

Are Immigrant Employees Disadvantaged in Western Europe?: A Comparative Analysis for Five EU Countries

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The Purpose of the Study

The purpose of this research is to examine the disadvantages /advantages of the immigrant populations in labour markets of Belgium, Germany, France, the Netherlands and the United Kingdom. The analysis to of study will cover the adults, who were currently working as employees at the time of the surveys. The study will have a comparative perspective both across the study countries, and across years and pre-defined socio-demographic characteristics of the individuals within each country. The hypotheses, which will be tested in the study are: **a) the immigrants are paid lower wages when compared to their native counterparts regardless of the economic sector they work, their profession and other socio-demographic characteristics,** and **b) the immigrants are likely to work in less desired jobs and in less secure conditions.**

Data and Methodology

The target population of the study is *all men and women in 25-59 age group, who were currently working as employees at the time of the surveys.*

The annual cross-sectional micro data sets of EU-SILC and annual EU-LFS micro data will be used in the analyses. The purpose of using those two different survey data is to obtain the maximum triangulation in examining the factors to test the hypotheses. The EU-SILC includes detailed data on the net/gross annual income by employment, the sources of the individuals' household income, the social transfers received by the individual and monthly economic activity history for the given reference income year. However, it provides less detailed information on the individual's country of birth, occupation and the economic sector that he/she works, the type of work contract and years of experience. On the other hand, despite the bigger sample size and very detailed cross-sectional data on the individual's country of birth, current economic activity status, occupation, economic sector and other characteristics in the workplace, the EU-LFS data do not include detailed employment earnings information (published as 10 percent decile groups) and individual's recent continuous economic activity history. In this respect, the findings from each of EU-SILC and EU-LFS data will be complimentary to the other in interpreting the situation for the immigrants in the labour markets of Belgium, Germany, France, the Netherlands and the UK.

EU-SILC cross-sectional P data will be the main data set for the analysis, in which the employment-related variables and some other basic characteristics such as sex, country of birth, sex and education level for the individuals aged 16 or over are given. In addition to this, some auxiliary information like individual's household's income level and household composition will be gathered from EU-SILC H file. As mentioned above, EU-LFS annual micro data will be used for EU-LFS analyses.

All survey years between 2005 and 2012 will be covered for EU-SILC analysis. In EU-LFS analysis, the data for the years between 2008 and 2012 will be used because of the fact that the collection of monthly gross earnings for employees has been available after 2009.

Multiple linear regression will be the analysis technique to examine the differentiation in the employment earnings between immigrants and native populations, in which average monthly average employee income will be the dependent variable (calculated on the basis of gross employee earnings and company car (*PY010G* and *PY021G*) variables and the months worked in the reference income year (*PL210/211A-L*) in EU-SILC analysis. The gross monthly income deciles (*INCDECIL*) variable in EU-LFS data sets will be the independent variable. Logistic regression analyses will be conducted for the analysis of the

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divergence in working in less desired/less secure jobs. The dependent variable for this analysis will be a composition of several variables such as sector, occupation, type of contract and average weekly hours of work.

The main independent variables for the basic characteristics of the in the analyses are the age, sex, country of birth and highest education level attained. Moreover, the sector for work (NACE-1 digit), type of work contract, supervisory position at work and occupation (ISCO-1 digit) will be independent variables in gross monthly earnings analysis. Other supplementary household-level variables such as household's income level, household type, and household work intensity or individual-level data such as months employed in reference income year or years of experience in the current job will be used according to the availability of the information in the given data sets.

Moreover, descriptive findings about the labour force participation of the immigrants and the natives, and their basic socio-demographic characteristics will be presented in the study.

Expected Results

The study aims to reveal the advantages/disadvantages in the labour market for the immigrants in terms of the jobs they are working in and the earnings received by their jobs. As the years covered in the study will go back to the times before the 2008 economic crisis, the findings are also expected to show some trends in employment in these five Western European counties before and after the introduction of austerity measures during the recession. Moreover, the comparative nature of the study both across the countries as well as across social groups and in time within each study county is supposed to contribute to the cross-country research literature by EU-SILC and EU-LFS data.

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