

The role of immigration policies for immigrants' selection and economic success

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Table of contents

Abstract	4
1 Introduction	5
2 Theoretical background	5
3 Host country setting: Southern European countries, Ireland and the UK	8
4 Data and methodology.....	9
5 Descriptive results.....	9
6 Multivariate results.....	14
7 Conclusions	18
References.....	20

Abstract

This study aims at exploring whether host-country immigration policies related to the selection of immigrants with regard to human capital and other characteristics relevant for the labour market are effective and result in these immigrants' more favourable economic integration. The focus is on immigration policies in two groups of countries. We compare liberal regimes (Ireland and the UK) which policies aimed at attracting highly-skilled immigrants to meet these countries' economic needs in highly-skilled jobs with those of Southern European countries (Italy, Spain and Greece), which pursued more lax and unselective policies, trying to attract labour force for low-skilled jobs in their countries' economies. Economic immigrants are expected to have favourable employment entry chances in each group of countries, not least due to the fact that the supply of immigrants apparently met the labour demand in host countries' economies. We also expect that more selective policies attracting better-qualified immigrants in Ireland and the UK would lead to these immigrants' better chances of higher-quality employment.

Keywords: immigration policies, immigrants' selection, immigrants' human capital, immigrants' labour market integration, comparative research

JEL codes: J14, I26, J24, J61

1 Introduction

European research on immigrants' labour market integration has been for decades dominated by studies of large Western and Northern European countries, which experienced significant inflows of immigrants in the 1950-1970s (e.g. Berthoud 2000; Kalter and Granato 2002; Heath and Cheung 2007). At that period, Southern Europe and Ireland were among typical emigrant countries, providing labour force for their neighbours, which experienced rapid economic growth and acute labour shortages back in that period. Starting from the mid-1990s, and particularly in the 2000s, the situation has considerably changed. Whereas immigration flows to Western and Northern Europe stabilized at comparatively low levels and altered their nature towards family reunification and humanitarian protection, the former immigrant-sending countries of Southern Europe and Ireland turned into magnets for labour migrants from all over the world. The same can be said about the UK. Up until the recent economic crisis, immigrants to these destinations were pulled by abundant employment opportunities in these countries' quickly growing economies and by relatively lax immigrant admission practices there (OECD 2000). Research on these new migration destinations, albeit expanding, is still rather scarce (Reyneri and Fullin 2008, 2011a, 2011b), whereas the role and the interplay of institutional features of the labour market and immigration policies for immigrants' labour market success remains underexplored.

This is not to disregard previous cross-national studies that have pointed to the significance of immigration policy and regulations (Borjas 1990, 1993; Reitz 1998; Portes and Rumbaut 2001), along with the structural features of labour markets, educational systems, and welfare regimes (Castles and Kosack 1985; Sassen 1988, 1991; Reitz 1998; Freeman and Ögelman 2000; Kogan 2007). The national immigration policy is said to regulate access to residency by controlling the numbers and characteristics of immigrants that suit particular economic needs or fill host countries' political, social, or humanitarian obligations (Reitz 2002, 2003). Unlike in Canada or Australia (Borowski and Nash 1994), formal positive selection of immigrants with respects to skills, qualifications, or other socio-demographic characteristics until recently was not an objective of immigration policies in any of the EU countries. Recent decades have witnessed a gradual shift towards more explicit selection of immigrants with skills and qualifications in Europe's liberal economies of the UK and Ireland. Southern European countries have, on the other hand, stuck to a more *laissez-faire* approach to immigration, trying to fill these countries' needs for flexible, low-skilled labour for then booming sectors of these countries' economies. As European countries pursue different strategies in attracting immigrants, it is time to assess the efficiency of the countries' immigration policies with regard to immigrants' selection in terms of their employability and human capital requisites, as well as scrutinize the effects of the selection on immigrants' subsequent labour market success. Both are the central objectives of this paper.

Theoretically, we build on the economic models of immigrant integration (Chiswick 1978, 1979; Borjas 1990, 1994). The patterns of economic integration identified in these models are, however, not uniform for various immigrant groups. Economic immigrants are expected to be more successful in the host country labour markets, not least due to their(self)-selection for labour market success. Refugees and tied movers, on the other hand, are said to be less favourably selected for labour market success and hence experience less straightforward labour market integration (Chiswick 1978, 1986, 1999, 2000). Thus, immigration policies aiming at the selection of immigrants better fitting countries' economic needs might be decisive for immigrants' labour market integration chances.

Our empirical analyses are conducted with the help of the 2008 EULFS ad hoc module on the labour market situation of migrants. In the analyses, we focus on three Southern European countries, Italy, Spain and Greece, as well as UK and Ireland, all of which experienced substantial inflow of employment-related immigration in 1990-2000s. The main advantage of this dataset is its broad coverage and inclusion of variables pertaining to immigration policy dimensions at the individual level. As a result, the EULFS ad hoc module allows estimating effects of immigrant status upon arrival on immigrants' subsequent labour market performance, net of the relevant socio-demographic and human capital characteristics.

The paper is organised as follows. We start by presenting main theoretical arguments on the role of immigration policies in immigrants' selection and skill transferability as well as on potential differences across admission categories in immigrants' subsequent labour market outcomes. The description of institutional settings of the analysed countries and our expectations follow. Then we present the data and results of the empirical analyses. The paper concludes with the discussion of the study's main findings.

2 Theoretical background

The dominant pattern of immigrant economic integration is that immigrants arriving in a new country face initial difficulties: they undergo occupational downgrading and earn lower wages than natives with similar measured characteristics (Chiswick 1978, 1979; Borjas 1990, 1994). One of the obvious explanations is that the skills that immigrants bring from abroad are not fully transferable into the new setting or are even lost, which is often the case with human capital, social or cultural resources (Friedberg 2000; Kogan et al. 2011). With the passage of time, as immigrants become acquainted with the local labour market, learn the language, and adjust their skills to the new economy, they reach a similar labour market standing as comparable natives. Exceptionally high rates of integration among some immigrants, as it was the case for example with immigrants coming to the USA in 1950-1960s, have been attributed to immigrants' (self)-selection for economic success (Chiswick 1999). Hence, the two major factors for immigrants' successful labour market integration – immigrants' (self-)selection and the adaptability of their skills to the needs of the host countries' economies – are scrutinized below.

Only due to the variation in immigrants' self-selection, the patterns of economic integration will not be uniform for various immigrants' groups. Economic immigrants should be potentially more successful in host country labour markets, with the (self)-selection being one of the explanations for their accomplishments. This is due to the fact that economic immigrants are more ambitious, motivated, risk taking, and able individuals, who rationally decide to change the country of their abode in order to maximize their lifetime utility (Constant and Zimmermann 2013). Economic immigrants are said to be positively selected not only with regard to unobserved determinants of labour market success, they should also possess superior observed characteristics, e.g., higher levels of education or be younger (Chiswick 1978; 1986; 1999; Cohen et al. 2011).

Similar positive selection patterns could be expected from student migrants, even though their utility maximization should be primarily directed towards skills' accumulation and less towards immediate labour market success. However, one could expect student migrants being particularly highly educated and young, and hence prone for long-term labour market success, once they settle in the country of their education.

Patterns of selection among non-economic migrants, e.g., those arriving in the framework of family reunification or family formation, as well as migrants settling in host countries out of humanitarian protection, are known to be less favourable compared to economic migrants (Chiswick 1978, 1986, 1999, 2000). This is due to the fact that labour market success is not central for their migration decisions, which results in lower labour market motivation and economic aspirations. At the same time, skills that non-economic migrants bring with them are less favourable and readily utilizable in the host country. As a result, one could expect less straightforward labour market integration among these types of immigrants.

It is reasonable to assume that host countries should be interested in attracting economic immigrants, preferably with higher levels of human capital. By targeting highly qualified immigrants, policy makers hope for their quicker and more successful integration into the receiving society, as well as less resentments of the charter population towards newcomers. The human capital model, governing immigrant labour market integration research, theoretically flashes out these expectations accentuating the leading role of favourable human capital endowments for immigrant labour market success (Chiswick, 1978, 1979, 2005; Kalter, 2003). Empirical studies largely show that better educated immigrants enjoy high rates of success in host countries' labour markets compared to their less skilled counterparts. This is particularly evident when it comes to skilled immigrants' chances of attaining higher status employment, but not necessarily of avoiding unemployment (Heath and Cheung 2007). Penalties associated with migration status are at least partially attributed to the fact that immigrants do not always succeed in fully translating their skills into beneficial labour market outcomes. From the human capital perspective, the main reason behind the lack of labour market success on the part of immigrants is that some aspects of human capital, particularly language and occupational skills, are not easily transferable across countries (Chiswick, 1978). In case of migration, these aspects might be discounted to a certain extent, leading to some devaluation of human capital (Friedberg, 2000).

Post-migration human capital accumulation should compensate for the loss of skills associated with migration move. From the human capital perspective, host-country human capital should increase immigrant productivity, particularly with regard to professional knowledge and host-country language skills that are valuable in the receiving country's economy, making newcomers more attractive for their prospective employers (Becker 1964). From the signalling perspective (Spence 1973), immigrant's host-country education would be a signal for employers of an immigrant's perseverance and trainability, and subsequently reduce uncertainty costs during the recruitment process. This would mean that immigrants studying in host countries should fare more favourably when it comes to higher-status employment than the rest.

All in all, if host countries' immigration policies prioritize labour market demand and are able to attract economic migrants, it is more likely that these migrants will have decent prospects of quickly entering employment. If economic immigrants are also highly educated and possess transferable skills, which is largely attributable to student migration, we are also likely to find such immigrants in higher-quality employment. If humanitarian or family criteria dominate the intake into a host country, immigrants' labour market success may be harder to come by for these immigrants, due to their lower labour market attachment and skill transferability. The next section will scrutinize the host countries of Southern Europe, Ireland and the UK with regard to their policies of immigrants' reception in the 1990-2000s, deriving testable hypotheses as for the difference in immigrants' integration in these countries.

3 Host country setting: Southern European countries, Ireland and the UK

All five countries under discussion, Ireland, the UK, Italy, Spain and Greece, experienced a steady increase in migration flows starting from the mid-1990s. Intensification of migration went hand in hand with the improvement of these countries' economic situation. The two processes should be seen as interconnected, as the growing demand in domestic labour markets met the supply of newcomers willing to fill vacancies in the host countries' economies. There are, however, important differences between the liberal economies of Ireland and the UK, and those of Southern European countries. These are again, at least partially, attributed to the different nature of the labour market demand in the two groups of countries.

Freeman (1995) identified the following driving forces behind the increase in immigration to Southern Europe: rapid economic growth, the development of segmented labour markets with large informal sectors, as well as lax to nonexistent immigration control mechanisms. The bulk of jobs created in Southern Europe in the last two decades were unskilled and low-skilled manual jobs. Partial flexibilization, particularly in Italy and Spain, and the improvement of labour market prospects among the native population resulted in an increase in the number of job vacancies in low-skilled occupations shunned by the local labour force (OECD 2000). Despite some variation across Italy, Spain and Greece¹, in all three countries these were mainly jobs in the tourist and hospitality sector, in agriculture and the construction as well as family service jobs (childcare, household services, care of the elderly). Large numbers of immigrants were also able to join the ranks of self-employed in all three countries (OECD 2002, 2003).

Unlike in Southern Europe, immigration flows to Ireland and the UK are characterized by a considerably larger share of qualified workers and of the highly-educated, coming to fill vacancies in respective areas of both countries' economies (OECD 1999, 2000). In Ireland, a significant number of working visas were issued for qualified personnel in the areas of information and computing technologies, the medical and social care sector, but also among less skilled staff in the construction and agricultural sector as well as in services, particularly those associated with catering and hotel industries (OECD 2001). In the UK, the increase in skilled labour immigration helped to meet demand in the main industries driving growth, such as financial services, business services, ICT, hospitality, education and health care (Wright 2012). Overall, this has resulted in the foreign-born working population possessing a broadly similar, if not better, socio-economic profile than the two countries' domestic population (OECD 2000).

In 2002, the UK government introduced a 'Highly Skilled Migrant Programme' (HSMP), a scheme based on a point scoring for educational qualifications, age, work experience, past earnings and occupational achievements (Stalker 2002; Geis et al. 2011; OECD 2004; Aydemir 2013). In 2003, amendments to the HSMP were adopted which reduced the overall number of points required to qualify and introduced new criteria to make it easier for younger, skilled applicants to work in the United Kingdom. Furthermore, pathways between student and work visas were strengthened. Special schemes were introduced even prior to 2002 for foreign employees targeting vacancies in highly demanded occupations, including the Work Permit Scheme, Seasonal Agricultural Worker Scheme or Working

¹ Whereas in Northern and Central Italy, immigrants mainly work in small and medium-sized industry, construction and the service sector (transport, cleaning services, hotels and catering), in Southern Italy, they are engaged in agriculture work, services and care of the elderly and sick (OECD 1998). In Spain, holders of work permits are mainly employed in domestic or social services, agriculture, construction and transport, hotels and catering (OECD 1998). In Greece, foreign workers are employed in commerce, catering, transport, building/civil engineering, industry and agriculture (OECD 2003).

Holidaymakers Scheme (OECD 2003, 2004). More recently, a five-tier-system was adopted in the UK to, above all, promote highly skilled immigration, as well as inflow of skilled workers with job offers, in order to satisfy the intake of limited numbers of workers to fill shortages in low-skilled occupations, and encourage movement of students, visiting workers, and youth mobility or cultural exchange (OECD 2006).

Approximately at the same time in Ireland, a “Green Card” scheme was established for occupations where skill shortages exist, with a more restricted list of occupations in the annual salary range from 30,000 to 60,000 Euros and a more extensive list of occupations for annual salaries over 60,000 Euros (OECD 2006). The idea is that green cards are issued for two years in the first instance, with the possibility of long-term residence thereafter. In 2007, the Third Level Graduate Scheme was implemented for non-EEA students with a degree from an Irish third-level educational institution permitting them to remain in Ireland after graduation (OECD 2008). The scheme allows graduates to find employment and consequently apply for a work permit or Green Card permit.

Finally, Ireland and the UK (together with Sweden) were the only EU15 member countries which had fully opened their labour markets for immigrants from all ten new EU member countries at the time of their accession in 2004 (Geis et al. 2011; Wright 2012; OECD 2007). This led to a significant inflow of recent immigrants from these countries, particularly Poland.

What can we expect in light of the cross-national differences in migration inflows into the two groups of host countries? Under the circumstances of pronounced shortages in highly-skilled occupations and inflow of qualified immigrant labour force, economic migrants should fare more favourably in the UK and Ireland, both with regard to better employment chances and higher-status employment, compared to other migrants. In Southern European countries, due to the nature of the labour demand and the corresponding labour migration patterns, we could expect economic migrants to have relatively easy employment entry chances, albeit into jobs of lower occupational status.

4 Data and methodology

Our empirical analyses are conducted with the help of the micro-level data of the EULFS ad hoc module on the labour market situation of migrants, which were collected in 2008 in all EU Member States, Norway, and Switzerland. The main advantage of this dataset is its broad coverage and inclusion of a range of variables pertaining to immigration policy dimensions at the individual level. This is in addition to the regular EULFS questionnaire with its large set of variables related to the socio-demographic and labour market situation of the EU population. The ad hoc module data capture information on immigrant populations since the end of the Second World War, but, for the sake of our analyses, we focus on the more recent immigrant waves (starting from the 1990s). The analyses are restricted to immigrants aged 17-64 in five countries, Italy, Spain, Greece, Ireland and the UK, all of which have a considerable number of recent immigrants allowing meaningful analyses².

The focal variable of the analyses, reasons the persons had for migrating, is coded in the study in six categories: (1) employment due to intra corporate transfer or employment with the job found before migration; (2) employment without any prior job offer; (3) study; (4) international protection; (5) family, encompassing both family reunification and family formation, as well as migration as an

²Editors of the ad hoc module quality report seem to be quite confident in overall representative samples of immigrants in the data.

accompanying family member and (6) other reasons. Employment without any prior job offer is used as a reference category, to which we compare all other migration reasons to test the above-derived hypotheses.

In the first step of the analyses, we estimate the degree of immigrants' selectivity with regard to education and age (the main observable indicators of immigrants' productivity) by migration reasons. In the second step of the analyses, we examine labour market outcomes of immigrants by migration reasons net of other important observed characteristics. These include education measured in three categories (low or ISCED 1-2, medium or ISCED 3-4 and high or ISCED 5-6), gender, age and age squared, years since migration (distinguishing between migrants who arrived during the 10 years preceding the survey and those with longer tenure in the host country), and immigrants' ethnic origin. With regard to the latter variable, we applied a separate classification for each of the five countries, in order to reflect the uniqueness of ethnic diversity in each of the countries. We differentiate between immigrants coming from New EU-Member states, non-EU Europe, countries of Middle East and Northern Africa (MENA), and other African countries. Further, analyses refer to a group of immigrants from Asia, whereas in the UK, due to a comparatively large share of Asian immigrants, we differentiate between immigrants from East Asia and South/South-East Asia. Finally, immigrants from America, Australia and Oceania and Latin America are further differentiated. Immigrants from EU-15 and EFTA countries are the reference category in each case. Native-born populations are excluded from the multivariate analyses, but some indicators of labour market situation about the native-born are discussed in the section with descriptive analyses.

The two labour market outcomes scrutinized in the study are unemployment propensity and occupational status of the current job measured against the ISEI scale. To this end we, first, run a logistic regression presenting marginal effects of all relevant variables. Second, OLS regressions are conducted for ISEI of the current employment as a dependent variable.

5 Descriptive results

Descriptive results (see Table 1) show that, with the exception of the UK, more than 60% of all new arrivals in 1990-2008 to the five countries came with employment intentions. The figure for the United Kingdom is somewhat low, 42.44%, but still large enough to consider employment-related migration as one of the major sources of migration to this country. Among immigrants arriving with employment intentions, the vast majority came without any job offer prior to migration in Southern European countries. In the UK, almost equal proportions had employment arranged prior to migration and did not have any job offer preceding arrival. In Ireland, immigrants without any employment arrangement double those with employment arranged prior to migration, but the numeric difference between these two groups is still much smaller than in any of the Southern European countries discussed here. These differences between liberal countries and Southern European countries reflect cross-national variation in the patterns of economic migration as discussed above.

The next large group of immigrants pertain to those arriving in the framework of family reunification, family formation or as accompanying family members. Migration related to family reasons is sizable in all countries except for Greece, migration for the purpose of studying is pronounced solely in the UK. In the UK and Ireland, there is also a sizable immigrant population who name 'other' reasons for migration.

Countries differ with regard to the selectivity of immigrants in terms of education. Whereas the majority of new arrivals in Southern European countries bring low educational qualifications with them, only less than 15% possess tertiary education in Italy and Greece, and about 22% in Spain. The picture is the opposite for Ireland and the UK. There, less than 14% of all newcomers possess low educational qualifications, whereas tertiary educated represent about 33% and 46% of all newly arrived immigrants in the UK and Ireland, respectively. More in-depth analyses show that the most educated immigrants arrive in all countries with study intentions. Immigrants arriving with employment intentions are somewhat less educated than average immigrants in Southern European countries are. In Ireland and the UK, immigrants stating employment as a reason for immigration are less likely to be lower-educated than the average.

In terms of age distribution of the whole immigrant population (see Table 1), Ireland and the UK managed to attract the youngest immigrants, whereas somewhat older migrants headed to Greece and Italy. Immigrants arriving with the purposes of studying are younger in all five countries, whereas immigrants seeking humanitarian protection tend to be older than the average in all countries, in which we observe a substantial share of these immigrants.

Finally, we observe some distinct patterns with regard to the origin of immigrants arriving in recent years. In all countries under discussion, New EU Member States have become a steady source of immigration. Particularly in Ireland as many as 44% of recent immigrants arrived from these countries. Non-EU European countries are important in sending immigrants to Greece and Italy, but play a less significant role in the intake of recent immigrants in the rest of the countries. Migration from the neighbouring countries of the Middle East and North Africa is pronounced in all three Southern European destinations, whereas immigration from other African countries is substantial in the UK. Asian immigrants are found in all five countries, more so in the UK, but also Italy and Ireland. Latin America is the largest sending area for immigrants to Spain with more than half of them arriving from these countries. Migration from EU-15 and EFTA countries is quite significant in all countries under consideration, but particularly in Ireland and the UK.

A closer look at the ethnic origin of immigrants arriving with employment intentions allows us to conclude that immigrants from the New EU Member States arrive with employment intentions disproportionately more often in Ireland and the UK than in the Southern European destinations. Family reasons are more often mentioned by immigrants from South and South-East Asia in the UK and by Latin-American immigrants in Spain, UK and Ireland.

Table 1: Descriptive characteristics of recent immigrants in Italy, Spain, Greece, UK and Ireland

	Italy	Spain	Greece	UK	Ireland
<i>Reason for migrating (column %)</i>					
Employment arranged prior to migration	16.25	12.66	6.19	20.83	21.00
Employment without prior job offer	54.51	50.14	66.38	21.62	39.42
Study	2.08	3.08	0.45	16.25	5.97
International protection	0.34	0.26	12.84	4.95	1.43
Family	24.16	25.63	7.05	16.25	18.09
Other	2.66	8.23	7.09	12.03	14.09
<i>Educational level (column %)</i>					
ISCED 1-2	44.87	40.85	52.15	13.83	13.02
ISCED 3-4	42.52	37.55	34.69	53.72	41.07
ISCED 5-6	12.61	21.60	13.15	32.45	45.91
<i>Age (mean)</i>	37.70	36.83	38.22	35.14	34.35
<i>Immigrant origin (column %)</i>					
EU-15/EFTA	5.54	6.92	4.73	14.89	29.88
other EU since 2004	21.50	16.90	12.16	23.49	45.25
non-EU Europe	27.76	2.97	61.63	3.40	3.52
Middle East and North Africa	11.74	12.43	12.88	3.49	0.93
Other Africa	7.39	2.54		16.92	4.99
Asia	13.98	2.14	5.78		9.96
East Asia				3.40	
South/Southeast Asia				22.54	
Latin America		56.11		4.22	1.44
(North) America, Australia and Oceania	12.09			7.65	4.01
Other			2.83		
N	2935	3121	2228	3150	3853

Our descriptive findings confirming a more positive selection of immigrants in liberal countries versus Southern European countries are in line with the immigration policy developments in the two groups of countries. Ireland and the UK, in which the demand for higher-level jobs was more acute, managed to attract immigrants, who are more suitable for this kind of employment. On the contrary, Southern European immigrants succeeded in meeting their demand for low-skilled jobs by accepting immigrants with the respective levels of qualifications.

Taking immigrants' characteristics in terms of education and age into account, one might assume that in Ireland and the UK recent immigrants with employment intentions should fare more favourably in the labour market having an easier access to employment and higher-status jobs. Table 2 allows us to explore the labour market outcomes of recent immigrants with various migration intentions in all five countries. Descriptive results at least partially support our hypotheses. New arrivals with employment intentions have lower unemployment rates than on average in each of the analysed countries. Moreover, immigrants who arrive with previously arranged employment have particularly favourable labour market prospects, even compared to the native-born populations. The occupational status of their jobs is, however, not necessarily higher than among the rest of immigrants, but definitely higher

compared to those immigrants who arrived with employment intentions but without any arranged employment. This is the case both in Southern Europe and in liberal economies of Ireland and the UK, although the gap is obviously smaller in Southern European countries. In accordance with our expectations, immigrants who arrive with study intentions are the group that, once employed, enter jobs of significantly higher occupational status than the rest of the immigrants. Newcomers who arrive in the framework of international protection display both higher unemployment rates and possess jobs with lower occupational status than the rest of the immigrants. High unemployment among these immigrants is particularly pronounced in the UK and Ireland. Immigrants arriving with the aim of family reunification or family formation have more serious difficulties in finding employment than the rest, but once employed do not seem to experience penalties with regard to the occupational status of their employment compared to the rest of the newcomers. Overall, immigrants in Ireland and the UK have somewhat lower unemployment rates and a higher occupational status than in Southern European countries³.

Table 2 also allows assessing relative standing of immigrants compared to the native-born in each of the countries. It is evident that on average immigrants are doing worse than natives on each indicator and in each of the analysed countries. Whereas the unemployment ratio of immigrants to natives is quite similar across all analysed countries (ranging between 1.48 in Italy and 1.66 in Spain), immigrants seem to be on par with natives with regard to employment chances in Greece. With regard to the occupational status of employment, there is a clear indication of more pronounced disadvantages among immigrants in Southern Europe as opposed to Ireland and the UK. Whereas the ratio of immigrants' average occupation status to that of the natives in Southern Europe lies in the range between 0.70 in Italy and Greece and 0.75 in Spain, in Ireland and the UK it is above 0.90. The disadvantages of immigrants with employment intentions, and particularly those arriving with pre-arranged employment, are much smaller or even non-existent if we compare them to the native-born, which is a clear sign of successful self-selection and adaptation of these groups in the host countries' labour markets. The only obvious handicap of these immigrants is that in Southern European countries they are not able to attain jobs with similar occupational status as natives (average ISEI of their jobs is about 10 points lower than among the natives), although they are doing quite successfully with regard to entering employment. In Ireland and the UK, immigrants with pre-arranged employment are clearly well off, even if we compare them with the natives.

³ Unemployment of immigrants in Greece is, however, comparably low in this period.

Table 2: Labour market outcomes of immigrants in five countries

Reason for migrating	Italy		Spain		Greece		UK		Ireland	
	Unempl. (%)	ISEI (Mean)								
Employment arranged prior to migration	4.19	31.77	9.62	32.94	4.35	33.34	2.74	47.35	2.97	42.91
Employment without prior job offer	6.81	28.76	13.61	28.46	4.53	28.18	3.52	38.64	6.52	35.53
Study	16.39	48.59	15.63	46.64			5.08	51.06	3.91	46.27
International protection					10.19	29.43	20.51	38.42	29.09	39.67
Family	17.91	29.40	20.88	32.11	14.34	32.18	9.79	40.91	11.62	44.76
Other	6.41	34.44	16.73	39.95	11.39	37.71	4.22	44.80	7.92	44.60
Immigrants (total)	9.23	30.64	15.28	31.43	6.73	29.79	6.06	43.83	7.06	40.71
Natives (total)	6.23	43.51	9.18	42.00	7.10	42.18	3.95	45.77	4.46	44.69

6 Multivariate results

In the next step, we test our hypotheses with the help of multivariate analyses, i.e., we estimate effects of migration motives on immigrants' labour market outcomes, net of newcomers' socio-demographic and human capital characteristics. Results of the multivariate analyses (see Table 3) support our prediction about an easier labour market entry and hence lower unemployment among immigrants who arrived with employment intentions in all five countries. Indeed, in all countries under discussion immigrants with employment motives have either lower or at least similar probabilities of unemployment than any other group of immigrants. Particularly among immigrants with pre-arranged employment the chances of avoiding unemployment are lower than among those who arrived without any job offer; the effects are statistically significant in Italy and Ireland. In all countries with a substantial share of immigrants coming under international protection, these immigrants have obvious difficulties in entering employment compared to those arriving with employment intentions. Similarly, immigrants arriving in the framework of family reunification and family formation are significantly disadvantaged in terms of employment in all analysed countries. The patterns are least clear-cut when we compare employment-related and student migration. Only in Italy, student migrants have larger difficulties finding employment compared to immigrants with employment intentions. In the rest of the analysed countries, there are no significant differences between immigrants arriving with employment intentions but without pre-arranged job and those aiming at a student status. In Spain, and to some degree in Ireland and Greece, there is some indication of more pronounced difficulties among immigrants with 'other' intentions to gain employment compared to immigrants who arrive with economic intentions.

Despite better employment prospects, labour migrants without pre-arranged employment in Southern European countries display lower occupational status than immigrants who arrived under international protection, study or family reasons (see Table 4). They are also disadvantaged compared to immigrants arriving with employment intentions but with arranged jobs in all three Southern European countries. A disadvantage of immigrants without pre-arranged employment compared to those who arrived with set job offers is also evident in Ireland and the UK. There, also student migrants are likely to attain

employment of higher occupational status than comparable immigrants arriving with employment intentions but without a set job offer; their advantage is however not that pronounced as in Italy and Spain. This is where similarities between Southern European countries and Ireland and the UK end. In the UK, immigrants arriving with employment intentions are significantly better off with regard to the occupational status of the jobs they enter, compared to those arriving under international protection or due to family reasons. In Ireland, we hardly observe any significant differences across the above-mentioned groups, compared to economic migrants (those arriving without job offers). Thus, we can conclude that selective immigration policies in Ireland and the UK targeting highly-educated and skilled immigrants lead to a more favourable labour market situation of economic immigrants in these countries, even if they arrive without any pre-set job offers, both with regard to easier employment entry and attainment of higher-status jobs. Policies of southern European countries result in economic immigrants' easier employment entry, albeit at the price of higher-status employment (compared to the rest of newcomers). In all the countries under analysis immigrants arriving with pre-arranged employment are in a favourable situation, largely enjoying lower unemployment risks and higher-status employment.

Another important observation is an essentially favourable labour market situation of immigrants who arrived in Europe to study. Their unemployment propensity seems to be similar to that of immigrants with employment intentions in all countries, apart from Italy, where former student migrants have pronouncedly higher unemployment risks. At the same time, the occupational status of former students from foreign countries appears to be higher in all countries compared to immigrants arriving with employment intentions but without pre-set job offers. Obviously, attaining host-country human capital pays off in the local labour markets, particularly in terms of higher-status employment and particularly in Southern Europe.

Effects of the following control variables are also worth discussing here. Female immigrants have larger difficulties in finding employment in Southern Europe (apart from Spain) and tend to attain jobs of lower occupational status compared to men in all three Southern European destination countries. There are no clear-cut gender-related penalties among immigrants in the UK and Ireland. The higher the level of education among immigrants the better their chances are for gainful employment and above all for employment of higher occupational status. The effects are particularly pronounced when we analyse the occupational status. Immigrants with tenure in the host country longer than 10 years are less likely to be unemployed (although the effects lack statistical significance in Greece and the UK), and attain jobs of significantly higher occupational status. In terms of immigrants' origin, some patterns appear to be distinct in (almost) all countries under discussion. Immigrants from MENA countries are more likely to face higher unemployment in all countries (apart from Greece) and find themselves in jobs of lower ISEI (apart from Ireland). Asian immigrants are in a more favourable position than the reference group of immigrants from EU15 and EFTA countries with regard to employment in Spain and Greece. They are also doing well in terms of jobs they occupy in Italy and Spain, but are disadvantaged with regard to ISEI in the rest of countries. In terms of occupational status, apart from some minor exceptions, all immigrants in Europe suffer substantial penalties compared to more privileged EU-15 and EFTA immigrants.

Table 3: Marginal effects from the logistic regressions predicting unemployment

	Italy	Spain	Greece	UK	Ireland
Employment arranged prior to migration	-0.03**	-0.03	0.01	-0.01	-0.04***
	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)
Study	0.12*	0.07		0.02	-0.02
	(0.07)	(0.05)		(0.02)	(0.02)
International protection			0.06*	0.13**	0.19**
			(0.03)	(0.05)	(0.07)
Family	0.07***	0.08***	0.05**	0.06**	0.06***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Other reason	0.00	0.06*	0.05⁺	0.00	0.03⁺
	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)
Female	0.06***	0.01	0.07***	0.01	-0.01
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
ISCED 3-4	-0.02 ⁺	-0.02	-0.01	-0.00	-0.02*
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
ISCED 5-6	-0.02	-0.06***	-0.01	-0.02*	-0.03**
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Age (centered)	0.00	0.00	-0.00	-0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Age (squared)	-0.00	0.00	0.00***	0.00	-0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
YSM >10	-0.04***	-0.04*	-0.01	-0.01	-0.04***
	(0.01)	(0.02)	(0.00)	(0.01)	(0.01)
Other EU since 2004	-0.00	0.02	-0.03*	-0.01	0.02 ⁺
	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Non-EU Europe	0.01	0.07	-0.01	-0.00	0.06 ⁺
	(0.01)	(0.05)	(0.02)	(0.02)	(0.04)
MENA Countries	0.07**	0.11**	-0.01	0.08*	0.13 ⁺
	(0.03)	(0.035)	(0.02)	(0.04)	(0.08)
Other Africa	0.02	0.16**		0.01	0.02
	(0.02)	(0.06)		(0.02)	(0.02)
Asia	-0.02	-0.12***	-0.04**		-0.00
	(0.03)	(0.03)	(0.01)		(0.02)
East Asia				0.01	
				(0.03)	
South/South East Asia				0.00	
				(0.01)	
America, Australia and Oceania	-0.04**			-0.02 ⁺	0.00
	(0.01)			(0.01)	(0.02)
Latin America		-0.02		-0.01	0.15*
		(0.06)		(0.02)	(0.07)
Other			-0.01		
			(0.02)		
Observations	2925	3113	2190	3131	3264
Pseudo R ²	0.088	0.038	0.107	0.080	0.067
Degrees of freedom	15	15	14	18	17

Note: Marginal effects, standard errors in parentheses; Discrete change from 0 to 1 for dummy variables in logistic regressions. Reference groups: employment after migration, men, ISCED1-2, immigrants from EU-15/EFTA, YSM fewer than 10 years.

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Table 4: OLS coefficient from the regression of ISEI occupational status

	Italy	Spain	Greece	UK	Ireland
Employment arranged prior to migration	2.54*** (0.57)	1.97** (0.74)	2.63** (0.85)	3.34*** (0.96)	2.35** (0.75)
Study	12.32*** (1.54)	10.75*** (1.45)		2.55* (1.10)	2.49* (1.26)
International protection			1.95* (0.86)	-3.05+ (1.74)	-1.06 (2.77)
Family	3.66*** (0.55)	2.49*** (0.61)	2.51*** (0.69)	-2.21* (1.00)	0.82 (0.86)
Other reason	3.06* (1.27)	7.86*** (0.92)	2.62** (0.92)	0.59 (1.15)	0.76 (0.92)
Female	-4.91*** (0.45)	-5.36*** (0.59)	-7.31*** (0.46)	-0.93 (0.64)	-0.85 (0.55)
ISCED 3-4	1.74*** (0.46)	3.36*** (0.56)	1.09* (0.46)	7.67*** (0.95)	3.72*** (0.87)
ISCED 5-6	13.19*** (0.69)	13.56*** (0.66)	9.85*** (0.69)	19.31*** (1.05)	15.27*** (0.87)
Age (centered)	-0.17*** (0.03)	-0.07*** (0.03)	-0.09*** (0.02)	0.03 (0.04)	-0.02 (0.04)
Age (squared)	-0.00+ (0.00)	0.00 (0.00)	0.00 (0.00)	-0.01+ (0.00)	-0.00 (0.00)
YSM > 10	3.79*** (0.46)	4.77*** (0.70)	2.07*** (0.46)	1.63+ (0.86)	2.15* (0.92)
Other EU since 2004	-2.01** (0.69)	-2.69*** (0.66)	-14.97*** (1.27)	-15.80*** (1.09)	-11.65*** (0.78)
Non-EU Europe	-4.02*** (0.65)	-4.91*** (1.47)	-17.91*** (1.12)	-6.82*** (1.88)	-10.57*** (1.55)
MENA Countries	-4.35*** (0.82)	-5.03*** (0.82)	-17.28*** (1.23)	-4.34* (1.98)	4.13 (2.83)
Other Africa	-4.61*** (0.92)	-3.39* (1.71)		-7.56*** (1.11)	0.53 (1.35)
Asia	5.16*** (1.44)	14.22*** (2.13)	-15.70*** (1.39)		-8.39*** (1.01)
East Asia				-4.18* (1.86)	
South/South East Asia				-6.72*** (1.05)	
America, Australia and Oceania	-8.12*** (0.79)			0.98 (1.37)	2.07 (1.39)
Latin America		-0.37		-6.78***	-10.60***

		(2.43)		(1.70)	(2.39)
Other			-5.91***		
			(1.59)		
Constant	31.11***	28.10***	45.00***	40.62***	39.07***
	(0.71)	(0.59)	(0.46)	(1.38)	(1.06)
Observations	2654	2637	2043	2931	3031
R ²	0.259	0.280	0.339	0.282	0.311

Note: OLS coefficient, standard errors in parentheses. Reference groups: employment immigrants, men, ISCED1-2, immigrants from EU-15/EFTA, YSM fewer than 10 years.

+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

7 Conclusions

Since the mid-1990s and up to the recent economic crisis, former immigrant-sending countries of Southern Europe and Ireland became popular destinations for immigrants from all over the world, particularly for those arriving with employment intentions and economic goals. In a nutshell, these countries experienced a similar destiny as Central and Northern European countries in the 1950-70s, when those countries had either recruited foreign workers or opened their borders to labour migrants from the former colonies or neighbouring countries. What fortunes do immigrants have in the new immigration countries? Are they able to get smoothly integrated into the host countries' labour markets, avoiding unemployment and attaining adequate jobs?

The first aim of the current paper – a more general one – was to explore whether host-country immigration policies related to the selection of immigrants with regard to human capital and other characteristics relevant for their labour market integration are effective and result in these immigrants' more favourable economic integration in the host countries. The second aim was to compare immigration policies across two groups of countries. On the one hand, we looked at liberal regimes of Ireland and the UK which policy aims were to attract highly-skilled immigrants to meet these countries' economic needs in highly-skilled jobs. On the other hand, we examined Southern European countries (Italy, Spain and Greece), which pursued more lax and unselective policies, trying to attract labour force for low-skilled jobs in their countries' economies. Consequently, we expected that economic immigrants should have favourable employment entry chances in each group of countries, not least due to the fact that the supply of immigrants apparently met the labour demand in host countries' economies. However, we also expected that more selective policies attracting better-qualified immigrants should lead to these immigrants' better chances of higher-quality employment. This should rather be the case in Ireland and the UK, than in Southern Europe. Overall, our expectations were largely supported by the data from the 2008 EULFS ad hoc module.

First of all, we were clearly able to show diverging patterns of immigrants' selectivity with regard to human capital characteristics in the two groups of countries. Immigrants in general and economic immigrants in particular were somewhat younger and substantially better qualified in the liberal regimes than in Southern European countries. Hence, the efforts liberal countries undertake in attracting economic migrants with favourable labour market attributes appear to be fruitful and result in a more positively selected immigrant intake. This is not least due to the fact that a larger proportion of immigrants in Ireland and the UK arrived with pre-arranged employment, one of the peculiarities of these countries' selective immigration policies.

Second, with regard to employment propensity and occupational status of employment, economic immigrants in liberal regimes are clearly in advantage as compared to the situation in Southern Europe, where economic immigrants are only better off (compared to the rest of immigrants) with respect to smoother employment entry. Apparently, immigration policies focusing on attracting economic migrants with marketable skills are indeed effective in enabling these migrants' easier employment integration. The quality of employment these immigrants enter seems also to correspond to the patterns of immigrants' selection: the more effective countries are in attracting highly-educated immigrants the more we observe these immigrants succeeding in entering higher-status employment.

One could certainly argue that labour market standing of economic migrants in liberal countries might appear particularly advantageous when it is contrasted to fairly dismal chances of other immigrant groups within the Irish and British labour markets. The truth is that immigrants under international protection do suffer considerably when it comes to employment entry in Ireland and the UK, but other immigrants, e.g., those arriving with family-related intentions, are no worse (in comparative terms) than respective groups in Southern European countries.

Differentiation between economic migrants arriving with and without pre-arranged employment proved to be worthwhile, as we clearly see the former performing better in the labour market in all countries. Both with regard to avoidance of unemployment and attainment of higher-status jobs, immigrants with employment arranged prior to migration outpace immigrants who arrived with employment intentions but without any job offers.

A favourable labour situation of student migration is worth paying particular attention to. In our study, we were able to show that encouraging student migration and enabling students' stay in host countries after graduation leads to these immigrants' quite successful labour market integration, almost irrespective of the host country we analysed. Attracting student migrants could thus be considered a promising path for solving demographic problems in host countries struggling with population aging and low fertility rates.

By focusing solely on the immigrant populations in the multivariate analyses, we deliberately abstained from a no less meaningful comparison of immigrant populations to the native-born. Such comparison would relate to the overall differences in unemployment and occupational structures across the analysed countries, which are responsible for cross-national differences in general rates of unemployment and occupational standing among immigrants in five countries. Furthermore, such a comparison would also allow shedding light on differences between immigrants arriving with various intentions and the native-born, following an already existing strand of research on ethnic or immigrant penalties.

On the theoretical level, the next step would be to extend the analyses to explore the intersection on immigration and immigrant integration policies for newcomers' labour market integration. That is, it is necessary to ask the question on whether unselective immigration policies could be compensated by proactive immigrant integration policies, i.e., the ones emphasising immigrants' retraining, providing language courses and professional guidance, etc.

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ImPRovE: Poverty Reduction in Europe. Social Policy and Innovation

Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

How can social cohesion be achieved in Europe?

How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website <http://improve-research.eu>.

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