

## Immigrant labour market participation in Belgium - high time to mainstream

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### Introduction

International and national indicators paint an unfavourable picture of Belgium's performance when it comes to the labour market participation of people with an immigration background (OECD 2008; 2012; FOD WASO and CGKR 2013). The gap between the labour market participation of natives and immigrants is large, much larger than the OECD average. Belgium has received severe criticism for this situation over the past years from both from the OECD and the European Union. This criticism was repeated in July 2014 in the European Council Recommendation on the 2014 Stability Programme of Belgium.

This Policy Brief outlines research that was conducted at the Institute for European Studies of the Vrije Universiteit Brussel under the auspices of the King Baudouin Foundation. The study inquires into one possible cause of Belgium's poor performance with regard to labour market participation of immigrants. Existing research mostly points to immigrant characteristics and certain features in relation to the receiving society (discrimination, integration policies, and more structural factors). The research presented here is unique as it goes in-depth into structural factors. It asks whether Belgium's complex federal state structure (and subsequent division of responsibilities and lack of intergovernmental cooperation) has a bearing on the poor results of Belgium in this field. As part of the research, Belgium's division of governmental responsibilities and institutional cooperation are compared with the situation in other (mostly multinational) federal and decentralized states: Spain and Catalonia, Canada and Quebec, the United Kingdom in relation to Scotland and finally Germany and its sub-state units, the Länder. Besides the central research question, the research also studies how intergovernmental and inter-departmental cooperation is organised, and where bottlenecks and best practices in cooperative practices

**The gap in labour market participation between natives and people with an immigrant background is significant in Belgium, one of the largest in the OECD. In this Policy Brief, we present research<sup>1</sup> that investigated one of the possible causes of this poor performance, and we propose three main policy recommendations. The research project studied whether Belgium's complex federal state structure, and the subsequent division of responsibilities and lack of intergovernmental cooperation helps to explain this poor performance. The study concluded that governance complexity does not appear to be a main cause for Belgium's poor results. However, more policy coordination would improve policy efficiency.**

can be found. The research also investigated what opportunities could arise from the sixth Belgian state reform to promote labour market participation of people with an immigrant background.

After presenting the main research findings, this Policy Brief will emphasize three main policy recommendations resulting from the study.

## Main research findings

The research finds that the complexity of the division of policy authority in Belgium is **not a main cause** of the country's poor performance with regards to the labour market participation of immigrants. This does not mean, however, that intergovernmental cooperation could not be improved. The research detected several challenges with regard to intergovernmental cooperation that could be addressed to foster policy efficiency.

The two main reasons for concluding that the complex division of policy authority and the nature of intergovernmental cooperation are not main causes of creating the gap in labour market participation are as follows. First, the division of responsibilities in other federal or decentralized states is possibly even more complex than that in Belgium, and yet they outperform Belgium by sustaining a smaller labour market participation gap between immigrants and natives or no gap at all. Secondly, both federal and regional governments in Belgium already have substantial leverage to promote labour market participation of immigrants without there being any actual need to cooperate between the different state levels. Counter-intuitively, our research shows that cooperation between the policy domains of labour and integration *within* the same government (federal or regional, for example within the Flemish or Walloon region, or within the federal government) is not necessarily smoother than intergovernmental cooperation between the federal state, the regions and communities. Yet, this interdepartmental cooperation (*within* the same government) is not hindered at all by complex division of responsibilities.

## Mainstreaming immigrant integration at all government levels and in all relevant policy departments

Mainstreaming immigrant integration in the policy fields of labour and education is essential for achieving better labour market participation. Inspired by the definition of gender mainstreaming<sup>2</sup>, mainstreaming immigrant integration can be defined as the process of assessing the implications for people with an immigrant background of all planned action, including legislation, policies or programmes, in all areas and at all levels. It also involves cooperation between policy areas to foster jointly equal participation independent of ethnic origin. The complexity

of the Belgian federal governance structure cannot serve as an excuse for cooperation between departments *at the same level of governance*. The European common basic principles for immigrant integration clearly state that integration<sup>3</sup> cannot just be a preoccupation of integration (or home affairs) ministers alone, but must be thought about and acted upon in all departments and at all levels of government.

Much can be learned from gender mainstreaming in Belgium, as well as from disability mainstreaming, both of which are legal duties for policy makers. These forms of mainstreaming are implemented by all policy authorities at all levels, while they are absent at most policy levels for immigrant integration. Mainstreaming immigrant integration is non-existent at the federal level, and variance can be found at the regional level. Mainstreaming immigrant integration is present in Flanders, but absent in the Federation Wallonia-Brussels, the Walloon and the Brussels region. These authorities do not or barely give attention to the specific difficulties of people of immigrant origin in their general labour and education policies, neither do they institutionalize cooperation on this issue between the relevant policy departments. In Flanders, immigrant integration is lightly mainstreamed in all relevant policy departments. Although interdepartmental cooperation exists, it can be improved in numerous ways.

For over a decade, Walloon integration centres (*centres régionaux d'intégration*) have called for a mainstreamed integration policy. Even today, everything concerning immigrant participation is referred to the 'integration minister or department' (minister for social affairs, *ministre de l'action sociale*). Yet integration policy should not remain limited to funding integration centres, some courses and limited local projects run by non-governmental organisations. It must be ensured that education and labour market policies take into account the specific challenges with which people with an immigrant background are confronted (such as discrimination, the need for recognition of diplomas, limited or different professional networks).

Within the Flemish government, there is an institutionalized form of integration mainstreaming as shown in the 'Integrated Action Plan Integration Policy' and the interdepartmental 'Committee on Integration Policy.' Our interviews with policy-makers reveal that there is an overall appreciation of the work of this commit-

tee and the role of this and other action plans that span various departments of government. At the same time, things could still be improved. In the overall mainstreaming effort interviewees mentioned the unclear role of the committee and the mandate of its members as weak spots. Another recurrent critique concerns the lack of coordination outside the interdepartmental commission, when ministers of education, labour or integration take new initiatives that impact the labour market participation of people with an immigrant background.

### **Mainstream immigrant integration in the intergovernmental relations on employment policies**

Our research shows that the intergovernmental relations<sup>5</sup> between the federal and regional authorities are far more intense on general employment than on immigrant integration policies. Moreover, these intergovernmental negotiations on employment never deal with the specific issue of the labour market position of people with an immigrant background. In order to reduce this gap, the specifics of the labour market position of people with an immigrant background must be a structural part of federal-regional and interregional negotiations. This can be achieved by, amongst other things, an employment conference at the start of each legislature with employers, unions, representatives of underrepresented groups and all government institutions involved in labour market policies (federal government, regions and communities). This conference then needs to establish joint objectives on labour market policies, with particular attention to improving the position of all currently underrepresented groups in the labour market - including, but not limited to, people with an immigration background.

The employment gap is different for men and women with an immigrant background as well as with respect to the level of formal education: women with an immigrant background face a gap that is double that of men and, counterintuitively, the gap is overall wider for highly educated migrants than for the lowly skilled (OECD, 2012). This means that specific objectives for furthering the employment of men and women with an immigrant background are needed by keeping a gender and a qualification dimension at the heart of the process. Ethno-stratification<sup>6</sup>, the overrepresentation of people of immigrant descent in certain sectors of the labour market, and “brain loss” through overquali-

fied people doing low skilled jobs equally need a defined presence in the intergovernmental cooperation efforts.

For this and other target groups, each Belgian government level will need to detail how, within its area of responsibility, it can contribute to the realization of the joint objectives. Some objectives will be able to be achieved without, and others with intergovernmental cooperation. The way in which cooperation is organised needs to be thoroughly thought through. With this in mind, the conference will need to be prepared, through high level working groups that can adequately prepare the decision-making, to set clear definitions for what progress means and in what timeframe. The follow-up to the conference can be achieved through regular meetings in which progress is monitored by a monitoring body.

The results of such an employment conference can feed into the National Reform Plan that Belgium submits annually to the European Commission. By having a joint exercise involving different levels of government, the quality of the Plan in relation to employment can be improved. A joint exercise directly offers the advantage of mitigating the recurrent critique of the European Commission to Belgium that it submits a National Reform Plan that is in essence a collated collection of regional plans without any overall coherence. The further regionalisation of several employment policy responsibilities following the 6th Belgian state reform makes these cooperative efforts even more necessary.

### **Use the new regional ‘target group policies’ to reduce the employment gap between immigrants and natives**

Until the implementation of the 6th state reform the ‘target group policies’ for underrepresented groups (the so-called ‘groups at risk’) in the labour market were a responsibility of the federal authorities. The 6th state reform has transferred these legislative and implementation policies to the regions. The target group policies mainly concern wage subsidies (or a reduction of social security contributions) for employers who hire people with a certain profile (mainly low-qualified young people, the long-term unemployed and older workers). The effect of these ‘target group policies’ on the reduction of the employment gap for people with an immigrant background has never been evaluated. These policy tools often address the long-term unemployed, a category

in which migrants and particularly women with an immigration background are under-represented. They might thus increase, instead of closing, the employment gap between immigrants and natives by unconsciously favouring people without a migration background. The regionalisation of these target group policies constitute a real opportunity to evaluate how future redesigned regional target group policies might contribute to the reduction of the employment gap between immigrants and natives.

## Conclusions

The explanation of the far too large labour market participation gap in Belgium, between people with and without an immigrant background, is clearly multi-faceted. Despite the fact that the complex division of responsibilities cannot be considered as the main cause of this gap, there is still major scope for enhancing cooperative policy efforts to foster Belgium's and the Belgian regions' policy performance. First, immigrant integration should be mainstreamed in all relevant policy departments and at all policy levels. Mainstreaming immigrant integration includes policy coordination *at the same policy level*, between the integration/anti-discrimination, employment and/or education departments. Second, relevant policy makers should also integrate the specific issue of labour market participation of people with an immigrant background into the existing intergovernmental coordination on employment policies. Without that, the implications of policy measures and cooperative efforts might be counterproductive and fall short of the target of a more inclusive labour market. Our third and last recommendation draws the attention of policy makers to the unconscious bias of former federal target group policies for 'groups at risk' on the labour market. Such albeit unconscious bias has possibly widened the employment gap between immigrants and natives. It is now up to the Belgian regions, newly responsible for wage subsidies for employers, to

use these tools to reduce unemployment of people with an immigrant background in Belgium.

## Footnotes:

<sup>1</sup>Adam, I. & M. Van Dijk, *Institutionele samenwerking ter bevordering van de arbeidsparticipatie van personen met een migratieachtergrond*. Research initiated and funded by the King Baudouin Foundation.

<sup>2</sup>*Mainstreaming the gender perspective into all policies and programmes in the United Nations system, ECOSOC July 1997. Chapter IV.*

<sup>3</sup>*Council of the EU, Justice and Home Affairs Council, 2618th Meeting, 14615/04. Brussels, 19 November 2004.*

<sup>4</sup>*The law gender mainstreaming of January 12, 2007; UN Convention on the Rights of Persons with Disabilities, ratified by Belgium in 2009, see also Declaration of Belgium to UN Conference on the Convention of the Rights of People with Disabilities, 2012: 2*

<sup>5</sup>*Intergovernmental cooperation in Belgium is often organized through interministerial conferences and intercabinet working groups.*

<sup>6</sup>*The division of the labour market in ethnic layers, wherein people with non-Belgian and non-European roots are over-represented in the less valued employment sectors.*

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