



Launch of the OECD Review on the Labour Market Integration of Immigrants and Their Children in Switzerland

Berne, 14 February 2012

Opening remarks

by

**Yves Leterme
Deputy Secretary-General, OECD**

Dear Mr Gattiker, Dear Mr Gaillard, Ladies and Gentlemen,

It is a great pleasure for me to be here today for the launch of the OECD Review on the Labour Market Integration of Immigrants and their Children in Switzerland.

The review focuses on a topic that is high on the policy agenda in many OECD countries, and for good reasons. An obvious one is the large number of immigrants that are already present in many OECD countries. In Switzerland, **immigrants account for more than 27% of the total working-age population**, which places Switzerland among the top three OECD countries on this score, along with Australia and Luxembourg. Another one is that the record of some countries in terms of integrating immigrants and their families into the economy and society leaves much to be desired.

Promoting employment and the employability of migrants are arguably the most important aspects of the broader objective of integrating immigrants and their offspring into our societies and economies. Their integration is also vital for the acceptance of immigration in the host country.

The integration of migrants and their children is a key element of the OECD work on international migration. The review of Switzerland is the last in a series of eleven in-depth country reviews which have been published since 2007 by the OECD under the title *Jobs for Immigrants*. The extensive experience gathered by the OECD on this topic has enabled us to provide a comprehensive comparative analysis and to formulate recommendations that draw on many examples of good practices from other OECD countries.

Let me say at the outset that **the overall labour market outcomes of immigrants in Switzerland are very favourable from an international perspective**. With 84% of immigrant men and 68% of immigrant women of working-age being in employment,

immigrants in Switzerland have higher employment rates than those in virtually all other OECD countries with large and longstanding immigrant populations.

This positive outcome is largely driven by the fact that overall labour market conditions are overall rather good – the Swiss unemployment rate was 4% in the third quarter of 2011, less than half the European Union average. In addition, immigrants to Switzerland come from a specific set of origin countries. More than 60% of immigrants are from high-income OECD countries, in particular the neighbouring countries of Italy, Germany and France. Immigrants from these countries tend to have better outcomes than immigrants from non-EU countries. In recent years, Switzerland has experienced large-scale immigration: about 5% of the resident population are migrants who have arrived over the past five years, mainly from the enlarged EU. Our study shows that these latter migrants are particularly well integrated into the labour market and their skills match well with the needs of the Swiss labour market.

While overall integration outcomes are good, **there are nevertheless some signs that the outcomes of certain groups of immigrants are deteriorating**, with some disadvantaged groups at the risk of being left behind. While these groups are a minority of Swiss immigrants, it is important to take action now to assist them in a number of key domains. Our report highlights the need to: **implement introduction programmes for humanitarian migrants, foster the assessment and recognition of foreign qualifications, promote the labour market integration of women with young children as well as to facilitate the school-to-work transition for immigrant offspring without forgetting the fight against discrimination.**

One group which seems to have much less favourable labour market outcomes currently than in the past are **recently arrived humanitarian migrants**. This is a group which needs well-targeted integration measures. A number of OECD countries, including Denmark, Norway and Sweden, have implemented structured integration programmes targeted at

improving the labour market integration for this group, and these programmes have been quite successful. Much could be gained if Switzerland were to follow these examples.

Although employment rates for migrants in Switzerland are generally high, **only 45% of migrants with tertiary qualifications from non-OECD countries have a job that corresponds to their education level, compared with 72% of the native-born.** Programmes to bridge the skills possessed by the immigrant with those required by the job are lacking and in contrast to other OECD countries, there are also few mentorship or similar programmes to assist qualified immigrants who arrive without jobs to find suitable jobs. Such programmes could be provided more broadly, in close co-operation with employers, as has been done with some success, for example, in Denmark.

A more transparent qualifications assessment and recognition process and improved information about the benefits of obtaining such recognition would also help to improve the match between the skills possessed by immigrants and the needs of Swiss firms, thereby generating productivity gains and higher wages for immigrants.

Another group which has difficulties in the Swiss labour market are **immigrant women from non-OECD countries with young children; their employment rate is 15 percentage points below that of their native-born peers.** These women rarely benefit from targeted integration measures and often do not have access to the full range of active labour market policy measures since many of them are linked to previous employment in Switzerland, which they often do not have. The **lack of access to early childhood education at the critical age of three** also limits their participation in the labour market. Tackling this problem would improve their prospects in this regard and also entail significant benefits for the integration of their children, particular if early education is linked with language stimulation. Considerable progress has been made on this front in recent years in Switzerland, but more needs to be done for the children of low-educated parents.

The **children of low-educated immigrants, particularly those who have arrived during school age, often drop out of apprenticeships**, and then find themselves marginalised in the labour market. But they are often not fully eligible for active labour market policy programmes since this requires at least ten years of residence in Switzerland. This shortcoming should be fixed.

Children of immigrants, many of whom do not have Swiss nationality, also suffer often from **discrimination**. Testing studies have shown that **to get invited to a job interview, the children of immigrants educated in Switzerland may have to submit up to five times as many applications as children of natives with otherwise identical CVs**. The fact that the overall outcomes of children of immigrants are still relatively good suggests that they compensate for this discrimination by sending out more applications.

In contrast to other OECD countries, nationality-based discrimination in hiring is not prohibited in Switzerland, with the exception of immigrants from the EU who face fewer obstacles in the labour market anyway. Indeed, **anti-discrimination policy is perhaps the area where Switzerland lags behind other OECD countries the most**. It is important that both the legal and the institutional framework against discrimination be strengthened, and that mechanisms to redress the situation be made more widely known to immigrants.

Such a reform would ideally be **complemented by more pro-active measures** aimed at diversifying employer recruitment channels. The public sector, where immigrants are underrepresented, should play a lead role in this. Targeted actions to tackle this problem more broadly through diversity policies such as anonymous CVs, diversity labels and diversity consultants have been implemented in a number of OECD countries, including Belgium, the Netherlands, Norway and France. These actions have met with some success, and their introduction in Switzerland should be seriously considered.

Finally, to tackle the challenges involved in the labour market integration of immigrants and their children consistently throughout Switzerland, **stronger policy co-ordination is needed**. Currently, access to integration measures depends on a number of factors – the canton and municipality of residence, the type of permit and the duration of residence, receipt (or not) of social insurance payments and the pillar of social insurance under which the migrant eventually falls. **Common minimum standards for integration measures** would help to ensure that all immigrants are able to access supports in accordance to their needs. This could also require a strengthening of integration policy at the federal level and more exchanges of good practices between cantons and municipalities. First steps in this direction have recently been taken, and it is important to continue along this route.

Indeed, the existence of this report reflects the good co-operation in Switzerland, not only between the two main players for labour market integration who are represented here today – the Federal Office for Migration and the State Secretariat for Economic Affairs – but also between all the major stakeholders, who have given their time and provided much valuable information without which our work would not have been possible.

In conclusion, I hope that this OECD report will assist the integration process in Switzerland and I would like to thank all of the persons and institutions who have contributed to this report, and in particular the Federal Office for Migration for having organised this launch today and for the excellent co-operation with the OECD Secretariat.