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Migration and labour market in France

Bouoiyour, Jamal

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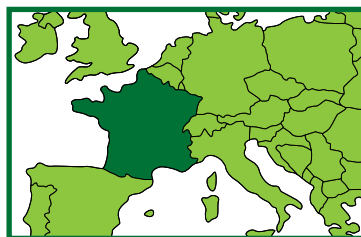
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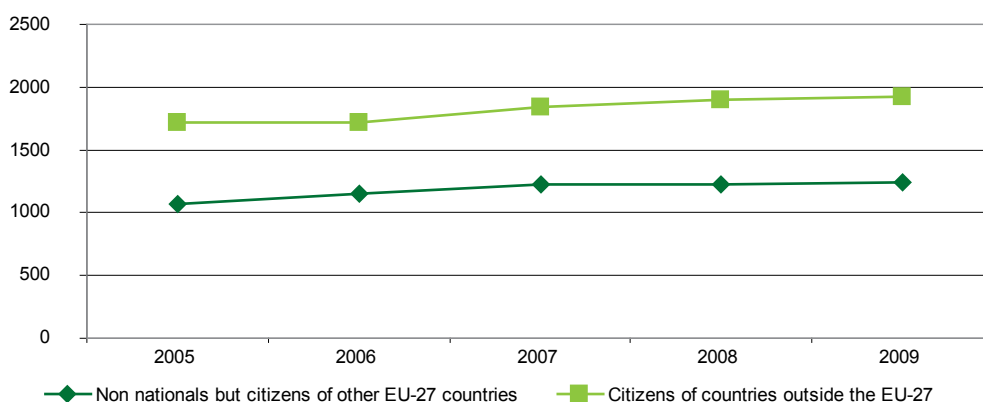
Jamal Bouoiyour¹¹³



Migration Trends

France has a long immigration tradition, and in particular over the last decade has experienced a steady increase in immigration. In 2009 migrants accounted for 5.2 per cent of the total population (Eurostat). A focus on the last five years points out a slight increase of foreigners coming from both other EU Member States and third countries (Figure I). As depicted in the following figure, the majority of foreigners are third-country nationals, while intra-EU mobility accounts for around 39 per cent of migrant stock.¹¹⁴

Figure I: Foreign nationals of the EU and third countries in France, thousands, 2005-2009



Source: Eurostat.

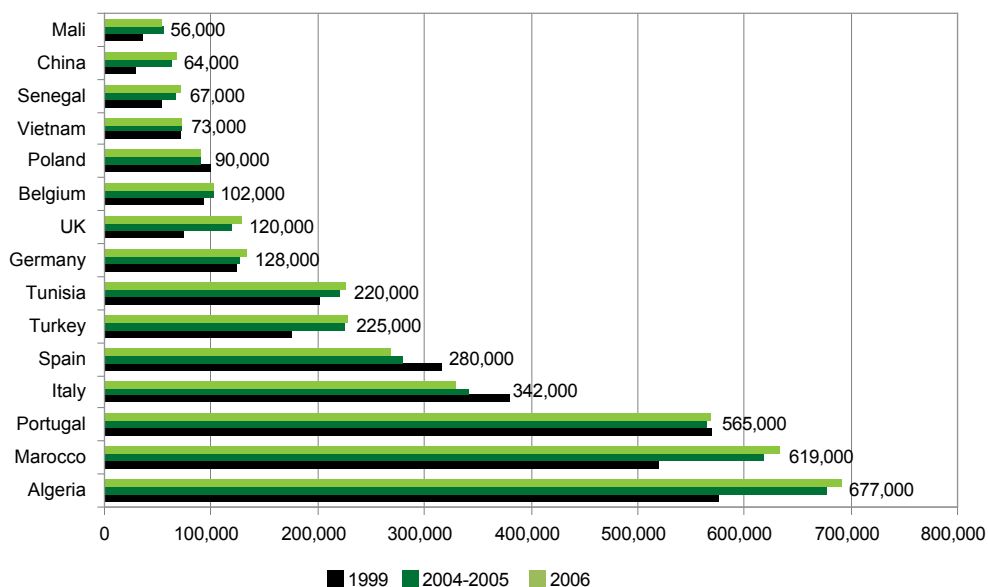
¹¹³ Dr. Jamal Bouoiyour is Associate Professor in Economics at the University of Pau, France. He is actively involved in the EU-funded Euro-Mediterranean network of economics institutes project (FEMISE).

¹¹⁴ According to Mouhoub and Oudinet (2006), among the foreign population coming to France from another UE member State (39.5% in 2006), only 20.1% are EU nationals while 17.7% are immigrants with an European nationality and 1.7% third-country nationals..

Although between May 2006 and February 2007 20 per cent of the French labour market was opened up to EU8 citizens, the number of EU nationals did not undergo any change. One reason for this could have been the simultaneous total opening up of labour markets in the United Kingdom, Ireland, Sweden, Spain, Finland, Greece, Portugal and Italy that attracts the majority of the new wave of migrants from the EU8 (Trésor Eco, 2010). Several elements explain why the attractiveness of France remains weak: rather strict migratory regime, language barrier, high cost of living. In January 2007, Romanian and Bulgarian nationals responded more actively to the opening of the French labour market, perhaps due to mobility restrictions still imposed by other Member States. The recent extension of the 150 trades list to these two countries has also led to growing immigration flows in 2008. But it seems that in 2009, flows of workers from both countries have clearly slowed, probably because of the economic crisis (Trésor-Eco, 2010).

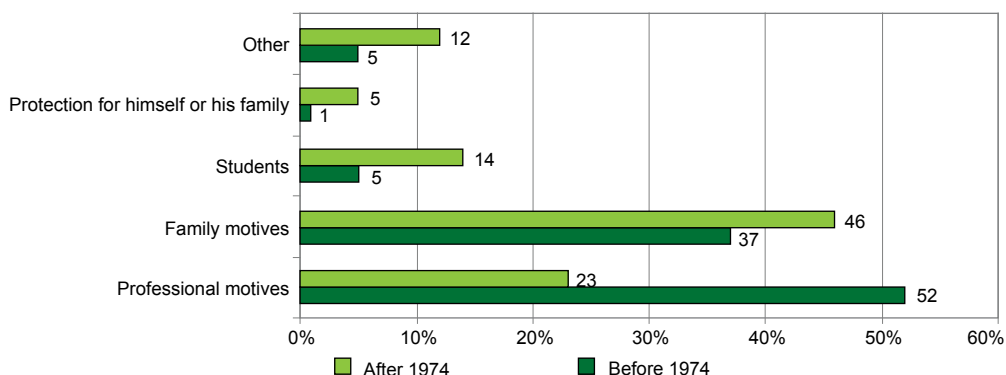
A long historical tradition of immigration is mirrored in nationality proportions, with Algerians and Moroccans being top ranked (with 677,000 and 619,000 persons respectively), followed by Portuguese and Italians (565,000 and 342,000 respectively) (Figure 2).

Figure 2: Immigration by origin, 2006



Source: National Institute for Statistics and Economic Studies (INSEE), January 2006.

Labour immigration was suspended in 1974, and the majority of subsequent arrivals came through the family reunification channels. Migration for employment purposes picked up slightly in the past few years as a result of legislative changes (Figure 3).

Figure 3: Immigration by purpose of entry (I), 2008

Source: Insee, 2008.

(I) Immigrants aged 18-74 years who came to France after the age of 18.

In 2008, the foreign workforce was predominantly male (57.8% against 52.1% for the French labour force) (Table I). However, since 2004 a feminization trend in the labour market should be noted both for nationals and migrants. While the number of Portuguese persons among labour migrants has decreased in the last years (from 24% in 2004 to 19% in 2008), they still represent the most relevant group of labour migrants with around 300 thousand workers. Moroccans and Algerians represent 11 per cent and 10.5 per cent of the migrant worker population respectively, yet their share has decreased during the past year and the number of third-country nationals from Africa has increased (from 11.5% in 2004 to 14.5% in 2008).

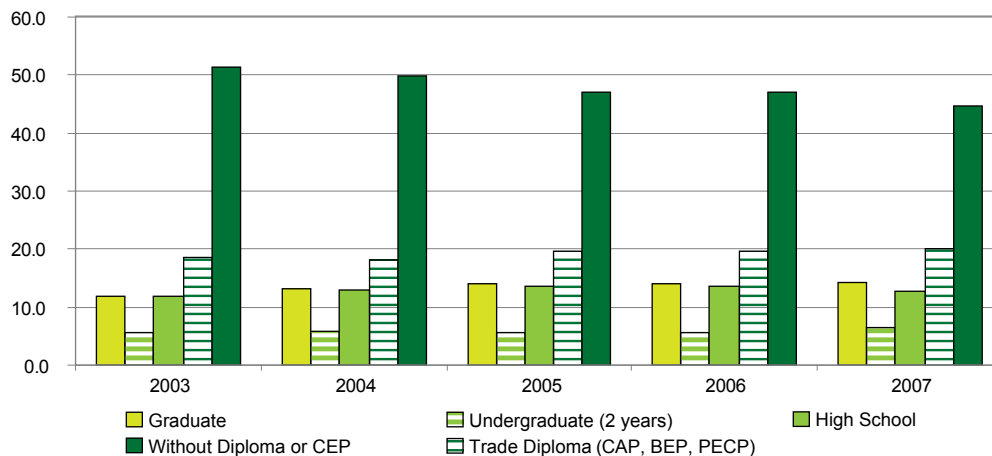
Table I: Labour force by nationality and sex in metropolitan France, 2008

	Men	Men %	Women	Women %	Total	Total %
Native-born labour force	13,687,830	93.8	12,567,124	95.0	26,254,954	94.4
Foreign-born labour force	902,033	6.2	658,506	5.0	1,560,539	5.6
Europe (including the CIS)	348,868	38.7	313,985	47.7	662,853	42.5
European Economic Area and Switzerland	331,249	95.0	288,477	91.9	619,726	93.5
Among which Portugal	164,920	49.8	138,447	48.0	303,367	49.0
Other Europe (including the CIS)	17,916	5.0	25,508	8.1	43,127	6.5
Asia and Oceania	121,347	13.5	71,263	10.8	192,609	12.3
Africa	396,332	43.9	238,328	36.2	634,660	40.7
North Africa	271,053	68.4	135,066	56.7	406,119	64.0
among which Algeria	114,789	42.4	48,021	35.6	162,810	40.1
among which Morocco	108,380	39.9	65,465	48.5	173,845	42.8
Other countries African	125,579	31.7	103,262	43.3	228,541	36.0
America	35,486	3.9	34,218	5.2	69,704	4.5
Stateless persons & refugees	0	0.0	713	0.1	713	0.1
The total labour force	14,589,863	100.0	13,225,630	100.0	27,815,493	100.0

Source: INSEE, Annual Labour Force Survey.

During the past 25 years, the educational level of migrants has significantly increased. Two features are particularly significant: a) the proportion of migrants without a degree or holding a CAP (trade diploma) has halved (from 80% in 1982 to 40% in 2005), b) the proportion of migrants with higher education degrees quadrupled (from 6% in 1982 to 24% in 2005) (Centre d'Analyse Stratégique, 2010). The analysis of the evolution of education levels for working age migrants (15-64 years) between 2003 and 2007 (Figure 4) confirms this trend, though clearly points out that more than 40 per cent of migrants are still without any educational attainment.

Figure 4: Education level of migrants, 2003-2007



Sources : INSEE, *Employment survey*.

Concerning the distribution of levels of education there is a high diversity among the various migrants' regions of origin. For example, the proportion of graduates among migrants from Western Europe, America, Oceania and the Far East is some three times higher than natives. In contrast, other groups include high proportion of people without diplomas, such as migrants from Southern Europe and North Africa (INSEE, *Enquête Emploi 2005*).

In any case, the rate of recognition of qualifications obtained abroad is very low. In France, in order to obtain a formal recognition of their studies abroad or their foreign diploma, migrants may apply to the university chancellor. Yet, only one out of ten migrants followed such procedures, since most of them do not believe that recognition of qualifications will allow them to gain a labour market advantage. (Monso and Gleizes, 2009).

Labour Market Impact

Traditionally migrants were supposed to exhibit socioeconomic characteristics which differ from those of natives: migrants are typically younger, predominantly male, concentrated in larger cities, less educated, their occupations are less skilled even for comparative training and experience levels and they are more often unemployed.

In 2008 the employment rate of French-born citizens was still higher than that of foreigners. Male migrants have improved their position (the employment gap dropped from 3.3 in 2002 to 2.1 in 2008) while the same conclusion could not be traced for female migrants (the employment gap rose from 6.1 in 2002 to 6.3 in 2008). Migrants show inferior inclusion in the labour market also in terms of unemployment rates, which are double that of natives (Table 2).

Table 2: Labour market and migrants outcomes, 2002-2008

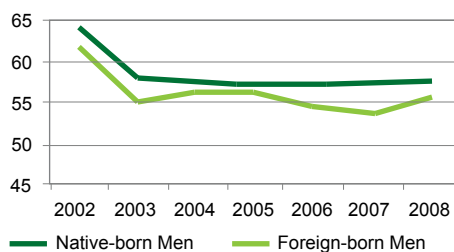
Macroeconomic indicators				
	2002	2004	2006	2008
Annual growth %				
GDP by value	3.4	4.1	4.7	2.8
GDP by volume	1.0	2.5	2.2	0.2
Unemployment	8.69	9.19	8.8	7.4

Employment rate (%)				
	2002	2004	2006	2008
Native-born men	61.7	57.6	57.1	57.6
Foreign-born men	64.0	56.2	54.6	55.7
Native-born women	49.0	45.8	46.1	47.4
Foreign-born women	42.9	36.6	36.8	40.1

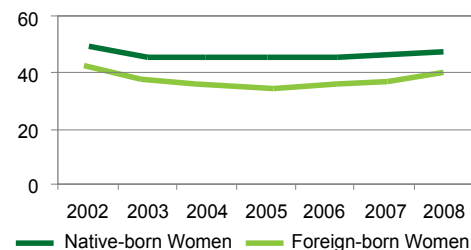
Unemployment rate (%)				
	2002	2004	2006	2008
Native-born men (1)	7.1	7.4	7.5	6.3
Foreign-born men (2)	15.5	13.9	13.7	12.5
Native-born women (3)	9.5	9.2	9.0	7.4
Foreign-born women (4)	17.7	18.0	17.9	13.9
Ratio (2)/(1)	2.18	1.83	1.81	1.97
Ratio (4)/(3)	1.86	1.96	1.99	1.89

Sources : INSEE, World Bank.

A : Employment rate (Men)



B : Employment rate (Women)



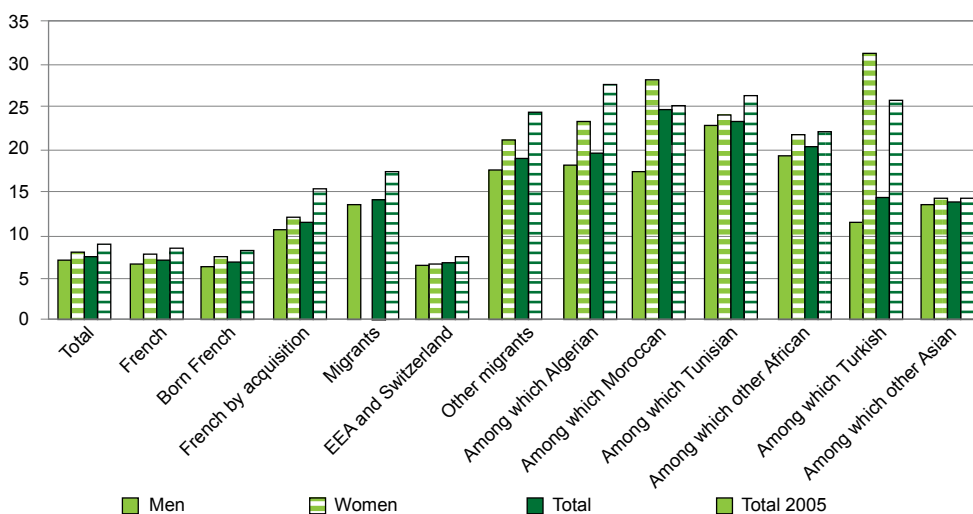
A different pattern of integration in the labour market can be observed for third-country nationals and EU migrants. In general, migrants of Spanish or Portuguese origin are much better positioned (measured in terms of periods of unemployment or job instability they have suffered) than persons originating from Algeria, Morocco or Turkey. The latter are three times more likely to be unemployed than the natives, partially because of lower skill levels than that of all other migrants (particularly in

comparison to European migrants) and poor knowledge of French (for migrants of Turkish origin) (INSEE, 2004-2008).

In 2008, the activity rate among French-born citizens was 70.3 per cent, while 64.1 per cent of foreigners were active. However, while the nationals of the European Economic Area and Switzerland have a participation rate of 72.3 per cent (higher than natives), third-country nationals registered a rate at 59.6 per cent (INSEE). Whereas over the last three years the activity rate has remained relatively stable among the French, it has increased for most nationals of third-countries, irrespective of gender, but especially for men. The male participation rate is the lowest among French-born men (73.4%), whereas it reached 76 per cent for foreigners and notably 80.3 per cent among French citizens who have been naturalized, so as to suggest a positive influence of political inclusion.

Regarding the employment rate, nationals from the EU/EEA and Switzerland have a rate at 65.9 per cent, and 49.9 per cent of third-country nationals are employed, though with a great variance between men and women (62.7% against 37.5%).¹¹⁵ Third-country nationals register a rate that is more than two and a half times higher than for nationals (17.7% against 6.5% in 2008). At the same time, nationals from the EU/EEA and Switzerland show the lowest rate (6.5%) (Figure 5). Female migrants coming from Turkey and Morocco show an evident difficulty in entering in the labour market (unemployment rate at 31.4% and 28.2% respectively) and, in addition, a high unemployment gender gap within their nationality group (20 and 10 percentage points respectively). Boissard (2006) shows that after introducing control variables (age, sex, level of education and marital status) unemployment continues to be significantly higher for foreigners than for French nationals. For example, in 2002 a French female, living in Ile de France, aged between 20 and 40 years, single and without child has a 20.6 per cent likelihood to be unemployed, compared to a foreigner at 43 per cent.

Figure 5: Unemployment rate by sex and country of origin, 2008



Source : INSEE.

¹¹⁵ Among Turkish the employment gender gap reaches a peak of 58.2 percentage points (employment rate at 73% versus 14.8%).

Generally, in France migrant women face more difficulties in access to employment than men. Migrant women are more likely to occupy part-time jobs, precarious or low-skilled positions, and their possibilities of promotion and professional mobility remain limited (High Council for Integration, 2009).

In the same vein, second generation migrants have more difficulties in finding employment than other young people regardless of their level of education and employment sector, private or public (Centre d'études et de recherches sur les qualifications (CEREQ), 2007). Thus the CEREQ survey (2007) shows that in 2004, 67 per cent of young people at Bac +3 level finds a job quickly and permanently versus 63 per cent of young migrant descendants.

Educational attainments seem not to have any impact on the integration of migrants in the French labour market. In fact, the unemployment rate for migrants remains almost the same regardless of their educational level obtained (Table 3). Furthermore, Verdugo (2009) has shown that the probability of unemployment for a migrants without diploma is 9.4 per cent higher than the one of native males and 8.5 per cent for females

Table 3: Employment, Activity and Unemployment rate by nationality and education levels (1) by education levels, 2008

		Employment rates		Activity rate		Unemployment rate	
		Men	Women	Men	Women	Men	Women
Without Diploma or primary level	Migrants	65.1	37.8	73.7	45.9	11.8	17.7
	Nationals	60.0	46.0	67.3	53.0	10.9	13.2
Secondary	Migrants	70.2	51.9	81.2	59.3	13.5	12.5
	Nationals	72.6	62.5	77.3	68.1	6.0	8.1
Higher education	Migrants	72.4	57.7	83.1	65.5	12.9	11.8
	Nationals	85.4	81.4	88.7	85.1	3.7	4.4
Total	Migrants	68.6	46.9	78.6	54.7	12.7	14.3
	Nationals	73.4	64.8	78.2	70.1	6.2	7.6

(1) Population 15 years and over.

Source : INSEE, Employment survey.

Despite the high unemployment rate registered for migrants, there are several sectors of the economy that face persistent labour shortages. They encompass low-skilled as well as high skilled occupations: personal services by 2015 (+416 000 jobs), transport and tourism (+225 000 jobs), commerce (+196,000 jobs, including 135 000 low qualified) and construction and public works (+116 000 jobs) are the main creators of unskilled jobs, while health jobs (+304,000 jobs, mostly high skilled jobs), IT (+149,000 jobs) and management (+197,000 jobs of which at least 131,000 skilled jobs) are net creators of high skilled jobs. In addition, the need to replace retiring workers is important in some sectors: construction and public works (413,000 retirements in 2015), tourism and transport (444,000 separations), management-administration (641,000 departures), commerce (453,000 departures), personal services (790,000 departures) and the Public Service (500,000 departures). Thus, as in some areas significant employment growth coincides with a significant number of retirements, in the next years professional

immigration seems inevitable. (Directorate General of Treasury and Economic Policy, 2009)

The more noticeable change in the French economy (as well as in many developed countries) during the 1990s was the increased share of tertiary activities at the expense of industry and construction. This phenomenon has continued in the 2000s, but at a slower pace. These changes have an impact on migrants since they were predominantly working in the manufacturing sectors in the two previous decades than now. Textile industries and mines which used to employ many migrants have declined.

In 2007, they were predominantly workers or employees: it was the case for 62 per cent of them (35% unskilled) versus 51 per cent of active natives. Migrant women are more often employed in unskilled positions than active natives (1/3 versus 1/5) and are more often employed part-time (34% versus 28%). In the Ile-de-France (where 40% of migrants live), 69 per cent of employees in the cleaning business and 66 per cent of people employed by households are migrants (Perrin-Haynes, 2008).

The degree of social integration of migrants directly affects their performance (wages, employment, participation) in the labour market. Fluency in French plays a very important role among individual features, which determine insertion quality significantly. The probability to benefit continuously from a stable occupation is strongly enhanced by fluency in French (+10%) (Boissard, 2005).

A general consensus on the impact of migration on the national labour market suggests that migration has a very small effect relatively to inequalities between skilled and unskilled employees on the labour market and leads to significant job creation (Cahuc et Fougère, 2002). More generally, migration has a positive impact on activity: a uniform increase in the population boosts the level of productive employment and thus GDP, leaving the native standard of living unchanged. For example, if 50,000 migrants with identical characteristics to those of the resident population were to enter the French territory they would increase the production potential of the economy by 0.1 per cent of GDP without any marked effect on GDP per capita (Trésor-Eco, 2010).

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