Labour Market Trajectories and Occupational Assimilation of Immigrants. A comparative Perspective: Spain, United Kingdom, Canada.

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INTRODUCTION

This paper aims to analyse labour market trajectories and mobility of immigrants in Spain, in a comparative perspective with the UK and Canada. This approach gives us information about risks and uncertainty, which different working groups are exposed to (Crouch, 2008; 2009)[1]. Today's interest for labour mobility rests on its importance in the European Employment Strategy and the OECD goals (2009). This two institutions call for a more flexible labour market through a major mobility, thus reducing unemployment, poverty, and providing social upward progression and a better supply-demand adjustment. Hence, it allows workers to improve their occupational and social status, and therefore limiting their risk of poverty. In other words, labour upward mobility brings security, as well as it contributes to reduce risk and uncertainties among workers.

We have chosen three different countries: Spain, the United Kingdom, and Canada. The reasons to do that lay on their different immigration policies. Firstly, in Spain, immigration flows have been increasing at an impressive pace during the past decade (1999-2009), being a recent immigration country. Immigration Policies are geared towards meeting labour market shortages in particular niches. Secondly, the UK is characterized as a large immigration tradition, from the 1960s until today. Immigration Policies combines the recruitment of the high-skilled and the low-skilled. However, there is a common issue between both countries: during the period 1994-2007 both have experienced the entry of an impressive migration flux. This is a direct consequence of the extended demand in the construction sector, which has sharply increased in the last years. Notwithstanding, there is also a notable difference between both countries: while skilled workers from the Eastern European countries have moved to the UK, Spain has absorbed those workers with fewer skills. Finally, the Canadian case is particularly relevant for its large migration tradition, but with a truly selective Immigration Policies. Indeed, the Canadian Immigration Policy is radically contrasting compared to Spain and the UK. Canada is distinguishable by preferably host British and European immigrants. Nevertheless, since the 1978 Immigration Act, policymakers aimed the diversification of waves in terms of country of origin, although it has been a very selective process according to professional qualification criteria.

In this paper, we will explore two main hypotheses. On the one hand, we examine the "*Labour-Market Assimilation of Immigrants*". This approach predicts poorer initial labour-market outcomes among immigrants followed by convergence towards the outcomes of the native-born working-age population with time lived in the receiving country. This research line has been largely documented (see Chiswick, 2005; Dickens, McKnight, 2009 among others). On the other hand, assimilation hypothesis has been widely criticized by the "*Labour-Market Segmentation Theories*". This concept highlights immigrant's access to particular labour-market niches, which limit their assimilation and convergence.

SUMMARY

We have analysed different sources of data taking into account the theoretical debate between "occupational assimilation hypothesis, stated by Human Capital Theories, and the "country-born stratification", stated by Labour-Market Segmentation Theories. We can conclude the following:

1. Assessing the idea of "*occupational assimilation*", it appears as plausible when we only consider the wage-gap between the native-born workers and immigrants workers. For the Spanish case, the differences between both groups are not relevant when we examine the low-skilled level. Moreover, when comparing the initial period in the Spanish market, the gap between natives and immigrants is quite short. Their both experience similar scenarios at the beginning of their career, with limited upward mobility. Actually, other researchers (Zimmerman, 2009) have pointed out that "occupational assimilation" occurs rapidly when studying low-skilled migrant workers. However, problems regarding convergence appear when migrants are unemployed, as we are experiencing nowadays with the current economic crisis. In the present context, the "*occupational assimilation*" is not immediately possible. Consequently, unemployed low-skilled migrants become a central political issue because their training and reintegration into the labour market are not an essay question. This brings out the idea of the dynamic character of the "a*ssimilation*" concept. Low-skilled migrant workers are easy "*assimilated*" during prosper economic periods, but throughout an economic crisis, with high unemployment rates, they can not even be "*materialized*" into the system.

A distinctive scenario appears when assessing the high-skilled migrants (human capital). In this case, the "*occupational assimilation*" could be defined as a "*time-delayed*" process. It means that immigrant workers need more time than native-born to access the highest wages and qualified professions, as it has recorded in the Spanish and British cases. Furthermore, this group is quantitatively short.

In the previous pages, we have pointed out some evidences: with the increasing migrants' seniority, the wage gap between native-born workers and migrants is reduced after 20 years (Dickens, McKnight, 2008). Nevertheless, this convergence is just an appearance, because when we deeply look to the gap in the basis of the education level,

job security, and gender the distance does not disappear. For this reason, wage gap is not a sufficient indicator to assess "occupational assimilation".

2. The "country-of-origin stratification" concept leads us to consider other variables, such as earning-quintiles distribution, or labour-category trajectories. From this perspective, one can do a different reading. The majority of employed immigrants are placed in the low and medium-low earning levels. This can show us the existence of "*an unequal uncertainty distribution*" (Crouch, 2008). What it is interesting to bring up is that mostly women migrants are occupied in the first earning-quintile. This fact can be explained by women segregation in the domestic sectors, care services, cleaning sector and the agriculture. To sum up, the structural features of the economic sector support the unequal distribution among natives and migrants.

When studying the country of origin, people from Rumania, Morocco, and Ecuador are the lowest paid with regard to the active population.

The earning-quintiles distribution of workers does not seem to be direct, but the result of various inequalities combination. These inequalities refer to human capital, level of education, training, gender, age, seniority, careers, country-of-origin, occupation, and industry. Differences among earning-quintiles can be explained as a multiple-cause question. Nevertheless, there are two key variables. Firstly, the industry and first job that migrant workers had at landing would notably influence on the developing of their later career. At the beginning, immigrants are placed in the lowest sectors of the host labour market, with limited opportunities to upward mobility, low-wages, a weak unionism, and poor labour regulations. During the primary cycles, migrant workers are affected by the so called "*head of the queue*". This effect contributes to explain why immigrants at the lowest labour-market niches can improve their labour conditions as the time goes by, however they would never converge with natives, as the Human Capital Theory stated.

CONCLUSIONS

Migration reinforces the tendency through labour-market segmentation, because migrant workers remain in particular niches with inexistent upward mobility. In this sense, migration constitutes a buffer for labour market uncertainties, and it lightens supply-demand seasonal imbalances. Migrant labour force mobility has played a relevant role in the supply-demand adjustment for those seasonal economic activities, such as agriculture, tourism, catering, and construction (see European Commission, 2008).

Migration bring flexibility, it contributes to a more elastic labour supply at the expense of an increased uncertainty. This is especially notable for women, who emphasize their "migration process" over their "life-course project". Women migrants work for ages, while native-born women withdraw from the labour market to care when they get at certain life-cycle point. Moreover, women migrant domestic workers help to reduce reproductive costs in the host society due to their low-earnings. In turn, this has cut down feelings of risk and uncertainty among natives. These evidences are truth for the three countries studied.

We would suggest adding a discussion of the different kinds of barriers to immigration and immigrants occupational assimilation: Canada has mostly barriers 'before the entry', selecting high-skill migrants; the UK has few regulatory/social barriers, but immigrants suffer from their structural economic weakness in a very unequal system (except the high-skilled immigrants of course); Spain for geographic and historical reasons has relatively open borders but a very segregated labour market, forcing immigrants into low-paid sectors and occupations. In this way, immigration policies combine with the welfare and employment systems and even reinforce them (free market in the UK, segmented social security in Spain). The situation might change only under strong intervening pressures for more integration, whether coming from the employers (e.g. Canadian employers asking for short-term immigration), the government (e.g. Spanish regularisation), or through cultural and social processes that may make, with time, Spain a more multi-ethnic society along British or Canadian lines.

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APENDIX

THE SPANISH CASE

TABLE 1. DISTRIBUTION WORKE FORCE REGISTRED IN SOCIAL SECURITY SYSTEM. SPAIN, 2007

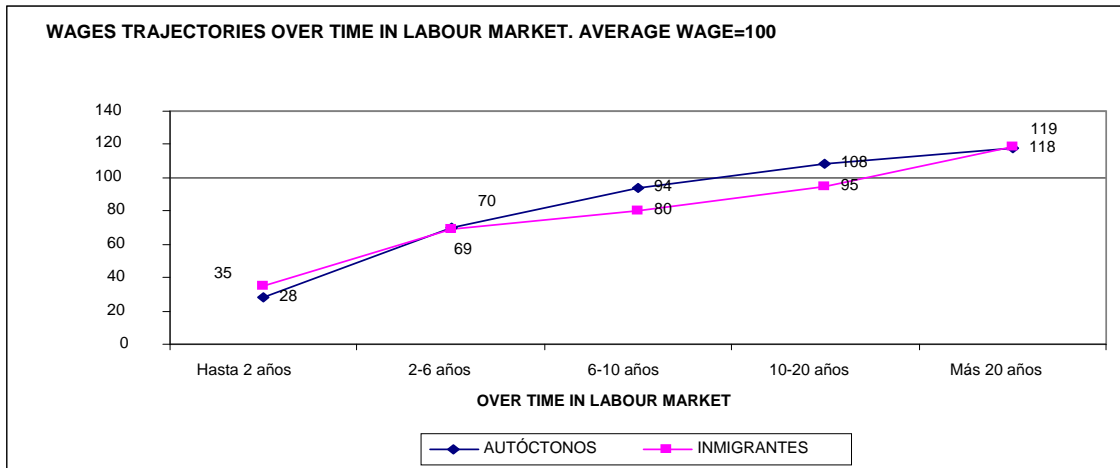|	Natives	Immigrants	Differences	Total
INGENIEROS LICENCIADOS, ALTA DIRECCION	8,0%	4,2%	3,8	6,0
INGENIEROS TECNICOS	6,7%	2,0%	4,8	5,0
JEFES ADMINISTRATIVOS Y DE TALLER	4,9%	2,1%	2,7	4,2
AYUDANTES NO TITULADOS	3,8%	2,0%	1,8	3,3
OFICIALES ADMINISTRATIVOS	13,2%	6,8%	6,4	10,5
SUBALTERNOS	4,4%	3,3%	1,1	4,3
AUXILIARES ADMINISTRATIVOS	13,8%	9,9%	3,9	11,6
OFICIALES 1ª Y 2ª	19,7%	22,8%	-3,1	20,1
OFICIALES 3ª Y ESPECIALISTAS	10,4%	17,2%	-6,8	12,2
PEONES Y MENORES	15,2%	29,8%	-14,6	22,8
Total	100,0%	100,0%		100,0

Source: own elaboration with MCVL 2007 data.

TABLE 2. LABOUR TRAJECTORIES IN A SCALE 1 TO 10 POSITIONS. DIFFERENCES ON WAGES AND DISTRIBUTION OF WORKERS				
	WAGES DIFFERENCES. (Wage average =100)		DISTRIBUTION OF POPULATION	
	Natives	Immigrants	N	Inmigrantes
Downward	84	60	10,8%	13,0%
No change	94	66	32,2%	53,2%
Low vertical mobility (1-2 posiciones)	104	81	30,0%	23,5%
Average vertical mobility (3-5 positions)	115	87	19,0%	8,1%
High vertical promotion (6-9 positions)	148	124	8,0%	2,3%
Total	100	100	100%	100%

Source: own elaboration with MCVL 2007 data.

Graph 1.

WAGES TRAJECTORIES OVER TIME IN LABOUR MARKET. AVERAGE WAGE=100

Source: own elaboration with MCVL 2007 data.

Graph 2.

Differences on wages of workers   over time in labour market
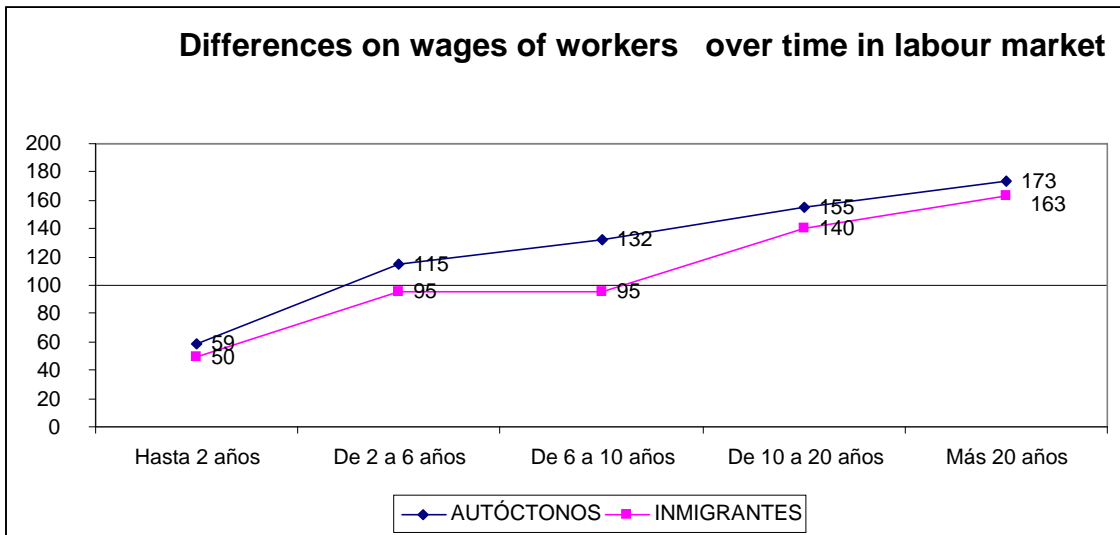

Source: own elaboration with MCVL 2007 data.

TABLE 3. OCCUPIED POPOLATION REGISTRED IN SOCIAL SECURITY SYSTEM.

	Distribution		Density of immigrants*	Wages differences Average=100
	Native	Immigrants		
Agricultura, ganadería, caza y pesca	5,7%	7,9%	18,8%	50%
Industria	14,7%	9,2%	9,4%	118%
Construcción	11,6%	19,3%	21,8%	94%
Comercio	19,2%	14,7%	11,3%	88%
Hostelería	5,6%	13,3%	28,6%	68%
Transporte	5,8%	4,9%	12,2%	114%
Educación	3,8%	1,9%	7,9%	114%
Banca y seguros	4,0%	2,2%	8,5%	146%
Administración Pública	5,8%	1,2%	3,3%	131%
Hogares y servicios personales	2,4%	8,3%	36,6%	50%
Sanidad	7,4%	3,8%	7,9%	119%
Otras actividades	14,0%	13,3%	13,7%	93%
Total	100,0%	100,0%	14,3%	100%

Source: own elaboration with MCVL 2007 data.

THE BRITISH AND CANADA CASES

Graph 3.

Figure 5: Relative Pay of Migrants to Natives by Continent of Origin
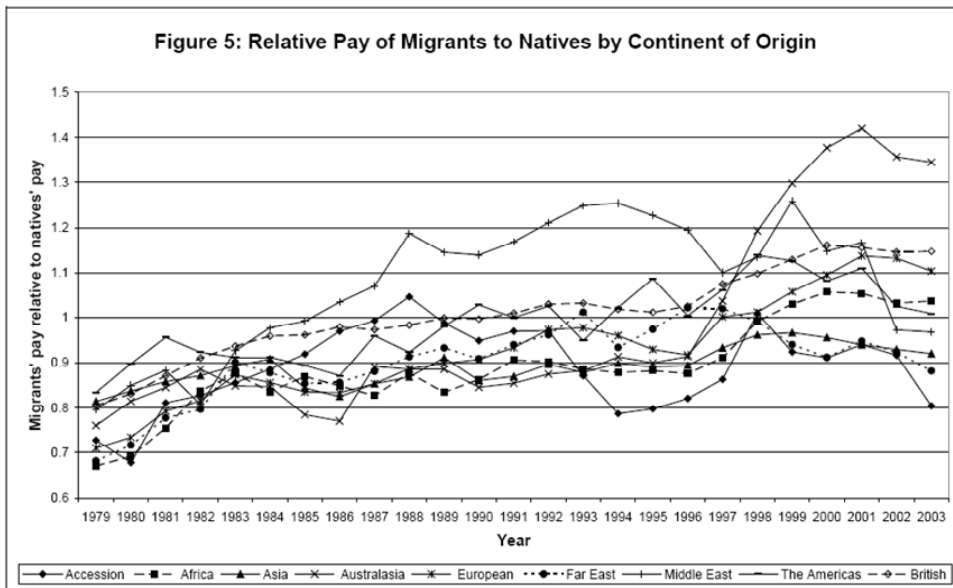
Source: Dickens; McKnight (2009)

Table 4: Characteristics of immigration and the labour market in Spain, UK and Canada.

		MIPEX Index (2)		
	Stock of foreign-born population (% total) 2007 (1)	Labour Market Access	Overall Ranking	Employment Protection Legislation Index – Overall (3)
Spain	13,4	90	61	3,13
United Kindom	10,1	60	63	2,88
Canada	20	80	67	2,63

Source: (1) OECD; (2) MIPEX (http://integrationindex.eu/index.html); (3) OECD

Table 5: Caracteristiques of immigration and labour contract

	Self-Employed		Temporary		Permanent		Part-time		Full-time	
	Native	Foreign	Native	Foreign	Native	Foreign	Native	Foreign	Native	Foreign
Canada	14,5	17,5	9,2	7,9	76,2	74,4	22,3	18,9	77,7	81,1
Spain	16,0	11,7	26,8	47,5	73,2	52,5	11,5	13,7	88,5	86,3
Uk	11,9	13,4	5,2	8,9	94,8	91,1	24,7	20,4	75,3	79,6

Source: OECD, SOPEMI

Table 6: Distribution of immigrants and skills.

	All occupations		Low-skilled occupations	
	All immigrants	Recent immigrants	All immigrants	Recent immigrants
Canada (2008)	20,5	21,5	21,0	28,6
Spain	15,9	33,2	33,6	67,6
United Kingdom	11,1	21,5	14,4	38,1
OECD average	12,0	16,2	21,2	35,0

Source: OECD, SOPEMI