

# Opening Doors and Minds: Urban Migrant Inclusion in Policy and Practice

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# Introduction

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- ❑ Enormous potential benefits of migration in host countries:
  - Compensates labor shortages in OECD: impact on public finances and pension systems.
  - During 2000-2010, migrants accounted for more than half of the growth in the labor force of OECD countries (Dustman, 2012).
  - Further future demographic challenges: the old-age dependency ratio will double in the EU by 2060 (European Commission, 2015).
- ❑ However, there are important challenges in order to reap those potential benefits:
  - Natives' negative perceptions of immigration.
  - Barriers to immigrant integration, many of them at the local level.
- ❑ Cost: Projected increase in immigration, in Europe in particular (from 7.5% in 2000 to 14.1% in 2050). Docquier and Machado, 2015.

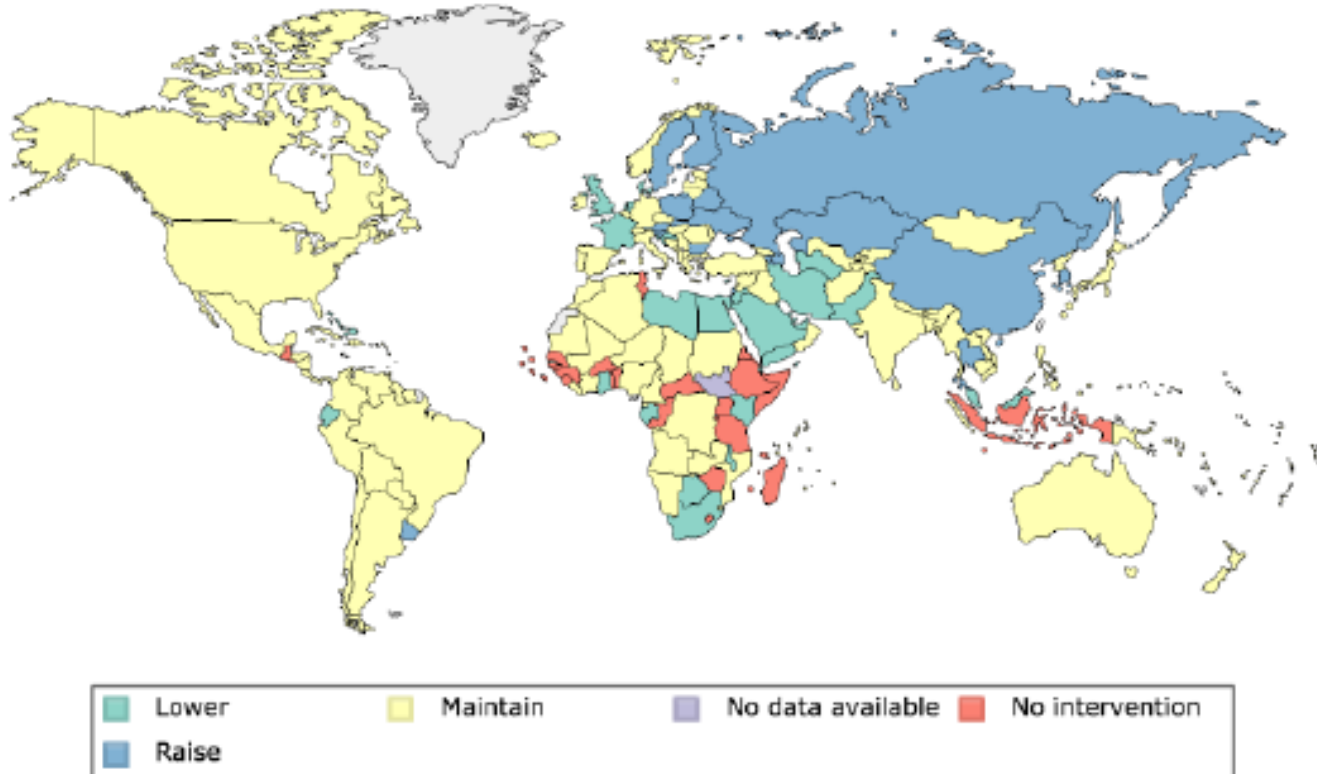
# Want to engage in a conversation about:

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- 1. Attitudes to immigration? Based on? impact on migration policy?
- 2. Relationship between integration success and attitudes?
- 3. National and local perceptions?
- 4. Space for innovation? Can barriers to integration be lowered?
- 5. Can local governments navigate urban political economies?

# 1. What is the Migration Policy Stance?

**Policy on immigration, 2011**  
(Source: United Nations, World Population Policies Database)



- ☐ Strong status quo bias (1976-2013):
  - 54% of countries have policies to maintain the levels of immigration (vs 24% that pursue a reduction, 7% an increase and 16% have no policy).
- ☐ High GDP countries have a more interventionist stance.
- ☐ Policies are favorable to skilled migrants (regardless of whether countries have scarcity or abundance of skilled labor).

# What are the natives' attitudes to immigration?

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- ❑ General negative views of natives on the current level of immigration and its impact:
  - $\frac{3}{4}$  of British want a reduction in migration levels (Migration Observatory, 2015).
- ❑ European Social Survey (2002-2010)
  - Pro-Immigration variable: To what extent do you think your country should allow people to come and live here?
  - 1=none, 2= few, 3=some, 4 many.
  - The average in the vast majority of European countries is between “few” (2) and “some” (3).

# What explains attitudes to immigration?

	(1)	(2)	(3)	(4)
	socio-economic background	labor-market drivers	labor-market plus welfare-state drivers	non-economic drivers
Dependent variable	pro-immigration opinion			
age	-0.0024*** [0.000]	-0.0026*** [0.000]	-0.0026*** [0.000]	-0.0015*** [0.000]
male	0.0194*** [0.006]	0.0403*** [0.008]	0.0404*** [0.008]	0.0212*** [0.005]
years of education	0.0415*** [0.002]	0.0282*** [0.005]	0.0257*** [0.005]	0.0200*** [0.001]
years of education*RSC		0.0222*** [0.008]	0.0264*** [0.008]	
household income quintile	0.0349*** [0.003]	0.0352*** [0.003]	0.0558*** [0.012]	0.0185*** [0.003]
household income quintile*RSC			-0.0353* [0.020]	
Immigrants Enrich Cultural Life				0.0795*** [0.002]
Immigrants Make Country Better				0.1045*** [0.003]
Constant	1.8817*** [0.024]	1.8915*** [0.023]	1.8900*** [0.023]	1.1691*** [0.019]
Observations	143,906	106,405	106,405	137,119
R-squared	0.136	0.148	0.148	0.350

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1. All regressions include NUTS1\*year fixed effects. Standard errors in brackets are clustered at NUTS1\*year level. The variable *pro-immigration opinion* is the average for each individual of answers to the following two questions: To what extent do you think [country]'s people to come and live here? To what extent do you think [country] should allow people of a different race or ethnic group as most [country]'s people to come and live here? Possible answers are: none=1, a few=2, some=3, many=4. The *RSC* is the relative skill composition of natives to immigrants.

# What explains attitudes to immigration?

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- ❑ Economic factors: impact on welfare system and labor market.
  - The more educated and income, the more favorable people are to immigration.
  - The lower the share of skilled migration, the more educated natives hold favorable views (consistent with labor market competition).
  - The lower the share of skilled migration, more opposition among richer natives (repercussion on welfare system –tax adjustment mechanism).
- ❑ Non-economic factors: cultural threats, racism, etc...

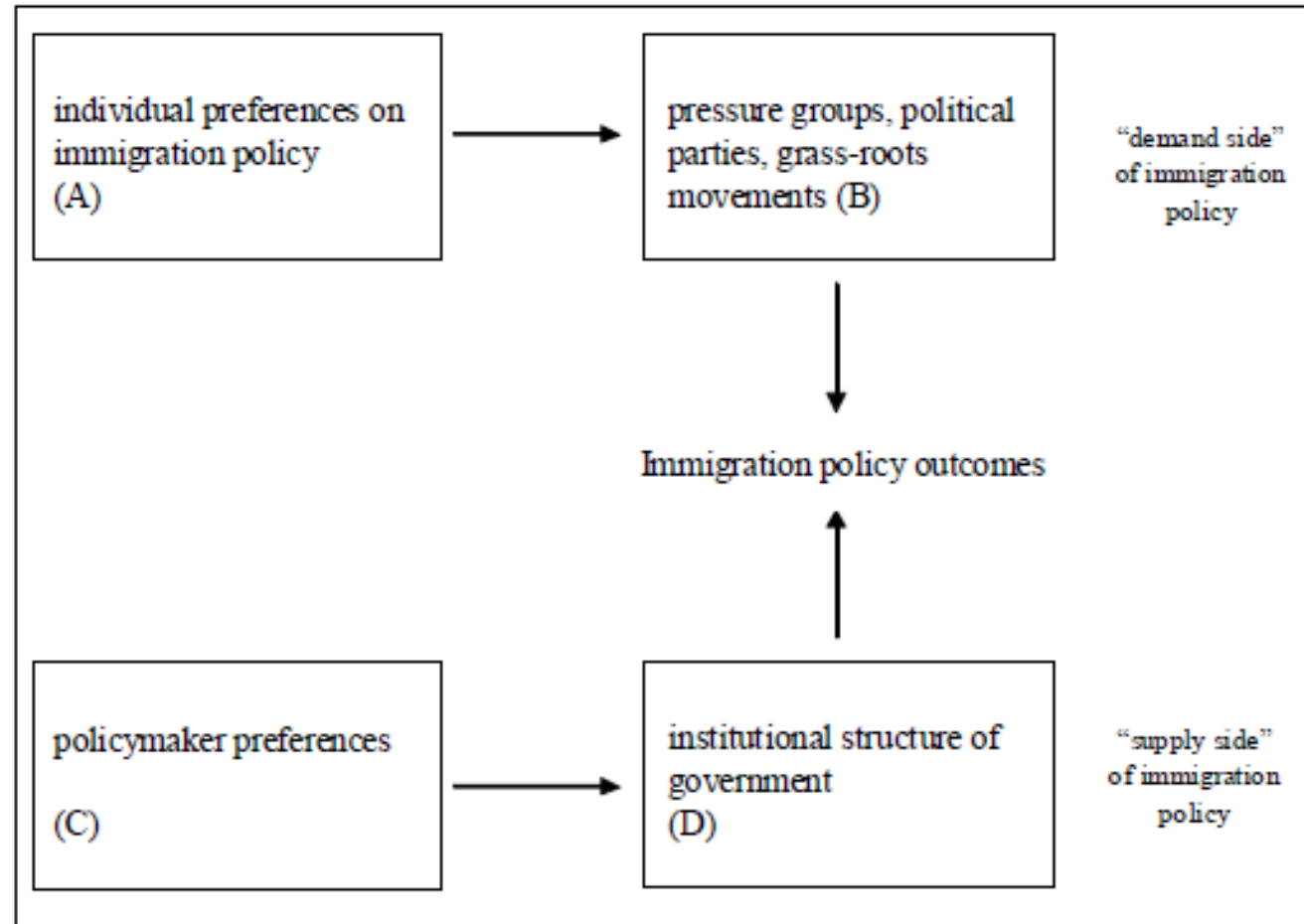
# Perceptions are based on biased facts

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- ❑ Voters think the levels of immigration are much higher than they actually are:
  - In the US (28% vs 12%). Sides and Citrin (2008).
  - In France (28% vs 10%) and UK (24% vs 8%). European Social Survey (2002).
- ❑ Voters also overstate the impact of migration compared to what evidence shows:
  - Actual impact of migration is small (Card (2001), Dustmann, Frattini and Preston (2013), Ottaviano and Peri (2012)).



# Determination of immigration policy



# Do individual attitudes to immigration shape migration policy?

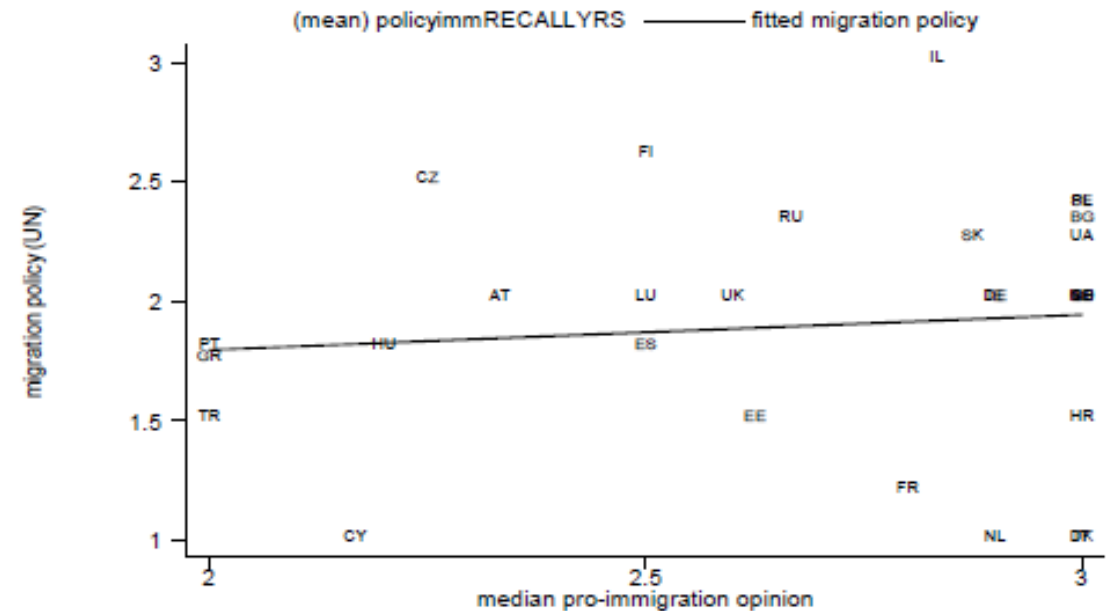
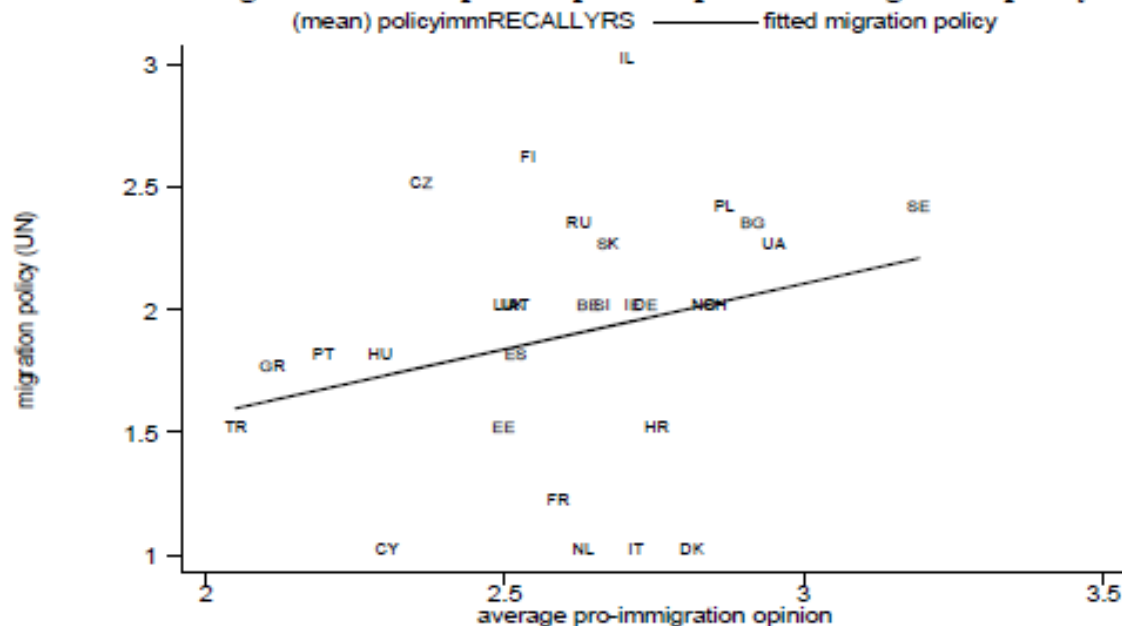
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- ❑ In democratic societies, individual attitudes play a key role in shaping governments interventions.
- ❑ In countries where the median voter and, in general, public opinion are more favorable to migration, governments' policies tend to be more open.
- ❑ Attitudes are shaped through the participation of individuals in society and, as such, they are influenced by public discourse and the media.

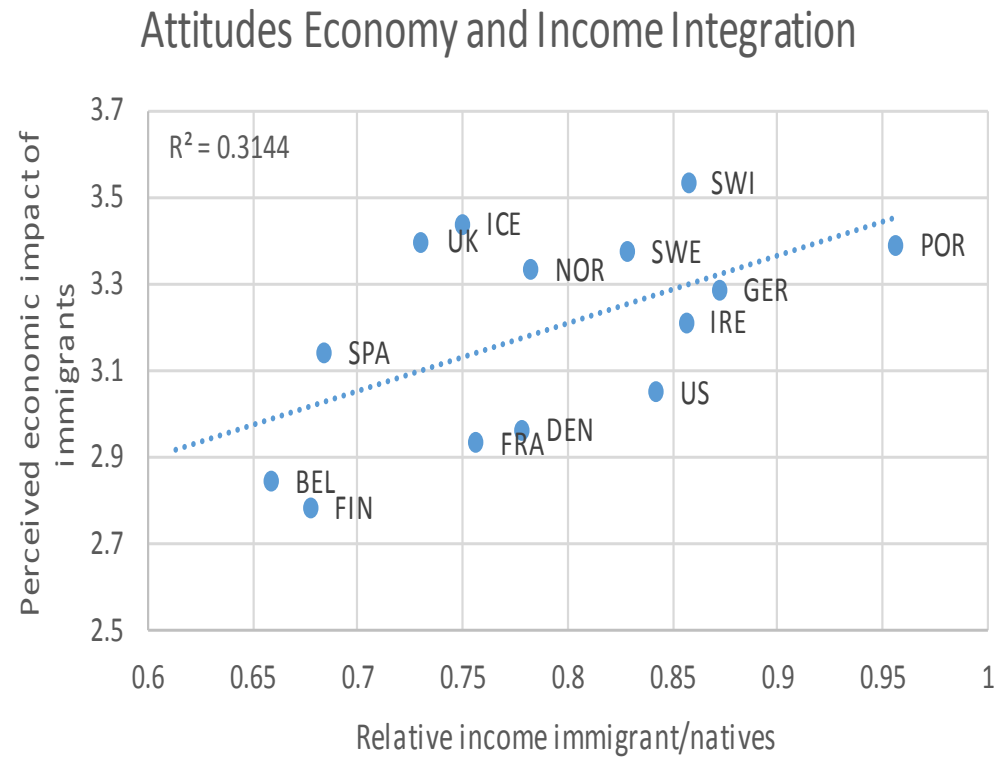
# Beyond the median voter theory: the role of 'extreme' groups

- Higher correlation between immigration policy and mean voters' opinion than median citizen: higher weights of outliers or "extreme" groups.
  - Role of interest groups in further moving the debate on immigration.

**Figure 4: The impact of public opinion on migration policy**



## 2. What is the nexus between attitudes and integration?



Sources: ISSP survey on perceptions of immigration and OECD.

- Strong correlation between natives' attitudes and immigrants' integration (gaps in employment/income).
  - Still holds after controlling for variables that affect:
    - Attitudes (e.g. GDP per capita)
    - Integration of immigrants (e.g. duration of stay in the host country, country of origin).
- Bi-directional:
  - Attitudes affect integration through impact on migration policies and direct discrimination.
  - Integration affects attitudes by varying immigrants impact on host society .

# 3. Gaps in immigrants' integration (I)

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□ Immigrants lag behind natives in many socio-economic outcomes:

1. Access to affordable housing:

- Immigrants settle in big urban areas where house prices are more expensive.
- Lower ownership rates (e.g. in the UK 43% vs 68% for natives): No benefits of intergenerational transfers and increases in land prices (Florida, 2012).
- Difficulties in accessing formal rental markets and public housing (CEP, 2010).

2. Education and other public services:

- Lower access to healthcare (55% less expenditure in the US, Mohanty et al., 2005).
- Lower scores and higher dropout rates in most OECD countries (exceptions of countries targeted migration policies towards high skilled workers: Australia, Canada).

# Gaps in immigrants' integration (II)

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## 3. Labor market:

- Huge wage differentials with respect to natives (40-50% less in many OECD countries, Adsera and Chiswick (2007), Lubotsky (2007)).
- More likely to be unemployed (two to three times, OECD (2007), Eurostats (2009)).
- Over-qualification is more prevalent (OECD, 2007).
- Entrepreneurship as a strategy to overcome discrimination in the labor market but lower survival rates (Breem, 2009).

## 4. Citizenship and inclusion:

- Only 60% of long-term immigrants in OECD countries obtain the nationality (OECD, 2015).
- Beyond citizenship, inclusion in the social and political structures is insufficient.

## ❑ Slow and inconclusive convergence the longer immigrants stay in the country:

- Second generation immigrants in certain countries and from specific groups show limited progress: e.g. North Africans in France.

# 4. Why the gaps? Some barriers to integration

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- ❑ Legal and regulatory restrictions
  - Residence status, zoning rules, bureaucratic procedures, ...
- ❑ Access to finance
  - Lack of credit history, information asymmetries.
- ❑ Segregation: impact on access to education and labor market outcomes
- ❑ Differences in language and culture
- ❑ Lack of networks
- ❑ Discrimination.
  - Price premium and access restrictions in the housing market, hiring discrepancies among employers (Bertrand and Mullainathan, 2004).

# Space for innovation: Key role of local integration policies: Housing

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- ❑ Successful policies involve a wide range of stakeholders: social and religious communities, NGOs and private employers.
- ❑ Housing and urban planning:
  - Inclusionary zoning programs (*Washington D.C.*).
  - Intermediation between renters and landlords: acts as a guarantee and avoids discrimination (*Dublin and Antwerp*).
  - Community land trusts to avoid displacement due to gentrification (*Brussels*).
  - One-stop-shops PPPs: subsidies, outreach, counseling.
  - Policies to avoid isolation of migrant neighborhoods: Mobility programs, public transport (*Toronto*) and marketing campaigns of migrant districts (*Wheaton*).
  - Bottom-up urban renewal programs



# Key role of local integration policies: Intermediation in the housing market

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- Main challenges for immigrants in the housing market: lack of credit records and discrimination.
- Dublin and Antwerp have created social housing agencies that serve as intermediaries between renters and landlords.
- Key features:
  - The agencies guarantee the payment
  - They can partially subsidize rents (in the case of the program in Antwerp)
  - Directly sign the contracts
- As they act as mediators, they mitigate discriminatory and exclusionary behaviors of landlords.

# Key role of local integration policies: Education and public services

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- Municipal IDs for undocumented migrants to access public services.
- Community-based outreach and multi-linguistic system.
- Active engagement of parents in education (*Paris, Avvisati et al., 2013*).
- Increasing quality of schools with high share of migrants to attract native students (*QUIMS, Zurich*).
- Mentoring programs (*“Ethnic mentoring”, Netherlands and “Teachers with a migration history”, Hamburg*).

# Key role of local integration policies: Getting parents involved in education

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- Parental engagement is key for students' attainments.
- However, immigrant families often lack the knowledge on how to navigate the education system.
- In New Zealand and Switzerland: Community liaison coordinators were created among parents of the same ethnicity to intermediate with the school (Drexler, 2007).
- Avvisati et al. (2013):
  - Simple and low-cost program in the immigrant neighborhood of Creteil, Paris.
  - Three meetings where the school provided information and advice to parents on how to monitor and incentivize children's work.
  - It reduced truancy, improved motivation for school work and created positive externalities as it affected all pupils including those whose parents did not participate.

# Key role of local integration policies:

## Labor market

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- Introduction programs: language and cultural lessons combined with active labor market programs (ALMP) (*Sweden, Andersson Joona and Nekby, 2012*).
- Targeted ALMP to migrants can have much larger effects than general ones.
- Promotion of immigrant networks (*Bremen Mentors for Migrants*).
- Local government direct hiring provides opportunities while promoting diversity that reflects the population.
- One-stop-shop for entrepreneurs (*EnterpriseHelsinki, Ethnic Minority Business Service, Bolton*).
- Guarantee quality assurance for entrepreneurial access to credit (*Terrasa*).

# Key role of local integration policies: introductory programs

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- Aimed at facilitating recently arrived immigrant to enter the labor market.
- Tackle several barriers: language and cultural differences, lack of networks and information.
- Potential costs: can be distortionary (attendance is often promoted by remunerating participants, which can create incentives to stay longer).
- Trial Introduction Program in Public Employment Services in Sweden (2006):
- Key innovative features: combines (i) intensive counseling, (ii) flexible language training tailored to their occupation-specific needs, and (iii) ALMP training.
- Results: compared to regular introductory programs, it increases 5pp the likelihood of attaining regular employment and also the probability of entering further training programs (Andersson Joona and Nekby, 2012).

# Key role of local integration policies: Citizenship and inclusion

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- Cities' abilities to forge this pathway are limited
- However, efforts to identify and address the needs of newcomers can create a pathway to unofficial citizenship and belonging at the local level.
- Municipal IDs (*New York City*).
- Shifts in public dialogue and encouragement of migrant long term residency:
  - “Welcoming America” Initiative: guide cities hoping to expand on an initial declaration of acceptance with meaningful welcoming policies.
- Several cities have been pioneers in improving the visibility of immigrants on municipal agendas (*Barcelona Interculturality Plan*).
- Inclusive governance bodies (*Diversity onboard*)

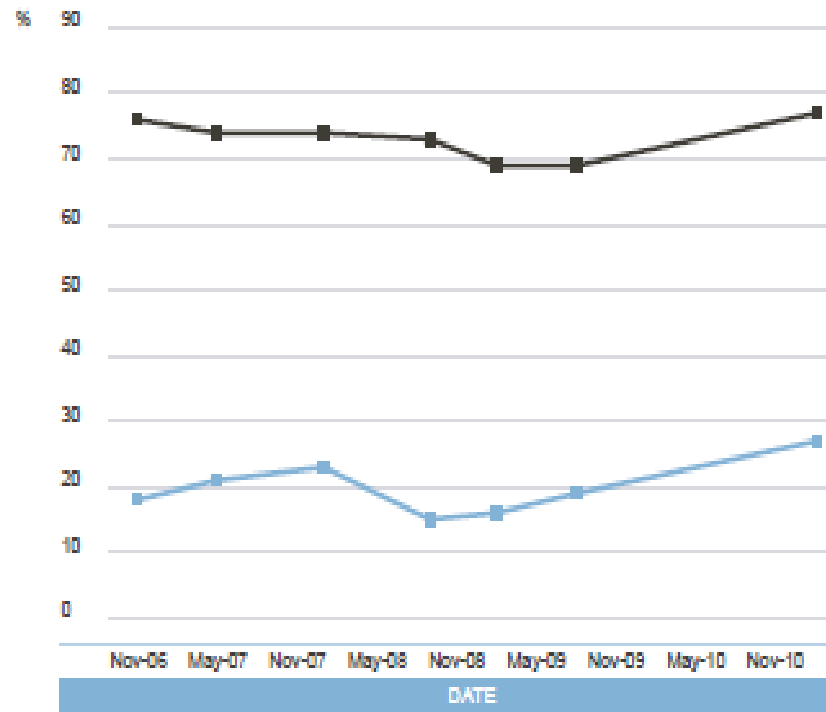
# Key role of local integration policies: Inclusionary plans in municipal agendas

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- There is a general lack of immigrants' visibility in municipal agendas.
- Recently, several municipalities have been pioneering integration strategies at the local level.
- The city of Barcelona created the “Barcelona Interculturality Plan” in 2010 to address the challenge of rapid increase in immigration (fourfold between 1997 and 2007).
- Key characteristics:
  - Based on in-depth surveys on integration and perceptions of both natives and immigrants.
  - It gives funding for integration efforts in a several municipal agencies to address the challenges identified by constituents.

# 5. How can local governments navigate the urban political economies?

Overall how much of a problem, if at all, do you think immigration is in Britain at the moment? And how much of a problem, if at all, do you think immigration is in your local area at the moment?



Source: Ipsos MORI (2014).

- ☐ Native population are less concerned about immigration at the local level compared to national level (20% vs 75% in Britain).
- ☐ People living in metropolitan areas have more favorable views, which is where the majority of immigrants live.
- ☐ At the local level people have better estimates of their neighborhood's ethnic diversity and interactions with ethnic minorities are more valued.
- ☐ Local government in urban areas face much less resistance to implement integration policies.



# How can local governments navigate the urban political economies?

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- ❑ A balanced public discourse on immigration can reduce stereotypes and combat discriminatory practices (Anti-rumors campaign, City of Barcelona, 2010).
- ❑ Local governments can decouple migration from integration policies. A focus on integration can facilitate an entry point for immigration skeptics (British Future, 2014).
- ❑ Local governments can leverage community resources to reach out to ambivalent natives: e.g. Barcelona 'media monitor group' or Welcoming America effort to reach journalists.
- ❑ Social protection policies that compensate groups affected by migration (low-skilled) might attenuate negative attitudes towards migration while reducing barriers to immigrants' integration (affordable housing, health, education,...).

# Our team

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