

The Economic Situation of First and Second-Generation Immigrants in France, Germany and the UK.

Yann Algan, Christian Dustmann, Albrecht Glitz and Alan Manning

Motivation

- Increasing number of host countries that have a sizeable second-generation immigrant population.
 - The degree of their integration is a major policy concern in many host countries.
 - Comparable evidence across host countries still relatively scarce.
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Aim of the Paper

- Provide descriptive evidence of the relative economic standing of the main migrant groups in the three largest immigrant receiving countries in Europe (France, Germany and the United Kingdom).
 - Focus on the provision of comparable evidence with respect to educational attainment, earnings and employment in order to allow cross-country comparisons.
 - Distinguish between first- and second-generation immigrants in order to assess economic progress from one generation to the next.
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Limitations

- Analysis does not pick up true intergenerational mobility, as the second-generation immigrants observed are not the offspring of the first-generation immigrants observed.
 - Emphasis on comparability across countries sometimes dictates empirical methodology (outcome variables, control variables, model specification)
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Preview of Results

- Labour market performance of most immigrant groups as well as their descendants is, on average, worse than that of the native population (conditional on education, potential experience and regional allocation).
 - For almost all countries and immigrant groups, we find second-generation immigrants have lower gaps in educational attainment than first-generation immigrants.
 - Less evidence of progress from one generation to the next in terms of labour market outcomes.
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Preview of Results

- The UK stands out in that it has particularly large earnings differences in the first generation, but also much improved outcomes in the second generation.
 - Evidence on progress in terms of earnings less clear-cut in France and Germany.
 - Employment gaps for men in Germany and the UK are quite similar for first and second-generation immigrants but France has some groups in which the second generation immigrants actually do worse.
 - For women, there is more evidence of a reduction in employment gaps in the second generation.
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Immigration Policies

- France:
 - Tradition of equality.
 - *Ius soli* (right of the soil).
 - Strong secular tradition, leading to relatively restrictive attitude towards the expression of religious and cultural identity in the public sphere.
 - Reluctance to acknowledge any ethnic divisions.
 - Until recently lack of reliable data to assess situation of ethnic minorities.
 - Recently, stronger requirements for immigrants seeking citizenship (language, knowledge of French culture).
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Immigration Policy

- Germany:
 - Immigration for a long time expected to be of temporary nature.
 - No particular efforts taken to integrate immigrants into German society.
 - Until 2000, *ius sanguinis* (right of blood).
 - With new legislation in 2000, recognition of Germany as an immigration country.
 - Barriers to obtaining German citizenship substantially reduced.
 - Recently, additional requirement for immigrants seeking citizenship (language, knowledge of legal and societal system in Germany).
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Immigration Policy

- United Kingdom
 - Multicultural approach.
 - Tradition of equality.
 - Early anti-discrimination legislation.
 - Generally sympathetic attitude to allowing religious and cultural exemptions to laws and practices.
 - Recently, there has been a feeling that this very open approach has failed to create a common core of values and led to some communities not integrating into the wider society.
 - Recently, additional requirements for immigrants seeking citizenship (language, culture, history of the UK).
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Data - France

- French Labour Force Survey 2005-2007.
 - Native population: born in France with both parents being born in France.
 - First-generation immigrants: born abroad with both parents born abroad and from the same country of origin.
 - Second-generation immigrants: born in France with both parents born abroad and from the same country of origin.
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Data - France

- Distinguish 7 immigrant groups:
 - Maghreb (Arab North Africa)
 - Southern Europe
 - (sub-Saharan) Africa
 - Northern Europe
 - Eastern Europe
 - Turkey
 - Asia
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Descriptives - France

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(a) France										
Natives	90.2		10.89		9.91		66.3		58.9	
Immigrants	6.5	3.3	10.22	10.25	8.75	8.74	64.1	62.1	43.4	50.9
Of which										
Maghreb	44.1	40.7	9.84	9.88	8.90	8.72	59.3	56.8	37.2	47.0
Southern Europe	24.8	37.4	10.29	10.67	8.27	8.57	71.5	77.1	54.9	66.7
Africa	11.3	5.0	9.55	9.16	7.72	8.24	62.2	32.9	44.8	21.2
Northern Europe	6.6	3.7	14.29	11.41	12.42	8.16	69.4	66.7	51.1	48.6
Eastern Europe	5.9	7.5	12.55	11.47	8.91	10.07	58.6	58.0	48.9	51.5
Turkey	4.1	3.6	8.27	8.60	8.53	7.42	70.6	41.2	17.4	23.1
Asia	3.2	2.2	11.60	9.12	8.59	12.70	79.0	47.4	43.9	37.5

Descriptives - France

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(a) France										
Natives	90.2		10.89		9.91		66.3		58.9	
Immigrants	6.5	3.3	10.22	10.25	8.75	8.74	64.1	62.1	43.4	50.9
Of which										
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Eastern Europe	5.9	7.5	12.55	11.47	8.91	10.07	58.6	58.0	48.9	51.5
Turkey	4.1	3.6	8.27	8.60	8.53	7.42	70.6	41.2	17.4	23.1
Asia	3.2	2.2	11.60	9.12	8.59	12.70	79.0	47.4	43.9	37.5

Descriptives - France

	Average Age		Age Left Full-time Education			
			Men		Women	
	1st	2nd	1st	2nd	1st	2nd
(a) France						
Natives		46.1		18.3		18.1
Immigrants	50.1	39.5	17.7	18.5	17.1	18.2
Of which						
Maghreb	50.0	29.7	18.3	19.5	17.5	19.8
Southern Europe	56.7	47.3	14.8	18.0	14.8	17.6
Africa	38.1	21.2	21.4	20.3	19.8	21.7
Northern Europe	53.6	61.1	19.9	17.0	19.1	16.3
Eastern Europe	51.3	61.9	19.3	16.8	18.3	15.8
Turkey	38.8	33.5	16.1	18.5	16.0	17.4
Asia	46.6	23.5	19.4	20.6	18.1	23.2

Data - Germany

- German Microcensus 2005-2006.
 - Native population: non-naturalised German citizens born in Germany.
 - First-generation immigrants: born abroad with either foreign citizenship or German citizenship obtained through naturalisation.
 - Second-generation immigrants: born in Germany with either foreign citizenship or German citizenship obtained through naturalisation.
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Data - Germany

- Distinguish 7 immigrant groups:
 - “German” immigrants
 - CEE & other non-EU16
 - Turkey
 - Other EU16
 - Former Yugoslavia
 - Italy
 - Greece
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Descriptives - Germany

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(b) Germany										
Natives	87.0		11.71		9.85		75.3		65.8	
Immigrants	11.1	2.0	10.97	9.39	9.46	7.79	68.5	64.0	53.9	55.4
Of which										
'German' Immigrants	42.9	–	10.60	–	9.22	–	66.8	–	55.9	–
CEE & other non-EU16	17.0	6.8	10.11	9.17	9.59	8.62	61.7	59.8	49.4	53.9
Turkey	13.3	45.7	11.47	8.45	8.44	7.21	68.5	53.9	42.5	43.8
Other EU16	10.6	14.4	13.80	11.59	11.62	8.71	79.3	74.0	62.7	69.3
Former Yugoslavia	9.3	11.3	9.80	9.42	8.92	7.74	67.1	70.1	54.7	65.4
Italy	4.6	14.3	10.60	8.90	9.52	7.66	77.6	75.6	58.9	66.2
Greece	2.3	7.6	9.86	10.28	8.13	8.04	73.5	77.0	60.5	65.5

Descriptives - Germany

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(b) Germany										
Natives	87.0		11.71		9.85		75.3		65.8	
Immigrants	11.1	2.0	10.97	9.39	9.46	7.79	68.5	64.0	53.9	55.4
Of which										
'German' Immigrants	42.9	–	10.60	–	9.22	–	66.8	–	55.9	–
CEE & other non-EU16	17.0	6.8	10.11	9.17	9.59	8.62	61.7	59.8	49.4	53.9
Turkey	13.3	45.7	11.47	8.45	8.44	7.21	68.5	53.9	42.5	43.8
Other EU16	10.6	14.4	13.80	11.59	11.62	8.71	79.3	74.0	62.7	69.3
Former Yugoslavia	9.3	11.3	9.80	9.42	8.92	7.74	67.1	70.1	54.7	65.4
Italy	4.6	14.3	10.60	8.90	9.52	7.66	77.6	75.6	58.9	66.2
Greece	2.3	7.6	9.86	10.28	8.13	8.04	73.5	77.0	60.5	65.5

Descriptives - Germany

	Average Age		Age Left Full-time Education			
			Men		Women	
	1st	2nd	1st	2nd	1st	2nd
(b) Germany						
Natives		40.2		22.1		20.4
Immigrants	40.7	27.9	20.6	20.6	19.9	20.1
Of which						
'German' Immigrants	42.1	–	21.4	–	20.4	–
CEE & other non-EU16	37.1	33.5	21.4	21.5	21.0	20.2
Turkey	37.6	24.2	18.8	19.9	17.4	19.4
Other EU16	43.0	35.9	19.4	20.4	18.1	19.9
Former Yugoslavia	40.6	27.4	21.8	21.5	20.8	21.0
Italy	43.3	28.5	18.8	20.2	17.9	20.0
Greece	42.1	29.2	19.3	21.3	18.1	21.1



Data – United Kingdom

- UK Labour Force Survey 1993-2007.
 - Native population: born in the UK and of “white” ethnicity.
 - First-generation immigrants: born abroad.
 - Second-generation immigrants: born in the UK and belonging to an ethnic minority (no information about place of birth of second-generation immigrants’ parents).
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Data – United Kingdom

- Distinguish 7 immigrant groups:
 - White
 - Indian
 - Pakistani
 - Black African
 - Black Caribbean
 - Bangladeshi
 - Chinese
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Descriptives – United Kingdom

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(c) United Kingdom										
Natives	90.3		11.12		8.48		79.0		66.5	
Immigrants	8.1	1.6	11.48	10.15	9.44	9.53	73.1	59.9	55.2	53.4
Of which										
White	56.8	–	12.58	–	9.79	–	77.2	–	63.7	–
Indian	15.4	32.5	11.13	10.83	8.60	9.45	78.1	63.2	55.2	57.7
Pakistani	8.6	21.5	8.20	8.72	7.82	8.14	63.5	49.8	16.6	35.4
Black African	6.9	7.4	9.88	10.24	8.62	10.29	60.9	60.6	47.9	56.2
Black Caribbean	5.3	31.3	9.90	10.31	9.21	9.96	64.7	65.9	61.1	62.2
Bangladeshi	3.6	3.7	6.26	8.62	7.93	8.50	55.7	43.8	12.8	36.7
Chinese	3.5	3.7	11.02	10.31	9.54	10.10	63.5	58.4	51.7	60.0

Descriptives – United Kingdom

Sample Proportions and Summary Statistics

	Sample Proportions in %		Hourly Wages				Employment Rates			
			Men		Women		Men		Women	
	1st	2nd	1st	2nd	1st	2nd	1st	2nd	1st	2nd
(c) United Kingdom										
Natives	90.3		11.12		8.48		79.0		66.5	
Immigrants	8.1	1.6	11.48	10.15	9.44	9.53	73.1	59.9	55.2	53.4
Of which										
White	56.8	–	12.58	–	9.79	–	77.2	–	63.7	–
Indian	15.4	32.5	11.13	10.83	8.60	9.45	78.1	63.2	55.2	57.7
Pakistani	8.6	21.5	8.20	8.72	7.82	8.14	63.5	49.8	16.6	35.4
Black African	6.9	7.4	9.88	10.24	8.62	10.29	60.9	60.6	47.9	56.2
Black Caribbean	5.3	31.3	9.90	10.31	9.21	9.96	64.7	65.9	61.1	62.2
Bangladeshi	3.6	3.7	6.26	8.62	7.93	8.50	55.7	43.8	12.8	36.7
Chinese	3.5	3.7	11.02	10.31	9.54	10.10	63.5	58.4	51.7	60.0

Descriptives – United Kingdom

	Average Age		Age Left Full-time Education			
			Men		Women	
	1st	2nd	1st	2nd	1st	2nd
(c) United Kingdom						
Natives		39.9		16.9		16.9
Immigrants	39.6	26.6	18.6	18.6	17.9	18.2
Of which						
White	39.6	–	18.6	–	18.6	–
Indian	41.9	25.0	19.1	19.5	17.7	18.8
Pakistani	38.3	23.9	17.4	18.9	14.6	17.7
Black African	35.2	28.4	20.8	20.2	18.8	19.7
Black Caribbean	46.9	30.3	16.4	17.4	16.8	17.6
Bangladeshi	35.3	21.7	16.8	18.4	14.4	17.5
Chinese	37.0	26.3	19.4	19.6	18.7	19.7

Empirical Specification

- Education outcome (age left education)

$$y_i = \alpha + \sum_g \beta_g D_g + f(\text{year of birth}) + \text{region}_i + \text{year}_i + \varepsilon_i$$

- Earnings and employment outcomes

$$y_i = \alpha + \sum_g \beta_g D_g + \text{education}_i + f(\text{experience}_i) + \text{region}_i + \text{year}_i + \varepsilon_i$$

- Models estimated separately for each generation
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Age Left Education - France

	Men		Women	
	1st	2nd	1st	2nd
(a) France				
Maghreb	-0.491*** (0.103)	-0.476*** (0.161)	-1.241*** (0.106)	-0.390*** (0.145)
Southern Europe	-3.285*** (0.128)	-0.733*** (0.134)	-3.084*** (0.119)	-0.731*** (0.128)
Africa	2.441*** (0.207)	3.252*** (0.891)	-0.443** (0.195)	0.812 (0.744)
Northern Europe	2.083*** (0.248)	-0.166 (0.454)	1.439*** (0.210)	-0.254*** (0.380)
Eastern Europe	1.378*** (0.299)	-0.673** (0.303)	0.066 (0.224)	-0.582** (0.255)
Turkey	-3.172*** (0.311)	-0.396 (0.586)	-3.579*** (0.325)	-0.680 (0.567)
Asia	0.296 (0.365)	0.750 (1.016)	-0.905** (0.359)	2.581* (1.052)
Observations	51,219	56,311	50,446	54,603

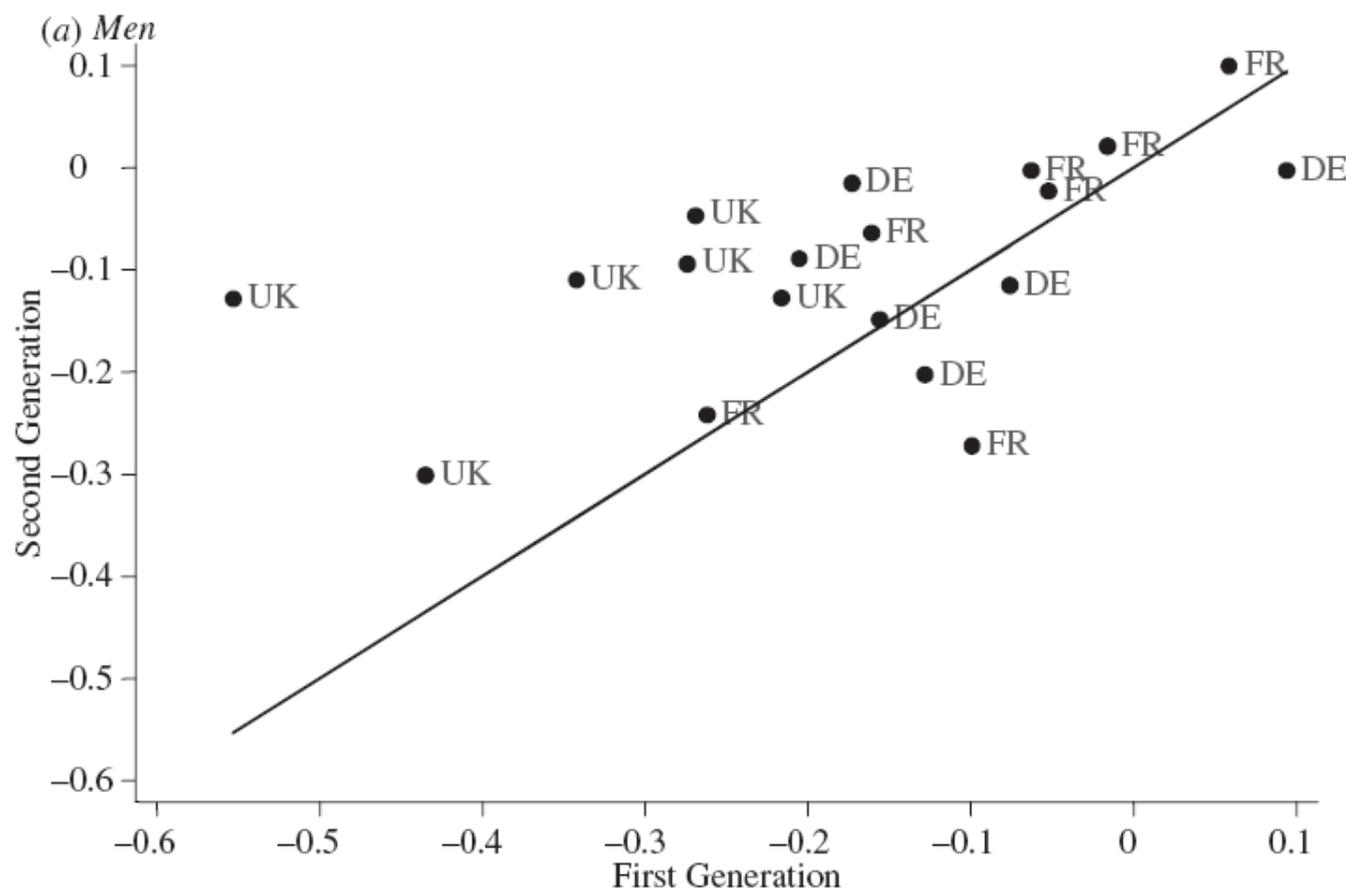
Age Left Education - Germany

	Men		Women	
	1st	2nd	1st	2nd
(b) Germany				
'German' Immigrants	-0.814*** (0.062)	-	0.139** (0.059)	-
CEE & other non-EU16	-0.493*** (0.134)	0.225 (0.412)	0.386*** (0.100)	0.096 (0.357)
Turkey	-3.529*** (0.097)	-1.903*** (0.131)	-3.570*** (0.093)	-1.512*** (0.128)
Other EU16	-0.320** (0.144)	-0.706*** (0.248)	0.363*** (0.132)	0.275 (0.233)
Former Yugoslavia	-2.912*** (0.116)	-1.782*** (0.267)	-2.354*** (0.116)	-1.523*** (0.212)
Italy	-3.391*** (0.182)	-2.333*** (0.207)	-2.403*** (0.189)	-1.483*** (0.216)
Greece	-2.746*** (0.272)	-0.715** (0.328)	-2.397*** (0.280)	0.114 (0.338)
Observations	270,470	248,412	271,638	248,102

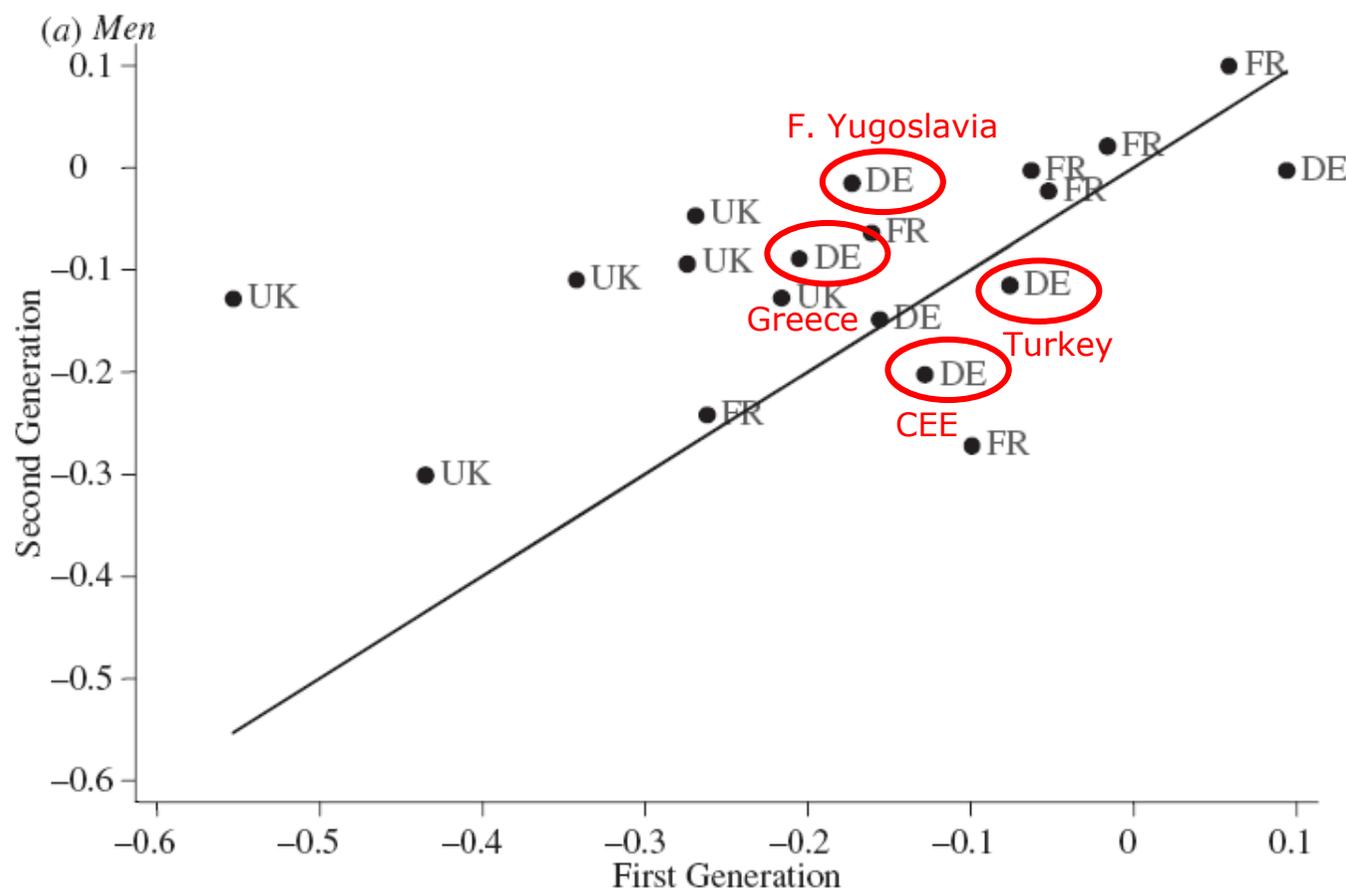
Age Left Education – United Kingdom

	Men		Women	
	1st	2nd	1st	2nd
(c) United Kingdom				
White	1.335*** (0.012)	–	1.396*** (0.010)	–
Indian	2.017*** (0.024)	1.958*** (0.032)	0.692*** (0.023)	1.494*** (0.029)
Pakistani	0.535*** (0.034)	1.370*** (0.040)	–2.203*** (0.040)	0.403*** (0.036)
Black African	2.586*** (0.041)	1.865*** (0.073)	0.929*** (0.037)	1.469*** (0.065)
Black Caribbean	–0.547*** (0.028)	–0.395*** (0.026)	–0.218*** (0.023)	–0.128*** (0.023)
Bangladeshi	–0.540*** (0.054)	0.493*** (0.094)	–2.645*** (0.053)	–0.330*** (0.095)
Chinese	2.607*** (0.060)	2.483*** (0.099)	1.875*** (0.049)	2.447*** (0.096)
Observations	2,226,343	2,089,974	2,239,887	2,085,364

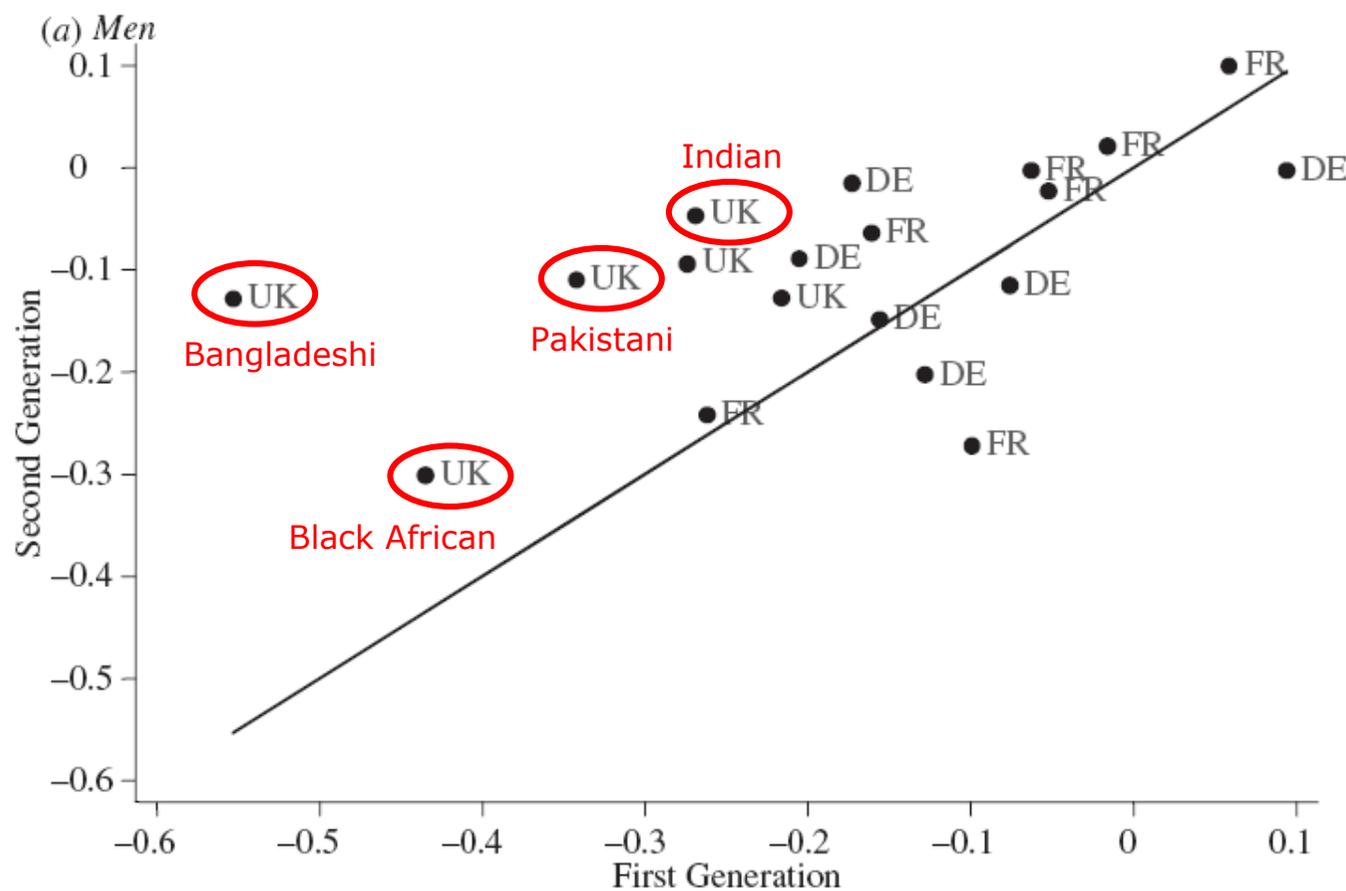
Earnings Differences - Men (conditional on education)



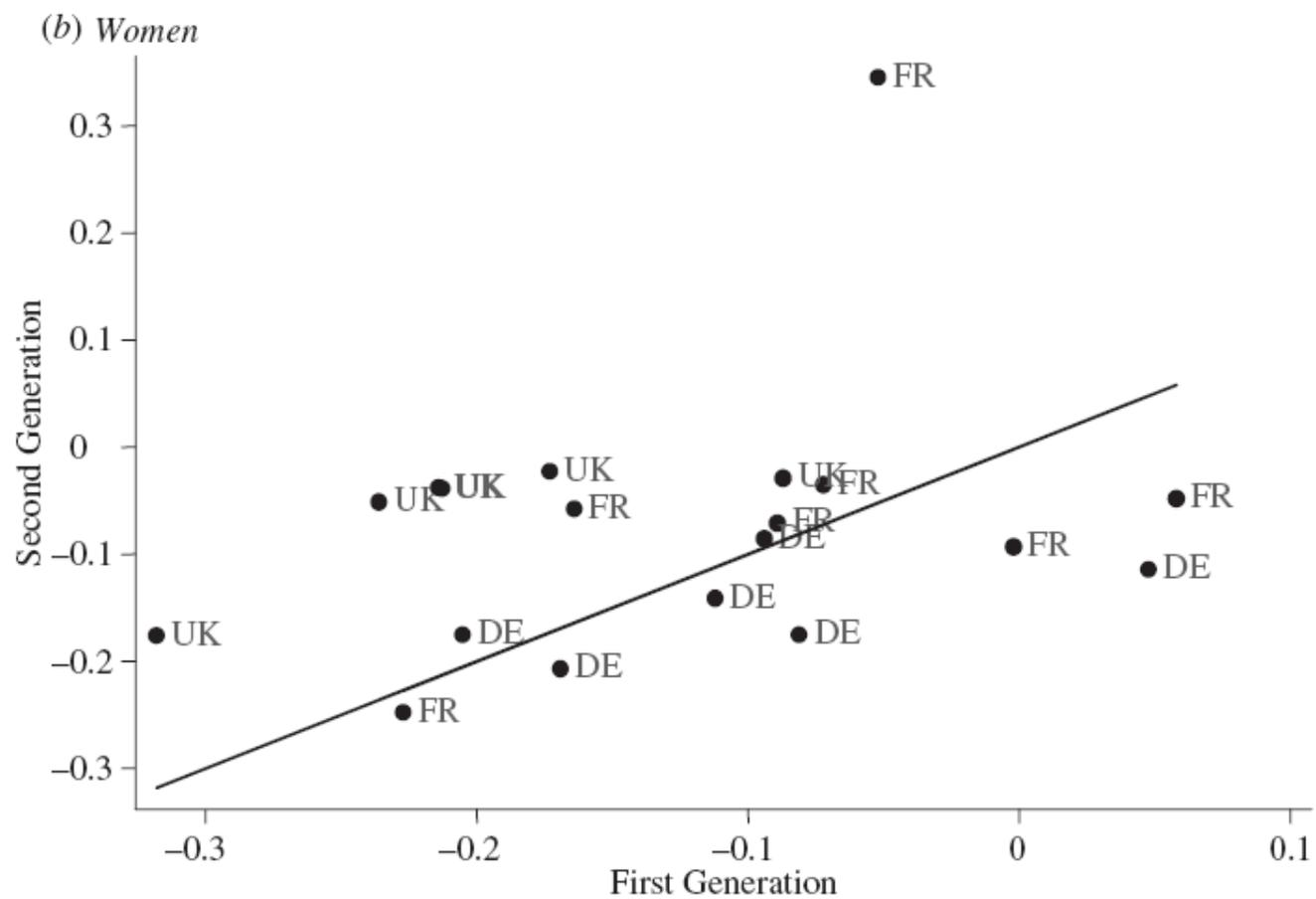
Earnings Differences - Men (conditional on education)



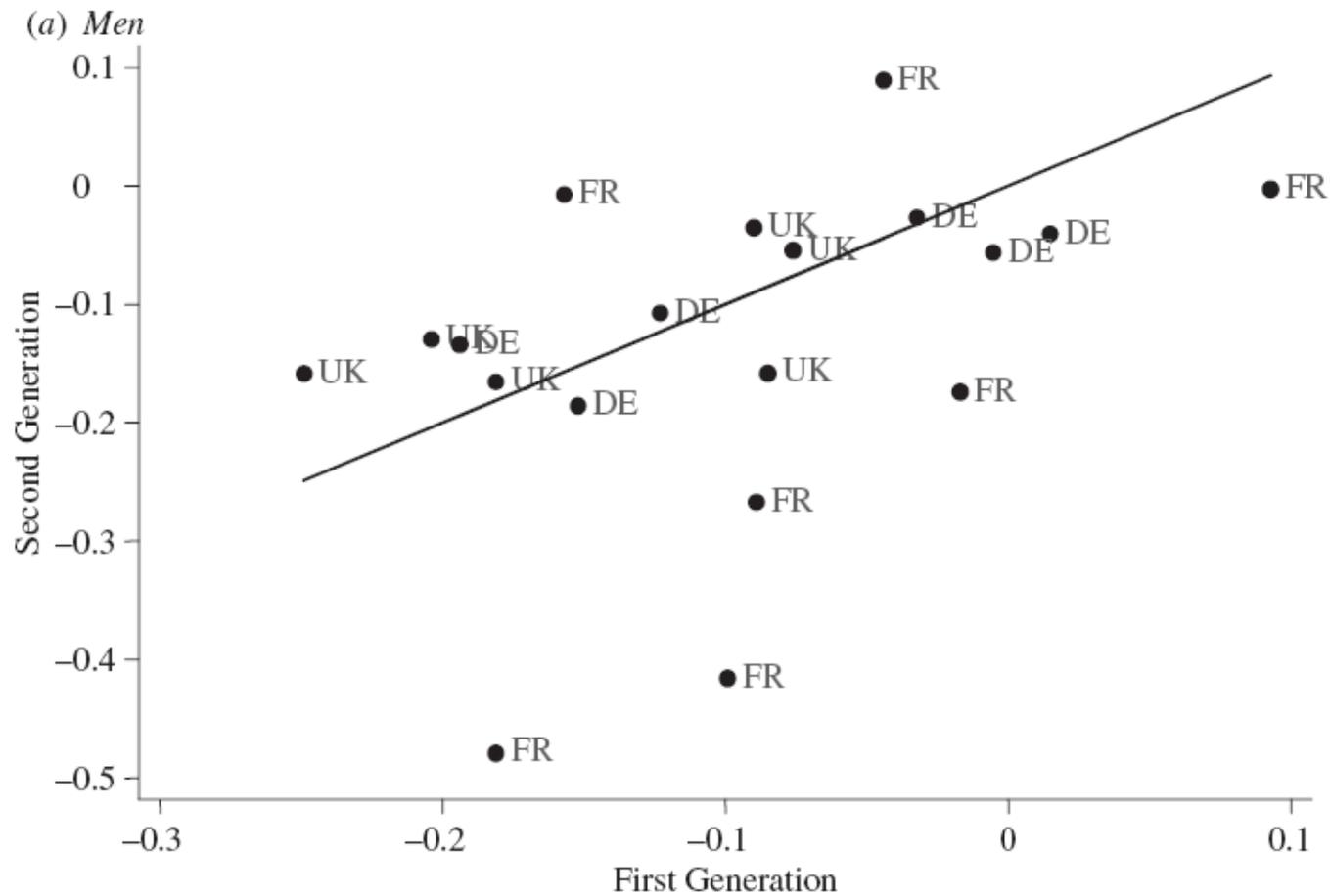
Earnings Differences - Men (conditional on education)



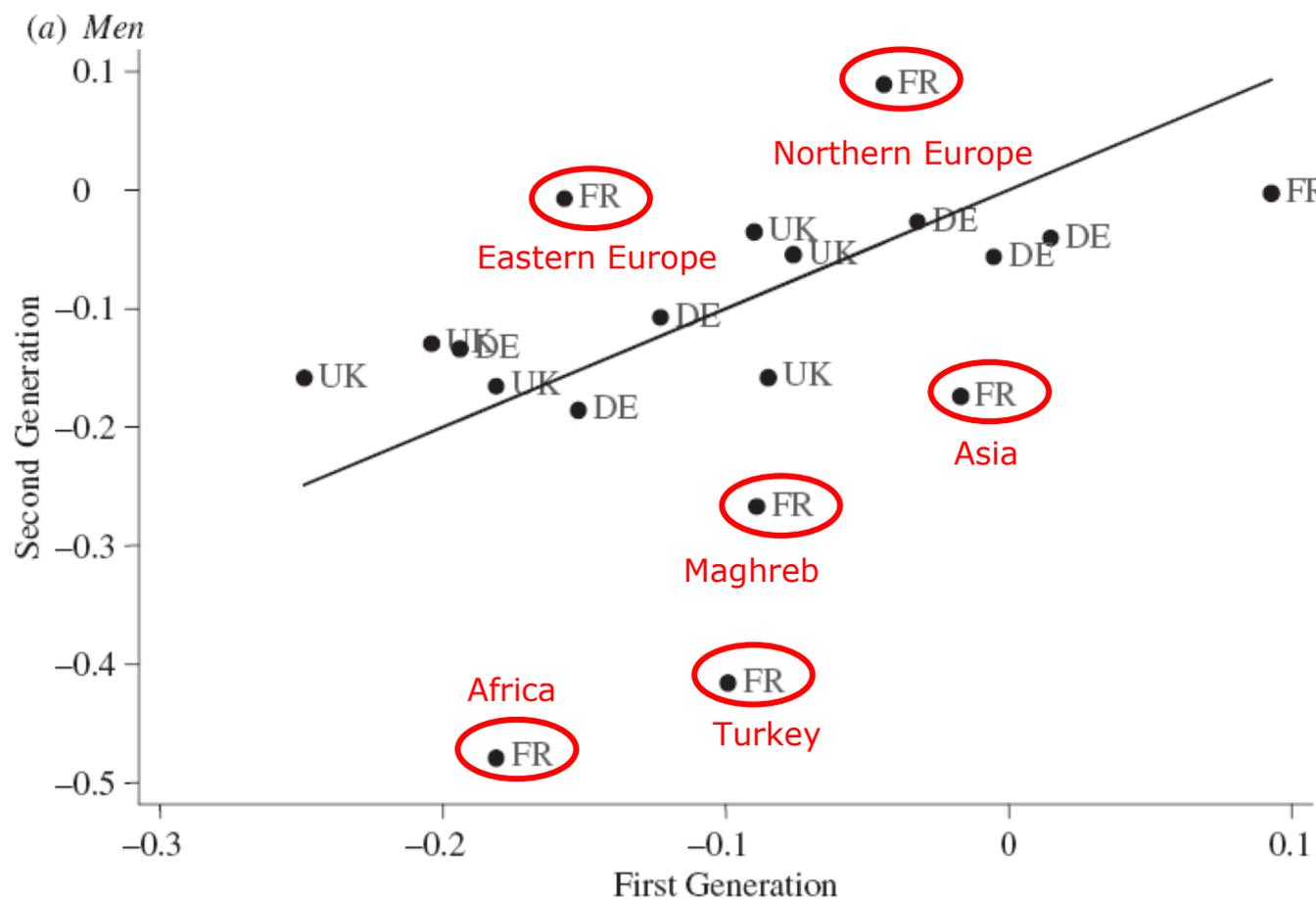
Earnings Differences – Women (conditional on education)



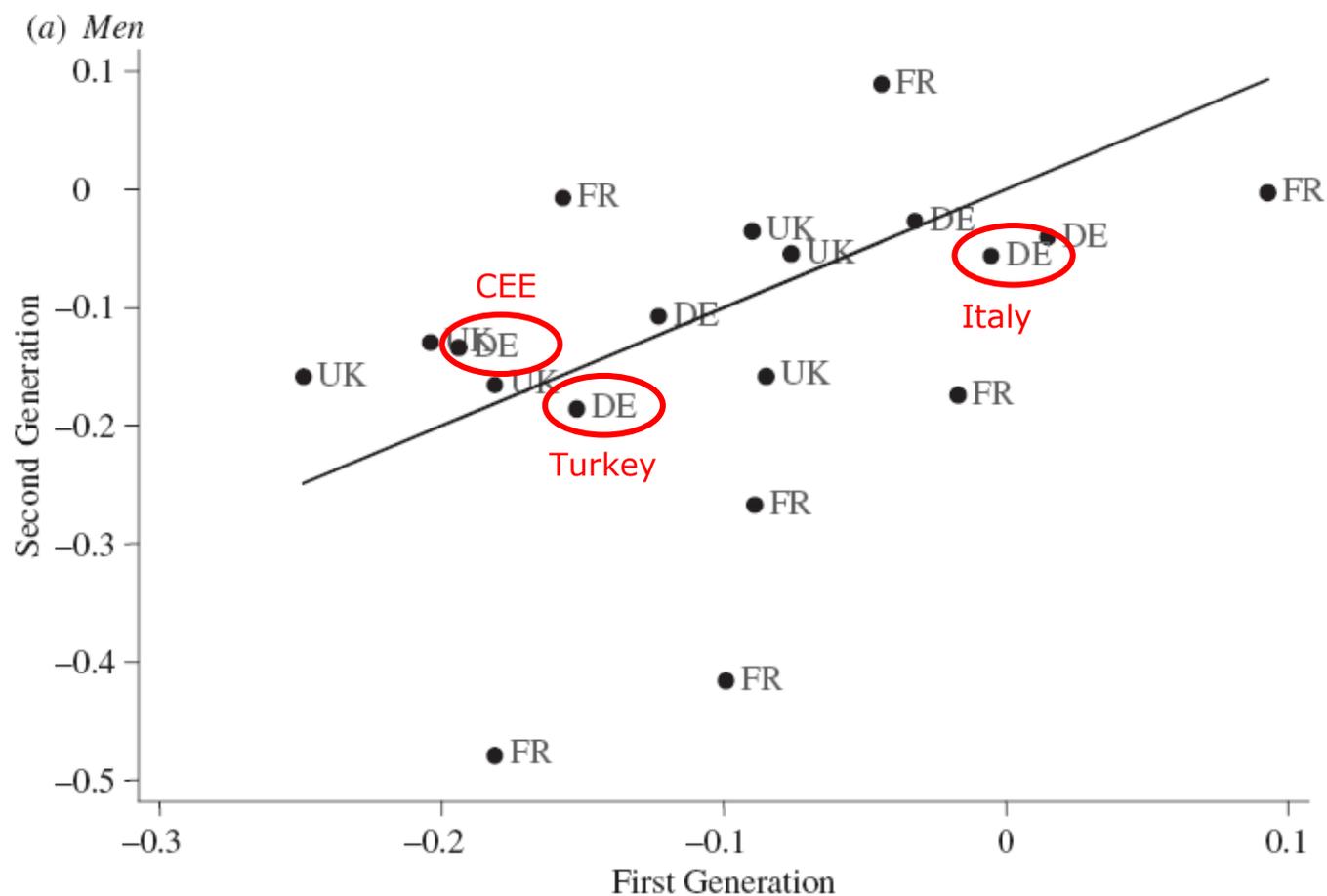
Employment Gap - Men (conditional on education)



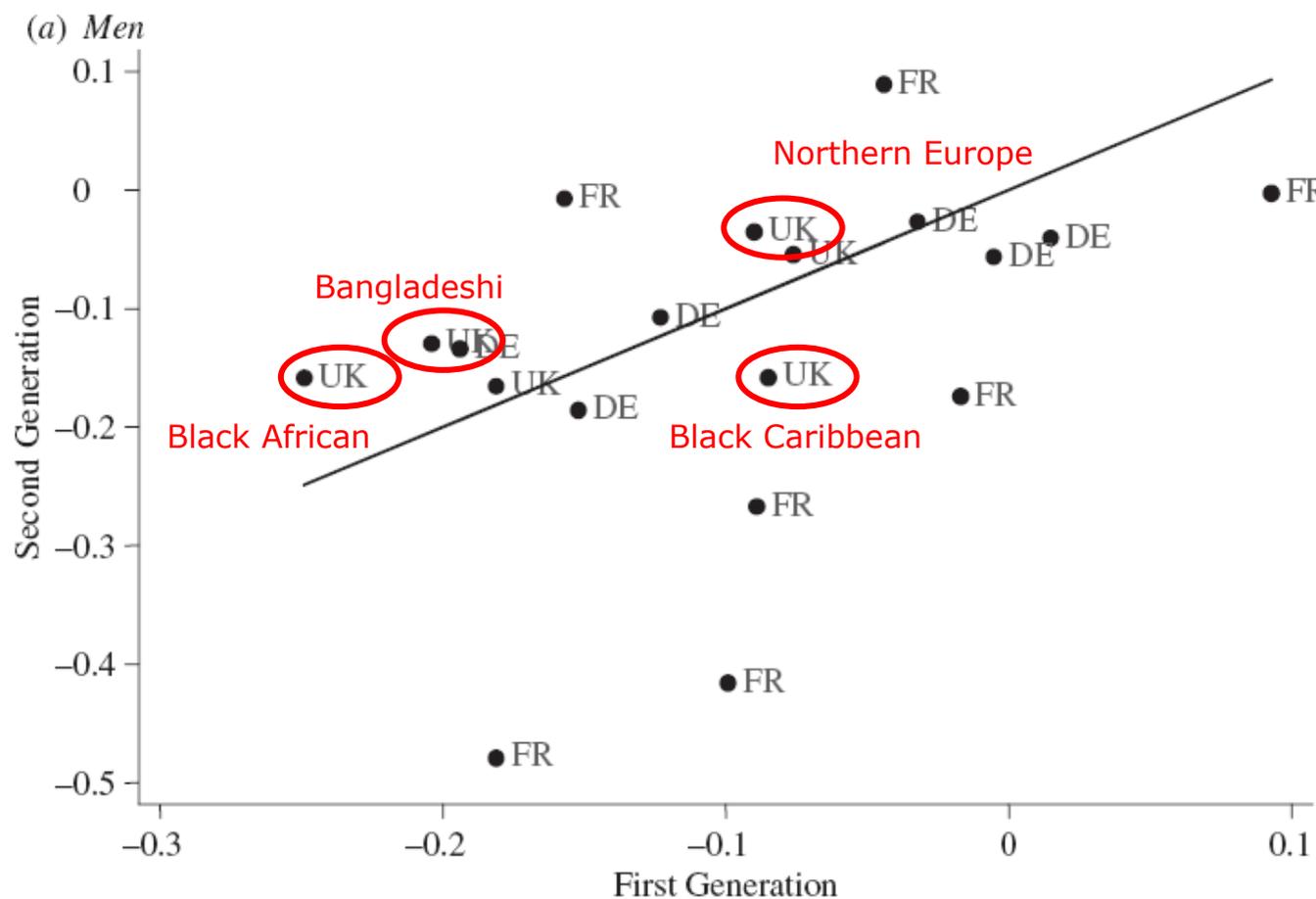
Employment Gap - Men (conditional on education)



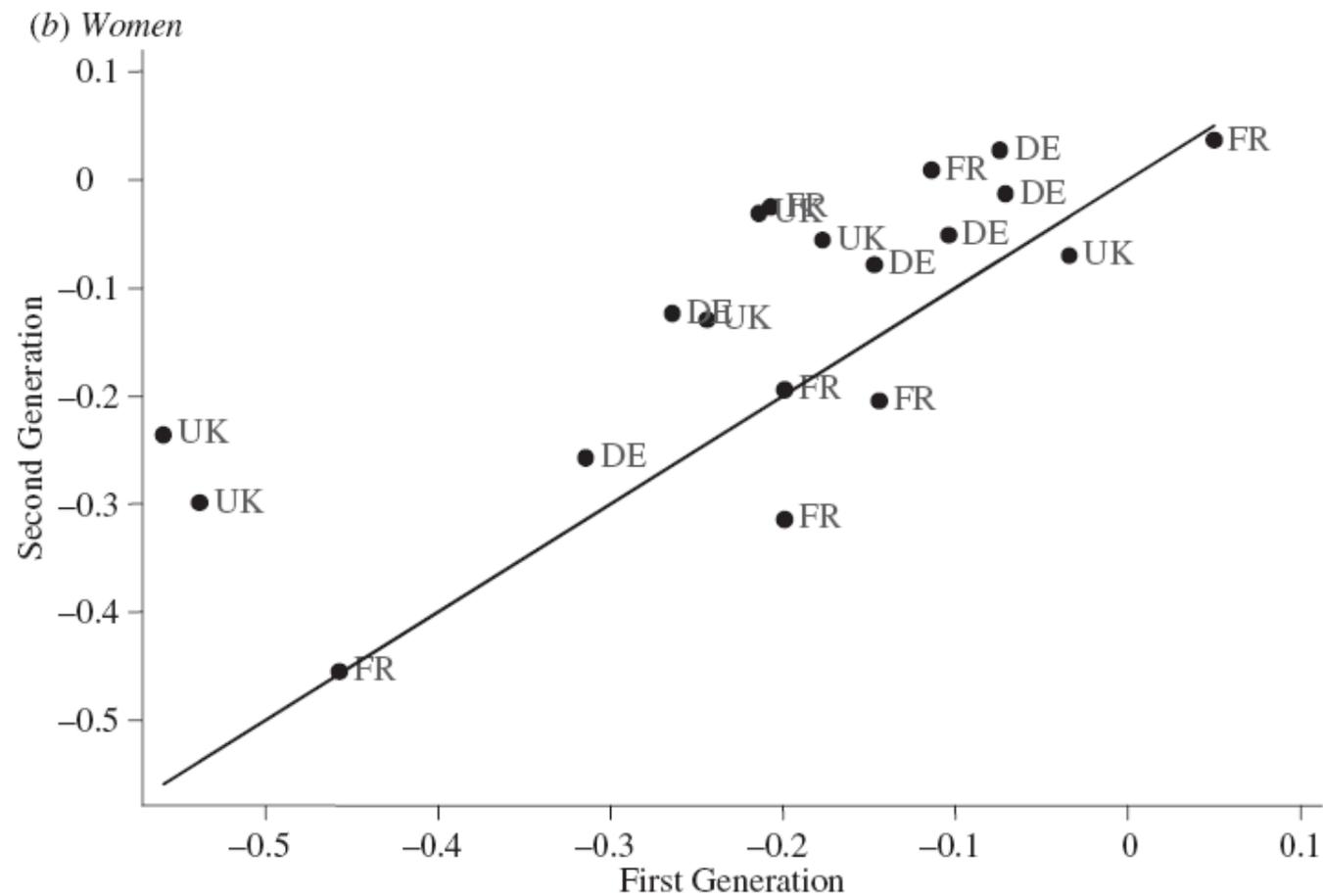
Employment Gap - Men (conditional on education)



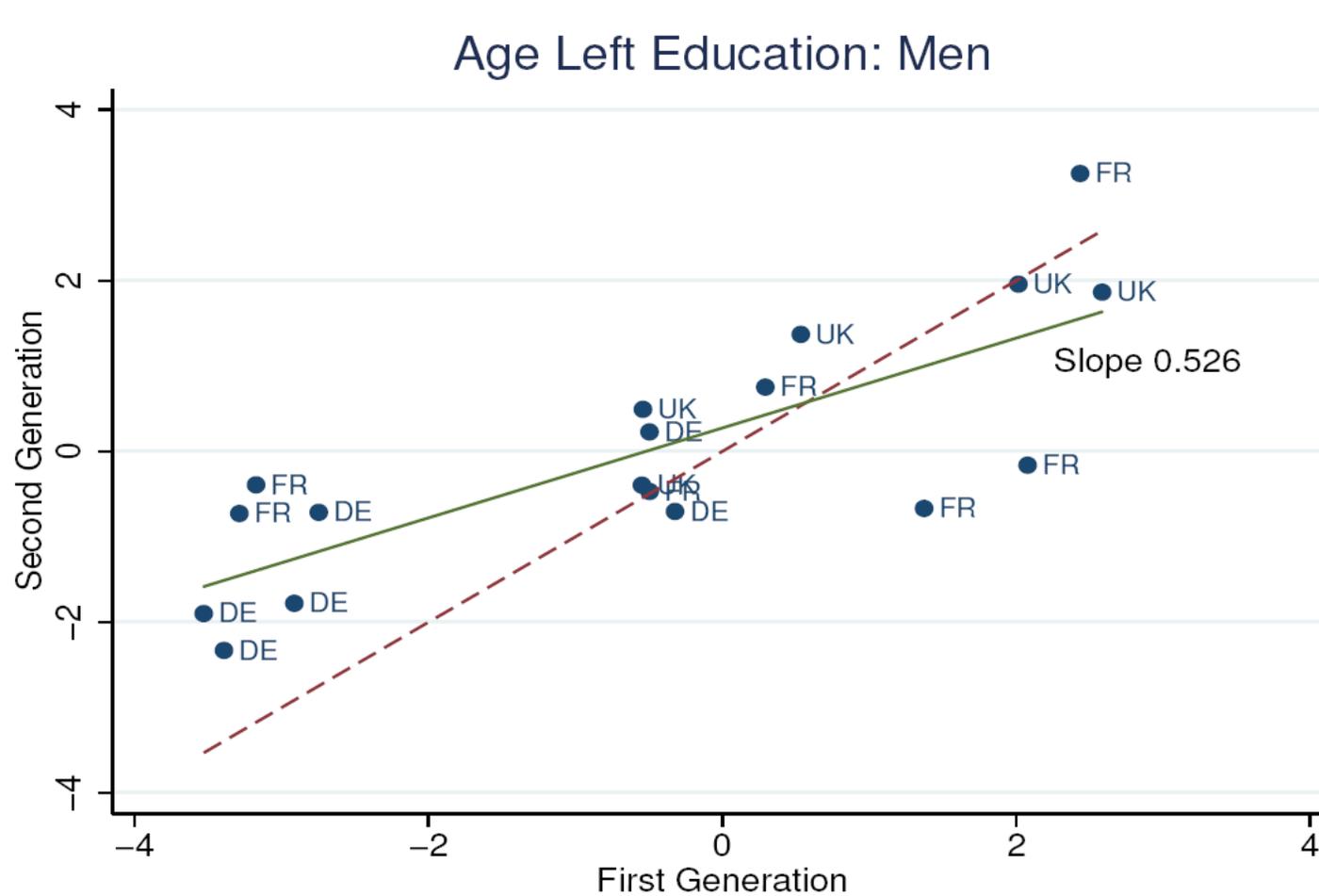
Employment Gap - Men (conditional on education)



Employment Gap - Women (conditional on education)

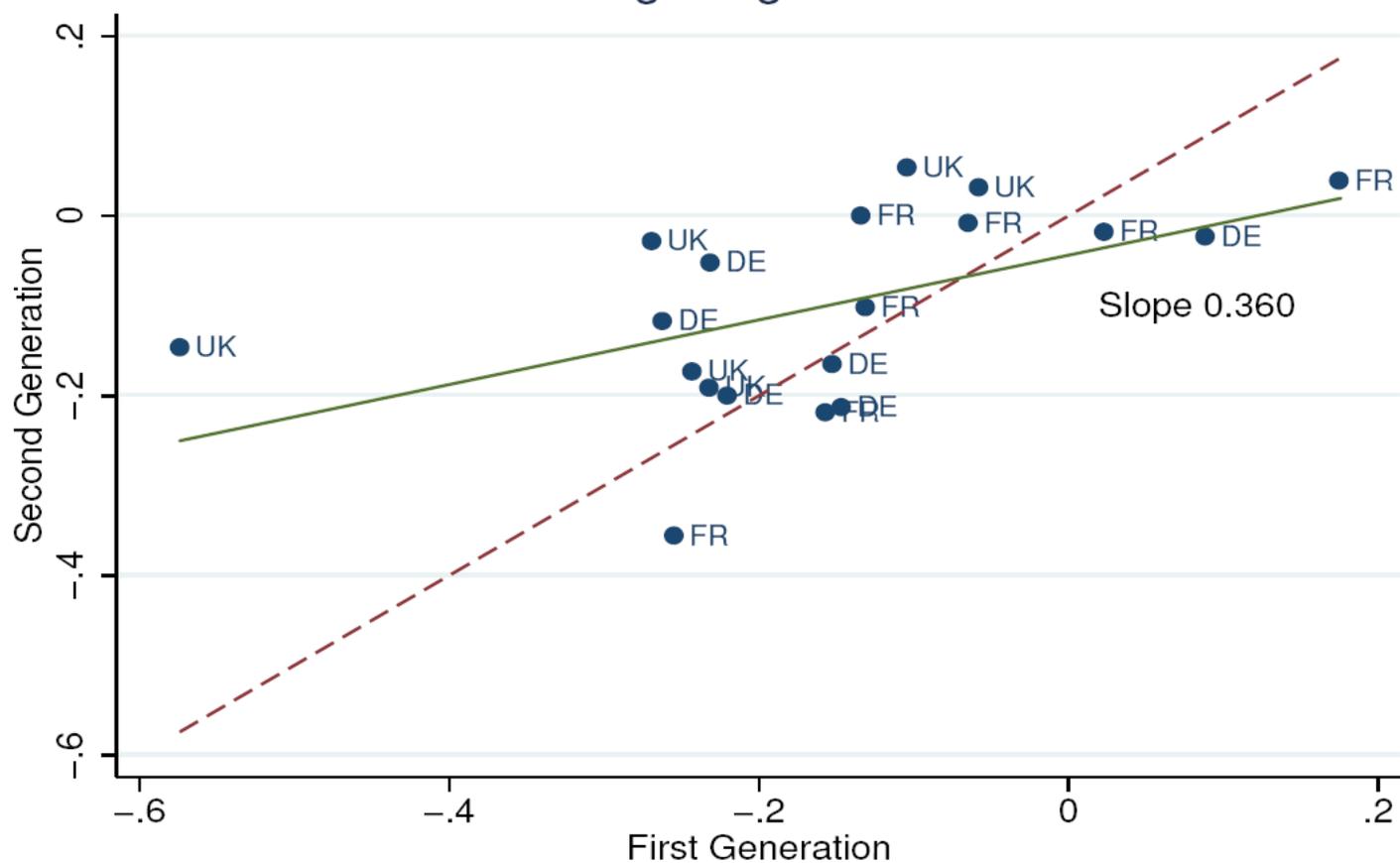


Intergenerational Mobility?



Intergenerational Mobility?

Log Wage: Men



Conclusion

- Both first and second-generation immigrants perform, on average, worse than their native counterparts.
 - For many immigrant groups there is no notable improvement in the relative economic situation from one generation to the next.
 - There does not seem to be a clear link between the outcomes of immigrants and the different approaches to assimilation taken in France, Germany, and the UK.
 - Intergenerational mobility is relatively limited, so that relative disadvantages in the first immigrant generation only slowly disappear over time.
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