

Unemployment among immigrants in European labour markets: an analysis of origin and destination effects

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ABSTRACT

This article presents a multilevel analysis of 1363 male and female first- and second-generation immigrants' unemployment rates. In addition to individual characteristics, the effects of macro-characteristics of 13 destination countries in the EU and of more than 100 origin countries of the immigrants are analysed. Immigrants are found to be more often unemployed in countries where natives have higher unemployment rates. Immigrants' unemployment rates are lower in countries with a larger segment of low-status jobs, with higher immigration rates and with a higher GDP per capita. Destination countries' integration policies and welfare state regimes do not affect the unemployment risk of immigrants. At the level of origin countries, immigrants from more politically stable and free, more developed and more wealthy societies are found to be less often unemployed. Immigrants coming from Islamic countries have higher rates of unemployment, while those originating from Western Europe are less likely to be unemployed.

KEY WORDS

European Union / gender / immigrants / social policy / unemployment

Introduction

In light of the European Union's goal of defining a common immigration policy, there is a need for comparative research on the integration of immigrants across European societies. Such studies remain scarce and further research is

needed to establish in which countries this integration has been most successful and to identify which policies or other macro-characteristics enable successful immigrant integration. The aim of this study is to examine which macro-characteristics from both destination and origin countries promote or hamper the labour market integration of male and female immigrants, taking into account their individual characteristics. This article focuses on the unemployment rates of immigrants, which are an important indicator of socio-economic integration. Generally, immigrants have higher unemployment rates than natives (e.g. Van Tubergen, 2006), which limits both their earnings and their social integration into networks of native colleagues, thus seriously jeopardising their chances for upward social mobility.

Differences across destination countries in immigrants' unemployment rates, as well as the gap with the native working population, are expected to result from diverging states of national economies and country-specific policies regarding immigrants' labour market access. Moreover, general social policies such as the type of welfare state regime or employment regulations might affect immigrants' employment chances on European labour markets. While the effects of such institutional arrangements have been studied in the context of gender differences in labour market incorporation (O'Reilly, 2006), immigrants as a distinct group on European labour markets have not been addressed in these analyses. The present analysis of immigrants' unemployment thus extends previous research while incorporating existing insights on gender differences by analysing both male and female immigrants.

In addition to destination country effects, the countries of origin are also expected to affect the chances of immigrants avoiding unemployment in the destination country. As Kao and Thompson (2003) have argued, differences in religion and cultural values of immigrants lead to different evaluations of achievement, which can partly explain different outcomes for immigrants coming from diverse parts of the world. Furthermore, the levels of labour market discrimination vary between immigrant groups from different origins, which might partly be due to varying levels of 'visibility' and 'acceptability' of different immigrant groups in the destination countries. The former colonial relations between countries of origin and destination might also be related to 'visibility' and 'acceptability' of different immigrant groups.

Cross-country comparative research on the labour market integration of immigrants in Europe is still badly needed (Brekke and Mastekaasa, 2008). Existing studies are limited either to a small number of destination countries or to a small number of immigrant groups. A problem with these analyses is that they take into account only one immigrant group across multiple destination countries, or multiple immigrant groups in one destination country, which does not allow the disentangling of destination-country and origin-country effects. Immigrants from various countries of origin move to various countries of destination. In order to fully capture the complexity of the migration process, the use of a so-called cross-classified multilevel design (or double comparative design) has been proposed (Van Tubergen et al., 2004). The cross-classified

design allows a comparison of multiple origins in multiple destinations simultaneously. Since this design disentangles effects of characteristics of countries immigrants come from ('origin effects') and characteristics of the countries to which they migrate ('destination effects'), it is extremely useful for attempts to gain insights into cross-national variation in immigrants' outcomes such as unemployment.

The labour market studies using this double comparative multilevel approach that have been published have suffered from an important shortcoming. Van Tubergen's pioneering work on immigrant economic incorporation does examine the effects of several macro-characteristics of both destination and origin countries, but his data only includes first-generation immigrants. Although his research has been a great improvement on earlier work, his exclusion of second-generation immigrants is regrettable since the fate of the native-born children of immigrants is a more relevant indicator for the long-term success of immigrant integration.

The second wave of the European Social Survey (ESS) makes it possible to overcome the restriction to the first generation since it provides information about the respondent's country of birth and that of his or her parents, thus allowing a distinction to be made between first and second immigrant generations and specification of the country of origin for each case.

Data, measures and hypotheses

The present analysis draws on the second wave of the European Social Survey (Jowell and Central Co-ordinating Team, 2005) which contains data gathered in 2004 and 2005 from more than 45,000 respondents in 23 countries. The main aim is to assess the impact of a number of social and labour market policies of destination countries on the unemployment rates of immigrants. Thirteen destination countries were selected, namely the 'old' European Union (EU15) member states minus Italy and Finland due to a lack of available data. Respondents of immigrant background between the ages of 25 and 60 who participate in the labour market were selected, excluding persons who are unemployed and not looking for work (2.6% of the total sample), homemakers (26.0%), full-time students (3.6%), retired (3.4%) and permanently sick or disabled people (2.6%). The final sample contained 1363 immigrants, of which 799 are men and 564 women.

Immigrant background is defined by being born in a country other than the survey country (first generation)¹ or by being native-born but having at least one foreign-born parent (second generation). The following decision rules were used to establish the country of origin: if the respondent and both of his/her parents were born in the same country, this country was classified as the country of origin. If two out of three were born in the same country, this country was used, except if two out of three were natives. If all three were born in different countries, the language spoken at home was examined. If this corresponded to

any of the three possible countries, this country was used. If not, the country of birth of the mother was used. Origin countries with few numbers of immigrants in the data were aggregated to regions based on the UN's regional classification (United Nations Statistical Office, 1999). A large part of the immigrants in the sample originate from Western Europe, with 47.8 percent of all migrants coming from one of the EU15 countries, Norway or Switzerland. Other strongly represented origin countries are the former Yugoslavia and its successor states, Turkey, Poland, Albania and Morocco. Much smaller numbers of immigrants come from further afield such as African or Latin American countries.

Dependent variable

Respondents were classified as unemployed if they participate in the labour market but are not currently employed and are looking for work. The reference category in all analyses thus consists of employed respondents.²

Independent variables

Throughout all steps of the analysis, the effects of gender (female dummy) are included and interactions of gender with all individual- and macro-level variables are tested. This procedure yields a larger sample size than separate analyses of men and women, while allowing assessment of whether or not effects found significant in the analysis are gender specific.

In all analyses, the first and second immigrant generation are distinguished, using the first as a reference category. *The second generation is expected to have a lower unemployment rate than the first generation* since native-born children of immigrants do not face the costs of migration encountered by their parents. As they are born in the survey country and have completed their education there, second-generation immigrants should be at an advantage in terms of labour market access compared to the first generation. Children of immigrants are furthermore likely to be more proficient in the national language than their parents who migrated as adults and who are confronted with non-transferability issues regarding the human capital acquired in the origin country (Friedberg, 2000).

Furthermore, it was taken into account whether respondents speak a minority language at home, whether they hold the citizenship of the country of destination, and whether they are born to one native and one immigrant parent. Although foreign language use is not the same as lack of national language proficiency, it is a proxy for lack of linguistic integration which might impede labour market access. Foreign citizenship might be used as a signal by employers in a process of statistical discrimination. However, having at least one native-born parent is expected to benefit labour market access due to increased access to networks of natives, which are useful in finding employment (Finneran and Kelly, 2003; Granovetter, 1973). *Immigrants who speak a minority*

language at home are expected to be more often unemployed. By contrast, immigrants who are citizens of their destination country and those who are born to one native and one immigrant parent are expected to have a lower unemployment risk.

Access to jobs depends on educational qualifications. The highest level of education achieved by the respondent is included as measured in the ESS by the 7-point ISCED-97 (UNESCO, 1997) scale which ranges from 0 (not completed primary education) to 6 (second stage of tertiary education). However, due to a different measurement in the UK, the categories 'upper secondary' and 'post-secondary, non-tertiary' and the categories 'first stage of tertiary' and 'second stage of tertiary' had to be collapsed. The highest educational level achieved by the respondents' parents was also taken into account. The latter measure was computed by taking the maximum of the educational level variable of both parents. These are measured with the same ISCED scale. Missing values for the highest level of education of the respondent (15 missing values) and his/her parents (135 missing values) were imputed using the mean of groups sorted according to gender, immigrant status, immigrant generation, and country of origin in the case of respondent's education; and using immigrant status, country of origin, and respondent's education in the case of parents' education. Dichotomous variables indicating whether these variables are imputed were added in order to control for the effect of imputation. *It is expected that the higher the respondents' education and the higher the education of their parents, the lower their unemployment risk.*

In addition, the age of the respondent (linear and quadratic terms) is included and it is hypothesised that older immigrants will generally be less often unemployed than younger immigrants, but this relation is not expected to be linear. It is likely that the age benefit, if it exists, levels off or even turns into a penalty from a certain age on, most likely a few years before retirement.

Regarding variables at the macro-level, the unemployment of immigrants in a destination country will be influenced by the general unemployment rate of that country. Therefore the mean unemployment rate of natives in the destination country is included in the multilevel equations. As a consequence, the constant in a model without additional predictors can be interpreted as the difference in unemployment between immigrants and natives. The parameters of the mean unemployment rate of natives can then be interpreted as the effect of the general unemployment rate on the unemployment risk of immigrants. *It is expected that immigrants in countries with higher unemployment rates are more often unemployed than in countries with lower unemployment rates.*

With regard to the countries of destination, indicators of immigrant integration policies, the type of welfare state regime, employment protection legislation (EPL), the size of the low-status job segment, GDP per capita, the GINI coefficient and the net migration rate are examined. As a measure of immigrant integration policies, the European Civic Citizenship and Inclusion Index (Geddes et al., 2004) is used. This index contains five dimensions: labour market inclusion, long-term residence rights, family reunion, naturalisation and anti-discrimination

measures. Index scores were recoded so that values between -1 and 0 represent less favourable policies on these dimensions, while values between 0 and 1 stand for policies that are more inclusive of immigrants. The assessment of each country's policies in these areas is based on the judgement as to how close certain national policies come to what the creators of the index consider to be ideal for the integration of immigrants. Next to the five separate dimensions, the (unweighted) mean score across these dimensions is included. *The hypothesis is that immigrants in countries with a higher score on (one of the dimensions of) the European Inclusion Index have lower unemployment rates than in countries which score low on this Index.*

Furthermore, the effects of different types of welfare state regime of the countries of destination are tested. Based on the classic typology of Esping-Andersen (1990), the liberal welfare regime, represented by the UK and Ireland in the data, is characterised by market-based social insurance and a lack of active employment measures. Conversely, the social-democratic welfare regime, here represented by Sweden and Denmark, is characterised by a high standard of universal social insurance for citizens with a strong equalising objective. In conservative welfare regimes, social insurance is state-based instead of market-based although in contrast to the social-democratic welfare regime, there is no aim of equalisation of status and class differentials. Belgium, France, Germany, Luxembourg and the Netherlands are classified as countries with conservative welfare regimes. Furthermore, the Southern welfare regime is distinguished, which is found in Greece, Portugal and Spain, and which shares major commonalities with the conservative welfare regime but also as a high level of labour market rigidity and low levels of welfare benefits. Following Kogan (2007), who found that immigrants in liberal welfare state regimes were less often unemployed, it is expected that *immigrants' unemployment rates will be lowest in the liberal welfare state regime and highest in the Southern and conservative welfare state regimes.*

Labour market rigidity might be even more relevant to the employment opportunities of immigrants, since more stringent Employment Protection Legislation (EPL) is likely to increase the effects of statistical discrimination and the penalty of an outsider status in the labour market that immigrants are likely to experience (Kogan, 2007). EPL data were taken from the Organisation for Economic Co-operation and Development's labour market statistics (OECD, 2006). Available scores from 1990, 1998 and 2003 were averaged in order to reach a maximally reliable measure of labour market rigidity. In the data, EPL ranges between 0.65 in the UK to 3.33 in Greece. *Immigrants are expected to be less often unemployed in countries with a more flexible labour market, i.e. in countries with lower scores on employment protection legislation.*

Moreover, the structure of the labour market might affect immigrants' unemployment levels through the size of certain job segments. As many immigrants enter low-skilled occupations, the risk of unemployment might be lower in countries with a larger segment of low-status jobs (Kogan, 2007). In such countries, immigrants might be more successful in avoiding unemployment,

although possibility this might come at the cost of decreased occupational status. For every destination country, the share of all employed persons holding a job with a low occupational status was calculated using a cut-off value of 30 on Ganzeboom et al.'s International Socio-Economic Indicator (ISEI) (Ganzeboom et al., 1992). *It is hypothesised that the larger the size of the low-status job segment in a destination country, the less likely immigrants are to be unemployed.*

Furthermore, GDP per capita (expressed in purchasing power parity) and the GINI coefficient of both destination and origin countries were tested. These measures are internationally comparable indicators of a country's economic situation and the degree of (in-)equality in wealth distribution within countries. GDP per capita and the GINI coefficient were taken from the CIA's World Factbook (CIA, 2007). *Immigrants from countries in which these indicators differ only slightly from those of the destination country are expected to have lower unemployment rates.*

Another indicator included at both the origin- and destination-country level is the net migration rate (CIA, 2007). Negative values represent net emigration, while positive values indicate a larger inflow than outflow of migrants. At the level of destination countries, positive net migration rates suggest that a country has a large and growing immigrant population, which might on the one hand help newcomers to avoid unemployment, but might also increase the competition for entry-level jobs. At the level of origin countries, a negative net migration rate indicates high levels of emigration from the country, which is typical of countries that are sources of labour migration, such as Morocco or Romania for example.

For countries of origin, measures of political freedom and political stability were also included. For the latter, Kaufmann et al.'s (2005) indicator was used, which assesses the probability that the current government will be overthrown in the near future and ranges between -2.5 and +2.5. Political freedom was measured using a 7-point indicator published for the last 30 years by Freedom House (2007). These measures are intended to distinguish economic from political immigrants. Because of the political context surrounding their migration, political refugees are expected to have a stronger bond with their country of origin since they might hope to return to this country after a regime change. Moreover, their socio-economic integration might be hampered by traumatic experiences while fleeing from their home country. *Immigrants from politically less free and stable countries are expected to have higher unemployment rates.*

As a more comprehensive measure of the economic and social development of the origin country, the rank order of the 2006 *Human Development Index* is used (UNDP, 2007). This index combines information on GDP per capita, education, life expectancy and gender inequality, and ranks countries according to these indicators. *Immigrants from less developed countries (i.e. those with a higher Index score) are expected to have a higher risk of unemployment.*

Lastly, a dummy variable is included indicating the prevalent religion in the country of origin. A religion was classified as prevalent if at least 50 percent of the population belonged to this religious group (CIA, 2007). The

prevalent religion in the country of origin is an indicator of the cultural distance between the country of origin and the country of destination, which has been used in comparable research (Van Tubergen, 2006; Van Tubergen et al., 2004). *Due to the larger cultural distance, immigrants from non-Christian countries are expected to have higher unemployment rates in the 13 EU countries under study.*

Overall, immigrants from specific origin countries are expected to be better integrated in socio-economic terms, and hence have lower unemployment rates than immigrants from other origin countries or regions. Dummy variables were computed indicating whether origin and destination countries are neighbouring countries, whether the country of origin is one of the EU15 member states (plus Switzerland and Norway) and whether the country of origin is a former colony or territory of the country of destination. *Immigrants from countries in any of these categories are expected to be less often unemployed than immigrants from countries which are less historically and culturally connected to the countries of destination in the analysis.*

The effects of social and labour market policies on male and female immigrants' unemployment

In order to reach an accurate estimation of the effects of origin and destination countries, a cross-classified multilevel model was applied, since individual immigrants are nested in both, but these two levels cut across each other. Although only immigrants were used in the analysis, the average unemployment rate of the native population was included as an independent variable. Using this method, the constant in multilevel equations can be interpreted as the difference in unemployment rates between immigrants and natives, and the parameters of this variable as the effect of the general unemployment on the unemployment risk of immigrants.

The results of the multilevel analysis are presented in four parts. First, a model including only effects at the individual level is shown (Table 1). Tables 2 and 3 show the gross effects of destination and origin country characteristics when added to an empty model, controlling only for gender and no other individual-level characteristics. Lastly, a full model with all variables at the individual level and significant predictors at both destination and origin country level is presented.

Table 1 shows that the unemployment rates of immigrants are much higher in countries where natives are also more often unemployed. There is no main effect of gender, showing that there are generally no significant differences in the unemployment rates of male and female immigrants. Unemployment levels decrease with increasing age and this decrease is found to be linear (the quadratic term of age is not shown because it is not significant). In contrast to the expectations, the highest level of education attained by the respondent and his or her parents does not influence the risk of unemployment. Random slopes

Table 1 Individual level effects on unemployment among immigrants

	Coefficient and S.E.
Mean unemployment rate of natives	13.460 (2.633)***
Female	0.704 (0.490)
Age	-0.039 (0.011)***
Education	0.071 (0.062)
Education imputed	-0.311 (0.357)
Parental education	-0.094 (0.068)
Parental education imputed	0.742 (0.362)*
Second generation	-0.145 (0.272)
Citizenship of the destination country	0.368 (0.249)
Speaking a minority language at home	0.063 (0.246)
Mixed parentage one native, one immigrant parent	1.742 (0.640)**
Female * Mixed parentage	-3.236 (1.291)**
Education * Mixed parentage	-0.538 (0.216)**
Female * Education	-0.172 (0.166)
Female * Education * Mixed parentage	0.882 (0.422)*
Constant	-2.036 (0.526)***
V_{0kl}	0.000 (0.000)
U_{0jkl}	0.000 (0.000)
-2LogLikelihood	61.9173

* = $p < .05$, ** = $p < .01$, *** = $p < .001$.

for education and parental education were tested but education effects were not found to vary across origin or destination countries. However, respondents who did not provide information about their parents' education were more likely to be unemployed.

No effect of immigrant generation is found, which refutes the hypothesis that the second generation would be less often unemployed. The language spoken at home and citizenship of the destination country similarly do not affect immigrants' unemployment rates. However, male children of trans-national marriages between one native and one immigrant parent are found to be more often unemployed if their education level is low but not if they are highly educated. The three-way interaction with gender implies that this difference in unemployment as a consequence of the combination of education and parents' mixed marriage is stronger for men than for women. Illustrating these interactions, Figure 1 shows the probability of being unemployed for male and female immigrants with and without mixed parentage for the five different levels of education. Gender and mixed parentage are apparently of little influence at high levels of education, but the lower the respondent's education, the greater the risk of unemployment for male immigrants with one native and one immigrant parent.

No other interactions with gender and any of the individual-level variables are found. Controlling for all variables at the individual level, immigrants are

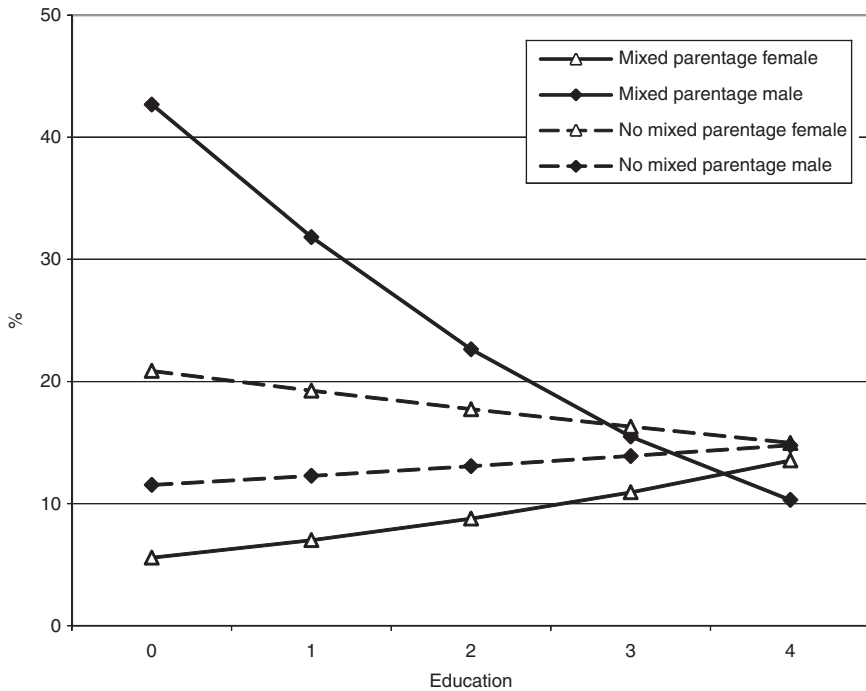


Figure 1 Probability of unemployment as a function of gender, education and mixed parentage

found to be less likely to be unemployed than natives with the same characteristics due to the significant negative value of the constant.

At the level of destination countries, it is found in Table 2 that immigrants are less often unemployed in countries with a higher GDP per capita, a positive net migration rate and a larger low-status job segment. Differences in immigrant integration policies, welfare state regimes, employment protection legislation and inequality are not found to affect the probability of unemployment among immigrants. The effects of these macro-variables do not interact significantly with gender.

With respect to origin countries, Table 3 shows that immigrants from more wealthy and more politically free and stable societies are less often unemployed, while those from less developed societies are more often unemployed. The level of economic inequality and the net migration rate of their origin country, on the other hand, are not found to be significant. Immigrants coming from prevalently Islamic countries have higher rates of unemployment. Looking at different categories of origin countries, immigrants from an EU15 country (or Norway or Switzerland) are found to be much less likely to be unemployed, as are those coming from neighbouring countries. There is no effect of coming

Table 2 Destination country effects

	<i>Coefficient and S.E.</i>	<i>Decrease in -2LL</i>
Ell: Labour market inclusion	0.237 (0.289)	4.728
Ell: Long-term residence	0.610 (0.389)	21.509
Ell: Family reunification	0.459 (0.419)	8.99
Ell: Naturalisation	-0.598 (0.486)	17.413
Ell: Anti-discrimination legislation	0.136 (0.198)	3.144
Mean Ell	0.305 (0.374)	3.942
Liberal welfare state	-0.253 (0.319)	4.416
Social democratic welfare state	-0.573 (0.335)	19.403
Conservative welfare state	0.289 (0.207)	2.724
Southern welfare state	0.120 (0.266)	4.395
Employment Protection Legislation	0.088 (0.137)	4.220
GDP per capita	-0.030 (0.011)**	69.639
GINI coefficient	0.029 (0.023)	19.810
Net migration rate	-0.102 (0.040)**	68.611
Size of the low-status job segment	-0.062 (0.022)***	50.809

Note: Due to the limited number of destination countries and the correlations between variables at this level, the shown coefficients are calculated for models including only one destination country variable. All models are controlled for gender; no other variables at the individual level are taken into account.

** = $p < .01$, *** = $p < .001$.

Table 3 Origin country effects

	<i>Coefficient and S.E.</i>	<i>Decrease in -2LL</i>
GDP per capita	-0.004 (0.001)***	192.89
GINI coefficient	0.014 (0.014)	14.927
Human Development Index score	0.009 (0.002)***	142.826
Political freedom	-0.256 (0.052)***	181.98
Political stability	-0.387 (0.097)***	169.117
Net migration rate	-0.043 (0.039)	11.543
Prevalent religion: Islam	0.711 (0.244)**	57.713
EU15 + Norway and Switzerland	-1.101 (0.213)***	180.551
Neighbour country of destination	-0.654 (0.227)**	66.479
Former colony of destination	0.052 (0.233)	1.375

Note: Due to the correlations between variables at this level, the shown coefficients are calculated for models including only one origin country variable. All models are controlled for gender; no other variables at the individual level are taken into account.

** = $p < .01$, *** = $p < .001$.

from a former colony of the destination country. No significant interactions between gender and origin country variables are found.

The effects of the macro-variables shown in Tables 2 and 3 are gross effects, i.e. they are assessed without including variables at the individual level

Table 4 Individual, destination country and origin country effects

	<i>Coefficient and S.E.</i>
Individual level effects	
Female	0.637 (0.506)
Age	-0.037 (0.011)***
Education	0.077 (0.083)
Education imputed	-0.399 (0.359)
Parental education	-0.092 (0.067)
Parental education imputed	0.780 (0.360)*
Second generation	-0.020 (0.277)
Citizenship of the destination country	0.233 (0.253)
Speaking a minority language at home	-0.005 (0.247)
Mixed parentage one native, one immigrant parent	2.016 (0.662)**
Female * Mixed parentage	-3.288 (1.286)**
Education * Mixed parentage	-0.565 (0.222)**
Female * Education	-0.146 (0.172)
Female * Education * Mixed parentage	0.879 (0.421)*
Destination country effects	
Mean unemployment rate of natives	8.971 (2.946)**
Origin country effects	
EU15 +	-0.878 (0.253)***
Constant	-1.548 (0.553)**
V_{0kl}	0.000 (0.000)
U_{0jkl}	0.000 (0.000)
-2LogLikelihood	5.27809

* = $p < .05$, ** = $p < .01$, *** = $p < .001$.

(except gender). In Table 4 a full model is presented including all effects at the individual level to which the significant effects at both macro-levels are added. Once the mean level of unemployment of natives in a destination country is controlled for, no other macro-variable at the destination level reaches significance any more. At the level of origin country, the strong effect of coming from an EU15+ country wipes out the effects of other variables at this level. The magnitude and significance of the individual-level variables are not affected by the inclusion of macro-variables. However, the constant is reduced but still negative, which implies that the macro-variables included in Table 4 (as compared to Table 1) partly account for the difference in unemployment rates between immigrants and natives.

Discussion and conclusion

The results revealed some important country differences within the 13 European countries under study in the labour market integration of immigrants from various countries of origin. Generally, the multilevel analyses

indicated that differences at the macro-level, regarding both destination and origin countries, have an impact on the unemployment rates of immigrants. Although in terms of explained variance, individual characteristics are the most important predictors of access to jobs, a number of significant effects were found that account for the varying unemployment rates between immigrants in different countries of destination and from different countries of origin. The findings highlight the importance of taking both destination and origin countries into account in an analysis of immigrants' labour market integration.

Political freedom and stability as well as a higher GDP per capita in the countries of origin were found to go together with lower unemployment rates of both male and female immigrants. As argued previously, political stability and freedom in the origin country partly reflect the migration motives of immigrants. Those immigrants who come from more unstable and less free countries are more likely to arrive as refugees. This specific group of immigrants usually has less favourable labour market outcomes due to a less positive selection process, greater difficulties in adapting to a new environment resulting from stressful experiences surrounding their migration or from longing to return to their home country. Overall, the results indicate that immigrants coming from Western European countries – which all enjoy high levels of political stability, political freedom and GDP per capita – are less likely to be unemployed than those originating in other regions of the world. This finding might indicate that one of the main goals of the EU, the free movement of persons (labour) within its borders, is actually being achieved by current citizens of the EU, especially those working in neighbouring countries. However, it implies at the same time that immigrants coming from other regions will have more difficulty finding employment on European labour markets.

The negative effect of coming from a Muslim majority country might be explained by direct or indirect discrimination against Muslims on the labour markets of the 13 EU countries. An alternative explanation is the deviant selectivity of the 'guestworkers' mainly recruited in Islamic countries (Morocco, Algeria, Turkey), who came from the poorest and most underdeveloped regions within these countries, and who were 'invited on a temporary basis' to European countries. Due to this extra large distance between origin and destination countries of the 'guestworkers', they and their children have more problems on the labour market than other migrants to Europe (also because they maintain family and marriage links with their regions of origin). The macro-variable of coming from an Islamic country might pick up this 'guestworker' background, which cannot be measured directly.

Although a number of effects at the level of destination countries were found, indicators of various policies did not affect the unemployment rates of immigrants. The meagre results of the European Civic Citizenship and Inclusion Index and its five dimensions suggest that differences in the policy approaches towards immigrants between the 13 destination countries do not have a large impact on the unemployment levels of immigrants. However, this level of

impact does not necessarily imply that immigration policies do not matter, since they may affect other dimensions of immigrant integration not examined here.

Welfare regimes were not found to play any role in explaining the immigrants' unemployment. In contrast to Kogan (2007), no lower unemployment rates of immigrants in liberal welfare regimes were found; neither did any other type of welfare regime have a significant effect. A more specific measure of labour market regulation, employment protection legislation, equally yielded non-significant results. What does matter, however, is the size of the low-status job segment in a destination country. A larger segment of low-status jobs was associated with less unemployment among immigrants. In addition, immigrants in wealthier destination countries and in countries with more immigration were found to be less often unemployed. These destination-country indicators are of course correlated but jointly provide a broader picture: immigrants are more successful in avoiding unemployment in destination countries that are doing better economically and that attract many other immigrants, who might in turn facilitate the labour market integration of newcomers. However, the effect of the size of the low-status job segment also suggests that the kinds of jobs immigrants find might be predominantly on the lower rungs of the occupational ladder.

Regarding specific immigrant characteristics, it was found that the question of whether or not immigrants are citizens of the destination country does not play any significant role. The absence of an effect of citizenship is an important finding since it has been argued many times that more generous naturalisation policies are beneficial to immigrants' integration into their host societies. While perhaps controversial, this finding appears robust since no cross-country differences in the effects of citizenship were found despite large variations in naturalisation rates between the 13 EU countries studied.

Not speaking the language of the destination country in the home is not related to the unemployment rates of male and female immigrants. However, it should be emphasised that language use in the home does not provide information about the level of proficiency in the language of the destination country. The available data do not allow testing of whether the level of proficiency of the national language is related to unemployment, but lower levels of proficiency presumably increase the risk of unemployment.

The sons of mixed marriages between one immigrant and one native-born parent are more likely to be unemployed (when they are less educated) than the sons of two migrant parents and the daughters of one or two migrant parents. Among the more highly educated children of immigrants, mixed parentage and gender do not have an effect on unemployment. The expectation that children of one native-born parent would have more access to the labour market than those with two foreign-born parents is thus not supported. On the contrary it is found that having one native (instead of two migrant) parent(s) is associated with higher unemployment among less educated men. A possible explanation for this finding is a higher 'reservation wage' among male immigrants with a native parent who might have higher aspirations concerning the type of work they apply for and be less willing to accept low-skilled jobs than male children

of two migrants who are likely to compare jobs that are available to them to the types of jobs their parents hold.

Throughout, no significant effects of education are found (with the exception of male immigrants with one native-born parent); neither did the effect of education vary between origin or destination countries. Thus a higher level of education does not affect immigrants of either the first or second generation. This finding is cause for concern as it has the potential to discourage immigrants and their children to invest in education in the future. Based on these findings, immigrants' perception that a higher level of education does not pay off in terms of a lower risk of unemployment would be rather realistic.

It was also expected that higher parental education (a commonly used substitute for a higher social-class background) would go together with lower unemployment rates but no effect was found. A possible explanation for this finding is that among immigrants parental education, which is acquired for a large part in the origin country, is less predictive of their class position in the destination country.

Throughout the analysis, very few gender differences were found in terms of both the absolute level of unemployment and effects of independent variables.³ This is finding most likely due to the fact that economically inactive respondents were excluded from the analysis, while participating in the labour market is one of the most important gender differences in labour market attainment (Van der Lippe and Van Dijk, 2002). Thus, within the select group of persons participating in the labour market, male and female immigrants are not facing different risks of unemployment and are not differentially affected by individual-level and macro-level characteristics.

The previous discussion of effects at the macro-level of both the countries of origin and the countries of destination has shown that these higher-level effects are important when analysing the unemployment rates of immigrants across countries. While it is clear that the characteristics of the countries of destination will affect both first generation immigrants and their children (in fact, the second and later generations are likely to be even more influenced by the receiving context), it is not straightforward to assume that the characteristics of the country of origin continue to have effects on the integration of the second generation. However, these macro-processes were found to affect the second generation in the same way as the first, since the effect of generational status does not interact with the country of origin. This finding might be explained by socialisation processes within immigrant families that somehow transmit the effects of origin countries to children born in destination countries. The emergence of trans-national networks in the form of the availability of mass media and affordable travel opportunities to the countries of origin might also facilitate the persistent influence of the country of origin on the socio-economic integration of second generation immigrants. Moreover, an additional explanation for the persistence of origin countries' influence on the second generation might be the discrimination by European employers against members of ethnic minorities.

The finding of the persistent importance of characteristics of origin countries even in later immigrant generations is significant for yet another reason:

it clearly indicates that there is no generalised assimilation process taking place among immigrants in Europe. Due to the continuing effects of the country of origin on the second generation, the degree to which immigrants are successful on the labour market depends on their origin, and integration processes are therefore not uniform. This is an important insight for both researchers and policy-makers, who should take into account the diversity of immigrant populations in terms of both individual characteristics as well as origin countries.

Notes

- 1 Persons who are foreign-born with two native parents were excluded as the foreign country of birth of such children of expats is incidental rather than indicating 'immigration' on the part of the child.
- 2 The available data do not allow employment in the informal sector to be assessed, which might under-estimate the level of employment in some countries, particularly around the Mediterranean, compared to other countries with a smaller informal sector. We thank an anonymous reviewer for pointing out this relevant difference, which however cannot be addressed in our analysis due to data limitations.
- 3 Separate models for male and female immigrants largely replicate the findings of the joint analysis presented here.

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