



Report¹

Report on individual factors

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1. Introduction

This report presents results from Work Package 2 in which we study the individual factors affecting labour market integration of migrants in Western Europe. The reports collected in this deliverable all address several of the five individual factors identified as major determinants of outcomes: ethnicity or country of birth and the years since migration; migrant motivation; gender; naturalization; bridging and bonding social capital. We will present a short overview of our main findings on each of these factors and then show the in-depth reports. As many of the papers attached to this report are still under review we ask for it to not be distributed.

2. Summary of findings

2.1. Origin and years of residence

In their work on the occupational trajectories of migrants to Italy, Spain and France, Fellini and Guetto (U-shape) find that migrants from Western countries do not really experience a drop in occupational status upon migration. Migrants from high-emigration countries on the other hand find work in the country of destination that is of substantially lower status than their last job in the country of origin. They point out that the differentiation between groups of migrants strongly depends on the setting in the country of destination. In the more segmented Spanish and Italian labour market non-Western migrants all experience a downturn and converge to similar low-skilled jobs, while more differences between origin groups remains in France. They also show that the political, economic and cultural relations between the sending and destinations country matter. Latin American migrants do quite well in Italy and Spain for instance, while Andean migrants who are perceived to be more different do less well.

Demireva and Zwysen (differing labour market integration) study barriers to labour market integration for male migrants in Europe. They find clear hierarchies of disadvantage with migrants from predominantly Muslim countries in North Africa, the Middle East and Asia to be most disadvantaged on the labour market among both the 1st and 2nd generation. These groups also have lower returns to strong signals of their productivity and integration such as higher qualifications or having attended training courses recently.

Fellini and Guetto (Unemployment gaps) study immigrant penalties in unemployment in Europe. They find that these unemployment gaps are generally larger in more regulated labour markets and lower in regions with a higher unsatisfied demand for unskilled workers. They show that migrants from more Middle Eastern and North African as well as those from other African countries as well as the newly arrived (having been in the country at most 10 years) experience the largest risks of

unemployment compared to natives. They are also most affected by host-country labour market institutions, such as a more rigid labour market and strong labour unions, which foster a greater insider-outsider divide, and a more generous welfare system. This implies that changes in labour market policies and institutions can increase labour market integration of these disadvantaged groups.

Fellini and Guetto (U-shape) study occupational trajectories and address the recovery after initial downturn and the extent to which this is driven by years of residence and by acquisition of host-country human capital (educational attainment and whether qualifications were obtained or recognized in the country of destination; and language skills). They find that years of residence only play a modest residual role once accounting for host-country human capital. Recognition and acquisition of tertiary degrees and having good language skills are more likely for migrants who remained longer in the country of origin. These investments are strongly associated with improvement in occupational status over time.

Guetto and Fellini (immigrant women) study the labour market participation and unemployment risks of female migrants in Italy. They find that origin is an important predictor of unemployment, with migrants from the Middle East and Northern Africa and other African countries most likely to be unemployed, while those from Western and Asian countries are least likely. This holds even when keeping religion constant.

Zwysen (migration motivation) studies how the difference between migrants and similar natives in the EU15 plus Norway changes with years of residence. He finds that the gaps in employment probability, occupational status and working on a bad job close over years of residence, but they do so more for non-economic migrants (those seeking protection, migrating for study, or for family reasons) than for economic migrants. A substantial part of this improvement over time, particularly with regards to the quality of work, is driven by acquiring host country human capital such as language skills, obtaining equivalent qualifications or even naturalizing.

Zwysen and Demireva (job quality) study how migrants and minorities differ from UK-born white British workers in the type of jobs they do. They show that UK-born ethnic minorities are somewhat less likely to access the best types of jobs in terms of job security, autonomy, flexibility and benefits than their white majority counterparts. Migrants are substantially more disadvantaged than their UK-born co-ethnics however and are most likely to work on insecure jobs with very little autonomy or benefits. They show that some of these differences are due to differences in the locality where migrants and minorities live and the resources available to them through networks. They find

evidence of an ethnic hierarchy, with ethnic minority migrants doing worst, followed by UK-born ethnic minority workers, then white migrants and finally UK-born whites. Among the ethnic minorities Pakistani and Bangladeshi and Black Caribbean and African men do worst, while Indian migrant women and Black women are most disadvantaged.

The research conducted in WP2 shows the importance of considering area of origin. Migrants from North Africa and the Middle East, tend to do poorest on the labour market in Europe. This disadvantage seems to persist even over generations. Migrants from countries with historic and cultural ties to the country of destination tend to adapt better and experience a smaller decline in occupational status upon migration. Our papers also show that labour market outcomes seem to improve with the investments in different types of host country human capital and that it is this relation that explains much of the positive association of years of residence with labour market outcomes. The pattern of integration over time further seems to depend on the labour market structure in the country of residence. In more segmented countries migrants are unlikely to escape low-quality work.

2.2. Migrant motivation

Zwysen (migration motivation) studies how labour market integration in terms of employment and occupational status in Western Europe differ between migrants depending on their main original reason for migrating. He finds that migrants who arrive to seek protection and family migrants initially have the largest gaps in terms of employment, but these close somewhat over time. In terms of occupational status they actually do better over time than migrants who arrive for purely economic reasons, but do not have a job lined up yet. This study further shows that language skills, having equivalent qualifications or naturalization is a major driver of the convergence in outcomes between different groups of migrants. While there are very large differences in labour market integration for migrants with different motivations at low levels of host country human capital, these motivation differences are much smaller among more socio-culturally integrated migrants.

Fellini and Guetto (U-shape) approximate migrant motivation by access category (economic, religious or political, family, and other reasons) in Italy and Spain. They find however that these factors do not matter much once accounting for basic individual socioeconomic characteristics.

Fernández-Reino, Polavieja and Ramos (selection) study the selection of migrants on personality traits, by comparing migrants to their counterparts who chose not to migrate in terms of the personal importance attached to being successful (“achievement”) and the importance of adventure (“stimulation”). They show that migrants are indeed generally positively selected, although the

degree of selection differs strongly with migrants from Western Europe quite positively selected, while this is less the case for migrants from poorer countries of origin.

We show that migrants differ by their initial motivation in their labour market outcomes, but also in the strategies and choices made in the country of residence. Investments in host country human capital are particularly important for more vulnerable non-economic migrants and an important mediator in closing the gap over years of residence.

2.3. Gender

Fellini and Guetto (U-shape) show that female migrants in Spain and especially in Italy are less likely to experience upward occupational mobility than men. Keeping all else constant, women in Italy and Spain are also more likely to experience occupational downgrading upon migration than men. This shows a weaker position.

Zwysen and Demireva (job quality) find more disadvantage in terms of job quality among migrant and minority men than among minority women in the UK. When using a Heckman selection model to account for the probability of working in the first place it becomes clear that this is partly driven by a higher selection of minority women, particularly Pakistani and Bangladeshi women, into work.

Guetto and Fellini (immigrant women) study the role played by religion and religiosity in explaining immigrant women's labour market participation in Italy. They show that migrant women belonging to Islam and other non-Christian religions have lower work experience both in the country of origin and in Italy after migration even when accounting for region of origin. This is mainly due to a higher likelihood of holding traditional gender attitudes and adhering to traditional family forms such as marriage and having children. Religiosity lowers labour market participation among non-Christian and Muslim women. Religion does not affect the probability of being unemployed, which is influenced by ethnic origin. They are able to differentiate between the effects of belonging to a religion, intensity of religiosity, and ethnic origin. They also show that ethnic differences in the probability of working are much smaller in Italy than they are for the last job before migration, indicating migration can promote labour market participation for women.

There is a clear difference between migrant women in their selection into working in the first place. Our work shows that their penalties are not as severe once in work. We also show that culture, in the form of religion and the associated traditional family values and forms, plays an important part in explaining these differences in labour market participation. Religion and values also differentiate between migrants from similar ethnic groups.

2.4. Naturalization

Zwysen (migration motivation) considers naturalization as a type of investment in the host country, carrying costs but also offering benefits on the labour market, together with language skills and equivalising qualifications. Naturalisation is generally associated with higher occupational status for migrants and higher activity for migrants seeking protection. This suggests it provides access to better quality jobs, possibly in the public sector. The effect of naturalization varies strongly over countries however and is negatively associated with labour market integration in some countries and positively in others. This variation reflects differences in the conditionality and policies governing naturalisation.

In ongoing work Fellini and Guetto aim to disentangle the question on whether migrants who naturalize do better because the naturalization helps them or because it is taken up by those who perform better anyway. In a cross-sectional analysis with the LFS they find citizenship having a positive effect on employment in Belgium, Germany, the Netherlands and France, but a negative effect in Italy and Greece. They find an overall positive association with job quality however. In a second analysis they treat the 2007 expansion of the EU, granting EU-citizenship rights similar to those granted by naturalization to Romanian and Bulgarian migrants, as a quasi-experiment. The benefit of this is that there is no selection. The effect is then estimated through a difference-in-difference estimate. They find a strong positive effect of changed legal status in central European countries (16.1 percentage points increase) and a negative effect in Italy and Spain (4 percentage points reduction) on employment probability. This negative effect in Southern Europe indicates that naturalization reduces the pressure to accept any kind of job in a context of precarious legal status, high demand for unskilled work and limited welfare provision. Gaining legal status seems somewhat associated with better job quality as well.

Our work indicates that naturalization seems to increase job quality, while its' association with employment is more varied and depends on the institutional context. Using the extension of EU citizenship to Romanian and Bulgarian migrants in 2007, our work shows a slight negative effect on employment in Southern Europe, but a strong positive effect in the more traditional receiving countries of continental Europe. This indicates that naturalization indeed opens access to some better jobs, but may also be negatively associated with employment as it offers more security and reduces the pressures to take up any job.

2.5. Bridging and bonding social capital

Zwysen and Demireva (local area) study how living in a local area with a high share of ethnic minorities affects the activity, employment and occupational status of the majority, 1st and 2nd

generation migrants. This paper finds that living in such a niche affects the labour market participation and employment of migrants negatively and affects the employment probability and occupational status of 2nd generation migrants negatively, but hardly affects the majority once selection into these local areas is taken into account. The negative effect of minority concentration also varies by region. The pattern of results indicates that migrants and minorities lose out on bridging ties with the majority when living in minority-dominated localities. These bridging ties are more likely to hold information on employment opportunities and on higher quality work. Living in a minority niche is more problematic if the majority is less hostile to minorities as in these regions a migrant living in a locality with many majority members would be more likely to form ties with their neighbours. In a hostile region the association between locality and the formation of bridging ties would be less strong. The paper also shows that in regions where the minority community has a higher employment rate or is more highly educated, the effect of living in a minority concentrated area is less negative. This indicates that migrants and minorities form more bonding ties in localities with a higher share of minorities. While bonding ties are on average less useful to 1st and 2nd generation migrants on the labour market than the bridging ties that are lost, bonding ties are more useful in areas with a more resourceful minority community.

Zwysen and Demireva (job quality) consider the resources in the local area as an explanation of differences in job quality between migrants and ethnic minorities in the UK. They show that, for men, a substantial part of the disadvantage of men in terms of job quality is their lack of opportunities in the local area. They find that UK-born ethnic minorities are sheltered to some extent by the share of co-ethnics in the local area, reflecting the importance of their bonding network.

Bridging ties with the majority are an important pathway to better labour market outcomes for migrants and minorities. Living in an area with many minorities reduces the formation of such ties and therefore hinders the labour market integration of migrants and minorities in Europe. Bonding ties do also matter however. We show some evidence that minorities living in localities with a stronger and more resourceful co-ethnic network are sheltered from disadvantage to some extent.

3. Reports

3.1. *Guetto & Fellini: Immigrant women's employment patterns: disentangling the effects of ethnic origin, religious affiliation and religiosity*

Paper to be published in the RIS-Rassegna Italiana di Sociologia special issue:

«RELIGIOUS CHANGE AND THE SHAPING OF SOLIDARITY AND SOCIAL PARTICIPATION
IN A TROUBLED EUROPE»

(edited by Ferruccio Biolcati-Rinaldi, Ruud Luijkx and Cristiano Vezzoni)

Abstract

Despite the growing consensus that cultural factors contribute to the lower employment rates of immigrant women, an assessment of the impact of religion's different facets is still lacking. By using the *Condizione e Integrazione Sociale dei Cittadini Stranieri* survey (2011-2012), this article analyses the effects of religious affiliation and the intensity of individual religiosity on immigrant women's labour market participation in Italy. The article also explores whether individual religiosity similarly affects the labour market participation of immigrant women belonging to different religions. Finally, the mechanisms underlying religious effects are investigated. The results show that belonging to Islam and other non-Christian religions is associated with lower probability of work experience both before and after migrating to Italy, even after accounting for the ethnic composition of each religious group. Among the members of the latter religions, a more intense religiosity is negatively associated with the probability of having ever had a job. Religion mostly operates through a higher likelihood of holding traditional gender attitudes and taking traditional family decisions, which act as intervenient factors influencing women's decisions to be economically active. Religious belonging and religiosity are uninfluential on immigrant women's unemployment risks, which are instead predicted by ethnic origin.

Keywords: Immigration; Labour market; Ethnic penalty; Religion; Female employment.

3.2. *Zwysen: Different patterns of labour market integration by migration motivation in Europe: the role of host country human capital*

Accepted for publication at International Migration Review

Abstract

We study whether individual decisions to invest in the host country, namely obtaining equivalent qualifications, improving language skills, or naturalisation explain differences in labour market integration between migrants depending on their initial motivation. We use cross-national European data from the 2008 ad-hoc module of the Labour Force Survey to analyse migrant gaps in labour market participation, employment, occupational status and precarious employment. We find that different rates of and returns to host country human capital explain a substantial part of the improvements in labour market outcomes with years of residence, particularly for non-economic migrants who experience faster growth on average.

3.3. *Zwysen & Demireva: Ethnic and migrant penalties in job quality in the UK: the role of residential concentration and occupational clustering*

Paper under review at peer-reviewed journal, please do not disseminate or cite

Abstract

Migrants and minorities in the UK are less likely to be employed and when employed are more likely to be overqualified and have lower earnings. Little is known about the types of jobs they carry out and whether these differ from similar white British however. This paper uses Understanding Society data to study ethnic and migrant differences in job quality. We use latent class analysis to construct clusters of working times, autonomy, benefits, flexibility and job security. UK-born minorities are not more likely to work on low-quality jobs, but they do experience some disadvantage in accessing the highest-quality work. Migrants on the other hand are clustered in the worst-quality jobs. There is little evidence of undercutting for white Britons who work on occupations with a large share of migrants; but second generation minority men are vulnerable and may be involved in a race-to-the-bottom facilitated by the competition with migrants. Both local neighbourhood resources and occupational clustering play a major role in shaping these patterns. The paper thus highlights the importance of considering the actual content of jobs in studying labour market integration and provides evidence that contextual factors contribute strongly in lowering minorities' access to the best jobs.

3.4. Zwysen & Demireva: Does the ethnic composition of a local area affect the labour market outcomes of majority and minority members in Europe

Paper under review at peer-reviewed journal, please do not disseminate or cite

Abstract

A high concentration of minorities in a neighbourhood is generally presented as problematic and a hindrance to labour market integration. We contrast two frameworks to study the labour market effects of living in such a non-majority niche area: on one hand, conflict and competition; on the other, isolation and lack of bridging contacts. Living in a non-majority niche may lower the exposure to majority members and thus the socio-cultural integration of migrants. Bonding ties are the opposite side of the contact coin and they may benefit migrants and minorities through offering support and labour market opportunities. The relative importance of these mechanisms has not been established in Europe. Using data from the 2002 and 2014 waves of the European Social Survey, we first account for social selection in perceived non-majority niches through propensity score matching. This substantially reduces most of the negative effects for majority members, but persistent negative effects remain on employment and activity for migrants and on occupational status and employment for established minorities. We find support for this effect being driven by increased isolation in non-majority niches as migrants and minorities can rely less on bridging contacts and have to rely more on bonding ties, which are on average not as efficient. The usefulness of these ties varies however. We show better outcomes for minorities in non-majority niches in regions with more hostile attitudes – where bridging ties are less likely anyway – and in regions with a more resourceful minority community – where bonding ties can provide more support.

Keywords: labour market integration

3.5. Demireva & Zwysen: Differing labour market integration of migrants in Western Europe: composition and differing returns to investments

work-in-progress, please do not disseminate or cite

Abstract

Equal access to the labour market is a crucial aspect of wider integration. Much is still unknown about country variation in successful labour market integration of migrants and their children, especially about effective utilization of skills. Using the ESS 2002-2014 and adding contextual data from other sources such as the EU-LFS and MIPEX we study disadvantage in activity and

employment, but also the quality of work when employed and overqualification in the EU15 and Norway. We address three factors accounting for regional variation in labour market gaps: (1) compositional differences in pre-migration characteristics which can explain different outcomes; (2) differences in investment in ties and human capital specific to the country of destination; and (3) how contextual factors affect the returns to investments in specific human capital by migrants. We find substantial gaps in being active or employed as well as working in lower status jobs for 1st generation migrants. These gaps are substantially reduced when accounting for individual investment in specific human capital and the regional context. Compositional factors and wider integration are crucial for the 2nd generation and explain the worse outcomes for North-African and Middle-Eastern migrants. There is substantial variation by origin and destination.

3.6. Fellini & Guetto: Immigrant-Native Unemployment Gaps in Western Europe Before and After the Great Recession: the Role of Labour Market Institutions and Structure

Paper under review at peer-reviewed journal, please do not disseminate or cite

Abstract

Theoretical arguments suggest that a less regulated labour market coupled with a high unsatisfied demand for low-skilled labour should reduce immigrants' penalisation in terms of Immigrant-Native Unemployment Gaps (INUGs). We test such hypotheses among prime-age men in Western Europe, focusing on the effects of Employment Protection Legislation (EPL), Union Density (UD), Unemployment Benefits (UBs), and structural dimensions such as the demand for low-skilled jobs. Empirical analyses use EU-LFS data (2005-2013) and exploit variation in contextual factors at the national and regional levels, and their change over time. Results show that while EPL for regular contracts has no impact on INUGs, stricter regulations for temporary contracts, higher UBs and UD tend to increase them. When focusing on within-country differences, however, the pattern of institutional effects becomes more uncertain. A higher incidence of low-skilled jobs contributed to lower INUGs before the economic crisis, but this effect vanishes after 2008 due to the higher sensitivity to the economic cycle of sectors and occupations usually held by immigrants. Additional analyses suggest that, if changes in labour market regulations are to be effective, policymakers should pay attention to immigrants' characteristics, as labour market institutions seem to be more relevant among the most disadvantaged immigrant groups, and especially among newly-arrived immigrants.

Keywords: Ethnic Penalty, Unemployment, Labour market institutions, Welfare, Migration, Crisis

3.7. *Fellini & Guetto: A “U-shaped” pattern of immigrants’ occupational careers? A comparative analysis of Italy, Spain and France*

Revise and Resubmit at peer-reviewed journal, please do not disseminate or cite

Abstract

The international literature hypothesized a “U-shaped” pattern of immigrants’ occupational trajectories from origin to destination countries, due to the imperfect transferability of human capital. However, empirical evidence supporting this hypothesis is available only in single-country studies and for “old”, Anglo-Saxon migration countries with deregulated labor markets. This article compares Italy, Spain and France, providing evidence that the more segmented the labor market, the higher immigrants’ occupational downgrade on arrival, independently from skills transferability and other individual characteristics. Paradoxically, the more segmented the labor market, the more important the acquisition of host-country specific human capital for subsequent upward mobility.

3.8. Polavieja, Fernández-Reino & Ramos: Are migrants selected on motivational orientations? Selectivity patterns amongst international migrants in Europe

Paper currently under review at peer-reviewed journal, please do not disseminate or cite

Abstract

We present the first systematic cross-national analysis of migrants' selectivity on motivational orientations. Matching the European Social Survey and the World Value Survey cumulative datasets, we examine whether international migrants recently arrived in Europe are more achievement oriented, give more value to taking risks, and have a greater desire to make money than those observational equivalents that do not migrate. We focus on migrants from nine different origins (France, Germany, United Kingdom, Poland, Romania, Turkey, Morocco, Brazil and Andean countries) sampled at different European destinations. We find instances of both positive and negative selection depending on both ethnic origin and country of destination. The observed patterns seem to contradict both the predictions of standard economic models of selectivity as well as the arguments about a common migrant personality. Our estimates are robust to controls for 1) migrants' human capital, 2) migrants' experiences at destination (measured directly using information on unemployment history and self-perceived discrimination), and 3) migrants' degree of acculturation (measured indirectly using information on frequency of social contact and interest in national politics). Reported findings are therefore not driven by educational selectivity and are unlikely to be biased by destination effects.

Keywords: Migration, Selectivity, Motivational orientations, Productivity-enhancing traits, Europe

3.9. Fellini & Guetto: Legal status and immigrants' employment outcomes in Western Europe. Quasi-experimental evidence based on the 2007 European Union enlargement.

Work-in-progress, please do not disseminate or cite

Abstract

Citizenship acquisition and improved legal status are often found to be positively associated with immigrants' labour market outcomes. However, a causal interpretation of the association is usually impossible due to relevant issues of endogeneity and reverse causality. Moreover, existing studies focus on a single country and/or only include old immigration countries. In this paper we contribute to the issue by exploiting the 2007 EU enlargement as a quasi-experimental setting in which new EU citizens from Romania and Bulgaria represent the treated group, while all other immigrants who are

not EU citizens represent the control group. Theoretical arguments suggest that citizenship effects might not be straightforward when new immigration countries, such as Southern European ones, are considered. In the latter countries, where the immigrant-native gap in employment rates is small but the prestige/class gap much larger, a more favourable legal status can relax the push to accept whatever kind of job to obtain and renew the residence permit, an accomplishment made difficult by legislative and bureaucratic hurdles. This may translate into a lower employment rate but higher chances to access better occupations for immigrants who access the EU citizenship. On the contrary, in Central-Northern European countries, where a strong immigrant-native employment gap is observed while immigrants' occupational segregation is low, a more favourable legal status can positively affect immigrants' chances of finding a job, with little impact on job quality. Using data from the EULFS (2005-2008) and applying a difference-in-difference-in-differences approach, we present preliminary results in line with our theoretical expectations.

Keywords: Immigration, labour market, citizenship, European Union, ethnic penalty