



Immigrants' welfare receipt across the EU

(Study on Active Inclusion of Migrants)

IZA: Institute the Study of Labour
&
Economic and Social Research Institute*

Corona Joyce* & Bertrand Maitre*

The Project

- A consortium of IZA Bonn and ESRI Dublin.
- Expert report commissioned by the European Commission, DG EMPL.
- From July 2009 until the end of 2010.
- Covers the whole EU, and features 12 country case studies.

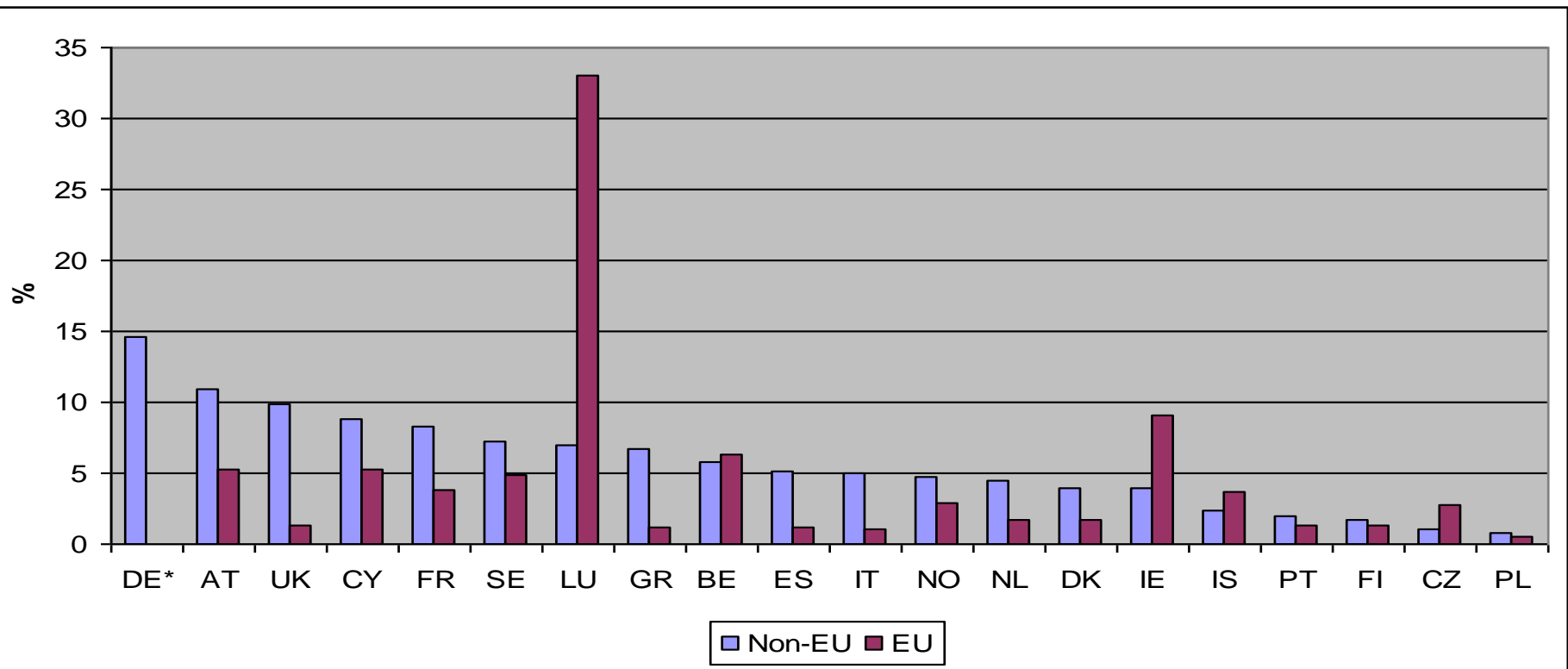
Project Objectives

- Assessment of the main trends in the situation of immigrants with regards to social assistance and access to social services.
- In-depth analysis of the main determinants of these trends.
- Comprehensive account of the mutual interaction of migration policies and social assistance policies.

Project Tasks

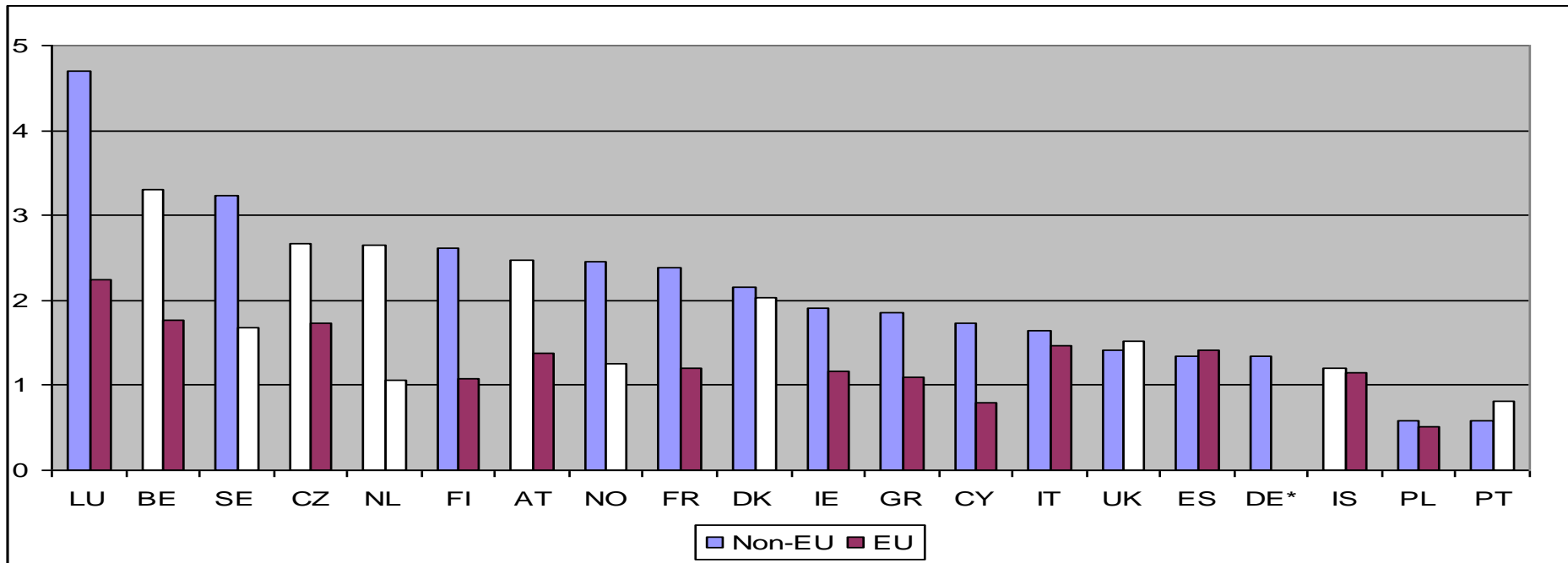
- The gathering of baseline information from existing literature.
- Descriptive analysis of immigrant welfare use based on our core data source (EU-SILC).
- The analysis of how welfare policies impact upon immigrant selection.
- Country case-studies.
- Country visits.
- Expert opinion survey.

Proportions of immigrants (foreign born) across countries according to our data EU-SILC 2007



Note: Immigrants are those who are “foreign born”. We restricted our sample to countries where at least 100 EU and non-EU immigrants are in the sample. Germany is left out as a result of this restriction.

Ratio of proportions of immigrants and natives at risk of poverty



A clear tendency for higher rates of poverty risk especially among non-EU immigrants, where poverty risk is defined as living in a household below 60% of median income.

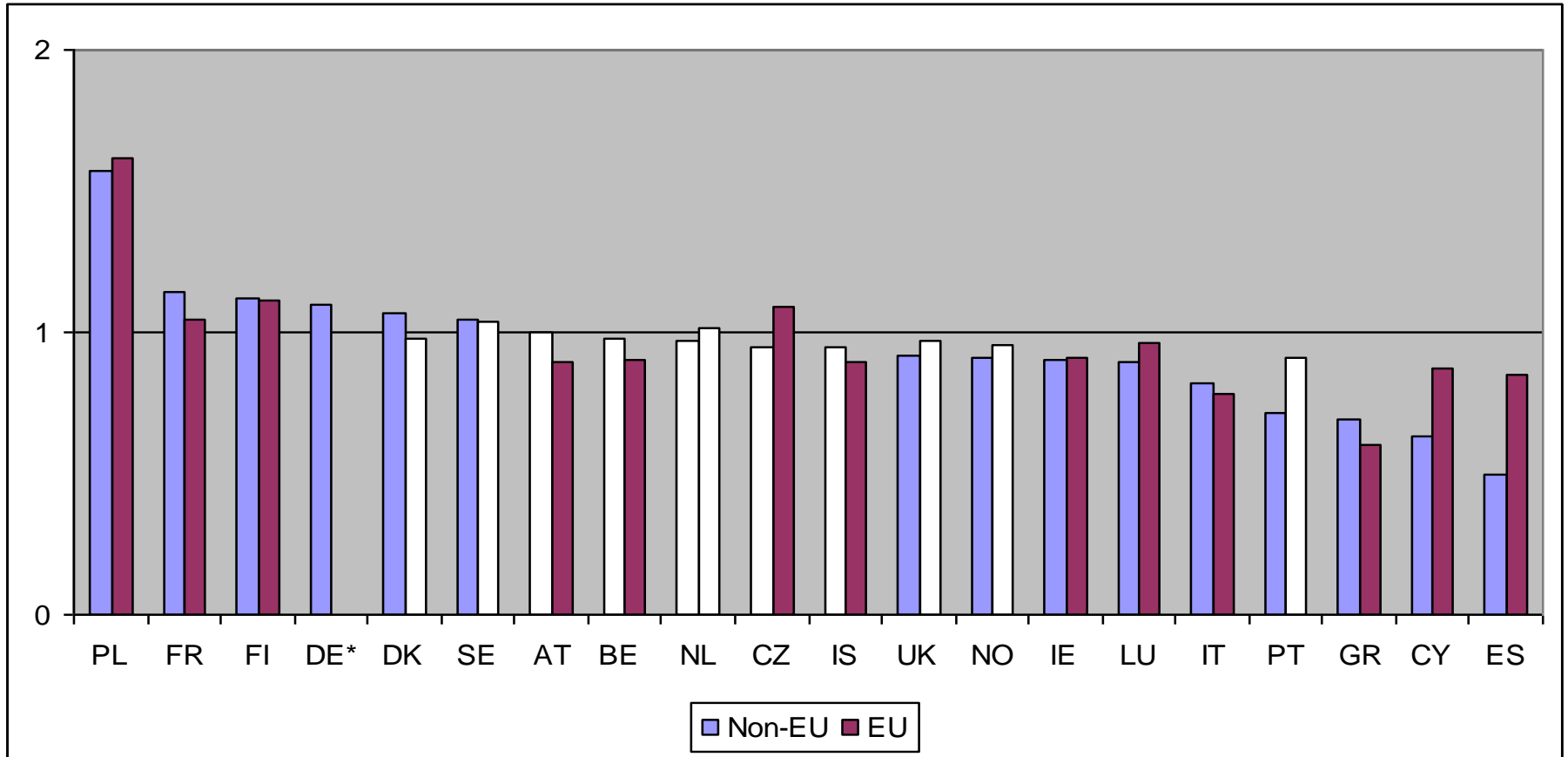
Undeniably, immigrant inclusion (into welfare) is an important policy issue.

Note: white bars mean proportions were not statistically different from each other.

Research Questions

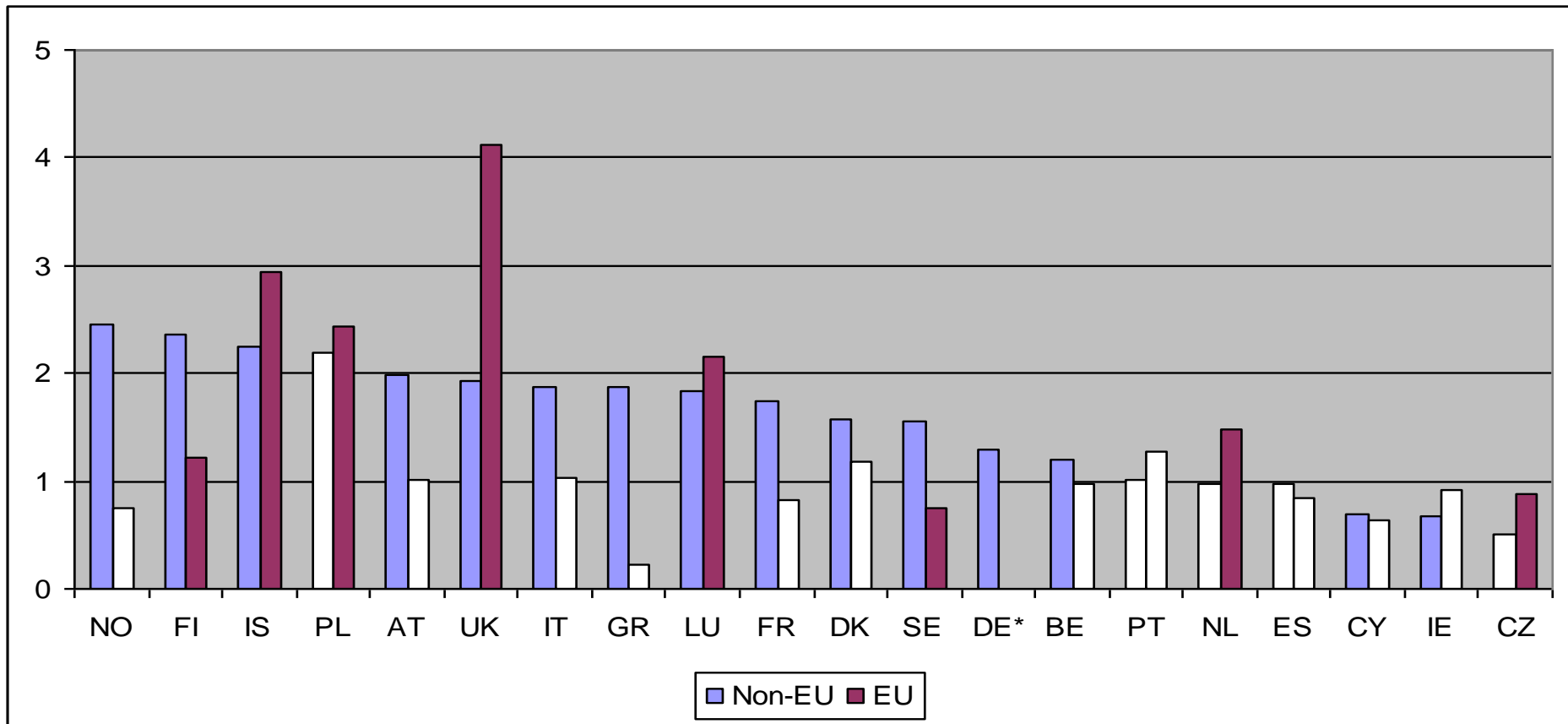
- Do immigrants use welfare more than the natives?
 - Compare the proportion of immigrants and the proportion of natives who received support.
- Are immigrants and natives alike, or do they have different characteristics (which could explain the differences in welfare take-up)?
 - Compare the characteristics of immigrants and natives.
- Do immigrants and natives use welfare differently beyond the differences in characteristics?
 - Regression results in which the marginal impact on the likelihood of receiving support of being an immigrant is estimated, controlling for age, education, gender and number of children.

Ratio of proportions of immigrants and natives receiving any support



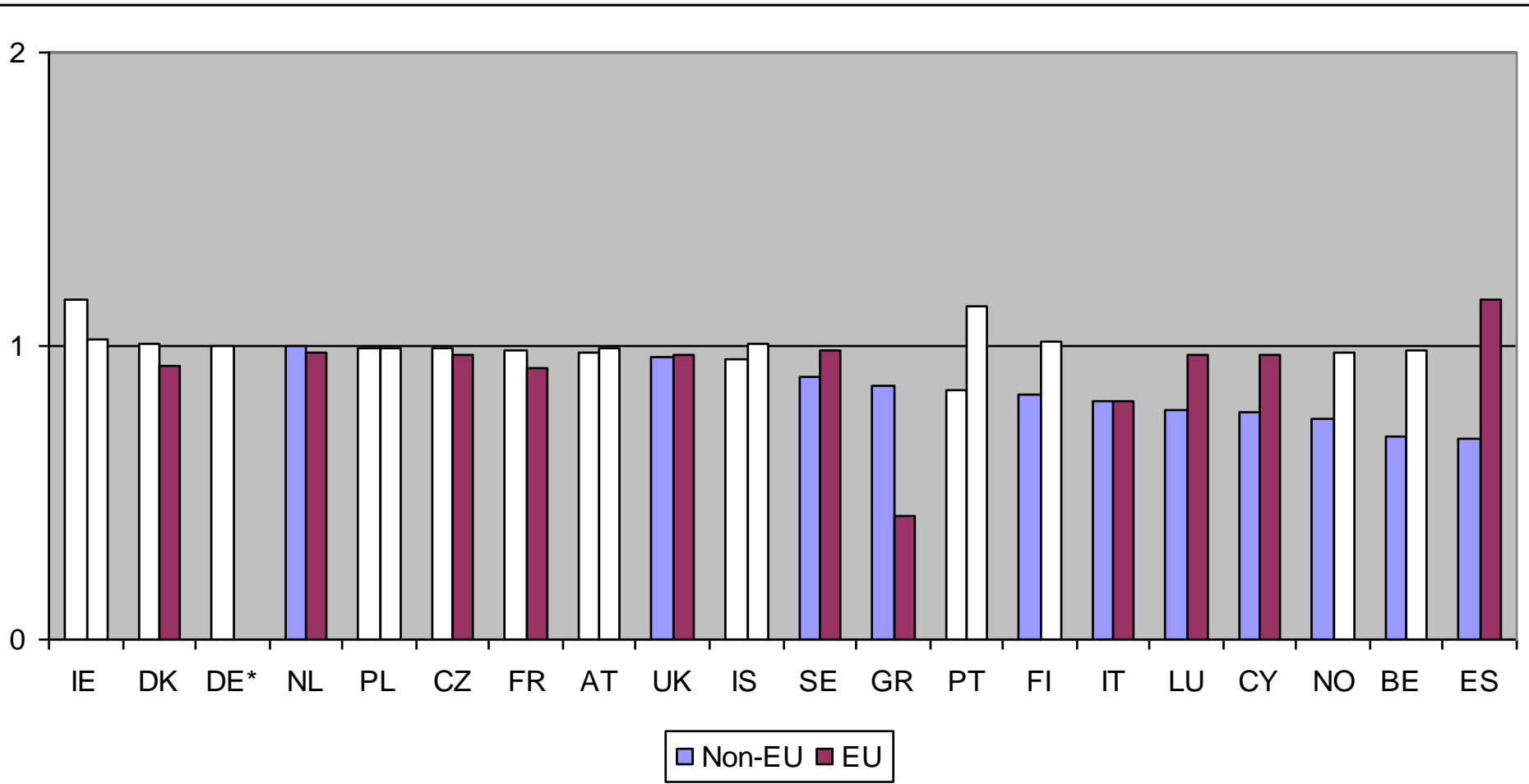
General picture: ratios are generally not different from one or lower than one so little evidence of higher rates of receipt among immigrants.

Ratio of proportions of immigrants and natives receiving unemployment support



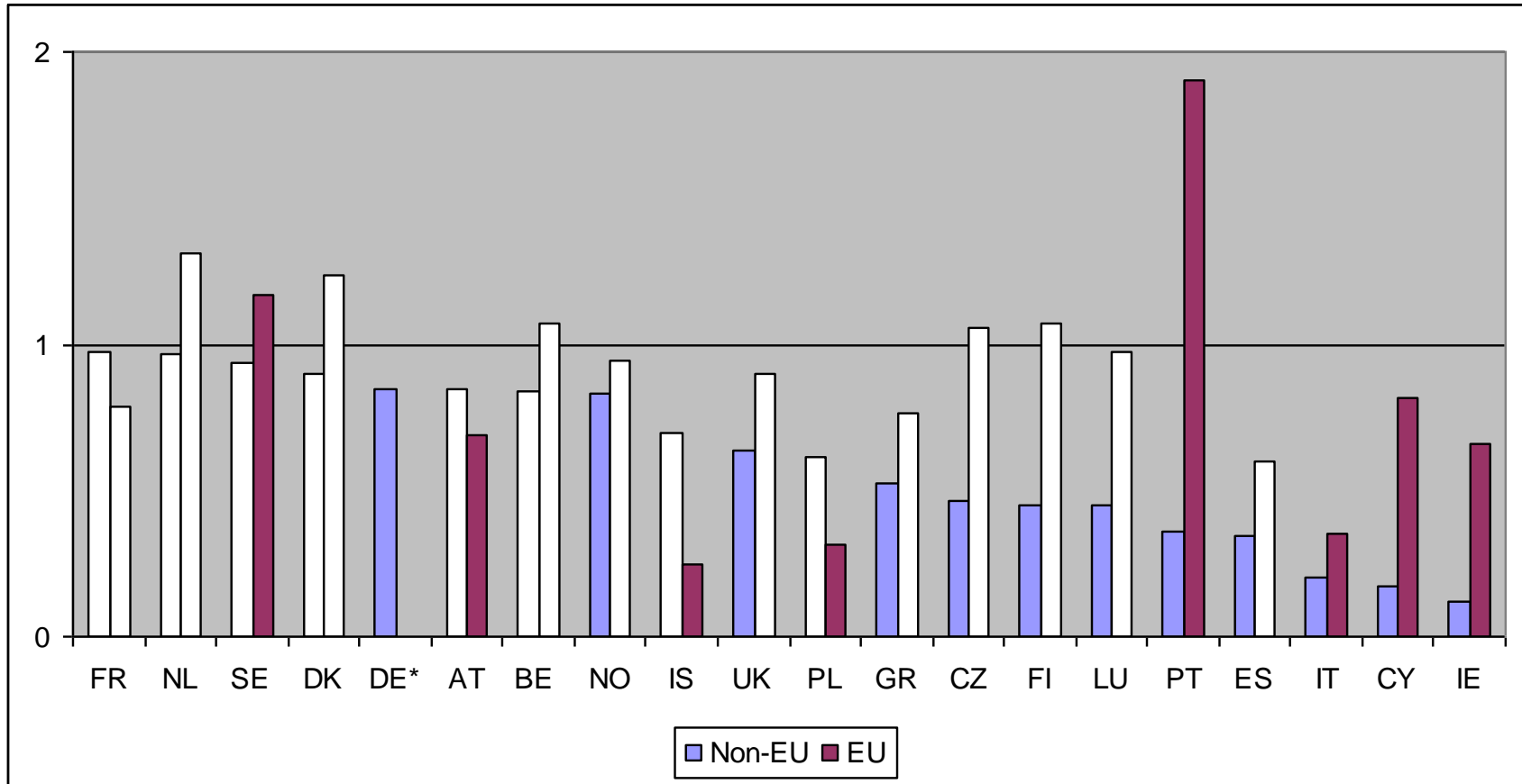
Interesting contrast with the last figure – there does appear to be evidence of higher rates of receipt of unemployment benefits among non-EU immigrants.

Ratio of proportions of immigrants and natives over 65 receiving old-age support



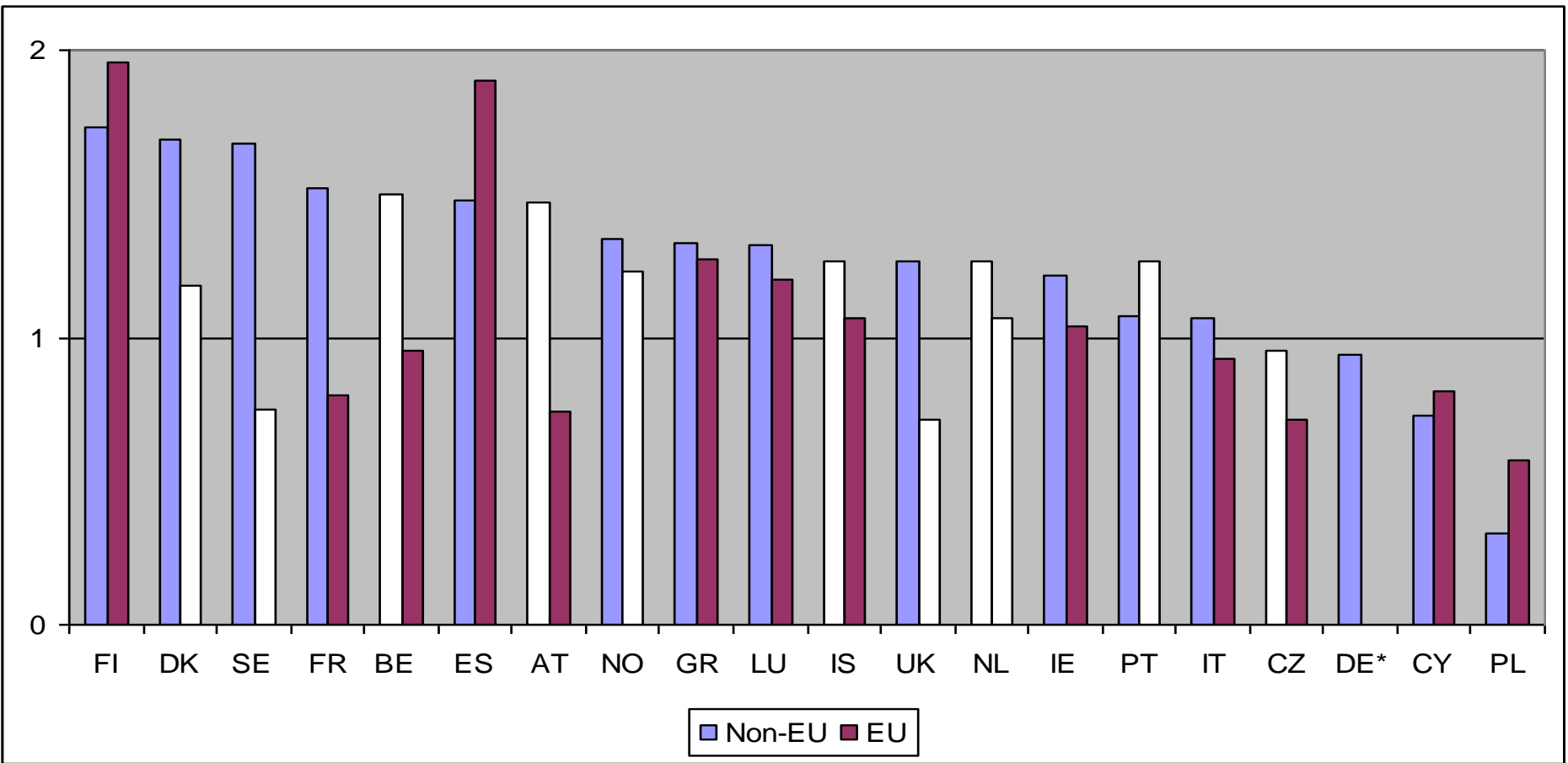
Generally lower rates of receipt.

Ratio of proportions of immigrants and natives receiving sickness/disability support



This picture suggest lower rates of receipt for immigrants of these benefits.

Ratio of proportions of immigrants and natives receiving family/child support



Evidence here is of higher rates of receipt among immigrants.

Summary

- There are countries where the proportion of immigrants on welfare is higher than that of the natives (5/19 for any support).

BUT

- There are countries where this is not true (14/19 for any support), and even countries where the opposite is the case (9/19 for any support).

- There are welfare benefits for which the proportion of immigrants receiving them is in most countries higher than the corresponding proportion of the natives. This is the case for unemployment and family/child support.

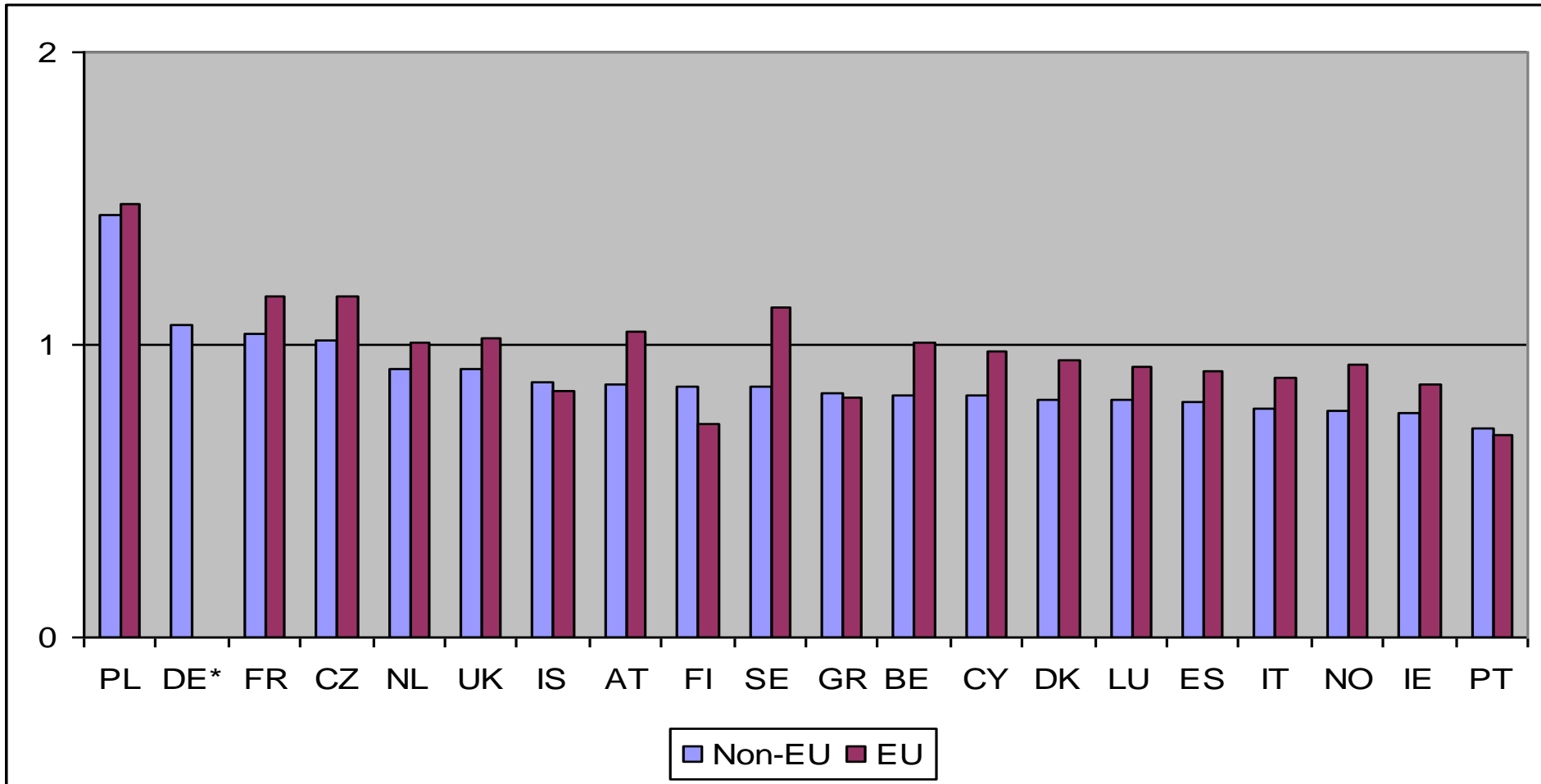
BUT

- The opposite is true for old-age and sickness/disability support.
- This evidence rebuts the widespread belief that immigrants are generally more likely to live on welfare. This may be seen positively (less dependence) and/or negatively (worse access).

Do differences in group characteristics explain the observed differentials in welfare take-up?

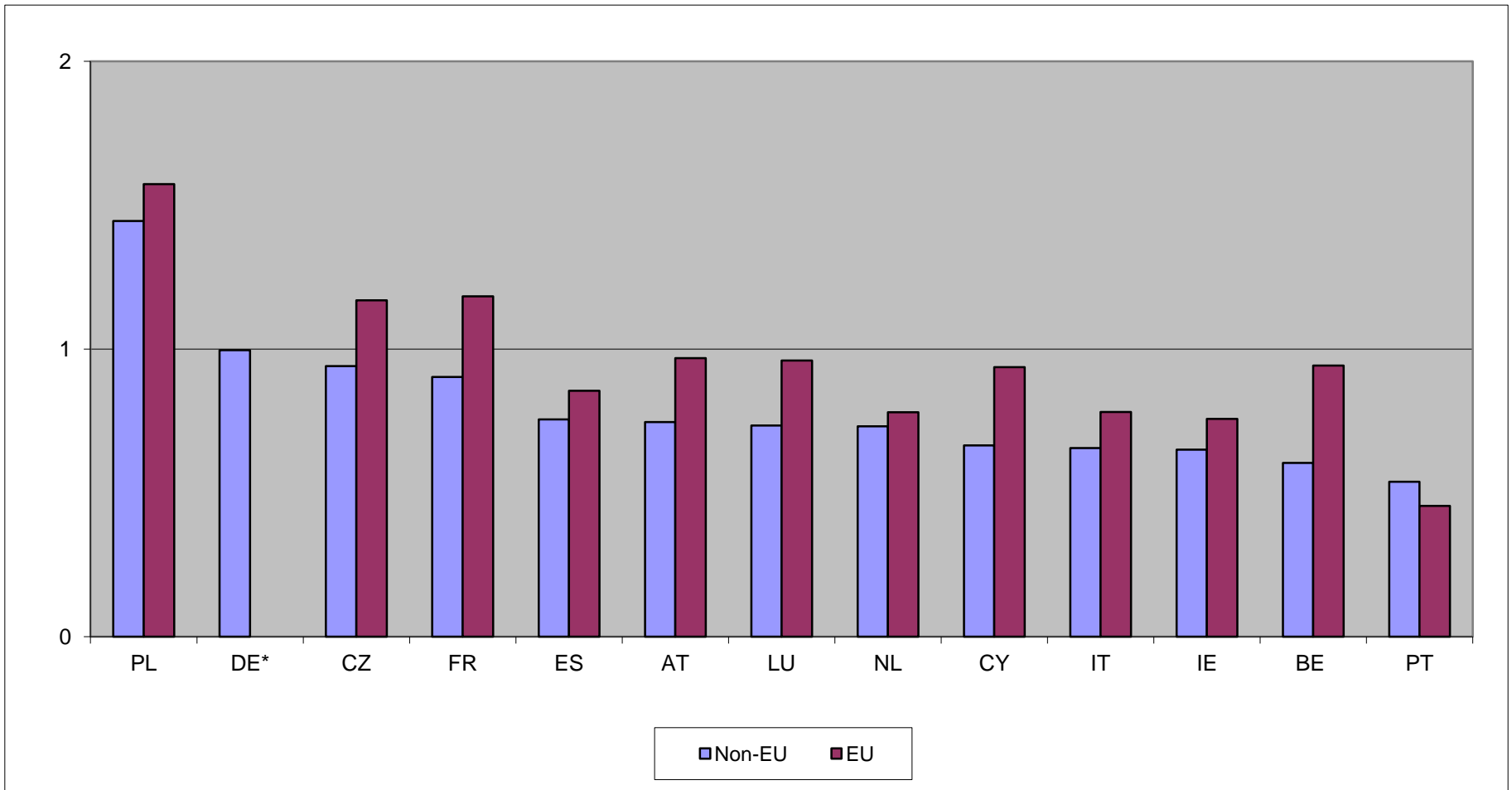
- Perhaps immigrants are too young to claim old-age benefits?
- Perhaps their take-up of unemployment benefits is not different from that of the natives with the same tenure and educational attainment?
- Perhaps immigrants generally have more children and thus are more often in family/child benefit receipt?
- Perhaps immigrants are young and strongly attached to the labour market, and thus not on sickness/disability benefits?

Characteristics: Ratios of average ages of immigrants and natives



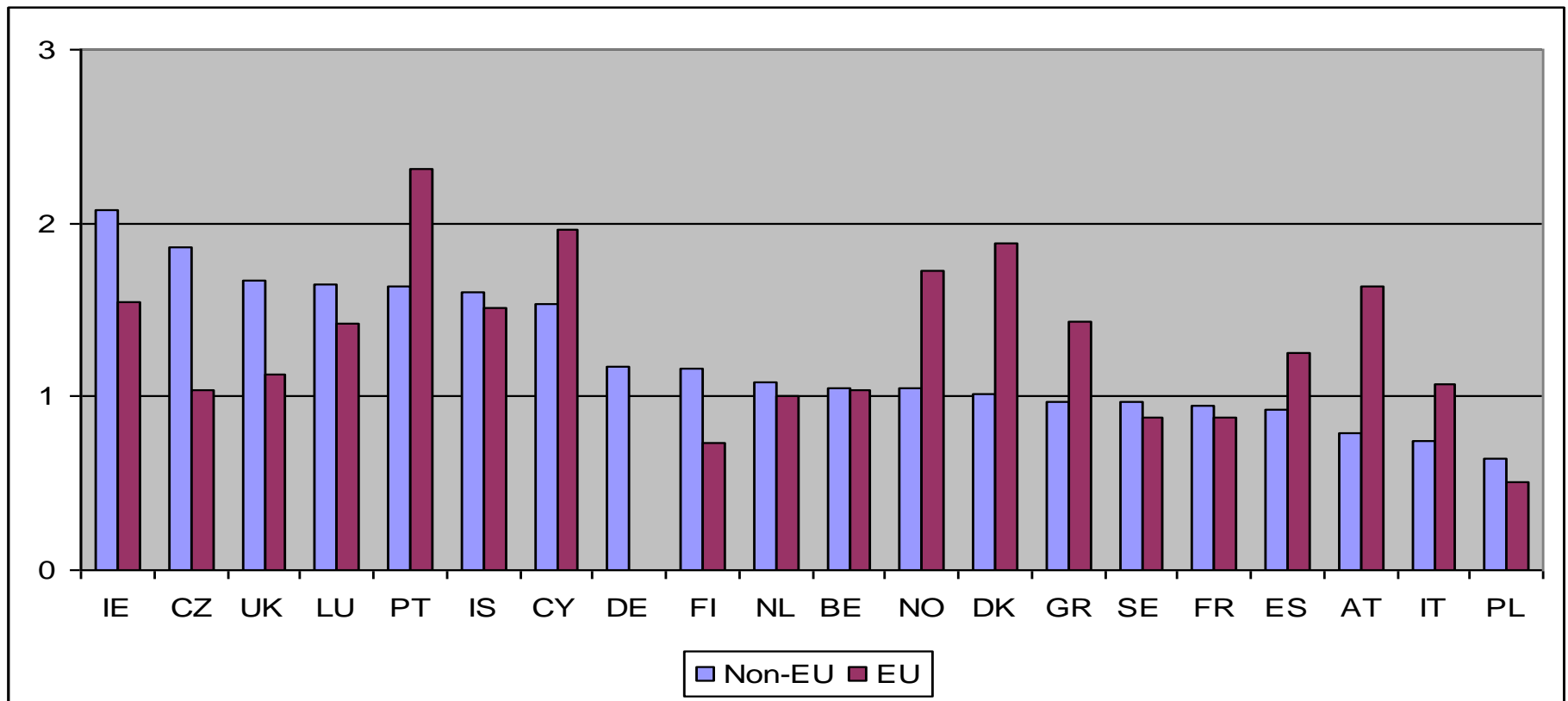
Immigrants are typically younger.

Ratios of average number of years worked of immigrants and natives



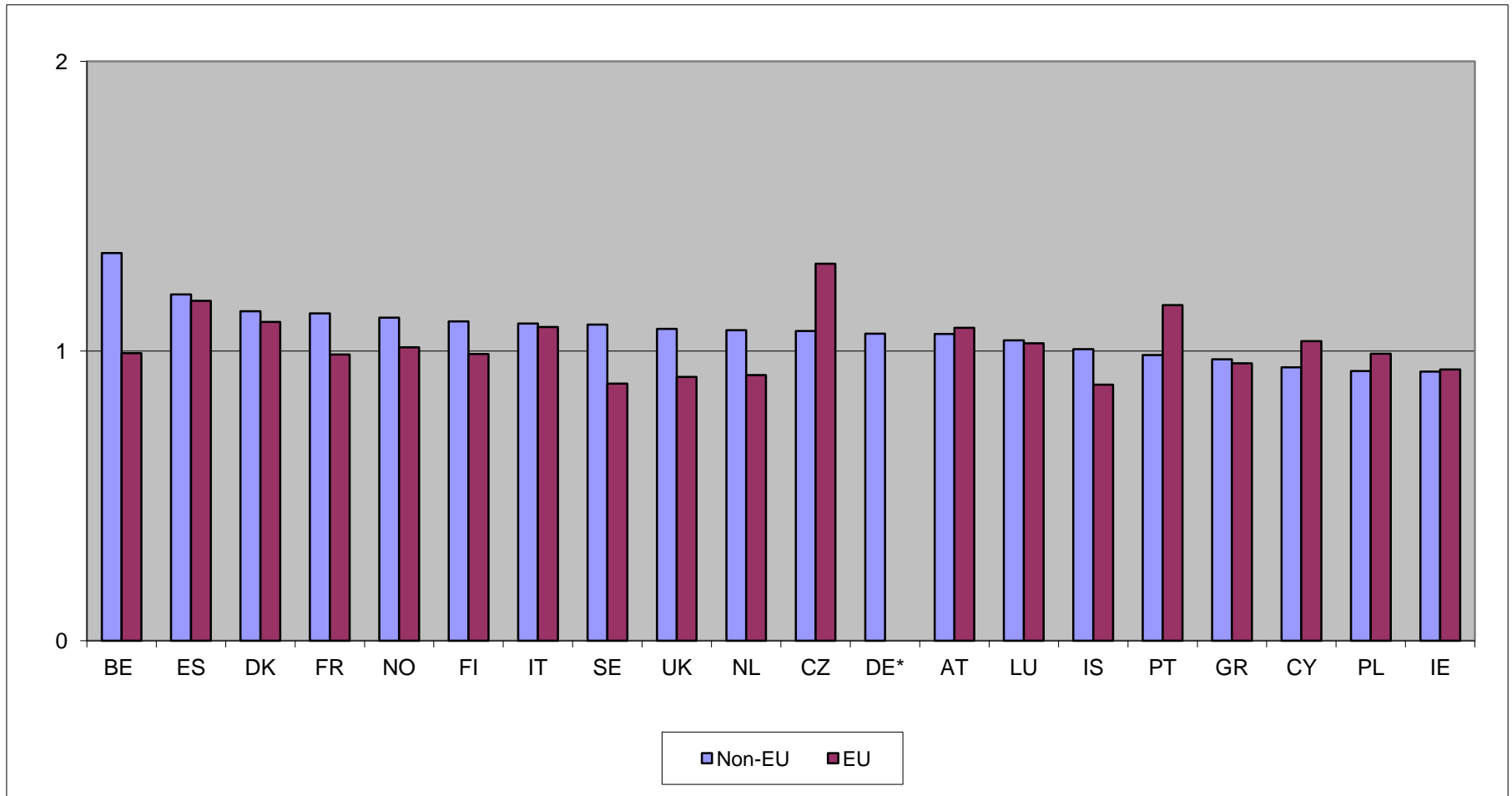
Immigrants typically have fewer years of work experience.

Ratios of proportion of immigrants and natives with post-secondary or tertiary education



For about half the countries, non-EU immigrants have *higher* rates of educational attainment.

Ratios of average number of children of immigrants and natives



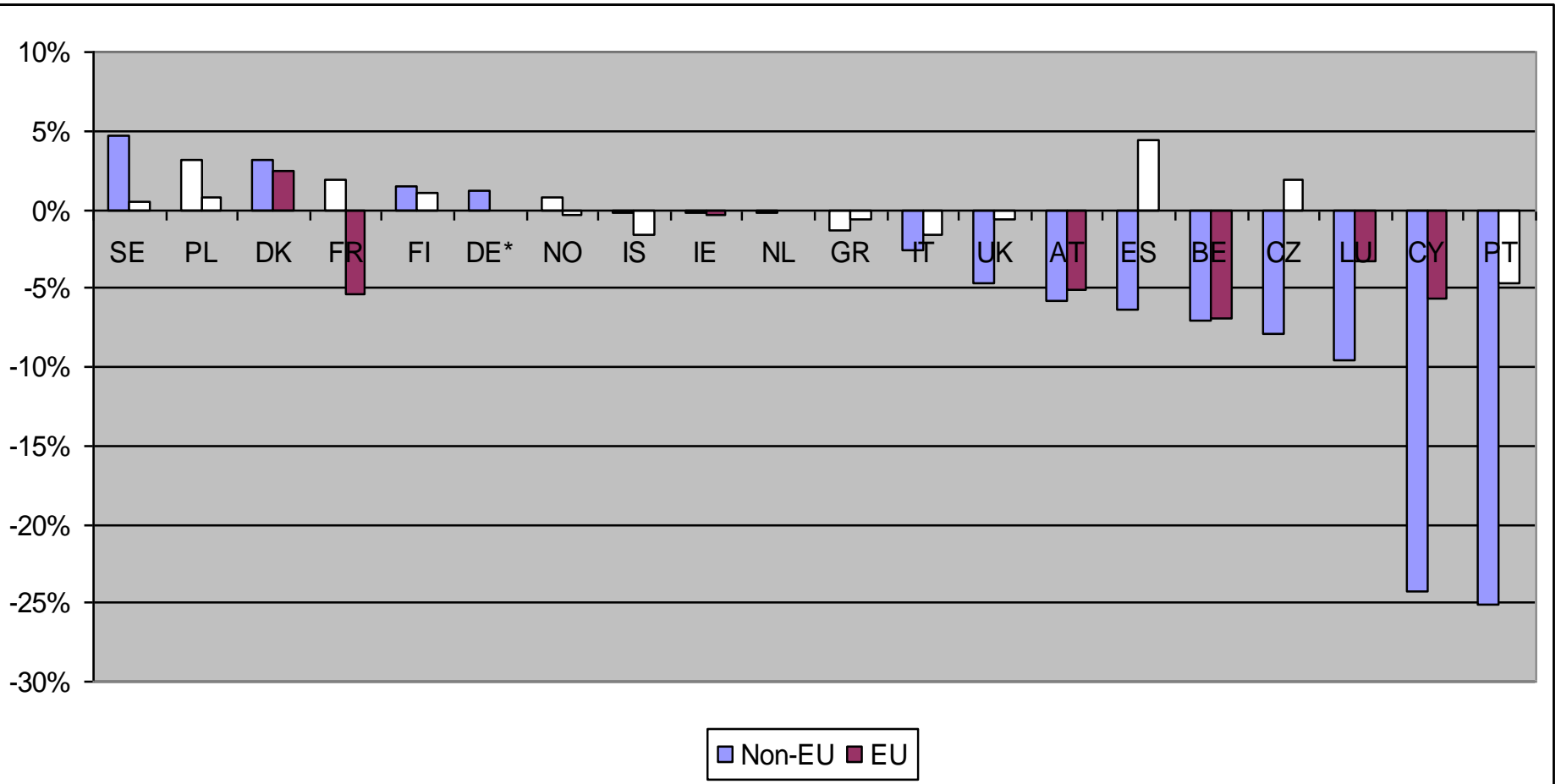
Non-EU immigrants are typically in households with more children, although differences not very large.

So indeed, there are differences in group characteristics between immigrants and natives

- Immigrants are younger and with shorter tenure
- Have more children
- Contrary to the common belief they are more educated

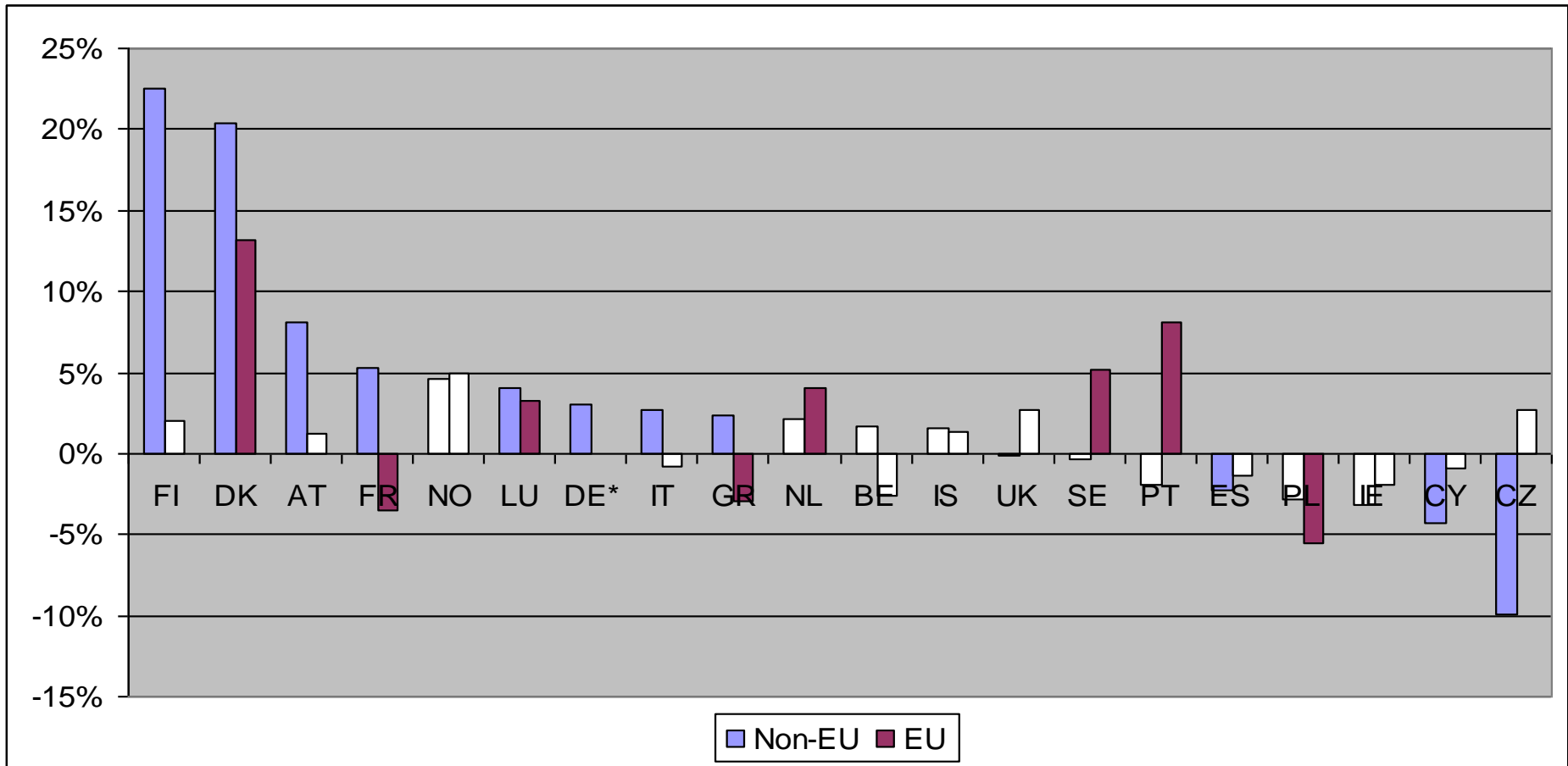
- But can these differentials explain the welfare take up differentials observed in the raw data?

Regression results: All supports



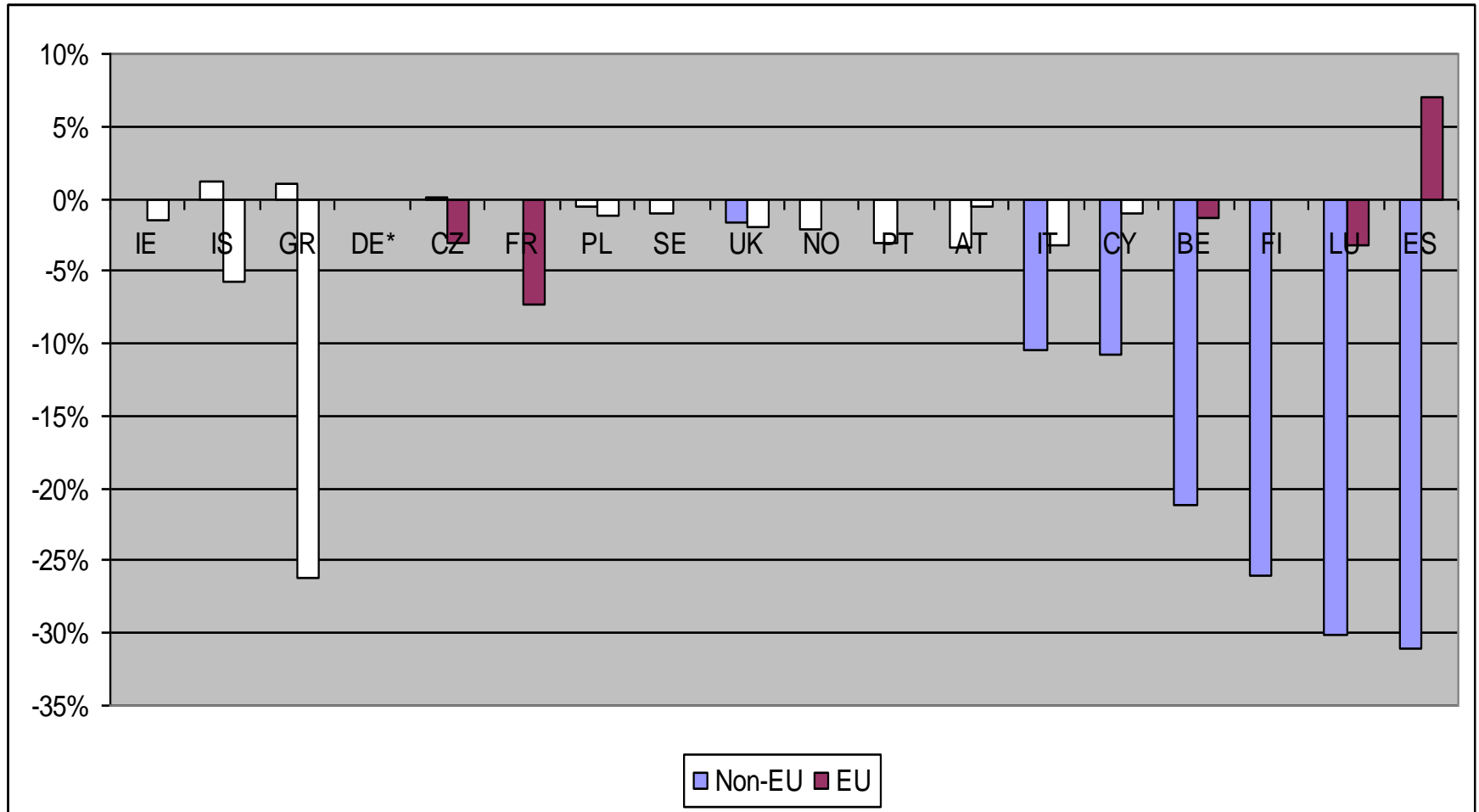
Overall, immigrants are either as likely or less likely to be receiving supports, controlling for age, education, gender and number of children.

Regression results: Unemployment, sickness, disability



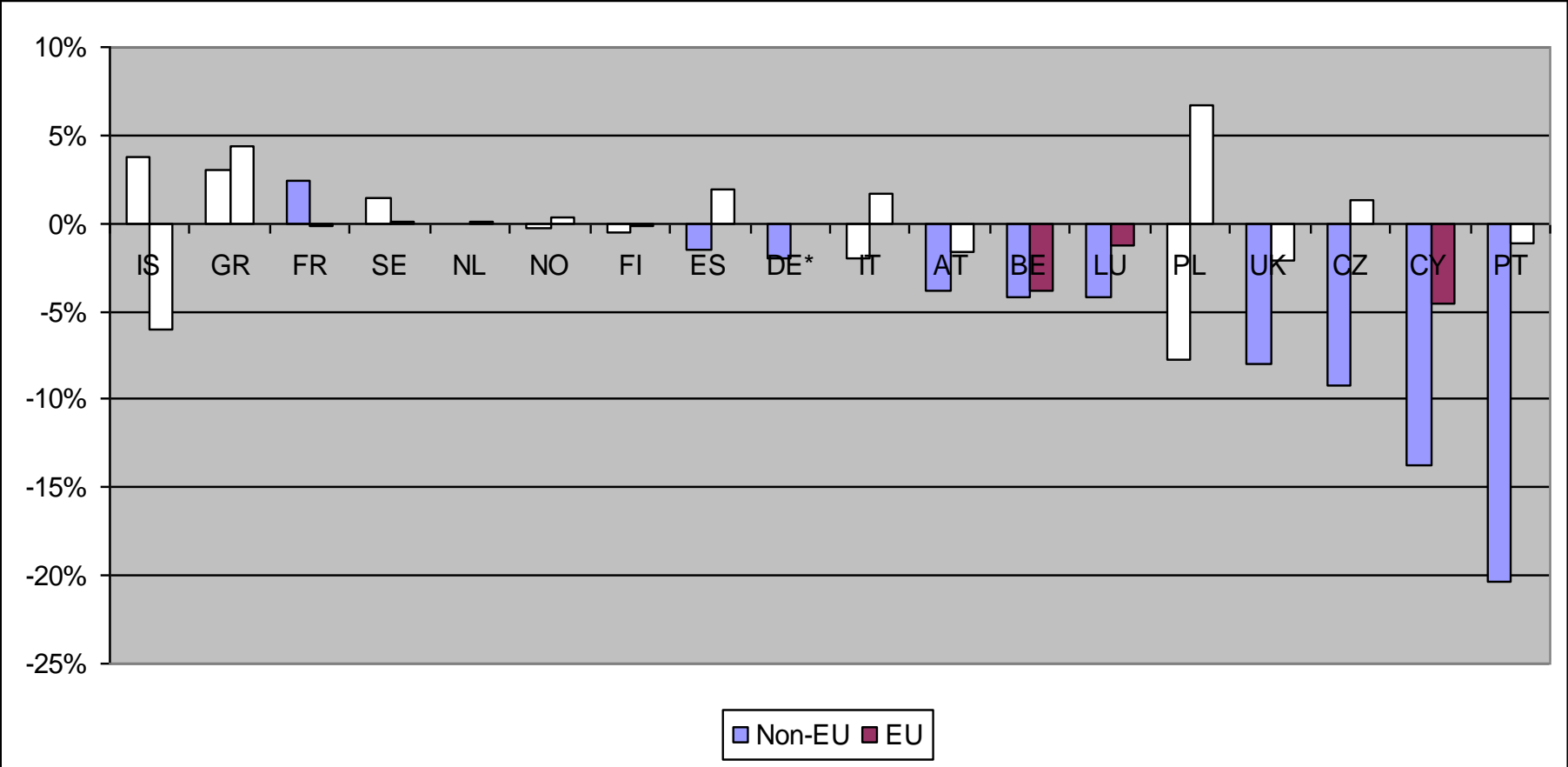
In contrast to the last slide, some evidence of higher rates of receipt of unemployment supports in a number of countries but most countries exhibit no difference or lower rates of receipt

Regression results: Old age



Clear picture here of lower rates of receipt, controlling for socio-economic factors.

Regression results: Family/child supports



Similar to last picture, general picture of lower rates of receipt – this is in contrast to figure where data was unadjusted; controlling for number of children likely to be the cause of the contrast.

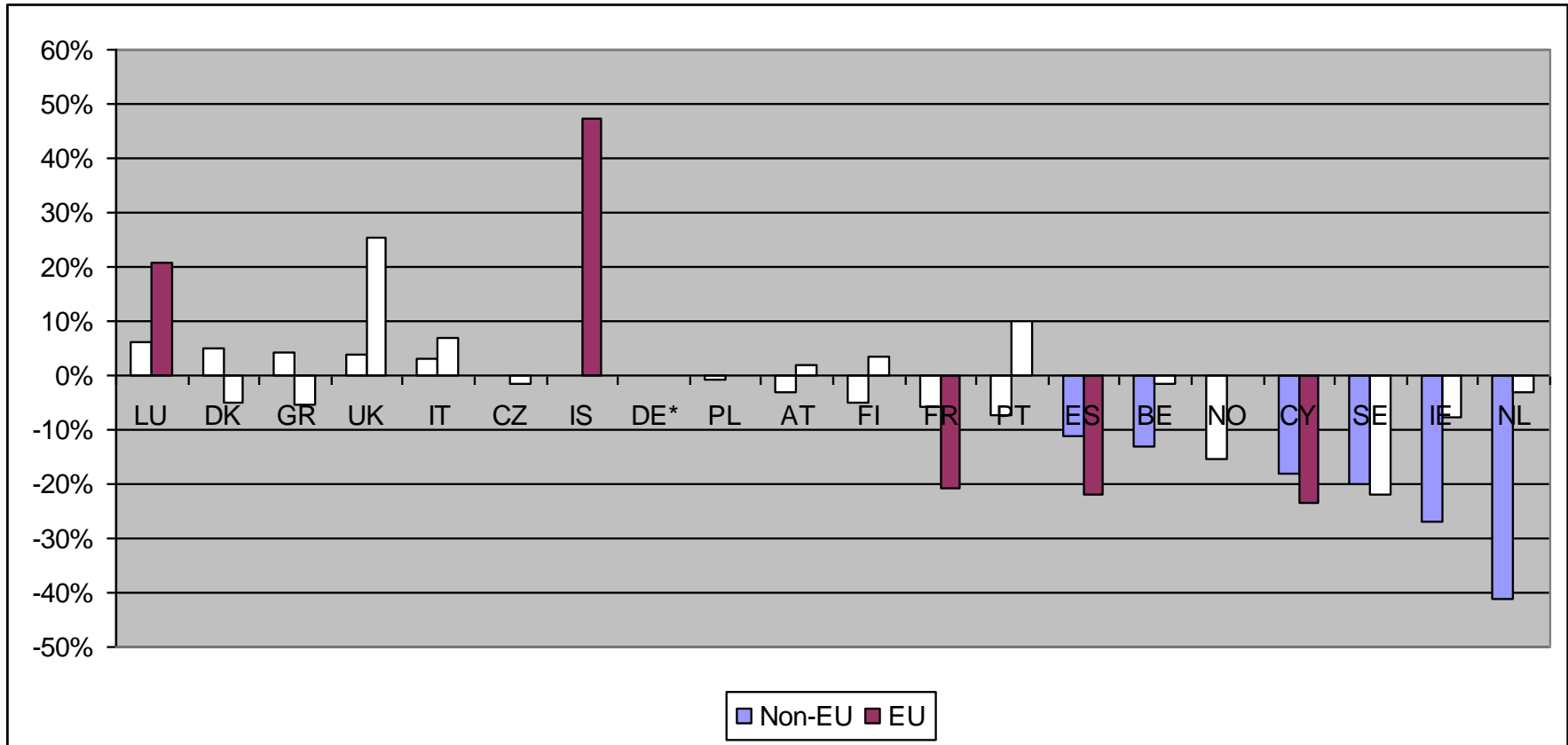
Conditional Access

- It seems that even though immigrants have higher take-up of family/child benefits, this is less than proportionate to the size of their families.
- More generally, immigrant welfare take up decreases with the inclusion of control variables.
- This may be a sign of barriers to access to welfare.

Illustration

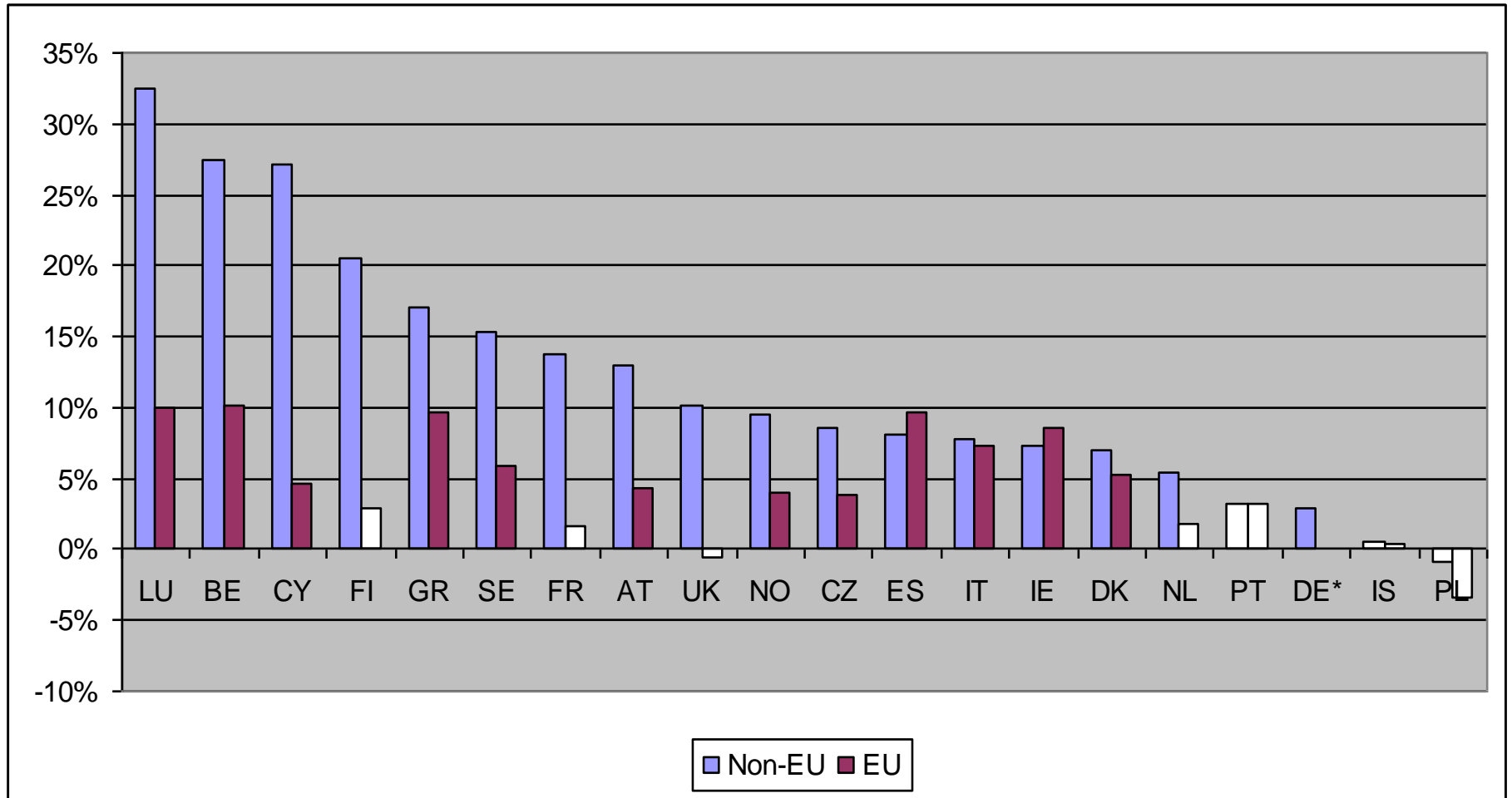
- Conditional on characteristics, are the chances of unemployed immigrants to obtain unemployment benefits adequate?

Regression results: Receipt of unemployment support if unemployed



The unemployed immigrants are less likely to receive unemployment support than unemployed natives. Is this related to exclusion from supports? And could observations like this explain the higher poverty rates among immigrants?

Regression results: At risk of poverty



Conclusions (1)

- Immigrants are at disproportionate risk of poverty (social exclusion).
- Welfare magnet hypothesis: there does not seem to be any strong link between welfare generosity and immigration.
- Little evidence of excessive receipt of supports by immigrants relative to natives.
- To the extent that higher rates of receipt are present, they appear to be restricted to unemployment supports but even in this case, this applies in a restricted number of countries.

Conclusions (2)

- So perhaps quite to the contrary of the widespread beliefs, controlling for characteristics immigrants exhibit lower welfare take-up which may signify a risk of exclusion from welfare.
- Barriers to Welfare: eligibility, informational and linguistic differences, cultural and social norms, rationing vis-à-vis immigration and discrimination.
- One might be tempted to conclude (preliminarily) that social supports were failing to ensure that poverty rates were at least equalised across immigrants and natives.

Conclusions (3)

- Report available at:

<http://ec.europa.eu/social/main.jsp?langId=en&categoryId=89&newsId=1160&furtherNews=yes>