

## Families, a burden or a support for immigrants?

### • THEORETICAL AND POLITICAL RELEVANCE

A social cost and benefit argument is always around the public debate on immigration. As the national-origin-mix of new immigrants' waves is shifting towards a less developed profile, fears about the economic consequences of immigration spread out. Despite the demand of non-skilled labour in most industrialised countries, new immigrants are viewed as a potential economic charge in the long term. Further, these fears are intensified because of the conviction of later links in the immigration chain<sup>1</sup> tend to be relatively unskilled and, consequently, more welfare dependent. In principle, the pool of tied migrants (those people that migrate not because they found it worthwhile in economic terms, but because a relative has migrated before him/her) is expected to include some persons who are not as well suited for the labour market of the host country as first movers.

Most studies on the socio-economic assimilation of immigrants provide some empirical support to the mentioned fears, showing a substantial wage gap between immigrants and non-immigrants comparable workers. However, the literature on the economic assimilation of immigrants has important flaws that render incomplete and, maybe, wrong some of its conclusions. In the following pages, I will try to highlight these flaws in order to remark the interest of my research.

### Literature review on labour market integration (LMI) of immigrants

**Labour force participation** and **earnings** have been the two fundamental metrics used for assessing the economic performance of immigrants. The first one informs us about the success of immigrants in their integration into the host labour market and the earnings is used as an indicator of economic well-being. The assessments are generally made by reference to comparable natives; so the activity/employment gap and the wage gap between immigrants and natives are the metrics used for evaluating the labour and economic progress among immigrants.

For a long time, economists dominated the research in this field. They used the **theory of "international transferability of human capital"** to explain the initial wage gap between natives and immigrants. The more different are sending and receiving countries regarding level of development, language and labour market structure, the larger the earnings gap upon the arrival. However, this initial gap is expected to decrease with the time of residence/years since migration (YSM) in the host country, as the immigrant invests in specific human capital of the host country, learns the language and adapts his/her original skills to the requirements of the new labour market.

Besides, the speed of assimilation (the time needed to reduce the initial earnings gap) is also likely to vary with:

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<sup>1</sup> As Borjas underlines "even if immigration policy (does) not specifically encourage chain immigration, economic factors are at work that would nevertheless generate this type of migration flow (Borjas, 1990: 177).

- a) migration motive (labour/economic migrants are expected to assimilate faster than asylum seekers, refugees or family immigrants), and
- b) expected duration of migration or immigrant's plans regarding to the return to his/her home country (permanent migrants are expected to assimilate faster than temporary migrants).

**Summary of the available evidence.** A relatively wide wage gap (between 9 and 23 percentage points in Germany; between 13 and 21 in Italy, etc...) is usually found, after controlling by socio-economic characteristics of individuals. The **country of origin** and the **migration motive** (distinguishing between **economic** and **political** migrants, rather than between economic and family migrants) have a strong influence on the labour market performance of immigrants. Contrary to the assimilation expectations, little and slow wage convergence takes place. Results are relatively similar among countries, although some divergences must to be remarked:

- 1) The same national group may face different economic fate in different countries (for instance, immigrants from the former Yugoslavia obtain higher wages than Turks in Germany, but lower in Austria). So, despite they are often neglected in the analysis, the host countries' institutional arrangements (immigration policies generating different immigrants' profiles, for instance) matter.
- 2) The earnings gap is never completely explained by observable differences (60% at best); besides, a substantial share of the explanation is provided by the variable "country of origin". This implies that there are strong group-specific effects and that other explanations beyond "human capital transferability", as discrimination, ethnic economies and so on, should be considered.
- 3) There is no consensus about the effect of admission criteria on economic assimilation. In principle, those who migrated because of family reasons are expected to obtain lower wages than economic migrants. In fact, some empirical studies support that expectation (Winter-Ebner, 1994, for Austria). The usual explanation is the -assumed- lower "quality" of migrants admitted by family reunification criteria. Yet reputed economists like Borjas conclude for the US "the empirical evidence, therefore, is unequivocal. The first link in the chain is less skilled than subsequent links" (Borjas, 1990:195, for the US). In particular, Borjas affirms that family immigrants/tied movers originating in countries with high levels of income inequality will be more skilled and have higher earnings than the flow of first movers.

### Critical assessments

Considering the available evidence, several critical assessments can be made on the empirical study of immigrants' socio-economic position:

- It has been, almost exclusively, male-focused (women were assumed to migrate mostly under family-reunion provisions and to keep themselves out of the economic activity). Many authors, both economists and sociologists, have recently pointed out that women's contribution to family earnings creation is crucial for immigrants. For instance, in Canada, the share of the family earnings contributed by women is larger in immigrant families than in non-immigrant families and the trend is toward a still greater role for the immigrant wife in the earnings creation of the family (Worswick, 1996: 392-393). Further, even when immigrant women are mainly housewives, they often earn a wage at home, working in the informal economy (Light, 2000: 135; Raijman and Tienda, 2000: 296). So a complete account of immigrants' economic standing has to include women's role.
- Consequently, it has been dominated by an individualistic orientation that prevents to consider "families/households" as the adequate analytical units. So, very few researches pay attention to how different patterns of cooperation among family members may make better the economic position of immigrants, generally trapped in low-wage jobs.

- As a consequence of using data official data (census-type), gains derived from multiple job holding and informal activity are never taken into consideration, despite both are very common among immigrants.

The necessity of exploring these three interrelated issues (women-households-informal economy) to get an accurate view of the economic performance of immigrants at the receiving societies is evident. As the immigrants' flow consolidates, an emphasis on male earnings becomes clearly inappropriate in explaining immigrants' economic situation. Immigrants are usually disadvantaged groups in the labour market, so the economic contributions of other family members, especially women, are vital for survival. In fact, "family arrangements are of crucial importance to the comparative understanding of economic outcomes among diverse groups" (Light, 2000: 132).

## • RESEARCH QUESTIONS

Thus, my interest is focused on the relationship between family/household structure and socio-economic stand of immigrants' groups. I am thinking on the following battery of questions:

- 1) How different types of family migration condition the labour behaviour of immigrants? How the family-reunification process changes immigrants' strategies towards the labour market?
- 2) Is the family an economic charge or a resource/support for immigrants? Do family members help the socio-economic mobility of its members? How? Thanks to the entitlement of welfare benefits, allowing for additional training, providing additional market-income?

Maybe these questions imply potential different researches, but the ideas are still too mixed in my mind, so comments and suggestions are welcome.

### • Household structure, labour activity and economic situation

There are many reasons to think that family may become a charge for immigrants, regarding their labour and economic position. For instance, some of the major advantages that immigrants have with regard to the labour market is their inclination towards geographical mobility, being prone to move wherever jobs are offered often shelters immigrants from long periods of unemployment. Besides, they are often willing to compromise wages or to accept jobs for which they are overqualified. Yet, all these advantages are likely to disappear when the immigrant does not live alone (for instance, to move two, three or more persons is always harder than to move only oneself). So family could make more difficult to get a job for immigrants workers.

On the contrary, there are arguments to view family as a crucial support as well. Through a division of labour strategy, family might make easier investments in human capital (language, occupational training, etc), might boost self-employment as an alternative to wage labour, might provide additional income thanks to secondary wage earners, etc<sup>2</sup>.

Immigrant households, as native ones, according to their labour activity, might be classified as follows:

1. [Typical] Male bread-winner household
2. [Atypical] Female bread-winner household
3. Dual-earner household
4. Extended family with more than one head

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<sup>2</sup> For the US, different studies have found a positive correlation between marriage and incomes, rates of self-employment and on-the-job-training (Gold and Light, 2000: 136-137).

Granted that immigrants are usually employed in low-wage jobs, types 3 and 4 are likely to perform better in economic terms, since a dual-earner structure allows for an additional income and to diversify risks. However, this hypothesis seems quite self-evident so the most interesting issue will be to analyse the different (economic) roles that different members of the households assume, in particular women and sons. Further, I would like to connect these different roles with the gender characteristics and the migration pattern of the groups.

- **Gender and migration pattern**

I would like to analyse to what extent different patterns of family migration influence the economic prospects of immigrants at the host country. By "**different patterns of family migration**"<sup>3</sup>, I mean the variations in family arrangements with regard to "who goes first" and "the order in which the tied movers are joining the first mover".

According to the migration pattern and gender characteristics, immigrants might be classified as follow:

1. Singles (male-female)
2. Married with family in the country of origin (male-female)
3. Married with family in the host country: an immigrant family.
  - 3.1.1 Simultaneously migrated (the entire family altogether)
  - 3.1.2 Traditionally reunified (a male first mover)
  - 3.1.3 Atypically reunified (a female first mover)
  - 3.1.4 Created at the host country

Following this typology, several comparisons might help us in understanding the importance of gender, family and migration patterns' characteristics on the socio-economic position of immigrants:

- 1 and 2: to measure the effect of marriage on the economic situation. 1 is expected to enjoy a better position in the host country than 2, because the latter will have to sacrifice a substantial share of his/her wage for remittances. However, as far as "family" has a wide meaning for many of the national groups that we are dealing with, this hypothesis may be wrong.
- 2 and 3: to measure the effect of family. 3 is expected to perform better than 2 because a) it has the possibility of constitute a dual-earner household which allows one member of the family to compromise wages in exchange of career prospects and investments in human capital, and b) it is more likely to qualify for welfare benefits.
- Different types of immigrants' family (4 categories within 3): to measure the impact of the family-reunification process on the economic performance.

Initially, I intended to focus my research on the last type of comparison. However, after the EPIC meeting, I realised that the most interesting question lays on the role of women within households. So the comparisons should be done not at the household level but at the individual level. At the present moment, I am reformulating some of my initial intuitions and hypothesis.

- **Research Design**

This part of the proposal is completely dependent on the availability of data. Initially, I had rejected the idea of carrying out a quantitative research because I did not find the adequate data base. Yet , during the last week I have received some information about some data bases in Denmark, Sweden and UK that maybe could fit my research interests. So, at this moment, I am checking this new possibility. I hope to have the definitive answer in a few weeks.

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<sup>3</sup> I am assuming permanent immigrants because after family reunion most of immigrants become permanent immigrants.