Chapter 14

Third-country nationals in the European Union

This chapter considers the full set of "Zaragoza indicators" for third-country nationals in the European Union (for a presentation, see below), comparing their outcomes with those of domestic and EU nationals. Built on existing data for most member states, they are limited in number, comparable in time, productive, cost-effective, simple to understand and communicate, and outcome-focused. They are therefore highly meaningful support tools for monitoring integration policy outcomes at European, national and regional level.

The chapter looks first at the size and composition of third-country national populations (14.1). It then goes on to consider their countries of birth and length of residence (14.2), before analyzing outcomes in employment and activity (14.3), unemployment (14.4), self-employment (14.5), overqualification (14.6), levels of education and literacy (14.7), income distribution (14.8), poverty (14.9), housing tenure status (14.10), perceived health status (14.11), long-term resident status (14.12), participation in voting (14.13), the acquisition of nationality (14.14), and perceived discrimination (14.15). Data limitations will be discussed at the end of the chapter.

The "Zaragoza" indicators: indicators for monitoring integration policy outcomes in the European Union

"Migrants" in the context of the European Union are understood to be non-EU, or third-country, nationals who reside legally in the European Union. Their situations often differ markedly from those of EU citizens moving between or living in EU member states other than their own. Although many enjoy equal rights with host-country nationals, there are greater restrictions on third-country national's mobility within the European Union. Their reasons for migrating are also likely to be different from those that prompt EU nationals to move, and often include asylum or family reunification.

The Europe 2020 strategy considers better integration of third-country nationals as a factor that will help it meet its first headline target of a 75% employment rate among 20-64 year-olds. Given the share of non-EU nationals in its labour force today, the European Union can meet that employment target only if it improves their labour market outcomes.

Although integration policies are defined and implemented primarily at national or sub-national level, they are closely linked to the EU equality framework and to EU provisions that grant migrants residing in the European Union certain rights (e.g. equal working conditions and equal access to goods and services). The European Union indeed has adopted a number of EU non-discrimination laws which are of relevance for the integration of third-country nationals, in particular the Directive 2000/43/EC on racial equality and the employment equality directive (Directive 2000/78/EC). Moreover, since 2009, the Treaty on the Functioning of the European Union states, in Article 79.4, that the European Union may offer support and incentives to member states who take action to promote the integration of legally resident third-country nationals (though that does not include any legal harmonisation).

The European Union has also developed Common Basic Principles for Immigrant Integration Policy. They were adopted in 2004 and reaffirmed in 2014 as the general framework for EU policy co-operation on integration and for member countries' assessments of their own efforts. The Common Basic Principles cover the main aspects of integration – employment, education, access to institutions, goods and services, and integration into the society in general. And, most importantly, they define it as a two-way process of mutual accommodation between migrants and EU nationals.

Known as the "Zaragoza indicators", those Common Basic Principles were introduced at a ministerial conference under the Spanish presidency of the European Union in April 2010. Following the conclusions on integration adopted by the Justice and Home Affairs (JHA) Council in June 2010, the Commission worked with member states to draw up those indicators for monitoring the results of integration policies in the four areas of employment, education, social inclusion and active citizenship. These indicators are in line with Europe 2020. A pilot study on the common indicators published its findings in a report, "Using EU Indicators of Immigrant integration", which was unveiled in 2013. Eurostat updates the indicators annually, drawing on already harmonised data sources, such as the EU Labour Force Survey and the EU Survey on Income and Living Conditions.

Key findings

Third-country nationals account for a growing share of the total population in the European Union

- In 2013, there were 20 million third-country nationals living in the European Union, with high numbers living in the EU15 countries and relatively fewer in new member states. The share of third-country nationals is on the increase, climbing from 3.4% in 2005 to 4.1% in 2013. The countries where rises were steepest were Italy and Slovenia.

Except for low-educated ones, third-country nationals perform worse on the labour market

- EU-wide, 54% of third-country nationals are in employment. The employment rate of third-country nationals is less than that of host-country nationals in all countries with the exception of men in the Czech Republic, Slovenia, Hungary, Italy, Luxembourg and women in Cyprus,[1, 2] Malta and the Czech Republic.
- The same proportions of third-country nationals and host-country citizens with low levels of educational attainment are employed. In contrast, third-country nationals with higher education degrees have greater trouble finding a job than their EU peers.
- In 2012-13, 22% of non-EU foreigners were unemployed, a rate double those of host-country and EU nationals. In Sweden, Luxembourg and Belgium, their unemployment rates were four times higher than those of nationals.
- The financial and economic crisis of 2007-08 hit third-country foreigners, especially men, harder than EU nationals. The unemployment rate has fallen mostly in Germany, Luxembourg and the Czech Republic.
- The average rate of overqualification among third-country workers stands at 44%, compared to 20% among host-country nationals. It is as high as 80% in Italy and Greece.

A significant share of third-country nationals lack basic skills

- Three countries have achieved the Europe 2020 education goal of 40% of 30-34 year-olds completing a tertiary education done so for their third-country residents: the United Kingdom, Ireland and Luxembourg.
- Across the European Union, 18% of third-country foreigners aged 25-34 have very low levels of education (equivalent to primary schooling at best) in contrast to host-country nationals for whom the figure is 4%.

Although healthier, third-country nationals face poorer living conditions compared to host-country nationals

- The annual median revenue of third-country nationals in EU countries were lower than that of host-country nationals. 39% of third-country national households live in poverty – twice as high as among national households.
- Third-country nationals in all EU countries were three times less likely than host-country nationals to own their own homes in 2012.
- Third-country nationals report being in better health than nationals, particularly in south Europe.

Most immigrants born in a third country have the citizenship of the host country and vote

- Seven out of ten third-country immigrants with host-country citizenship voted in the most recent national elections, compared to 8 in 10 native-born nationals.
- In 2012-13, nearly two-thirds of immigrants born in a third country had acquired the nationality of the host country after 10 years of residence. Highly qualified third-country immigrants are the most likely to take up this nationality.

Perceived discrimination is larger among third-country nationals than among EU nationals, even for those born in the host country

- In 2002-12, nearly a quarter of third-country nationals felt that they were discriminated against because of their origin. Perceived discrimination is lowest in the Scandinavian countries and Luxembourg, and most widespread in Greece and Austria. Third-country citizens born in the host country and those born abroad feel equally discriminated against.

14.1. Size and composition by age and gender

Background

Definition

A third-country national is a foreigner who has the nationality of non-EU country (see Glossary).

Coverage

Total population in EU countries.

In 2013, 20 of the 34 million foreigners residing in a European Union country – or 4.1% of the Union's total population – were nationals of a third country. Nearly one-quarter lived in Germany, while Italy and Spain accounted for 15%, France 13%, and the United Kingdom 12%.

Third-country residents account for the highest shares of the total population in Latvia and Estonia (Figure 14.1) where, after the breakup of the Soviet Union, many residents originally from Russia kept their Russian nationality. In Austria, Luxembourg and Germany, and in most of southern Europe, particularly Spain, over 5% of the population originates from a third country. Shares are low, however, in the majority of central European countries, particularly in Poland and Romania. Numbers of third-country nationals are higher than those of non-host-country EU nationals in most member states. There are, however, twice as many EU foreigners as third-country foreigners in Ireland and Belgium, and six times more in Luxembourg (Figure 14.A1.1).

The share of foreigners from third countries in the total EU population rose from 3.4% to 4.1% between 2005 and 2013 (Figure 14.1). The increase was observed in all countries, except in the Baltic States and those, like Germany and the Netherlands, that had experienced steep climbs in arrivals of residents from other EU countries. Italy and Slovenia, with 2 percentage points, and Belgium and Portugal, with 1.5, also saw considerable increases over the period.

On average, 78% of third-country nationals in the European Union are of working age (15-64 years old), 7% are over 64, and 15% are less than 15. With the chances of obtaining host-country nationality increasing with length of stay, the younger age brackets account for the bulk of the foreign population (Figure 14.3). The share of 15-24 year-olds among third-country nationals (including those born in the host country) is much the same as among host-country nationals and higher than among EU citizens. One in four third-country nationals in the Baltic states is over 64 years old, while in countries of longstanding immigration like Germany and France the rate is one in ten.

With the exception of Latvia, host countries' national populations have an older average age than their residents from non-EU countries – particularly in central Europe (Romania being a prime example), some southern European countries (Cyprus[1, 2] and Malta), the United Kingdom and the Netherlands. There are proportionally more under-15s in third-country than in national populations in host countries like Italy where the naturalisation of minors born to immigrant parents is more difficult, and in those where most immigration is for family reasons, as in Austria and France (Figure 14.2).

Figure 14.1. **Populations of third-country nationals, 2005 and 2013**

Percentage of the total population

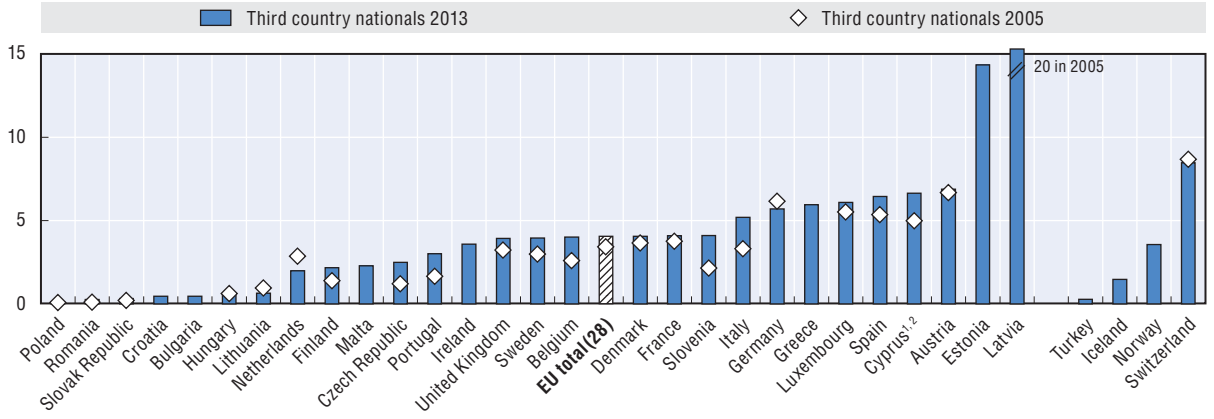

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Figure 14.2. **Population aged under 15 and over 65 years old by citizenship, 2012-13**

Percentage of the third-country population and national populations

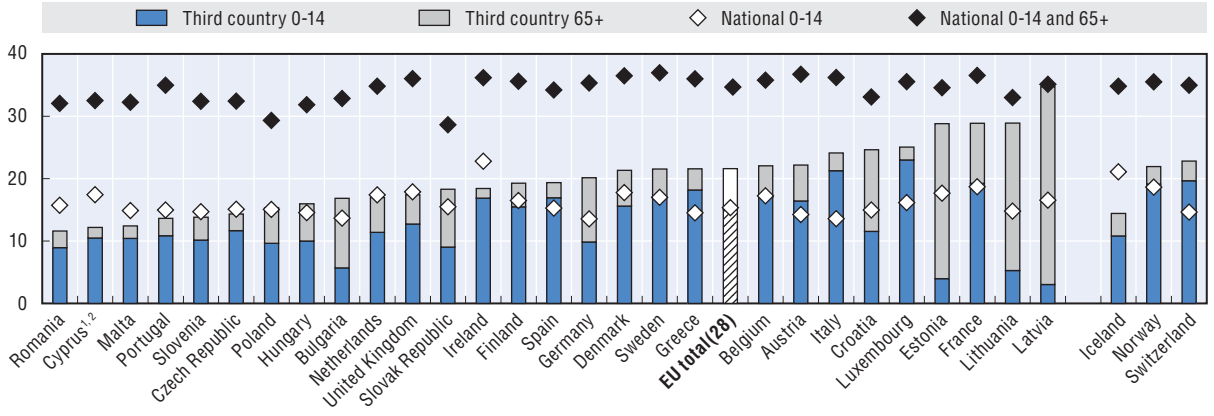

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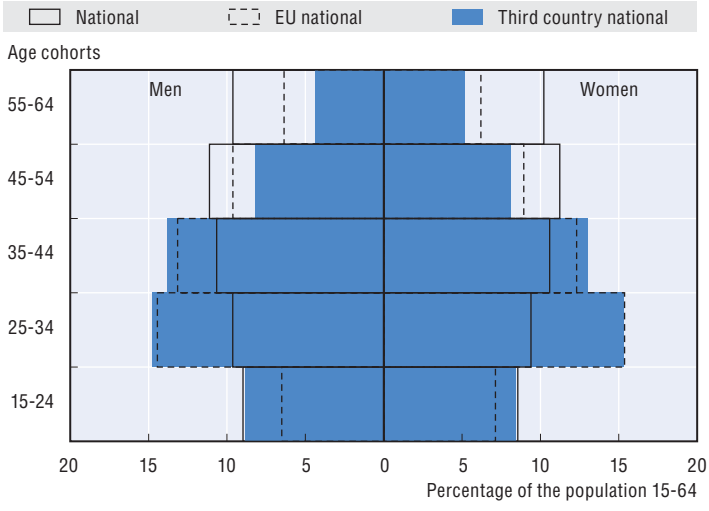
Figure 14.3. **Age distribution of working-age populations by citizenship, 2012-13**

Percentages of the third-country national, EU national and national populations, respectively



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Notes and sources are to be found at the end of the chapter.

14.2. Places of birth and length of residence

Background

Definition

This section looks separately at people born in the host country but who do not have citizenship and at those born abroad, and how long the latter have lived in the host country.

Coverage

Third-country citizens aged between 15 and 64 years old.

Across the European Union in 2012-13, the vast majority of third-country residents were born abroad. Just 7% were born in the host country (Figure 14.4). That percentage is far higher in countries where birthright citizenship is not automatic.

Half of all non-EU foreigners living in Estonia and Latvia, for example, were in fact born there. The proportion is so high because, at independence, neither country automatically granted nationality to the offspring of residents who had immigrated during the Soviet era. Up to the year 2000 Germany required the offspring of foreign parents to choose between their parents' nationality and German citizenship, which explains why as many as 17% of foreigners of third-country extraction were born in Germany. By contrast, in over half of all EU member states less than 1 in 50 non-EU foreigners was born in the host county. In France and Cyprus,[1, 2] the proportion is as low as 1 in 100.

Across member states, 1.1% of 15-34 year-olds born in the country have only foreign nationality. Of that figure, two-thirds are third-country nationals (Figure 14.5). The situation varies widely from one country to another. In those which automatically grant nationality at birth or on majority, like France and the United Kingdom, less than 1 in 500 people are foreign citizens. The reverse trend prevails in countries which still restrict dual nationality. For example, 1 in every 20 people born in the Baltic countries (with the exception of Lithuania) keeps their parents' nationality, while over 1 in 50 also has third-country nationality in Germany and Austria, and nearly 1% in Denmark and Greece. In Luxembourg, where third-country immigration is low, 17% of the young people born in the country are citizens of another EU member state.

An EU-wide average of 47% of third-country residents have lived in their host countries for at least ten years, a proportion that exceeds 50% in long-standing immigrant destinations like Germany, France and the Netherlands. In Sweden, by contrast, where most immigrants from third countries naturalise relatively quickly, some two-thirds of non-EU nationals are residents of less than five years standing (Figure 14.6).

As for southern Europe, although countries have continued to take in new non-EU migrants over the last ten years, most of those who reside in Italy and Greece are long-settled. In both countries, legislation governing the acquisition of nationality is relatively restrictive. Immigrant communities who arrived more than 10 years ago (Moroccans in Italy and Albanians in Italy and Greece) have kept their original nationality and still account for the bulk of third-country immigrants.

Figure 14.4. **Third-country national population by place of birth, 2012-13**

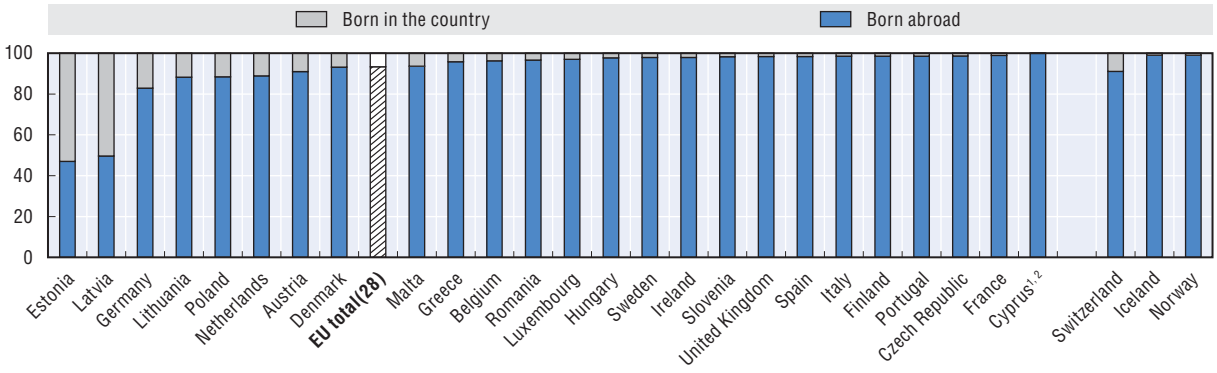

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Figure 14.5. **Native-born population by foreign citizenship, 2012-13**

In percentage of the native-born population

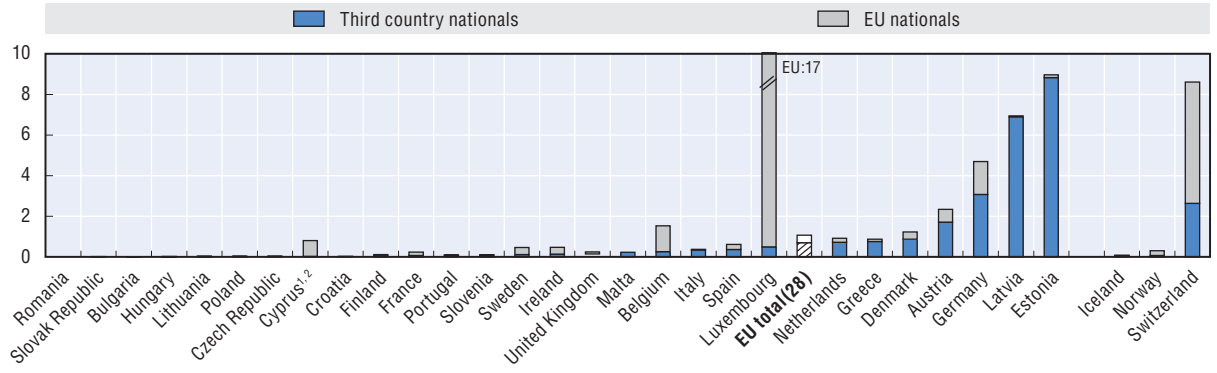

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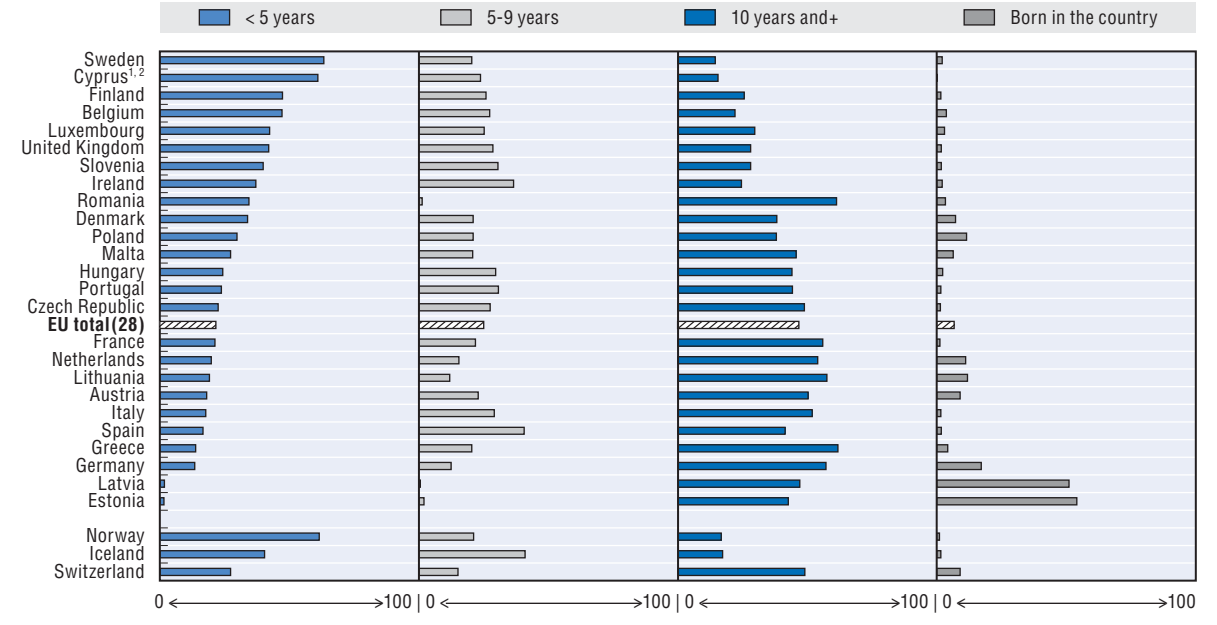
Figure 14.6. **Third-country nationals by duration of stay, 2012-13**

Total = 100 (15 to 64 year-olds)



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Notes and sources are to be found at the end of the chapter.

14.3. Employment and activity

Background

Indicator

The employment rate is the percentage of 15-64 year-olds who are in employment. The activity rate denotes the economically active population (whether in employment or not) as a proportion of all 15-64 year-olds. For further information, see Indicator 5.1.

Coverage

Working-age population (15-64 years old).

In 2012-13, the average employment rate of third-country citizens living in an EU country was 54% – 8 percentage points lower than that of the immigrant population as a whole. It exceeded 60% in the new member states where generally young immigrants arriving from third countries have filled unskilled jobs, and over 70% in the Czech Republic and Cyprus.[1, 2] They are the only two countries yet to have met the Europe 2020 employment target for third-country residents aged 20-64 years old, even though five countries (Germany, Austria, Denmark, the Netherlands and Sweden) have done so for nationals and eight for EU foreigners. Less than a half of third-country foreigners had a job in crisis-ridden southern Europe, France and Sweden, and even fewer in Belgium (Figure 14.7).

On average, third-country nationals are much more likely to be out of work than all their EU peers. The employment gap that separates them from host-country nationals is 7 percentage points for men and 15 among women. Indeed, women are even less likely to be in work in longstanding immigrant destinations like the EU15, particularly in Sweden, Belgium and France.

However, in some central European countries (particularly the Czech Republic and Slovenia), Italy and Luxembourg, third-country males are slightly more often in employment than host-country nationals. While the employment rate of third-country males is much the same as their host-country peers in Cyprus,[1, 2] among non-EU females it is, at 76%, considerably higher than those of women in all other EU countries, irrespective of their nationality.

With the exception of members states where much past migration has been low-skilled labour migration (e.g. Cyprus[1, 2] and Greece), high levels of education are generally associated with higher employment rates. However, the employment gap between third- and host-country nationals with higher education qualifications is wider across the EU – 16 percentage points (Figure 14.8). The employment gap between EU and non-EU nationals even exceeds 20 percentage points in such EU15 countries as Belgium and Finland. A main cause is the difficulty that third-country nationals encounter in getting their foreign qualifications valued in the labour market. Even in the United Kingdom and the Czech Republic, where employment gaps are not so stark, it stands at 8 percentage points between host- and third-country nationals with tertiary education degrees.

When third-country immigrants have no or low qualifications, their employment levels are higher than those of host-country nationals educated to the same degree in the recent immigration countries, Luxembourg and central Europe. In fact, their employment rates can be as high as 40 percentage points more than those of host-country peers in the Czech Republic and Cyprus.[1, 2] Elsewhere , however, the employment rates of low and unskilled third-country workers are at least 10 percentage points lower than those of their national peers and, in Sweden and the Netherlands, the figure is 20 points.

Figure 14.7. **Employment rates by citizenship and gender, 2012-13**

Percentage of the working-age population (15-64 years old)

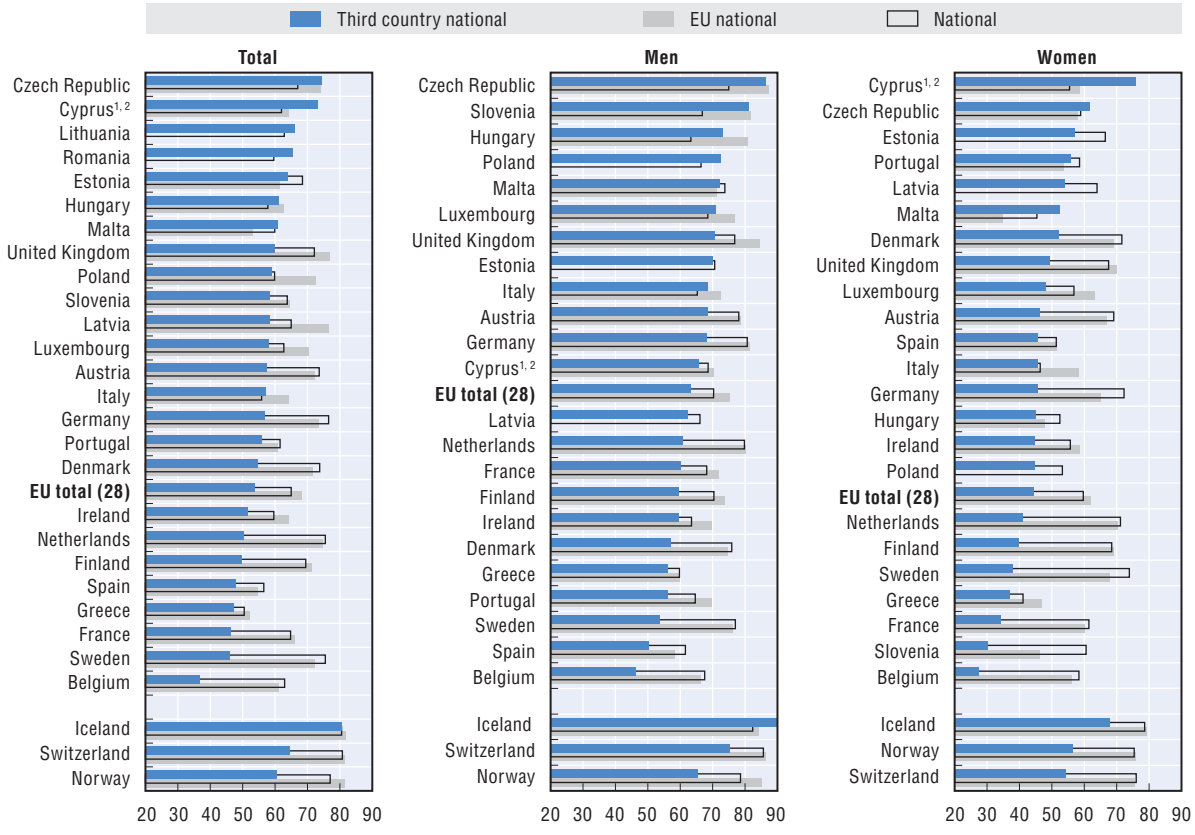

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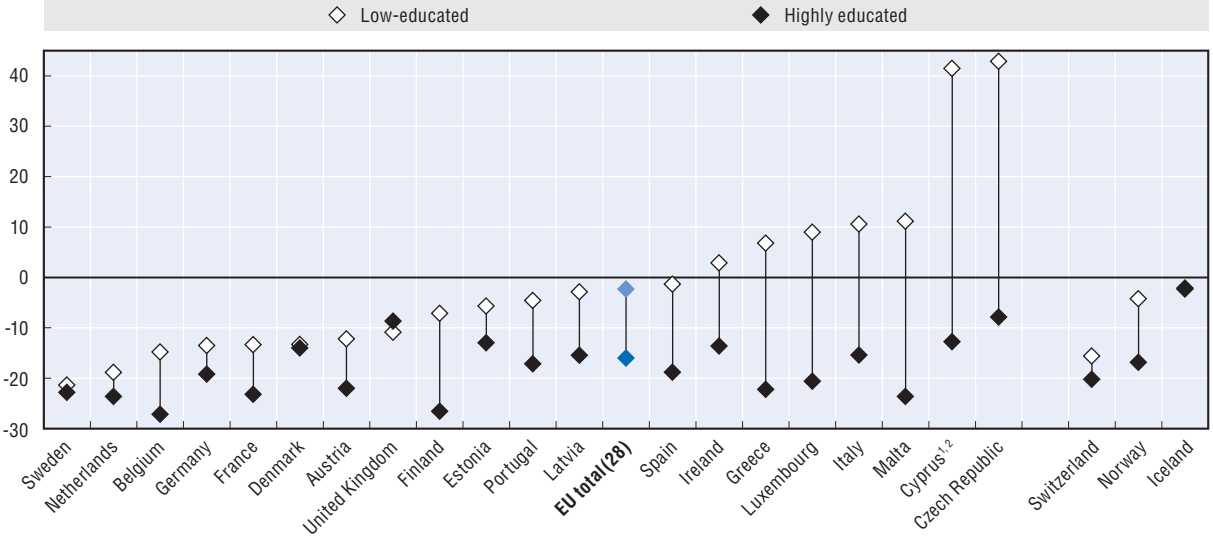
Figure 14.8. **Difference between employment rates of third-country national and national populations aged 15 to 64 by level of education (excluding persons still in education), 2012-13**

Percentage points



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Notes and sources are to be found at the end of the chapter.

Between 2006-07 and 2012-13, employment rates among third-country workers fell by 4 percentage points, while those of host-country nationals, other EU national residents, and immigrants as a whole remained relatively stable. Third-country male workers were hardest hit by the economic and financial crisis, with their employment rates dropping 7 percentage points, against just 2 points among their female peers (Figure 14.9).

Employment rates among third-country female workers had constantly risen since the early 2000s before being brought to a halt by the crisis in 2007-08. In the worst affected countries (e.g. Spain, Ireland, Greece), their employment levels were high until they fell by over 10 percentage points compared to 2006-07. The labour market prospects of third-country women have also dimmed in some central European countries like Hungary, in the Baltic States and in Sweden. In other countries, however, where their employment rates were as low as 40% or less in 2006-07, non-EU women were not unduly affected by the 2007-08 crisis. As for countries like Germany and Luxembourg, where economic conditions have now improved, female employment has increased.

Third-country male workers – who tend to be chiefly employed in sectors most sensitive to the economic climate (e.g. construction and manufacturing) – have suffered much more from the recession in the European Union. In the hardest hit countries, their employment rates tumbled twice as fast as those of women and in others, such as Greece and Italy, three times as fast. In the last six years, however, some countries have seen firm growth in the employment rates of third-country nationals. They include Germany, Luxembourg and Poland.

In 2012-13, 69% of third-country nationals of working age residing in the European Union were economically active, whether they were in work or not. The rate had remained stable for five years, while the overall immigrant employment rate rose. In Cyprus,[1, 2] it was as high as 80% and levels were similar in the Baltic states (particularly Lithuania) and southern Europe (e.g. Portugal, Spain). They barely exceeded 60% in France and the Netherlands, however, and were even lower in Belgium (Figure 14.10).

Across the European Union, male citizens from third countries are, on average, more economically active than host-country nationals, with an activity rate that is 3 percentage points higher. Women, on the other hand, are as much as 10 points less active. Although they are more likely to be economically active than their host-country peers in southern Europe, the opposite holds true in such traditional immigration destinations as the EU15, where one third-country female national in two is disconnected from the labour market. Those countries – especially Belgium, France and the Netherlands – host many women who immigrate for reasons of family reunification and hail from countries where employment rates of women are low. In the Nordic countries, where they are often humanitarian migrants, women show a similar picture.

Figure 14.9. **Employment rates of third-country nationals by gender, 2006-07 and 2012-13**

Percentage of the working-age population (15-64 years old)

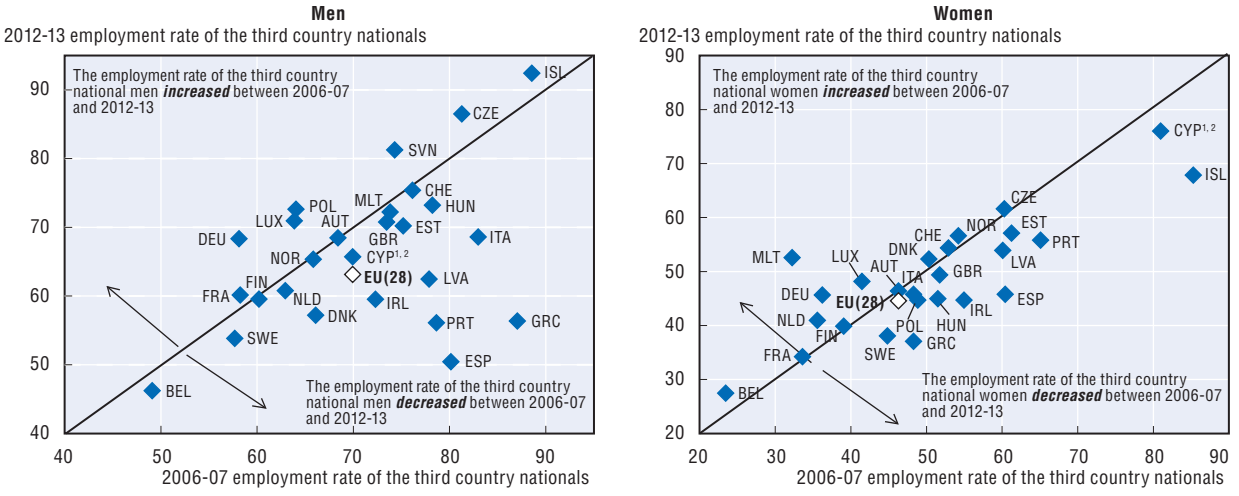

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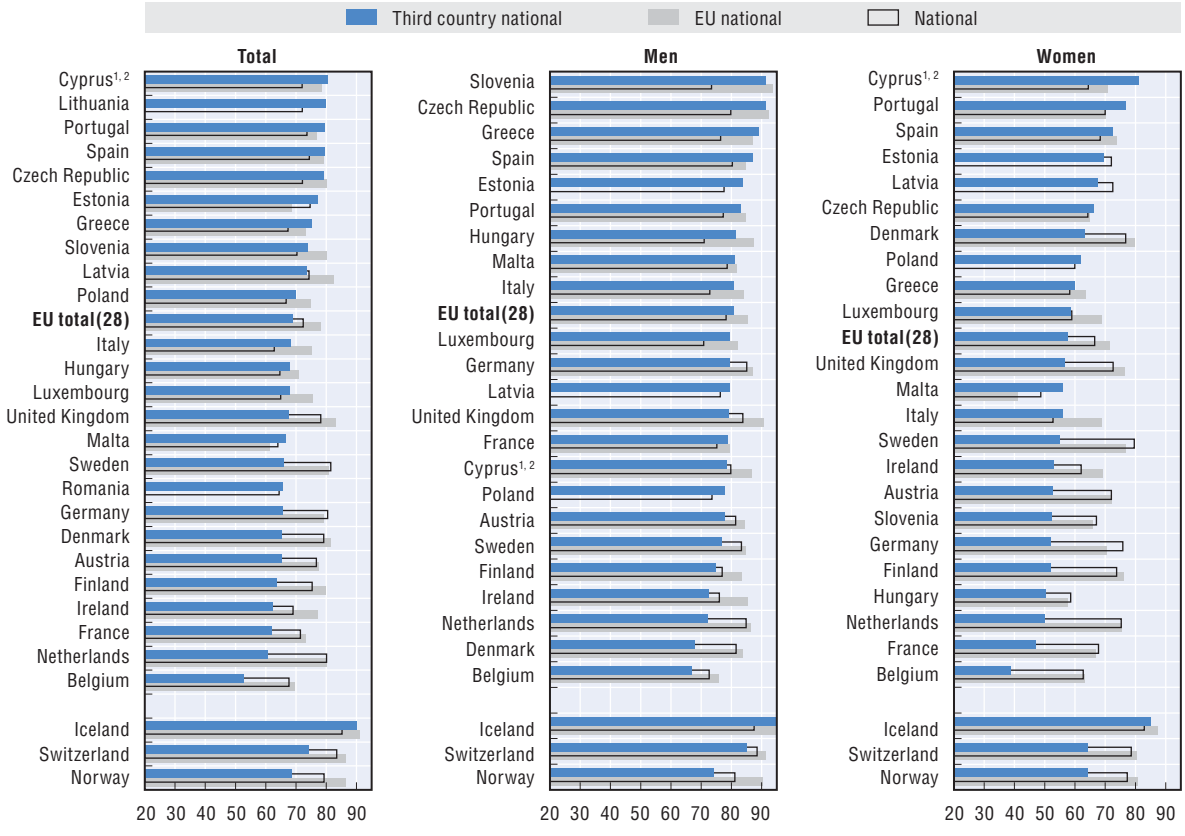
Figure 14.10. **Activity rates by citizenship and gender, 2012-13**

Percentage of the working-age population (15-64 years old)



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Notes and sources are to be found at the end of the chapter.

14.4. Unemployment

Background

Indicator

The unemployment rate is the percentage of unemployed workers in the economically active population. For further information, see Indicator 5.2.

Coverage

Economically active population of working age (15-64 years old).

In 2012-13, the average unemployment rate among third-country nationals in the European Union was 22%, against 12% among EU foreigners, and 10% for host-country nationals (Figure 14.11). To put those figures into perspective, the number of unemployed third-country nationals, estimated at 3.2 million, was equivalent to 70% of the total number of unemployed immigrants.

Unemployment reaches its highest levels in countries that are recent immigration destinations and have been sorely affected by the crisis. In Spain and Greece, for example, four out of ten third-country nationals in the labour force are unemployed. Yet unemployment for this group is also high in countries where the economic situation is less grim. One in four of the economically active is out of work in France and one in three in Belgium and Sweden. Indeed, unemployment rates are under 10% only in a few new member states like the Czech Republic, where is it is only 6%.

Third-country nationals are affected by higher unemployment rates than host-country nationals and EU foreigners in practically every country in the European Union, with the exception of the Czech Republic, Cyprus[1, 2] and Hungary. In southern Europe, where unemployment is also high among EU citizens and host-country nationals, unemployment rates are 1.5 times higher among third-country nationals, twice as high in EU15 countries of longstanding immigration (Austria, the Netherlands, Germany and France), and four times greater in Sweden and Belgium (Figure 14.12).

Generally speaking, unemployment rates are higher among the poorly educated, regardless of their nationality, although the ratio between third- and host-country individuals in that group is less pronounced. In the few countries where most low-qualified migrants arrived as labour migrants (Cyprus,[1, 2] the Czech Republic and Greece), low-educated non-EU workers actually slot into the labour market more easily than the highly educated.

On average, highly educated third-country nationals are almost three times more likely to be unemployed than their host-country peers – a gap that is wider than for non-host-country EU citizens. Indeed, in Benelux, Austria and Germany, they are five times more likely to be without a job than their host-country peers (Figure 14.11).

Figure 14.11. **Unemployment rates by citizenship and level of education, 2012-13**

Percentage of the economically active population (15-64 years old)

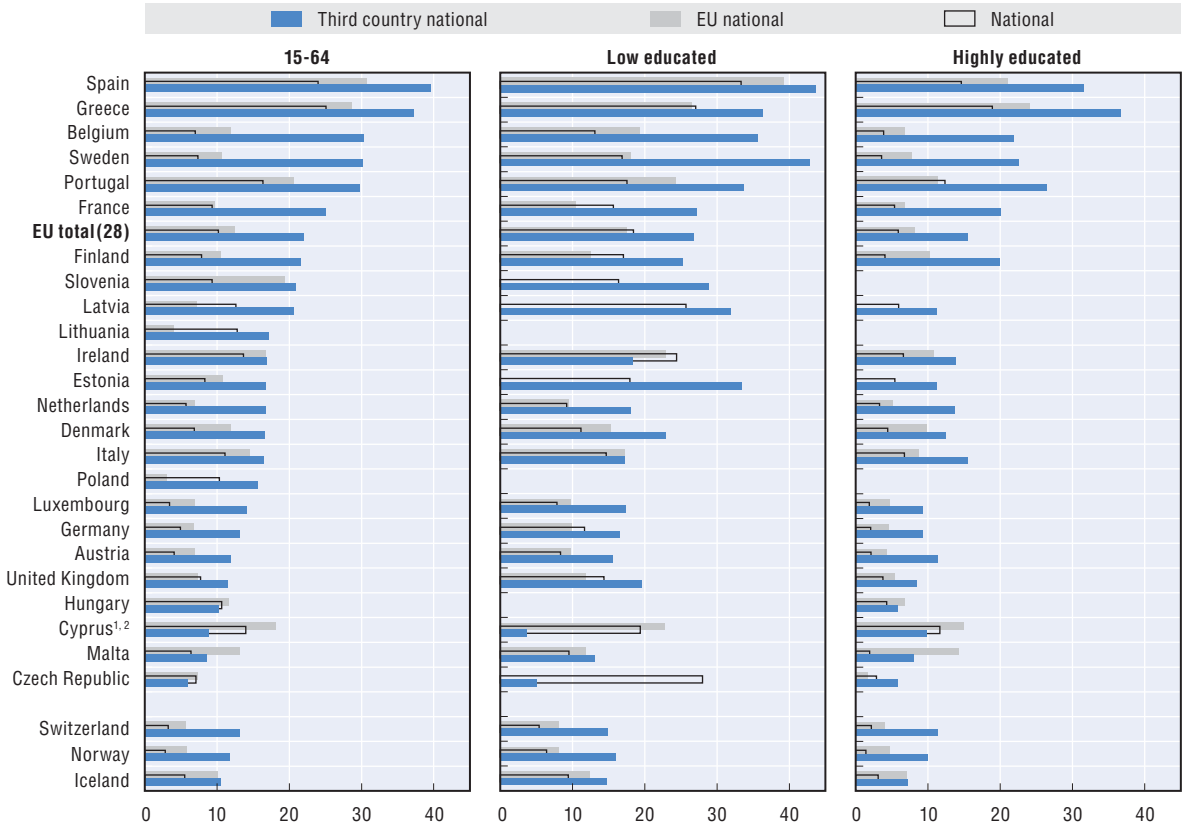

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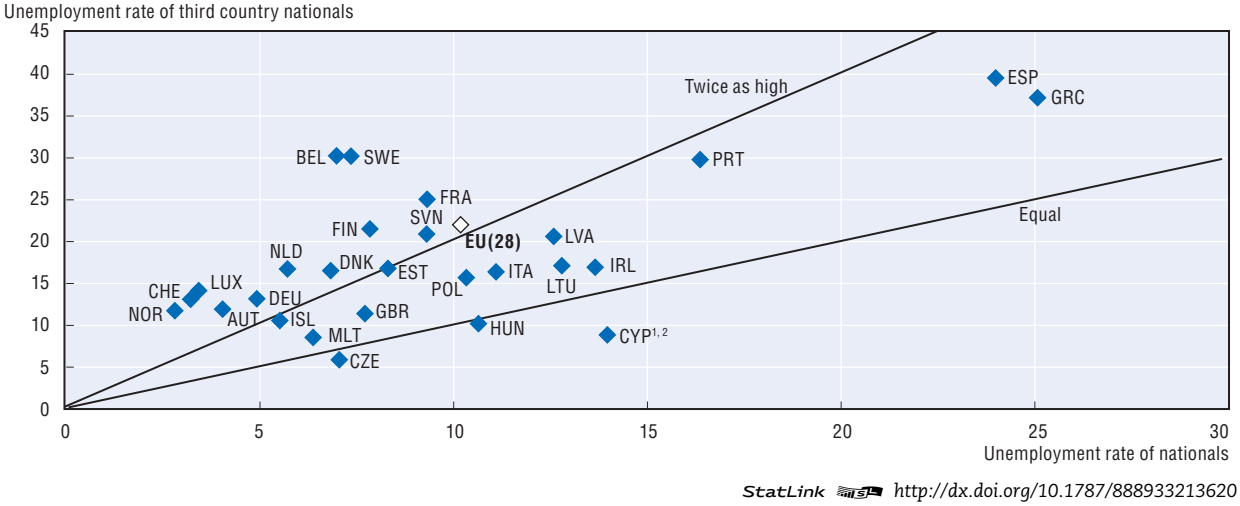
Figure 14.12. **Unemployment rates by citizenship, 2012-13**

Percentage of the economically active population (15-64 years old)



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In 2012-13, male and female unemployment rates were broadly similar. Among third-country nationals, however, women were slightly more likely to be unemployed, a trend that was even more pronounced among their peers from other EU countries (Figure 14.13). In Slovenia, for example, the unemployment rate among third-country women was four times higher than among their male counterparts. In northern Europe, the Netherlands and the United Kingdom, non-EU women in the labour force were also more often unemployed, while among host-country nationals men were worse affected. Spain shows the opposite pattern, with third-country males more likely than females to be unemployed and host-country women worse hit than men.

Since the onset of the crisis, gender differences in unemployment rates have narrowed regardless of national origin because there have generally been greater job losses in sectors where men dominate, i.e. construction, manufacturing, etc. However, in southern European countries like Spain and Portugal, which saw particularly strong construction booms in the 2000s, third-country male unemployment rates – lower than those of their female counterparts in 2006-07 – are now 5 percentage points higher.

While the economically active population among nationals grew by 1% on average in the European Union between 2006-07 and 2012-13, the number of jobless rose by 38% in the wake of the crisis. That increase was as high as 73% among third-country foreigners whose economically active numbers grew 18% over the same period. Altogether, the number of third-country nationals who were unemployed climbed from 1.9 million in 2006-07 to 3.2 million in 2012-13. Over the same period, unemployment rates among third-country nationals increased by an average of 7 percentage points in the European Union, compared to +3 points among host-country nationals and other EU citizens.

In almost half of all EU countries, third-country workers were actually less affected by job losses than host-country nationals. Their unemployment rates actually fell more sharply than among host-country nationals in Germany, Luxembourg, the Czech Republic and Finland. In some other countries where unemployment rates rose in the six years to 2013, they suffered less than host-country nationals. Examples are the United Kingdom and, in particular, Cyprus.[1, 2] Nevertheless, in the countries worst hit by the crisis, like those of southern Europe, unemployment rates climbed even more steeply among third-country workers than among their peers from the host and other EU countries. In Greece and Spain, for example, they rose more than 25 percentage points, compared to 16 among nationals. There were also steep increases in Sweden, while host-country national unemployment rates stayed relatively stable (Figure 14.14).

The financial and economic crisis of 2007-08 was particularly hard on the most vulnerable people on the labour market, such as those with low levels of education. Third-country nationals are overrepresented among unskilled workers, which explains why they have suffered more from the crisis than host-country nationals. However, the increase in the unemployment rates of third- and host-country nationals with the same level of education has been similar. Low-educated third-country workers have even been less affected than their host-country counterparts in the bulk of EU15 countries (e.g. Germany, France, United Kingdom), though not in southern Europe.

Despite their advantages, higher-education degree holders also experienced a wholesale rise in unemployment across the European Union, albeit less so than all immigrants taken as a whole. In Greece, the increase in unemployment rates among the highly educated was almost the same as for their counterparts with low education. More high-educated third- than host-country nationals lost their jobs in most member states, with the exceptions once again of Germany, Luxembourg and the Czech Republic.

Figure 14.13. **Unemployment rates by citizenship and gender, 2012-13**

Percentage of the economically active population (15-64 years old)

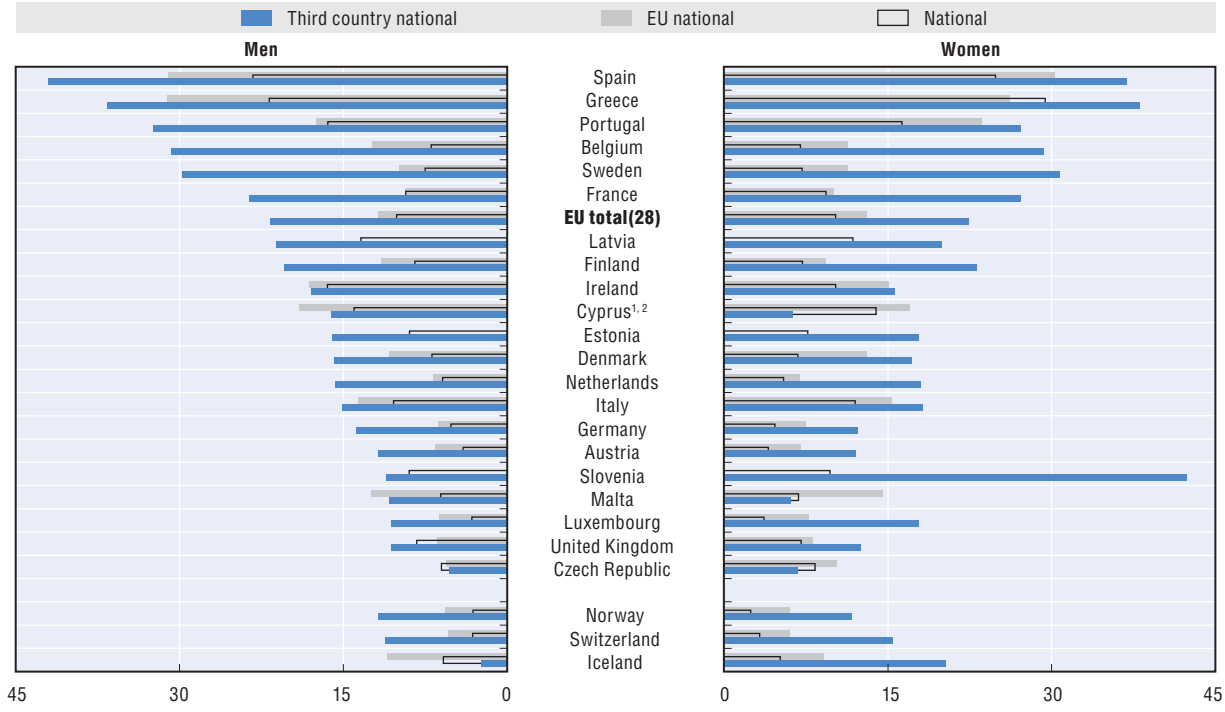

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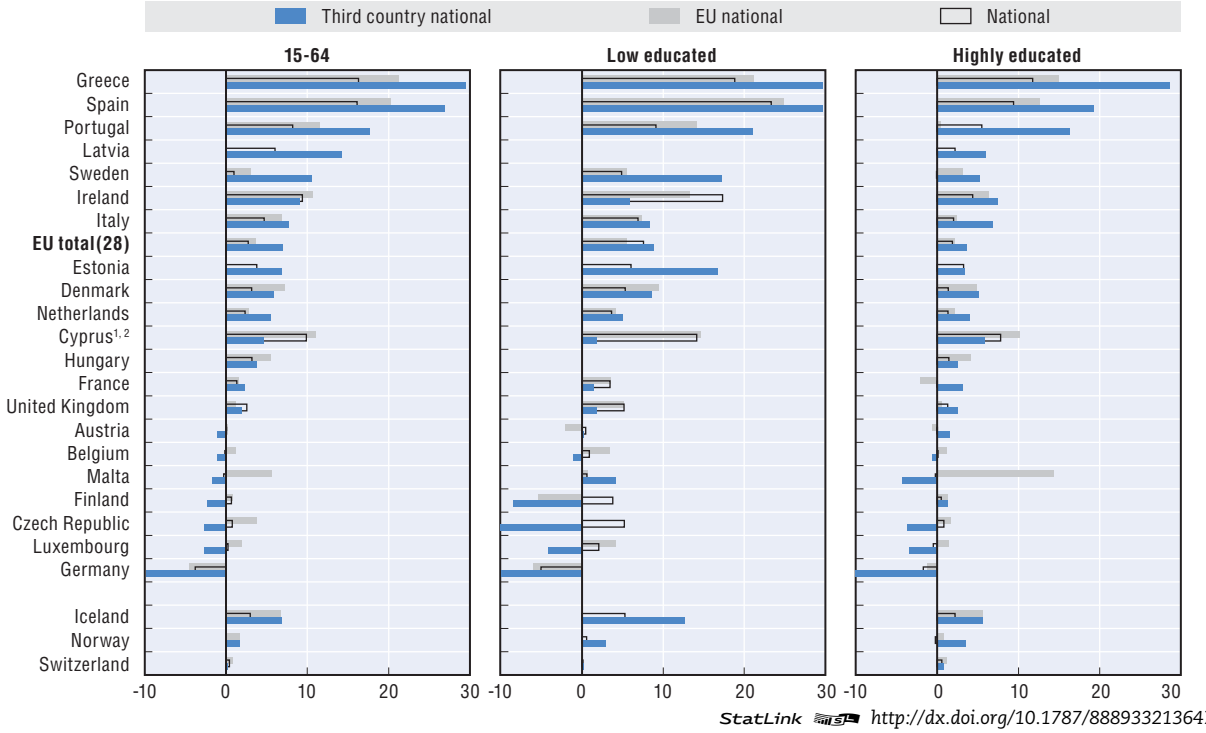
Figure 14.14. **Evolution of unemployment rates between 2006-07 and 2012-13**

Percentage points, 15-64 years old



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Notes and sources are to be found at the end of the chapter.

14.5. Self-employment

Background

Indicator

A self-employed worker is a person who works in his or her own enterprise or creates his or her own business for profit. For further information, see Indicator 6.5.

Coverage

Employed population aged 15-64 years old, excluding the agriculture sector.

In 2012-13, 11% of all third-country nationals in employment in the European Union were self-employed. There was a similar proportion among host-country nationals, and a rather higher one among EU foreigners, 15% of whom were self-employed, particularly in the EU15 and Estonia. The percentage of non-EU self-employed workers was much higher than in the rest of the population in only a few central European countries – more than one in four in the Czech Republic, Poland and Hungary, double the level of host-country nationals (Figure 14.15). At the opposite end of the scale came the recent immigration destinations of southern Europe (e.g. Greece and Italy), where many domestic nationals are self-employed – twice as many, in fact, as third-country nationals, who are widely low-skilled wage-earners. In the rest of the EU15 area, the incidence of self-employment is broadly similar among both host- and third-country nationals.

Theoretically self-employment should be of unlimited duration. But business must be viable. Numerous national studies have shown that start-up survival rates are lower when the entrepreneur is a foreigner, particularly from a third country. In addition, on average across the European Union, three-quarters of the self-employed have no employee. Sole proprietor businesses are the norm practically everywhere, particularly in the Czech Republic, the United Kingdom and the countries of southern Europe (Figure 14.16).Only in Latvia and Austria do over half of all third-country entrepreneurs have one or more salaried employees.

Far fewer third-country nationals are self-employed if only businesses with employees are considered. Such entrepreneurship accounts for only 3% of non-EU employment, compared to 4% among host-country nationals, and 3.6% for EU foreigners (Figure 14.17). However, in the Czech Republic third-country nationals are twice as likely as host-country nationals to be employers. They also have a higher likelihood to be employers in the Netherlands.

Only 1.5% of business owners with more than ten employees are third-country nationals. In most member states, in fact, less than 1 in 30 are. Exceptions are Estonia with 8% and Latvia with 15%. Both countries have long-standing Russian communities which have set up small and medium-sized enterprises. With the exception of Latvia again and Cyprus,[1, 2] far less third- than host-country national entrepreneurs have firms employing more than ten people. Such under-representation is especially pronounced in economies like Austria, Germany and the Nordic countries.

Figure 14.15. **Self-employed workers by citizenship, 2012-13**

Percentage of employment (excluding the agricultural sector), persons aged 15-64

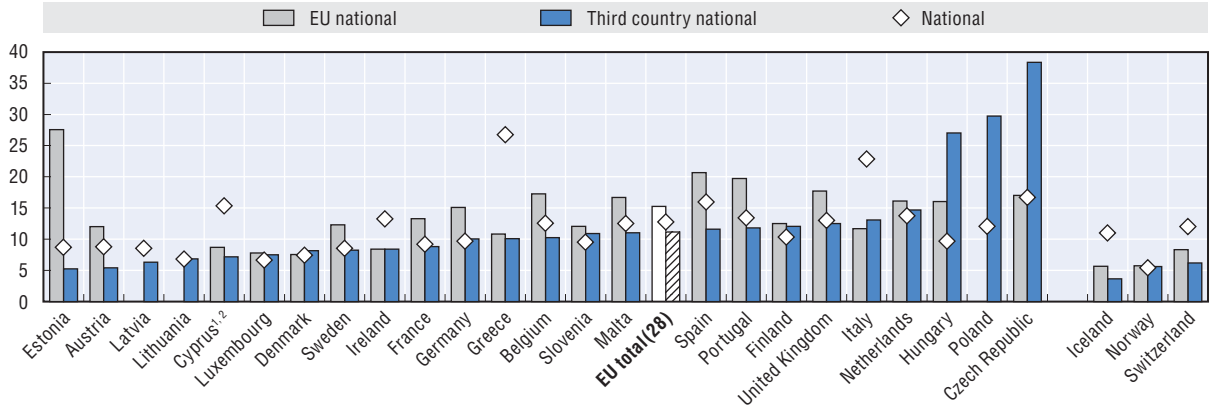

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Figure 14.16. **Self-employed third-country nationals by firm size, 2012**

Total = 100 (excluding the agricultural sector), persons aged 15-64

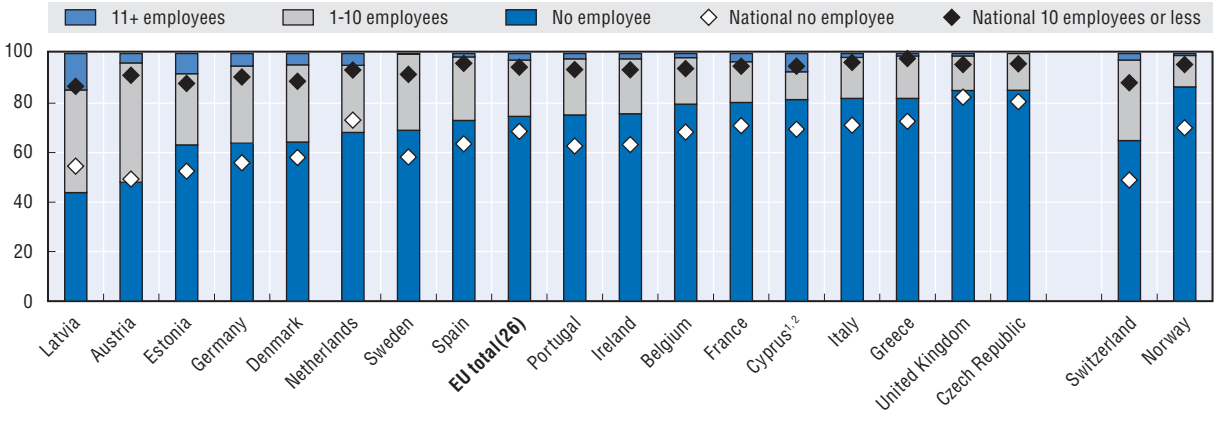

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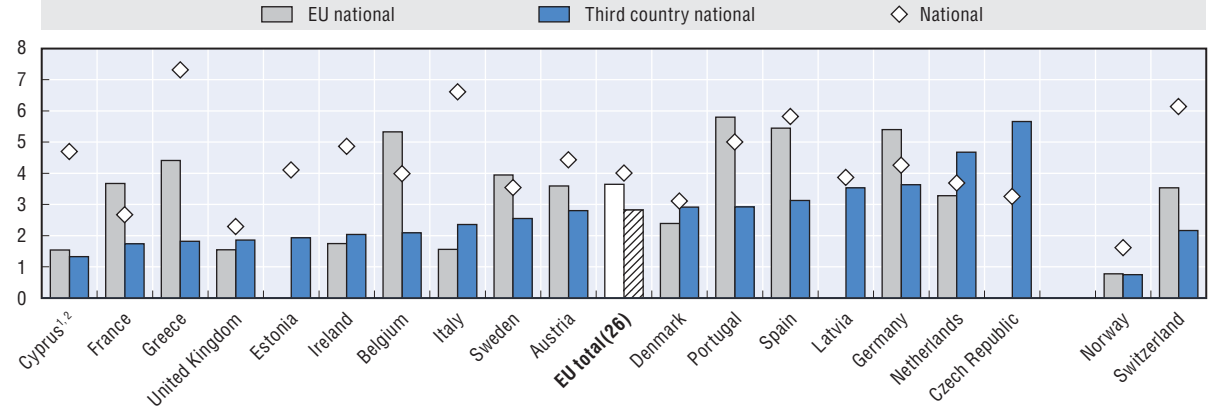
Figure 14.17. **Self-employed workers, not including those who have no employee, 2012**

Percentage of employment (excluding the agricultural sector), persons aged 15-64



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Notes and sources are to be found at the end of the chapter.

14.6. Overqualification

Background

Indicator

Overqualification denotes the proportion of people with tertiary education whose activity requires only lower levels of qualifications. For further information, see Indicator 6.4.

Coverage

Employed 15-64 year-old with tertiary educational attainment (high-educated; Levels 5 to 6 in the International Standard Classification of Education [ISCED]), excluding the armed forces (International Standard Classification of Occupations [ISCO], Level 0), where job skills are not referenced.

In 2012-13, 44% of high-educated third-country nationals were overqualified for the job they occupied, while only one-third of EU foreigners and one-fifth of host-country nationals were. Two-thirds of high-educated non-EU workers were overqualified in southern European member states, with the proportion reaching four-fifths in Italy and Greece. Such countries have seen considerable growth in low-skilled jobs which been partly filled by third-country nationals, who include the most highly qualified. Overqualification is three times more likely among third- than host-country nationals in southern Europe, (particularly Portugal and Italy), northern Europe (especially Denmark) and Luxembourg (Figure 14.18).

The prevalence of overqualification among third-country nationals can be partly attributed to the trouble they have having their credentials valued in the host-country labour market and partly to their inadequate command of the host country's language and understanding of its labour market. Although EU education systems generally automatically recognise each other's academic qualifications, systems for third countries are less well developed. As a result, the qualifications of many third country workers are never recognised, which prevents them from finding matching jobs.

Although overqualification affects host-country male and female workers, foreign women are worse off in almost every country. The overqualification rate of third-country women is 11 percentage points higher than among their male peers and 13 points higher than among EU female citizens. Overqualification gender gaps are at their widest in southern European countries, Finland and the Czech Republic. The only countries where men in employment are more likely than women to be overqualified are the Baltic countries and Denmark.

Since the 2007-08 economic and financial downturn, the overqualification rate has risen only slightly in national populations, with the exception of Greece and the Czech Republic. As for third-country nationals, however, trends between 2006-07 and 2012-13 vary widely from country to country. Overqualification rates declined 15 points in Luxembourg and Latvia, and by 25 points in Malta. They also fell in Spain and France, while Greece also saw a drop, even though it had grown in the rest of the population. Since 2006-07, overqualification rates have increased in a number of other southern European countries – such as Cyprus,[1, 2] Italy and Portugal – and the United Kingdom, where the non-EU overqualification rate climbed more than 5 percentage points in six years (Figure 14.19). In other EU countries, both third- and host-country overqualification rates have changed little.

Figure 14.18. **Overqualification rates by citizenship and gender, 2012-13**

Percentages of 15-64 year-old workers with tertiary education who are not in education

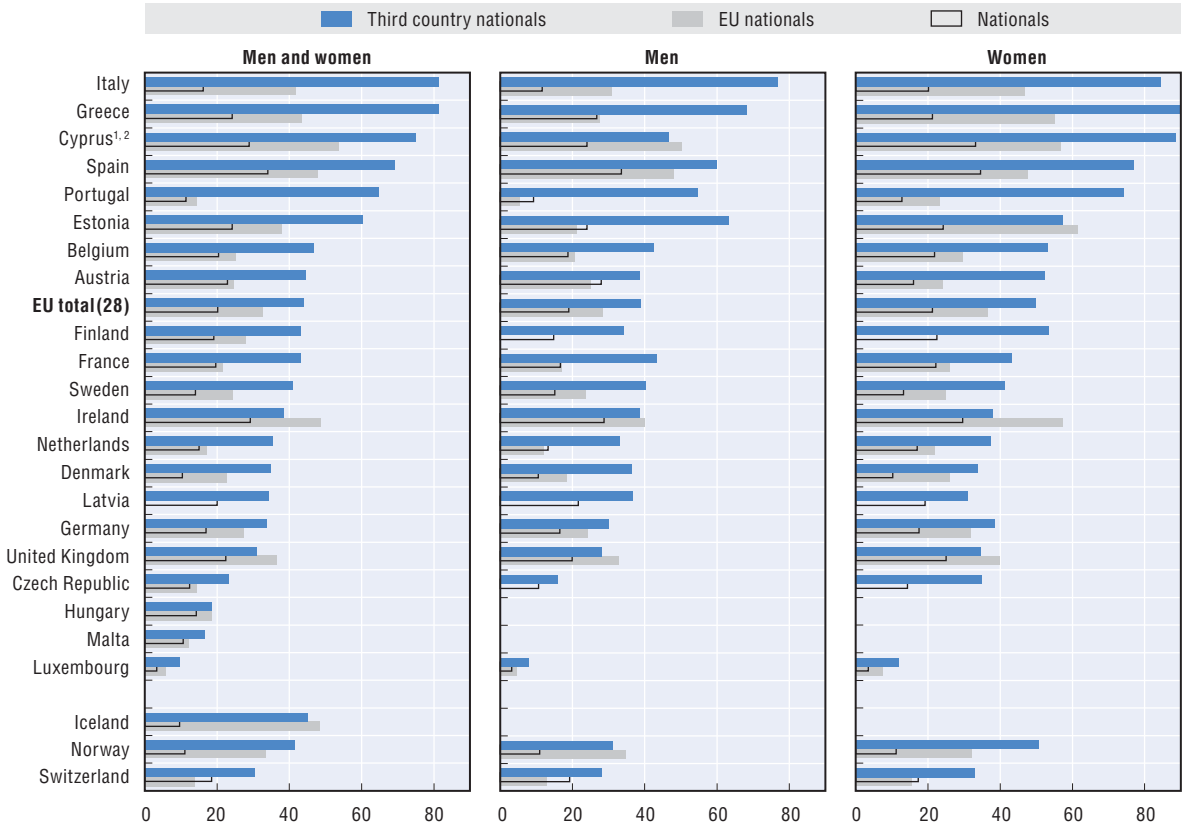

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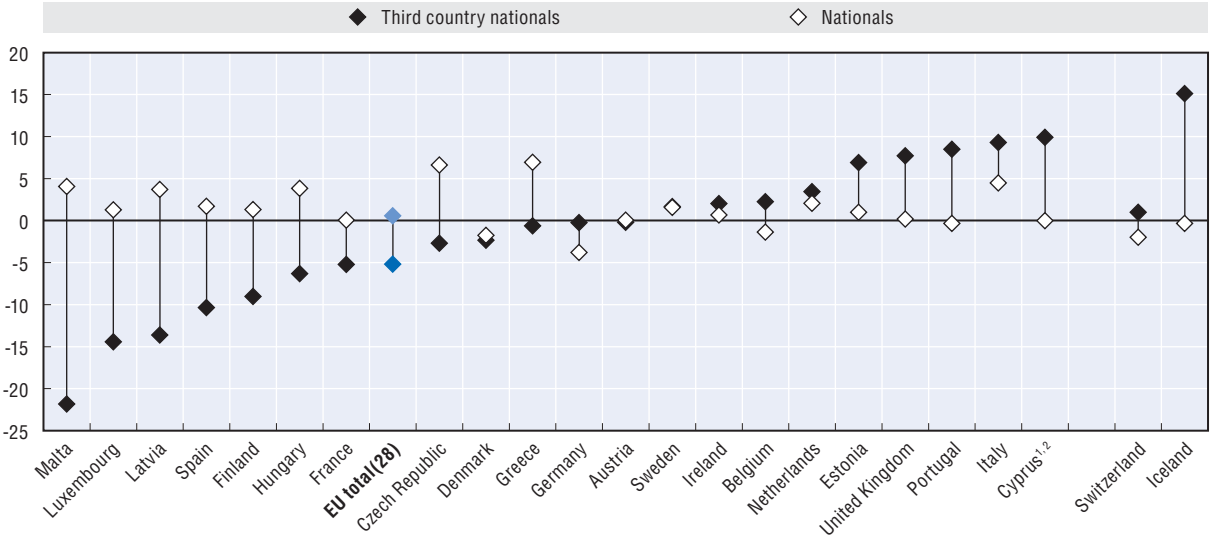
Figure 14.19. **Evolution of overqualification rates among 15-64 years old workers with tertiary education who are not in education, by citizenship, 2006-07 and 2012-13**

Percentage points



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Notes and sources to be found at the end of the chapter.

14.7. Educational attainment and literacy skills

Background

Indicator

Educational levels are based on ISCED ratings: low (ISCED Levels 0-1-2, with 0-1 denoting a very low level); medium (ISCED Levels 3-4), and high (ISCED 5-6). For further information, see Indicator 3.1. Literacy skills are based on tests in the PIACC 2012 survey of adults in OECD countries. As PIAAC does not specify nationality, literacy data uses country of birth. For further information, see Indicators 7.1 and 7.2.

Coverage

For the level of educational attainment, people between 15 and 64 years old who are not in education. For literacy levels, people between the ages of 16 and 64.

Across the European Union in 2012-13, a large share of third-country nationals was poorly educated – 47%, compared to one in four of their host-country peers and 29% of other EU citizens. Only one in five had a higher education degree, compared to more than one in four host-country nationals and EU citizens. Poorly educated non-EU nationals accounted for 2.8% of the working-age population (15-64 year-olds, excluding students) – i.e. 4.2 million individuals – and the highly educated for 0.5% – i.e. a little over 800 000 individuals.

Greater proportions of third- than host-country nationals hold tertiary degrees in some new EU member states (e.g. Poland and Hungary) and in countries where there have been large inflows of high-educated labour migrants in the last decade – Ireland, the United Kingdom and Luxembourg (Figure 14.20). All three meet the Europe 2020 education target of 40% of non-EU nationals in the 30-34 year-old age group with higher education degrees, even though no EU state has met the target for its nationals. In southern Europe, whose many of third-country nationals arrived to meet the demand for low-skilled jobs, over half are low-educated. The same is true of longstanding immigrant host countries like France, Belgium and Germany, where many foreigners arrived at a time when education levels in their countries of origin (particularly Turkey and North African countries) were low.

An average of 18% of third-country nationals have completed no more than primary schooling, compared to 4% of host-country nationals (Figure 14.21). Proportions are highest in the longstanding immigrant destinations countries and southern Europe. In Belgium, France, Spain and Germany, the share of third-country citizens who have gone no further than primary school is 20 points higher than among nationals. In the United Kingdom and the new member states, their levels of attainment are higher.

In 2012, third-country immigrants' average literacy score was 237 points (ISCED Level 2), against 259 among immigrants from other EU states and 275 (Level 3) among native-born (Figure 14.A1.2). They scored no higher than Level 1 (between 176 and 226 points) in Belgium, Italy and Sweden. As a rule, literacy gaps with the native-born were especially wide in northern Europe, Benelux and Austria. Cyprus[1, 2] and Ireland, however, registered similar scores for third- and host-country nationals.

The language spoken and/or learnt in childhood goes a long way towards accounting for immigrants' literacy skills. The further removed it is from that (or those) of the host country, the lower literacy scores tend to be. Generally speaking, literacy gaps between third-country immigrants and the native-born widen significantly when immigrants have not learned host-country languages as children. In Spain and Ireland, the gap is twice as wide among immigrants whose native language is not respectively Spanish or English (Figure 14.A1.3). In Spain, France, Denmark, Austria, Belgium and Italy, third-country immigrants who speak a foreign tongue on average score only Level 1 in literacy skills.

Figure 14.20. **Shares of 15-64 year-olds with low and high levels of educational attainment by citizenship, not including those still in education, 2012-13**

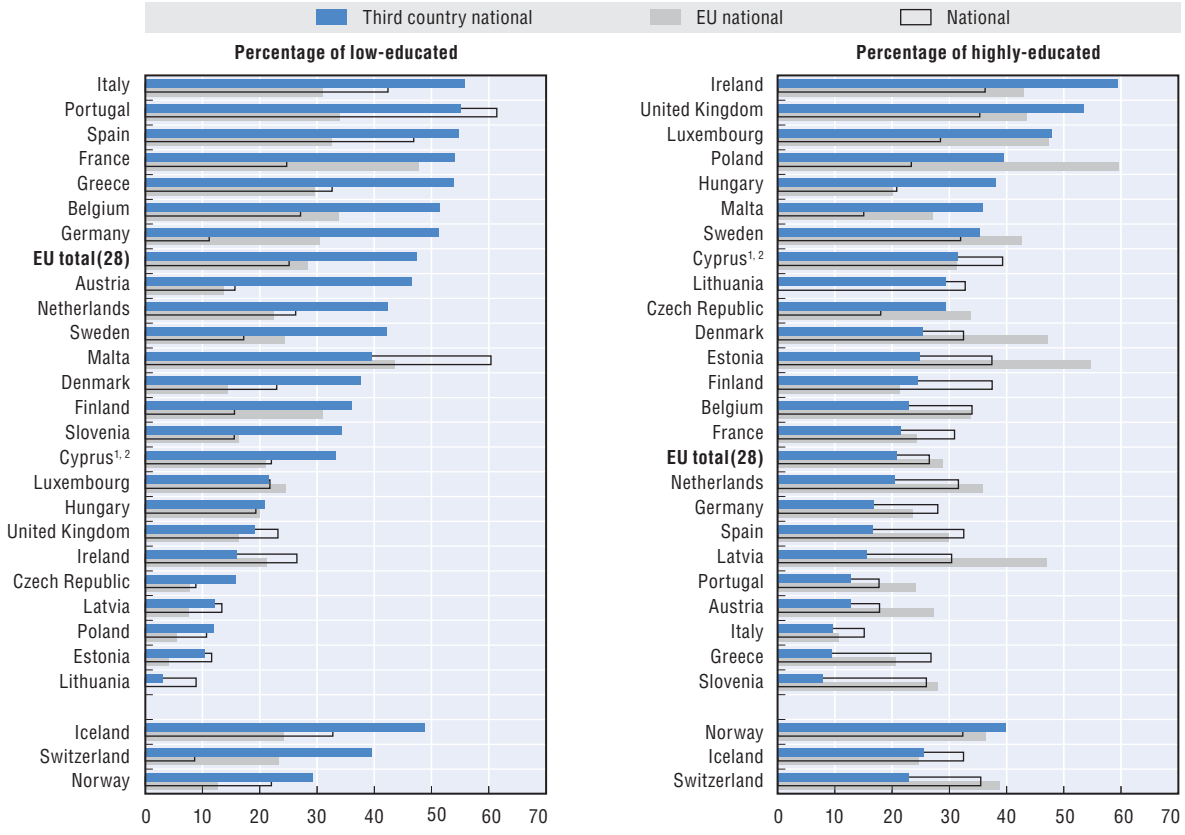

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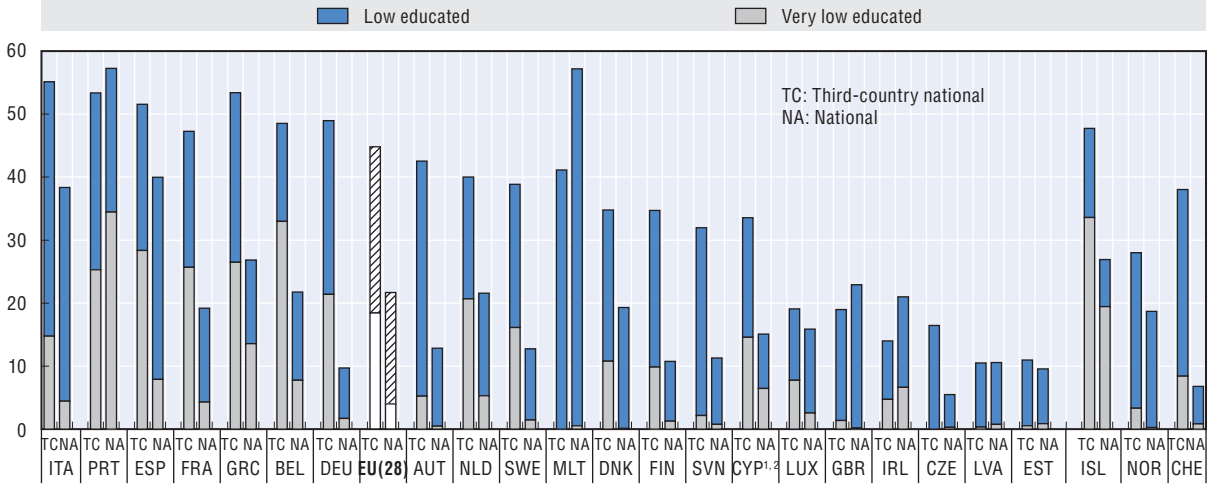
Figure 14.21. **Shares of 25-54 year-olds with very low and low levels of educational attainment by citizenship, not including those still in education, 2012-13**



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Notes and sources are to be found at the end of the chapter.

14.8. Household income distribution

Background

Indicator

Equivalised annual disposable household income is income *per capita* adjusted according to the square root of the number of household members. Income is expressed in euros (EUR) at the purchasing power parity (PPP) exchange rate. To estimate the effect of social transfers on income differentials between third- and host-country nationals, incomes before and after transfers are compared. Transfers include unemployment, sickness, disability, school-related, family, and housing benefits. (Old-age and war veteran pensions are not included.) For further information, see Indicator 8.1.

Coverage

An individual of over 15 years of age living in an ordinary residence. The equivalised annual income is attributed to each individual.

Across the European Union, the median income of people living in a household of third-country nationals in 2012 was a little less than EUR 13 000, compared with EUR 15 500 for EU nationals, and around EUR 17 000 in a household of host-country nationals. At one end of the scale lies Greece with a non-EU median income of EUR 7 000 and, at the other end, Austria and the United Kingdom at EUR 17 000. The picture is more varied among home-country nationals, with median incomes ranging from EUR 11 000 to EUR 30 500. The incomes of non-EU households are almost always considerably lower than among host-country nationals. They are almost half in northern European countries and in Belgium, France and Luxembourg (Figure 14.22), while the gap is narrower in the Czech Republic, Ireland and the United Kingdom. However, the differences between member countries are greater than between foreigners and nationals in the same country.

The income of the richest 10% of third-country nationals is five times greater than that of the poorest 10% (Figure 14.23). The ratio is 4/1 among host-country nationals and EU foreigners. However, in Italy, Belgium, Portugal, Ireland, Finland and Luxembourg, the gaps between the richest and the poorest are wider among host-country nationals than third-country nationals. Income inequalities are on average less pronounced among EU than non-EU migrants, except in Austria, France, Benelux and Scandinavia. Income distribution among EU foreigners is particularly inequitable in Austria, where the richest 10%, chiefly German nationals, boast an income that is 14 times that of the poorest, who hail mainly from new member states.

Except in Ireland, third-country nationals are always overrepresented in the lowest decile – one in four on average. Around one-half are in the lowest decile in Belgium (Table 14.1), while France, Luxembourg and much of northern Europe also paint a worrying picture. By the same token, third-country nationals are particularly under-represented in the highest income decile, the sole exception being the United Kingdom. In some countries – like Denmark, France and Italy – less than one third-country national in 300 boasts an income that can be classified in the top decile.

A portion of available income comes from social transfers. Although third-country nationals always have lower post-transfer incomes than host-country nationals (except in the Czech Republic), transfers do help ease income inequality between third- and host-country nationals in three-quarters of countries – particularly in Finland, Denmark, Austria and France, where social transfers close the income gap by one-third (Figure 14.A1.4). However, non-EU foreign residents benefit less from social transfers than host-country nationals in Greece, Cyprus[1, 2] and the United Kingdom.

Figure 14.22. **Equivalised annual disposable incomes by citizenship, 2012**
EUR in 2011 prices

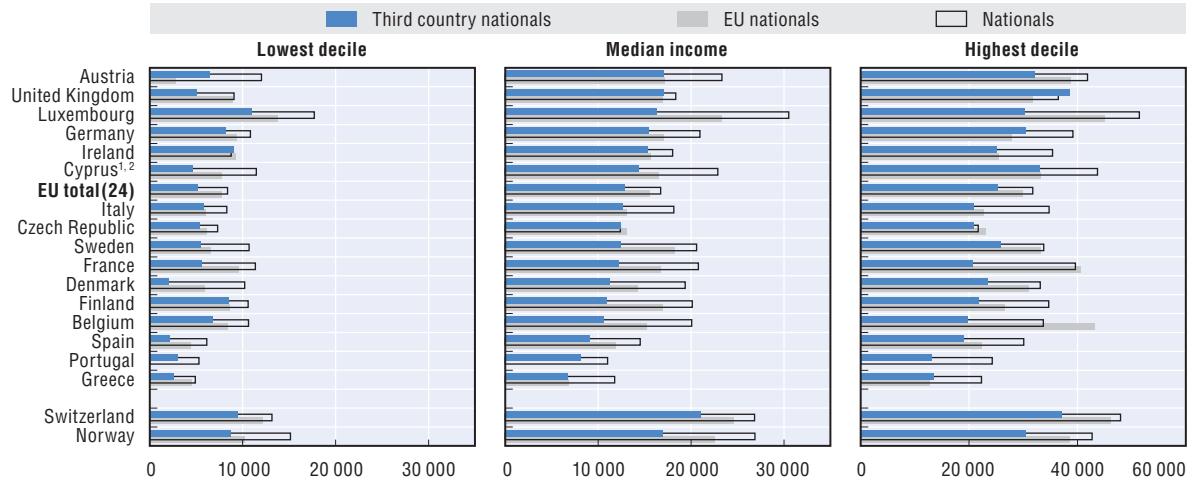

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Figure 14.23. **Income distribution by citizenship, 2012**

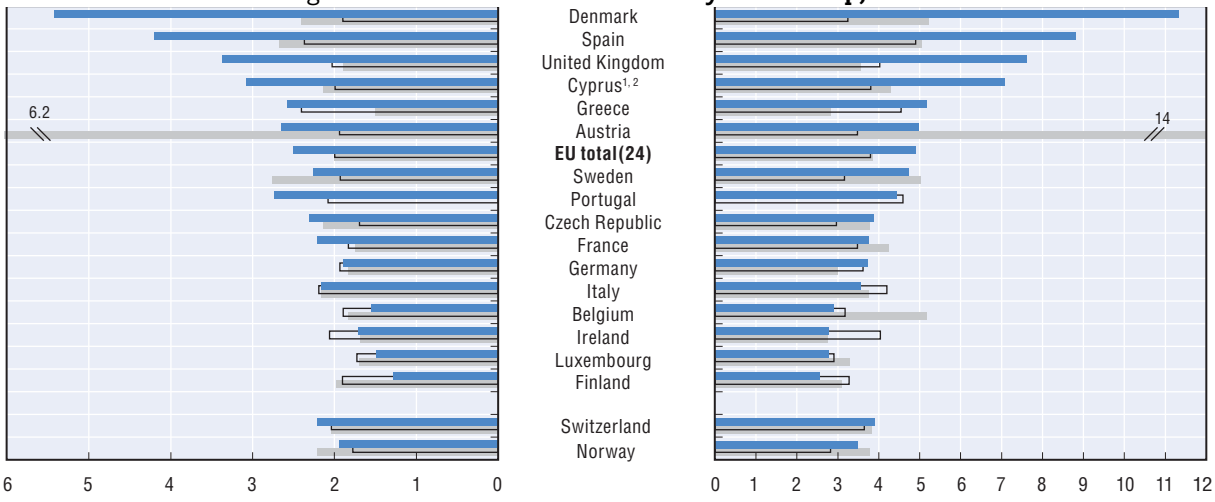

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Table 14.1. **Adults aged 15 + living in a third-country national household, 2012**
Percentages

	% in the lowest decile	% in the highest decile
Austria	24.6	1.5
Belgium	48.6	2.5
Cyprus[1, 2]	37.6	5.5
Czech Republic	17.5	9.2
Denmark	39.5	0.0
Finland	39.1	1.3
France	41.0	0.3
Germany	22.8	5.5
Greece	27.1	1.5
Ireland	7.1	1.0
Italy	17.4	0.3
Luxembourg	38.7	0.7
Portugal	22.3	1.6
Spain	27.0	2.1
Sweden	33.4	3.4
United Kingdom	20.4	12.6
EU total (24)	**23.9**	**4.0**
Norway	36.9	2.1
Switzerland	17.2	3.0

StatLink http://dx.doi.org/10.1787/888933214330

Notes and sources to be found at the end of the chapter.

14.9. Poverty

Background

Indicator

The relative poverty rate, in line with the Eurostat definition applied here, is the proportion of individuals living below the poverty line – in other words, with an income that is less than 60% of a country's equivalised median disposable income. The relative poverty rate indicator thus helps to assess the scale of income inequality between different groups within a country, although it cannot be used to identify situations of absolute poverty. The concept of "poverty" as a function of a country's median revenue does not denote the same situation across member states. In Greece and Portugal, for example, the highest income decile among third-country nationals is lower than the median income observed in one-third of EU countries. For further information, see Indicator 8.2.

Coverage

All people over 15 years old living in an ordinary residence. Each individual is assigned the household's equivalised annual income.

Across the European Union in 2012, an average of 39% of people in third-country national households were living in relative poverty. The rate was over twice that among host-country nationals (17%) and was also considerably higher than for EU foreigners (28%). At less than 20%, relative poverty rates among third-country nationals (and EU foreigners) were at their lowest in the Czech Republic and Ireland. Relative poverty is also less pronounced in the United Kingdom, Germany and Austria, even though it affected one-third of non-EU nationals.

Poverty affected both EU and non-EU foreign residents in all countries more widely than host-country nationals. Still, third-country nationals were worst hit. They were more than four times more likely to be living in relative poverty than host-country nationals in northern Europe, France and Belgium (Table 14.2), and as much as six times in Luxembourg.

With the exception of Germany, relative poverty rates among third-country nationals are even higher in countries where their employment rates are low and they work in the worst paid jobs – as in long-standing immigrant destinations (France, Belgium and Luxembourg) and in the Scandinavian countries, homes to large numbers of refugees who face more difficulties in the labour market. Poverty spares relatively more third-country nationals in the United Kingdom, which has recently experienced significant inflows of highly qualified immigrants.

In most countries, the relative poverty rates of EU nationals lie somewhere between host- and third-country nationals. However, in countries like Austria and Italy where a sizeable share of foreign EU residents originates from new member states, the relative poverty rates of foreigners living in an EU household are higher –roughly 40% – than in third-country households.

Table 14.2. **Relative poverty rates by citizenship of household members aged 15 years old or more, 2012**

Percentages

	Individuals living in a third-country national household	Individuals living in an EU national household	Individuals living in a national household	Ratio third-country national / national household
Austria	30.4	41.6	14.5	2.1
Belgium	58.1	29.3	14.8	3.9
Cyprus[1, 2]	48.4	34.5	15.6	3.1
Czech Republic	17.5	11.5	10.6	1.6
Denmark	54.3	28.0	14.3	3.8
Finland	56.7	27.2	15.1	3.8
France	50.8	25.0	13.0	3.9
Germany	33.8	28.0	16.8	2.0
Greece	51.1	52.1	20.5	2.5
Ireland	20.8	18.0	16.4	1.3
Italy	34.5	37.6	19.0	1.8
Luxembourg	52.2	23.4	8.4	6.2
Portugal	40.1	-	17.5	2.3
Spain	46.8	33.3	19.5	2.4
Sweden	46.6	32.4	16.0	2.9
United Kingdom	28.8	20.0	16.9	1.7
EU total (24)	**38.8**	**27.8**	**16.8**	**2.3**
Norway	47.1	22.5	11.6	4.1
Switzerland	29.6	19.0	15.9	1.9

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Notes and sources are to be found at the end of the chapter.

14.10. Housing tenure

Background

Indicator

There are three main types of housing tenure: owner occupancy, tenancy, and free occupancy. In most EU member states, tenants pay rents at market rates or occupy low-rent accommodation (reduced rates due to public social housing, employer social housing, or rents set by the law). For further information, see Indicator 9.1.

Coverage

Households living in an ordinary residence where at least one person who is responsible for the household is aged over 15 years old.

Across the European Union in 2012, third-country national households were three times less likely to be owner-occupiers than their host-country peers. Owner occupancy was the form of tenure in only one in four third-country households, against one in three among foreign EU households, and seven out of ten for host-country nationals. Less than one-fifth of third-country households were owner occupiers in France, Austria and Greece, and less than one-tenth in Belgium. The share is a little higher in the United Kingdom and Luxembourg, but nevertheless lower than 40%.

Third-country nationals are everywhere less likely to be owner occupiers than their home-country peers, with a gap that is consistently wider than 25 percentage points (Figure 14.24). The disparity is even greater in recent immigration destination countries, partly because newcomers have not had the time to decide whether to become home owners and/or request a loan to that end. In Belgium, non-EU home owners are 12 times less likely to own their homes than host-country nationals.

In most of the European Union, foreign EU residents are a little more likely than third-country nationals to own their homes, but much less so than host-country nationals. Exceptions are Sweden and France, where European immigration is longstanding and incomers have been settled for long enough to purchase property. In some countries – e.g. the United Kingdom, Ireland and Italy – new member state nationals who arrived after 2004 make up the bulk of the foreign EU population. As a rule, they have low incomes and exhibit rates of property ownership comparable to or lower than those of third-country nationals.

By adjusting third-country nationals' outcomes, it is possible to hypothesise what their rates of home ownership would be if their ages and incomes were the same as those of host-country nationals. It emerges that, although they would be higher, they would still be considerably lower. Access to home ownership is in fact a more complex business for foreigners, as they have greater difficulty opening bank accounts or securing loans, particularly if they are newly arrived immigrants who have not yet saved enough. Other non-observable factors also strongly shape home ownership among non-EU citizens. They might, for example, prefer to invest in the home country or live in areas where their compatriot community is concentrated but where there is little property for sale.

Third-country nationals are mostly tenants. However, even though their often low incomes entitle them to apply for low-rent housing, only 16% live in such accommodation, compared to 25% of host-country nationals. Such under-representation is particularly pronounced in some recent immigration destinations like Portugal and Ireland, where the shares of non-EU nationals living in low-rent accommodation are 35 percentage points lower than among host-country nationals (Figure 14.25). Nevertheless, in one-third of countries – e.g. France, Sweden and Greece – third-country nationals enjoy equal access to low-rent tenancies.

Figure 14.24. **Rates of home ownership by citizenship of households, 2012**

Percentage of all households

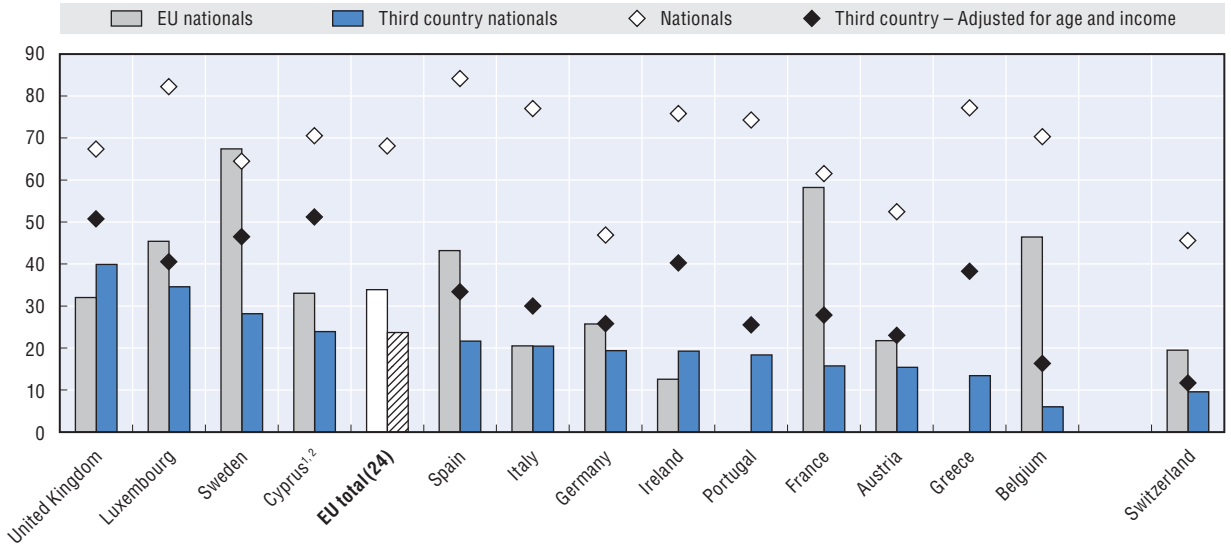

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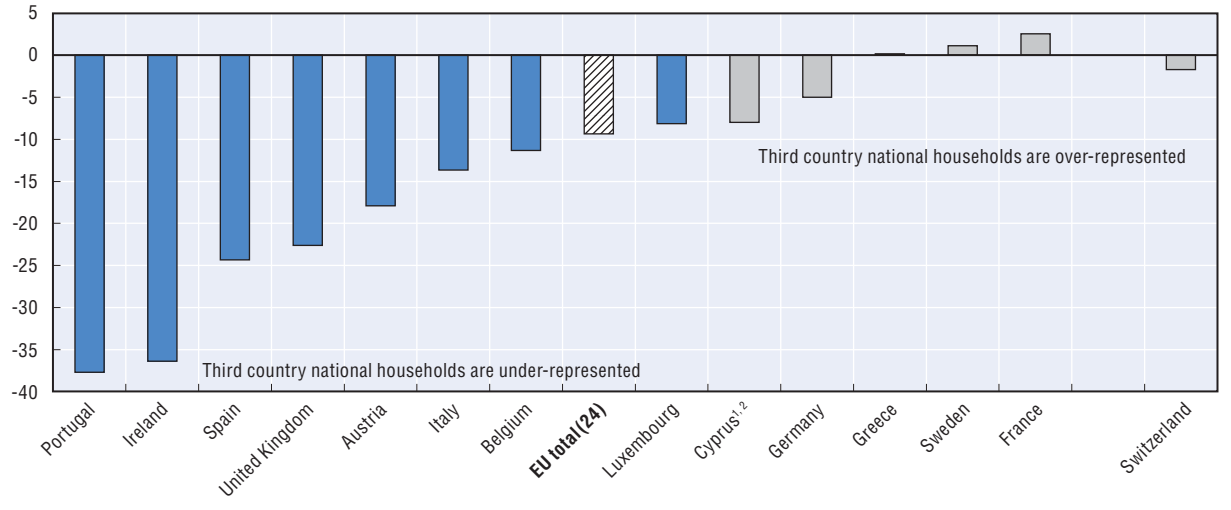
Figure 14.25. **Share of third-country households renting at a reduced rate among renters, 2012**

Differences in percentage points with national households



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Notes and sources are to be found at the end of the chapter.

14.11. Self-reported health status

Background

Indicator

This section looks at people's self-reported health status, i.e. how they perceive their state overall of physiological and psychological health. The section also considers a compound indicator that combines perceptions of overall good health and the absence of chronic illness or health-related limitation (usually a disability). For further information, see Indicator 10.1.

Coverage

People aged over 15.

In 2012, an average of seven foreign nationals out of ten (whether from the European Union or a third country) responded positively to all three dimensions of self-reported health status – perception of overall good health, no chronic illnesses, and no health-related limitations. With over six out of ten, proportions among host-country nationals were similar. Almost four third-country nationals out of five in southern European countries, the Czech Republic, Ireland and the United Kingdom reported good health (Figure 14.26). On the other hand, fewer than six in every ten in Lithuania, Austria and France reported likewise.

In all EU countries, domestic nationals were less likely to report good health in all dimensions than either other EU or third-country citizens. Many foreign nationals have recently immigrated, so originate from a healthier subset of the (pre-migration) population – the so called "healthy migrant effect". An additional factor may be age, with foreign citizens being younger and therefore generally healthier than their national counterparts.

Indeed, adjusting for age shows that non-EU foreigners are less or equally likely to report poor health than domestic nationals in most countries. The only country where fewer report having good health than domestic nationals is Austria. The healthy migrant effect among non-EU nationals again comes into play in southern European countries, where immigration is recent.

Similar results emerge in the self-reporting of good versus poor health (Figure 14.27). Just under four in five foreign residents (whether EU or third-country nationals) reported good health in 2012, compared to just over two out of three host-country citizens. After adjustment, domestic nationals in all EU countries still appear less or equally likely to report being in good health than third-country nationals, except in Austria, France, Luxembourg and Belgium. In the southern European countries, a greater proportion of third-country nationals report good health than nationals.

In the European Union, a greater proportion of third-country nationals report to be of better health than do EU nationals, with the exceptions of Austria and Portugal. A further exception is the United Kingdom, possibly because free labour mobility attracts disproportionally more healthy EU citizens than third-country nationals.

Differences in the self-reported health status of third- and host-country nationals may also be attributable to a number of factors not included in the analysis – e.g. gender, lifestyle, country of citizenship or other social and economic circumstances.

Figure 14.26. **Adults who report good health status, no health-related limitations, and no chronic health conditions, by citizenship, 2012**

Percentages

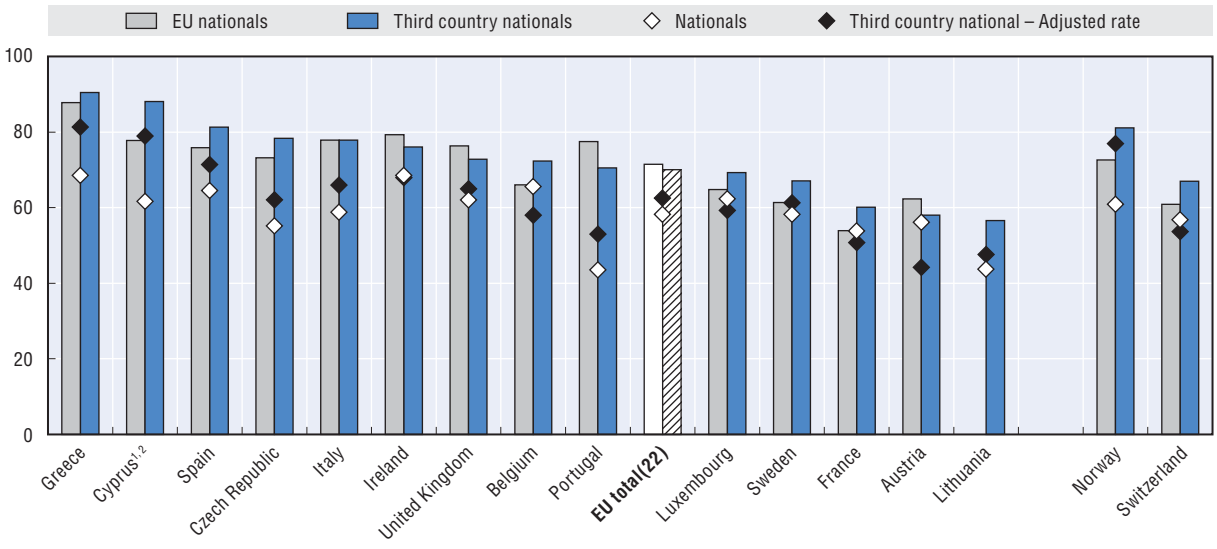

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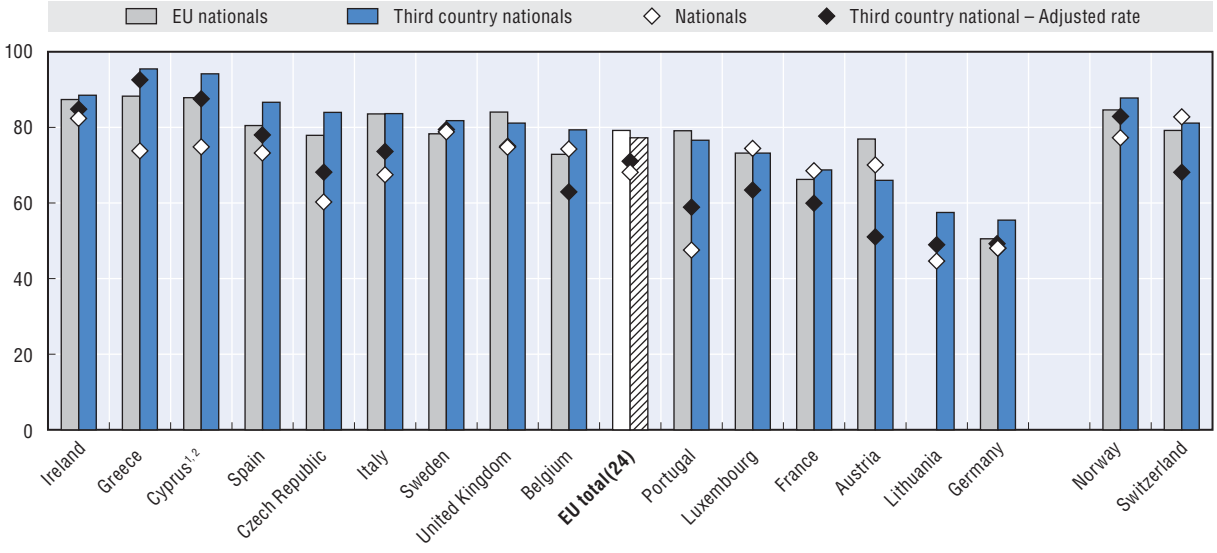
Figure 14.27. **Adults who report they are in good health, by citizenship, 2012**

Percentages



StatLink http://dx.doi.org/10.1787/888933213780

Notes and sources are to be found at the end of the chapter.

14.12. Long-term residents

Background

Indicator

A long-term resident is a third-country national who has been granted long-term residence status in accordance with Directive 2003/109/EC of 25 November 2003. The status may be granted to all non-EU citizens if they have resided legally and continuously for five years in an EU member state, have health insurance coverage, and enjoy sufficient financial resources not to have to rely on social assistance. Some countries may also have additional requirements, such as proficiency in the host country language. All long-term residents enjoy equal rights to reside as EU nationals, particularly as regards the right to reside in an EU country other than the one where they were awarded long-term residence. This indicator relates to the share of long-term residents in the population of third-country nationals who live legally in the European Union. All member countries may deliver permanent residence permits that confer more advantageous conditions than the directive mandates but that are not considered to be long-term residence status because they do not allow residents to live in other EU countries.

Coverage

All third-country nationals with a valid residence permit.

In 2013, an average of one-third of legal third-country nationals enjoyed long-term residence status. Although that EU-wide share had quadrupled in five years, it varied greatly from country to country. In Austria, the Czech Republic, Slovenia, Spain, Italy and the Baltic countries , more than half of non-EU foreign nationals had long-term residence status, while less than 1% did in France, Germany, Greece and Sweden (Table 14.3). It depends, in fact, on the date that countries incorporated the directive into their legislation, on further requirement conditions in some countries, and on whether permanent residence permits that are more advantageous than long-term residence status were in place prior to the directive. In countries that grant that kind of residence permit, it is not in third-country nationals' interest to apply for long-term residence status unless they wish to settle in another member state.

Table 14.3. **Proportion of third-country nationals with long-term residence status at the end of the year, 2008-12**

Percentage of all valid residence permits

	2008	2009	2010	2011	2012	2013
Austria	36.1	37.4	40.0	67.4	66.2	61.9
Belgium	0.2	0.5	38.8	33.2	30.0	28.2
Bulgaria	1.6	1.0	1.0	1.2	1.3	0.8
Cyprus[1, 2]	0.0	0.1	0.3	0.3	..	2.6
Czech Republic	15.7	16.1	..	19.5	57.3	61.8
Denmark	..	..	..	0.4	1.3	2.2
Estonia	88.4	88.0	88.1	88.7	88.3	88.4
Finland	0.0	0.0	0.0	0.1	0.1	0.4
France	0.0	0.1	0.3	0.5	0.7	0.9
Germany	0.0	0.1	0.1	0.1	0.2	0.2
Greece	0.0	0.0	0.1	0.1	0.2	..
Hungary	3.3	3.8	45.8	45.5	36.8	33.0
Ireland	3.6	2.9	6.3	6.0	4.8	4.5
Italy	23.6	28.1	34.7	52.0	54.8	56.4
Latvia	0.0	0.1	0.1	97.4	96.5	95.1
Lithuania	62.5	68.6	69.8	65.1	63.2	58.6
Luxembourg	..	..	8.1	16.3	23.3	29.8
Malta	2.2	3.6	2.4	2.6	2.7	6.8
Netherlands	3.2	4.5	25.4	25.6	32.7	19.7
Poland	4.0	5.2	37.0	23.4	21.5	18.3
Portugal	0.4	0.6	0.8	0.8	0.9	1.0
Romania	14.6	15.7	16.7	17.1	19.0	19.8
Slovak Republic	5.3	6.3	18.7	48.7	41.8	43.8
Slovenia	24.0	29.0	44.2	47.4	50.2	54.3
Spain	0.3	0.7	66.8	70.8	66.2	66.8
Sweden	0.1	0.1	0.2	0.2	0.0	0.0
EU total (28)	**7.7**	**9.2**	**24.4**	**31.8**	**32.1**	**31.7**
Switzerland	..	..	..	..	65.4	..

StatLink http://dx.doi.org/10.1787/888933214358

Notes and sources are to be found at the end of the chapter.

14.13. Voter participation

Background

Indicator

Self-reported participation in elections is measured here through surveys which ask respondents if they voted in the most recent parliamentary elections in their host country. For further information, see Indicator 11.2.

Coverage

Any person aged 18 years old and above who is entitled to vote in national elections. No country confers the right to vote in such elections on foreigners apart from the United Kingdom and Portugal, and even then only for certain nationalities. This indicator therefore applies to people born in a third country who have taken the nationality of the host country.

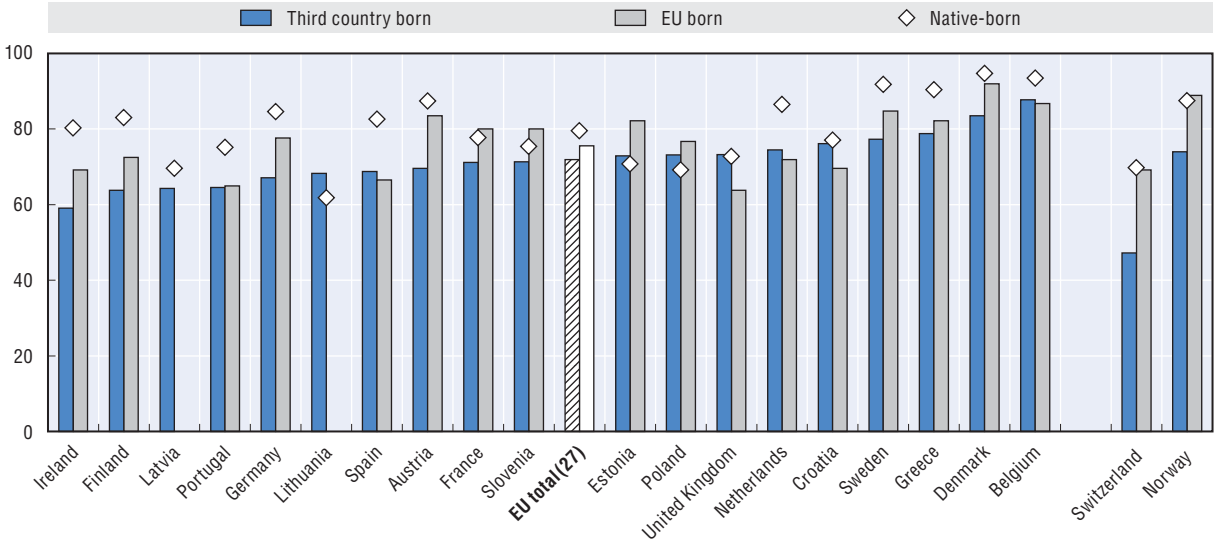
Only seven out of ten nationals born in a third country took part in the latest national elections between 2002 and 2012 (Figure 14.28), compared to eight out of ten native-born nationals. In fact, host-country nationals who were born in a third or other EU country tend generally to vote less than native-born host-country citizens. Voter turnout among citizens born outside the European Union is 10 percentage points lower than among the native-born in southern Europe, the Nordic countries, Ireland, Germany and Austria. Turnout between the two groups is broadly similar in Belgium and France, by contrast.

Turnout among third-country-born host-country nationals is higher than among non-migrant nationals in a number of countries that have experienced border changes, e.g. Lithuania, Croatia, Poland. In the United Kingdom, people born outside the European Union vote in elections in the same proportions as the native-born. Commonwealth citizens may have something to do with such turnout. As they are allowed to vote in national elections, they might seek to familiarise themselves with the voting system on arriving in the United Kingdom, which might account for their high turnout.

Nationals born in another EU country generally turn out to vote in higher proportions than the third-country-born. They also participate in higher proportions than the native-born nationals in France and in countries that have been through border changes. By contrast, Croatia, the Netherlands and the United Kingdom are the member countries where the highest proportions of non-EU-born people vote in comparison to nationals born in other EU countries.

Figure 14.28. **Self-reported turnout of national population in the most recent elections by country of birth, 2002-12**

Percentage of national population aged 18 years old or more



StatLink http://dx.doi.org/10.1787/888933213797

Notes and sources are to be found at the end of the chapter.

14.14. Acquisition of nationality

Background

Indicator

This indicator measures the rate of acquisition of nationality, considered as the proportion of immigrants who have resided for at least ten years in a host country and have become citizens. For further information, see Indicator 11.1.

Coverage

Immigrants (i.e. born abroad) aged 15 years old or more who have lived in a host country for at least ten years. Beyond that time, most immigrants are entitled to apply for naturalisation. Immigrants who automatically acquire the nationality of a host country at birth (e.g. the children of expatriates) are included because they cannot be distinguished.

In 2012-13, an average of 62% of immigrants born outside the European Union but who had lived in the host country for at least 10 years (long-settled immigrants) had taken the nationality of this host country. By contrast, only 48% of EU immigrants had done so (Figure 14.29). Freedom of movement within the European Union may well have diminished the incentive to seek the citizenship of the host country.

Nine out of ten long-settled immigrants born outside the European Union are nationals in countries that, after they were born, broke away from or experienced border changes with political entities that are now mostly third countries. Examples are Croats born in other parts of the former Yugoslavia and Lithuanians born in other parts of the former Soviet Union. On independence, they were often given the choice between taking up citizenship in the host country or keeping the nationality of their place of birth. Three in four long-settled immigrants have also acquired citizenship in countries where the process is easier, e.g. Sweden, the Netherlands, Portugal and the United Kingdom. By contrast, one-third of settled immigrants born in a non-EU country have kept their nationality at birth because the naturalisation process is more difficult or dual nationality mostly not allowed in their EU host countries – e.g. the Baltic states (save Lithuania), southern Europe and Luxembourg.

EU immigrants generally acquire host country citizenship less often than do their third-country-born peers, as in Benelux, Denmark and Sweden, for example. By contrast, higher proportions of EU-born than third-country-born immigrants have taken host-country nationality in some central European countries that have a shared history with neighbouring EU member states – e.g. the Czech Republic, the Slovak Republic and Slovenia. Higher rates of EU-immigrants who have host-country nationality are also found in some southern European countries like Italy and Greece, as well as in Finland and Austria.

With an average naturalisation rate of 73% across the European Union, a higher proportion of third-country-born immigrants with higher education degrees have host-country nationality than their less well educated peers, only 52% of whom have become citizens (Figure 14.30).

Immigrants with low or no qualifications are more likely to run into problems of language or knowledge of the host country's culture, which are often prerequisites for obtaining citizenship. Disparities between low-educated immigrants and their highly educated counterparts can be as wide as 20 percentage points in countries where immigration is recent (e.g. Greece, Italy and Spain) and chiefly from low-income countries. The gap is wide in France, too. It has a relatively low-educated immigrant population, made up largely of people from North Africa who have been in the country for over 30 years. Many have dual nationality and may choose not to mention their French citizenship when questioned, which artificially reduces the naturalisation rate.

Figure 14.29. **Share of nationals aged 15 years old or more by country of birth, 2012-13**

Percentages of the foreign-born population with at least ten years of residence

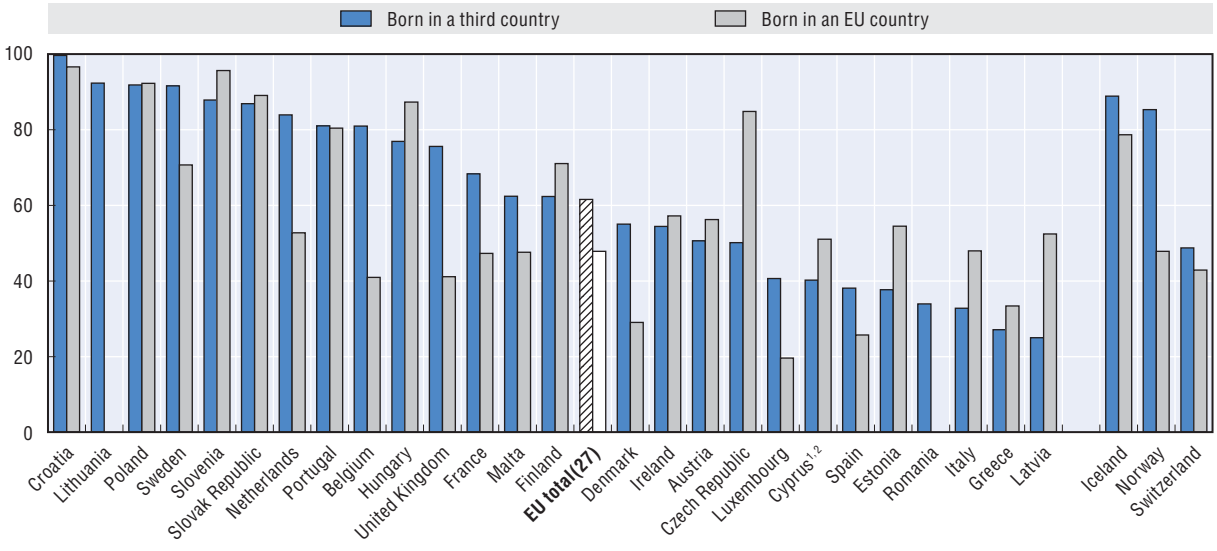


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Figure 14.30. **Share of nationals among third-country-born immigrants aged 15 years old or more by level of education, 2012-13**

Percentages of the foreign-born population with at least ten years of residence

StatLink http://dx.doi.org/10.1787/888933213827

Notes and sources are to be found at the end of the chapter.

14.15. Perceived discrimination

Background

Indicator

"Ethnic" discrimination is generally thought of as unfairly treating someone differently because of their ethnicity, origin, or nationality. Here it measures the proportions of third-country nationals who claim to belong to a group that suffers from discrimination on the grounds of ethnicity, nationality, or race. For further information, see Indicator 12.1.

Coverage

Individuals of foreign nationality aged between 15 and 64 years old.

Across the European Union in 2002-12, 23% of third-country immigrants felt they belonged to a group that was discriminated against on the grounds of ethnicity, nationality, or race (Figure 14.31). With only 9% reporting such discrimination, however, EU-national foreign residents felt it much less acutely.

The sentiment of discrimination is particularly keen in Austria and Greece, where two in five non-EU nationals report experiencing it. It is generally more widespread in southern Europe (apart from Spain), the Netherlands and France. By contrast, less than one person in five reports being discriminated against in the Nordic countries, Luxembourg and the United Kingdom. Although the level of EU nationals claiming discrimination is low across the European Union, more than one in four feels discriminated against in Greece, and over one in ten in Austria, Ireland and Spain.

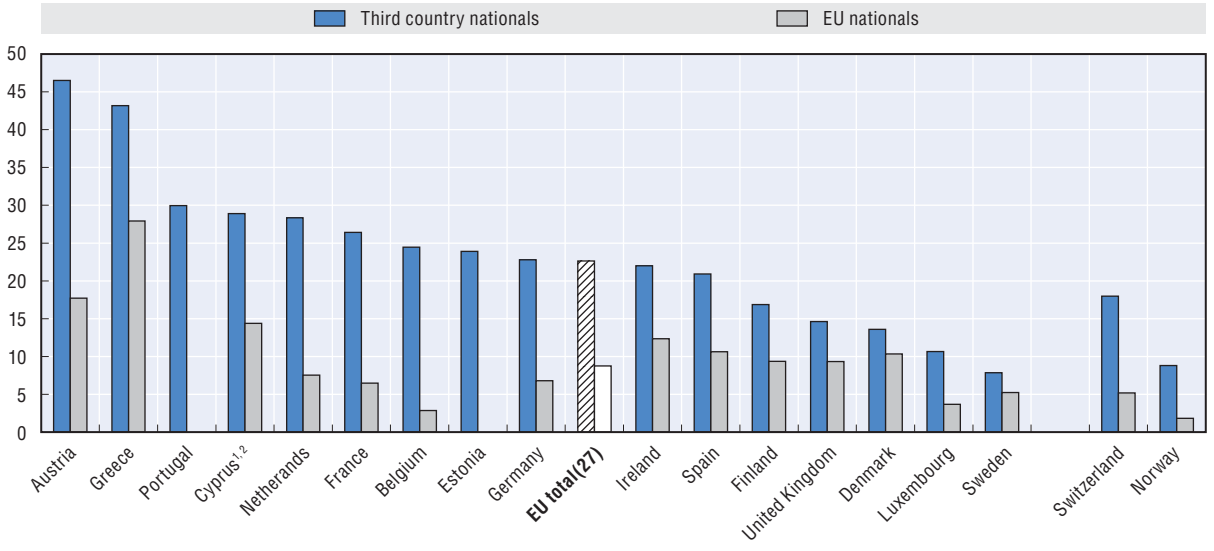
Across the European Union, fewer third-country nationals feel discriminated against on ethnic grounds than in the recent past. Perceived discrimination for reasons of ethnicity fell 4 percentage points between 2002-06 and 2008-12, from 25% to 21% between 2008 and 2012 (Figure 14.A1.5). All groups of non-EU foreigners experienced a decline, save those who were unemployed.

Over the period 2008-12, third-country males seemed more sensitive than females to discrimination. The figures were 22% among men and 20% of women. The under-55s – whether with a nationality from inside or outside the European Union – complained of it more often than their elder peers, although it is impossible to determine if the higher rate can be attributed to age, duration of residence, or generation.

What is clear, however, is that the lower a persons' level of education, the keener their sense of discrimination – 23% of low-educated non-EU nationals believe they belong to a group that is singled out, while among the highly educated the rate is 16% (Figure 14.32). At 27%, more unemployed third-country nationals say they are come in for discrimination than those who are in work (23%) or economically inactive (15%).

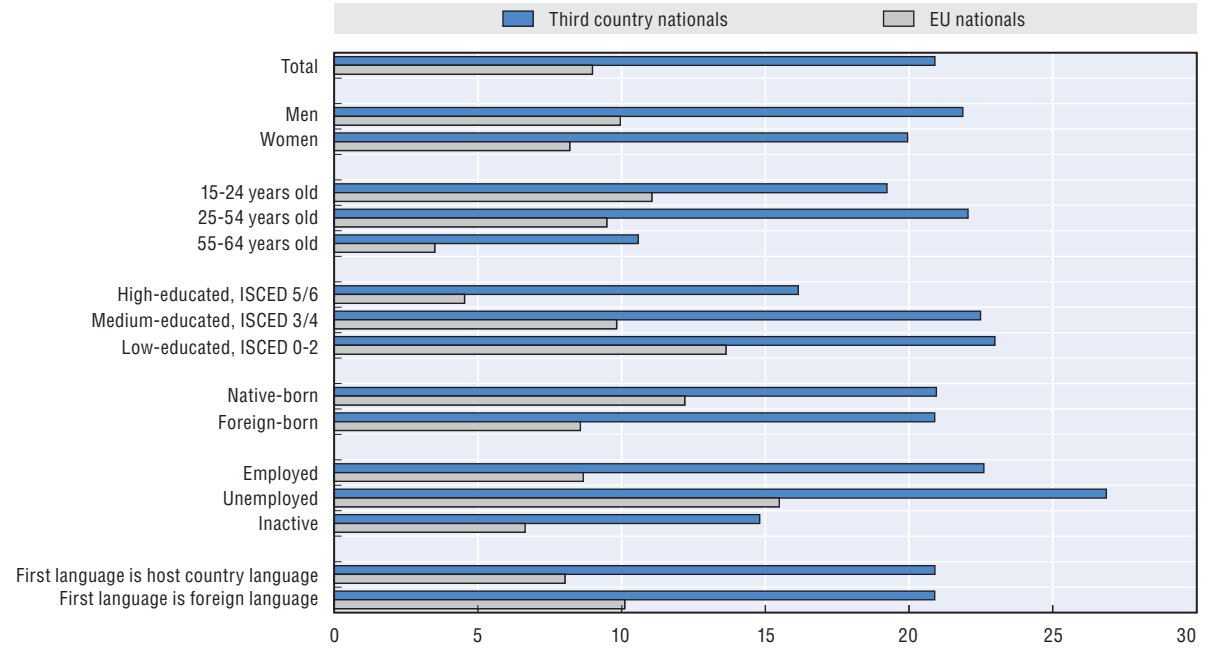
Between 2002 and 2006, EU and non-EU foreign nationals felt discrimination was worse when their native tongue was different from the host country's language. In 2008-2012, third-country nationals no longer share that sentiment, however and – unlike their foreign EU peers – there is no difference in perceived discrimination along the lines of native language. On the downside, however, being born in the host country is not enough to spare third-country nationals from the sentiment of discrimination. They feel it as acutely as their foreign-born co-nationals. Like them, they still have a sense of belonging to an ethnic group and perceive it as the target of discriminatory behaviour.

Figure 14.31. **Share of third-country and EU nationals aged 15-64 years old who state that they belong to a group that is discriminated against on the grounds of ethnicity, nationality or race, 2002-12**



StatLink http://dx.doi.org/10.1787/888933213836

Figure 14.32. **Share of third-country and EU nationals aged 15-64 years old across all EU countries who state that they belong to a group that is discriminated against based on ethnicity, nationality or race, by several characteristics, 2008-12**



StatLink http://dx.doi.org/10.1787/888933213845

Notes and sources are to be found at the end of the chapter.

Data limitations

See "Data limitations" in Chapters 5 to 12.

Long-term residence

The long-term resident indicator should be handled with care as it does not always reflect to what extent third-country nationals enjoy permanent residence. Some host countries may grant non-EU nationals residence status that affords them higher degrees of protection, which means that the long-term residence indicator does not encompass all forms of permanent residence. In countries that grant such protective statuses, the low proportion of long-term residents in the immigrant population does not mean, therefore, that only a few foreigners enjoy the same rights as EU citizens. Comparison between countries is further complicated by the fact that some countries require to meet additional criteria before granting them long-term residence status.

Notes, sources, and further reading

Notes to figures and tables

Averages factor in rates that cannot be published individually because the data samples are too small.

Figure 14.1: For Portugal read 2003 instead of 2005.

Figure 14.20: "TC" refers to third-country nationals and "NA" nationals.

Figures 14.26 and 14.27: Adjusted rates refer to the hypothetical situation if third-country nationals had the same age distribution as nationals.

Indicators 14.8, 14.9, 14.10, 14.11: German data are originated from another data source and are not, therefore, comparable with the data considered in Chapters 8, 9 and 10.

Indicator 14.15: Not counting no answers and "don't knows".

The greyed bars denote differences that are not statistically different from zero with a probability of 0.05.

Notes to Cyprus[1, 2]

1. Note by Turkey:

The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

2. Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus."

Sources

European Union Labour Force Surveys (EU-LFS) 2006-07 and 2012-13.

Indicators 14.1 and 14.12: Eurostat Database on International Migration and Asylum 2005-13.

Indicators 14.2, 14.3, 14.4, 14.5, 14.6, 14.7 and 14.14: European Union Labour Force Surveys (EU-LFS) 2006-07 and 2012-13.

Indicators 14.8, 14.9, 14.10, 14.11: European Union Statistics on Income and Living Conditions (EU-SILC) 2012. German Socio Economic Panel (G-SOEP 2012 95% sample).

Indicators 14.13, 14.15: European Social Survey (ESS) 2002-12.

Further reading

Eurostat (2014), "Non-EU Citizens Twice as Likely to Be at Risk of Poverty or Social Exclusion as Nationals in 2013", *Eurostat News Release*, No. 177/2014, European Commission, Luxembourg.

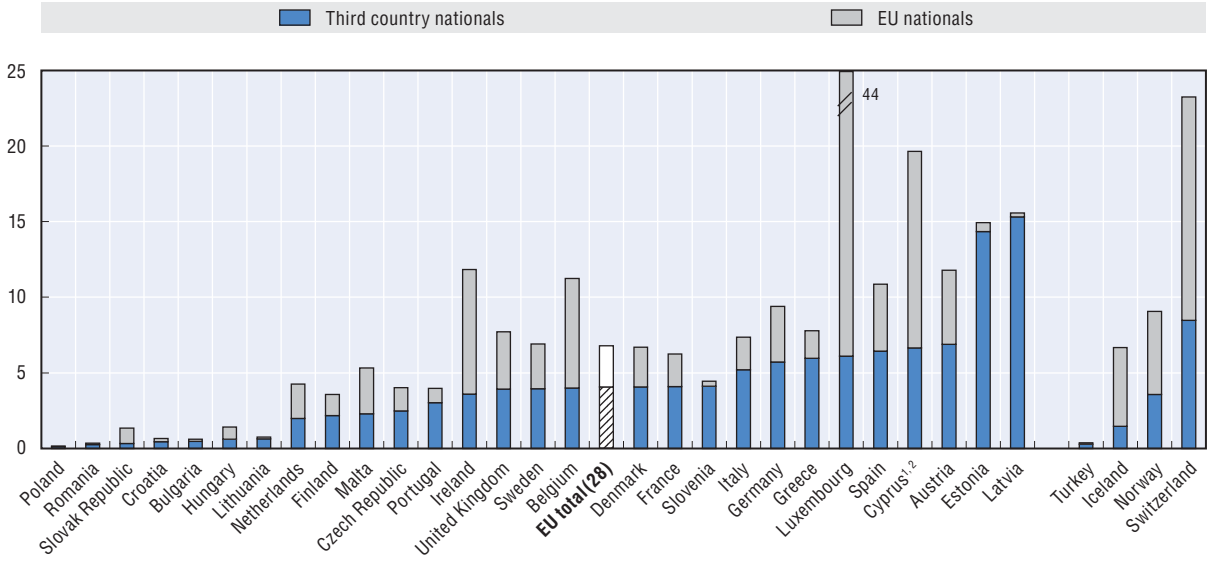
Eurostat (2011), "Migrants in Europe: A Statistical Portrait of the First and Second Generation", *Statistical Books*, European Commission, Luxembourg.

ANNEX 14.A1

Additional tables and figures

Figure 14.A1.1. **Third-country and EU nationals, 2013**

Percentage of the total population



Source: Eurostat Database on International Migration and Asylum (2013).

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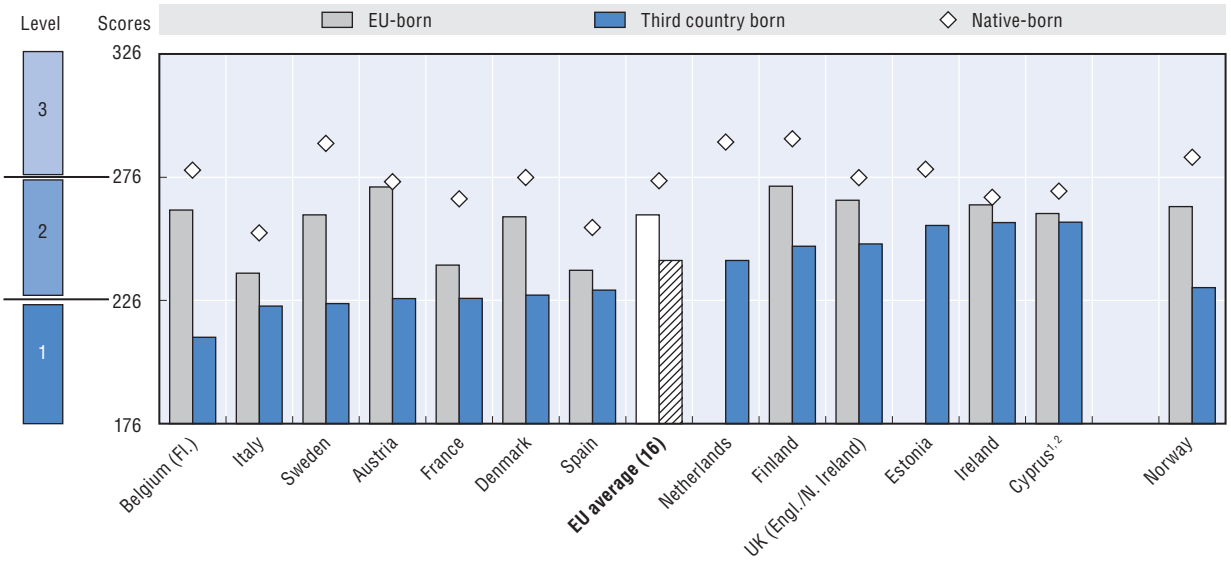
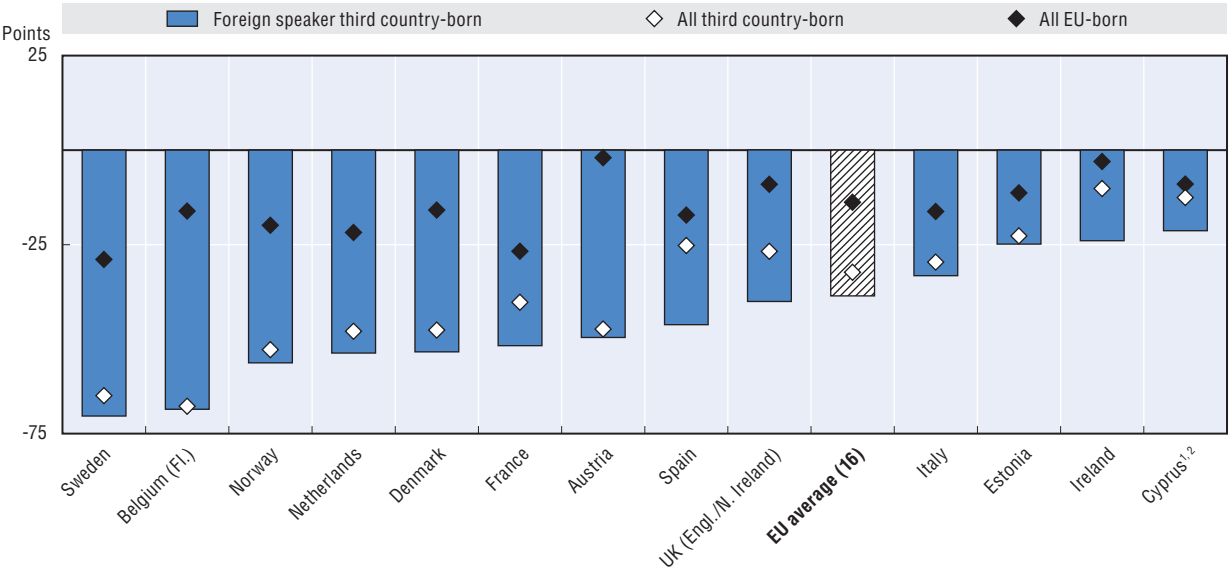
Figure 14.A1.2. **Average literacy scores by place of birth among 16-64 year-olds, 2012**



1, 2: See "Notes, sources, and further reading" section.
Source: OECD Programme for the International Assessment of Adult Competencies (PIAAC) 2012.
StatLink http://dx.doi.org/10.1787/888933213929

Figure 14.A1.3. **Adjusted mean literacy score by country of birth and native language, 16-64 years old, 2012**

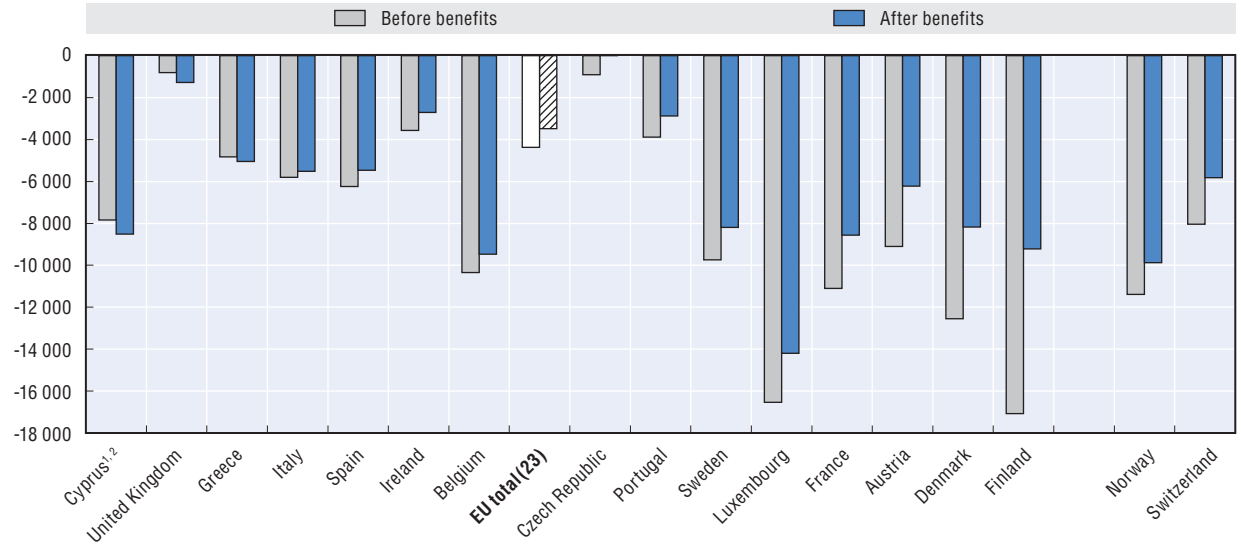
Differences in percentage points with the native-born



Note: Differences are adjusted for age, gender and educational attainment.
1, 2: See "Notes, sources, and further reading" section.
Source: OECD Programme for the International Assessment of Adult Competencies (PIAAC) 2012.
StatLink http://dx.doi.org/10.1787/888933213939

Figure 14.A1.4. **Differences in equivalised disposable median incomes between third-country and national households before and after social transfers (other than old-age and survivors transfers), 2012**

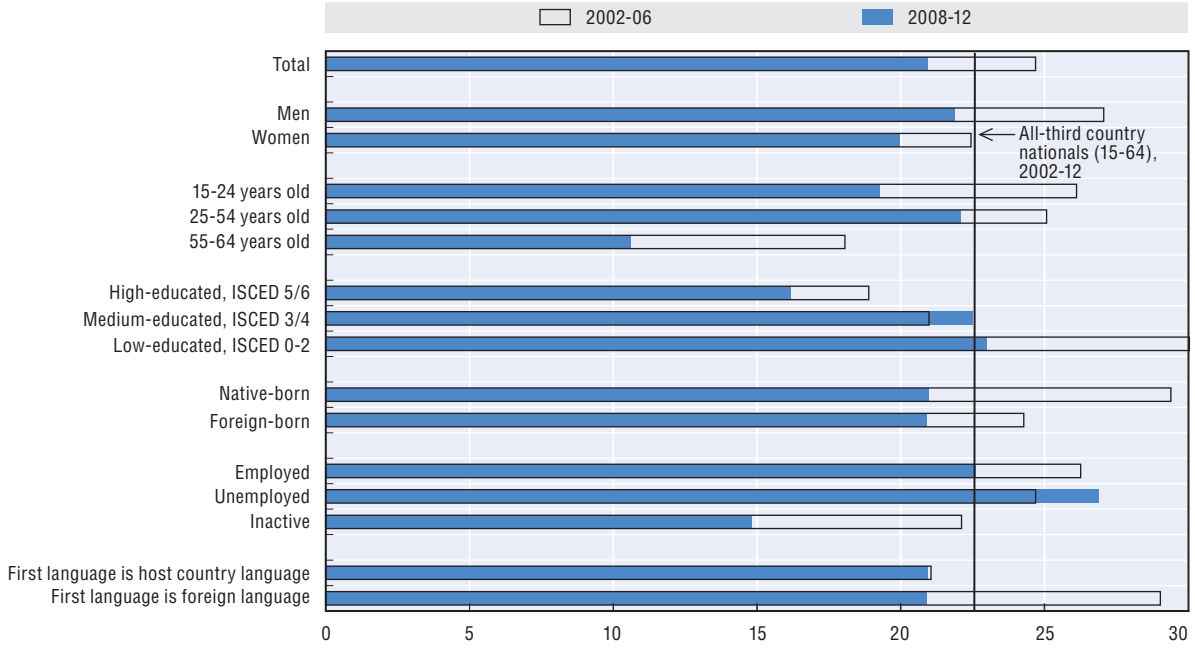
Gap in euros between third-country nationals and nationals



Note: Old-age and survivors tranfers are included in all figures.
1, 2: See "Notes, sources, and further reading" section.
Source: European Union Survey on Income and Living Conditions (EU-SILC) 2012. German Socio Economic Panel (G-SOEP 2012 95% sample).

StatLink http://dx.doi.org/10.1787/888933213943

Figure 14.A1.5. **Share of third country nationals aged 15-64 years old across all 28 EU countries who state they belong to a group that is discriminated against based on ethnicity, nationality or race, by several characteristics, 2002-06 and 2008-12**



Source: European Social Surveys (ESS) 2002-12.

StatLink http://dx.doi.org/10.1787/888933213952

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