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Aspects of migrant integration

Immigration in the Zurich Labour Market

Note by Statistics Canton of Zurich¹, Switzerland

Summary

In the Greater Zurich Region, the traditionally high proportion of foreign employment has strongly increased the last years. Globalization, the economic structural change and the agreement on the free movement of persons between Switzerland and the EU lead to a rising demand of highly-qualified labour force.

Not only foreign citizens from the EU, but also Swiss nationals benefited from the growth of the labour market the last years. Both groups could increase their employment rate. They were mainly recruited in skill-intensive jobs with high qualification requirements. Labour force from Non-EU-states hardly benefited from this demand.

The working population in the Greater Zurich Region is better and better qualified. Foreign labour force has strongly contributed to this development. In 2011, the share of highly-qualified labour among foreigners (46%) exceeded the share among the Swiss (44%). The qualification level among the foreigners varies strongly between regions of origin. With 71%, the biggest share of highly-qualified is found among the labour force from North-EU-states, in contrast to 22% among the work force from South-EU-states.

Looking at the education background and the length of stay in Switzerland, it's possible to differ between two generations of immigrants: On the one hand, labour from the South-EU-states and the rest of Europe living in average since 18 years in Switzerland and rather low-educated. On the other hand, labour from North-EU-states, EU8/EU2 and outside of Europe

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staying in average since 8 years in Switzerland and representing a new, well-qualified generation of immigrants.

61% of the recent immigrants (who migrated the five last years into Switzerland) have attained a tertiary education. Thereof, two thirds are citizens from North-EU-states. In contrast, 7% of the recently migrated labour is low-qualified, around half of them are origin from South-EU-states.

I. Background

1. The Statistics Office Canton of Zurich investigates regularly the development on the Zurich labour market. The following analysis is based on the results of the Swiss Labour Force Survey (SLFS) which is carried out quarterly by the Swiss Federal Statistics Office (FSO). Results from a recent online-publication of the analysis 2003-2011 by groups of country of citizenship are presented here.²

2. The classification of the groups of citizenship follows the reporting of the State Secretariat for Economic Affairs (SECO). It differentiates between North-EU17-states, South-EU17-states, EU8/EU2-states, Rest of Europe and Outside of Europe.³ The classification of the qualification is based on the highest level of educational attainment and differentiates between high, medium and low.⁴ The analysis includes the employed population aged 25 to 64 years.

3. Additionally, Statistics Canton of Zurich publishes facts & figures from various FSO data sources as the Labour Force Survey, Earnings Structure Survey, Business Census, Population Census, etc. and addresses a variety of aspects of the socio-economic situation of migrants (see the information portal <http://www.statistik.zh.ch>).

II. Labour Market Participation

4. Globalization, the economic structural change and the agreement on the free movement of persons between Switzerland and the EU⁵ lead to a rising demand of highly-qualified labour force mainly from the EU-states. The traditionally high proportion of foreign employment in the Greater Zurich Area has strongly increased the last years.

² See 'Arbeitskräfte im Kanton Zürich immer besser qualifiziert. Eine Analyse der Schweizerischen Arbeitskräfteerhebung 2003-2011'. Study conducted by Statistics Canton of Zurich. The complete final report (in German) can be found on our website: http://www.statistik.zh.ch/dam/justiz_innern/statistik/Publikationen/statistik_info/si_2012_07_arbeitskraefte_2012.pdf.

³ **North-EU17/EFTA:** Belgium, Denmark, Germany, Finland, France, Ireland, Liechtenstein, Luxembourg, Netherlands, Norway, Austria, Sweden, United Kingdom. **South-EU17/EFTA:** Greece, Italy, Malta, Portugal, Spain, Cyprus. **EU8/EU2:** Bulgaria, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, Czech Republic, Hungary. **Rest of Europe:** Albania, Andorra, Belarus, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Moldavia, Monaco, Montenegro, Russia San Marino, Serbia, Turkey, Ukraine, Vatican City. **Outside of Europe.**

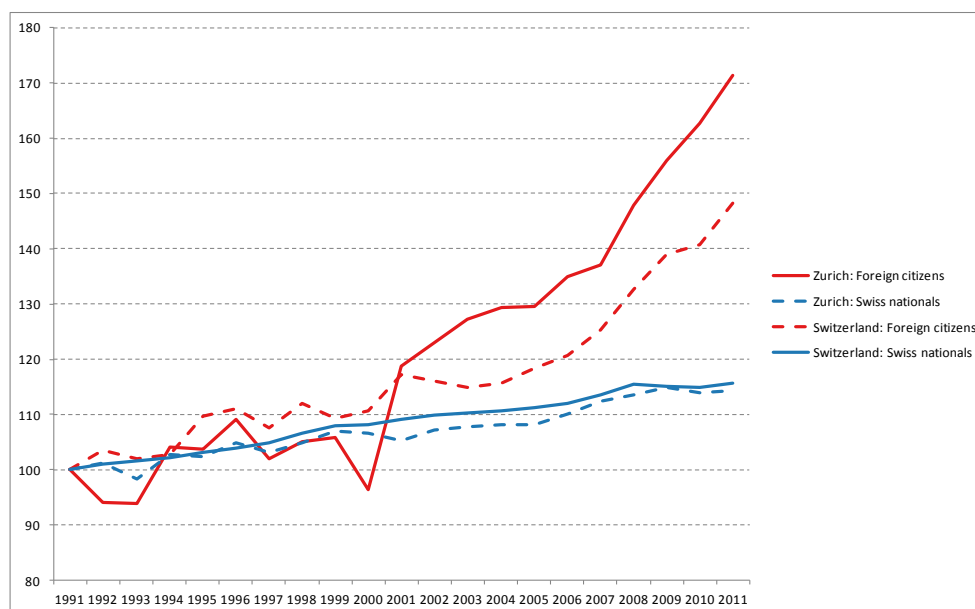
⁴ **High:** Tertiary; **Medium:** Upper secondary; **Low:** Lower secondary

⁵ On June 21 1999, the European Union and Switzerland signed seven bilateral agreements including the Agreement on the Free Movement of Persons, which came into force on 1 June 2002. The agreement allows EU citizens to migrate to Switzerland for an unlimited time if they have a work contract. They may also stay in Switzerland for three months without a job. More under http://www.bfm.admin.ch/content/bfm/en/home/themen/fza_schweiz-eu-efta.html

5. Between 2003 and 2011 the proportion of foreign citizens of the employed population aged 25-64 years increased from 23% to 28%. Thereby, the number of employed Swiss nationals rose by 6% to 486'000 and the number of employed foreign citizens clearly stronger by 35% to 186'000.

Employment population by citizenship 1991 to 2011

Greater Zurich Region, employed population aged 25-64, index numbers (1991=100)



Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

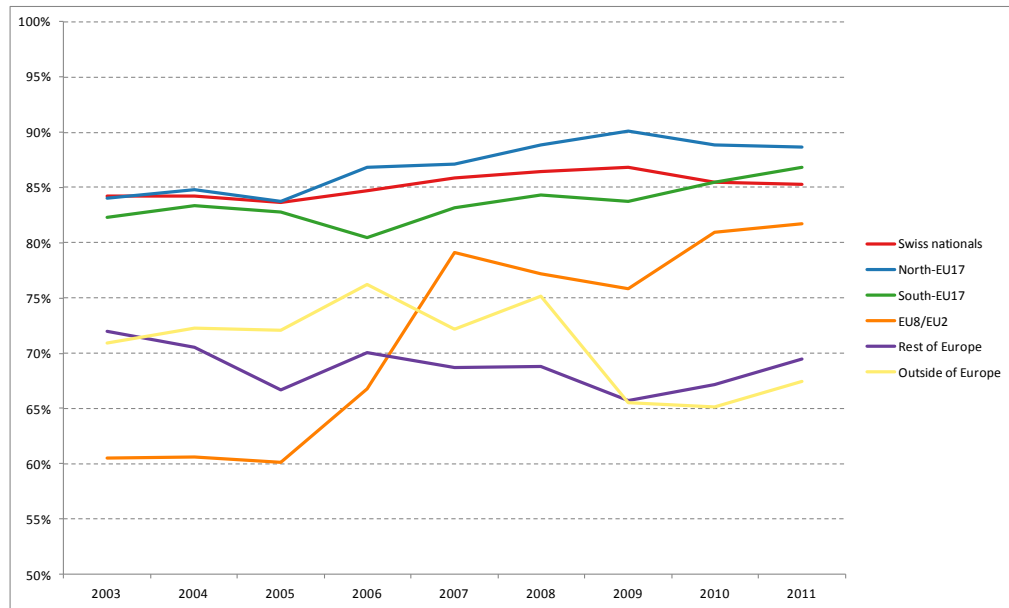
6. In 2011, there were 672'000 persons aged 25 to 64 in employment in the Greater Zurich Area, i.e. 13% more than 2003. In the eight years between 2003 and 2011, due to the strong immigration, the number of persons from EU-states in employment rose clearly above average by 56%, the number of persons from North-EU-states in employment even doubled (+103%). The number of persons from South-EU-states or Rest of Europe in employment stagnated. This development reflects the new Swiss migration policy and the thereby modified recruiting praxis by the companies.

7. Not only foreign citizens from the EU, but also Swiss nationals benefited from the economic growth and increasing employment the last years. Between 2003 and 2011, Swiss nationals and EU-citizens increased their employment rate.⁶ In contrast, the employment rate of third-country citizens (=Non-EU-states) remained on a low level or even decreased. Additionally to the North-EU-citizens, the South-EU-citizens also over-passed in 2011 the employment rate of Swiss nationals. Since 2003 foreign citizens from the EU8/EU2-states participate stronger in the Zurich labour market.

⁶ Employment rate is computed as the ratio between the employed population and the total population of the same age group.

Employment rate by groups of citizenship 2003-2011

Greater Zurich Region, employed population aged 25-64, in %



Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

8. Citizens from non-EU-states are clearly less integrated in the Zurich labour market than other groups of citizenship. While the unemployment rate of EU-citizens has converged to the Swiss nationals, the unemployment rates of foreign citizens from Rest of Europe and Out of Europe lie distinctive above.

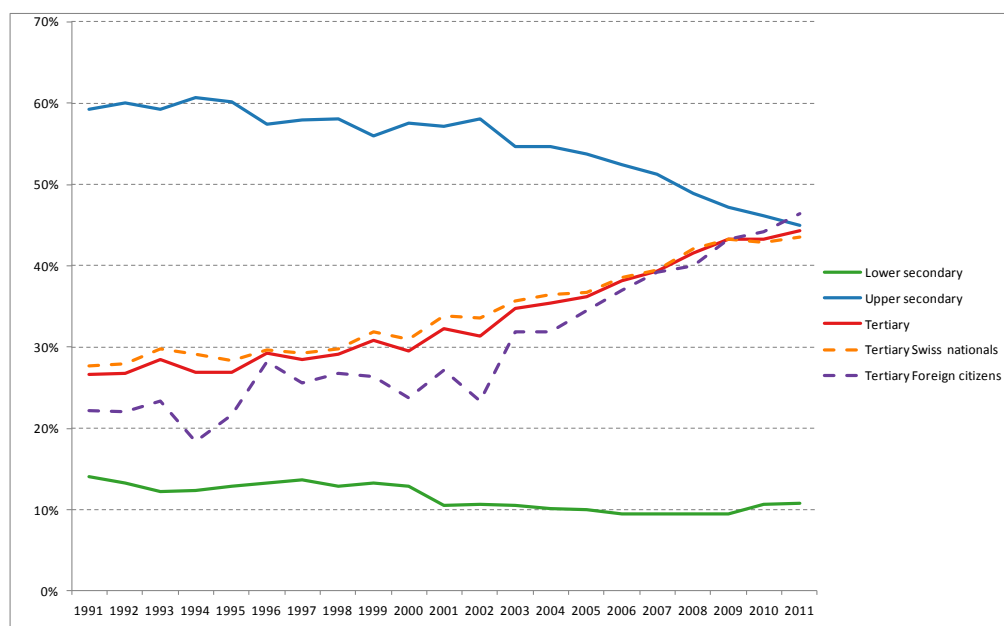
9. The foreign citizens from the EU-states found their jobs mainly in the same profession groups than the Swiss nationals. They were mainly recruited in skill-intensive jobs with high qualification requirements like Managers, Professionals as well as Technicians and associate professionals. Labour force from Non-EU-states hardly benefited from this demand.

III. Qualification Structure

10. The working population in the Greater Zurich Region is better and better qualified. Between 1991 and 2011, the proportion of highly-qualified of the employed population increased from 27% to 44%. Foreign labour force has strongly contributed to this development. In 2011, the share of highly-qualified labour among foreign citizens (46%) exceeded the share among the Swiss nationals (44%).

Employed population by level of education 1991-2011

Greater Zurich Region, employed population aged 25-64, highest level of education attained, in %

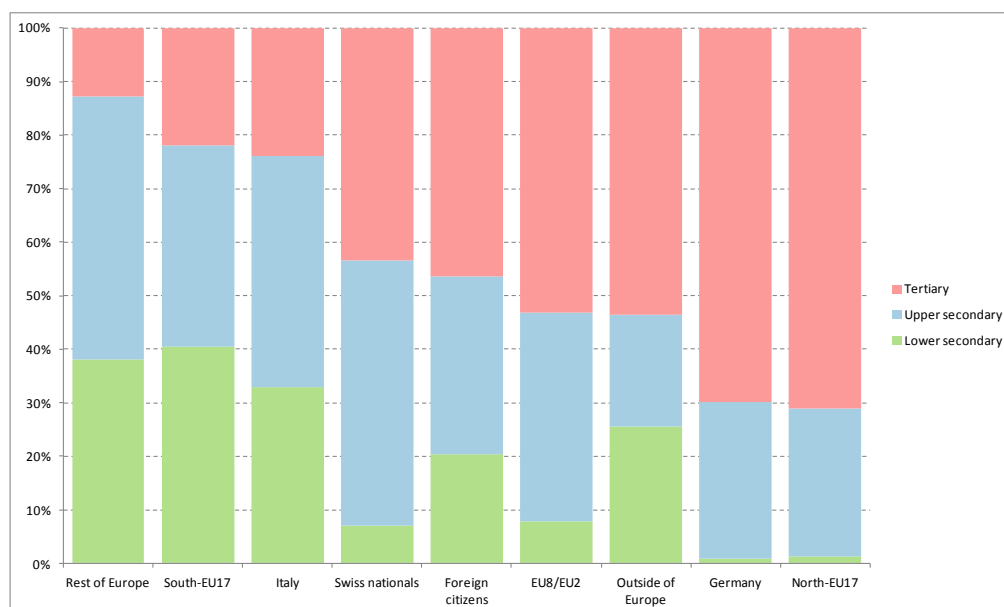


Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

11. The qualification level among the foreign nationals in employment varies strongly between regions of origin. With 71%, the biggest share of the highly-qualified is found among the labour force from North-EU-states, in contrast to 22% among the work force from South-EU-states.

Structure of education by groups of citizenship

Greater Zurich Region, employed population aged 25-64, highest level of education attained, in %

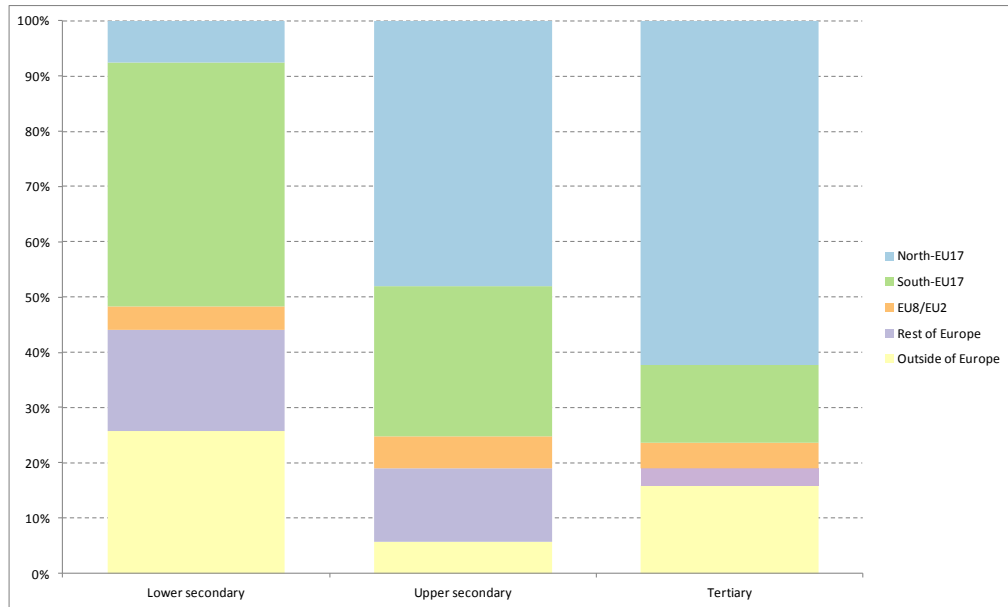


Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

12. Looking at the education background and the length of stay in Switzerland, it's possible to differ between two generations of immigrants: On the one hand, labour from the South-EU-states and the Rest of Europe living in average since 18 years in Switzerland and statistically rather low-educated. On the other hand, labour from North-EU-states, EU8/EU2 and Outside of Europe staying in average since 8 years in Switzerland and representing a new, well-qualified generation of immigrants.

Nationality mix by level of education

2011, Greater Zurich region, employed population aged 25-64, migrated the last five years into Switzerland, by groups of citizenship and education level, in %

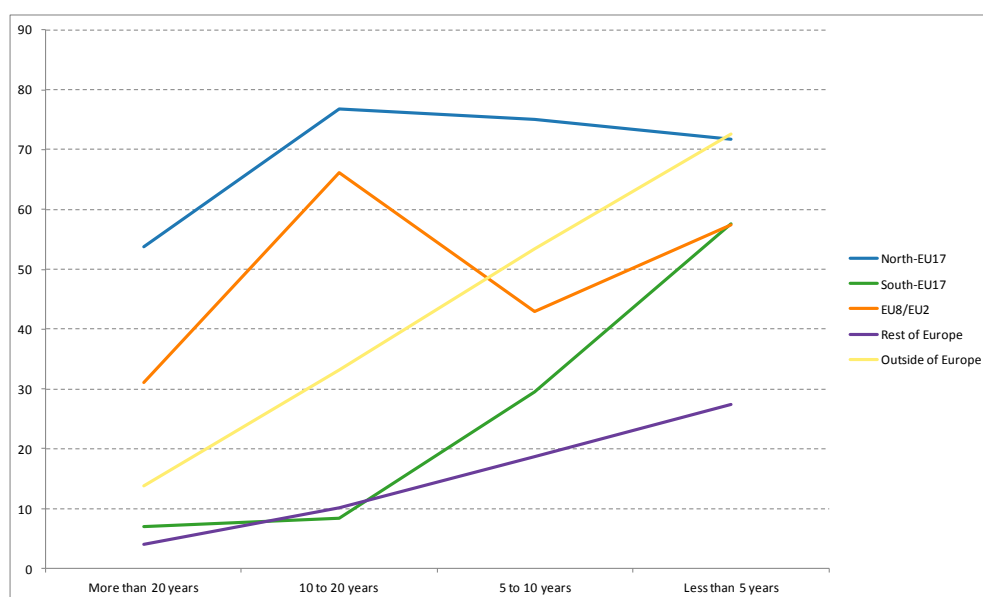


Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

13. 61% of the recent immigrants (who migrated the five last years into Switzerland) have attained a tertiary education. Thereof, two thirds are citizens from North-EU-states. In contrast, 7% of the recently migrated labour is low-qualified, around half of them are origin from South-EU-states.

Share of highly-qualified by length of stay

Greater Zurich Region, employed population aged 25-64, in %



Source: Swiss Labour Force Survey. Analysis & Graphic: Statistics Canton of Zurich

14. The level of education of foreign citizens is higher the shorter their length of stay in Switzerland. The recently immigrated are in all groups of citizenship better educated than their predecessors. Among North-EU-citizens, the share of highly-qualified is high, independent of their length of stay. The labour force from South-EU-states and Out of Europe are only since a few years approximately well qualified. The levels of qualification between groups of citizenship seem to approximate.

15. The labour force from North-EU-states is found above average in industries and professions with a high share of highly-qualified staff. In the industries Financial Sector, Information & Communication as well as Professional, Scientific and Technical Services they provide above average labour.

16. The Zurich labour market is clearly segregated by groups of citizenship. On one side, highly-qualified North-EU-citizens mainly in knowledge-intensive service sector occupations and on the other side South-EU-citizens and persons from the rest of Europe in production and craft occupations.

IV. Swiss Labour Force Survey (SLFS)

17. Since 1991, the Federal Statistical Office has conducted the SLFS on an annual basis at the behest of the Federal Council. This telephone survey of households provides representative data on the socio-economic structure of Switzerland's permanent resident population and on participation in the labour force. Thanks to strict adherence to international definitions, the SLFS can be used to position Switzerland's unemployment and employment figures in the European and global context.

18. The SLFS is conducted each year among a representative sample of 105,000 interviews (approx. 35,000 from 2002 to 2009 and approx. 16,000 until 2001). The addresses are selected at random from the FSO's sample register comprising a list of addresses and a register of telephone numbers. The latter also includes telephone numbers

that are not found in the telephone directory. Since 2003, the SLFS sample has been supplemented with a sample of foreigners (15,000 interviews until 2009 and 21,000 from 2010). In total, 126,000 interviews are conducted.

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