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Tracking immigrants

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Jonas Helgertz, *Immigrant careers: why country of origin matters*, Lund studies in economic history 53 (Lund: Ekonomihögskolan, Lunds universitet 2010). 191 s.

Jonas Helgertz's dissertation examines the career trajectories of immigrants in Sweden in the period between 1968 and 2001. This is a quantitative study that analyses a variety of unit record datasets using advanced econometric techniques. Both the period analysed and the methodology used situates the dissertation on the borderlines of economic and social history on the one hand and economics and policy on the other. The period under study is an important one from a historical point of view as it reflects Sweden's transformation into a country of immigration, which sharply contrasts with historical research on earlier periods where the focus is firmly on emigration. More important still, it provides insights into the processes that have led to immigration becoming increasingly important in the political arena. One of the key questions that underlies recent political debates is the degree to which immigrants with different characteristics and from different parts of the world integrate and become assimilated into Swedish society, and above all, into the labour market. Accordingly these issues are placed at the heart of the analysis.

The background to the study is laid out in the first chapter which describes Sweden's postwar immigration history. In the aftermath of the Second World War there was an influx of displaced persons, notably from Eastern Europe and the Baltic. The 1950s and 1960s saw deepening integration within the region, notably with the establishment of the common Nordic labour market. In the 1970s there were important shifts in patterns of immigration, one of which was the arrival of growing numbers of asylum seekers, originally from Chile, Greece and Vietnam. From the late 1960s policy was

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tightened and the pattern of migration shifted towards immigrants arriving for family reunification. These trends were accompanied by structural change in the Swedish economy that raised the relative demand for workers with greater human capital and white collar skills. This was exacerbated in the 1990s by sharply deteriorating macroeconomic conditions. From the mid-1970s to the mid-1990s there was a notable decline in the labour market performance of immigrants in the Swedish labour market as reflected in their relative employment, occupational attainment, and earnings.

Against this background, one of the key themes running throughout the dissertation is the influence of pre-migration conditions in the country of origin on the post-migration economic outcomes for immigrants. While it seems both obvious and important to know the pre-migration characteristics of migrants when assessing their performance, the literature on this topic is surprisingly thin. The main reason is that existing studies for the United States and major European immigration countries concentrate on data from censuses and surveys that contain information on place of birth or country of citizenship but do not capture pre-migration characteristics of the immigrants themselves. By turning the spotlight on country of origin the dissertation provides new insights, not only for Sweden but also more generally. In fact three interrelated characteristics form the focus of the analysis, two of which are individual characteristics. The first is the individual's visa type, specifically whether the immigrant came as a labour migrant, as a family reunification migrant or as an asylum seeker. The second is the immigrant's pre-migration occupation and education. And the third relates to country-level socioeconomic differences between individual's origin country and Sweden.

It is widely believed that migrants often suffer initial downward mobility and so their socioeconomic status soon after arrival is inferior to that in the home country. Once having slid down the snake they then set about climbing the ladder. But existing studies tell us very little about that initial decline in status and, accordingly, the first substantive chapter of the dissertation focuses on this. Helgertz links information from the Swedish Longitudinal Immigration database with information from the censuses. From the occupation information in these sources he calculates the difference between the individual's pre- and post-migration scores as measured by the International Socioeconomic Index. This yields a dataset of 2 724 individuals from seven different source countries, who arrived between 1970 and 1990, 1 777 of whom report being employed post-migration.

Analysing these data involves a two-step procedure. The first step is whether or not the individual quickly regained employment. For those who did, the second step is to explain differences between individuals in the

loss of occupational status. The first stage findings are that those who were least likely to gain employment are refugees and those from non-European countries. But the most striking result is that the more educated the migrant the less likely he or she quickly gained employment. As few of Sweden's highly educated migrants seem to have been retraining, it is far from clear why their initial employment probabilities were so low. In the second step Helgertz examines the drop in occupational status for those with occupations before and after migration. He finds that the biggest loss of occupational status was associated with family reunification migrants and those from countries where the cultural and linguistic distance from Sweden is greatest. But the most interesting finding is that those with the highest pre-migration occupational status faced the largest losses. This effect is somewhat mitigated for individuals with higher education (although these were less likely to have jobs). Nevertheless this finding is consistent with the classic example of the Soviet Jews who migrated to Israel in 1990–91. Many of these highly skilled migrants (often doctors or engineers) were reduced to occupations such as driving taxis – partly because they lacked proficiency in Hebrew. It raises the question of precisely how effectively post-migration education and language training could be used to transform pre-existing occupational skills into useful human capital for the Swedish labour market.

The next chapter examines post-migration mobility through the lens of occupational transitions. The key question is whether immigrants faced a "glass ceiling" comparable to the promotion barriers often identified for women. Here, a substantial database of 70 000 immigrants and native Swedes observed in the five-yearly censuses is used to analyse upward mobility between 1970 and 1990. The probability of "promotion" is found to be lower for women than men and especially lower for immigrants from the linguistically most distant countries of origin. These are found to be disadvantaged compared with native Swedes and also compared with those immigrants whose mother tongues belong to the same Germanic language group as Swedish, and/or are based on the Latin alphabet. As a result the most disadvantaged group is non-Latin women who suffer the triple disadvantage of being women, being immigrants and being from a more distant linguistic background. But one of the most striking findings is the sharp difference in promotion gaps between the private sector and the public sector. In the private sector Latin and Germanic males have a considerable advantage over other groups (even over Swedish men), and this is where the promotion gaps are greatest. By contrast, in the public sector, females and non-Latins typically gain promotion at least as often as other workers. This is an intriguing result that raises further questions about precisely which mechanisms are at work and what policy interventions would make private sector employers

behave more like public sector managers. As to the original question, "is there a glass ceiling?", the answer is mixed (indeed this may be the wrong question). Where disadvantage is observed it is generally found throughout the range of occupations. If there is a glass ceiling, then it seems to be limited to non-Latin immigrants, mostly in the private sector.

Returning to the theme of high skilled immigration, the next chapter concentrates on the career trajectories of those in certain professions: health, education, social science and computing and science and technology. Here the focus is on a small sample of 678 immigrants observed annually from 1983 to 2001. The key questions are how rapidly these immigrants increase their incomes, and how far that process is assisted by education and training undertaken in Sweden. The answer to the first question comes in two parts. On one hand immigrant professionals experience significant relative income gains over the first ten years after arrival, consistent with the classic assimilation pattern observed in much of the literature. On the other hand they remain substantially below the average incomes of otherwise comparable natives, increasing from around 50 percent to 70 percent of native earnings. Only the health professionals catch up with the native born (perhaps echoing the earlier finding of greater relative success for those employed in the public sector). The answer to the second question is that those who undertake training do benefit significantly with higher earnings. However this effect is only observed when heterogeneity among individuals is taken into account. This implies that those who would otherwise do least well reap the most benefit from further training. Overall, the results highlight the importance of using longitudinal data for the study of immigrant assimilation. However, the analysis presented here is constrained by the small number of individuals which limits the degree of confidence with which differences across professions can be identified.

The final part of the dissertation is perhaps the most innovative. It examines the effect of health conditions during early childhood on individuals' earnings as adults. Consistent with the growing literature on early life conditions, the key indicator of the childhood health environment is the infant mortality rate in the community around the time of the individual's birth. As a measure of the disease environment infant mortality has two potential effects. One is the selection effect: as conditions worsen, only the fittest survive. The other is the scarring effect: greater exposure to disease during early childhood compromises the health, attainment and earnings of those surviving to adulthood. Studies that estimate the balance of these effects face the formidable challenge of isolating them in the presence of other confounding variables. One confounder is the socioeconomic and genetic differences between families, which Helgertz overcomes by analysing diffe-

rences between biological siblings (using family fixed effects). Another is the correlations between infant mortality and other aggregate-level variables, which he addresses by taking deviations from trend.

The data used for analysis comes from the Swedish Longitudinal Immigrant database, combined with data from administrative registers and the census. The focus of the analysis is the incomes of 11 000 individuals observed at an age between 32 and 36 sometime in the period from 1968 to 2001. The main result that emerges is that infant mortality at the time of birth has a negative effect on earnings 30 years later. So the scarring effect dominates the selection effect. Furthermore the net effect is large – accounting for income variations of 15 percent between the extremes. This effect becomes even larger for those born into a high mortality environment, and it is also greater for those whose parents have less than secondary education. One implication is that families with higher education (and presumably greater resources) were better able to insulate their children in a poor health environment. Another implication (which is not fully drawn out) is that immigrants born into health environments that are much worse than the host country could suffer a considerable disadvantage from this effect alone. This analysis is intriguing but it could be explored further. One possibility would be to examine the effects of infant mortality (and perhaps other related variables) at a more local level rather than restricting them to the national level. More importantly, as health obviously affects employability, it would have been interesting to see the same analysis performed for the probability of employment and perhaps for other outcome variables such as education and occupational attainment.

So what have we learned from this dissertation? It certainly provides new insights into the links between immigrant origins and their post-migration performance in the labour market. One highlight is the difficulty experienced by high-skilled migrants in translating their human capital into the Swedish context. Another is that immigrants from countries where the cultural and linguistic gaps are wide often suffer disadvantage throughout the life cycle. A third is that the conditions that hold some workers back (not only immigrants) stretch right back to childhood. Although the analysis applies to the period 1968–2001 the results seem highly relevant to the issues that face immigrants today. Identifying those immigrant characteristics that lead to ongoing disadvantage is a useful input into the development of policy towards immigrants. But it speaks to those on both sides of the debate. To those on one side it suggests that more effort should be put into targeting certain immigrant groups for early intervention and greater support in acquiring language skills, education and retraining. To those on the other side of the debate it provides further evidence on what types of immigrants tougher immigration policies should aim to exclude.