

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

MANJULA LUTHRIA

LABOR MOBILITY COMMUNITY OF PRACTICE, *THE WORLD BANK*

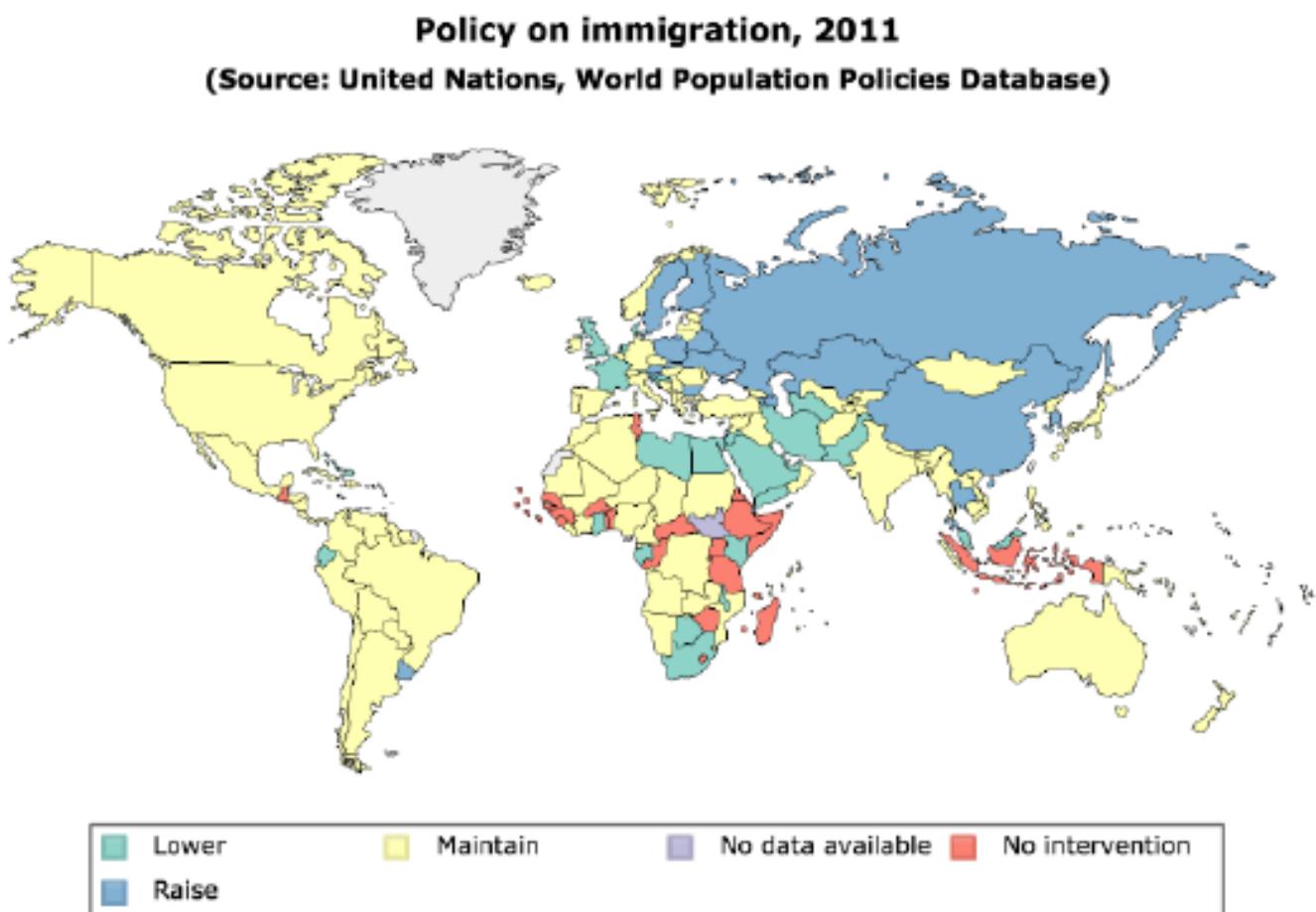
Introduction

- 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:

- 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?



- 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?

- General negative views of natives on the current level of immigration and its impact:
 - ¾ 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) socio- economic background	(2) labor-market drivers	(3) labor-market plus welfare- state drivers	(4) non-economic drivers
Dependent variable				
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] should allow people of the same race or ethnic group as most [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?

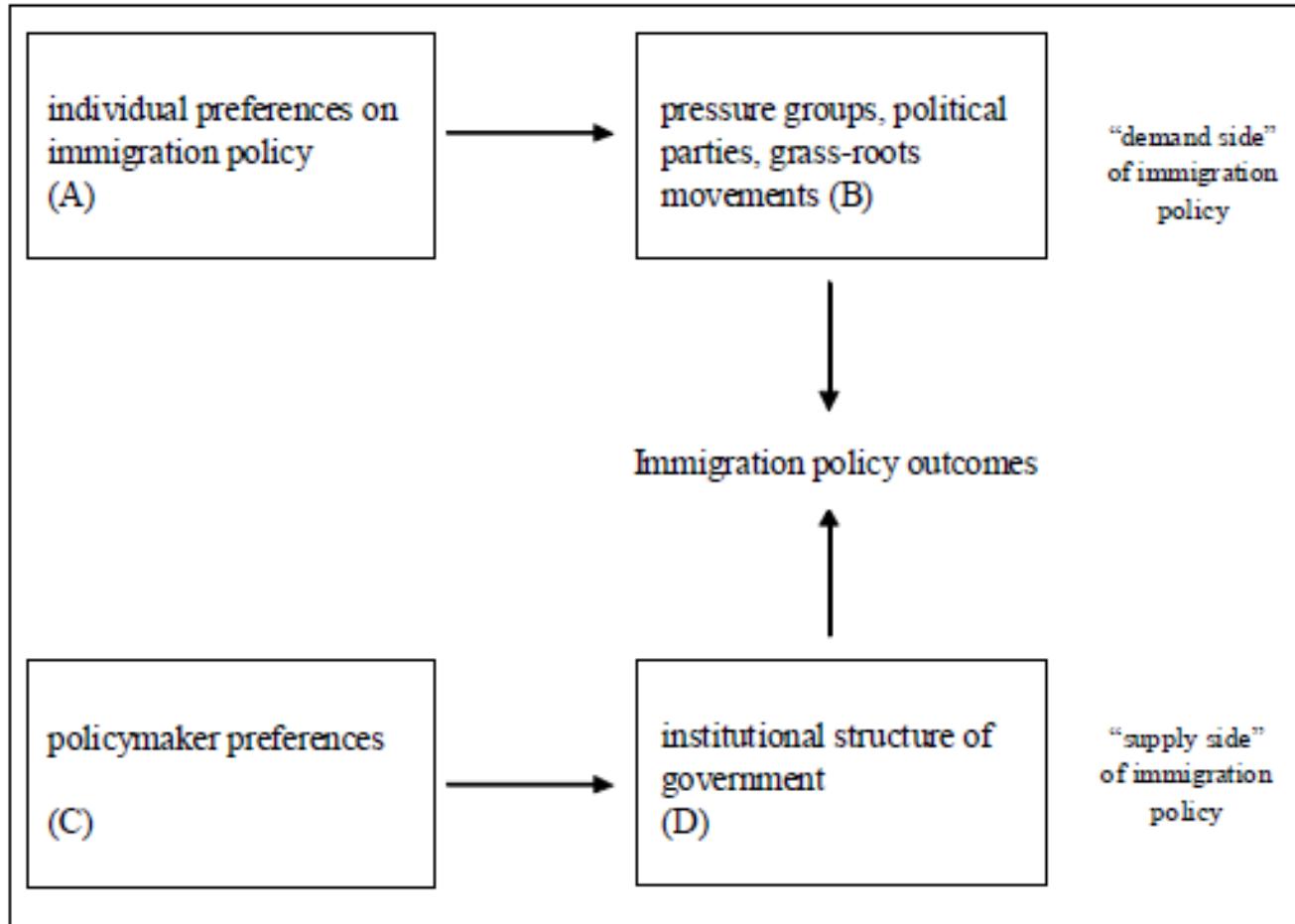
- Economic factors: impact on welfare system and labor market.
 - The more educated and income, the more favorable people are to immigration.
 - The lower the share of skilled migration, the more educated natives hold favorable views (consistent with labor market competition).
 - The lower the share 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

- 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



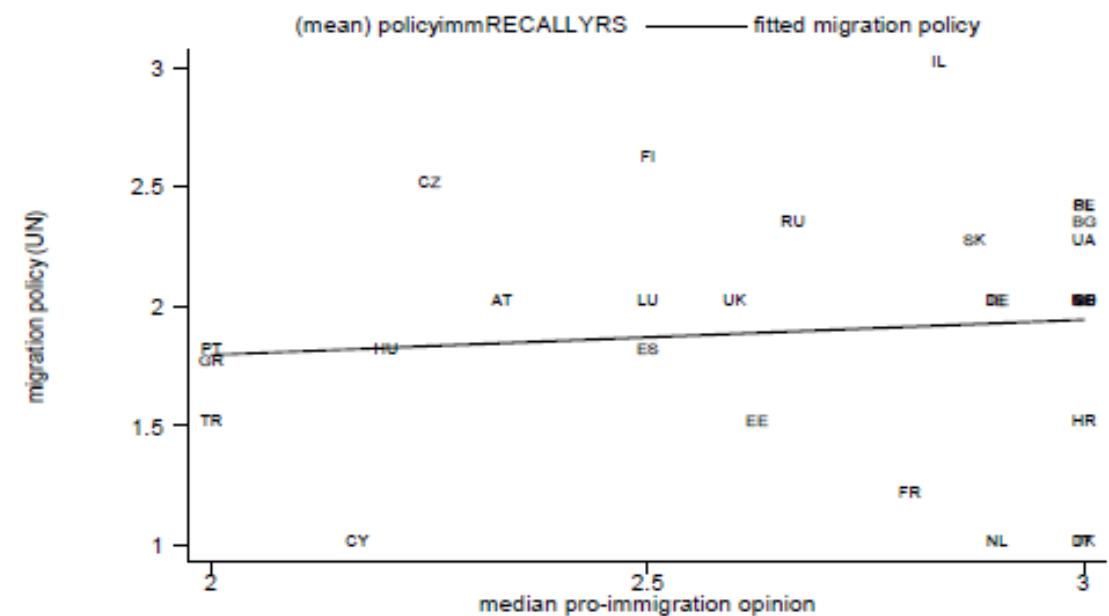
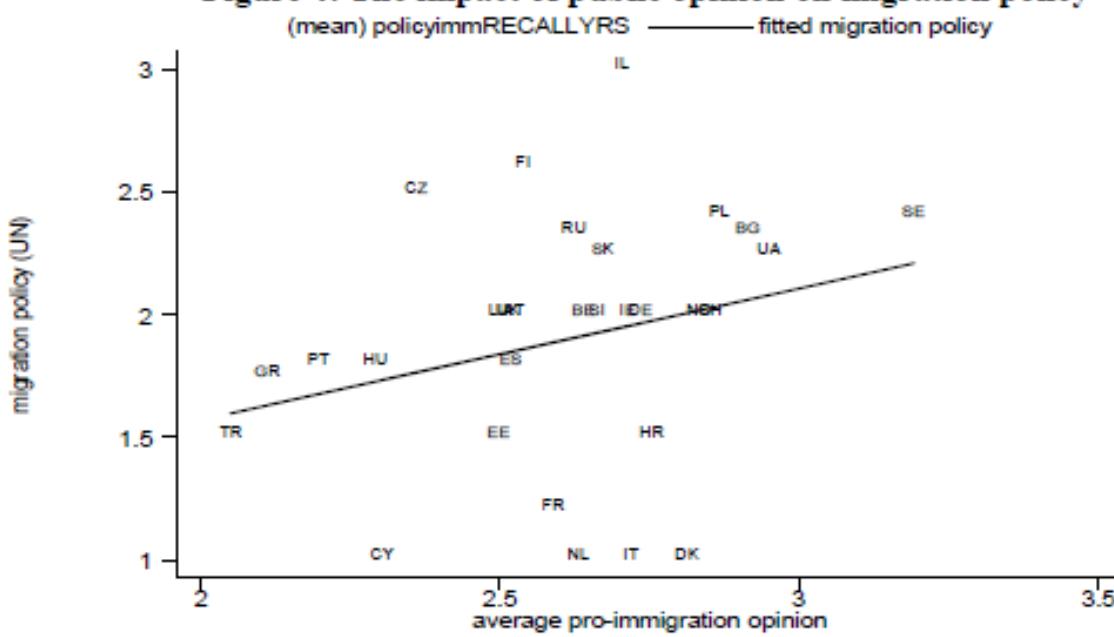
Do individual attitudes to immigration shape migration policy?

- ❑ 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.

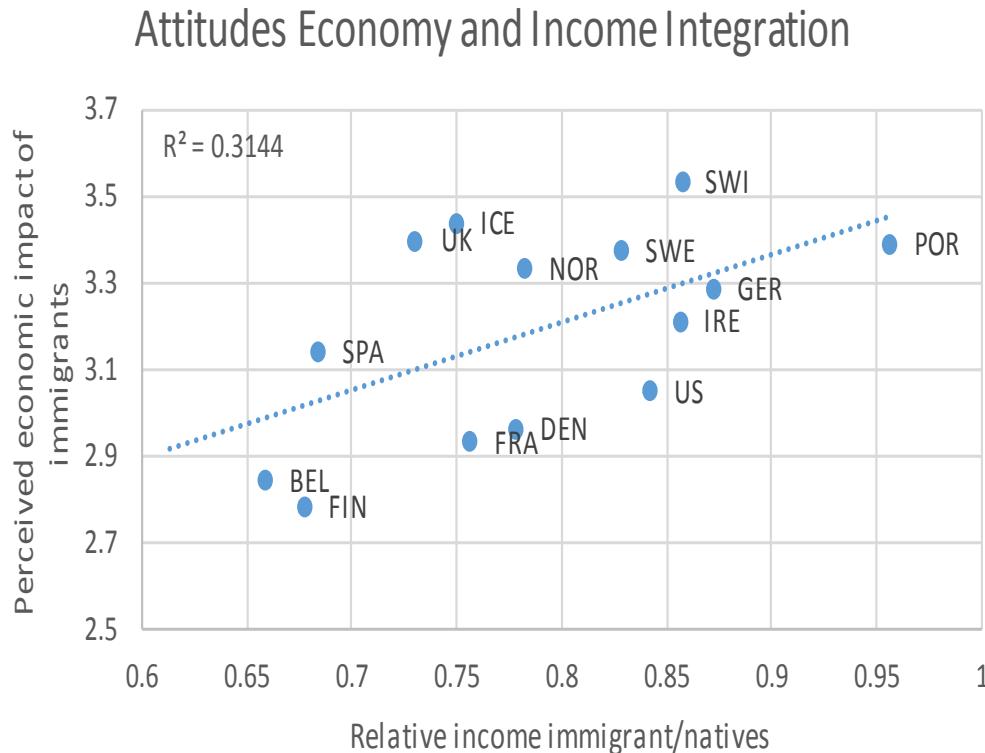
Beyond the median voter theory: the role of ‘extreme’ groups

- 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)

□ 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)

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

- 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

- 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

- 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

- 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

- 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' 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

- 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

- 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).

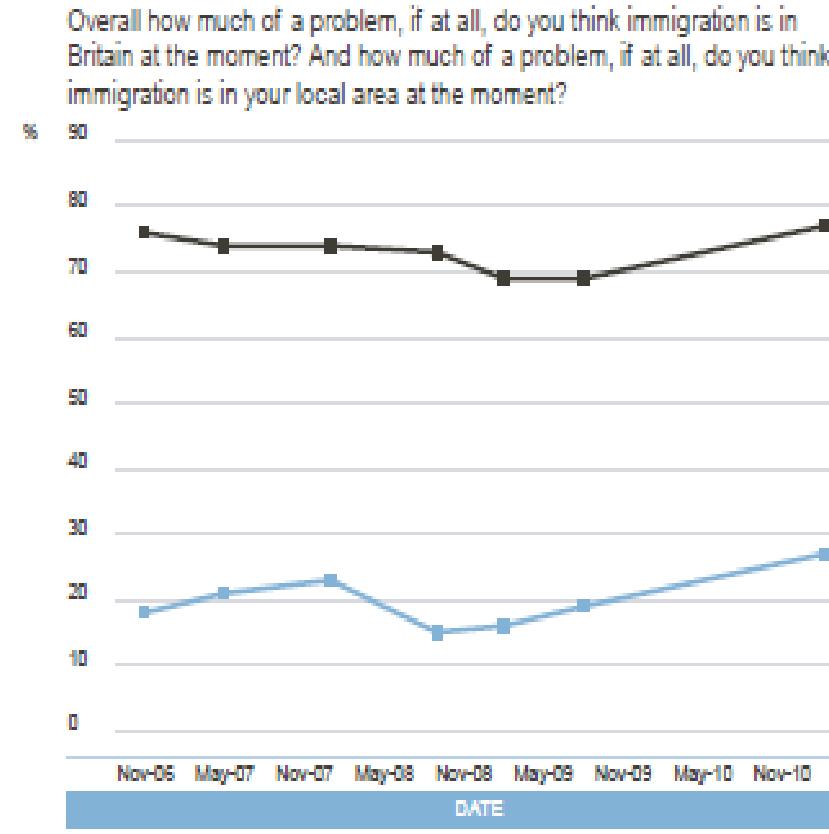
Key role of local integration policies: Citizenship and inclusion

- 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

- 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?



- 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?

- 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

Anna Maria Mayda (Georgetown University) and Giovanni Faccini

Douglas Porter (author 'Arrival City')

Ratna Omidvar (Ryerson University Toronto)

Kim Turner (Ryerson University Toronto)

Bertelsmann Foundation (Germany)

Daniel Garrote (World Bank)