

BBS
BROWN BAG SEMINARS

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**"INTEGRATION POLICIES AND THEIR EFFECTS
ON LABOUR MARKET OUTCOMES AND
IMMIGRANT INFLOWS"**

Throughout Europe, the labour market integration of immigrants tends to lag behind that of natives. This paper empirically analyses the role played by integration policies in closing this gap in EU countries. Relying on the Migration Integration Policy Indicator (MIPEX), we find that immigrants' employment rates are higher in countries with more elaborate integration policies, but this is solely the case for immigrants coming from EU countries; integration policies do not help to foster employment rates of non-EU immigrants. Disentangling the various underlying dimensions of integration policies reveals that their positive impact on the employment rate of EU immigrants is primarily driven by policies facilitating labour market mobility policies. For non-EU immigrants, anti-discrimination policies play a significant role but only in the medium term. Moreover, our results confirm that immigrants' labour market integration varies with the skill composition of the migrant population. The latter might, however, also be influenced by integration policies in potential destination countries, a premise which we also test. We show that integration policies indeed act as a pull factor for migration in a gravity model that controls also for the restrictiveness and skill selectivity of migration policies. Yet, it seems that more elaborate integration policies affect primarily the number of high skilled immigrants, but not the number of medium or low skilled, and this only for those from EU countries. Different factors hence seem to be at play for the low and medium skilled, but once moved, they are the ones benefitting the most from integration policies.