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Portugal	PTE	200.482
Finland	FIM	5.94573
Sweden	SEK	8.7150
United Kingdom	GBP	0.6600

EMPLOYMENT OBSERVATORY Trends



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(SYSDÉM)

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Trends provides a comparative and in-depth overview of selected policies and developments in the labour markets of the Member States on the basis of articles provided by the SYSDÉM correspondents. It appears twice a year and is published in English, French and German. SYSDÉM is one of the networks of the European Employment Observatory (BEO) and is administered on behalf of the European Commission (DG V) by I.A.S., Institute for Applied Socio-Economics.

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Ethnic Minorities and Immigrant Groups on the Labour Market: Introduction¹

Within the context of the European Employment Strategy, in 1999 the EU Member States explicitly set themselves the target of intensifying efforts to deal with the employment problems of ethnic minorities (Guideline 9, the goal of a "labour market open to all"). The contributions to this volume by national labour market experts (SYSDÉM) provide an overview of the situation of ethnic minority and immigrant groups on the labour market of each Member State. Following a presentation and analysis of the relevant facts, each report discusses both the measures taken in the Member State in question to improve the integration of these groups on the labour market and the problems in this field about which public debate has recently been most controversial².

Immigrants, ethnic minorities and discrimination

The title was formulated so as to provide a single "basket" for the different use of "foreigners, (im)migrants and minorities" in the various Member States as well as the wide range of problems that affect these groups particularly seriously. These problems correlate closely with the period of time which such groups have already spent in the host country. The labour market problems facing the first generation of migrants tend to be significantly greater than those of the second and third generations, that is, the children and grandchildren born to the first generation in the host country.

In a number of countries, easily distinguishable immigrant groups or ethnic minorities have become established, originating from waves of immigration in previous decades. Alongside and following migration waves linked to the dissolution of former colonies, particularly in the 1960s and early 1970s, in a number of countries

foreign workers were recruited as a means of overcoming existing labour shortages. Some of the current Member States of the EU were themselves countries of emigration not all that long ago, and thus countries of origin for immigration in other Member States. Whereas pull factors were decisive in inducing such labour migration, during the 1990s push factors came to predominate, following the developments in the Soviet Union and the upheavals in Central and Eastern Europe and the Balkans; virtually all EU states were affected by this to a greater or lesser extent.

In some Member States the return migration of former emigrants has recently constituted a substantial proportion of immigration. In addition, all the Member States also accept asylum-seekers and refugees, the intentions of whom regarding residence vary considerably. Germany accounts for a relatively large proportion of these groups entering the EU. The various migration waves have overlapped in time; moreover, in some cases earlier migration waves have had knock-on effects in the form of subsequent family reunification. It is the specific history of migration of a country that often largely determines the size of, and the problems facing, minority/immigrant groups in the different Member States. To some extent the national history of migration is also reflected in the definitions used by the various Member States, their perception of problems and, last but not least, in the contributions to this volume.

In the Netherlands and the United Kingdom, the expression "ethnic minority" is explicitly used. In France, by contrast, for political reasons it is not used at all. In other Member States, the term ethnic minority is not used to denote immigrants or foreigners. In Austria it is only Roma and Sinti and small groups originating from neighbouring countries, but which

have Austrian citizenship, who are called ethnic minorities. In Finland only the Lapps and the Roma are considered to be ethnic minorities; this fact may not be used as an identifying characteristic in the statistics, however. In Sweden, too, immigrant groups do not constitute ethnic minorities; this concept is used exclusively for special native groups (e.g. Saame).

The data relating to these issues are neither complete nor consistent. Particularly difficult is the lack of precision that results from the fact that many data are available only on foreign nationals, and frequently only for the group as a whole. In German law, for example, a distinction is made between Germans and foreigners; no information is available on ethnic origin. Yet for the problem of labour market disadvantage, nationality is not a particularly clear criterion; moreover, there are very significant differences in naturalisation procedures between the Member States. Liberal naturalisation procedures in Sweden, for instance, do not mean that the labour market position of those acquiring Swedish citizenship is automatically the same as that of native Swedes. Differences in the procedures for naturalising second- or third-generation immigrants directly influence the proportion of foreigners in the total population but not necessarily their position on the labour market. An additional problem is that in almost all cases it is only legally resident foreigners who are incorporated into the analysis. A number of the national reports refer to the problem of illegal immigrants. In Greece, incidentally, the number of illegal immigrants is several times

1 By Frank Stille, Scientific Programme Manager of the European Employment Observatory (EEO).

2 Some of the material presented here has been made available to the European Commission (DG V) in advance, in preparation for a meeting of the European Labour Committee in May 1999.

higher than that of legal immigrants. In a number of other countries, too, illegal immigration is substantial.

One of the aims of these reports is to determine whether, and if so to what extent, *discrimination* against the groups under consideration can be identified. Immigrants/minorities are discriminated on the labour market vis-à-vis the native population if they face disadvantages in recruitment or during employment – for example in further training and promotion within the firm – in spite of having the same job-relevant characteristics, such as age, education and vocational skills. Statistically, it is frequently not easy to determine whether decisions made in these areas are discriminatory. It is frequently impossible to obtain quantitative information on the relevant factors (control variables). It is therefore not surprising that only a few reports explicitly speak of discrimination.

On the other hand, statistical analysis of the labour market position of immigrants/minorities runs the risk of producing distorted results. This is the case, for example, if there are substantial barriers to the employment of foreigners in the form of the requirements for a work permit, so that the statistical variables for this “positive” sample are more favourable than in the case of an unrestricted sample. For instance, in Austria both the unemployment rate and the average duration of unemployment of foreign women are lower than for Austrian women as a result of the legislation to which foreigners are subject, and the pressure emanating from it to take up work as quickly as possible. In Spain the participation rate among foreigners with a work permit is markedly higher than for the Spanish population (almost 80% compared with 50%) because of the need to have a work permit. The legal conditions relating to immigration and permission to work clearly show that discrimination is to be found not only in the jobsearch process and in employment but that it begins much earlier, in exclusion from employment by legal means.

Labour market status

Generally speaking, it can be assumed that calls for a labour market that is open to all and for greater integration of ethnic minorities in employment and labour market policy relate primarily to those foreigners who do not come from EU countries or from other similarly highly developed states, such as the EEA countries, Switzerland, the USA and Canada (*W-countries*). In the following, the term *R-countries* will be used to denote the group of other countries. While the labour market status of migrants from *W-countries* may in some cases also be lower than that of the native population, it is normally significantly higher than that of migrants originating from *R-countries*.

Of the EU Member States with a substantial foreign population, in Germany around two-thirds of the foreign population are from *R-countries*; they come mainly from the former Yugoslavia, Turkey and Central and Eastern Europe. In Austria as many as 86% of the foreign population come from *R-countries*. In Sweden more than half of the foreign residents are citizens of *R-countries*, of which almost 50% originate from Central and Eastern Europe. In France, too, almost half of the foreigners are from *R-countries*, in this case mostly North Africa and Turkey. In Belgium and the Netherlands around 40% come from *R-countries*: in Belgium, as in France, primarily from North Africa and Turkey; in the Netherlands, mostly from Asia, Turkey and Africa. The main sources of ethnic minorities in the case of the United Kingdom are the Indian sub-continent and the Caribbean.

Yet even in the Member States in which (legal) foreigners constitute a relatively small proportion of the population (around 2% or less: Greece, Spain, Italy, Portugal, Finland), some exhibit very high proportions from *R-countries*. This is true in Portugal and Italy, for instance. Luxembourg, on the other hand, is a totally different case in this sense, as foreigners account for 34% of the popu-

lation, and almost all (96%) come from other EU countries.

This introduction can provide only a very brief overview of some of the main characteristics of the labour market position of immigrant/minority groups. The following statements represent only averages, almost all of which require further elucidation and qualification. Broadly, the characteristics conform to the following pattern:

- The labour market problems of immigrants who have been resident in the host country for many years are often less serious than those facing recent immigrants. Normally, the latter are to be found at the very bottom of the hierarchy in terms of working conditions and pay. In almost all Member States it is clear which immigrant/ethnic group is at the bottom end of the ladder.
- It also consistently emerges that the second and third generation have better labour market chances than the first generation because of the education and training they have received in the host country. All the same, their position in education/training and labour market terms is on average less favourable than that of the same-age native population.
- The foreign population is in all countries younger than the native population.

In order to make it easier for the reader to delve further into the various statements that follow by referring to the various country reports, the abbreviation for the most relevant reports is given where appropriate.

The *participation rate* is consistently below that of the native population (except in countries where the data are affected by strict restrictions on access to the labour market).

The *employment rate* of immigrant/minority groups is normally below that of nationals; in France, however, it is somewhat higher among men. Often there are very considerable differences between the employment rates of different immigrant/minority groups (NL, UK).

Self-employment rates are lower than for the native population in almost all countries.

In terms of *qualifications*, too, there is almost always a marked difference between immigrant/minority groups and the domestic working population. They often have a lower level of formal education and exhibit higher drop-out rates in further training than comparable groups among the native workforce. Moreover, they normally participate in further training measures to a significantly less than proportional extent (F). Indeed, given their comparatively precarious labour market status, they may be precluded de facto from participating in further training measures altogether, as they would otherwise lose their job (A).

The *occupational structure* of the groups under consideration is in all countries concentrated to a far greater extent on unskilled and semi-skilled occupations than is the case for native workers. They are far more likely to be found in the blue-collar category (F) and are overrepresented in very simple or simple jobs (NL). Such jobs are, moreover, characterised by unpleasant working conditions (I), for instance in unpopular shift systems (B). In some countries, though, the occupational structures for the various minority groups differ widely (UK).

In many Member States immigrant employment is also heavily concentrated by *sector*. Alongside certain branches of the manufacturing industry (e.g. the iron and steel or textile industries) and construction, trade and "other services" are most frequently mentioned as the sectoral focus for immigrant employment; in "other services", most are employed in cleaning and personal care services and hotel and catering. Gender-specific and often also immigrant-group-specific sectoral concentrations can also be observed (E, F, UK). On top of this come regional concentrations (I, UK).

In many cases *job stability* for immigrant/minority groups is significantly less favourable than for the

native population. This is only partially explained by their relatively higher concentration in branches in which seasonal work is common and which are more cyclically sensitive (A). Immigrant/minority groups are far more likely to be employed under fixed-term contracts and/or are more frequently employed on shorter hours than host-country nationals (F).

In almost all countries the *unemployment rate* of immigrant/minority groups is higher, sometimes substantially so, than that of the native population. In some cases the official statistics fail to capture the full extent of the unemployment problem they face (I). Unemployment rates vary significantly between the various immigrant groups (NL, UK). In 1997 the unemployment rate in Germany was on average nine percentage points, and in France eight percentage points (1995), higher than the average figure. In the Netherlands the unemployment rate for those minorities at the very bottom of the hierarchy was many times higher than that of Dutch workers, in spite of lower participation rates. In Belgium, male foreigners are among the first to be made redundant from traditional industries undergoing restructuring; often, they lack the qualifications required to regain employment in expanding service industries. Consequently, they have fewer chances of re-employment than their Belgian counterparts. The Belgian report also refers to studies that have identified discrimination in the *recruitment process*. Discrimination takes forms such as the imposition of additional requirements, excuses ("the vacancy has already been filled") or a deterioration in working conditions.

In most countries the *wages* of immigrant/minority group workers, particularly of women, are lower, in some cases significantly lower, than for the equivalent host-country groups. In many countries there exists a more or less stable hierarchy in the wage level of the various immigrant groups (B, NL, UK). In northern Greece the incomes of immigrants, adjusted for

productivity differences, were just 4% below those of Greek workers in the mid-1990s. The wages of illegal immigrants, on the other hand, were 22% below those of Greek workers, again allowing for productivity differences. Most of them work in undefined or simple manual activity areas. At the start of the 1990s, Dutch workers earned 40% more than Moroccans and 38% more than Turks; although these differentials can largely be explained in terms of differences in education, training and work experience, discrimination also offers a partial explanation.

Analyses

A number of the reports point to the rejuvenation of the age structure of the overall population, which is usually associated with immigration. Although immigration can lead to problems for the host country in the short run, it has a positive effect on growth and employment in the longer term (D). The impact on domestic workers may take very different forms. In most cases unskilled native workers come under additional competitive pressure. Their wages are reduced slightly. The influx of immigrants can, however, slow down structural change, reducing the pressure for adjustment in structurally weak industries. Immigration can also lead to displacement effects, but they affect the domestic labour force less than they do foreign workers who have been living in the host country for an extended period: in some cases "established" foreign labour may be replaced by "cheaper" new arrivals (A). In Italy immigrants had scarcely entered into competition with Italian workers in the past, and had consequently had little influence on their employment and pay. This appears to have gradually changed, however. The main impact of immigration in Italy has been displacement effects in the unofficial sector similar to those just described; on the whole, the influx of (illegal) immigrants has been associated with an expansion of the unofficial sector.

In the United Kingdom the differences between the minority groups in terms of employment and under-employment are larger than those between any one of these groups and the white majority population. However, for those minorities at the bottom of the hierarchy – Pakistanis and Bangladeshis – it emerges that their unfavourable labour market position reflects not only differences in human capital, but also discrimination. Specifically, a “glass-ceiling” effect is identified for such minorities, a barrier which is not visible, but which relatively reliably prevents members of such groups from rising to high-status positions.

The Dutch report also attributes the relatively poor labour market position of ethnic minorities to direct and indirect discrimination; more important, however, is the accumulation of a lower educational level, inadequate command of the Dutch language and the lack of social networks in support of job search. Similar explanations are put forward by several of the other reports. The Swedish contribution points out that the immigrants’ lack of social networks may be the result of their encapsulated living environments. The Finnish report mentions a lack of cultural competence as an additional factor that constitutes disadvantage.

In France the “High Committee for Integration” concluded in 1998, on the basis of numerous studies, that discrimination continues to exist on the labour market, reflecting rising unemployment and increased xenophobia.

Several reports consider public attitudes towards immigrants (L, FIN), for such attitudes are an important factor determining how quickly the problems facing immigrant groups can be overcome through integration.

Measures

All the reports present and evaluate in detail the measures, particularly those of *active labour market policy*, that are being implemented with the

aim of overcoming disadvantage and discrimination. Two groups of measures can be distinguished:

- *General* labour market policy measures contain elements that are particularly appropriate to the problems facing immigrant/minority groups, and to which they have access. In a number of countries, however, there are restrictions on access by immigrants to certain general measures (E). Measures appropriate to the needs of the target groups under consideration are to be found in many active labour market policy programmes, both those geared to youth and to adults. In the latter case, most of the measures focus on re-integrating workers on the lowest rungs of the labour market ladder. Yet such measures might especially benefit those with relatively better qualifications over the relatively low-skilled, the category into which ethnic minorities tend to fall (NL, UK). In order to avoid this, a very explicit orientation towards minorities would need to be introduced into the corresponding measures.
- *Special* measures geared to the target groups under consideration have been set up in a number of countries, although not in others (A). In some cases there are multi-track measures for some immigrant/minority groups, such as refugees. In some Member States specific programmes have existed for decades (F), while in others they have (once again) become increasingly relevant in recent years (F, DK, I, NL, P). Measures geared specifically to the problems facing immigrant groups aim, for instance, to improve their language skills and vocational training, to facilitate self-employment, to enable young foreigners to overcome educational deficiencies, to provide guidance and assistance with jobsearch techniques, to train staff in placement agencies and to raise awareness among employers.

Unfortunately, no systematic monitoring geared to these groups exists

in most Member States, a weakness that needs to be overcome. In the UK, though, there exists a regular monitoring of ethnic minorities with respect to schemes such as work-based training. On the basis of such information, it is shown that training outcomes are generally worse and that the probability of achieving employment is lower for ethnic minority groups than for their white counterparts.

Apart from labour market policy, a number of other policy areas are discussed. Particularly relevant are anti-discrimination laws, which are in force in a number of Member States (DK, IRL, NL, FIN, S, UK). In Germany the ban on discrimination is enshrined in the Constitution and is explicitly mentioned in a number of important labour market laws, such as the law on collective agreements. In some Member States independent institutions have been created to back up the legal provisions. In Sweden, for example, an ombudsman for ethnic discrimination was appointed in 1986; in many other countries a variety of independent bodies to oversee the implementation of respective legislation have meanwhile been set up. In addition, in some Member States the social partners have reached agreement on special consideration for the problems facing minorities (NL, S, UK). Particularly well known in this context, for example, is the “ice-breaker” programme in Denmark. Last but not least, the numerous local initiatives and citizens’ groups against discrimination in some Member States should not go unmentioned.

The public debate

The public debate in the EU Member States is dominated by the problems considered most pressing in each case. By way of summary, the following general comments may offer some orientation:

- In Belgium and France one of the questions under discussion is what must be done in order to improve the situation, which remains unsat-

isfactory, despite all of the efforts that have been made. In both countries the debate focuses on intensifying the struggle against discrimination, although the means to this end that are currently under consideration vary considerably.

- In the United Kingdom, too, the continued existence of discrimination gives cause for concern, and proposals have been made for specific measures, ranging from stricter enforcement of the anti-discrimination laws, to measures against the "glass ceiling", to measures to reduce the degree of polarisation between the minority groups.
- In Greece demands have been made for steps to be taken against illegal immigration and the associated worsening of the situation in the areas of unofficial economic activity and crime. In Italy, where a new immigration law has come into force, demands focus on the need to reduce the extent of unofficial economic activity in order to reduce the incentives for illegal and covert immigration.
- In Spain and Austria, public debate focuses on the need to liberalise the legislation on integration and the status of foreigners, whereas in Spain proposals have also been put forward for cooperation with the immigrants' countries of origin. In Germany the public debate continues to focus on the question of naturalisation. Very recently, a law came into force, against bitter opposition, on dual citizenship for second-generation immigrants. The debate in Austria is dominated by the likely consequences for immigration of the accession of Eastern European countries to the EU.
- In Ireland and the Netherlands problems relating to asylum-seekers form an important part of the public debate. In Ireland the debate focuses on the question of working permits, while in the Netherlands the issue is how to reduce the number of asylum-seekers entering the country.
- In many Member States the problem of disadvantage is being discussed primarily with respect to intensifying efforts towards integration. In the Netherlands demands have been raised for, among other things, greater efforts in the area of education and training. Finland intends to focus on combating unemployment among immigrants, which is seen as the main reason for integration difficulties.

B Belgium

Introduction

In Belgium, 9% of the population are foreigners. The highest share of foreigners is found in the Brussels region (cf. Table 1).

About 61% of the foreigners, or 5.5% of the total population in Belgium, come from EU countries; 39% (or 3.5% of the total population) come from non-EU countries. Most of the latter are Moroccans or Turks (15% and 9% of all foreigners respectively). For more details, see Table 2.

In this context, it is important to stress the fact that migrants who are naturalised move from the category of "foreigners" to that of Belgians. In 1991, the number of naturalisations rose to 46,000; a new law had stipulated that youngsters of the third generation could automatically obtain Belgian nationality. In recent years, the number of naturalisations has remained constant at 26,000 per year. This means that the real number of ethnic minority groups is higher than the tables on foreigners reveal.

The age structure of the total population in Belgium (cf. Table 3) reveals that the Belgian population has a high proportion of people aged over 65 years (16%), whereas the population of non-EU foreigners shows a high rate of young people (32%).

The share of female non-EU foreigners is only 1.4%, indicating a very low employment rate for foreign women (Martens, 1995).

Employment patterns

As far as the *sectoral distribution* is concerned, foreign male workers are overrepresented in the secondary sec-

Table 1: Foreign population in Belgium and in the three regions, January 1996

	Flanders		Wallonia		Brussels		Belgium	
	Absolute number	%	Absolute number	%	Absolute number	%	Absolute number	%
Belgian population	5,596,928	95.2	2,970,144	89.6	666,206	70.3	9,233,278	91.0
Foreign population	283,429	4.8	344,424	10.4	281,916	29.7	909,769	9.0
Total population	5,880,357	100.0	3,314,568	100.0	948,122	100.0	10,143,047	100.0

Source: Nationaal Instituut voor de Statistiek (National Institute for Statistics), cited in Dewaele (1997).

Table 2: Type of foreign population in Belgium and in the three regions, January 1996

	Flanders		Wallonia		Brussels		Belgium	
	Absolute number	%	Absolute number	%	Absolute number	%	Absolute number	%
EU foreigners	153,091	54.0	266,483	77.4	134,943	47.9	554,417	60.9
Italians	24,502	8.6	156,490	45.4	29,664	10.5	210,656	23.2
Spaniards, Greeks	18,183	6.4	25,421	7.4	48,506	17.2	92,110	10.1
Non-EU foreigners	130,338	46.0	77,941	22.6	146,973	52.1	355,352	39.1
Moroccans	45,828	16.2	20,405	5.9	74,070	26.3	140,303	15.4
Turks	40,956	14.4	19,587	5.7	21,201	7.5	81,744	9.0
Refugees	5,349	1.9	5,882	1.7	9,858	3.5	21,134	2.3
Total	283,429	100.0	344,424	100.0	281,916	100.0	909,769	100.0

Source: Nationaal Instituut voor de Statistiek (National Institute for Statistics), cited in Dewaele (1997).

The labour market status of the various groups

Size

Table 4 indicates that the share of workers with a foreign nationality in the Belgian economy is rather limited: 5.2% for EU foreigners (compared with a population share of 5.5%), and only 2.1% for non-EU foreigners (compared with 3.5%).

Table 3: Age structure of the total population in Belgium, January 1993

	0-14 years		15-64 years		+65 years		Total	
	Absolute number	%	Absolute number	%	Absolute number	%	Absolute number	%
Belgians	1,653,687	18.0	6,024,619	65.8	1,480,748	16.2	9,159,056	100.0
EU foreigners	58,186	10.9	419,248	78.1	39,234	11.0	536,668	100.0
Non-EU foreigners	117,544	31.5	245,042	65.8	10,021	2.7	372,607	100.0

Source: Martens (1995).

Table 4: Foreign workers in total wage-earning working population, 1994

	Men		Women		Total	
	Absolute number	%	Absolute number	%	Absolute number	%
<i>EU foreigners</i>	103,113	5.9	51,449	4.1	154,562	5.2
Italy	44,437	2.5	18,734	1.5	63,171	2.1
France	21,413	1.2	11,638	0.9	33,051	1.1
Netherlands	12,078	0.7	5,459	0.4	17,537	0.6
Spain	10,560	0.6	6,192	0.5	16,752	0.6
Portugal	4,362	0.3	2,815	0.2	7,177	0.2
United Kingdom	3,252	0.2	2,026	0.2	5,278	0.2
Germany	3,142	0.2	1,970	0.2	5,112	0.2
Greece	2,416	0.1	1,398	0.1	3,859	0.1
<i>Non-EU foreigners</i>	45,458	2.6	17,091	1.4	62,549	2.1
Morocco	19,074	1.1	5,626	0.4	24,700	0.8
Turkey	11,678	0.7	4,534	0.4	16,212	0.5
Zaire	1,257	0.1	807	0.1	2,064	0.1
Algeria	1,286	0.1	461	0.0	1,747	0.1
Tunisia	1,127	0.1	277	0.0	1,404	0.0
Other	11,036	0.6	5,386	0.4	16,422	0.5
<i>Total foreign workers</i>	148,571	8.5	68,540	5.5	217,111	7.2
<i>Total workers</i>	1,743,594	100.0	1,252,632	100.0	2,996,226	100.0

Source: Federal Ministry of Employment and Labour.

Table 5: Sectoral distribution of foreign workers in comparison with total working population, 1994

	Men		Women		Total	
	Foreign	Total	Foreign	Total	Foreign	Total
Primary sector	0.1	0.8	0.1	0.4	0.1	0.7
Secondary sector	51.6	40.8	16.3	12.6	40.5	29.0
Tertiary sector	48.2	58.4	83.6	87.0	59.4	70.3
	100% = 148,571	100% = 1,743,594	100% = 68,540	100% = 1,252,632	100% = 217,111	100% = 2,996,226

Source: Federal Ministry of Employment and Labour.

Table 6: Foreigners in self-employment, 1991

	Absolute number	%
Belgians	430,340	89.4
Foreigners	51,023	10.6
EU foreigners	44,750	9.2
European, non-EU foreigners Union	1,587	0.3
Other	4,686	0.8
Total	481,363	100.0

Source: Feld & Biren (1994).

tor and underrepresented in the tertiary sector (cf. Table 5). The opposite is true for female workers. If we analyse more detailed figures, then we see that the concentration of foreign

male workers is highest in the metal and steel industry and lowest in transport and communications, banking and insurance, and other services. High concentrations of female foreign

workers are found in the hotel and restaurant sector and in cleaning services (Martens, 1995).

As is shown in Table 6, about 10.6% of all *self-employed* in Belgium have a foreign nationality, but only 1.1% have a non-European Union nationality. There is a strong concentration in the hotel and restaurant sector. There is also a geographical concentration around Brussels.

There are no overviews available concerning *occupational representation*. From different studies, we know that a majority of foreign workers are working as non- or low-qualified blue-collar workers. Relatively few of them work during the day or in a *working-time system* with two shifts. Mostly they can be found in systems with three or four shifts (e.g. Martens, 1995).

With respect to *wages*, an analysis of different studies indicates clearly that sex rather than nationality plays an important role. Within each gender group, it can however clearly be shown that there is an order of ranking between different nationalities. Table 7 shows that Turkish and Moroccan workers are definitely in the worse positions (Martens, 1995).

Unemployment patterns

As expected, the labour market situation for workers with a non-European Union nationality is worse than the average for foreign workers. Although workers with a non-European Union nationality have only a share of 2.1% in the total wage-earning working population, Table 8 indicates that their share in unemployment is 6.4%. This disproportion is smaller for EU foreigners: they represent 5.2% of the working population and 7.7% of unemployment.

It is not surprising to find that foreign non-EU workers are strongly overrepresented in unemployment. The unemployment rate for foreign workers is in general more than twice as high as that for Belgians, and *that ratio has been quite stable for the last 15 years*. So, on the one hand,

Table 7: Differences in average salary by sex and nationality

	Men	Women
Belgians	100% (= reference)	-15 to -40%
Neighbouring countries	+15 to -8%	-24%
Italians	+2% to -17%	
Spaniards, Greeks, Portuguese	+2% to -17%	-35%
Moroccans	+5% to -22%	-41% to -63%
Turkish	-5% to -26%	-44% to -60%

Source: Martens (1995).

Table 8: Foreign workers in total unemployment, June 1998

	Men		Women		Total	
	Absolute number	%	Absolute number	%	Absolute number	%
Belgians	180,990	82.9	244,082	88.2	425,072	85.8
Foreigners	37,356	17.1	32,710	11.8	70,066	14.2
EU foreigners	18,174	8.3	20,186	7.3	38,360	7.7
Non-EU foreigners	19,182	8.8	12,524	4.5	31,706	6.4
Total	218,346	100.0	276,792	100.0	495,138	100.0

Note: There are many definitions for unemployment. In this table, we restrict ourselves to those who are fully unemployed and are receiving an unemployment benefit.
Source: Rijksdienst voor Arbeidsvoorziening (Public Employment Service).

Table 9: Chance of being reemployed (after 18 months) after enterprise closure (coal mine in Limburg and Delacre biscuit factory in Vilvoorde)

	Coal mine	Biscuit factory
Belgian men	87%	96%
Belgian women		76%
Italian men	76%	
Moroccan men		50%
Moroccan women		40%
Turkish men	22%	

Sources: Denolf & Martens (1991); De Pauw & Martens (1995).

one can say that the situation has not deteriorated. On the other hand, this also means that all policies targeted to date at improving the situation of foreign workers have not been all that successful.

The qualification level of the unemployed has risen since 1972. A comparison between the qualification level of Belgians and foreigners reveals a tendency towards equalisation, although, generally speaking, the Belgian unemployed still dispose of a higher educational level (Martens, 1995).

There is little information available on the duration of unemployment for the ethnic minority groups. Studies dealing with Turkish and Mo-

roccan minorities indicate that more and more young Turkish and Moroccan unemployed have obtained Belgian nationality through the process of naturalisation. In Flanders, that figure was already 43% for men and 49% for women in 1997.

In the previous paragraphs, we have tried to demonstrate the weak labour market situation of foreigners, and especially of those with a non-EU nationality, on the basis of their share of total employment and unemployment in Belgium. However, the situation can also be illustrated on the basis of the chances of becoming reemployed after an enterprise closure. This situation is illustrated in Table 9.

After a closure, there are significant differences in the reemployment chances of Belgians and migrants. On the basis of two concrete closures, it can be concluded that the chances of Belgian workers are two to four times higher than those of their Moroccan or Turkish colleagues.

Conclusion

Considering the labour market status of foreigners in Belgium, it is obvious that – relative to their share in the total population – they are clearly underrepresented in the wage-earning working population and overrepresented in unemployment. The disproportion is largest for non-EU nationalities. Moreover, the small share of non-EU foreigners who do find work consists of non- or low-qualified workers employed in shift work and receiving a significantly lower wage than their Belgian colleagues. These findings indicate that non-EU foreigners have not yet been integrated into the labour market.

Furthermore, the extremely low reemployment chances of the employees of two really large enterprises – who all (both Belgians and foreigners) dispose of real work experience and have been judged suitable for employment – suggest the existence of important discriminatory practices towards non-EU foreigners (such as Moroccans and Turks).

Analysis

Root causes for the labour market status of the various groups

Causes relative to the demand side

Ethnic minority groups often work in specific sectors of the labour market. This is a consequence of the ways in which they were recruited some decades ago. Precisely these same sectors are nowadays under severe pressure: the closures of the mines have made thousands of foreign workers redundant and many of them have also been laid off in the steel sector.

It is widely acknowledged that workers on the “underside” of the labour market are extremely vulnerable: they are the first to suffer the consequences of recession, restructuring and redundancy. In new and expanding sectors – such as the sectors of communications, banking and insurance – the educational levels and skills do not correspond to what these workers have to offer (Dewaele, 1997). Despite their efforts, adult education and vocational training still fail to improve their situation significantly.

An international comparative study by the International Labour Office (DWTC, 1997) proves that even with the same qualifications and experience, there was visible discrimination between migrants and the Belgians at all stages of the recruitment process on the labour market. Discrimination was highest in Flanders at 39.2%; Brussels scores 34.1% and Wallonia 27.0%. This discrimination during the selection and recruitment process consisted specifically of a change in the recruitment procedure (supplementary requirements for migrants), of lies (“the recruitment has already taken place”), of the imposition of different – less attractive – labour conditions, or the adoption of specific attitudes (distant, disapproving or paternalistic).

Causes relative to the supply side

From the supply-side angle, the problem of the migrants is often related to a lack of educational qualifications or to qualifications that do not match those demanded. Despite their efforts, adult education and vocational training still fail to sufficiently rectify this situation. A second cause lies in the fact that many minority groups lack a thorough command of the French or Flemish language. Thirdly, it should be mentioned that, in contrast with many autochthons who find a suitable job via a social network – information and recommendations of friends, relatives or family – many migrants do not have relatives in Belgium (Dewaele, 1997).

Implications for other labour market participants

No empirical national studies have been found that deal with the concrete implications of migration for other labour market participants. However, there are two opposite theoretical attitudes (cf. Feld & Biren, 1994). The first – and more and more widespread hypothesis in Belgian public opinion – argues that migrants have negative consequences for the national labour force’s labour market in the sense that they “take their place” because they are cheaper. However, this view presupposes the existence of a fixed number of jobs at a given moment and a complete possibility of substitution between foreign and national workers. The second and opposite hypothesis, one of a static dual labour market, presupposes a full separation between the national and foreign labour force via a process of full segmentation of the labour market. In this view, the primary market would be reserved only for national workers, while the foreign workers would be employed in the – less attractive and less stable – secondary market.

Assessment of likely future trends

It is very hard to assess future trends of migrants in the Belgian labour market: on the one hand, the tolerance of a considerable part of the general public seems to be decreasing, while, on the other hand, considerable efforts are being made in recent years to upgrade and adjust the qualifications and skills of ethnic minority groups and to combat discrimination on the labour market. These efforts are presented in the next section.

Labour market policies

General policy

It is crucially important to stress the fact that Belgian policy towards migrants is essentially incorporated into a general policy towards weak groups on the labour market (and is thus not a categorical policy). Thus, migrants

can mainly benefit from general measures oriented towards low-qualified and long-term unemployed.

However, the Centre for Equal Opportunities in Brussels states that it is very difficult to evaluate general labour market policy measures for their concrete impact on minority groups. As a consequence, it is absolutely unclear whether general labour market policy measures reach these risk groups proportionally, and certainly nothing can be said in terms of effects, because no data are collected in a systematic way.

Specific policies

The very weak position of ethnic minority groups and recently arrived immigrants has been a political issue during recent years. Thus, many measures have been agreed on – both at federal and at regional level – but not all of them have been implemented. In the following, we will try to provide a short overview of the most important measures.

Federal level

The social partners agreed in 1998 in their national labour agreement to consider immigrants as a specific risk group. This means that on a sectoral level specific measures (such as training and employment) will be taken in favour of this group. In addition, the Belgian action plan for the European Employment Guidelines mentions migrants as a specific risk group in the chapter on “equal opportunities”.

Until recently, being Belgian was a prerequisite for obtaining a job in the public service. This situation has also changed because of European pressure. In general, all jobs are open to people with a European Union nationality, and some jobs are even open to people with a non-European Union nationality. Because this approach proved insufficient for recruiting a substantial number of women with a foreign nationality into the public service, it was agreed that following the affirmative actions the same kind of actions should be taken for non-European women. Until now,

this agreement has not yet been implemented. In 1997, there were 58,103 civil servants working in the federal administrative civil service. Only 116 of them were foreigners, of which no more than nine were non-EU foreigners (Vermeulen, 1997).

Recently, the National Labour Council has concluded a collective labour agreement which stipulates that employers may not discriminate on the base of colour, race or ethnic origin. This agreement is now enforceable by the labour court. However, the problem of the burden of proof is very important as regards this matter.

The Federation of Small Businesses, in cooperation with the Centre for Equal Opportunities, has founded a platform called "ethnic entrepreneurship". The purpose of the platform is to support the self-employment of ethnic minorities and recently arrived immigrants by providing training and counselling.

Regional level

At the Flemish level, the government and the social partners came to an agreement on 8 June 1998. The goal of this agreement was the realisation of a proportional and full participation of migrants in the public and private labour markets. An action plan with measurable targets will be formulated yearly. There are three domains:

- the expansion of employment possibilities for migrants through affirmative action plans in private firms and the public service;
- the struggle against discrimination through special training courses for public and private employment services;
- the improvement of the employability of migrants through training, counselling and work experience.

In Wallonia, six regional integration centres have been founded. Their goal is to improve the social integration of ethnic minorities and recently arrived immigrants. These centres will guide young unemployed from this group to the Walloon public employment services.

The public debate and conclusions

The public debate: voluntarism versus compulsion

The main issue is to decide whether labour market measures towards ethnic minority groups should remain on a voluntary basis or whether they should be made compulsory in order to achieve more success in the future.

A concrete example of this debate is provided by the discussion concerning the labour market programmes in Flanders. In 1991, a directive set a target norm of 4% of migrants in those programmes. As the share of migrants has remained constant at 2%, the question arises within the Permanent Workgroup on Risk Groups as to whether participation should be founded on legal premises, that is, should be made compulsory (Dewaele, 1997).

Some specialists (e.g. Martens, 1998) emphasise that concrete action should be taken in order to stop the systematic discrimination against minority ethnic groups, which leads to structural disproportions that entail forms of apartheid and that end with violence. Martens considers as a first step the Dutch example of a law implemented in 1994: all organisations (both private and public) must have a workforce which reflects the regional structure of the total population. The Dutch law proposes the norm of 4% for migrant workers.

Conclusions

The labour market situation of foreigners, and especially of the non-European Union minority groups (such as Moroccans and Turks), is weak. Their participation rates are low, and a large share is employed in low-skilled work with unattractive working-time arrangements and relatively low wages. Their high unemployment rates have not changed substantially during the last 15 years. This means that the policy towards migrants has either failed to improve

their situation or that it has succeeded in preventing even worse rates.

In recent years, new federal and regional (mostly mainstream labour market) policy measures have been taken by different actors – government, social partners and employment services – in order to strengthen the labour market position of minority groups. These measures concern both the supply side (such as adult education, vocational training and special guidance to the labour market) and the demand side (combating discrimination against foreign workers on the labour market). If these recent policy measures seem to be failing, it will have to be considered whether they should be made compulsory instead of remaining on a voluntary basis.

Jan Denys & Peter Simoens

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Denmark

Setting the scene

Compared to a number of other EU countries, Denmark has a very homogeneous population. Of the present Danish population of 5.3 million persons, only 277,000 persons or 5.2% are classified as immigrants. However, this figure has almost doubled in recent years (from 135,000 persons in 1980). Also, the composition of the group has changed. In 1980, the majority of immigrants were from other developed countries. Now there is almost an equal number of immigrants from developed and less developed countries. Though the absolute number of immigrants is still relatively low, the growth in the share of immigrants and especially the rising share of immigrants from less developed countries have put the question of ethnic minorities and immigrants on the top of the Danish political agenda in recent years.

The historical development

The homogeneity of the Danish population is caused by the absence of large-scale immigration during the last century. An impression is given in Table 1, which shows net immigration in ten-year intervals since 1901. Although the net figures could of course hide large gross movements of immigrants into the country, this is actually not the case. Net immigration increased somewhat only after 1960 as a result of a number of factors:

- an inflow of "guest workers" during the full employment period up to 1973;
- an inflow of political refugees which has increased in recent years;
- immigration of relatives of "guest workers" and political refugees, allowed by the rules regulating permanent visas granted on the basis of "family reunion".

The dramatic increase in net immigration from 1991 onwards is particularly noticeable.

Since 1973, only citizens from Nordic countries, the EU or Liechtenstein are allowed to stay permanently in Denmark without special permission. A permit to stay will normally be granted to political refugees or to relatives of persons living permanently in Denmark. In 1998, there were about 250,000 foreign citizens living in Denmark. Of these, 75,000 persons are from the Nordic countries, the EU and Northern America. Of the remainder (175,000 persons), about 63,000 persons are refugees (from Bosnia, Iran, Iraq, Somalia, etc.).

Ethnic minorities and immigrants

In many countries, one has to distinguish between ethnic minorities, on the one hand, and recently arrived immigrants, on the other. Due to the historical development described above, this is less relevant in the Danish case. One must only be aware of the fact that immigrants have to be divided into two groups: immigrants from developed countries and those

from less developed countries (see below). While immigrants from the developed countries are more similar to native Danes in most respects (labour market status, etc.), immigrants from less developed countries differ both with respect to a number of background factors (including skin colour, cultural tradition, religion and education) and with respect to their position in Danish society. In the remainder of this report, the terms "ethnic minority" and "immigrants or descendants of immigrants from less developed countries" will therefore for most practical purposes refer to the same group of individuals.

The demographics of ethnic minorities and immigrants

Only in recent years have statistical tools been developed which make it possible to describe the situation of different categories of immigrants in Danish society. A survey recently published by Statistics Denmark (Danmarks Statistik, 1998) divides the Danish population into the following three groups:

- *immigrants* are persons born abroad by parents who are either

Table 1: Net immigration 1901 to 1997 (all nationalities)

Years	Total net immigration during ten-year period	
	Absolute numbers	Percentage of population
1901-1910	-62,500	-2.6
1911-1920	200	0.0
1921-1930	-30,500	-0.9
1931-1940	22,000	0.6
1941-1950	-17,100	-0.4
1951-1960	-42,400	-1.0
1961-1970	27,300	0.6
1971-1980	26,100	0.5
1981-1990	42,700	0.8
1991-1997	101,100	2.0

Source: Author's calculations based on *Statistisk 50-årsoversigt*, Danmarks Statistik.

both foreign citizens or both born abroad;

- *descendants* of immigrants are persons born in Denmark to parents of whom neither is a Danish citizen born in Denmark;
- "*others*" are persons of whom one or both of the parents are Danish citizens born in Denmark; in the remainder of this report, this group will be labelled "native Danes".

In accordance with these definitions, on 1 January 1998 there were a total of 277,000 immigrants, 70,300 descendants and 4,947,800 "Others/native Danes" in Denmark, amounting to a total population of 5,294,900 persons. Table 2 presents further details, dividing the categories of immigrants and descendants into persons from developed and less developed countries. The more developed countries are: the USA, Canada, Japan, Australia, New Zealand and all European countries apart from Turkey, Cyprus and some parts of the former Soviet Union. Less developed countries are defined as all other countries.

A number of observations can be made with regard to Table 2:

- the number of immigrants and descendants from EU countries is almost stable;
- by contrast, the number of persons who immigrated from developed countries outside the EU has almost doubled; this mainly reflects a growth in the number of immigrants (political refugees) from the former Yugoslavia in recent years (from 6,100 persons in 1980 to 9,800 persons in 1995 and 31,600 in 1998);
- the number of immigrants from less developed countries has quadrupled between 1980 and 1998, and the number of descendants in 1998 is eight times the number of that in 1980; in 1998, the largest groups among the immigrants from less developed countries were from Somalia (9,900), Iraq (8,700), Iran (10,700), Lebanon (11,500), Pakistan (9,400) and Vietnam (7,900).

Table 2: Immigrants and descendants from 1 January 1980 to 1998

Persons from:	Immigrants			Descendants of immigrants		
	1980	1990	1998	1980	1990	1998
EU countries	59,500	56,700	64,800	6,400	5,800	7,300
More developed countries outside the EU	40,300	44,800	79,900	5,800	7,300	12,200
Total more developed countries	99,800	101,500	144,200	12,200	13,100	19,500
Less developed countries	34,900	79,600	132,600	6,100	20,300	50,800
Total	134,700	181,100	276,800	18,300	33,500	70,300
Total as share of population (%)	2.6	3.5	5.2	0.4	0.7	1.3

Source: Danmarks Statistik, 1998, Annex, Table 2.a.

As a result, in 1998 almost half of the immigrants and the vast majority of descendants are from less developed countries. Therefore, while both numbers are still small compared to the population as a whole, their dramatic relative change over the last decades has put the question of immigrants from less developed countries and ethnic minorities high on the Danish political agenda in recent years.

If one looks at forecasts for the demographic changes over the coming years, these changes will probably continue. Thus, Statistics Denmark forecasts that the total share of immigrants and descendants will increase from 6.4% of the population in 1997 to 13.7% in 2020. At the same time, the share of persons from less developed countries will increase from 3.3% in 1997 to 8.5% in 2020, thus

further eroding the picture of the Danes as being "more a tribe than a nation" (Danmarks Statistik, 1997).

Ethnic minorities and immigrants on the Danish labour market

As mentioned above, while immigrants from more developed countries are similar to native Danes in many respects, there are clear differences between these two groups, on the one hand, and the immigrants from less developed countries, on the other. The differences are also clear when we look at indicators of labour market status. Table 3 provides an overview.

As shown in Table 3, there are considerable differences to be noticed in the share of employed wage-earners as well as in the share of un-

Table 3: Immigrants and non-immigrants by socio-economic status, 1 January 1997 (in %)

	More developed countries			Less developed countries			Native Danes
	Immigrants	Descendants	All	Immigrants	Descendants	All	
Wage-earners	36.9	31.9	36.3	25.8	7.5	20.9	47.3
Self-employed	4.6	2.3	4.4	5.3	0.4	4.1	4.6
Unemployed	6.0	3.4	5.7	12.3	0.9	9.2	3.4
In workforce	47.5	37.5	46.4	43.4	8.8	34.1	55.2
Outside workforce	52.5	62.5	53.6	56.6	91.2	65.9	44.8
Total population	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Danmarks Statistik, 1998, Table 5.3.

employed. One also notes that the highest share of self-employed is found among the immigrants from less developed countries, reflecting the large number from this group active in small retail business.

Native Danes (cf. Table 4) have the highest participation rates of all groups, while the lowest is found among immigrants from less developed countries. One also notes that descendants of immigrants from more developed countries have participation rates not very different from those of native Danes.

These patterns of average participation rates to a large degree reflect the different age structures of the subgroups in Table 3. Thus, if one compares the participation rates in more detail, by age groups, one finds that the *descendants of immigrants* from both more developed and less developed countries have levels of participation rates closer to that of native Danes. By contrast, *immigrants* from both more developed countries and less developed countries show the same pattern for the age groups up to the mid-forties, but with participation rates some 30 percentage points lower than for the similar age groups of native Danes (Danmarks Statistik, 1998, p. 49).

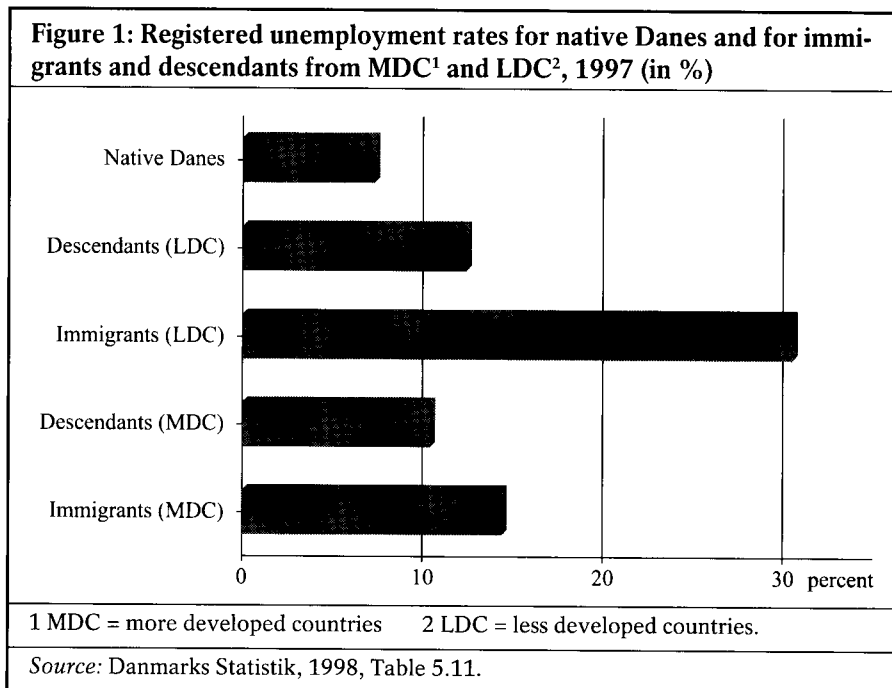
With regard to unemployment, Table 3 has already indicated that immigrants, especially those from less developed countries, have a higher risk of unemployment than native Danes. This fact is also reflected in Figure 1, which shows the standard measure of registered unemployment rates for native Danes, immigrants and descendants. Immigrants from less developed countries (LDCs), especially, have a very high rate of unemployment, but the unemployment rate for immigrants from more developed countries (MDCs) is also relatively high. This is mainly caused by high unemployment among the immigrants from non-EU European countries (e.g. Poland and the former Yugoslavia).

Figure 1 also shows that descendants of immigrants have an average rate of unemployment more similar

	Men	Women	All
Native Danes	81.7	72.9	77.4
More developed countries:			
Immigrants (all)	63.8	53.7	58.6
Immigrants from the EU	73.6	61.2	67.7
Descendants	77.3	72.9	75.2
Less developed countries:			
Immigrants	59.8	40.2	50.8
Descendants	58.7	53.0	56.0

Note: Participation rates are calculated as the number of persons in the workforce as a share of the total population aged 16–66 years.

Source: Danmarks Statistik, 1998, Table 5.1.



to the native Danes. This again to some extent reflects differences in age structure. Thus, unemployment among, for instance, young immigrants is lower than the average for the immigrant groups, but still much higher than the average for young native Danes.

Furthermore, when interpreting the data on unemployment rates in Figure 1, one must be aware of the fact that, while relative unemployment is high among the immigrant groups, especially those from less developed countries, the share of immigrants in total unemployment is still very low. Thus, in 1997, only 26,800 persons (or 12%) of the total of 219,000 registered unemployed were immigrants or descendants of

immigrants. The unemployed immigrants from less developed countries constituted only 8% of total registered unemployment in 1997.

A study from 1995 takes a closer look at the dynamics of integration and mobility among ethnic minorities during the period 1984–1991 (Hummelgaard et al., 1995). The analysis shows that the length of the period during which the immigrant has lived in Denmark is of great importance for his or her status on the labour market. Thus after one year, only 8% of the political refugees and 46% of other immigrants are part of the workforce. This difference might be caused by the fact that many immigrants already have family members in Denmark and therefore have

a social network to assist in the process of integration. After between two and four years, the participation rates increase to about one-third for political refugees and two-thirds for other immigrants.

With regard to a number of other indicators of labour market status, there are also notable differences between native Danes and immigrants, especially immigrants from less developed countries. Thus, immigrants generally have jobs of a lower status and pay than native Danes. Differences are also found in a number of other areas, including participation in education, housing situation, and so on (cf. Danmarks Statistik, 1998).

Existing policies and their impact

It follows from the description above that problems related to ethnic minority groups and recently arrived immigrants are rather new in Denmark. Furthermore, given the small share of the workforce belonging to this group, from a purely quantitative view they represent a minor problem on the labour market. This of course does not rule out the fact that problems related to ethnic minorities can have large political importance precisely because of the *visibility* of these groups in a society which has traditionally been – and in many respects still is – very homogeneous.

The existing policies can be grouped under three headings:

- legal measures against discrimination;
- assisting ethnic minorities as part of labour market policy (including the so-called ice-breaker scheme);
- special programmes for the integration of political refugees.

In the following sections, each of these policy areas is surveyed.

Legal measures against discrimination

By law, discrimination due to racial or ethnic origin with respect to employment and occupation is prohibit-

ed in Denmark (Act of 12 June 1996). This of course does not stop discrimination from actually taking place. But, as is well known from the economic literature on discrimination, it is difficult to assess empirically, for instance, whether the observed differences in income or unemployment rates between native Danes, immigrants and ethnic minorities are due to differences in qualifications and productivity or due to genuine discrimination by employers (or non-immigrant employees). However, as discussed further below, one of the rationales behind the policies targeted at improving the conditions for immigrants is that such discrimination actually takes place.

In order to provide advice on the question of discrimination and ethnic equality to the Danish parliament, administrative bodies and private organisations, a *Board for Ethnic Equality* was set up by law in 1993 (law revised in 1997). The board now consists of 17 members, half of whom come from ethnic minorities. The work of the Board involves combating both direct and indirect discrimination and keeping up to date with developments in society which have an impact on ethnic equality and the rights of minorities.

Immigrants and labour market policy

Immigrants and ethnic minorities have access to the same programmes and instruments of labour market policy as the rest of the population. For unemployed persons who are members of an unemployment insurance fund, this implies the right to unemployment benefits and participation in labour market programmes (as defined by the law on active labour market policy). Non-insured unemployed are the responsibility of the municipalities and may also take part in activation and other labour market programmes.

However, in recent years, a number of special initiatives have been taken in order to improve the situation of immigrants and ethnic

minorities within the framework of general labour market policy. During the period from 1992 to 1996, many of these initiatives took place within the framework of a so-called *action plan against (ethnic) barriers on the labour market* (Arbejdsministeriet, 1997). Since 1996, a number of these initiatives have been continued as part of the ongoing development of labour market policy (Arbejdsministeriet, 1998, Section 4.6). Thus, unemployed persons from ethnic minorities are often picked as one of the target groups for early activation programmes, and programmes are tailored in order to meet the special needs of this group. To some extent, these activities are financed by separate funds. Among the activities aimed at ethnic minorities are:

- special activities, including guidance, training, language courses, jobsearch activities, etc.;
- development of special tools, including language tests, teaching materials, etc.;
- information activities targeted at, for instance, local employers.

Recent reforms have put special emphasis on developing the language skills of the immigrants. In addition, training programmes are conducted for the staff of the Labour Offices and the Labour Market Training Centres. A network of special “ethnic consultants” has been developed.

The action plan against barriers on the labour market was based on two main explanations for the high unemployment rates among ethnic minorities. One explanation was their lack of qualifications – not only of basic vocational skills but also of cultural and social qualifications, for instance concerning their knowledge of Danish society in general. Lack of competence in the Danish language was a further problem. The other explanation pointed to the reluctance of employers to employ persons belonging to ethnic minorities.

The action plan consisted of a large number of activities, of which some were evaluated. Among the activities and evaluation results were (Arbejdsministeriet, 1998, Annex 2):

- Projects aimed at supporting mutual cultural exchange and untraditional educational activities: These activities were often successful but sometimes lacked integration with other labour market programmes. They are being continued as part of the activities of the regional labour market councils.
- Training of the staff at the Labour Offices and development of a special handbook on ethnic issues: Both these activities were successful and will be continued.
- Assistance with language interpretation during the first interviews with unemployed persons from ethnic minorities and during introductory courses: Pilot projects were successful and activities will continue.
- A number of pilot schemes aimed at developing and improving language training for ethnic minorities and immigrants: Some of these activities attempted to integrate language training with vocational training. The evaluation results showed that about 20% of the participants still were in open unemployment six to nine months after leaving the programme. Between 20% and 50% were in employment or self-employed, while the remainder were either in education or in some other labour market programme. The combined courses are now being continued as part of the ordinary activities of the labour market training and education centres.

Finally, emphasis was put on coordinating and integrating the different activities and programmes for ethnic minorities at the regional level as well as on integrating these activities into the overall planning process of the regional labour market councils.

In general, the labour market programmes for ethnic minorities and immigrants apply the same instruments as programmes targeted at other groups among the unemployed (within the framework of the law on active labour market policy). However, one measure – the so-called *ice-*

breaker scheme for ethnic minorities – is a special wage subsidy for which only persons belonging to ethnic minorities (defined as having Danish as their “second language”) are eligible. This scheme is an example of a number of targeted wage subsidies which are used to increase the employment opportunities of specific groups outside their normal field of employment. Another example is an ice-breaker scheme for academics in small private firms.

In the ice-breaker scheme for educated members of ethnic minorities, the participant must have been unemployed for at least five months during the preceding eight months and be eligible for unemployment benefits. The subsidy has a ceiling of DKK 11,000 per month and is calculated as 50% of the gross wage. It is paid for a maximum of six months. The employer must have no previous experience with employing ethnic minorities, and the future employment prospects must be positive (as judged by the regional labour market council). The scheme had a total volume of DKK 15 million and in its present form expired in 1998. The total number of participants was 141 to date. About two-thirds of the participants were engineers; one-third were from the Middle East; 60% had been educated in Denmark; and the average age was 38 years.

The ice-breaker scheme for ethnic minorities has recently been evaluated (Nellemann Konsulenterne, December 1998). The evaluation showed that two-thirds of the participants remained in employment after project end. This is in line with experiences from other ice-breaker schemes. Only one in five firms reported having problems with language or cultural barriers. The 20% of the participants who were women had more difficulties in gaining a foothold in the firms than the male participants.

Special programmes for political refugees

A special subgroup among the immigrants are political refugees, whose

number has increased dramatically in recent years, mainly because of an inflow of refugees from the former Yugoslavia. By 1 January 1997, 6,600 persons were registered as asylum-seekers in Denmark. In 1996, 8,700 persons were granted asylum in Denmark. The figure for 1997 is estimated to be 6,000 persons (Kommunernes Landsforening et al., 1997; Indenrigsministeriet, 1998).

A refugee granted asylum in Denmark previously underwent an integration programme of 18 months which was aimed at providing the necessary language and other skills to start employment or education in Denmark. The counties and a semi-private organisations were responsible for the integration programme.

During recent years, this integration scheme has come under severe criticism for being ineffective in giving the refugees the necessary qualifications to gain a foothold in the Danish labour market. Not surprisingly, some of the statistical data presented above have also played an important role in this debate.

A new integration scheme was launched on 1 January 1999 as part of a total reform of the policy on integrating refugees. This integration scheme has the following main components:

- All refugees and immigrants must take part in a *three-year full-time introductory programme* which involves language training and basic information about Danish society; the scheme must be supplemented by employment or activation.
- The *local authorities* (municipalities) are responsible for the integration programme; as part of the new policy, refugees are to be distributed evenly throughout Denmark (through a quota system), and the local authorities have an obligation to provide the necessary housing facilities; the individual refugee is not allowed to move during the integration programme.
- The newly arrived refugees are paid a *special monthly allowance*

of DKK 7,000 for persons with children and DKK 5,000 for single persons; the allowance is reduced if the person is not taking active part in the integration programme.

- A permanent permit to stay in Denmark is only granted to persons who, after three years, can document that their integration has been successful by having obtained the necessary language skills and by having no criminal record.

The number of persons expected to take part in this new programme during the coming three years is 3,000.

Perspectives

The situation of immigrants from less developed countries and ethnic minorities in Denmark is special because they are newcomers to a society which has for centuries developed a high level of ethnic, social and cultural homogeneity. While they represent only a small minority of the total population, they are highly visible in society.

Ethnic minorities, especially first-generation immigrants from less developed countries, have severe problems on the labour market. In general, these problems are dealt with within the overall framework of active labour market policy. However, a number of special programmes and schemes have been set up in order to deal with the specific problems of

ethnic minorities. One of these programmes, the so-called ice-breaker scheme, is unique to ethnic minorities, whereas the other programmes use the same instruments as other labour market programmes. From 1992–1996, a special action plan focused on the integration of ethnic minorities on the labour market. A number of positive experiences have been gained from these special pilot programmes, many of which are being continued as part of ordinary active labour market policy. Also the recent evaluation of the ice-breaker scheme for educated ethnic minorities has documented a number of positive results, for instance concerning the high share of participants who remained in employment afterwards.

For political refugees, a new three-year integration programme has just been launched which aims at giving these groups a better start in the labour market than did the previous programme lasting only for a year and a half. At the same time, much stricter demands are being made on the participants if they want to receive a permit to stay in Denmark permanently.

As shown by the demographic forecasts, persons of non-Danish origin will constitute a growing share of the population over the coming decades. On the one hand, this development poses a challenge related to the needs to integrate these groups into the Danish labour market and avoid the vari-

ous forms of discrimination already in existence. On the other hand, the new groups on the labour market also represent a useful inflow of young cohorts into the Danish labour force, where the age composition is changing and the problem of supporting the growing number of senior citizens will increase in the future.

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Germany

Introduction

Immigration is nothing new for post-war Germany. Since 1950, almost 30 million people have immigrated to the Federal Republic of Germany, not counting the large migration flows from the eastern to the western part during the immediate post-war period. With 21 million persons emigrating, a net immigration flow of 8.7 million resulted from cross-border movements, which is more than 10% of the population of today. Most of these immigrants were foreigners (6.6 million net immigration).

Migration is clearly related to changing political and economic conditions during the second half of this century. A wave of refugees brought 12 million people to the Western part of Germany immediately after the Second World War and during the 1950s. In the 1960s, favourable job opportunities attracted many people from Southern Europe and raised the share of foreign workers in the labour force to 12% (1973). In the second half of the 1980s, the political changes in Eastern Europe started a new immigration wave which created a net immigration flow of 5.8 million people up to 1997. This included the immigration of 2.4 million ethnic Germans, mainly from Eastern European countries, since 1985. Moreover, almost two million asylum-seekers and refugees have come to Germany since 1990, staying in the country for a limited period of time. During the 1990s, immigration has been driven by the push factors of various political and economic crises in many countries of the world rather than the pull factors of labour demand, which dominated immigration during the 1960s and 1970s.

Recently, the migration flows of foreigners appear to be more balanced; however, the political and

economic integration of the immigrants has become a matter of political controversy. The recent debate on naturalisation and the introduction of dual citizenship revealed controversial positions in the German public as regards the change towards a multicultural society.

Labour market status of foreigners and minority groups

Legal status

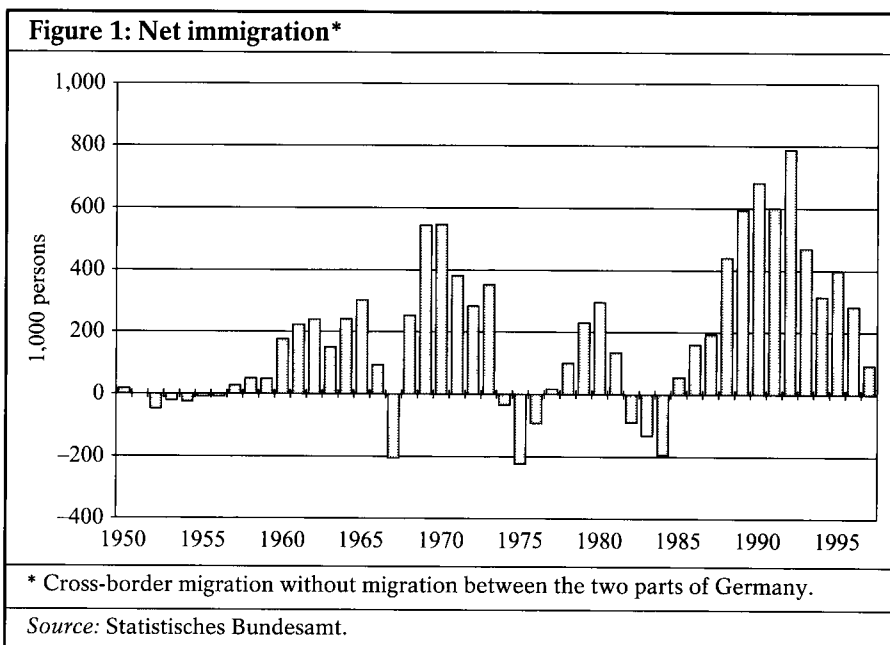
The constitution stipulates the prohibition of discrimination against foreigners in Article 3.I of the German *Grundgesetz* ("All men have equal rights"). Tariff law prohibits a differentiation of wages paid to foreigners and German nationals. Deviations from tariff wages are only allowed in favour of workers. Trade regulations are non-discriminating between foreigners and nationals, even if the preconditions for some occupations can hardly be achieved by foreigners. Labour promotion law, however, contains a preference for German

nationals. Work permits are only granted when national workers are not available for the job in question.

The regulation of the legal status of immigrants distinguishes between German nationals and foreigners, giving the former privileged rights regarding immigration and integrative support. Among foreign nationals, some groups are given preferential treatment as regards immigration: besides EU nationals, family members of foreigners living in Germany, members of specific occupations and asylum-seekers are given preference. The legal regulation of German nationality distinguishes between Germans and foreigners rather than between immigrants and residents. Thus, no official statistics are available on "foreign-born" people.

Population

7.4 million foreigners lived in Germany in 1997. This was a share of 8.9% of the total population. The foreign population comprises 2.5 million adult women, 3.3 million adult men and 1.6 million children



under 16 years. As Table 1 shows, the largest national groups came from Turkey (28% of all foreigners) and the former Yugoslavia (18%). The share of EU nationals was 25%. Non-European immigration is very small, and "post-colonial" immigration has no relevance for Germany. 1.5 million of the foreigners were born in Germany according to unofficial surveys (Zentralarchiv für empirische Sozialforschung, 1996). Due to the immigration wave of the late 1980s and early 1990s, 41% of the foreigners in 1993 stayed in Germany for not more than five years, 31% lived in Germany for between six and 19 years and 27% for 20 and more years. The age distribution of foreigners contains a much bigger share of young people than the age distribution of Germans: 41% of foreigners were younger than 25 and only 9% were over 55. The comparative figures for the German population were 27% for the young and 29% for older people. Educational levels appear to be significantly poorer for foreigners than for German nationals: 21% of the foreign population had no certificate of *Hauptschule* level (lower secondary school), in comparison to 8% of the German population. Only 9% had passed the *Abitur* (upper secondary leaving certificate), compared to 26% of Germans.

According to official population forecasts, a net increase of the foreign population in Germany by 3.8

Nationality	
Turkey	2,107
EU nationals	1,850
Former Yugoslavia	1,209
Asian countries	781
Central European countries	465
African countries	306
North America	194
Other countries	455
Total	7,366
<i>Source: Statistisches Bundesamt.</i>	

	Germans	Foreigners	Total	Foreigners (% of total)
	(in millions of persons)			
Labour force	36.7	3.6	40.3	8.9
Employment	32.9	2.9	35.8	8.1
Self-employed (incl. family workers)	3.3	0.3	3.5	9.4
White-collar workers (incl. civil servants)	18.6	0.8	19.4	4.1
Blue-collar workers	10.7	1.8	12.5	14.4
Unemployed	3.8	0.7	4.5	15.6
Non-working population	38.1	3.7	41.8	8.9
Total population	74.8	7.3	82.1	8.9
Participation rate	49.1	49.4	49.1	–
Male	57.1	59.5	57.4	–
Female	41.6	37.4	41.3	–
<i>Source: Statistisches Bundesamt (Mikrozensus).</i>				

million is expected by 2010. If the law on citizenship remains unchanged in comparison to the 1998 regulations, the share of foreigners will rise from 8.9% in 1997 to 13.7% in 2010. This will positively affect the age structure of the population in Germany. Without immigration, the average age of the population would increase from 39.5 years in 1995 to 46.4 years in 2020 (Deutscher Bundestag, 1998, p. 131). This would also affect the financial structure of the social security system. The prevalent pay-as-you-go system is strongly linked to the changes in the number of pensioners in relation to employment. Lower immigration would certainly raise the contribution rates.

Labour force

The constantly growing foreign labour force in Germany reached a volume of 3.6 million workers in 1997. The average participation rate of 59.5% for males was slightly higher than for German nationals. In contrast, the participation rate of foreign females was well below the rate for German females (37.4% compared to 41.6%). Most working foreigners were blue-collar workers. The share of foreigners in white-collar jobs and self-employment was well below the

average (Table 2). Moreover, the share of unemployed foreigners was almost double the share in the labour force.

Employment

During the past two decades, a high correlation of changes in employment and the migration of foreigners could be observed. In 1997, 1.2 million work permits were granted to non-EU nationals by the labour offices. This was close to the average of the previous three years. The employment figures for foreigners, however, continued to decrease in 1997. Two million workers were employed in the middle of 1997, which was 8.3% below the most recent peak of foreign employment in 1993. Foreign workers are mainly employed in the hotel and catering sector, cleaning and body care, foundries and the steel industry and other manufacturing sectors (Table 3). This confirms the picture received from other sources that foreign workers are generally employed in less qualified and less attractive jobs. Nevertheless, foreign workers are represented in almost all sectors and occupations. The second generation of immigrants seems to be able to enter more skilled jobs (Gornig et al., 1999).

Table 3: Foreign workers in selected sectors, western Germany, 1997 (in %)

Sector	Share*
Hotels and catering	29.9
Cleaning, body care	24.3
Foundries	22.6
Textile industries	17.0
Water transport	16.8
Plastics	15.6
Steel industries	15.4
Total average	9.1
* % share of employees covered by social security.	
Source: Bundesanstalt für Arbeit.	

Unemployment

The unemployment rates of foreigners are almost twice as high as those for German nationals (20.3% in 1998). This is partly due to the occupational and sectoral profile of their jobs, but also to the uncertainties during the first years of immigration. Three-quarters of the foreign unemployed are without vocational training (Germans: 32%). Unemployment is particularly high among Turkish workers, while it is rather low among workers from the former Yugoslavia. Long-term unemployment among foreigners is slightly less than for Germans (32% compared to 34%). Foreigners are generally characterised by significantly higher rates of job fluctuation than are German nationals.

Wages and incomes

The net household incomes of foreigners are in general lower than those of German nationals. The share of households earning less than DM 2,500 per month was 44% in 1997 – 8 percentage points higher than among Germans. Correspondingly, the share of households earning more than DM 4,000 was lower for foreigners (Figure 2). In addition, the size of foreign households is bigger on average. Calculating equivalence incomes, the relative income position of foreigners living in Western Germany was 85% in 1995, compared to 110% for Germans. Residents living

in the Eastern part of Germany achieved 80% of average incomes. The income position of recently immigrated ethnic Germans (*Spätaussiedler*) was 65%, those of asylum-seekers and refugees 45% (Frick & Wagner, 1996, p. 20).

Analysis

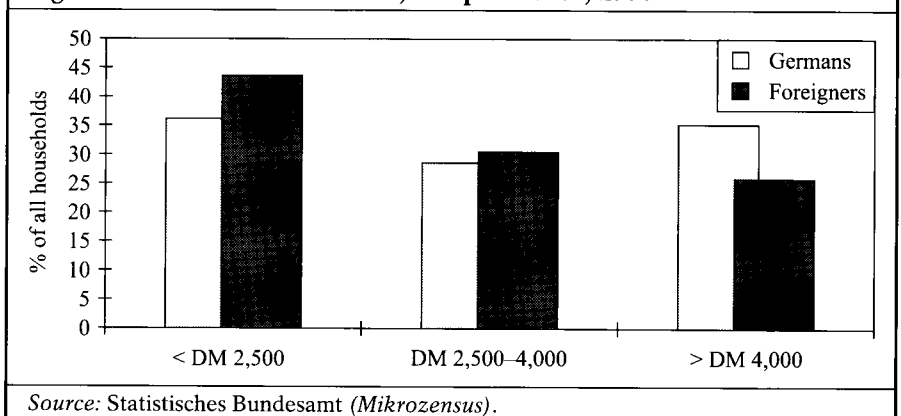
Economic growth and employment

Immigration leads to the expansion of labour supply, on the one hand, and to growing demand and supply in the economy, on the other. This is the common finding of various studies undertaken during the first half of the 1990s (e.g. Barabas et al., 1992; Koll et al., 1993). According to these studies, the expected immigration flow of three million persons over ten years until 2010 will lead to higher GDP growth rates and rising employment, but will leave the unemployment rate fairly unchanged. Neither the growth of wages nor average incomes are affected significantly by immigration. Social contribution rates are reduced. The positive effects are due to both the demand and the working potential of immigrants. The demand potential, on the one hand, is based on the expansion of consumer markets and the encouragement of investments in construction sites in particular. This can be used for growth if the economic integration of the immigrant population is successfully achieved. The positive selection of immigrant workers, on

the other hand, creates a working potential that contributes to productivity growth and to rapid integration. In the short run, however, immigration raises unemployment and public budget deficits. These results are confirmed by a variety of U.S. and European studies, even if no uniform evaluation of the macroeconomic effects of immigration can be discerned (Borjas, 1990; Zimmermann, 1993). The two studies mentioned above point to the redistribution effects of immigration rather than to the macroeffects: less qualified workers are affected more significantly by immigration than qualified workers. The thesis of weakening effects of immigration on innovation and productivity, however, is not confirmed. In contrast, immigration supported the relocation of German workers to highly productive activities.

Wages

Immigration affects residents' wages according to a recent study undertaken by Bauer (1997). The largest effect was observed for unskilled blue-collar workers, who are estimated to experience a wage reduction of 2.6% through a 10% increase in the foreign unskilled labour force. For skilled blue-collar workers, the effect is estimated at 0.7% and for white-collar workers at 1.8%. Moreover, there are cross elasticities between these groups. The results indicate that wage competition between immigrants and residents exists, but the effects are rather weak.

Figure 2: Net household income, DM per month, 1997

Earlier investigations of the income distribution for foreigners concluded that foreign workers in blue-collar jobs receive incomes comparable to Germans in the same position (Seifert, 1994). Wage discrimination was not observed. The analysis of income changes revealed a high income mobility for foreigners in both directions. Women, in particular, are among those who experience wage reductions. The second generation of foreigners, however, is able to escape from the lower income groups.

Occupational mobility

While the occupational mobility of German nationals is mainly directed towards white-collar jobs in the service sectors, mobility for the majority of foreigners is confined to blue-collar jobs. Second-generation workers have better career opportunities. However, white-collar positions are de facto not accessible to foreigners in general. Higher positions taken by foreigners are less stable (Seifert, 1994). Ethnic segmentation of the labour market was not discerned in the study by Seifert. Segmentation lines are also penetrable for foreigners. The high fluctuation of foreign employment in skilled jobs, in particular, indicates that foreign employment is also used as a cyclical buffer to adjust labour input. Stable jobs for foreigners are available in the low-skill area of the labour market where competition from German nationals is weak.

Labour market policy

In 1998, the Federal Ministry of Labour had a budget of EUR 44.5 million (DM 87 million) for policy measures to support immigrants and emigrants. The policy measures can be separated into three groups (Table 4). The major policy area is social and occupational integration of foreigners, accounting for a total share of 92% of the budget. Great parts of the money are spent on social care by charity institutions (*Freie Wohlfahrtspflege*) and on the promotion of language skills. 16% of the budget is

used for vocational training and preparation for the labour market entry of specific target groups.

The training programmes are targeted, for example, at young foreigners and women with specific training deficits (Werth, 1998):

- binational training programme in cooperation with Greece, Italy, Portugal, Spain and Turkey to increase the training participation of young foreigners;
- promotion of training in foreign enterprises in Germany;
- courses to remove educational deficits of young foreigners without general education grades;
- promotion of training of young women and recently immigrated women;
- social integration of women.

In addition to the integration programmes provided by the Bundesministerium für Arbeit und Sozialordnung, foreign workers are supported by the Labour Promotion Act. Special attention has been given to the integration of ethnic Germans. Many of these immigrants – the majority coming from the former Soviet Union – needed language training and continuing vocational training. Of the 107,500 immigrants in 1997, 60,000 received special language courses and 25,100 entered vocational training programmes. In addition, 27,700 foreigners started a training course. Financial support to the foreign population is provided on the basis of the Social Assistance Act (*Sozialhilfegesetz*). The statistics show that 24% of the recipients of social assistance in 1996 were foreigners.

The public debate and conclusions

It was not until the end of the 1990s that the political and scientific debate in Germany started to focus on the problem of cultural and ethnic minorities. Until now, integration policy was able to avoid a strong segmentation of the population as regards economic and social living con-

Table 4: Federal budget for integration of foreigners, 1998 (in %)

Policy measure	Share
Social and occupational integration	
Social care	41
Promotion of language skills	34
Vocational training	16
Integration of Germans and foreigners	2
Support for emigrants	5
Dissemination of information	2
Total	100
<i>Source: Bundesministerium für Arbeit und Sozialordnung.</i>	

ditions. International comparisons show that the disadvantages of immigrants are less pronounced in Germany than elsewhere. Wage tariffs and general anti-discrimination legislation create a barrier against ethnic exclusion. Nevertheless, there are disadvantages for foreigners as regards career opportunities, job conditions and unemployment risks. The labour market integration of the immigrating population follows a complementary rather than a competitive path, which means that immigrants use the chances less favoured by the resident population. This bears the risk of continuity and ethnic segmentation in the long run. Immigrants are competing with socially disadvantaged groups for jobs, lodging, transfer incomes, etc., and unemployment reinforces this conflict.

Empirical studies show that rising immigration has positively affected the attitudes of the Germans towards the foreign population. More people are maintaining personal contact with foreigners, and fewer people expect them to return to their home countries (Deutscher Bundestag, 1998, p. 834). However, not all foreigners are accepted to the same extent. There are stronger reservations against immigrants from Eastern Europe and – due to the large cultural and religious differences – people from Turkey. The latter have created an organised ethnic group based on

its size and the available infrastructure.

Integration policy has become a central political issue, and legal steps have been taken that mainly apply to immigrants' children born and living in Germany. They can apply for an additional German (second) citizenship, but have to opt for one citizenship before reaching the age of 23.

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Greece

Introduction

The immigration to Greece of people other than repatriating Greeks or those of Greek descent is a relatively new phenomenon, and for this reason there are no groups of settled immigrants that are considered to be ethnic minority groups. There are certain religious minority groups, but because religion is not supposed to be a distinguishing characteristic there are no separate data available about them.

Recently arrived immigrant workers could be classified into three main groups:

- immigrants with work permits, whose number ranges from 25,000 to 30,000, corresponding to 0.6% to 0.7% of the total labour force;
- immigrants of Greek descent with foreign nationality and usually limited knowledge of the Greek language. This group includes mainly (a) the Pontians, whose ancestors had lived in the area of Pontos (northeastern part of Asia Minor) for many centuries and later were forced to move to various parts of the former Soviet Union, and (b) ethnic Greeks who lived in the southern part of Albania. According to estimates, about 80,000 Pontians immigrated officially to Greece during the period 1987–1997 (Fakiolas, 1998). However, a considerable number of Pontians entered Greece on a tourist visa and stayed after its expiry. In early 1999, the total number of Pontians in Greece was estimated to be around 150,000. During the
- last few years, the flow of ethnic immigrants into Greece has declined sharply because those who wanted to migrate have already done so;
- immigrants who entered the country illegally or overstayed their visas are the largest, most visible and most extensively discussed group in the country. Their inflow took on enormous dimensions after the 1989–1990 collapse of the regimes in Eastern Europe and the former Soviet Union. At the beginning of 1998, it was estimated that there were between 400,000 and 500,000 illegal immigrants (O.A.E.D., 1998), corresponding to about 10% to 12% of the Greek labour force. According to unofficial estimates, around 6,000 undocumented immigrants are politi-

cal refugees. Half of these have applied for asylum.

On 1 January 1998, a regularisation programme was launched to provide temporary residence and work permits for undocumented immigrants who satisfied certain criteria. In the initial phase of the process, 373,000 persons were registered for participation (corresponding to about 9% of the Greek labour force). By the end of 1998, about 250,000 persons had submitted the required documents. The deadline for claims expires in the early months of 1999. It is expected that a considerable number of applicants will not be able to submit the required documents. Thus, the problems associated with the existence of undocumented immigrants will not be solved, particularly because an unknown number of them have not even registered.

Up to the beginning of 1998, there was no systematic information about the characteristics of illegal immigrants. The processing of a sample of 50,961 applications for a permit (it was not a representative sample) showed that 52.5% of the applicants came from Albania, 6.2% from Egypt, 5.9% from Bulgaria, 5.9% from Pakistan, 4.3% from Romania and the remainder from various other countries (National Employment Observatory, 1998). About 71% of the applicants were men, but the gender composition differed significantly for different nationalities.

The labour market status of the various groups

Information concerning the socio-economic characteristics and the labour market situation of immigrants is very limited. Whatever information exists comes from surveys conducted by non-government organisations and refers to particular cases.

The group of immigrants with work permits includes people of various ethnic and educational backgrounds whose employment conditions vary depending upon their particular characteristics. The largest share are employed in commerce,

hotels, catering and other services. About a quarter are employed in professional, administrative or managerial jobs, a quarter are merchants or sales workers, and about 30% are employed in manual jobs (Tables 1 and 2). According to estimates based on the results of a survey conducted in a region of northern Greece, the wages of documented immigrants were 16.9% below those of similarly skilled Greeks, while their productivity was about 13% lower (Lianos et al., 1996). Therefore, their productivity-adjusted wage levels were estimated to be around 4% lower than those of Greeks. Taking into account the difference in social security contributions, the cost of employing legal immigrants was estimated to be 15% lower than the cost of employing Greeks.¹

A survey of Pontian immigrants conducted in the early 1990s showed that their formal educational level

was relatively high. About 27% had degrees from tertiary educational institutions, and 36% had completed secondary education (Kassimati, 1992). However, it was found that about half of the economically active Pontians were unemployed and that two-thirds of the unemployed were women. Approximately 45% and 37% of the unemployed men and women, respectively, had completed secondary education. A relatively large share of the employed Pontians held jobs far below their educational level (Kassimati, 1992). About 79% were engaged as production and related workers, 9% as service workers and only 4.7% as professional and technical workers (Ragoussis, 1992).

¹ This and other estimates from the above study rely on certain assumptions and indirect calculations and therefore should be treated with caution.

Table 1: Employment of immigrants with work permits by Occupation, 1996

Occupation	Absolute number	Percentage
Professional, administrative and managerial staff	5,999	24.0
Clerical workers	5,152	20.6
Merchants and sales workers	6,357	25.5
Service workers	1,291	5.2
Agricultural workers	162	0.6
Production workers and technicians	3,027	12.1
Undetermined	2,980	12.0
Total	24,968	100.0

Source: Fakiolas (1998).

Table 2: Employment of immigrants with work permits by industry, 1996

Industry	Absolute number	Percentage
Agriculture and fisheries	1,262	5.1
Mining, quarrying	63	0.3
Manufacturing	2,627	10.5
Electricity, gas	36	0.1
Construction	1,430	5.7
Commerce, hotels, catering	7,262	29.1
Transport, communications	3,893	15.6
Banking, insurance	560	2.2
Other services	7,841	31.4
Total	24,968	100.0

Source: Fakiolas (1998).

Despite the government effort and the relatively high educational level of Pontians, they face serious problems on the labour market. This can be attributed to their limited knowledge of the language and institutions, the lack of a personal social network and the fact that their education and experience do not match well with western technology and methods of work.

The illegal immigrants are employed in the informal sector. They have a relatively high employment rate, but only a small proportion of them hold regular jobs or are fully employed. Most are employed in jobs that are below their educational level. These jobs usually are casual, part-time, seasonal, unpleasant or in isolated areas, and in general of the type that the local workers do not want.

In the survey covering immigrants in northern Greece, it was found that 72% of illegal immigrants residing on a permanent basis and 88% of those residing on a temporary basis were employed (Lianos et al., 1996). However, most of them had a part-time or occasional job. They had high mobility between jobs, but tended to stay in the same place. About 33% of them had technical training or formal education beyond the primary level, but only 7% were employed in skilled jobs.

The wages of illegal immigrants vary significantly across sectors. It was estimated that in northern Greece the wages of illegal immigrants were 45% below those of similarly skilled Greeks, while their productivity was 23% lower. Hence, the productivity-adjusted wages for illegal immigrants were lower by 22%. Taking social security contributions into account, the cost of employing illegal immigrants was estimated to be 60% lower than the cost of employing Greeks (Lianos et al., 1996).

Up until the initiation of the regularisation process, the fear of deportation made some illegal immigrants victims of exploitation or blackmail. On the basis of legislation introduced in 1991, the public administration offices and public or private organisa-

tions were obliged not to have any dealings with illegal immigrants. This meant that these immigrants could not have any legal protection or enjoy any benefits from existing institutions. Even if the employers paid social security contributions on their behalf, the illegal immigrants could not enjoy health coverage or other social security benefits.

The living conditions of most undocumented and, in certain cases, documented immigrants have been below acceptable levels. They live in crowded substandard dwellings and are isolated from the social life of the

country. A large number do not have their families with them or do not send their children to school.

Tables 3 and 4 present, by gender, the level of education and the occupation of a sample of illegal immigrants who applied for a work permit. The majority had secondary or higher education. The educational level of women was higher than that of men. About two-thirds of the men and 80% of the women were in occupations requiring little or no specialisation, while nearly 90% of the men and 83% of the women were below 45 years of age.

Table 3: Level of education of undocumented immigrants

Level of education	Total		Men		Women	
	Absolute number	%	Absolute number	%	Absolute number	%
Illiterate	1,502	3.0	1,221	3.3	279	1.9
Primary	13,378	26.2	10,350	28.4	2,992	20.8
Secondary	28,291	55.5	19,905	54.7	8,313	57.7
Tertiary	6,270	12.3	3,847	10.6	2,414	16.7
Not declared	1,520	3.0	1,080	3.0	421	2.9
Total	50,961	100.0	36,403	100.0	14,419	100.0

Source: National Employment Observatory (1998).

Table 4: Occupational structure of undocumented immigrants

Occupations	Total		Men		Women	
	Absolute number	%	Absolute number	%	Absolute number	%
Not declared	19,164	37.6	12,880	35.4	6,232	43.2
Non-specialised and manual workers	11,795	23.2	8,763	24.1	2,985	20.7
Service and sales workers	3,582	7.0	1,345	3.7	2,232	15.5
Agricultural workers	1,442	2.8	1,284	3.5	147	1.0
Specialised workers	9,663	19.0	8,994	24.7	652	4.5
Administrative and managerial staff	80	0.2	77	0.2	3	0.0
Professional and artistic staff	1,452	2.8	810	2.2	640	4.4
Technicians	1,880	3.7	816	2.2	1,062	7.4
Clerical workers	892	1.8	452	1.2	438	3.0
Workers using special machinery	1,011	2.0	982	2.7	28	0.2
Total	50,961	100.0	36,403	100.0	14,419	100.0

Source: National Employment Observatory (1998).

Analysis

The lack of systematic data prevents an analysis of the labour market situation of immigrants, the factors affecting it, and their impact on local labour markets. The existing scanty empirical evidence indicates that the immigrants are concentrated in manual non-specialised jobs and that their wages are lower compared to local levels.

Serious handicaps for most immigrants are the language deficiency, their insufficient knowledge of the institutions and other parameters of life in the country and the lack of a supporting personal network. Moreover, the education and training of many immigrants do not match well with prevailing technology and methods of work.

Due to the relatively high unemployment rate in the country, available jobs have been scarce, and usually the immigrants have to turn to jobs that the local workers do not want. One exception has been the construction industry, where immigrants have taken skilled jobs as well. In many cases, the risk of deportation has compelled illegal immigrants to stay in one place and take whatever jobs are available at wages below the minimum.

The large inflow of immigrants in the 1990s resulted in a considerable increase in the labour supply. However, because of the lack of data, it is impossible to assess the effects on wages and employment opportunities for local workers. Because the average cost of employing immigrants was considerably lower, one would expect significant substitution effects. According to the study for northern Greece – the single piece of empirical evidence in this regard – legal immigrants have not substituted Greeks (the net substitution was estimated to be only 0.5%), while illegal immigrants have substituted close to 5.8% of jobs held by Greeks (Lianos et al., 1996). The net substitution effects were found to be stronger in unskilled jobs, although a considerable number of the jobs carried out by im-

migrants would not have been taken by Greek workers. The substitution effects, but also the share of the work that would not have been done by local workers, were larger in agriculture and construction, where immigrants accounted for a considerable proportion of total employment.

The regularisation process is expected to improve the labour market situation of immigrants who obtain a work permit. However, because employers will have to pay minimum wages and social security contributions, the number of jobs offered to immigrants may decrease drastically, particularly if certain production activities become unprofitable. This may force immigrants to turn again to the informal sector and to jobs with below-minimum wages and no social security protection.

Migration and labour market policies

Greece, traditionally a country of emigration, has followed a very restrictive immigration policy. The massive influx of illegal immigrants in the 1990s found the country entirely unprepared for dealing with the issues and problems related to illegal immigration. Originally, it responded by deporting thousands of illegal immigrants, particularly Albanians, who soon re-entered the country by another route. It is estimated that around 1.2 million illegal immigrants were deported in the period 1990–1997.

Ethnic immigrants can benefit from existing active labour market programmes for disadvantaged groups. In addition, in order to promote their integration into economic and social life, special policies and programmes have been used, particularly in the case of Pontians. The latter are now considered to be repatriating Greeks and have become eligible for certain benefits from policies and programmes available to that group. The Pontians were able to obtain a repatriation visa from the Greek consulates in their countries of origin and thus did not need resi-

dence or work permits. They became eligible for social security benefits and were able to obtain Greek citizenship.

Among the measures for promoting the economic and social integration of ethnic immigrants, particularly of the Pontians, was the establishment of the “National Foundation for the Reception and Resettlement of Repatriating Greeks”. This organisation provided multifaceted assistance to Pontians, including free accommodation and food on arrival and for some time after, information, Greek language instruction, and an introduction to the history, structure and functioning of the Greek state. The Pontians were able to benefit from vocational training programmes (with a subsidy during the period of training) and subsidised employment or self-employment. Low-interest loans for buying land are also available to them.

Despite the above measures for the Pontians, the results have not been satisfactory. It has been suggested that more emphasis should be placed on specific programmes to upgrade their labour supply and on the provision of financial and technical assistance to aid entry into self-employment.

The immigrants of Greek descent from Albania enjoyed a favourable reception by Greek society and the government but face problems similar to those of the Pontians. They are concentrated in low-level jobs which in most cases are below their educational and skill levels. They are eligible for benefits from certain labour market programmes, but official activities have not been as extensive as in the case of Pontians because the policy is to encourage them to return to Albania. To provide incentives to that end, the government offers small grants to start new businesses in Albania and also subsidises investments contributing to the economic development of the regions in Albania where ethnic Greeks live.

So far the main measure to improve the situation of illegal immigrants is the regularisation pro-

gramme, which aims to promote their integration into the formal economy and the economic and social life of the country. Under this measure, a temporary residence and work permit called a "green card" will be provided to those meeting certain criteria related to local labour market needs, length of residence and steadiness of employment. This card will secure for the immigrants the same rights as those of Greek workers with regard to remuneration, conditions of work, social security coverage, etc. In order to obtain such a card, the applicants must have paid social security contributions for a minimum of 40 days of work paid at at least the minimum wage. The purpose of this provision is to secure the movement of immigrants from the informal to the formal economy. However, this measure does not ensure that they will not return to the informal economy after having obtained the green card.

The public debate and concluding remarks

The relatively large number of illegal immigrants and the systematic trafficking of new immigrants have caused serious concern and have become the subject of extensive public debate, particularly in relation to growing economic activity in the informal sector and the rapidly increasing crime rate. The regularisation process launched recently was a significant step towards a realistic migration policy. However, this is not sufficient. There is a need for a more comprehensive migration policy, which should include effective measures for the elimination of illegal immigration and the integration of documented migrants into the social and economic life of the country. Also, measures are needed to ensure that those who obtain the green card do not move again into the informal economy.

Considerable concern exists about the problem of dealing with the undocumented immigrants who will not obtain a green card and who are likely to try to stay in the country illegally, particularly those who did not register at all. It has become apparent that the problem of undocumented immigrants and their activities in the informal sector cannot be solved by the regularisation process. There is a need for further action. The difficulties that most immigrants face on the labour market and in becoming integrated into the economic and social life of the country are another source of public concern.

Because of the relatively high unemployment rate of the Greek labour force, positive discrimination measures in favour of immigrants do not seem to be a good proposition at the present time. However, this does not preclude the use of certain specific programmes for speeding up the economic and social integration of ethnic immigrants and for improving the situation of other immigrants with work permits. Some action in favour of the latter seems necessary in order to create incentives for them to stay in the formal economy.

Responding to the growing problems associated with illegal immigration, the government is preparing legislation for a new migration policy and a new administrative machinery to enforce it. A study prepared for this purpose by an interministerial committee underlines the need for more effective measures and policies against illegal immigration and makes specific recommendations in this regard. Serious concern is expressed in this study that, because of the position of the country and the shape of its borders, it will be very difficult to avoid illegal immigration and the problems associated with it.

In concluding this paper, it is important to point to the pressing need for closing the existing information gap in terms of the characteristics and labour

market status of the immigrants in the country, the extent to which they replace local labour and the degree to which they are treated differently. In order to be able to formulate and implement an effective migration policy, the government must have considerable information in this regard.

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Spain

Introduction

Spain, it can be argued, is still a country of "recent immigration". The amount of migratory flows, but most certainly the stocks of immigrants, are small relative to the other countries of the European Union. Immigration policies in Spain are based on specific legislation: Law 7/1995 on the rights and liberties of foreigners in Spain, expanded by its execution code of 1996. It should be stressed that this legal framework is discriminatory in terms of labour market conditions: there is a difference in treatment vis-à-vis the natives as regards access to employment, and occupational segregation is fostered.

Official data by the Home Ministry, which refer to residence permits, report 609,813 foreign residents in Spain as of 31 December 1997. Of these, 54.5% belonged to the so-called "Community Regime", covering nationals from other countries in the European Union and those from

countries outside the European Union but integrated in the European Economic Area, as well as foreign relatives of Spanish citizens, while the remaining 45.5% belong to the "General Regime". Of these 277,255 people, 52,936 were not of working age, that is, they were either under 16 or over 65; thus, the basic reference figure is 224,319 non-EU residents of working age. This amounts to 0.75% of all residents of working age.

Every non-EU resident living in Spain needs a "residence permit". Not all migrants come with the aim of working, although the percentage who do is high (78.5%, 34.6% of whom are women). Every non-EU resident who wants to work needs a "work permit", whether as a self-employed or dependent worker. Most frequent is the so-called "initial type b" permit for no longer than one year, which can be renewed if certain requirements are met. It is important to mention that the kind of

permit granted can influence job stability.

Table 1 presents the breakdown of these immigrants by country of origin. Morocco, with a share of almost one-third, is the country with the largest presence. Other countries with a significant share are, in descending order, Peru, the Dominican Republic, China, the Philippines, Argentina, Colombia, Senegal, Gambia, India, Poland and Algeria. The countries with the highest proportion of women are the Dominican Republic, Colombia, the Philippines and Peru, and those with the lowest female share are Gambia, Senegal and Algeria. Women represent 44.1% of immigrants covered by the General Regime.

The labour market status of the various groups

Assuming that all legal immigrants of working age were willing to work, the non-EU labour force would be equal to the potentially active population, that is, 224,319 people. Considering that the number of work permits (EU nationals are not required to hold such a permit) was, at the same date, 176,022, and assuming that all holders were at work, the employment ratio would be 78.5%. However, it is more realistic to assume that not all legal immigrants of working age are willing to work and that not all those with work permits actually have a job. It would thus be more realistic to assume that the actual labour force is equal to the number of people holding work permits, that is, 176,022 people, so that the ratio of 78.5% can be more safely interpreted as a labour force participation ratio (or activity rate) and not an employment ratio. This rate is much higher than the average participation rate for the Spanish population as a whole, implying that immi-

Table 1: Non-community residents of working age and work permits valid as of 31 December 1997

Country of origin	Legal residents 16-64 years old	Work permits granted	% permits granted to women
Morocco	79,344	67,744	16.8
Peru	16,505	14,656	65.8
Dominican Republic	13,117	12,139	85.2
China	12,401	9,075	31.7
Philippines	8,637	8,183	66.0
Argentina	8,240	6,582	36.7
Colombia	4,801	3,727	67.6
Senegal	4,663	4,184	6.6
Gambia	4,211	3,194	2.7
India	4,176	2,473	13.5
Poland	4,162	3,524	32.1
Algeria	4,107	3,651	7.0
Other non-EU countries	59,955	36,890	38.6
Total	224,319	176,022	34.6

Sources: Memoria anual de la Comisaría General de Extranjería y Documentación (1997); Anuario de Estadísticas Laborales y de Asuntos Sociales (1997); OPI, No. 1 (August 1998).

gration into Spain is to a large extent related to labour market activities.

The numbers above hide a significant variety of situations, because there are large differences between the various countries of origin as well as between genders. Thus, the activity rate, as defined above, varies between the different countries of origin, although the differences are not so large: among the countries with rates below the average, India, China, Gambia and Colombia are worth mentioning. However, as can be seen in Table 2, the differences in terms of female activity rates are much greater, varying from a rate of 5.3% for females from Gambia to 88% for those from the Dominican Republic.

We are faced here with a first limitation of any analysis of the immigrant population because the real number of people with a job is unknown, the only information available being that related to the number of work permits awarded. The industrial breakdown of these permits, however, is known: 78% of all new work permits granted in 1997 (86,841 permits) are concentrated in five industries:

- 32.0% in households employing domestic servants;
- 20.6% in agriculture and related activities;
- 11.0% in hotels and restaurants;
- 8.2% in construction;
- 6.2% in retail trade and domestic repairs.

Since 1991, the permit share of these five industries has increased steadily

Country of origin	Total activity rate	Female activity rate
Morocco	85.4	35.7
Peru	88.8	80.9
Dominican Republic	92.5	87.9
China	73.2	42.5
Philippines	94.7	85.7
Argentina	79.9	51.0
Colombia	77.6	67.4
Senegal	89.7	29.1
Gambia	75.8	5.3
India	59.2	12.7
Poland	84.7	54.3
Algeria	88.9	29.5
Other non-EU countries	61.5	38.5
Total	78.5	49.8
Spain	49.8	37.5

Sources: Memoria anual de la Comisaría General de Extranjería y Documentación (1997); Anuario de Estadísticas Laborales y de Asuntos Sociales (1997); OPI, No. 2 (August 1998).

(Table 3), indicating a progressive specialisation of the immigrant labour force. In addition, this specialisation in terms of economic activity goes hand in hand with a specialisation by continents of origin (Table 4). Specially relevant is the domestic service sector for immigrant women from Central and South America, as well as for those from Asia. It should be mentioned, however, that this specialisation by continent is heavily influenced by other factors, most of all the informal network to which immigrants tend to resort when deciding on emigration (relatives or friends who are already in Spain and work in a specific industry).

Another official source of information is the social security system, which reports on the number of foreigners contributing to social security as active workers. Out of somewhat over 300,000 people as of 3 January 1998, 199,602 are non-EU citizens, although no distinction can be made here between the General and the Community Regimes mentioned above. This explains why the number of people registered with the social security office is higher than the number of work permits outstanding. In addition, some 62,000 are Spanish citizens, although they cannot be identified. As Table 5 clearly shows, Moroccan citizens

Industries	1991 ¹	1992	1993	1994	1995	1996	1997 ²
Domestic service	20,192	16,261	15,206	17,775	25,702	34,480	27,797
Agriculture	12,693	10,609	12,062	11,234	17,986	25,058	17,864
Hotels & restaurants	16,262	11,693	13,218	11,368	11,397	14,369	9,588
Construction	15,683	13,497	12,566	9,373	10,411	12,188	7,161
Retail trade	9,900	10,814	8,767	8,249	8,004	9,265	5,373
% over total permits	59.2%	66.2%	65.9%	65.4%	73.2%	75.4%	78%
Total permits	126,140	94,955	93,696	88,620	100,290	126,407	86,841

1 Figures for 1991 include work permits granted to EU residents, for a total of 15,123.
2 Figures for 1997 are provisional.

Source: Boletín de Estadísticas Laborales, No. 152, June 1998.

Table 4: Foreign workers with a valid work permit as of 31 December 1997, by industry and continent of origin

Origin	Agriculture	Manufacturing	Construction	Services	Other	Total
Europe	496	949	1,572	6,523	164	9,704
Africa	29,864	7,472	11,521	31,664	4,940	85,461
North America	23	383	25	1,970	50	2,451
Central and South America	558	2,451	2,275	46,335	688	52,307
Asia	326	1,110	251	23,745	328	25,760
Oceania	3	19	2	110	2	136
Stateless	12	19	23	145	4	203
Total (%)	31,282 (17.8%)	12,403 (7%)	15,669 (8.9%)	110,492 (62.8%)	6,176 (3.5%)	176,022 (100%)

Source: Anuario de Estadísticas Laborales y de Asuntos Sociales (1997).

show the highest number of registrations. As for the distribution among the various social security regimes, foreign persons registered with the social security system only have a significant weight in the Special Domestic Workers Regime, representing 22% of those registered under that regime. As for the other regimes, their relative importance is lower: somewhat below 4% in coal mining, 3.3% in the Special Agricultural Regime, 2.2% in the Self-Employed Regimes and 1.6% in the

General Regime, covering all other workers (except public servants).

The flaws of the official statistics become fully relevant when attention is drawn to labour market variables: no information exists on illegal immigration, and no data are available on skills, unemployment, employment duration, wages or working conditions. The only source of information which can be used as a proxy measure of some of these variables is the Labour Force Survey (EPA), although it is known that this

Table 5: Number of foreign workers registered in the social security system by country of origin as of 3 January 1998

Origin	Number of workers registered	% female
Morocco	47,046	15.9
Peru	9,069	62.6
Dominican Republic	7,554	84.1
China	6,292	29.4
Philippines	5,664	66.4
Argentina	4,652	35.8
Colombia	2,587	66.5
Senegal	2,659	7.5
Gambia	1,695	4.0
India	1,718	15.8
Poland	2,275	32.9
Algeria	2,527	7.4
Other non-EU countries	105,864	28.3
Total	199,602	38.6
% of all	1.5%	1.6%

Source: Tesorería General de la Seguridad Social-Gerencia de Informática de la Seguridad Social. In: OPI, No. 3 (November 1998).

survey grossly underestimates the volume of immigrants. The information provided by the EPA, corresponding to the second quarter of 1997, is summarised in Tables 6 and 7. The following conclusions can be drawn from these tables:

- The structure of qualifications shows that a large share of immigrants from China, Morocco and India appear in the category "without formal qualifications", whereas those from Peru, Colombia, Argentina and the Philippines show a large share of university graduates. On the whole, the immigrant population is a little more educated than the Spanish labour force, especially regarding the relatively higher proportion of university graduates among them (16% versus 10.3%).
- As for the labour market situation, the highest unemployment-population ratios are found among those from Algeria, Peru, Colombia, Poland and Morocco. The unemployment-population ratio is higher among immigrants than for the Spanish population as a whole, and despite the higher employment-population ratio, the standard unemployment rate is also higher (21.9% as compared to the Spanish average of 20.9% in the second quarter of 1997).
- Similar to what the official registration data show, there is a clear specialisation by industry for the different country origins. The three African countries thus appear to specialise in agriculture; the Philippines, the Dominican Republic, Colombia and Peru are more prevalent in the domestic service sector; those from China all work in restaurants; those from Algeria and India work in the retail trade; finally, those from Gambia are to a large extent employed in heavy manufacturing, although this industry is not significant for immigrants overall (only 6.4% work there). Comparing immigrants as a whole with the total employed population in Spain, their higher presence in agricul-

ture, construction, restaurants and domestic service is to be noted.

- Finally, as regards working conditions, as measured by working hours, the EPA data indicate that almost 50% of those from the Philippines and from Colombia

work more than 50 hours per week. Those from Algeria and Morocco also show a high proportion of workers with a working week longer than 50 hours: 25% and 23%, respectively. To provide a reference, the proportion

for the whole employed population is only 7%. Considering the proportion of fixed-term workers, the results also show higher proportions for immigrants than the average for the employed population as a whole (34%): those from

Table 6: Foreign residents in Spain by level of education and labour market situation, 1997 (second quarter)

Origin	Number of residents	Level of education (%)				Labour market situation (%)			
		No qualifications	Primary level	Secondary level	University	Employed	First-time jobseeker	Unemployed with job experience	Inactive
Morocco	28,800	34.9	39.4	22.8	2.8	51.7	2.4	13.5	32.3
Peru	8,900	2.2	16.7	37.8	43.3	60.7	-	21.3	18.0
Dominican Republic	7,400	9.3	28.0	62.7	-	69.9	-	15.1	15.1
China	2,700	37.0	59.3	3.7	-	44.4	-	-	55.6
Philippines	2,400	-	20.8	54.2	25.0	95.8	-	-	4.2
Argentina	7,000	-	11.4	61.4	27.1	46.5	-	5.6	47.9
Colombia	2,200	-	13.0	52.2	34.8	13.6	4.5	13.6	68.2
Senegal	1,300	-	15.4	84.6	-	69.2	-	-	30.8
Gambia	1,800	11.1	88.9	-	-	32.4	-	11.8	5.9
India	2,400	33.3	20.8	29.2	16.7	41.7	-	-	58.3
Poland	2,500	-	-	84.0	16.0	40.0	-	16.0	44.0
Algeria	3,300	-	45.5	42.4	12.1	39.4	15.2	21.2	24.2
Other	34,500	-	-	-	-	-	-	-	-
Total	105,200	14.4	26.1	43.3	16.1	50.0	1.5	12.5	35.9
Spain	32,320,000	17.3	31.2	41.3	10.3	39.4	2.4	8.0	50.2

Source: Instituto Nacional de Estadística (INE): *Encuesta de población activa*, second quarter of 1997.

Table 7: Foreign workers by industry, 1997 (second quarter) (in %)

Origin	Agriculture	Light manufacturing	Heavy manufacturing	Construction	Trade	Restaurants	Domestic services	Other services
Morocco	18.0	6.0	5.3	24.0	22.7	4.0	12.0	8.0
Peru			9.1		18.2	27.3	34.5	10.9
Dominican Republic			1.9		9.6	3.8	84.6	
China						100		
Philippines						13.0	87.0	
Argentina			12.1	30.3		6.1	3.0	48.5
Colombia							50.0	50.0
Senegal	50.0			30.0				20.0
Gambia	26.7	26.7	46.7					
India					40.0	30.0		30.0
Poland		10.0	10.0	10.0		20.0	10.0	40.0
Algeria		33.3		8.3	50.0			8.3
Other	-	-	-	-	-	-	-	-
Total	10.0	3.8	6.4	13.6	11.9	14.6	21.9	17.8
Spain	8.3	7.7	12.3	9.9	16.7	6.2	2.6	36.4

Source: Instituto Nacional de Estadística (INE): *Encuesta de población activa*, second quarter of 1997.

Colombia reach a full 100% of fixed-term workers; those from the African continent also show extremely high proportions with 93% for those from Gambia, 80% for those from Senegal, 70% for the Algerians and 69% for the Moroccans.

Analysis

The analysis and interpretation of the data presented above suggest the following conclusions:

- Non-EU foreigners show labour market participation rates which are higher than those of the native population.
- Immigrants work in very specific industries characterised, in general, by their comparatively bad working conditions. These are industries which have little by little been "rejected" by the native workers, although not to the point of totally abandoning them (which is understandable, given the still low numbers of immigrants residing in Spain). Domestic service is a clear example in this respect: immigrant groups with a high rate of women, such as those from the Dominican Republic, Colombia, Peru and the Philippines, are almost entirely concentrated in this sector, despite their relatively high qualifications. These workers have to endure high proportions of temporary contracts, longer working hours and higher unemployment rates. This occupation is less and less attractive for young Spanish women, who tend to prefer to work elsewhere or not to work rather than accepting such menial jobs. Another example is provided by some agricultural occupations in Andalusia, the region with the highest unemployment rate in Spain. Despite this fact, these occupations are not accepted by the native workers because of the hard working conditions and low pay that they entail. It should also be mentioned that many of these jobs are filled by illegal immigrants, who are also preferred

in some cases by employers because they are more willing to accept working conditions which the native or the legal immigrants would consider demeaning.

- As already shown, there is a clear specialisation in occupations on the basis of country of origin.
- One of the groups with a very bad labour market situation are the African immigrants, who are forced to work as seasonal workers in agriculture and construction. Part of the explanation could be related to their lower qualifications and skills, but discrimination on the demand side, not only in the entry process but also as regards upward mobility and working conditions, is also a significant factor, as shown by Colectivo IOE (1998) for the case of the Moroccans in construction. In this case, a positive discrimination in entry was observed, only to exert a negative discrimination afterwards (in terms of wages, working hours and upward mobility).
- It seems obvious that for those immigrants who lack a work permit, the only alternative is to work in the underground economy, that is, without a contract and without being registered with the social security system. A recent study (Carasco, 1998) estimates the number of immigrants without work permits to be 50,000.

Labour market policies

Labour market policies and discrimination

- In terms of active labour market policies: the benefits derived from employment promotion programmes are not available for some kinds of work permits, foreigners are not allowed to work in the public sector, and the vocational training courses specifically designed for immigrants, included in 1991 in the National Plan for Vocational Training and Labour Market Integration (known as "Plan FIP"), are sparse compared to those devised for other groups.

- In terms of passive policies: given that insurance-based unemployment benefits require at least one year of contribution, and given the short duration of most work permits and labour contracts, most immigrants are not able to gain access to these benefits. In addition, non-EU foreigners have no right to the assistance unemployment benefits.

However, despite these shortcomings, it should be mentioned that the labour code (the Workers' Statute) is to be generally applied to all employment contracts, independent of the citizenship of the worker involved.

Integration policies

With the objective of promoting the social integration of immigrants, in 1994 the government enacted the Plan for the Social Integration of Immigrants. The labour-market-related proposals included in this plan are the following:

- implementing actions aimed at vocational orientation and training;
- access to publicly funded employment programmes for permanently established immigrants;
- fostering collective bargaining in those sectors where the presence of immigrants is most significant;
- supporting SMEs and local governments so that they can provide adequate shelter for seasonal immigrants;
- access of legal immigrants to social welfare benefits;
- greater attention by the public social welfare system to specific groups of immigrants, and in particular to children, young people and women.

In order to operationalise this "declaration of intentions", two instruments were established: the Forum for the Integration of Immigrants and the Permanent Observatory on Immigration. In October 1998, the Forum passed the Document for the Development of the Plan for the Social Integration of Immigrants during the 1999-2000 period. It is thus still too early to assess the effects of this plan.

Anti-discrimination policies

Monitoring of labour market discrimination is the duty of the Labour Inspectorate, an agency of the Ministry of Labour and Social Affairs. However, immigrants and ethnic minorities tend not to use this possibility. They tend instead to complain through trade unions and non-governmental organisations, which they see as more effective.

There is no specific anti-discrimination legislation, and Spain has not recognised Article 14 of the CERD (International Convention for the Elimination of all Forms of Race Discrimination), which allows individuals to sue employers on charges of race discrimination. Neither has Spain recognised the 143rd ILO Agreement (1975) on migration in abusive conditions and the promotion of equal opportunities for immigrant workers.

The incidence of both integration and anti-discrimination policies is still very limited in terms of the integration of immigrants and ethnic minorities.

The public debate and conclusions

As has been argued above, the main source of discrimination against immigrants comes from the basic laws regulating the situation of foreign citizens and immigrants. In order to fight such discrimination, a change of laws is required. The new legal regu-

lation ought to foster legal stability, eliminate the current barriers preventing adaptation to the Spanish labour market (language, general and specific training) and eradicate any sign of exploitation, specifically with regard to working in the underground economy, occupational segregation and demand-side discrimination.

There is a process of legal reform of immigration law, which at present is at the stage of proposals advanced by the various parliamentary groups. However, most social researchers and actors are somewhat sceptical about the results of this process, for it is unclear to what extent the actual objective is greater integration or more control and discrimination.

The current debate thus centres on how to make consistent three actions which may be considered essential elements in any immigration policy: cooperation to promote economic development in the originating countries, control (including better knowledge and monitoring) of the migration flows and social integration of immigrants already living in Spain or wishing to do so. A significant source of controversy, depending on the national employment situation, is the matter of the establishment of yearly quotas of immigrants in an effort to prevent would-be competition with natives for scarce jobs (the high Spanish unemployment rates should not be forgotten). As mentioned above, this debate may be misplaced, for many of the

jobs which immigrants take up tend to be rejected by natives. In addition, if a demographic perspective is adopted, different conclusions are reached, given the decline in fertility rates among Spanish women over the past few decades (Servicio de estudios del BBV, 1998): it is estimated that with 90,000 new immigrants per year, the Spanish labour force would remain stable from the year 2010 onwards.

On the whole, although Spain is still a country with a small immigrant population, the combination of pressures from the Maghreb, low fertility rates in Spain and demand for workers willing to accept jobs rejected by natives are likely to increase the number of immigrants in the years to come. The strengthening of the administrative and legal framework to cope with the issues posed by this increased immigration, mostly in the field of labour market discrimination, is the main challenge which Spanish society will face in the near future.

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France

Introduction

The term "ethnic minority" is not used in France on political grounds; because "the abandonment of the distinction between foreigners and French nationals [is] a difficult step for reasons of a purely ideological nature: distinguishing between French citizens in terms of their national or ethnic origin would be ignominious in view of the discrimination thus introduced" (cf. Tribalat, 1997). The term "immigrants" (*immigrés*), on the other hand, is commonly used and was adopted as a statistical category at the start of the 1990s.

Statistical data

The immigrant population is defined in terms of a dual criterion of nationality and place of birth: a person born abroad as a foreigner and living in France is an immigrant. The immigrant population consists largely of foreign nationals, but also of people who have acquired French citizenship. Thus, a foreigner is not necessarily an immigrant (for example, foreigners born in France), and not every immigrant is necessarily a foreigner (nationalised French citizens).

In contrast to most countries of the European Union, France does not have a population register at local level in which each individual, whether French citizen or foreigner, registers his or her arrival in the community, enabling population movements to be observed.

Consequently, the statistical data are dispersed across such different sources as the National Statistics Office (INSEE) (census data), the Office of International Migration (*Office des migrations internationales* – OMI, which records entries), the Directorate of Population and Migration (naturalisation), the French office for refugees and stateless per-

sons (asylum-seekers), the Ministry of the Interior (residence permits), the Ministry of Justice (acquiring French citizenship) and, finally, the National Institute of Demographic Studies (INED), which presents an annual report to Parliament on the demographic situation. Unfortunately, each of these organisations uses its own terminology, and their data coincide neither with respect to the absolute figures nor the analysis of variations.

The General Population Census is the most reliable source with which to evaluate the stock of persons considered to constitute the immigrant population. In the last census (1990), the immigrant population was estimated at 4.166 million (of which only 1.308 million had taken up French citizenship), equal to 7.4% of the total population. The composition of this figure in terms of region of origin was as follows: 50.4% Europeans, 35.9% Africans, 11.4% Asians and 2.3% Americans (including those from Oceania). Recent immigration from Eastern Europe, Asia and Black Africa has probably since altered this distribution. The next census, scheduled for 1999, should enable analysts to determine the extent of the changes in the composition of the immigrant population by nationality.

The number of second-generation immigrants, that is, children born in France of immigrant parents, and who thus, provided they so wish, become French citizens on reaching the age of 13, 16 or 18, depending on successive legislation, are estimated at between 1.5 million (INED) and 3 million (INSEE), of which 80% were supposedly born in France (INSEE). Although this approach is rejected by some, who claim that the children of immigrants do not consider themselves to be immigrants, they are regarded as such by the population at

large, even though the mode of integration of this young population differs from that of their parents' or grandparents' generation; specifically, they are confronted by the same problems.

The clandestine or unofficial foreign population is put at around 300,000, although this figure would appear to be a significant underestimate.

Although the influx of new arrivals on French territory has been reduced by half in recent years, there has been a relative increase in the immigration of family members. Family reunification has become the most important source of the influx of immigrants; 61.3% of immigrants by virtue of family reunification are Africans (Table 1).

The available data on the immigrant population in France cannot be immediately "grasped". It has been proposed (Gourévitch, 1998) that the immigrant population (including children and illegal immigrants) be quantified based on a comparison between the figures provided by the INSEE and those of the INED, together with an average estimation of the number of illegal immigrants. On this basis, in 1996, the total population of immigrants and children born of immigrant parents amounted to 7 million people, or around 12% of the French population. According to the same author, the foreign population on French territory, that is, immigrants, nationalised French citizens and foreigners, resident legally or illegally in France and including children, amounted to 7.8 million people, or 13.5% of the French population.

The economically active immigrant population was the subject of an analysis (INSEE, 1997a) based largely on a special statistical treatment of the Employment Survey of 1995, in which the nationality of those surveyed was "filtered".

Table 1: Immigration since 1990 by immigration procedure (all nationalities)

	1990	1995	1995	1996
Permanent workers	22,393	18,349	13,106	11,450
Family reunification ¹	36,949	20,646	14,360	13,889
Spouse of French citizen	15,254	13,145	13,387	15,641
Parent of French child	3,080	1,749	1,921	2,802
Refugee	13,486	7,025	3,751	4,344
Family of refugee ²	3,2004	776	749	864
Economically active but not in salaried employment ³	1,439	1,204	956	486
Other persons with full right to a residence permit	1,196	1,208	1,166	1,144
Total	96,997	64,102	49,396	50,620
1 Excluding the families of citizens of EU countries and the other countries of the European Economic Area.				
2 Or stateless persons.				
3 EU citizens who are economically active but not in salaried employment are not registered.				
4 This estimate probably overstates the number of persons entering under the category of member of a refugee's family.				
<i>Source: INED, based on statistics provided by OMI and OFPRA (Office Français de Protection des Réfugiés et Apatrides).</i>				

Table 2: Economically active persons and participation rates by sex and age

	Total population		Immigrant population		Immigrant share (in %)
	Active population (in 1,000s)	Participation rates (in %)	Active population (in 1,000s)	Participation rates (in %)	
Men	13,911	62.3	1,232	67.7	8.9
15-24 years	1,307	32.8	59	37.8	4.5
25-39 years	6,047	95.3	479	90.4	7.9
40-49 years	4,041	95.7	387	95.2	9.6
50-59 years	2,193	78.8	273	79.5	12.5
60 years or older	323	6.5	34	8.8	10.6
Women	11,368	47.2	738	41.6	6.5
15-24 years	1,036	26.7	50	30.0	4.8
25-39 years	5,040	78.3	330	58.7	6.6
40-49 years	3,332	78.3	222	57.6	6.7
50-59 years	1,684	59.3	116	46.7	6.9
60 years or older	277	4.2	19	4.7	6.9
Total	25,279	54.5	1,970	54.8	7.8
<i>Source: INSEE (1997a) (data from the Employment Survey 1995).</i>					

In 1995, the total number of immigrants in employment or looking for work amounted to 1.970 million, or 7.8% of the overall active population. Taking all age groups together,

the participation rate of male immigrants is slightly higher than the national average. Their presence on the labour market is higher in relative terms at the two extremes of working

life. By contrast, in the 25-39 age group, proportionately fewer immigrants are economically active than among the total male population. Among immigrant women (with the exception of the age group under 25), the participation rate is below the national average (Table 2).

In 1995, the active population in employment included 1.576 million immigrant workers, 46% of whom were blue-collar workers. By contrast, on average for the country as a whole, just 26% of the active population was in this category. 24% of the active immigrant population are white-collar, and among them one finds one out of two female immigrants. Most of the female immigrant workers were in the unskilled blue-collar category. Thus, in total, more than 70% of the active immigrant population in employment belonged to the category of blue-collar and white-collar workers.

The concentration of immigrants in blue-collar categories applies irrespective of the country of origin; it is more pronounced, however, among those originating from Morocco and Algeria (Table 3).

In 1995, the immigrant population accounted for 7.1% of all jobs, whereby this overall figure conceals significant variation between sectors. Immigrants are overrepresented in industry (especially the automobile industry) and in construction (15.6%, compared with 6.7% for the population as a whole); this is particularly true of men (half of all immigrant workers are employed in these two sectors). In the tertiary sector, which offers employment to more than 80% of immigrant women, the overrepresentation of this population is particularly pronounced in two branches: services related to real estate and personal services.

The specialisation of immigrant workers in certain sectors varies according to country of origin. Immigrants from the European Union, notably from Portugal, are often employed in construction (27% of Portuguese workers), whereas Moroccans are overrepresented in the man-

Table 3: Distribution of the active population in work by socio-occupational category and country of origin (in %)

Socio-occupational category	European Union	Algeria	Morocco	Black Africa	All immigrants	France
Agricultural professions	0.8	0.2	0.2	–	0.7	3.6
Artisans, traders, entrepreneurs	9.1	9.4	5.2	7.6	9.0	7.5
Executive management, high-level professionals	9.0	4.3	5.5	9.7	9.3	13.0
Intermediary professions	11.7	9.4	6.8	11.7	10.5	21.0
White-collar workers	25.3	22.7	19.1	31.3	24.2	28.4
Blue-collar workers of which	44.1	54.0	63.1	39.6	46.3	26.4
– skilled blue-collar	28.6	28.5	30	20.1	27.4	17.3
– unskilled blue-collar	13.9	25	25.8	19.1	17.1	8.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Numbers in 1,000s	731	188	153	107	1,576	22,120

Source: INSEE (1997a) (data from the Employment Survey 1995).

Table 4: Distribution of the employed active population by economic sector and country of origin (in %)

Economic sector	EU	Algeria	Morocco	All immigrants	France
Agriculture, forestry and fisheries	2.9	1.2	7.8	2.9	4.8
Industry, of which:	21.3	17.1	23.0	20.6	19.1
– Food and agricultural processing industries	2.2	1.5	2.9	2.2	2.7
– Consumer goods industries	4.6	1.6	2.7	4.7	3.7
– Automobile industry	1.1	1.1	6.2	1.7	1.2
– Capital goods industries	3.5	3.7	2.8	3.3	3.8
– Intermediary goods industries	9.4	9.1	8.4	8.4	6.5
– Energy	0.5	0	0	0.3	1.1
– Construction	19.9	15.8	15.8	15.6	6.7
Tertiary sector, of which:	55.9	65.9	53.4	60.9	69.4
– Trade	11.3	12.1	10.6	12.1	13.3
– Transport	3.5	4.4	2.8	3.7	4.1
– Financial activities	1.6	0.4	0.2	1.2	3.2
– Real-estate-related activities	3.7	0.9	1.4	2.4	1.2
– Producer services	8.7	12.9	12.7	11.2	10.5
– Personal services	13.0	17.1	10.6	14.3	7.9
– Education, health, social activities	10.0	13.6	12.7	11.5	17.5
– Administration	4.1	4.5	2.4	4.5	11.7
Total	100.0	100.0	100.0	100.0	100.0
Numbers in 1,000s	731	188	153	1,577	22,332

Source: INSEE (1997a) (data from the Employment Survey 1995).

ufacturing industry to a greater extent than other groups. Algerians, on the other hand, are overrepresented in the personal services sector, for instance (Table 4).

An analysis of employment status indicates that, overall, the immigrant population faces a more precarious position on the labour market than French workers. The proportion of workers with a fixed-term employment contract is significantly higher among immigrants, as is that of agency workers. Overall, temporary forms of employment affect 8.7% of the immigrant population, compared with 7.6% of the total active population.

The survey of “vocational training and qualification” conducted every five years by the INSEE¹ indicates the limited access to further training within enterprises among the immigrant population. In 1993, 44% of male workers aged between 25 and 59 had benefited from further training during the course of their career. This was the case for only 26% of those originating from European Union countries and for just 17% of those from the Maghreb region (Table 5).

Generally speaking, immigrants face a dual disadvantage in terms of access to further training: a low level of initial skills and employment in industries and types of companies that do not tend to offer training. Yet although skill level, economic sector and enterprise size explain part of the differences in access to vocational training, even if we control for age, occupation, educational level, economic sector and enterprise size, immigrant workers are less likely to benefit from further training, the language barrier constituting an additional handicap for some.

By contrast, the situation regarding access to post-school training² ap-

1 The most recent study available is that from 1993.

2 Training on the initiative of the individual, either private or during a period of individual training leave, or as a support measure for jobseekers, or within the framework of a subsidised employment contract.

Table 5: Proportion of male workers benefiting from further training during their career, by occupation and country of origin (in %)

Occupation	France	Immigrants		
		Total	Maghreb countries	European Union
Unskilled workers	16	5	4	9
Skilled workers	30	18	15	20
Other professions	59	37	33	44
Total	44	22	17	26

Sample: Men in employment or formerly in employment, aged between 35 and 59 in 1993.
To be read as follows: "In 1993, 16% of unskilled workers aged between 25 and 59 had participated in further training in the course of their career."
Source: INSEE (1993).

Table 6: Unemployment rates among immigrants, by gender and country of origin (in %)

Country of origin	Men	Women
European Union	8.8	10.7
of which:		
– Spain	13.2	11.3
– Italy	11.9	11.2
– Portugal	7.1	8.9
Algeria	26.5	36.0
Morocco	28.7	43.3
Tunisia	28.1	38.5
Black Africa	26.2	31.5
Turkey	29.3	44.7
Southeast Asia	17.4	25.1
Other countries	16.8	20.1
Total	18.8	21.8

Source: INSEE (1997a) (data from the Employment Survey 1995).

pears to be more favourable: in 1993, more than one immigrant in five had had access to such training in the course of his or her life, a proportion close to that of the population as a whole. However, it must be recognised that, because immigrants are more likely to be unemployed than the average for the active population as a whole, they are relatively more likely to participate in vocational training schemes organised for the unemployed.

The immigrant population is particularly hard hit by the problem of unemployment: in 1995, the unemployment rate among immigrants reached 20%, that is, eight points higher than the national average. Women and young people continue to be the groups worst affected. Although the overall situation has worsened since 1990, it should be

mentioned that the unemployment rate among women has experienced a slight fall during the last five years. The situation for young people, on the other hand, has continued to worsen: among those aged less than 25, four out of ten were looking for work in 1995, whereas for young French nationals the figure was less than two out of ten, and has recently been improving. For instance, the unemployment rate among youngsters of Algerian origin with upper secondary education or higher is double that for French youth. Moreover, a number of field studies conducted recently show that children of immigrants born in France and who acquired French citizenship at the age of 18 find themselves in a situation that, in terms of the labour market at least, is very similar to that of foreigners living in France.

Immigrants from the Maghreb countries and from Turkey are particularly badly affected by unemployment, especially women from these countries, of whom four out of ten were looking for work in 1995.

According to the 1998 employment survey conducted by the INSEE, the unemployment rate, based on the ILO definition, averaged 23.7%, compared with 11.1% for French nationals. Among foreigners, it is immigrants from countries outside the European Union that are particularly badly affected; in this sub-population, the unemployment rate on ILO definitions reached 31.4% in March 1998.

Public policies

France has opted to pursue a policy based on the integration of the foreign population, as evidenced by the creation of the High Commission for Integration. This policy is based notably on giving foreigners the fundamental prospect of gaining French citizenship, with its requirements and its principles: equality of rights in all areas.

Consequently, the immigrant population is not considered to be a specific population in government policies or in the measures taken to combat unemployment and to promote labour market integration and employment. Rather, it is by means of policies targeted at "disadvantaged groups", such as the long-term unemployed, women, the disabled and youth, that the public authorities target this population.

In this context, foreign jobseekers are supposed to have access to all the common-law measures implemented in France with regard to young people aged between 16 and 25, the unemployed and, particularly, the long-term unemployed.

Measures in support of young people aged 16 to 25

The situation of young foreigners (aged under 26) in France is cause for particular concern; in 1998, the un-

employment rate in this group averaged 47.2%, compared with 24.7% for the equivalent French group.

A number of measures exist side by side to promote the vocational training of young jobseekers:

- practical training (loans for individualised training and activities financed by the Regional Councils), and
- various forms of "dual"-training contracts: apprenticeship qualification and adjustment contracts (cf. Table 7).

A study published in April 1997 by the Directorate of Population and Migration indicates that, while immigrants do enjoy general access to the measures to combat unemployment,³ they are concentrated in vocational training measures, in particular those in which training is provided in a vocational training centre. Wherever the training measures are conducted primarily within the firm, by contrast, the representation of immigrants is significantly lower. This is particularly true of young foreigners, who are underrepresented by far in the measures providing access to apprenticeship, qualification or adjustment contracts: in 1996, they accounted for between 2.3% and 3.3% of the young people receiving training in companies, whereas they represented 8.2% of unemployed youth (aged less than 26).

In the light of this situation, at the end of 1996 the Directorate of Population and Migration at the Ministry of Employment and Solidarity generalised a pilot scheme launched in 1994, the "sponsorship network" (*réseau de parrainage*), which aims to provide young people aged less than 26 with low skill levels and difficulties in vocational integration, particularly those of foreign origin, with a stable job in an enterprise or in the non-commercial sector. These youngsters benefit from the support of "benevolent sponsors", either pensioners or those still in work, who enjoy the confidence of the firm and who can therefore help to counter any dis-

Types of dual-training contract	Total	Of which foreigners	In %
Apprenticeship contract			
Total	192,933	6,430	3.3
Of which women	56,277	1,750	3.1
Qualification contract			
Total	92,311	2,960	3.2
Of which women	42,189	1,315	3.1
Adaptation contract			
Total	44,811	1,040	2.3
Of which women	15,790	327	2.1

Source: Ministry of Employment and Solidarity.

criminatory reflexes. This measure has expanded rapidly, the number of youngsters in the scheme rising from 1,000 in 1994 to 13,000 in 1997; the budget has also increased to a total of FRF 23 million. The measure seems to have generated very positive results; in 1996, 46% of the youngsters in the scheme were of foreign origin, and in the course of that same year the rate of entry into employment, after between six and nine months on the scheme, was 53%. On the basis of the same model, a specific scheme has been launched in support of women of immigrant origin.

Policy measures available to all groups

Unemployed adults of immigrant origin represent around 15% of all jobseekers; however, among the unemployed aged 50 and above, foreigners are significantly more numerous in relative terms, representing around 23% in 1998. This category, particularly hard hit by unemployment, suffers the dual disadvantage of being both elderly and of foreign origin.

A number of types of measure co-exist to promote the (re-)integration of the unemployed, and as such also that of unemployed foreigners.

- Integration and training schemes (*stages d'insertion et de formation* - SIFE) for the long-term unemployed: the aim is to promote the occupational integration of the long-term unemployed aged over 50, of the very long-term unem-

ployed, and of recipients of minimum income (RMI). In 1997, 12.8% of those undergoing SIFE training were foreign nationals.

- Other training schemes targeted at jobseekers, irrespective of the duration of unemployment: essentially, these consist of vocational training schemes approved by the government and the Regional Councils, including those activities financed by the Social Action Fund and the schemes dedicated to refugees. For this reason, foreigners are relatively overrepresented here, particularly in those measures financed by the government: in 1997, 20% of participants were foreigners.
- Measures implemented by the Association for Adult Vocational Training (*Association pour la Formation Professionnelle des Adultes* - AFPA): in 1997, the AFPA provided training to around 10,000 foreigners, that is, 7% of total participation. Of the participating immigrants, 36% undertook vocational pre-training, 24% training in the construction industry, and 21% in the tertiary sector. Just 17% of the foreign trainees were women.
- Subsidised employment in the non-commercial sector: in 1997, analysis revealed that foreigners were underrepresented in these schemes.

As was observed earlier for young people, the statistical data clearly

³ These measures benefited 67,000 persons in 1995.

show that unemployed adult foreigners benefit primarily from training schemes performed in training centres, but less from measures conducted within the firm. While this situation results primarily from a lack of awareness about such contracts, or inadequate qualification levels, the discrimination practised on recruitment by some companies is also an influential factor.

However, the above data are not sufficient to permit an evaluation of the impact of labour market policy on immigrants. It is difficult to measure this impact because the information gathered is frequently incomplete, in some cases makes no mention of the nationality of those concerned, and does not enable analysts to determine the number of foreigners entering such measures, nor their situation on leaving them.

Measures targeted specifically at immigrants and refugees

With the help of a special tool, the Social Action Fund (FAS) for immigrant workers and their families, set up 40 years ago, French governments have sought to promote the social integration of immigrants in France, implementing social measures, measures in support of families, children and youth, and housing-policy measures, notably within the framework of support for the running of special accommodation for migrant workers.

For some years now, the FAS has been progressively reorienting its activities towards training, in particular literacy and jobsearch support, with the aim of overcoming the integration problems faced by the immigrant population.

Its measures relate primarily to basic education, the aims of which are command of the French language, direct access to semi-skilled employment, and participation in vocational training or pre-training courses (AFPA). The measures affect a large number of immigrants, whether or not they are registered as unemployed and whether or not they

are in salaried employment. In 1997, more than 90,000 people benefited from these measures.

In addition, in 1997, the FAS devoted part of its budget (with the support of the European Social Fund) to training measures for trainers or other staff responsible for vocational integration, to resource centres, and to the "engineering" of measures or programmes; the aim here was to ensure that they are better able to take into account the specific integration difficulties often faced by immigrants.

In parallel to these activities, for more than 15 years French governments have pursued a policy of supporting the return of immigrants to their countries of origin and reintegration there, although this policy appears to have failed for various reasons.

In addition, the government, through the Directorate of Population and Migration within the Ministry of Employment and Solidarity, directly finances training measures and socio-occupational adaptation measures targeted at recognised refugees or asylum-seekers; in 1997, there were 1,300 participants in such programmes. Also in 1997, the employment ministry introduced a "Programme for integration/reintegration and to combat illiteracy", targeted especially at refugees.

Conclusion and prospects

In its report of December 1992, entitled "Foreigners and Employment", the High Council for Integration pointed out both to government and the public at large the growing difficulties faced by foreigners and French citizens of immigrant origin in the area of employment. Since that time, a number of studies have shown that "discrimination in the area of employment continues to increase under the impact of rising unemployment and the spread of xenophobia on the labour market". In this way, the High Committee for Integration (1998) examined the conse-

quences of rising discrimination against foreigners, which was such as "to undermine the very foundations of the French model of integration", arguing that employment is a major factor in integration in modern societies. "When discrimination becomes increasingly manifest, it is the Republican principle of equality between citizens, upon which our integration policy largely rests, that is called into question".

This report also emphasised that the reality of discrimination on the labour market cannot be measured simply in terms of the number of legal convictions for racial discrimination. The number of such convictions is indeed very small, at 74 in 1995 and 81 in 1996, compared with an average figure of around 2,000 convictions in the United Kingdom.

A survey conducted in September 1996 shows that the majority of French companies (58%) do not employ any foreign workers. The primary motive of company heads, in the current economic context, was the intention to exhibit "solidarity" by recruiting French citizens; 20% of the companies also pointed to difficulties in dealings with customers. Other reasons put forward were inadequate command of the French language, the formation of clans and problems linked to religion.

Although a number of companies have mobilised activities in order to combat such discrimination, the initiatives have only seldom been well received, and they have obtained little support so far from employers' federations. Initial signs of a mobilisation by the trade unions can be observed, on the other hand, although such mobilisation remains hesitant. Following the so-called Declaration of Florence in October 1995,⁴ the trade unions have developed training modules and produced a video to support the struggle against racism and discrimination at work.

⁴ Since the start of the 1990s, the European trade union movement and employers' organisations have cooperated in the struggle against discrimination. This declaration was the outcome of these activities.

The government has sent a circular to all prefects and central government offices (for employment, women's rights, etc.), to the public employment service (ANPE) and to the AFPA which draws attention to the legal provisions currently in force and calls on public bodies to take, in their dealings with firms, "pedagogical and persuasive measures in order to ensure that discriminatory phenomena can be lastingly reduced". The circular draws particular attention to five areas of action:

- The ANPE must "at all costs avoid responding to or disseminating discriminatory job offers".
- The public employment service must "ensure adherence to the principle of non-discrimination with regard to access to measures to combat unemployment".
- Within the framework of the implementation of the "New Start", a measure envisaged in the National Action Plan for Employment, particular attention is to be paid to the fight against discrimination.
- The public employment service must focus on "developing placements and guidance measures".
- The cooperation between the decentralised offices of the Ministry and the regional offices of the FAS

must be strengthened, and in particular it is necessary to expand language teaching in certain training courses.

In parallel to this, targets have been established for the Labour Inspectorate with regard to combating discrimination.

At the start of 1999 a round table between the social partners was organised at the initiative of central government, the aim of which was to signal a major mobilisation in the area of combating discrimination on the basis of nationality, ethnic origin or religion, taking as a model what has been achieved at the European level with the Declaration of Florence in October 1995. In addition, the members were to seek out together the scope for adapting existing instruments.

One of the questions posed in the current debate in France on the struggle against discrimination is the extent to which French administrative structures are capable of combating discrimination, and whether, as in certain other countries of the European Union (the United Kingdom, Netherlands, Belgium, etc.), an independent authority for the struggle against discrimination should be created.

Sandrine Gineste

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Estimates of the size of the ethnic minorities in Ireland

There is no specific information on ethnic minority groups in Ireland if this term is defined in a wide sense, embracing, for example, Irish nationals who may be ethnically different because they migrated into the country in an earlier period, or persons who may be the direct descendants of former immigrants. The best that one can do in this context is to compile estimates based on current nationality. However, as the inflows of non-Irish ethnically distinct groups have until recently been very small, an analysis of the current situation based on nationality can still provide a reasonable indication of the position of the particular minority groups that are the subject of this study. Such an analysis, based mainly on Labour Force Survey sources, is given in the following sections of this paper.

Population

Even though the total number of foreign nationals in Ireland is small when compared with other European countries, it has been growing. The relevant data, given in Table 1, show that in April 1997, out of a total population of 3,660,000, an estimated 114,000 were foreign nationals, that is, 3.1%. Nearly 81,000 (over 70%) were from EU countries (mainly the UK), while among the remaining "non-EU" group amounting to 33,000 persons, about a third were nationals of the United States. In overall terms, these figures represent a significant increase when compared with the beginning of the decade. The table also shows that the total number of foreign residents in 1990 was 81,000, or 2.3% of the total population. It will be noted that

among the various groups distinguished, those classified as "non-EU" and not from the United States exhibited the most rapid increase, the relevant number rising from 11,000 in 1990 to almost 22,000 in 1997.

Legal provisions governing the residence and employment situation of non-EU nationals

Before proceeding to discuss the labour market situation of foreign nationals in Ireland, it is necessary to describe the legal statutes governing issues such as residence and employment rights for such persons, as this helps to provide a better basis for understanding the information presented.

General legal provisions

While EU nationals coming to Ireland have extensive rights in regard to entry, residence and employment under the terms of the various EU Treaties, the basic legal framework covering other foreign nationals in Ireland is the 1935 Aliens Act. Under the terms of this legislation, non-EU nationals coming to Ireland, subsequent to having fulfilled emigration formalities, are required to register with the Gardai (police). Initially, they may be allowed to remain temporarily in the country for a period of up to three months. Permission to remain for a period of one year may subsequently be granted on application to the Minister for Justice, Equality and Law Reform, if it can be demonstrated that the applicant, or his/her dependants, will not become what is termed "a burden on the state". The only other way in which non-EU nationals are entitled to enter or remain in the state is when they seek refuge as refugees or asy-

Table 1: Total population by nationality, 1990 and 1997 (in 1,000s)

Nationality	1990	1997
Irish	3,422.0	3,546.2
EU	62.3	80.8
UK	-	64.4
Other EU	-	16.4
Non-EU	18.4	33.1
USA	7.1	11.3
Other	11.3	21.8
Total	3,502.7	3,660.1

Source: CSO: Labour Force Surveys, 1990 and 1997.

lum-seekers in accordance with the 1951 Geneva Convention as amended by the 1967 New York Protocol.

Immigrants and employment

In the case of non-EU nationals taking up paid employment in Ireland, the prospective employer must obtain *in advance* from the Minister for Enterprise, Trade and Employment a work permit for the intending immigrant. Such permits will, in normal circumstances, only be granted when it can be demonstrated that there are no Irish or EU nationals available to do the work in question. The permits, which are granted for periods of up to one year (with scope for renewal), are usually restricted to specific activities or occupations. The granting of these permits involves a consultative process with the trade unions. While permission to reside, unless otherwise specified, allows the recipient to reside in any part of the state, a work permit enables the recipient to work only in the employment specified in the permit and does not give the right to look for or accept alternative employment unless specific permission is obtained.

If a non-EU national wishes to work on a self-employed basis in Ireland, a business plan must be submit-

ted prior to arrival, together with proof that the applicant has sufficient funds to make a "substantial investment" in the proposed business venture.¹ In these circumstances, the Minister for Justice, Equality and Law Reform can attach such other conditions to the permit as is considered appropriate.

Equality of treatment

Unlike many countries, Ireland does not have a specific Bill of Rights or comprehensive anti-racial legislation. However, current unfair dismissals legislation² does specifically prohibit race, colour and religion as a reason for dismissing workers. Furthermore, the Irish *Dáil* (parliament) enacted legislation in 1989 designed to prohibit incitement to hatred on the grounds of race, colour, nationality, religion, ethnic or national origin, membership of the travelling community or sexual orientation.³

Once a foreign national has permission to reside or work in the country, there are very few legislative provisions that differentiate between non-EU nationals and Irish/EU citizens. The Irish Constitution confirms the existence of certain fundamental rights to be enjoyed by all persons, regardless of citizenship, apart from certain restrictions relating to political participation, jury service and becoming an officer in the defence forces. A non-EU national, once having a valid work permit, is entitled during the duration of the permit to virtually all of the rights granted under Irish labour law to the same degree as an Irish citizen. The only significant distinction made on grounds of nationality relates to restrictions on non-EU nationals regarding ownership of agricultural land and of registered ships and aircraft.

Policy issues

General aspects

Generally speaking, therefore, it can be said that the official attitude towards granting residence and work

permits to non-EU nationals has tended to be restrictive, except, as indicated, in circumstances where special skills are required and where it is considered that the domestic labour market would not be adversely affected. This explains why the numbers of non-EU nationals, especially those in employment, are small. It should be borne in mind that until relatively recently the Irish labour market was characterised by high levels of unemployment, much of it of a structural nature. Depressed economic conditions in the domestic labour market have in past periods triggered high levels of emigration (for example in the latter half of the 1980s). Thus, the perspective on foreign residents in Ireland has tended to be different from that in other European states, some of which have absorbed large unskilled immigrant inflows over recent decades.

However, attitudes and perspectives have of necessity begun to change, not only because of the overall increase in the number of foreign nationals coming to reside and work in the country, but also because of the sharp increase in the number of refugees and asylum-seekers who have entered the country in recent years. Furthermore, the Irish economy has experienced rapid and continuous employment growth since 1993, with the result that labour shortages are emerging in many sectors of the economy.

Asylum-seekers

Details of recent inflows of asylum-seekers are given in Table 2. The very large inflows over the last few years (over 4,600 in 1998 alone) has thus far not affected the labour market, as asylum-seekers are not allowed to take up employment. However, there are now indications that the Irish government is about to remove this work prohibition. While obviously not all asylum-seekers would seek employment (many of them are dependants), the overall effect would be to significantly change the size and composition of the non-EU segment of the labour force. This

Table 2: Asylum-seekers, 1992-1997

Year	Applications
1992	39
1993	91
1994	362
1995	424
1996	1,179
1997	3,883
1998	4,626

Source: Department of Justice: Equality and Law Reform.

policy change (if it occurs) will have been prompted by two factors: (a) the mounting costs of supporting asylum-seekers on social welfare and (b) emerging labour shortages, even in unskilled areas.

The argument is that these factors outweigh any disadvantages that may arise from increased inflows generated by the new employment opportunities.

Recent information supplied by the Department of Justice, Equality and Law Reform⁴ indicates that over the past year about 40% of asylum-seekers were of Nigerian origin and over 20% were from Romania. Among the remainder, significant numbers were from Algeria, Libya, Angola and the Democratic Republic of the Congo.

Ethnic groups in the labour force

Table 3 gives relevant labour force ratios for 1997 for different nationality groups. The labour force participation rates (which relate to the population aged 15 years or over) are given in the first column of the table. These indicate slightly lower rates

1 This can, depending on the circumstances, be taken to mean that a capital sum of IEP 300,000 is available to facilitate the launching of the initiative in question.

2 Unfair Dismissals Act, 1977.

3 Prohibition of Incitement to Hatred Act, 1989.

4 Department of Justice: *Equality and Law Reform*. Statement to the Joint (Parliamentary) Committee on Social, Community and Family Affairs. Dublin, 22 September 1998.

for Irish as compared with EU nationals – 54% as against 58%. For the non-EU group, however, the rates are much lower, being of the order of 40%. There are two factors to bear in mind here. In the case of U.S. citizens, there are significant numbers both in education and in the “other” inactive category (the latter including many retired persons). Furthermore, many non-EU nationals are pursuing educational courses, principally at third level. The employment population ratios, which are given in the second column of Table 3, exhibit a similar pattern.

The self-employment ratios (which relate to the number of self-employed taken as a proportion of total employment) are not materially different between the different nationality groups shown. The overall proportion is about 21%, and the figures do not reveal any significant differences between the nationality categories shown.

The unemployment rates, which are shown in the final column of Table 3, do indicate fairly significant differences between Irish nationals and persons from other countries. The unemployment rate for Irish nationals in 1997 was about 11.5%, while those for both EU and non-EU citizens exceeded 16%. These variations are somewhat puzzling in view of the superior occupational/skill profile which applies to non-nationals when compared with the indigenous Irish labour force (see below). It is necessary, however, to sound a note of caution here. The numbers of foreign residents included in the Labour Force Survey samples are relatively small, and they are particularly small in the context of estimating unemployment. These data should, therefore, be interpreted with a degree of circumspection.

Table 4 shows the distribution of persons at work in non-agricultural activities in Ireland in 1997 by occupation within different nationality groups. These figures reaffirm the higher skill levels associated with non-nationals working in Ireland. For employed EU and non-EU citi-

zens the proportion engaged in professional and technical activities is significantly higher than that for Irish nationals. In the case of the non-EU group, nearly 50% were employed as professional or technical workers, while a further third were classified to sales or other services activities. Very few non-national persons were engaged in manual or unskilled activities.

Numbers of work permits issued

While the non-EU group within the Irish population is the main focus of attention in this article, because of sampling constraints the Labour Force Survey source cannot be used to provide relevant detailed information. However, regarding employment, some further insights can be obtained from the statutory work permits system, especially in relation to the principal ethnic groups involved. It should be noted, however,

that as these data (given in Table 5 below) are derived from a separate administrative source, they cannot be directly compared with the survey estimates presented earlier, except in the most general terms.

Table 5 shows that there has been an increase (of about 30%) in the number of work permits issued and renewed since the beginning of the decade, from some 3,400 in 1990 to 4,500 in 1997. The figures for 1997 show that, of the 4,500 work permits issued and renewed, over 1,400 (nearly 32%) related to citizens of the United States and Canada. The percentages shown for the other countries distinguished are much smaller, with none of them exceeding 7%. However, it will be noted that the inflows from India and Pakistan were much greater but have declined significantly in recent years. In 1990, nearly 35% of work permits issued and renewed related to citizens from these countries, but by 1997 this proportion had fallen to

Table 3: Labour force ratios for different nationality groups, 1997 (in %)

Nationality	Labour force participation rate	Employment/population ratio	Self-employment rate	Unemployment rate
Irish	53.9	47.6	20.5	11.6
EU	57.9	48.6	21.9	16.1
UK	58.8	48.7	22.8	17.1
Other EU	55.1	48.1	18.4	12.6
Non-EU	41.2	34.3	20.2	16.8
USA	39.6	34.1	19.4	13.9
Other	42.1	34.4	20.6	18.2
Total	53.9	47.5	20.6	11.8

Source: CSO: Labour Force Survey, 1997.

Table 4: Distribution of persons at work, excluding agriculture, by occupation for different nationality groups, 1997 (in %)

Occupational group	Irish	EU	Non-EU	Total
Producers, operatives	24.7	21.6	8.6	24.4
Unskilled manual	3.3	2.4	2.2	3.3
Transport, communications, etc.	7.5	3.6	2.2	7.4
Clerical	13.5	9.9	7.5	13.4
Professional, technical, etc.	18.9	28.5	47.3	19.4
Sales, finance, etc.	13.1	9.3	7.5	12.9
Other services workers	19.0	21.6	24.7	19.2
Total at work	100.0	100.0	100.0	100.0

Source: CSO: Labour Force Survey, 1997.

just over 10%. In absolute terms, the inflow of nationals of India and Pakistan who came to take up employment over this period declined from 1,100 to less than 470. The significant factors here have been a tightening of immigration procedures generally and, in particular, the imposition of more restrictive registration conditions governing eligibility to work as a medical practitioner.

One might summarise the position regarding non-EU nationals residing in Ireland by saying that heretofore the majority have tended to be skilled or qualified operatives who entered the country to fill specific posts, many of them in foreign-owned enterprises or in the medical sector. Another significant (but smaller) group consists of self-employed proprietors in the catering trade (mainly of Indian, Chinese or Pakistani origin), who also tend to employ unskilled manual operatives of the same nationalities. Another relatively sizeable group consists of students in third-level education. Some of the members of all of these groups would, of course, have dependants. However, for the reasons outlined in the preceding commentary, the recent large inflows of asylum-seekers are likely to cause a significant change in the situation, depending on decisions taken on whether they should be allowed to work.

Public debate

Until relatively recently there was virtually no public debate on the question of ethnic minorities or foreign workers in Ireland. This is hardly surprising in view of the small numbers involved; a further relevant factor is that the group in question has not been regarded as particularly disadvantaged. The restrictive conditions that apply to the entry and em-

Country	1990	1997
USA, Canada	632	1,416
Australia, New Zealand	105	297
India	484	267
Pakistan	680	199
Hong Kong	85	142
Japan	148	249
China	45	105
Malaysia	102	200
South Africa	18	104
Switzerland	26	111
Other countries	1,087	1,402
Total	3,412	4,492

Source: Department of Enterprise, Trade and Employment, Dublin.

ployment circumstances of non-EU nationals is an aspect which has seldom been the subject of public comment.

The situation has changed with the advent of large numbers of asylum-seekers in recent years – an issue that has become the focus of ongoing public controversy. While the response of the Irish government in providing support for asylum-seekers has been in accordance with its international obligations, the process has been difficult, especially as opposition to the arrival of asylum-seekers has intensified. Some of this opposition reflects genuine concerns related to the capacity of the economy to absorb ever-increasing inflows. A further relevant factor is that clearly many of those who enter are economic migrants rather than persons fleeing persecution. However, the opposing groups also involve those advocating extreme measures (such as enforced expulsion), whose motives are distinctly racist.

In a purely labour market context, as indicated earlier in this paper, the

main issue centres around whether asylum-seekers should be allowed to work, at least after a minimum period has elapsed while their application is being processed. At present, asylum-seekers are paid social welfare allowances and are provided with accommodation, prompting the argument that if they are allowed to take up employment they would be less of a burden on the exchequer. Furthermore, the recent buoyancy in the Irish economy has given rise to labour shortages, even in less skilled areas. The trade union movement supports the work option for asylum-seekers, and while employers' bodies have not taken a definitive stand on this issue, some individual employers have advocated less restrictive work provisions for immigrants, generally as a means of alleviating labour scarcities. On the other hand, those opposed to change hold the view that greatly increased inflows of asylum-seekers will materialise if the employment option is open to them.

Jerry Sexton



Italy

Introduction

The low rate of immigration into Italy until recently explains the relatively little attention paid to the issue both in terms of policies and available statistics. Given the relatively low intensity of immigration flows and their transitory nature, the main concern of national immigration policies was to regulate entry flows and control irregular or clandestine immigration. It is only since the mid-1980s that information and policies explicitly concerning immigrants have been introduced. Since then, migratory patterns have drastically changed, and Italy has become a permanent destination and, more recently with the Balkan crises, a country with a massive inflow of refugees. This turn of events has increased pressure to develop the policy approach in terms of greater national coordination and to pay greater attention to the social and political integration of legal immigrants. One step at the national level is the recently approved Act on Immigration (L40, March 1998), which for the first time combines entry and exit regulations with social integration policies and intermediate civil rights.

Legal immigrants have access to basic universal health care and vocational training, while clear procedures in terms of political and civil rights have not yet been developed. Employment-based welfare services (pensions, unemployment benefits, etc.) are guaranteed only to immigrants with regular employment records.

It is not yet possible to talk about stabilised ethnic minorities because the status of an immigration country is relatively recent and because many different ethnic groups are present. It is, however, likely that recent trends towards a greater stabili-

ty of immigration inflows into Italy (through an increase in regular employment positions and inflows due to family reunions) are going to rapidly create such conditions.

The labour market status of immigrants in Italy

Given the lack of complete and adequate official statistics, it is difficult to provide precise data on migration flows and the labour market conditions of immigrants and foreign workers. Main labour market aggregates can be estimated by combining the partial information available from administrative sources¹ and statistical data² with the estimates on irregular foreign employment and clandestine immigrants provided by the National Institute of Statistics (ISTAT) and non-profit and charity associations.

Among foreigners, it is possible to differentiate between those residing in Italy with a regular residence permit and registered as belonging to the resident population (*resident foreigners*), those with a regular entry permit but not registered as belonging to the resident population (*regular foreigners*), those with an expired permit (*irregular foreigners*) and those with no permit or entry visa (*clandestine foreigners*).

For December 1997, the Ministry of the Interior recorded 1,240,721 foreigners in Italy with a *regular entry permit*, an increase of 13.2% on the preceding year and of 58.8% on 1990 (Figure 1). *Irregular and clandestine foreigners* are estimated to amount to between 200,000 and 300,000 (Ministry of the Interior, 1998), representing about 22.6% of all non-EU foreigners in Italy. *Total foreigners* (regular + irregular + clandestine) thus accounted for around 2.6% of the total population in 1997. This level is not particularly high in

relation to other European countries, but it is increasing very rapidly.

As shown in Table 1, 78% of *resident foreigners* come from developing countries and Eastern Europe. Immigration from Eastern Europe has been rapidly expanding, growing from 5.6% of total immigration in 1990 to 23.6% in 1997, while inflows from African countries are slightly declining. *Irregular and clandestine immigrants* represent a relatively large share of total immigration from Eastern Europe (mainly Romania and Poland), Tunisia, China and Brazil (cf. Figure 1).

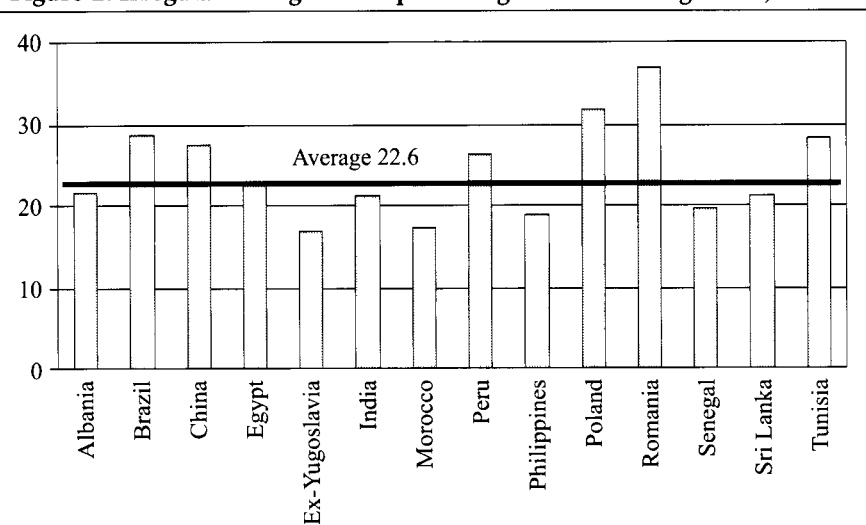
The Employment status of immigrant workers

Immigration into Italy has been linked, up to now, to employment opportunities. The occupational inte-

¹ The Ministry of the Interior registers the number of entry permits since 1980 by country of origin, other sociodemographic characteristics and grounds for request. Delays in data-updating and the non-inclusion of minors are the main shortcomings of such data: recent data-cleaning reduced the number of entry permits by about 10% (ISTAT, 1998a). The number of resident foreigners is registered by the population registry offices, and these statistics have included minors since 1996. The Ministry of Labour provides data on the number of immigrants registered as unemployed by the public employment service and on those placed in dependent employment through the same service. These data are collected by gender, age, educational level, sector of activity, professional qualification and region. Updating delays are a problem here, too. The number of workers regularly employed in the private sector is registered by the National Security System (INPS). Since 1991, these data have been collected and made available systematically. Since 1998, the INPS has also collected data on non-EU workers in the primary sector. Immigrants working illegally are partially recorded by Labour Ministry Inspectors. The main weakness of these data is the variability in monitoring procedures by year and area.

² The National Institute of Statistics (ISTAT) recently produced a reconstruction of statistical data on the presence of regular and irregular/clandestine immigrants in Italy (ISTAT, 1998b).

Figure 1: Irregular immigrants as percentage of total immigrants*, 1998



* Mean between minimum and maximum value.

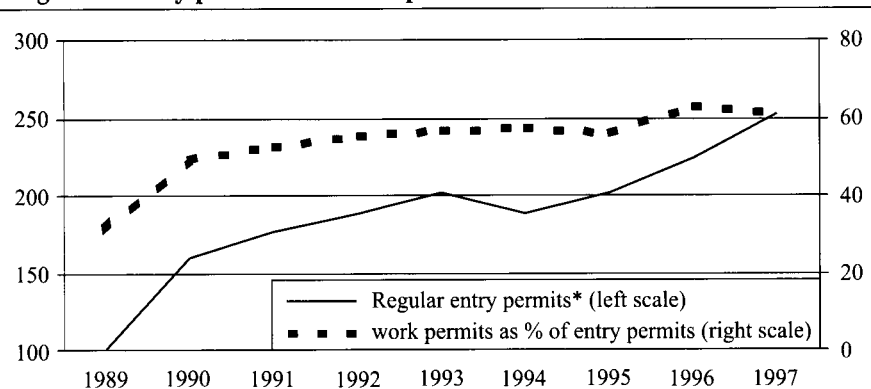
Source: Ministry of Interior estimates, 1998.

Table 1: Regular foreigners by country of origin (in %)

	1990	1995	1997
Europe	33.5	40.8	39.2
Eastern Europe	5.6	21.7	23.6
Africa	30.5	26.7	28.3
North Africa	18.6	16.3	17.8
America	16.4	15.3	13.9
Latin America	8.4	8.9	8.8
Asia	18.7	16.6	18.2
Far East	13.4	13.5	15.7
Oceania	0.8	0.3	0.3
All regular foreigners	100.0	100.0	100.0

Sources: Caritas Association, Rome; 1997: Ministry of the Interior data.

Figure 2: Entry permits and work permits



Source: Own calculations on Ministry of Interior data and Caritas Association, Rome.

gration of immigrants – mainly prime-age males – is high, even if often precarious, while their social in-

tegration is lacking and insufficiently addressed by public institutions. In March 1998, work permits repre-

sented almost two-thirds of total immigration permits for non-EU immigrants (Figure 2). Of these, 74% relate to employed workers, especially those in dependent work (70.6%).

During the 1990s, permits for dependent work and family reunions increased rapidly, evidencing the growing stability of immigration flows into Italy. Work permits have increased especially since 1989, when a series of regularisation decrees were enacted to legalise hidden or irregular positions. These decrees have increased by 30–40% the number of permits for immigrants from less developed countries, and about two-thirds of current permits are due to regularisation.

Immigrant workers are usually employed in positions (either in the regular or the irregular economy) not accepted by indigenous workers. Even in southern Italy, where the unemployment rate is over 20%, immigrants' work is rather widespread, especially in seasonal jobs in the agriculture and construction sectors.

According to administrative data (INPS), the number of *dependent immigrant workers* in regular positions in the private non-agricultural sector increased by 59% between 1992 and 1996. However, these workers represent only about 20% of immigrants with work permits³ and are concentrated in jobs not accepted by the indigenous population. Most immigrant workers are employed in low-skill heavy jobs in the small- and medium-enterprise industrial zones in the Northeast, mainly in the mechanical (21% of total regular dependent immigrant workers in July 1997) and construction (12.5%) sectors. Jobs in hotels and restaurants (14.9%) and in domestic services (9.1%) are more diffused in metropolitan areas and in central and southern Italy, where the percentage of irregular positions and very precarious employment is higher. Agricultural work in southern Italy has (seasonally) substituted sec-

³ The others are either unemployed or employed in autonomous activities or in the black economy.

ondary indigenous labour (women, youth and older people).

Placements in dependent positions registered by the Ministry of Labour (Table 2) show that most placements involve males aged over 30 with no educational qualifications in fixed-term, blue-collar, low-skilled positions in the industrial sector. There is, however, a high and increasing percentage (38%) of open-ended contracts in the industrial sector. Relative to the indigenous population, the incidence of immigrant workers placed in the industrial sector and in blue-collar, low-skilled jobs is higher (43% against 33%).

Self-employment is relatively widespread in northern Italy, where 63% of the work permits for autonomous activities were located in 1997. Most autonomous work relates to street-vending, usually for Italian firms operating in the black economy. The 1990 regularisation decree contributed to the decline of self-employment, and especially of street-vending, among immigrants from 6.2% of total work permits in 1989 to 4.8% in 1997. Currently, many immigrants combine dependent work with seasonal street-vending during the summer.

There is some ethnic entrepreneurship among the Egyptian and Chinese population. Recent studies (Baptiste & Zucchetti, 1994) show that immigrant entrepreneurs have usually been in Italy for a long time, are middle-aged, often with medium-high educational levels, and are well integrated into the local environment. There is some ethnic specialisation: Egyptians in restaurants and catering, Indians in wholesale and retail trade, and Moroccans and Tunisians in the building and commercial sectors. The ethnic community most active in self-employment and ethnic business is, however, the Chinese, who are specialised in the restoration and leather-goods sectors. This community business is completely self-sustained and is based on strong family ties and cheap labour supply (often with children and irregular or clandestine family work) (Farina et al., 1997).

Table 2: Non-EU immigrants placed in regular dependent jobs in 1997 (in %)

	Total	Of which males
<i>Age</i>		
Up to 18	1.4	77.7
19-24	15.8	76.2
25-29	25.5	80.1
Over 30	57.3	84.4
	100.0	
<i>Education</i>		
None	82.2	83.9
Primary school	14.9	75.0
Secondary school	2.4	59.7
University	0.4	63.0
	100.0	
<i>Sector</i>		
Agriculture	22.6	89.9
Industry	43.5	89.8
Other activities	16.6	76.1
Domestic labour	5.3	31.9
Hotels and catering	12.0	68.5
	100.0	
<i>Qualification</i>		
Low-skilled, blue-collar	75.5	84.1
Qualified blue-collar	19.4	76.9
Specialised blue-collar	3.7	71.7
White-collar	1.4	57.9
	100.0	
<i>Employment contract</i>		
Open-ended	38.3	85.3
Fixed-term	43.9	84.2
Part-time	12.0	60.7
Temporary work/training	5.8	86.1
<i>Total</i>	100.0	81.9

Source: Caritas Association, Rome, based on Ministry of Labour data.

Irregular working positions are quite widespread among non-EU workers, notwithstanding the numerous regularisation decrees. ISTAT estimates that in 1996 there were almost 700,000 irregular immigrant labour units, equivalent to 14% of total irregular labour units in Italy; of these, the vast majority (84%) were concentrated in the service sectors.⁴ In 1996, irregular employment in relation to non-EU immigrants with dependent work permits was estimated

to be 32% (Reyneri, 1998). Labour Ministry data compiled from inspections of about a thousand firms per year show wide territorial differences. The highest percentage of irregular immigrant work is in the north-western regions (50% of dependent

⁴ The difference to other estimates relating to irregular and clandestine immigrants might be due to the fact that many regular immigrants may be employed in the black or irregular economy and thus be classified by ISTAT as "irregular" labour units.

non-EU workers in 1996) and in southern Italy (32.5%), and is mainly found in the hotel and catering services, personal services and retailing. In southern Italy, most immigrants are also irregularly employed in seasonal activities in the construction and agriculture sectors. In the southern agriculture sector, it is estimated that only one out of ten immigrant workers has a regular employment contract, and working conditions and wages for immigrant workers are usually even lower than those of Italian irregular workers (Reyneri, 1998). Many irregular workers are immigrants with regular entry permits: Reyneri estimates that even in 1996, after the third regularisation decree, almost 30% of employed regular immigrants were employed illegally.

Unemployment

Unemployment does not appear to be very widespread among regular immigrants (12.1% of total entry permits), but this is largely due to administrative requirements which induce immigrants to conceal their real status, because in order to receive a work permit it is necessary to show the possibility of being employed. Most permits have been defined in order to regularise hidden working positions and clandestine immigration. In fact, according to Reyneri (1998), about 15% of dependent employment positions presented in the 1996 regularisation decree were based on false declarations: a few months after the regularisation procedure, many declared employment contracts were terminated, and between December 1995 and March 1997, registered unemployed immigrants increased by 70%.

In 1997, there were 177,850 immigrants regularly registered at public placement offices (Table 3). Their characteristics reflect those of the immigrant population in Italy and are very different from indigenous unemployment: while the latter is concentrated among young people searching for their first job and women, most unemployed immigrants (70%) are males who are over 30 years old (61%), have no (recognised) educational qualification (81%), are available for blue-collar, unskilled jobs (70%), and are located in northern Italy (47%), where there is greater availability of jobs. 93% of the registered immigrant unemployed were placed in dependent employment in 1997, a percentage much higher than that for the indigenous population (60%), indicating that immigrants represent the only supply of unskilled labour in northern Italian regions.

Analysis

Immigrants in Italy account for a relatively low share of the total population, even if this is rapidly increasing. They are mainly prime-age males with low educational and professional levels, and clandestine and irregular conditions are widespread. Most of these immigrants work in the industrial sector and in regular positions not accepted by Italian workers in the northern regions which are characterised by tight labour market conditions, and the immigrant workers are generally complementary to Italian workers. Economic research shows that, at least up to now, the immigrant labour force is not competitive with the Italian one and has had little or no effect on the employ-

ment and wage levels of indigenous labour (Venturini, 1996). Immigrants are, however, rapidly substituting Italian workers in the black economy and could rapidly become competitive with regular Italian workers in some sectors. The recent trend toward the stabilisation of immigration flows into Italy will, however, increase the complementarity between the immigrant and indigenous labour supply.

Three models or phases characterising the immigrants' position in the Italian labour market have been identified (Vellante, 1997):

- The non-competitive model: immigrant labour supply is mainly clandestine and substitutes capital rather than the indigenous labour force. Integration within the productive system is low.
- The non-stabilised model: immigrant labour is professionally adequate, but still semi-clandestine and with a medium level of integration in the productive system.
- The third model represents the highest level of integration in the productive system: the immigrant labour force is regularly employed, professionally adequate and with stable working conditions.

All three models are present in Italy in different productive sectors and territorial areas. The third model is more widespread in the industrial districts of the Northeast, where integration in the productive and economic system has already been achieved, even if at the lowest levels of the professional scale. Social integration is, however, still lacking, as shown by the housing problem, which prevents more stable integra-

Table 3: Unemployed non-EU immigrants registered at the public placement service by territorial area, 1997

	Registered 1997	%	% male	% low-skilled	% qualified	% specialised	% white-collar
North	82,944	46.6	67.76	73.03	18.49	5.68	2.80
Centre	53,010	29.8	67.45	48.43	49.26	1.01	1.29
South and Islands	41,896	23.6	76.33	91.59	5.25	1.65	1.50
Italy	177,850	100.0	69.69	70.07	24.54	3.34	2.04

Source: Caritas Association, Rome, based on Ministry of Labour data.

tion.⁵ In southern Italy, working conditions are more precarious and irregular, but, as many surveys on migrants show, social integration appears to be greater because of greater cultural similarities between the indigenous population and immigrants (Perrone, 1995; Schmidt di Friedberg, 1996).

Some studies have shown that the net contribution of immigrant labour is positive for the host country (Baldassarini & Tronti, 1996). Irregular labour has increased GNP growth and has probably contributed to the increase in skilled labour wages, while moderating wage growth in the low-skilled sector. Moreover, legal immigrant work has contributed to financing the Italian social insurance system. In addition, immigrant work has revitalised some declining sectors such as agriculture, fishing and livestock and has provided some personal services that are not supplied by the indigenous labour supply at affordable prices. Some authors have, on the other hand, stressed the potential negative effects of a large supply of low-cost, low-skilled irregular labour in slowing down technological progress and structural change.

The most discussed and relevant issue in relation to the Italian labour market, however, is the strong relation between the *irregular economy and irregular and clandestine immigration*. According to recent studies (Reyneri, 1998; Sciortino, 1997), the wide diffusion of the black economy and of irregular work in Italy is a strong factor of attraction for irregular and clandestine immigrants. The opinion is widespread among immigrants that it is relatively easy to stay and work in Italy even without a regular permit because controls are rare, expulsion is difficult and regularisation decrees are frequent. On the other hand, the supply of labour by immigrants (regular and irregular or clandestine) is an important element in explaining the continuation and growing size of the irregular and black economy in the 1990s. This vicious circle is becoming increasingly problematic: irregular and clandestine

immigrants are more easily involved in illegal and criminal activities, and this induces increasingly negative attitudes towards immigration among the residents; accordingly, more restrictive entry policies and less attention to integration policies are called for. Measures aiming at the emersion of irregular and clandestine migrant workers have had only partial and temporary success; instead, it is necessary to address the issue of the underground economy in order to structurally tackle this problem.

Future trends are likely to strengthen the recent patterns of migratory flows. Italy is an increasingly attractive country for migratory flows from Eastern European and far Eastern countries with a strong migratory pressure: between 1990 and 1997, these countries increased their share of total immigration to Italy from 19% to 39%. Immigration flows are increasingly stable and localised in the industrial districts of the Northeast and in the metropolitan areas of Rome and Milan. The incidence of irregular and clandestine immigration is high but declining in conjunction with the slowly increasing capacities of control and social integration of the host country.

In the future, according to demographers Golini and De Simoni (1998), Italy is set to absorb an increasing part of the migratory pressure in Europe because of the rapid ageing of its population which, on the one hand, will reduce the indigenous labour supply and, on the other hand, will increase the demand for personal and social services for the aged. According to these authors' estimates (Table 4), between 1998 and 2007 immigrant

inflows may increase by 50,000 to 80,000 per year (relative to the annual inflows of between 50,000 and 65,000 of recent years), leading to an immigrant population of between 2.6 and 3.5 million in 2017 or 4.5–6.2% of the resident population, an incidence still lower than in other large European countries.

Labour market policy questions

Specific targeted policies aimed at the social and labour market integration of immigrants are left to the local (regional and subregional) levels and to the activities of third-sector organisations and trade unions, with large differences in the approaches and services provided. Most measures have been activated using an emergency approach which strove to overcome the long duration of ordinary bureaucracy but also to contain social conflict, given the temporary and relief nature of most interventions, which did not introduce more structural (and thus conflict-prone) measures such as housing policies. Within this context, it is possible to identify some territorial differentiation linked to the administrative capacity of local institutions. Northern regions have been mainly concerned with housing and welfare policies, central regions have developed training and labour market policies (mainly professional qualifications and basic literacy education courses), while in southern Italy there is a lack of ad-

⁵ In these areas, it is sometimes the employers who provide housing facilities for foreign workers, thus increasing their economic dependence on the employer.

Table 4: Forecasts for foreign population in Italy by stock and flows, 2007 and 2017

Initial stock 1 January 1997 (in 1,000s)	Stock in 2007		Stock in 2017	
	80,000 per year	50,000 per year	80,000 per year	50,000 per year
1,381 % of total population	2,456 4.2	2,293 4.0	3,535 6.2	3,011 5.3
1,086 % of total population	2,025 3.5	1,861 3.2	3,078 5.4	2,554 4.5

Source: Golini & De Simoni (forthcoming).

equate policies due to the absence of public institutions, in part substituted by the activities of third-sector associations and trade unions (ISTAT, 1998b). In recent years, labour market measures supported by the ESF (Objective 3 and Employment Initiative) and aimed at non-EU foreigners have been increasingly implemented. Most measures include targeted vocational and language training and the creation of special professional positions (cultural mediators) to provide support for foreigners in the labour market (jobsearch assistance, enterprise creation, job-matching and placement).

The growing number of immigrants working in the industrial sector and joining trade unions led to the increasing attention paid by unions to immigrant workers in the form of the provision of specific measures in the 1990s. There is, however, little progress or results in terms of bargaining power for immigrants and, according to some authors, the activism of charitable associations and trade unions helps to explain the weakness and lack of autonomy of immigrants' associations (Danese, 1997).

At the national level, the March 1998 Immigration Act includes some labour market measures for immigrant workers, besides creating a special *National Fund for Migration Policies* to support first-aid centres, intercultural education initiatives and the activities of the *Commission for Integration Policies* created by the Act. Specifically, access to autonomous work, seasonal work and professional activities for non-EU citizens has been liberalised within the maximum fixed by annual quotas. In addition, a special "sponsor" figure has been introduced by the Act, who is charged with supporting immigrants during their stay in Italy. Such a figure may be represented by individuals or collective organisations (such as trade unions or third-sector associations) who are to facilitate integration.

The document accompanying the Act deals with the need to develop

equal opportunities and anti-discrimination policies to prevent social and labour market exclusion: multiculturalism and language learning; housing policies for immigrants and other disadvantaged groups; special attention to cultural and religious needs in the provision of public services; greater attention to policies toward children and young people through specific educational and social services; and policies aimed at recognition of professional skills.

The public debate and conclusions

Discussion in Italy is currently focussed on the application of the 1998 immigration legislation and on the need to prevent illegal immigration. The issue is becoming rather controversial, especially in large metropolitan areas, where increasing illegal and criminal activities are often associated with growing clandestine immigration flows.

The Italians' attitude toward non-EU immigrants is characterised by the absence of a sense of social obligation and the necessity for their differential treatment (Sciortino, 1994). Immigrants are needed, but not welcome, and remain "foreigners". This will come into conflict with the increasing social and working aspirations of second-generation immigrants, as is evident in northern regions where immigration is more stable. The need to combine employment and social integration measures for regular immigrants with stricter controls over inflows and more severe measures against illegal immigration is becoming more evident, as shown by the approach adopted for the first time in the 1998 Act.

Given the structure of the Italian economy, that is, the relevance of the SME sector and of the black and irregular economy (which explain in part the marginal conditions of immigrant labour supply and the difficulty in regulating and supporting more equitable conditions), the new legislation is considered positive by most commentators (ISTAT, 1998a;

Caritas, 1998), but needs to be improved.

The main weaknesses are linked to the procedures laid down for civil and political rights. The imposition of income conditions in order to gain resident status (resident card) and the fact that this may be revoked contribute to maintaining regular resident immigrants in an uncertain position. In addition, the right to vote at the local level still depends on the approval of a specific law on immigrants' voting rights at the local level. Also, the meagre support and weight in decision-making given to immigrants' associations is under discussion: only six out of thirty seats in the consultative body are reserved for immigrants' associations. Inclusion and integration seem to proceed mainly through membership of immigrants in Italian associations and trade unions.

Improvement in the conditions of regular immigrants are subject to the capacity of the central and local administrations to rapidly initiate implementation. This capacity is usually absent in the Italian public administration. Given the high mobility of immigrant workers, it is necessary that employment services include information, counselling and training activities specifically aimed at immigrant workers and that specific housing policies are considered in order to facilitate stabilisation and social integration in local communities. Greater cooperation between different institutions operating in the areas of social and labour market policies is needed, as is increased coordination at the European level.

Finally, most commentators stress the necessity to reduce the significance of the black economy in order to diminish the strong attraction factor for irregular and clandestine immigration.

Manuela Samek

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Luxembourg

Introduction

The population of Luxembourg is characterised by a high proportion of non-Luxembourg nationals. On 1 January 1997, 418,300 residents were registered at Luxembourg's Central Office for Statistics and Economics (STATEC), of whom 142,800 had a foreign passport. This corresponds to 34.2% of the resident population. In 1997, 10,423 people arrived in Luxembourg and 6,591 left the country (STATEC, 1998a).

The labour market situation

In Luxembourg, the employment of foreign people coming into the country is regulated by the employment administration (ADEM). Workers

Table 1: Population of Luxembourg by nationality (in 1,000s)

Population census	1981	1991	1996	1997 ¹	1998 ¹
Total population	364.6	384.4	412.8	418.3	423.7
Luxembourgers	268.8	271.4	274.8	275.5	276.0
Foreigners	95.8	113	138	142.8	147.7
Foreigners in %	26.3	29.4	33.4	34.2	34.9
Country of origin:					
Portugal	29.3	39.1	51.5	53.1	54.5
Italy	22.3	19.5	19.8	19.8	19.9
France	11.9	13.0	15.0	15.7	16.5
Belgium	7.9	10.1	11.8	12.4	13.2
Germany	8.9	8.8	9.7	9.9	10.0
Britain	2.0	3.2	4.2	4.4	4.4
Netherlands	2.9	3.5	3.8	3.8	3.8
Other EU countries		6.6	8.2	8.7	9.1
	10.6 ²				
Other countries		9.2	14.0	15.0	16.3
1 Figures calculated by STATEC (as of 1 January).					
2 Sum of "other EU countries" and "other countries".					
Source: STATEC (1998a).					

from non-EU countries require a work permit. Different types are available for immigrants: A, for one profession and a specific employer, for one year; B, for one profession and any employer, for four years; C, for any profession and any employer, of unlimited duration; and D, for apprenticeships and training. In 1997, the type A work permit was granted to 1,698 persons; 1,229 foreigners received the type B permit; and 505 applicants received the type C permit (Ministère du Travail et de l'Emploi, 1998, p. 121).

At the end of March 1998, 148,261 wage-earners living in Luxembourg were registered with the General Inspectorate of Social Security (IGSS); 40.6% of these resident wage-earners were of foreign nationality, 36.6% from EU countries and 4% of non-EU origin.

At the end of March 1998, 65.6% of the resident wage-earners in the agricultural sector were non-Luxembourgers; 77.6% of the people working in the construction sector were resident foreigners; 16.9% of the workers in hotels and restaurants are Luxembourgers; 62.3% of the employees in enterprise services do not have a Luxembourg passport; and in the sector of domestic services, 82.7% of the employees come from abroad and are now living in Luxembourg (IGSS, 1998, p. 308).

Sectors in which foreigners are less well represented are the production sector, the distribution of water, gas and electricity (4.7% non-Luxembourgers) and public administration (7.3% non-Luxembourgers). Between 30% and 50% of the resident wage-earners in the other sectors are of foreign nationality (IGSS, 1998, p. 308).

The Luxembourg labour market offers jobs to border commuters from neighbouring countries: Belgium, France and Germany. Border commuters to Luxembourg account for 24.7% of domestic employment.

The Luxembourg Household Panel Study (PSELL II) is a survey that allows analysis of the income dynamics of the population of Luxem-

Table 2: Resident wage-earners in Luxembourg (state functionaries not included), March 1998

	Blue-collar	White-collar	Total
<i>Luxembourg</i>	25,416	42,291	88,056
Germany	826	2,318	3,154
Austria	63	114	177
Belgium	962	4,281	5,245
Denmark	25	392	417
Spain	492	363	858
Finland	4	100	104
France	2,947	3,883	6,838
UK	132	1,136	1,268
Greece	34	112	146
Ireland	21	232	253
Italy	3,476	2,921	6,403
Netherlands	521	797	1,319
Portugal	25,214	2,636	27,852
Sweden	11	249	260
<i>Total EU countries</i>	<i>60,144</i>	<i>61,825</i>	<i>142,350</i>
Bosnia-Herzegovina	796	76	872
Cape Verde	664	28	692
China	179	49	228
Croatia	110	23	133
USA	29	284	313
Iceland	8	98	106
Japan	5	112	117
Norway	3	51	54
Poland	134	99	233
Romania	65	62	127
Switzerland	20	133	153
Yugoslavia	1,255	157	1,412
Others	863	608	1,471
<i>Total non-EU countries</i>	<i>4,131</i>	<i>1,780</i>	<i>5,911</i>
<i>Total resident wage-earners</i>	<i>64,275</i>	<i>63,605</i>	<i>148,261</i>

Source: IGSS (1998).

bourg. 4,743 (66.7%) Luxembourgers, 2,012 (28.3%) EU citizens and 352 (5.0%) non-EU citizens are interviewed. In December 1996, wage-earners (not including state functionaries, employees of international organisations and state enterprises, e.g. railroad, etc.) received a mean monthly salary of LFR 78,691. This mean was higher for equivalent earners with Luxembourg nationality (LFR 82,934). EU citizens earned a mean wage of LFR 71,514 per month. Workers from non-EU coun-

tries who live in Luxembourg achieved an average wage of LFR 75,646 in December 1996. Table 4 shows that there is only a small difference in the average monthly wage of these three population groups, but the standard deviation also shows that the non-EU citizens group is much more heterogeneous in terms of the monthly wage than the groups of EU citizens or Luxembourgers.

Wage discrimination against non-EU citizens cannot be observed, but

Table 3: Luxembourg's labour market, annual average (in 1,000s)

	1980	1990	1995	1996	1997	
					n	%
1. Domestic employment	157.6	187.1	213.5	219.5	226.5	100.0
Wage-earners	137.0	170.4	197.5	203.1	209.9	92.6
Employers, selfemployed, unpaid family workers	20.6	16.7	16.0	16.4	16.6	7.4
2. Border commuters						
a. Non-resident commuters	13.4	33.7	55.5	59.6	64.4	28.4
of which from:						
– France	5.3	15.3	28.6	30.8	33.7	14.9
– Belgium	6.4	12.3	16.9	17.9	19.0	8.4
– Germany	1.7	6.1	10.0	10.9	11.7	5.2
b. Resident border commuters	0.5	0.7	0.7	0.7	0.7	0.3
c. International representatives and civil servants	6.1	7.8	7.8	7.7	7.7	3.4
Net border commuters (a) – (b) – (c)	6.8	25.2	47.0	51.2	56.0	24.7

Source: STATEC (1998a).

Table 4: Average monthly salary of wage-earners, December 1996 (in LFR)

	Luxembourg citizens	EU citizens	Non-EU citizens	All citizens
Mean	82,934	71,514	75,646	78,691
Median	78,000	60,000	53,948	70,000
Standard deviation	43,140	47,005	64,478	46,074
Range	497,700	341,400	295,000	497,700
Minimum	2,300	3,600	5,000	2,300
Maximum	500,000	34,500	300,000	500,000
Number of observations	1,454	808	122	2,384

Source: Panel Socio-Economique, Liewen zu Letzebuerg II (PSELL II); own calculations.

the heterogeneity of this population is high.

Based on the 1997 Labour Force Survey and the ILO definition of unemployment, the STATEC calculated an overall unemployment rate of 3% for Luxembourg. Broken down by nationality, the unemployment rate for Luxembourgers is 2.2%; for immigrants from Portugal, 4.8%; 3.9% of the Italians are unemployed, while nationals from Germany, Belgium and France now living in Luxem-

bourg have an unemployment rate of 2.6%. The risk of being "unemployed" is comparatively high for non-Luxembourg citizens and higher for female foreigners.

In March 1998, 5,721 persons were registered as unemployed at the ADEM: 45.5% originated from other EU Member States, 12.2% were foreigners from outside the EU and 42.3% were from Luxembourg.

In December 1998, 5,313 persons were registered as unemployed.

40.6% were Luxembourgers, 49.1% came from other EU Member States and 10.3% came from other countries.

On 31 December 1997, 6,598 persons were looking for work; 42.1% were Luxembourgers, 46.8% from EU countries, 5.8% non-EU Europeans and 5.3% non-Europeans (Ministère du Travail et de l'Emploi, 1998, p. 85).

Unemployed foreigners from outside the EU countries are overrepresented. In March 1998, 4% of the wage-earners in Luxembourg were non-EU citizens, but over 12% of the registered unemployed are from outside the EU.

The policy institutions

The policy and social measures for integrating foreigners into Luxembourg society are based on the law dated 23 July 1993.

A state commission for foreigners under the Ministry for the Family coordinates and supports the policy measures towards integration: housing, support for social, economic and cultural living conditions (especially training and schooling), information on labour market issues, assistance for families and family members, encouragement of social and political participation by foreigners and efforts to increase the exchange between foreign communities and the Luxembourg people. These are to foster the participation of immigrants in social life in Luxembourg and to offer training seminars for social integration. The main objective of this state commission is to provide solutions to labour market problems and problems in the social security system. The commission works in close cooperation with employer and employee organisations. For 1997, the commission reported 423 applicants for asylum (including family members), with 120 from ex-Yugoslavia and 143 from Albania. In 1995, 398 requests without family members were registered, while in 1996, 263 requests, and in 1997, 285 refugees (without family members) were

processed (Ministère de la Famille, 1998, p. 118).

An *interministerial committee* coordinates the state administration in the field of integration policies. The main function is to advise the government on questions concerning foreigners who live in Luxembourg.

In addition to the state commission, a *national board for foreigners* has been established. This consultative assembly consists of the state commissioner and delegates from the ministerial committee, the municipalities, the employers' organisations, the trade unions, the foreign population and refugee bodies.

Municipalities with more than 20% foreign inhabitants must have a local consultative board for foreigners. A regular national conference for foreigners is organised by the different committees and associations of immigrants in Luxembourg (Schintgen, 1996, p. 397).

The reception of foreigners in Luxembourg

The Eurobarometer (European Commission, 1998) is a European study on public opinion in the European Union. The October–November 1997 survey highlights the fight against racism and xenophobia (European Commission, 1998).

- Question 1: “People from different countries which are *south of the Mediterranean* who wish to work here in the European Union, do you think that they should ...” “Be accepted, without restrictions”; “Be accepted, but with restrictions”; “Not be accepted”; “Don’t know”.
- Question 2: “People coming from *Eastern Europe*, who wish to work in the West, do you think that they should ...” “Be accepted, without restrictions”; “Be accepted, but with restrictions”; “Not be accepted”; “Don’t know”.
- Question 3: “People suffering from human rights violations in their country, who are *seeking political asylum*, do you think that

Table 5: Unemployment rates (ILO definition) in Labour Force Surveys

	LFS 1996	LFS 1997
Overall unemployment rate	3.8	3.0
By nationality:		
Luxembourgers	2.6	2.2
Foreigners		
By sex and nationality:	5.5	4.1
Male Luxembourgers	1.8	1.7
Female Luxembourgers	4.1	3.1
Male foreigners	4.6	3.2
Female foreigners	6.9	4.1
By main nationalities:		
Luxembourg	2.6	2.2
Portugal	5.5	4.8
Italy	3.9	3.9
Germany, Belgium, France	5.7	2.6

Source: STATEC (1998c).

Table 6: Acceptance of immigrants (in %)

	Question 1		Question 2		Question 3	
	EU15	Luxembourg	EU15	Luxembourg	EU15	Luxembourg
Accept without restrictions	13	16	12	9	20	16
Accept with restrictions	60	60	59	59	55	55
Not accept	21	17	23	26	18	21
Don't know	5	7	6	7	7	8

Source: European Commission (1998).

they should ...” “Be accepted, without restrictions”; “Be accepted, but with restrictions”; “Not be accepted”; “Don’t know”.

The results for Luxembourg are very close to the European average. 71% of the Luxembourgers welcome refugees without or with restrictions. In the opinion of the public, the labour market in Luxembourg is open to immigrants. The acceptance of newcomers from south of the Mediterranean who wish to work in the European Union is a little higher.

Only 33% of the people in Luxembourg responded that there are “too many” foreigners living in the country (EU15 average = 45%). 57% of Luxembourgers felt that there are “a lot, but not too many” foreigners living in the country (EU15 average = 40%); 6% of the people responded that there are “not many” foreigners living in Luxem-

bourg (EU15 average = 10%). In Luxembourg, opinions about foreigners are still to a high level positive: 63% of the people in Luxembourg agree to the statements “a lot, but not too many” and “not many” (EU15 agreement to the same statements = 50%, see European Commission 1998, p. 71).

- Question 5: “Some people are disturbed by the opinions, customs and way of life of people different from themselves. Do you personally find the presence of people of another nationality disturbing in your daily life?”
- Question 6: “Some people are disturbed by the opinions, customs and way of life of people different from themselves. Do you personally find the presence of people of another race disturbing in your daily life?”

Almost all the people in Luxembourg do not find the presence of different

Table 7: Being disturbed by immigrants (in %)

	Question 5		Question 6	
	EU15	Luxembourg	EU15	Luxembourg
Disturbing	13	10	15	8
Not disturbing	83	89	81	90
Don't know	4	2	4	3

Source: European Commission (1998).

nationalities or races in the country disturbing.

The Eurobarometer Opinion Poll No. 47.1 of 1997 reports: "Some 70% of the European Union citizens agree with the statement that people from minority groups are being discriminated against in the job market" (Eurobarometer Opinion Poll, No. 47.1, 1997, p. 4); only 40% of the people surveyed in Luxembourg agree with that opinion.

Compared with the EU15 average, Luxembourg has a positive attitude towards immigrants, especially when it is taken into account that only 2% of Luxembourgers declare themselves to be "very racist", 12% to be "quite racist", 33% to be "a lit-

tle racist" and 54% to be "not at all racist" (EU15 average: 9% "very racist", 24% "quite racist", 33% "a little racist", 34% "not at all racist"; Eurobarometer Opinion Poll, No. 47.1, 1997, p. 2).

Political institutions at national, regional and local level are working in favour of immigrants. They function as intermediary representatives of foreigners' interests in the policy and administration of Luxembourg.

Uwe Warner

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Netherlands

Introduction

Immigration into the Netherlands

After 1945, the Netherlands received several types of immigrants. The first group consisted of repatriates from the Dutch East Indies. They were received as permanent settlers and were easily integrated, partly because of their high educational level and acquaintance with the Dutch culture and partly because

of the strength of the economy at that time.

A second group came from Southeast Asia. This group consisted of Moluccan ex-soldiers from the Royal Netherlands East Indies Army and their dependants, who came to the Netherlands from the early 1950s onwards. They were assumed to be temporary migrants who would return home after independence.

A third group consisted of workers from the Netherlands Antilles and

Surinam, a former colony, who entered the country in 1964 and 1965. About half of the group from Surinam were of African origin; the others were descendants of contract workers who had been brought earlier from India and Indonesia.

A fourth group were guest workers from Mediterranean countries. In the early 1960s, when labour shortages persisted, the government decided to enter into bilateral recruitment agreements with several Medi-

terranean countries. Agreements were reached with Italy in 1960, Spain in 1961, Portugal in 1963, Turkey in 1964, Greece in 1966, Morocco in 1969 and, finally, Yugoslavia and Tunisia in 1970. These groups of immigrants were mainly recruited by employers.

Ethnic minority groups

Around 17% of the Dutch population belongs to an ethnic minority group, if the broadest statistical definition available is used. According to this definition – that of ethnic origin – people belong to such a group if they themselves and/or at least one of their parents were born outside the Netherlands.

Two other definitions used by Statistics Netherlands (CBS) are:

- the nationality of a person; and
- a combination of a person's nationality and birthplace.

According to the latter definition, people belong to an ethnic minority if they were not born in the Netherlands or if they were born in the Netherlands but do not have Dutch citizenship.

All three definitions mentioned above in principle only include people who legally reside in the Netherlands.

The Dutch integration policy for ethnic minorities focuses on specific target groups: people born in certain other countries and their children who also live in the Netherlands. Almost 7% of the population belongs to one of the target groups for this policy, the largest groups being Turks, Moroccans, Surinamese and Antilleans/Arubans (cf. Table 1). These target groups were established by the government in the Minority Paper (*Minderhedennota*) of 15 September 1983. In the 1994 framework paper, Integration Policy on Ethnic Minorities (*Contourennota*), the Dutch cabinet pointed out that in the near future some groups would no longer need to be considered a target group for the minority policy because of their improved position (amongst others the southern Euro-

peans). For the moment, the definition has not been altered, but it was decided that only the five largest policy target groups would be given priority in the fields of education, housing and labour: Surinamese, Antilleans/Arubans, Turks, Moroccans and refugees.

Population data are available for ethnic origin, but the official labour market statistics come from the Labour Force Survey, which uses the second definition (nationality and birthplace of the person). Second, third and later generation migrants are only included in this definition if they do not have Dutch citizenship.

Table 2 presents some key figures on the labour market position of all ethnic minorities and the minorities that belong to the policy target groups. The remainder of the article will focus on the four largest groups among the policy target groups.

Labour market position

Employment patterns

Employment

Although employment amongst ethnic minorities has increased more rapidly than for native Dutch, in 1997 employment rates were still considerably lower for ethnic minorities, in particular for Turks and Moroccans (cf. Table 3). Within the latter group, Moroccans have been catching up with the Turkish population in recent years.

Participation rates for young people from ethnic minorities also in-

creased more rapidly than for the Dutch. However, in 1997 only 28% of them were working, compared to 43% of native Dutch young people (Minderhedenbeleid, 1999). With this type of analysis one should bear

Table 1: Population by ethnic origin, 1997 (in 1,000s)*

Population group	Number
Native Dutch	12,890
Ethnic minorities, of which:	
Main policy target groups **	1,063
Turks	280
Moroccans	233
Surinamese	287
Antilleans/Arubans	95
Greeks	11
Italians	32
(former) Yugoslavians	60
Cape Verdians	17
Portuguese	13
Spaniards	29
Tunisians	6
Others	1,613
Total population	15,567

* Ethnic origin: definition combining a person's birthplace and his or her parents' birthplaces; if one of the three birthplaces is outside the Netherlands, the person is considered to belong to an ethnic minority.

** In addition, Moluccans, refugees (with legal status), caravan-dwellers and gypsies also belong to the target group of the integration policy for ethnic minorities.

Source: CBS (1998, p. 59).

Table 2: People aged 15–64 by labour market position and nationality/birthplace, 1997

	Native Dutch	(All) Ethnic minorities	Only policy target-group minorities
Population (in 1,000s)	9,433	1,130	564
Participation rate (%)*	66	57	54
Employment rate (%)**	62	48	45
(Registered) Unemployment rate (%)	4	16	20

* Labour force as % of population in respective age group.
 ** Employed as % of population in respective age group.

Source: CBS (1998, p. 68); data from Labour Force Survey.

in mind that the native Dutch population is ageing more rapidly than the ethnic minority population.

In all groups, including the native Dutch, the employment rate of women is lower than for men. Female employment (cf. Table 3) in comparison with male employment is lowest amongst Turkish and Moroccan women, while amongst Surinamese women paid employment is more common than amongst native Dutch and Antillean and Aruban women.

Occupations and industrial sector

The majority of Moroccans and Turks work in "simpler" jobs, which are mainly to be found in the industrial sector. About 67% of working Moroccans and 75% of working Turks have such jobs (cf. Table 4).

The public sector, which absorbs a considerable number of Dutch, southern European and Surinamese employees, is almost insignificant for Moroccans and Turks (Tesser et al., 1998, Table 4.15, p. 126). Similar figures on occupational characteristics are found by Rettab (1995). This study shows that about 90% of the active population among Moroccans is concentrated in the two least skilled occupational categories, namely, service workers and production and related workers, and transport and equipment operators and labourers.

Self-employment

Between 1986 and 1997, the number of entrepreneurs (or self-employed) from ethnic minority groups doubled, while the number of native entrepreneurs only increased by the factor of almost 1.5. As a share of the labour force, self-employment among ethnic minorities shows a stronger increase than for the rest of the Netherlands.

Self-employment is now more common amongst the Turkish population than amongst the native Dutch. The other ethnic groups still have lower shares.

Wages

Several studies found the average monthly earnings for Dutch natives

	Dutch	Turks	Moroccans	Surinamese	Antilleans/Arubans	Others
<i>Males</i>						
Primary	8	46	50	19	0	24
Primary vocational	22	26	22	32	27	29
Secondary	45	21	22	35	33	32
Higher	25	7	6	14	27	15
Total absolute values	3,718,000	46,000	36,000	63,000	15,000	34,000
Employment rate	75	46	42	60	59	52
<i>Females</i>						
Primary	6	44	36	17	0	25
Primary vocational	21	22	27	26	25	20
Secondary	47	28	27	40	42	35
Higher	26	0	0	17	17	20
Total absolute values	2,362,000	18,000	11,000	53,000	12,000	20,000
Employment rate	46	18	15	47	37	38

Source: CBS (1998).

Level of jobs	Moroccans	Turks	Surinamese	Antilleans	Dutch
Very simple	47	50	18	17	3
Simple	20	25	14	16	9
Somewhat complicated	22	18	34	30	28
Fairly complicated	4	4	15	18	26
Complicated	3	1	8	8	14
Very complicated	4	1	7	9	12
Scientific	0	0	3	3	8

Source: SPVA (1991).

to be higher than for other groups. The average Dutch wage-earner earns about 40% more than Moroccans and 38% more than Turks (Kee, 1993; Rettab, 1995). Kee (1993), among others, has found that these wage differentials are mainly explained by differences in educational level and accumulated relevant work experience in the Netherlands as well as by racial discrimination.

Unemployment patterns

Unemployment rates

From 1988 to 1990, (registered) unemployment rates decreased, but

more so for native Dutch than for ethnic minorities. From 1990 to 1996, unemployment rates increased again, and more so for ethnic minorities. However, amongst the minority groups, Turks and Moroccans, as well as Surinamese, Antilleans and Arubans, did better than other groups. The Moroccan population improved its employment position, becoming similar in this respect to the Turkish population. It should be noted, however, that an increasing number of Turks adopted Dutch nationality and thus disappeared from these statistics (Minderhedenbeleid, 1998).

Table 5: Development of the number of entrepreneurs, 1986–1997, in absolute figures and as a % of the labour force for different ethnic groups

	Absolute number*			% labour force**		
	1986	1992	1997	1986	1992	1997
a) Surinam	1,725	4,148	6,223	2.0	4.5	5.4
b) Dutch Antilles + Aruba	405	1,003	1,629	2.9	4.6	6.3
c) Turkey	1,895	5,385	7,453	4.4	7.8	12.2
d) Morocco	866	1,912	2,844	3.3	5.0	5.9
e) Other Mediterranean countries***	2,074	3,241	4,204	4.9	7.7	7.9
Total ethnic entrepreneurs in categories a–e	6,965	15,689	22,353	3.3	6.0	7.4
Total for the Netherlands (including ethnic entrepreneurs)	460,000	560,000	660,000	8.0	8.9	10.1

* On the basis of birthplace.
** On the basis of birthplace and nationality (CBS, Maandstatistiek van de bevolking - Statistics Netherlands, monthly population statistics). As a result, the share of self-employed ethnic entrepreneurs in the labour force tends to be underestimated.
*** Greece, Italy, former Yugoslavia, Portugal, Spain, Tunisia, Algeria. The latter category is not one of the official target groups of Dutch ethnic minority policy.

Source: Tillaart & Poutsma (1998, p. 40).

Table 6: Decomposition of wage differentials across groups of immigrants, with Antilleans as the benchmark group (in %)

Differences variables	Moroccans	Turks	Surinamese
Gross differentials	-23	-19	-10
Unexplained differentials	-17	-16	-9
Explained differentials	-6	-3	-1
Schooling	-14	-10	-4
Experience	5	5	2
Other variables	2	2	1

Source: Kee (1993, p. 25).

Table 7: Decomposition of native-immigrant wage differentials

	Antilleans	Surinamese	Turks	Moroccans
Difference in mean log offered wages:	23.31	29.95	35.94	24.75
of which due to discrimination	10.23	11.08	-3.1	-16.32

Source: Kee (1993, p. 136).

Another important reservation to be made here is that registered unemployment, especially in the Netherlands, only covers a part of the population that could be called unemployed. A number of arguments exist as to why ethnic minorities might well be overrepresented amongst the unemployed who are not covered by the official definition,

that is, those unemployed who failed to register, did not actively look for work, said they did not want to work, or were simply already underrepresented in the Labour Force Survey.

In spite of having a low participation rate – due to a high disability rate and a low female participation rate, among other reasons – Turks

and Moroccans record the highest unemployment rates, at 36% and 25%, respectively.

In addition, long-term unemployment is also relatively high among the unemployed ethnic minorities (Table 9). Education and long-term unemployment are related: less educated persons remain longest without a job.

Conclusions

As a consequence of the economic crisis at the beginning of the 1980s, many migrants permanently lost their jobs, and it became more difficult for newcomers to find work. Some of the Surinamese and Antillean/Aruban population, but in particular Turks and Moroccans, became disadvantaged groups in Dutch society. During the 1980s, a new generation of ethnic minorities was raised in the Netherlands. Better educated than their parents and coming to age at a time when youth unemployment is no longer the problem it was, their starting position in the labour market should be more hopeful. However, research shows that even those who were born in the Netherlands still lag behind their native Dutch counterparts (Tesser & Veenman, 1997).

Analysis

The disadvantaged position of ethnic minorities can be explained by a combination of low educational level, insufficient command of the Dutch language, lack of a social network with links to the Dutch labour market, as well as direct and indirect discrimination in recruitment and selection.

For the first-generation immigrants, there is the difficulty of transferring skills from the country of origin to the host country, partly because of language barriers, low educational level and lack of training in the host country, and limited social contacts and jobsearch channels; at the same time, the concentration in specific segments restricts migrants' opportunities to accumulate relevant work experience and to achieve pro-

Table 8: Registered unemployment by nationality/birthplace and gender, 1997 (in %)

	Male	Female	Total
Dutch	4	6	5
Turks	36	36	36
Moroccans	25	24	25
Surinamese	14	16	15
Antilleans/Arubans	22	32	27
Others	20	20	20
Total	6	7	6

Note: The unemployed are members of the labour force registered at the employment office as unemployed or who are employed for less than 12 hours per week. For the classification of registered unemployed, data from the Labour Force Survey (EBB) and the Public Employment Service are combined.

Source: CBS (1998).

Table 9: Long-term (registered) unemployed (>1 year) by nationality/birthplace, 1997, as % of total registered unemployed

	%
Dutch	50
Turks, Moroccans	61
Surinamese, Antilleans, Arubans	57
Former Yugoslavia and other non-European countries with the exception of the former Dutch Indies, Indonesia and the USA	56
Others	57
Total	52

Source: Minderhedenbeleid (1999, p. 38).

Table 10: Drop-out rates for different ethnic groups (in %)

Source	Study 1*		Study 2**	
	Boys	Girls	Boys	Girls
Dutch	4	5	5	2
Moroccans	20	20	27	17
Turks	12	11	17	10
Surinamese/Antilleans	14	12		
Surinamese			18	7
South-East Asia	11	9		
Other Europeans	10	6		
Others			12	10

* Hofman (1993).

** Driessen & Dekkers (1997) (only those without a diploma and no further education), quoted in Minderhedenbeleid (1998).

rural areas which lack an adequate supply of education. The relatively old average age upon immigration of about 24, combined with the lack of Dutch language proficiency, may also explain the enormous barrier to entering school (Rettab, 1995).

In addition, those who entered school in the Netherlands are far more likely to drop out than native Dutch students. The drop-out rates from the educational system in the Netherlands are highest among Moroccans, followed by the Turks and the Surinamese and Antilleans. Different studies yield different figures but similar patterns. Two examples are given in Table 10.

That educational level is not the only reason for the disadvantaged position in the labour market is apparent from the fact that, for all four levels of education distinguished in the Labour Force Survey, the employment rate is lower for ethnic minorities than for the native Dutch (Allochtonen in Nederland, 1998).

Data from the Dutch Ministry of Education, Culture and Science on participation of ethnic minorities in different educational systems by generation for 1997 and 1998 show that the position of the second generation has improved in comparison to the first generation, but that it is still behind that of the native Dutch students.

The SPVA (survey on social position and use of services) also provides data on the second generation because it uses a combination of birthplace of the respondent and birthplace of the parents for defining ethnic minorities. According to this survey, both amongst the 15–24 age group and the 25–29 age group, labour market participation for the native Dutch is higher than for the four main ethnic minority groups. Unemployment amongst 15–24 year-olds is 2.5 to 3.5 times higher for the ethnic minorities in the target group than for native Dutch young people in the same age group. In the age groups 15–19 and 20–24, participation in education is clearly higher for the second generation than for the

motion at work. As a result, the years of experience in the host country are also found to be insignificant for the employment prospects and wages of migrants (Rettab, 1995, pp. 172–175).

Moroccans and Turks have the highest share of people with a low education, followed by Surinamese

and Antilleans and Arubans, in that order. About 70% of Moroccans and Turks have completed only primary education or have no education at all. This outcome is explained by several factors rooted in pre-migration conditions and aggravated by post-migration conditions. About 60% of Moroccans and Turks originate from

first generation of that age. Second generation was defined here as persons who have been living in the Netherlands from at least the age of six onwards. In the 15–24 age group (which covers school-leaving age), the educational level attained by the ethnic minorities in the target group is, however, still considerably lower than that attained by their native Dutch counterparts. The situation is worst for Turkish and Moroccan young people (Tesser & Veenman, 1997).

Labour market policies

Introduction

The Dutch policy with regard to ethnic minorities is the responsibility of the Ministry of Home Affairs, which also coordinates the activities of other Ministries in this area.

Since 1979, ethnic minorities have been entitled by law both to a position equal to that of the native Dutch and to equal opportunities to develop and participate in society. A number of minority policies have been launched to improve the situation of migrants. The most recent is the *Minderhedennota* (Minorities Paper) of 1993, which, in accordance with previous minority policies, aims at tackling the disadvantaged position of minorities by providing them with equal opportunities to develop in a tolerant and multicultural society.

The Equal Treatment Act, which was launched in 1994 (Bulletin of Acts and Decrees No. 230), was intended to enforce respect for human rights and to enhance the participation of minorities in society. This law prohibits discrimination on grounds of race, religion, colour, and so on. Nevertheless, discrimination in the labour market is still evident. One-third of minority job applicants were found to have been discriminated against and immediately refused for jobs (Intermediair, 10 February 1995, pp. 75–77).

Under the above minority policy, an integration policy was launched in January 1996 to familiarise new im-

migrants with Dutch society. This policy was developed under the previous cabinet in the so-called *Con-tourennota Integratiebeleid Etnische Minderheden* (Framework Paper Integration Policy on Ethnic Minorities). The objective is to help new immigrants become independent and self-reliant so that they can advance within Dutch society. A familiarisation programme consisting of 500 hours of instruction in the Dutch language has been developed and implemented at municipal level. New immigrants are placed in a compulsory educational programme immediately after arrival in order to learn Dutch and to help them find access to the labour market. In November 1996, the cabinet submitted a proposal to parliament whereby this policy received a legal basis. It came into force on 30 September 1998.

For the settling-down policy (*in-burgering*), a monitoring procedure was developed which was carried out on a quarterly basis in the municipalities that had already introduced such programmes. In 1996, on average half of those who qualified actually participated in a settling-down programme. In 1997, the programme was offered in all municipalities. In Autumn 1997, the results of what was called an evaluation study became available, but this study did not include information on the final effects of the programme in terms of “settling-down” or integration (*Minderhedenbeleid*, 1998, p. 19). Relatively soon it became apparent that the link with labour market integration was a weak point in the settling-down programmes. The employment service developed a specific product manual for services to newcomers and refugees, and the national bureau called upon the regional bureaux to contact the newcomers’ bureaux and seek cooperation (*Minderhedenbeleid*, 1998, p. 22). Since the Netherlands have a complex decentralised structure for dividing the funds available for increasing the employability of social security beneficiaries, much depends on decisions taken by individual re-

gional employment services and municipalities.

Status in mainstream measures

The general Dutch labour market policy contains a large number of measures that aim to stimulate employment and reintegration at the lower end of the labour market. These measures target people with a relatively low level of education and a large distance from the labour market and are hence the “natural” measures to reach ethnic minorities. The existing instruments for subsidised employment were expanded and combined in the *Wet inschakeling werkzoekenden* (WIW) (law on the integration of jobseekers), which came into effect on 1 January 1998. The aim of this law is to give more possibilities to the municipalities for guiding unemployed persons under the age of 23 years and long-term unemployed (>1 year) into the labour market. The WIW enables municipalities to apply the available funds more effectively and to offer made-to-measure work. The WIW includes the former Youth Employment Guarantee Act (JWG), Labour Pools (*Banenpools*), activation instruments for the young, employment without losing benefits (Article 144 of the ABW, the National Assistance Act) and subsidies for Experiments with the Activation of Benefit Money (*Subsidieregeling experimenten activering van uitkerings-gelden* – EAU).

Because of its recent introduction, as yet no data are available on the participation of ethnic minorities in the WIW. It is expected that their participation will at least be similar to their participation in preceding measures.

Evaluations of these measures systematically showed that they still tended to “cream” the labour supply, that is, the better qualified within the target groups are more likely to participate. Ethnic minorities usually do not belong to this upper level of the target group. In addition, participa-

tion by ethnic minorities seemed to be less successful. The Youth Employment Guarantee Act (JWG) guarantees young unemployed a job offer, training offer or a preparatory phase. Young members of ethnic minority groups in this measure were less likely to be working and more likely to be fired if they did find work (Minderhedenbeleid, 1998). The incorporation of the JWG into the WIW is expected to lead to a decrease in this number. On the other hand, studies on the Youth Employment Guarantee Act (JWG) and the Labour Pools (*Banenpools*), for example, also indicate that over time measures succeed better in reaching their target groups. For the JWG it is also known from the evaluation that the *net* effect of the measure, that is, the difference made by the measure itself, was higher for people with a low level of education and for those from ethnic minorities. In other words, so-called deadweight effects – unemployed being hired who would also have been hired without the measure – were lower for these groups.

It appears that extreme targeting is required in order for ethnic minorities to benefit proportionally from employment measures. So far no specific targets have been set, however, for the participation of ethnic minorities – or others for that matter – in the measures described above. Specific projects for ethnic minorities have been defined under some of the regulations, notably the EAU and the JWG. Evaluation of the EAU showed that on 30 June 1997, the participation of ethnic minorities in this programme was considerably higher than, for example, in the Labour Pools, the JWG and the population of unemployment assistance beneficiaries (former RWW) at the end of 1995 (Minderhedenbeleid, 1999, p. 24). It appears that labour market measures are more successful in reaching ethnic minorities when specifically designed to do so.

There are also specific projects for young people from ethnic minority groups aiming to give them better access to regular employment meas-

ures, including the WIW. In 1998, seven already existing projects for Antilleans and Arubans were extended to 1999, and another 31 municipalities received money for projects that will run until 1 May 2001, including 20 projects for Moroccan and Turkish youth.

Another important employment measure for ethnic minorities is the *Extra werkgelegenheid voor langdurig werklozen* (additional employment for long-term unemployed, the so-called Melkert jobs). It provides subsidised employment at wages between 100% and 120% of the statutory minimum wage (130% as of 1 January 1999). A substantial number of the jobs were allocated to the four large cities in which most of the ethnic minority populations live. In 1997, 47% of the inflow into this measure in the four large cities consisted of ethnic minorities. In 15 other larger cities, this share amounted to 18%. In the remaining 60 municipalities, 23% of the inflow was non-native Dutch. On average for all 79 municipalities, 34% of the inflow came from ethnic minorities (Minderhedenbeleid, 1999, p. 27).

Specific policies

With regard to improving the labour market position of ethnic minorities, three groups of actors are relevant: the Public Employment Service, the government and the social partners.

Public Employment Service

The Public Employment Service (*Arbeidsvoorziening*) aims for proportional placement of ethnic minorities in so-called “labour market trajectories” (*trajecten*), which were developed for people at a great distance from the market. Although the number of placements in such trajectories has increased somewhat, the placement rate for unemployed job-seekers from ethnic minorities is still lower than that for their native Dutch counterparts (Minderhedenbeleid, 1998, p. 31).

In 1997, the employment service published a plan of action for increas-

ing their services for ethnic minorities. No later than 1 January 2000, ethnic minorities shall be proportionally represented in all employment service activities. The Employment Service will actively involve itself in the implementation of the *SAMEN* Law and the provisions on ethnic minorities in collective agreements (see below). Its staff will be retrained. Fifty company advisors and a national facilitator on ethnic minorities will execute the plan of action.

Government policies

Job opportunities

Besides some specific supply-side-oriented measures mentioned earlier, legislation has been introduced to influence the demand side as well.

To tackle the unequal employment participation of minorities in the Netherlands, a law introducing a quota for the first time was accepted in July 1994. This law is entitled the Law on Enhancement of Equal Labour Participation of Allochtones (WBEAA). It obliges firms employing 35 workers or more to recruit a proportion of immigrant workers equal to the proportion of immigrants living in the region where the firm is established. These firms are forced by law to report yearly on this matter. Weaknesses of this law are that it is not applicable to firms employing less than 35 workers, which are more labour intensive and provide a considerable share of employment, and that it does not specify any penalties against firms which violate the law. The law was evaluated in 1996. At that time only 14% of employers were complying fully with its stipulations. Almost 60% of the employers had introduced the compulsory registration of the ethnic origin of employees. Companies complained about the complexity and volume of procedures and administrative requirements (Minderhedenbeleid, 1998, p. 30). On the other side, complaints were raised about poor monitoring and enforcement of the law.

The WBEAA law was replaced by the Law on the Promotion of Labour Market Participation of Minorities

(*Wet SAMEN*). The administrative obligations were simplified and the compulsory auditor's statement abolished. Non-compliance with the law was no longer a criminal offence. Instead, the Labour Inspectorate was given a supervisory task and works councils were given more authority.

The *SAMEN* Law came into force on 1 January 1998 and is valid until 1 January 2002. It supports the agreement reached by the social partners in the Labour Foundation.

Entrepreneurship

It is one of the explicit tasks of the Ministry of Economic Affairs to promote entrepreneurship and increase the opportunities for start-ups and firm growth. Two measures were launched to assist potential entrepreneurs from ethnic minority groups:

- MOTOR (Dutch abbreviation for Migrant Entrepreneur: Talent, Education, Result): this measure aims to improve entrepreneurship amongst migrants. Pilot projects are initiated at the local level, in which improvements and modifications are introduced to the existing infrastructure for guidance to and advice for starters. Institutions dealing with migrant issues, advice for starters and business education work together in the organisation of these projects. The project will last 2.5 years and receives a subsidy from the Ministry of Economic Affairs. It started on 1 June 1997.
- Franchising amongst migrants: franchise suppliers and entrepreneurs from minority groups are brought together under this project. This should provide a solution to two problems that entrepreneurs from these groups face: lack of management skills and unfavourable locations for their businesses.

Social partners

For the second time, the Dutch social partners have concluded an agreement on ethnic minorities in the Labour Foundation (*Stichting van de Arbeid*) entitled *Met minderheden meer mogelijkheden* (more possibili-

ties with minorities, 1997–2000). In this framework agreement, the social partners at the central level advise the collective bargaining partners (sector level) to agree on certain initiatives and advise individual companies to derive their own target figures from these. The framework agreement also contains several recommendations with regard to the implementation of agreements, including the delegation of the actual work to separate organisations. This question of implementation arose from a report on the previous minorities agreement (1990–1996) on the basis of research in 13 sectors.

Other initiatives

Not all measures can be included within the scope of this article. Specific measures exist, for example, to increase the number of migrant workers in public services and the health-care sector. Several initiatives exist to improve the educational level of ethnic minorities. In addition, ethnic minorities may benefit from other general policies, notably, the Dutch "large-city policy" (*grote-stedenbeleid*): a majority of the ethnic minorities live in larger cities.

Public debate and conclusions

A fairly broad political and social consensus exists in politics and in society on the objectives of the ethnic minority policy. Combating the relative arrears that ethnic minorities have on the labour market remains one of the main priorities. Increasing the "return on education" for these groups is another important goal and a condition for fulfilling the former. Ethnic entrepreneurship has gained attention as a source of social participation and employment creation, both for the self-employed and the people they hire.

Measures to combat what are called "trends that damage the integration process" are a fourth pillar in this respect. These include the fight against racism and discrimination in Dutch society. Relatively new in this

respect is the fact that developments within ethnic minorities, in particular religious fundamentalism and crime amongst certain youth groups, are discussed and explicitly included in the framework of policies for ethnic minorities.

The public debate is dominated by the question of asylum-seekers: there is a growing call for a more restrictive acceptance policy, which is stimulated by the problems that the Dutch authorities are having in adequately accommodating the refugees and by the delays in processing the requests for residence permits.

Marjolein Peters & Belaid Rettab

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Austria

Introduction

The most important legal basis for admitting foreigners to the Austrian labour market is the law on the employment of foreigners (*Ausländerbeschäftigungsgesetz – AuslBG*), which in principle has the function of regulating the number of foreign nationals on the labour market, defining “foreigners” as persons who do not hold Austrian citizenship and who are not citizens of an EEA or EU country.¹ Also excluded from the provisions of the law on the employment of foreigners are recognised refugees (under the Geneva Convention), asylum-seekers, those teaching and researching at universities and scientific establishments, the staff of diplomatic or consular services and foreign spouses of Austrian citizens with a right of residence.

Generally speaking, an employer may only recruit foreign workers if the Labour Market Service (*Arbeitsmarktservice – AMS*) issues him or her an “employment licence” (*Beschäftigungsbewilligung*) to this end, or if the foreigners in question are in possession of a valid work permit² or a valid exemption certificate.³

The lowest level of labour market access for foreigners requiring approval is the “employment licence”, which can be granted to the employ-

er on application and is tied to a specific job and a specific person. Such employment requiring approval is only possible if none from the following groups has applied for the job: first, Austrian citizens; second, recognised refugees under the Geneva Convention; third, foreign workers registered as unemployed and entitled to unemployment benefits; fourth, foreigners with children; and fifth, asylum-seekers. Moreover, an employment licence is only granted provided the employer has not dismissed elderly workers (50 years and over) during the previous six months.

An additional crucial criterion for the employment of foreigners in Austria is the so-called “ceiling”. This limits the total number of foreign workers in dependent employment and registered as unemployed to a maximum of 8% of the total active population. The absolute number – in 1998 it was 262,885 – is set each year by decree by the Federal Ministry of Labour, Health and Social Affairs. The ceiling can be increased to 9% to allow for special groups of individuals (such as young foreigners with one parent working in Austria or war refugees with a temporary right of residence) or in the light of special public or macro-economic interests (such as urgently

needed specialist skills that cannot be obtained in Austria).

Given this legal framework, it is clear that the discrimination against recent immigrants to Austria is located not primarily in the process of job-search and application but begins earlier, namely, in statutory exclusion from the labour market.

A fundamental distinction must be made between the situation of ethnic minorities and that of non-EEA nationals. Under Austrian law on ethnic minorities (*Volksgruppengesetz*), people are considered to belong to an ethnic minority if they are normally resident in Austria, have Austrian citizenship, do not speak Ger-

1 According to estimates by the Austrian Central Statistics Office (ÖSTAT), in 1996 around 725,000 foreign citizens were living in Austria, of which around 100,000 were EEA citizens and around 625,000 were from outside the EEA, amounting in total to around 9% of the population.

2 Foreigners who have been in legal employment for at least 12 out of the last 14 months are entitled to a work permit (*Arbeitserlaubnis*), the validity of which is limited to two years and which enables the bearer to work in one specified state.

3 Foreigners who can provide evidence of having been in legal employment in Austria for five out of the last eight years are entitled to an exemption certificate (*Befreiungsschein*), which is valid for five years and enables the holder to work throughout Austria. In formal legal terms, an exemption certificate gives foreigners equal status to Austrian citizens.

man as their mother tongue and have their own cultural and ethnic traditions. Most of these minorities originated from the countries on Austria's eastern and southeastern borders and have lived there for many generations. The most important groups are:⁴

- Roma and Sinti (Burgenland, Vienna and other federal states): 20,000–30,000;
- Croatians (Burgenland): 30,000;
- Slovenians (Kärnten and Steiermark): 20,000;
- Hungarians (Burgenland, Lower Austria): 20,000;
- Czechs (Vienna, Lower Austria): 10,000;
- Slovaks (Vienna, Lower Austria): 1,000.

Ethnic minorities are not subject to any specific statutory regulations on the Austrian labour market because all their members are people holding Austrian citizenship, who are consequently able to move on the labour market as they wish. However, many of them, especially Roma and Sinti, face substantial discrimination.

Labour market situation

Recent immigrants on the Austrian labour market

Since the lifting of the Iron Curtain in 1989, Austria has experienced an influx of 340,000 migrants (up to 1996). The number of foreign nationals in dependent employment (including those from the EU/EEA) increased from 167,381 (1989) to 300,353 (1996). Given that the data on the employment of foreigners in Austria make no reference to the duration of their residence in the country, quantitative statements about the population of “recent immigrants” can only be made using “foreign workers with an employment licence” as a rough indicator.⁵

The figures given in Table 1 indicate that in 1997, of all the foreign workers employed on the Austrian labour market, only 13% (compared with 21.7% in 1995) were “new entrants”, that is, foreigners with an

Table 1: Proportion of foreigners with an employment licence

Year	Total number of employed foreigners (average stock)	Proportion of foreigners with an employment licence	Male foreigners with employment licence	Female foreigners with employment licence
1995	269,733	21.7%	20.5%	24.2%
1996	257,178	16.6%	15.7%	18.4%
1997	247,266	13.0%	12.3%	14.2%

Source: AMS (1998a).

Table 2: Nationality of recent immigrants with an employment licence

Nationality	Men		Women	
Former Yugoslavia	3,809	18.8%	2,740	23.2%
Bosnia	3,817	18.8%	2,749	23.3%
Turkey	3,717	18.3%	1,682	14.3%
Croatia	1,764	8.7%	1,271	10.8%
Hungary	1,280	6.3%	534	4.5%
Poland	969	4.8%	388	3.3%
Slovak Republic	721	3.6%	335	2.8%
Slovenia	682	3.4%	372	3.2%
Czech Republic	602	3.0%	233	2.0%
Romania	53	2.6%	311	2.6%
Macedonia	425	2.1%	91	0.8%
Switzerland	249	1.2%	149	1.3%
USA	219	1.1%	93	0.8%
Former CSFR	113	0.6%	64	0.5%
PR China	122	0.6%	8	0.1%
CIS	126	0.6%	65	0.6%
Other countries	1,145	5.6%	713	6.0%
Total	20,292	100%	11,798	100%

Sources: AMS (1998a); author's calculations.

employment licence. On the other hand, the proportion of foreign workers with an exemption certificate rose to 58% in 1997 (from 47% in 1996). This trend reflects legal changes that aimed to promote the integration of already established foreigners, while at the same time making it more difficult for recent immigrants to Austria to gain access to the labour market.

The majority of the new immigrants come from Yugoslavia or from states formerly belonging to Yugoslavia. Turkish citizens account for a significant proportion of the total.⁶ As a result, the number of employees who require a licence and who are from Yugoslavia and its successor states or from Turkey has increased further as a proportion of total for-

ign employment, reaching 79.4% in 1997. Alongside Poles, many of the remaining recent immigrants come from Austria's neighbouring countries: Hungary and the Czech and Slovak Republics.

4 The following figures are based on the 1991 census; more recent data are not available.

5 The category “foreign workers with an employment licence” is primarily an indicator of the first entry by foreigners to the Austrian labour market; consequently, it includes those foreigners who have lived in Austria for some time but had not previously entered the labour market.

6 On the basis of an association agreement between the EU and Turkey, which came into force in Austria on 1 January 1998, Turkish workers are granted privileged access to the labour market. In particular, they are entitled to an exemption certificate after four years of legal employment and to free access to any form of self-employment.

Patterns of labour market integration

Recent data are not available on the position of foreigners entering the Austrian labour market for the first time. A study conducted in 1997 (Laburda et al., 1997) reveals, however, that the overwhelming majority of foreigners start their occupational career with the status of blue-collar workers, and that they are normally concentrated in a small number of occupational groups and industries subject to pronounced cyclical and seasonal fluctuations (cf. Table 3). Over 40% of employed male foreigners are active in the construction industry and allied trades. Of foreign women, almost half are employed in tourism and cleaning professions. One reason behind the concentration in lower-skill segments is that, over the course of time, the proportion of unskilled workers within the Austrian working population has declined as educational levels have risen, so that such branches are forced to turn to migrant labour. It is also relevant that the migration system virtually prevents foreign workers from upgrading their vocational skills by attending further training courses, because on losing their job they are forced to find an alternative employment opportunity as quickly as possible in order to avoid losing their right of residence. This reduces their chances of finding work that is appropriate to their training and experience. As a result, foreign workers – and among them especially women from East European countries in transition, the former Yugoslavia and Turkey – are normally forced to accept those jobs that make the toughest physical demands, have the worst working conditions and the most serious health risks.

Income situation

An evaluation of social insurance data for 1993 reveals that the median income level of Austrian citizens, at ATS 18,148, was almost 18% higher than that of foreigners; for women, the difference was 7%. The

Occupational groups	Distribution of dependently employed foreigners (1)	Distribution of dependently employed nationals (2)
<i>Men</i>		
Construction occupations	24.0	8.9
Metalworking/electrical occupations	19.7	19.6
Labourers	9.9	1.6
Tourism occupations	10.1	2.6
Technical occupations	1.6	7.0
Other occupations	34.7	60.4
Total	100.0	100.0
<i>Women</i>		
Tourism occupations	26.9	7.2
Cleaning occupations	22.9	7.3
Labourers	8.2	2.1
Health occupations	6.2	11.2
Other occupations	35.8	72.2
Total	100.0	100.0

Sources: (1) AMS (1998a); (2) OSTAT: Microcensus 1997; author's calculations.

Decile	Male nationals	Male foreigners	Female nationals	Female foreigners
1st decile	10,012	9,760	5,909	6,023
Median	18,148	15,416	12,565	11,689
9th decile	28,065	22,736	17,391	18,646

Source: Biffl (1998b).

fact that in the lowest segment the income earned by foreign women is higher than that of Austrian women is due to the considerably greater incidence of part-time work among the latter group.

As far as income trends over time are concerned, one study (cf. Matuschek et al., 1998) shows that over the period 1972–1992, the average gross income of Austrian citizens rose continuously, whereas that of foreign nationals was subject to significant fluctuations and rose far less strongly overall than that of Austrian citizens. Generally speaking, foreign women, and particularly those in blue-collar occupations, were the losers in terms of income trends.

Self-employment

In order to establish a company or business in Austria, administrative approval is required; this is conditional, however, on holding Austrian citizenship or citizenship of an EU or EEA state. Where this is not case, the person concerned must seek approval as an exceptional case and equal status with Austrian citizens; a decision on such an application is taken by civil servants at state level. This application for equal status must be made for a specific trade, and it must be shown that performance of this trade by the applicant is in the macroeconomic interest of the country. Quite apart from these special provisions, it is extremely difficult for foreigners to set up businesses because the numerous

bureaucratic hurdles that have to be overcome require excellent language skills and knowledge of the statutory provisions. In the light of this, it is hardly surprising that foreigners account for just 6.5% of self-employment in Austria, significantly below their proportion of wage- and salary-earners. The data in Table 5 do not distinguish between "established" and recent immigrants workers.

Situation of foreigners on becoming unemployed

Austrian law governing the unemployment insurance system – the ALVG – does not distinguish between unemployed persons on the grounds of nationality regarding entitlement to unemployment benefit. Since 1 April 1998, emergency assistance,⁷ made available upon exhausting entitlement to unemployment benefits by the unemployment insurance system, has also been granted irrespective of nationality. However, in addition to the standard criteria – unemployment, willingness and ability to work, emergency situation and prior claim to unemployment benefit – one of the following conditions must be met. The applicant must either:

- have been born in Austria;
- be under 25 years old and have spent half of his/her compulsory schooling and obtained his/her school-leaving certificate in Austria;
- have been in socially insured employment for eight out of the last ten years; or
- have spent half of his/her life legally in Austria.

Although nationality is no longer relevant to entitlement to emergency assistance, the use of the period spent in Austria as a criterion means that foreign workers who have spent less than eight years in Austria cannot be sure of receiving maintenance benefit and thus of retaining their residence right.

Because the law governing the employment of foreigners ties foreign workers requiring an employ-

Nationality	Number of self-employed	Self-employed foreigners as a proportion of total self-employment
Former Yugoslavia	700	0.3%
Turkey	1,200	0.5%
Other (including EU and EEA citizens)	13,800	5.7%
Total	15,700	6.5%

Sources: Austrian Central Statistics Office; author's calculations.

Nationality	Men	Women
Former Yugoslavia	9.6	7.1
Bosnia	8.1	6.1
Croatia	9.6	8.2
Slovenia	6.5	7.1
Turkey	11.2	12.2
Poland	7.9	8.3
Czech Republic	5.4	5.8
Slovak Republic	5.5	6.2
Former CSFR	7.7	12.4
Hungary	4.3	7.3
Romania	9.5	10.8
Austrian citizens	6.6	9.1

Note: The unemployment rate is calculated using the national method.

Sources: AMS (1998a); author's calculations.

Duration of unemployment (average number of days)	Men	Women
Austrian citizens	131	151
Foreign workers	80	86

Note: It is not possible to differentiate the figures by nationality.

Source: AMS (1998c) (no figures on nationality).

ment licence to a specific job and thus to the employer in question, and because it forces them on becoming unemployed to find a new job as quickly as possible, if they wish to avoid losing their residence right, foreign workers are clearly under particular pressure on the labour market. When unemployed they are under time pressure, and when employed they face the pressure of not becoming unemployed or, if this does happen, of finding a new job as quickly as possible.

For almost all nationalities, the unemployment rate among male foreign

workers is higher than that among Austrian citizens and those workers that enjoy equal status. For women, however, the unemployment rate tends to be lower for foreigners than Austrians (cf. Table 6). The duration of unemployment, on the other hand, is significantly shorter for foreign than for Austrian workers, reflecting the legislation to which the former are subject and the pressure it creates to reenter the labour market as quickly as possible (cf. Table 7). The unem-

⁷ Granted for 52 weeks and renewable without limit.

ployment statistics only indicate a few countries of origin of the foreign workers affected by unemployment and do not differentiate by labour market status or the duration of residence in Austria.

Ethnic minorities with Austrian citizenship

Most comparable to the situation of foreign nationals among the ethnic minorities with Austrian citizenship is that facing the Roma and Sinti, who were not officially acknowledged as an ethnic group until 1993. The bleak living and working conditions of this ethnic group briefly became the focus of public attention following the racially motivated bomb attack on a Roma settlement in Oberwart in Burgenland (1997), in which four Roma were killed. Characteristic of this ethnic group is a high proportion of long-term unemployed and of labourers in seasonal employment. Their children are more than proportionately likely to be attending special schools and have great difficulty in gaining access to further education. Exact data are not available, however, as members of ethnic minorities are not explicitly coded in the statistics for data-protection reasons.

Whereas members of the Czech, Slovak and Hungarian ethnic groups do not live in Austria in such a way as to be easily recognised as such, and are thus exposed only to a limited degree to prejudice and discrimination, members of the Slovenian ethnic group in the state of Kärnten have repeatedly been the target of hatred for nationalistically-minded members of the German-speaking population. It must be said, however, that the situation has improved since Slovenia gained independence.

Implications

The impact of the inflow of foreigners in the 1990s is seen as unambiguously positive in terms of the effects on growth, but as negative in terms of the structural effects (cf. Marterbauer, 1998). The inflow is concentrated primarily in structurally weak

sectors, reducing the pressure to raise productivity. Firms in such sectors can usually only maintain their competitiveness thanks to the supply of cheap labour. This is at the cost of reducing the pace of structural change.

The influx of foreign labour has also induced displacement effects on the labour market. In the first instance, the supply of cheaper new migrant labour on the Austrian labour market served to displace more established foreign workers enjoying a higher income level, exerting a negative structural effect on wages. As part of the same process, domestic labour was also displaced.

The restrictive statutory provisions governing labour market access mean that moonlighting and illegal employment are often the only options for recent immigrants to Austria. The extent of such forms of employment can only be estimated. According to one such estimate (Pichelmann, 1994), between 80,000 and 100,000 foreigners were working illegally in Austria at the start of the 1990s, representing 3% of the labour supply. Official data are only available on the basis of spot checks (affecting around 4% of workplaces) by the labour inspectorate, in the course of which around 4,000 illegally employed foreigners were registered in 1997.

In addition, a substantial proportion of paid work in private households (e.g. cleaners, construction workers) is undeclared. This sector offers a way for foreign workers who have no other access to legal employment to earn a living.

Labour market policy measures

Austrian labour market policy has not been set the explicit target of promoting the integration of recent immigrants. Its prime concerns are preventing and dealing with long-term unemployment and promoting the reintegration of risk groups (for instance by facilitating the reentry of women into working life and the integration of the disabled). Migrants

workers are not explicitly mentioned in the labour market policy guidelines and are consequently not considered as a disadvantaged labour market group.

Hence, there are no specific employment promotion or reintegration programmes for unemployed foreigners. All foreign workers, and thus also recent immigrants to Austria who are in possession of a valid employment licence, are entitled to participate in all labour market policy measures under the same conditions as Austrian citizens. The data show, however, that the number of foreign workers receiving such support declined from 8,620 in 1994 to 3,418 in 1997. In total, foreigners account for 1% of all cases of labour market policy support. Such assistance is now exclusively in the form of further training measures; since 1995, no support has been available for apprenticeships and preparatory training for foreign workers. Special advisory and support centres for foreign workers have been set up; their primary task is to assist in obtaining a work permit and in coping with unemployment. In 1997, there were a total of 11 support centres throughout Austria.

Recent immigrants to Austria who do not have permission to work (no employment licence, work permit or exemption certificate) are entirely excluded from the labour market, and there are no integration measures for this group. One exception to this general rule under current labour market and social policies is refugees from the war in Bosnia in possession of a fixed-term residence permit. They have limited and fixed-term access in selected industries and sectors (tourism, agriculture, construction, health and cleaning occupations). This group, in particular, has experienced a massive devaluation of the qualifications acquired in their country of origin due to their inappropriate labour deployment.

Foreign youth

Just as with adults, segregation exists between the so-called "integrated

young foreigners", i.e. those resident in Austria for an extended period, and those who entered the country recently; the latter group is also subject to the provisions of the law on the employment of foreigners. It is only those young people with at least one parent who was legally resident (i.e. with a valid residence permit) in Austria for at least five years, and who have already spent more than half their life in Austria with a valid residence permit, or half of their compulsory schooling in the country, who can apply for an exemption certificate. Given the "ceiling model" described above, which limits foreign workers to 8% of the total labour force, foreigners must have completed compulsory education in Austria, and their father or mother must have worked legally for at least three of the last five years in order to have a chance of obtaining a work permit. In other words, it is only the "integrated young foreigners" who have a formal legal chance of labour market integration. Young foreigners dependent on an employment licence cannot claim active support from the employment service, that is, they are not eligible for placement.

This means that measures to improve opportunities for young foreigners on the labour market are available only to the "integrated young foreigners". These support instruments aim to overcome language barriers and to enable the youngsters to complete compulsory education, for instance by providing special language teaching in state schools, or by offering them parallel classes in their mother tongue. Apart from the general difficulties on the labour and training market, legal restrictions and the discrimination and prejudice that young foreigners face, it is language problems and the lack of a compulsory education certificate that constitute the greatest barriers to labour market integration. A number of active labour market policy measures are available to "established" young foreigners, particularly girls. They focus on careers advice, additional training measures to offset

school deficiencies, further training and ongoing social and pedagogical guidance.

Ethnic minorities

A number of specific measures and projects have been initiated to improve the situation facing Roma and Sinti. Roma conferences have been established to improve international networking in this area. A number of integration measures for this ethnic group are currently under way, including:

- an advisory centre for Roma to support unemployed persons from this ethnic group in identifying their problems and developing occupational prospects and to provide motivation to participate in further training and retraining;
- extracurricular educational measures for children; and
- a work-integration project for unemployed Roma that seeks to upgrade their skills and promote their integration within a publicly supported social enterprise.

Even so, this group continues to face racially motivated prejudice and discrimination. Any sustained improvement in their labour market situation would require a comprehensive, long-term programme.

Public debate and conclusions

The public debate on the employment of foreign workers on the Austrian labour market reflects the change in the political climate in the wake of the democratisation process in the countries of Eastern and Central Europe and the opening of the Iron Curtain that began in 1989. Initially, the employment of foreign labour increased sharply, significantly prolonging the economic boom. Since 1993, however, the restrictions on integration and on labour market access for foreigners have been tightened substantially. Successive amendments to the legislation on foreigners and the restrictive implementation of this legislation, which in particular have made it

extremely difficult for foreigners to gain an initial foothold on the Austrian labour market, must be seen as reflecting the increasingly serious problems on the labour market, but also a change in the political climate. The latter trend began with the referendum on the status of foreigners and has steadily brought about a deterioration in the living and working conditions of foreigners in Austria.

A large number of associations, advice centres, initiatives and NGOs have since made intense efforts to bring about changes in the restrictive legal situation. Briefly, in 1996, it seemed that a reform of the legislation on foreigners in the direction of furthering integration was feasible. However, the so-called "Integration Package I" never proceeded beyond the preparatory stages, and the "Integration Package II" adopted in 1997, while it brought about some changes in existing legislation, can at best be seen as a first step towards the social integration of foreigners in Austria.

To sum up, current labour market policy towards ethnic minorities and foreign workers in Austria is geared primarily to promoting the integration of those foreigners who are already "established" or have been resident in the country for a long time; at the same time, it serves in practice to prevent the integration of recent immigrants to Austria. Comprehensive measures are needed, particularly with the aim of integrating recent immigrants to Austria, if the labour market is to be open to all, in accordance with Guideline 9 of the European Employment Strategy for 1999.

The restrictive tendencies observed with regard to the integration of foreigners have also characterised the debate on the eastward extension of the European Union. This debate has focused on concern about an increase in immigration from Austria's eastern neighbouring countries, and thus the possibility of Austrian workers being displaced by foreign labour.

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Portugal

Introduction

In Portugal, the expression "ethnic minority groups" is usually used to denominate immigrants originating from the Portuguese-speaking countries of Africa (the so-called PALOPs: Angola, Cape Verde, Guinea-Bissau, St. Tomé e Príncipe and Mozambique) and the gypsy and Indian communities. In social terms, these ethnic groups are characterised by their precarious socio-economic situation and their marginal position within the majority society.

These ethnic minorities resulted, in the main, from migratory flows associated with the process of decolonisation of the former Portuguese-owned territories on the African continent, following the 1974 revolution. The gypsy community, far from negligible in size, represents an exception to this "migratory logic"; its marginality is associated with a history of endogamy, linked to the preservation of specific norms and cultural references.

Immigration and the emergence of minority ethnic and cultural groups in Portugal are phenomena that cannot be dissociated from the dynamic sociocultural, demographic and political trends that have taken place in Southern Europe during the past 25 years. Having said that, the Portuguese situation does exhibit the following main specificities: overrepresentation of citizens of the PALOPs among immigrants; the intermediary position of Portugal – in terms of it being a country both of international emigration and immigration – in the context of the new international division of labour; and the dynamism of the Portuguese economy since the end of the 1980s, necessitating the recruitment of foreign labour.

The contemporary cycle of immigration into Portugal began in the second half of the 1970s with the arrival of large numbers of Africans from the former colonies. The 1980s constituted a second phase of this cycle, characterised by a diversification of immigrant origin (substantial

growth of immigration by Asians and South Americans), a diversification linked to the conditions prevailing at the time on the Portuguese labour market, which has since assumed an even more important role in this process. The start of the 1990s, marked by Portugal's accession to the Schengen Agreement, seems to indicate a new phase in the immigration cycle, involving an accentuation of the trend towards a diversification of nationalities. The African communities remain the most important in quantitative terms, a fact explained by the campaigns launched in 1992 and 1996 to "legalise" clandestine immigrants – a total of 74,258 immigrants were "legalised" – and by the dynamic growth of those sectors requiring large numbers of low-skill labourers (construction and public works).

It is difficult to capture migration movements in statistical terms, and the official data that are available are very limited. Table 1 summarises the changes over time in the number of

Table 1: Number of foreigners legally resident by country of origin, 1986, 1991 and 1996

				Rate of change		
	1986	1991	1996	1986-96	1986-91	1991-96
Europe	24,040	33,011	47,315	97	37	43
EU12 (Germany, Spain, France, Netherlands, Italy, United Kingdom)	21,924	30,042	41,883	91	37	39
Africa (Angola, Cape Verde, Guinea-Bissau, St. Tomé e Príncipe, Mozambique and South Africa)	37,829	47,998	81,176	115	27	69
North America (Canada, USA)	8,886	9,236	10,783	21	4	17
Central/South America (Brazil, Venezuela)	12,790	18,666	25,733	101	46	38
Asia (China, India, Pakistan)	2,958	4,458	7,140	141	51	60
Oceania	288	384	487	69	33	27
Total	86,791	113,978	172,912	99	31	52
Resident population (Mainland)*	9,707,000	9,356,500	9,433,500	-2.8	-3.6	0.8

* Source: National Statistics Office, Demographic Statistics (1986, 1991, 1996).

Source: GEOIDEIA (1998, p. 60).

Table 2: Activity rates of legally resident foreigners by country of origin

	Ratio of actives to inactives		
	1988	1991	1996
Europe	0.98	1.19	1.24
EU12 (Germany, Spain, France, Netherlands, Italy, United Kingdom)	1.11	1.16	1.24
Africa (Angola, Cape Verde, Guinea-Bissau, St. Tomé e Príncipe and Mozambique)	1.10	1.06	1.26
North America (Canada, USA)	0.48	0.64	0.71
Central/South America (Brazil, Venezuela)	0.49	0.65	0.90
Asia (China, India, Pakistan)	1.23	1.10	1.12
Oceania	1.06	1.05	0.94
Total	0.98	0.98	1.15
Rate for total resident population (Mainland*)	0.89	0.98	0.96

Source: GEOIDEIA (1998, p. 73).

* Source: National Statistics Office, Employment Survey (1988, 1991, 1996).

foreigners residing legally in Portugal by country of origin.

In analysing Table 1, it is important to recognise that, in spite of the efforts made to legalise the status of immigrants through special campaigns, an indeterminate number of immigrants is still living illegally in Portugal, consisting of both recent arrivals and persons who did not benefit from the most recent extraordinary legalisation campaign. Most of the immigrants come from Europe, Brazil and, above all, the PALOPs, the latter representing 45% of

the total in 1996. This is partly explained by the fact that these groups are not covered by general immigration legislation, benefiting instead from specific – and more favourable – regimes. This phenomenon is exceptional with respect to the situation in most other European Union countries. No tendency for the inflow of migrants to diminish in size can be observed, and the process of diversification continues as the ethnic minority communities grow and become increasingly established.

The labour market status of the various groups

Size and participation rates

The extraordinary legalisation campaigns of 1992 and 1996 have led to an increase in the proportion of the immigrant community that is directly involved in the formal labour market. The activity rate of virtually all immigrant groups has increased significantly; in many cases, the active population exceeds the inactive population as a share of the totals of the various nationalities. In 1996, the overall ratio of actives to inactives was 1.15 (cf. Table 2).

Legal immigrants represent less than 2% of the Portuguese population, a very low figure compared with Europe's leading "immigration countries". In 1991, for example, the active foreign population accounted for 1.19% of the total active population. Even so, there has been significant growth in the number of active foreigners in possession of a residence permit; the figure rose from 22,990 in 1983 to 86,810 in 1996.

Employment patterns

There are practically no official statistics available that would permit researchers to characterise the employ-

ment patterns of ethnic minority workers. The information that does exist is fragmented and frequently unreliable. The most structured figures in this area relate to the distribution of employment across occupational categories (according to the National Classification of Professions of 1980). As can be seen from Table 3, the socio-economic structure of immigrant workers is polarised: on the one hand, a substantial and growing group of highly qualified workers (almost one-third of the active foreign population), largely of European and American origin; on the other, the group of low-skill labourers, consisting mostly of workers originating from the PALOPs.

Official statistical sources indicate that it is low-skill workers that are the most seriously affected by precarious labour market situations and the increasing use of informal labour market strategies, notably illegal employment. Unpublished data from an employment study by the National Statistics Office suggest that immigrants from the PALOPs represent a less than proportionate share of permanent employment contracts and of social security registrations with respect to the immigrant population as a whole (Baganha, 1997).

Given the weaknesses of the official data, it is necessary to fall back on the results of specific studies conducted among some of the groups of interest here. In the following, we refer to the results of a recently conducted study on the impact of migration on the labour market (GEOIDEIA, 1998); this study is based on a survey of a sample of 241 immigrants working in Portugal.

The analysis of the contractual position of those surveyed helps us to characterise the labour market situation of these groups (Table 4).

Certain aspects deserve particular mention. Female immigrants benefit from greater employment stability than men; 50% of them have a permanent or a fixed-term contract, whereas the majority of men do not have an employment contract or are self-employed. This situation is par-

	Occupational groups							Total
	0 & 1	2	3	4	5	6	7, 8, 9	
Europe	42.0	14.0	5.0	12.0	5.6	1.7	19.0	100.0
EU12	40.0	14.0	5.0	13.0	5.8	1.8	20.0	100.0
Africa	5.0	0.8	3.0	3.3	10.0	0.7	77.0	100.0
North America	58.0	6.0	2.4	3.5	0.5	5.4	24.0	100.0
Central/South America	44.0	4.4	6.5	13.0	6.5	0.9	24.5	100.0
Asia	20.0	9.0	2.5	29.0	24.0	0.9	14.5	100.0
Oceania	44.0	6.0	0.5	5.0	4.0	6.3	34.0	100.0
Total	24.0	5.7	4.0	8.0	8.3	1.3	49.0	100.0
Resident population (Mainland)*	9.34	6.82	10.24	11.12	13.95	10.46	38.08	100.0
Occupational groups:								
0 & 1 – scientific and technical professions and those of equal status								
2 – executive and higher managerial staff								
3 – administrators and those of equal status								
4 – commercial and sales staff								
5 – personal, domestic and security services								
6 – farmers and agricultural workers								
7, 8 & 9 – industrial and construction blue-collar workers								
* Source: National Statistics Office, Employment Survey (1996).								
Source: GEOIDEIA (1998, p. 81).								

ticularly characteristic of the 20–24 year-old age group and of construction workers, two groups in which more than 80% of immigrants do not have an employment contract. In terms of nationality groups, it emerges that it is European and American workers who enjoy the greatest degree of employment stability. In total, just 39% of immigrants have an employment contract and 17% a permanent employment relationship.

It is low-skill workers who are in the most vulnerable position on the labour market; they face the following disadvantages, in particular: wages below those of Portuguese workers, lack of paid holiday and a 13th monthly salary, frequent refusal by employers to pay salary after the end of the employment contract, lack of insurance against accidents at work, relatively high probability of dismissal because of the lack of a formal contractual tie, etc. (GEOIDEIA, 1998, p. 88).

Unemployment patterns

As far as unemployment is concerned, the study cited above suggests rates close to the national average, the groups worse affected being women, young people and the less skilled, particularly among African and Asian immigrants.

Given that in Portugal the economic integration of immigrants tends to occur by way of the informal labour market, periods of unemployment are rarely cushioned by social security protection.

Conclusion

We can conclude that the situation facing the different ethnic groups among the immigrant population is highly differentiated in terms of their integration/marginalisation. It is clear that discrimination affects the African and gypsy communities most seriously; both populations are characterised by young people with low educational levels. The living conditions of

Table 4: Characteristics of a sample of working immigrants in terms of employment contracts (in %)

	Employees – Type of contract			Self-employed	Total
	Permanent	Fixed-term	No contract		
<i>Sex</i>					
Male	14	21	36	34	100.0
Female	24	25	15	32	100.0
<i>Age</i>					
15–19 years	12.5	25	25	37	100.0
20–24 years	8	12	42	38	100.0
25–29 years	10.5	37	21	32	100.0
30–34 years	18	17	41	24	100.0
35–39 years	20	20	20	40	100.0
40–44 years	29	14	29	29	100.0
45–49 years	40	10	30	30	100.0
50 or older	11	30	56	56	100.0
<i>Occupation</i>					
Liberal profs. and similar	23	47	0	30	100.0
High-level administrative	33	11	0	56	100.0
Technical administrative	42	33	0	25	100.0
Trade and hotel/catering	23	15	19	44	100.0
Low-skill service occupa.	21	28	35	17	100.0
Agriculture	0	0	0	100	100.0
Industrial workers	0	100	0	0	100.0
Construction	3.7	13	74	9	100.0
Intermediary services	20	27	20	33	100.0
<i>Nationality groups</i>					
Europe	27	35	1.6	40	100.0
Africa – PALOP	13	14	45	28	100.0
Africa – other	0	50	17	33	100.0
America	31	31	7	31	100.0
Asia	12	14	35	40	100.0
<i>Tenure in current job</i>					
1 year or less	9.4	41	26	34	100.0
2–3 years	11	22	31	36	100.0
4–5 years	7.4	30	37	26	100.0
6–9 years	20	14	41	25	100.0
10–19 years	21	19	10	50	100.0
20 years or more	28	20	20	32	100.0
<i>Total</i>	17	22	26	34	100.0
<i>Source: Survey of a sample of working immigrants, January/February 1998 (GEOIDEIA, 1998, p. 110).</i>					

these groups are typified by poverty, associated with a precarious housing situation and sociocultural ghettoisation. The overrepresentation of low-skilled workers in the construction and domestic service sectors indicates that these groups tend to occupy the lowest rungs of the occupational and professional ladder.

Analysis

Root causes of the labour market status of the various groups

The factors that are the source of the difficulties facing ethnic minorities in their attempt to integrate in the Portuguese labour market are mutually reinforcing. The existence of formal restrictions on labour market entry, language difficulties and the lack of information on career channels and of cultural understanding explain the deterioration in the sociocultural status of the least well-qualified segments.

One of the most influential factors is linked to the low level of skills and qualifications of members of ethnic minority communities. The data collated by the National Statistics Institute reveal three distinct skill groups (cf. GEOIDEIA, 1998 pp. 67–71):

- a group characterised by a very high skill level, dominated by Europeans, North Americans and Asians and linked to the exercise of highly qualified professions and the mobility of transnational companies;
- intermediate skill levels, predominant in the Chinese and Indian communities and closely linked to ethnic entrepreneurs;
- very low skill levels, characteristic of African communities, where 20% have had no formal schooling.

As already mentioned, often the only possible responses to the discrimination and exclusion from which these latter groups suffer are informal strategies of labour market access, by mobilising family networks and taking up unofficial economic activity.

Table 5: Unemployment rates

	% of sample	% for Portugal*
<i>Sex</i>		
Male	5.6	4.0
Female	8.9	6.2
<i>Age</i>		
15-19 years	12.5	
20-24 years	11.5	(15-24 years) 10.3
25-29 years	8.8	
30-34 years	5.6	(25-34 years) 5.6
35-39 years	11.4	
40 or older	0.0	(35 or older) 3.2
<i>Nationality groups</i>		
Europe	4.8	
Africa - PALOP	8.1	
Africa - other	0.0	
America	0.0	
Asia	10.3	
<i>Total</i>	6.6	5.0
* <i>Source:</i> National Statistics Office, Employment Survey (1988).		
<i>Source:</i> Survey of a sample of working immigrants, January/February 1998 (GEOIDEIA, 1998, p. 113).		

Implications for other labour market participants

Despite the increase in the number of immigrants, it is difficult to speak of Portugal as a country of immigration; immigrants constitute a much smaller proportion of the population than in other European countries with a tradition of immigration. Moreover, it is not clear that the inflow of immigrants is greater than the outflow of Portuguese emigrants.

Against this background, the most important repercussions of the labour market participation of ethnic minority groups and immigrant communities are concentrated particularly in those sectors requiring low-skill labour (construction and public works), sectors in which two phenomena can be observed: a growth of informal forms of employment and a substitution of national labour by immigrant workers. It seems that this substitution process relates to jobs left vacant by the departure of national workers. Yet, given the maladjustment between the temporary nature of emigration dynamics and the permanent character of immigra-

tion, this cannot be seen as a complementary effect. Moreover, even if the unemployment statistics do not, at present, point to specific effects on these labour markets, there are signs that the situation may change fundamentally (the termination of large-scale public works projects, the emergence of underemployment phenomena that have remained covert to date, etc.).

Assessment of likely future trends

In Portugal, it is in the segment of unskilled labour that the ratio between immigrant and Portuguese workers is the highest. The results of scenarios of various immigration trends for this segment point to three possible situations, the likelihood of which ultimately depend on the political options chosen (cf. GEOIDEIA, 1998, p. 123).

The most favourable situations would be linked to the emergence of complementarity processes occurring by way of the retraining or further training of the Portuguese working

population, or by a definitive substitution, which in turn requires that the traditional emigratory flows also become definitive.

The intermediate situations would be characterised by mechanisms to re-attain equilibrium on the labour market, by way of periodic substitution processes, whereby the immigrant population would function as an adjustment variable.

Finally, the worst-case situations would be characterised by the unemployment of both immigrant and Portuguese workers, in particular given a decline in the international demand for low-skill labour.

Labour market policies

Until recently, ethnic minorities were not the subject of specific intervention in the area of labour market policy in Portugal. Both at the level of general employment and vocational training policies and at the level of economic and social integration programmes (INTEGRAR programme; see below), this group is covered by the instruments deployed for disadvantaged groups in general, such as young people threatened with exclusion, the homeless, drug addicts and former convicts. The most important target groups are youth, women, the disabled and the long-term unemployed (BIR Portugal, 1997).

However, attention should be drawn to the creation in February 1996 of the High Commission for Immigration and Ethnic Minorities, an institution responsible for promoting the coordinated implementation of policies oriented towards the specific problems facing ethnic minorities. The Strategic Concertation Agreement signed in 1996 by the government and the social partners also provides for measures to counter racism and xenophobia.

The first employment policy measure targeted explicitly at ethnic minorities was adopted in January 1999. It consists of a protocol between the public employment service (IEFP) and the High Commission for Immi-

gration and Ethnic Minorities which seeks to integrate vocational training measures, the implementation of 500 practical training schemes, the creation of ten Units for Integration in Working Life, support for 50 local employment initiatives and the conduct of studies on this subject.

Status of the various groups in mainstream labour market policy measures

Resolution No. 38/93 (15.5.1993) of the Council of Ministers specifically aims to facilitate “the integration of immigrants, ethnic minorities and other disadvantaged groups in the existing employment policy instruments”.

Table 6 presents a list of the measures applicable to ethnic minorities, selected on the basis of the following characteristics: low levels of schooling and vocational skills, precarious position on the labour market, justifying the application of training measures and support for vocational integration. Members of ethnic minority communities may also gain access to various general measures not mentioned in the table, including: employment programmes, practical training, special vocational training, learning workshops, career orientation courses, apprenticeship systems and the operational programme on training and employment.

As noted by the authors of the study conducted by CIES/CESO (1998), the above represent a large number of partially overlapping measures. A number of community programmes also contain measures for disadvantaged groups (PRODEP adult education, the Employment Programme, the subprogramme INTEGRAR, etc.). Other national programmes can also be mobilised in support of ethnic minorities (guaranteed minimum income, struggle against poverty, “Digital Cities”, etc.). It is important that existing measures are rationalised and refocused on target groups.

The National Employment Plan is evidence of the government’s inten-

Instruments	General aims
<i>Employment promotion</i>	
Employment subsidies	Create conditions for the recruitment of youth
Local employment initiatives (ILE)	Promote socially and economically viable local initiatives in order to create jobs
Self-employment for the unemployed (CPE)	Support unemployed in entering self-employment
Units for Integration into Working Life (UNIVA)	Create links between vocational training and the labour market
Personal jobsearch support	Motivate the long-term unemployed to look for work
Agreements within the framework of the social labour market	Promote the social labour market using insertion enterprises and service cheques
<i>PESSOA programme</i>	
Subprogramme qualification and insertion (all measures)	Includes apprenticeship system, professional initiation and training
Subprogramme “Raising the level and the quality of employment” (all measures)	Employment support, continuing vocational training, training for the unemployed, etc.
<i>Note:</i> The measures included in the INTEGRAR programme are described below.	
<i>Source:</i> CIES/CESO (1998), revised using information from BIR Portugal (1997).	

tion to promote “the equality of opportunity of the so-called ethnic minorities, both by combating negative discrimination and by promoting positive measures” (MTS, 1998a, p. 54). By contrast, the plan does not specify any concrete measures regarding other disadvantaged groups, such as women or the disabled.

Specific policies to foster integration and/or to counter disadvantage

The measures provided for in the INTEGRAR operative programme to combat exclusion, which are situated upstream of intervention measures on the labour market, aim to provide vulnerable groups with the minimum conditions required for their social integration (e.g. basic training to a level below the five training levels typical of European countries).

Measure 4 of the INTEGRAR programme aims to support the prevention of factors that marginalise disadvantaged groups, including ethnic minorities, by according priority in financing measures to those projects serving the following aims: “use of local resources and the participation

of local communities, promoting complementarity with other INTEGRAR measures, measures relating to different training phases, such as orientation and guidance on completion of training, and training elements that promote vocational training in a real-world working situation” (MTS, 1998b).

Table 7 contains a list of the projects targeted specifically at ethnic minorities, with an indication of participants’ labour market status.

The public debate and conclusions

Until the end of the 1980s, the subject of ethnic minorities and immigration was not high on the political and social agendas in Portugal. It was only at the start of the 1990s that it became more visible, both socially and legal-institutionally. In particular, the minorities originating from the PALOPs require appropriate institutional responses, given their quantitative importance and the seriousness of the social and occupational discrimination to which their members are subject. A particularly significant trend is the “ethnicisa-

Table 7: Current national projects targeted specifically at ethnic minorities

Title	Number of beneficiaries	Measures/hrs. of training	Non-training ¹	Labour market status of participants ²					
				EI	EE	NDDL	DLD	1 E	Others
CAIS VIL. FORM.	61	4/1,781	0	0	0	0	61	0	0
CM. LOURES	24	2/1,326	0	0	0	0	4	20	0
CRUZ VERM.	315	1/972	3	0	0	167	131	14	3
EPAR	864	19/5,376	14	0	277	180	183	182	42
A 12 N	40	4/1,628	0	0	0	0	40	0	0
CIVITAS	60	3/720	0	0	0	0	45	15	0
O COMPANH.	124	6/7,523	0	0	0	38	43	43	0
RUMO	90	4/6,572	1	0	0	0	8	22	60
INDE	1,747	4/817	6	0	20	436	108	671	512
ABRIL	48	4/4,800	0	0	0	24	0	24	0
CM VF XIRA	45	3/2,971	0	0	11	11	12	11	0
CFASSIST. DES.	370	2/1,330	1	70 ³	4	106	105	85	0
ACDO	70	8/7,872	0	0	0	70	0	0	0
C. HINDU	976	13/7,376	0	16	0	464	16	480	0
ANJAF	45	1/324	0	0	0	20	0	25	0
CGTP-IN	16	1/800	0	0	0	5	6	5	0
AR. CARAV.	18	1/1,200	0	0	0	0	9	9	0
C. MOÇAM.	10	1/660	1	0	0	0	6	4	0
AOR	30	2/3,182	4	0	0	0	0	0	30
ACIMA	32	2/1,390	0	0	0	0	16	16	0
UGT	360	3/800	1	0	100	0	1,260	0	0
SANITAE	20	1/480	0	0	0	0	0	20	0
I REINSER. SOC.	1,025	1/50	2	7	8	0	3	4	1,000
CSP SANTO C.	354	4/3,724	3	0	0	3	102	78	0

1 Legal advice, vocational information/orientation (help in drawing up CV, etc.), psychosocial guidance, etc.
2 Nomenclature of the European Commission: EI = employed in organisations, EE = employed externally (self-employed), NDDL = Non-long-term unemployed, 1 E = first job, Others = social assistants, domestic staff, etc.
3 Measures for technical further training.

Source: INTEGRAR.

tion" of sectors such as construction and public works.

Countering precarious employment relations, the deterioration in the conditions of life, discriminatory attitudes and latent racism requires fundamental changes in value systems and in the dynamics of social and occupational integration. In the employment field, despite the existence of a legal framework that is sufficiently comprehensive to serve as a basis for developing effective responses, it is urgently necessary to pay specific

regard to the problems of migration in formulating employment and education and training policies.

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Introduction

Finland is ethnically and culturally an exceptionally homogeneous country which was long a nation of net emigration. The number of aliens is still very small – some 1.2% of the total population of about 5.2 million people. The old ethnic minorities such as the Lapps and Romanies have been able to maintain their culture and traditions, and they have been better integrated into Finnish society than newcomers. No precise data are available concerning the size of these groups, however, since the Person Register Law prohibits registration by ethnic origin or race. Lapp is the native language of less than 2,000 people, while it is estimated that the number of Romanies resident in Finland is at least 10,000.

Until the end of the 1980s, some 85% of immigrants to Finland were returnees, mostly from Sweden. In the 1990s, however, more than half of the immigrants have been of foreign origin. This increased immigration has been mainly due to the collapse of socialism in nearby countries, civil war in former Yugoslavia and developments in Asia and Africa causing severe refugee problems. Furthermore, in 1990, Ingrian Finns and descendants of other Finns in the former Soviet Union were defined as remigrants with the same domiciliary rights as other returnees. As a result, some 20,000 Ingrian Finns came to Finland within the space of a few years. In 1996, the criteria were tightened, and the remigration of the Ingrian Finns was limited to some 2,000 persons annually. The number of Ingrian Finns who have expressed a desire to migrate to Finland amounts to some 17,000, and the queue is lengthening.

The total number of aliens residing in Finland increased from 26,000 in 1990 to 81,000 in 1997 (Statistics

Finland, 1998). During the same period, the number of foreign-born people increased from 65,000 to 119,000. Citizens from the former Soviet Union and Estonia make up the two largest nationality groups in Finland today, Swedes being the third largest group. Due to the multitude of small nationality groups, resident aliens represent more than 150 different nationalities.

Marriage has been a significant reason for migration to Finland. The Aliens Act and strict administrative practice have not favoured labour migration to Finland, though the remigration of the Ingrian Finns can be interpreted as an effort to promote labour migration on a small scale. A permanent residence permit can be obtained if the applicant has a specific relation to Finland (Finnish origin or marriage to a permanent resident) or has obtained refugee status. The granting of work permits has been restricted, permits being issued mostly for a fixed period. The recent Government Resolution on Immigration and Refugee Policy Programme (1997) states that work permits will first be issued to skilled workers for jobs requiring professional competence.

The number of aliens also includes 15,000 refugees. These people have entered the country as quota refugees or through the asylum and family reunification procedures. Since 1986, the annual quota of refugees has fluctuated between 500 and 1,000, depending on the refugee situation in Europe. Illegal immigration is minimal.

Men account for a slight majority of the aliens, though the proportion varies greatly between different ethnic groups. As far as age is concerned, the proportion of elderly people is well below the national average, with 6% of the aliens being of pensionable age in 1997, as opposed

to 15% among Finns. The proportion of children is slightly higher than among Finns. Finally, 73% of the aliens were of working age, i.e. 15–64 years, compared to 67% for Finnish citizens. Thus, the total number of aliens of working age amounted to about 60,000 in 1997.

The labour market position of the different ethnic groups

The sharpest increase in the alien population coincided with the years of severe economic recession in the early 1990s, and this tended to hamper the integration of the new arrivals into the labour market and Finnish society. Despite the favourable age structure of the aliens, their labour force participation rate was markedly lower than the national average even at the beginning of the decade. Furthermore, their unemployment rate was double the national average. Along with the general worsening of the employment situation, the relative position of the aliens deteriorated further, their unemployment rate peaking at 53% in 1994. At the end of 1996, when the general unemployment rate¹ amounted to almost 20%, the figure for aliens was 48%. Those most badly affected by unemployment were the refugees from former Yugoslavia, Iraq and Somalia, among whom more than 80% of those available for work were unemployed. Outside the refugee population, the groups worst affected by unemployment were the Russians and Moroccans. The groups of aliens with the lowest levels of un-

¹ The figure is not the official unemployment rate based upon the Labour Force Survey but indicates the number of registered unemployed jobseekers as a percentage of the labour force. The figure comes from the register-based data provided by Statistics Finland.

Table 1: Type of activity of the population aged 15–64 years by age, sex and citizenship at the end of 1996

	Total number	Em- ployed %	Unem- ployed %	Students %	Pensioners %	Others %
<i>Finns</i>						
Females	1,666,900	56.7	12.4	13.8	10.8	6.3
Males	1,699,900	58.3	14.6	11.9	11.4	3.8
Total	3,366,800	57.5	13.5	12.8	11.1	5.0
<i>Aliens</i>						
Females	25,700	22.9	26.1	17.1	1.5	32.4
Males	28,100	34.1	26.7	16.1	2.1	21.0
Total	53,800	28.7	26.4	16.6	1.8	26.5
<i>Age</i>						
15–24	9,800	13.8	15.4	42.0	0.2	28.6
25–34	19,700	29.8	26.2	14.5	0.3	29.2
35–64	24,300	34.0	31.0	8.0	3.6	23.4
EU citizens	10,900	43.4	15.1	11.6	6.6	23.3
<i>Other resi- dent aliens</i>	42,900	25.0	29.3	17.9	0.6	27.2
of which from:						
Russia	8,300	18.1	39.4	19.7	0.1	22.7
Estonia	6,200	31.2	28.0	17.0	0.2	23.6
Sweden	4,800	41.0	16.9	12.5	12.3	17.3
Other former USSR	4,300	32.6	25.2	14.4	0.9	26.9
Somalia	2,500	7.1	29.6	26.4	0.0	36.7
Former Yugoslavia	1,600	14.1	43.8	19.8	0.1	22.1
Vietnam	1,400	22.7	32.8	19.2	2.2	23.1

Source: Statistics Finland.

employment were those who had come to Finland prior to the recession and were most numerous before the major wave of immigration in the 1990s. Thanks to brisk economic growth, unemployment has continued to fall over the past two years, and the average unemployment rate for the foreign labour force now probably stands at around 40%.

During 1997, a total of 25,000 aliens were registered as unemployed jobseekers at the local offices of the public employment service. About 10% of these were nationals of other EU countries, while more than 40%, including the Ingrian Finns, were from Russia, Estonia or other former USSR countries, and more than 20% came from countries with a large number of refugees.

In Table 1, a closer look at the main type of activity of aliens of working age at the end of 1996 shows that the employment rate for EU citizens was on average almost twice as high as for other aliens. Partly as a result of the different demographic structures, there were substantial disparities in the types of non-participation among aliens from different countries. In addition, as far as Roma people residing in Finland were concerned, a survey conducted by the National Board of Education in 1995 (Lillberg and Eronen, 1995) showed that no more than a quarter of them were employed.

Self-employment is clearly less common among aliens than among Finns. For men in particular, the percentage of self-employed persons was

twice as high as that for Finns. The differences are less pronounced between Finns and other EU nationals, who have typically stayed in Finland longer than the migrants from beyond the eastern borders of the country. Interestingly enough, among the aliens from Russia, Estonia and other former Soviet countries, the self-employment rate is higher among women than men.

At least in the 1980s, when the number of aliens was much lower than at present, the different nationalities tended to focus on certain occupations, which varied in nature and prestige. North Americans, Japanese and western and Eastern Europeans were most likely to be found in the primary labour market. The most common occupations at that time were language teachers and musicians. People from Southern Europe, Africa and South Asia, notably Vietnam, were more often employed in industry or in low-paid service jobs. Even though they often started in occupations that did not correspond to their training, many of them moved upwards, however, along with age and length of stay in Finland.

Reasons for the disadvantaged position on the labour market

Insufficient language and professional skills

Factors which may easily result in unemployment for immigrants are certainly related to deficiencies in skills required by the labour market. These include proficiency in Finnish and a knowledge of other required languages, professional skills and comparability of qualifications, cultural competence and access to social networks. Human-capital components such as cultural competence and access to social networks are obviously slow to develop, and this tends to slow down integration into the labour market. These factors affect some groups more than others.

The Ingrian Finns, for instance, are better educated than the population

at large, some 40% of them having an academic degree; however, the value of their qualifications is not always appreciated on the labour market (Forsander & Söderling, 1998). The average level of education among all jobseeking aliens is also somewhat higher than among Finns: in 1997, more than half of them had completed at least the upper level of upper secondary education, while a fifth had undertaken higher education, 15% of these at university level. In the case of the Romanies, by contrast, poor education constitutes a serious obstacle to employment. The school drop-out rate is a very serious problem in this group, and some 80% of the Romanies have only a basic level of education (Lillberg & Eronen, 1995). As schooling was traditionally often regarded by the Romanies as an effort by the authorities to assimilate them into the general population, their own attitudes towards education and training were negative, too. With legislative improvements aimed at safeguarding the Romas' language and culture and encouraging them to play a more active role in Romany affairs, their attitudes towards training and education have recently become more positive. In a survey conducted by the National Board of Education, as many as two-thirds of the respondents stated that they would be willing to participate in vocational training.

Attitudes among Finns and xenophobia on the labour market

Finns have traditionally displayed more favourable attitudes towards the immigration of refugees than towards labour migration. Studies by Jaakkola (1995) show that attitudes towards both types of immigration changed considerably in a negative direction between 1987 and 1993, and a more recent survey by Söderling (1997) suggests that the negative trend continued between 1993 and 1995. Immigration has never been regarded as a resource but rather as a burden or a threat. High unemployment among immigrants is a serious

barrier to their integration, in both economic and social terms. It also makes them dependent on the social welfare system, and this has a negative impact on attitudes towards immigration in general. Until recently, racial violence and harassment aimed at immigrants were not characteristic of Finnish society. According to recent studies, however, such phenomena are becoming increasingly common in Finland (Virtanen, 1998).

There also seems to exist a kind of ethnic hierarchy of foreigners. For instance, attitudes towards the Ingrian Finns are positive, whereas the Russians are a very unpopular immigrant group. Yet most of the Ingrian Finns also have Russian citizenship and speak Russian as their first language. They are a very heterogeneous group in terms of their ethnic identity, with large disparities by age, language and area of origin. Only the elderly Finnish-speaking Ingrians feel a strong commitment to Finnish culture and society. The markedly more favourable position of the Ingrian Finns as compared to the Russians is probably based on the image of a common Finnish ethnicity. Prejudices against the Roma seem to be fairly strong as well, and, according to their own assessment, the Romanies often feel discriminated against when looking for jobs.

In contrast, an employer survey carried out in the early 1990s suggested that employers considered migrants more flexible, hard-working and productive than their Finnish counterparts, and in many respects actual experiences turned out to be even more positive than what had been expected (Hietala, 1992). However, creativity and initiative were not among the immigrants' good qualities, according to the employers' assessments. Limited as the survey was, it did suggest that employers can value at least some groups of migrants very highly.

Constitutional provisions prohibit any discrimination on the basis of origin, language, religion or any other reason related to the person. The starting point of equal treatment im-

plies that the position of aliens residing permanently in Finland does not differ from that of the rest of population. With some exceptions, they have equal rights to public services and social benefits. In the labour market, the Contracts of the Employment Act also states that in the hiring of new employees and the treatment of existing staff the employer is to act impartially, without any discrimination on the basis of, among other things, ethnic background.

Weakness of supportive co-ethnic networks

In research on the integration of immigrants, the role of supportive co-ethnic networks as an important link in the process of integration into society and the labour market is widely emphasised. Except in the case of Ingrian Finnish remigration, Finnish immigration policy has not favoured the chain migration of family members or relatives, and this has resulted in weak co-ethnic networks among the newcomers. In some cases, the fact that refugees have been located in many municipalities, though still mainly in southern Finland, has also made it difficult for them to create strong ethnic support networks. At the same time, however, there is also a risk of ethnic segregation within urban districts, in low-status suburbs where a very high proportion of the residents are unemployed or socially disadvantaged Finns and immigrants.

Labour market policies

All people residing permanently in Finland are entitled to the labour market services of job brokerage, job placement and labour market training. In 1997, a total of 28,000 foreign jobseekers, representing a diverse range of occupations, were registered at the local offices of the public employment service. About 90% of these were unemployed. The number of job placements amounted to 10,000 in 1997, with some 6,000 in the normal labour market and 4,000 in subsidised jobs.

Active measures aimed at enhancing the labour market skills of immigrants have typically taken the form of labour market training. In 1997, about 10,000 aliens began labour market training, a quarter of them in vocational training and the rest in preparatory training. The approval rate for labour market training was high – almost 90%, and for refugees in preparatory training, almost all of the applicants were taken in. The length of training was about 52 months in vocational training and 32 months in preparatory training. Some 10% of the entrants discontinued the training, a drop-out figure slightly less than the average for all labour market training.

The effectiveness of labour market training is regularly monitored by looking at the labour market position of those who have completed the training after an interval of two months. In 1997, just over half of course completers were unemployed and 11% were employed, admittedly more than a third of them in subsidised jobs. The figures obviously differ by type of training, with the outcomes being more favourable in the case of vocational training than in that of preparatory training. The latter type of training aims to provide the participant with basic knowledge concerning the labour market and often constitutes a necessary first step towards vocational training. The labour market position was slightly worse among the refugees than in other groups; however, when the type of training was taken into consideration, the differences were not so large.

Public debate

Aspects of ethnic relations have received great attention in the formation of national policy over the past few years. Actions aimed at preventing racism and ethnic discrimination were stressed in two recent government resolutions, that on Promoting Tolerance and Combating Racism and that on the Immigration and Refugee Policy Programme. In connec-

tion with the latter resolution, the Ministry of Labour headed a project to set up a national system for the monitoring of racism and ethnic discrimination. A new survey on the attitudes of Finns towards immigrants will be completed by Summer 1999, as well as the first study on the extent and forms of ethnic discrimination in the labour market.

There is no dispute over the claim that unemployment is a factor that seriously hampers the integration of immigrants. To tackle this problem, the Immigration and Refugee Policy Programme emphasises the need to support the employment of immigrants by providing them with a sufficient amount of language teaching and with training that supplements their vocational skills, by arranging traineeships and apprenticeships and by encouraging entrepreneurship. The particular aim is to steer such people into sectors such as exports, tourism or services, where they can utilise their special knowledge of languages and culture. Great emphasis is also put on the target of appointing immigrants to various posts in the public administration. In addition, information campaigns aimed at presenting the skills of immigrants to employers will be organised.

The new Act on Domiciling, which came into force on 1 March 1999, granted immigrants certain rights while obliging them to actively promote their own integration. The Act guarantees every immigrant in need of immigration assistance a specially tailored integration programme. Migrants who refuse to participate in such a programme will lose 20% of their income allowance, the “integration allowance”, which is payable for a maximum of three years. The domiciling procedure retroactively includes all those who have moved to Finland within the two preceding years. Local authorities and employment offices will play a key role in implementing the reform. The preamble to the proposed Act also emphasises the active role of the social partners, NGOs and immigrant communities in the integration process.

As of 1999, all children of school age living in Finland are covered by the compulsory schooling requirement. Previously, the obligation applied only to Finnish citizens, and the incidence of school drop-out was rather high among immigrant children. School drop-out tended to contribute to their marginalisation, because persons who have not completed comprehensive school cannot apply for further vocational studies.

Since the late 1980s, immigration policy has occasionally been discussed as an aspect of the population policy in Finland. The demographic change in the population will be very abrupt. The baby-boom generation, born immediately after the Second World War, will be retired within 10–15 years, and it is estimated that the population will start to decline in about 2020. If immigration is to be used to prevent a future decline, annual net immigration should rise to about 15,000 people of working age. The discussion from the viewpoint of population policy died down during the recession, but with the economic upswing the issue is likely to become topical again.

Even if labour immigration is modest in the future, other types of immigrants, including people entering the country for reasons of family reunification, will be arriving continuously. The composition of the immigrant population will also change in terms of national origin and motives for arrival. In any case, Finland will continue to host a considerable number of resident aliens in the future. It has been estimated that, within the next 10–15 years, the proportion will rise to 3–4% of the total population (Laakkonen, 1998). Thus, the social and cultural challenges associated with ethnic minorities will become more acute and diverse.

Tuire Santamäki-Vuori

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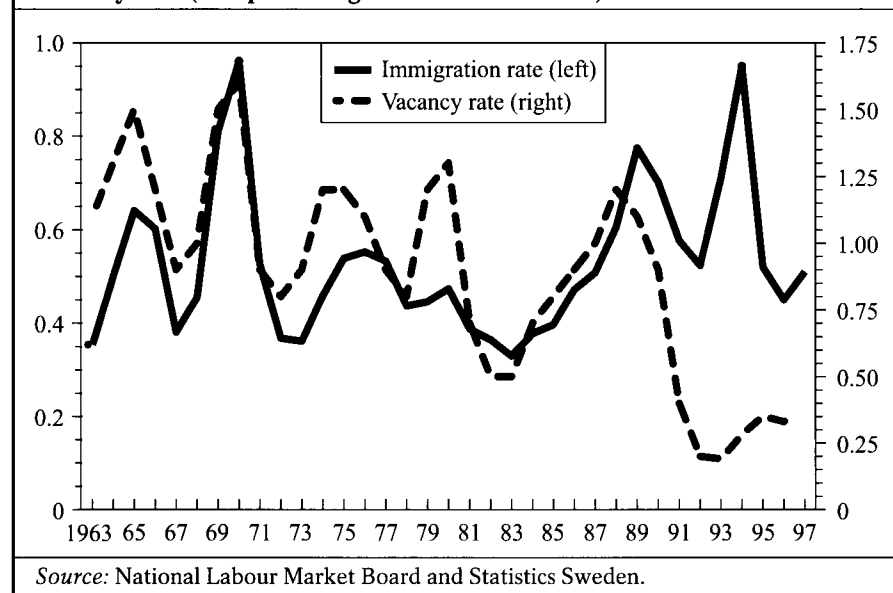
Sweden

Introduction¹

Sweden has been an immigration country since the 1950s.² In 1997, around 19% of the population were either born outside Sweden (11%) or children of at least one foreign-born parent (8%). Up to the early 1990s, immigration has fluctuated along with the business cycle, which is reflected in a close relationship between the inflow of immigrants (as a percentage of the population) and the vacancy rate (as a percentage of the labour force; cf. Figure 1). The only exception to this trend occurred in the early 1990s, when large-scale refugee immigration, mainly from the former Yugoslavia, coincided with a massive rise in unemployment and a decline in the number of vacancies.

In the 1950s and 1960s, immigration was almost exclusively manpower immigration, and the majority of the immigrants came from other Nordic or European countries. The economy was prospering, and during this period immigrants had a higher labour force participation rate than non-immigrants. This was especially the case for immigrant women. During the late 1970s and onwards, the situation changed to more non-European refugee immigration (except for

Figure 1: Yearly immigration rate (as a percentage of the population) and vacancy rate (as a percentage of the labour force)



the refugee immigration from former Yugoslavia in the early 1990s). The activity rates among immigrants decreased and the situation has deteriorated since then.

The number of people (16–64 years) of non-Nordic citizenship in Sweden has more than doubled since 1980. The explanation is the increased immigration of non-European refugees and the accompanying immigration of relatives (including the immigration of relatives of earli-

er manpower immigrants). At the same time, some of the former man-

¹ I would like to thank Jan Ekberg, Lena Schröder and Eskil Wadensjö for valuable comments.

² This article concentrates on the labour market situation of immigrants and not on ethnic minority groups. The Swedish *Riksdag* decided in 1986 that various immigrant groups are not to be viewed as ethnic minority groups in questions pertaining to international law, and that only the Saami and the Tornedalian populations are to be considered ethnic minorities. Their labour market prospects are not at the focus of the current debate.

power immigrants have returned home. Clandestine immigration is not a major problem in Sweden. As a consequence of somewhat decreased immigration since 1995, the increase in the non-Nordic population has halted. In 1998, there were a quarter of a million people aged 16–64 years of non-Nordic citizenship, which corresponds to around 5% of the population in this age bracket.

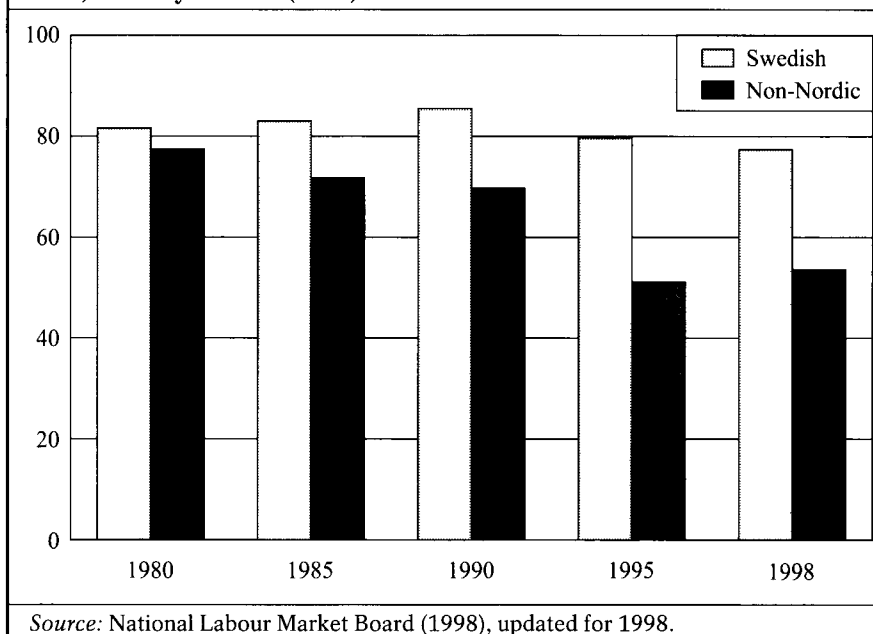
The immigrants constitute heterogeneous groups as regards labour market prospects. Among immigrants of foreign citizenship, those of another Nordic citizenship than Swedish constitute the least disadvantaged immigrant group on the labour market. The worst labour market prospects are faced by non-Nordic citizens, and, of those, the most disadvantaged group has non-European (and non-North American) citizenship. Accordingly, the labour market situation of the non-Nordic citizens is a common topic in the Swedish debate.

The labour market status of the various groups

Despite a favourable labour market situation during most of the 1980s – when the labour force participation rate among Swedish citizens increased somewhat from already high levels – the labour force participation rate among non-Nordic citizens has decreased since 1980 (cf. Figure 2). After 1990, the decrease became drastic, but it has stabilised and even increased somewhat since 1995. The participation rate for non-Nordic men is higher than that for women: 64%, compared to 43%, in 1998. One reason for this is that many of these women are housewives. The decline in the labour force participation rate for Swedish citizens since 1990 has been smaller than that for non-Nordic citizens. Further, the difference between Swedish men and women is minor as regards participation rates.

It is to be noted that the prevalent activity outside the labour force for people of non-Nordic citizenship is

Figure 2: Labour force participation rates, Swedish and non-Nordic citizens, 16–64 years old (in %)



education.³ Around a third of these students are involved in courses within the municipality-based measure “Swedish for Immigrants” (*Svenska för invandrare*; see below), and approximately a quarter of these students are following complementary theoretical education within the adult education system (*Komvux*).

In terms of employment/population ratios, the labour market situation for immigrants has changed from the situation in the early 1950s, when they had an employment/population ratio of around 20 percentage points higher than for the Swedes, to a situation in the late 1990s, when the employment/population ratio is around 40 percentage points lower than for the Swedes. The labour market conditions have been most difficult for immigrants who arrived in the 1980s and 1990s. Although the number of non-Nordic citizens has more than doubled since 1980, the number of employed non-Nordic citizens was around the same in 1998 as it was in 1980. This means that the employment/population ratio fell from 74% in 1980 to 39% in 1998 (cf. Figure 3). A slight increase since 1995 can be observed. The corresponding figure for Swedish citizens was 73% in 1998. The employment/

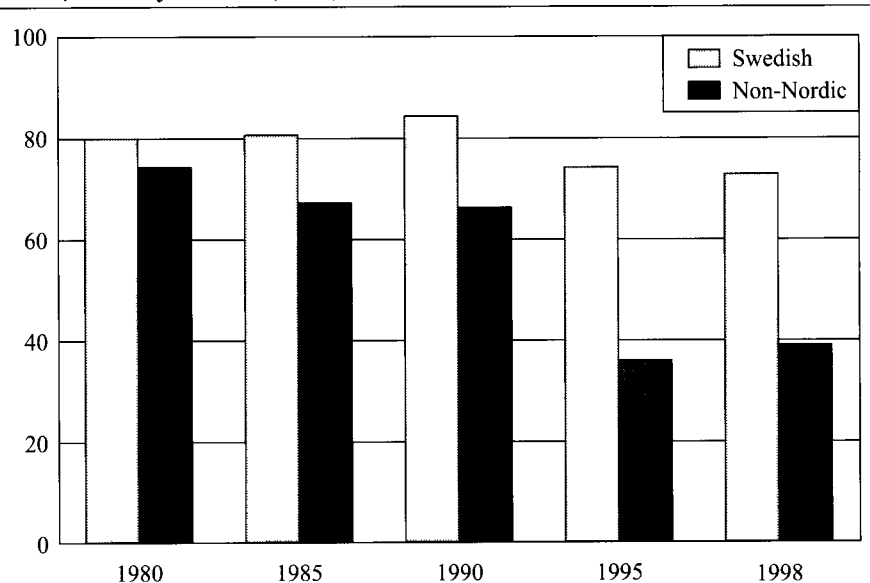
population ratio in 1998 for women of non-Nordic citizenship was at a lower level, 32%, compared to 45% for the men. The corresponding figures for Swedish citizens were 71% and 75%, respectively.

The unemployment rate among Swedish citizens has risen markedly since 1990 – from less than 2% in 1990 to around 6% in 1998, but among non-Nordic citizens it skyrocketed during the same period, from 5% to 27% (cf. Figure 4). Still, this is a slight decrease compared to 1995. The unemployment rates for women of Swedish as well as of non-Nordic citizenship have been somewhat lower than those for men of corresponding citizenship during the 1990s.

The unemployment rate for the naturalised Swedes from non-Nordic countries is considerably higher than for native Swedes, but it is still much lower than the unemployment rate

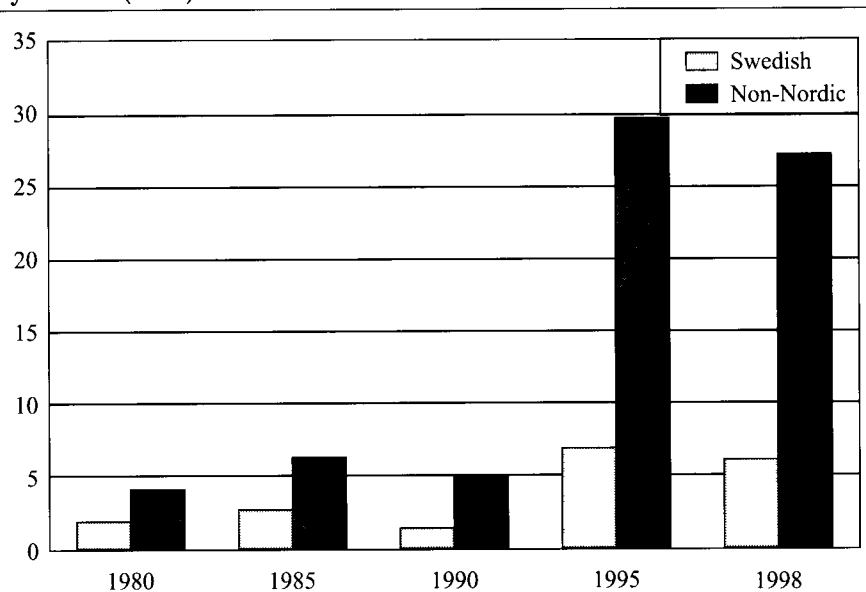
³ A note on comparability between various statistical sources: The Swedish Labour Force Survey definition of “being unemployed” excludes full-time students who have been looking for jobs during the relevant period, while this category is defined as being unemployed according to the ILO definition. In the Swedish Labour Force Survey, this category is included among the latent jobseekers.

Figure 3: Employment/population ratio, Swedish and non-Nordic citizens, 16–64 years old (in %)



Source: National Labour Market Board (1998), updated for 1998.

Figure 4: Unemployment rate, Swedish and non-Nordic citizens, 16–64 years old (in %)



Source: National Labour Market Board (1998), updated for 1998.

for non-Nordic citizens (cf. Table 1). This indicates that time spent in Sweden has a positive impact on the labour market prospects of individuals. Table 1 also shows some of the heterogeneity among the non-Nordic immigrants (naturalised Swedes as well as foreign citizens) as concerns their labour market situation. (For the smallest immigrant groups – from Africa and South America – the number of observations in the group included

in the Labour Force Survey is too small to permit precise statistical estimates of, for example, the unemployment rate.)

It is much more common for people of non-Nordic citizenship than for people of Swedish citizenship to work in the hotel and restaurant sector and other services classified as personal services. In 1998, 16% of the workers of non-Nordic citizenship worked within this sector, com-

pared to 8% of the workers with Swedish citizenship. The construction and public administration sectors are also quite segregated. Somewhat less segregated are the health and social work sectors. Other sectors, such as manufacturing, trade and communications, are more integrated. Among the non-Nordic citizens, it is most common for those from Asia to work in self-employment (or as a helping family member). In the second half of 1997, every fifth employed Asian was self-employed.

An interesting question is whether foreign citizens or naturalised Swedes get the jobs for which they have a relevant education. For example, do the jobs they enter have educational requirements that fall below their educational level? There are indications that foreign-born academics to a larger extent than academics born in Sweden work within the manufacturing sector, a sector where the jobs usually do not require an academic education. Foreign-born academics are also working in other sectors that are common for Swedish-born academics, but most often they cannot make any use of their academic education.

Foreign-born people's average income is lower than the average income for Swedish-born people. The worst economic situation is faced by immigrants from Latin America, Africa and Asia. In 1993–1994, the average income for foreign-born men amounted to 78% of the average income for Swedish-born men. The corresponding figure for foreign-born women was 76%. The major explanation for this is that many foreign-born people do not have any wage income at all. The difference in income decreases with the length of time lived in Sweden, but even for people who immigrated to Sweden 20 years ago, the income level is 8% lower than that of Swedish-born people (in the same age groups).

Overall, the labour market status of immigrants, having been on the whole rather advantageous in the 1950s and 1960s, has deteriorated,

Table 1: Labour market statistics for different categories of citizenship/country of birth, 16–64 years, 1998

Citizenship or country of birth	Population (1,000s)	Labour force (1,000s)	Employed (1,000s)	Unemployed (1,000s)	Labour force participation rate (%)	Employment/population ratio (%)	Unemployment rate (%)
Swedish (excl. naturalised)	4,765	3,739	3,532	207	78.5	74.1	5.5
Naturalised Swedish	502	340	300	40	67.7	59.7	11.8
of which born:							
– in Nordic countries	238	173	160	13	72.9	67.5	7.4
– outside Nordic countries	264	167	139	27	63.1	52.7	16.4
– in EU Member States	269	195	180	14	72.4	67.0	7.3
– outside EU Member States	233	145	119	26	62.1	51.1	17.8
of which:							
– Eastern Europe	78	50	43	7	64.4	55.3	14.1
– Asia	106	63	49	14	59.5	46.6	21.5
– Africa	20	13	*	*	64.2	*	*
– South America	22	15	*	*	65.3	*	*
Foreign citizens	370	219	175	44	59.2	47.3	20.2
Nordic citizens (except Swedish)	120	85	77	8	71.0	64.6	9.1
Non-Nordic citizens	250	134	98	35	53.6	39.0	25.7
EU citizens (except Swedish)	156	115	105	9	73.3	67.4	8.0
Non-EU citizens	214	105	70	35	48.9	32.6	33.6
of which:							
– Eastern Europe	94	44	28	16	46.9	29.7	36.7
– Asia	70	33	21	12	46.5	30.0	35.4
– Africa	16	*	*	*	*	*	*
– South America	14	*	*	*	*	*	*
* Not available due to the small number of observations.							
<i>Note:</i> EU includes the EEA countries.							
<i>Source:</i> Statistics Sweden.							

at first slowly in the late 1970s and 1980s but then drastically in the 1990s (although a minor improvement can be discerned since the mid-1990s). It is not only a question of working in certain sectors or having low-qualified jobs to a greater extent than Swedish-born people; the main problem is that many of the immigrants, especially those from non-European countries, have no jobs at all.

Analysis

There are various sources that may explain why certain groups of immigrants, especially the recently arrived, face a precarious labour market situation. Due to a low education and/or a poor knowledge of Swedish,

immigrants may have lower productivity. Refugee immigrants may be suffering from war traumas that lower their capacity to work. Immigrants may be discriminated against by employers because of prejudices, but one also has to consider statistical discrimination. Statistical discrimination of immigrants occurs when (a) employers have correct but incomplete information about the applicant's individual productivity, and (b) it is more costly to obtain additional information on individual immigrant applicants than on non-immigrant applicants. For example, employers may have better information on the content of education obtained in Sweden than that obtained in a foreign country. In this case, dis-

crimination against individual immigrants arises from the fact that they are not given the opportunity to demonstrate their individual productivity. The fundamental assumption in the theory of statistical discrimination concerns risk-averting and cost-minimising recruitment behaviour on the part of employers. In this respect, statistical discrimination differs from the kind of discrimination that is based on employers not wanting to hire individuals from certain groups because of "preferences" for discrimination. Immigrants may also lack contacts with native Swedes that might be beneficial when looking for a job ("network contacts"). One reason for the lack of such network contacts is that immigrants of-

ten live in rather segregated residential areas.

There are systematic differences between the educational levels of non-Nordic and Swedish citizens who are registered at the PES. The share of non-Nordic citizens with compulsory schooling (or its equivalent) as their highest educational level is larger overall than the corresponding share of Swedish citizens (around 40% and close to 30%, respectively, in February 1998). For people of Asian or African citizenship, more than half have only the equivalent of compulsory schooling as their highest education. On the other hand, a larger share of non-Nordic citizens than Swedes have a post-secondary education (16% and 12%, respectively).⁴ It is also more common for non-Nordic citizens than for Swedish citizens to have a longer-lasting (at least three years) secondary education. People with Eastern European citizenship have the largest share with (at least) a long post-secondary education. Thus, it is not the case that non-Nordic immigrants in general have a lower educational level than Swedish citizens, although they are overrepresented in the group of jobseekers with at most compulsory schooling as their highest educational level.

During the economic upturn in 1994–1995, employers' recruitment standards rose markedly. Employers commonly required a high level of basic skills, which included basic knowledge of spoken and written Swedish. This has meant increased difficulties for immigrants with non-Nordic citizenship in finding jobs. But this is not the only ominous sign. Some groups of immigrants who have been residents in Sweden for a long time (and who may be naturalised Swedes) now face substantially worse labour market prospects compared to native Swedes. They immigrated to Sweden during a time when employment was high, and a large element of this immigration consisted of manpower immigration. Thus, it might be that immigrants lost their jobs to a greater extent

than native Swedes during the recession of the 1990s and that it is harder to firmly establish oneself in the Swedish labour market than was previously believed. Broomé et al. (1996, 1998) discuss the ominous development for immigrants in a context of "Swedish-specific" human and social capital, arguing that such capital has become more and more important in the post-industrial society and that this development is of greater disadvantage to immigrants than before.⁵

There may also be incentive factors that are likely to interact with other factors, such as segregated living and social exclusion among immigrants as well as certain groups of immigrants, especially refugees, having markedly worse physical and psychological health than native Swedes.

People who are not able to financially meet their basic needs independently have the right to receive social benefits. This is often the last resort for unemployed people who are not entitled to the income-related type of unemployment benefit for which certain work and membership requirements have to be met. In 1997, 403,000 households – corresponding to 8.5% of the population – received social benefits. Between 1990 and 1997, the number of Swedish citizens receiving social benefits for at least ten months almost doubled, but for individuals of foreign citizenship, the corresponding figure almost quadrupled. Recently arrived refugees have markedly longer periods on social welfare.⁶ The problem with recurring periods on social welfare is also much more severe for foreign citizens than for Swedish citizens.

The likely future trends look rather grim, especially for immigrants with a lower education level. Even if the general labour market conditions improve, this will not (other than marginally) benefit these people, because firms will continue to rationalise their organisations and the share of low-qualified jobs will continue to decrease. Given that language problems are seen as a major obstacle to

establishing oneself on the labour market, the results from the municipal measure "Swedish for Immigrants" (see below) are discouraging. Less than 50% of those who follow this course pass the final examination within two years of studies. There is no trend towards decreased segregated living, rather a trend in the opposite direction, and the same concerns the trends regarding social welfare. One factor pointing in a more positive direction, however, is the fact that it seems possible that ethnic discrimination is starting to be taken more seriously by employers (see below).

Policy measures

In 1975, the *Riksdag* approved a government proposal on the guiding principles for immigration and minority policy. The stated goals were "equality, freedom of choice and cooperation". Before 1975, there had been only a general welfare policy and rather restricted formal rights for foreign citizens. After 1975, specific policy measures targeted at immigrants were added to the general welfare policy, and certain formal rights for foreign citizens were extended. In 1986, a second major government proposal concerning immigrant policy was approved by the *Riksdag*. The stated goals were re-established and specified. The same year, an authority in the form of an ombudsman against ethnic discrimination, *Diskrimineringsombudsmanen*, was set up.

In December 1997, a third major government proposal was approved (with a few exceptions) by the *Riksdag*. Its goal is that immigrants are not to be seen as a special group just because they are immigrants. What

4 However, this is partly due to the fact that nowadays many guest students are on the national register in Sweden.

5 These reports form part of a migration project financed by the Swedish Center for Business and Policy Studies (SNS).

6 In the statistics for social benefits, an individual is termed "recently arrived refugee" up to three years after having obtained a residence permit.

is important is that all people are given equal rights and opportunities, independent of their ethnic and cultural background. The preferred term is "integration policy" rather than "immigration policy". A new authority with comprehensive responsibility for integration policy, the Swedish Integration Board (*Integrationsverket*), was established in 1998.⁷ According to the new integration policy, the measures targeting immigrants should be limited to the initial period in Sweden (2–3 years). After that, if necessary, general welfare policy measures should be activated.

Within the active labour market policy framework, during the fiscal year 1995/96 it was decided that the share of non-Nordic citizens participating in programmes should exceed their share of unemployed. However, during 1997–1998 their share in programmes decreased again, and currently their programme share approximately equals their share of unemployment. There are no labour market programmes that explicitly target immigrants, except that start-up grants can be extended by six months for foreign citizens. The most common form of labour market programmes for non-Nordic citizens is some type of employment training. Around 35% of non-Nordic citizens in programmes participated in employment training in February 1998 (which is a decrease compared to previous years).

In 1997, start-up grants and recruitment support were the two programmes exhibiting the highest share of non-Nordic citizens (as well as native Swedes) with regard to the percentages of participants having jobs 180 days after leaving the programme (cf. Table 2). For the whole period 1992–1997, where statistics are available for transitions to a job after programme participation, the trainee temporary replacement scheme reports the highest share (34%) of employed non-Nordic citizens 180 days after leaving the programme. Nevertheless, during 1992–1997, the average difference

between the percentage of non-Nordic and Swedish citizens who had found a job 180 days after having left any type of labour market programme⁸ was higher than 10 percentage units.

Every municipality is responsible for offering adult immigrants education ("Swedish for Immigrants") in the Swedish language and basic knowledge of Swedish society. This education was briefly commented upon in the previous section. The guiding principle for its length is an average of 525 hours, but the duration of the course can vary. There have been some evaluations of this measure, and the results indicate a need for improvement. For example, more than 25% of the teachers lack pedagogical education. Of those who started the measure in 1993/1994, only 37% had passed the final examination after an average duration of participation of 1.5 years. In 1995, 68% of the students were refugees. Many of them suffer from war trauma and separation and worry about what is happening now in their country of origin. Of course, it is very likely that this has a negative impact on the current capacity to concentrate and on learning ability.

A new law against ethnic discrimination in working life came into force in May 1999. The previous law (from 1994) was found to be relatively useless and in need of improvement in several respects. The major weakness of the old law was that the individual who claimed that he or she had been discriminated against on grounds of ethnicity was obliged to prove that this was the case and, in addition, that the discrimination had been deliberate. Since 1994, only one case of alleged ethnic discrimination has been brought to the Labour Court by a union (which lost the case). According to the new law, the rules against ethnic discrimination should be valid independent of any discriminatory intention on the part of the employer. Also, according to the new law, the employer is responsible for stopping

harassment of an employee on grounds of ethnicity.

As regards actions taken by the social partners, a general consciousness of ethnic discrimination is a rather new phenomenon. In November 1997, the main social partners agreed to request employers' organisations and unions to develop an increased ethnic multiplicity within their respective areas of activity. In April 1998, it was decided that all the main social partners shall establish a board with the purpose of supporting and following up the further development of ethnic multiplicity on the Swedish labour market. The board was established in July 1998. The chairmanship alternates between employers' organisations and unions on a six-month basis.

The public debate and conclusions

The scope of the Swedish debate on these issues is focused on the labour market prospects of – especially non-Nordic – immigrants (both those who have kept their citizenship as well as those who have become naturalised Swedish citizens), but also on their Swedish-born children. Ekberg (1997a) finds that the labour market situation for Swedish-born individuals with at least one foreign-born parent, who were older than around 25 years in the mid-1990s, is about the same as for people of the same age with Swedish-born parents. Thus, immigrants' children born before 1970 (approximately) seem to be quite well integrated into the Swedish labour market. There are very few Swedish-born persons of non-European descent born before 1970. For those who were born after

7 Another important authority, which existed before the new integration policy was agreed, is the Swedish Immigration Board (*Statens invandrarverk*), which is responsible for deciding on asylum cases, visas, work and residence permits and Swedish citizenship. Before the establishment of the Swedish Integration Board, it was also responsible for immigration policy.

8 Except programmes targeted at the disabled.

Table 2: Share of participants with jobs 180 days after having completed a labour market programme (in %)

Labour market programme	1992	1993	1994	1995	1996	1997
Recruitment support						
non-Nordic citizens	**	**	**	54	60	60
Swedish citizens	**	**	**	66	63	68
Start-up grants						
non-Nordic citizens	**	**	**	**	65	62
Swedish citizens	**	**	**	**	75	72
Temporary job-creation scheme						
non-Nordic citizens	12	10	13	13	14	19
Swedish citizens	18	17	24	22	22	29
Work-experience scheme (ALU)						
non-Nordic citizens	6	13	17	12	10	14
Swedish citizens	8	22	26	20	17	20
Trainee temporary replacement scheme						
non-Nordic citizens	25	24	28	34	43	50
Swedish citizens	39	36	42	45	51	57
Workplace introduction (API), etc.						
non-Nordic citizens	11	15	19	21	22	24
Swedish citizens	21	26	35	41	34	37
Computer workshops						
non-Nordic citizens	*	*	*	*	14	15
Swedish citizens	*	*	*	*	26	26
Municipal follow-up programme for youth (KUP)						
non-Nordic citizens	*	*	*	*	14	19
Swedish citizens	*	*	*	*	26	34
Employability institutes						
non-Nordic citizens	17	17	25	20	12	18
Swedish citizens	20	22	27	22	15	19
Employment training						
non-Nordic citizens	12	11	14	13	13	17
Swedish citizens	24	23	31	29	26	29
Labour market programmes ¹						
non-Nordic citizens	13	12	16	18	20	22
Swedish citizens	24	24	31	32	30	31
1 Business-cycle-related programmes, e.g. programmes targeted at the disabled, are not included.						
* The programme did not exist in this year.						
** Information not available.						
Source: National Labour Market Board (1998).						

1970, of which many are of non-European descent, the situation is markedly worse and more fragmented. Younger immigrants' children of Nordic origin are doing almost as well as children of Swedish natives, having just a slightly lower employment intensity and slightly higher unemployment, while younger immigrants' children of non-Nordic, and

especially non-European, origin are doing markedly worse. Schröder and Wilhelmsson (1998) find that the risk of being unemployed compared to be working for young people born in Sweden significantly increases if (at least) one of the parents was born abroad.

Evaluations and monitoring results of the impact of various policies on the

integration of immigrants are rather scarce. The Government Commission that wrote the report (SOU, 1996: 56) underlying the new integration policy stated that, despite a good supply of statistical information on immigrants in an international comparison, the Commission often found that relevant statistics are lacking or are compiled in such a way that results in comparability problems. The Commission thus presented some suggestions on how to improve the statistics. For example, in general it should become easier to present statistics based on the length of the period of residency of immigrants in Sweden.

So, how successful are the existing policies in counteracting the problems presented here? On the whole, it seems that the Swedish policy of integrating recently arrived immigrants on the labour market has not made a good job of counteracting the effects of the economic recession. Considering the depth of the recession, this may be a discouraging result, but it is not surprising. What is more ominous, though, is the fact that people who immigrated to Sweden in 1992 or earlier, and who thus have lived in Sweden at least for 5–6 years and sometimes much longer, have a markedly lower employment intensity than native Swedes. Hence, they seem to have been more severely affected by the recession. Another ominous factor is that even during the (mostly) high-employment years of the 1980s, a general deterioration, albeit slow, of the labour market situation for non-Nordic immigrants is discernible.

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United Kingdom

Introduction

This article focuses on *ethnic minorities*, rather than on *recently arrived immigrants*, as the bulk of the ethnic minority population has been resident in the UK for 30 or more years. The first upsurge of ethnic minority growth occurred in the late 1940s and 1950s, with large-scale immigration from the countries of the "New Commonwealth".¹ Most immigrants in this phase came from the Caribbean and settled in London and other inner-city areas, and these settlement patterns persist today. Immigration from the Caribbean peaked in the early 1960s, whilst that from India and Pakistan peaked in the late 1960s/early 1970s. Increasingly restrictive legislation to control immigration was introduced in the 1960s and 1970s, and the rate of immigra-

tion dropped considerably, until by the mid-1990s some 50,000 acceptances for settlement into the UK were granted annually, of which around half were from New Commonwealth countries (mainly involv-

ing spouses or dependants of British citizens). Despite falling immigration, the ethnic minority population has recently grown, as second and third generations have been born in Britain. The last census (1991)

Table 1: Population by ethnic origin: Great Britain, 1991

Ethnic group	Population (in 1,000s)	% of total population	% of ethnic minority populations
Black Caribbean	500	0.9	16.6
Black African	212	0.4	7.0
Other Black	178	0.3	5.9
Indian	840	1.5	27.9
Pakistani	477	0.9	15.8
Bangladeshi	163	0.3	5.4
Chinese	157	0.3	5.2
Other Asian	198	0.4	6.6
Other ethnic minorities	290	0.5	9.6
White	51,874	94.5	-
Total	54,889	100.0	100.0

Source: Office for National Statistics: Census of Population, 1991.

1 Former British colonies mainly in the Indian sub-continent, Africa and the Caribbean.

records just over 3 million people in Great Britain (5.5% of the population) as members of ethnic minorities. Of these, the largest group (Table 1) was of Indian origin, followed by those of Caribbean and Pakistani origins.

The labour market status of ethnic minority groups

Among the population aged 16+ (Sly et al., 1998), there were some 2.4 million adults in ethnic minority groups in 1997, amounting to 5.4% of the overall adult population and 6.4% of people of working age. The difference in these percentages reflects the fact that the ethnic minority population has a younger than average age structure. Ethnic minorities are regionally concentrated, with around 70% resident in four urban areas (Greater London, the West Midlands, Greater Manchester and West Yorkshire); less than a quarter of whites are resident in these areas.

Educational differences are often used to explain the labour market disadvantage of ethnic minorities in the UK. As Table 2 shows, however, this argument is hard to sustain at an aggregate level, since (with the exception of Pakistanis/Bangladeshis) there is little difference between the average educational level of ethnic groups and that of the white population. Indeed, among some minority groups, attainment exceeds that of whites.

Looking at economic activity rates, Table 3 shows important differences by gender and ethnic origin. For working-age women, Black Caribbeans and Whites have the highest rates, and Pakistanis and Bangladeshis the lowest (reflecting cultural and religious influences among the Muslim community). For men, the differences are smaller, although ethnic minorities have generally lower rates than whites, partly reflecting the younger age profile and the fact that ethnic minority youngsters aged 16–24 are much more likely than whites to remain in full-time education (Sly et al., 1988). These differ-

Table 2: Highest qualification by ethnic group: Great Britain (average 1996–1998)

	All people of working age (in 1,000s)	Higher qualification (above A-level) (%)	Other qualification (%)	No qualification (%)
All origins ^a	34,692	21	60	19
White	32,526	21	60	19
All ethnic minority groups	2,158	20	57	23
Black	616	21	61	17
Black – Caribbean	334	19	60	21
Black – African	219	27	61	12
Black – Other ^b	63	18	68	14
Indian	601	23	55	22
Pakistani/Bangladeshi	440	10	48	42
Pakistani	333	12	48	40
Bangladeshi	107	4	46	49
Other/mixed origins	501	23	61	16
Chinese	115	29	50	22
Other origins ^c	387	22	64	14

a Includes those who did not state ethnic origin.
b Excludes black-mixed.
c Includes all mixed origins.

Source: Labour Force Survey; Office for National Statistics.

ences may partly reflect a response to labour market disadvantage. On the one hand, if young people from ethnic minorities perceive labour market discrimination and high youth unemployment rates, delaying labour market entry may be preferable to a life on the dole. On the other hand, they may also have a stronger incentive to achieve higher level qualifications to improve their chances in a discriminatory labour market.

Employment rates for all ethnic minority groups are consistently lower and unemployment rates consistently higher than those of whites (Table 3). Again there is considerable variation between ethnic minority groups in this respect, with Indians having the lowest, and some of the Black groups the highest unemployment rates. Figure 1 shows that this disadvantage persists over time, and that the ratio of ethnic minority to white unemployment rates increased in the most recent recession (partly reflecting the regional pattern of job loss, affecting London particularly severely; Sly et al., 1998).

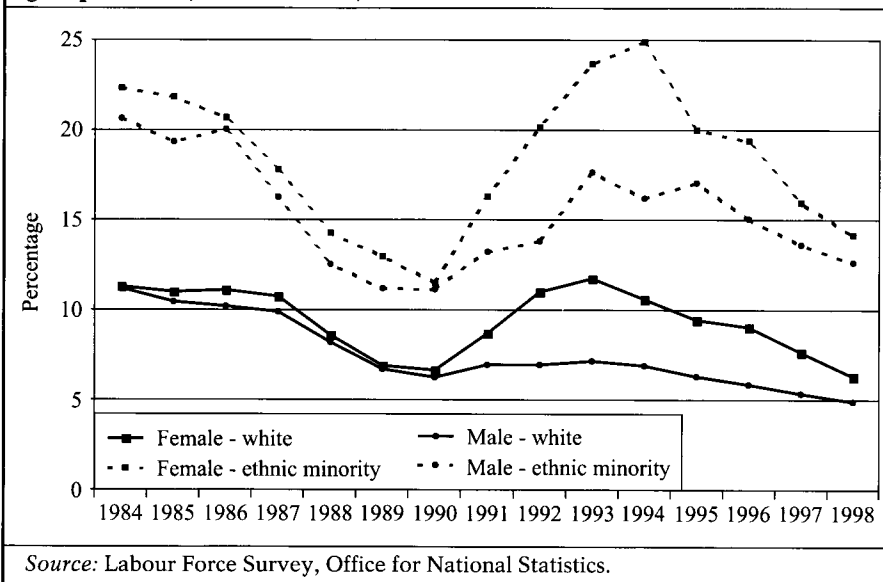
Table 4 confirms that unemployment rate differences are not associated with different levels of qualification or age profiles. Unemployment rates for both men and women from ethnic minorities are around twice those for white people with the same broad level of qualification, and this pattern is broadly consistent across age groups.

Employment patterns of ethnic minorities also differ from those of whites. In particular (Sly et al., 1998) minorities of Asian origin (Indians, Pakistanis/Bangladeshis and Chinese) have higher self-employment rates than whites, and most of the Black groups have much lower rates. In part (Madood et al., 1997) such differences reflect cultural factors and the relative strength of the small business community among Asians (these groups may also turn to self-employment within their own community in response to discrimination in the regular labour market).

At an occupational level (Table 5), the proportion of ethnic minorities in professional and managerial groups is the same as that among whites (al-

Table 3: Economic activity rates, employment rates and unemployment rates by ethnic origin and sex: Great Britain (average 1997*)

	Economic activity rate (%)	Employment rate (%)	ILO unemployment rate (%)
<i>Men and women 16-59/64</i>			
All origins ^a	78.7	73.2	6.8
White	79.5	74.4	6.4
All ethnic minority groups	67.0	57.0	15.0
Black	74.0	59.0	19.0
Indian	71.0	65.0	8.0
Pakistani/Bangladeshi	51.0	41.0	21.0
Other/mixed origins	66.0	57.0	13.0
<i>Men 16-64</i>			
All origins ^a	84.8	78.3	7.6
White	85.3	79.1	7.1
All ethnic minority groups	77.0	65.0	15.0
Black	80.0	63.0	21.0
Indian	81.0	75.0	8.0
Pakistani/Bangladeshi	72.0	57.0	20.0
Other/mixed origins	75.0	64.0	14.0
<i>Women 16-59</i>			
All origins ^a	72.0	67.7	5.8
White	73.2	69.1	5.4
All ethnic minority groups	56.0	48.0	14.0
Black	68.0	56.0	17.0
Indian	61.0	55.0	9.0
Pakistani/Bangladeshi	29.0	23.0	23.0
Other/mixed origins	57.0	51.0	11.0
* Spring 1997 to Winter 1997/98.			
a Includes those who did not state ethnic origin.			
Source: Labour Force Survey; Office for National Statistics.			

Figure 1: ILO unemployment rates of people aged 16 and over by ethnic group and sex, Great Britain, 1984-1998

though the proportion in semi- and unskilled occupations is slightly higher). At a more detailed level, however, the extremely high proportion of Indians and East Asians in managerial and professional occupations (nearly half of the men in these groups fell into these occupational categories) contrasts with the much lower rates among Pakistanis and Bangladeshis. Further, it is worth noting some important differences within the broad "managerial and professional" group. As Madood et al. (1997) point out, *all* ethnic minorities are seriously underrepresented among managers and employers in large establishments. While some minority groups are better represented in professional occupations and in self-employment than white people, there may nevertheless be a "glass ceiling" effect in major employing organisations which holds back all non-white groups.

Ethnic minority men are underrepresented in the primary sector (Table 6) but (compared with whites) overrepresented in the service sectors. Within the service sector (Sly et al., 1998), there are also significant differences; over 60% of male Bangladeshis and over 40% of Chinese males in employment work in the restaurant sector, compared with only 2% of Indian men and 1% of white men. Of male Pakistanis in work, one in eight is a cab driver or chauffeur, compared with the overall average of one in a hundred. 6% of Indian men are medical practitioners (ten times the national average). In all ethnic groups (except among Bangladeshis), women are more likely to work in services than men, but Indian and Pakistani women are twice as likely as other women to work in manufacturing, typically in low-wage, declining sectors such as textiles.

Finally, earnings (Table 7) are influenced by factors such as age, occupation and sector. Their young age profile and concentration of employment in low-paying sectors and occupations tend to depress ethnic minority earnings relative to white earnings. It is not, therefore, possible to

Table 4: ILO unemployment rates by highest qualification level, ethnic origin, age and sex; people of working age: Great Britain 1996–1998 (in %)

Age group & level of highest qualification held	Men		Women	
	White	Ethnic minority groups	White	Ethnic minority groups
<i>All 16–59/64</i>	8	16	6	14
Higher qualifications	3	9	3	7
Other qualifications	7	17	6	16
No qualifications	17	25	9	19
<i>All 16–24</i>	15	27	10	24
Higher qualifications	9	*	6	*
Other qualifications	13	26	9	24
No qualifications	32	43	24	49
<i>All 25–34</i>	7	16	6	15
Higher qualifications	3	9	2	8
Other qualifications	7	17	6	17
No qualifications	22	27	15	27
<i>All 35–59/64</i>	6	13	4	9
Higher qualifications	3	7	2	6
Other qualifications	6	13	4	10
No qualifications	12	20	6	12
* Sample size too small for reliable estimate.				
Source: Labour Force Survey; Office for National Statistics.				

draw strong conclusions from evidence of earnings differentials regarding the existence of wage discrimination. Whatever the underlying causes, the data nevertheless confirm that the disadvantage faced by ethnic minorities in gaining access to employment is reinforced by earnings disadvantages in employment.

Analysis

As we have seen, there is considerable diversity of labour market experience between ethnic minority groups in the UK. Indeed, there is often as much difference between the different ethnic minority groups in terms of the patterns of labour market participation, employment and unemployment, as between any of these groups and the majority white population. This diversity makes it difficult to draw general conclusions for “ethnic minorities” as a whole. Madood et al. (1997) stress this diversity and, summarising the results of a survey of ethnic minorities conducted in 1994,

they note the particular disadvantage of Pakistanis and Bangladeshis, whilst those of Caribbean and Indian origin are less seriously disadvantaged, and Chinese people and African Asians have reached a position of broad parity with the white population on many indicators.

Further, whilst certain ethnic groups (notably Pakistanis and Bangladeshis) exhibit considerable educational underachievement (reinforced by language and cultural factors), which contributes to their labour market disadvantage, it is also the case that differences in educational participation and qualification between the ethnic minority and white populations have diminished in recent years. As Madood et al. (1997) also note, this change has begun to feed through into employment patterns, although the persistence of unemployment differentials confirms that educational improvement has not by itself eliminated disadvantage. Indeed, these significant differentials, coupled with the “glass ceiling” effect excluding

non-whites from the top jobs, present strong evidence for the existence of widespread discrimination and suggest that the labour market disadvantage of ethnic minorities in the UK cannot solely be attributed to human capital differences.

Labour market policies

Main youth and adult training schemes

The U.K. government regularly monitors the participation of ethnic minorities in the main active labour market schemes and the “outcomes” (qualifications and employment) of their participation in comparison with white trainees. The main active measures are:

- “Work-based Training for Young People” (incorporating Youth Training and Modern Apprenticeships);
- “Work-based Training for Adults” (previously Training for Work).

In the youth schemes, ethnic minorities are slightly underrepresented in comparison with their population share, accounting for 6.7% of scheme participants in the largest scheme, “other training” (Table 8), compared with 7.4% of the 16–24 age group in the 1991 census (this share will have increased since 1991). This partly reflects greater participation in full-time education among ethnic minority youngsters. Striking, though, is the difference between the representation of ethnic minorities in Modern Apprenticeships (3%), the latter being employer-based and offering a route to higher-level vocational qualifications than the former. Low ethnic minority participation in the latter may reflect (actual or perceived) employer discrimination, but it is also possible that ethnic minority youngsters following training courses at NVQ Level III,² prefer to do so through full-time further education. In the adult

² Level III of the National Vocational Qualification (NVQ) system is an intermediate qualification, at sub-degree level, broadly equivalent to the achievement of two or more A-levels.

Table 5: Employees and self-employed by sex, ethnic origin and occupation; Great Britain: average 1996–1998

	Broad occupational group			
	All employees & self-employed (1,000s) (= 100%)	Professional, managerial & technical (%)	Skilled manual & skilled non-manual (%)	Partly skilled & unskilled (%)
<i>Men and women</i>				
All origins ^a	25,644	37	43	20
White	24,452	37	43	20
All ethnic minority groups	1,188	37	41	23
Black	363	32	43	25
Indian	383	42	36	22
Pakistani/Bangladeshi	163	25	47	28
Other/mixed origins	278	42	41	17
<i>Men</i>				
All origins ^a	14,162	40	42	18
White	13,473	40	42	18
All ethnic minority groups	687	39	40	21
Black	185	30	45	25
Indian	228	48	33	18
Pakistani/Bangladeshi	125	25	48	28
Other/mixed origins	149	46	39	15
<i>Women</i>				
All origins ^a	11,482	34	44	23
White	10,979	34	44	23
All ethnic minority groups	501	34	41	24
Black	178	35	40	25
Indian	155	32	41	27
Pakistani/Bangladeshi	38	26	46	29
Other/mixed origins	130	38	43	19
a Includes those who did not state ethnic origin.				
Source: Labour Force Survey; Office for National Statistics.				

schemes, at 15–16%, the share of ethnic minority participants is more than double their share in the population (consistent with the much higher unemployment rate among ethnic minorities).

The training outcomes achieved by ethnic minorities are generally worse than those of whites, especially for young people (Table 9). Ethnic minority trainees are less likely than whites to be in work or to have a qualification six months after leaving the scheme. In the adult schemes, the differences are less marked, but it remains the case that all ethnic minori-

ty groups have a lower probability of achieving employment than their white counterparts.

Although these schemes are not specifically targeted at ethnic minorities, it is worth noting that the eligibility requirement (six months of registered unemployment) for adult training is relaxed for people for whom English is a second language and who need assistance with their spoken English to enter employment – most such people will be from ethnic minorities (including recent immigrants). In addition, there is an incentive system for Training and En-

terprise Councils (TECs, which deliver the mainstream labour market measures) known as *Performance Related Funding* (PRF), whereby TECs which meet specific performance targets in a year (including targets to increase ethnic minority participation in training and reduce the gap in subsequent job outcomes) receive a funding bonus from central government.

The “New Deals”

Turning to more recent initiatives, the *New Deal for Young People* is the largest active labour market policy introduced by the current government. Participation is effectively compulsory for 18–24 year-olds with six months or more of unemployment. Following an initial “Gateway” programme (intensive counselling and guidance), participants face a range of options, including a subsidised job, environmental or voluntary work, or full-time education or training (without loss of benefit). The government places considerable emphasis on achieving a high level of ethnic minority participation, reinforced by ethnic monitoring and the involvement of ethnic minority organisations in the scheme. Under the full-time education and training option, those whose first language is not English are able to study for up to a year to improve their language skills and are eligible to join the New Deal on becoming unemployed.

Although no evaluation results are available, monitoring data (DfEE, 1999) for January to October 1998 show that 13% of scheme entrants are from ethnic minorities. The participation rate is higher than among the previous youth schemes, reflecting the wider age range covered by the New Deal and its compulsory nature. Ethnic minority participants are more likely than whites to remain in the initial “Gateway” stage of the scheme and less likely to grasp one of the employment or training options, perhaps reflecting a need among some ethnic minority participants for more intensive initial support. Finally, whilst full destination statistics

are not yet available, Table 10 shows that of those leaving the "Gateway", ethnic minority participants are significantly less likely than others to enter a regular (unsubsidised) job, and less likely to enter one of the options on the main part of the scheme. They are, however, more likely to leave for "other" destinations (including education and emigration), and it is more likely for their destination to be "not known".

The *New Deal for Long-term Unemployed Adults* (25+) is a recent measure (introduced in June 1998) which is considerably smaller than the New Deal for Young People. It shares, however, some of latter's design features, the main difference being that eligibility is confined to those with two years of unemployment (although again there are exceptions for certain groups, including people with English language needs). Monitoring data show that 8% of entrants are from ethnic minorities (less than the New Deal for Young People and the previous adult training schemes). Given the high rates of unemployment among ethnic minority adults, it is surprising that this figure is not higher, and it suggests that this New Deal has yet to achieve a proportionate representation of ethnic minority clients.

Other policies and initiatives for ethnic minorities

As well as main labour market measures, there is a range of other policies and legal structures which influence the position of ethnic minorities in the U.K. labour market.

Anti-discrimination legislation

The UK was one of the first EU countries to introduce legislation against racial discrimination, and the U.K. legislative framework remains the most extensive among Member States (Forbes & Meade, 1992). The main legal instrument is the Race Relations Act 1976 (RRA), which outlaws discrimination on the grounds of race, colour, nationality and ethnicity. Under the Act, both direct and in-

Table 6: Employees and self-employed by sex, ethnic origin and industry sector; Great Britain: average 1996-1998

	All employees & self-employed (1,000s) (= 100%)	Industry sector		
		Agriculture & fishing, energy & water & construction (%)	Manufacturing (%)	Services (%)
<i>Men and women</i>				
All origins ^a	25,644	10	19	71
White	24,452	10	19	71
All ethnic minority groups	1,188	4	17	79
Black	363	4	12	83
Indian	383	4	23	73
Pakistani/Bangladeshi	163	2	21	77
Other/mixed origins	278	3	13	85
<i>Men</i>				
All origins ^a	14,162	15	25	60
White	13,473	16	25	59
All ethnic minority groups	687	5	20	75
Black	185	8	17	75
Indian	228	5	25	70
Pakistani/Bangladeshi	125	2	23	75
Other/mixed origins	149	4	16	80
<i>Women</i>				
All origins ^a	11,482	3	11	86
White	10,979	3	11	86
All ethnic minority groups	501	1	13	86
Black	178	1	7	92
Indian	155	2	21	77
Pakistani/Bangladeshi	38	*	16	83
Other/mixed origins	130	1	9	90
a Includes those who did not state ethnic origin.				
* Sample size too small for reliable estimate				
Source: Labour Force Survey; Office for National Statistics.				

Table 7: Average hourly pay of full-time employees by gender and ethnic origin: Great Britain, 1994-1995

	GBP per hour		
	Males	Females	All
Black	7.01	6.71	6.88
Indian	8.01	5.75	7.12
Pakistani/Bangladeshi	6.87	4.78	6.43
Other ethnic minorities	7.70	6.66	7.32
White	8.34	6.59	7.73
Source: Labour Force Survey; Office for National Statistics.			

Table 8: Ethnic composition of entrants to national active labour market measures: England and Wales (October 1997 to September 1998)

Percentages of starts to programme	Work-based training for young people			Work-based training for adults (Training for Work)
	Modern apprenticeships	National traineeships	Other training (youth training)	
White	96	95	93	85
Black/African/Caribbean	1	2	3	8
Indian/Pakistani/Bangladeshi/Sri Lankan	1	2	3	5
Other	1	1	1	3
Total	100	100	100	100

Source: Department for Education and Employment.

Table 9: Work-based training for young people and adults; destinations and characteristics by ethnic origin of trainees; England and Wales

% achieving specified outcome	Work-based training for young people – other training		Work-based training for adults (Training for Work)
	In a job	Gained qualification	In a job
White	66	53	45
Black/African/Caribbean	40	46	40
Indian/Pakistani/Bangladeshi/Sri Lankan	44	48	43
Other	52	48	40

Note: The statistics are based on scheme-leavers during April 1997 to March 1998, who were then surveyed after six months (i.e. October 1997 to September 1998).

Source: Department for Education and Employment.

Table 10: New Deal for young people, leavers from the "Gateway", January to October 1998 by immediate destination (in %)

	Ethnic minorities	All New Deal participants
Unsubsidised employment	25.6	30.1
New Deal options	33.9	38.5
Transfer to other benefits	5.3	7.4
Other	10.2	6.3
Not known	24.5	17.8
Total	100.0	100.0
Absolute numbers	13,100	109,400

Source: Department for Education and Employment.

direct discrimination in recruitment and employment are illegal (positive action in favour of particular racial groups is also outlawed). Recent statistics show that around 2,000 cases under the RRA are registered at Employment Tribunals annually, be-

tween 6% and 10% of which result in a judgement against the employer. The Act also established the Commission for Racial Equality (CRE), with the duties of: working towards the elimination of discrimination; promoting equality of opportunity and

good relations between different racial groups generally; and reviewing the working of the Act.

Employers' equal opportunities policies

In 1984, the Commission for Racial Equality (CRE) introduced a *Code of Practice* for eliminating racial discrimination and promoting equal opportunities in employment. The Code is legally enforceable (i.e. admissible in evidence in proceedings under the RRA). Subsequent initiatives include a range of advice and guidance for employers in adopting race equality policies. Whilst there is no robust evidence on the impact of such initiatives, a measure of progress is indicated by a CRE survey in 1993–1994 (CRE, 1995) showing that nine out of ten companies with over 7,000 employees had a policy covering racial equality.

Local, sectoral and group-specific initiatives

There is a myriad of locally based initiatives, delivered through TECs, voluntary and community organisations, local authorities and others. Such initiatives may have a purely labour market focus on training and employment opportunities, or they may be part of wider "community development" initiatives (DETR, 1998) tackling issues of cultural and economic development, business start-up, housing and social deprivation in ethnic minority communities. Given the diversity and small scale of these initiatives, it is not possible to provide a comprehensive overview, and no systematic evaluation is currently available. The literature does, nevertheless, contain a range of *examples* of such initiatives. Thus, a recent study (TEC National Council, 1999) examines case-study examples of local initiatives by TECs to improve equal opportunity in the labour market. Some initiatives focus specifically on ethnic minority groups (although others with different target groups, e.g. ex-offenders, also include high propor-

tions of ethnic minority participants).

As well as initiatives targeted at ethnic minorities in general, there are a number of initiatives (often funded by the Home Office) aimed at *refugees and asylum-seekers*. As pointed out in a research review (Carey-Wood, 1995) of such initiatives, they are often targeted at areas other than employment and training (such as housing, education, social support), but the research review identified in 1992/93 some 34 employment-oriented refugee projects, including general purpose employment training, small business support and English language training.

Recent government initiatives

The new government has placed a strong emphasis on racial equality issues in its employment policies. In addition to the introduction and extension of ethnic monitoring in main labour market measures as well as an emphasis on the needs of ethnic minority communities in specific measures targeted at other groups (e.g. lone parents; see DSS, 1998), recent ministerial speeches have stressed the need for employers to tackle discrimination in employment (DfEE, 1997). In September 1998, the government announced the establishment of a new advisory body (the *Race Employment and Education Forum*; DfEE, 1998), consisting mainly of prominent members of the ethnic minority communities and their representative organisations, as well as social partner representatives, to advise the government on improving employment opportunities for Black and Asian people.

Concluding remarks

The persistence of racial discrimination is a potent element in the public debate in the UK, and the U.K. government has stated its commitment to tackle discrimination in employment as well as in other areas of economic and social life. Increasingly, race equality is seen by policy-makers as a mainstream equal opportunity issue. As the data presented in earlier sections confirm, however, despite recent progress in some aspects of ethnic minority employment, there remains considerable scope for improvement.

Whilst future trends are hard to predict, it is clear that the share of the workforce accounted for by ethnic minorities will increase (due to the age structure of the population), and it is likely that the continuing reduction in the educational differentials between the white and non-white populations will erode the latter's labour market disadvantage. Drawing on existing evidence (Maddood et al., 1997), however, it seems likely that further progress will also be heavily dependent on appropriate policy intervention. Key areas for such intervention are likely to be:

- stricter enforcement of general anti-discrimination legislation;
- measures to tackle the "glass ceiling" facing all ethnic minority groups in accessing jobs at the highest level;
- targeted measures to reduce the polarisation within the ethnic minority communities and alleviate the educational and other disadvantages facing particular groups

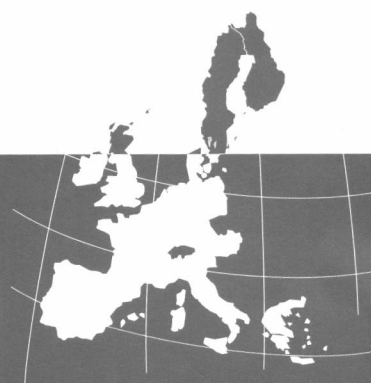
who have not shared in the general improvement in ethnic minorities' socio-economic status (this applies in particular to Bangladeshi and Pakistanis, as well as young Caribbean males).

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European Employment Observatory



The aim of the European Employment Observatory is to promote the multilateral exchange of information on labour markets and labour market policies between EU Member States and to produce and disseminate quality analyses and research on relevant issues for employment and labour market policy.

The European employment strategy adopted by the European Council in Essen in December 1994 imposed new demands on the Observatory. In particular, it is expected to contribute effectively to the task of monitoring the progress of labour market reforms that are in line with the common strategic goals. Following the changes introduced in 1996 to cope with these new challenges and tasks, the Observatory now consists of two networks: MISEP (Mutual Information System on Employment Policies) and SYSDem (System of Documentation, Evaluation and Monitoring of Employment Policies) and a new RESEARCH advisory group.

The main products of the networks, which consist of members of the national labour market administrations (MISEP) and independent researchers (SYSDem, RESEARCH) and are administered by a common secretariat, are the following:

inforMISEP Policies

This series reports four times a year on recent labour market policy developments in Member States. Following a summary drawing on the five recommendations for an integrated European employment strategy, the main section of "Policies" consists of the national reports supplied by the correspondents. Since 1993 "Policies" has also included a longer article ("Focus"), which is the responsibility of the Secretariat; "Focus" discusses a labour market or employment policy-related topic and often extends to non-Member States.

Basic Information Reports

These are comprehensive national reports on all EU member countries. They are updated every two years and report on public labour market institutions (ministries and employment services), the statutory bases for labour, labour market and employment policies and, in particular, "active" and "passive" labour market policy measures; details of information and research institutions dealing with employment policy are also provided.

Tableau de bord

The "Tableau de bord" is a synoptic overview of the labour market and employment policy measures implemented by the Member States, classified according to the five policy areas recommended at Essen.

Trends

This main product of the SYSDem network appears twice a year and provides a comparative and in-depth overview of selected policies and developments in the labour markets of the Member States.

RESEARCH report

An annual report is to be published by the RESEARCH network in the form of a study of a selected labour market or employment policy topic.

Electronic Documentation System

Large parts of the information contained in the publications are also available on CD-ROM, the ERSEP (Electronic Retrieval System on Employment Policies) database, and are accessible via Internet <http://www.ias-berlin.de>.