

# Are Ireland's Immigrants Integrating into Its Labour Market?

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# Structure of the talk

- Place this paper in the context of earlier research on immigration into Ireland
- The international literature on immigrant occupational attainment
- The data
- The methods and results
- Conclusions

# Research in Ireland

- Two main themes
  - Characteristics/experiences of immigrants (education levels, earnings, occupations)
  - Impacts (on wages, GNP etc.)
- But the two strands are related
  - Precise impact depends on the human capital of immigrants and how they are employed

- This paper is about experiences and, in particular, its about occupational attainment
- In an earlier paper, we looked at this using data from 2003 and found that immigrants experienced an “occupational gap” relative to natives
- For example, immigrants from the EU were 22% less likely to be in high-skilled occupations relative to comparable natives
- However, the data used then did not allow us to see if the gap diminished with time in Ireland
- Putting this another way, the data did not allow us to look at integration

# What's new here?

- The data used in this paper identify the year of arrival of each immigrant
- This allows us to see if the “occupational gap” falls with time in Ireland
- This moves us in the direction of looking at integration but we still need to be careful in interpreting results
- We are not using panel data so any patterns could be the result of integration OR selective out-migration, cohort effects or the changing self-selection of immigrants

# The international literature

- The broad literature on immigrant integration goes back to Chiswick (1978)
- Chiswick et al (2005) is a recent example of a study focusing on occupations of immigrants
- They build their paper around the idea of the “U-shaped” model of immigrant occupational attainment

- Chiswick et al find that higher-skilled immigrants show the predicted upward mobility within their timeframe (six years)
- Amuedo-Dorantes and de la Rica (2006) show no occupational disadvantage for EU immigrants (consistent with theory)
- They find evidence of integration for other European immigrants and for Latin Americans but not for Africans
- Green (1999) shows an inconsistent pattern for Canada

# The data

- Quarterly National Household Survey, Q2 2005
- 91,000 observations but we only look at employees (still over 30,000)
- We have 1,634 immigrants in five regional categories:
  - UK, US, EU-13 (or “old EU”), New Member States and other

- Variables included in the data:
  - Age
  - Gender
  - Education category
  - Occupation
  - Nationality
  - Year of arrival for non-nationals

# The Descriptives

- We look at:
  - Occupations
  - Nationalities

# %s in highest occupations

Natives	All imm's	04/05	02/03	00/01	95/99
40.8	34.9	22.5	35.7	40	48.5

# Nationalities

	All imm's	04/05	02/03	00/01	95/99
	%	%	%	%	%
UK	23.1	10.1	20.3	22.4	51.2
EU-13	16.4	19.8	14.4	11.4	20
NMS	27.7	52.9	25.6	16	2.4
USA	1.7	1	2	1.2	3.4
Other	31.1	16.2	37.7	49	23.1
N	1634	524	395	420	295

# Analysis - Method

- Want to look at immigrants' occupational attainment relative to natives, controlling for a range of factors
- Our dependent variable is categorical but we can impose an ordering
- Hence, we use ordered probits
- The eight occupational categories are mapped into four ordered categories based on CSO social class classifications

Table 4 – All imm's

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
Imm	-0.15	.03	.02	.04	-.04	-.02

Table 5 – All imm's, by year arrived

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	0.08	.07	-0.01	-0.02	0.02	0.01
00/01	-0.16	.05	0.02	0.04	-0.04	-0.02
02/03	-0.19	.05	0.02	0.04	-0.05	-0.02
04/05	-0.23	.05	0.03	0.05	-0.06	-0.02

Table 6 (part 1) - All imm's, by year arrived  
with nationality added

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	0.14	.23	-0.01	-0.04	0.03	0.02
00/01	0.03	.23	0.00	-0.01	0.01	0.00
02/03	0.03	.23	0.00	-0.01	0.01	0.00
04/05	0.12	.23	-0.01	-0.03	0.03	0.02

Table 6 (part 2) - All imm's, by year arrived  
with nationality added

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
UK	0.05	.23	-0.01	-0.01	0.01	0.01
EU13	-0.12	.23	0.02	0.03	-0.03	-0.01
NMS	-0.55	.23	0.09	0.09	-0.13	-0.05
Oth	-0.17	.23	0.02	0.04	-0.04	-0.02

Table 7 – UK imm's, by year arrived

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	0.17	.10	-0.02	-0.05	0.04	0.02
00/01	-0.06	.12	0.01	0.02	-0.02	-0.01
02/03	0.21	.13	-0.02	-0.06	0.05	0.03
04/05	0.27	.15	-0.02	-0.08	0.06	0.04

Table 8 – NMS imm's, by year arrived

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	0.26	0.41	-0.02	-0.08	0.06	0.04
00/01	-0.55	0.12	0.09	0.08	-0.13	-0.05
02/03	-0.53	0.10	0.09	0.08	-0.13	-0.04
04/05	-0.41	0.06	0.06	0.08	-.10	-0.04

Table 9 – NMS imm's with 3<sup>rd</sup> level quals, by  
year arrived

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	0.35	0.52	-0.01	-0.09	-0.03	0.13
00/01	-0.77	0.19	0.08	0.22	-0.08	-0.22
02/03	-0.67	0.19	0.06	0.19	-0.06	-0.20
04/05	-1.16	0.13	0.17	0.27	-0.16	-0.28

Table 10 – EU-13 imm’s with 3<sup>rd</sup> level quals,  
by year arrived

	<b>Coef</b>	<b>S.E</b>	<b>Un- skilled</b>	<b>Semi- skilled</b>	<b>Man/ Tech</b>	<b>Prof</b>
			dy/dx	dy/dx	dy/dx	dy/dx
95/99	-0.11	0.18	0.01	0.03	0.00	-0.04
00/01	0.25	0.22	-0.01	-0.07	-0.02	0.09
02/03	-0.15	0.18	0.01	0.05	0.00	-0.05
04/05	-0.35	0.14	0.02	0.11	-0.01	-0.12

# Conclusions

- The pattern of occupational attainment by year of arrival is related to a changing national mix and not integration
- **First implication:** we need to ask why we are not finding evidence of integration
  - Too short a time frame?
  - Barriers to mobility for immigrants such as skill recognition?
  - Choices of the immigrants themselves

- Immigrants from the NMS dominate the recent inflows and have the lowest occupational attainment relative to natives, controlling for education etc.
- But what about their education levels?

# % of imm's with third level quals, by nationality

UK	EU-13	NMS	Other	USA	All
48.4	66.1	31.8	59.5	64.3	50.2

- Immigrants from the NMSs appear to have the lowest occupational attainment controlling for education and also the lowest educational attainment
- **Second implication:** earlier work on the impacts of immigration was based on a high-skilled inflow – do we need to re-do that work?
- **Third implication:** Low occupational attainment works against human capital accumulation – hence, these immigrants may not experience the wage premium that was enjoyed by returning Irish migrants