

What do we know about immigrants who do not work, study or receive benefits?

In 2011, 16 per cent of immigrants aged 20-66 years had a weak attachment to the labour market, i.e. they were neither in employment, looking for work, studying or receiving state benefits related to the loss of employment income. In the general population, the corresponding figure was 4 per cent. Many of the immigrants with a weak attachment to the labour market are from Africa and Asia, but those from EU countries in Eastern Europe also constitute a large group. With the exception of Nordic immigrants, the share with a weak attachment to the labour market is higher among female immigrants than male immigrants.

Before analysing the immigrants with a weak attachment to the labour market, it is worth noting the employment trends among immigrants as a whole in recent years. There is no doubt that immigrants have made a major contribution to the growth in employment in the past decade, and the share of immigrants in employment has been steadily increasing in recent years. This is primarily linked to the higher immigration in Norway following the expansion of the EU in 2004. As we know, the expansion eastwards has paved the way for more labour immigration, particularly from Poland and Lithuania.

The growing number of immigrants is not the only factor that explains the increased share of immigrants in employment. Since 2007, there has also been a modest decline in employment among the general population, while the number of employed immigrants has increased. The increase in employed immigrants has boosted the total employment growth and thus offset the stagnation in employment among the population as a whole (Olsen 2013).

Some groups of immigrants stand out

The employment rate remains low in many immigrant groups. In 2012, for example, 43 and 55 per cent of immigrants from Africa and Asia respectively were working, while the corresponding share among those from EU countries in Eastern Europe was 73 per cent (Statistics Norway 2013). One of the key explanations for this difference is that the vast majority in the latter group have come to Norway specifically to work, while many in the other two groups are either here as refugees or for family reunification with refugees.

The share of employed immigrants in 2012 was 63 per cent compared with 70 per cent among the general population. The employment profile of immigrants is therefore mixed; on the one hand, immigrants have made a strong contribution to the recent employment growth, while on the other hand, there are still large numbers in certain immigrant groups who are out of work.

More need to work

Raising the level of employment among immigrants is one of the key ways of preventing the emergence of a divided society, where differences in living

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Immigrants

Persons who are resident in Norway, but who are born abroad to two foreign-born parents and have four foreign-born grandparents. Our focus here is on immigrants who are registered as resident, i.e. who expect to stay in Norway for more than six months and are registered as resident in the National Population Register. Foreign nationals on short-term stays in Norway and Norwegian-born with immigrant parents are not included in the group we are looking at.

The article is based on the report «Innvandrere med svak tilknytning til arbeidsmarkedet – hvem er de?» (Immigrants with a weak attachment to the labour market – who are they?), which was published on 6 June 2014 and funded by the Directorate of Integration and Diversity (IMDi).



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Attachment to the labour market

Weak attachment to the labour market is defined here as neither participating in the labour market, studying or receiving benefits or pensions related to the loss of employment income.

Participating in the labour market refers here to persons who are employed (employees and the self-employed), registered unemployed or jobseekers. The latter category includes participants on ordinary employment initiatives, persons receiving individual benefits, unemployment benefit or a waiting allowance, and participants of the introduction programme for new refugees.

Being in education means that a person is registered as undertaking an active ongoing education.

Health-related benefits include sickness benefit, work assessment allowance and temporary and permanent disability pensions.

Pensions refer to the early retirement pension (AFP), widow/widowers' pension, supplementary benefit and pensions from sources other than NAV/national insurance (old-age pension is not relevant here since we are only looking at the under 67s).

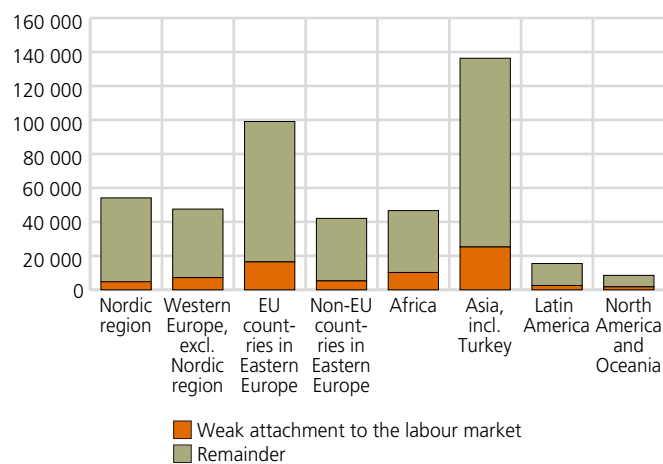
conditions are correlated to ethnicity. The authorities therefore have a goal to intensify efforts to get more immigrants into work (Report No. 6 to the Storting (2012-2013), 2012). Immigrants with a weak attachment to the labour market make up one of the target groups of this IMDi initiative.

Immigrants who have a weak attachment to the labour market are defined here as those who are neither in employment, looking for work, studying or receiving state benefits related to the loss of employment income (see textbox below on attachment to the labour market).

This definition requires further explanation: working or being temporarily absent from work due to illness, holiday leave or paid leave obviously entails an attachment to the labour market, but it is not very clear whether all of those who do not work have a weak attachment to the labour market. An attachment to the labour market does not only cover the status of being in employment. Some people take education with a view to securing a job in the future, which could be said to give them a kind of attachment to the labour market. The unemployed, participants on employment initiatives and persons on individual benefits must also be regarded as having an active attachment to the labour market since the aim is to get them into work. These groups are not therefore included when discussing persons with a weak attachment to the labour market.

In addition to the above groups, we have also excluded recipients of health-related benefits, such as work assessment allowance and disability pension. Recipients of pensions, primarily early retirement pensions (AFP), are also excluded. It could be argued here that many of the recipients of health-related benefits and pensions have a weak attachment to the labour market – if so; one could say that this article only deals with a subset of individuals with a weak attachment to the labour market. We have nevertheless chosen to exclude them because these benefits and pensions are directly related to the loss/termination of employment, as opposed to, for example, benefits such as social assistance or cash benefit for children. It is also worth remembering that persons may receive such health-related benefits and early retirement pension whilst still working.

Figure 1. Immigrants in Norway (aged 20-66), by country background and attachment to the labour market. 4th quarter 2011



Source: System for Data on Persons, Statistics Norway.

Most are from Asia and EU countries in Eastern Europe

In total, 73 500 immigrants (aged 20-66 years) had a weak attachment to the labour market in 2011, which corresponds to 16 per cent. In Figure 1, immigrants are shown by country background and by labour market status. The two largest immigrant groups with a weak attachment to the labour market measured in absolute numbers are from Asia and EU countries in Eastern Europe. They were also by far the largest groups overall. In total, they made up over half of the immigrants with a weak attachment to the labour market in 2011. However, in both groups, the share with a weak attachment to the labour market was only slightly higher than among immigrants as a whole: 19 per cent among those from Asia and 17 per cent among those from EU countries in Eastern Europe. Immigrants from Africa had the highest share, with 22 per cent.

In terms of relative numbers, immigrants from North America and Oceania had the second highest share with a weak attachment to the labour market in 2011, with 21 per cent. As we can see in Figure 1, this constituted a very small group measured in absolute numbers. The lowest shares were among immigrants from the Nordic countries (9 per cent) and Eastern Europe outside the EU (13 per cent). Among immigrants from Western Europe excluding the Nordic countries, the share was 15 per cent.

A breakdown by continent or world region, as seen in Figure 1, conceals the disparities between individual groups of countries. A breakdown of all immigrants by their individual countries would be extremely complex and overly detailed, but we can describe the situation for the largest individual groups of countries. Of the 73 500 immigrants with a weak attachment to the labour market in 2011, 30 600 came from either Poland, Lithuania, Somalia, the Philippines, Iraq, Pakistan or Thailand. Of these, by far the highest number were from Poland (9 300), followed by Somalia (4 800), the Philippines (4 100) and Iraq (3 500). Among these seven countries, however, the highest shares with a weak attachment to the labour market were among those from Somalia (31 per cent) and the Philippines (30 per cent). Among those from Pakistan, Iraq and Thailand, the share was 22, 21 and 20 per cent respectively. The lowest shares in these seven immigrant groups were among those from Lithuania (17 per cent) and Poland (16 per cent). There are considerable gender disparities among immigrants from some countries, which we will return to later in the article

Many women are from the newer EU countries

It may seem paradoxical that one of the immigrant groups with the highest share in employment, namely those from EU countries in Eastern Europe, also has a relatively high share with a weak attachment to the labour market (see Figure 1). As already mentioned, many of these have come to Norway specifically to work. This has primarily related to men, partly as a result of the large demand for labour in traditionally male-dominated industries such as construction.

A significant share of the women who have immigrated from these countries have done so as part of family reunification. Many of these may be financially dependent on their husband or not registered as employed despite having a job. This may help to explain why the share with a weak attachment to the labour market is higher among women than men in this immigrant group (see Figure 2). In 2011, the share with a weak attachment to the labour market in this immigrant group was 14 per cent for men and 21 per cent for women.

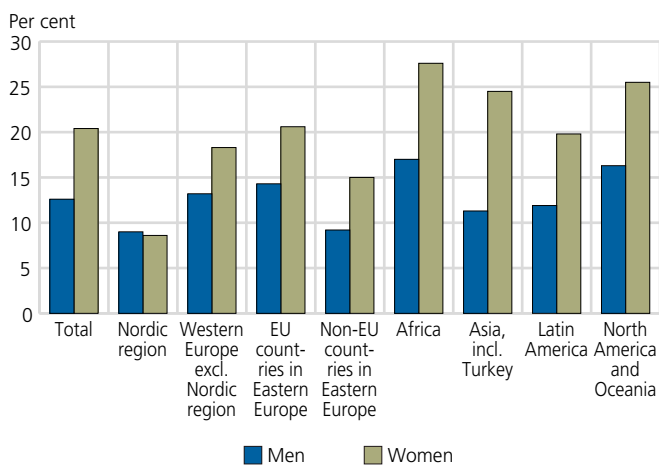
The fact that some women are financially supported by their husbands or have undeclared employment income only partly explains the relatively high share with a weak

Data source

The article is based on figures from the System for Data on Persons (SDPP), which is made up of extensive register-based statistics on employment. Persons who are not in employment are also included in these statistics. Information is given on whether persons in both groups are in education or receiving state benefits. The system was established for the purpose of describing various groups' attachment to the labour market, education and benefits. Having an 'unknown status' in the SDP means that they are neither employed nor in receipt of any of the benefits registered by the system (see Nerland et al. 2011 for a complete list).

Table 1 shows that a total of 84 per cent of the immigrants with a weak attachment to the labour market had an unknown status in the SDP.

Figure 2. Share of immigrants (aged 20-66) with weak attachment to the labour market. By country background and sex. Total per cent of registered residents in each group. 4th quarter 2011



Source: System for Data on Persons, Statistics Norway.

Table 1. Immigrants (20-66 years) with a weak attachment to the labour market, by status in the System for Data on Persons (SDP) and sex. 4th quarter 2011

	Both sexes		Men		Women	
	No.	Per cent	No.	Per cent	No.	Per cent
Total	73 457	100.0	29 901	100.0	43 556	100.0
Social assistance	5 746	7.8	2 997	10.0	2 749	6.3
Dependency allowance, etc. ¹	5 888	8.0	726	2.4	5 162	11.9
Unknown status in SDP, with income	43 173	58.8	18 184	60.8	24 989	57.4
Unknown status in SDP, no income	18 650	25.4	7 994	26.7	10 656	24.5

¹ Includes persons with a reduced ability to work, not on employment initiatives.

Source: System for Personal Data, Statistics Norway.

attachment to the labour market among immigrants from EU countries in Eastern Europe. A further explanation may be that some have moved out of the country without reporting it, something we discuss later in the article.

8 per cent receiving social assistance

Only a fairly small minority of immigrants with a weak attachment to the labour market have the status of recipient of social assistance in the main data source for these statistics (see box). In 2011, the share receiving social assistance among immigrants with a weak attachment to the labour market was 8 per cent (see Table 1). This is a benefit that is intended as a temporary income for people who have no other means of supporting themselves. Unlike some health-related benefits, where entitlements are accrued over time, anyone who is legally resident and has a permanent abode in Norway is entitled in principle to receive social assistance. On this basis, recipients of social assistance could be expected to make up a fairly large share of those who have a weak attachment to the labour market, but this is not the case.

The granting of social assistance is partly based on a person's family circumstances, and there are no set criteria for which family member is registered as the recipient. Since only one person in the family can normally be the recipient, the actual number of recipients of social assistance is likely to be somewhat higher than shown in the table. The gender disparity, with 10 per cent of social assistance recipients among men compared to 6 per cent among women, must also be seen in light of this.

Even more interesting is the large disparity between the different countries. While only 1 per cent of those with a weak attachment to the labour market from EU countries in Eastern Europe were in receipt of social assistance in 2011, the corresponding shares among those from Africa and Asia were 22 and 9 per cent respectively.

Among immigrants with a weak attachment to the labour market (see Table 1), the number receiving a dependency allowance (see box) and social assistance is roughly the same. There is a clear gender disparity here, with women being the primary recipients of the dependency allowance. In 2011, the share was 12 per cent among female immigrants with a weak attachment to the labour market and just 2 per cent among men.

Dependency allowance

Dependency allowances consist of cash benefit for children and single parent benefit. Persons with a reduced ability to work who are not participating in an employment initiative are also included in this group. These are people who are awaiting a decision on whether they are eligible to take part in an employment initiative, as well as persons who are not eligible. Since this is a very small group compared to the recipients of cash benefit for children and single parent benefit, we have referred to this collective group under 'dependency allowance, etc.' in the tables and 'dependency allowance' in the text.

There is also a relatively big disparity in relation to these benefits between the different immigrant groups with a weak attachment to the labour market. Among those from EU countries in Eastern Europe, the share was 4 per cent, compared with 10 per cent among those from Asia and 16 per cent among those from Africa.

Many have an unknown status

The remainder of the immigrants, i.e. those who do not receive social assistance or a dependency allowance (and such like), had an unknown status in the SDP. In order to find out more about the large group with an unknown status we have linked the data up with Statistics Norway's income register. The SDP uses the third week in November (fourth quarter) as the reference week, while the income register shows all income during the year; employment income, investment income, taxable transfers and tax-free transfers.

By juxtaposing the two sources, we can see whether those with an unknown status in the SDP in the fourth quarter of 2011 had any income during that year or not. Table 1 shows that 59 per cent of immigrants with a weak attachment to the labour market had an unknown status in the SDP, but also some kind of income in 2011. This may have been, for example, employment income during the part of the year that the SDP does not cover, or interest income or transfers that are not included in the the SDP (such as child allowance). Similarly, 25 per cent, or 18 700 persons, had an unknown status in the SDP and no income. We will discuss this group later in the article.

Mostly women

Over half of the immigrants with a weak attachment to the labour market are women, and in 2011 made up 59 per cent of persons in this group. The share of immigrant women with a weak attachment to the labour market was 20 per cent in 2011, compared with 13 per cent among men (see Figure 2). In the corresponding group in the non-immigrant population, there is also a higher share of women with a weak attachment to the labour market, but the difference is very small.

The gender disparity also varies considerably between the different immigrant groups. Immigrants from the Nordic countries differ from the other groups; not only do they have a low overall share with a weak attachment to the labour market, they also have a higher share of men than women with a weak attachment to the labour market. In the other groups, the level is higher and the gender disparity is greater. The biggest disparity between men and women is found among immigrants from Asia, where 11 per cent of men and 25 per cent of women had a weak attachment to the labour market in 2011.

Among the immigrants with a weak attachment to the labour market, the majority of women are married, while the majority of men are unmarried. Furthermore, the share who have children is higher among the women than the men in this group, and as mentioned earlier, the women are overrepresented among those who receive a dependency allowance. When viewed in conjunction with information from the Labour Force Survey (LFS), it appears that a large share of the female immigrants with a weak attachment to the labour market are at home with children and/or are wholly or partly financially dependent on their husband. The husbands of the women who are married are mostly found in the SDP – and 70 per cent of these men are in employment.

The share of women with a weak attachment to the labour market is particularly high among immigrants from Somalia, Pakistan and the Philippines. When comparing individual countries, we have only looked at the aforementioned countries with the largest numbers in this group.

Among immigrants from the Philippines, women made up over 90 per cent of those with an unknown status in the SDP and recipients of social assistance/a dependency allowance. It is reasonable to assume that a significant share of these are au pairs. This group often ends up in the group with an unknown status in the SDP since they are neither registered as being in employment or in education while in Norway and do not normally receive welfare benefits.

Among the female immigrants from Somalia, 40 per cent had a weak attachment to the labour market in 2011, and the corresponding share among those

Labour Force Survey (LFS)

A sample survey to show attachment to the labour market. The survey also asks those who do not work what they consider their main activity to be. When we link the data source for these statistics (System for Personal Data) to the LFS, we see that just over 40 per cent of immigrants with a weak attachment to the labour market report their main activity to be a homemaker.



from Pakistan was 35 per cent. Many of these women have immigrated due to family reunification, and some of the Somalians are refugees. As we have mentioned earlier, some of these women may be supported financially by their husbands.

Over half have lived in Norway for less than five years

Over half of the immigrants with a weak attachment to the labour market have lived in Norway for less than five years. In 2011, the share was 58 per cent. The gender gap here is very small, and not surprisingly, the share with this status falls with length of residence. About 32 per cent of the immigrants with less than one year's residence had a weak attachment to the labour market in 2011, while the share was around 11 per cent among those who had lived in Norway for at least 10 years. Among immigrants from Africa, the picture is somewhat more complex. Those who have less than one year's residence are strongly overrepresented among persons with a weak attachment to the labour market, but the share remains at around 19 to 20 per cent for those who have lived here for 1-4 years, 5-9 years or 10 years or more. When we exclude those with a period of residence of less than one year, the length of residence does not appear to have any particular impact on the level among immigrants from Africa.

Some may have emigrated

People who move abroad for good, or for an extended period, have a duty to report the move to the tax authorities before moving. Some people fail to report their move, for various reasons, and it is therefore reasonable to assume that they are still registered as residents in the Central Population Register (Pettersen 2013, pp. 14-15). This group is therefore also included in Statistics Norway's population statistics, on which the figures in this article are partly based. It should be noted, however, that the quality of Statistics Norway's statistics on out-migration is better than the statistics in some other countries (Pettersen 2013, pp. 14-15). The free movement of labour within the EEA gives rise to the assumption that such unregistered emigration is more common among immigrants from the EEA than those from Africa or Asia.

We are reasonably certain that some of those who we refer to as having a weak attachment to the labour market have probably emigrated from Norway without reporting it. However, it is impossible to give accurate estimates on the scale of the problem. What we do know is that three quarters of the 73 500 persons with a weak attachment to the labour market in 2011 could be traced in registers through their receipt of social assistance or cash benefit for children, or because they had other income during the year. Unregistered emigration may also occur among these groups, but is less likely than among those who have no registered income.

A total of 18 700 immigrants with a weak attachment to the labour market in 2011 had no income that year. This corresponds to 25 per cent of persons in this group. Income here also includes capital income, which means that even those whose only income is interest income from a Norwegian bank account will be registered as having an income. These 18 700 persons made up 4 per cent of the immigrants in total, and the corresponding group among the general population was 0.10 per cent.

We cannot draw any conclusions from these figures, but the large disparity means it is reasonable to assume that a significant share of the immigrants

in this group may have moved out of the country without reporting it. We also know from experience that immigrants are more likely to emigrate than others (Pettersen 2013, pp. 14-15).

Unregistered emigration is, however, only one of several possible reasons why some people have an unknown status in the SDP and no registered income. It is of course possible to live without an income, through financial support by a spouse or others. We have previously mentioned that many consider themselves to be family workers, and that a high share of the women are married to a man who works. Another possibility is that some people do not declare their earnings. These people cannot therefore be traced through registers unless they are receiving welfare benefits or have a supplementary, legitimate income.

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