

**THE INFLUENCE OF IMMIGRANT ORIGIN ON  
THE LABOUR MARKET SITUATION OF YOUNG  
PEOPLE IN SPAIN**

Marta Roig  
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Centre d'Estudis Demogràfics

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RECAÑO, Joaquín; ROIG, Marta.- **La influencia de l'origen dels immigrants en el mercat laboral dels joves a Espanya.**

**Resum.-** L'objectiu d'aquest treball es examinar la influència de l'origen dels individus en la integració dins del mercat de treball en les diferents regions d'Espanya. Els estudis descriptius han demostrat que, de forma global, els estrangers tenen unes taxes d'ocupació superior a les dels nacionals, però també unes proporcions superiors de desocupació i estan contractats més sovint mitjançant contractes temporals. Malgrat tot, no s'han analitzat suficientment els determinants d'aquestes desigualtats. A més a més, els anàlisis existents no han fet una diferenciació entre la primera generació d'immigrants i els seus fills. El nostre anàlisi apunta a explorar si la integració dels fills d'immigrants dins el mercat de treball està subjecta a la influència de l'origen. Les dades utilitzades corresponen a les microdades del Cens de Població d'Espanya de 2001, on comparem als individus joves que van arribar a Espanya com a nens (l'anomenada generació 1.5) amb els individus nascuts a Espanya. Després de descriure els dades i la metodologia utilitzada, examinem les diferències observades dins la situació del mercat de treball de la generació 1.5 i els autòctons per regió de residència; més endavant avaluarem l'impacte net de l'origen controlant per diferents factors demogràfics i socioeconòmics, i explorant si la integració en el mercat de treball està segmentada per àrea d'origen en les diferents regions de destí a Espanya. Mentre aquest estudi cobreix principalment els individus que van arribar a Espanya dins les primeres fases de la immigració actual (els pioners), la pregunta que ens plantejem és si les desigualtats entre els individus d'origens diferents es deriven de les diferències en el capital humà entre aquestes cohorts, situació que pot tenir importants implicacions per a les cohorts d'arribada a Espanya, arribades posteriorment.

**Paraules claus.-** Migració internacional, Mercat de treball, Gent jove, Població estrangera, Espanya, Cens 2001

RECAÑO, Joaquín; ROIG, Marta.- **La influencia del origen de los inmigrantes en el mercado laboral de los jóvenes en España.**

**Resumen.-** El propósito de este trabajo es examinar la influencia del origen de los individuos en la integración en el mercado de trabajo en las diferentes regiones de España. Los estudios descriptivos han mostrado que, de manera global, los extranjeros tienen unas tasas de ocupación superiores a las de los nacionales, pero también proporciones superiores de desempleo y son contratados más a menudo bajo contratos temporales. Sin embargo, no se han analizado suficientemente los determinantes de tales desigualdades. Además, los análisis existentes no han hecho una distinción entre la primera generación de inmigrantes y sus hijos. Nuestro análisis apunta a explorar si la integración de los hijos de inmigrantes en el mercado de trabajo está sujeta a la influencia del origen. Los datos empleados corresponden a los microdatos del Censo de Población de España de 2001, en el que comparamos a los individuos jóvenes que llegaron a España como niños (la llamada generación 1.5) con los individuos nacidos en España. Después de describir los datos y metodología usadas, examinamos las diferencias observadas en la situación del mercado de trabajo de la generación 1,5 y los nativos por región de residencia; más tarde evaluamos el impacto neto del origen controlando por varios factores demográficos y socioeconómicos, y explorando si la integración en el mercado

de trabajo está segmentada por área de origen en las diferentes regiones de destino en España. Mientras este estudio cubre principalmente a los individuos que llegaron en España en las fases tempranas de la inmigración actual (los pioneros), la pregunta que nos planteamos es si las desigualdades entre los individuos de orígenes diferentes se derivan de las diferencias en el capital humano entre esas cohortes, situación que puede tener importantes implicaciones para las cohortes de llegada a España llegadas con posterioridad.

**Palabras clave.-** Migración internacional, Mercado de trabajo, Gente joven, Población extranjera, España, Censo de 2001

RECAÑO, Joaquín; ROIG, Marta.- **The influence of immigrant origin on the labour market situation of young people in Spain**

**Abstract.-** The purpose of this paper is to examine the influence of an individual's origin on his/her integration in the labour market in different regions of Spain. Descriptive studies have shown that, overall, foreigners have higher participation rates than nationals, but also higher rates of unemployment and are more often hired under temporary contracts. However, the determinants of such inequalities have not been analyzed. In addition, the existing analyses have not made a distinction between the first generation of immigrants and their children. Our analysis aims at exploring whether the labour market integration of children of immigrants is influenced by their origin. Using microdata from the 2001 Population Census of Spain, we compare young individuals who arrived in Spain as children (the so-called 1.5 generation) to young native-born individuals. After describing the data and methodology used, we examine the differences observed in the labour-market situation of the 1.5 generation and natives by region of origin. We then assess the impact of origin net of various demographic and socio-economic factors, and explore whether integration into the labour market is segmented by major area of origin similarly across destination regions. While this study covers mainly individuals arrived in Spain at the early stages of the current immigration wave (the pioneers), finding out whether inequalities among individuals of different origins are or are not simply due to differences in human capital among these cohorts has significant implications for the cohorts that follow.

**Keywords.-** International migration, Labour market, Young people, Foreign people, Spain, Census 2001

RECAÑO, Joaquín; ROIG, Marta.- **L'influence de l'origine immigrée sur la situation du marché du travail des jeunes en Espagne**

**Résumé.-** L'objectif de ce travail est d'examiner l'influence de l'origine des individus sur l'intégration dans le marché du travail dans les différentes régions d'Espagne. Les études descriptives ont démontré que de façon globale, les étrangers ont des taux d'emploi supérieurs à ceux des nationaux, mais aussi des proportions supérieures de chômage et sont engagés plus fréquemment moyennant des contrats temporaires. Malgré tout, les déterminants de ces inégalités n'ont pas été analysés suffisamment. De plus, les analyses existantes n'ont pas fait de différenciation entre la première génération

d'immigrés et leurs enfants. Notre analyse vise à explorer si l'intégration des enfants d'immigrés dans le marché du travail est sujette à l'influence de l'origine. Les données utilisées correspondent aux microdonnées du Recensement de la Population de 2001 en Espagne, où nous comparons les individus jeunes qui arrivèrent en Espagne étant enfants (génération appelée 1.5) avec les individus nés en Espagne. Après une description des données et de la méthodologie utilisée nous examinons les différences observées en ce qui concerne la situation dans le marché du travail de la génération 1.5 et des autochtones par région de résidence ; ultérieurement nous évaluons l'impact net de l'origine en contrôlant selon différents facteurs démographiques et socio économiques et en explorant si l'intégration dans le marché du travail est segmentée selon l'aire d'origine dans les différentes régions de destin d'Espagne. Alors que cette étude couvre principalement les individus qui arrivèrent en Espagne dans les premières phases de l'immigration actuelle (les pionniers), la question que l'on se pose est si les inégalités entre les individus d'origines différentes sont dérivées des différences de capital humain entre ces cohortes, situation qui peut avoir d'importantes implications pour les cohortes arrivées en Espagne ultérieurement.

**Mots clés.-** Migrations internationales, Marché du travail, Individus jeunes, Espagne, Recensement de la Population de 2001.



# THE INFLUENCE OF IMMIGRANT ORIGIN ON THE LABOUR MARKET SITUATION OF YOUNG PEOPLE IN SPAIN<sup>1</sup>

Marta Roig  
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## 1.- Introduction

Interest in the fate of immigrants has grown in Europe in recent years, as their share in the total population has increased. Some of this interest derives from concerns about the short-term effects of migration, but increasing attention is given to the long-term integration prospects, namely, the future social and economic performance of immigrants and their children. Most of the European literature on the topic has been developed in Western European countries with a relatively long tradition of immigration, mainly Germany, France, Belgium, United Kingdom and the Netherlands (Gang and Zimmerman, 2000; Lesthaeghe, 2000; Crul and Vermeulen, 2003). At this early stage of the process, little is known about the socioeconomic dynamics of migrants in the new immigration countries of Southern Europe. More specifically, in Spain, the debate on immigration is relatively recent and has mainly focused on the description of flows. The existing information has not been used for the study of integration. Yet, the economic performance of immigrants and their children can now be examined for a significant number of individuals of diverse origins.

Discussions on the economic integration of immigrants and their children center on three main questions: Are immigrants and their children worse off (or, exceptionally, better off) because of their immigrant status? Does origin have a long-term effect on economic opportunities? Do different groups of immigrants fare similarly in the host society? Most literature has emphasized individual and group characteristics, focusing on the

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determinants of different integration paths among different groups of immigrants in one country. Less attention has been paid to the overall social contexts in which individuals live, likely because most research has focused on immigrant experiences in a single country or region. Nevertheless, the characteristics of the host society constitute an active context for processes of economic and social integration. Different economic structures offer different employment and promotion opportunities to immigrant workers.

The purpose of this paper is to examine the influence of an individual's origin on his/her integration in the labour market in different regions of Spain. Descriptive studies have shown that, overall, foreigners have higher participation rates than nationals, but also higher rates of unemployment and are more often hired under temporary contracts (Garrido and Toharia, 2004; Recaño-Valverde and Roig, 2004; Domingo and Houle, 2004). However, the determinants of such inequalities have not been analyzed. In addition, the existing analyses have not made a distinction between the first generation of immigrants and their children. Our analysis aims at exploring whether the labour market integration of children of immigrants is influenced by their origin. Using recently-released data from the 2001 Population Census of Spain, we compare young individuals who arrived in Spain as children (the so-called 1.5 generation) to young native-born individuals<sup>2</sup>. After describing the data and methodology used, we examine the differences observed in the labour-market situation of the 1.5 generation and natives by region; we then assess the impact of origin net of various demographic and socio-economic factors, and explore whether integration into the labour market is segmented by major area of origin similarly across destination regions. While this study covers mainly individuals arrived in Spain at the early stages of the current immigration wave (the *pioneers*), finding out whether inequalities among individuals of different origins are or are not simply due to differences in human capital among these cohorts has significant implications for the cohorts that follow.

We add on to the existing economic integration literature in two ways. First, we examine for the first time one of the recent immigration countries of Southern Europe. The relative position of immigrants in Spain differs from that of immigrants to other European

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<sup>2</sup> Unfortunately, as explained in Section (methodology and data), the 2001 Census does not allow for a meaningful analysis of the second generation –individuals born in Spain of immigrant parents.

countries in at least one important dimension: while the educational attainment of immigrants was significantly below that of non-immigrants in most Western European countries in 2001, immigrants are as educated than non-immigrants in Spain and in the other immigration countries of Southern Europe -Greece, Italy and Portugal (United Nations, 2003). It is conceivable that these differences may translate into different economic outcomes for their offspring. Second, we contrast the effect of origin in different socio-economic and cultural settings –within a single institutional and political framework-. Our aim is to measure the full effect of living in different regions, rather than to test the impact of specific characteristics of these regions on the outcome. Comparative research on this topic is scarce<sup>3</sup>, and the existing European literature has not analyzed how the effects of migration vary geographically within one country.

## **2.- Spain: a new country of immigration**

Spain, a country of emigration until the early 1970s, has become a country of immigration in the last thirty years. According to the latest population census, Spain hosted 2.2 million immigrants in 2001. While a majority of these immigrants arrived during the 1990s, about one third of them, that is, some 660,000 individuals, arrived before 1980 and close to 300,000 arrived during the 1980s (INE, 2003). Initially, a majority of immigrants came from other European countries. Some of the Europeans arrived during these early waves were former Spanish emigrants returning home after decades abroad and most others were intra-company transferees, mainly CEOs and other highly-skilled professionals but also, and increasingly, immigrants attracted by the expanding tourism industry, which has also drawn an important contingent of European retirees. Whereas returns from former emigrants peaked in the late 1970s and declined quickly afterwards (Colectivo IOE, 1987), immigration from Europe has not declined.

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<sup>3</sup> In Europe, two studies comparing the fate of the second generation are available to international readers: The EFFNATIS project (EFFNATIS, 2001) and the Special Issue of the International Migration Review published in the winter of 2003 (Crul and Vermeuler, 2003). Two International Labour Organization studies (Werner, 1994; Doomernik, 1998) and Muus (2002) have compared the labour market positions of immigrants (first generation) in various European countries as well.

The number of Europeans in Spain increased from some 348,000 in 1981 to 785,000 in 2001.

Labour migration from non-European countries started to grow in the mid-1970s. When the Western European countries that had earlier on fostered the admission of foreign workers decided to close their borders, immigrants from Northern Africa, who had traditionally migrated to countries such as France, Belgium and the Netherlands started to migrate to Spain. Most of the 44,000 applications for regularization lodged during the regularization drive of 1985-86 were filed by Moroccan citizens (SOPEMI, 1998). The Latin Americans arrived in these early waves (1970s) constitute a heterogeneous group: a significant number of individuals from Argentina, Chile, Uruguay and Cuba moved for political reasons, mostly after Franco's dictatorial regime ended, in 1975. In addition, individuals of certain origins –Argentina and Venezuela in particular- are often former Spanish emigrants or their offspring. While migration for political reasons tapered off quickly after 1980, return migration and, increasingly, labour migration – mainly from Argentina, Uruguay and Venezuela, but also Ecuador, Colombia and the Dominican Republic- have continued to grow. In 2001, there were over 830,000 immigrants from Latin America in Spain.

According to the 2001 census, a majority of immigrants reside in urban, services-based regions such as Madrid (22 per cent of the total) and Catalonia (18 per cent), which have traditionally been regions of destination for internal migrants as well as international migrants. However, less dynamic regions that had been areas of net emigration until the 1970s, such as Andalusia and Galicia, have also received a significant number of immigrants. Moroccan and other African immigrants cluster mainly along the Eastern Mediterranean coast (Catalonia, Valencia and Andalusia), where more than one third of them worked in the agricultural sector in 2001. The proportion of Latin American residents is highest in urban areas, mainly Madrid and to a lesser extent Catalonia. Although the Northern regions of Spain have not been important destinations for international migrants, a substantial number of individuals born in Latin America, most probably descendants of former emigrants, live in Galicia. Individuals from the European Union and other OECD countries are more evenly distributed across the country, with highly-skilled workers going mainly to Madrid and Catalonia –Barcelona- and retirees as

well as more recent arrivals being more attracted to the Eastern Mediterranean coast (Valencia, Balear Islands).

### **3.- Data and methods**

The statistical analysis presented in this paper is based on a 5 per cent systematic census sample of households including 2,039,274 person records and 709,885 household records. The analysis focuses on individuals aged 25 to 34 on November 1 2001 that were working or looking for a job at the time. They constitute a sample of 342,890 individuals, of which 260,613 were in the labour market. We limit our sample to those over 25 to ensure that most individuals are out of school<sup>4</sup>.

The three variables selected as representative of differences in the labour market situation of the various groups studied are: occupation -having a job that requires low skills-, employment status -holding a temporary contract- and employment situation –being unemployed-. Included among the unskilled are all those working in elementary occupations (major group 9 of the International Labour Organization’s ISCO-88 classification<sup>5</sup>) as well as service workers and shop and market sales workers (major group 5). Individuals under temporary contracts are all those who do not have a contract of employment or a succession of them with the same employer of, usually, a year of duration or longer. Included among the unemployed are both individuals with previous work experience and individuals who are actively seeking their first job. Because these dependent variables measure dichotomous outcomes we have used logistic regression. The results are presented as odds ratios –the exponential of the logistic regression coefficients.

Table 1 presents the percentage distributions of the individual variables included in the different models as independent variables. The effect of origin is measured by a variable

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<sup>4</sup> In our sample, 5.6 per cent of individuals over 25 were still enrolled in university at the time of enumeration, and about 50 per cent of them were working at the same time.

<sup>5</sup> The International Classification of Occupations (ISCO-88) contains 9 major occupational groups: 1- Legislators, Major Officials and Managers; 2- Professionals; 3- Technicians and Associate Professionals; 4- Clerks; 5- Service Workers and Shop and Market Sales Workers; 6- Skilled Agricultural and Fishery Workers; 7- Craft and related Trades Workers; 8- Plant and Machine Operators and Assemblers; 9- Elementary Occupations.

that comprises two main categories: Native-born individuals (their assigned origin is Spain) and immigrants (the generation 1.5). One of the main limitations of our analysis is that the census did not gather information on country of birth of parents. Therefore, we cannot identify the second generation. Our analysis is thus based on a sub-sample of all individuals of immigrant origin –those born abroad. Among them, only those individuals who arrived in Spain before the age of 10 –and who, therefore, arrived between 1966 and 1986- are considered, to ensure that they completed most of their education in Spain and to avoid confounding selection effects of migration for education or work. They constitute a sample of 6,797 individuals, that is, 3 per cent of the population aged 25-34. For the national-level analysis, we have classified the 1.5 generation in four groups: those born in other countries of the OECD, those born in Africa –of which Moroccans constitute 72 per cent of the total sample-, those born in Latin America and all others, which are clustered together under “other regions” –67 per cent of “others” come from Eastern European countries-. For the comparison of different destination regions, all those born in non-OECD countries are grouped together in one category due to the small number of observations. As shown in table 1, individuals born outside of the OECD (Africa, Latin America or other countries) work more often in unskilled jobs, under temporary contracts and, with the exception of Latin Americans, are more often unemployed than natives and individuals in other OECD countries.

We measure the effect of residence through two variables: size of municipality of residence and region. We distinguish four types of municipality: rural (less than 5,000 inhabitants), town (between 5,000 and 20,000), small and medium-size city<sup>6</sup> (20,000 to 200,000) and major city (more than 200,000). Children of immigrants are relatively more concentrated in major cities, as compared to Spaniards, and less present in rural areas and small towns. We have grouped place of residence in four major regions: the area of Madrid, the Eastern region, which includes all Catalan-speaking areas (Catalonia, Valencia and the Balear Islands), the Southern region, which includes three important destination regions (Andalusia, Murcia and Castilla- La Mancha) and the Northern

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<sup>6</sup> The small and medium-size cities constitute a heterogeneous category, as they include suburban cities that belong to major urban agglomerations and non-suburban cities with very different characteristics. Unfortunately, the information available does not allow us to differentiate these two categories at this point.

**Table 1.** Characteristics of the sample according to origin

	TOTAL SAMPLE <sup>3</sup>				Natives (Origin=Spain)	Foreign-born (Generat. 1.5)
	Percentage distribution	1. % unskilled	2. % temporary contracts <sup>1</sup>	3. % unemployed <sup>2</sup>	Percentage distribution of sample used to test the skills model (no. 1)	
<b>Origin</b>						
Spain	97.1	25.2	37.3	14.8		
Other OECD countries	1.7	26.8	38.8	14.6		57.3
Africa	0.3	40.8	54.4	17.9		10.4
Latin America	0.8	40.6	46.5	14.2		26.2
Other countries	0.2	43.7	52.2	15.4		6.1
<b>Sex</b>						
Male	57.9	21.0			57.8	58.0
Female	42.1	31.6			42.2	42.0
<b>Age</b>						
25-29	50.3	26.5			50.4	47.2
30-34	49.7	24.4			49.6	52.8
<b>Citizenship</b>						
Spanish	99.0	25.3			99.5	68.8
Foreign	1.0	45.2			0.05	31.2
<b>Region</b>						
Madrid	15.0	21.5			14.9	17.1
South	29.8	31.4			29.9	28.2
North	25.5	24.3			25.5	25.3
East (Catalan-speaking)	29.7	25.4			29.8	29.3
<b>Residence</b>						
Rural (<5,000)	13.1	24.9			13.2	10.2
Town	19.9	26.7			19.9	18.9
Small and medium city	40.8	26.2			40.9	39.5
Major city	26.2	23.6			26.1	31.5
<b>Household size</b>						
1	7.2	23.4			7.2	9.3
2	22.7	23.8			22.7	18.3
3	26.3	25.2			26.5	22.2
4	23.7	25.8			23.8	19.3
5+	20.0	27.9			19.7	30.9
<b>Education</b>						
No education	1.6	48.8			1.6	3.8
Primary education	9.8	40.6			9.8	11.7
Secondary education	61.4	30.3			61.3	62.2
University degree	27.1	7.5			27.3	22.2
<b>Employment status</b>						
Employee, stable contract	54.4	23.4			54.6	49.7
Employee, temporary contract	32.6	32.2			32.5	37.9
Self-employed, no staff	8.6	18.7			8.7	7.9
Employer	4.3	12.5			4.3	4.6
N	230,891	58,656	75,809	35,881	224,094	6,797

<sup>1</sup>. Percentage under temporary contracts among all employees (self-employed excluded). N=200,601.

<sup>2</sup>. Percentage unemployed among those with previous work experience as well as those looking for their first job. N=242,480.

<sup>3</sup>. The distribution of the rest of variables in sample models 2 and 3 is similar to the distribution in model 1.

region, which comprises, among other, Galicia and the Basque Country. As indicated above, Madrid and the Eastern coast are highly urbanized areas, and the main regions of destination for immigrants. In the South, Andalusia and Murcia, two strongly agrarian regions that were the main emigration regions in the past, have become important receivers of international migrants. Finally, the Northern part of Spain contains a heterogeneous set of regions, from Galicia (a poor region with an important agrarian and fishery sector) to the Basque Country (a mainly industrial region). These have not been major destinations for international migrants. In 2001, the average unemployment rate was of (by region); the average earnings/salary (or other?). The effect of living in Madrid or Catalonia may be positive, if educational and economic opportunities matter, but it may also be negative, if children of immigrants are concentrated in poor neighborhoods and the social environment in which the individual lives has spill-over effects.

Other variables included in the models are: sex, age, citizenship (foreign, national) and education. As one of the main determinants of lifetime economic opportunities, education is bound to have a strong effect on the labour market characteristics of all groups. Yet occupational status is not fully explained by education, as we show in the next section. Regarding labour-market characteristics, occupation, which is included in the employment status model, is divided into five categories: skilled, non-manual occupations (mostly managers, professionals and associate professionals, that is, all occupations in major groups 1, 2 and 3 of ISCO-88), semi-skilled, non-manual (clerks - major group 4), unskilled, non-manual (shop and market sales workers and other service workers -major group 5), semi-skilled, manual (skilled workers -6,7 and 8) and unskilled, manual (9). Another human capital dimension that may influence outcomes is labour market experience (years of experience); however, such information cannot be obtained through the census. Another limitation of the model is the lack of information on language proficiency. Besides it being a potential source of differences among individuals coming from different regions, if language mattered, living in region with two official languages, such as the Catalan-speaking regions, Galicia or the Basque Country, may be an additional hinder to a successful integration path for non-natives.

In the following sections, we first look at the observed differences in the occupational structure of natives and the 1.5 generation at the national level and in each of the four regions under analysis, and relate such differences to their education. We then measure the overall net effect of origin on occupation, employment status and employment situation. Focusing on occupation, we then examine whether a similar pattern can be observed across the four main regions. If the structural characteristics of the labour market of the receiving region have an influence on integration, then we could expect different results for the four economically (and culturally) diverse regions under study once region of origin, place of residence and other background characteristics are controlled for.

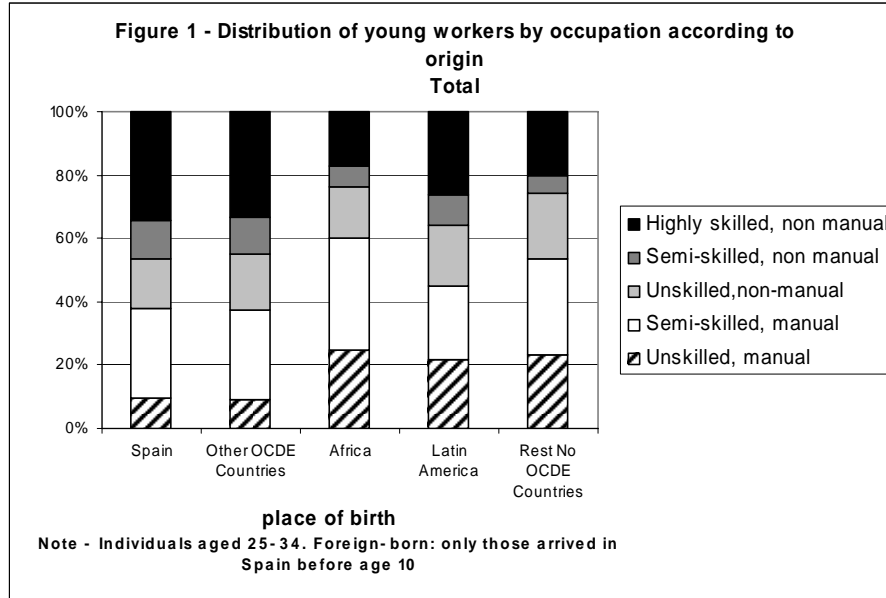
## **4.- Results**

### **4.1.- Labour market skills and origin**

Overall, young workers of immigrant origin fare worse than natives in the labour market (Figure 1). However, differences by region of origin are strong. In particular, there is a clear segmentation between individuals born in other developed countries and individuals born in developing countries, who are consistently less qualified than the rest. Among the latter, Latin Americans are better positioned than Africans and individuals born in other developing countries. Namely, 26 per cent of latinos, but only 17 per cent of Africans and 20 per cent of “others”, have highly-skilled jobs.

Figures 2 to 5 show the occupational makeup of young workers in the four major regions by origin –grouped in three main categories. The differences observed at the national level persist across destination regions, although they are less apparent in the North and in the South, given the higher proportion of natives in manual activities in these regions, as compared to Madrid or the East. Indeed, the occupational structure of those born in non-OECD countries varies less across destination regions than the distribution of those born in other OECD countries and that of natives. In all settings, they are drawn to a greater extent to unskilled manual activities and, in particular, to construction and domestic work.





Are these outcomes a reflection of inequalities in educational attainment among young individuals of different origins? Is the allocation of labour market positions by educational level similar for all groups? Our results suggest that education is not the only determinant of labour market status. According to table 2, though differences in years of schooling among groups are small, individuals of the 1.5 generation born in non-OECD countries lag behind. Individuals born in other OECD countries are as educated as natives –their weight on the total number of immigrants explains why the educational attainment of immigrants in Spain is similar to that of natives. The disadvantages faces by those born in developing countries are manifest in each of the five main occupational categories. That is, individuals of the 1.5 generation are relatively less educated than natives of comparable status, and this is the case even among those who work in highly-skilled jobs<sup>7</sup>. Therefore, controlling for education may reduce some of the inequalities observed in labour market status. The most disadvantaged group in terms of education are Africans, who have an average 2.7 years less education than natives, while Latin

<sup>7</sup> One could therefore argue that some of those born in developing countries take better advantage of their education than natives. However, the composition of workers within each occupational group may differ depending on origin as well. In particular, jobs classified as “highly-skilled” that do not require higher education, such as management or ownership of small businesses -10 employees or less-, are more frequent among highly-skilled individuals of non-OECD origin, especially among Africans (24.1 per cent of all highly-skilled workers) than among highly-skilled natives (9.3 per cent) or those coming from OECD countries (12 per cent).

Americans are better off than their non-OECD peers. It should be noted that this indicator (mean number of years) reflects the branch selection choice in secondary education (vocational training versus *bachillerato*, a qualification that allows students to enroll in tertiary education), since vocational training paths are shorter than *bachillerato*<sup>8</sup>.

**Table 2.** Mean years of schooling by origin and occupational group

Origin	Highly-skilled, non-manual	Semi-skilled, non-manual	Unskilled, non-manual	Semi-skilled, manual	Unskilled, manual	TOTAL
Spain	14.9	13.4	11.2	11.9	10.7	12.8
Other OECD	14.7	13.1	11.2	11.9	10.9	12.7
Non-OECD	14.4	12.5	10.0	11.1	9.5	11.3
<i>Africa</i>	14.1	11.6	9.3	10.8	7.5	10.1
<i>Latin America</i>	14.5	12.8	10.5	11.3	10.2	11.9
<i>Other non-OECD</i>	14.2	12.7	9.9	11.0	9.7	11.1

**Table 3.** Percentage in unskilled manual position by origin and education

Origin	No education	Primary	Secondary	Tertiary	TOTAL
Spain	33.2	24.2	10.2	1.8	9.6
Other OECD	23.8	20.9	9.8	1.5	9.0
Non-OECD	46.7	35.8	21.8	6.1	22.6
<i>Africa</i>	54.8	35.1	17.2	6.5	24.6
<i>Latin America</i>	41.1	37.4	22.8	5.9	21.6
<i>Other non-OECD</i>	20.1	32.0	24.3	6.6	23.3

Table 3 indicates that the allocation of labour market positions for individuals with similar education differs by group. The proportion of youngsters born in developing countries in unskilled, manual occupations is higher than that of natives for all educational groups alike. Africans with no education, Latinos with little education and

<sup>8</sup> The cohorts under study followed the school system established by the 1970 *Ley de Ordenación de Educación Básica*, which extended primary education to the age of 14 and created a two-track secondary education system: a vocational track, which lasted 2-3 years, and a higher-education geared track, which lasted 4 years. In tertiary education, some technical careers were 3 years long, but most higher education degrees required 5 years of education.

those born in other non-OECD countries with secondary or higher education are most often drawn towards manual jobs that require low skills. These non-natives seem to receive lower returns to education than their native peers. The analysis that follows will indicate whether differences in labour market position persist once educational attainment is controlled for.

#### **4.2.- The effect of origin on labour market situation**

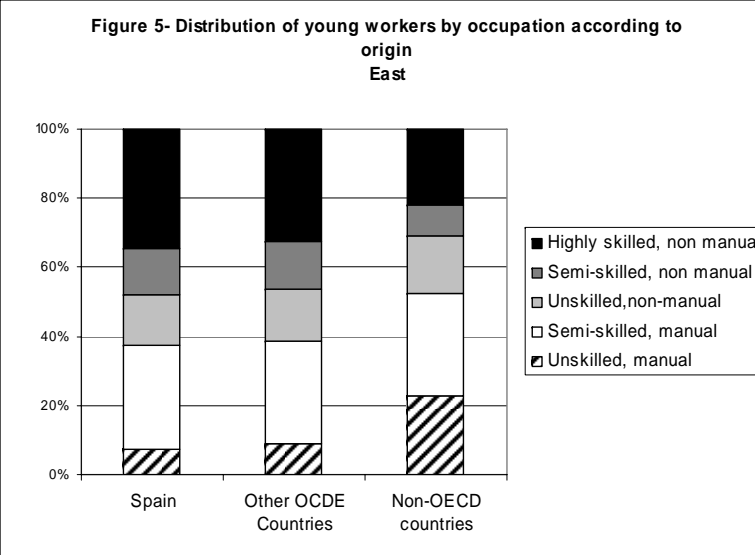
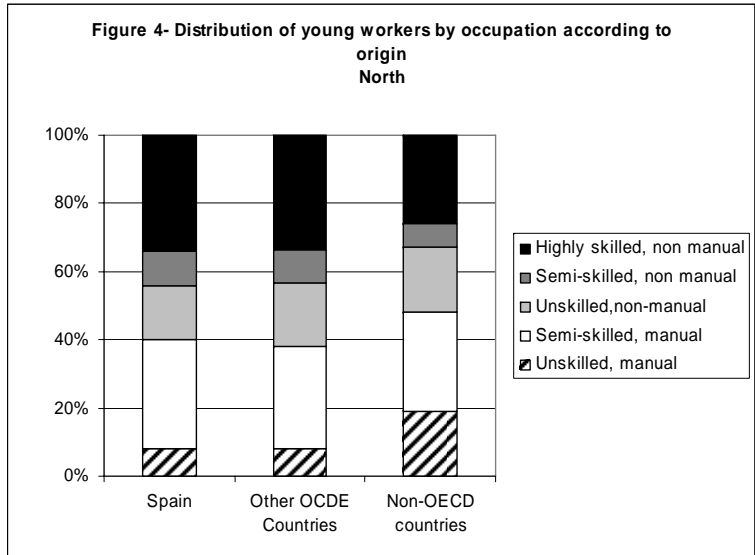
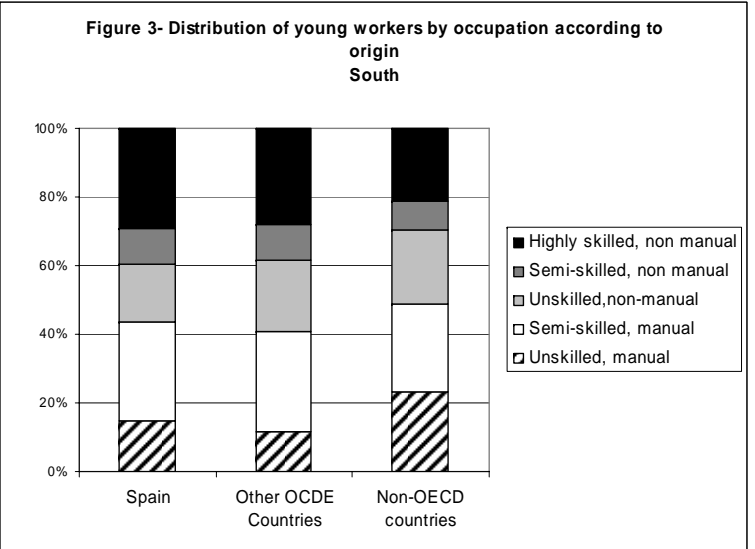
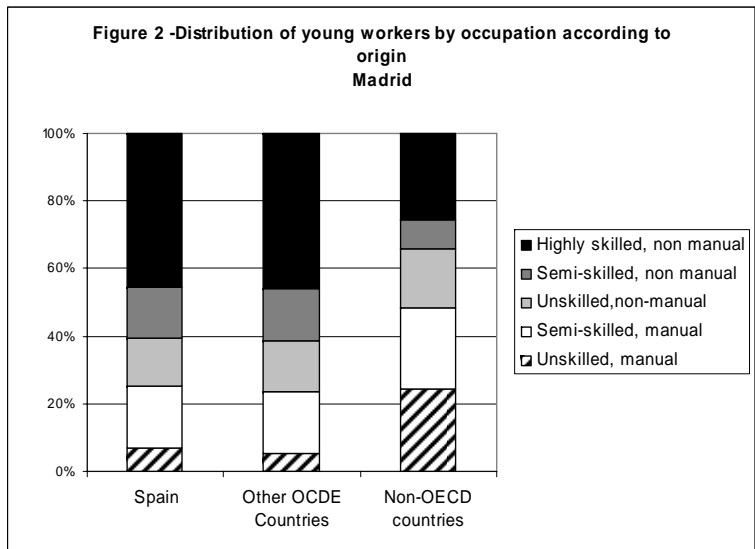
The results of the first regression model, presented in table 4, show that differences in occupational status persist among selected groups once differences in education and in other individual characteristics are accounted for. Net of the effect of these variables, being of African origin does not have a significant impact on the odds of working in a job that requires low skills. In contrast, the odds of working in such jobs are 37 per cent higher for individuals born in Latin America and 36 per cent higher for those born in other developing countries than for natives (the reference group).

Therefore, the relatively better position of latinos as compared to individuals born in other developing countries stems from their composition rather than from a net advantage in the labour market. Specifically, latinos are, on average, more educated than Africans and other individuals born in developing countries and education is evidently the main determinant of labour market position: the odds of working in a job that requires low skills are more than twice as high for individuals with no education than for individuals with secondary education. In addition, a higher proportion of latinos reside in Madrid – over 15 per cent of those included in our sample, as opposed to less than 10 per cent of Africans and some 5 per cent of Eastern Europeans-. Our results confirm that the odds of having an unskilled job are significantly lower in Madrid than in the South or the North. Finally, a higher proportion of latinos are Spanish citizens – 46.5 per cent, but only 35 per cent of Africans and 15 per cent of those born in other non-OECD countries, though almost 91 per cent of those born in other OECD countries-, and citizenship is a strong determinant of labour market opportunities: the odds of holding an unskilled job are 40%

**Table 4.** Odds ratios from logistic regression model of working in a job that requires low skills (National level)

Variables	Exp ( $\beta$ )	Signif.
<b>Origin</b>		
<i>(Spain)<sup>1</sup></i>		
<i>Other OECD countries</i>	0.99	
<i>Africa</i>	1.16	
<i>Latin America</i>	1.37	***
<i>Other countries</i>	1.36	**
<b>Sex</b>		
(Male)		
Female	2.46	***
<b>Age</b>		
(25-29)		
30-34	0.88	***
<b>Citizenship</b>		
(Foreign)		
Spanish	0.60	***
<b>Region</b>		
(Madrid)		
South	1.47	***
North	1.15	***
East (Catalan-speaking)	0.90	***
<b>Residence</b>		
(Rural (<5,000))		
Town	1.08	***
Small and medium city	1.17	***
Major city	1.27	***
<b>Household size</b>		
(1)		
2	0.92	***
3	0.97	*
4	1.02	
5+	1.07	*
<b>Education</b>		
(No education)		
Primary education	0.76	***
Secondary education	0.44	***
University degree	0.06	***
Constant (not exp)	-0.09	
R <sup>2</sup> <sub>L</sub>	0.171	
-2 Log likelihood	233,335.8	
Chi Squared stat.	28370.9(20df)	
N	230,891	

<sup>1</sup>. Omitted categories are given in parenthesis.  
\*p<0.1; \*\*p<0.01; \*\*\*p<0.001.



lower for Spanish citizens than for foreigners. Not only does citizenship facilitate access to public goods and services, but it may also be an indicator of successful assimilation<sup>9</sup>.

Migration status has an influence on other aspects of labour market situation, beyond those related to occupational status. The results of the second model, in table 5, indicate that belonging to certain origin groups affects employment status. Specifically, individuals of African origin are at higher odds of working under a temporary contract than natives, once differences in individual characteristics, including occupational group, are accounted for. In contrast, being of non-native origin does not have a negative effect on employment situation (table 6). If anything, the members of the 1.5 generation are less at risk of being unemployed than the native youth. Latin American youngsters have some 25 per cent less chances of being unemployed than natives'. This findings contrast with the results of studies conducted in other European countries, which indicate that the 1.5 and the second generation experience above-average unemployment (Crul and Vermeulen, 2003). It should however be noted that unemployment levels are very high in Spain, and particularly among the youth –as shown in table 1, 15 per cent of natives in our sample are unemployed.

In sum, our results show that migrant status affects labour market opportunities differently depending on place of origin. Individuals born in OECD countries and Spaniards of comparable characteristics have similar chances of working in a job that requires low skills, being employed under a temporary contract and being unemployed. In contrast, employed individuals born in developing countries face more challenges. Some are at higher odds of working in low-status jobs, while those who are not have relatively more chances of being in unstable employment situations. However, their odds of being unemployed are similar –or, in the case of Latin Americans, lower- than those of natives. In the trade-off between job quality and the chances of finding a job, the members of the 1.5 generation appear to give greater value to the latter than natives. Education is the

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<sup>9</sup> It is also a potential source of disparities since Spanish nationality laws give preferential treatment to those coming from former colonies –mostly Latin American countries but also the Philippines and Equatorial Guinea-, who need two years of residence in Spain to apply for citizenship. Other non-EU foreigners must have lived in Spain for 10 years in order to apply (*Ley de reforma del Código Civil en Materia de Nacionalidad, Ley 18/1990*).

**Table 5.** Odds ratios from logistic regression model of working under a temporary contract (National level)

Variables	Exp ( $\beta$ )	Signif.
<b>Origin</b>		
<i>(Spain)<sup>1</sup></i>		
<i>Other OECD countries</i>	<b>1.05</b>	
<i>Africa</i>	<b>1.29</b>	**
<i>Latin America</i>	<b>1.07</b>	
<i>Other countries</i>	<b>1.15</b>	
<b>Sex</b>		
(Male)		
Female	1.55	***
<b>Age</b>		
(25-29)		
30-34	0.64	***
<b>Citizenship</b>		
(Foreign)		
Spanish	0.70	***
<b>Region</b>		
(Madrid)		
South	2.20	***
North	1.46	***
East (Catalan-speaking)	1.04	**
<b>Residence</b>		
(Rural (<5,000))		
Town	1.12	***
Small and medium city	0.99	
Major city	0.99	
<b>Household size</b>		
(1)		
2	1.02	
3	1.13	***
4	1.31	***
5+	1.35	***
<b>Education</b>		
(No education)		
Primary education	0.93	*
Secondary education	0.66	***
University degree	1.00	
<b>Occupation</b>		
(Highly-skilled, non-manual)		
Semi-skilled, non-manual	1.13	
Unskilled, non-manual	1.33	***
Semi-skilled, manual	1.70	***
Unskilled, manual	2.80	***
<b>Sector</b>		
(Agriculture)		
Industry	0.41	***
Construction	0.96	
Services	0.49	***
Constant (not exp)	-0.11	
R <sup>2</sup> <sub>L</sub>	0.131	
-2 Log likelihood	245212.4	
Chi Squared stat.	20216.9(27df)	
N	200,601	

<sup>1</sup>. Omitted categories are given in parenthesis.  
\*p<0.1; \*\*p<0.01; \*\*\*p<0.001.

**Table 6.** Odds ratios from logistic regression model of being unemployed (National level)

Variables	Exp (β)	Signif.
<b>Origin</b>		
<i>(Spain)</i>		
<i>Other OECD countries</i>	0.99	
<i>Africa</i>	1.03	
<i>Latin America</i>	0.79	**
<i>Other countries</i>	0.92	
<b>Sex</b>		
<i>(Male)</i>		
Female	2.27	***
<b>Age</b>		
<i>(25-29)</i>		
30-34	0.84	***
<b>Citizenship</b>		
<i>(Spanish)</i>		
Foreign	0.88	
<b>Region</b>		
<i>(Madrid)</i>		
South	1.87	***
North	1.24	***
East (Catalan-speaking)	0.92	***
<b>Residence</b>		
<i>(Rural (&lt;5,000))</i>		
Town	0.99	
Small and medium city	1.07	***
Major city	1.27	***
<b>Household size</b>		
<i>(1)</i>		
2	0.96	
3	1.36	***
4	1.47	***
5+	1.53	***
<b>Education</b>		
<i>(No education)</i>		
Primary education	0.69	***
Secondary education	0.46	***
University degree	0.33	***
Constant (not exp)	-1.79	***
R <sup>2</sup> <sub>L</sub>	0.08	
-2 Log likelihood	193240.7	
Chi Squared stat.	10045.1(20df)	
N	242,480	

<sup>1</sup>. Omitted categories are given in parenthesis.

\*p<0.1; \*\*p<0.01; \*\*\*p<0.001.



main determinant of labour market outcomes but not the only one: the 1.5 generation is worse off in the labour market than their native peers at any educational level.

#### **4.3.- Does destination matter?**

The influence of origin is not uniform across destination regions (table 7). Being of migrant origin is detrimental to occupational status in three of the four regions under analysis –the East, the South and, above all, the North. In the Northern regions, the odds of working in a job that requires low skills are 55 per cent higher for non-OECD natives than for natives. In Madrid, immigrant origin does not have a significant effect on occupational skills.

These inter-regional differences suggest various explanations. First, the composition of the 1.5 generation may differ by region, and those at higher risk of “failing” may be more numerous in the Northern regions and less present in Madrid. However, the proportion of Latin Americans, who have significantly higher odds of failing, over all those born in non-OECD countries is as high in Madrid (75 per cent) as in the North (73 per cent) and lower in the other two regions, while the proportion of Africans is highest in the South (close to 35 per cent) and the East (32 per cent) and lowest in Madrid. Second, it is possible that region of residence is not a determinant of success (or failure) but a consequence of it. It is conceivable that more motivated individuals move to economically dynamic areas following demand. Lacking retrospective information to undertake the necessary adjustments, we cannot discard this as one of the reasons for the differences observed<sup>10</sup>. Results from previous research focused on internal migrants, however, indicate that Madrid offers more consistent educational opportunities to individuals of diverse communities than other regions (Recaño-Valverde and Roig,

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<sup>10</sup> Our model may contain other selection biases if expectations, motivations or other factors we cannot control for, including those related to family background, vary depending on region of destination. Lacking information to do selectivity correction adjustments, we must assume this is not the main cause of the differences observed.

2003)<sup>11</sup>. It is therefore probable that socioeconomic outcomes are also more even for those having grown in this region. Indeed (and third), while there may be selection biases, it is very likely that factors specific to the social and economic contexts of the host regions matter and directly affect labour market opportunities, even when educational attainment is controlled for. The framework of opportunities offered by a mainstream, urban region such as Madrid, which has a large service sector, public administration and a relatively wide and close network of higher education centers is not equivalent to that of larger, more agricultural and industrial or culturally more distant regions. Socially, Madrid and other areas that have traditionally received immigrants – internal and international- may be more open to accepting individuals of diverse backgrounds; among other, institutions and services may be better adapted to such diversity. Finally, social capital and even the cultural capital of individuals born abroad may depend on region of destination.

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<sup>11</sup> This study was based on the results of a large survey –sample of some 160,000 individuals- which contained extensive biographical information and allowed for selectivity correction adjustments. The results indicated that being of non-native origin (that is, being an internal migrant or the child of an internal migrant) is detrimental to educational attainment in two of the three regions studied –the Basque Country and Catalonia- but not in Madrid (Recaño-Valverde and Roig, 2003)

**Table 7.** Odds ratios from logistic regression model of working in a job that requires low skills. Regional level models

Variables	Madrid		East (Catalan regions)		South		North	
	Exp( $\beta$ )	Sign.	Exp( $\beta$ )	Sign.	Exp( $\beta$ )	Sign.	Exp( $\beta$ )	Sign.
<b>Origin</b>								
<i>(Spain)</i>								
<i>Other OECD countries</i>	<b>0.95</b>		<b>1.02</b>		<b>0.96</b>		<b>1.02</b>	
<i>Non-OECD countries</i>	<b>1.31</b>		<b>1.25</b>	*	<b>1.22</b>	*	<b>1.55</b>	***
<b>Sex</b>								
<i>(Male)</i>								
Female	1.79	***	2.30	***	2.49	***	3.10	***
<b>Age</b>								
<i>(25-29)</i>								
30-34	0.92	**	0.90	***	0.86	***	0.87	***
<b>Citizenship</b>								
<i>(Foreign)</i>								
Spanish	0.58	**	0.53	***	0.59	***	0.71	*
<b>Residence</b>								
<i>(Rural or town (&lt;20,000))</i>								
Small and medium city	1.14	*	1.09	***	1.03		1.26	***
Major city	1.22	***	1.30	***	1.13	***	1.20	***
<b>Household size</b>								
<i>(4 or less)</i>								
4+	1.11	***	1.11	***	1.12	***	1.02	
<b>Education</b>								
<i>(Primary or less)</i>								
Secondary education	0.47	***	0.57	***	0.53	***	0.67	***
University degree	0.07	***	0.09	***	0.06	***	0.11	***
Constant (not exp)	-0.02		-0.34	**	0.2		-0.66	***
R <sup>2</sup> <sub>L</sub>	0.170		0.139		0.185		0.161	
-2 Log likelihood	31,984.9		66,300.4		76035.4		58520.2	
Chi Squared stat.	3971.7(10df)		6563.0(10df)		9714.8(10df)		6658.0(10df)	
N	34,578		68,662		68,867		58,784	

<sup>1</sup>. Omitted categories are given in parenthesis. \*p<0.1; \*\*p<0.01; \*\*\*p<0.001.

## 5.- Conclusions

The main goal of this study was to test whether immigrant status had an effect on the economic opportunities of young workers who arrived in Spain as children in different regions. We distinguished individuals who were born in other developed countries from individuals who were born in developing regions. Our results indicate that integration is segmented, since immigrant status affects labour market opportunities differently depending on place of origin. In general, youngsters born in developing countries face more challenges than those born in Spain and other developed countries. Our descriptive analysis on the role of education also suggests that education is a less valuable asset for the former; that is, education does not provide the same opportunities for all. However, labour market opportunities depend on region of residence: while being born in non-OECD countries significantly increases the odds of working in unskilled jobs in the Northern regions of Spain and, to a lesser extent, in the Catalan-speaking regions and in the South, origin has no effect on occupational status in Madrid. Differences across destination regions at least as large as differences among groups in one given setting. Therefore, what determines the observed outcomes is the interaction between some origins and some destinations, not geographical origin alone.

The main conclusion from these results is that labour market inequalities are not simply due to differences in human capital and other measurable demographic and socioeconomic traits. For individuals that migrated as children, inequalities can arise from the disruption in educational careers brought about by the move, even at a young age, and, in general, from the impact of change in cultural and social settings during early childhood. In addition, origin affects access to resources that are not adequately measured through a purely quantitative approach, namely social and cultural capital, access to formal and informal institutional settings and residential locations. We do not reject discrimination as one of the causes of the differences observed.

These findings have significant political implications, given the rapid and accelerated growth of immigration to Spain -with an inflow of 672,000 foreigners in 2003, Spain is currently the main receiving country of Europe (OECD, 2004). However, they are not exempt from limitations. For one, the immigration and settlement experiences of more recent, larger cohorts of immigrants may be different from those experienced with these early cohorts. More importantly, while the 2001 census contains extensive information

on the socioeconomic and demographic characteristics of immigrants and thus provides a unique opportunity to study their situation, it lacks important data; for instance, it does not provide information on parental characteristics and other family background attributes, the effect of which may go beyond that reflected on educational attainment and into some of the non-human capital dimensions mentioned above. In addition, the use of cross-section information for the study of processes that take place over time, including integration, has limitations. Longitudinal information is required to undertake an in-depth analysis of integration.

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