

Growing numbers of older immigrants in Norway's future labour force

- and how low emigration among older immigrants can make it possible to project their future education, employment and urbanity

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According to population projections, the number of immigrants in Norway will increase in the future, but exclusively in older age groups. The number of immigrants aged 55-66 years is expected to increase threefold within the next 20 years. What will characterize these older immigrants?

Since emigration rates among immigrants above age 50 are relatively low, we explore the possibility for projecting likely characteristics of the older immigrants of the future (education, place of residence and employment) based on what we know about today's younger immigrants.

Our results suggest that future older immigrants in Norway are likely to be lower educated and have lower labour market participation rates than natives of the same age.

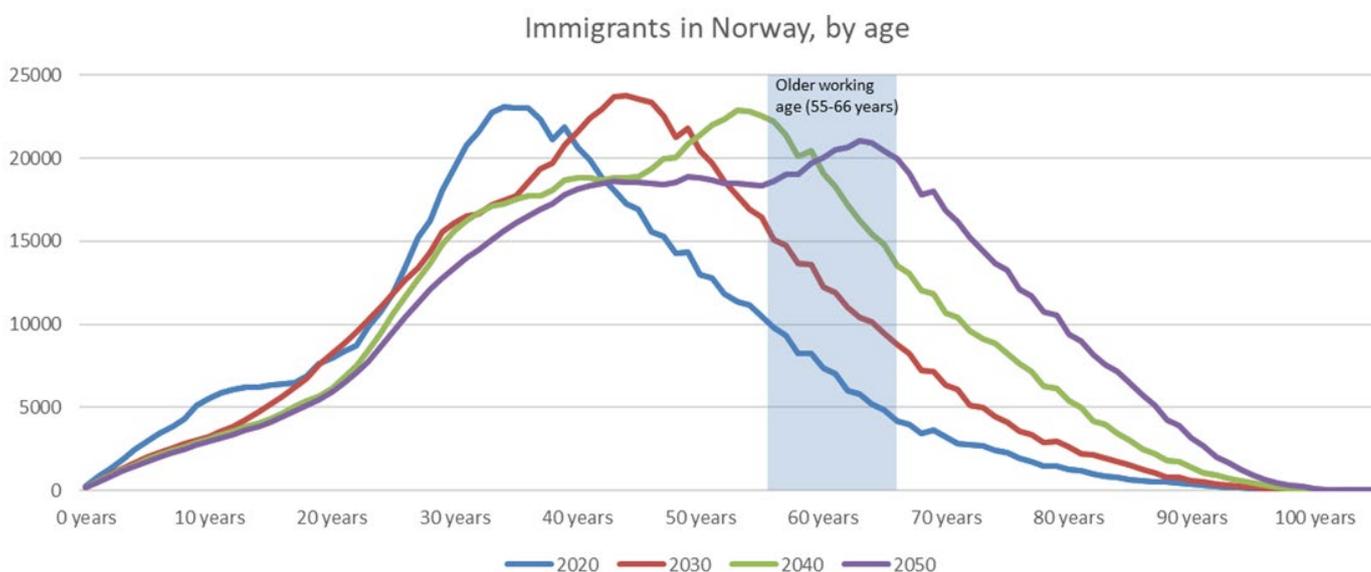


Figure 1: Immigrants in Norway by age. Registered in 2020, projected in 2030, 2040 and 2050 (in the MMM alternative). Source: Statistics Norway's population projections

MORE ELDERLY IMMIGRANTS

Most immigrants in Norway today are relatively young, with a mean age of about 35 years (2020). However, as immigrants get older and the number of new, younger immigrants arriving to Norway probably will decline somewhat in the future, the expected mean age of immigrants is expected to increase to above 50 years in 20 years. This is shown in Figure 1, using data from Statistics Norway's 2020 population projections.

In this policy brief, we elaborate on this increase in older immigrants in Norway and the consequences it may have for the Norwegian society. The topic is discussed more in detail in the paper *Flere eldre innvandrere i framtidens arbeidsstyrke*, published in the Norwegian journal *Søkelys på arbeidslivet* (Tønnessen and Syse 2021).

We mainly focus on the immigrants between age 55 and 66, who may still be part of the labour force. This age group is highlighted with a blue shade in Figure 1. As a share of

the total population in this age, immigrants today constitute around one in ten. This share increases to about three in ten in two decades (2040). Comprising such a pronounced group, the characteristics and future labor market participation of the older immigrants may have important consequences for the Norwegian society as a whole.

This topic is relevant for at least two policy areas in Norway; the policies on labour market integration of immigrants, and the policies on maintaining senior citizens in the labour market.

LOW EMIGRATION AMONG THOSE ABOVE AGE 40

To project the future education, employment and urbanity of Norway's future older immigrants, we take advantage of the fact that the probability of emigration is relatively low among people above age 40. This is true for people in general, and also for people who have previously immigrated to Norway, as shown in Figure 2.

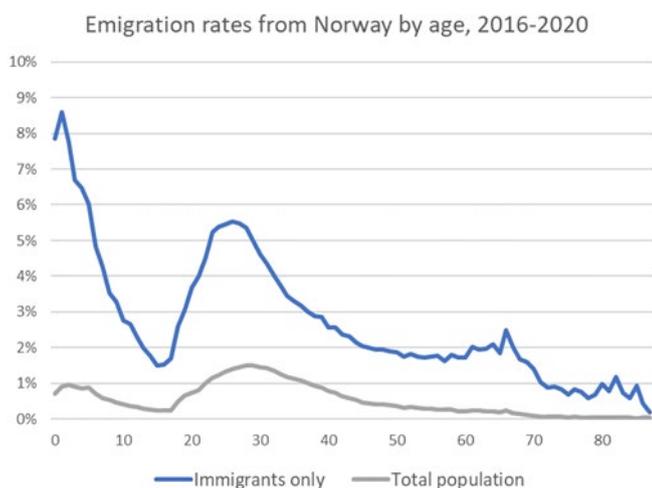


Figure 2: Emigration rates from Norway by age, 2016-2020. Total population and immigrants only. Source: Statistics Norway / microdata.no

The blue line in figure 2, showing emigrations per 100 immigrants in Norway, is clearly higher than the grey line showing the whole population. At all ages, immigrants have a higher probability of emigrating than the population in general. For both immigrants and the general population the probability declines clearly after the late 20s (with a smaller peak around retirement age). After age 40 the emigration rate is less than half of what it was among those in the late 20s. Annually, less than 2 per cent of the immigrants in most age groups above 40 move from Norway.

This relatively low emigration probability at older ages, combined with the fact that few new immigrants arrive after age 40, and the fact that mortality is still low among immigrants (and natives) below age 70, implies that most of the immigrants who will belong to the age group 55-66 years in some decades, already live in Norway. Hence, we use the characteristics of today's younger immigrants to make projections about the future older immigrants' education, labor market participation and where in Norway they will live. This type of information is not available in Statistics Norway's projections of the future immigrant population.

MANY WOMEN FROM NON-WESTERN COUNTRIES

Statistics Norway's population projections do, however, provide information about sex and origin country of the future older immigrants. These projections and their assumptions are further described by Syse et al. (2020). We use the main alternative (MMM) from the 2020 projections, which applied the scenarios of future fertility, mortality and migration that was considered most plausible.

According to these projections, the largest increase in the number of immigrants age 55-66 will be among immigrants from Non-Western parts of the world, such as Asia, Africa, Latin America and Eastern Europe outside the EU. This is partly because the immigration from these areas to Norway is high, and partly because the emigration rates are lower among immigrants from these areas than among immigrants from Western parts of the world.

After the EU enlargement in 2004 immigration to Norway from eastern EU countries such as Poland and Lithuania has been large and dominated by male labor migrants. Also they will constitute a considerable share of Norway's older immigrants in the future. In the projections for the age group 55-66 years in 2040, almost 30 per cent of the immigrants are from the eastern EU countries, 55 per cent are from non-Western countries and 16 per cent are from Western countries such as Sweden, Germany and the US. And whereas more than 60 per cent of the older immigrants from the eastern EU-countries will be men, women will constitute 57 per cent of all the non-western immigrants age 55-66. As a share of all immigrants age 55-66 in 2040, women from non-Western countries will make up close to one in three.

MOST OF THEM ARE ALREADY IN NORWAY

Detailed figures from the population projections also show that the large majority of the immigrants age 55-66 in 2040 already have immigrated to Norway by 2020. Only 1 per cent of them will have been in Norway for less than 5 years. Norway experienced particularly large immigration in the decade following 2004, with an immigration peak around 2011/2012. Since most immigrants arrive in their 20s or 30s, these large immigrant cohorts will reach the older age groups of the labor market within the next decades.

LOWER EDUCATIONAL LEVEL

To obtain projections of the educational level among the future immigrants age 55-66, we have used existing data on the educational level of today's immigrants in Norway in different age groups, compared with the educational level of natives in the same age groups. These figures can provide information about i) the educational level of today's older immigrants and how this compares to the educational level of older natives, and ii) the educational level of today's younger immigrants, who will reach the age group 55-66 years in the decades to come. For instance, immigrants who were in the age group 40-49 years in 2019, will be 61-70 years in 2040.

Figure 3 shows the educational level of immigrants and natives by age groups as of 2019 (shown vertically to the left of the graphs). To the right of the graphs we have indicated the age groups these will belong to in 2040.

As the figure shows, the educational level is generally lower among immigrants than natives, for both men and women and in the majority of age groups. Among immigrants age 30-39 and 40-49, who will reach age 55-66 in the next decades, the proportions who only have primary school is similar to the share among today's older immigrants. For natives, however, the proportion with only primary school is significantly lower among today's 30-49-year-olds than among the elderly. If this difference between immigrants and natives does not change within the age cohorts over the next two decades, the education gap between natives and immigrants will be significantly higher in the older age groups, with fewer and fewer natives with primary school only.

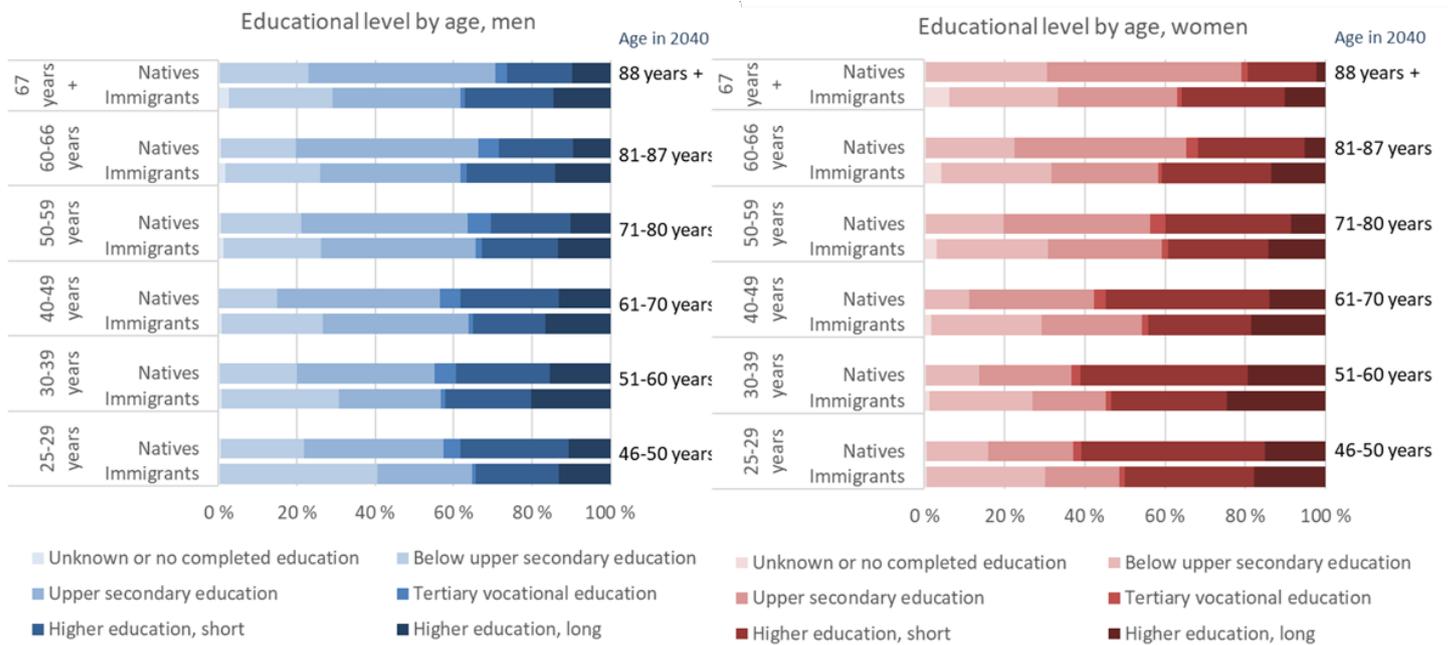


Figure 3: Educational level by sex and age groups, for natives and immigrants, 2019. Source: Statistics Norway.

The same tendency is evident for higher education: Among the natives, the proportion with higher education increases the further down in the age groups we go (until age 30). For immigrants, there is no clear difference in the proportion with university and college education when we compare today's oldest immigrants (where a fairly high proportion have higher education) with the immigrants who are in their 40s and 50s. The proportion becomes significantly higher only for immigrants below age 40. This indicates that even when it comes to higher education, there is no reason to expect a corresponding increase in the proportion of highly educated among the future's older immigrants as we can expect among the natives, at least not in the next decades.

There are also significant gender differences in the level of education, especially among immigrants. Among immigrant men, the proportion with only primary school actually increases when we go down in the age groups. For immigrant women, the proportion with primary school as the highest education is more stable across the age groups, while it decreases clearly for native women (at least down to around 40 years). The gap between immigrants and natives is thus larger in the younger than in the older age groups for both sexes. When it comes to higher education, the differences between immigrants and natives are clearest among women.

Hence, there is reason to assume that the level of education among the immigrants age 55-66 years in two decades will be clearly lower than that among their native peers. The difference will probably be greater than what is observed for today's elderly, especially for women.

These conclusions are based on an assumption that the distribution by education in younger cohorts will propagate upwards in the age groups as these cohorts age. To check

this assumption, we also followed the same cohort of immigrants to see how distributions by level of education changed with age. The results (cf. Tønnessen and Syse 2021) show some changes from age 20-29 to age 30-39 (not least an increase in the proportion with higher education), but that the pattern thereafter stabilized. This indicates that the method gives relatively accurate indications of what the future educational level of older immigrants will be, as long as we have information about their educational level at age 30-39.

MOSTLY URBAN

The same method is used to obtain projections of whether the future older immigrants will be employed or not, and whether they will live in central or more rural parts of Norway.

The latter analyses (elaborated in Tønnessen and Syse 2021) indicate that the older immigrants of the future will, on average, live in more central municipalities than their native peers. Also today, immigrants in Norway are more urban than their natives, in all age groups. This means that the older immigrants of the future will mostly live in the urban and central labor markets, whereas the older people in the more rural labor markets will still be predominantly native.

WILL THEY BE EMPLOYED?

Today, employment rates among immigrants are somewhat lower than for natives, in almost all age groups. Further, employment is significantly lower for the older age groups – among natives as well as immigrants. The fact that employment declines with age makes it harder to project future employment among older immigrants based only on their employment today. However, the employment gap between natives and immigrants may provide useful information. This is shown in figure 4.

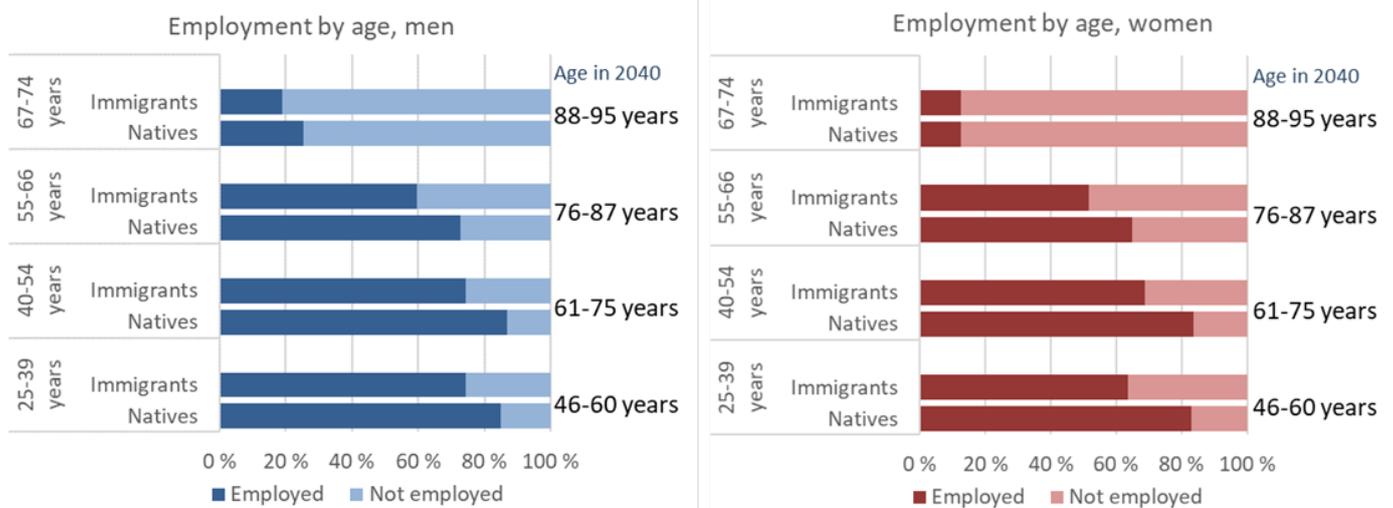


Figure 4: Employment by sex and age groups, for natives and immigrants, 2020. Source: Statistics Norway.

For men, the employment difference between immigrants and natives is relatively similar in all age groups. The gap in the younger groups may be a signal of the future differences in employment between older native and immigrant men. When it comes to women, the differences in employment between immigrants and natives are actually greater in the younger age groups than among 55-66-year-olds. Together with the results for education shown in figure 3, this may suggest that the future's older immigrant women may not be employed to the same extent as today's older immigrant women.

Immigrant employment also varies by origin country, and immigrants from non-Western countries, especially women, tend to have lower employment rates. As population projections indicate that women from non-Western countries will make up nearly one in three immigrants age 55-66 in 2040, their employment possibilities may have large effects on the employment of older immigrants in general.

DISCUSSION AND CONCLUSION

Elderly immigrants can play important roles as for instance parents, grandparents, relatives, volunteers or neighbors. In this study we have, however, focused on them as potential employees, because this can have an impact on two policy goals that are seen as essential for the future of the welfare state: The goal of getting more people to work longer, and the goal of having more immigrants employed (NOU 2017).

This policy brief has shown that the older immigrants of the future will mostly have lived in Norway for a long time, the majority of them will be from non-Western countries, and among these a majority will be women. Our estimates also indicate that the increase in the level of education that we expect among older natives, will probably not apply to immigrants to the same degree. Our results also suggest that especially the older immigrant women of the future may have lower employment than today's older immigrant women.

To ensure high labor participation among older people in the future, policy makers should be aware of the expected increase in the number of immigrants in their 50s and 60s. The vast majority of these already live in Norway and can therefore be reached with measures that may enable them to remain standing in or entering the work force. In addition, it is important that new people who immigrate to Norway not only enter into the labour market quickly, but that they get jobs that are possible to remain in for a prolonged time period. This will be important for society as a whole, since the proportion of the working age population is projected to decline and the potential workforce will experience ageing. Thus, it will be essential that the efforts of getting seniors into work is also directed at immigrants and especially immigrant women, and that the work of integrating immigrants is at least as much as today directed at immigrants who have been in this country for many years, but still are not fully integrated into the working life.

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Web site: <https://www.oslomet.no/en/research/research-projects/emigration-from-todays-norway>