

Summary

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# Which Factors Drive the Skill-Mix of Migrants in the Long-Run?

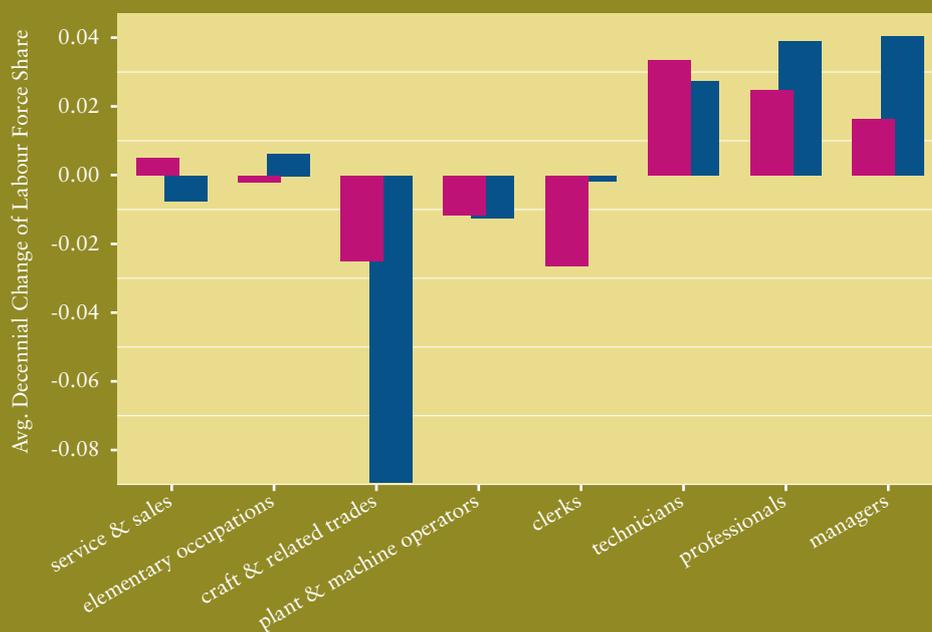
Andreas Beerli, Ronald Indergand



In this paper, the authors analyse the key forces that drive the skill composition of newly arriving immigrants from a long-run perspective. Newly arriving immigrants in developed countries have become increasingly highly skilled. Between 1980 and 2010, the share of immigrants with a tertiary education increased by 15 percentage points on average in 20 OECD countries. This trend has gained even more saliency in the light of ongoing policy discussions that revolve around the question whether skilled immigration could serve to mitigate skill shortages in certain industries. However, there seems to be little agreement among policy makers how immigration policies should be adapted in response to these trends. Beerli and Indergand focus on the trends in the skill-mix of immigrants in Switzerland between 1980 and 2010. In this period, Switzerland experienced very high immigration rates and the share of newly arriving immigrants with tertiary education almost tripled from 17% to 47%.

The analysis provides three main insights. First, the skills, which immigrants bring to destinations,

are strongly demand-driven. In particular, the same long-run trends, which affected the labour market of native workers, also influence the skills of immigrants. Second, the contribution of educational supply in the origin countries to the skill-mix of immigrants in destinations seems to be more nuanced. The rising education levels in the origin countries would predict a far more balanced educational distribution compared to the actual, polarized distribution among new immigrants. Since most gains in educational attainment accrued below college level, this would suggest that immigrants should have experienced the strongest gains in middle education levels. Yet, far stronger gains occurred at the top in the group of tertiary educated workers with very modest gains below. This highlights the important role of demand trends. Third, the effect of changes to immigration policy on the skill-mix of migrants depends on two factors: First, for which skill group immigration is most beneficial prior to a policy change and, second, for which skill group immigration restrictions are maximally altered through the policy changes.



**Figure 1:** Average decennial change in share of labour force (in percentage points): 1980–2010

Occupations are ranked by the median wage from the pooled Swiss Labour Force Surveys (SLFS) 1991–1993. Natives as well as recent immigrants are subject to polarisation. For recent immigrants the patterns seem to be considerably more pronounced than for natives.

■ Natives  
■ Recent Immigrants

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