INTERACT-Position paper on labour market-assimilation research

Migrant assimilation in the labour market: what is missing.

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Abstract

The objective of this research paper is to understand whether and, if so, how the economic literature on the assimilation of migrants takes into account the role played by sending countries in process of migrant assimilation in destination countries.

This subject is not tackled explicitly, as researchers tend to look at the question of the possible role of the sending country in the selection mechanism only indirectly. Many variables used by researchers are strongly tied to the policies of the sending country, but a specific effect has not been isolated and, indeed, is difficult to isolate. Better data and more research are needed.

Introduction

Understanding the integration of migrants has become a crucial issue for an aging Europe, which needs future citizens. The limited success of the policies implemented in destination countries has shown its complexity. Disentangling the many levels of interventions in the destination country – European, national, regional and local – has not helped understand and solve the many differences registered between different national groups. A broader reflection is needed. Yes, the migrant, the migrant's family and the institutions of the destination country play a role. But so, too, does the sending country.

This contribution to the INTERACT project runs through the economic approaches to the labour market assimilation of migrants and the many actors which affect its success. It starts by covering the economic approach to labour market integration from the inside and then points to its limitations and attempts to bring out the role of the country of origin from the darkness where it has been hidden.

1. What economists mean by economic assimilation.

The word "integration" is rarely used in economic research. Economists prefer the word "assimilation", which has a clearer operational meaning. We do not intend to enter here into the long-standing European debate between the German model of "integration by separation" and the French model of "integration by assimilation": respectively, different languages at school and less involvement in the society of the destination country vs. strong linguistic and cultural involvement in the host society. We happily leave this important and rich debate to sociologists. A useful historical and critical survey is to be found in the Unterreiner and Weiner Interact report (2014/01) and in Garcés-Mascareňas, Penninx (2016) in the IMISCOEseries.

Economic researchers have not taken any position in the debate but by adopting Alba Nee (1997)'s definition of assimilation, a migrant group assimilates if there is a "reduction of differences between similar groups over time". They, therefore, seem to use assimilation with native citizens and workers as an appropriate model.

Economic researchers, mainly, focus upon assimilation in the labour market: there the participation rate, the employment rate and the unemployment rates, their duration and migrant wages are compared to a similar native. Additional topics are covered by economic research, like, for instance: the over education of migrants (are migrants too educated for the job they perform?); assimilation in the welfare state (do migrants use welfare benefits more than the natives? Are they likely to exit from welfare dependency at the same speed as equivalent natives?); housing and property use (do they rent and buy houses like natives? Do they buy a house earlier than natives? Are their properties smaller or larger than natives?); saving habits, etc. All these represent important indicators of economic integration in the destination and also in the sending country.

However, as we stressed before, labour market assimilation is also a priority, thus economic research is concentrated on integration in the labour market. Indeed, analyses generally compare the employment or wage profile of a migrant with the employment or wage profile of native workers with the same

characteristics. The analyses of wage assimilation are probably the most diffused and the most helpful because the remuneration, which the migrant worker receives, can be considered an aggregate index of his or her labour market integration. It, after all, captures both their experience on the job and any initial human capital.

2. How do economists measure labour market integration?

To approach the labour market assimilation of foreign workers longitudinal data are the most appropriate. Frequently longitudinal data are not available and repeated cross-sections are used. Naturally, in such cases more attention is needed to find a control group which entered the labour market in the same period and thus was submitted in the same economic cycle; or which represents the same worker in another survey, taking the cohort effect into account¹.

What is assimilation for an economist? This refers to migrants not receiving the same wage as a similar native (as in the initial point of both the red continuous and dotted lines of Figure 1), in his or her entrance to the labour market. But, little by little, they catch up and, at the end of a reasonable period, they achieve the native wage profile (blue line and continuous red line in Figure 1). More frequently, and this would be unsuccessful assimilation, the migrant begins with a lower wage than a comparable natives and remains permanently below that of a similar native. Another possible option is (dotted lines green in Fig.1) that the migrant enters the labour market with a similar-to-native wage but his upgrading options do not grow at the same speed, thus the wage differential increases as time goes by.

The first empirical researches on these matters were based on USA data (Chiswick 1978, Borjas 1985, 1994, 1999; Borjas *et al.* 1992, Card 1990, Dustmann 1994). Borjas and Tienda (1987, ?????p. 647). They look at how to best understand the integration process: 'assimilation refers to a process whereby immigrants acquire skills, including English proficiency and knowledge about the US labor market and other social institutions which ultimately will enhance their socioeconomic success and their earnings in particular'. The definition gives a fair idea of the economic approach, which uses human capital theory as its natural point of departure. The most frequent result is the under-assimilation of migrants, which is imputed to low human capital and also to discrimination. Later on the research was extended to the European countries, where again the prevailing result is under-assimilation.

The model that researchers use is a wage or employment equation where the change in the wage is explained by individual variables which control for the individual characteristics and additional

¹It is well known that when the wage profile is reproduced by using census data or repeated cross sections that three types of errors are present: the first is due to the average human capital cumulated before arrival by the cohort inamed vintage effect; the effect of the labour market variables which can be different upon arrival; and last the cohort effect . See LaLondeTopel (1992).

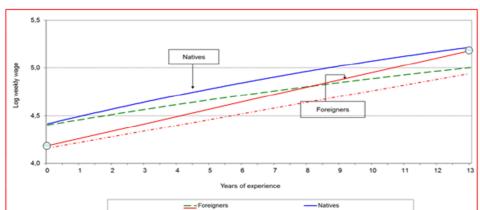


Figure 1: Wage assimilation of migrants

variables at a higher level of aggregation: these might include, for instance, the unemployment rate of the area where the worker works or lives, and other non-individual variables.

The approach is part of the human capital theory which interprets wage growth (the probability of being employed, unemployed, duration of employment) as the return of human capital embodied or acquired by the worker on the job or out of the job.

An example of a wage equation is included below. Here the dependent variable is the individual log weekly wage $[Y_{it}]$. This depends on individual time invariant variables $[\alpha_{it}]^2$, individual time variant human capital variables $[x_{it}]$ and a worker's job characteristics $[z_{it}]$. In addition, you can find controls for different macro-economic conditions $[m_{rst}]$, which affect both the region [r] and the sector [s] where the workers are employed and the size of the migrant's national community [c] in the destination area $[k_{crt}]$.

(1)
$$Y_{it} = f(x_{it}, z_{it}, m_{rst}, k_{crt}; a_i) + \eta_{it}$$

where f(.) is a function of the variables and the effects mentioned above and η_{it} is normally distributed with zero mean and it is independent from the variables and effects inside f(.).

The methods used vary from fixed effect, difference in difference, or the OAXACA (1973) decomposition. In the last case the differential between the two groups is subdivided into differentials due to different characteristics (older or younger, less educated or more educated, female etc.) or attributed to the coefficient that the characteristics hold in regression results. This second component

²Individual fixed effects replace the individual time invariant variable in a panel analyses which is, however, the more frequent and more accurate.

shows the differential in terms of the rewards (the price) that the market gives to different characteristics, depending on whether they are held by foreign nationals or natives. This is best illustrated by an example: the effect of tertiary education on the final wage of a worker can differ if he is a native or a foreigner. Let us imagine that the first effect is greater for a native than for a non-native. If, instead, the foreigner's coefficient is higher than the native's, it reduces the differential, while if they are lower it increases the differential: this is the case even if the two coefficients hold the same sign in the single wage equation.

The differential in the coefficients is, occasionally, interpreted as a discrimination indicator. It is inappropriate, however, because it refers only to the wage or employment differential not explained by the characteristics covered by the variables in the regression. Thus it can capture, for instance, the different quality of human capital, and other differences such as knowledge of destination country language(s), which are not measured correctly in the regression.

3. Which are the variable used?

The variables used in the empirical analyses depend upon the characteristics of the data set, but among the *individual variables* we typically find:

personal information: age, gender, marital status, number of children, year since migration or duration of stay, knowledge of the destination country language;

professional information: level of education (in the country of origin, in the country of destination), occupation (employed or not), type of occupation, sector of occupation, experience on the job, etc.; among the more *aggregate variables* the dimensions of the migrant's ethnic community, the characteristics of the diaspora, and macro-economic variables.

The *individual variables* are interpreted inside the human capital approach. Thus the older and more educated the migrant, the higher will be his or her wage. The higher their duration of stay in the destination country and the greater any experience on the job, the higher will be migrant integration. This is so because the variables in question measure the increase in human and professional knowledge, which favours both employment and its remuneration. Males frequently enjoy easier integration, being married with children also encourages integration for men, while frequently having a negative effect on female labour participation.

Education levels favour access to non-manual jobs, but over education is a serious problem, thus not having higher education favours a good job match. The years of education in the country of destination, instead, always have a positive effect because the human capital produced in the destination country is better tuned to the demand of the labour market. This proves, in fact, a better signal of worker productivity.

The knowledge of the language of the country of destination plays a positive and important role, especially in favouring the move to non-manual jobs.

Some sectors offer better opportunities for advancement: construction and agriculture and housekeeping offer far fewer.

Table 2 derived from research in the United Kingdom by Clark and Drinkwater (2008) shows, in the section below, the variable used to control the probability of being employed for different communities (age, education, marital status, children, religion, health). In the first part of the comparison with white natives, meanwhile, the differential in the average is decomposed in two parts due to different characteristics held by the two groups and the different effects that the characteristics have on the probability of getting a job. For some groups like, for instance, for Sub-Saharan Africans and Pakistanis these characteristics have little effect and the differential is due to the slight return of these characteristics. For the Chinese these different characteristics play, instead, a positive role.

Table 1 Male <u>Probit</u> Decompositions of the Employment Differential with White, 1991

		1991				
	Black Caribbean	Black African	Indian	Pakistani	Bangladeshi	Chinese
Differences in means	0.142	0.186	0.024	0.214	0.248	-0.005
Differences in coefficients	0.073	0.176	0.032	0.155	0.137	0.020
Differences in characteristics	0.070	0.010	-0.008	0.059	0.111	-0.025
Characteristics breakdown:						
Age	0.006	-0.016	-0.024	-0.008	0.010	-0.021
Higher qualifications	0.010	-0.007	-0.005	0.007	0.009	-0.015
Marital status	0.023	0.005	-0.030	-0.021	-0.019	-0.013
Dependant children	-0.001	0.001	0.010	0.011	0.013	0.004
Immigrant status	0.015	0.017	0.048	0.045	0.038	0.033
Region	0.012	0.014	-0.005	0.005	0.025	0.007
III health	0.005	-0.005	-0.001	0.021	0.035	-0.020

From: Clark, Drinkwater 2008.

The aggregate variables are in general of two types: they are related either to the migrant community or to the labour market. Controlling the labour market cycle becomes more and more relevant given the differential development that different sectors and different regions experience. Migrants suffer from lower wages and higher unemployment rates because they are employed in a declining sector, which offers very few carrier options. The migrant community can play either a positive or a negative role. If the community is measured in terms of employees, a competitive effect prevails and the larger the number of those employed, the greater the competition and the negative effects on wages. If, instead, we consider all those with a job and those without, frequently the community supports the migrant in his or her integration. It helps the migrant to find a house and a job. It helps in taking care of the children etc. and frequently has a positive effect on economic integration. Nevertheless the enlarged community can also reduce the positive effect on the human capital characteristics of the worker

migrant. This is so because it reduces contact with other communities and with the native population, thus reducing the possibility of learning the native language and of widening professional contacts, a crucial part of long-term socio-economic integration³. Very few studies analyse the role of the integration of the community in the individual integration of its members: Hatton *et al.* (2011), for instance, who finds a strong positive correlation⁴.

The lack of data conditions the modelling of the empirical test and to use richer datasets the empirical analysis is almost always limited to the country level. Many interesting and innovative papers have been based upon individual longitudinal datasets like the German Socio Economic Panel, or Social Security national data, which are limited to specific country or national labour force surveys with retrospective modules (Algan *et al.* 2010 in Germany, France, and Britain; Dustmann *et al.* 2010 in Germany and the UK; Shields 2002; Gevrek 2008, Bijwaard 2010 in the Netherlands; Amuedo-Dorentes 2007, Izquierdo 2009 in Spain; Venturini*et al.*2008 in Italy; Finnas 2007, Lundberg 2007 for Sweden; Kangasniemi 2013 for Finland, Germany, the Netherlands, and the UK; Longva and Raaum 2003 in Norway; Sarvimati and Hamalainen 2010 in Finland; Drydakis 2011 in Greece; Bevelander and Nielsen 2001 in Denmark; Cabral 2013 in Portugal). These dataset include hard information on the status and characteristics of migrants in the destination country and occasionally questions answered by the respondent on the sending country. While the first category offers hard information, the second depend upon the reliability of the respondent.

4 The traditional destination country approach and its problems

If too little comparative research is problematic, the concentration of research upon national case studies gets around an important limitation of this approach. We refer to the fact that labour market functioning, the welfare system, integration policies and the implementation of migration policies, which strongly affect the integration of all workers and particularly migrant workers, are not included in the empirical model. Fig.2 tries to sketch the relationship between the different components.

The migration policy defines the condition of access as labour, family member or refugee and thus determines the type and the number of foreign citizens that have the right to enter a country and its labour market.

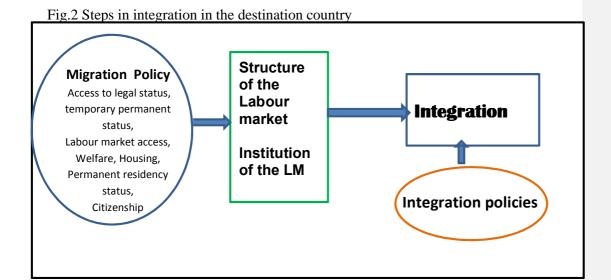
Different migration policies and different implementations and enforcements produce different expectation and attract different types of migrants, who are, generally, easier to integrate in the labour market. The presence of (repeated) amnesties, for instance, creates the expectation of an easy back door

³ Di Palo et al. 2006

⁴ For example Borjas 1999 shows that the higher performance of migrant workers is related to the higher ethnic capital of the community; Cutler *et al.* 1997 find that blacks in more segregated areas have significant lower outcome than blacks American in less segregated areas; but Edin *et al.*2003 found that living in an enclave improves labor market outcomes for less skilled migrants.

entrance⁵ and reduces the ability of the country to enforce criteria which favour the employability of the migrant.

As Lemaitre (2015) points out the different channels of entrance for migrants – family member, labour, refugee, student etc. – has a strong effect on their employability. His research, by using the 2008 EULFS, which includes the reason (channel) of entrance, shows that the integration of migrants entering for family reunification and humanitarian reasons is much lower than those entering as labour migrants. The last group, however, represents only 30% of the total foreign population, while family members form 50% and the refugees the remaining 20% (Lemaître, 2014). The large and frequently exclusive attention devoted to entrance rules for "labour" migrants and its link to the integration of migrants at large offers, it might be said, a distorted vision of the issue. By looking only at this aspect we do no efficiently analyse the causal effects of the limited integration and employability of migrants. In Sweden, trying to understand the lower labour market participation of refugees for instance, Edin *et al* 2002 study the effect upon the integration of refugee-migrants of a policy of redistribution in small groups around the country. The point of this strategy was to avoid the creation of an ethnic community, which has been blamed, in the past, for segregation. The strategy did not work in integration terms. The dispersion of refugees actually made integration more difficult and increased the need for support. The strategy was, thus, abandoned.



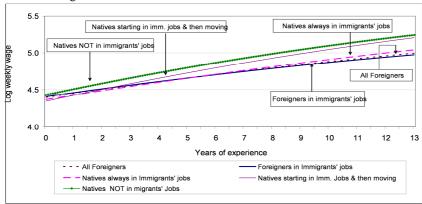
Other policies like the criteria for a permanent residency permit (i.e. 3-5 years of work) or citizenship of the country of destination (i.e. 5 to 10 years) also condition the type of migration flows that the country of destination receives. Citizenship acquisition favours settlement, but also stronger

⁵Borjas G., 1999, The Haven's doors.

integration. Citizenship acquisition also favour models of circular migration, between destination and origin countries and the possibility of searching for a job in another European country.

But different labour market structures and functioning also condition migrant assimilation. The high unemployment rates, or the availability of only low skilled jobs reduce the assimilation of foreign workers. The analyses of the wage differential between natives and foreign nationals in Italy (Strom, Venturini, Villosio 2014) shows clearly that the main reason for under-assimilation of foreign workers is entering employment in sectors without career prospects. Also, natives who enter employment in "migrant jobs" have very little chance of leaving that type of employment. Figure 3 shows the increasing wage differentials of similar workers (with the same individual characteristics) who enter the labour market in the same period and who are employed in different sectors. The sectors, where migrants represent more than 20%, are defined as "immigrants sectors" and natives and foreign nations employed in these sectors have the same wage profile. Thus it is the entrance job that determines the future employment trajectory of the worker: and if the economy of the destination country has only these jobs available there is no other option. The firm dimension, the sector composition of the demand for labour and the different role of trade unions also plays an important role in shaping the employment trajectory of the migrant. Last but not least there is welfare legislation, which defines the unemployment benefits that the workers who lose jobs can receive and for how long. The country case analysis cover all of this, but the lessons derived from one case are rarely exportable elsewhere because the structural differences are so very large.***

Figure 3 Wage profiles of similar individuals: male, entering employment at 18, in Northern Italy, in the Manufacturing sector.



From: Venturini, Strom, Villosio, 2014

Lastly there are the integration policies, which are mainly provided at the regional level. These help migrants in learning the language of the destination country, in training them for labour demand and so

forth. The need and the success of integration policies, of course, depend upon migration policies which decide who can enter the country and jointly upon labour market functioning that defines the jobs at the disposal of the foreign nationals. Their success depends strongly upon the structure of the country.

The only comparative research that takes the different types of welfare systems into account is very recent: Guzi, Kahanec, Kurekova, (2015). They use the EU Labour Force Survey and the Oaxaca–Blider methodology to define the native migrants differential in labour force participation, unemployment, low-skilled employment and temporary employment. After this they study the role of institutional variables on the explained differentials by migrant native characteristics and non-explained ones. They use four dummies to distinguish different types of capitalism: CME coordinated market economies; LME liberal market economies; MME Mixed market economies; and EME emerging market economies⁶. They also employ the index for Employment protection EPL, which captures labour market rigidities, unionization density and collective bargaining coverage, as well as openness to international trade and the importance of different sectors: agriculture, manufacturing and services.

All these variables are significant in explaining both the explained and the unexplained differential between native and foreigners in employment, unemployment, low-skilled jobs and temporary jobs. To proxy the role of the country of origin the authors also introduce five aggregate dummies to capture the origin area of the migrants. The results are impressive because the majority of the variables are significant and explain something like 0.9-0.75 % of the residuals (see figure 4 and 5 of the paper pp 22-23). This implies that, taking into account the structure of the economies of destination and the different human capital characteristics of the migrants, the differential in employment participation is very small.

At national level analyses are easier because the main differences are controlled for but the integration policies are defined at local level according to the needs of the local environment and thus their effects vary according to the peculiarity of the area and in this way controls at local level are needed for differential interventions. In addition migrants of similar nationality or area of origin are concentrated in the same local area and it is impossible to consider migrants as a single group. This is, first, because they have different average characteristics; but, second, because the country of origin affects the performance of the worker in many ways.

The role of the country of origin is not in theory because it is an individual approach nor in the modelling even if the policies implemented by the country of origin are embedded in many variables which affect the integration of their movers.

5. The role of the country of origin

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⁶ In particular, the nineteen CME EU countries includes Austria, Belgium, Germany, Denmark, Finland, Luxembourg, the Netherlands, and Sweden; LME includes Ireland and the United Kingdom; MME includes France, Greece, Italy, Portugal and Spain; and EME includes the Czech Republic, Estonia, Hungary and Slovakia.

The effect of migration in the country of origin is dealt with extensively in the analyses of the effect of migration. These point to: the positive (or negative) effect of the reduction of the population in search of jobs, which frees up resources for the remainders; the positive (or negative) effects of monetary remittances, which finance consumption and production; the effect of social remittances on political participation and fertility⁷; the risk of brain drain or of brain gain with the outflow of highly-skilled migrants. This is not a complete list, by any means, but it includes some of the most important points. The analysis also cover the policies implemented by sending country governments to favour the return of migrants. An example here might be the United Nations programme TOKTEN (for more see Fakhoury 2015). This temporarily attracts professional migrants back home to train native workers and students and offers other programmes to attract both migrants' human and physical capital for the development of the origin country.

No systematic research *explicitly* covers the role that the origin country plays in favouring migrant integration, directly or indirectly.

A specification of the migrants integration by country of origin is frequently used in the empirical analyses. But the country-fixed effect on migrant wages, see for instance Table 2 – derived from one of the few pieces of research which combines different destination and different countries of origin (Algar*et al.*,2010) – does catch everything: different cultures, different religions, different natural abilities and last but not least the government or association interventions or relatives actions to favour

Table 2 Log Net Hourly Wage by country of destination and country of origin fixed effects								
France	Male	Female	Germany	Male	Female	UK	Male	Female
Maghreb	-0.161***	-0.089**	"German" Immigi	-0.119***	-0.138***	White	-0.034***	-0.055***
			CEE & other non-					
Southern Europe	-0,016	-0,002	EU16	-0.128***	-0.112**	Indian	-0.269***	-0.236***
Africa	-0.262***	-0.227***	Turkey	-0.076***	-0.169***	Pakistani	-0.342***	-0.213***
Northern Europe	0,059	0,058	Other EU16	0.094***	0.048***	Black African	-0.435***	-0.318***
Eastern Europe	-0,052	-0.164***	Former Yugoslavi	-0.173***	-0.094***	Black Caribbe	-0.216***	-0.087***
Turkey	-0.099**	-0,072	Italy	-0. <u>156*</u> **	-0.081***	Bangladeshi	-0.553***	-0.214***
Asia	-0,063	-0,052	Greece	-0.205***	-0.205***	Chinese	-0.274***	-0.173***
Observations	24.579	22.881	Observations	190.589	165.996	Observations	331.043	347.006

Note: these are the coefficients of dummy variables in an earning equation with as covariates: age, full-time education, a quadratic as potential experince, and time and country dummies. Sample aged 16-64. Robust estinates, *** significant at 1%, ** at 5%, * at 10%. From Algar, Dustmann, Glitz, Manning 2009, p.28

⁸ Boeri, Brucker, Doquier, Rapoport 2013 and Fargues Venturini (eds) 2015

⁷Spilimbergo 2009, Fargues 2007

migrant integration⁹. Table 2 shows that, in France, the countries fixed effect is significant and negative only for Turkish, African and Maghreb male migrants. It is not significant for male northern and southern Europeans, and eastern Europeans and Asians. This result implies that migrants coming from Europe or Asian are not statistically different from natives. For female migrants from Eastern European countries there is a disadvantage in terms of remuneration. In Germany and in the United Kingdom a similar picture emerges. All areas of origin show a disadvantage in wage terms. In Germany the main disadvantaged groups are Italian and Greek male migrants as well as Turkish women and ethnic Germans migrants. This result should be taken as a general indication of a country fixed effect but with a finer control using more variables. For instance, the duration of stay could produce different results and reduce the size of the coefficient or even reduce its significance, but it shows that there is something left unexplained. Zorlu and Hartog, (2012), find, instead, that the introduction of the country of origin made the education variable irrelevant in the employment assimilation of migrants in the Netherlands.

5.1 The actions of the actors of the country of origin is already included in many explicative variables. If we look at the variables used in the assimilation regression, see Figure 4, many of them are openly or less openly part of the policy that the actors of country of origin implement to help or hinder the integration of migrants. The education and the knowledge of the language spoken in the country of destination are part of an educational policy undertaken by the country of origin that can favour international mobility. The duration of stay is again strongly linked to the policy that the country of origin implements to favour settlements in the destination country, circular migration or to favour returns home. A government that accepts double citizenship favours the move from one country to the other; governments that force citizens to give up their citizenship on acquiring another oblige, instead, the foreign national to a more permanent move and a more total form of integration.

Figure 4 Variables used in the analyses of the assimilation of migrants

Variables	Effects	Links
Individual variables		
Age	(+)	
Gender		
Education	(+)	Country of origin
Language	(+)	Country of origin
Experience	(+)	
Occupation	(+)	Country of origin
Duration of staying	(+/-)	Country of origin
Selection of the return	(+/-)	Country of origin
Aggregate		
variables		

⁹The countries fixed effects can overstate the specificity of the migrants group from a given nationality because the regression of the Net hourly wage controls only for education and gender and first generation and second generation, regional and time dummies.

Ethnic Community	(+/-)	Country of origin
Role of Diaspora	(+/-)	Country of origin

2.2 Explicit inclusion of the country of origin link.

The only *explicit way* in which economic research has taken into account the sending country is: in modelling the decision to remain in the destination country; and in looking at how this decision changes migrant quality (in economic terms) for the best or for the worse. This is crucial for quality composition analyses of the migrant groups who choose to remain, and their moves towards integration. If the best leave, of course, the results will be under assimilation: if, instead, the worst move you will find over assimilation, induced by migrant quality selection. The father of this strand of research is Christian Dustmann (2003) who tried to explain the decision of the foreign workers to remain or leave a country of destination. In this respect the country of origin plays a very important role by favouring return, keeping the link with the migrant and attracting them back: but the family, if it is still located in the country of origin, can also play a vital role. Several scholars use different instruments according to the information available in the dataset at disposal: some use family members at home mainly children and partners, while other authors use variables better linked to labour market trends, for instance job positions in the destination country and the creation of jobs and wage growth in the origin country (Dustmann 2003, Constance *et al.* 2003, Venturini *et al.* 2013, De Hass *et al.* 2011, Dustmann *et al.* 2007).

To control selectivity a two-step analysis is done. In a first regression the return decision is modelled and estimated and then in the assimilation equation a control for the probability of return is added (IV instruments). Research has marked both results. A negative selection, namely that the migrants with worse performance remain, has been found for instance in Germany (Constance *et al.* 2003) and in Italy (Strom *et al.* 2014) by using different datasets and variables to model the origin country's attraction.

In this way we find some direct effects from the actors in the country of origin, namely Government, Associations and Family members in favouring return: but rarely a more precise indication of adopted policies to favour a return to the origin country or permanent settlement. No experiments have been carried out to see whether the introduction of, say, a more open migration policy would allow circular migration or favour both return and settlement.

The inclusion, in the assimilation equation, of the control for selective return is very important. It changes our approach to assimilation by breaking down migrant moves into various phases, and by showing that a migrant decision to stay or go is not necessarily permanent. It is well known that

migration is not always a permanent move, and according to the OECD report¹⁰ between 20% and 50% of migrants return home or at least leave the third country. Some countries have better records at keeping up migrant inflows and in transforming them into permanent settlers: for instance, the USA, Canada and New Zealand. This is related to the more impressive job options available in these labour markets, but also to the bilateral relationships which link countries of origin and destination.

5.3. The impact of the country of origin actors

As Figure 5 points out, country of origin actors are of different types and can play different roles.

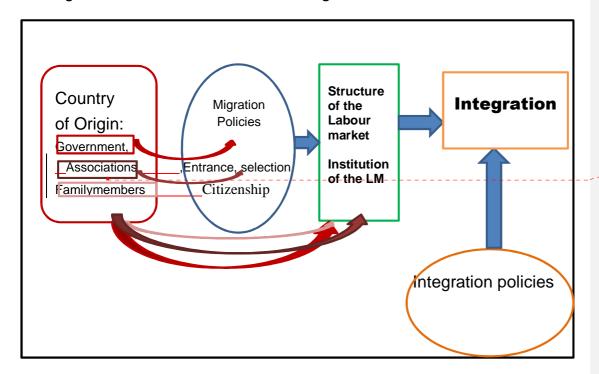
- -Origin governments can affect the migration policy of the country of destination countries by negotiating specific compositions by type of migrants as labour, family members, students; by pushing for special conditions of entrance or quota and of stay for their citizen through bilateral agreements; accepting or declining the double nationality conditions; defining double taxation rules; and establishing portability of pension rights etc. (First arrow in Figure 5). If they are in the European neighbourhood, they can even intervene inside the EU Neighbourhood policies, which take actions into account which favour the development of the countries and favour the increase in human capital.
- -Also associations can affect the migration policies of destination countries by, for instance, lobbying for changes to destination legislation: this might be on matters concerning labour entrance and family reunification. They operate by using the diaspora abroad, but the initial push is based in the origin country. (First pink arrow in Figure 5)
- Government institutions can also favour the employment of potential migrants (second arrow in Fig.5) through the public organization of job search services. These might negotiate and organize international recruitment, like ANAPEC in Morocco. Failing this they will, at least, direct the individual job search. In addition they also organize voluntary or compulsory, in the case of Filipino migrants, pre-departure training, which helps integration in the destination country by providing information on language, habits, legal system and necessary skills. Or they might organize training after the job offer is defined as part of international labour agreements, as is done in Colombia¹¹.
- -With educational policies the origin institutions can favour an increase in human capital, the knowledge of the language of the destination country and also the employability of migrants.

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¹⁰OCDE report 2008.

¹¹ See MISMES General inventory for a survey of the measures taken by sending countries to favour the employability of migrants.

Figure 5 The actors and instruments of integration



Formattato: Italiano (Italia)

-In this field associations can favour job searches and workers' skill matching. They can organize specific training courses for potential migrants. There are different types of organizations: some of them are linked to ethnicity, others to the religion of the migrants, some have antennae in destination countries, other in sending countries, All, though, in different ways, try to support the move of migrants and favour the migrant's integration in the national community in the destination country or at best in the destination country more generally. The Pilipino community offers a good example of support: it organizes job placing services; legal setting training; language training; money transfers (it also lends money); and supports, too, those who do not have an active family network.

- -A similar role is taken up by the family or the extended family, which is connected with the diaspora abroad.
- -The support of actors by origin country Governments, Associations and families is very important not only before the move but also during the move. Support will favour the best settlement of migrant inside the country of destination and favour, too, job matching.

All these actions are very difficult to measure. But if the observable characteristics of migrants are the same and a large differential exists between the integration of migrant workers a great deal can be imputed to the actions implemented by sending countries actors. Note the strong fixed effect in Table 2.

This analysis become even more important when social research stresses the trans-nationalism of those migrants who remain in between two countries: that is they are part of two different social contests with friends and relatives on both sides of the world¹². In the economic approach the migrant move is implicitly for good. The migrant is permanently in the destination country and can be compared to a native workers who was born there and who has remained there. Only the correction for the probability of return introduces some flexibility and reality. Both these hypotheses are questionable: the migrants do not necessarily remain in the destination country for good and, in any case, native workers move abroad. Thus assimilation can come about through many temporary stays and the sequence can be broken.

In addition, it is important to stress that many countries of origin have changed their attitude towards migrants and the narrative around migration. In the past they considered migrants to be "traitors" or just temporarily outside the country and sending remittances (e.g. Morocco). More recently some of them, for example Turkey and Morocco, have become proactive in supporting migrant integration in the destination country. The reasons that pushed this change of attitude were various: because the possibility of integration after return are becoming increasingly difficult. Few jobs are available in the homeland and, in addition, a better integrated community can favour foreign investment in the homeland, higher levels of remittances (as with the Philippines) more job options abroad for nationals: thus migrants are now "ambassadors" of the origin country.

The narrative of migration is very important, as well, because it shapes the attitude of the migrant and of the migrant community versus the sending country, and induces virtuous behavior. How can we control the concrete action of the country of origin in favouring integration. This is difficult to operationalize even if discourses on the subject are very important.

5.3 Phases and functions which contribute to integration

In this section we try to understand the impact of the country of origin in favouring the integration of migrants. Martin and Makarayan, in the project MisMes (2015), ¹³ try to understand the policies carried out by different actors in the country of origin. They distinguish three phases: before, during and after migration. We would like, instead, to distinguish the different functions that the country of origin interventions play in the economic integration of the migrant. These can be developed before or even after migration and the match but they, nevertheless, favour the integration.

¹²See Steve Vertovec 2009.

¹³MARTIN, Iván; MAKARYAN, Shushanik 2015 Migrant support measures from an employment and skills perspective (MISMES): Global Inventory with a focus on countries of origin, ETF.

Figure 6 Functional breakdown of action which support the employability of the migrant

a-Creation of labour-, human- or social-capital suited for a better match and increase in technical productivity

- a-1 education
- a-2 professional training, general or specific ex-ante or ex-post match
- a-3 specific legal training in the type of legislation migrants will face in destination labour market training in the destination language

b-Creation of general and social human capital

- b-1 general training in the destination language
- b-2 Training in the social habits prevailing in destination countries

c-Affecting the migration legislation of the destination country

- c-1 legislation which defines access to the country and its implementation
- c-2 legislation and implementation which defines the stay in the country: namely different types of residence permits, their duration etc.
- c-3 Citizenship legislation acquisition and related rights

d-Favouring the Match

- d-1 supporting action which favour the entrance of natives
- d-2 helping migrants in favouring their match by job search projects

e-Favouring upgrades

- e-1 The narrative of migration in the country of origin should be positive "ambassadors"
- e-2 Supporting the community with consular offices and association: lending money for investment.

Let's start with actions that favour the creation of human capital (Group **a** Figure 6). These included school education or special technical courses; destination country language courses; and courses in the legal system and labour contracts. These actions favour the employability of the potential migrant abroad and are organized by the Government but also some associations can support these activities.

The second group (**b** in Figure 6) include all actions that favour human and social capital: namely language knowledge and introductions to the destination society. These types of training are frequently extended to reunified family members who do not receive professional information on how to do job searches. This type of training increases the employability of a given migrant but not like the first one which is targeted specifically to it.

We already discussed instead the actions that can be carried out by the Government of the country of origin and associations (**c** Figure 6) to make origin country legislation more migrant friendly. This might mean: fixing preferential quotas; preferential access; and so forth. On this group we can also include the lack of education degree recognition, which are frequently said to be at the root of migrant discrimination. The subject is very complex and this is not the place to examine it, but the recognition of the level and quality of education depends on formal agreements between sending and destination countries.

Country of origin actors can favour job matching. All family relatives in destination and in origin countries, associations and the Government itself can support the migrant in finding a job and in particular the most appropriate job in terms of skills honed in the origin country (**d** Figure 6). This is a very important step in the integration process, especially thinking of potential future upgrades (**e** Figure 6). As we showed above finding a first job which does not provide any career opportunity is one of the main reasons for the under assimilation of migrants. Sending country actors can also play an important role in protecting the labour and social rights of migrants in the destination country: fighting against worker exploitation and pushing for an increase in migrant social and political rights. The community itself can act democratically, in the destination country, through local elections, interventions in newspapers and local protests to defend migrants rights. There is no question that the support of associations, of the sending country government strengthen their impact.

An interesting example of a country which takes great care over its migrant citizens are the Philippines. The Philippines government targets low skilled jobs in the care and house sector in many destination areas both in Europe and the USA and the Gulf countries. For this reason, it trains its future migrant workers for that type of job with language courses, legal courses on the rights and legislation of the country of destination and on the professional skills demanded by that type of job. All of this is possible because the migrant is obliged to receive government authorization for legal migration, and moving legally is much less costly than moving illegally. After departure the associations and the family play an important role in job matching and in job allocation and support the migrant worker during their stay. The association acts as a placing agency, receiving labour demands and finding appropriate workers. They do not feel responsible for each single worker and they tend to maximize the total output for the community. In this way the result of their activity is more efficient, the Filipino community has one of the higher employment rates, but the care and family service sector do not offer upgrade options. The narrative of the migration process has not changed in many years. The objective of the government is to create the "super maid" and remains limited to low skilled workers. It seems a successful story, at least for the first generation, but given the professional reproduction of the community – children continue in the same sector – it is questionable in the long run.

Chinese migration is low skilled because Chinese students return back home as they have interesting job options there. But they also return because their project was always conceived by actors in the country of origin as an acquisition of human capital, not as a step in a migration project.

The Moroccan Government has changed the narrative of the migration of their citizens, even if the acquisition of a foreign citizenship does not imply the loss of the Moroccan citizenship. Let us say that a Moroccan citizen remains Moroccan all his life. The Government also has a labour placing agency the Anapec which help the potential migrant in finding a job abroad. In some periods it was more active and efficient, in others less so. Tunisia negotiated a quota of migrants for Italy trying to favour Tunisian emigration but the quota was rarely filled. It is too early to determine the effect of the just signed partnership agreement between Italy and Egypt: it remains to be seen whether it will play a role in the integration of Egyptian workers, who frequently entered with just a tourist visa for a seasonal work.

6. Conclusion

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In this paper we have stressed that policy makers need a comprehensive approach to migrant integration, where the roles of all actors are taken into account and where all possible actions undertaken by them before, during and after migration are controlled for.

The integration of migrants depends on more than just integration policies, often organized locally. Labour market functioning and the selection at entrance into the destination country are crucial for understanding whether "integratable" migrants are let in or not. In this process the role of the country of origin with its institutions, associations and extended family is most important. This role has been generally neglected with an alternative focus on integration policies. They act in an environment created by the labour market, migration policies in a broad sense and country of origin actors.

It has become crucial to develop a comprehensive approach. This is the objective of the INTERACT project: a larger set of policy options for countries of origin. These might include: bilateral agreements; investment in training and education before migration in origin countries; and in job placing agencies. Organizing these type of interventions after arrival and after difficult phases of integration are much more costly for migrants and for destination countries.

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