6 Occupational status of immigrants in cross-national perspective: A multilevel analysis of seventeen Western societies¹

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Introduction

It is well documented that micro-level factors like human capital and demographic position are important for the incorporation of immigrants in the labor market. Immigrants with a higher education, who are more proficient in the destination language, who have more work experience, and who remained longer in the destination country, generally have a better position in the labor market (McAllister 1995; Poston 1994; Raijman and Semyonov 1995).

Recently macro factors have also received increasing attention from students of the economic integration of immigrants (Model and Lin 2002). One research tradition has shown that, even after taking into account human-capital variables, the country of origin affects immigrants' economic position (Borjas 1999; Jasso and Rosenzweig 1990; Poston 1994; Raijman and Semyonov 1995). Another line of research suggests that the attainment of immigrant groups also differs between destination countries (Borjas 1988; Model 1997; Model, Fisher, and Silberman 1999; Model and Lapido 1996; Reitz 1998, 2003).

Van Tubergen, Maas, and Flap (2004) combined both macro approaches and suggested that three groups of macro effects strongly affect the economic attainment of immigrants. First, there exists what they call "origin effects," the impact of countries of origin irrespective of the destination of immigrants. Second, they outline "destination effects," the impact of receiving societies, notwithstanding immigrants' origins. Third, there is an influence of the combination of origin and destination, which they called "setting" or "community" effects. Van Tubergen *et al.* (2004) studied the role of these groups of macro factors in the

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labor-force participation and employment of immigrants in eighteen Western countries.

This chapter builds on this earlier collaborative study in two ways. First and foremost, I extend their study by examining another sociologically relevant aspect of immigrants' economic incorporation: occupational status. Participating in the labor market and having a job are only the first steps towards full incorporation in the labor market. A logical follow up question is to study the status of the jobs that immigrants occupy. From a theoretical perspective, it is tempting to examine if the empirical findings of Van Tubergen *et al.* on labor-force participation and unemployment equally apply to occupational status. Second, I formulate new hypotheses. In addition to the macro-level variables characteristics considered in Van Tubergen *et al.*, I examine the effects of racial composition and the proportion of the immigrant group that is employed.

Theories and hypotheses

I use two kinds of explanations to understand the influence of the country of origin, the country of destination, and the immigrant setting on the economic incorporation of immigrants. The first idea is that of human capital (Borjas 1987; Chiswick 1978), which argues that macro differences can be explained in terms of composition effects. This view holds that economic incorporation is affected by human capital that is not equally distributed across macro units. Another line of reasoning suggests that social contexts can be important. Contextual effects occur when characteristics of macro units have a direct effect on individuals' outcomes, over and above the effects of individual characteristics. These contextual effects are linked to processes of discrimination that foster or hinder the economic mobility of immigrants (Model and Lapido 1996; Portes and Rumbaut 1996, 2001).

Composition effects

The idea that macro differences in the economic attainment of immigrants can be interpreted in terms of composition effects has been worked out most notably by the economists Chiswick (1978) and Borjas (1987, 1988). They argue that human capital factors like education, work experience, language, and individual talents determine immigrants' economic attainment, and that systematic group differences in the composition of these skills explain macro differences. Selection can either be positive (or favorable), selecting immigrants with high (un)observed human capital,

or negative (unfavorable), selecting immigrants with lower productivity and skills.

One potentially important factor in the selection of immigrants is associated with political conditions in the sending country. Chiswick (1978, 1979, 1999) suggested that political suppression and instability in the origin country may induce people to migrate for other than pure economic reasons. Hence, Chiswick argued that people who move from politically unstable societies are less favorably selected than economic migrants, which in turn results in a lower occupational status (H1).

Immigration policy is another determinant of skill selection. Borjas (1988) hypothesized that immigrants in countries with a strict immigration policy, such as Australia and Canada, are more favorably selected. In these countries migrants who apply for an entry visa have to meet specific requirements. This so-called "point-system" rates migrants according to their skills and additionally selects those who are thought to be more of use to fulfil labor market shortages (Borjas 1988; Reitz 1998). Immigrants who pass are assumed to be more favorably selected than those who fail; these immigrants will perform better in the labor market than immigrants in countries without such an entrance test. In view of these ideas, it is predicted that immigrants have a higher occupational status in countries that use a point system than they have in other countries (H2).

Borjas (1988) has suggested that the selection of immigrants is determined by the income inequality in the countries of origin and destination. In societies that have a very skewed income distribution, emigration tends to become concentrated among the less talented, who have much to gain by migrating. On the other hand, emigration from societies with more equally distributed incomes tends to be largely concentrated at the upper end of the home country's income distribution. Similarly, host countries with high-income inequality attract migrants with high abilities and talents. The more dispersed the income inequality in the home country relative to that of the destination country, the lower will be the occupational standing of immigrants (H3).

Skill selection of immigrants is also associated with the level of economic development in the origin and destination country (Borjas 1987, 1988; Chiswick 1978, 1979; Jasso and Rosenzweig 1990). All things being equal, migrants from developing countries have a lower average education than those originating from more advanced economies. In addition, migrants from rich countries have an edge over migrants from poorer countries regarding the transferability of their skills and subsequent rewards. Educational diplomas obtained in developing nations are more difficult to transfer to economically advanced nations than

diplomas obtained in equally or more advanced origin nations. Therefore, it is hypothesized that the less economically advanced the origin country is relative to the destination country, the lower the occupational status of immigrants (H4).

Geographic distance between origin and destination countries could also affect skill selection. The literature generally assumes that greater distance increases migration costs (Borjas 1987; Jasso and Rosenzweig 1990) and diminishes the likelihood of return migration (Borjas 1987). As a consequence, the more talented persons are overrepresented among migrants who move over long distances (Blau and Duncan 1967) and these immigrants also have more incentives to invest in human capital, such as acquiring the destination language (Chiswick and Miller 2001). Thus we might expect that greater geographic distance between the origin and destination countries has a positive impact on immigrants' occupational status (H5).

A final property that may affect the skill selection of immigrants is the exposure to the language of the destination country in the country of origin. Language skills differ between immigrant groups (Van Tubergen and Kalmijn 2005) and proficiency in the destination language has an important impact on immigrants' economic attainment (Chiswick and Miller 2002; Shields and Price 2002). Immigrants who have been exposed to the destination language in their country of origin would be expected to have more skill in the destination language than immigrants who have not been exposed to the host language before migration. This leads to the prediction that immigrants will have a higher occupational status given related official languages of origin and destination than when languages are different (H6).

Context effects

A second line of thought argues that the position immigrants obtain in the labor market depends on societal conditions that are linked to processes of discrimination (Model and Lapido 1996; Portes and Rumbaut 1996). Although there is no overarching discrimination theory, the broad range of hypotheses within this framework share their emphasis on societal conditions that produce in-group preferences and out-group prejudices. It is argued that such preferences and prejudices cause positive and negative discrimination, such as better jobs being offered to members of the in-group or outright refusal to employ a member of the out-group.

According to this research tradition, religious and racial characteristics of the country of origin are important. Research has shown that natives' social distance towards ethnic groups overlaps with a distinction

in race and religion, ranking non-whites, Islamic, Buddhist, and other non-Christian groups at the top of the social distance scale (Owen, Eisner, and McFaul 1981; Pineo 1977). Because the Western countries examined in this study are predominantly white and Christian, I predict that migrants from predominantly non-Christian origins have a lower economic status than those of Christian nations (H7), and non-white groups have a lower status than white groups (H8).

Receiving nations provide an important social context for immigrants' occupational position. It has been suggested that the election of social-democratic parties in the government (in contrast to liberal, conservative, and Christian-democratic parties) would lead to less economic inequality in a country (Lenski, Lenski, and Nolan 1991), including inequalities between immigrants and natives (Van Tubergen *et al.* 2004). Thus we can hypothesize that immigrants in countries with a stronger presence of social-democratic parties in the government have a higher occupational status (H9).

With respect to the immigrant community, the relative size of an immigrant group can be relevant in a variety of ways. First, it is often suggested that prejudice increases with the relative size of the immigrant group. Sizable groups are more visible and more likely to be perceived as a potential threat to the native population in terms of political and economic power (Blalock 1967; Quillian 1995). This 'ethnic-threat' hypothesis predicts a negative effect of the relative size of an immigrant group in a host society on the occupational status of its members in that society (H10).

Alternatively, it is argued that immigrants in sizable groups perform better economically (Portes and Bach 1985; Wilson and Portes 1980; Zhou and Logan 1989). Under the assumption that immigrants are more willing to help co-ethnics – in the same way that natives prefer in-group members – immigrants could profit from the presence of country-fellows, sharing their "ethnic capital" (Borjas 1992, and chapter 3 by Pedersen *et al.* in this volume). Members from the same immigrant group help each other by offering jobs, buying goods, and lending money. Therefore, it is predicted that the relative size of an immigrant group has a positive effect on the occupational status of the members of that group (H11).

Because the relative size of an immigrant group in a country only refers to the number of people of the own group that could be of help, the resources they could generate should be considered as well. Migrants who belong to economically powerful groups could benefit more from their economic potential than migrants from disadvantaged groups. To examine this idea, I use two indicators of economic resources of the immigrant group that are independent of occupational status: the mean educational level of the group (Borjas 1992), and the percentage of the labor

force population of the group that is employed. It is hypothesized that immigrants who belong to groups with a higher average education have a higher occupational status (H12), and groups with a larger proportion employed population will have a higher status (H13).

Data and methods

Data

I collected and standardized existing surveys containing individual-level information on the economic position of immigrants. The surveys were pooled in a single cross-national data set: the International File of Immigration Surveys (Van Tubergen 2004). The core of the data file consists of 121 labor-force surveys conducted between 1991 and 2002 in fourteen countries of the European Union(EU): Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom. These surveys were collected and standardized by Eurostat (2003), the statistical office of the EU, into the so-called European Union Labour Force Survey (EULFS). Because Eurostat takes great care in standardizing the laborforce surveys, the designs of these surveys became much alike in the 1990s, which reduced problems of comparability (Eurostat 1998).

In addition to the EULFS data set, I collected comparable surveys for Australia, Canada, and the United States (Van Tubergen 2004). For Australia, I relied on a specific immigrant survey conducted in 1988 (Australian Office of Multicultural Affairs 1988). For Canada, I used the 1991 and 1996 3 percent public-use census (Statistics Canada 1991, 1996). For the United States, I used the 1980 and 1990 census, 1 percent files (United States Census Bureau 1980, 1990).

The analysis is restricted to first-generation immigrants, defined as those born outside the country of residence. For Canada and the United States the census samples were much larger than the samples of the new immigrant countries, so I restricted the number of respondents in large immigrant groups to a maximum of 2,000 per survey. I analyzed the economically employed population between the ages of twenty-five and fiftyfour, thus excluding inactive and unemployed immigrants. The analysis includes females as well as males, which is a significant contribution to the research literature, because earlier research on economic attainment of immigrants was largely restricted to males (Cobb-Clark 1993; Schoeni 1998). All in all, the cross-national data-file consists of seventeen destination countries, 181 origin groups, 859 combinations of origins and destinations (i.e. settings), and 239,619 immigrants.

Dependent and independent variables

The dependent variable is the status of the current job, as measured in terms of the International Socio-Economic Index (ISEI) (Ganzeboom, De Graaf, Treiman 1992). To obtain ISEI scores for the occupations, I used tools that convert the ISCO-88 classification into ISEI (Ganzeboom and Treiman 1996, 2003). The EULFS provided three digit ISCO-88 scores. The original codings of occupations in the United States census and the Australian survey were translated into four digit ISCO-88 using conversion tools (Ganzeboom 2003; Lambert 2003). For the fourteen occupational categories provided in the Census of Canada, I relied on the weighted ISEI scores provided by Model and Lin (2002).²

The independent variables are related to origins, destinations, settings, and individuals.

Political suppression I used information collected by Freedom House (Karatnycky and Piano 2002) on political rights and civil liberties in the countries of origin. Political rights varied from one (e.g., free and fair elections, power for opposition parties, etc.) to seven (e.g., oppressive regime, civil war). Civil liberties varied from one (e.g., freedom of expression and religion, free economic activity) to seven (e.g., no religious freedom, political terror, no free association). I used the sum score for each country (two to fourteen) and computed averages for the 1972–1980 period.

Christian origin I included a dummy variable for origin countries that have a predominant Christian population, using predominantly non-Christian countries as a reference. Those countries with more than 50 percent Christian adherents in the 1960–1980 period were assumed to be predominantly Christian. This information was obtained from Brierley (1997).

White origin I relied on the racial self-identification question in the 1990 census of the United States to obtain figures on the racial composition of countries. I used the proportion identifying as whites of all immigrants from a certain country as a measure of the proportion of whites in that country.

Point system I set up a dummy to indicate whether destinations had a point system or not. Australia and Canada have had such immigration policies since the 1960s (Borjas 1988), so I did not vary this dummy over time.

² See the Appendix in Wanner (1998) for the specific ISEI scores assigned to the categories.

Presence of social-democratic parties in the government I counted the number of years in which social-democratic parties were present in the government during the ten years preceding the survey year. The annual presence of social-democratic parties in the government was rated as one when they formed a one-party government, 0.5 when they joined a coalition, and zero when they were absent from the government. Information on the presence of social-democratic parties in the government was obtained from various Internet sources.

Income inequality (ratio) This variable measures the income inequality of the origin country relative to that of the destination country. To measure the income inequality within a country, I used the Gini formulae. Information was obtained from a publication of the World Bank (2001), which gives Gini scores per country in the 1990s.

Economic development (ratio) I used gross domestic product (GDP) per capita as a measure of economic development and calculated GDP ratios for the origin country relative to the destination country. GDP was measured in constant dollars per capita for 1980 and was obtained from OECD (2000).

Geographic distance Geographic distance between origin and destination was measured as the distance in kilometres between the capital cities of the origin and destination countries. Calculations were based on the so-called "great circle distance method" (Byers 2002).

Official language I use a dummy to indicate whether the official language of the origin country was the same as the official language of the destination country, based on the language situation at the end of the twentieth century (Grimes 2000). An official language is the language used in schools and formal settings.

I further aggregated individual-level information on immigrants included in the surveys of our data set to obtain information on other setting or group-specific variables.

ISEI natives I included aggregate variables that controlled for differences in labor-market opportunities between countries and between time periods. I computed the annual ISEI of native males and females between twenty-five and fifty-five years old.

Relative group size I constructed a variable for the size of an immigrant group relative to the total population of the host country. I estimated averages for the 1980–1990 period.

Mean level of education group I used a three-category classification of education ranging from low to high (see below), and computed the mean education of immigrant groups.

Employment group This variable indicates the fraction of the group that is employed in the labor market of all economically active members of that group (i.e. both employed and unemployed) who are between twenty-five and fifty-four years old.³

I also included individual-level control variables. Some surveys contain precise information on all relevant variables, whereas other surveys have cruder measures or do not contain some variables. The European Union Labour Force Survey (EULFS), for example, does not provide precise information on duration of residence and schooling and has no information on language skills. Therefore, I had to make some concessions to make the variables cross-nationally comparable.

- *Age* Age was measured in years and by using midpoints for surveys using broader age categories.
- *Duration of residence* I constructed three categories: zero five years, six ten years, and eleven years or more.
- *Education* In accordance with the classification in the EULFS I used three categories for education: low (primary education and first stage of secondary education), middle (second stage of secondary education), and high (higher education). Surveys using measures of schooling (years of full-time education) were recoded using information on the years needed to obtain certain educational levels (OECD 1999).
- Marital status I contrast married with all others.

Analysis and models

I made use of random intercept models with two levels. At the "lowest," or micro, level, occupational status is affected by individual characteristics, such as education and duration of residence in the host society. At the macro level, immigrants' economic status is an outcome of their origin, destination, and setting. These macro-level components affect economic attainment at the same level, so the multilevel structure is non-hierarchical. I therefore relied on so-called "cross-classified" models

³ A potential problem of contextual analysis is the high correlation between macro-level variables. Bivariate Pearson correlations at the setting level show that correlations are generally not higher than .40. Exceptions are the negative associations between political suppression in the country of origin and the relative economic development (r = -.59) and Christian origin (r = -.47). Another moderately strong association exists between geographic distance and percent white (r = -.43). In summary, there is no *a priori* reason to doubt the results on grounds of multi-collinearity.

(Raudenbush and Bryk 2002; Snijders and Bosker 1999), in which at the higher level origins and destinations constitute "parallel" levels. Because the variance of settings is tapped by the variance of origins and the variance of destinations, it is not independently assessed; however, setting effects are estimated at the appropriate origin-by-destination level.

It is important to emphasize that I made destination countries time variant in the analysis. This resulted in more than a hundred "destination-year" cases as the destination component instead of only seventeen destination countries. This design includes precise macro-level control variables that measure the average occupational status among native males and females for each destination country in each survey year. In addition, I have a better estimate of the time-varying predictor in the analysis – the presence of left-wing parties ten years preceding the survey year. A drawback, however, is that the standard error of the time invariant destination variable (i.e. point system) is underestimated in this design. The reason is that the within-nation observations of surveys are not independent from one another. I will therefore also analyze models in which destinations are treated as time invariant. I made use of Markov Chain Monte Carlo (MCMC) estimation procedures, provided in the software program MlwiN (Browne 2002).

Results

Descriptive analyses

To give a descriptive account of macro effects, Table 6.1 (males) and Table 6.2 (females) present the mean occupational status (in ISEI) of immigrants by origin, destination, and setting. Because such information could, of course, not be presented for the more than 800 settings included in the data set, I illustrate how seven origin groups fare in the seventeen destination countries.

Table 6.1 shows that the mean occupational status (in ISEI scores) of all immigrants, averaged over the seventeen destination countries, is 43.1. Immigrants from the United States have an average ISEI of 53.2, which is ten points above the mean ISEI of immigrants from all countries, and almost twenty points higher than the average ISEI of immigrants from Morocco (35.0) and Turkey (35.2). There are also pronounced differences in immigrants' occupational standing between destination countries. I find a low occupational status among immigrants in Austria (average ISEI is 37.8), France (37.2), Greece (37.8), and Germany (37.8), whereas the occupational status is considerably higher in the United Kingdom (50.1).

					Country of origin	igin			
Country of		1						Mean all	
destination	China	Germany	Italy	Morocco	Poland	Turkey	USA	groups	Mean natives
Australia		46.9^a	44.0^a					40.1	47.3
Austria	40.8^{a}	51.9	48.1^{a}		39.1	32.9	51.2	37.8	43.1
Belgium	52.7^{a}	49.0	37.2	35.9	44.5^{a}	34.9	60.5	42.6	45.0
Canada	47.2	45.7	41.3		41.2		50.7	43.6	43.1
Denmark		48.8^a			45.3^{a}	35.9^{a}	53.3	44.9	45.0
Finland		59.3^{a}						46.9	44.3
France	46.5^{a}	51.4	39.1	34.0	39.6^a	31.8	62.7	37.2	42.9
Germany		na	34.8	29.7^{a}	40.5	32.0	46.9	37.8	43.8
Greece		41.1	49.4^a		32.8	43.0	51.8	37.8	41.5
Ireland		51.9	48.1^{a}				50.9	46.1	42.1
Luxembourg	39.3^{a}	52.9	42.0	53.2^a	46.4^a	45.1	59.7	42.7	44.7
Netherlands	46.9^{a}	49.1	41.6	36.8	42.0^{a}	36.4	53.0	44.8	49.0
Portugal		44.4^a						43.3	39.8
Spain	40.5^{a}	50.3	43.8^{a}	28.2	35.2^{a}		58.2	39.5	40.5
Sweden	66.8^{a}	49.8		33.9^{a}	50.2^{a}	37.3^{a}	53.6	41.6	44.7
ЛК	50.6	50.5	45.5	38.4^a	50.6^{a}	44.8^a	56.2	50.1	46.9
USA	47.8	48.1	39.6	48.7^{a}	41.4	49.4	na	45.1	44.3
Mean	47 4	40.1	40.3	35.0	40.5	35.2	53.2	431	44.2

Table 6.1 Occupational status (ISEI) of male immigrants by country of origin, country of destination, and setting

N = N < 25.a = 25 < N < 200.

					Country of origin	rigin			
Country of destination	China	Germany	Italy	Morocco	Poland	Turkey	NSA	Mean all groups	Mean natives
Australia								42.3	47.4
Austria	35.9^{a}	46.7	54.0^{a}		38.9	27.2	53.0^{a}	34.2	42.7
Belgium	46.9^{a}	48.7	37.6	33.9	41.3^{a}	32.5	57.0^{a}	44.0	45.6
Canada	42.7	47.6	42.6		42.7		52.4	44.7	47.7
Denmark		44.4^a			41.1^{a}	28.0^{a}	52.8^{a}	41.3	42.2
Finland								45.7	44.9
France	40.7^{a}	50.1^{a}	41.9^{a}	28.9	37.5^{a}	33.2^{a}	60.1^{a}	34.1	42.4
Germany		na	32.7^{a}	34.8	41.7	28.9	51.0^{a}	37.8	43.7
Greece		47.8	56.7^{a}		31.2	45.1	54.5^a	37.4	42.7
Ireland		50.9	51.0^{a}				53.6	48.7	47.3
Luxembourg	38.9^{a}	49.8	39.4		40.9^{a}		55.8^{a}	38.7	45.9
Netherlands	42.1^{a}	47.2	47.2^{a}		40.2^{a}	34.8	54.9^{a}	44.1	46.8
Portugal		55.2^a						46.6	38.7
Spain	35.0^{a}	49.4^a	53.7^{a}	23.2	36.7^{a}			39.7	42.0
Sweden	50.6^{a}	47.3^{a}			42.4	36.1^{a}	54.4^a	41.5	43.7
UK	49.5	48.6	45.2		46.7^{a}	47.6^{a}	55.5	48.3	46.1
USA	44.2	46.9	42.4	49.5^{a}	41.2	20.9^{a}	na	43.7	47.1
Mean	43.7	47.9	41.7	32.6	40.5	32.4	54.1	42.3	45.6

Table 6.2 Occupational status (ISEI) of female immigrants by country of origin, country of destination, and setting

N = N < 25.a = 25 < N < 200.

Σ

Table 6.1 also provides some clues for the impact of settings. Compare, for instance, the occupational status of Turks in Germany and the United States. In Germany, Turks have an average ISEI of 32.0, which is below the mean ISEI of Turks in general (35.2) and below the mean of all immigrants in Germany (37.8). In contrast, in the United States, Turks have a much higher occupational status (49.4), which is far above their general rate and also above the overall pattern observed among immigrants in the United States (45.1). Apparently, then, the specific situation of Turks in Germany and the United States determines their deviance from the pattern expected from general origin and destination effects.

Hypotheses testing

I constructed three cross-classified multilevel regression models of immigrants' occupational status to test the hypotheses. Model 1 includes the macro-composition factors plus a macro-control variable for the occupational status of natives. In Model 2, individual controls are included. Model 3 adds the contextual factors. The results are presented separately for males and females (Table 6.3). Note that in these models, I use destinations *per year* as the destination level.⁴

Composition effects To examine the results for the hypotheses on composition effects, we have to look at Models 1 and 2. Because Model 1 contains only macro-composition factors (and a macro control), it is logical to examine the results of this model for the discussion of composition effects. Adding human capital factors in Model 2 normally reduces the strength of composition effects. However, by no means should the macro effects in the present study disappear. This is because several "observable" skills were not measured (e.g., labor-force experience) or only partly measured (e.g., length of residence) and "unobserved" skills (i.e. talents, productivity, ambitions) were, of course, completely omitted. Moreover, some macro-composition factors may be positively (or negatively) selective, but their effects may be suppressed due to associations with other selection mechanisms that are negatively (or positively) selective. Taking individual-level factors into account could therefore show an increase in some macro-level effects.

⁴ In additional analyses (available from the author) I examined how sensitive the findings were to different multilevel designs, i.e. treating destinations as time-constant instead of looking at destinations by year. The overall conclusion is that of strong similarity between the original and the additional analyses, suggesting that the findings are robust for differences in multilevel designs.

Table 6.3 Cross-classified multilevel regression of socioeconomic status (ISEI) in seventeen Western countries,1980–2002, immigrants between 25 and 54 years old*	sion of socioeco 4 years old*	nomic status	(ISEI) in se	venteen Weste	rn countries,	
		Males			Females	
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
Constant	14.518	9.008	-6.900	20.051	17.233	6.392
Origin Political suppression Predominantly Christian Origin White (%)	222	259**	233^{**} 929 $.021^{**}$	281*	187*	129 230 $.021^{**}$
Destination Point system Mean occupational status, native reference	-4.137** .753**	-5.965** .617**	-6.621^{**} .585**	765 .610**	-2.832^{**} .436 **	-4.359* .379**
stoup Social-democratic parties in government			.117			101
Setung Gini origin/Gini destination GDP origin/GDP destination Geographic distance (per 1000 km) Official language Relative group size (%) Mean educational level group Employment rate group (%)	-3.644** .942** .521** .085	-3.610** .659** .391** .341*	-2.094** .420 .289** -284** 6.366** .027**	-5.181** 3.381** .426** .726**	-3.703** 2.363** .357** .950**	-2.046* 1.968** .240** 1.433** 687** 6.422**

Western countries,	
) in seventeen	
(ISEI)	
regression of socioeconomic status	between 25 and 54 years old*
Table 6.3 Cross-classified multilevel	1980-2002, immigrants between 25

P1: FQF/FGC P2: FQF 0521861934c06.xml CUUK445B-Parsons & Smeeding March 11, 2006 15:55

Λ		**900	**010		***	**090
Age Duration of stay		.000			042	
0–5 years		Ref.	Ref.		Ref.	Ref.
6-10 years		207	097		.615**	$.731^{**}$
10+ years		$.602^{**}$	$.930^{**}$		2.262^{**}	2.613^{**}
Education						
Low		Ref.	Ref.		Ref.	Ref.
Middle		4.973^{**}	4.621^{**}		7.634^{**}	7.157^{**}
High		21.501^{**}	20.756^{**}		20.893^{**}	20.098^{**}
Married		$.374^{**}$	$.450^{**}$		618^{**}	569^{**}
Number of observations						
Destination year	126	126	126	126	126	126
Origin	181	181	181	170	170	170
Setting	859	859	859	809	809	809
Individual	138,472	138,472	138,472	100,697	100,697	100,697

The first factor that relates to the skill composition of immigrants is the political suppression in the sending nation. According to hypothesis one, people from more suppressive societies have a lower occupational standing. The results are significant for males in Model 2, and for females in Models 1 and 2. These findings support the hypothesis and are in line with the cross-national analysis of Van Tubergen *et al.* (2004), who found a negative relationship between political suppression and the likelihood of immigrants' labor-force activity and employment.

It was hypothesized that immigrants in countries with a point system should have a higher occupational status (H2). The analysis shows that the opposite is true: immigrants in countries having a point system have a lower occupational status than immigrants in countries without such policies. Earlier studies showed that immigrants in Australia and Canada have higher earnings relative to the native population than immigrants in the United States (Borjas 1988; Reitz 1998), but Van Tubergen *et al.* (2004) found no positive impact of the point system.

The third group of macro effects pertains to settings. It was hypothesized that those who migrated from countries with a more unequal income distribution to countries with less inequality have a lower occupational position than immigrants who moved in the opposite direction (H3). The analysis confirms this prediction, both for the male and female samples. The effect of the ratio of the Gini score of the country of origin to the Gini score of the country of destination is significantly negative in Model 1. It becomes less strong after individual controls are included, but remains significant. These findings are in line with Borjas' (1988) analysis of immigrant earnings in Australia, Canada, and the United States, and with the analysis of immigrants' employment status by Van Tubergen *et al.* (2004). Studies of immigrants' earnings in the United States have found no significant effect of the inequality ratio for males (Borjas 1987), whereas the predicted negative relationship was supported for females (Cobb-Clark 1993).

Hypothesis four stated that people who moved from less economically advanced nations to more advanced nations have a lower position in the labor market than immigrants who moved from relatively rich countries. This idea is confirmed. For both males and females, Model 1 shows a significantly positive effect of the GDP ratio on occupational status. In Model 2, the GDP ratio is still significant, but the coefficient has become somewhat smaller. This suggests that part of the relationship is due to favorable selection of educational diplomas, whereas the remaining effect underscores the idea that immigrants' human capital obtained in advanced economies is valued more in the receiving countries than skills obtained in more developing nations. In line with these findings,

earlier studies in the United States showed that the per capita income in the origin country has a positive effect on the occupational earnings and wages of male immigrants (Borjas 1987; Jasso and Rosenzweig 1990) and female immigrants (Cobb-Clark 1993). These findings are also in line with Borjas' (1988) analysis of immigrant earnings in Australia, Canada, and the United States, but do not agree with the cross-national study of Van Tubergen *et al.* (2004). They found that the GDP ratio decreases the likelihood of labor-force activity and employment, for males and females.

It was further hypothesized that the geographic distance between the country of origin and the country of destination has a positive impact on immigrants' occupational status (H5). In accordance with this prediction, Model 1 shows that the distance between the capital cities of the origin and destination countries has a significantly positive impact on the occupational status for males and females. The effect diminishes once individual variables are taken into account, but remains significant. Earlier studies have found mixed results concerning the relationship between geographic distance and economic performance. Borjas (1987) and Cobb-Clark (1993) found no, or even a negative, effect of geographic distance on earnings of immigrants in the United States. By contrast, Jasso and Rosenzweig (1990) found a positive effect of distance on occupational earnings and wages of immigrants in the United States. Van Tubergen et al. (2004) showed that geographic distance decreases the likelihood of labor-force activity, but, once immigrants are in the labor force, increases the chance of employment.

A final selection factor of the immigrant setting is whether the official languages of the origin and destination resemble each other. I hypothesized that groups who, in this way, were exposed to the official language of the host country before migration have a higher occupational status (H6). Model 1 indeed shows a significantly higher score for this group among females, but not for males. However, in Model 2, after taking individual factors into account, the results are significant for males as well. The effect in Model 2 is stronger for females, and inspection of Model 3 reveals very significant effects of language exposure for both males and females. This suggests that immigrants who moved to a destination with the same official language tend to be negatively selected on other skill factors - suppressing the positive skill selection in terms of language proficiency. All in all, the analysis confirms the idea that language exposure improves the occupational standing of immigrants. Earlier research in the United States has shown that male immigrants from countries where English is an official language perform better in the labor market (Borjas 1987; Jasso and Rosenzweig 1990). Van Tubergen et al. (2004) found a

beneficial effect of language in regard to the analysis of male employment, but could not find a similar effect for labor-force participation and female employment.

Context effects To test the context effects we have to look at the findings of Model 3. I hypothesized that people from dominant non-Christian societies have a lower occupational status than those from mainly Christian nations (H7). Surprisingly, the analysis does not show significant differences between immigrants from Christian and non-Christian societies. The cross-national analyses of Van Tubergen *et al.* (2004) showed that immigrants from Christian nations are more active in the labor market and have lower unemployment rates than immigrants from non-Christian nations.

Another idea was that predominantly white groups have a higher occupational status (H8). In line with this idea, I find that the percent white in the country of origin has a positive and significant impact on the occupational status of immigrants.

I formulated one contextual hypothesis on the impact of receiving nations. I predicted that the longer the presence of social-democratic parties in the government, the higher the occupational status of immigrants (H9). I find no support for this idea, however. The analyses for the male and female samples show that the presence of social-democratic parties in the government in the ten years preceding the survey year had no significant effect on immigrants' occupational standing. Such a positive effect of social-democratic parties in the government was found in Van Tubergen *et al.*(2004).

With regard to the relative size of immigrant groups I formulated opposing ideas. According to one notion, there is a positive relationship between size and occupational status (H10); the alternative idea predicts a negative relationship (H11). For both samples, I find evidence for the latter idea: the larger the size of an immigrant group relative to the total population in the destination country, the lower the occupational status of the members of that group. Findings on the relationship between group size and economic performance have been mixed in studies within a single country (Wilson and Portes 1980; Zhou and Logan 1989). Van Tubergen *et al.* (2004) observed a significantly positive effect of relative group size on labor-force participation, but this had no effect on employment.

Another contextual factor of the immigrant community is the average education of the group members. I hypothesized that a higher level of education among the immigrant group has a positive effect on the occupational status of the members of the group (H12). The findings

of Model 3 clearly confirm this prediction, for both males and females. It is important to realize that these are true contextual effects, because the education of immigrants at the individual level is controlled for. Van Tubergen *et al.* (2004) reported a significantly negative effect of the average education of the group on the likelihood of participating in the labor market, and a significantly positive effect on employment.

A final contextual characteristic of the immigrant community is the percent age of the group that were employed. I predicted that the higher the percent employed in an immigrant group, the higher the occupational status of the members of that group (H13). I found different results by gender. For male immigrants, the percent employed of a group directly varies with their economic chances. However, the relationship between percent employed and occupational status is not significant among females. Thus, I find some support for hypothesis 13.

Explained variance Analysis of random intercept models without explanatory variables ("empty model") shows that the variance at the individual level for males is 83 percent of the total variance observed, the variance between origins is 14.5 percent and between destinations only 2.4 percent (figures not presented). Comparing the empty model with the full model for males (i.e. Table 6.3, Model 3) shows that 36 percent of the total variance is explained. More specifically, the final model explained 6 percent of the variance among destinations, 28 percent of the variance among individuals, and 84 percent of the variance among origins. The results for the female sample are very similar. Apparently, then, from a macro perspective, I was better able to explain the variance between origin countries than between destination countries.

Conclusion and discussion

In this chapter, I studied macro effects on the occupational status of immigrants. The analysis shows that the country of origin, the country of destination, and the combinations thereof (i.e. settings, communities) all play a role. More precisely, about 17 percent of the total variance of immigrants' occupational status was observed at the macro level. It appears that the occupational standing of immigrants varies quite strongly among origin groups. I find little variation among receiving nations, which suggests that the occupational status of immigrants is quite similar across nations (though see chapter 9 for qualifications to this broad observation).

In order to understand macro differences, hypotheses were derived from human capital theory and notions on discrimination. From the perspective of host countries this study does not confirm the idea that societies aiming to select the more favorable immigrants to their economy succeeded in this goal. On the contrary, in countries with a point system, immigrants have a lower occupational status than similar immigrants in other societies. In addition, I find no support for a contextual effect of receiving nations: the idea that the presence of social-democratic parties in the government has a beneficial impact on the occupational status of immigrants. Van Tubergen et al. (2004) found such a positive effect for immigrants' labor-force participation and employment. These combined findings suggest that an active state policy towards integrating immigrants succeeds in increasing levels of participation and employment, but not in their socioeconomic standing. This may not seem too surprising, since government policies are more often directed towards changing levels of social welfare, schooling, and positive labor-market discrimination than on the level of immigrants' occupation once they are active in the labor market.

I was better able to understand differences among origin groups. People who moved from suppressive countries have a lower occupational status. These immigrants are less favorably selected, and, in turn, have a lower occupational status than immigrants who move for economic reasons. Further, the percent white of the country of origin has a positive impact on the occupational status. Non-white groups meet stronger discrimination in the labor market than white groups in the predominantly white receiving nations, which results in a lower occupational status.

I do not find an effect of religious origin, however. Immigrants from non-Christian origin do not have the expected lower occupational status than immigrants from mainly Christian societies. Apparently, then, social distance and the resulting discrimination is stronger on racial than on religious grounds. A possible explanation for not finding an effect of religious origin is that the discrimination effect is suppressed in terms of unobserved selection. The social costs of migration are lower for those who moved from Christian origin societies to Christian host societies than for those from non-Christian nations. This would imply that immigrants from Christian countries are less talented and less productive than immigrants from non-Christian nations. It also implies that the effect of percentage white in the country of origin found in this study is stronger once (negative) selection is controlled for.

The community plays a key role in immigrants' occupational status. People who moved from societies with an unequal income distribution

to more egalitarian societies have a lower occupational status than people who moved in the opposite direction. This supports the assumption that the less talented and less productive move from unequal to more egalitarian societies, whereas the opposite is true for the more talented and productive immigrants. I also find that the less economically advanced the country of origin relative to the country of destination, the lower the occupational status of immigrants. People who moved from less economically advanced societies to more advanced societies are less skilled than people who moved from more economically advanced nations. This study also shows that after taking into account educational attainment at the individual level, the relationship becomes weaker, but remains significant. Hence, the beneficial effect of a higher relative economic development is partly due to educational sorting, but also to higher rewards of educational diplomas.

Immigrant communities are also important, because they are selective in terms of the travel distance between origin and destination. The greater the distance between the country of origin and the country of destination, the higher the occupational status of immigrants. Travel distance favorably selects immigrants and also increases the benefits of human capital investments after migration – people who travelled over longer distances are less likely to return. A final selection mechanism that plays a role at the setting level is the exposure to the language. Groups that had the same official language in the country of origin and destination, have a higher occupational status. Immigrants in these groups have a better command of the destination language, which is an important determinant of occupational success.

Discrimination processes are also important for explaining the role of the immigrant community. I find that the larger the size of the immigrant group relative to the total population in a country, the lower the occupational status of the immigrants of that group. Larger groups are perceived by the native majority as more economically powerful and threatening, and are more discriminated against in the labor market. It opposes the alternative suggestion that immigrants of larger groups could profit from the ethnic capital available in their own group. One interpretation of this anomaly is to question the idea of ethnic solidarity and the supposed beneficial outcomes of belonging to a large immigrant group (Li 1977; Sanders and Nee 1987).

However, the absence of a positive effect of group size on occupational status is not a strong case against the ethnic capital idea. Group size only indicates how many co-ethnics are available for help, but does not measure the resources available in the community, which are crucial for providing positive social support. In view of these considerations, I

included two other contextual characteristics of immigrant settings that measure the resources available in the group: mean average education and percent employed. I find that the higher the education of the immigrant community, the higher the occupational status of the immigrants of these groups. In addition, I find, for the male sample, a positive effect of the percent employed of the group on immigrants' occupational status. These findings generally support the idea that the occupational chances of immigrants depend on the social capital available in their ethnic community.

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