

The differentiation in the permanency of the jobs among the employed individuals in six EU countries: The disparities across migrants and native-born individuals¹

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The main purpose of this study is to examine the variation in the probability of becoming unemployed in the following year for the employed individuals with different immigration background in Belgium, Germany, France, the Netherlands, Sweden and the United Kingdom. In doing this, the effects of socio-demographic and labour market characteristics of the individuals as well as some alternative indicators such as household work intensity are explored. In this respect, the research question is “Is the immigration characteristics of an employed individual among the main determinants in being likely to become unemployed?”. With this regard, *“Regardless of other socio-demographic background characteristics, the individuals with immigrant background have higher risks of becoming unemployed between two consecutive years relative to their native counterparts.”* is the hypothesis to be tested. The main argument here is that although they have been already hired in a job with the assumption that they had the criteria for the given job such as professional skills and experience, the immigrants face with disadvantages such as temporary contracts with shorter terms, being employed in economic fields of activity, which have seasonal labour cycles. In addition to them, the immigrants are exposed other socio-psychological barriers like prejudices against the productivity of the immigrants.

The EU-LFS annual microdata sets of the selected six countries are used in the analysis. The study covers a thirteen-year period between 2004 and 2016. Therefore, the findings of both multivariate and descriptive analyses to be presented in this study do not only display the trends in the transforming economic activity status from employment to unemployment, but they also help us to check the consistency of the effects of background characteristics of the individuals in a time series. As a result, the outcomes of the analyses are expected to enable the comparison of the facts both across the six study countries, and their change in time within each of these countries.

The target population of the study is all individuals in 25-59 age group, who were not in education at the time of survey, and who were employed one year prior to the given year. Logistic regression model is selected as the multivariate analysis technique; the dependent variable is being unemployed at the time of the reference week. The independent variables cover basic socio-demographic characteristics, migration background, employment characteristics one year preceding the survey and household characteristics (including household work intensity) of the individuals. The descriptive analysis also focuses on the disparities in jobs with temporary contracts at the time of the survey across migration background categories. This variable is not available in the LFS data for the jobs of the individuals one year prior to the survey, although it is somehow one of the categories of “LEAVREAS” variable, which gives the reason of leaving the last job that the individual was working.

The analysis results indicate that there is a significant differentiation in the chance of becoming unemployed between native-born employed people and their foreign-born counterparts. In addition to this, there is a further segregation between the EU-born and non-EU-born immigrants, in which the latter group emerges as the less advantageous population in having the job security. The findings also suggest that having the nationality of the host country (which also indicates the longer time for residence in the given country) has a minor role in being more likely to remain employed compared to other immigrants. Household work intensity is another background characteristic, which has been found as one of the most influential factor in becoming unemployed in these countries. The logistic

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regression findings show that the lower the 15-64 household work intensity (for other adults living with the individual) the higher chance of being unemployed in the following year. The employees are more likely to become unemployed in the following year when they were compared with the self-employed individuals. There are clear-cut differentiations in transforming from employment to unemployment across occupations held in the jobs one year prior to the survey. The employed people, who had elementary occupations and the ones, who were working as service and sales workers were more exposed to risk of becoming unemployed compared to other categories in France, Belgium, Germany, and the UK. In the light of the logistic regression findings, it can be argued that despite varying features in different countries, the individuals, who work in sectors, which offer seasonal jobs like tourism and agriculture as well as the sectors, which employed less skilled people with short-term contracts such as wholesale and retail trade and other services like cleaning and household activities are more likely to be exposed to be risk of employment. On the contrary, in the sectors, where highly skilled individuals are employed with well-defined professions like banking sector and education and governmental institutions, people are able to remain in employment in the following year.