

## Labour market situation of Portuguese emigrants across Europe

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### 1. Introduction

The emigration phenomenon has since long characterized Portugal, particularly in the mid-twentieth century. This, along with the recent wave of new emigrants in the context of the 2008 financial crisis, known as the departure of the "most qualified generation ever", calls for an in-depth analysis encompassing the characterization of the Portuguese emigrants, the reasons for leaving, and their labour market situation in the hosting countries.

Using detailed aggregated data from each participating country in the Labour Force Survey (LFS) *ad hoc* module 2014 on the labour market situation of migrants and their immediate descendants compiled by Eurostat, it is possible to have an overview of the emigrants' situation (both first- and second-generations of emigrants), combining: socio-demographic characteristics of the Portuguese emigrants across Europe; reasons for migrating; and their socio-economic conditions in the hosting countries evaluated by their labour market situation.

Whenever feasible and relevant, comparisons between emigrants and population in both Portugal and hosting countries were carried out and differences in profile between first- and second-generations of emigrants were highlighted.

### 2. Context of the Labour Force Survey *ad hoc* module 2014 on the labour market situation of migrants and their immediate descendants

The LFS 2014 module responds to policy needs on harmonized and comparable data as expressed in several Commission communications such as: Commission Communication of 3 March 2010 on EUROPE 2020: A strategy for smart, sustainable and inclusive growth<sup>1</sup>; Commission Communication of 20 July 2011 on the European Agenda for the Integration of Third-Country Nationals<sup>2</sup>; and Commission Communication of 18 November 2011 on The Global Approach to Migration and Mobility<sup>3</sup>.

The target population of the module consisted of all resident people aged 15 to 64 in the countries that took part of the survey<sup>4</sup>. In order to gather data on the Portuguese emigrant background population across Europe, three variables were taken into consideration: country of birth (assuming that if an individual lives in a country other than Portugal, having been born in Portugal, he is necessarily a Portuguese emigrant), country of birth of mother and country of birth of father. The combination of these three variables enables us to define the following typology of emigrant background:

- First-generation emigrants: people who were born in Portugal, but were residents in another European country at the time of interview.

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<sup>1</sup> COM(2010) 2020.

<sup>2</sup> COM(2011) 455.

<sup>3</sup> COM(2011) 743.

<sup>4</sup> All the EU-28 countries carried out this *ad hoc* module, except Germany, Ireland, Denmark and Netherlands, plus Norway and Switzerland.

- Descendants of emigrants or second-generation emigrants: people who were born in a country other than Portugal but whose father or mother or both were born in Portugal.
- Together first- and second-generation of emigrants corresponds to the people with Portuguese emigrant background.

### 3. Portuguese emigrants across Europe<sup>5</sup>: main findings

#### ***More than 1.7 million people across Europe with Portuguese emigrant background***

In 2014, the estimated population with Portuguese emigrant background that lived in Europe was 1,719.3 thousand individuals, of which 907.1 thousand (52.8%) were first-generation emigrants and 812.2 thousand (47.2%) second-generation emigrants.

Only fifteen of the analysed countries had residents with Portuguese emigrant background. France (62.6%), Switzerland (14.1%), Spain (9.3%), United Kingdom (7.6%) and Luxembourg (3.2%) were the main hosting countries for Portuguese emigrants in Europe, covering 96.8% of the total Portuguese emigrant background population in our sample.

Table 1: Portuguese emigrant population aged 15 to 64 2. <sup>nd</sup> quarter of 2014		
	Thousand	%
<b>Total</b>	<b>1,719.3</b>	<b>100.0</b>
First-generation emigrants	907.1	52.8
Second-generation emigrants	812.2	47.2

**Source:** Eurostat, *Labour Force Survey 2014 ad hoc* module "Labour market situation of migrants and their immediate descendants".

**Note:**

Data refer to participant countries in the module: EU-28 except Germany, Ireland, Denmark and Netherlands. It include Norway and Switzerland.

#### ***Population with Portuguese emigrant background younger than in Portugal and in Europe***

In general, more than one third of the population with Portuguese emigrant background (36.6%) was aged 25 to 39, followed by the age group 40 to 54 years old (30.3%).

The proportion of young people, aged 15 to 39, amongst second-generation emigrants is considerably higher than the resident population in Portugal and in Europe: 79.6% of second-generation emigrants were aged 15 to 39, which compares to 46.4% of the resident population in Portugal and 47.7% in Europe.

#### ***Portuguese second-generation emigrants with better educational outcomes***

In 2014, the highest level of education of the second-generation emigrants was quite similar to the European average: 27.4% of them had tertiary education (which compares with 26.2% in Europe, 19.3% in Portugal), and 42.5% had medium education, closer to the 44.3% scored in Europe.

On the other hand, the educational profile of the first-generation emigrants was lower and very similar to the average for Portugal, except concerning tertiary education: more than half of the first-generation emigrants (57.3%) and Portuguese residents' (57.1%) had lower education, which compares to 28.6% in Europe. There is, however, a division concerning educational attainment if one considers two different age groups in the first-generation emigrants: 25 to 39 years old and 55 to 64 years old, the younger group is more educated compared to the older one.

#### ***Family and employment were the main reasons for leaving Portugal***

<sup>5</sup> For ease of writing the reference to Europe refers to the countries that participated in the *ad hoc* module

Considering only first-generation emigrants, estimated in 907.1 thousand individuals, the majority of them pointed family reasons (53.6%) for migrating from Portugal to another country. Employment was the second main reason for living abroad, for 39.2% of emigrants, though 22.6% of them had not found a job before migrating (and 16.5% had found it).

The results obtained suggest gender differences, in line with the classic theory of migrations according to which men emigrate first, followed by their families:

- Almost half of the men migrated for employment reasons (47.8%), which compares to 30.5% of women; and 44.7% for family reasons (62.6% for women).
- The share of individuals that pointed family reasons is higher in every age group, mainly among the younger, aged 15 to 24 (80.7%) and the age group 40 to 54 years old (54.5%).
- Reasons related with employment are more important for the age groups 25 to 39 years old (44.2%) and 55 to 64 years old (42.9%).
- Among employees, 47.7% left Portugal for family reasons and a quite similar proportion for employment reasons (44.1%).

Table 2: Population age 15 to 64, by sex, age and educational attainment level 2. <sup>nd</sup> quarter of 2014					
	Migratory background	First-generation emigrants	Second-generation emigrants	Portugal	Europe
	%				
<b>Total (in thousands)</b>	1,719.3	907.1	812.2	6,803.5	266,734.0
<b>Sex</b>					
Men	50.0	50.2	49.7	48.4	49.8
Women	50.0	49.8	50.3	51.6	50.2
<b>Age group</b>					
15 to 24	20.0	8.0 §	33.3	16.2	16.9
25 to 39	36.6	27.9	46.3	30.2	30.8
40 to 54	30.3	42.2	17.0	34.0	32.9
55 to 64	13.2	21.9	3.4 &	19.7	19.3
<b>Educational attainment level (a)</b>					
ISCED-2011 0 to 2 (low)	43.5	57.3	28.1	57.1	28.6
ISCED-2011 3 to 4 (medium)	35.6	29.4	42.5	23.6	44.3
ISCED-2011 5 to 8 (high)	19.1	11.7	27.4	19.3	26.2

**Source:** Eurostat, Labour Force Survey 2014 *ad hoc* module "Labour market situation of migrants and their immediate descendants".

**Notes:**

(a) The sum may not be 100% due to unknown answers.

§ Value with low reliability, based on estimate lower than 100,000 people.

& Value with low reliability, based on estimate lower than 50,000 people.

Data refer to participant countries in the module: EU-28 except Germany, Ireland, Denmark and Netherlands. It includes Norway and Switzerland.

#### 4. Labour market status of Portuguese emigrants across Europe

The decision to emigrate is usually motivated by the purpose to improve one's living conditions, namely a better employment/labour market status. In this section, the labour market status of Portuguese emigrants will be evaluated and compared with the resident population both in Portugal and in hosting countries.

Population with Portuguese emigrant background (1,719.3 thousand people) was characterized as follows:

- The majority of them were employed (the employment rate among them was 68.5%);
- The inactivity rate was relatively 23.8%;

- The unemployment rate was 10.1%.

Breaking down the results by age group, some heterogeneity regarding the labour market status was observed:

- The age group 15 to 24 had the lower employment rate (29.0%), and the majority of them (80.7%) emigrated for family reasons;
- People aged 55 to 64 had the second lower employment rate: 46.8%;
- On the other hand, the younger (15 to 24) and older (55 to 64) age groups had the higher inactivity rates: 59.2% and 47.1%, respectively;
- The age groups 25 to 39 and 40 to 54 have similarly high employment rates, 85.0% and 84.0%, respectively.

Given the age group differences referred above, the following analysis focuses on the 25 to 54 years old population, with the purpose of excluding the effect of studying and retirement in labour market participation.

Table 3: Employment rate (25 to 54 years old) by sex and educational attainment level 2. <sup>nd</sup> quarter of 2014					
	Migratory background	First-generation emigrants	Second-generation emigrants	Portugal	Europe
	%				
<b>Total</b>	84.6	82.0	87.7	77.6	76.4
<b>Sex</b>					
Men	88.1	86.4	90.4	81.0	82.3
Women	81.0	77.5	85.1	74.4	70.5
<b>Educational attainment level (a)</b>					
ISCED-2011 0 to 2 (low)	80.0	80.1	79.8 §	71.9	59.8
ISCED-2011 3 to 4 (medium)	86.4	89.7	83.0	80.9	77.6
ISCED-2011 5 to 8 (high)	90.1	77.1 §	96.6	86.2	86.0

**Source:** Eurostat, Labour Force Survey 2014 ad hoc module "Labour market situation of migrants and their immediate

**Notes:**

§ Value with low reliability, based on estimate lower than 100,000 people.

Data refer to participant countries in the module: EU-28 except Germany, Ireland, Denmark and Netherlands. It include Norway and Switzerland.

In the age group 25 to 54, the number of people with Portuguese emigrant background was 1,149.8 thousand, of whom 635.5 thousand were first-generation emigrants and 514.3 thousand were second-generation emigrants. The employment rate was 84.6% for those with emigrant background, 82.0% for first-generation emigrants and 87.7% for second-generation emigrants.

For the same age group, the employment rate in Portugal was 77.6% and 76.4% for the European average. Thus, in terms of labour market participation, those who emigrated were better off, on average, than those who stayed in Portugal and those residing in hosting counties.

#### Employment rate: lower gender differences in second-generation emigrants

Comparing men with women, the employment rate was 86.4% for men, exceeding that of women (77.5%) by 8.9 p.p.. Among second-generation emigrants the difference was lower, 5.3 p.p., reaching 90.4% for men and 85.1% for women. The higher employment rate of men was also observed in Portugal and Europe: with a difference of 6.6 p.p. in Portugal (81.0% for men and 74.4% for women) and of 11.8 p.p. in Europe (82.3% for men and 70.5 for women).

## Higher employment rate for tertiary education, mainly for second-generation emigrants

The employment rate of people with Portuguese emigrant background increases with educational level: 80.0% for those low educated; 86.4% for medium educated and 90.1% for high educated. This positive relation between labour market participation and educational level is stronger among second-generation emigrants, with an employment rate reaching 96.6% for those with tertiary education, over 10 p.p. more than the employment rate observed both in Portugal (86.2%) and in Europe (86.0%) among people with the same educational level.

Table 4: Employed population aged 25 to 54, by sex, age group, educational attainment level and occupation. 2. <sup>nd</sup> quarter of 2014					
	Migratory background	First-generation emigrants	Second-generation emigrants	Portugal	Europe
	%				
<b>Total (in thousand)</b>	972.2	521.3	450.9	3,385.3	129,621.7
<b>Sex</b>					
Men	52.3	54.0	50.4	50.4	53.7
Women	47.7	46.0	49.6	49.6	46.3
<b>Age group</b>					
25 to 39	55.0	39.1	73.4	47.6	47.5
40 to 54	45.0	60.9	26.6	52.4	52.5
<b>Educational attainment level (a)</b>					
ISCED-2011 0 to 2 (low)	36.8	51.0	20.4 §	46.9	17.8
ISCED-2011 3 to 4 (medium)	35.2	34.1	36.3	26.3	45.4
ISCED-2011 5 to 8 (high)	26.7	14.1 §	41.2	26.9	36.2
<b>Occupation (b)</b>					
ISCO-08 1 to 3	32.9	23.4	44.04	37.9	41.4
ISCO-08 4 to 5	27.1	24.3	30.4	25.6	25.6
ISCO-08 6 to 7	17.2	20.4	13.4 §	16.4	15.5
ISCO-08 8 to 9	22.6	31.9	11.8 §	19.7	16.8

**Source:** Source: Eurostat, Labour Force Survey 2014 ad hoc module "Labour market situation of migrants and their immediate descendants".

### Notes:

(a) The sum may not be 100% due unknown answers.

(b) Armed forces not included.

§ Value with low reliability, based on estimate lower than 100,000 people.

Data refer to participant countries in the module: EU-28 except Germany, Ireland, Denmark and Netherlands. It include Norway and Switzerland.

## Approximately half of second-generation emigrants in more qualified occupations

Concerning occupations, the analysis was conducted by dividing ISCO-08 in four groups, excluding the armed forces: i) highly skilled white-collar occupations (ISCO-08 1-3); ii) low skilled white-collar occupations (ISCO-08 4-5); iii) skilled blue-collar occupations (ISCO-08 6-7) and iv) unskilled blue-collar occupations (ISCO-08 8-9). Refers

Comparing the distribution by occupational groups, first-generation emigrants showed a different pattern from Portugal and Europe, with a higher proportion of employed among blue-collar occupations (31.9% in unskilled blue-collar occupations, and 20.4% in skilled blue-collar occupation). By comparison, the unskilled blue-collar occupations represented 19.7% of employment in Portugal, 16.8% in Europe, and skilled blue-collar were about 16% in both Portugal and Europe. Additionally, first-generation emigrants, by comparison, were underrepresented in the white-collar occupations, especially the highly skilled with just 23.4%, below the 37.9% observed for Portugal and the 41.4% for Europe.

On the contrary, second-generation emigrants had an occupational structure closer to the one observed for Portugal and Europe, with a higher prevalence of more skilled occupations. Over two fifths (44.0%) of second-generation emigrants were employed in highly skilled white-collar occupations, in a proportion higher than the one observed for Portugal (37.9%) and Europe (41.4%), and especially for the first-generation emigrants.

Differences in educational attainment levels might explain the differences observed in the occupational structure of employment for both first and second-generation emigrants. As stated before, first-generation emigrants are generally less educated than second-generation ones: among those employed, aged 25 to 54, about half of them had lower secondary education or less, compared with about one fifth among second-generation; about 4 in 10 of second-generation had a tertiary level of education, which compares with less than 15% among first-generation. Thus, the differences of educational attainment between this two groups explained, at least partially, the higher proportion of employment in less skilled occupations among first-generation and a higher proportion of employment in skilled occupations among second-generation.

### **Portuguese emigrants are generally well integrated in the labour market**

Considering that 40.7% of first-generation emigrants left their home country for employment related reasons achieved an employment rate of 86.1% qualifies as a successful migratory project for the large majority. The employment rate among those who emigrated for family reasons (51.0% aged 25 to 54) was 78.3%, close to the one observed in Portugal (77.6%).

Employment rate data shows that first-generation emigrants were in a better off, in terms of labour market participation in their hosting countries, compared to the reality observed both in Portugal and in Europe. In addition, their descendants, the Portuguese second-generation emigrants, had even better labour market participation: they had not only a better employment rate (than the one observed for hosting countries and Portugal) but also more skilled occupations (associated to higher earnings).

### **Conclusion**

Data compiled by Eurostat on the results of the Labour Force Survey (LFS) *ad hoc* module 2014 on the labour market situation of migrants and their immediate descendants on an European scale, along with several other LFS variables, provides a more comprehensive overview of the Portuguese emigrants across Europe (both first and second generations).

This exercise comprises two major advantages. First, it uses a relevant and unexplored tool – the LFS module results for all participating European countries. These results combined with specific LFS variables, enabled a comparative and harmonized large-scale analysis, of the socio-demographic characteristics of the Portuguese emigrants, their socio-economic conditions in the hosting countries evaluated by their labour market situation.

An second, despite the impossibility of defining a complete picture of the emigration phenomenon, due to the lack of data from some European countries, namely Germany (historically important and traditional hosting country for the Portuguese emigration), as well as data from non-EU countries, the study allowed for a deeper understanding of the migratory flow from Portugal to other European

countries. Additionally, it was possible to establish comparisons between emigrants and the resident population in both Portugal and Europe.

In general, results show that second-generation emigrants are more qualified than first-generation ones, with an educational attainment profile closer to the European average. The educational attainment of first-generation emigrants is lower and similar to the Portuguese average. However, the youngest among them are more qualified, suggesting that recent emigration is more qualified.

Considering only first-generation migrants, family and employment were the main reasons for leaving Portugal. The later motivation is especially mentioned by women and the former by people aged 55 to 64.

Employment rates of the population with an emigration background, particularly among second-generation emigrants, were higher than those in Portugal and Europe.

Concerning occupation, first-generation emigrants were mainly in occupation with low level of specialization compared with the hosting countries, which might be explained by their low educational levels. Second-generation emigrants had higher educational attainment levels and performed tasks that are more qualified.

Generally, given the favourable labour market situation of Portuguese emigrants, one can conclude that, both first- and second-generations, are well integrated in the European countries they have chosen to live and work in order to pursue better living conditions.