

**Title:** The socioeconomic mobility of immigrants in Spain 1991-2001: Progress or stagnation?

Spain, a country of emigration until the 1970s, has become a receiving country in the last twenty years. The number of foreigners increased from 200,000 in 1981 to 500,000 in 1996 and up to over 2.5 million in January 2003. With an inflow of 672,000 foreigners in 2003, Spain is currently the main receiving country of Europe (OECD, 2004). Immigration has therefore experienced a rapid and accelerated growth. In addition, the origins of immigrants have diversified: while most immigrants came from other countries of the European Union and from Northern Africa at the early stages of the immigration process, the number of immigrants from Eastern Europe, Latin America and Sub-Saharan Africa has increased significantly in the last twenty years.

Descriptive studies have shown that immigrants, though not necessarily less educated than natives, occupy mostly unskilled positions in a limited number of sectors – domestic service, agriculture, construction and hotel services- and, with exceptions, are employed more often under temporary contracts than natives (Garrido and Toharia, 2004; Carrasco and others, 2003). As expected, differences among origin groups are strong. Not only do those coming from other developed countries fare relatively better than natives in terms of occupational status, while those from developing countries and countries in transition fare relatively worse, but the economic sector in which they are employed and thus their place of residence (urban/rural) differ significantly. In addition, the spatial and economic concentration of immigrants of a given origin is strong.

However, at this early stage of the process, the socioeconomic dynamics of different groups of immigrants are largely unknown. Questions related to the integration and occupational mobility of the immigrant population –namely: Has the socioeconomic situation of immigrants improved over time? Do different groups of immigrants fare similarly and how do their trajectories compare to those experienced by natives? Are socioeconomic paths influenced by residence (urban/rural, region)?- have not been explored. While some of these questions have been answered in the context of countries with a longer tradition of immigration, little is known about the immigrants' fate in the new immigration countries of Southern Europe. In Spain, the existing information has not been used for the study of processes that take place over time, including integration. Yet the socioeconomic dynamics of the first generation of immigrants can now be examined for a significant number of individuals of diverse origins.

The purpose of this paper is to study the socioeconomic mobility of immigrants between 1991 and 2001 and to examine the influence of a number of factors, including length of residence, national origin and destination region, on their labour market situation. Given the country's cultural diversity and the marked economic and demographic differences among regions and areas, geographical aspects bear a particular meaning in Spain. We examine successive arrival cohorts of immigrants from selected origins in Africa, Latin America, Eastern Europe and the European Union, and compare them to natives. The analysis is based on microdata from the 1991 and 2001 Spanish population censuses, which contain extensive information on the socioeconomic and

demographic characteristics of immigrants. Results from the 2001 census having just been released, trends over time can now be observed for the first time for a significant number of individuals.

Economists and sociologists have offered various explanations for the persisting socioeconomic disparities between immigrants and natives. The early economic work in this field is grounded in human capital models that predict that, given a certain human capital, individuals from diverse origins have relatively similar opportunities to succeed. The classical versions of the theory suggest that the over-representation of non-natives in the lower strata of the economy is a consequence of their limited education and labour market skills (Borjas 1985; Hirshman and Wong, 1986). Some of the early empirical studies conducted in the United States offer an optimistic picture, predicting over-achievement of those of non-native origin, in terms of occupational status and earnings, due mostly to their stronger investment incentives and self-selection in terms of abilities and motivation (Chiswick, 1978; Carliner, 1980). More recent studies question the soundness of these outcomes on the grounds that they were based on one single set of cross-section data and did not take into account possible socioeconomic differences among immigrants of different arrival cohorts (Borjas, 1994 and 1999). Recent longitudinal studies in the sociological literature find what has been defined as “segmented assimilation”: that socioeconomic integration patterns are ethnically/culturally diverse and that, in some instances, integration entails socioeconomic stagnation.

Based on this framework, we start our paper by comparing selected socioeconomic characteristics of immigrants –occupation, employment situation and education- by duration of residence (period-of-arrival cohorts) in 1991 and in 2001. We then conduct logistic regression analyses to measure the influence of origin and length of residence, among other, on the labour market situation of individuals in a cross-section perspective –that is, using 2001 census data-, while controlling for other socio-demographic characteristics. We analyze three aspects of the labour market situation of immigrants in 2001: occupation, employment situation and type of contract. While the use of successive censuses is necessary to describe trends and separate time from cohort effects, the individual-level analysis that follows allows us to control for the effect of the economic circumstances of the moment and for the socio-demographic composition of different groups. We add on to the existing literature in two ways. First, we analyze the process for the first time using more than one set of cross-section information in one of the new immigration countries of Southern Europe. Second, we contrast the effect of origin for various cohorts and in different socio-cultural settings.

Our preliminary findings indicate that the socioeconomic characteristics of immigrants improved over these ten years for selected groups but did not change significantly, and even regressed, for others. Namely, the proportion of individuals born in the European Union in skilled, non-manual positions increased between 1991 and 2001; their progress is similar to that experienced by the native Spanish population. However, the proportion of individuals born in selected Latin American and Eastern European countries in unskilled, manual positions at the bottom of the occupational scale

grew among individuals of certain arrival cohorts. Expected results of the logistic regression analyses are that occupational mobility is segmented; even when controlling for education and other socio-demographic characteristics, it is likely that individuals of diverse origins will fare differently in the labour market. That is, length of residence may not be a systematic condition for improvement of the labour market situation of immigrants. The possible reasons for the observed paths are discussed in the paper. We emphasize the role of non-observable factors that may influence cohort quality.

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