Migration in Europe
MigrEU Jean Monnet Module

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Assimilation of Migrants in the destination country

Economics of Migration in Europe
Lesson 8
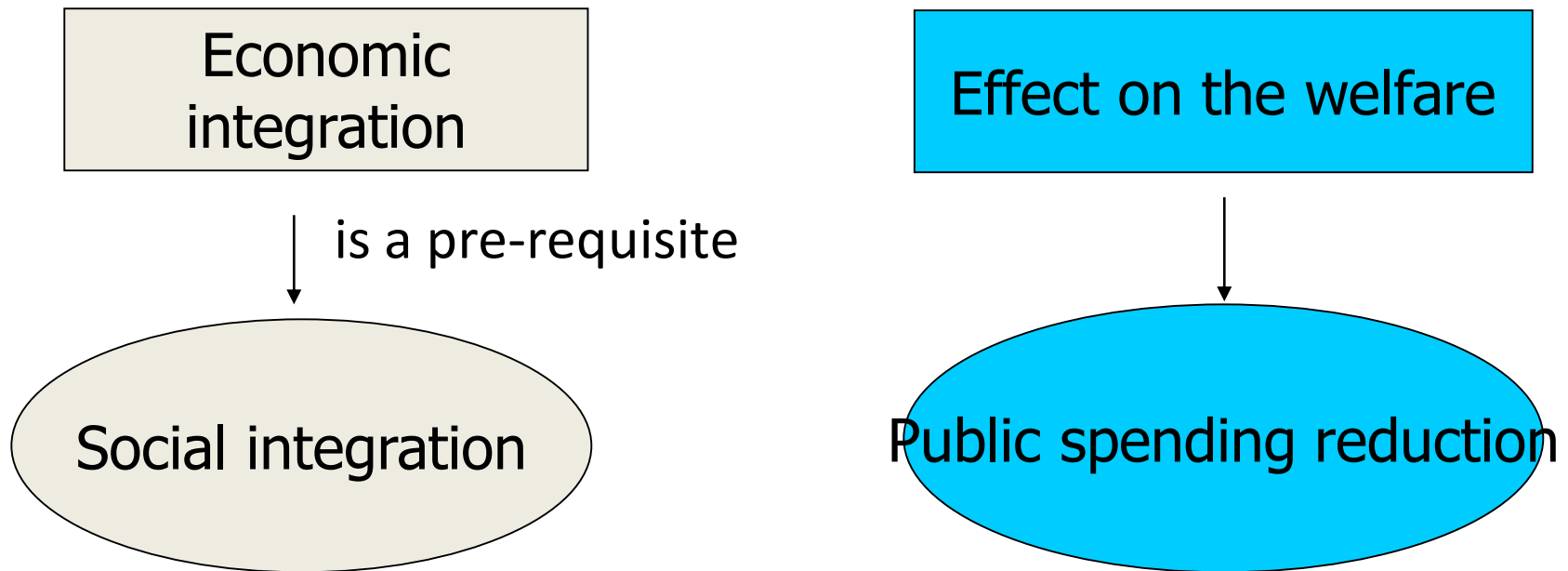
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UNIVERSITÀ DEGLI STUDI
DI TORINO

Assimilation

Migrants receive the same remuneration and have the same probability of finding a job than similar natives

Economic integration		Effect on the welfare

is a pre-requisite

Social integration

Public spending reduction

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Assimilation in the labour market: WAGE
Methodological problems

Political issue
Economic assimilation is a prerequisite for social assimilation or integration, and in any case for peaceful lives of foreigner in the destination country.

Policies to implement
Special integration policies, like language courses, special training policies or selective migration policies to avoid non-assimilating workers or, as in the case of refugees, special schemes to reduce their welfare state dependency, which also refer to specific localizations in the country.

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Assimilation in the labour market: WAGE
Methodological problems

- Reference group

- Selection of the migrants (probability of remaining)

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In the case of the USA, the debate mainly centres on the work of Barry Chiswick, George Borjas, La Londe and Topel, but there are many other relevant contributions. The estimated equation uses as explanatory variables for the wages of workers (i): a vector of socio-economic characteristics Xi, the worker's age as a proxy of his experience Ai, a dummy Ii which specifies whether the worker is an immigrant, and a variable yi which indicates the number of years the worker has been resident in the destination country, which is of course 0 for natives.

$$\text{LogW}i = a\ Xi + b1Ai + b2Ai^2 + g°Ii + g'yi + g''yi^2 + \epsilon i$$

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Barry Chiswick in his pioneering work of 1978, using a cross section drawn only from one **census**, identified a negative coefficient for $g°$ - which indicates the percentage difference between immigrants and natives at the time of arrival – and a positive coefficient for g' – which identifies the rate at which wages grow with respect to those of the natives- while g'' increases at a decreasing rate

The conclusion tended to support an "over" assimilation of immigrants. In that, in the short-term they are able to catch up with and overtake corresponding natives.

The causes of this result were not attributed to the lack of specific human capital in the receiving country at the time of arrival but to the fact that these people possess a greater propensity to risk and possess more human capital, which came to the fore over time.

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Wage

Foreigners

Native

Age

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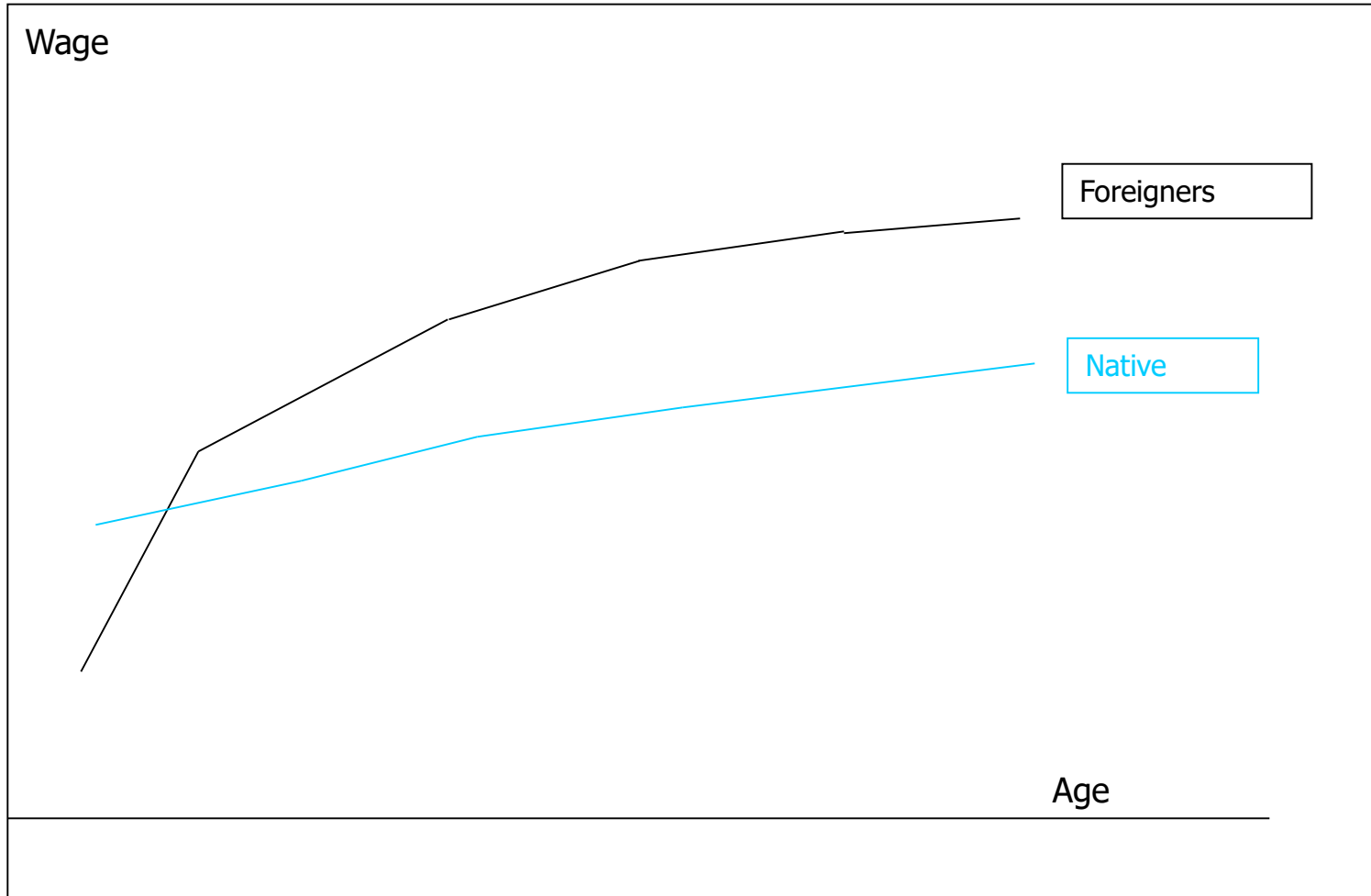
FIGURE 9-5 **Cohort Effects and the Immigrant Age-Earnings Profile**

The typical person migrating in 1960 is skilled and has age-earnings profile *PP*; the 2000 immigrant is unskilled and has age-earnings profile *RR*; the 1980 immigrant has the same skills as the typical native and has age-earnings profile *QQ*. Suppose all immigrants arrive at age 20. The 2000 census cross section reports the wages of immigrants who have just arrived (point *R**); the wage of immigrants who arrived in 1980 when they are 40 years old (point *Q**); and the wage of immigrants who arrived in 1960 when they are 60 years old (point *P**). The cross-sectional age-earnings profile erroneously suggests that immigrant earnings grow faster than those of natives.
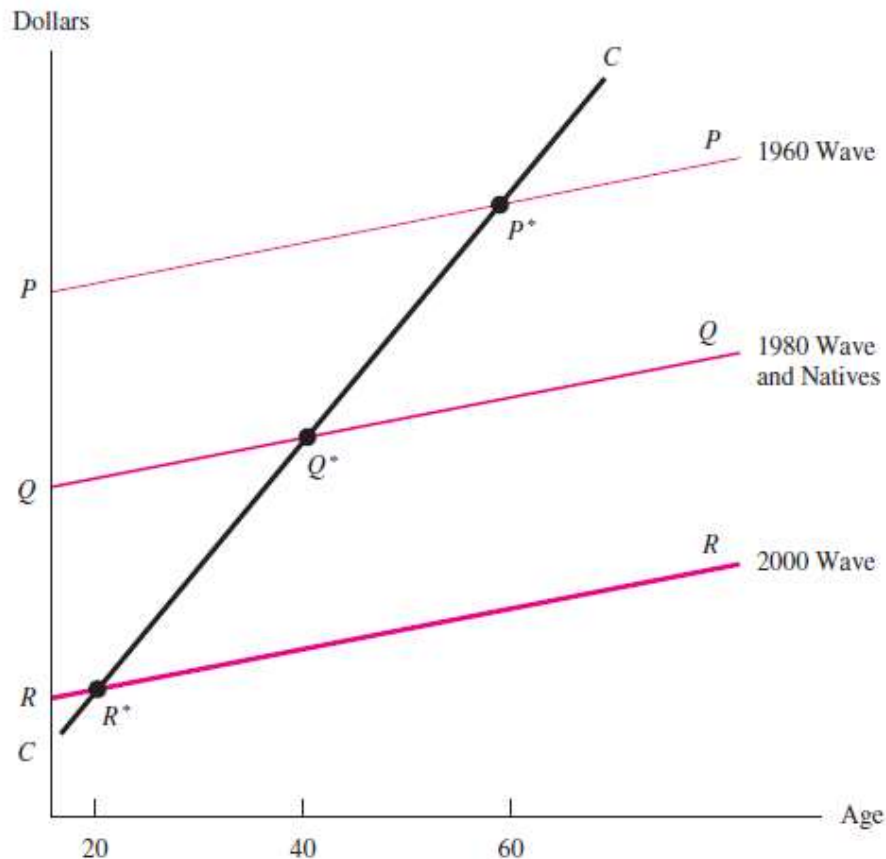
George Borjas in his 1985 research came to a different conclusion.

Using two censuses he showed how the different wages structures of two cohorts can be missed in a single cross section analysis, while a longitudinal analysis reveals a phenomenon of "under" assimilation

which can be attributed to the lower 'quality' of the most recent cohorts, therefore, a higher $g°$ and a lower g'.

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Figure 12: Frontier Earnings Functions of Inhabitants and Immigrants

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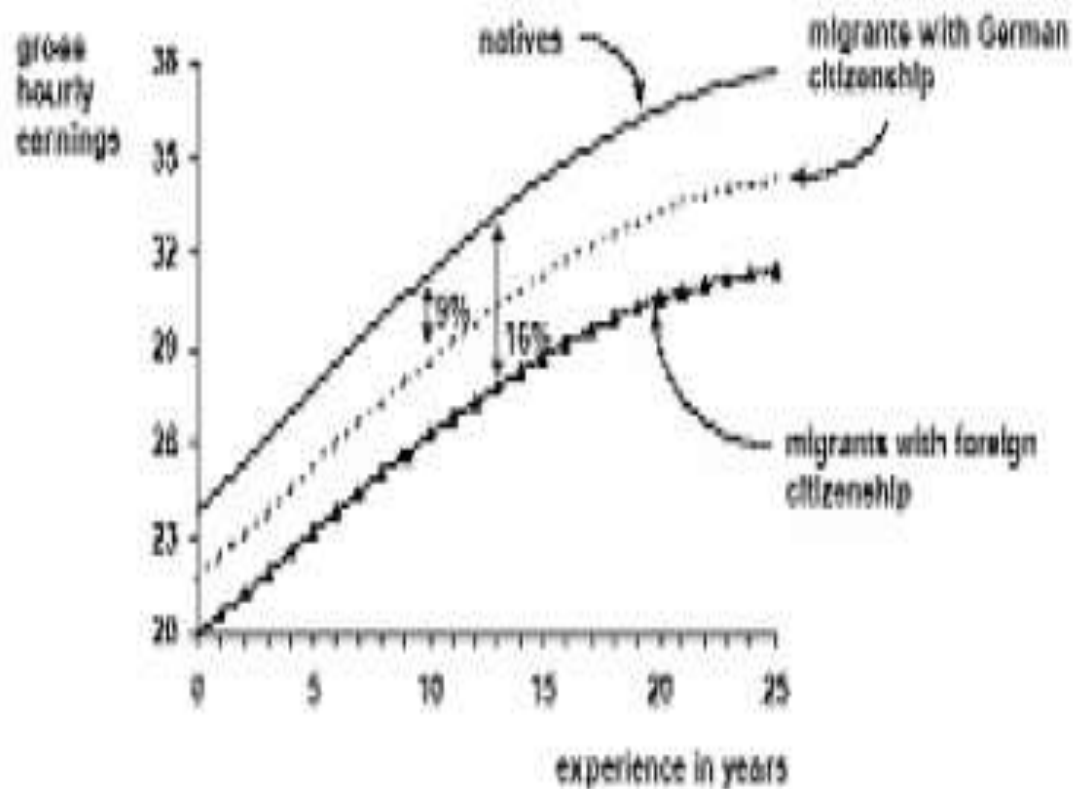
Figure 13: Age-earnings profiles for the Canadian-born (CB), British Immigrants Canadian citizens (BritIm_C) and non-citizens of Canada (BritIm_NC), Chinese Immigrants Canadian citizens (ChinIm_C) and non-citizens of Canada (ChinIm_NC)
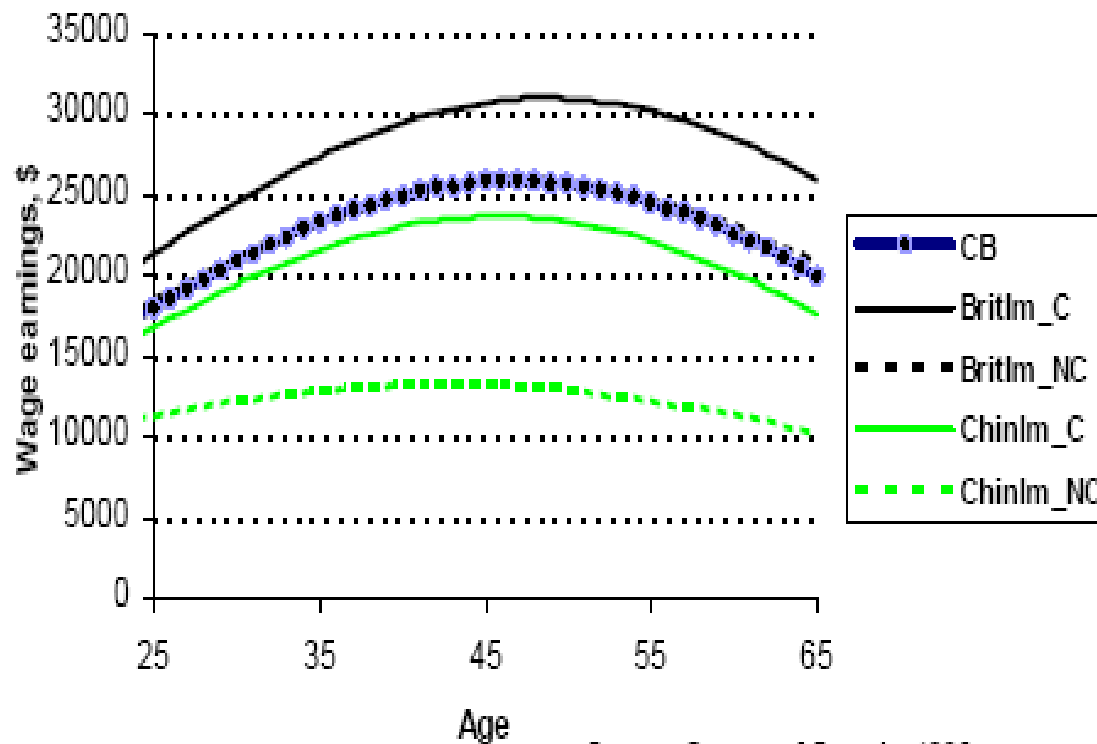
Source: Census of Canada, 1996

The **different quality of cohorts** at the time of immigration is imputed to different factors:

- **Changes in the immigration policy** which chooses individuals with different characteristics;
- **Different economic conditions** in the destination country which changes the national mix of the immigrants; thus causing changes in the productivity of the workers.

It can also depend on changes in the composition of the cohorts due to non-casual repatriation.

Finally, ==La Londe-Topel (1992)== report similar results to those of Borjas ("under" assimilation of foreigners and a lower g')

but they attribute this not to the lower quality of the cohorts but to worse economic conditions in the receiving country at the time when the foreigner entered the labour market, offering his/her labour at a lower entry wage (negative $g°$) and having few career prospects (a lower wage pattern g').

The debate is still ongoing with new specifications and tests being introduced.

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From an analytical point of view the problem is well-known in labour literature. Building up the pattern of wages in the life cycle using census data poses numerous problems of specification.

The wage of an individual who belongs to the arrival cohort *i* in the year of the census *t(wit)* is a function of a limited number of individual variables, *Xit*
and the error **ε** made up of three components,
ait, the **vintage factor**, that is to say, the average value of human capital specific to the receiving country and accumulated by the cohort *(i)* on arrival,
bit, the **time factor**, that is to say, the changes in the labour market which can have a different effect on a foreign worker's human capital on arrival
and *ui* the **cohort factor**, that is to say, the average value of the quality of the cohort which is fixed for each given arrival cohort.

$$W_{it} = X_{it}\beta_t + \varepsilon it; \qquad \varepsilon_{it} = a_{it} + b_{it} + u_i$$

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It is not possible to identify the different kinds of error in an analysis of only one year, but with two periods of reference the estimated error is as follows

$$\varepsilon_{55,t} - \varepsilon_{65,t} = a_{55,t} - a_{65,t} + b_{55,t} - b_{65,t} + u_{55} - u_{65}$$

The estimate is correct if there is no time factor between the two cohorts [*E(b55,t-b65,t) =0*] – a solution adopted in Borjas (1985) – and if there is no difference in terms of the average values of the quality of the worker [*E(u55-u65) =0*] in the cohorts. If the quality of the worker falls or if transitory changes reduce the new immigrant's wages, the assimilation of the foreigner will be over- or under-estimated. LaLonde and Topel abandoned the use of cross section estimates to create a quasi panel in order to follow the growth of wages of the immigrant cohorts from 1970 to 1980. It was indexed to a group of natives and using other simplifying assumptions it was possible to specify the time component

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Using longitudinal data would simplify the problem because the error due to different qualities of cohorts would be eliminated.

Since than panel data are used, but also with the panel analysis some problems remain: **the self selection or attrition**.

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A controversial situation is the case of **Germany.**

The empirical study carried out by Dustmann (1993) uses the individual data panel of GSOEP and shows lower earnings for foreign workers during all their working life and such a finding can be traced to the temporary nature of the migratory flow.

This conclusion is contradicted by an analysis of the same dataset by Schmidt (1993) which shows that a foreign worker's earnings are equal to a native worker's earnings after a period of 17 years.

Pischke (1992) finds that there is no difference in the rate at which incomes grow between foreigners and natives in comparable jobs, even though foreigners never reach the same wage level as the natives.

The different findings depend on the reference group with which the foreigners are compared and as Dustmann has used all natives, white collar and blue collar workers, the lack of convergence can be explained by the low skills of the foreigners. However, the small number of recent immigrants in the sample makes it difficult to study wage trends.

Language

- <mark>Chiswick (1980)</mark>. The Earnings of White and Coulored Male Immigrants in Britain, *Economica* n.47, pp.81-87

- <mark>Dustmann *et al.* (2003).</mark> Labour market performance of immigrants in the UK labour market, *Home office online Report 5/03.*

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- **Integration in the labour market**
- **Wage** (synthetic index of integration)
- Age
- Education
- Experience in and out of the job
- Year since migration
- Linguistic Distance
- Community Size

MEDAM
Mercator Dialogue on
Asylum and Migration

Research Article

Employment Assimilation of Immigrants in The Netherlands: Dip and Catchup by Source Country

Aslan Zorlu[1] and Joop Hartog[2]

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TABLE 1: Mean values of variables by gender and origin, 25–64.

	Men							Women						
	Native	TurMor	Car	East	Ref	NW	West	Native	TurMor	Car	East	Ref	NW	West
Employed	0.85	0.68	0.78	0.73	0.49	0.72	0.80	0.67	0.35	0.65	0.55	0.22	0.50	0.65
Unemployed	0.04	0.18	0.16	0.14	0.29	0.18	0.06	0.05	0.10	0.13	0.14	0.14	0.12	0.06
EGP	1.78	2.41	2.01	2.12	2.37	2.16	1.73	1.90	2.36	2.05	2.14	1.98	2.28	1.89
Age	44.79	38.86	41.37	42.77	40.48	40.71	46.00	44.64	37.08	41.23	41.04	38.76	39.58	45.36
Second gen		0.15	0.28	0.24	0.01	0.11	0.74		0.19	0.24	0.15	0.01	0.10	0.70
YSM (Imm)		18.78	21.14	13.1	8.96	14.5	23.2		18.01	20.6	12.1	8.29	13.2	21.6
Education	13.43	10.77	12.52	13.62	13.37	12.63	13.63	12.85	9.56	12.26	13.43	11.92	12.06	13.10
Married	0.56	0.56	0.53	0.55	0.58	0.57	0.54	0.53	0.51	0.44	0.51	0.52	0.49	0.50
1 Child 0–5 yrs	0.12	0.30	0.16	0.17	0.21	0.21	0.12	0.12	0.30	0.17	0.19	0.27	0.23	0.13
More child 0–5 yrs	0.08	0.14	0.07	0.07	0.09	0.12	0.06	0.08	0.14	0.07	0.05	0.09	0.10	0.07
Child 6–11 yrs	0.19	0.38	0.18	0.20	0.26	0.25	0.17	0.20	0.44	0.26	0.22	0.38	0.30	0.19
Full-time	0.76	0.60	0.70	0.66	0.39	0.62	0.71	0.16	0.13	0.28	0.20	0.07	0.21	0.19
Hours 24–32	0.06	0.04	0.06	0.05	0.04	0.07	0.06	0.20	0.09	0.22	0.17	0.10	0.13	0.20
Naturalised (Imm)		0.17	0.65	0.12	0.07	0.32	0.09		0.14	0.66	0.16	0.05	0.30	0.12
N	61333	1728	1160	522	410	971	5333	62136	1716	1549	851	285	1278	5829

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TABLE 2: Employment probabilities, probit: coefficient, (marginal effect), and (standard error).

	Men				Women			
	Mod I	Mod II	Mod III	Mod IV	Mod I	Mod II	Mod III	Mod IV
Age	0.260***	0.265***	0.266***	0.261***	0.147***	0.154***	0.155***	0.159***
	[0.052]	[0.051]	[0.051]	[0.049]	[0.053]	[0.055]	[0.056]	[0.057]
	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)
Age-sq	−0.003***	−0.004***	−0.004***	−0.003***	−0.002***	−0.002***	−0.002***	−0.002***
	[−0.001]	[−0.001]	[−0.001]	[−0.001]	[−0.001]	[−0.001]	[−0.001]	[−0.001]
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
YSM	0.036***	0.041***	0.028***	0.027***	0.054***	0.060***	0.051***	0.054***
	[0.007]	[0.008]	[0.005]	[0.005]	[0.020]	[0.022]	[0.018]	[0.019]
	(0.001)	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)
YSM-sq	−0.001***	−0.001***	−0.001***	−0.001***	−0.001***	−0.001***	−0.001***	−0.001***
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
TurkMoroc	−1.471***	−1.274***	−1.070***	−1.074***	−1.965***	−1.676***	−1.535***	−1.471***
	[−0.489]	[−0.406]	[−0.326]	[−0.325]	[−0.618]	[−0.572]	[−0.541]	[−0.527]
	(0.026)	(0.027)	(0.031)	(0.031)	(0.009)	(0.013)	(0.018)	(0.020)
Caribbean	−1.042***	−0.970***	−0.998***	−0.969***	−1.059***	−1.012***	−0.985***	−0.996***
	[−0.323]	[−0.289]	[−0.299]	[−0.286]	[−0.403]	[−0.387]	[−0.378]	[−0.382]
	(0.029)	(0.029)	(0.036)	(0.036)	(0.021)	(0.022)	(0.027)	(0.028)
East-Europ	−1.099***	−1.120***	−1.073***	−1.063***	−1.094***	−1.184***	−1.167***	−1.256***
	[−0.348]	[−0.349]	[−0.331]	[−0.325]	[−0.414]	[−0.444]	[−0.438]	[−0.466]
	(0.031)	(0.032)	(0.041)	(0.041)	(0.019)	(0.019)	(0.024)	(0.023)
RefugeeCount	−1.827***	−1.855***	−2.251***	−2.244***	−1.970***	−1.983***	−2.753***	−2.770***
	[−0.621]	[−0.626]	[−0.737]	[−0.735]	[−0.610]	[−0.616]	[−0.671]	[−0.675]
	(0.025)	(0.025)	(0.033)	(0.034)	(0.012)	(0.012)	(0.007)	(0.007)
Nonwestern	−1.258***	−1.203***	−1.379***	−1.364***	−1.344***	−1.299***	−1.364***	−1.376***
	[−0.409]	[−0.380]	[−0.450]	[−0.442]	[−0.489]	[−0.479]	[−0.497]	[−0.501]
	(0.027)	(0.028)	(0.034)	(0.034)	(0.015)	(0.016)	(0.019)	(0.020)
Western	−0.702***	−0.666***	−0.662***	−0.654***	−0.956***	−1.011***	−1.021***	−1.042***
	[−0.189]	[−0.172]	[−0.171]	[−0.167]	[−0.367]	[−0.386]	[−0.390]	[−0.397]
	(0.021)	(0.021)	(0.025)	(0.025)	(0.019)	(0.019)	(0.022)	(0.022)
Second Gen	0.595***	0.536***	0.527***	0.529***	1.000***	1.006***	1.004***	1.020***
	[0.086]	[0.076]	[0.075]	[0.075]	[0.269]	[0.265]	[0.265]	[0.266]
	(0.006)	(0.007)	(0.008)	(0.007)	(0.009)	(0.009)	(0.010)	(0.010)
Caribb*YSM			0.015**	0.014**			0.009	0.009*
			[0.003]	[0.003]			[0.003]	[0.003]
			(0.001)	(0.001)			(0.002)	(0.002)
EastEur*YSM			0.009	0.009			0.008	0.011
			[0.002]	[0.002]			[0.003]	[0.004]
			(0.001)	(0.001)			(0.002)	(0.002)
Refug*YSM			0.058***	0.058***			0.093***	0.094***
			[0.011]	[0.011]			[0.033]	[0.033]
			(0.003)	(0.003)			(0.007)	(0.007)

TABLE 3: Unemployment probabilities, probit: Coefficient, (marginal effect), and (standard error).

	Men				Women			
	Mod I	Mod II	Mod III	Mod IV	Mod I	Mod II	Mod III	Mod IV
Age	0.008	0.008	0.010	0.048***	0.074***	0.073***	0.074***	0.086***
	[0.001]	[0.001]	[0.001]	[0.005]	[0.008]	[0.008]	[0.008]	[0.008]
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Age-sq	0.000	0.000	0.000	−0.001***	−0.001***	−0.001***	−0.001***	−0.001***
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
YSM	−0.026**	−0.027**	−0.033**	−0.032**	−0.013	−0.014	−0.030**	−0.035**
	[−0.003]	[−0.003]	[−0.003]	[−0.003]	[−0.001]	[−0.002]	[−0.003]	[−0.003]
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
YSM-sq	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]	[0.000]
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
TurkMoroc	1.116***	1.068***	1.175***	1.327***	0.500***	0.445***	0.634***	0.762***
	[0.240]	[0.223]	[0.259]	[0.301]	[0.077]	[0.065]	[0.105]	[0.132]
	(0.034)	(0.033)	(0.040)	(0.043)	(0.022)	(0.021)	(0.030)	(0.033)
Caribbean	1.043***	1.031***	1.097***	1.150***	0.668***	0.651***	0.677***	0.609***
	[0.218]	[0.213]	[0.235]	[0.242]	[0.115]	[0.110]	[0.116]	[0.095]
	(0.035)	(0.035)	(0.044)	(0.045)	(0.026)	(0.025)	(0.030)	(0.028)
East-Europ	0.913***	0.926***	0.642***	0.658***	0.685***	0.679***	0.703***	0.749***
	[0.179]	[0.182]	[0.105]	[0.104]	[0.120]	[0.117]	[0.123]	[0.130]
	(0.035)	(0.036)	(0.038)	(0.037)	(0.025)	(0.025)	(0.031)	(0.032)
RefugeeCount	1.347***	1.348***	1.340***	1.374***	0.619***	0.599***	0.024	0.140
	[0.328]	[0.328]	[0.324]	[0.326]	[0.104]	[0.099]	[0.003]	[0.015]
	(0.040)	(0.040)	(0.075)	(0.077)	(0.033)	(0.032)	(0.032)	(0.037)
Non-western	1.067***	1.063***	0.961***	0.949***	0.569***	0.547***	0.453***	0.496***
	[0.226]	[0.224]	[0.191]	[0.179]	[0.092]	[0.086]	[0.067]	[0.072]
	(0.033)	(0.033)	(0.039)	(0.038)	(0.021)	(0.021)	(0.023)	(0.024)
Western	0.547***	0.561***	0.551***	0.536***	0.286**	0.278**	0.313**	0.333**
	[0.080]	[0.083]	[0.081]	[0.073]	[0.037]	[0.035]	[0.041]	[0.041]
	(0.019)	(0.019)	(0.023)	(0.021)	(0.014)	(0.014)	(0.017)	(0.016)
Second Gen	−0.367***	−0.366***	−0.361**	−0.377***	−0.209*	−0.192*	−0.233*	−0.278**
	[−0.029]	[−0.028]	[−0.028]	[−0.027]	[−0.019]	[−0.017]	[−0.021]	[−0.022]
	(0.006)	(0.006)	(0.006)	(0.006)	(0.007)	(0.008)	(0.008)	(0.007)
Caribb*YSM			0.002	0.006			0.013	0.012
			[0.000]	[0.001]			[0.001]	[0.001]
			(0.001)	(0.001)			(0.001)	(0.001)
EastEur*YSM			0.033**	0.035**			0.012	0.012
			[0.003]	[0.003]			[0.001]	[0.001]
			(0.001)	(0.001)			(0.001)	(0.001)
Refug*YSM			0.008	0.007			0.086**	0.083*
			[0.001]	[0.001]			[0.009]	[0.008]
			(0.002)	(0.002)			(0.003)	(0.003)
			0.015	0.022*			0.023*	0.021*

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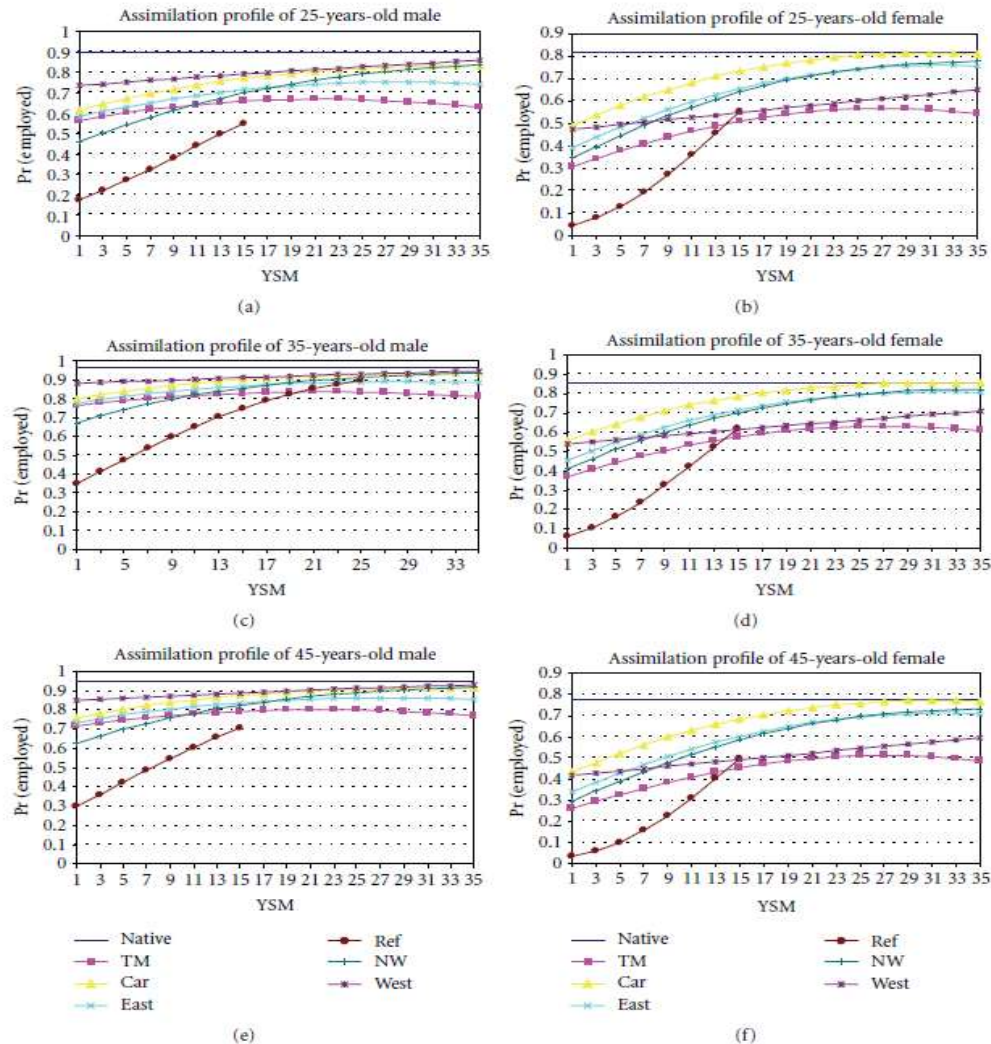
FIGURE 2: Probability of employment by years since migration, for different ages at arrival.

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Variable	Foreign migrants		Native migrants		Native stayers	
	Mean	(Std. Err.)	Mean	(Std. Err.)	Mean	(Std. Err.)
Weekly wage	290.9	(119.6)	358.2	(202.2)	329.5	(182.4)
Age	31.79	(6.1)	31.79	(6.0)	30.85	(6.1)
Age at entrance	27.93	(5.5)	23.75	(4.4)	22.79	(4.1)
Months of employment	42.88	(38.4)	85.14	(57.4)	90.01	(58.4)
Months out of employment	10.27	(19.2)	19.65	(31.6)	15.13	(26.9)
Blue collar	0.93	(0.3)	0.68	(0.5)	0.64	(0.5)
White collar	0.03	(0.2)	0.30	(0.5)	0.32	(0.5)
Apprentices	0.03	(0.2)	0.02	(0.1)	0.04	(0.2)
Atypical	0.14	(0.3)	0.11	(0.3)	0.11	(0.3)
Firm size 0_20	0.58	(0.5)	0.40	(0.5)	0.45	(0.5)
Firm size 20_200	0.30	(0.5)	0.29	(0.5)	0.28	(0.4)
Firm size 200_1000	0.08	(0.3)	0.15	(0.4)	0.12	(0.3)
Firm size _over1000	0.05	(0.2)	0.17	(0.4)	0.14	(0.3)
North West	0.39	(0.5)	0.48	(0.5)	0.31	(0.5)
North East	0.37	(0.5)	0.25	(0.4)	0.23	(0.4)
Centre	0.18	(0.4)	0.21	(0.4)	0.19	(0.4)
South	0.05	(0.2)	0.06	(0.2)	0.28	(0.4)
Manufacturing	0.52	(0.5)	0.47	(0.5)	0.50	(0.5)
Construction	0.21	(0.4)	0.16	(0.4)	0.13	(0.3)
Services	0.27	(0.4)	0.38	(0.5)	0.38	(0.5)
Mediterranean Africa	0.26	(0.4)				
Africa other	0.25	(0.4)				
Latin America	0.03	(0.2)				
Asia	0.17	(0.4)				
East Europe	0.29	(0.5)				
Avg. community size by region	0.63%	(0.6%)	2.4%	(1.6%)		
N. observations	44447		62484		371481	

Table A3. Descriptive statistics 1990-2003 for foreign migrants, native migrants and native stayers.

Figure 4. Foreign-native differentials in wages and days worked by sectors at increasing experience in the labour market
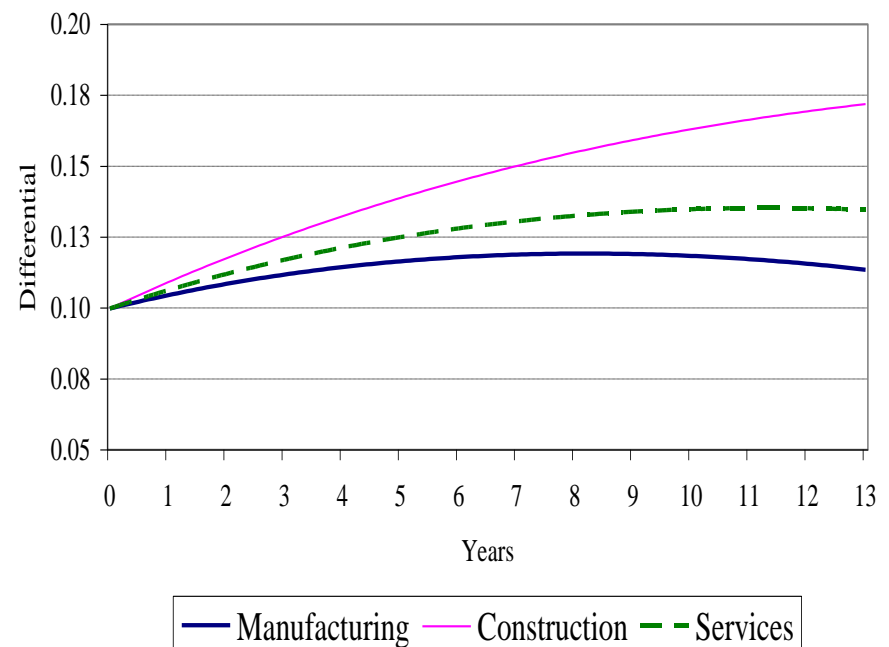
Figure 5. Foreign-native differentials in wages and days worked by ethnic groups at increasing experience in the labour market
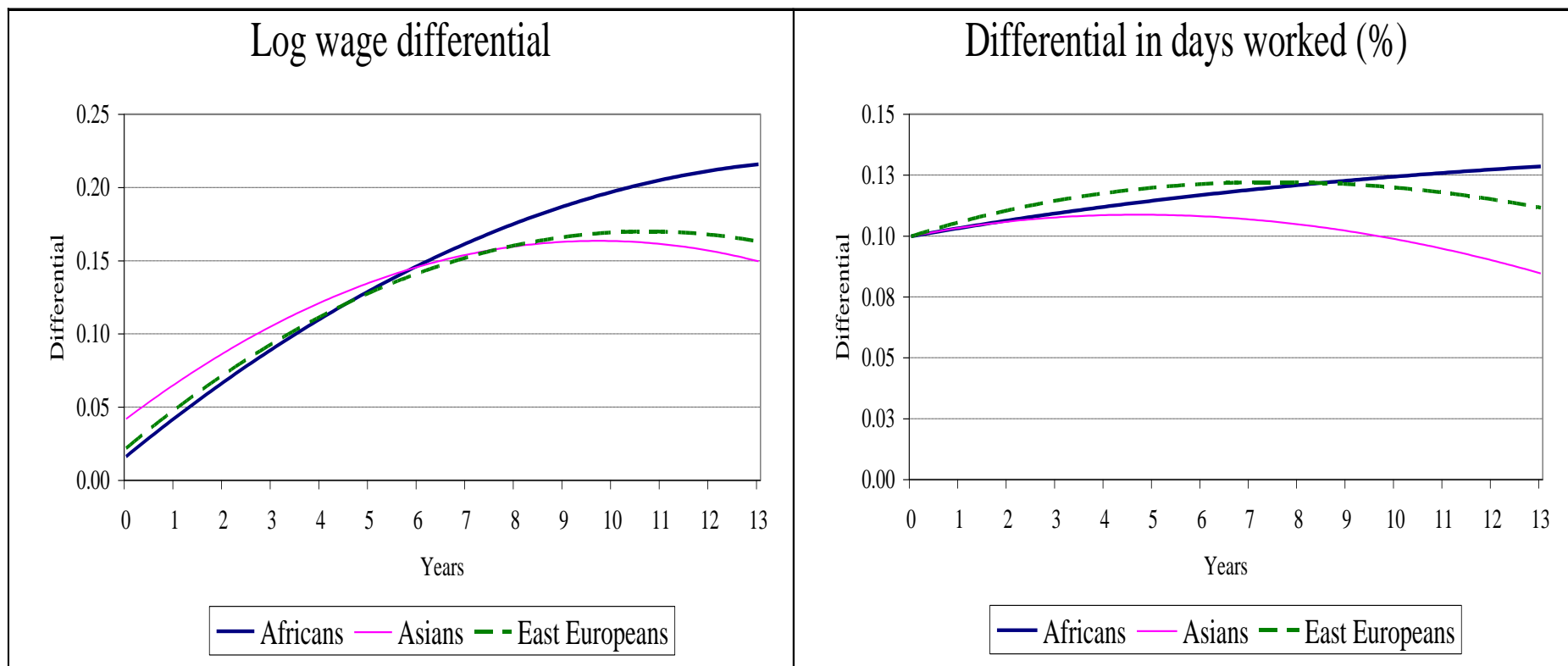

Log wage differential
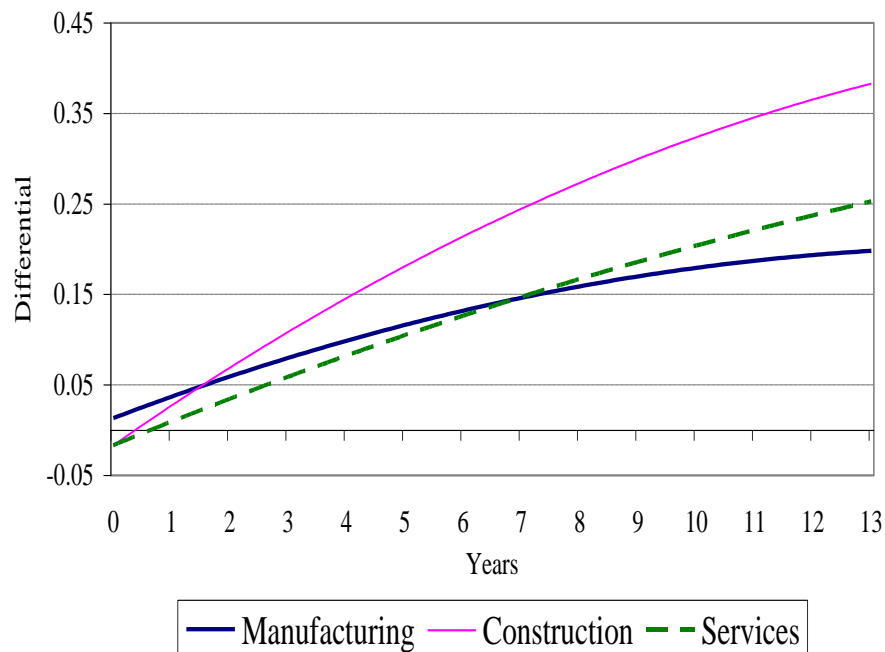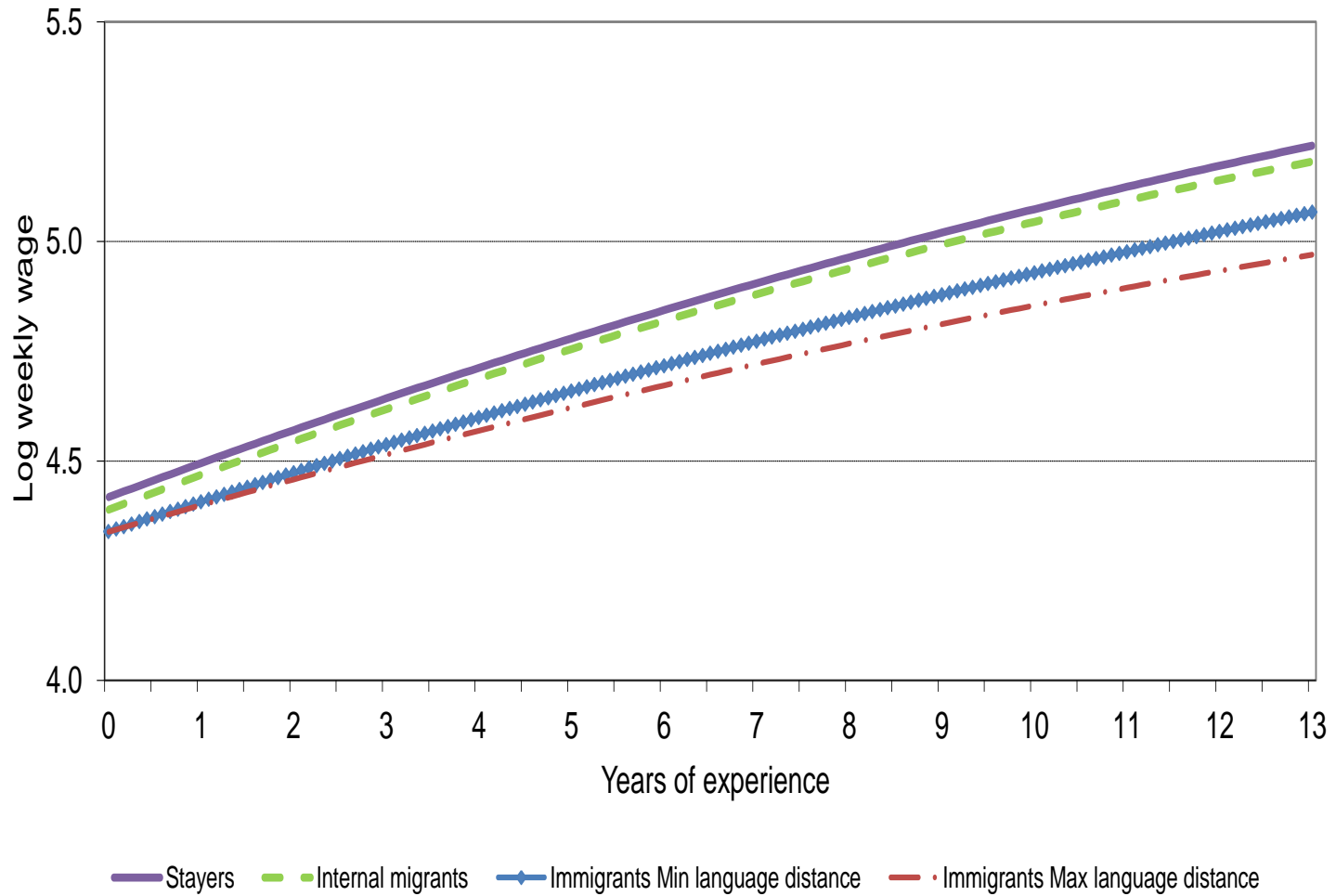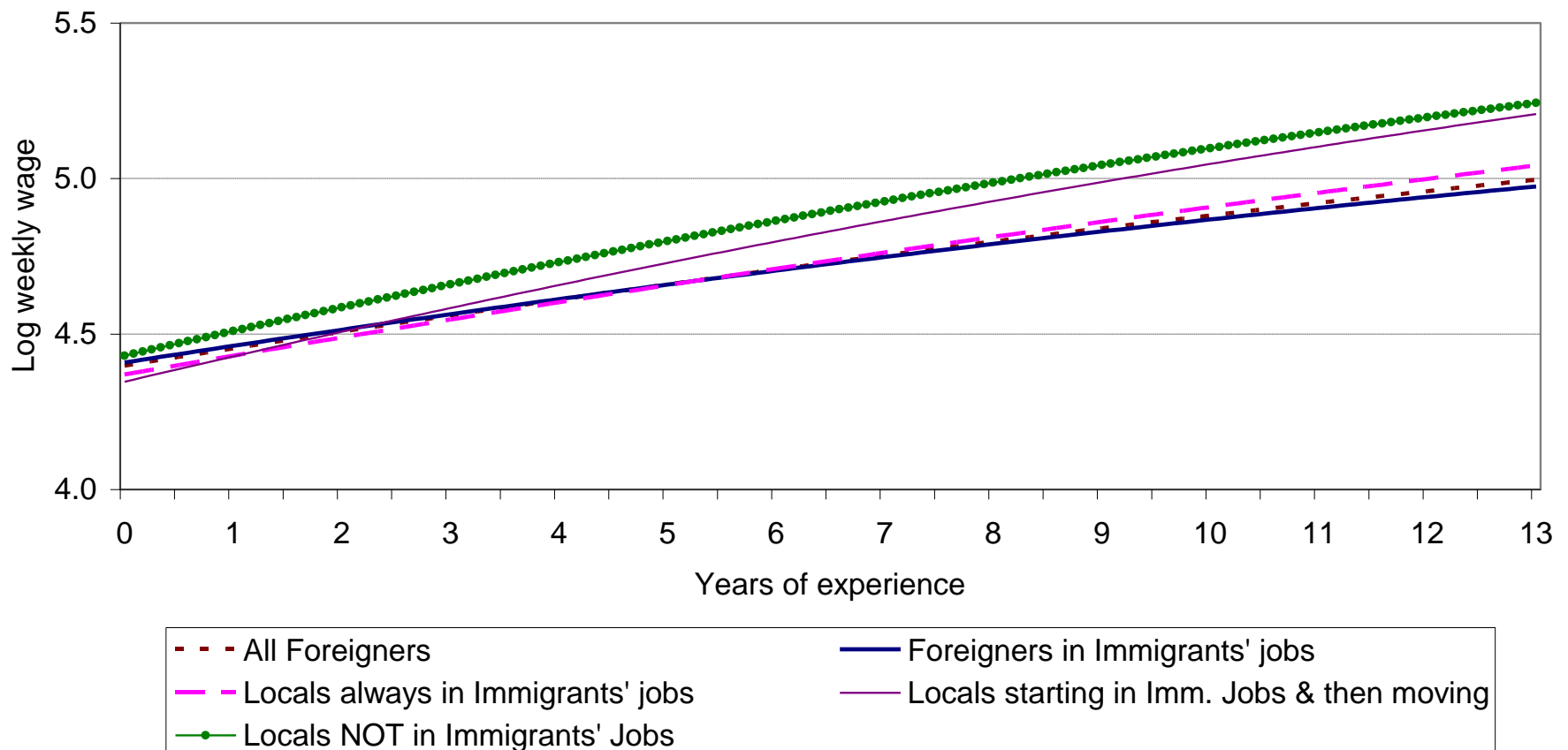
Differential in days worked (%)

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	Foreign migrants		Native migrants		Native stayers	
Intercept	4.821	***	4.509	***	4.786	***
	(0.1679)		(0.3300)		(0.1277)	
Age	0.044	***	0.063	***	0.066	***
	(0.0057)		(0.0050)		(0.0017)	
Age ^2	-0.0005	***	-0.0004	**	-0.0003	***
	(0.0001)		(0.0001)		(0.0001)	
Months of employment	0.0009	**	0.0016	***	0.0012	***
	(0.0004)		(0.0004)		(0.0001)	
Months of employment ^2	0.00000		-0.00001	***	-0.00001	***
	(0.0000)		(0.0000)		(0.0000)	
Months out of employment	0.00000		-0.002	***	-0.001	***
	(0.0000)		(0.0006)		(0.0002)	
Log VA	0.061	***	0.146	***	0.053	***
	(0.0186)		(0.0361)		(0.0140)	
Regional unemployment rate	0.000		-0.122		-0.003	***
	(0.0038)		(0.0855)		(0.0009)	
Share of regional foreign employm.	-3.089	**	0.495			
	(1.3174)		(1.1834)			
Corr. for return migration	0.011	**				
	(0.0051)					
N obs	3554		4878		27083	
F	78.26		34.33		507.59	
corr(u_i, Xb) =	-0.3933		-0.1954		-0.3438	
Prob > F =	0		0		0	
R-sq: within =	0.4407		0.5222		0.589	
between =	0.1219		0.1498		0.2466	
overall =	0.2233		0.2484		0.3603	

Table A5. Fixed effect estimates of log weekly wage in nominal terms for males aged 18-45, entrants in 1991 and 1992.

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Experience- log wage profiles for foreigners and locals, blue collars males in manufacturing in north west entering in the labour market at age 18 by type of jobs

Legend:
- - - All Foreigners
— — Locals always in Immigrants' jobs
—•— Locals NOT in Immigrants' Jobs
——— Foreigners in Immigrants' jobs
——— Locals starting in Imm. Jobs & then moving

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- The probability of exits from this type of jobs is positively related to the **linguistic distance**

→ **Important policy implication also for refugees**.

- The *New Integration Strategy* that support a rapid transition to the labour market in particular for asylum seekers

→ ***Become a Trap***

- The probability of exit form the low skill profession is function of the linguistic distance

- There is the need of a ***revision of the linguistic and training policies***

- which should be distributed in the week, month

- **LONG LIFE LEARNING**

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The exit from low skilled position is also affected by the size of the community

In general is negative

The scientific research on the role of the Ethnic communities has found positive and negative effect.

- A large ethnic community favours the access to the labour market but likely in a *segmented labour market (Ethnic)* where the increase in supply reduce the wages

- A large ethnic community reduces contacts outside the ethnic group, reduces linguistic knowledge of the destination language and discourage professional upgrading

- A large community can also favour the employment and the wage of conationals providing support, contacts

Danish Dispersal Policy 1986-1998

Anna Piil Damm, Michael Rosholm, IZA DP.925,2003, **Employment Effects of Dispersal Policies on Refugee Immigrants, Part II: Empirical Evidence**

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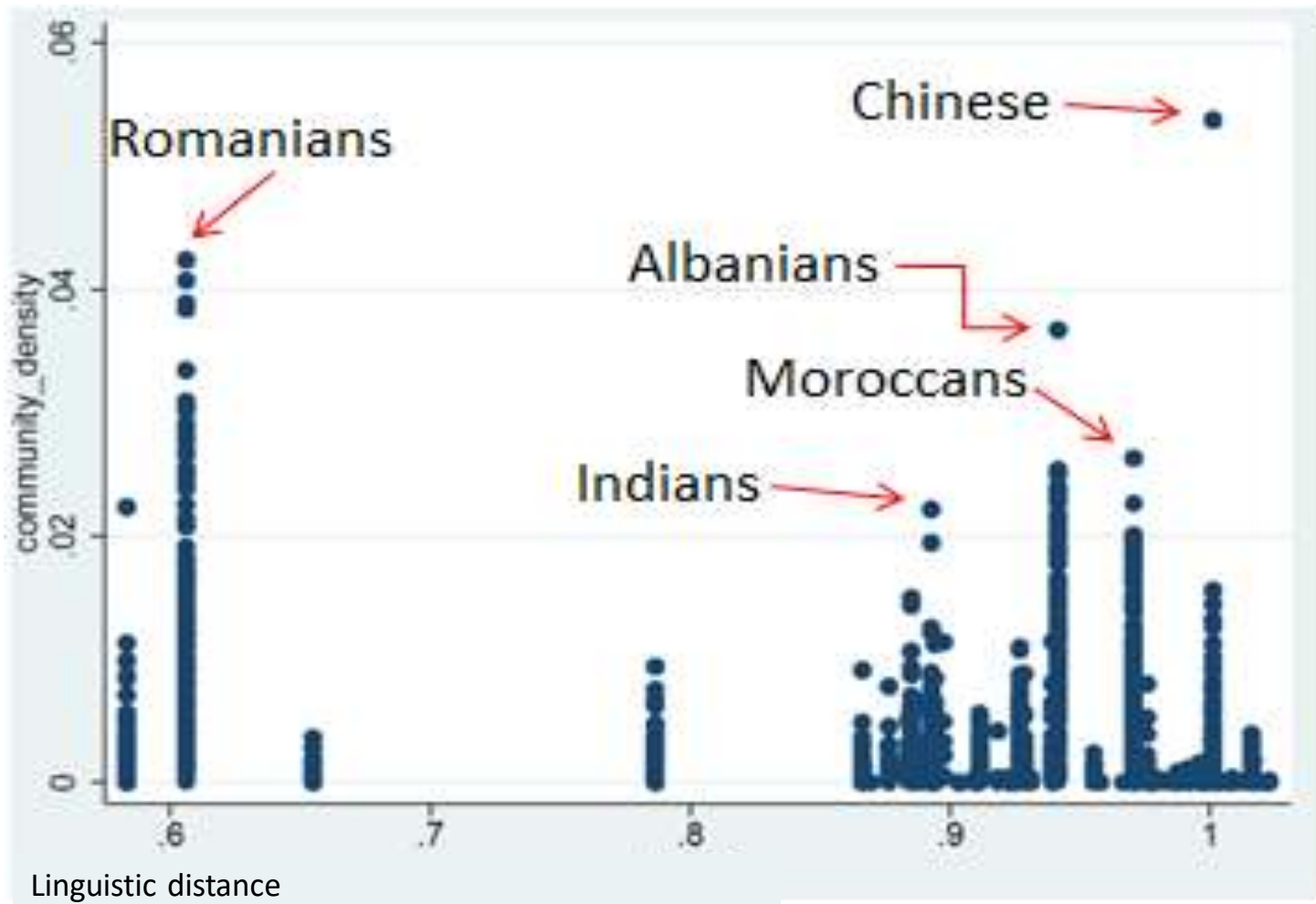
Linguistic distance

- But if we control for the linguistic distance

- Only the **linguistic distance communities** plays a **negative role** while the closer one have a positive effect

→ Policy implication

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Linguistic policies should be extended to the family members

→ to grant better integration to workers

(especially for the more linguistically distant)

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Assimilation in the labour market – Duration of employment

Unemployment rate and turnover rate

Change in the economic cycle

The recent work of <mark>Rosholm, Scott and Husted (2000)</mark> found both in Sweden and Denmark that from 1985 to 1995 the job opportunities for male immigrants got worse.

They used a panel of administrative data showing that the worsening situation was independent of the different market trends in the two countries,

but was due to the structural changes taking place in the markets where the demand for labour was for workers with high interrelation and communication abilities,

which meant that immigrants were at a disadvantage.

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Table 2.8 Gross worker turnover rates natives and foreigners

	1991	1993	1995	1996
Natives all	0,60	0.50	0,59	0.62
Blue collar natives	*0,63*	*0,55*	*0,66*	*0,67*
Blue collar natives <40 years	*0,81*	*0,66*	*0,82*	*0,81*
Foreigners all	1,86	1,12	1,32	1,47
Africa all	1,81	0,99	1,25	1,37
Africa mediterranean	2,14	1,18	1,43	1,54
Africa no mediterranean	1,43	0,78	1,08	1,20
Europa East	2,63	1,63	1,64	1,77

Table 2.9 Gross worker turnover rate for foreigners according with the year of entrance in the legal employment

Year of entrance	Gross worker turnover rate			
	91	93	95	96
1989	0.93	0.90	1.06	0.93
1990	1.38	0.88	1.21	1.06
1991	3.93	1.01	1.12	0.98
1992		1.01	1.24	0.99
1993		3.05	1.07	1.03
1994			1.13	1.06
1995			3.92	1.25
1996				2.37

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Discrimination

OAXACA DECOMPOSITION

→ *Affirmative action*

C. Knowles Myers The case of California, IZADP.1674, 2005

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The first for native workers and the second for foreign workers which will result in two different estimated vectors of coefficients and .

$$1. \; w_{in} = b_n \, X_{in} + \in_{in}$$
$$2. \; w_{if} = b_f \, X_{if} + \in_{if}$$

Given the average characteristics of native workers $\overline{X_n}$ and foreign workers $\overline{X_f}$ and the estimated coefficients $\hat{b}_n$ and $\hat{b}_f$ the average wage for native and foreign workers can be computed as:

$$3. \; \overline{w_n} = \overline{X_n} \, \hat{b}_n$$

$$4. \; \overline{w_f} = \overline{X_f} \, \hat{b}_f$$

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$$\overline{Wn} - \overline{Wf} = (\overline{W}_n - \overline{W^c_n}) + (\overline{W^c_f} - \overline{Wf}) = (\overline{Xn} - \overline{Xf})\hat{bn} + (\hat{b}_n - \hat{bf})\overline{Xf}$$

Explained by the different characteristics

Unexplained by the different characteristics

Quantity

Prices

- In general the wage differential is larger between female and male
- In general the unexplained part is larger for female than for immigrants

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	BIGTOWNpop				noBIGTOWNpop			
	1990		1998		1990		1998	
	Abs.	%	Abs.	%	Abs.	%	Abs.	%
Wage gap	0.10		0.20		0.07		0.15	
explained	0.09	84.6	0.14	69.8	0.08	112.1	0.11	74.9
unexplained	0.02	15.4	0.06	30.2	-0.01	-12.1	0.04	25.1
gender		-22.6		-16.2		-32.3		-21.9
age		1.6		3		3.8		1.9
Years of presence		41.2		13		62.7		17.5
Tenure with same empl.		7.1		6		16.8		13.9
Skill level		36.7		48.6		38.3		50.2
Sectors		-3.3		-0.3		-2.1		-1.4
Firm size		29.6		20.5		31.4		19
geo. area		-5.6		-4.8		-6.6		-4.2

Table 3. Daily log wage

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Zillow

Table 2: Difference in Homeownership Rates

Year	Black Ownership Rate	White Ownership Rate	True Difference (% Points)	Differences Explained by Socioeconomic Factors (% Points)	Difference Unexplained by Socioeconomic Factors (% Points)
1999	56%	76%	20%	13%	7%
2001	59%	76%	17%	11%	6%
2003	57%	77%	20%	10%	10%
2005	54%	77%	23%	12%	11%
2007	52%	76%	24%	10%	13%
2009	53%	74%	21%	13%	8%
2011	52%	72%	20%	6%	14%

Source: Zillow analysis of Panel Survey of Income Dynamics

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Tab. 1 Summary statistics (mean). Employed individuals aged 16-64, by gender and origin

	Italian males	Italian females	Migrant males	Migrant females
Log wage	2.40	2.34	2.04	1.86
Hourly wage	11.98	11.40	8.19	6.98
Monthly wage	2,020.03	1,623.76	1,397.57	980.65
Hours worked (per week)	39.50	33.93	40.50	34.34
Hours worked (per month)	169.85	145.91	174.17	147.66
Age	41.91	41.60	36.86	38.89
Experience	18.85	16.59	13.17	12.73
Region				
North	0.47	0.53	0.49	0.44
Centre	0.23	0.24	0.19	0.21
South and islands	0.29	0.23	0.32	0.35
Marital status				
Married	0.59	0.56	0.51	0.32
Cohabiting	0.05	0.06	0.06	0.08
Other	0.36	0.38	0.44	0.60
Level of education				
Primary or less	0.05	0.04	0.21	0.12
Lower secondary	0.33	0.21	0.36	0.27
Upper secondary or post. sec.	0.49	0.53	0.36	0.45
Tertiary or above	0.13	0.22	0.07	0.15
Sector of employment				
Agriculture	0.02	0.02	0.11	0.04
Manufacture	0.32	0.17	0.30	0.11
Construction	0.09	0.02	0.24	0.01
Commerce	0.21	0.20	0.18	0.18
Services	0.36	0.60	0.17	0.66
Type of occupation				
Manager and professionals	0.12	0.14	0.02	0.02
White collar	0.37	0.58	0.08	0.12
Blue collar	0.41	0.12	0.73	0.14
Domestic and care services	0.10	0.16	0.16	0.71
Observations	6,988	5,563	2,879	2,490

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Country of origin

Migration policy:
entrance
selection
citizenship

Structure of the Labour market

Institution of the LM

Integration

State and associations

Integration policies
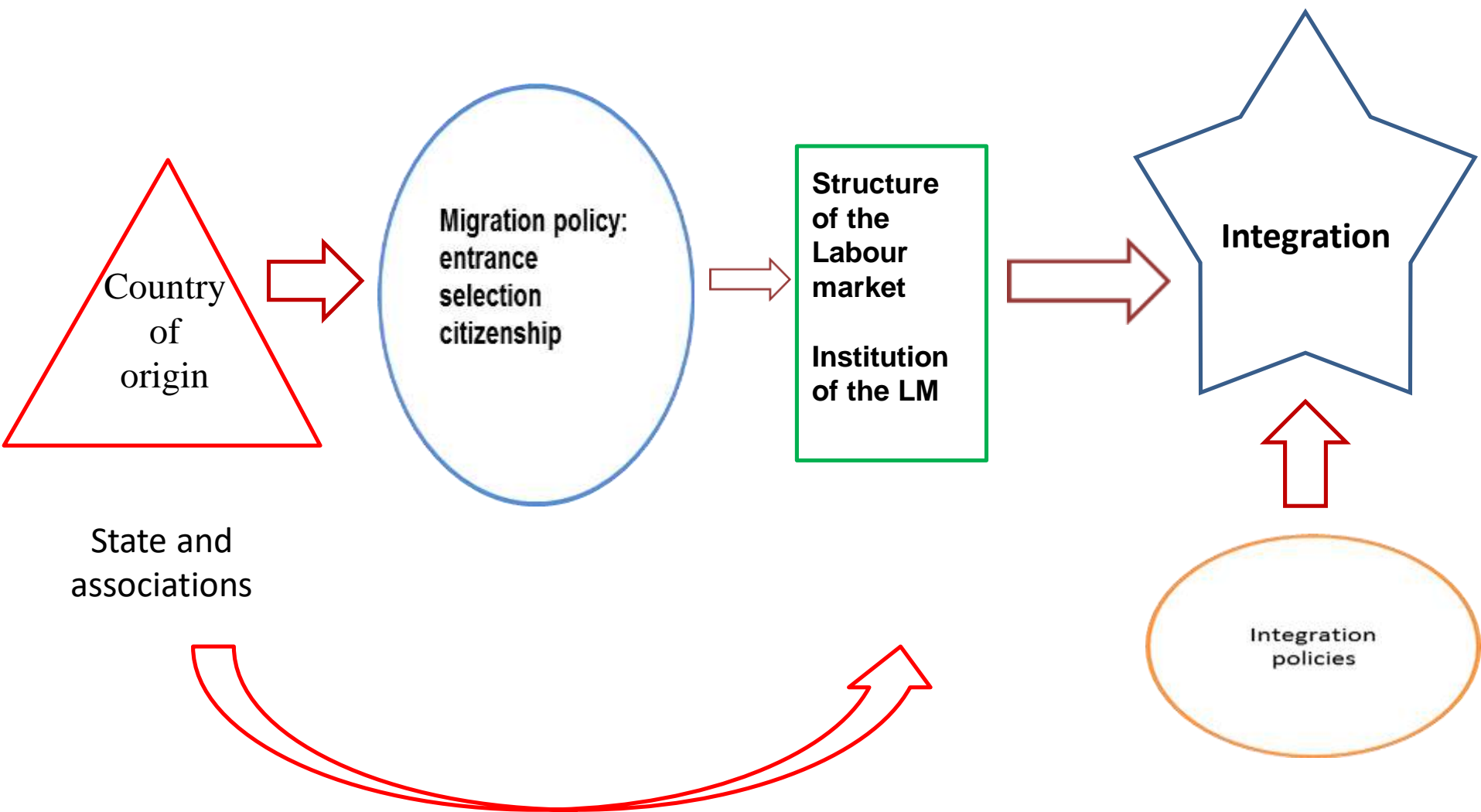
State		Associations		
Citizenship law				
Implementation of citizenship law				
Incentive return				
Recognition of qualifications				
Job search and match				
		Protecting workers rights		
Educational training	i.e foreign language at school			
Pre departure training				

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State and association interventions

- Citizenship legislation and implementation which favours settlement (double passports)

- Cina incentives return of students

- Recognition of qualification

- *Better job search and matching i.e. Anapec Morocco*

- Protecting workers rights

- Educational training i.e. foreign language at school

- *Pre-departure training: legislation, minimum wage, rules of the labour market, the professionality required*

Conclusion

- Under assimilation prevails with different interpretation according to the specific study undertaken.

- The main policy issue driven from the empirical literature is that unskilled assimilate less and that skilled migrants should be preferred because they assimilate more.

- If destination countries want to reduce the cost of under assimilation or invest in selection or invest in policies which reduce the negative carrier impact as education, training etc.

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Assimilation in the sociology literature

In classical sociology progressive change from a more diverse to a less diverse behaviour

The different paradigms

- The straight line assimilation process
  (Chicago School, Warner and Srole 1945)
- The melting pot (Glazer and Moyniham 1970)
- The bumpy line (Gans 1979)
- The segmented line (Portes and Zou 1993)

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European debate of the '80s focused on the policies

- France integration by assimilation

- Germany integration by separation

- The Netherland quasi melting pot Multicultural approach