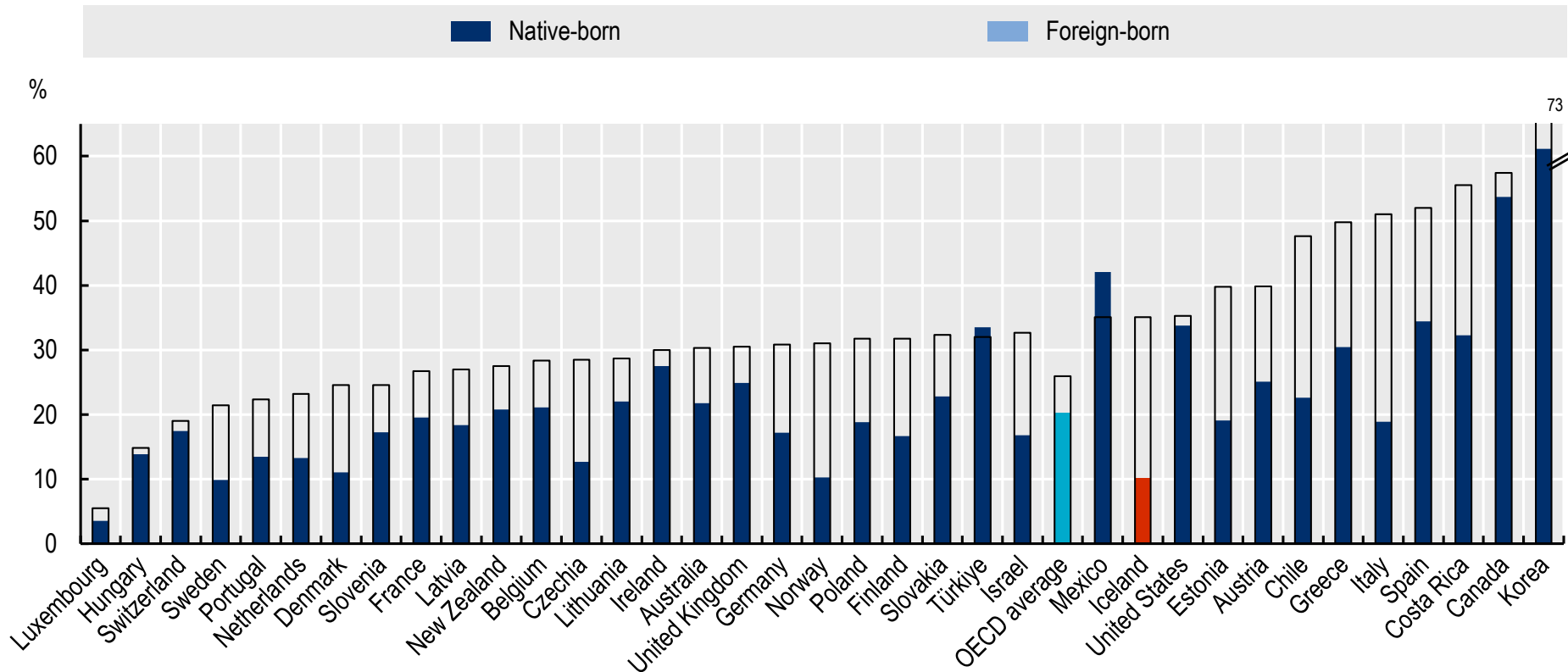
- » Employment and participation rates among migrants are the highest in OECD, at **83%** and **89%** in 2022, respectively
- » **Gender gaps** in employment are also the lowest in the OECD, with foreign-born women exhibiting similar employment rates (80%) to native-born women and foreign-born men



However, migrants' skills are not being put to good use

Overqualification rates

15- to 64-year-olds, pooled 2021-2022



- » Jobs in tourism, cleaning, food and catering are prone to overqualification (**30 percentage point increase** in the likelihood of overqualification, other things being equal)
- » **42%** of migrant survey respondents reported finding their current job through **social networks**, compared to **27%** of native-born



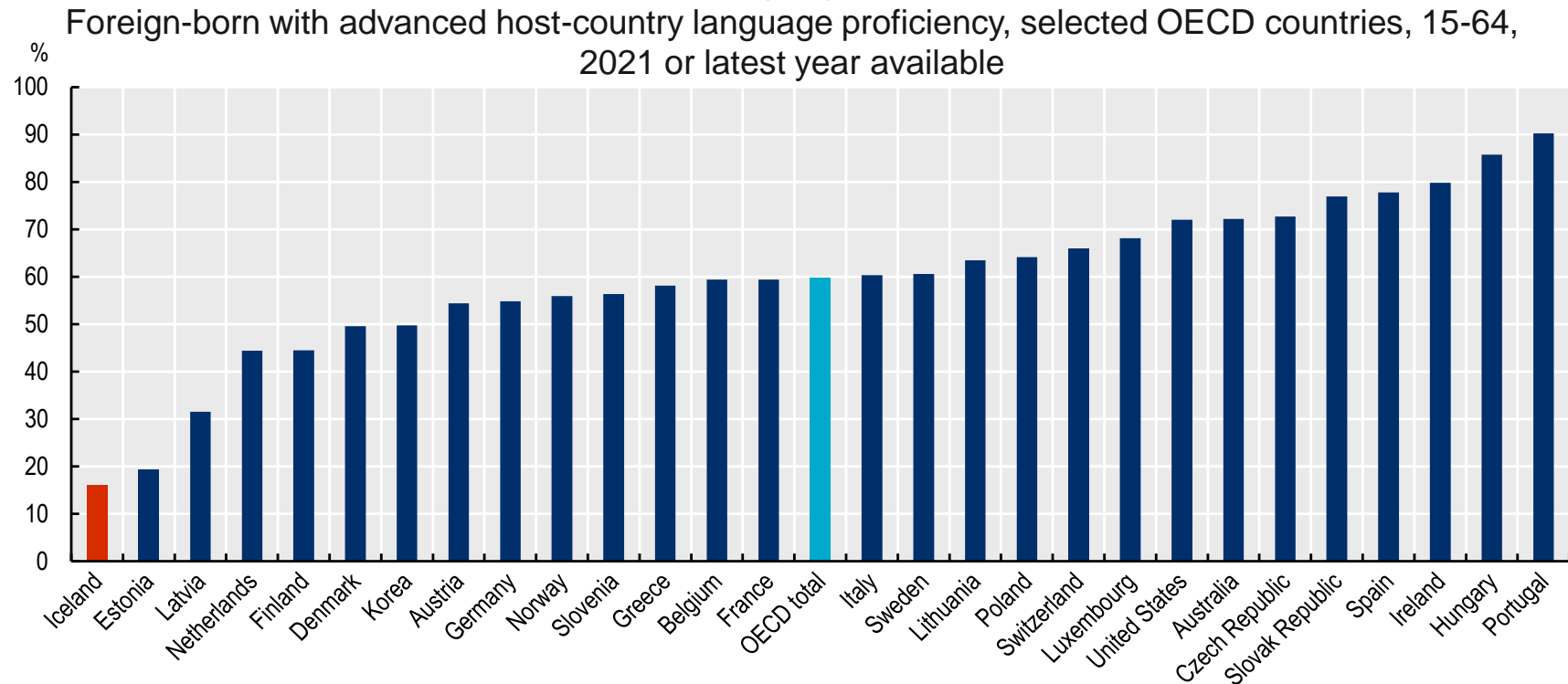
Migrant unemployment is rising, but little is done to address this

- » In the past decade, the migrant population has grown from **10% to 20%**, while their share among the unemployed has risen from **15% to 50%**
- » Unlike elsewhere in OECD-Europe, both EEA and non-EEA migrants are equally likely to be in unemployment
- » However, **ALMPs do not seem adapted to the needs of immigrants**
 - » Lower take-up than among the native-born, and they are *probably* less effective in getting people out of unemployment
- » **Basic data on employment outcomes** post-ALMP are absent and policy evaluations have not been undertaken



Language proficiency is low

Advanced language proficiency



» **80%** of migrants have taken **less than 180 hours** of classroom language training

Why is this an issue?

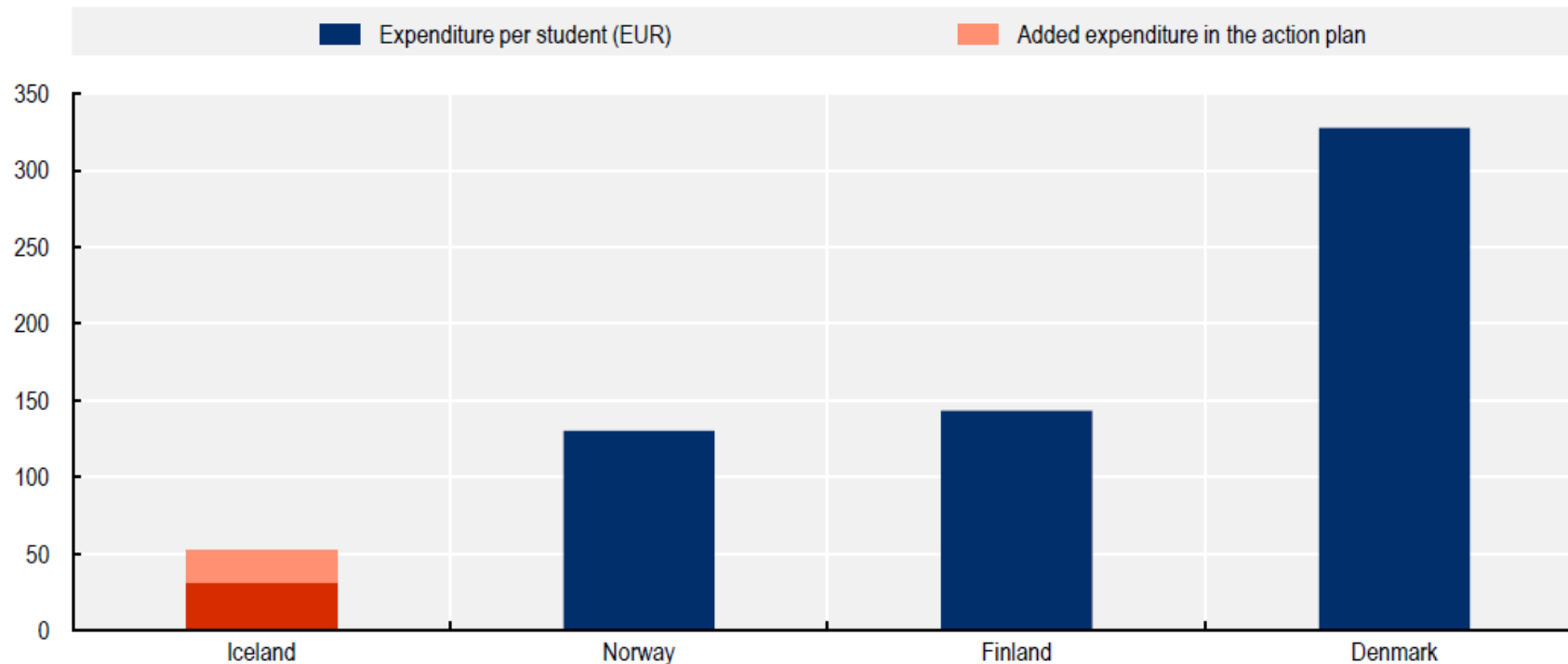
- » 46% of those who have had problems finding a job cite **lack of language skills** as main reason why
- » Language skills increase the probability of finding a **high-skill job**, controlling for level of education



Language expenditure remains below comparison countries

Expenditure on language courses for adult immigrants

Annual public expenditure on language courses relative to the immigrant population in selected OECD countries, EUR per immigrant in constant 2023 prices



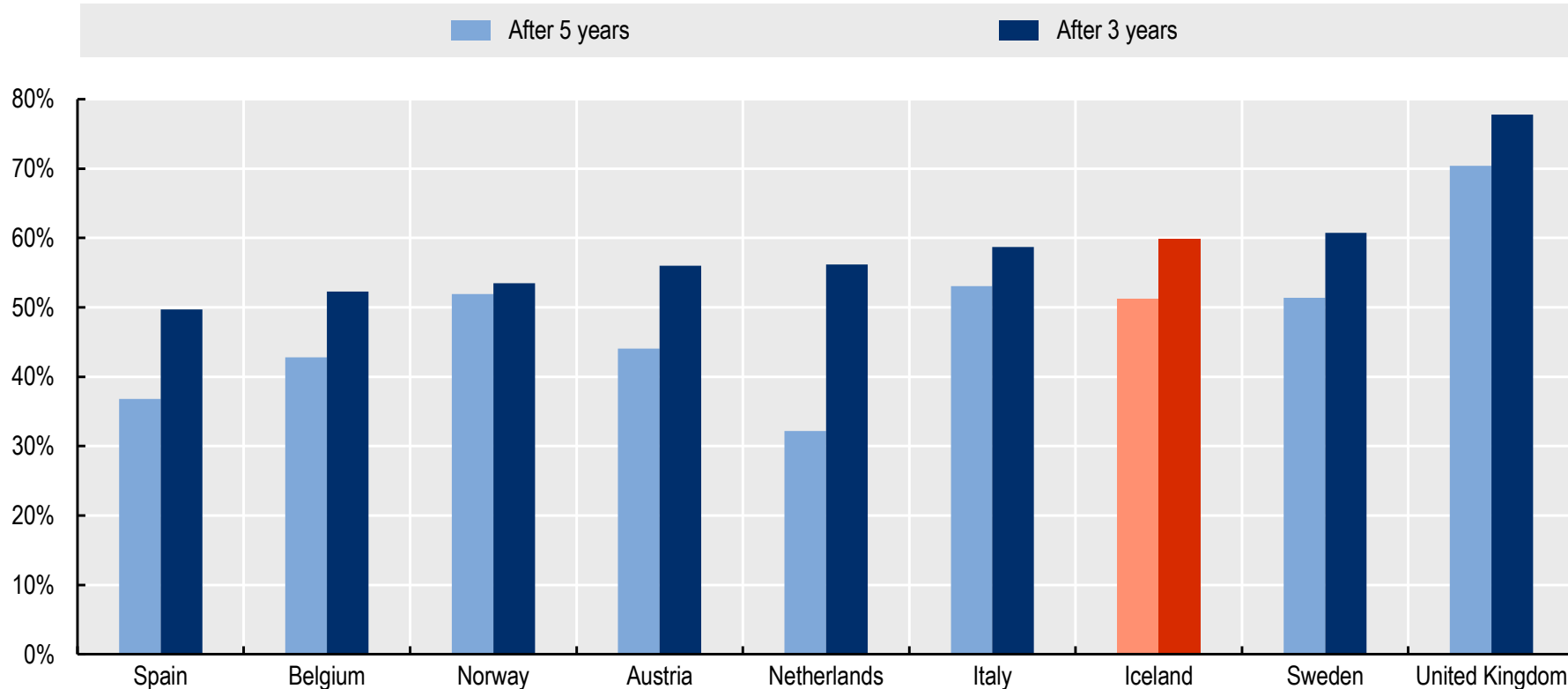
» Public expenditure on language training remains far below comparison countries



Many EEA migrants settle in Iceland

EEA migrants in Iceland stay for long

Retention rates for EEA migrants in selected European countries, population aged 15 and over

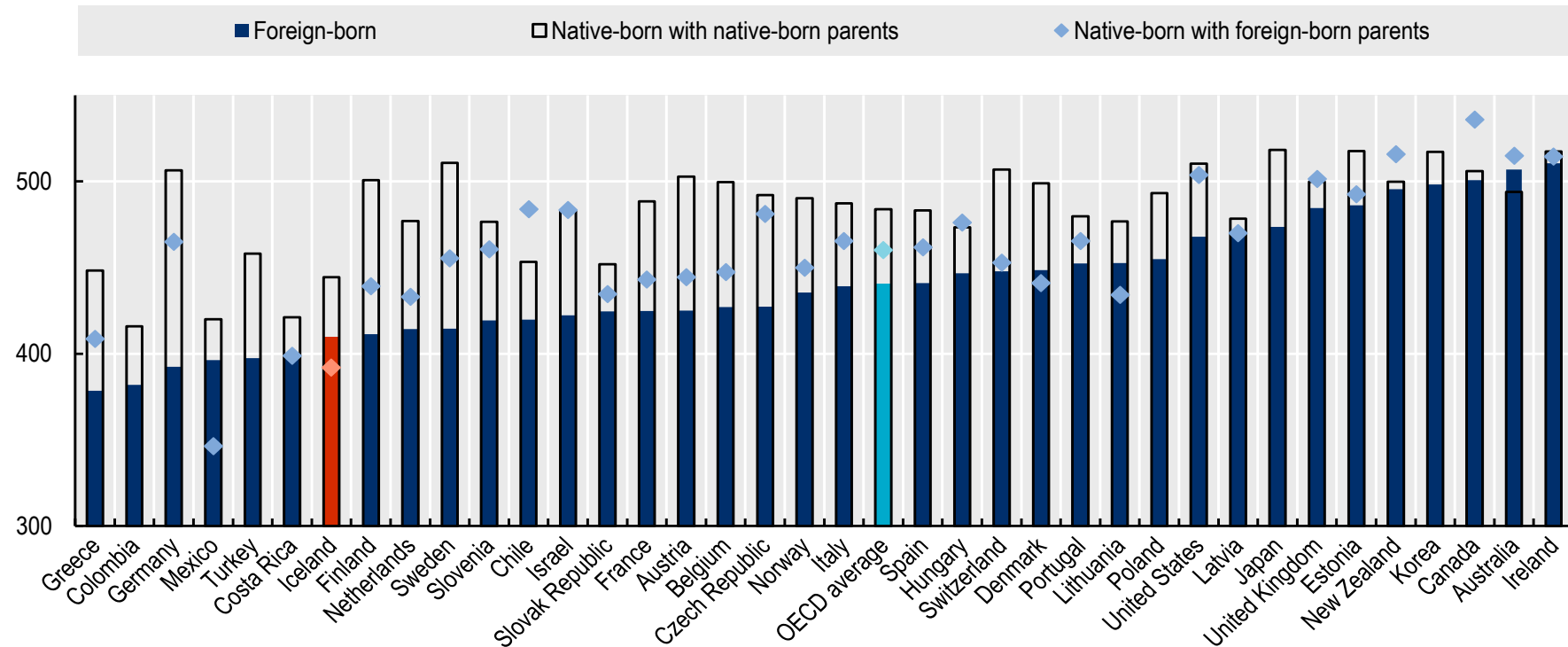


- » **51%** of EEA migrants remain in the country after five years, a relatively high share
- » **6 out of 10** migrants plan to stay in the country permanently
- » **Humanitarian** and **family** migrants have the strongest desire to stay permanently



Children with immigrant parents struggle in school

Mean PISA reading scores
15-year-old pupils, 2022



- » Difference in reading scores between **those who speak Icelandic at home and those who do not** amounts to 81 points (3 years of schooling), the largest difference in the OECD
- » **Preschool attendance** before age 4 is associated with a strong reduction in performance differentials
 - » However, **attendance** is much lower among children of immigrants and has been decreasing for foreign-born in recent years – **cash-for-care** may play a role



Key messages

- » Employment outcomes are very positive
- » However, there is room for improvement with regards to:
 - » **Language**
 - » **Job quality**
 - » **Data**
- » The needs of EEA migrants merit more consideration
 - » 80% of the migrant population and many of them settle down



Recommendations



Implement consistent data infrastructure for integration

- » Make sure that **country of birth** is included in all major datasets
- » Consistently **monitor the outcomes** of immigrants, notably via a standardised language exam
- » Provide **basic information on employment outcomes** of migrants using ALMPs



Improve language training

- » **Improve provision of and access** to language training
- » Make sure offers of similar **quality** are available across the country
- » Provide more **affordable training for EEA migrants** who wish to stay
- » Reconsider the **refund system** which hampers participation due to upfront costs



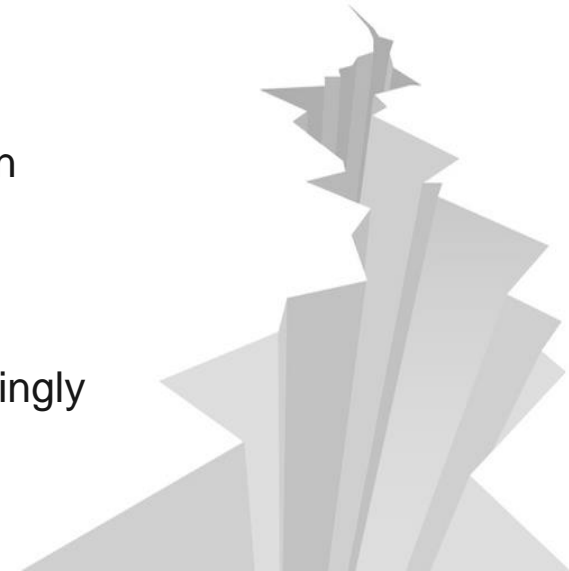
Make better use of the skills of migrants

- » Make **bridging courses** more accessible
- » **Raise awareness about recognition procedures**, for example by including them in integration offers and one-stop-shops



Pay more attention to children of immigrants

- » Implement regular **language assessments** in schools and organise support accordingly
- » Phase out cash-for-care and use the money to **improve access to preschool**



Úttektina má nálgast á vef Stjórnarráðsins og vef OECD:

Undirsíða á vef
Stjórnarráðsins:



Vefur OECD:

