



Report¹

Report on inventory of datasets on institutional factors

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Contents

1	Introduction	2
2	Overview of institutional factors	2
3	Cross-nationally comparative data	4
4	Country-specific data	7
5	Summary.....	8

1 Introduction

This report describes possible data sources to study the institutional factors affecting migrants' labour market integration in Western Europe comparatively. We first provide a brief overview of crucial aspects of the institutional context as generally studied in the literature and reiterate the proposal set out in the grant agreement. We then discuss some possible data sources that allow for a study of these factors in a cross-national context. We finally discuss several country-specific datasets that could be used to study these factors over time.

2 Overview of institutional factors

As set out in the grant agreement, the relation between individual factors and labour market outcomes is likely to be influenced by the institutional context. Several studies have considered how institutional characteristics, such as the migration policy, regulations regarding access to the welfare system and work permits and labour market conditions, affect the labour market integration of migrants (e.g. Fleischmann and Dronkers, 2010; Reyneri and Fullin, 2011a; van Tubergen et al., 2004).

Institutional factors are thought to play an important role in shaping which migrants come in the first place. Countries with more generous welfare policies are for instance thought to attract less positively selected migrants who would be likely to rely on welfare (Reyneri and Fullin, 2011a). Van Tubergen and co-authors (2004) make use of differences in institutional factors between the sending and receiving countries to capture the extent to which migrants are positively selected, meaning they would be more likely to do well on the labour market. They find that those who migrate from

more egalitarian to less egalitarian countries do better, as they expect to do relatively better in a more unequal society. Those migrating to a more equal society are found to do less well however.

Institutional factors also account for differences in the labour market integration of migrants after arrival by shaping opportunities. Cangiano (2015) shows that the difference between types of migrants varies substantially over countries, with fewer differences for countries that are more open in their migration policies, while countries that restrict their borders experience large gaps between types of migrants. Koopmans (2010) and Ersanilli & Koopmans (2011) show institutional differences in socio-cultural integration between resp. Muslim and Turkish migrants with countries that have more multicultural policies, especially when combined with a generous welfare system, leading to lower socio-cultural integration of migrants. In a seminal study Van Tubergen, Maas & Flap (2004) address the impact of origin and destination country characteristics on migrants' labour market outcomes. They find that a point system, as present in Australia and Canada, did little to affect labour market outcomes. Migrants did tend to do better in countries with more left-wing governments. The flexibility of the labour market is also put forward as an important factor in determining labour market integration of migrants. More rigid employment protection may harm migrants as they create a stronger insider-outsider divide. On the other hand, migrants may not be affected as much by regulations as they generally work in secondary labour markets where they are less protected or less knowledgeable about their protection levels (Reyneri and Fullin, 2011b). Reyneri and Fullin (2011b) study migrant penalties in the transition to and from unemployment. They find that employment protection legislation increases the risk and persistence of unemployment for everyone, but not so much for non-EU migrants. They also find that higher welfare coverage increases unemployment for non-EU migrants. Fleischmann & Dronkers (2010) also studied destination country characteristics. They do not find strong effects of immigrant integration policies (European Civic Citizenship and Inclusion Index) and employment protection legislation (EPL). They do find that the size of the low-status labour market segment matters positively in affecting migrants' employment. Migrants are generally found to be more likely to work in countries in which the low-skilled and low-status segment of the labour market is larger, as this means there are more opportunities (Reyneri and Fullin, 2011a). These jobs are of course likely to be of low quality and may therefore not lead to full integration into the host country labour market, leading to the trade-off between employment and job quality of migrants (Reyneri and Fullin, 2011b). These studies point out that integration policies, labour market institutions (such as flexibility), and the business cycle and structure of the labour market may all serve to shape migrant outcomes.

Institutional factors, such as the degree of protection offered to employees, also differ strongly within countries by sector. As set out in the grant agreement we investigate the extent to which labour market outcomes differ depending on the sector of work, assuming reduced disadvantage in the public sector. In a meta-analysis of different correspondence studies where discrimination is measured through sending randomly varying job applications, Zschirnt & Ruedin (2016) highlight that discrimination is generally found to be much lower in the public sector than in private firms. They find that the average call-back rate of minorities compared to majority is 1.19 in the public sector compared to 1.65 in the private sector. Corluy, Marx & Verbist (2011) found that access to public sector jobs is one of the drivers of why migrant naturalization, since they are sometimes restricted. They also find that public sector employment is associated with better labour market outcomes for migrants. For these reasons it is important to consider the extent to which labour market outcomes differ between those in the private and those in the public sector. It is also very relevant to study how this benefit differs between countries, which may be dependent on the conditionality of accessing a job in the public sector.

As welfare generosity and coverage have been found to matter for migrant outcomes at a national level (Koopmans, 2010; Reyneri and Fullin, 2011b), it is important to consider the extent to which migrants rely on assistance and claim benefits. This is generally seen as very problematic in the public opinion and the feeling of an migrants relying on social benefits is a source of anti-immigrant attitudes (Hansen and Lofstrom, 2009). This again depends strongly on the institutional context as the extent to which migrants are allowed to access benefits differs. In a context with fewer conditions there is a possibility of a perverse effect where migrants are less likely to be employed as they can access benefits and have less fear of having to leave the country out of economic necessity (Ersanilli and Koopmans, 2011; Koopmans, 2010; Reyneri and Fullin, 2011b).

3 Cross-nationally comparative data

This section briefly presents internationally comparative sources with which the concepts discussed in section 2 can be studied.

Indicators used for cross-national comparison

Migration policies can be measured using an index such as MIPEX, the Migrant Integration Policy Index². This index creates a score for each country for several aspects of integration policies as well as an overall score. The measure consists of 167 policy indicators which benchmark current laws and

² <http://mipex.eu/>

policies over 8 domains: labour market mobility; education; political participation; access to nationality; family reunion; health; permanent residence; anti-discrimination. It is important to note that the measure captures legislation, but not necessarily practice of integration (Ersanilli and Koopmans, 2011). It contains all European countries and has been updated regularly since 2004.

The OECD indicators of employment protection legislation are commonly used to measure labour market flexibility (Fleischmann and Dronkers, 2010; Reyneri and Fullin, 2011b). They “measure the procedures and costs involved in dismissing individuals or groups of workers and the procedures involved in hiring workers on fixed-term or temporary work agency contracts”³. This index is an assessment of 21 indicators concerning the ease of hiring and firing workers as they were in force on January 1st of each year by OECD staff. They contain indicators such as the length of notice period, severance pay, definitions of unfair and collective dismissal, and restrictions on the use of temporary contracts. The index can be freely downloaded (OECD, 2013).

Measuring the business cycle and the size of the low-skilled segment can be done using data on labour market status in each country, for instance through using the Labour Force Survey (LFS). This also allows for a comparison over regions within a country. While there is no clear definition of what low-skilled work is, Fleischmann and Dronkers (2010) used a cut-off of socio-economic index scores (ISEI) of 30.

Table 1 below shows the available measures of the sector of work, benefit claiming, and region where people live, which would allow for a study of these factors among migrants, as well as the information on country of birth, ethnicity, years of residence and generation, for three major cross-national datasets. We include the EU Statistics on Income and Living Conditions (EU-SILC) and the EU Labour Force Survey (EU-LFS), which are gathered yearly on relatively large samples. Both include information on the sector and occupation of work, which allows for an approximation of public sector work. The EU-SILC contains questions on the type of benefits claimed. The LFS has a question on whether respondents made use of a public employment office and/or receive a form of unemployment benefits or assistance. Both also allow for a merging of information at the regional (NUTS) level. The European Social Survey (ESS) is held every other year and surveys a smaller sample. It does contain detailed information on the country of origin for respondents and their parents however, as well as the sector of work. It also includes a question on the main source of household income with benefits as an answer category. The Database on Immigrants in OECD and non-OECD Countries (DIOC) is not mentioned here as it does not contain detailed enough information on the sector of work of the type of benefits used.

³ <http://www.oecd.org/els/emp/oecdindicatorsofemploymentprotection.htm>

Table 1: Measurement of country of birth, ethnicity, years of residence and generation

	EU- SILC (cross-sectional)	EU-LFS	ESS
Country of birth	Country of birth ⁴ (PB210): 3 categories (National, EU-28 member; non EU-28 member)	Country of birth (COUNTRYB), from 2004 onwards measured in 15 categories ⁵	Country of birth (CNTBRTHC), provided as ISO2 classification
Ethnicity	N.A.	N.A.	Whether you belong to an ethnic minority (BLGETMG)
Years of residence	Year of immigration (RB031), actual years of residence can be calculated.	Years of residence in member-state (YEARESID): up to 2007 counted until 10; afterwards all counted.	The year first came to live in the country (LIVECNTA)
Generation	Only available if they live with their parents.	Only in ad-hoc modules 2008 and 2014 is the country of birth of parents available	FACNTR and MOCNTR (country of birth for father and mother from 2004; in 2002 only continent).
Sector	Not directly, but occupations are known so we can identify sectors most likely to be public (e.g. health, social work, education, public administration)	Not directly, but occupations are known so we can identify sectors most likely to be public (e.g. health, social work, education, public administration)	Not directly, but occupations are known so we can identify sectors most likely to be public (e.g. health, social work, education, public administration)
Benefit claiming	Know the type of benefits claimed.	“Register”: person registered at public office and/or receiving benefits or assistance	Main source of household income (Unemployment/ redundancy benefit).
Regional characteristics	NUTS	NUTS	Regional identifiers, and NUTS

⁴ Country of residence of mother at time of birth.

⁵ http://ec.europa.eu/eurostat/statistics-explained/index.php/EU_labour_force_survey_-_methodology#LFS_coding_lists_and_explanatory_notes_over_time

4 Country-specific data

This section provides an overview of some datasets that, while covering only one country, can be used to compare the labour market integration of immigrants in two or more countries. First, many countries have register or survey data available from which the EU-LFS is constructed, but also hold more information or are released at a lower level of aggregation, which is very important considering country of birth for instance. This is the case for datasets such as the UK Labour Force Survey or Norwegian registry data. Specific information about each data will be provided in the WP2 country specific section at the end of this overview.

With regards to the study of sectoral differences and particularly the use of benefits it is also of interest to be able to study changes over time. Some panel studies in European countries, while not focusing only on migrants, have oversampled migrants and/or minorities and allow for an analysis of their labour market integration. The German Socio-Economic Panel study (SOEP) started in 1984 and had an initial oversampling of guest workers. There have been several boost samples of which the 1994/1995 was purely immigrants. In 2013 they started the fieldwork for a new immigrant boost. The SOEP includes questions on whether respondents work for the public sector and/or as public servants in some of the waves. It also contains information on the receipt of unemployment benefits and unemployment assistance.

The UK Household Longitudinal Study (UKHLS) started in 2009 and sampled around 40,000 households as well as an ethnic minority boost sample of around 6,000 respondents. Six waves are currently available with the latest including an extra immigrant boost. Both of these datasets have detailed information not only on socio-demographic and labour market characteristics, but also on attitudes, values and social contacts which are not addressed by data such as the EU-LFS. The UKHLS contains information on the type of employer and whether this is a private firm, a publicly-owned company, or whether they work directly for the government or in the public sector such as in NHS trusts or educational institutes. The UKHLS also contains information on whether respondents receive benefits which would allow for an analysis of the extent to which migrants and minorities receive public assistance.

The Dutch Lifecourse Study (Nederlandse levensloopstudie NELLS) is a Dutch panel with about 5,000 respondents and has two waves covering 2008-2014. It is of relevance here as it oversamples Turkish and Moroccan first and second generation migrants and contains many variables on ethnic differences in social contacts. It also contains information on whether respondents work in public service jobs, as well as information on whether the main source of income is welfare.

5 Summary

This report briefly discusses the major institutional factors that can affect labour market integration of migrants, at the national level as well as at a more micro-level by considering the sector of work and the individual take-up of welfare benefits. We discuss the availability of measures to capture these institutional factors and allow for a study of their importance. Especially with regard to the role of the public sector there is a need for more detailed cross-national data.