



## **SECOND-GENERATION MIGRANT SOCIO-ECONOMIC OUTCOMES LITERATURE REVIEW**

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Australia is a country that has historically relied heavily upon migration as a means of both population and economic growth. However, for permanent migrants in any country it is necessary to determine their ability to integrate with their host community, in order to see how effective that country's immigration policies actually are. To this end, the study of second-generation migrants provides a vital benchmark from which to construct a comprehensive image of the costs and benefits a state derives from its permanent immigration policies, as well as allowing policy analysts to see how easily migrants and their families are able to engage with their local communities and their host country's labour market.

### **Understanding second-generation migrants**

The two most useful measures by which to gauge second-generation migrant<sup>1</sup>

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<sup>1</sup> Often the foreign born children of migrants who arrive in their new host country during childhood, the so called 1.5 generation, are included in the same sets of data as Second-Generation

outcomes are through their educational attainment and subsequent employment rates. This is because educational attainments and subsequent attitudes towards learning indicate how well an individual is able to engage with their new nations culture when they have a different set of cultural norms at home. Whereas employment rates indicate the ability of those individuals to engage with their adoptive countries economy, providing some insights into the potential costs and benefits they might bring to their nation more broadly.

### **Educational Attainment and Perceptions**

Due to the tendency of migrants to retain characteristics related to their identity as foreign nationals, which often stand in contrast to their integration into the society of their host country, the ability of second generation migrants to successfully integrate and attain optimal education and economic outcomes are ultimately the best indicators of a successful immigration policy. This is largely due to the positive

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Migrants due to their comparable ages and migration experiences. In this document the term Second-Generation Migrant will be used to explicitly refer to the native-born children of two immigrants. Where datasets contain a conflict in terminology this will be made clear to the reader. To refer to the native born children of native born Citizens, the term Third-Generation Plus is used.

impact that educational attainment has upon both social mobility and social cohesion. Moreover, the attitudes of both students and their parents to education are pivotal towards determining their engagement with the social institutions of their country, as well as their perceptions of their own social mobility. To this end, the OECD's Program for International Student Assessment (PISA) allows for analysis of educational attainment within second-generation migrant populations relative to their non-immigrant peers, in addition to their perceptions on learning and their motivation to learn, all of which are important markers for determining the potential impact and integration with their country's future labor market. Across the OECD as a whole, second-generation migrants achieve educational outcomes at lower levels than the national average, although outside of Europe this trend is typically reversed, particularly in Australia, where both first and second-generation migrant students outperform the national average (OECD, 2013). There are numerous reasons for these discrepancies, which will be examined below.

When it comes to student attitudes towards education, there are clear correlations between enjoyment of subject learning and educational outcomes. For example, the 2012 PISA results demonstrated that of the students asked, 22% of students from socio-economically disadvantaged schools were unhappy at school, as opposed to 15% of students from socio-economically advantaged schools (OECD, 2013). In addition to this, it was shown that regularly arriving late for school or missing days of school or classes could result in the cumulative effect of as much as one year of schooling being missed out on. This goes a considerable

way to explaining the lower educational outcomes for students in lower socio-economic areas in most of the OECD. Given that the majority of migrants settle in lower socio-economic areas due to lower housing and living costs, this is of particular importance to analyzing the educational outcomes of second-generation migrants. However, there is considerable variance within the OECD with regards to these figures.

In Australia, second-generation migrants had overwhelmingly positive responses to being in school, as well as having on average higher levels of motivation to learn than third-generation plus migrants (OECD, 2000). An example of this, in practice, could be seen in the higher number of books being read per week by second-generation migrants when compared to their non-immigrant peers, despite not having as many English language books in the home. This indicates a higher utilization of learning resources by second-generation migrants and their families, such as libraries and co-curricular educational programs.

### **Reasons for differences**

#### *ESL (Non-English Speaking Home Backgrounds)*

Within the OECD, the largest determinant of divergent results within PISA was due to varying levels of proficiency in the language of the host country. The largest discrepancy was found to be between first-generation students and native speaker peers, followed by the gap between second-generation migrant students for whom the predominant language spoken at home was not the same as the one spoken at school (OECD, 2009).

### **Socio-Economic Conditions**

*“Immigrant students’ performance in PISA is more strongly (and negatively) associated with the concentration of socio-economic disadvantage in schools than with the concentration of immigrants per se, or, the concentration of students who speak a different language at home than the one in which they are taught at school.” (PISA, 2013)*

One of the findings from PISA 2012 was that, for students, the socio-economic status of their parents and the equitability of the resource distribution within their nations school system were far more important than their status as second-generation migrants. Often seen as a proxy for other forms of disadvantage, this concentration of socio-economic disadvantage is largely accounted for by the location of recent immigrant populations in lower socio-economic areas, principally due to the abundance of cheaper housing stock and lower commodity prices. A by-product of this is that schools that are already in lower socio-economic areas also have to cater to increased numbers of migrant students whose educational requirements, such as foreign language tutoring and additional classes to help ensure that they meet the national standards for their age, are typically more intensive and resource heavy than the requirements for native born students for whom the language spoken at home is also the language spoken at school. This trend is reflected within European OECD nation’s PISA results. However, outside of the European OECD this trend is reversed, with Canada, Japan, Australia and New Zealand all showing no correlation between low socio-economic conditions and educational attainment outcomes (PISA, 2013)

### **Australia and OECD Averages**

Although Australia is by no means the only country with a selective migration policy targeted towards skilled migrants, the comparatively high levels of educational attainment in Australia with regards to OECD averages are indicative of a well-established schooling system with greater degrees of equity in resource distribution between high and low socio-economic environments. This is reflected in the consistency of educational attainment and outcomes across both low and high socio-economic outcomes nationally. In addition, Australia’s higher than OECD average rates of citizens with an immediate immigration history are also indicative of a school system with extensive experience at dealing with students for whom the language and cultural expectations at school are different from those at home.

For example, 6% of students in the greater OECD are second-generation migrants, compared to an average of 8% of students within Australia (OECD, 2013). In addition, Australia is one of the relatively few OECD nations where both first and second-generation migrant students outperform the national average. The significance of this is that within Australian school systems the immigrant integration process is successful in providing the resources and tools needed to help overcome the disadvantages immigrant children would otherwise face.

### **Employment Outcomes**

The ability of individuals to engage with their nation’s job market is often seen as a sign of wider integration within their society, as their ability to engage with their nations economy is indicative of their

ability to engage with their local community more broadly. Although this is neither the only manner through which individuals can engage with their community, nor does it indicate the satisfaction they have with their involvement, it nonetheless allows for inferences to be made about the ease with which they can join the labor market and whether they are having a net positive or negative impact on their local economies. Moreover, for non-humanitarian migrants to a new country, an inability to engage with the labor market means a failure to provide an income to support themselves and their family, or, a reliance on their host country's welfare system (*Economic Preferences and Attitudes of the Unemployed*, 2011).

This is significant to the study of immigration, and particularly for second-generation migrants, as it indicates the success of immigration policies to integrate new populations into the wider society. To this end, education outcomes are imperative. For immigrants who do not speak the language of their new host country, language skills can be prohibitive to many jobs in the retail and customer service industries, and in highly industrialized developed economies such as Australia, this leaves relatively few jobs for poorly skilled workers. As such, the ability of the host country to provide new immigrants the opportunities necessary to educate their children with the skills required to succeed in their new country's economy can be seen to be the most effective benchmark for examining the socio economic outcomes of second-generation migrants.

Throughout the wider OECD there are lower employment rates for second-

generation migrants in both genders when compared to the wider population. However, in New Zealand, Canada and Australia, all of which have selective skilled worker migration policies, there are no significant differences indicating a correlation between migrant status and employability (OECD, 2009). This is largely because skilled migration programs often require sponsorship by future employers in the destination country, or, have in place other measures designed to provide employment for skilled migrants upon their arrival to their new country.

### **Skill levels in Employment**

Despite wider differences in employment outcomes for second-generation migrants across the OECD, the percentage of those employed in high-skilled occupations that required highly technical expertise were the same as for third-generation plus migrants. This indicates that the barriers to skilled occupation are no higher for second-generation migrants than they are for native workers (OECD, 2009). This implies that although some second-generation migrants experience barriers to employment more broadly, there are relatively few barriers to learning new skills and workplace mobility once they have entered their nations labor force.

For its part, Australia's extensive skilled worker assisted migration programs have resulted in first and second-generation migrant employment rates in high-skill fields that are higher than OECD averages. In addition, the higher level of entrepreneurial activity engaged in by Australian second-generation migrants indicates that many migrants are able to employ the skills and cultural practices of their parents in conjunction with their

improved awareness of Australian culture and business practices to participate in the Australian Economy (OECD, 2009). The significance of this is that Australia is better able to provide high-skill employment opportunities for its second-generation migrants, although this is

largely because it has selective migration policies that benefit individuals who already have high levels of technical expertise.

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