

Do Migrants Have Access to Decent Work?

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As response to the unequally distributed benefits of globalization, the International Labor Organization (ILO) has introduced an agenda which promotes to provide *Decent Work for All*:

“Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people ... equality of opportunity and treatment for all women and men.”¹

In September 2015, the goal of decent work became an element of the United Nation’s *2030 Agenda for Sustainable Development*. However, not only the economic and the resulting job crises, but also the surge of global migration flows present challenges for national labor markets. Against this background, the ILO extended adopted a rights-based approach to labor migration and extended its agenda to include all migrant workers (ILO, 2010).

In this work, we will investigate whether immigrants to Europe have access to decent work. We will thus analyze the degree to which migrants are subject to discrimination on the labor market, focusing on dimensions which go beyond wage differentials between migrants and natives. Such aspects include job quality, security and satisfaction as well as the degree to which skills acquired in education and training can be applied at work; they affect the economic situation and integration of migrants into social life, thereby exerting positive externalities on the society as a whole. Special attention will be given to the role of individual characteristics and the socio-economic background of migrants as well as the on labor market outcomes of women, who have been shown to increasingly migrate on their own (ILO, 2010). Moreover, differential welfare state regimes exert differential mechanisms of social stratification (Esping-Andersen,

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¹www.ilo.org/decentwork

1990) which can strongly affect the insider/outsider status of immigrants on the labor market. By analyzing differences across the European welfare states, we will provide a picture of the institutional frameworks necessary to promote integration. We thus tackle the following research questions:

- Along which lines are migrants discriminated on the labor market? Are there differences between monetary and non-monetary labor-market outcomes?
- To what extent do gaps in skills, education and training as well as the socio-economic background of migrants explain gaps in various labor market outcomes?
- In how far do differential welfare state institutions produce differential regimes of discrimination?

In the economic literature, the labor market integration of immigrants is primarily studied on the basis of the adjustment of wage levels of workers with migration background, compared to wage levels of native workers over time. While there is a broad consensus on the result that immigrants receive lower wages than natives when they arrive, there is disagreement on the extent to which the initial wage gap can be reduced (Chiswick, 1978; Borjas, 1985, 1985; Card, 2005) Another indicator that is often used is the employment rate. Doing so provides results similar to those on wage assimilation, generally indicating that employment rates of immigrants are lower than for natives and, even if they decrease, may never completely converge to those of the latter. Also unemployment and participation rates of immigrants are found to be higher and lower respectively (Kerr and Kerr, 2013).

Apart from formal education, good knowledge of the national language is shown to be a central factor for the monetary dimension of labor market integration of immigrants (Aleksynska and Algan, 2010; Dustmann and Fabbri, 2003; Chiswick, 1991). The extent to which the labor market experiences of immigrants vary across countries, is examined by Buechel and Frick (2005). Using panel data for eight European countries, including Austria, the authors analyze the wage differentials between immigrants and natives based on household income data taken from European surveys. They find that the size of the wage gaps differs considerably between countries. Buechel and Frick (2005) attribute this to the national differences in institutional frameworks: for instance, restrictive labor market access policies or social security systems that are tied to citizenship are found to have negative impacts on the economic assimilation of immigrants in terms of household income.

Wage levels and employment rates are by far not the only indicators that can be used to study the labor market integration of immigrants. Using Spanish Labor Force Survey data [Fernández and Masagué \(2008\)](#) analyze (in addition to participation and unemployment rates) the incidence of over-education and temporary contracts among immigrants compared to natives. They show that immigrants initially have higher unemployment rates, lower participation rates, and a higher incidence of over-education as well as temporary contracts. Five years after immigration, participation rates converge to natives' rates, while unemployment rates are lower for immigrants than for natives. However, concerning the incidence of over-education and temporary contracts, the gap between immigrants and natives remains constant. [Fernández and Masagué \(2008\)](#) conclude that the reduction of unemployment rates among immigrants in Spain may have come at the cost of bad job-matches for immigrants. The phenomenon of over- and under-qualification is also studied by [Chiswick and Miller \(2007\)](#), who show that labor market experiences collected before immigration are strongly associated with over-qualification. This could be an indicator for the difficulty to transfer human capital acquired abroad to national labor markets. Nevertheless, the longer immigrants live and work in the USA, the lower is their probability to be over-qualified and the higher is their probability to be under-qualified. Using Austrian micro data from 2008, [Huber \(2010\)](#) also shows that the incidence of over-qualification and atypical employment is higher for immigrants than for natives.

This study should contribute and add to the literature by providing an integrated analysis of migrants' labor market integration, using and comparing various monetary and non-monetary indicators of labor market outcomes. In order to compare 16 member states of the European Union, we will conduct the analysis using a novel micro data based on the Survey of Adult Skills (PIAAC). The main asset of this survey is its extensive information on the employment situation and work history of respondents in conjunction with their education and training outcomes as well as their socio-economic background. Beyond simple linear regressions, we will use an Oaxaca-Blinder decomposition to define the extent to which a lack of integration is due to discrimination, versus the degree to which it is due to a gap in skills, language, education, training, and/or socioeconomic background of immigrants. The results of this work should provide policy makers with insights into the conditions for successful integration of migrants into European labor markets.

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