CENTRO STUDI LUCA D'AGLIANO

Collegio Carlo Alberto

UNIVERSITÀ DEGLI STUDI DI TORINO

2nd Migration Observatory Report:
"Immigrant Integration in Europe and in Italy"

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February 2018

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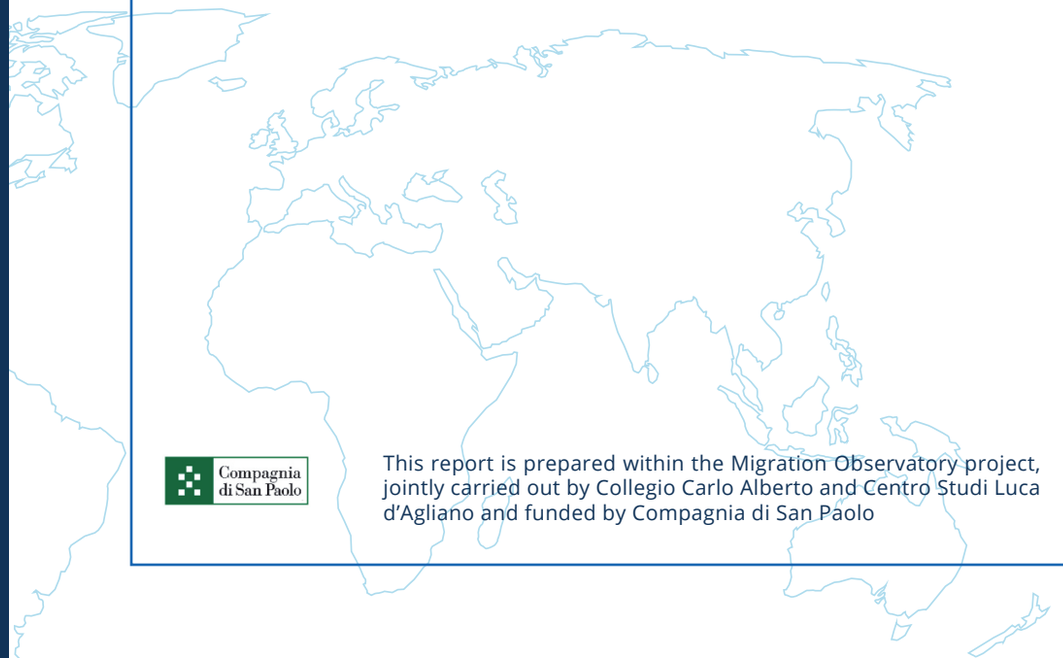

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Executive Summary

This is the second edition of the Migration Observatory annual report on immigrant integration. Over the past year, the relevance of immigration as a European policy issue has, if possible, increased. The attention devoted to undocumented migration pressure at the European borders leads sometimes to overlook the fact that one in ten residents of EU countries in 2016 were born abroad: their successful integration is a major EU policy challenge.

Using data from the latest edition of the European Labour Force Survey (2016) and from several quarters of the Italian Labour Force Survey (spanning the period 2009-2017), this report provides first a fresh and updated overview of the labour market integration of immigrants in Europe. It then analyses the labour market integration of immigrants in Italy, paying special attention to their assimilation over time.

IMMIGRATION IN EUROPE: FACTS AND FIGURES

BOTTOMLINE: The vast majority of immigrants in the EU have been resident in the host country for a long time (more than five years), whereas new immigrants account for a small share of the foreign born population. Most foreign born in the EU are Europeans. The educational level of immigrants is strongly correlated with the educational level of natives in the host country.

- In 2016 the number of immigrants in the European Union was 51 million, roughly 10% of total population. Most of them (46 million) live in a EU15 country, where they account for 12% of total population.

- There is significant heterogeneity in the immigrant concentration across countries, which ranges from 0.1 – 0.2% in Romania and Bulgaria to around 20% in Cyprus and Sweden, 30% in Switzerland and even 48% in Luxembourg.

- Most immigrants have been in their current country of residence for a long time: only 19.4% have lived in the country for five years or less. This number rises to 27% in Ireland, Luxembourg and the UK and even to 31% in Germany.

- More than half of the immigrants in EU countries are European. EU mobile citizens account for 38% of the foreign born population in the EU. An additional 17% was born

in a European country outside of the EU. Africa and the Middle East account for 23% of all immigrants, with an additional 12% coming from Asia and 11% from the Americas or Oceania.

- The gender composition is on average quite balanced, with only a slight majority of women (52%).

- At the EU level, immigrant composition across education levels is quite balanced: 32% has received tertiary education, while 33% has at most completed primary educati on.

- Immigrant education varies greatly across member states, and it is positively correlated with the education of natives: countries with higher shares of university-educated natives also have higher fractions of immigrants with tertiary education.

IMMIGRANTS AND THE EU LABOUR MARKET

BOTTOMLINE: Immigrants have lower employment rates than natives on average across the EU. Most of this gap is independent from differences in age, gender and education between foreign born and natives. The gap declines with years of residence in the host country.

- On average across Europe, immigrants are 7.2 percentage points less likely to be employed than natives.

- Employment gaps relative to natives are especially large in Northern and Central European countries, such as the Netherlands (-17 p.p.), Sweden (-17 p.p.), Germany (-16 p.p.) or France (-15 p.p.), and tend to be smaller in Southern European countries like Italy (-0.7 p.p.). Note however that Italy has one of the lowest native employment rates (65%), therefore immigrants do not have a high probability of employment in absolute terms, but only relative to Italian natives.

- 14% of the difference in employment probabilities can be explained by the different composition of the native and immigrant populations in terms of age structure, gender mix and education. This result indicates that on average immigrants tend to have characteristics that are typically associated to a lower employment probability.

- A longer residence in the host country is associated with higher employment probability. The immigrant-native gap in employment probability is 17 percentage points among those with at most 5 years of residence, but 6.7 percentage points for immigrants who have been in the country for six years or more.

OCCUPATIONAL STATUS AND INCOME OF IMMIGRANTS IN EUROPE

BOTTOMLINE: Immigrants have a lower occupational status and labour income than natives, mostly because of an occupational mismatch (engineers working as tram drivers).

- Immigrants tend to have a lower occupational status than natives. Their occupational distribution is more polarised than for natives: immigrants are missing from the middle part of the distribution and are rather concentrated at the top and, especially, at the bottom.

- On average, immigrants have a 5 percentage points higher probability of being in the bottom 10% of a country's income distribution, and a 3.2 percentage points lower probability of being in the top 10%.

- Differences in occupational distribution are responsible for half of the immigrant-native difference in the probability of being in the bottom income decile.

IMMIGRATION IN ITALY: FACTS AND FIGURES

BOTTOMLINE: The vast majority of immigrants have been resident in Italy for a long time (more than five years), whereas new immigrants account for a small share of the foreign born population. European immigrants account for more than half of the foreign born population. The education level of immigrants is lower than for any other EU country, reflecting the low education of Italian native workforce. This pattern got worse with time.

- Between 2009 and 2017, the number of immigrants in Italy has increased from 4.5 million to 5.9 million, a 30.9% growth. In 2017 immigrants are almost 10% of the total population in Italy. Despite the surge since 2009, this share is still lower than, for instance, Germany (13.3%), France (11.8%) and the UK (13.3%).

- European immigrants represent 56% of the whole immigrant population: 12% of them are from a EU15 country, 23% from the New EU member States, and 21% from European countries not in the EU.

- Most immigrants have been in Italy for a long time: in 2017, 66% of foreign born Italian residents have been in the country for ten or more years, and only 10% for five years or less.

- Education levels of both Italian natives and immigrants are low, relative to the rest of most other European countries. In 2017 the share of tertiary educated natives is more

than 19%, whereas the share of tertiary educated immigrants is 14%.

- The educational profiles of immigrants have worsened over time, relative to those of natives. The deterioration of immigrant education has affected all areas of origins.

ITALY: IMMIGRANT EMPLOYMENT

BOTTOMLINE: The employment rate of immigrants is similar to natives'.

- Natives and immigrants have similar employment rates in 2017 (65% and 64%). However, between 2009 and 2017 the employment probability of natives has increased by 1.5 percentage points, whereas for immigrants it has decreased by almost four percentage points.

- The changes in relative employment of immigrants and natives over time are explained by the deterioration in immigrant age-education profiles, and they are mostly driven by a worsening of the employment position of immigrant women, who are often tied migrants.

- Immigrant men have a 3 percentage points higher employment probability than natives, due primarily to their location in Italian regions with stronger labour markets. Conversely, immigrant women display a -2.4 percentage points gap relative to Italian women.

- Across areas of origin, EU15 immigrants have the lowest employment probability, while Eastern European EU migrants have the highest.

ITALY: IMMIGRANT EMPLOYMENT ASSIMILATION

BOTTOMLINE: There is a considerable and fast employment assimilation over time.

- The immigrant-native employment probability gap is more than 40 percentage points for immigrants who have just arrived in Italy, but it closes by the sixth year of residence and becomes positive after seven or eight years since migration.

- Immigrant men close the employment gap with natives after four years since arrival, whereas it takes six years for immigrant women to reach the employment probability of Italian women.

- Employment convergence is faster for Eastern European and for low educated immigrants, and slower for non-EU migrants and for those with tertiary education. This latter group never reaches the employment probability of similarly educated Italians.

ITALY: IMMIGRANT WAGES AND OCCUPATIONS

BOTTOMLINE: Immigrants have lower wages than natives, independently from their characteristics (age; gender; education), mostly because they are in worse occupations. Many immigrants do not have an adequate occupation for their educational level, compared to natives. This mismatch between education and occupation is persistent in time.

- Immigrants are disproportionately more concentrated at the bottom of the native wage distribution and less concentrated above the 40th percentile. Such an over-representation in the bottom percentiles of the wage distribution is only in small part driven by their less favourable characteristics relative to natives.

- Immigrant net monthly wages are on average 26% lower than those of natives in 2017.
- More than half of the immigrant wage gap is due to differences in occupational sorting and in the frequency of part time work between immigrant and natives.

- In 2017 the average immigrant earns about 9% less than natives with the same characteristics, working in the same occupation. In 2009 this gap was 6%.

- The overall immigrant wage gap is larger for women (31%) than for men (22%). The wage gap of immigrant women with respect to native women with the same characteristics and working in the same occupation has increased by 2.5 times between 2009 and 2017, from 4% to 10%.

- Western European immigrants have the same average wages as Italians. Eastern European EU immigrants display the highest wage gap with respect to natives (-33%), followed by immigrants from outside the European Union (-28%).

- The occupational distribution of immigrants and natives is very different: 38% of immigrants should change their job for the two occupational distributions to be the same.

- Occupational dissimilarity is lowest for the least educated: 22% of immigrants with low education should change their job to have the same occupational distribution as natives.

- Differences in occupational distribution are quite persistent. The share of immigrant workers that should be reallocated to a different occupation for the native and the immigrant occupational distribution to be the same is on average 45% for immigrants who have just arrived in Italy, and 38% for those who have been in the country for 20 years.

ITALY: IMMIGRANT WAGE ASSIMILATION

BOTTOMLINE: The wage gap of immigrants with respect to natives shrinks with years since migration, but it never disappears. There is a persistent wage gap within occupations, everything else equal.

- The wage gap between immigrants and natives decreases from about 40% initially to about 20% after twenty years since migration.

- There is a persistent wage gap within occupation. Immigrants earn on average 12% less than similar natives in the same occupation after two years since arrival, and the gap is still 9% after twenty years.

- There is less wage convergence for immigrant women than for men: after twenty years since migration the immigrant wage gap is 17% for men and 28% for women.

- The wages of low educated immigrants are 39% lower than those of similarly educated natives upon arrival in Italy, and 10% lower after 20 years. At the same time, the wage gap for immigrants with at most upper secondary (tertiary) education is 70% (67%) upon arrival and shrinks to 20% (30%) after twenty years in Italy.

Introduction

This is the second edition of the Migration Observatory annual report on immigrant integration. Over the past year, not only has immigration continued to be one major policy issue for the EU, but its relevance has possibly even increased. Attention remains high on undocumented migration at the European borders: in an attempt to stem migration flows EU countries have in the past year tried to pursue migration partnership deals, often criticised for their human costs, with North African countries. At the same time, the ongoing Brexit negotiations have brought internal EU migration under the spotlight, with considerable uncertainty surrounding not only the future of EU residents in the UK, but also the future of British citizens resident in another EU country.

Against this backdrop, it is sometimes easy to overlook the fact that one in ten residents of EU countries in 2016 were born abroad, and that the successful integration of the foreign born population and of their descendants in the EU countries is a major policy challenge. The economic integration of immigrants in Europe is indeed the focus of this report, which aims to provide a concise, yet rigorous, analysis of some key indicators of labour market integration of immigrants vis-a-vis natives across the EU.

The report comprises two parts. First, we provide an overview of the economic integration of immigrants across EU countries, following the footsteps of the first edition and updating the evidence to 2016. Benchmarking immigrant outcomes against those of natives, we investigate in detail their employment probability, occupational outcomes, and position in the national income distribution. Wherever possible we do not only provide raw differences between immigrants and natives, but we also analyse to what extent they are due to dissimilarities in characteristics between the two populations or to other contextual factors. We also pay special attention to the heterogeneity within the immigrant population, by providing separate analysis for immigrants from within or outside the EU and for recent arrivals and earlier immigrants. In the second part we focus on Italy, a country where immigration is a particularly sensitive topic, and one of the key battlegrounds for the upcoming elections of March 2018. In addition, immigration to Italy has some distinctive feature with respect to other EU countries. Italy has only recently reached a level of immigration comparable to the largest EU15 countries, but its immigrant population tends to be less skilled than elsewhere in the EU, while at the same time displaying both higher employment rates and lower wage levels than comparable natives. We will provide an in–depth analysis of immigrant integration in the Italian labour market, paying attention to the changes occurred during the last decade, by comparing the 2009 and 2017 situation, while

at the same time providing evidence on immigrant assimilation profiles in employment probability, occupational distribution, and wage levels.

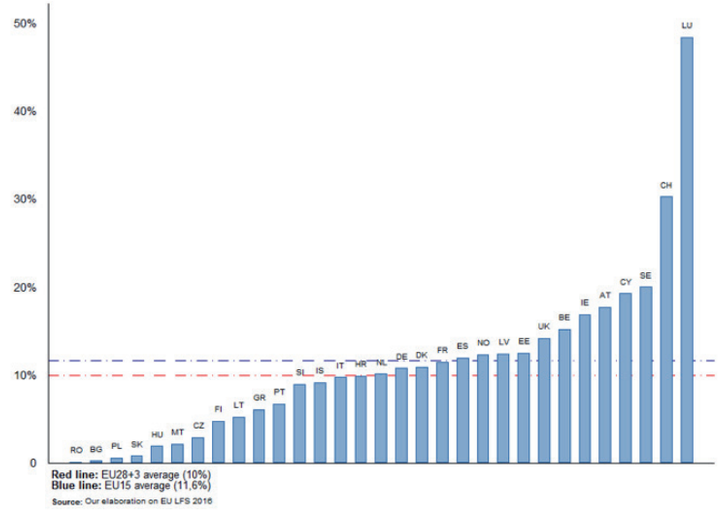
Unless otherwise specified, all tables and figures relative to the European analysis are based on our own elaboration of the latest edition (2016) of the European Labour Force Survey, which covers all EU 28 countries, plus Norway, Switzerland and Iceland. The analysis of the Italian labour market is instead based on our elaboration of microdata from the quarterly Italian Labour Force Survey (Rilevazione delle Forze di Lavoro, RFL), covering all quarters between the first quarter of 2009 and the second quarter of 2017. We have intentionally kept technicalities in the text to a minimum, and provide more details on the analysis in the technical appendices at the end. Throughout this report, we define immigrants as "foreign born", except for Germany where they are defined as "foreign nationals".

Part I: A European overview

IMMIGRANT POPULATION – SIZE AND CHARACTERISTICS

In 2016 there were 51.3 million individuals in Europe living in a country other than their country of birth, which amounts to 10% of the European population. Most of them, 46.4 million, are concentrated in the EU15 countries, where the share of immigrants in the population is 11.6%.[1] There is a considerable degree of heterogeneity in the relative size of immigrant populations across countries, even within the EU15. The immigrant share ranges from as low as 0.1% or 0.2% in Romania and Bulgaria, to 4.8% in Finland (the lowest among EU15 countries) to as high as 20% in Sweden, 30% in Switzerland and even 48% in Luxembourg (see Figure 1).

Figure 1: Immigrants in the European Union (share of total population)



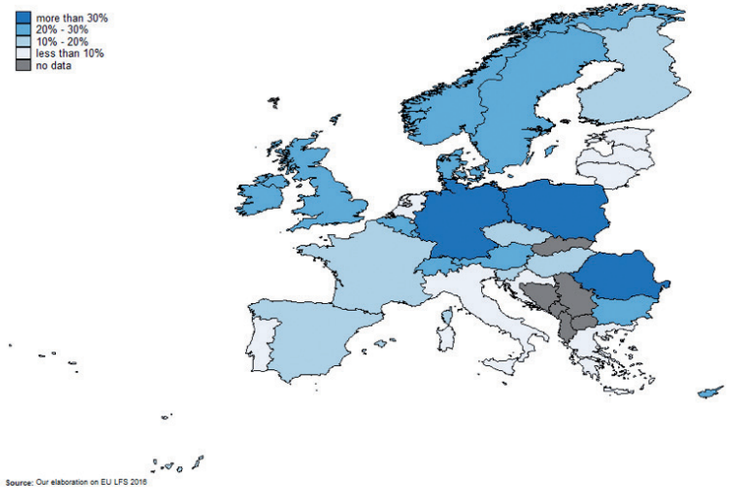
Despite the current perception of immigration as a novel phenomenon, and the media attention devoted to current migration flows, the data indicate that the vast majority of immigrants have been in their country of current residence for quite a long time. On average, only 19% of the immigrants in a European country in 2016 have emigrated within the previous five years. The aggregate figure, however, hides significant cross-country

[1] *EU15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom.*

differences. Considering only the countries with a share of immigrants in their population higher than 1%,[2] Germany stands out with almost one third (31%) of immigrants arrived in the last five years. Denmark, Ireland, Luxembourg, Norway and the UK also host a relatively large share of recently arrived immigrants: more than one in four (27%) migrants in these countries has been there for at most five years (Figure 2).

Figure 2: Share of recent immigrants in foreign population

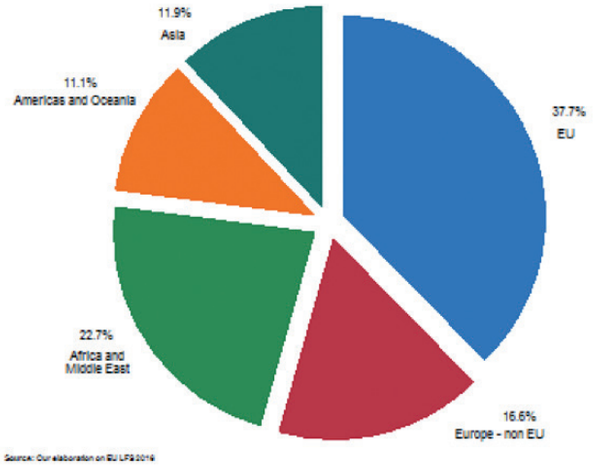
Recent immigrants defined as in the country for at most five years



Almost four out of ten foreign born residents in Europe are EU mobile citizens: across all European countries, 38% of the immigrant population was born in another EU country. An additional 17% was born in a European country outside of the EU. Overall, therefore, more than half of the immigrants in EU countries are European. Among the other areas of origin, Africa and the Middle East account for 23% of all immigrants, with an additional 12% coming from Asia and 11% from the Americas or Oceania (11%) (see Figure 3).

[2] *I.e. excluding Bulgaria, Poland, Romania and Slovakia.*

Figure 3: Origin of migrants



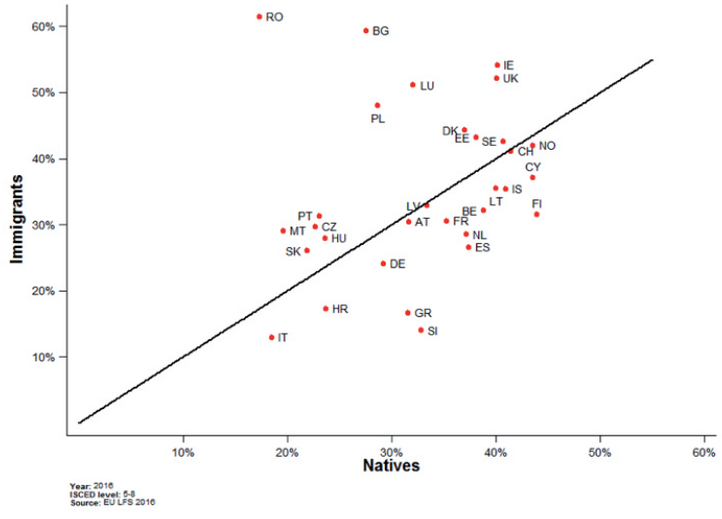
The gender composition is on average quite balanced, with a slight over-representation of women, 52% at the European level.

The share of individuals with tertiary education is very similar for both immigrants (32%) and natives (31%) across all countries.[3] Despite the similarity in the fraction of highly educated individuals, the educational distribution is more polarised for immigrants than for natives: while one in three immigrants has at most completed lower secondary education, only one in five natives has such a low level of education. The higher degree of educational polarisation among immigrants than among natives is a feature that is common across countries, but there is considerable cross-country heterogeneity in the educational levels of both immigrants and natives. Italy is the country with the least educated immigrants, with both the highest share of immigrants with at most primary education (47%) and the lowest share of immigrants with tertiary education (13%). Conversely, Ireland, the UK and Luxembourg have among the highest share of tertiary educated immigrants, respectively 54%, 52% and 51%. Interestingly, within each country the education levels of immigrants and natives tend to be correlated: countries with a more educated native population tend also to attract more highly skilled immigrants (Figure 4). Italy, for instance, not only has the lowest share of university educated immigrants among all EU countries, but also the lowest share of natives with tertiary education.

[3] *Note that here and below we focus on the age range 25-64, in order to exclude individuals who may have not yet completed their education, and those who are not in working age.*

Figure 4: Correlation of immigrant and native education

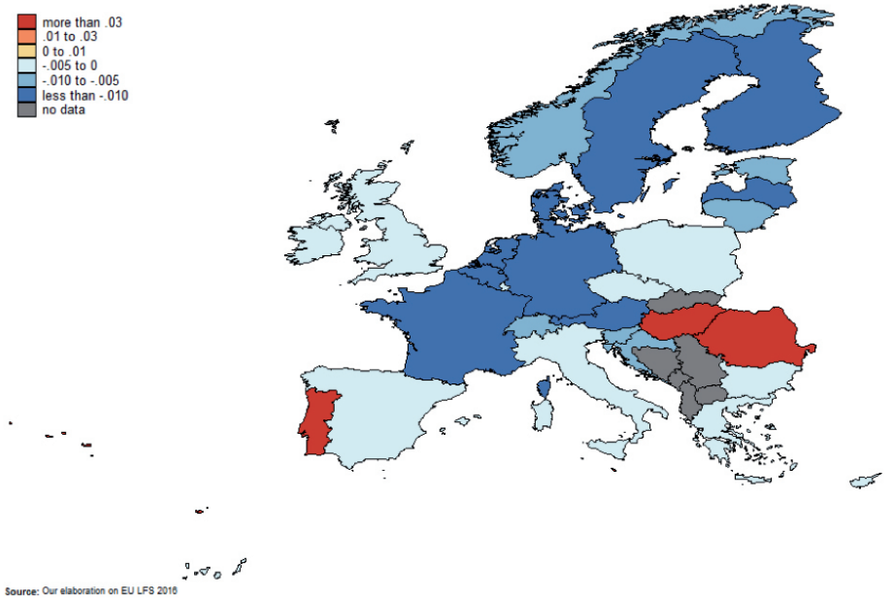
Shares of immigrants and natives with tertiary education



EMPLOYMENT

Throughout Europe, immigrants tend to display worse labour market outcomes than natives, being on average 7.2 percentage points less likely than natives to be in employment, a gap that increases to 8.6 percentage points in EU15 countries. Since native employment probability is on average 74% (75% in EU15 countries), this means that immigrants are 9.7% less likely to have a job than natives (11.4% in the EU15). Gaps tend to be larger in Central and Northern European countries like the Netherlands (-17 p.p.), Sweden (-17 p.p.), Germany (-16 p.p.) or France (-15 p.p.) while they are smaller in the UK (-3 p.p.) and in Ireland (-1.8 p.p.). Among the countries with a substantial share of immigrants in their population, the gap is smallest in Italy (-0.7 p.p.), and the employment probability of immigrants is even 3.1 p.p. higher than for natives in Portugal (see Figure 5). Note however that Italy has one of the lowest native employment rates (65%), therefore immigrants do not have a high probability of employment in absolute terms, but only relative to Italian natives.

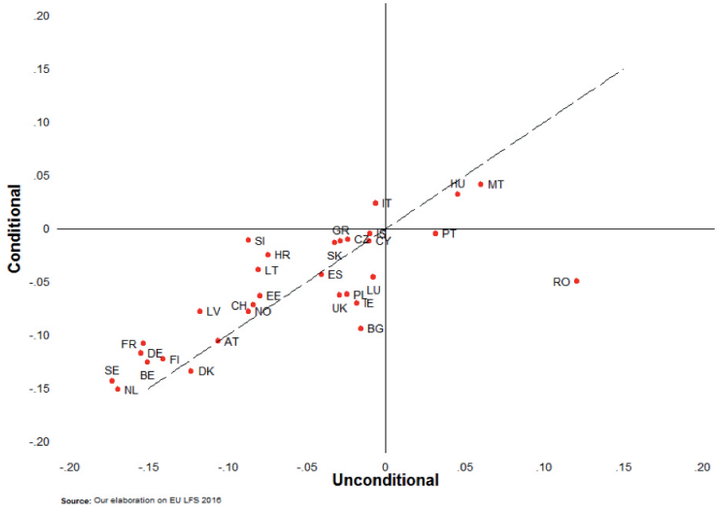
Figure 5: Immigrant-Native gaps in employment probability



Source: Our elaboration on EU LFS 2016

The lower employment probability of immigrants relative to natives does not necessarily imply the existence of immigrant-specific difficulties in labour market integration. Rather, immigrants may simply have some characteristics, in terms of age structure, gender and education, which make them less employable than natives. If we account for such heterogeneity in individual characteristics, and compute the mean difference in employment probability between immigrants and natives with similar age-gender-education profiles, the gap indeed diminishes slightly, from 7.2 to 6.3 p.p. at the European level, and from 8.6 to 7.8 p.p. in the EU15 countries. This result indicates that immigrants tend, on average at the European level, to have slightly "worse" labour market characteristics than natives, but it also indicates that immigrant characteristics can explain only a small part of their employment disadvantage. However, in some countries the gap even widens when individual characteristics are taken into account. This is the case not only in many of the new EU member states, but also, for instance, in Luxembourg, Ireland and the UK. These countries are able to attract immigrants with favourable characteristics, but not to fully integrate them in their national labour markets.

Figure 6: Conditional and unconditional differences in employment probability



In Figure 6 we plot, for each country, the raw difference in employment probability between immigrants and natives (unconditional gap, on the horizontal axis), against the employment probability gap once differences in gender, age and education are taken into account (conditional gap, on the vertical axis). Countries below the 45 degrees line are those where the conditional disadvantage (advantage) of immigrants is larger (smaller) than their unconditional one, which indicates that immigrants have a gender-age-education profile that makes them more employable than natives. Conversely, countries above the 45 degrees line are those where immigrants have a less favourable profile than natives; therefore, conditioning out individual characteristics leads to a reduction in the employment probability differences (alternatively, an increase in the employment probability advantage). Italy stands out as the only country where the unconditional gap turns into a (slight, 2.4 p.p.) employment advantage when immigrants are compared to natives with similar characteristics.

There are considerable differences between the employment performance of EU and non-EU immigrants, with the former performing not only consistently better than the latter, but also, in some countries like Ireland, Italy or Portugal, even better than natives. Across all European countries, EU immigrants only have a 0.5 p.p. lower probability of employment

than natives, whereas immigrants from outside the EU display a disadvantage of 13 percentage points. The better employment performance of EU immigrants relative to their non-EU counterparts is only partly driven by a different selection of the two groups in terms of their age, gender or education composition. In fact, when EU and non-EU immigrants are compared to natives with the same individual characteristics, the differences in employment probability gap between the two groups are still substantial. The gap for EU immigrants increases slightly, to 1.6 percentage points, whereas the non-EU gap decreases slightly to 11.3 percentage points. The persistence of large differences in the conditional employment gap between the two groups thus suggests that the better performance of EU immigrants may be due to the more favourable institutional setting they face. Indeed, EU citizens can freely move across countries and they are therefore able not only to settle in countries with higher labour demand, but also to move out of their country of residence at a lower cost, should labour demand decrease. Additionally, recognition of foreign qualifications and access to licensed occupations is easier for EU than non-EU citizens, which clearly facilitates the labour market integration of the former relative to the latter.

Integration in the host country labour market increases with years since migration. The average difference in employment probabilities between natives and recent immigrants (defined as immigrants who have been in the country for no more than five years) is 17 percentage points, or 22 percentage points when we compare immigrants to natives with the same age-gender-education profile. On the other hand, the employment probability gap between natives and immigrants with more than five years of residence in the host country (earlier immigrants) is just 6.7 percentage points and even shrinks to 4.9 percentage points when differences in individual characteristics are taken into account. This may be due to immigrants acquiring country-specific skills, like for instance language, with time spent in the host country, but also to selective outmigration, whereby less successful immigrants return home (or migrate to a different country) after a few years spent in the host country.[4] The process of integration through time appears to be different for EU and non-EU immigrants. The employment disadvantage of immigrants from outside the European Union decreases with time spent in the destination country: recent non-EU immigrants have an employment disadvantage of 31 percentage points, which reduces to a 10 percentage points gap for the earlier cohorts. On average across European countries there are instead no differences in the employment probability of recent EU immigrants relative to natives, whereas earlier EU migrants have an employment probability that is 0.5 percentage points lower than natives. Such an apparent negative integration may however be due to differences in the composition of the EU mobile workforce over time.

[4] Note also that some caution should be exercised in interpreting results on the role of years since migration on integration when only a cross-section of data (2016 in our case) is available. In fact, in the absence of longitudinal data it may be the case that (at least part of) the difference in outcome between cohorts is due to difference in their composition. These estimates therefore mix together the so-called "cohort effect" with the "residence effect".

OCCUPATIONAL STATUS

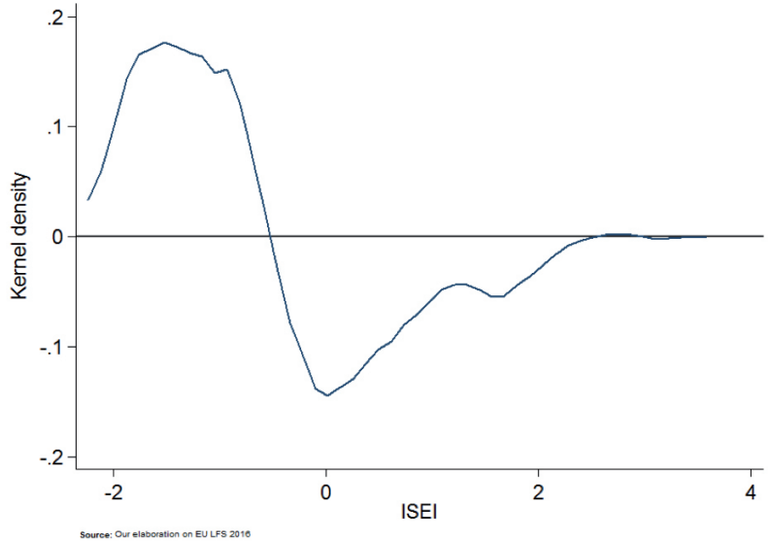
Employment is just one dimension of labour market assimilation. We now look at another aspect of immigrant labour market integration: the difference in occupational distribution of immigrants and natives. We measure occupational status with the Socio-Economic Index of Occupational Status (ISEI), a continuous index which scores occupations in relation to their average education and income levels, thus capturing the attributes of occupations that convert education into income.[5] Higher values of the index correspond to occupations with a higher socio-economic status. We have standardised the index, so that it has mean 0 and standard deviation 1 in each country.

Figure 7 reports, pooling together all European countries, the difference in distribution of immigrants and natives along the ISEI scale: if immigrants and natives had an identical distribution of occupational status, then the graph would show a straight line at 0. Conversely, the line will be above 0 in those points of the occupational status scale where immigrants are relatively more concentrated than natives, and below zero where they are relatively less concentrated. The figure shows that immigrants tend to be considerably more concentrated than natives in the bottom part of the ISEI distribution, and less concentrated in the middle. On the other hand, the native and immigrant densities in the top part of the distribution are similar. In other words, immigrants are missing from the middle part of the occupational distribution and are rather concentrated at the top and, especially, at the bottom. As a result, they have on average a lower occupational status than natives (across European countries, the mean ISEI score for immigrants is about one third of a standard deviation lower than that for natives).

[5] *See Ganzeboom, Harry B.G.; Treiman, Donald J. (2003). "Three Internationally Standardised Measures for Comparative Research on Occupational Status." Pp. 159-193 in Jürgen H.P. Hoffmeyer-Zlotnik & Christof Wolf (Eds.), Advances in Cross-National Comparison. A European Working Book for Demographic and Socio-Economic Variables. New York: Kluwer Academic Press. Pp. 159-193.*

Figure 7: Higher concentration of immigrants in lowest ranked occupations

Immigrant-native differences in distribution along occupational status scale



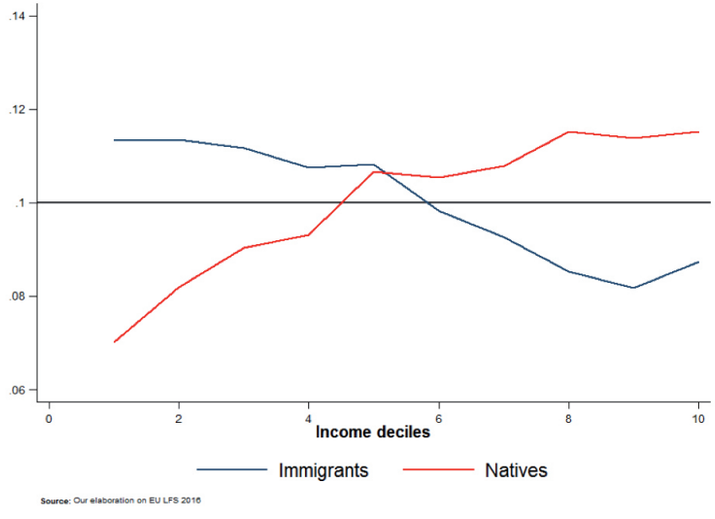
The patterns of occupational status distribution for EU and non-EU migrants are similar, although EU migrants are somewhat "less different" from natives, with a slightly lower relative concentration in the bottom part of the distribution than non-EU migrants, and a slightly higher concentration in the middle. The mean gap in occupational prestige of EU migrants relative to natives is lower than for non-EU migrants (27% and 40% of a standard deviation respectively). When we control for differences in individual characteristics (age, gender and education), these mean gaps are only slightly reduced. This finding indicates that immigrants tend to be clustered in less prestigious (and less paid) occupations not because of their less favourable characteristics, but also when compared to natives of similar age and education.

INCOME

Immigrants tend to be disproportionately more concentrated than natives in the bottom part of the income distribution. Figure 8 shows the percentage of immigrants (blue line) and natives (red line) in each decile of the national income distribution, pooling together all European countries.[6] The two lines have clearly opposite trends: the native line is upward sloping, indicating their relatively higher concentration toward the top of the income distribution. In contrast, the corresponding immigrants line is decidedly downward sloping, indicating a decreasing share of migrants as we move toward the higher income deciles, except for a slightly higher concentration in the top decile relative to the ninth.

Figure 8: Higher concentration of immigrants at the bottom of the income distribution

Immigrant and native distribution along national income deciles

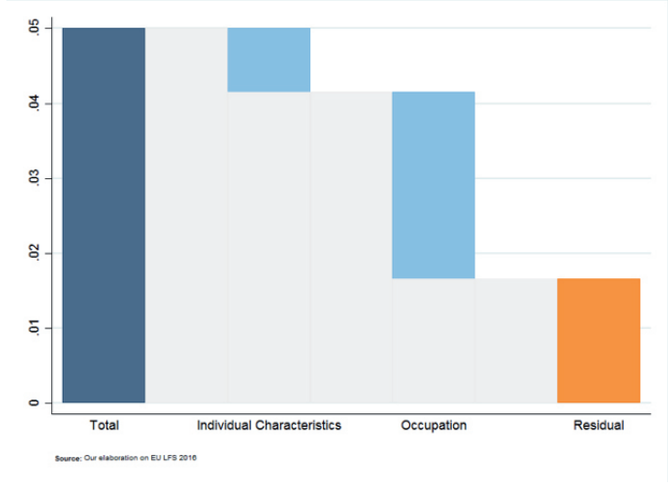


On average, immigrants have a 5 percentage points higher probability of being in the bottom 10% of a country's income distribution, and a 3.2 percentage points lower probability of being in the top 10%. Among the main recipient countries, Greece and Italy stand out as those where immigrants have the highest differential probability of being at the bottom of the income distribution, with respectively a 12 and 11 percentage points higher probability of being in the bottom decile than natives, and the highest gap in probability of being in the top decile (respectively 8 and 9 percentage points lower probability than natives).

[6] *Income information is not available for Austria, Czech Republic, Hungary, Iceland, Malta, Norway, Slovenia, Spain and Sweden.*

Figure 9: Occupational distribution explains half of immigrant income disadvantage

Immigrant-native difference in probability of being in bottom decile: overall and after accounting for individual characteristics and occupational clustering.



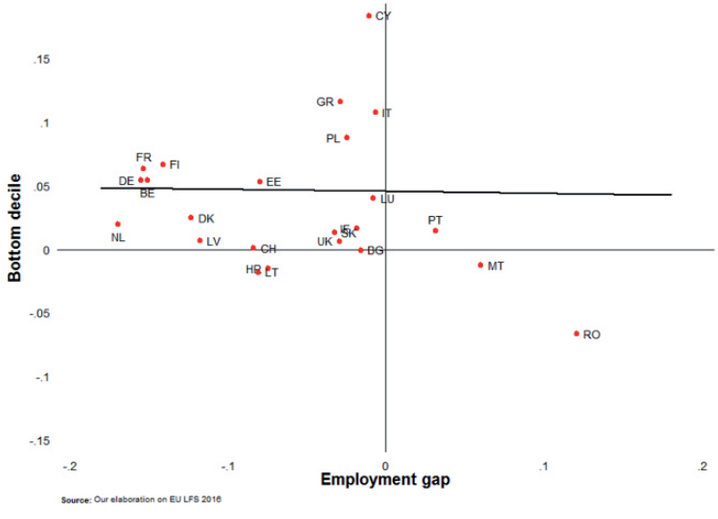
To what extent are the differences in position in the income distribution between immigrants and natives explained by differences in their characteristics? When we compare immigrants and natives with the same age-gender-education profiles, the difference in both the probability of being in the bottom and in the top decile are reduced, but they do not disappear: the difference in the probability of being the bottom decile decreases from 5 to 4.2 percentage points (a 16% reduction), whereas the gap in probability of being in the top decile moves from -3.2 to -1.8 percentage points (a 44% reduction). Differences in composition therefore do not play a major role in explaining discrepancies in income distributions. Rather, it is the clustering of immigrants in low-paid occupations that explains most of the difference with natives. Therefore, the concentration of immigrants at the bottom of the income distribution is not primarily driven by differences in levels of education, but rather by the misallocation of immigrant skills between occupations, like for instance foreign engineers working as construction workers or teachers employed in domestic occupations or as cab drivers. If we compare immigrants and natives that have

not only the same age-gender-education profiles, but perform the same type of jobs, the difference in probability of being in the bottom decile shrinks to 1.7 percentage points, and there are no longer significant differences in the probability of being at the top of the distribution. Thus, occupational clustering is responsible for about half of the immigrant-native difference in both the probability of being in the bottom and in the top income decile (see Figure 9).

Interestingly, there seems to be no systematic cross-country correlation between the immigrant-native employment probability differential and the corresponding gap in the probability of being the bottom decile, as we show in Figure 10, nor in the probability of being the top decile.

Figure 10: No correlation between income and employment gaps

Immigrant-native differences in employment and in concentration in bottom income decile



Part II: Immigrant integration in Italy: an analysis over time

After providing an overview of immigrant integration across European countries in the first part of the report, we now focus on Italy. As we have repeatedly noted throughout the text, Italy presents some unique features relative to other EU countries. Not only is it the EU country with the lowest share of university-educated immigrants (which mirrors the low education of its native workforce), but it also displays one of the lowest immigrant-native employment gap, and it is the only country where the gap turns into an employment advantage for immigrants once they are compared to similarly skilled natives. Conversely, together with Greece, Italy is one of the two EU countries with the highest concentration of immigrants at the bottom of the income distribution, and the lowest concentration at the top.

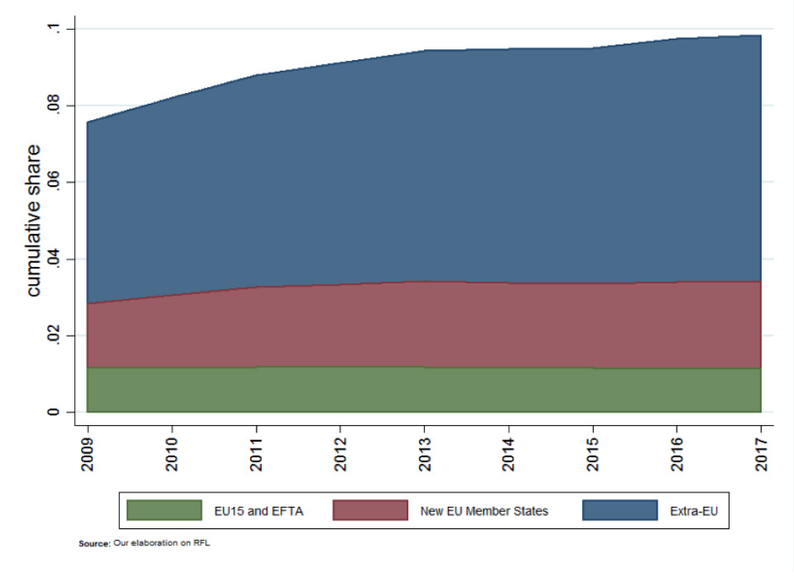
The distinctive features of the economic integration of immigrants in Italy with respect to its EU partners suggest that it may be useful to give a closer and more thorough look at the Italian case. Additionally, given the proximity of Italian southernmost shores to the North African coast, and the recent increase in the number of irregular migration attempts along the so-called Mediterranean route, migration has become one of the most debated policy issues, and it ranks highly among the concerns of public opinion, as witnessed by the results of the Standard Eurobarometer survey of Autumn 2017. Italy stands out as one of the EU countries where immigration is most often ranked as one of the two most important national issues (immigration is mentioned by 33% of the sample, following unemployment at 42%), second only to Germany where immigration is mentioned by 40% of respondents and compared to a EU average of 22%. Indeed, “contrasting” irregular migration attempts along the Mediterranean route is one of the policy priorities for most of the parties that are running up for the upcoming elections of March, 4. While the Italian migration policy debate focuses disproportionately on sea landings and asylum migration, it is important to keep in mind that in 2017 there were almost six million immigrants living in Italy, or almost 10% of the Italian population. These figures contrast with the 119,369 recorded sea landings in 2017 and the 181,436 recorded in 2016, which account respectively for just 2% and 3% of the total resident migrant stock. Therefore, even though the so-called “refugee crisis” represents a clear humanitarian concern, it is also important to pay attention to the integration status of the vast majority of the immigrants living in Italy, whose characteristics are very different from those of the most recent sea arrivals.

The following analysis is based on all quarterly files of the Italian Labour Force Survey (Rilevazione Trimestrale delle Forze di Lavoro, RFL), from the first quarter of 2009 until the second quarter of 2017.

IMMIGRANT POPULATION IN ITALY: SIZE AND CHARACTERISTICS

Between 2009 and 2017, the number of foreign born individuals living in Italy has increased from 4.5 million to 5.9 million, a 30.9% growth. In other words, since the onset of the crisis the share of immigrants in the Italian population has risen from 7.6% to 9.8%, with most of the increase happening between 2009 and 2013 (Figure 11). Note that, although such a surge in the immigrant population has been higher in Italy than in many other EU countries, the share of the foreign born population in Italy remains lower than that of the main European partners. According to Eurostat, for instance, between 2009 and 2016 the immigrant share in Germany, France and the United Kingdom rose from 11.6 to 13.3%, from 11.3 to 11.8%, and from 11.1 to 13.3% respectively.

Figure 11: ITALY - Foreign born population (share of total population)



Western European immigrants (from the EU15 and Norway, Switzerland and Iceland) have always represented a small fraction of the total foreign born population in Italy, and their size relative to the overall Italian population has remained stable over time at about 1%. Conversely, the share of immigrants from the Eastern European new EU member States (NMS) has increased over time, more or less at the same pace as the overall immigrant population, and by 2017 NMS immigrants made up 23% of the overall foreign born population. Overall, European immigrants from inside or outside the EU represent 56% of the immigrant population, a proportion that has remained stable over time (Table 1).

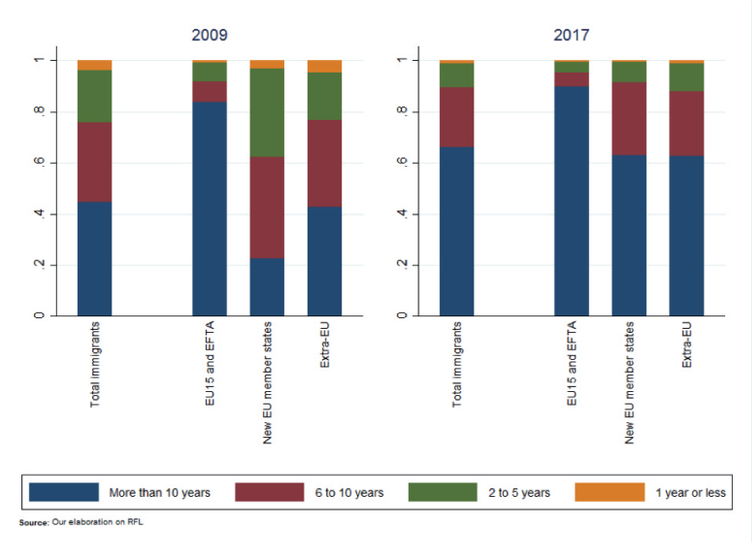
Table 1: ITALY - More than half of the immigrant population is from Europe

Area of origin	2009	2017
Western Europe	15.5%	12.0%
Eastern Europe within EU	22.2%	23.0%
Eastern Europe outside EU	19.7%	20.8%
Africa	16.9%	17.2%
Asia	12.9%	14.1%
Americas	12.4%	12.7%
Oceania	0.4%	0.2%

Most immigrants in Italy have been there for a long time: in 2017, 66% of foreign born Italian residents had been in the country for ten or more years, and an additional 24% had spent six or more years there. Only 10% of all immigrants have arrived within the previous five years. These figures contrast with 2009, a period in which immigration was still rapidly rising in Italy. Roughly one in four immigrants (24%) in Italy in that year had spent at most five years in the country, and only 45% had been there for ten years or more (Figure 12). Migration seniority is especially high among Western European immigrants, whereas immigrants from the Eastern European new EU Member States and from the rest of the World have on average spent less time in Italy – though the fraction of long term residents among these latter groups has also considerably increased over time.

Figure 12: ITALY - Migration seniority is rapidly increasing

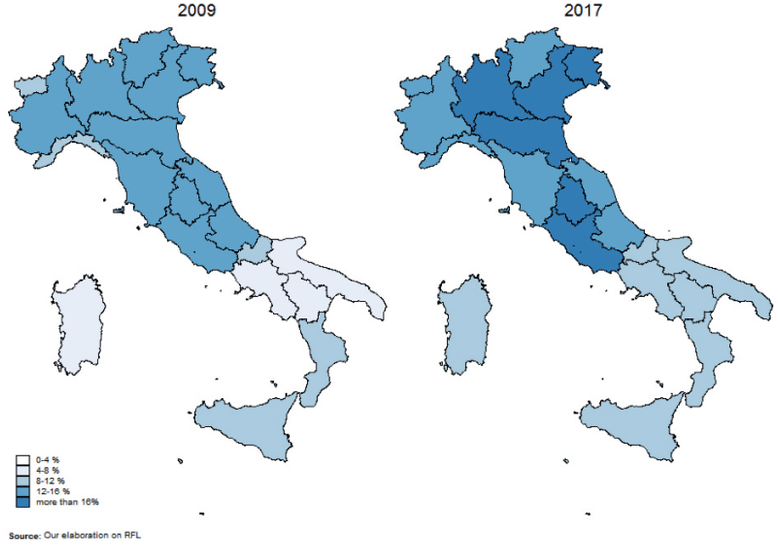
Distribution of immigrants by years since migration, overall and by area of origin



Immigrants are not evenly scattered among Italy: while in the Northern and Central regions more than 12% of the population was foreign born already in 2009, when the national average was 7.6%, the tendency toward a clustering in the most economically active regions of the country has increased over time and by 2017 immigrants represented more than 16% of the population in Lombardy, Veneto, Friuli, Emilia-Romagna, as well as in Umbria and Lazio.

Figure 13: ITALY - Immigration is concentrated in the Northern and Central regions of Italy

Share of immigrants in the regional population



The majority of immigrants in Italy are women, a feature that has increased between 2009 (53%) and 2017 (55%), and that is particularly strong for EU immigrants, both from the EU15 (59%) and from the New EU Member States (61%), as shown in Table 2.

Table 2: ITALY - Female-dominated migration

Area of origin	2009		2017	
	Men	Woman	Men	Woman
Natives	48.8%	51.2%	49.0%	51.0%
Total immigrants	46.8%	53.2%	45.3%	54.7%
EU15 and EFTA	41.6%	58.4%	41.0%	59.0%
New EU member states	42.6%	57.4%	39.3%	60.7%
Extra-EU	49.5%	50.5%	48.2%	51.8%

EDUCATION

As we have also shown earlier, education of levels of both Italian natives and immigrants are low, relative to the rest of most other European countries. However, over time the educational profiles of immigrants have worsened, relative to those of natives, as shown in Figure 14.[7] The Figure reports the relative distribution of immigrants and natives across three education levels: low (at most lower secondary) education, intermediate (more than lower secondary but at most upper secondary) education, and high (tertiary) education.[8] If immigrants and natives had the same educational distribution, these ratios should be one for all categories, and thus the graph would boil down to a horizontal line. Conversely, a bar rising above (below) one indicates that immigrants are more (less) likely than natives to have that specific level of education.

Figure 14: ITALY - Education of immigrants has worsened relative to natives over time

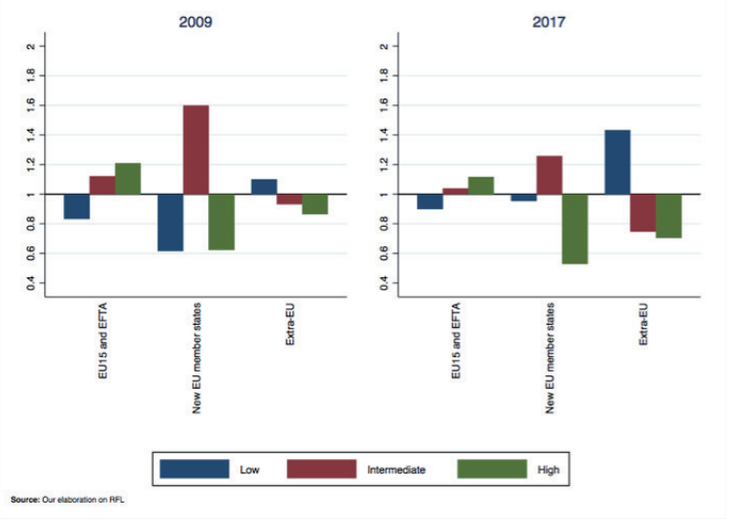
Relative educational distribution of immigrants and natives: a bar above one indicates immigrant over-representation in that education category.

[7] *In order to exclude potential students from the analysis, these figures and all the subsequent labour market statistics refer only to individuals aged 25-64.*
[8] *These categories are equivalent to, respectively, levels 0-2, levels 3-4 and levels 5-8, of the International Standard Classification of Education (ISCED).*

In 2009 the share of immigrants with low education was slightly lower than for natives (44% vs 46%), whereas immigrants were over-represented in the intermediate education category, and the share of natives with tertiary education (15%) was just slightly higher than the corresponding share for immigrants (13%). Conversely, by 2017 the relative educational distribution of immigrants has worsened relative to natives: while the share of low-educated natives has decreased to 38%, the corresponding share has increased to 48% among immigrants. Likewise, the share of tertiary educated natives has increased to more than 19%, whereas the share of tertiary educated immigrants has only reached 14%. Importantly, the relative deterioration of immigrant education has affected all areas of origins and it cannot therefore be attributed to a change in the composition of the foreign born population in terms of origin countries, as shown in Figure 15: even the education levels of EU15 immigrants, who historically tend to be better educated, have converged toward those of Italian natives between 2009 and 2017.

Figure 15: ITALY - Relative education levels have worsened for all origin groups

Relative educational distribution of immigrants and natives, by area of origin

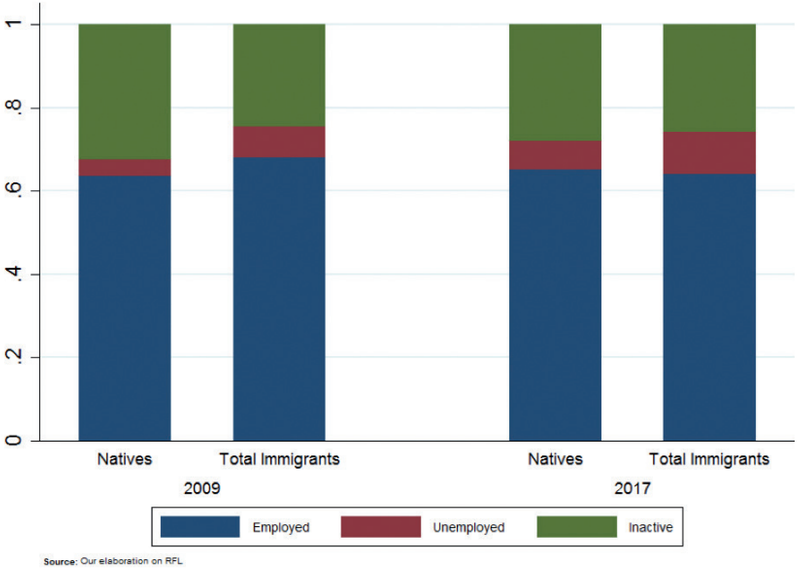


EMPLOYMENT

In 2017 the employment rate of immigrants is on average only slightly lower than for natives (64% vs. 65%). However, it is remarkable that while between 2009 and 2017 the employment probability of natives has increased by 1.5 percentage points, over the same period the employment probability of immigrants has decreased by almost four percentage points (Figure 16).[9] The changes in the relative education of immigrants and natives therefore seem to be mirrored in similar changes in relative employment status.

Figure 16: ITALY - Similar employment probability for immigrants and natives

Distribution of employment status of immigrants and natives



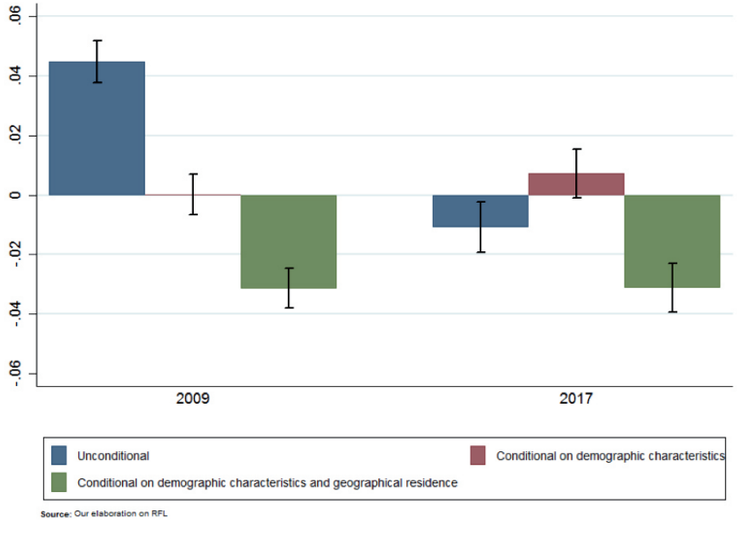
The role played by changes in immigrant characteristics over time is evident by looking at Figure 17. In 2009, immigrants were on average 4.5 percentage points more likely to be in employment than the average Italian native (blue bar in Figure 17). However, the higher employment probability was entirely due to the more favourable age-gender-education profile of the foreign population relative to natives. Indeed, when comparing immigrants to natives with similar characteristics, the employment advantage disappears completely (red bar). Further, we have shown above that immigrants are disproportionately located

[9] *We define employment rate or employment probability as the ratio of individuals in employment to the total population aged 25-64.*

in the economically stronger Italian regions, that are characterized by higher employment levels. Indeed, when immigrants are compared to natives that not only have the same characteristics, but also live in the same region, they exhibit a -3 percentage points gap in the employment probability (green bar in Figure 17). By 2017, however, the relative employment situation of immigrants and natives changed considerably: not only do immigrants have a slightly lower employment probability, but this slight disadvantage is completely explained by the less favourable age-gender-education profile. When compared to natives with similar characteristics immigrants have, if anything, a slightly higher employment probability. Unsurprisingly, however, they are still less likely to be in employment relative to similar natives living in the same region.

Figure 17: ITALY - Immigrant-native differences in employment probability

Immigrant-native differences in employment probability, overall and after accounting for individual and contextual characteristics.

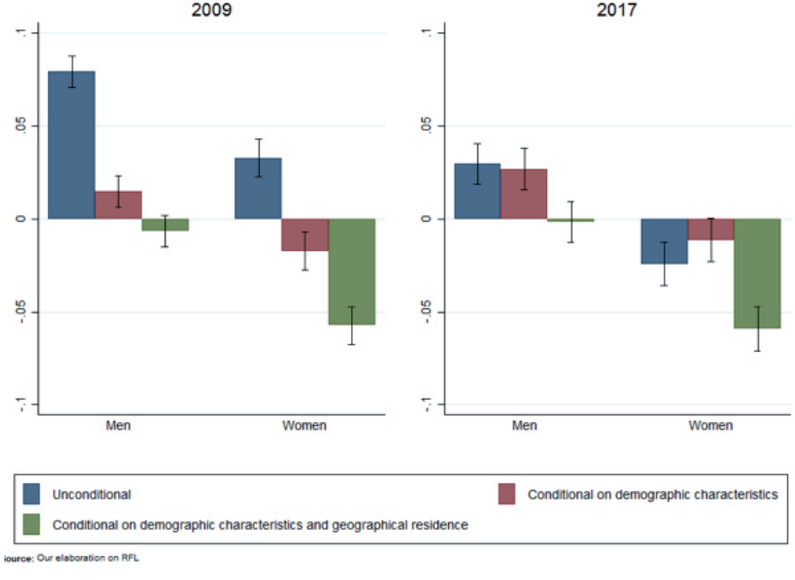


Although the employment prospects of both immigrant men and women have worsened between 2009 and 2017, in 2017 the employment rate of immigrant men was still 3 percentage points higher than that of their native counterparts. This higher probability of

employment is not due to more a favourable age-education profile relative to native men. Rather, it entirely depends on the "strategic" location choices of immigrant men who have settled in those regions with a higher average employment rate: immigrant men are as likely to be employed as similar natives living in the same region. On the other hand, while in 2009 immigrant women were on average 3.3 percentage points more likely to employed than native women, the situation has reversed in 2017, with a -2.4 percentage points gap relative to Italian women. In both years, however, immigrant women are substantially less likely to be employed than comparable native women living the same region. These results therefore indicate that the worsening of the employment situation of immigrants relative to natives is largely due to a deterioration of the employment outcomes of women, who are often tied migrants, with only a minor role played by changes among male immigrants.

Figure 18: ITALY - Immigrant men more likely to be in employment than natives

Immigrant-native differences in employment probability, overall and after accounting for individual and contextual characteristics, by gender.



Source: Our elaboration on RFL

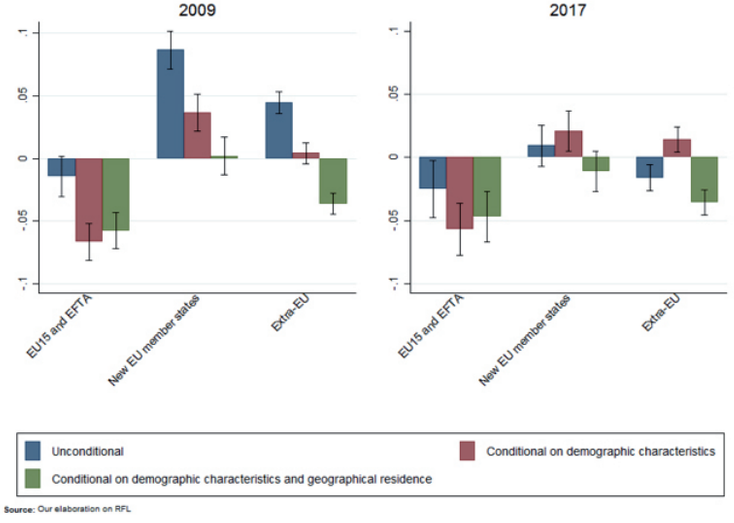
There is considerable heterogeneity in employment probability across different areas of origin: EU15 immigrants have always been characterized by lower employment probability

relative to both natives and immigrants from other areas. Conversely, Eastern European immigrants display consistently the highest employment rate among all groups, although by 2017 differences in employment probability between immigrants from different areas have significantly attenuated (Figure 19). Remarkably, Eastern European immigrant employment probability is not different from that of natives, even within the same region of residence.

Figure 19: ITALY

Eastern European immigrants have higher employment than other immigrants

Immigrant-native differences in employment probability, overall and after accounting for individual and contextual characteristics, by area of origin.for individual and contextual characteristics.



Source: Our elaboration on RFL

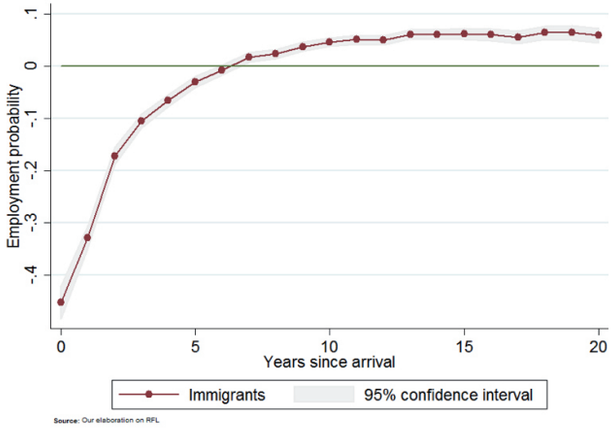
EMPLOYMENT ASSIMILATION

Even though we are considering here only individuals aged 25-64, and that have therefore presumably completed their education career, there are some country-specific component of human capital (most notably language) that immigrants may lack upon arrival, and acquire gradually with time spent in Italy. In fact, considering together all years between 2009 and 2007, the data show that while the immigrant-native employment probability gap is large (more than 40 percentage points) for immigrants who have just arrived

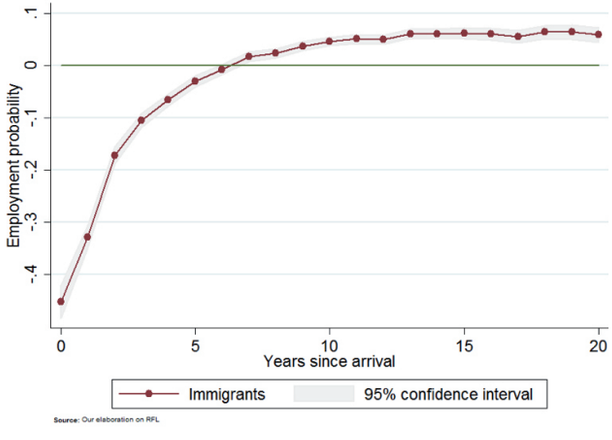
in Italy, the gap reduces considerably over time. By the sixth year of residence in Italy there is no difference between the employment rate of immigrants and natives, and the difference becomes steadily positive after seven or eight years since migration (Figure 20A). Conditioning out differences in individual characteristics does not significantly affect the picture (Figure 20B): by their sixth year in Italy immigrants have the same employment probability as natives with the same age-gender-education profile. The unconditional employment probability advantage displayed by long-term foreign residents in Figure 20A, however, seems mostly driven by their "better" labour market characteristics.

Figure 20: ITALY - Employment assimilation of immigrants over time

A: Immigrant-native differences in employment probability by years since migration



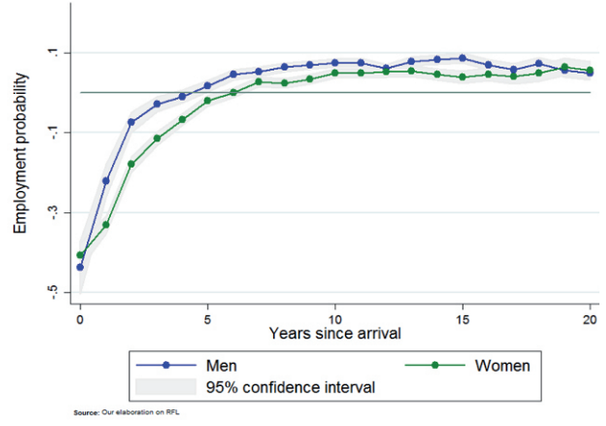
B: Immigrant-native differences in employment probability by years since migration, conditional on individual characteristics



Employment assimilation profiles are similar for men and women (Figure 21), although immigrant men converge to the employment levels of natives a couple of years earlier than immigrant women.

Figure 21: ITALY - Employment assimilation is faster for men

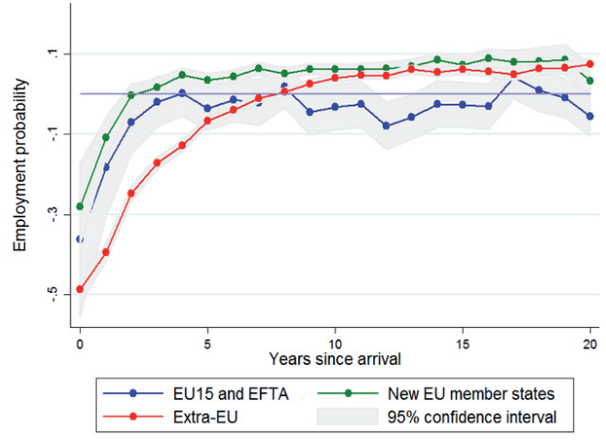
Immigrant-native differences in employment probability by years since migration, by gender



Likewise, the shape of employment assimilation profiles is similar across areas of origin (Figure 22), although convergence is faster for Eastern European immigrants, who reach native employment rate after just two years since arrival, and slower for non-EU migrants, whose employment probability equalises that of natives only after seven years in Italy (Figure 22).

Figure 22: ITALY - Employment assimilation for immigrants from all areas of origin

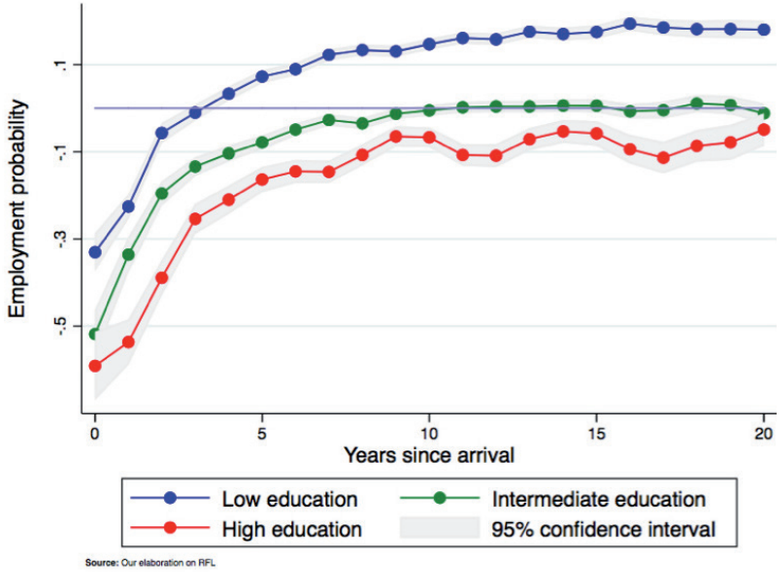
Immigrant-native differences in employment probability by years since migration, by area of origin



Remarkably, low educated immigrants outperform similarly educated Italian natives in terms of employment probability after just four years in the country, and after twenty years of residence their employment probability is 18 percentage points higher than their Italian counterparts. Conversely, immigrants with an intermediate level of education (i.e. who have at most completed upper secondary education) reach native employment levels after eight or nine years since arrival, whereas the employment probability of tertiary educated immigrants never completely converges to that of university-educated Italians.[10]

Figure 23: ITALY - Employment assimilation highest for low educated immigrants

Immigrant-native differences in employment probability by education



Source: Our elaboration on RFL

[10] *Note, however, that the employment probability of Italians increases with education, and therefore a relative employment advantage does not necessarily imply a higher employment probability in absolute terms.*

WAGES

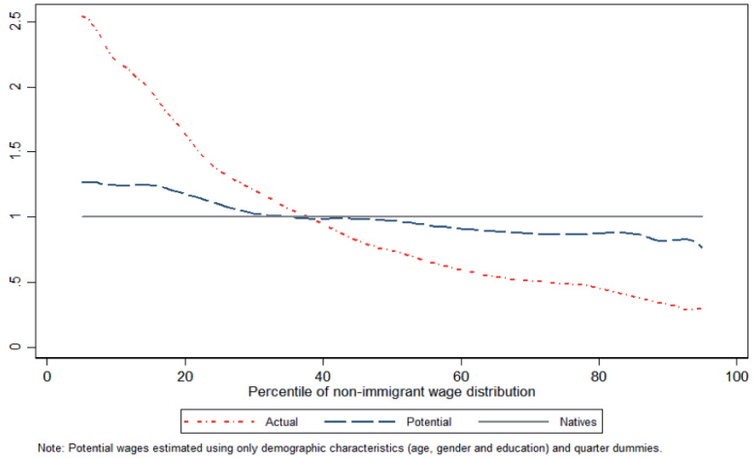
Immigrant employment probability is not on average too dissimilar from that of natives. How then, do their wages compare? Figure 24 shows that immigrants are disproportionately concentrated at the bottom of the native wage distribution. The red dotted line in the figure shows, in fact, how more likely immigrants are relative to natives to have a net monthly wage equal to that specific point in the native wage distribution in 2017: if the wage distribution of immigrants and natives were the same, then the red dotted line should coincide with the horizontal black line at 1. Instead, the figure shows that immigrants are substantially more likely than natives to be in the bottom percentiles and less likely to be in any percentile above the 40th.

Figure 24: ITALY

Immigrants are more concentrated in the bottom part of the wage distribution

Actual and potential distribution of immigrants along percentiles of the native wage distribution, 2017

for individual and contextual characteristics.



Note: Potential wages estimated using only demographic characteristics (age, gender and education) and quarter dummies.

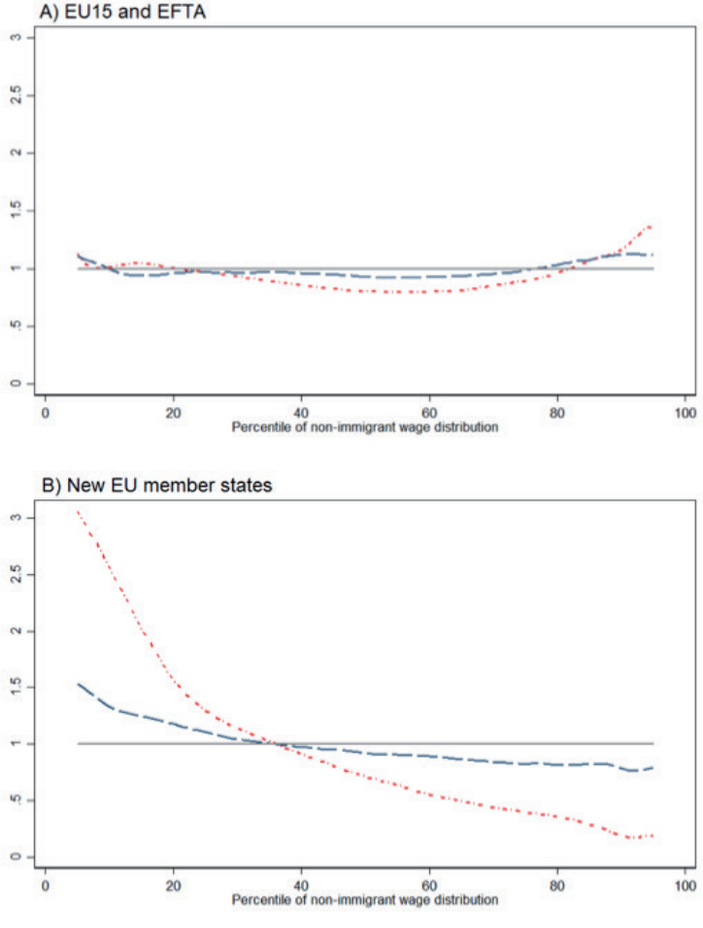
Source: Our elaboration on RFL

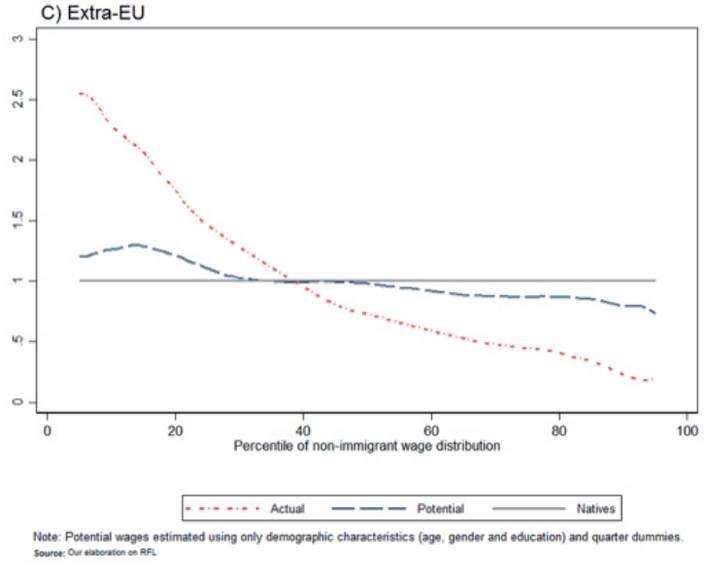
The clustering of immigrants at the bottom of the wage distribution is only in small part driven by their less favourable characteristics relative to natives. The blue scattered line in Figure 24 shows how the relative wage distribution of immigrants would look like if they were earning the same wage as natives with similar age, gender and education. Based on their observable characteristics, the wage distribution of immigrants should be

substantially closer to that of natives, with just a slight over-representation at the top and under-representation at the bottom. The difference between the red scattered line (actual distribution) and the blue dotted line (potential distribution) is therefore a measure of the wage disadvantage that immigrants face because of their immigrant status, independent of their specific characteristics. We investigate later in detail the role played by individual characteristics and occupational sorting in explaining the immigrant wage gap.

Figure 25: ITALY - Wage distribution of EU15 immigrants is similar to Italian natives

Actual and potential distribution of immigrants along percentiles of the native wage distribution by area of origin, 2017





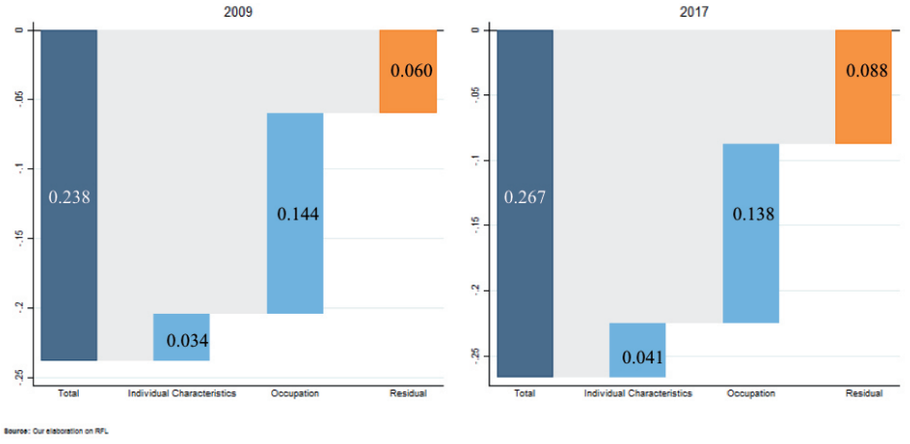
Note: Potential wages estimated using only demographic characteristics (age, gender and education) and quarter dummies.
Source: Our elaboration on RFL

The corresponding figures for any other year look very similar. Instead, there are significant differences in all years between immigrants from different areas of origin, both in their actual position along the native wage distribution, and in how the actual distribution diverges from the potential one, as we show in Figure 25. In particular, EU15 immigrants stand out for the similarity of their wage distribution to that of Italian natives, and for how similar their actual and potential distributions are (Figure 25A). This indicates not only that, as seen before, their characteristics are quite similar to those of natives, but also that they are able to productively use their skills in the Italian labour market as natives do. Conversely, the wage distribution of immigrants from the New Eastern EU member states (Figure 25B) and from outside the European Union (Figure 25C) is quite similar: immigrants from both source areas are heavily concentrated at the bottom of the native distribution, whereas their potential distribution would be closer to that of natives.

We now focus on average wages, rather than looking across the distribution. In 2017 immigrant net monthly wages were on average 26.7% lower than those of natives, a slight increase with respect to the 23.8% gap in 2009.

Figure 26: ITALY - Most of the immigrant-native wage gap is due to occupational sorting

Decomposition of the immigrant-native percentage gap in average net monthly wage



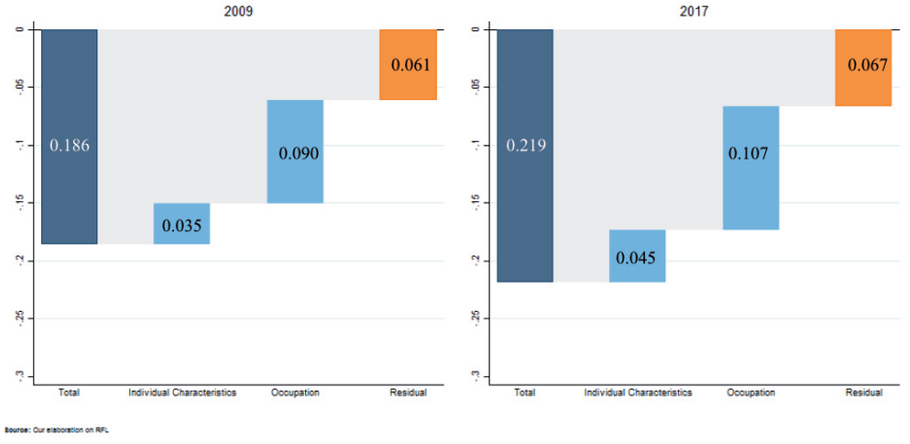
Source: Our elaboration on RFL

Why are the wages of immigrants and natives different? In Figure 26 we show how the wage gap can be decomposed into a fraction due to differences in age, gender and education, a fraction due to differences in the occupational sorting of immigrants and natives and to differences in frequency of part-time jobs, and a residual term, that cannot be explained by any of these variables. In both 2009 and 2017, differences in individual characteristics can explain only about 15% of the total gap. Most of the wage gap can instead be traced down to differences in occupations and in employment conditions between immigrants and natives: occupational sorting (and frequency of part-time jobs) explains 52% of the 2017 wage gap, and accounted for almost two thirds of the total gap in 2009. However, the rightmost column of Figure 26 shows that one third of the immigrant wage gap in 2017 cannot be explained by differences in individual characteristics or occupational sorting. In other words, immigrant net monthly wages in 2017 are on average 8.8 percentage points lower than the wages of natives with the same age, gender and education working in the same occupation for the same amount of time. By way of comparison, this difference was six percentage points (25% of the overall wage gap) in 2009.

In 2017 the immigrant wage gap is larger for women (-31%) than for men (-22%). Among men, differences in age and education can explain about one fifth of the overall wage gap, with an additional half due to differences in occupation and job characteristics, and about one third of the total not explained by differences in any of these characteristics (Figure 27).

Figure 27: ITALY - Immigrant wage gap for men is stable over time

Decomposition of the male immigrant-native percentage gap in average net monthly wages



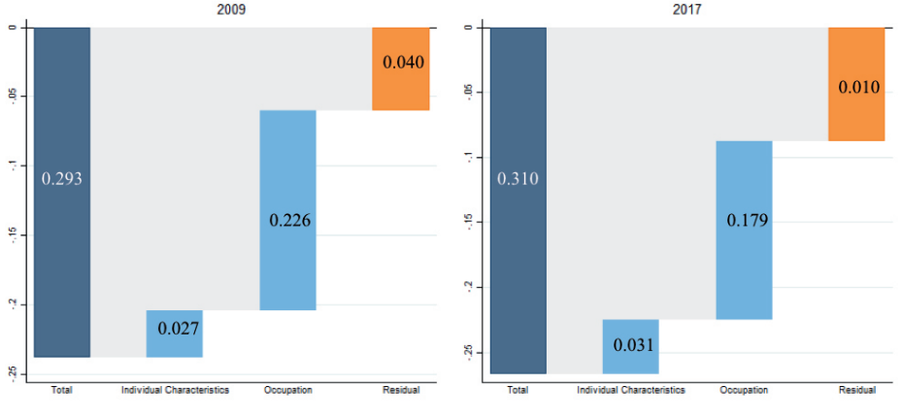
Source: Our elaboration on RFL

Likewise, also among women, about one third of the immigrant-native earnings gap cannot be accounted for by individual or job characteristics: immigrant women earn 10% lower net monthly wages than their native counterparts employed in the same occupations and with similar age and education (Figure 28). However, among women occupational clustering explains a larger fraction of the total wage gap: almost 60% of the female immigrant wage gap in 2017 is due to differences in occupation distribution and job characteristics with respect to native women. This fraction was even larger (77%) in 2009. Indeed, immigrant women are disproportionately concentrated in low-pay domestic jobs, even relative to Italian women with similar education. Remarkably, the residual (unexplained) fraction of the wage gap is substantially larger in 2017 than it was in 2009: while in 2009 native women were earning on average only 4% less than comparable Italian women in the same occupation, by 2017 this gap has increased to as much as 10%.

Figure 28: ITALY

The residual wage gap has more than doubled for immigrant women over time

Decomposition of the female immigrant-native percentage gap in average net monthly wages



Source: Our elaboration on RFL

Looking across areas of origin (Table 3), Western European immigrants are those displaying the least disadvantage. In fact, there is no significant difference in average wages between EU15 immigrants and natives in 2017, and even the 4.7% gap displayed in 2009 was entirely explained by differences in individual and job characteristics. Eastern European immigrants from the new EU member states are instead those who display the highest wage gap with respect to natives (-33%), followed by immigrants from outside the European Union (-28%). For both source areas differences in occupational distribution and job characteristics explain a substantial fraction of the overall gap: 45% and 53% of the total gap can be explained by such differences for Eastern European and non-EU migrants, respectively.

Table 3: ITALY - The residual wage gap has increased for all immigrant groups

Decomposition of the immigrant-native percentage gap in average net monthly wages, by area of origin

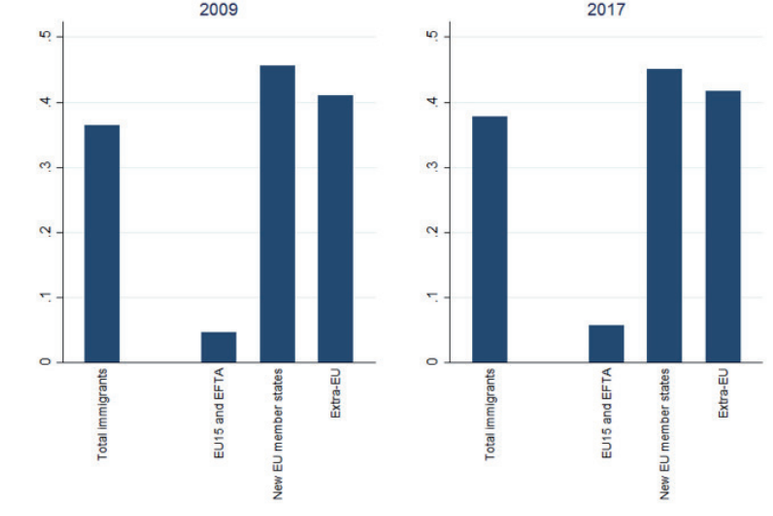
	EU15		New EU member states		Extra-EU	
	2009	2017	2009	2017	2009	2017
Wage gap relative to natives (%)	0.047	0.002	0.298	0.333	0.252	0.280
Explained by:						
Individual characteristics	0.011	-0.020	0.060	0.060	0.029	0.045
Occupation and job characteristics	0.033	0.016	0.173	0.150	0.152	0.148
Residual wage gap	0.003	0.006	0.066	0.123	0.071	0.088

DIFFERENCES IN OCCUPATIONAL DISTRIBUTION

The previous section has shown that the clustering of immigrants in lower-paying occupations relative to natives can explain about half of the total immigrant-native wage gap. This finding indicates therefore that the occupational distribution of immigrants is significantly different from that of natives. We investigate this aspect in Figure 29, which shows that equalizing the occupational distribution of immigrants to that of natives would require 38% of immigrants changing their job. While there are no major differences in the native-immigrant occupational dissimilarity in 2009 and in 2017, there is considerable heterogeneity across areas of origin. As expected, Western European immigrant occupational distribution is very close to that of natives. On the contrary, 45% of Eastern European immigrants and 43% of non-EU immigrants should change job if their occupation distribution were to be made the same as for natives.

Figure 29: ITALY - Almost 4 in 10 immigrants should change job for their occupation distribution to be the same as natives

Duncan dissimilarity index for the occupational distribution of immigrants and natives, overall and by origin



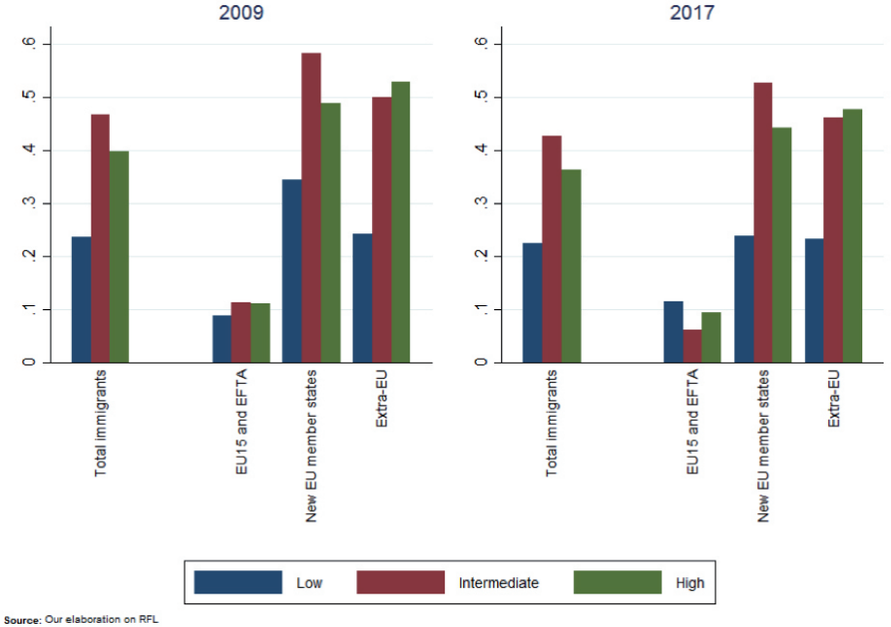
Source: Our elaboration on RFL

As expected, occupational dissimilarity is lowest for the least educated: 22% of immigrants with low levels of education (at most lower secondary) should change their job to have the same occupational distribution as natives. Indeed, since unskilled natives are clustered in a few occupations only, it is reasonable that their occupational distribution resembles that of unskilled immigrants. For similar reasons, the occupational dissimilarity with natives

is lower (36%) for the most high skilled workers than for those with an intermediate level of education (43%); the most highly educated immigrants can gain access to skilled occupations more easily whereas many immigrants with at most high school education are employed in more unskilled occupations than their native counterparts.

Figure 30: ITALY - Occupational dissimilarity is lowest for the least educated

Duncan dissimilarity index for the occupational distribution of immigrants and natives, by education

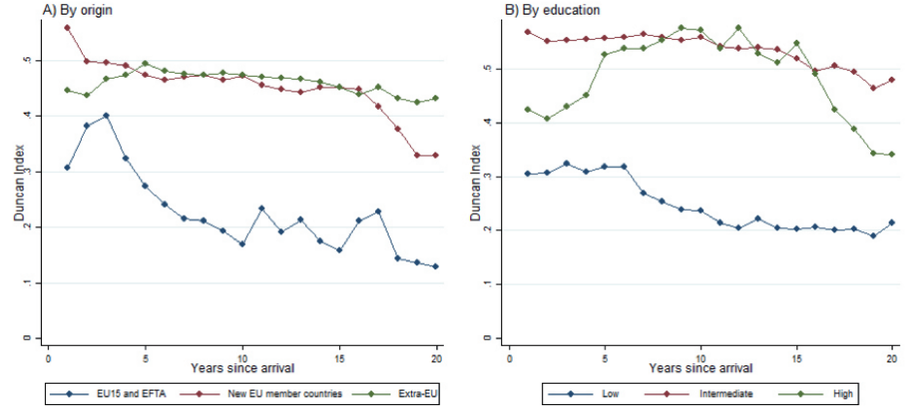


Source: Our elaboration on RFL

Remarkably, there is only partial occupational integration over time: the share of immigrant workers that should be reallocated to a different occupation for the native and the immigrant occupational distribution to be the same decreases only slightly with time spent in Italy (Figure 31). Pooling together all years, the dissimilarity index is on average 45% for immigrants who have just arrived in Italy, and 38% for those who have been in the country for 20 years. This limited occupational mobility is a feature that tends to characterise immigrants from all origins, although it is especially strong among non-EU migrants. On the contrary, EU15 migrants not only have a more similar occupational distribution since the first year in Italy, but also show some convergence with natives over time. Likewise, there is not much convergence in occupational distribution within education groups.

Figure 31: ITALY - Occupational dissimilarity decreases little with time spent in Italy

Time evolution of the dissimilarity index for the occupational distribution of immigrants and natives, by origin and by education



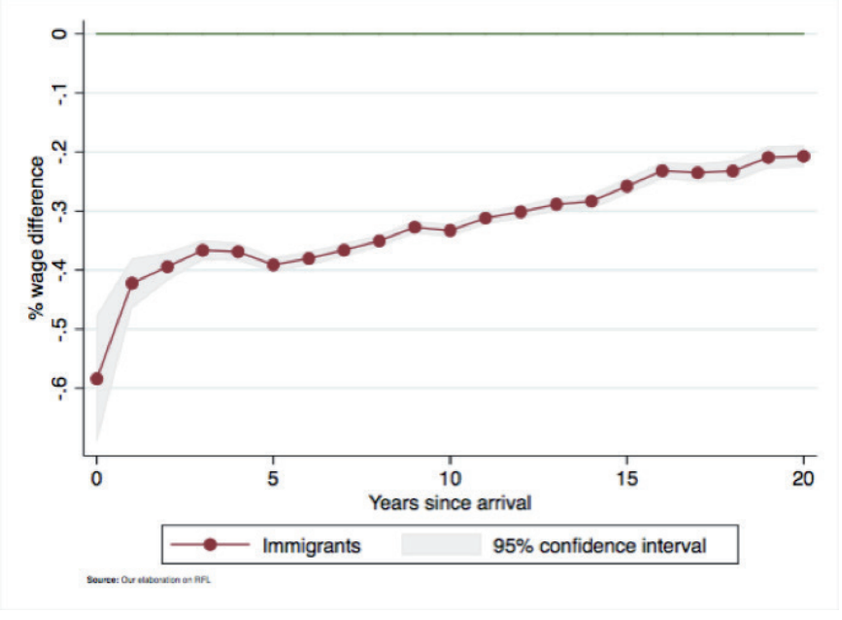
Source: Our elaboration on RFL

WAGE ASSIMILATION

Time spent in Italy improves immigrant knowledge of the institutional setting, and makes immigrants acquire country-specific human capital that leads, on average, to improvements in their labour market outcomes. We have shown above that the employment probability of immigrants overcomes that of natives after about seven years in Italy, and that the process of employment assimilation is especially fast for Eastern European immigrants. Additionally, the occupational distribution of employed immigrants converges to that of natives over time, although at a somehow slow pace. Along the same lines, the wage gap of immigrants with respect to natives shrinks with years since migration. However, except for the first year of residence, the wage growth of immigrants is quite slow: the wage gap decreases from about 40% to about 20% over a period of twenty years (Figure 32).

Figure 32: ITALY - A 20% wage gap after twenty years in Italy

Immigrant-native wage gap by years since migration

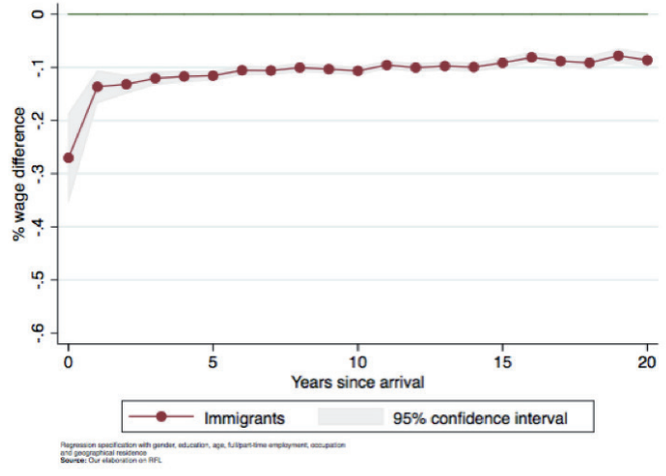


The lack of wage assimilation is only marginally due to differences in observable characteristics: comparing immigrants with different migration seniority to natives that are similar in terms of age, gender and education does not significantly affect the wage assimilation profile reported in Figure 32. However, we know from our earlier discussion on wage gaps that occupational differences are responsible for about 50% of the average immigrant wage gap.

In Figure 33 we show how the immigrant-native wage gap changes with years since migration, comparing immigrants to natives with the same individual characteristics, and working in the same occupation. Strikingly, although the estimated gap is in this case smaller, there is very limited within-occupation wage assimilation over time, except for the very first year in Italy. Immigrants earn on average 12% less than similar natives in the same occupation after two years since arrival, and the gap is still 9% after twenty years.

Figure 33: ITALY - No wage assimilation within occupation

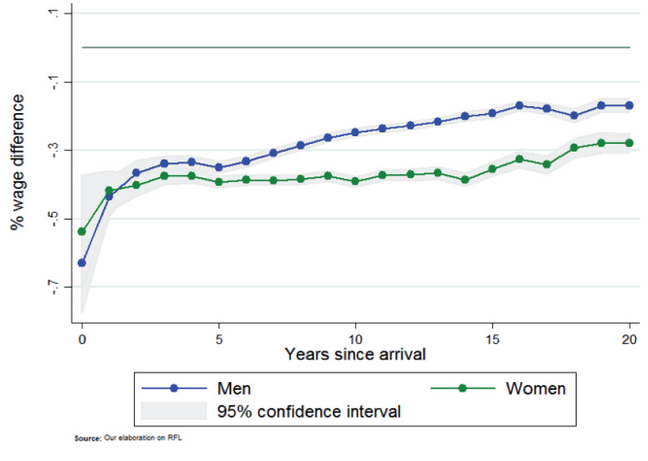
Immigrant-native wage gap by years since migration, conditional on individual characteristics and occupation



Women have smaller wage gaps than men upon arrival in Italy, although the difference is not statistically significant (Figure 34).

Figure 34: ITALY - Faster wage assimilation for immigrant men

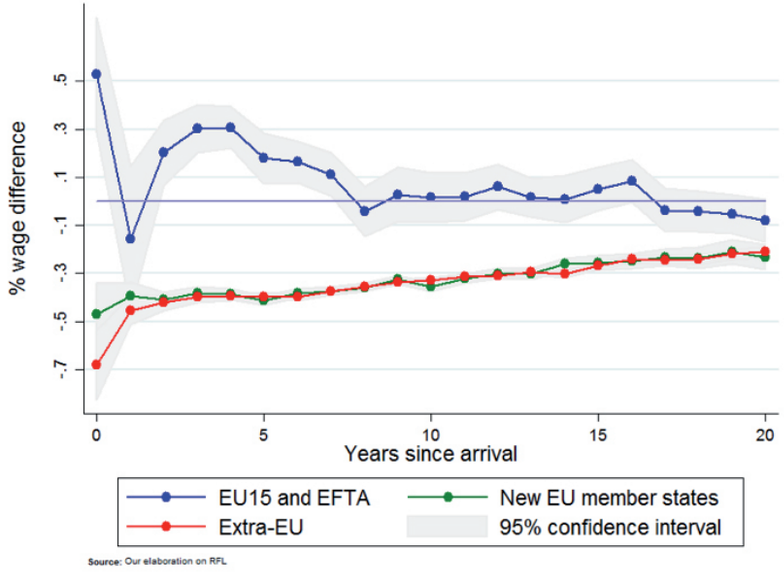
Immigrant-native wage gap by years since migration, by gender



However, while the wage gap of immigrant women is relatively stable over time, and it does not significantly decrease with experience in the Italian labour market, wages of immigrant men do tend to converge to natives' levels, although they are still 17% lower after twenty years since migration.

Figure 35: ITALY - Similar wage assimilation of Eastern European and non-EU immigrants

Immigrant-native wage gap by years since migration, by area of origin



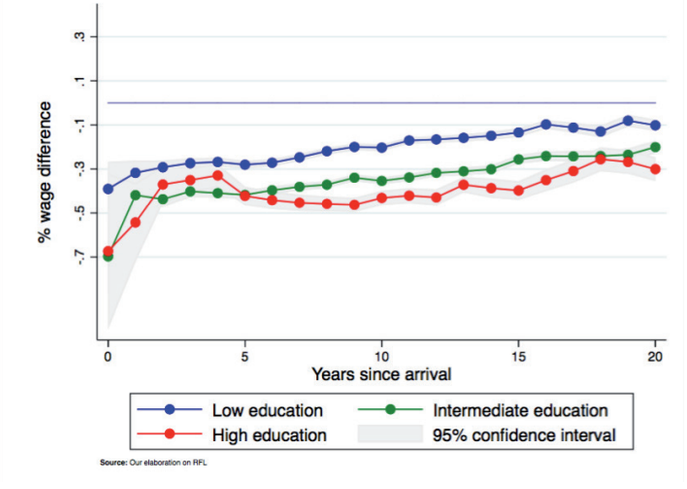
We assess differences in wage assimilation by area of origin in Figure 35. The assimilation profile of EU15 immigrants is quite noisy, especially for the first years of residence, since most EU15 immigrants have been in the country for a long time and thus the sample size is small. However, their profile suggests negative wage assimilation: even though upon arrival EU15 immigrants have on average higher wages than natives, their earnings converge over time, and reach the level of Italian after about eight years since migration. This result is likely driven by selective outmigration, i.e. by the fact that high-earning EU15 migrants spend only a few years in Italy, whereas those who settle for longer are more similar to Italians. On the other hand, the wage assimilation profiles of immigrants from the Eastern European EU member states and from the rest of the World are very similar. Non-EU immigrants close their initial substantial wage gap with Eastern European migrants

within the first two years, and then their wage trajectories evolve together.

There are no significant differences in the speed of wage assimilation between immigrants with different education levels. However, as for employment gaps, the differences in wages are lower between the least educated immigrants and natives, and higher for higher levels of education. The wages of low educated immigrants are 39% lower than those of similarly educated natives upon arrival in Italy, and 10% lower after 20 years. At the same time, the wage gap for immigrants with at most upper secondary (tertiary) education is 70% (67%) upon arrival and shrinks to 20% (30%) after twenty years in Italy.

Figure 36: ITALY - Low-educated immigrants have the highest wage assimilation

Immigrant-native wage gap by years since migration, by education.



Conclusions

One in ten people living in a EU country is foreign born, and this proportion increases to 12% for the Western European EU15 countries. Immigration is by now a stable feature of contemporary economies, and since there is no indication that immigration flows will decreases in the immediate future, the successful integration of immigrants is a key challenge for European policymakers in the next years.

While immigration may impose some short-term costs if poorly managed, it can instead provide an extraordinary economic opportunity for host countries if properly managed. In order to fully reap the benefits of migration, policymakers have to design schemes that facilitate immigrant smooth social and economic integration in the receiving country. At the EU level, there is a fundamental asymmetry between migration polices that are deliberated independently by single member countries, and the abolition of internal EU border controls which makes immigration into any member state an inherently European issue. Additionally, the considerable heterogeneity of immigrant characteristics along many dimensions in different EU countries, makes the design of harmonised EU migration policies difficult.

One persistent feature of the immigrant population in Europe is, as we highlighted last year, the positive correlation of immigrant and native education within each country: countries with higher shares of university-educated citizens are also able to attract a more educated immigrant workforce. Italy is perhaps the country where this is more evident: it has both the lowest share of natives with tertiary education across the EU, and it also hosts the lowest share of university-educated immigrants. Additionally, in the years since the recent economic crisis the education levels of immigrants have deteriorated relative to the native population. These findings suggest that one migration policy priority for Italy could be the design of schemes to increase its attractiveness for high skilled migrants who are currently mostly directed toward Central and Northern European countries.

Despite their lower education levels, the employment rates of immigrants in Italy are comparable to those of the native population, especially relative to natives with similar characteristics. The longitudinal analysis of assimilation profiles of immigrants in the Italian labour market has, however, highlighted a peculiar integration trajectory. After a few years in Italy the employment probability of immigrants becomes higher than for natives. Yet, at the same time, despite a fast wage growth immediately after arrival, immigrant wages converge to steadily lower levels than those of natives, even after as much as twenty years since migration. Immigrants are in fact concentrated in low-pay occupations relative to Italians. However, wages of immigrants who have been in the country for twenty years are still almost 10% lower than those of Italians in the same occupation, and with similar demographic characteristics. If, on the one hand, the rapid assimilation in employment probability indicates that the immigrant workforce fills existing labour shortages, on the other hand such an employment assimilation seems to happen thanks to a disproportionate clustering of immigrants in low-paying occupations, and also because their work is less remunerated than the work of comparable natives within the same occupation. These two latter facts are worrying not only for immigrants themselves, who run the risk of labour market marginalisation, but also, to the extent that labour market marginalisation is associated with social marginalisation, for the host country as a whole, as it also harms the full integration of second generation immigrants in the countries that have hosted their parents. Finding ways to avoid such marginalisation, who may also transmit to the second generations, is therefore one key policy challenge for the future.

Part II: Immigrant integration in Italy: an analysis over time

Tables Appendix – Europe

Table EU 1: Stock of immigrants in the European Union, overall and recent arrivals

Country	Stock		Recent Immigrants	
	Thousand	% of population	Thousand	% of population
Austria	1,518	18%	354	23%
Belgium	1,716	15%	318	20%
Bulgaria	20	0%	5	29%
Croatia	385	10%	2	1%
Cyprus	158	19%	42	26%
Czech Republic	309	3%	40	14%
Denmark	627	11%	163	27%
Estonia	156	12%	4	3%
Finland	262	5%	36	14%
France	7,412	11%	804	11%
Germany	8,971	11%	2,804	31%
Greece	664	6%	48	7%
Hungary	186	2%	28	16%
Iceland	21	9%	0.6	3%
Ireland	792	17%	206	27%
Italy	5,890	10%	564	10%
Latvia	248	12%	9	4%
Lithuania	160	5%	10	6%
Luxembourg	232	48%	64	27%
Malta	9	2%	1	11%
Netherlands	1,687	10%	156	9%
Norway	641	12%	179	28%
Poland	209	1%	204	97%
Portugal	683	7%	63	9%
Romania	18	0%	8	36%
Slovak Republic	43	1%	5	15%
Slovenia	189	9%	23	12%
Spain	5,468	12%	549	10%
Sweden	1,445	20%	309	22%
Switzerland	2,124	30%	485	23%
United Kingdom	9,066	14%	2,464	27%
EU15	46,431	12%	8,903	19%
All	51,305	10%	9,950	19%

The table reports, for each country, the size of the immigrant population, expressed in thousands as well as a share of the total population. It also reports the size of the population of recent immigrants, defined as immigrants who have been in the country for at most five years. The two bottom rows report the mean values for the EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.

Table EU 2: Distribution of immigrants by area of origin

Country	EU	Europe non-EU	Africa and the Middle East	Americas and Oceania	Asia
Austria	45%	37%	8%	2%	7%
Belgium	45%	12%	32%	4%	7%
Bulgaria	24%	76%	0%	0%	0%
Croatia	11%	89%	0%	0%	0%
Cyprus	54%	11%	18%	3%	14%
Czech Republic	65%	24%	3%	2%	6%
Denmark	40%	14%	20%	7%	19%
Estonia	7%	87%	6%	0%	0%
Finland	35%	30%	15%	4%	16%
France	27%	8%	53%	6%	6%
Germany	45%	30%	15%	3%	8%
Greece	20%	59%	13%	3%	5%
Hungary	70%	20%	4%	1%	4%
Iceland	69%	4%	3%	10%	13%
Ireland	63%	4%	10%	11%	12%
Italy	35%	21%	18%	13%	13%
Latvia	11%	83%	6%	0%	1%
Lithuania	14%	78%	7%	0%	1%
Luxembourg	83%	6%	6%	3%	3%
Malta	100%	0%	0%	0%	0%
Netherlands	26%	14%	23%	21%	16%
Norway	42%	11%	19%	7%	20%
Poland	37%	63%	0%	0%	0%
Portugal	28%	8%	42%	19%	3%
Romania	54%	25%	7%	11%	2%
Slovak Republic	71%	23%	2%	2%	1%
Slovenia	27%	73%	0%	0%	0%
Spain	31%	3%	21%	40%	6%
Sweden	31%	15%	35%	7%	12%
Switzerland	62%	17%	7%	8%	6%
United Kingdom	40%	3%	18%	11%	28%
EU15	37%	16%	24%	12%	12%
All	38%	17%	23%	11%	12%

The table reports, for each country, the share of immigrants from each area of origin out of the total immigrant population. The two bottom rows report the mean values for the EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.

Table EU 3: Gender composition of immigrants and education rates of natives and immigrants

Country	% Females	Immigrants		Natives	
		% Lower secondary education	% Tertiary education	% Lower secondary education	% Tertiary education
Austria	53%	27%	30%	23%	32%
Belgium	52%	36%	32%	20%	39%
Bulgaria	59%	4%	59%	29%	28%
Croatia	51%	25%	17%	1%	24%
Cyprus	57%	22%	37%	26%	44%
Czech Republic	53%	13%	30%	14%	23%
Denmark	52%	21%	44%	27%	37%
Estonia	59%	7%	43%	3%	38%
Finland	54%	24%	32%	14%	44%
France	53%	38%	31%	11%	35%
Germany	47%	39%	24%	31%	29%
Greece	53%	42%	17%	7%	32%
Hungary	53%	16%	28%	16%	24%
Iceland	54%	20%	35%	3%	41%
Ireland	52%	10%	54%	27%	40%
Italy	55%	47%	13%	10%	19%
Latvia	62%	6%	33%	4%	33%
Lithuania	58%	4%	35%	6%	40%
Luxembourg	49%	23%	51%	27%	32%
Malta	47%	38%	29%	11%	20%
Netherlands	54%	30%	29%	9%	37%
Norway	50%	24%	42%	28%	44%
Poland	59%	8%	48%	97%	29%
Portugal	56%	34%	31%	9%	23%
Romania	36%	0%	61%	36%	17%
Slovak Republic	56%	7%	26%	15%	22%
Slovenia	48%	27%	14%	12%	33%
Spain	53%	41%	27%	10%	37%
Sweden	52%	29%	43%	22%	41%
Switzerland	51%	25%	41%	23%	41%
United Kingdom	52%	16%	52%	27%	40%
EU15	52%	34%	31%	19%	32%
All	52%	33%	32%	19%	31%

The table reports, for each country, the share of immigrants that are female. the share of immigrants aged 25 to 64 with at most lower secondary education (ISCED 0-2), the share of immigrants aged 25 to 64 with tertiary education (ISCED 5-8) and, by comparison, the corresponding shares among the native population. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.

Table EU 4: Employment gap between immigrants and natives, overall

Country	All			
	Unconditional		Conditional	
Austria	-0.106	***	-0.106	***
Belgium	-0.151	***	-0.126	***
Bulgaria	-0.016		-0.094	**
Croatia	-0.074	***	-0.025	**
Cyprus	-0.010		-0.011	
Czech Republic	-0.024	***	-0.010	
Denmark	-0.123	***	-0.134	***
Estonia	-0.080	***	-0.063	***
Finland	-0.141	***	-0.123	***
France	-0.153	***	-0.108	***
Germany	-0.155	***	-0.117	***
Greece	-0.029	***	-0.012	**
Hungary	0.046	***	0.032	***
Iceland	-0.010		-0.005	
Ireland	-0.018	***	-0.070	***
Italy	-0.007	**	0.024	***
Latvia	-0.117	***	-0.078	***
Lithuania	-0.081	***	-0.039	***
Luxembourg	-0.008		-0.045	***
Malta	0.060	**	0.042	*
Netherlands	-0.169	***	-0.151	***
Norway	-0.087	***	-0.078	***
Poland	-0.025		-0.062	**
Portugal	0.031	***	-0.005	
Romania	0.121	*	-0.050	
Slovak Republic	-0.032		-0.014	
Slovenia	-0.087	***	-0.011	
Spain	-0.041	***	-0.043	***
Sweden	-0.173	***	-0.144	***
Switzerland	-0.084	***	-0.072	***
United Kingdom	-0.030	***	-0.063	***
EU15	-0.086	***	-0.078	***
All	-0.072	***	-0.063	***

*The table reports, for each country, the percentage point difference between immigrants and natives aged 25-64 in the probability of employment, overall and when differences in age, gender and education characteristics are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 5: Employment gap between immigrants and natives and by origin

	EU		Non - EU	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	-0.008	-0.048 ***	-0.174 ***	-0.153 ***
Belgium	-0.032 ***	-0.030 ***	-0.231 ***	-0.193 ***
Bulgaria	0.003	-0.051	-0.020	-0.104 **
Croatia	0.097 ***	0.050 *	-0.094 ***	-0.033 ***
Cyprus	0.010	0.002	-0.032 ***	-0.020 *
Czech Republic	-0.048 ***	-0.029 ***	0.012	0.018
Denmark	-0.034 ***	-0.067 ***	-0.177 ***	-0.176 ***
Estonia	-0.024	-0.056	-0.084 ***	-0.064 ***
Finland	-0.011	0.002	-0.218 ***	-0.196 ***
France	-0.049 ***	0.001	-0.185 ***	-0.140 ***
Germany	-0.025 ***	-0.006	-0.264 ***	-0.214 ***
Greece	0.008	0.038 ***	-0.037 ***	-0.023 ***
Hungary	0.068 ***	0.056 ***	-0.003	-0.020
Iceland	0.008	0.006	-0.052 **	-0.029
Ireland	0.011 **	-0.028 ***	-0.068 ***	-0.144 ***
Italy	0.009 *	0.025 ***	-0.015 ***	0.023 ***
Latvia	-0.002	0.011	-0.132 ***	-0.090 ***
Lithuania	-0.066	-0.052	-0.082 ***	-0.038 ***
Luxembourg	0.019 **	-0.015 *	-0.131 ***	-0.187 ***
Malta	0.060 **	0.042 *	0.000 ***	0.000 ***
Netherlands	-0.034 ***	-0.040 ***	-0.212 ***	-0.187 ***
Norway	0.029 ***	0.008	-0.169 ***	-0.138 ***
Poland	-0.043	-0.102 **	-0.017	-0.045
Portugal	0.092 ***	0.025 **	0.009	-0.016 **
Romania	0.249 ***	0.048	0.047	-0.105
Slovak Republic	-0.059 **	-0.017	0.016	-0.007
Slovenia	-0.128 ***	-0.060 ***	-0.076 ***	0.003
Spain	-0.011 *	-0.036 ***	-0.054 ***	-0.046 ***
Sweden	-0.068 ***	-0.062 ***	-0.215 ***	-0.178 ***
Switzerland	-0.024 ***	-0.022 ***	-0.166 ***	-0.141 ***
United Kingdom	0.046 ***	-0.004	-0.077 ***	-0.101 ***
EU15	-0.004 **	-0.015 ***	-0.131 ***	-0.114 ***
All	-0.005 ***	-0.016 ***	-0.130 ***	-0.113 ***

*The table reports, for each country and separately for EU and non-EU immigrants, the percentage point difference between immigrants and natives aged 25-64, in the probability of employment, overall and when differences in age, gender and education characteristics are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 6: Employment gap between immigrants and natives, by years of residence

	Recent		Earlier	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	-0.130 ***	-0.229 ***	-0.100 ***	-0.076 ***
Belgium	-0.181 ***	-0.246 ***	-0.144 ***	-0.099 ***
Bulgaria	-0.126	-0.278 ***	0.010	-0.051
Croatia	-0.023	-0.048	-0.075 ***	-0.025 **
Cyprus	0.003	-0.006	-0.014 *	-0.008
Czech Republic	-0.030	-0.090 ***	-0.023 ***	0.002
Denmark	-0.163 ***	-0.216 ***	-0.109 ***	-0.108 ***
Estonia	0.024	-0.060	-0.084 ***	-0.063 ***
Finland	-0.324 ***	-0.303 ***	-0.107 ***	-0.090 ***
France	-0.301 ***	-0.336 ***	-0.138 ***	-0.085 ***
Germany	-0.253 ***	-0.262 ***	-0.115 ***	-0.059 ***
Greece	-0.101 ***	-0.130 ***	-0.025 ***	-0.006
Hungary	-0.026	-0.117 ***	0.056 ***	0.054 ***
Iceland	0.040	0.036	-0.012	-0.006
Ireland	-0.060 ***	-0.162 ***	-0.006	-0.045 ***
Italy	-0.188 ***	-0.138 ***	0.007 **	0.036 ***
Latvia	-0.295 ***	-0.337 ***	-0.111 ***	-0.068 ***
Lithuania	-0.066	-0.198 ***	-0.081 ***	-0.035 ***
Luxembourg	0.036 ***	-0.108 ***	-0.024 ***	-0.024 ***
Malta	-0.091	-0.148 **	0.080 ***	0.066 ***
Netherlands	-0.313 ***	-0.353 ***	-0.159 ***	-0.137 ***
Norway	-0.136 ***	-0.140 ***	-0.068 ***	-0.054 ***
Poland	-0.023	-0.052 **	-0.057	-0.241 **
Portugal	-0.114 ***	-0.205 ***	0.041 ***	0.009
Romania	0.147 *	0.013	0.112	-0.070
Slovak Republic	-0.023	-0.108	-0.034	0.000
Slovenia	-0.087 ***	-0.154 ***	-0.087 ***	0.004
Spain	-0.132 ***	-0.191 ***	-0.033 ***	-0.030 ***
Sweden	-0.319 ***	-0.302 ***	-0.133 ***	-0.104 ***
Switzerland	-0.078 ***	-0.112 ***	-0.085 ***	-0.056 ***
United Kingdom	-0.065 ***	-0.143 ***	-0.018 ***	-0.040 ***
EU15	-0.180 ***	-0.224 ***	-0.067 ***	-0.051 ***
All	-0.169 ***	-0.218 ***	-0.067 ***	-0.049 ***

*The table reports, for each country and separately for immigrants who have been in the country for at most five years (recent) and for immigrants who have spent six or more years in the country (earlier), the percentage point difference between immigrants and natives aged 25-64, in the probability of employment, overall and when differences in age, gender and education characteristics are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 7: Employment gaps between EU immigrants and natives, by years of residence

	Recent EU		Earlier - EU	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	0.012 ***	-0.096 ***	-0.016 **	-0.031 ***
Belgium	-0.012	-0.102 ***	-0.039 ***	-0.008
Bulgaria	0.291	0.073 ***	-0.121	-0.105
Croatia	0.109	0.014	0.097 ***	0.051 *
Cyprus	-0.006 ***	-0.049 **	0.014	0.016
Czech Republic	0.020	-0.037	-0.059 ***	-0.027 ***
Denmark	-0.061 **	-0.122 ***	-0.021 *	-0.042 ***
Estonia	0.056 ***	-0.012	-0.040	-0.064
Finland	-0.082 ***	-0.054	0.001	0.011
France	-0.081 ***	-0.137 ***	-0.045 ***	0.019 ***
Germany	-0.033	-0.045 ***	-0.022 ***	0.014 ***
Greece	0.161	0.112 **	0.001	0.035 ***
Hungary	-0.019 ***	-0.107 ***	0.083 ***	0.084 ***
Iceland	0.066	0.065	0.006	0.004
Ireland	0.047	-0.035 ***	0.005	-0.026 ***
Italy	-0.021	0.003	0.010 **	0.026 ***
Latvia	-0.274 ***	-0.279	0.010	0.024
Lithuania	-0.174	-0.248	-0.063	-0.047
Luxembourg	0.081 ***	-0.065 ***	-0.003	0.003
Malta	-0.091	-0.148 **	0.080 ***	0.066 ***
Netherlands	-0.096	-0.140 ***	-0.027 ***	-0.029 ***
Norway	0.001	-0.025 *	0.043 ***	0.025 ***
Poland	-0.042 ***	-0.098 **	-0.064	-0.199
Portugal	0.007	-0.063	0.097 ***	0.029 ***
Romania	0.310	0.191 ***	0.234 ***	0.011
Slovak Republic	0.035 **	-0.093	-0.067 **	-0.010
Slovenia	-0.024 ***	-0.141 **	-0.136 ***	-0.055 ***
Spain	-0.046	-0.133 ***	-0.007	-0.028 ***
Sweden	-0.052 ***	-0.078 ***	-0.072 ***	-0.058 ***
Switzerland	0.000	-0.041 ***	-0.033 ***	-0.011 **
United Kingdom	0.048	-0.034 ***	0.046 ***	0.009 **
EU15	-0.005	-0.058 ***	-0.004 **	-0.003 *
All	-0.004	-0.065 ***	-0.005 ***	-0.003 *

*The table reports, for each country and separately for EU immigrants who have been in the country for at most five years (recent) and for EU immigrants who have spent six or more years in the country (earlier), the percentage point difference between immigrants and natives aged 25-64, in the probability of employment, overall and when differences in age, gender and education characteristics are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 8: Employment gaps between Non-EU immigrants and natives, by years of residence

	Recent non-EU		Earlier non-EU	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	-0.310 ***	-0.401 ***	-0.150 ***	-0.107 ***
Belgium	-0.340 ***	-0.385 ***	-0.209 ***	-0.156 ***
Bulgaria	-0.299 **	-0.423 ***	0.035	-0.040
Croatia	-0.093	-0.081	-0.094 ***	-0.033 ***
Cyprus	0.010	0.030	-0.048 ***	-0.032 **
Czech Republic	-0.114 ***	-0.180 ***	0.029 **	0.045 ***
Denmark	-0.254 ***	-0.301 ***	-0.156 ***	-0.143 ***
Estonia	0.008	-0.083	-0.087 ***	-0.063 ***
Finland	-0.440 ***	-0.421 ***	-0.173 ***	-0.151 ***
France	-0.386 ***	-0.413 ***	-0.166 ***	-0.114 ***
Germany	-0.486 ***	-0.493 ***	-0.188 ***	-0.115 ***
Greece	-0.168 ***	-0.192 ***	-0.031 ***	-0.015 **
Hungary	-0.050	-0.150 **	0.001	-0.008
Iceland	-0.027	-0.040	-0.053 **	-0.029
Ireland	-0.146 ***	-0.266 ***	-0.028 ***	-0.085 ***
Italy	-0.245 ***	-0.186 ***	0.005	0.041 ***
Latvia	-0.299 ***	-0.347 ***	-0.126 ***	-0.080 ***
Lithuania	-0.056	-0.193 **	-0.083 ***	-0.034 ***
Luxembourg	-0.135 ***	-0.284 ***	-0.130 ***	-0.147 ***
Malta	0.000 ***	0.000 ***	0.000 ***	0.000 ***
Netherlands	-0.427 ***	-0.466 ***	-0.199 ***	-0.171 ***
Norway	-0.277 ***	-0.258 ***	-0.136 ***	-0.101 ***
Poland	-0.015	-0.033	-0.054	-0.255 ***
Portugal	-0.144 ***	-0.241 ***	0.020 ***	0.001
Romania	0.078	-0.063	0.036	-0.121
Slovak Republic	-0.066	-0.120	0.038	0.023
Slovenia	-0.100 ***	-0.156 ***	-0.073 ***	0.021 **
Spain	-0.170 ***	-0.216 ***	-0.044 ***	-0.032 ***
Sweden	-0.408 ***	-0.379 ***	-0.159 ***	-0.123 ***
Switzerland	-0.231 ***	-0.253 ***	-0.150 ***	-0.109 ***
United Kingdom	-0.189 ***	-0.264 ***	-0.052 ***	-0.066 ***
EU15	-0.323 ***	-0.359 ***	-0.099 ***	-0.075 ***
All	-0.310 ***	-0.351 ***	-0.100 ***	-0.074 ***

*The table reports, for each country and separately for non-EU immigrants who have been in the country for at most five years (recent) and for non-EU immigrants who have spent six or more years in the country (earlier), the percentage point difference between immigrants and natives aged 25-64, in the probability of employment, overall and when differences in age, gender and education characteristics are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 9: Differences in occupational status between immigrants and natives

Country	All			
	Unconditional		Conditional	
Austria	-0.388	***	-0.309	***
Belgium	-0.319	***	-0.214	***
Bulgaria	0.501	***	0.041	
Croatia	-0.174	***	-0.060	**
Cyprus	-0.528	***	-0.319	***
Czech Republic	-0.007		-0.081	***
Denmark	-0.288	***	-0.282	***
Estonia	-0.208	***	-0.203	***
Finland	-0.272	***	-0.100	***
France	-0.234	***	-0.167	***
Germany	-0.453	***	-0.283	***
Greece	-0.664	***	-0.289	***
Hungary	0.059		0.018	
Iceland	-0.573	***	-0.469	***
Ireland	-0.149	***	-0.238	***
Italy	-0.772	***	-0.544	***
Latvia	-0.109	***	-0.059	*
Lithuania	-0.043		0.015	
Luxembourg	0.051	**	-0.120	***
Netherlands	-0.251	***	-0.150	***
Norway	-0.395	***	-0.355	***
Poland	0.129	*	-0.095	*
Portugal	0.076	***	-0.102	***
Romania	0.785	***	-0.086	
Slovak Republic	0.198	***	0.127	**
Slovenia	-0.546	***	-0.191	***
Spain	-0.544	***	-0.357	***
Sweden	-0.329	***	-0.312	***
Switzerland	-0.165	***	-0.060	***
United Kingdom	-0.094	***	-0.211	***
EU15	-0.368	***	-0.297	***
All	-0.344	***	-0.300	***

*The table reports, for each country, the difference in occupational status, measured by the ISEI index, between immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. Each cell measures the difference expressed as a fraction of the within-country standard deviation. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 10: Differences in occupational status between immigrants and natives, by origin

Country	EU				non-EU			
	Unconditional		Conditional		Unconditional		Conditional	
Austria	-0.131	***	-0.206	***	-0.617	***	-0.406	***
Belgium	-0.085	***	-0.079	***	-0.534	***	-0.343	***
Bulgaria	0.949	***	0.406	***	0.396	***	-0.045	
Croatia	0.241	**	0.171	**	-0.239	***	-0.097	***
Cyprus	-0.358	***	-0.202	***	-0.717	***	-0.451	***
Czech Republic	0.135	***	0.026		-0.201	***	-0.227	***
Denmark	-0.074	**	-0.172	***	-0.447	***	-0.364	***
Estonia	0.392	***	0.170	*	-0.255	***	-0.235	***
Finland	-0.158	***	0.043	*	-0.365	***	-0.219	***
France	-0.125	***	-0.069	***	-0.276	***	-0.206	***
Germany	-0.405	***	-0.272	***	-0.510	***	-0.287	***
Greece	-0.431	***	-0.256	***	-0.722	***	-0.295	***
Hungary	0.026		0.014		0.140	**	0.029	
Iceland	-0.567	***	-0.482	***	-0.586	***	-0.433	***
Ireland	-0.212	***	-0.239	***	-0.030		-0.238	***
Italy	-0.632	***	-0.482	***	-0.852	***	-0.572	***
Latvia	-0.045		-0.070		-0.119	***	-0.057	*
Lithuania	0.138		0.123		-0.063	*	0.004	
Luxembourg	0.093	***	-0.087	***	-0.189	***	-0.279	***
Netherlands	-0.072	***	-0.046	***	-0.324	***	-0.193	***
Norway	-0.255	***	-0.287	***	-0.522	***	-0.416	***
Poland	0.717	***	0.327	***	-0.107		-0.264	***
Portugal	0.140	***	-0.091	***	0.049	**	-0.109	***
Romania	1.069	***	-0.079		0.578	**	-0.092	
Slovak Republic	-0.010		-0.013		0.544	***	0.360	***
Slovenia	-0.077		-0.033		-0.663	***	-0.234	***
Spain	-0.344	***	-0.275	***	-0.638	***	-0.396	***
Sweden	0.012		-0.092	***	-0.493	***	-0.423	***
Switzerland	-0.023	*	0.023	**	-0.400	***	-0.212	***
United Kingdom	-0.261	***	-0.334	***	0.028	***	-0.120	***
EU15	-0.303	***	-0.272	***	-0.409	***	-0.312	***
All	-0.274	***	-0.247	***	-0.403	***	-0.301	***

*The table reports, for each country, and separately for EU and non-EU immigrants, the difference in occupational status, measured by the ISEI index, between immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. Each cell measures the difference expressed as a fraction of the within-country standard deviation. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 11: Differences in occupational status between immigrants and natives, by years of residence

	Recent Immigrants		Earlier Immigrants	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	-0.276 ***	-0.360 ***	-0.416 ***	-0.295 ***
Belgium	-0.169 ***	-0.197 ***	-0.351 ***	-0.218 ***
Bulgaria	1.283 ***	0.401 **	0.352 ***	-0.028
Croatia	-0.149	-0.073	-0.174 ***	-0.060 **
Cyprus	-0.833 ***	-0.546 ***	-0.435 ***	-0.253 ***
Czech Republic	0.386 ***	0.135 **	-0.064 **	-0.112 ***
Denmark	-0.206 ***	-0.219 ***	-0.313 ***	-0.301 ***
Estonia	0.417 **	-0.157	-0.232 ***	-0.206 ***
Finland	-0.261 ***	-0.037	-0.274 ***	-0.108 ***
France	-0.294 ***	-0.302 ***	-0.230 ***	-0.157 ***
Germany	-0.381 ***	-0.395 ***	-0.476 ***	-0.243 ***
Greece	-0.488 ***	-0.198 ***	-0.671 ***	-0.291 ***
Hungary	0.005	-0.192 **	0.067 *	0.046
Iceland	-1.041 ***	-0.996 ***	-0.555 ***	-0.448 ***
Ireland	-0.037	-0.246 ***	-0.179 ***	-0.237 ***
Italy	-0.846 ***	-0.547 ***	-0.769 ***	-0.541 ***
Latvia	0.320	-0.011	-0.120 ***	-0.061 *
Lithuania	0.826 ***	0.302	-0.066 *	0.008
Luxembourg	0.303 ***	-0.039	-0.050 **	-0.141 ***
Netherlands	-0.105 **	-0.047	-0.258 ***	-0.155 ***
Norway	-0.571 ***	-0.531 ***	-0.333 ***	-0.295 ***
Poland	0.126 *	-0.092 *	0.203	-0.152
Portugal	-0.358 ***	-0.469 ***	0.099 ***	-0.082 ***
Romania	0.881 **	-0.033	0.752 ***	-0.105
Slovak Republic	0.997 ***	0.678 ***	0.082	0.047
Slovenia	-0.749 ***	-0.466 ***	-0.526 ***	-0.163 ***
Spain	-0.223 ***	-0.236 ***	-0.568 ***	-0.367 ***
Sweden	-0.379 ***	-0.465 ***	-0.319 ***	-0.281 ***
Switzerland	0.146 ***	0.014	-0.268 ***	-0.086 ***
United Kingdom	-0.188 ***	-0.330 ***	-0.067 ***	-0.176 ***
EU15	-0.290 ***	-0.348 ***	-0.379 ***	-0.287 ***
All	-0.255 ***	-0.324 ***	-0.366 ***	-0.270 ***

*The table reports, for each country, and separately for recent (in the country for at most five years) and earlier (in the country for six or more years) immigrants, the difference in occupational status, measured by the ISEI index, between immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. Each cell measures the difference expressed as a fraction of the within-country standard deviation. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016*

Table EU 12: Gap in occupational status between EU immigrants and natives, by years of residence

	Recent EU		Earlier EU	
Country	**Unconditional**	**Conditional**	**Unconditional**	**Conditional**
Austria	-0.253 ***	-0.338 ***	-0.083 ***	-0.155 ***
Belgium	-0.056	-0.134 ***	-0.094 ***	-0.062 ***
Bulgaria	1.541 ***	0.566 ***	0.514 **	0.288 *
Croatia	0.530	0.184	0.234 **	0.171 **
Cyprus	-0.377 ***	-0.311 ***	-0.353 ***	-0.175 ***
Czech Republic	0.349 ***	0.121 *	0.098 ***	0.010
Denmark	-0.070	-0.099	-0.076 **	-0.204 ***
Estonia	0.244	-0.226	0.431 ***	0.273 ***
Finland	-0.206 **	0.110	-0.151 ***	0.032
France	-0.078	-0.191 ***	-0.131 ***	-0.055 ***
Germany	-0.507 ***	-0.460 ***	-0.358 ***	-0.183 ***
Greece	0.001	-0.136	-0.459 ***	-0.263 ***
Hungary	0.023	-0.188 *	0.026	0.044
Iceland	-1.269 ***	-1.155 ***	-0.539 ***	-0.454 ***
Ireland	-0.151 ***	-0.247 ***	-0.224 ***	-0.238 ***
Italy	-0.701 ***	-0.540 ***	-0.629 ***	-0.479 ***
Latvia	-0.159	0.107	-0.042	-0.075
Lithuania	-0.710 ***	-0.464	0.155	0.134 *
Luxembourg	0.345 ***	-0.018	-0.007	-0.106 ***
Netherlands	-0.124 *	-0.020	-0.067 ***	-0.049 ***
Norway	-0.557 ***	-0.524 ***	-0.107 ***	-0.175 ***
Poland	0.749 ***	0.333 ***	-0.030	0.175 *
Portugal	-0.066	-0.245 *	0.149 ***	-0.083 ***
Romania	-0.250	-0.367 ***	1.428 ***	0.000
Slovak Republic	0.713 *	0.419	-0.087	-0.059
Slovenia	-0.117	-0.203	-0.074	-0.018
Spain	0.079	-0.079 *	-0.381 ***	-0.292 ***
Sweden	0.081 **	-0.158 ***	-0.004	-0.076 ***
Switzerland	0.251 ***	0.089 ***	-0.136 ***	-0.004
United Kingdom	-0.414 ***	-0.494 ***	-0.187 ***	-0.261 ***
EU15	-0.359 ***	-0.391 ***	-0.286 ***	-0.239 ***
All	-0.293 ***	-0.345 ***	-0.265 ***	-0.217 ***

*The table reports, for each country, and separately for recent (in the country for at most five years) and earlier (in the country for six or more years) EU immigrants, the difference in occupational status, measured by the ISEI index, between EU immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. Each cell measures the difference expressed as a fraction of the within-country standard deviation. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 13: Gap in occupational status between non-EU immigrants and natives, by residence

Country	Recent Immigrants		Earlier Immigrants	
	Unconditional	Conditional	Unconditional	Conditional
Austria	-0.327 ***	-0.402 ***	-0.656 ***	-0.404 ***
Belgium	-0.358 ***	-0.301 ***	-0.560 ***	-0.348 ***
Bulgaria	1.023 **	0.234	0.328 **	-0.075
Croatia	-0.984 ***	-0.390 ***	-0.237 ***	-0.096 ***
Cyprus	-1.164 ***	-0.721 ***	-0.538 ***	-0.345 ***
Czech Republic	0.459 ***	0.163 *	-0.275 ***	-0.271 ***
Denmark	-0.371 ***	-0.366 ***	-0.464 ***	-0.363 ***
Estonia	0.533 **	-0.112	-0.275 ***	-0.240 ***
Finland	-0.316 ***	-0.189 **	-0.371 ***	-0.222 ***
France	-0.451 ***	-0.382 ***	-0.265 ***	-0.195 ***
Germany	-0.067	-0.227 ***	-0.591 ***	-0.298 ***
Greece	-0.712 ***	-0.226 ***	-0.722 ***	-0.295 ***
Hungary	-0.061	-0.206	0.159 **	0.051
Iceland	-0.411	-0.558	-0.593 ***	-0.429 ***
Ireland	0.086 *	-0.244 ***	-0.078 ***	-0.236 ***
Italy	-0.923 ***	-0.550 ***	-0.848 ***	-0.570 ***
Latvia	0.409 *	-0.033	-0.132 ***	-0.057 *
Lithuania	0.949 ***	0.364 *	-0.090 **	-0.007
Luxembourg	0.078	-0.120	-0.307 ***	-0.342 ***
Netherlands	-0.087	-0.074	-0.332 ***	-0.197 ***
Norway	-0.592 ***	-0.539 ***	-0.505 ***	-0.386 ***
Poland	-0.128	-0.265 ***	0.276	-0.255
Portugal	-0.451 ***	-0.540 ***	0.079 ***	-0.084 ***
Romania	1.503 ***	0.151	0.213	-0.188
Slovak Republic	1.254 ***	0.912 ***	0.391 ***	0.241 **
Slovenia	-0.886 ***	-0.523 ***	-0.640 ***	-0.203 ***
Spain	-0.393 ***	-0.325 ***	-0.655 ***	-0.402 ***
Sweden	-0.648 ***	-0.646 ***	-0.464 ***	-0.380 ***
Switzerland	-0.138 **	-0.193 ***	-0.455 ***	-0.219 ***
United Kingdom	0.160 ***	-0.077 ***	0.003	-0.126 ***
EU15	-0.188 ***	-0.282 ***	-0.433 ***	-0.315 ***
All	-0.195 ***	-0.289 ***	-0.195 ***	-0.289 ***

*The table reports, for each country, and separately for recent (in the country for at most five years) and earlier (in the country for six or more years) non-EU immigrants, the difference in occupational status, measured by the ISEI index, between non-EU immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. Each cell measures the difference expressed as a fraction of the within-country standard deviation. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 14: Immigrant-native differences in probability of being in bottom income decile

Country	Unconditional	Conditional on:	
		Individual characteristics	Individual characteristics and occupation
Belgium	0.055 ***	0.044 ***	0.014 ***
Bulgaria	0.000	0.039	0.026
Croatia	-0.015	-0.017	-0.024 **
Cyprus	0.184 ***	0.149 ***	0.101 ***
Denmark	0.025 ***	0.019 ***	0.006
Estonia	0.053 ***	0.037 ***	0.026 **
Finland	0.067 ***	0.053 ***	0.035 **
France	0.064 ***	0.046 ***	0.030 ***
Germany	0.055 ***	0.037 ***	0.015 ***
Greece	0.117 ***	0.081 ***	0.060 ***
Ireland	0.016 ***	0.029 ***	0.017 ***
Italy	0.108 ***	0.084 ***	0.031 ***
Latvia	0.007	-0.019 *	-0.022 **
Lithuania	-0.018 *	-0.025 ***	-0.024 **
Luxembourg	0.040 ***	0.047 ***	0.015
Malta	-0.012	-0.005	-0.009
Netherlands	0.020 ***	0.018 ***	0.008
Poland	0.088 **	0.098 **	0.089 **
Portugal	0.015 ***	0.030 ***	0.012 **
Romania	-0.066 *	-0.026	-0.027
Slovak Republic	0.013	0.011	0.030 *
Switzerland	0.001	-0.007 **	-0.017 ***
United Kingdom	0.007	0.017 ***	-0.002
EU15	0.053 ***	0.045 ***	0.020 ***
All	0.050 ***	0.042 ***	0.017 ***

*The table reports, for each country, the percentage points difference in the probability of being in the bottom decile of the national income distribution between immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 15: Immigrant-native differences in probability of being in top income decile

Country	Unconditional	Conditional on: Individual characteristics	Conditional on: Individual characteristics and occupation
Belgium	0.034 ***	0.052 ***	0.014 ***
Bulgaria	0.219 **	0.177 **	0.026 **
Croatia	0.003	0.016	-0.024 *
Cyprus	-0.025 ***	0.024 ***	0.101 ***
Denmark	-0.043 ***	-0.025 ***	0.006
Estonia	-0.062 ***	-0.047 ***	0.026 **
Finland	-0.051 ***	-0.023 *	0.035
France	-0.004	0.000	0.030
Germany	-0.056 ***	-0.038 ***	0.015 ***
Greece	-0.078 ***	-0.027 ***	0.060 **
Ireland	-0.029 ***	-0.038 ***	0.017 ***
Italy	-0.089 ***	-0.044 ***	0.031 ***
Latvia	-0.042 ***	-0.021 **	-0.022
Lithuania	0.017	0.034 ***	-0.024 ***
Luxembourg	0.000	-0.013	0.015
Malta	0.123 ***	0.106 ***	-0.009 ***
Netherlands	-0.043 ***	-0.021 ***	0.008
Poland	0.050	0.018	0.089
Portugal	0.024 ***	-0.002	0.012
Romania	0.011	-0.068	-0.027
Slovak Republic	0.094 ***	0.083 ***	0.030 ***
Switzerland	-0.008 *	0.008 *	-0.017 ***
United Kingdom	0.019 **	0.005	-0.002 ***
EU15	-0.034 ***	-0.018 ***	0.000
All	-0.032 ***	-0.018 ***	-0.001

*The table reports, for each country, the percentage points difference in the probability of being in the top decile of the national income distribution between immigrants and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 16: Differences in probability of being in bottom decile btw recent immigrants and natives

Country	Unconditional	Conditional on: Individual characteristics	Conditional on: Individual characteristics and occupation
Belgium	0.049 ***	0.058 ***	0.027 **
Bulgaria	-0.037	0.004	-0.010
Croatia	-0.081 ***	-0.119 ***	-0.134 ***
Cyprus	0.436 ***	0.386 ***	0.322 ***
Denmark	0.048 ***	0.038 ***	0.020 *
Estonia	0.008	0.047	0.044
Finland	0.089 *	0.061	0.050
France	0.134 ***	0.139 ***	0.117 ***
Germany	0.059 ***	0.059 ***	0.024 ***
Greece	0.059 **	0.011	-0.005
Ireland	0.019	0.044 ***	0.029 **
Italy	0.162 ***	0.117 ***	0.064 ***
Latvia	0.007	0.010	0.035
Lithuania	-0.099 ***	-0.060 ***	-0.050 ***
Luxembourg	0.038 **	0.066 ***	0.047 ***
Malta	0.073	0.101 **	0.067
Netherlands	0.095 **	0.091 *	0.081 *
Poland	0.090 **	0.099 **	0.090 **
Portugal	0.084 **	0.101 ***	0.022
Romania	-0.103 ***	-0.075 ***	-0.078 ***
Slovak Republic	-0.058 ***	-0.019 *	-0.007
Switzerland	0.003	0.009	-0.006
United Kingdom	0.002	0.020 **	-0.009
EU15	0.051 ***	0.056 ***	0.023 ***
All	0.048 ***	0.053 ***	0.022 ***

*The table reports, for each country, the percentage points difference in the probability of being in the bottom decile of the national income distribution between immigrants who have been in the country for at most five years and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 17: Differences in probability of being in top decile between recent immigrants and natives

Country	Unconditional	Conditional on: Individual characteristics	Conditional on: Individual characteristics and occupation
Belgium	0.062 ***	0.086 ***	0.087 ***
Bulgaria	0.336 *	0.277 *	0.271 *
Croatia	-0.117 ***	0.005	0.027
Cyprus	-0.019 **	0.066 ***	0.074 ***
Denmark	-0.041 ***	-0.009	0.008
Estonia	0.393 ***	0.299 ***	0.310 ***
Finland	-0.064 **	-0.004	0.000
France	0.053	0.079 **	0.084 ***
Germany	-0.049 ***	-0.044 ***	-0.020 ***
Greece	-0.044 **	0.040 *	0.047 **
Ireland	-0.010	-0.029 **	-0.015
Italy	-0.095 ***	-0.017 **	0.010
Latvia	-0.014	-0.028	-0.047
Lithuania	0.347 *	0.264	0.298 *
Luxembourg	-0.005	-0.004	-0.014
Malta	0.220 ***	0.163 ***	0.192 ***
Netherlands	-0.101 ***	-0.051 **	-0.047 **
Poland	0.049	0.019	0.005
Portugal	-0.037 *	-0.007	0.021
Romania	0.133	0.069	0.071
Slovak Republic	0.064	-0.010	-0.075
Switzerland	0.014	0.018 *	0.017 *
United Kingdom	0.044 **	0.036 *	0.061 ***
EU15	-0.008	0.008	0.028 ***
All	-0.004	0.005	0.022 ***

*The table reports, for each country, the percentage points difference in the probability of being in the top decile of the national income distribution between immigrants who have been in the country for at most five years and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 18: Differences in probability of being in bottom decile btw earlier immigrants and natives

Country	Unconditional	Conditional on: Individual characteristics	Conditional on: Individual characteristics and occupation
Belgium	0.056 ***	0.041 ***	0.012 **
Bulgaria	0.021	0.059	0.047
Croatia	-0.015	-0.016	-0.024 **
Cyprus	0.101 ***	0.084 ***	0.062 ***
Denmark	0.016 ***	0.012 **	0.001
Estonia	0.055 ***	0.036 ***	0.025 **
Finland	0.064 ***	0.052 ***	0.032 **
France	0.058 ***	0.037 ***	0.022 ***
Germany	0.054 ***	0.032 ***	0.013 ***
Greece	0.119 ***	0.084 ***	0.062 ***
Ireland	0.016 ***	0.026 ***	0.014 ***
Italy	0.105 ***	0.082 ***	0.030 ***
Latvia	0.007	-0.020 *	-0.023 **
Lithuania	-0.017 *	-0.025 **	-0.023 **
Luxembourg	0.041 ***	0.038 ***	0.006
Malta	-0.021 **	-0.016 *	-0.017 *
Netherlands	0.017 ***	0.015 ***	0.004
Poland	-0.120 ***	0.000	-0.082
Portugal	0.011 **	0.026 ***	0.012 **
Romania	-0.051	-0.005	-0.005
Slovak Republic	0.017	0.013	0.032 *
Switzerland	0.001	-0.014 ***	-0.023 ***
United Kingdom	0.008	0.017 ***	-0.001
EU15	0.053 ***	0.043 ***	0.019 ***
All	0.050 ***	0.039 ***	0.015 ***

*The table reports, for each country, the percentage points difference in the probability of being in the bottom decile of the national income distribution between immigrants who have been in the country for six or more years and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Table EU 19: Differences in probability of being in top decile btw earlier immigrants and natives

Country	Unconditional		Conditional on: Individual characteristics		Individual characteristics and occupation	
Belgium	0.027	***	0.044	***	0.053	***
Bulgaria	0.151		0.119		0.143	
Croatia	0.004		0.016		0.027	*
Cyprus	-0.026	***	0.015	***	0.022	***
Denmark	-0.043	***	-0.030	***	-0.003	
Estonia	-0.081	***	-0.063	***	-0.044	***
Finland	-0.049	***	-0.025	*	-0.019	
France	-0.009		-0.007		0.001	
Germany	-0.057	***	-0.036	***	-0.018	***
Greece	-0.079	***	-0.029	***	-0.011	***
Ireland	-0.035	***	-0.041	***	-0.030	***
Italy	-0.088	***	-0.044	***	-0.007	***
Latvia	-0.043	***	-0.021	*	-0.012	
Lithuania	0.013		0.031	**	0.035	***
Luxembourg	0.001		-0.015		-0.006	
Malta	0.113	***	0.100	***	0.084	***
Netherlands	-0.040	***	-0.019	***	-0.003	
Poland	0.093		-0.074		-0.002	
Portugal	0.027	***	-0.001		0.006	
Romania	-0.041		-0.127	**	-0.145	**
Slovak Republic	0.096	***	0.089	***	0.083	***
Switzerland	-0.017	***	0.007		0.016	***
United Kingdom	0.011		-0.005		0.013	*
EU15	-0.038	***	-0.022	***	-0.005	***
All	-0.036	***	-0.021	***	-0.005	***

*The table reports, for each country, the percentage points difference in the probability of being in the top decile of the national income distribution between immigrants who have been in the country for six or more years and natives aged 25-64, overall and when differences in age, gender and education characteristics are taken into account. or when, additionally, also differences in occupations are taken into account. The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. The two bottom rows report the mean values for EU15 countries as well as for all countries. Immigrants are defined as foreign born, except for Germany where they are defined as foreign nationals. Source: our elaboration on EULFS data 2016.*

Tables Appendix – Italy

Table IT 1: Demographic characteristics – year 2009

	Natives	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
N=	55,223,885	695,485	1,004,545	2,828,386	4,528,416
% of total	92.4%	1.2%	1.7%	4.7%	7,6%
Age	42.2	41	33.5	35.6	36
Sex					
Men	48.8%	41.6%	42.6%	49.5%	46.8%
Women	51.2%	58.4%	57.4%	50.5%	53.2%
Education					
Low	46.3%	38.5%	28.5%	50.9%	44.0%
Intermediate	39.0%	43.7%	62.3%	36.3%	43.2%
High	14.7%	17.8%	9.2%	12.7%	12.7%
Area of residence					
North	44.6%	42.0%	52.6%	63.0%	57.5%
Centre	19.2%	18.7%	33.2%	23.0%	24.6%
South	36.2%	39.3%	14.1%	14.0%	17.9%
Years since migration					
Mean	-	29.1	9	12.6	14.3
Median	-	30	7	9	9
1 year or less	-	0.8%	3.0%	4.7%	3.7%
2 to 5 years	-	7.4%	34.7%	18.7%	20.6%
6 to 10 years	-	8.0%	39.7%	33.8%	31.1%
More than 10	-	83.8%	22.6%	42.8%	44.6%

The table reports descriptive statistics for the 2009 RFL sample. In particular, it reports the size of the native and immigrant population, overall and by main area of origin, expressed as well as a share of the total population. For each group it also reports mean age; the share of men and women; the share of individuals aged 25 to 64 with at most low education (ISCED 0-2), with intermediate education (ISCED 3-4) and with high education (ISCED 5-8); the share of individuals in each group by geographical area of residence (see Technical Appendix); mean and median years since permanent migration to Italy for each of the immigrant group, and the share of immigrants who have been living in Italy for 1 year or less, for 2-5 year, for 6-10 year or for more than 10 years. Source: our elaboration on RFL data.

Table IT 2: Demographic characteristics – year 2017

	Natives	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
N=	54,338,118	706,966	1,364,222	3,855,318	5,926,506
% of total	90.2%	1.2%	2.3%	6.4%	9,9%
Age	43.7	46.5	38.5	39.1	39.9
Sex					
Men	49.0%	41.0%	39.3%	48.2%	45.3%
Women	51.0%	59.0%	60.7%	51.8%	54.7%
Education					
Low	38.1%	34.3%	36.4%	54.6%	47.9%
Intermediate	42.5%	44.1%	53.4%	31.7%	38.3%
High	19.4%	21.7%	10.3%	13.7%	13.8%
Area of residence					
North	44.6%	41.8%	48.4%	61.8%	56.3%
Centre	19.5%	20.9%	29.6%	22.6%	24.0%
South	36.0%	37.3%	22.0%	15.6%	19.6%
Years since migration					
Mean	-	34.6	13.3	15.6	17.3
Median	-	37	12	13	14
1 year or less	-	0.5%	0.6%	1.3%	1.0%
2 to 5 years	-	4.3%	7.9%	10.8%	9.3%
6 to 10 years	-	5.3%	28.6%	25.2%	23.6%
More than 10	-	90.0%	62.9%	62.7%	66.0%

The table reports descriptive statistics for the 2017 RFL sample. In particular, it reports the size of the native and immigrant population, overall and by main area of origin, expressed as well as a share of the total population. For each group it also reports mean age; the share of men and women; the share of individuals aged 25 to 64 with at most low education (ISCED 0-2), with intermediate education (ISCED 3-4) and with high education (ISCED 5-8); the share of individuals in each group by geographical area of residence (see Technical Appendix); mean and median years since permanent migration to Italy for each of the immigrant group, and the share of immigrants who have been living in Italy for 1 year or less, for 2-5 year, for 6-10 year or for more than 10 years. Source: our elaboration on RFL data.

Table IT 3: Labour market characteristics – year 2009

	Natives	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
Employment					
Employed	63.6%	62.1%	72.3%	68.0%	68.0%
Unemployed	4.1%	5.8%	8.5%	7.6%	7.5%
Inactive	32.3%	32.1%	19.3%	24.3%	24.4%
Hours worked	34	33.1	33.7	34	33.8
Wage decile					
1st	9.0%	11.7%	22.3%	17.9%	18.2%
2nd	10.2%	12.9%	23.6%	25.0%	23.2%
3nd	8.4%	9.8%	14.2%	13.1%	13.0%
4th	10.0%	10.0%	9.8%	12.0%	11.2%
5th	12.8%	12.8%	11.7%	11.7%	11.8%
6th	10.7%	8.2%	5.6%	6.5%	6.5%
7th	8.9%	7.4%	4.3%	4.5%	4.8%
8th	8.4%	6.9%	3.3%	3.3%	3.7%
9th	10.8%	8.9%	3.3%	3.4%	4.1%
10th	10.7%	11.4%	2.0%	2.6%	3.5%
Net wage	1,280.9	1,241.3	954.2	993.4	1,014.4

The table reports descriptive statistics for the 2009 RFL sample, with regard to labour market outcomes. In particular, it reports for natives, total immigrants, and for immigrants by main area of origin aged 25-64, the share of employed, unemployed and inactive individuals; average number of weekly hours worked; the share of individuals in each income decile; and average net monthly wage. Source: our elaboration on RFL data.

Table IT 4: Labour market characteristics – year 2017

	Natives	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
N=	54,338,118	706,966	1,364,222	3,855,318	5,926,506
% of total	90.2%	1.2%	2.3%	6.4%	9,9%
Employment					
Employed	65.2%	62.7%	66.1%	63.6%	64.1%
Unemployed	6.9%	7.5%	11.0%	10.3%	10.2%
Inactive	27.9%	29.9%	22.9%	26.1%	25.7%
Hours worked	35.2	35.2	34	34.6	34.5
Wage decile					
1st	8.9%	11.5%	26.7%	21.7%	22.0%
2nd	8.0%	8.0%	17.3%	17.6%	16.6%
3nd	10.2%	10.0%	13.7%	17.0%	15.5%
4th	10.1%	7.9%	11.5%	13.1%	12.1%
5th	10.6%	10.2%	8.7%	8.3%	8.6%
6th	10.5%	6.8%	8.4%	7.3%	7.5%
7th	10.2%	8.0%	5.4%	5.0%	5.4%
8th	9.4%	9.1%	3.5%	3.9%	4.3%
9th	12.6%	15.3%	3.6%	4.3%	5.2%
10th	9.5%	13.1%	1.2%	1.8%	2.7%
Net wage	1,392.4	1,423.7	1,015.8	1,060.9	1,084.3

The table reports descriptive statistics for the 2017 RFL sample, with regard to labour market outcomes. In particular, it reports for natives, total immigrants, and for immigrants by main area of origin aged 25-64, the share of employed, unemployed and inactive individuals; average number of weekly hours worked; the share of individuals in each income decile; and average net monthly wage. Source: our elaboration on RFL data.

Table IT 5: Employment probability gaps – 2009

	(1)	(2)	(3)
Immigrant	0.045***	0	-0.031***
	(0.004)	(0.004)	(0.003)
EU15 and EFTA countries	-0.015*	-0.066***	-0.058***
	(0.008)	(0.007)	(0.007)
New Member States	0.087***	0.037***	0.002
	(0.008)	(0.008)	(0.008)
Extra-EU countries	0.045***	0.004	-0.036***
	(0.005)	(0.004)	(0.004)
0 to 5 years since migration	-0.079***	-0.079***	-0.115***
	(0.009)	(0.009)	(0.009)
6 to10 years since migration	0.094***	0.045***	0.002
	(0.006)	(0.006)	(0.006)
More than 10 years since migration	0.060***	0.001	-0.022***
	(0.005)	(0.005)	(0.004)
Men x Immigrant	0.079***	0.015***	-0.007
	(0.004)	(0.004)	(0.004)
Women x Immigrant	0.033***	-0.017***	-0.057***
	(0.005)	(0.005)	(0.005)
Controls			
Constant	x	x	x
Trimester	x	x	x
Gender, age, education		x	x
Geographical area of residence			x
N	347088	347088	347088

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2009. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2) and additionally controlling also for geographical area of residence (column 3). The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 6: Employment probability gaps – 2017

	(1)	(2)	(3)
Immigrant	-0.011**	0.007*	-0.031***
	(0.004)	(0.004)	(0.004)
EU15 and EFTA countries	-0.025**	-0.057***	-0.047***
	(0.012)	(0.011)	(0.010)
New Member States	0.01	0.021**	-0.011
	(0.008)	(0.008)	(0.008)
Extra-EU countries	-0.016***	0.014***	-0.036***
	(0.005)	(0.005)	(0.005)
0 to 5 years since migration	-0.199***	-0.121***	-0.155***
	(0.016)	(0.015)	(0.015)
6 to10 years since migration	-0.014	0.037***	-0.005
	(0.009)	(0.009)	(0.009)
More than 10 years since migration	0.011**	0.011**	-0.026***
	(0.005)	(0.005)	(0.005)
Men x Immigrant	0.030***	0.027***	-0.002
	(0.006)	(0.006)	(0.006)
Women x Immigrant	-0.024***	-0.011*	-0.059***
	(0.006)	(0.006)	(0.006)
Controls			
Constant	x	x	x
Trimester	x	x	x
Gender, age, education		x	x
Geographical area of residence			x
N	146345	146345	146345

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2017. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2) and additionally controlling also for geographical area of residence (column 3). The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 7: Net monthly wage gaps – 2009

	(1)	(2)	(3)	(4)
Immigrant	-0.238***	-0.183***	-0.049***	-0.066***
	(.005)	(.004)	(.003)	(.003)
EU15 and EFTA countries	-0.047***	-0.030***	-0.003	0.005
	(.012)	(.010)	(.008)	(.008)
New Member States	-0.298***	-0.216***	-0.049***	-0.065***
	(.009)	(.009)	(.007)	(.007)
Extra-EU countries	-0.252***	-0.201***	-0.059***	-0.083***
	(.005)	(.005)	(.004)	(.004)
0 to 5 years since migration	-0.358***	-0.251***	-0.079***	-0.096***
	(.011)	(.010)	(.008)	(.008)
6 to10 years since migration	-0.280***	-0.202***	-0.048***	-0.071***
	(.007)	(.007)	(.005)	(.005)
More than 10 years since migration	-0.162***	-0.145***	-0.040***	-0.053***
	(.006)	(.006)	(.004)	(.004)
Men x Immigrant	-0.186***	-0.138***	-0.055***	-0.073***
	(.005)	(.005)	(.004)	(.004)
Women x Immigrant	-0.293***	-0.238***	-0.032***	-0.047***
	(.007)	(.007)	(.006)	(.006)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	159606	159606	159606	159606

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2009. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2) and additionally controlling also for geographical area of residence (column 3). The differences are computed as coefficients on an immigrant dummy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 8: Net monthly wage gaps – 2017

	(1)	(2)	(3)	(4)
Immigrant	0.267***	-0.186***	-0.069***	-0.089***
	(.006)	(.006)	(.004)	(.004)
EU15 and EFTA countries	-0.002	-0.025	-0.005	-0.001
	(.018)	(.016)	(.014)	(.013)
New Member States	-0.333***	-0.226***	-0.105***	-0.119***
	(.011)	(.010)	(.008)	(.008)
Extra-EU countries	-0.280***	-0.195***	-0.066***	-0.093***
	(.007)	(.007)	(.005)	(.005)
0 to 5 years since migration	-0.360***	-0.235***	-0.105***	-0.115***
	(.024)	(.023)	(.018)	(.018)
6 to10 years since migration	-0.364***	-0.234***	-0.100***	-0.118***
	(.011)	(.011)	(.009)	(.009)
More than 10 years since migration	-0.227***	-0.166***	-0.056***	-0.077***
	(.007)	(.006)	(.005)	(.005)
Men x Immigrant	-0.219***	-0.147***	-0.059***	-0.081***
	(.007)	(.007)	(.006)	(.006)
Women x Immigrant	-0.310***	-0.228***	-0.072***	-0.088***
	(.009)	(.009)	(.007)	(.007)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	71645	71645	71645	71645

*The table reports the percentage differences between net monthly wages of immigrants and natives aged 25-64, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2017. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2), considering also differences in occupation and full/part-time employment (column 3), and geographical area of residence (column 4). See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 9: Probability of being in bottom decile – 2009

	(1)	(2)	(3)	(4)
Immigrant	0.085***	0.072***	0.015***	0.020***
	(.003)	(.003)	(.003)	(.003)
EU15 and EFTA countries	0.017***	0.012**	-0.005	-0.007
	(.006)	(.006)	(.005)	(.005)
New Member States	0.127***	0.106***	0.035***	0.040***
	(.008)	(.008)	(.006)	(.006)
Extra-EU countries	0.084***	0.073***	0.013***	0.019***
	(.004)	(.004)	(.004)	(.004)
0 to 5 years since migration	0.153***	0.125***	0.049***	0.053***
	(.010)	(.010)	(.008)	(.008)
6 to10 years since migration	0.107***	0.087***	0.020***	0.027***
	(.006)	(.006)	(.005)	(.005)
More than 10 years since migration	0.048***	0.046***	0.002	0.006*
	(.004)	(.004)	(.004)	(.004)
Men x Immigrant	0.028***	0.024***	0.007***	0.009***
	(.003)	(.003)	(.003)	(.003)
Women x Immigrant	0.154***	0.136***	0.014***	0.022***
	(.006)	(.006)	(.006)	(.006)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	214486	214486	214486	214486

*The table reports the percentage points differences in the probability of being in the bottom decile of the national income distribution between immigrants and natives aged 25-64, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2009. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2), considering also differences in occupation and full/part-time employment (column 3), and geographical area of residence (column 4). The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 10: Probability of being in bottom decile – 2017

	(1)	(2)	(3)	(4)
Immigrant	0.118***	0.094***	0.041***	0.047***
	(.004)	(.004)	(.004)	(.004)
EU15 and EFTA countries	0.016**	0.019**	0.011	0.009
	(.008)	(.008)	(.008)	(.008)
New Member States	0.173***	0.139***	0.085***	0.090***
	(.009)	(.009)	(.008)	(.008)
Extra-EU countries	0.115***	0.091***	0.029***	0.039***
	(.005)	(.005)	(.005)	(.005)
0 to 5 years since migration	0.176***	0.138***	0.077***	0.081***
	(.020)	(.020)	(.017)	(.017)
6 to10 years since migration	0.172***	0.133***	0.069***	0.075***
	(.010)	(.010)	(.009)	(.009)
More than 10 years since migration	0.097***	0.079***	0.029***	0.037***
	(.005)	(.005)	(.004)	(.004)
Men x Immigrant	0.059***	0.049***	0.023***	0.027***
	(.004)	(.004)	(.004)	(.004)
Women x Immigrant	0.184***	0.150***	0.058***	0.068***
	(.008)	(.007)	(.007)	(.007)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	93334	93334	93334	93334

*The table reports the percentage points differences in the probability of being in the bottom decile of the national income distribution between immigrants and natives aged 25-64, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2017. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2), considering also differences in occupation and full/part-time employment (column 3), and geographical area of residence (column 4). The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 11: Probability of being in top decile – 2009

	(1)	(2)	(3)	(4)
Immigrant	-0.051***	-0.027***	-0.005***	-0.010***
	(.002)	(.002)	(.002)	(.002)
EU15 and EFTA countries	0.002	0.005	0.008	0.010*
	(.007)	(.006)	(.006)	(.006)
New Member States	-0.062***	-0.029***	0.003	-0.003
	(.003)	(.003)	(.003)	(.003)
Extra-EU countries	-0.058***	-0.034***	-0.011***	-0.019***
	(.002)	(.002)	(.002)	(.002)
0 to 5 years since migration	-0.058***	-0.012***	0.018***	0.012***
	(.004)	(.004)	(.004)	(.004)
6 to10 years since migration	-0.063***	-0.029***	0.001	-0.007***
	(.002)	(.002)	(.003)	(.003)
More than 10 years since migration	-0.040***	-0.031***	-0.015***	-0.019***
	(.002)	(.002)	(.002)	(.002)
Men x Immigrant	-0.064***	-0.036***	-0.007***	-0.015***
	(.003)	(.003)	(.003)	(.003)
Women x Immigrant	-0.028***	-0.016***	-0.004**	-0.007***
	(.002)	(.002)	(.002)	(.002)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	214486	214486	214486	214486

*The table reports the percentage points differences in the probability of being in the top decile of the national income distribution between immigrants and natives aged 25-64, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2009. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2), considering also differences in occupation and full/part-time employment (column 3), and geographical area of residence (column 4). The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 12: Probability of being in top decile – 2017

	(1)	(2)	(3)	(4)
Immigrant	-0.049***	-0.020***	-0.003	-0.008***
	(.002)	(.002)	(.002)	(.002)
EU15 and EFTA countries	0.024**	0.017*	0.016*	0.018**
	(.010)	(.009)	(.009)	(.009)
New Member States	-0.062***	-0.025***	-0.001	-0.005*
	(.002)	(.003)	(.003)	(.003)
Extra-EU countries	-0.057***	-0.026***	-0.007***	-0.015***
	(.002)	(.002)	(.002)	(.002)
0 to 5 years since migration	-0.054***	-0.013	0.008	0.005
	(.008)	(.008)	(.008)	(.008)
6 to10 years since migration	-0.061***	-0.016***	0.006**	0.000
	(.003)	(.003)	(.003)	(.003)
More than 10 years since migration	-0.045***	-0.022***	-0.006**	-0.012***
	(.002)	(.002)	(.002)	(.002)
Men x Immigrant	-0.062***	-0.024***	-0.001	-0.009***
	(.003)	(.003)	(.003)	(.003)
Women x Immigrant	-0.030***	-0.016***	-0.006**	-0.008***
	(.002)	(.002)	(.003)	(.003)
Controls				
Constant	x	x	x	x
Trimester	x	x	x	x
Gender, age, education		x	x	x
Occupation and full/part-time			x	x
Geographical area of residence				x
N	93334	93334	93334	93334

*The table reports the percentage points differences in the probability of being in the top decile of the national income distribution between immigrants and natives aged 25-64, overall, by immigrant main area of origin, by migration seniority groups and separately for men and women, in 2017. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2), considering also differences in occupation and full/part-time employment (column 3), and geographical area of residence (column 4). The differences are computed as coefficients on an immigrant dummy in a linear regression model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Robust standard errors are reported in parenthesis. Source: our elaboration on RFL data.*

Table IT 13: Duncan dissimilarity index – 2009

	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
Overall	4.6%	45.6%	41.0%	36.5%
Education				
Low	8.9%	34.5%	24.3%	23.7%
Intermediate	11.5%	58.3%	50.1%	46.8%
High	11.3%	48.9%	53.0%	39.9%
Years since migration				
1 to 5 years	22.0%	53.3%	47.2%	47.0%
6 to 10 years	20.3%	46.6%	47.9%	45.8%
More than 10 years	5.2%	37.1%	34.7%	27.3%

Table IT 14: Duncan dissimilarity index – 2017

	EU15 and EFTA countries	New EU Member States	Extra-EU countries	Total immigrants
Overall	5.7%	45.0%	41.7%	37.8%
Education				
Low	11.6%	24.0%	23.3%	22.5%
Intermediate	6.2%	52.8%	46.2%	42.7%
High	9.6%	44.2%	47.7%	36.4%
Years since migration				
1 to 5 years	33.4%	50.5%	45.5%	42.7%
6 to 10 years	28.1%	49.1%	48.0%	46.5%
More than 10 years	5.6%	43.6%	39.9%	35.2%

The tables report the Duncan dissimilarity index, calculated with respect to natives for overall immigrants and by immigrant main area of origin in 2009 (Table IT 13) and 201 (Table IT 14). For each group the index is calculated overall, by education levels and by migration seniority groups. We only include individuals aged 25-64. See Technical Appendix for details. Source: our elaboration on RFL data.

Table IT 15: Employment assimilation

	(1)	(2)
0 ysm*Immigrant	-0.453***	-0.393***
1 ysm*Immigrant	-0.329***	-0.262***
2 ysm*Immigrant	-0.172***	-0.126***
3 ysm*Immigrant	-0.106***	-0.066***
4 ysm*Immigrant	-0.067***	-0.032***
5 ysm*Immigrant	-0.031***	-0.001
6 ysm*Immigrant	-0.008*	0.016***
7 ysm*Immigrant	0.017***	0.030***
8 ysm*Immigrant	0.023***	0.028***
9 ysm*Immigrant	0.037***	0.028***
10 ysm*Immigrant	0.046***	0.033***
11 ysm*Immigrant	0.050***	0.030***
12 ysm*Immigrant	0.049***	0.018***
13 ysm*Immigrant	0.061***	0.020***
14 ysm*Immigrant	0.060***	0.018***
15 ysm*Immigrant	0.061***	0.015***
16 ysm*Immigrant	0.060***	0.012**
17 ysm*Immigrant	0.055***	-0.002
18 ysm*Immigrant	0.064***	0.007
19 ysm*Immigrant	0.064***	0.011
20 ysm*Immigrant	0.058***	0.007
Controls		
Constant	x	x
Year*trimester	x	x
Gender, age, education		x
N	2706980	2706980

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment for each year after migration to Italy, up to the 20th. The differences are estimated overall (column 1), when differences in age, gender and education characteristics are taken into account (column 2). The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 16: Employment assimilation by gender

	Men		Women	
	(1)	(2)	(3)	(4)
0 ysm*Immigrant	-0.437***	-0.421***	-0.407***	-0.375***
1 ysm*Immigrant	-0.220***	-0.211***	-0.331***	-0.290***
2 ysm*Immigrant	-0.074***	-0.069***	-0.179***	-0.160***
3 ysm*Immigrant	-0.029***	-0.024**	-0.115***	-0.094***
4 ysm*Immigrant	-0.009	-0.005	-0.066***	-0.050***
5 ysm*Immigrant	0.016**	0.014*	-0.020***	-0.013*
6 ysm*Immigrant	0.045***	0.039***	0.000	-0.000
7 ysm*Immigrant	0.052***	0.044***	0.027***	0.017***
8 ysm*Immigrant	0.064***	0.047***	0.024***	0.012**
9 ysm*Immigrant	0.070***	0.043***	0.034***	0.013**
10 ysm*Immigrant	0.075***	0.043***	0.049***	0.023***
11 ysm*Immigrant	0.076***	0.041***	0.050***	0.017***
12 ysm*Immigrant	0.060***	0.015***	0.052***	0.015**
13 ysm*Immigrant	0.079***	0.023***	0.055***	0.011*
14 ysm*Immigrant	0.084***	0.026***	0.046***	0.006
15 ysm*Immigrant	0.087***	0.026***	0.039***	-0.004
16 ysm*Immigrant	0.070***	0.011	0.047***	0.006
17 ysm*Immigrant	0.058***	-0.007	0.041***	-0.006
18 ysm*Immigrant	0.073***	0.009	0.049***	-0.003
19 ysm*Immigrant	0.056***	-0.002	0.065***	0.017
20 ysm*Immigrant	0.050***	-0.009	0.056***	0.016
Controls				
Constant	x	x	x	x
Year*trimester	x	x	x	x
Age, education		x		x
N	1302983	1302983	1403997	1403997

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment for each year after migration to Italy up to the 20th, separately for men and women. The differences are estimated overall (columns 1, 3), when differences in age and education characteristics are taken into account (columns 2, 4). The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 17: Employment assimilation by origin

	EU15 and EFTA		New EU member states		Extra-EU	
	(1)	(2)	(3)	(4)	(5)	(6)
0 ysm*Immigrant	-0.362***	-0.496***	-0.280***	-0.257***	-0.487***	-0.413***
1 ysm*Immigrant	-0.183***	-0.271***	-0.107***	-0.073***	-0.394***	-0.309***
2 ysm*Immigrant	-0.070*	-0.150***	-0.004	0.014	-0.248***	-0.181***
3 ysm*Immigrant	-0.019	-0.115***	0.017	0.038***	-0.172***	-0.113***
4 ysm*Immigrant	0.002	-0.066**	0.048***	0.062***	-0.128***	-0.075***
5 ysm*Immigrant	-0.035	-0.108***	0.034***	0.050***	-0.066***	-0.023***
6 ysm*Immigrant	-0.014	-0.088***	0.044***	0.059***	-0.040***	-0.005
7 ysm*Immigrant	-0.020	-0.098***	0.064***	0.072***	-0.010*	0.011*
8 ysm*Immigrant	0.018	-0.049*	0.052***	0.048***	0.006	0.021***
9 ysm*Immigrant	-0.045	-0.097***	0.063***	0.042***	0.026***	0.026***
10 ysm*Immigrant	-0.032	-0.114***	0.061***	0.033***	0.041***	0.038***
11 ysm*Immigrant	-0.026	-0.125***	0.062***	0.023***	0.047***	0.038***
12 ysm*Immigrant	-0.078***	-0.136***	0.064***	0.012	0.047***	0.026***
13 ysm*Immigrant	-0.057**	-0.126***	0.069***	0.007	0.062***	0.029***
14 ysm*Immigrant	-0.025	-0.095***	0.086***	0.012	0.054***	0.024***
15 ysm*Immigrant	-0.027	-0.116***	0.073***	-0.005	0.061***	0.025***
16 ysm*Immigrant	-0.030	-0.122***	0.089***	0.010	0.056***	0.018***
17 ysm*Immigrant	0.043	-0.059**	0.080***	-0.016	0.049***	0.002
18 ysm*Immigrant	0.009	-0.070***	0.083***	-0.008	0.064***	0.013*
19 ysm*Immigrant	-0.009	-0.037	0.086***	-0.010	0.067***	0.018**
20 ysm*Immigrant	-0.055**	-0.102***	0.033	-0.047**	0.074***	0.026***
Controls						
Constant	x	x	x	x	x	x
Year*trimester	x	x	x	x	x	x
Gender, age, education		x		x		x
N	2430750	2430750	2457902	2457902	2587632	2587632

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment for each year after migration to Italy up to the 20th, separately by main area of origin. The differences are estimated overall (columns 1, 3, 5), when differences in gender, age and education characteristics are taken into account (columns 2, 4, 6). The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 18: Employment assimilation by education

	Low education		Intermediate education		High education	
	(1)	(2)	(3)	(4)	(5)	(6)
0 ysm*Immigrant	-0.330***	-0.297***	-0.518***	-0.477***	-0.591***	-0.480***
1 ysm*Immigrant	-0.226***	-0.192***	-0.336***	-0.292***	-0.537***	-0.409***
2 ysm*Immigrant	-0.057***	-0.049***	-0.196***	-0.160***	-0.389***	-0.298***
3 ysm*Immigrant	-0.010	-0.019**	-0.134***	-0.101***	-0.254***	-0.170***
4 ysm*Immigrant	0.033***	0.024***	-0.104***	-0.078***	-0.210***	-0.152***
5 ysm*Immigrant	0.073***	0.058***	-0.078***	-0.052***	-0.164***	-0.119***
6 ysm*Immigrant	0.090***	0.073***	-0.049***	-0.025***	-0.145***	-0.112***
7 ysm*Immigrant	0.123***	0.093***	-0.027***	-0.010	-0.146***	-0.134***
8 ysm*Immigrant	0.134***	0.096***	-0.035***	-0.023***	-0.107***	-0.108***
9 ysm*Immigrant	0.131***	0.084***	-0.012**	-0.015**	-0.065***	-0.083***
10 ysm*Immigrant	0.147***	0.098***	-0.005	-0.016***	-0.067***	-0.097***
11 ysm*Immigrant	0.161***	0.101***	0.002	-0.018***	-0.107***	-0.147***
12 ysm*Immigrant	0.158***	0.087***	0.004	-0.026***	-0.109***	-0.161***
13 ysm*Immigrant	0.176***	0.095***	0.004	-0.032***	-0.071***	-0.131***
14 ysm*Immigrant	0.170***	0.088***	0.006	-0.035***	-0.053***	-0.122***
15 ysm*Immigrant	0.175***	0.086***	0.006	-0.041***	-0.058***	-0.123***
16 ysm*Immigrant	0.194***	0.101***	-0.007	-0.057***	-0.094***	-0.156***
17 ysm*Immigrant	0.185***	0.083***	-0.004	-0.066***	-0.113***	-0.182***
18 ysm*Immigrant	0.182***	0.081***	0.011	-0.045***	-0.086***	-0.155***
19 ysm*Immigrant	0.182***	0.086***	0.007	-0.045***	-0.078***	-0.143***
20 ysm*Immigrant	0.180***	0.089***	-0.012	-0.067***	-0.049***	-0.116***
Controls						
Constant	x	x	x	x	x	x
Year*trimester	x	x	x	x	x	x
Gender, age, education		x		x		x
N	1205742	1205742	1089776	1089776	411462	411462

*The table reports the percentage point difference between immigrants and natives aged 25-64 in the probability of employment for each year after migration to Italy up to the 20th, separately by education level. The differences are estimated overall (columns 1, 3, 5), when differences in gender, and age characteristics are taken into account (columns 2, 4, 6). The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy in a linear probability model. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 19: Wage assimilation

	(1)	(2)	(3)
0 ysm*Immigrant	-0.584***	-0.492***	-0.270***
1 ysm*Immigrant	-0.422***	-0.315***	-0.137***
2 ysm*Immigrant	-0.394***	-0.268***	-0.132***
3 ysm*Immigrant	-0.366***	-0.246***	-0.121***
4 ysm*Immigrant	-0.369***	-0.245***	-0.117***
5 ysm*Immigrant	-0.391***	-0.262***	-0.116***
6 ysm*Immigrant	-0.380***	-0.257***	-0.106***
7 ysm*Immigrant	-0.366***	-0.247***	-0.106***
8 ysm*Immigrant	-0.350***	-0.239***	-0.101***
9 ysm*Immigrant	-0.327***	-0.235***	-0.103***
10 ysm*Immigrant	-0.333***	-0.240***	-0.107***
11 ysm*Immigrant	-0.312***	-0.224***	-0.096***
12 ysm*Immigrant	-0.301***	-0.227***	-0.101***
13 ysm*Immigrant	-0.289***	-0.226***	-0.098***
14 ysm*Immigrant	-0.284***	-0.226***	-0.100***
15 ysm*Immigrant	-0.258***	-0.211***	-0.091***
16 ysm*Immigrant	-0.232***	-0.180***	-0.081***
17 ysm*Immigrant	-0.235***	-0.194***	-0.088***
18 ysm*Immigrant	-0.232***	-0.202***	-0.091***
19 ysm*Immigrant	-0.209***	-0.178***	-0.078***
20 ysm*Immigrant	-0.207***	-0.184***	-0.086***
Controls			
Constant	x	x	x
Year*trimester	x	x	x
Gender, age, education		x	x
Occupation, full/part-time and geographical residence			x
N	1264621	1264621	1264621

*The table reports the percentage difference between net monthly wages of immigrants and natives aged 25-64 for each year after migration to Italy up to the 20th. The differences are estimated overall (column 1), when differences in gender, age and education characteristics are taken into account (column 2) and additionally considering occupation, full/part-time employment and geographical area of residence. The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 20: Wage assimilation by gender

	Low education		**Intermediate education**		**High education**	
	(1)	(2)	(3)	(4)	(5)	(6)
0 ysm*Immigrant	-0.631***	-0.529***	-0.260***	-0.538***	-0.438***	-0.269***
1 ysm*Immigrant	-0.435***	-0.328***	-0.156***	-0.419***	-0.291***	-0.094***
2 ysm*Immigrant	-0.365***	-0.255***	-0.137***	-0.403***	-0.275***	-0.111***
3 ysm*Immigrant	-0.339***	-0.227***	-0.131***	-0.376***	-0.263***	-0.097***
4 ysm*Immigrant	-0.335***	-0.220***	-0.115***	-0.376***	-0.268***	-0.107***
5 ysm*Immigrant	-0.350***	-0.234***	-0.115***	-0.392***	-0.286***	-0.103***
6 ysm*Immigrant	-0.332***	-0.221***	-0.099***	-0.386***	-0.287***	-0.098***
7 ysm*Immigrant	-0.308***	-0.200***	-0.103***	-0.388***	-0.290***	-0.095***
8 ysm*Immigrant	-0.286***	-0.184***	-0.092***	-0.385***	-0.290***	-0.095***
9 ysm*Immigrant	-0.263***	-0.171***	-0.092***	-0.375***	-0.303***	-0.103***
10 ysm*Immigrant	-0.247***	-0.162***	-0.087***	-0.392***	-0.316***	-0.113***
11 ysm*Immigrant	-0.237***	-0.152***	-0.082***	-0.373***	-0.300***	-0.099***
12 ysm*Immigrant	-0.228***	-0.157***	-0.087***	-0.371***	-0.305***	-0.105***
13 ysm*Immigrant	-0.217***	-0.156***	-0.084***	-0.366***	-0.309***	-0.105***
14 ysm*Immigrant	-0.200***	-0.144***	-0.078***	-0.386***	-0.327***	-0.116***
15 ysm*Immigrant	-0.193***	-0.145***	-0.080***	-0.355***	-0.302***	-0.097***
16 ysm*Immigrant	-0.170***	-0.120***	-0.073***	-0.327***	-0.263***	-0.085***
17 ysm*Immigrant	-0.179***	-0.140***	-0.082***	-0.342***	-0.275***	-0.091***
18 ysm*Immigrant	-0.198***	-0.175***	-0.102***	-0.293***	-0.239***	-0.073***
19 ysm*Immigrant	-0.169***	-0.145***	-0.082***	-0.279***	-0.223***	-0.068***
20 ysm*Immigrant	-0.170***	-0.157***	-0.096***	-0.280***	-0.222***	-0.068***
Controls						
Constant	x	x	x	x	x	x
Year*trimester	x	x	x	x	x	x
Age, education		x	x		x	x
Occupation, full/part-time and geographical residence			x			x
N	675429	675429	675429	589192	589192	589192

*The table reports the percentage difference between net monthly wages of immigrants and natives aged 25-64 for each year after migration to Italy up to the 20th, separately for men and women. The differences are estimated overall (columns 1, 4), when differences in age and education characteristics are taken into account (columns 2, 5) and additionally considering occupation, full/part-time employment and geographical area of residence (columns 3, 6). The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 21: Wage assimilation by origin

	EU15 and EFTA			New EU member states			Extra-EU		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
0 ysm*Immigrant	0.526***	0.426***	0.340***	-0.469***	-0.362***	-0.126**	-0.682***	-0.584***	-0.363***
1 ysm*Immigrant	-0.157	-0.237	-0.134	-0.393***	-0.262***	-0.084***	-0.456***	-0.342***	-0.165***
2 ysm*Immigrant	0.201***	0.109**	0.069	-0.409***	-0.265***	-0.145***	-0.423***	-0.285***	-0.132***
3 ysm*Immigrant	0.301***	0.207***	0.113***	-0.381***	-0.244***	-0.128***	-0.400***	-0.267***	-0.127***
4 ysm*Immigrant	0.308***	0.220***	0.122***	-0.387***	-0.250***	-0.123***	-0.396***	-0.261***	-0.124***
5 ysm*Immigrant	0.178***	0.116**	0.054	-0.414***	-0.268***	-0.124***	-0.398***	-0.264***	-0.114***
6 ysm*Immigrant	0.163***	0.111***	0.070**	-0.382***	-0.244***	-0.100***	-0.399***	-0.273***	-0.113***
7 ysm*Immigrant	0.112**	0.062	0.061*	-0.373***	-0.234***	-0.095***	-0.377***	-0.259***	-0.116***
8 ysm*Immigrant	-0.043	-0.050	-0.027	-0.358***	-0.232***	-0.094***	-0.355***	-0.242***	-0.104***
9 ysm*Immigrant	0.028	0.020	0.013	-0.327***	-0.222***	-0.096***	-0.337***	-0.244***	-0.109***
10 ysm*Immigrant	0.015	-0.034	0.018	-0.355***	-0.253***	-0.120***	-0.330***	-0.233***	-0.102***
11 ysm*Immigrant	0.019	-0.032	0.006	-0.322***	-0.225***	-0.095***	-0.315***	-0.224***	-0.098***
12 ysm*Immigrant	0.059	0.030	0.079***	-0.302***	-0.223***	-0.096***	-0.311***	-0.232***	-0.107***
13 ysm*Immigrant	0.015	-0.014	0.015	-0.301***	-0.233***	-0.096***	-0.294***	-0.228***	-0.102***
14 ysm*Immigrant	0.009	-0.022	0.005	-0.262***	-0.211***	-0.088***	-0.302***	-0.237***	-0.108***
15 ysm*Immigrant	0.051	-0.006	0.056*	-0.257***	-0.223***	-0.105***	-0.270***	-0.214***	-0.094***
16 ysm*Immigrant	0.084*	0.035	0.035	-0.248***	-0.206***	-0.089***	-0.242***	-0.182***	-0.085***
17 ysm*Immigrant	-0.037	-0.048	0.002	-0.233***	-0.229***	-0.092***	-0.246***	-0.193***	-0.093***
18 ysm*Immigrant	-0.044	-0.024	0.035	-0.236***	-0.236***	-0.117***	-0.243***	-0.208***	-0.096***
19 ysm*Immigrant	-0.056	0.002	0.020	-0.210***	-0.209***	-0.103***	-0.220***	-0.186***	-0.082***
20 ysm*Immigrant	-0.080*	-0.050	-0.038	-0.233***	-0.216***	-0.115***	-0.212***	-0.190***	-0.087***
Controls									
Constant	x	x	x	x	x	x	x	x	x
Year*trimester	x	x	x	x	x	x	x	x	x
Gender, age, education		x	x		x	x		x	x
Occupation, full/part-time and geographical residence			x			x			x
N	1113389	1113389	1113389	1136787	1136787	1136787	1199529	1199529	1199529

*The table reports the percentage difference between net monthly wages of immigrants and natives aged 25-64 for each year after migration to Italy up to the 20th, separately by main area of origin. The differences are estimated overall (column 1), when differences in gender, age and education characteristics are taken into account (column 2) and additionally considering occupation, full/part-time employment and geographical area of residence. The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Table IT 22: Wage assimilation by education

	Low education			Intermediate education			High education		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
0 ysm*Immigrant	-0.390***	-0.371***	-0.238***	-0.697***	-0.614***	-0.339***	-0.673***	-0.563***	-0.212*
1 ysm*Immigrant	-0.317***	-0.253***	-0.166***	-0.418***	-0.358***	-0.135***	-0.543***	-0.442***	-0.134**
2 ysm*Immigrant	-0.292***	-0.201***	-0.139***	-0.437***	-0.363***	-0.171***	-0.370***	-0.250***	-0.059**
3 ysm*Immigrant	-0.274***	-0.203***	-0.147***	-0.402***	-0.320***	-0.141***	-0.350***	-0.208***	-0.034*
4 ysm*Immigrant	-0.268***	-0.194***	-0.131***	-0.409***	-0.326***	-0.150***	-0.329***	-0.223***	-0.032*
5 ysm*Immigrant	-0.280***	-0.200***	-0.127***	-0.417***	-0.328***	-0.137***	-0.422***	-0.316***	-0.078***
6 ysm*Immigrant	-0.271***	-0.188***	-0.110***	-0.396***	-0.311***	-0.125***	-0.441***	-0.347***	-0.090***
7 ysm*Immigrant	-0.247***	-0.173***	-0.109***	-0.381***	-0.298***	-0.120***	-0.453***	-0.372***	-0.115***
8 ysm*Immigrant	-0.219***	-0.150***	-0.092***	-0.371***	-0.298***	-0.121***	-0.458***	-0.380***	-0.118***
9 ysm*Immigrant	-0.200***	-0.146***	-0.093***	-0.339***	-0.283***	-0.122***	-0.463***	-0.406***	-0.128***
10 ysm*Immigrant	-0.203***	-0.144***	-0.092***	-0.354***	-0.300***	-0.132***	-0.431***	-0.401***	-0.130***
11 ysm*Immigrant	-0.170***	-0.121***	-0.081***	-0.338***	-0.296***	-0.126***	-0.421***	-0.404***	-0.121***
12 ysm*Immigrant	-0.166***	-0.128***	-0.084***	-0.317***	-0.285***	-0.124***	-0.429***	-0.424***	-0.137***
13 ysm*Immigrant	-0.158***	-0.133***	-0.084***	-0.310***	-0.288***	-0.125***	-0.371***	-0.372***	-0.100***
14 ysm*Immigrant	-0.149***	-0.127***	-0.086***	-0.301***	-0.287***	-0.122***	-0.387***	-0.404***	-0.132***
15 ysm*Immigrant	-0.134***	-0.123***	-0.084***	-0.256***	-0.255***	-0.109***	-0.397***	-0.419***	-0.113***
16 ysm*Immigrant	-0.097***	-0.089***	-0.070***	-0.241***	-0.241***	-0.104***	-0.350***	-0.369***	-0.104***
17 ysm*Immigrant	-0.112***	-0.110***	-0.076***	-0.242***	-0.260***	-0.112***	-0.309***	-0.352***	-0.119***
18 ysm*Immigrant	-0.130***	-0.131***	-0.086***	-0.241***	-0.260***	-0.112***	-0.256***	-0.299***	-0.086***
19 ysm*Immigrant	-0.080***	-0.080***	-0.050***	-0.236***	-0.255***	-0.111***	-0.268***	-0.304***	-0.114***
20 ysm*Immigrant	-0.101***	-0.097***	-0.059***	-0.201***	-0.234***	-0.101***	-0.300***	-0.351***	-0.179***
Controls									
Constant	x	x	x	x	x	x	x	x	x
Year*trimester	x	x	x	x	x	x	x	x	x
Gender, age, education		x	x		x	x		x	x
Occupation, full/part-time and geographical residence			x			x			x
N	430283	430283	430283	597260	597260	597260	237078	237078	237078

*The table reports the percentage difference between net monthly wages of immigrants and natives aged 25-64 for each year after migration to Italy up to the 20th, separately by education levels. The differences are estimated overall (column 1), when differences in gender and age characteristics are taken into account (column 2) and additionally considering occupation, full/part-time employment and geographical area of residence. The differences are computed as coefficients on the interaction between an immigrant dummy and a dummy for each number of years since arrival to Italy. See Technical Appendix for details. *, **, *** indicate that the difference is statistically significant at the 10, 5 and 1 percent significance level, respectively. Source: our elaboration on RFL data.*

Technical Appendix 1 - Europe

DATASET

Our analysis is based on the 2016 wave of the European Labour Force Survey (EULFS). The EULFS is conducted in the 28 Member States of the European Union, 2 candidate countries and 3 countries of the European Free Trade Association (EFTA). At the moment, the LFS microdata for scientific purposes contain data for all Member States plus Iceland, Norway and Switzerland. These are the countries we use in our analysis. The EULFS is a large quarterly household sample survey of people aged 15 and over as well as of persons outside the labour force. The National Statistical Institutes of each member country are responsible for selecting the sample, preparing the questionnaires, conducting the direct interviews among households, and forwarding the results to Eurostat in accordance with the common coding scheme.

SAMPLE

We include in our sample all individuals for which either nationality or country of birth is known (see below). In analysis of education levels and employment we include only individuals aged between 25 and 64 years old.

VARIABLES

We use the following variables, derived from the EULFS, in our analysis.

Immigrant: A dummy variable equal to one if the individual is born outside of their country of residence and zero otherwise. When working with quarterly data, we give it a value of one if the variable origin takes a value other than one (the value for natives). If we use yearly data, we assign a value of one if the variable years of residence (yearesid) has a positive value (the value for natives is zero). The reason is that the yearly data does not contain information on immigrant origin. This definition is used in all countries with the exception of Germany, where the lack of information on the place of birth led us to define as immigrants those with foreign nationality. In this latter case, immigrant takes value one when ntl takes values different from one (the value that reflects having the passport of the country of residence). The variable origin in the quarterly EU LFS is used to determine immigrants' country of origin.

Recent immigrant: We define as recent immigrants those with five or less years of residence in the country, as reported by the variable yearesid.

Education levels: We use the three education groups defined in EU LFS. Low educated individuals have less than primary, primary and lower secondary education (ISCED levels 0-2). Intermediate education corresponds to upper secondary and post-secondary non-tertiary (levels 3 and 4). High educated individuals have short-cycle tertiary, bachelor or equivalent or doctoral or equivalent degrees (levels 5-8).

Employed: A binary variable taking value one when the original variable that codes labor market status (ilostat) takes value one.

ISEI: This index of occupational status is assigned to each employed individual by matching occupations with their corresponding value in the ISEI index, using ISCO codes at the three digits level of disaggregation. The index is then normalized by subtracting the mean and dividing it by the standard deviation in the sample.

Income deciles: The dummy "bottom decile" is equal to one when the variable incdecil takes value one. Symmetrically, the binary variable "top decile" takes value one when incdecil equals ten and zero otherwise. This variable is only available in the yearly version of the EULFS.

WEIGHTS

We use the sampling weights provided in the EULFS (variable coeff) throughout the analysis.

REGRESSION ANALYSIS

To obtain employment differentials we estimate a regression of the type:

$$Emp_{icq} = \beta_0 + \beta_1\, immi_{icq} + \beta_2 male_{icq} + \beta_3 age_{icq} + \beta_4\, Edu_{icq} + D_c + D_q + \varepsilon_{icq} \qquad \text{(EU.1)}$$

where ***Emp*** is the employed dummy, ***immi*** stands for the immigrant indicator, ***male*** is a dummy for male, ***age*** is the age in years, ***Edu*** are education dummies as defined above, D_c is a set of country dummies, and D_q are quarter dummies. The variable immigrant is substituted by dummies for recent immigrant, non-recent immigrants, immigrant from the EU, immigrant from outside EU and their pairwise combinations to give the values in each column. Each of the figures reported in the table corresponds to the coefficient β_1 resulting in each case. This regression is run separately for each country and then for all the EU15 countries, as well as for the whole sample.

Employment probability differentials are obtained from two different types of regressions, for unconditional or conditional gaps. We only include variables ***immi***, D_c, and D_q for unconditional gaps and estimate the complete regression for conditional gaps.
The sample used in the regressions is composed of native and immigrants in working age (15-64 years old included). Observations are weighted using the sampling weights reported in the variable *coeff*.
We obtain estimates of differences in occupational status and of the probability of being in the bottom or top income percentile by running the same regressions described above, where the dependent variable is replaced, respectively, with:

- ***ISEI***, the index of occupational status, standardized to have mean zero and standard deviation one within each country.
- ***Dummy*** for being in the bottom decile of the national income distribution.
- ***Dummy*** for being in the top decile of the national income distribution.

In the analysis on position in income distribution, we additionally estimate a third equation with the same controls as in (EU.1), but including in addition also dummies for occupation as defined by ISCO at one digit level. The resulting equation is as follows:

$$Per_{icq} = \beta_0 + \beta_1\, immi_{icq} + \beta_2 male_{icq} + \beta_3 age_{icq} + \beta_4\, Dedu_{icq} + Docc + D_c + D_q + \varepsilon_{icq} \qquad \text{(EU.2)}$$

Where Per is the binary indicator for the corresponding percentile (bottom decile or bottom quintile) and *Docc* represents the vector of occupation dummies.

Technical Appendix 2 - Italy

DATASET

Our analysis on Italy is based on the 2009 to 2017 quarterly waves of the Italian Labour Force Survey (*Rilevazione sulle forze di lavoro* - RFL), carried out quarterly by the Italian National Institute of Statistics (ISTAT). We pool all quarters within each year for all years up to 2016; only the first two quarters are available for 2017. The RFL is a large quarterly household sample survey of people aged 15 and over. The sample is selected from municipal civil registries, following a sampling strategy aimed at constructing a statistically representative sample of the resident population. Households in the sample are interviewed 4 times in a time frame of 15 months: each household is interviewed for two consecutive trimesters, followed by a break for two trimesters and is finally interviewed again for two additional trimesters. Since 1st January 2011 household composed only by individuals out of the labour force and older than 75 years old are not interviewed again.

SAMPLE

We include in our sample only individuals for which country of birth is known. In our analysis of education levels and labour market outcomes we include only individuals aged between 25 and 64 years old, in order to exclude individuals who are potentially in full time education and those not in working age.

VARIABLES

In our analysis we use the following variables, derived from the RFL.

Immigrant: A dummy variable equal to one if the individual is born outside of Italy and zero otherwise. The variable is defined using the variable sg13 in the original RFL data set.

Country of birth: Immigrants are then classified in three groups of countries of birth: *EU15 and EFTA, New EU Member States and Extra-EU*. This variable is constructed from the variable *nasses* in the original RFL data set.

Years since migration: Our analysis often breaks up immigrants in different groups based on their years of permanent residence in Italy. The years of permanent residence in Italy are computed from the original RFL variable *sg18b* for individuals who declared to have continuously resided in Italy since their first time of arrival in the country, and using the original RFL variable *sg18f* for other immigrants. The groups used correspond to *0-1 years*,

2-5 years, *6-10 years*, and *more than 10 years* since arrival. In some parts of our analysis we regroup the first two categories in a *0-5 years* since arrival group.

Education levels: We use the three education groups defined in the RFL. Low education corresponds to less than primary, primary and lower secondary education (ISCED levels 0-2). Intermediate education indicates to more than lower secondary but at most upper secondary or post-secondary non-tertiary education (levels 3 and 4). The high education group includes individuals who have completed short-cycle tertiary education, bachelor or equivalent or doctoral or equivalent degrees (levels 5-8). This variable is constructed based on the variables sg24 for waves up to 2013 and *tistud* for waves from 2014 onwards.

Geographical area of residence: We define three macro-geographical areas of residence based on the regions of residence indicated in the RFL by the original variable reg. North includes Emilia-Romagna, Friuli-Venezia Giulia, Liguria, Lombardia, Piemonte, Trentino-Alto Adige, Valle d'Aosta and Veneto. Centre includes Lazio, Marche, Toscana and Umbria. South includes Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardegna and Sicilia.

Employed: A binary variable taking value one when the variable *cond3* that codes labour market status in the RFL data set takes value one.

Unemployed: A binary variable taking value one when the variable *cond3* that codes labour market status in the RFL data set takes value two, and zero when *cond3* takes value one.

Occupation: This index of occupational status is assigned to each employed individual using ISCO codes at the one digit level of disaggregation. The variable is constructed from the original variable ***isco3d*** in the RFL data set.

Wage decile: Wage deciles are calculated using the variable *retric* in the original RFL data set, which indicates the net salary earned by the responding individual in the month preceding the interview.

WEIGHTS

We use the sampling weights provided in the RFL (variable coef) throughout the analysis.

REGRESSION ANALYSIS

Employment gaps are obtained from the following regression:

$$emp_{iq}=\beta_0+\beta_1\, immi_{iq}+\beta_2 male_{iq}+\beta_3\, age_{iq}+\beta_4\, age^2_{iq}+\beta_5\, edu_{iq}+\beta_6\, geo_{iq}+D_q+\varepsilon_{iq} \qquad \text{(IT.1)}$$

where ***emp*** is the employed dummy for individual ***i*** in quarter ***q***, ***immi*** stands for the immigrant indicator dummies, ***male*** is a dummy for male, ***age*** is the age in years and ***age²*** is the square of ***age***, ***edu*** are three education dummies, ***geo*** are dummies for three geographical area of residence as defined above and D_q are quarter dummies. In some specifications, we replace the immigrant dummy with separate dummies for immigrants from the EU15 and EFTA countries, immigrants from the new EU member states, and immigrants from outside the EU; we also estimate equation (IT.1) separately for males and females and for different groups of immigrants by years since migration. Each of the figures reported in the tables corresponds to the coefficient β_1 resulting in each case. The sample used in the regressions is composed of native and immigrants aged 25-64. Observations are weighted using the sampling weights reported in the variable coeff.
To obtain unconditional differences in employment probability between immigrants and natives we estimate equation (IT.1) including only the immi dummy and quarter dummies, D_q. The two specifications for conditional employment differentials are computed by subsequently expanding equation (IT.1) to include *male, age, age²,* and *edu* and then also *geo*.

We obtain estimates for wage differentials using the following regression specification:

$$\ln\_wage_{iq}=\beta_0+\beta_1\, immi_{iq}+\beta_2 male_{iq}+\beta_3\, age_{iq}+\beta_4\, age^2_{iq}+\beta_5\, edu_{iq}+\beta_6\, occ_{iq}+\beta_7\, pt_{iq}+\beta_8\, geo_{iq}+D_q+\varepsilon_{iq} \qquad \text{(IT.2)}$$

where **ln_*wagee*** is the natural logarithm of the net salary earned in the month preceding the interview, ***immi*** stands for the immigrant indicator dummies, ***male*** is a dummy for male, ***age*** is the age in years and ***age²*** is the square of ***age***, edu are education dummies, ***occ*** are dummies for occupation type, ***pt*** is a dummy which takes value one in case of part-time employment and zero if employment is full-time, ***geo*** are dummies for geographical area of residence as defined above and D_q are quarter dummies. In some specifications, we replace the immigrant dummy with separate dummies for immigrants from the EU15 and EFTA countries, immigrants from the new EU member states, and immigrants from outside the EU; we also estimate equation (IT.2) separately for males and females and for different groups of immigrants by years since migration. Each of the figures reported in the tables corresponds to the coefficient β_1 resulting in each case. The sample used in the regressions is composed of natives and immigrants aged 25-64. Observations are weighted using the sampling weights reported in the variable *coeff*.
To obtain unconditional differences we estimate regression (IT.2) including only the immi dummy and quarter dummies, D_q. Specifications for conditional wage differentials are computed by subsequently expanding equation (IT.2) to include *male, age, age²,* and *edu*; *occ* and *pt*; and *geo*.

We obtain estimates of differences for the probability of being in the bottom or top income deciles by running the same regressions described above, where the dependent variable is replaced, respectively, with a dummy for being in the bottom or in the top decile of the national income distribution.

DECOMPOSITION OF LOG WAGE GAPS:

We decompose the log-wage into a component due to individual characteritics (*male, age, age², and edu*), a component due to occupation and job characteristics (*occ* and *pt*) and a residual component using the conditional decomposition proposed by Gelbach (2016)[11] , to solve the problem of estimates' sensitivity to the order of subsequently added covariates.

DISTRIBUTION OF ACTUAL AND POTENTIAL WAGES:

Potential wages of immigrants are predicted based on natives' wages using two different regression specifications. The first specification predicts immigrants' potential wages based on age groups, gender, education and their interactions; the second specification adds the geographical area of residence, occupation dummies and a part-time dummy. In both cases we account for heteroscedasticity by age-gender-education. After a log odd-ratio transformation, we estimate the kernel density of immigrants' actual and potential wages. The actual and predicted positions of immigrants in the wage distribution are computed for all immigrants and by group of country of birth.

OCCUPATIONAL DISSIMILARITY:

We measure differences in occupational distribution with the Duncan dissimilarity index. The Duncan index measures the difference in the distribution of two groups across a specific variable. In our analysis, the index measures the difference in the distribution of immigrants and natives across occupations. It can be interpreted as the percentage of immigrants that would need to change occupation in order for the two distributions to be equal.

The index is calculated as follows:

$$\frac{1}{2}\sum_{o=0}^{9}\left|\frac{immi_o}{immi\_tot}-\frac{nat_o}{nat\_tot}\right| \qquad \text{(IT.3)}$$

where $\boldsymbol{immi_o}$ is the number of immigrants employed in occupations of type $\boldsymbol{o}$, $\boldsymbol{nat_o}$ is the number of natives employed in occupations of type $\boldsymbol{o}$, and ***immi_tot*** and ***nat_tot*** are the

[11] *Gelbach, Jonah B. 2016. "When Do Covariates Matter? And Which Ones, and How Much?" Journal of Labor Economics, 34(2): 509-543.*

total number of immigrants and natives. The index $\boldsymbol{o}$ refers to occupations recorded by the variable ***occupation***, as defined above.
The basic Duncan dissimilarity index is calculated by groups of country of birth, groups of years since migration and by education levels. We use individuals aged 25-64 when calculating the index.

ASSIMILATION:

Estimates of the change of employment probability differentials over years since migration are obtained from the following regression specification:

$$emp_{itq}=\beta_0+\beta_1\, immi_{itq} * ysm_{itq}+\beta_2\, male_{itq}+\beta_3\, age_{itq}+\beta_4\, age^2_{itq}+\beta_5\, edu_{itq}+year_t * D_q+\varepsilon_{itq} \qquad \text{(IT.4)}$$

where ***emp*** is the employed dummy, ***immi*ysm*** are the interactions between the immigrant indicator and a set of dummies for years since arrival in Italy, ***male*** is a dummy for male, ***age*** is the age in years and ***age²*** is the square of ***age***, ***edu*** are education dummies and $\boldsymbol{year_2 * D_q}$ are interactions between year and quarter dummies. In some specifications, we replace the immigrant dummy with separate dummies for immigrants from the EU15 and EFTA countries, immigrants from the new EU member states, and immigrants from outside the EU; we also estimate equation (IT.4) separately for males and females and for different groups of immigrants by level of education. The coefficient plotted in the graphs corresponds to the coefficients $\boldsymbol{\beta_1}$ resulting in each case. The sample used in the regressions is composed of native and immigrants aged 25-64. Observations are weighted using the sampling weights reported in the variable *coeff*. We estimate equation (IT.4) pooling all years 2009-2017.
To obtain unconditional estimates we run regression (IT.4) including only the interaction terms ***immi*ysm*** and $\boldsymbol{year_q * D_q}$. The specifications for conditional estimates are computed by subsequently expanding equation (IT.4) to include *male, age, age², and edu*.

Estimates of wage assimilation profiles are obtained similarly, estimating versions of equation (IT.4) where the dependent variable is replaced by the logarithm of net monthly wages, and adding in some specifications occupation and part time dummies.

Migration Observatory

The Migration Observatory is a Centro Studi Luca d'Agliano - Collegio Carlo Alberto joint research initiative funded by the Compagnia di San Paolo.
The main objective is to study analytically topical issues on migration, such as the economic and social impact of immigration on receiving and sending countries or the implications of different migration policies, from an international and cross-disciplinary perspective. Also, it aims to construct a critical mass of academic knowledge in order to increase the visibility of Collegio Carlo Alberto and Centro Studi Luca d'Agliano in the policy debate.

Centro Studi Luca d'Agliano

The Centro Studi Luca d'Agliano was founded in Turin in 1986 by the family of Luca d'Agliano, his friends, and some of his teachers. It is a non-profit research institution contributing original research in the field of international and development economics. Particular emphasis is placed on the training of young scholars and in giving them the opportunity of acquiring a truly international perspective. The activities of the Centro Studi mainly focus on academic research, but it also greatly contributes to the policy debate.

Collegio Carlo Alberto

The Collegio Carlo Alberto is a foundation created in 2004 at the joint initiative of the Compagnia di San Paolo and the University of Torino. Its mission is to foster research and education in the social sciences, in accordance with the values and practices of the international academic community. The Collegio undertakes both with a distinctly outward perspective, adhering to the international academic standards.

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