Immigrants’ Labour Market Positions in Europe and the Effect of the Education System

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Theoretical Model and Research Questions

Macro- / Country level

Education System *(Stratification, Vocational specificity)*

In how far can country-differences be explained by differences in host countries’ education systems?

To what extent do labour market positions in Europe differ, according to people’s origin and their education’s origin?

Micro- / Individual level

Immigration status

Natives *(non-immigrants)*
Immigrants with domestic certificates
Immigrants with foreign certificates only

Employment position *(high / intermediate vs. low)*
Ethnic Inequality: Individual Factors (Micro)

Micro hypothesis (H1):
It can be assumed that natives have higher employment positions than immigrants with domestic educational certificates – even with a comparable level of education – and immigrants with foreign certificates lower positions.

Immigrants (with domestic and especially with foreign certificates)
- Less (host country specific) human capital
- Less social capital
- Higher job search costs
- Discrimination

Immigrants with foreign certificates
- Lower signalling power of educational certificates
Makrohypothese (H2): Es ist zu erwarten, dass Stratifizierung und Berufsfachlichkeit einen negativen Einfluss auf die Platzierung der Einheimischen und Bildungsausländer haben, relativ zu den Bildungsinnlandern.

Ethnic Inequality: **Education System (Macro)**

![Diagram showing the relationship between position, stratification, vocational specificity, and importance of educational certificates.](image)
Ethnic Inequality: **Education System (Macro)**

- Importance of more subjective hiring criteria
  - nat.: smaller **advantage** vs. domestic by stratif. / voc. specif. ➪ negative influence

- Devaluation of foreign educational certificates
  - foreign: bigger **disadvantage** vs. domestic by stratif. / voc. specif. ➪ negative influence
Macro hypothesis (H2):
It can be expected that stratification and vocational specificity have a negative influence on employment positions of natives and immigrants with foreign educational certificates only, relative to immigrants with domestic certificates.
Data and Operationalisation **(Micro)**

- **Data:** European Union Labour Force Survey (EU-LFS) 2009-2013 (pooled; DE: Microcensus SUF 2011)

- **Sample:** 25- to 39-year olds in employment (excl. students etc.) in 18 western European countries (AT, BE, CH, CY, DE, DK, EL, ES, FI, FR, IE, IS, IT, LU, NL, PT, SE, UK)

- **DV:** Position: high / intermediate (ESeC 1-8) vs. low (ESeC 9)

- **Controls:** Level of education (low, medium, high)
  Age (25-29, 30-34, 35-39)
  Origin (third country, EU- / EFTA)
  Duration of residence (1-9, 10+)
  Sex (female, male)
Operationalisation (Macro): Education System

Note:
Indexes base on indexes in Bol/van de Werfhorst 2013: 294.

**Stratification** is based on “Index of tracking“:
1. Age of first selection,
2. Percentage of total curriculum that is tracked
Estimated: CY.

**Vocational specificity** is a combination of “Index of vocational enrollment“ (percentage of students enrolled in upper sec. voc. programs) and “Vocational specificity (dual system)“ (percentage of upper sec. voc. education that takes place in dual system).
Estimated: CY, PT.
Operationalisation (Macro): Further Context Factors

**Labour Market**
- Unemployment rate
- Change in unemployment rate (to previous year)
- GDP
- Change in GDP (to 2006)
- Size of lowest labour market segment (ESeC 9)

**Welfare State**
- Flexicurity (dichotomous)
- Employment Protection Legislation for regular contracts (EPL regular)
- Employment Protection Legislation for temporary contracts (EPL temporary)

**Integration Policy**
- Migrant Integration Policy Index (MIPEX)

**Cultural Closeness resp. Distance**
- Share of population coming from countries with predominantly muslim population
- Share of population coming from third countries
- Share of immigrants coming from countries with frontier to host country
- Share of immigrants coming from countries with same official language
Methods

1. Two-step Multilevel Analysis
   - Step 1 (Micro): ethnic inequality on Europe’s labour markets
     - binary logistic regression for each country separately
     - DV: employment position
   - Step 2 (Macro): education system and ethnic inequality
     - Plots

2. One-step Multilevel Analysis (Micro and Macro)
   - Binary logistic regression
   - Combination of individual and context factors
   - DV: employment position
Two-step Multi Level Analysis: Step 1

Position of natives and immigrants with foreign certificates only
(Ref.: immigrants with domestic certificates; in employment; AME)

Note: Incl. confidence intervals 95%. Logistic regression for each country separately. Controls: level of education, age, origin, duration of residence, sex, reference year, immigration status*level of education.

nat. >= domestic > foreign
Two-step Multi Level Analysis: Step 2

Position of immigrants with foreign certificates only by stratification / vocational specificity and host country (*Ref.: domestic; AME*)

Anm.: Logistic regression for each country separately; controls: level of education, age, origin, duration of residence, sex, reference year, immigration status*level of education.

<table>
<thead>
<tr>
<th>Position of immigrants with foreign certificates only</th>
<th>H2</th>
<th>Results</th>
</tr>
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<tbody>
<tr>
<td>Stratification</td>
<td>–</td>
<td>(−)</td>
</tr>
<tr>
<td>Vocational specificity</td>
<td>–</td>
<td>(+)</td>
</tr>
</tbody>
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Note: Influence of stratif. / voc. specif.: ′+′ = positive; ′(+)′ = rather positive; ′−′ = negative; ′(−)′ = rather negative.
Two-step Multi Level Analysis: **Step 2**

Position of immigrants with foreign certificates only by stratification / vocational specificity and host country (*Ref.*: *domestic*; *AME*)

**Anm.:** Logistic regression for each country separately; controls: level of education, age, origin, duration of residence, sex, reference year, immigration status*level of education.

### Results

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Source: OECD 2014; own calculations.

Note: unfilled circle = *flexicure*, filled circle = *inflexicure.*
Two-step Multi Level Analysis: Step 2

Position of immigrants with foreign certificates only by stratification / vocational specificity and host country (*Ref.: domestic; AME*)

<table>
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<tr>
<th></th>
<th>CH</th>
<th>DK</th>
<th>NL</th>
<th>AT</th>
<th>DE</th>
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<tr>
<td><strong>Stratification</strong></td>
<td>mode-rate</td>
<td>low</td>
<td>mode-rate</td>
<td>high</td>
<td></td>
</tr>
<tr>
<td><strong>Flexicurity</strong></td>
<td>flexicure</td>
<td>inflexicure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Concept of the nation</strong></td>
<td>ethnic</td>
<td>–</td>
<td>multi-culturalistic</td>
<td>ethnic</td>
<td></td>
</tr>
<tr>
<td><strong>Cultural closeness</strong></td>
<td>strong</td>
<td>weak</td>
<td>moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Integration policies</strong></td>
<td>unfavourable</td>
<td>favourable</td>
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Anm.: Logistic regression for each country separately; controls: level of education, age, origin, duration of residence, sex, reference year, immigration status*level of education.

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One-step Multi Level Analysis

Position by stratification, vocational specificity and migrational status
*(predicted probabilities)*

Note: Result of multi level regression. Controls individual level: level of education, age, origin, duration of residence, sex, reference year, immigration status*level of education; controls context level: flexicurity. Cross-level interactions: immigration status*stratification, immigration status*vocational specificity.

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To what extent do employment positions in Europe differ, according to people’s origin and their education’s origin?

- Natives and immigrants with domestic educational certificates have on average higher positions than immigrants with foreign certificates only.
- Education’s origin is more important than person’s origin.
  - High educational credentials do not guarantee a successful labour market integration.
  - Immigrants require educational certificates with strong “signalling power” resp. host country specific knowledge and skills.
In how far can country-differences be explained by differences in host countries‘ education systems?

- **As expected**: employment positions of immigrants with foreign educational certificates only are lower in a stratified context compared with low stratification.

- **Contrary to expectations**: employment positions of immigrants with foreign educational certificates only are higher in a vocationally specific context compared with lower specificity.
Thank You
For Your Attention

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