

At a glance

Labour Market Integration of Recent Migrants in New Zealand

Findings from the three waves of the Longitudinal Immigration Survey: New Zealand



The successful settlement of migrants in New Zealand depends largely on how well migrants integrate economically. Migrants' economic integration can be measured in several ways, including through their labour force participation¹ rates and through their income and earnings.

Understanding how migrants interact with the labour market is central to designing effective immigration policy and settlement services. How readily they find work and the skills they bring are significant factors in maximising economic benefits to New Zealand, as well as for migrants achieving independence and building a successful life in New Zealand.

■ Background

Labour Market Integration of Recent Migrants in New Zealand examines the employment experiences of migrants in the three years after gaining permanent residence in New Zealand.

This report presents findings from the Longitudinal Immigration Survey: New Zealand (LisNZ). Interviews with migrants occurred six months, 18 months, and 36 months after migrants were granted permanent residence. These findings draw upon responses from the 5,144 migrants who took part in all three waves of the survey. Respondents were approved for residence from November 2004 to October 2005, and final interviews (Wave 3) were carried out between November 2007 and October 2009.

■ Key findings

The research focuses on the key factors related to labour force participation, including immigration approval category, region of origin, and prior New Zealand work experience. It also examines the role of other demographics including age and sex, English language proficiency, qualifications, region of settlement and household composition.

Overall, the results are positive for migrants in the New Zealand labour market, particularly regarding the contribution of the Skilled Migrant programme.

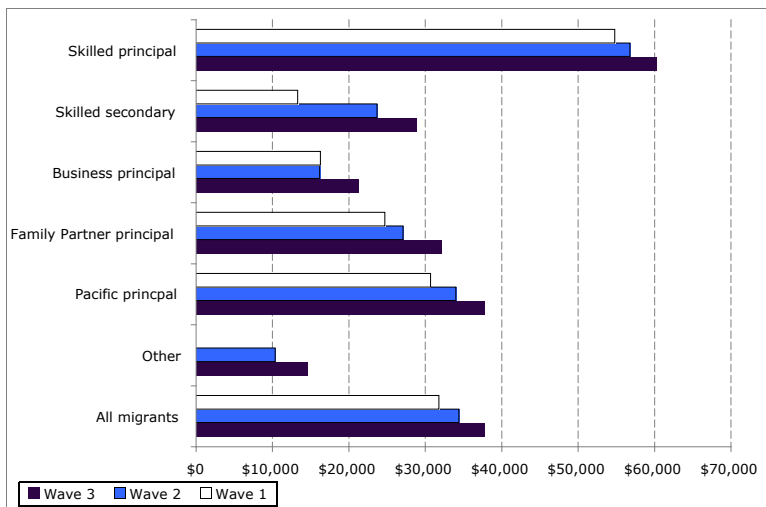
Immigration Approval Category

Migrants' labour market participation, income and earnings all varied by immigration approval category. As would be expected, principal applicants from the Skilled and Pacific categories (both of which require a job or job offer to gain residence) gained immediate access to the labour market. Migrants approved under these two categories maintained the highest labour force participation rates across each of the three waves (in excess of 90 percent).

Principal applicants from the Skilled Migrant Category (Skilled principal migrants) earned considerably more than migrants from other immigration categories (see Figure 1). This is largely a reflection of New Zealand's selection policy requiring Skilled principal migrants to have a job offer and qualifications in a skilled area.

1. "Labour force participation" is defined as being employed and/or actively seeking work.

Figure 1 Working-age migrants' median annual income from all sources by immigration approval category



Pacific principal migrants showed very high labour force participation, second only to Skilled principal migrants, but had the lowest hourly wages. This is due to the Pacific category's requirement of a job offer, but with a lower income threshold.

Principal applicants from the Business and Family Partner categories, and secondary migrants from the Skilled Migrant Category, were less likely than Skilled principal and Pacific principal migrants to immediately participate in the labour market. However, they did show improvement over time.

While Skilled secondary migrants (who accompany Skilled principal migrants, and do not require an offer of employment) do not integrate immediately, they make fast and successful gains. Skilled secondary migrants experienced the biggest improvement in labour force participation rates from Waves 1 to 3, increasing from 67 percent to 74 percent. Skilled secondary migrants also experienced the largest increases in median income over the three waves, reflecting an increase in the number of these migrants in paid work.

Region of origin

Migrants from most regions were similarly likely to participate in the labour market, although participation rates were lower for migrants from North Asia even when other factors such as work experience or qualifications were considered. This was consistent for men and women, and across all three waves.

Migrants from the UK/Ireland, South Africa,

North America, and the Rest of Europe earned higher hourly wages (and had higher income overall) than migrants from other regions. This was true, even when factors like immigration category, qualifications, work experience and self-reported English language ability were accounted for.

New Zealand work experience

Having work experience in New Zealand prior to residence is initially a significant factor in migrants' labour market participation, but becomes less important over time. After three years of residence, migrants who had New Zealand work experience when they took up residence no longer showed significantly higher labour force participation rates or earnings than those who did not have this experience.

Qualifications

Qualifications were not an important factor in labour force participation rates, although they did show a strong relationship to wages. Migrants with degree-level qualifications earned significantly more than those with lower qualifications.

Location of settlement

Some differences in earnings were found between broad regions within New Zealand. In particular, migrants who settled in Auckland or Wellington earned more than those who settled in other centres. This broadly reflects differences in wage rates in the wider labour market.

English language ability

Self-reported English language ability did not have a strong relationship to labour force participation for male migrants, but female migrants with 'poor to moderate' or 'good' English were less likely than other female migrants to participate in the labour market. Migrants of both sexes who reported lower levels of English ability earned less. This trend grew stronger if they did not improve their English ability over time.

LisNZ research programme

The Longitudinal Immigration Survey: New Zealand (LisNZ) research programme will continue to provide valuable information on how to best attract, select, and retain migrants that will contribute to a productive labour market.

➔ Find out more: Download this report from <http://www.dol.govt.nz/publications/research/labour-market-integration>. Visit the Labour and Immigration Research Centre at www.dol.govt.nz/research or email research@dol.govt.nz.