Immigrants’ Labour Market Disadvantages in Western European Countries
Does the Context of Reception Matter?

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Andreas Damelang, Felix Stumpf

Analytische Soziologie:
Theorie und empirische Anwendungen
San Servolo
November 21, 2017
State of Research:
Immigrants’ Labour Market Disadvantages

Cross-country comparative research

• Studies suggest that:
  • Immigrants’ labour market (LM) disadvantages vary across European receiving countries
  • Individual characteristics of immigrants account for part of cross-country variation
    >> Effect of the composition of immigrants
  • Cross-country variation persists after controlling for individual characteristics
    >> Effect of the context of reception
    • They trace variation back to institutional differences between receiving countries

(Ballarino & Panichella 2015, Büchel & Frick 2005)
State of Research: Immigrants‘ Labour Market Disadvantages

Effects of institutional characteristics

- Significant differences between country clusters:
  - Compared to conservative welfare states lower LM disadvantages
    - In liberal welfare states
    - In southern welfare states

- Single institutional characteristics:
  - Size of low-skilled sector
  - Strictness of employment protection
  - Integration policies
  - Vocational specificity

>> No or diverging results for single institutional characteristics

(Kogan 2006, 2007; Lancee 2016)
State of Research: Immigrants’ Labour Market Disadvantages

Shortcomings of comparative research

- Focus on selective groups of immigrants: recent, non-Western, male, young immigrants
  >> Difficult to generalize results

- Information on individual human capital limited
  >> Difficult to decide between effects of immigrant composition and context of reception

- Focus mainly on unemployment risk
  >> Only insights into one aspect of immigrant integration
Research Question

*Does the context of reception matter for immigrants’ labour market disadvantages in Western European countries?*

Our contribution

- Comparison of immigrants’ labour market disadvantages in Western Europe
  - Regarding employment chances and socioeconomic status
    >> Allows to examine labour market entrance and positioning
  - Focus on all immigrants in countries (not a specific group)
    >> Allows broader understanding of immigrants’ LM disadvantages

- Harmonized data
  - From 9 Western European receiving countries
  - With information on skills, motivation to learn and language usage
    >> Allows to effectively model immigrant composition
Data and Method

- **Data from the Survey of Adult Skills (PIAAC)**
  - Focus on Western European first round countries
  - Focus on adults between 25 and 65

- **Estimation of pooled models for men and women**

- **Dependent variables**
  - Employment (1 = employed; 0 = not employed)
  - Socioeconomic status (ISEI 08)

- **LM Disadvantages**
  - Migration dummy
    (1 = first generation immigrant; 0 = non first generation immigrant)
Data and Method

- **Context of reception**
  - Variable for country cluster that differentiates between
    - Middle & Northern European countries: Belgium, Denmark, France, Germany, the Netherlands, Norway
    - United Kingdom
    - Southern European countries: Italy, Spain

- **Composition variables**
  - Human capital measures: Highest formal qualification (ISCED level), Proficiency in numeracy (10 plausible values), Native home language, Readiness to learn (Index), Years since migration (0-9 / 10+)
  - Further controls: Age, Living with spouse, Children, Full-time work

- **Interaction between migration dummy and variable for context of reception**
  - Reveals different LM disadvantages between country clusters
### Multivariate Results: Employment

**DV: Employment**

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No controls</td>
<td>Controls</td>
</tr>
<tr>
<td>Immigrant (Effect for Middle &amp; Northern Europe)</td>
<td>-0.385 ***</td>
<td>-0.602 ***</td>
</tr>
<tr>
<td></td>
<td>(-5.51)</td>
<td>(-3.65)</td>
</tr>
<tr>
<td><strong>Interaction Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immigrant * UK</td>
<td>0.419 *</td>
<td>0.210</td>
</tr>
<tr>
<td></td>
<td>(2.05)</td>
<td>(0.89)</td>
</tr>
<tr>
<td>Immigrant * Southern Europe</td>
<td>0.261 +</td>
<td>-0.0734</td>
</tr>
<tr>
<td></td>
<td>(1.71)</td>
<td>(-0.41)</td>
</tr>
<tr>
<td><strong>Country cluster (Effect for Natives)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>-0.0712</td>
<td>0.0436</td>
</tr>
<tr>
<td></td>
<td>(-1.03)</td>
<td>(0.56)</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>-0.589 ***</td>
<td>-0.339 ***</td>
</tr>
<tr>
<td></td>
<td>(-12.01)</td>
<td>(-5.78)</td>
</tr>
</tbody>
</table>

* t statistics in parentheses, weighted results
* + p<0.10, * p<0.05, ** p<0.01, *** p<0.001
# Multivariate Results: ISEI

**DV: ISEI**

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No controls</td>
<td>Controls</td>
</tr>
<tr>
<td>Immigrant (Effect for Middle &amp; Northern Europe)</td>
<td>-7.567 ***</td>
<td>-5.161 ***</td>
</tr>
<tr>
<td></td>
<td>(-10.27)</td>
<td>(-4.67)</td>
</tr>
</tbody>
</table>

**Interaction Effects**

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No controls</td>
<td>Controls</td>
</tr>
<tr>
<td>Immigrant * UK</td>
<td>3.492 +</td>
<td>-0.702</td>
</tr>
<tr>
<td></td>
<td>(1.65)</td>
<td>(-0.41)</td>
</tr>
<tr>
<td>Immigrant * Southern Europe</td>
<td>-0.990</td>
<td>-0.150</td>
</tr>
<tr>
<td></td>
<td>(-0.63)</td>
<td>(-0.11)</td>
</tr>
</tbody>
</table>

**Country cluster (Effect for Natives)**

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No controls</td>
<td>Controls</td>
</tr>
<tr>
<td>UK</td>
<td>-1.972 **</td>
<td>-1.156 *</td>
</tr>
<tr>
<td></td>
<td>(-2.90)</td>
<td>(-2.12)</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>-6.793 ***</td>
<td>-0.909 *</td>
</tr>
<tr>
<td></td>
<td>(-14.01)</td>
<td>(-2.28)</td>
</tr>
</tbody>
</table>

_t statistics in parentheses, weighted results_

+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001
Conclusion

Does the context of reception matter?

- Lower disadvantages regarding employment chances and occupational status in UK fully explained by immigrant composition
  >> Immigrants in UK seem to be more qualified and skilled compared to other countries
  >> Immigrants do not fare better in flexible / liberal labour markets per se
  >> Indirect effect of the context of reception

- Lower disadvantages regarding employment chances and higher disadvantages regarding occupational status for women in Southern European countries not fully explained by immigrant composition
  >> Employment in low-skilled sector leading to persisting disadvantages regarding status for female immigrants in Southern Europe
Thank you for your attention!

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## Appendix

### Immigrant composition and context of reception in sampled countries

<table>
<thead>
<tr>
<th>Context of reception</th>
<th>Immigrant composition</th>
<th>LM Flexibility</th>
<th>Demand for low-skilled labour</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Middle &amp; Northern Europe</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>UK</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Southern Europe</td>
<td>-</td>
<td>-/+</td>
</tr>
</tbody>
</table>

- **Middle & Northern Europe:** Belgium, Denmark, France, Germany, Netherlands, Norway
- **Southern Europe:** Italy, Spain
### Appendix

#### Immigrant composition

<table>
<thead>
<tr>
<th>Variable</th>
<th>UK</th>
<th>Middle and Northern Europe</th>
<th>Southern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary education (in %)</td>
<td>54.6</td>
<td>34.8</td>
<td>17.2</td>
</tr>
<tr>
<td>Numeracy skills</td>
<td>236.1</td>
<td>234.9</td>
<td>227.7</td>
</tr>
<tr>
<td>Readyness to learn</td>
<td>2.2</td>
<td>1.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Native home language (in %)</td>
<td>59.9</td>
<td>53.1</td>
<td>61.5</td>
</tr>
<tr>
<td>Years since migration</td>
<td>16.3</td>
<td>19.6</td>
<td>11.8</td>
</tr>
</tbody>
</table>
## Appendix

### Native composition

<table>
<thead>
<tr>
<th>Variable</th>
<th>UK</th>
<th>Middle and Northern Europe</th>
<th>Southern Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary education (in %)</td>
<td>37.5</td>
<td>37.0</td>
<td>23.4</td>
</tr>
<tr>
<td>Numeracy skills</td>
<td>268.2</td>
<td>279.5</td>
<td>248.0</td>
</tr>
<tr>
<td>Readyness to learn</td>
<td>2.1</td>
<td>2.0</td>
<td>2.1</td>
</tr>
</tbody>
</table>
Appendix

Percentage employed of natives and immigrants

![Bar chart showing percentage employed of natives and immigrants in various countries.](image-url)
Appendix

Mean ISEI of natives and immigrants

![Bar chart showing the comparison of ISEI between natives and immigrants across different countries. The chart includes countries such as Belgium, France, Germany, Netherlands, Denmark, Norway, Italy, Spain, and the United Kingdom. Each country has two bars, one for natives and one for immigrants, indicating their respective ISEI values.]
Appendix

Multivariate Results: Employment men

![Diagram showing effects on Pr(Employed) for different country clusters (Middle & Northern Europe, UK, Southern Europe) with and without controls.](image-url)
Appendix

Multivariate Results: Employment women
Appendix
Multivariate Results: ISEI men

Contrasts of Linear Prediction

Country cluster

-15 -10 -5 0

Middle & Northern Europe
UK
Southern Europe

No controls
Controls
Appendix
Multivariate Results: ISEI women
Appendix

Assumptions

- Cross-sectional data provide biased estimates for the duration of residence
  - Changes in the quality of immigrant cohorts
  - Changes in economic conditions
  - Selective return migration

- Assumptions
  - Unobserved characteristics of migrants are constant over time
  - Context of reception in country clusters remain constant